



7 WAYS FOR RETAILERS TO FLAWLESSLY IMPLEMENT VIRTUAL REALITY

The Retailer's Secret Weapon to Keep Customers Coming Back

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Virtual reality has come a long way in a short while. Businesses across the world are embracing the use of VR technology by tailoring their products for the virtual sphere. V-commerce is the natural next step, and though they may seem like an unusual pairing, retail and VR make great partners.

With countless retail businesses shutting down due to the rising popularity of online shopping, virtual reality is a welcome update to the contemporary retail experience — one that can provide additional revenue streams to fledgling brands willing to adopt this relatively new technology.

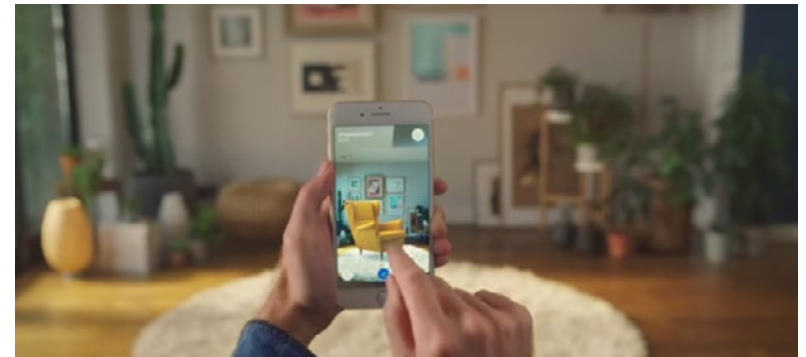
Here are seven ways to take advantage of retail's new secret weapon: virtual reality.

1. EXPAND THE CONFINES OF A BRICK-AND-MORTAR STORE

Last year, **Ikea unveiled its online virtual reality experience** in Australia, which allows customers to be immersed by in-store floor sets as if they were there, then make purchases and have them delivered. The technology allows users to visualize the size and color of furniture pieces in 3-D rather than rely on a flat computer screen image.

Similarly, **Lowe's incorporated VR into its shopping experience with the Holoroom**. Customers give the dimensions of a real-world space and Lowe's fills it (digitally) with products. The customer then put on an Oculus headset and experiences what their furnished room will look like. Products can even be switched around while the headset is in use, empowering consumers to personalize their room while in-store.

Bullfrog Spas is using VR to provide consumers with an immersive way to experience its jetted tubs. Potential buyers are now able to sample Bullfrog Spas' merchandise in-store or off-site, allowing the retailer to cover significantly more ground.



2. ALIGN PRODUCTS WITH THE EXPERIENCES THEY'RE BUILT FOR

Beyond helping retailers perfect their in-store experiences, VR is also helping brands tell their stories to consumers in a very different way and align their products very specifically with the environments they're built for. For example, North Face cleverly employed VR to position itself as a progressive company which understood, and was fully at home in epic environments. Visitors to North Face stores were invited to don VR headsets and tour California's Yosemite National Park and the Moab desert alongside climbing celebrities, or try winter gear in a harsh arctic environment.

Virtual sled experiences at The North Face let you try your gear in amazing conditions. The interactive nature of immersive VR makes campaigns such as these far more impactful to consumers, engaging them on an emotional level and, at the same time, closely aligning purchasable products to exciting and visceral experiences which they want to share.

Merrell hiking boots also created an experience with VR where shoppers could virtually hike along a crumbling rocky edge. Even those who have never gone hiking will tell friends about this type of experience — as about 81 percent of those who try VR are likely to do.

3. CREATE A MEANINGFUL CONNECTION

Other retailers are also realizing the power of VR in driving consumer engagement, and have implemented specific VR/AR campaigns to their overall brand strategies. For example, footwear company **TOMS uses VR to show consumers their one-for-one mission in action**: When a customer puts on a head mounted

display (HMD), they will be instantly transported to Peru and witness the TOMS team distributing shoes to children in need. This allows customers to see firsthand the effect their purchase has on a child's life, while also forming a deeper connection with the brand and ensuring their loyalty to it.



4. EXCITE IN-STORE SHOPPERS WITH UNIQUE EXPERIENCES

UK retailer Topshop has been leading the way with brand engagement through VR, which makes sense given its tech-savvy demographic. **Research from Sonar** (J. Walter Thompson's proprietary research unit) has found that Generation Z is very interested in the experiential nature of stores and, subsequently, 80 percent of them are more likely to visit a store offering VR and AR technology. There's also been plenty written on how millennials prefer authentic experiences to material items, and Topshop's use of VR is combining in-store and virtual retail experiences.

VR drew so much attention that Topshop created a new experience last spring to transform its flagship Oxford Street store in London into a VR waterslide through the city. Participants used a real slide in-store combined with VR gear to expand the experience and, while the ties between the content and brand aren't as on the nose in this second execution, what is clear is that Topshop is finding ways VR can engage in-store shoppers.



5. A/B TEST IN-STORE LAYOUTS WITHOUT THE HEAVY LIFTING

Retailing is commonly considered part art, part science. For the science part, everything is considered. From analyzing the finest details of store layouts to perfecting lighting plans, display heights and ambient sound, each element of a retail space is thought through and tested.

VR retail technologies are being used to create virtual stores for just this purpose. These virtual replications of in-store environments are used to track user movement through stores to flag potential traffic flow issues, A/B test the effectiveness of display layouts, etc., all before anything is constructed and any heavy costs have been incurred.



6. USE HEAT MAPS TO OPTIMIZE THE SHOPPING EXPERIENCE

Another VR tool in retailer's belts is heat mapping analytics. VR heat mapping technology has recently come to market, able to track a viewer's gaze within 360-degree virtual environments and provide detailed analytics on what's drawing their attention. Using the technology, retailers are able to test and refine store display and signage configurations based on concise data collected from test subjects.

Heat mapping technology can also be used in a similar way by brands looking to understand the level of attention their products are drawing within displays densely filled with competitors. If products are being bypassed and/or specific competitive brands are getting high levels of engagement, brands are able to evaluate factors such as product packaging, location on displays, etc.



7. SCALE TRAINING PROGRAMS FOR NEW EMPLOYEES

On a busy retail floor during peak sales season, it's difficult (if not impossible!) to pull a veteran employee away from critical duties in order to train a new recruit. Thankfully, human resources has a new technology at their disposal to scale trainers: virtual reality (VR).

Not only is VR effective in scaling training programs, but it also easily immerses trainees in difficult or unique situations without real-world consequences. VR training environments are perfect for the retail industry where turnover is high, trainers are typically tasked with many other responsibilities on the sales floor, and success is dependent on customer service quality ratings.

ABI Research projects the enterprise VR training market will generate \$216 million in 2018, and grow to \$6.3 billion by 2022, with major retailers like Walmart and Lowe's leading the charge. **Walmart partnered with STRIVR** to recreate several different training scenarios in VR and deployed the platform to train over 150,000 employees, resulting in 70 percent of trainees receiving better scores on exams. At Lowe's, more than 400 **employees have been trained using VR**, with 90 percent reporting that VR training helps them better serve customers.

ARE YOU READY TO IMPLEMENT RETAIL'S NEW SECRET WEAPON?

While the debate will continue around businesses' expectations of virtual reality's potential vs. the realities of consumer adoption, VR has gone ahead and found a growing number of ways to make business and industry more efficient, more effective and better connected to its customers. And not always in the most obvious

ways. The store of the future may or may not be one that we visit virtually. The fact that today people aren't slipping on a headset each time they want to buy a new pair of shoes doesn't mean VR isn't being used — right now — by a retailer near you.

WHO WE ARE

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EXCERPTS FROM THE FOLLOWING ARTICLES WERE USED IN THE CREATION OF THIS REPORT:

Original Title: *What Virtual Reality Means for Retail in 2018*

Date Published: 1/3/18

Author Info: Robert Kendal, Managing Director, Yulio Technologies

Original Title: *The 360 Consumer: How Virtual Reality is Reshaping the Retail Experience*

Date Published: 9/20/17

Author Info: Kimberly Cooper, CEO and Co-Founder, Spatialand

Original Title: *Retail Training in Virtual Reality: The New Secret Weapon to Scale*

Date Published: 4/5/18

Author Info: Jaimy Szymanski, Founding Partner, Kaleido Insights