How Augmented Reality Can Increase Sales and Customer Shopping Experience

Augmented Reality is a rapidly growing technology that is starting to have an impact on the eCommerce landscape. As the retail industry continues to overflow with buyers and customers who need a mix of mobile and online shopping, there is a high demand for technology that is creative, innovative and works.

AR is the ideal solution to help shoppers with these concerns.

Some brands, such as IKEA, Alibaba, Houzz, and Starbucks, are already using AR to boost online conversions and increase sales. For example, Houzz has reported 11X its sales conversion using mobile AR versus their standard app. Similarly, L’Oreal recorded a 38.3 percent sales growth after implementing AR try-on features. These kinds of statistics only prove one thing -AR will continue to disrupt mobile marketing especially in the eCommerce industry and completely change the way online retail stores and physical retail outlets are conducting business. The main reason for using this technology on e-commerce stores is to provide a more personalized experience to customers, including the ability to test and explore products in ways that resemble in-person shopping experience.
AR In Boosting Online Conversions

People shopping online are not completely satisfied with e-commerce apps they use. Ideally, they can view the product, but cannot test them then and there to avoid returning it later, which can be a stressful process. They are also not sure about the size and color that matches what they need. Augmented Reality can deal with these issues and help boost dwell times and sales for eCommerce products which translates into more conversions as customers get to try the products from the comfort of their home.

According to a report by Statistica, eCommerce products sales in 2017 hit $2.3 trillion, and this figure is expected to grow to $4.88 trillion by the year 2021. This shows that eCommerce has transformed tremendously into an advanced retailing platform. And it is expanding rapidly with the help of AR technology.

Here are a few studies to show how AR has changed how eCommerce companies do their business
Case Study:

Augmented Reality (AR) continues to offer customers a real-world shopping experience like never before. It is set to disrupt the medical field in a set of ways, including education, 3D product visualizations, and surgical visualizations. Block Scientific is one such example. The global dealer in clinical laboratory equipment and reagents has had to continually innovate to ensure complete customer satisfaction with extensive product varieties and excellent service industry.

With over 100 million consumers expected to start shopping in augmented reality online and in-store by 2020, Block Scientific’s recent commitment with NextTech, an AR eCommerce platform that offers the most technologically advanced 3D-AR technology across the world, leaves them ahead of the technological transformation happening in the healthcare industry.
Scenario:

Implementation of a web-enabled AR-3D “Place It” technology into their three main laboratory products; Medica Corporation’s EasyRA, Siemens Dimension EXL 200 (a clinical chemistry and immunoassay analyzer), and Thermo Scientific™ Indiko™ Plus Clinical.

The conversion is designed to ensure customers can view the medical products in full 3D (360-degree rotation) on the company’s website. This is expected to increase conversions and boost sales as customers can place the product in their shopping cart to understand size and purpose before making a purchase.

Challenge:

Medical lab equipment is big, bulky, and expensive. As such it’s hard to carry them along to customers or trade shows. Similarly, shopping for medical equipment from home further seemed hard as customers faced challenges deciding the most suitable product to buy. How can they solve this and help more customers make quick and right decisions?
Solution:

- Block Scientific’s medical products that are part of AR ARitize are accessible on the website to allow customers to view products in 3D. They also have a chance to place them in their facility and determine what size and fit suit them. This helps reduce product returns at a given time.

- The web-enabled AR for ecomm platform can easily create 3D virtual replicas of a variety of medical equipment, thus allowing the staff to train and access demos remotely.

- Virtual try-ons are the unique features of this technology. They have allowed medical companies such as Block Scientific to directly engage with customers from wherever they are without visiting their premises. Further, Block has added a 3D medical twin to its 360-degree shopping feature to enable medical sales reps to display products on trade shows and other professional doctors that may need them.
Results:

- Upon integrating AR into the system, Block Scientific average total visits have increased by an incredible 237% across seven products with a high of 450% record attained by one of the product pages. The average unique visits also increase by 180% with the most top pages recording a 330% boost. Overall, all pages saw a significant increase in traffic.

- Average dwell time increased by 5% across seven products with a high of 80% on one of the pages. Despite the slight increase in visitors time on page, some pages recorded a decrease that may have been caused by slow loading pages.

- As a rule of thumb, a bounce rate of 41% to 55% is excellent for eCommerce website, while 56% to 70% is considered higher than average. 30% to 45% is seen as a good starting benchmark for any sites. In this case, the company saw a 15% decrease in bounce rate with an all-time high of a 47% reduction.

- The overall click-through rate for the ARitized products increased by 34% with a high of 51% on one of the pages.

- The percent of visitors that viewed products in WebAR was 17% higher than before the AR was integrated. Only one product had less than 10% visitors engaging in AR.
Insights:

When Block Scientific launched the AR-3D “Place It” technology, they had no idea how the new feature would benefit shoppers who might not be decided on which product to buy. But the technology must have worked as Block saw a significant increase in overall activity including dwell time, bounce rate, CTR, and conversions across those product pages. The trend remained consistent compared to some months prior to the implementation of the AR solution.

Overall, Block Scientifics main success was the 400% conversion increase that proved the effectiveness of having an AR system in place.