Contents.

"Consumers want to shop online without sacrificing purchasing confidence. With immersive experiences, they don't have to."

Accenture Interactive 2020 Immersive Experiences Survey

Opening the door to the next wave of digital commerce.

Digital commerce has yet to replicate a key aspect of the in-store experience. In stores, consumers can touch and try products before buying them. These interactions help people determine the quality, craftsmanship, dimensions and fit to know if a product meets their needs and expectations. They provide the control, transparency and tangibility that build trust and drive purchasing confidence. After all, experience matters.

Accenture Interactive 2020 Immersive Experiences Survey
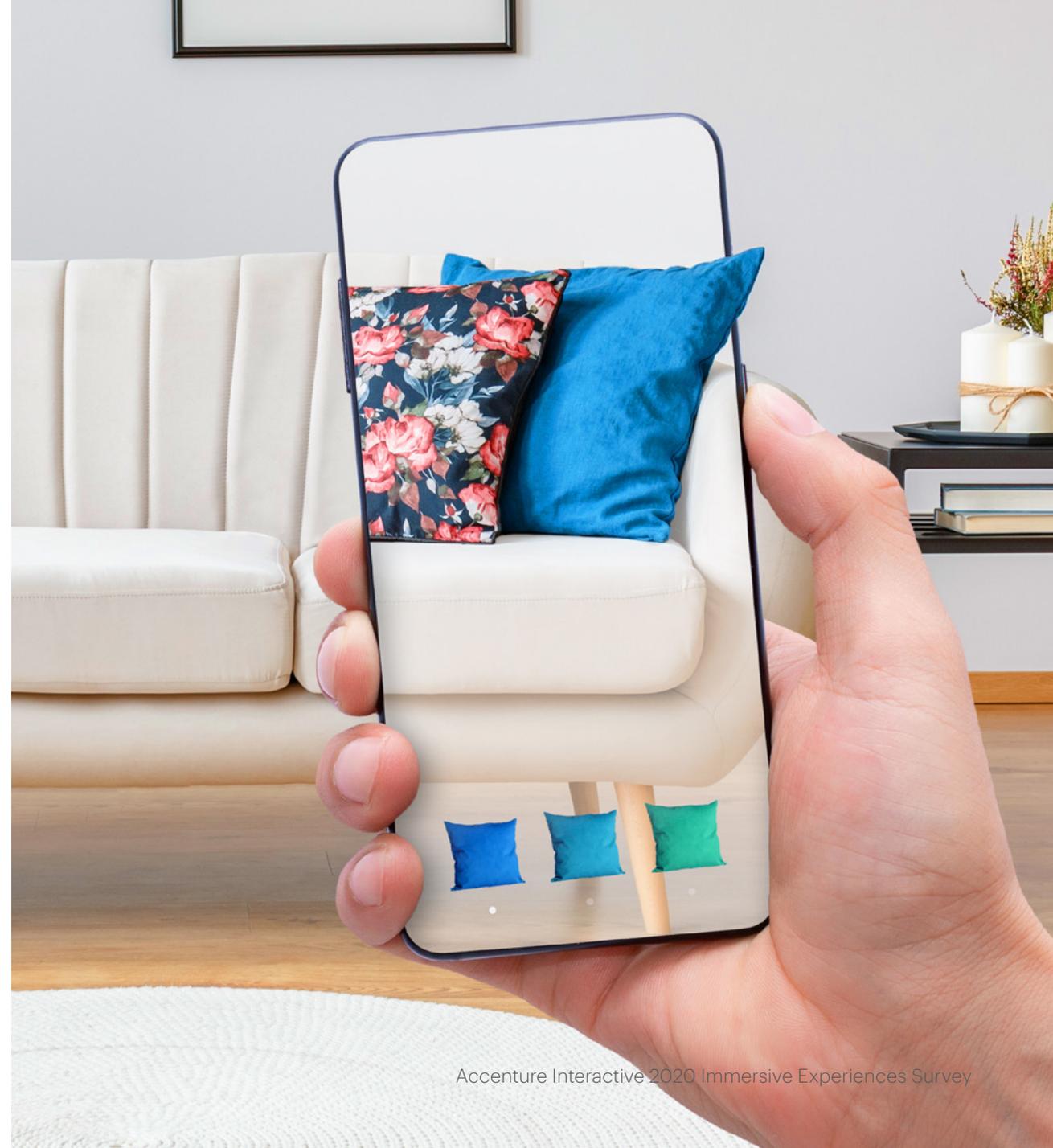
Missing link, missed opportunity.

As much as consumers love the convenience of digital commerce, there is no purchasing certainty when they shop online for products they haven't experienced in person.

Is this cashmere sweater well made? Does this sofa fit in the living room? Is this lipstick shade flattering? It's all guesswork and crossed fingers until the product shows up on the doorstep, and people can actually see for themselves.

Brands have tried to solve for this missing link. But product videos, influencer partnerships and generous return policies are not enough. The perceptual divide between physical and digital could cost sales growth opportunities in product categories that consumers buy online today. Brands are also missing out on expanding sales in categories like automotive and luxury that don't sell well online because people are wary to buy these products from a distance. Yet with consumers more open to buying more categories online in the wake of COVID-19, the pressure is on brands to bridge this divide now.[1]

Immersive technologies: From novelty to utility.

Winning in digital commerce takes immersive product and service experiences that give consumers purchasing confidence.

Surprisingly, leading consumer brands already understand this. Our analysis reveals that a full 64% are starting to invest in immersive experiences for commerce today.[2] However, many are not investing in ways that are scalable or connected across the business. They are investing in pockets, doing things like uploading 3D models on product pages, curating personalized make-up palettes and hosting virtual fashion shows to bring people closer to products in the digital world.

Immersive technologies make this next era of shopping experiences possible. These technologies have come of age. What was a quirky novelty just a few years ago has become a powerful utility today. The good news is that technologies like augmented reality (AR), 360° video, 3D content and virtual reality (VR) are not only more sophisticated than ever, they are also very affordable and accessible for brands.

Accenture Interactive surveyed over 3,000 consumers who relied on immersive technologies to evaluate and/or purchase a product and/or service online over the previous six months. Our research focused on these key questions:

How can immersive technologies boost consumer confidence?

What returns does the use of immersive technologies offer for brands?

How can immersive technologies create more rewarding buying experiences?

64%
of leading consumer brands are starting to invest in immersive experiences.

A win for consumers is a win for brands.

There's more good news: Consumers are ready. Most people are having experiences fueled by immersive technologies in their daily lives—in everything from using social media filters to watching sports broadcasts. They increasingly expect immersive experiences in digital commerce too.

Consider consumers' top motivations for trying out immersive technologies when shopping online:

52%
1. **Viewing products without visiting the store.**

42%
2. **Assessing product features and capabilities.**

42%
3. **Experiencing products before purchasing.**

39%
4. **Increasing confidence in purchasing decision.**

29%
5. **Changing, customizing or personalizing products.**

The reality is that rotating a 3D model of a designer handbag or seeing a 360° video of an oceanfront rental home is more than a cool interaction. It is an exercise in truth seeking. Unlike anything else in digital commerce, immersive experiences provide accessibility and tangibility. This translates into confidence that a product will meet expectations. In fact, consumer confidence jumps by 4% globally—9% in North America—when immersive technologies are used in online purchasing compared to when they are not.

Consumers also see immersive technologies as foundational for future online shopping experiences. This is a clarion call for brands. On average, a full two-thirds of consumers think that immersive technologies will be important for merchandising and selling electronics over the next five years. And of all the media that influence purchasing, immersive is the only one that consumers see growing in the future.

When it comes to future purchasing decisions, only immersive experiences are growing in influence.

Media influence on purchase decisions now and in the future.

Store visits — **Higher influence 5/5**

Customer reviews

Online search

Immersive/virtual — **Influence future**

Brand website

Videos

Immersive — **Influence today**

Ads (online and off)

Influencer blogs — **Lower influence 1/5**
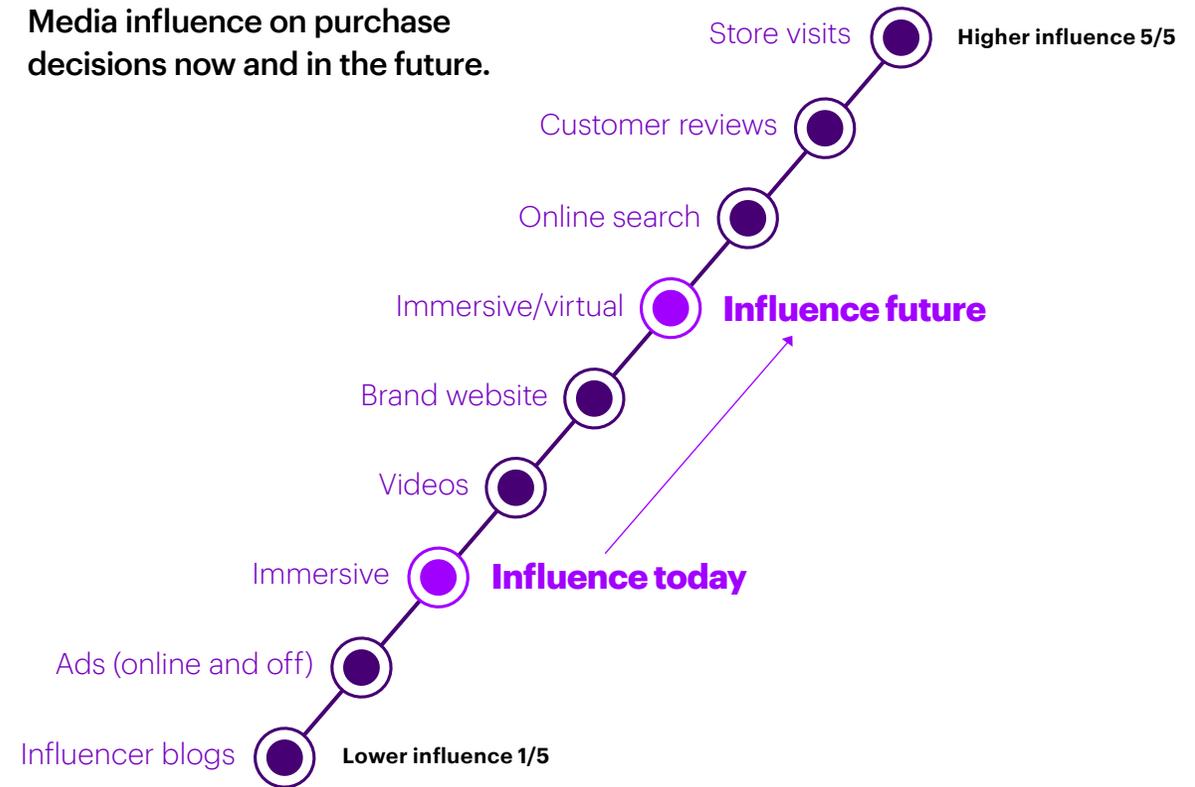
47%

of consumers would pay extra for a product if they could customize or personalize it using immersive technologies.

Consumers trust immersive experiences to close the sensory gap for them and provide the purchasing "proof points" they need to evaluate a product digitally. This is so meaningful to them that they associate premium brand value with immersive experiences. Nearly half of consumers would pay extra for a product if they could customize or personalize it using immersive technologies. In addition, three in five consumers expect to buy more from brands that enable them to use these technologies to interact with and evaluate products.

These findings suggest a ripple effect of potential business benefits for brands. The opportunity to grow revenue is clear. In addition, when consumers can try, touch and buy products online with confidence, they are more satisfied—and more likely to become repeat customers and brand promoters. More satisfied customers means fewer returns. And fewer returns reduces restocking expenses, operational and resource strain and environmental impacts. All this value starts with brands investing in immersive experiences.

Connecting
without being close.

So how are brands using immersive experiences to demonstrate the features and capabilities of their products?

Here are some of the ways they are creating meaningful experiences that blur digital and physical boundaries to solve for the problem of proximity in digital commerce.

Put me there.

Immersive experiences simulate physical environments. The goal is not to create the "next best thing" to being there in person. It is to create something even better—an experience that makes every phase of the journey to purchase more captivating and insightful because consumers feel connected. Take Emirates, for example. The airline uses VR technology to offer 3D models of the cabin on its website. Travelers can make informed choices when selecting their seats and preview the environment to make the most of their time on board later.[3] Beauty legend Dior launched a VR store based on its flagship location in Paris. The 360°, 3D experience makes shopping online less transactional. It encourages customers to browse and connect to the products—and to the brand.[4]

47% of consumers say immersive technologies make them feel connected with products.

Accenture Interactive 2020 Immersive Experiences Survey

See it on me.

Immersive experiences help consumers understand how a product will look on them or in their environment. YouTube offers an AR solution that people can use to virtually try on cosmetics. MAC Cosmetics was the first brand to leverage it. Consumers can test out MAC lipstick and shop while watching makeup tutorials. It's a fresh fusion of technology, in-store experience, influencers and creativity.[5] Always an innovator, Nike has turned to AR to help consumers get the right fit for their shoes. Consumers use the Nike Fit feature on Nike's app to measure their feet with their smartphones and get guidance on the right size in a specific style.[6] Solutions like this offer exciting possibilities to answer the age-old "will it fit?" question for online shoppers. However, brands must be mindful of consumers' concerns about data privacy and be transparent about how personal data is being used to provide such experiences.[7]

57% of consumers are concerned about the use of their personal data by immersive technologies to provide personalized recommendations.

Accenture Interactive 2020 Immersive Experiences Survey

Teach me more.

Immersive experiences educate consumers on the full value of products with a "hands-on" approach to education that beats reading a cumbersome owner's manual. It is a way to educate consumers on product specifics before they buy and on a regular basis after purchase to build engagement. Toyota is one of many automakers leaning into immersive experiences in this way. Toyota's AR experience helps consumers self-educate in a "choose your own adventure" style. Consumers select the car model and standard features they want to explore. There's no app required. The virtual car tour is available through banner ads on social media, allowing Toyota to scale its reach.[8] In the electronics industry, Bang & Olufsen offers an AR experience app for consumers to see products in their own environments, turn "on" speakers to test out sound quality, learn about product features and options and contact the store with any questions.[9]

>50%
of consumers would better recall brands that regularly engage them with immersive technologies.

Accenture Interactive 2020 Immersive Experiences Survey

Forget clunky VR headsets.
These technologies are for everybody.

The days when designing immersive experiences meant designing for clunky VR headsets that few consumers own are over. The democratization of immersive technologies has removed barriers and opened up access.

Mobile AR.

Mobile AR requires no special headset. Experiences are camera-enabled, and consumers can access them from iOS or Android smartphones. Product visualization, navigation, games and entertainment are popular mobile AR apps and consumer experiences.

Web XR.

Web XR includes immersive experiences across virtual, mixed or augmented reality. Consumers access high-fidelity 3D graphics and 360° video from their internet browsers. Experiences are compatible across browsers, operating systems and devices.

Game engine software.

Game engine software built on widely available platforms Unity and Unreal power engaging experiences. They are behind product configurators that allow consumers to virtually customize, visualize and explore high-fidelity 3D products in real time.

Don't wait to innovate.

We are at a tipping point for immersive experiences in digital commerce.

The pandemic is reinventing buying behaviors. Immersive technologies are maturing. Powerful brands and media platform giants are investing. Consumers are energized. And the advent of 5G supports richer digital content. Now is the time to invest. Brands that wait will fall behind competitors—and consumer expectations.

Making wise investments in immersive experiences means addressing these fundamentals:

1. Strategy.

Secure executive buy-in and alignment with business, marketing and sales strategies.

2. Design.

Be authentic with experience-led solutions that align with the brand purpose and needs of target buyers.

3. Technology.

Develop a practical plan for shedding the weight of legacy technology investments while exploring new approaches.

4. Operations.

Establish a process for 3D asset design, development and optimization.

5. Trust.

Protect customers' trust by respecting and protecting their personal data.

The fallout of COVID-19 is pushing brands to double down on the basics. But at a time when all eyes are on the digital channel, brands cannot let innovation get sidelined.

Consumers want to shop online without sacrificing purchasing confidence. With immersive experiences, they don't have to. Brands that invest now can enhance consumer relationships, increase online sales—and open the door to the next wave of digital commerce.

About the Accenture Interactive 2020 Immersive Experiences Survey.

Accenture Interactive surveyed 3,087 consumers across North America, Europe and the Asia Pacific region who relied on immersive technologies to evaluate and/or purchase a product and/or service online over the previous six months to understand their attitudes and experiences. The online survey was conducted in March 2020.

Respondents by gender.

50% male   **50%** female

14 product categories.

Automotive	Furniture
Beauty products	Home appliances
Consumer products	Hospitality
Electronics and accessories	Medical devices
Entertainment and leisure	Real estate
Fashion/Luxury goods	Toys and games
Foods and beverages	Travel and tourism

12 countries.

Australia	Germany	South Korea
Canada	Italy	Spain
China	Japan	UK
France	Singapore	US
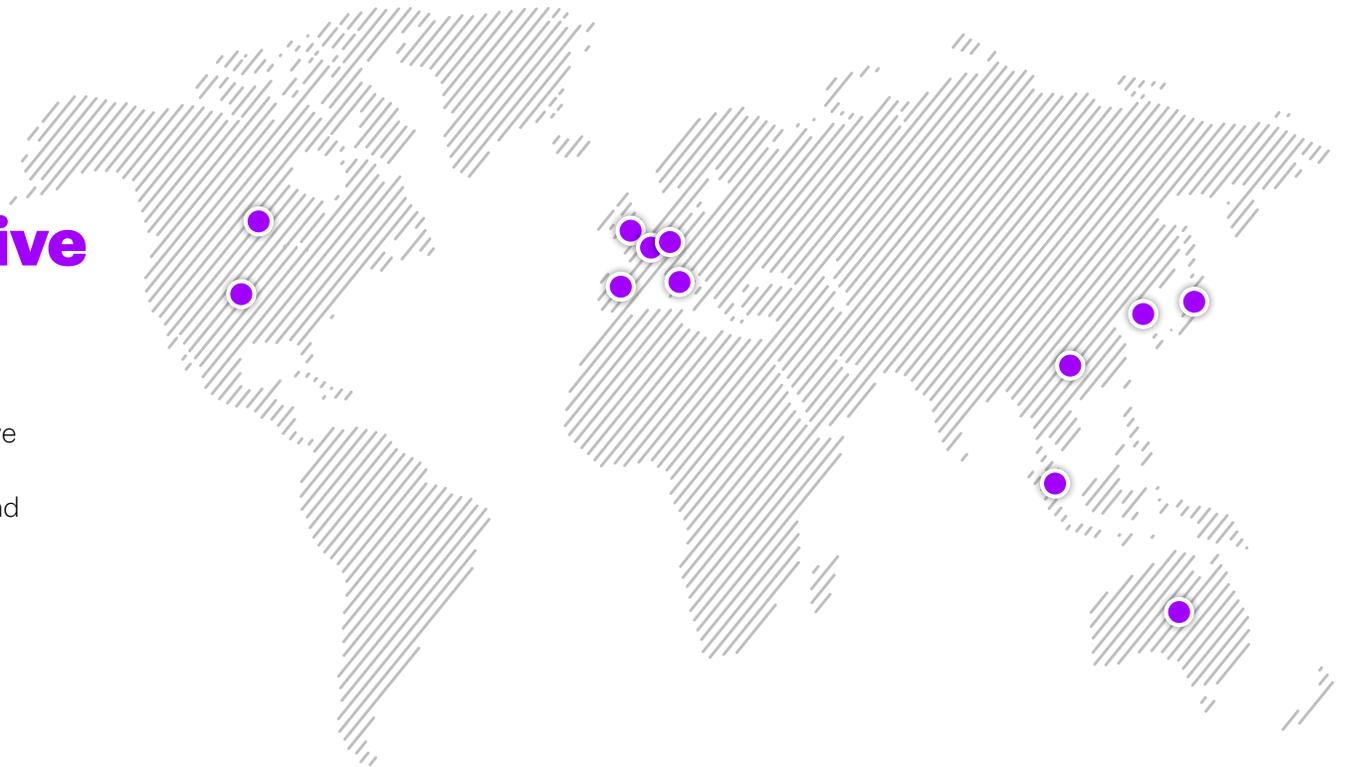
References.

1 Accenture, "How COVID-19 Will Permanently Change Consumer Behavior," https://www.accenture.com/us-en/insights/consumer-goods-services/coronavirus-consumer-behavior-research

2 We studied a select group of 137 leading companies (with FY19 revenues greater than $100 million) across the 14 categories and 12 countries covered in the Accenture Interactive 2020 Immersive Experiences Survey. The companies were reviewed for initiatives or marketing campaigns utilizing immersive technologies (such as AR, VR, 3D product visualizations, 360° videos) that were directly or indirectly meant to boost digital commerce.

3 Emirates, "Emirates Pioneers Web Virtual Reality Technology on Emirates.com," https://www.emirates.com/media-centre/emirates-pioneers-web-virtual-reality-technology-on-emiratescom

4 Liz Flora, "Brands Look to VR E-Commerce to Replace the In-Store Experience," April 21, 2020, https://www.glossy.co/beauty/brands-look-to-vr-e-commerce-to-replace-the-in-store-experience

5 Priya Rao, "YouTube Launches AR Virtual Try-On Capabilities with MAC Cosmetics," June 18, 2019, https://www.glossy.co/beauty/youtube-launches-ar-virtual-try-on-capabilities-with-mac-cosmetics

6 Edgar Alvarez, "Nike Uses AR to Help You Find the Right Fit for Your Sneakers," May 2, 2019, https://www.engadget.com/2019-05-09-nike-fit-augmented-reality-right-fit-size-shoes.html

7 Accenture Interactive, "See People, Not Patterns," https://www.accenture.com/us-en/insights/digital/see-people-not-patterns

8 Daniel Newman, "Toyota's New Augmented Reality Shopping Experience: A Shift in the Car Buying Journey?," June 7, 2019, https://www.forbes.com/sites/danielnewman/2019/06/07/toyotas-new-augmented-reality-shopping-experience-a-shift-in-the-car-buying-journey/#1c2675f767e8

9 Bang & Olufsen, https://www.bang-olufsen.com/en/story/apps

Contact.

To learn more about how immersive experiences can bring new value to consumers and get more category-specific insights from the survey, visit: **www.accenture.com/immersive**

Or contact:

Rori Duboff
Managing Director, Innovation & Strategy
rori.duboff@accenture.com

About Accenture

Accenture is a leading global professional services company, providing a broad range of services in strategy and consulting, interactive, technology and operations, with digital capabilities across all of these services. We combine unmatched experience and specialized capabilities across more than 40 industries—powered by the world's largest network of Advanced Technology and Intelligent Operations centers. With 513,000 people serving clients in more than 120 countries, Accenture brings continuous innovation to help clients improve their performance and create lasting value across their enterprises. **Visit us at www.accenture.com**

About Accenture Interactive

Accenture Interactive is reimagining business through experience. We drive sustainable growth by creating meaningful experiences that live at the intersection of purpose and innovation. By connecting deep human and business insights with the possibilities of technology, we design, build, communicate and run experiences that make lives easier, more productive and rewarding. Accenture Interactive is ranked the world's largest digital agency by Ad Age and has been named a Most Innovative Company by Fast Company. **To learn more, follow us @AccentureACTIVE and visit www.accentureinteractive.com**

About Accenture Research

Accenture Research shapes trends and creates data-driven insights about the most pressing issues global organizations face. Combining the power of innovative research techniques with a deep understanding of our clients' industries, our team of 300 researchers and analysts spans 20 countries and publishes hundreds of reports, articles and points of view every year. Our thought-provoking research—supported by proprietary data and partnerships with leading organizations such as MIT and HBS—guides our innovations and allows us to transform theories and fresh ideas into real-world solutions for our clients. **Visit us at www.accenture.com/research**