

How retail tech is appealing to, and benefiting, both consumers and brands

Article



Discovery and consideration are in a different place than before the pandemic. With less access to in-person touchpoints, consumers started exploring technology like

augmented reality (AR) for their shopping needs. Brands have since launched new experiences to cater to consumer demands, but preexisting implementations also saw upticks in usage.

What's New

Many brands and retailers are now investing in means to test out products from afar:

- H&M**beyond**, the innovation lab for H&M, partnered with NeXR Technologies to create a virtual fitting room. Using technology based on NeXR's 3D photogrammetry scanner, H&M customers can create lifelike digital avatars of themselves on which they can try out outfits.
- Kohl's worked with Snapchat to develop an AR experience, called Kohl's AR Virtual Closet. Now, Snapchat users can try on clothes from home and make purchases in-app.
- Eyewear retailers, like Warby Parker, EyeBuyDirect, and BJ's Optical, provide virtual fitting tools, allowing consumers to try on multiple styles using AR.
- Ulta Beauty and Estée Lauder have both deployed tools to allow consumers to virtually apply foundation, makeup, and other products. Ulta Beauty's GlamLab had over 19 million virtual shade try-ons during the pandemic up to June 2020, according to the company's chief digital officer Prama Bhatt. Meanwhile, Estée Lauder's virtual tools, including iMatch Virtual Shade Expert, launched in December 2019 across a number of its brands, drove a conversion rate two-and-a-half times higher than usual, not to mention increased customer loyalty. In fact, virtual try-ons doubled Estée Lauder's total number of sessions between Q1 and Q2 of the 2021 fiscal year.

Why It's Important

These assistive selling technologies don't just provide unique experiences when the customer is physically distant from the product being sold; they are also being increasingly sought out in brick and mortar.

"A virtual try-on with a smart mirror, when coupled with POS data, gives retailers insight as to which products are converting at a higher rate and which are not, providing opportunities to optimize merchandising and buying decisions," said Jeremy Goldman, eMarketer principal analyst at Insider Intelligence and author of our recent report, "[Ecommerce and Retail Customer Experience 2021](#)."

Our Take

Although the pandemic drove the rising popularity of these types of experiences, sheer convenience means we'll see more of them in the future. These technologies have the unique benefit of appealing to both consumers and retailers alike: Consumers can experience products on their own terms, while retailers get access to context-rich data minable for business insights. Ultimately, businesses should assess whether AR and remote video can serve as discoverability and sales aids. In many cases, the answer is yes.