



TOOLKIT 2017

VIRTUAL AND

AUGMENTED REALITY

Chapter summary



In association with

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**Digital**

# Virtual and Augmented Reality

As the advertising marketplace becomes more cluttered and many people opt out of receiving marketing messages, brand experiences that can cut through are increasingly valuable. Two technologies that hogged the headlines in 2016 – virtual reality (VR) and augmented reality (AR) – offer new ways to deliver those experiences.

After years of promise, VR is becoming a viable mainstream marketing tool with global communications brands such as Facebook, Google and Samsung investing in VR platforms and headsets. The focus of VR activity is on experiences and emotional engagement. It is starting to attract significant attention, and investment, from brands.

AR, while not a new technology, was boosted by the phenomenal rise of Pokémon GO. There are a number of emerging opportunities in AR, and some of the best examples to date have been in the areas of product trial and utility.



See page 5 for case studies from Pepsi and Lockheed Martin

## VR IS A VEHICLE FOR STORYTELLING AND HIGH-END EXPERIENCES

Two factors have driven VR into the mainstream in the past year: from early 2016, a number of devices arrived on the market; and, secondly, the prevalence of smartphones puts a high-power display into the hands of a large proportion of the global population. As the technology develops, forward-thinking brands are sharing immersive experiences with customers that provide sensory overload and block out all distractions from TV, websites and apps. For the time being, the focus of these efforts is on a relatively small number of consumers; it is a complement, rather than a replacement, for reach-based campaigns using tried-and-tested media.

# 1

## EARLY RESEARCH CONFIRMS VR'S POTENTIAL FOR EMOTIONAL ENGAGEMENT

A study by ad-tech firm YuMe and research firm Nielsen used neuroscience techniques to gauge the emotional responses of 150 participants to content experienced in three distinct environments: an immersive VR experience on a headset; a 360-degree video on a tablet; and video on a conventional, flat screen TV. The study found that emotional engagement was 27% higher for those viewing in a VR environment, compared with those viewing in 2D, and 17% higher than for those viewing a 360-degree video on a flat screen.

# 2

## VR ADDS AN EXTRA DIMENSION TO BRAND TIE-UPS WITH INFLUENCERS

Absolut Vodka has leveraged VR to engage with consumers as well as test and explore new business models. In June 2016, the brand unveiled a mobile app that used VR to augment its brand mission of 'delivering unique nightlife experiences'. Developed by Absolut Labs, this free game asked consumers to help deadmau5 – a Canadian electronic-music star – make a fictional trip from his garage to a concert.

# 3

"Pokémon GO will probably lead to a surge in AR and VR content production, and I fear that a lot of that content will be poorly thought through and likely to fail. A lot of brands are going to get this wrong."

Rachael Lonergan, Head of Strategy, Foundation



## MANY BRANDS HAVE RECONSIDERED AR IN THE WAKE OF POKÉMON GO

The phenomenal rise of Pokémon GO was heralded as a tipping point for AR. Launched in July 2016, Pokémon GO's downloads reached 50 million before the end of the month. Looking ahead, marketers face two opportunities around AR. The first is to piggyback on AR properties that are popular with their audience, such as Pokémon GO. There are likely to be a number of ways to do this as more games based on AR or mixed reality emerge. The second is to formulate bespoke, branded experiences. Fashion and beauty firms, for example, can let people digitally 'try on' clothes and cosmetics.

# 4

## AR AUGMENTS THE PRODUCT TRIAL PROCESS

L'Oréal, the beauty group, has been exploring a number of technologies to offer greater utility and personalisation. Perhaps its most popular foray into this space to date is Makeup Genius, a mobile app that turns smartphone cameras into virtual mirrors that enable consumers to digitally 'apply' any L'Oréal Paris eyeliner, lipstick or blush that they scan in a store. The app has been downloaded 16 million times.

# 5

## AR OFFERS GREATER SCOPE FOR CONSUMERS TO ENGAGE WITH CAMPAIGNS

AR via mobile devices is likely to be significant for many marketers because it offers great scope for how, when and where consumers can engage with campaigns, branded collateral, packaging and product. It also opens the door to technology such as visual search. AR also relies on existing mobile behaviours that users are comfortable with, such as using the camera. It's easy to set up and brands can use existing apps such as Aurasma and Blippar, which come with a ready-made user base. Brands that have their own mobile apps can upgrade to offer AR functionality.

# 6

"We're a nightlife brand that is about inclusivity and giving people access to experiences... VR is actually a really good medium to help people access concerts and live experiences."

Afdhel Aziz, Brand Director,  
Absolut Labs



## CASE STUDY 1 LOCKHEED MARTIN: FIELD TRIP TO MARS

Global security and aerospace company Lockheed Martin won plaudits for a large-scale VR experience in which a school bus was furnished with VR technology so children could experience a virtual trip to Mars.

The company was aiming to attract young engineers to its business, diverting them from the increasingly well-trodden career paths to tech firms such as Google or Apple.



Marketing's role at Lockheed Martin is complex – an ad will not result in the sale of a \$35m aircraft. Therefore, the company uses it to define its point of view and purpose – so marketing efforts have to be as innovative as its products.

Space and its exploration have gained cultural energy, with feature-film releases galvanising interest, so the company sought to create a campaign that would reclaim this territory from the likes of Elon Musk and Richard Branson.

Rather than use headsets, the shared experience of a VR-enabled school bus provided an experience that was closer to that of a school trip, where learning and inspiration are the norm.

The results included: 100% positive sentiment; a 2,126% increase in mentions within the Mars conversation (260% more than SpaceX) during launch week; and more than three million video views in the month of launch.

[Read the full case study](#)

Source: Warc Exclusive

## CASE STUDY 2 PEPSI MAX: UNBELIEVABLE

After years of heavy discounting and adapting big US TVCs to the UK, Pepsi Max wanted to regain relevance in the market. It developed a content-led digital strategy to build sales.

The campaign relied on the insight that Pepsi Max, a drink with no added sugar but with all the flavour of a cola, was the embodiment of the 'impossible made real'.

The brands delivered several hero films portraying impossible situations come true, including a celebrity magician hovering, via YouTube and supported by social, digital, OOH, and POS ads.

The AR element was not on mobile, but on screens within people's everyday lives. At a bus shelter, an installation overlaid alien invasions, roaming tigers and giant tentacles onto the streetscape. In a similar vein, mirrors in cinema toilets were converted to transform peoples' faces into Halloween-themed characters.

These AR installations were filmed and used as hero content, and distributed via social and digital media. They also generated press coverage.

The campaign returned a total of £54 million in sales revenue.

[Read the full case study](#)

Source: IPA Effectiveness Awards 2016



# Viewpoint: Marketers should user-test to assess the value of VR and AR



**SERENA KOIVURINTA**

Analyst,  
Deloitte Digital

The value of VR and AR [is predicted to hit \\$150bn by 2020](#).

At Deloitte Digital we believe that VR and AR are likely to grow hand-in-hand to create mixed-reality experiences for consumers, where VR can inhabit the physical space you are in.

VR and AR can create immersive personalised content for mass audiences. Given appropriate market conditions, the technology can offer extensive marketing benefits for brands. But, while exploring these avenues, it's essential to keep user-testing different technologies and approaches. The technology is one way to solve a problem, not the only solution.

Businesses thinking of investing in VR or AR need to consider how to measure benefits against objectives. They need to set concrete goals and be flexible in meeting customer needs while adopting different measures of success, such as search results and engagement scores. Regularly evaluating methods and carrying out user testing will help deliver a consistently positive user experience.

Deloitte Digital has used

VR on client engagements to deliver sales pitches as well as global training courses. Here the technologies solved the problem of how to improve effectiveness, focus attention and provide businesses with enhanced flexibility. The main challenges faced during these projects were around presence, focus, attention and flexibility.

VR or AR can be used to connect with your future-self – for example, by allowing consumers to visualise themselves with a product. This allows marketers to put consumers in the post-purchase stage before buying, thus increasing the likelihood of purchase. This applies across industries, from pensions to real-estate.

For example, [a study by Hershfield, et al](#), in the *Journal of Marketing Research* (2011) found that consumers who were shown an aged version of themselves in VR would invest twice as much in retirement savings as consumers who saw their present self.

New ventures specialising in providing these experiences are emerging. For example [PropertyScope](#) allows real-

estate agents to show potential customers multiple properties in VR, enabling buyers to get a feel for the home they could see themselves in.

VR has other benefits – it has been described as the '[ultimate empathy machine](#)'. This was demonstrated by Unicef in the VR film *Clouds over Sidra* (2015), which showed New Zealanders the effects of the Syrian refugee crisis. [Unicef donations doubled](#), showing how powerful VR can be when the consumer experience is personalised.

So far, consumer sentiment is positive, with [research showing](#) the majority of consumers in most age groups have positive feelings towards VR.

VR and AR's capability to enhance presence and focus attention lends itself to certain scenarios. But marketers should remember: the technology must adapt to fit the optimal user experience. By continuously user testing, marketers can understand whether another solution might be more appropriate to solving their problems.

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# About Warc's Toolkit 2017 report



Warc's Toolkit 2017 report distils current thinking around six key marketing trends. The report, produced in association with Deloitte Digital, brings together the best of Warc's content over the past year – the latest ideas, research and examples. The result is a guide to current thinking in each area, and the implications for marketers.

The full report includes chapters on:

1. Artificial Intelligence
2. Virtual and Augmented Reality
3. Social Video
4. 'Dark Social' and Chat Apps
5. Direct-to-Consumer
6. Effectiveness in the Digital Age

This is a summary version. The full report is available to subscribers of [warc.com](http://warc.com), who can download it [here](#).

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Case studies from ING and Ikea are available in the full report

# More from Warc

## CASE FINDER

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You can find all Warc case studies, including those cited in this report, by searching our unrivalled database, which is organised by campaign objective, country, industry sector, audience, media channels, budget and campaign duration. [Find a case.](#)

## ABOUT WARC

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[Warc.com](#) is an online service offering advertising best practice, evidence and insights from the world's leading brands. Warc helps clients grow their businesses by using proven approaches to maximise advertising effectiveness.

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