Augmented Reality: Where Physical Meets Digital

6 IDEAS MARKETERS SHOULD VET

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Augmented Reality: Where Physical Meets Digital

Pokémon Go captured the world’s collective imagination — reaching across age, gender, and geographic boundaries to engage an unprecedented number of people in a location-based augmented reality (AR) experience. Even more exciting than catching a rare Mew Pokémon (to marketers at least) is how this global phenomenon has demonstrated an increasingly viable consumer appetite for AR experiences.

By bridging the gap between the physical and digital worlds, AR enables the creation of never-before-realized, location-driven, personalized consumer experiences at scale.

The confluence of mobile technologies and consumer behavior has created optimal conditions to push augmented reality into the mainstream. AR technology allows marketers to superimpose digital content and interactivity over the real-world, real-time view seen through the camera lens on a mobile device. While the technology has been around for a while, a lack of maturity and cost constraints have restricted use cases. However, the time has come for marketers to recognize the opportunities that AR can deliver. By bridging the gap between the physical and digital worlds, AR enables the creation of never-before-realized, location-driven, personalized consumer experiences at scale.
Consumer expectation will push companies to digitally enhance in-the-moment experiences. Companies from all verticals — retail, entertainment, automotive, travel, finance and B2B — will need to offer relevant information and helpful functionality using the power of AR. Every point of contact with the consumer will provide a contextual opportunity for deeper engagement:

- **An art museum could provide information on individual artists and related items for sale in the gift shop.**
- **A hotel could deliver a virtual tour of their facilities, complete with real-time updates on personalized amenities and upcoming events.**
- **A boutique could offer a virtual dressing room that allows shoppers to match accessories to an outfit without ever leaving the showfloor.**
- **A restaurant could display a virtual menu, perhaps with coupons, to passersby.**
- **A cosmetics company could give virtual makeovers.**
- **An interior design company could show how a room could be transformed with new paint colors.**

We are standing on the edge of an evolutionary tipping point for marketing, on the other side of which exists a new breed of immersive, hyper-connected, location-based brand experiences. To take full advantage of the market disruption created by these new technologies, marketers need to evolve. They need to carefully consider how an AR-enhanced consumer experience might support specific business goals and provide a competitive edge. It’s time for forward-thinking marketers to adopt an AR-friendly mindset and acquire a working knowledge of the technology … or get left behind.
6 Ideas Marketers Should Vet

Success with augmented reality requires more than technical expertise. Companies that excel at AR will be the ones that dig deep to gain a well-defined understanding of their purpose, audience (identity and intent), and local/mobile opportunities that exist in an expectation economy powered by data.

/ 1 / UNDERSTAND YOUR BRAND PURPOSE

In the post-digital world, where the boundaries between digital and in-person experiences are blurred, it is increasingly critical for companies to clearly and consistently articulate their purpose: What do they want to achieve for consumers? What do they offer that is unique, refreshing, or new? Accurately mapping brand purpose to location-specific consumer intent will be the determining element of a solid AR strategy.

Thought-starters:

- What does your brand offer that is unique, refreshing, or new?
- How can you map brand purpose to location-specific consumer intent?

Accurately mapping brand purpose to location-specific consumer intent will be the determining element of a solid AR strategy.

THE MOBILE REVOLUTION CONTINUES:

- 50% of all Millennials check their smartphones every fifteen minutes.
- People search more on smartphones than any other device.
- All smartphones can facilitate an AR experience with a digital camera, GPS, and notification features.
- Consumers are more willing to share personal data in exchange for a perceived benefit.
REALLY KNOW YOUR AUDIENCE

Gender split and age range don’t cut it when it comes to creating a winning AR experience. Aggressive players in the AR space must insist upon data that provides in-depth insights into customers’ engagement with social trends, content format preferences, messaging affinities, lifestyle choices, and more.

Thought-starters:

- What are consumers doing in real time?
- What resources can you tap to get to know your customer better?
- What is your customer’s biggest pain point and how can you solve it?

IDENTIFY MOBILE OPPORTUNITIES

Bringing it back to the basics, augmented reality is about adding a virtual layer to a real-world experience. To ensure relevance, marketers need to deliver location-based value. Done right, AR adapts to the user’s immediate environment to engage consumers in conversations and transactions that deliver exactly the right content at exactly the right time and place. Think about anticipating the consumer’s every need.

Thought-starters:

- How can you anticipate the consumer’s every need, especially on mobile?
- Can you use today’s mobile technology such as precise geo-tagging and geo-fencing, beacons, RFID, data management and visual technology to improve your customer experience?
YOUR BRAND IN THE EXPECTATION ECONOMY

What is the expectation economy? Today’s more discerning and demanding consumers (and soon all consumers) are easily bored and quickly underwhelmed. They expect higher quality, faster delivery, and — most importantly — a seamless and personalized experience. Consumers don’t adjust their expectations based on brand, company, or even industry, so everyone is measured against the high bar set by the most sophisticated companies. More than brand, price, or longevity, companies will now be judged on their ability to create hyper-relevant interactions that blur the boundaries between brand, e-commerce, and technology. The expectation economy is defined by the customer, driven by data, and designed to reward companies that connect with their customers in more meaningful ways.

Thought-starters:

- What kind of experiences do your customers expect? Look outside your own industry for inspiration.
- What do your customers value most — speed, accuracy, innovation, quality, exclusivity, connection, etc.? How can you weave these attributes into a branded AR experience?
- Where are the opportunities to connect with your customers in a more authentic and purposeful way? Who or what is most important to them? How can you make a real difference for them?

CONSIDER PROXIMITY RELEVANCE

Let’s give appreciation to the keyword, and also acknowledge its slow decline. After decades of operating based on keyword relevance, leading marketers are shifting their focus to proximity relevance — how relevant a brand interaction is to a consumer based on real-time location. This shift is influenced by how emerging mobile
technologies like wearables and voice search are changing consumer behavior and expectations. EMarketer predicts that by 2019 consumers will perform more than 140 billion local searches in the US alone, each one representing a query with geo-relevant intent. Today, local proximity is a critical part of the answer engine. Two years from now, it will be the integral part of app-guided decisions, and by 2020 it will be the core element of digital personal assistants. More than ever, relevance is defined by where a consumer is, so companies need to improve their location-based experiences.

Thought-starters:

- Which real-world locations increase your brand’s relevance in the consumer’s mind?
- How can you use AR to extend your location-based interactions beyond local search?
- How precise are your geo tags? There’s a big difference between a geotag that puts a potential customer near your store and a geotag that puts that same person inside your store.

/ 6 / YOUR DATA POWERS AR

Programmatic refers to a marketing approach that uses data and technology to drive performance. The power of data explodes when we apply learning algorithms to automate the delivery of personalized, proximity-relevant content.

Though not yet standard issue, Data Management Platforms (DMPs) are a required part of the digital marketing arsenal for companies that hope to create successful AR experiences. At their core, DMPs create a single source of customer insight by aggregating first-, second-, and third-party data. This data can then be segmented
based on a custom taxonomy, enabling hyper-specific targeting and advanced tactics like historical analysis, lookalike modeling, and predictive modeling. All of this data aggregation and analysis gives marketers a much greater ability to reach consumers through spot-on creative and messaging that is customized to their journey, physical location, and device.

It’s important to realize that as the industry moves toward new buying methodologies, marketers’ ability to take advantage of these powerful tools will be constrained by the limitations of their tech stack. The performance potential of programmatic is almost unlimited, but can only be tapped through a sophisticated DMP.

**Thought-starters:**

- Which customer data are you already collecting?
- Which questions would you like to answer about your customers, and which data would you need to answer those questions?
- Where in your customer journey can you find untapped opportunities to collect valuable customer data?

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The Augmented Reality Opportunity

Industry analysts recently reported that augmented and virtual reality companies closed funding rounds totaling a record-breaking $2 billion dollars over the twelve months ending June 30, 2016. Clearly, Pokémon Go is just the beginning. The use of AR in brand marketing will likely be mainstream in one or two years, meaning that it’s definitely not too early for marketers to start developing the data assets they’ll need to power a proximity-relevant AR strategy.

With the right brand vision, audience insights, data, and technology infrastructure, companies can leverage AR to deliver the kind of seamless experiences that today’s savvy (and demanding) consumers expect. By reducing friction in brand experiences and by making it easier for people to find and try products, make decisions, and even transact, companies will secure a substantial advantage over the competition.

It’s a brave new, AR world out there. What kind of experience are you going to create?
About the Authors

THE STRATEGY GROUP
Led by Sam Huston, Chief Strategy Officer, iProspect’s Strategy Group drives the agency’s charge to understand current and future consumer behaviors and predict digital developments. Leveraging many tools including iProspect’s proprietary Consumer Connection Survey — the industry’s largest study of media behaviors and attitudes — they analyze white space opportunity and build holistic media plans based on consumer insights. Their vision is to inspire teams and clients to make the most optimal media decisions to accelerate business outcomes today and build for tomorrow. Contributors to this piece: Andrea Wilson, Erica Rix, Mike Roberts and Natalie McCaffrey.

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As Head of Owned Media, Steve understands search is moving away from people simply typing their queries and works with iProspect’s clients to plan for and embrace these changing behaviors. Steve has worked in digital media for 14+ years across several industries, such as mobile, e-commerce, apparel, real estate, and hospitality. Throughout his career, Steve has continued to grow in digital expertise, including project management, SEO and paid search strategy.
About iProspect

At iProspect, we transform our clients’ businesses by connecting brands with people. Leveraging our suite of services, smart technology, extensive global footprint, and the industry’s best specialists, we provide best-in-class performance strategies to get you the results your business needs.

iProspect is the first truly global digital marketing agency, with 3,000+ employees in 84 offices across 52 countries. A trusted partner with an in-depth understanding of consumer behavior, iProspect reshapes brand strategies to meet the fast-paced demands of the convergent world with a focus on exceeding the client’s business objectives.

Our global reach, in-depth knowledge of diverse local markets, and expertise produce award-winning, performance-based marketing strategies for leading brands such as General Motors, adidas, T-Mobile, Hilton Worldwide, Sunglass Hut, and many others. iProspect has been named the “Best Agency for Performance Marketing” by iMedia for 3 years in a row, the 2015 MediaPost Search Agency of the Year and iMedia’s Best Agency for Search.

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