

# **Role of Augmented and Virtual Reality Marketing in Organizational Development**

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## **Abstract**

Marketing techniques evolve as the markets adapt to new types of content and starts to rearrange its preferences about the content that it prefers to consume. The content based on the Extended Realities – Virtual Reality, Augmented Reality, and Mixed Reality – is becoming ever-more popular due to the fact that consumers connect with it at a much deeper level, and it is psychologically more fit for a wide range of audiences. Therefore, to use such content in marketing efforts and campaigns can be the key to success for many organizations across the globe that are looking for increased customer engagement. The reason why consumers prefer content based on Virtual and Augmented Reality is that it is much more unreal, imaginary, illusory, and therefore, appears more perfect to viewers due to psychological reasons. It gives businesses a chance to create an illusion of positivity and perfection that can draw in more viewers and customers – therefore strengthening the entire business infrastructure, improving workflow as well as cashflow. The paper discusses many aspects of business marketing that have been influenced by Virtual Reality and Augmented Reality. Three prominent research papers have been reviewed to procure valuable data about the usage of Virtual Reality Marketing (VRM) and Augmented Reality Marketing (ARM) by modern businesses and how it allows businesses to connect with their audiences, build more sustainable B2C relationships, increase customer loyalty, improve their brand image, and

boost their brand awareness. VRM and ARM have been found to make things much easier for eCommerce stores as they can produce much more value from both these techniques as their primary medium of business is an electronic device. When you are investing in Virtual Reality Marketing or Augmented Reality Marketing, you are actually changing how the consumers perceive your brand. While marketers across the globe focus on building certain impressions in the minds of consumers and having them make purchases on the basis of those, VRM and ARM can introduce much more convenience, flexibility, and optimization into the same impressions or designs that the marketers are aiming to establish and maintain in the minds of existing and prospective consumers. When you change the way a product, service, or business is perceived by the market, you change the consumer behavior about that, and eventually you are able to “optimize” the response that your organization can or does get from its target market. That is how Virtual Reality Marketing or Augmented Reality Marketing can significantly improve the pace at which an organization progresses. The techniques of VRM and ARM can tweak with the consumer behavior, perception, and response excessively. Virtual Reality Marketing or Augmented Reality Marketing can impact the behaviour of consumers regarding a certain product with regard to multiple internal and external factors shaping their decisions.

**Keywords:** Virtual reality, augmented reality, marketing, consumer behaviours, organisational development

## **Introduction**

As the business world progresses at a rapid pace, marketing has become the backbone of every organization and the main criterion for its development and the pace at which it happens. A startup that cannot market itself well cannot perform well in the market, naturally – the reason

being that marketing is the root and core process of the chain that leads to conversion for organizational infrastructures. It is the catalyst behind every chain reaction of marketing that leads to consumer engagement and eventually, conversion.

That chain reaction is the core element of every organization's workflow as well as cashflow – the two stabilizers that lead to its rapid and quick development into a bigger, more influential brand with a much larger share in the market. Every day, new techniques and tools are introduced to make the process of marketing much smoother, effective, and more lucrative for businesses. Many of these techniques and technologies prove to be revolutionary for the entire marketing landscape that rapidly changes every day. It is a must for businesses to remain up to date in terms of their marketing strategies.

As an example, we will use the introduction of advertisements optimized for colorblind individuals so that they can benefit from the conveyed information just as much as people without any color vision deficiency. If more and more organizations opt for such ads that are created with consideration for the 15% of the total population of the world that is colorblind, it will become hard for companies with non-colorblind-compliant advertisements to gain the same amount of customer engagement. That is why it becomes imperative for businesses to follow marketing trends that are proving effective for their competitor organizations.

In the given paper, there are some new visual technologies under discussion that have proved to take marketing to a whole new level and look like the future of marketing will be reliant on them A to Z. Those technologies are collectively called Extended Realities or XRs – the reason being that they allow the viewer to experience whatever is happening on the screen in front of him to a much deeper and stronger level, not just visually. Extended Realities include visual technologies like Virtual Reality (VR), Augmented Reality (AR), and Mixed Reality (MR). All

three of these technologies have taken marketing to a whole new level in the fields where they have been or are being applied.

Most of the current research papers refer to marketing as a collective name for a complex group of technologies, techniques, and tools that businesses use to communicate with their target market in an effective, holistic, engaging, immersing, and lucrative way to establish a strong business to customer (B2C) relationship – thus ensuring mutual benefit for both sides communicating, both the market and the businesses serving it. That definition for marketing rightly emphasizes upon the connection that it builds between a group of consumers and a concerned business organization.

The reason why marketing is an ever-evolving and ever-changing group of techniques, tools, and technologies is because it helps businesses convey information to consumers which is a highly complex process. The factors that actually make it complex are that consumers want to remain at ease throughout the process – not only at ease but also interested and amused. An advertisement is going to be so much as watched by a consumer only if it interests them – even if it is only 8-10 seconds long. Elsewise they will be stabbing the “skip” button every second until it works – annoyed and frustrated. That leaves the image of the brand marred in the prospective consumer’s mind instead of improving it.

Then there are advertisements that even those customers will continue to unconsciously or reflexively watch who don’t have anything to do with the organization – or haven’t had anything to do with the business before, to be accurate. This happens most often on streaming websites like YouTube and TikTok – a viewer will keep watching the advertisement not even realizing that it is an advertisement because they were just watching random stuff for fun. Such advertisements actually lead to conversion for many businesses because they hook the audience to the point of no

return and then slowly incentivize them or inform them into taking a certain action in the favor of the company concerned.

So, there are many ways to communicate with prospective or present customers that make all the difference in whether your marketing campaign is successful or not. That is why those ways keep evolving as new technologies evolve. New media are being used to convey the required information to the market – examples being Virtual Reality and Augmented Reality. Many of those media – including the aforementioned two – are revolutionizing the world of marketing by giving organizations better ways to communicate and interact with their audiences and promote their services and products to boost their development.

### **Research Methodology**

Research methods are the modes and means through which the required information about the focus business area are collected to arrange it into a coherent and meaningful form. There are a number of research methods available that can suit the objectives of the given research. However, most of the research was conducted using the following methods as they were found suitable for marketing campaigns and techniques.

#### **Interviews:**

Interviews can provide much valuable information. Although this method can be very time-consuming, it is very useful as it employs face-to-face discussions with the marketing personnel as well as their target markets to get information about the net effect of the usage of the techniques of Virtual Reality and Augmented Reality and challenges faced by marketing personnel in employing and implementing them in their marketing campaigns along with different valuable insights into particular issues. Interview has several advantages.

- It provides an opportunity to verify particular pieces of information by contacting the relevant people in person.
- It can provide different insights into the effects and impacts of the concerned media when they are employed by the marketing personnel that can be best sought by interview.
- It can be one of the best ways to obtain proper explanations of certain phenomena.
- As it is a two-way interaction hence it allows for more cohesion and coherence.

Interviewing employees and managers is a powerful tool for research teams to collect data and useful information about marketing activities and enjoy convenience while looking for the improvements that have been caused by the introduction of Virtual Reality and Augmented Reality for marketing campaigns. A useful variation of the interview is the “Exit-Interview”. When an employee decides to leave the organization or is retiring, exit interviews are conducted to look deeper into the issues that caused them to leave or make the switch from one work environment to another – taking their talent elsewhere.

At that time, the personnel can openly discuss the matters and issues being faced by them in terms of marketing because they will not be afraid of the risk of losing a job or the pressure put on by the authorities, etc. Extremely useful information can be collected through this type of interview which can be then utilized by research teams for over-viewing marketing activities and policies and identifying issues being faced much more efficiently.

### **Questionnaires:**

Many marketing departments use questionnaires to widen the range of their research as interviewing can be time-consuming and costly. Also, interviews are limited by a lesser amount of people willing to take out the time to take part in them. Questionnaires can lead a research team to

more accurate and to-the-point information than face-to-face interaction. Besides, they are more economical, and they provide an opportunity to collect a large amount of data in a short period of time. Questionnaires are basically a list of statements or items to which the respondent responds by either saying yes or no or showing varying degrees of agreement or disagreement. However, one disadvantage of using questionnaires is that they can only be given to literate people based on the assumption that the respondents can write or read the language used by the questionnaire.

### **Historical studies:**

Reputed organizations can be expected to keep a clear record of when and how they used VR and AR in their marketing campaigns and how it affected those campaigns and their gross revenue. Therefore, by reviewing those historical records of organizations, a lot of data on the success of marketing campaigns backed up by VR and AR can be procured to get an idea of how they can possibly impact marketing success and eventually, organizational success and development.

### **Survey:**

Surveys are usually an inexpensive way to approach the issue, and they allow researchers to collect a large sampling of opinions related to marketing campaigns, the techniques used in them, their net effect, the impact that the overall success of those marketing campaigns had on the organizational development and so on. It involves a series of questions on an area of research and individuals are given a chance to provide the information which is then analyzed and processed to draw conclusions. Surveys are time-consuming and they do have a limitation of misinterpretation of questions, but surveys use large samples, and while some may misinterpret the queries, a majority will not.

**Case Studies:**

Through the case study method, an in-depth investigation of different challenges and aspects of using VR and AR technology is possible for the researchers. They can also analyze certain relationships in employees under the given circumstances. The in-depth and careful analysis of certain case studies may be valid for a wide application in the area of Human Resource Management and Human Relations.

**Statistical Studies:**

Statistical studies have been used far and wide in various researches. Using statistics allows researchers to collect, classify, interpret and analyze concrete data. Various statistical methods such as mean, mode, median, dispersion, correlation and regression, trends, probability, index numbers, etc. are used to draw statistical inferences. With the increasing progress in technology and computational tools and techniques, statistical methods are being used in a wide range of researches in these modern times.

**Secondary Source of Data:**

This research method is used to collect all kinds of historical data that has already been procured, assembled, and recorded on the given research topic by credible academic and business resources. For this research method, secondary sources are used to collect historical data on a topic. A secondary source is a published document, book, government report, journal, magazine, and other content-rich articles in which data related to the research topic is available. Using this research method can broaden the scope of research to a great extent and improve the knowledge base created by it.



This is the main method that was used to collect the required data for the implications of using Virtual Reality Marketing and Augmented Reality Marketing by organizations and for the organizational development overall.

### **Literature Review**

Many literary resources were reviewed to procure valuable information on the topic that has been recorded by credible academic resources. The most important and notable ones that yielded the most relevant concrete data about the concerned topic included:

1. Virtual Reality in Marketing: A Framework, Review, and Research Agenda by Mariano Alcañiz, Enrique Bigné, and Jaime Guixeres (2019) published in the journal *Frontiers in Psychology*.
2. *Augmented Reality for Marketing* by IAB (2019)
3. *What Impact will Immersive Technologies such as Augmented and Virtual Reality have on the Retail Sector?* By Steve Carton (2019)

According to Alcañiz, Bigné, & Guixeres (2019), the most important sector of business affected by Virtual Reality is eCommerce – the reason being that eCommerce is the area in which it is the easiest for marketers to employ all kinds of Extended Realities to gain more ground and establish their organizations. As people are continuously switching from physical stores to eetail, they find it much easier to create an illusion of a real retail environment for the consumers and make their customer journey much more smooth and their user experience better accordingly. As the popularity of eCommerce increases, so does the trend of using Extended Realities to add more touch and liveliness to it.

The collective term coined for the use of Extended Realities including Virtual Reality and Augmented Reality is “vCommerce” or virtual commerce. The term correctly describes the conduction of trade on virtual platforms on the basis of virtual realities and effects created by retailers to attract more customers and increase the engagement of their platform. It makes organizational development much faster, easier, and convenient because marketing is a much smoother, more easily traversible road for an eCommerce platform on the basis of Extended Realities than it is for a physical store relying on physically real, solid tools and techniques to make the store environment more appealing for customers.

The way Virtual Reality and Augmented Reality have revolutionized the world of eCommerce in a way that is highly stunning – while physical stores have to pay a lot to get posters printed and banners designed, an eCommerce store can make do with a sleek and professional web banner based on virtual reality which is much more appealing because it is tech-based and can pull in more customers. An eCommerce can be very small and insignificant in terms of gross revenue but it can still invest in a substantial amount of marketing on its website, thanks to Virtual Reality and Augmented Reality.

That is the reason why people are resorting to eCommerce to earn a living for themselves – organizational development is much more smooth, easy, and well-provisioned when it relies on the Extended Realities instead of the physical ones for its marketing. It is much easier to give customers what they want in terms of vCommerce than in terms of physical trade.

### ***Branding Made Easy by VRM & ARM***

VRM and ARM both allow organizations and businesses to better build their brand image in the minds of their target markets and audiences on the basis of illusions of value and positivity.

Let us include a marketing script about branding – the most important step boosted by Virtual Reality and Augmented Reality.

*Why are people not going far enough to actually buy your product?*

*They look at it, they discuss it, but why don't they buy from you?*

*This is an obstacle that many businesses face.*

*Learn why this happens, and how to tackle this problem.*

*A book that has got tons of useful information inside may not sell.*

*A car that has a great mileage may not sell.*

*An e-commerce service or product that can produce miraculous results may not sell.*

*Why?*

*Buyers are increasingly inclined to make purchases under the influence of certain factors.*

*Research is easy, and everybody wants to make an informed decision when they are spending money.*

*The benefits that you can deliver post-purchase may never be discovered.*

*People may not even reach that stage where they actually take the money out of their pocket and make the purchase.*

*They need something to motivate them through the sales funnel or sales cycle.*

*They need an “incentive” to spend money on something.*

*People want testimonials, they want reviews, they want ratings, they want proof.*

*But for you to have enough ratings, reviews, or testimonials – your business needs an initial push or kick start.*

*Will buyers take the initiative and take the risk and start buying your product just to try it? No.*

*Buyers don't take initiatives.*

*UNLESS...*

*They are incentivized by something great. Something impressive. Something that looks, sounds, feels promising.*

*What could it be? Where do you get the chance to incentivize your buyers like that? At which point, exactly?*

*It is when you are marketing your product, branding it, or designing it's cover. That is the time when you can make efforts and incentivize those first few buyers of yours, giving your product/service the kick start it needs.*

That certain kickstart is just the thing that Virtual Reality and Augmented Reality have made much more powerful and easier to achieve for organizations across the globe. When it is easy for you to compel your first few customers into making a purchase on the basis of Virtual Reality Marketing or Augmented Reality Marketing, it automatically becomes much easier for your company to establish itself on the basis of the quality of its products or services that may otherwise go undiscovered by potential buyers even after visiting your store. It is very easy to tweak with the most basic concepts of consumers about your organization on the basis of a virtual reality.

### ***VRM & ARM Change Consumer Behavior***

When you are investing in Virtual Reality Marketing or Augmented Reality Marketing, you are actually changing how the consumers perceive your brand. While marketers across the globe focus on building certain impressions in the minds of consumers and having them make purchases on the basis of those, VRM and ARM can introduce much more convenience, flexibility, and optimization into the same impressions or designs that the marketers are aiming to establish

and maintain in the minds of existing and prospective consumers. When you change the way a product, service, or business is perceived by the market, you change the consumer behavior about that, and eventually you are able to “optimize” the response that your organization can or does get from its target market.

That is how Virtual Reality Marketing or Augmented Reality Marketing can significantly improve the pace at which an organization progresses. Let us delve a bit deeper into just how the techniques of VRM and ARM can tweak with the consumer behavior, perception, and response. Virtual Reality Marketing or Augmented Reality Marketing can impact the behaviour of consumers regarding a certain product with regard to multiple internal and external factors shaping their decisions.

### **NEEDS, MOTIVES, AND ATTITUDES**

Consumer behaviour regarding a product is primarily influenced by the needs of the consumer that drive him or motivate him to buy that product. Marketers don't create needs in consumers, but they can make consumers aware of certain things that they need in a product for it to be ideal for their use. There are two types of needs and motives that urge consumers to buy certain products: innate and acquired. The innate needs are the basic needs of every person, needs are not a part of the necessary infrastructure of the human mind but are acquired by it due to a particular culture or environment. These needs are generally considered psychological and secondary.

The eco-friendliness of a product is continuously being perceived as a need by consumers across the globe, and thus marketers are using that acquired as well as innate need to drive purchases. The consumers keep several goals and motives in mind while choosing a product. They

can be fixed like a specific size, shape, colour, or miles per gallon of petrol. These needs and goals drive them to buy certain products that satisfy all their requirements. The marketing managers manipulate those drives to portray a specific product as the ideal choice for a consumer. The needs of a consumer are ever-changing and ever-growing. Once a particular requirement or demand gets fulfilled, consumers start looking for a better option, and they set a higher goal for the product.

Attitude also influences consumer behaviour because it refers to the personal preferences of a buyer regarding a particular product. Sustainability is continuously dominating the attitudes of consumers regarding the products they purchase as they grow caring about their environment. Just the way one consumer may show a positive attitude towards bright colours while the other might prefer darker shades and hence, show a negative attitude towards all the more vivid colours. So, the opinions of consumers change along with their preferences about specific products. If the consumer – just like an increasing number of consumers across the globe – cares about the environment and has a positive attitude towards it, he/she will inevitably be drawn to something labelled green.

All three of these things involved in consumer behaviour can be modified by a virtual reality that is influencing consumers as soon as they come across an advertisement or a store. It can do everything from inducing “good” or positive vibes in the consumers’ minds about a certain product to making them think that it can be the ideal fit for anybody despite anything – which may sound unreal but that is what virtual reality is, unreal and imaginary. It uses the consumers’ imagination to tweak with their entire behaviour about a business and whatever it is selling.

## **PERCEPTION**

Perception refers to how consumers analyse and judge a brand or product through advertisements and the experiences of surrounding people regarding it. In an advertisement or marketing campaign, consumers will note down the factors that interest them and disregard the ones that don't. For example, if a consumer is looking for a car with good mileage, he will notice the claims about mileage and ignore the rest of the ads. How customers perceive a brand or product decides how likely they are to buy it. Consumers continuously synthesize all the information they have about a company to form a decision about whether that company offers value.

Consumer perception is basically an approximation of reality. Businesses attempt to influence this perception of reality, sometimes through trickery and manipulation, but often just by presenting themselves in the best possible light. Virtual reality and Augmented Reality help marketers enhance all the good parts and make them more convincing – no short of psychological manipulation but highly effective and ethical because only graphical illustrations are usually involved, not false words or tall claims. (Barnes, 2016)

## **MEMORY**

Memory refers to how consumers store information regarding a brand or product in their minds, and whether they do it in a positive light or a negative one. It is a significant factor affecting the decisions of a customer regarding a particular product. For example, the food products packaged in red colour sell 25% more in the US, because a red package automatically influences the memory of a customer more than any other colour. Similarly, many different psychological influences can be employed in adverts to create a better image in the mind of consumers about certain products. Virtual Reality Marketing or Augmented Reality Marketing can be used to make

consumers think of something as natural, pure, and harmless. If certain information is stored in the memory of a consumer about a product, the product will automatically influence him based on that information when he sees it displayed somewhere.

## **PERSONALITY**

It is an established concept that consumers are generally more likely to accept or buy products that fit their ideas and general character. The characteristics that constitute and shape our personality decide what kind of products we accept or buy. The traits like introversion, extroversion, self-confidence (or lack of it), individualism, friendliness, conscientiousness, workaholism, compulsiveness, agreeableness, adaptability, ambitiousness, dogmatism, authoritarianism, aggressiveness, competitiveness, and so on are critical factors that can be traced by psychologists through the choices we make while buying products for yourself.

It is natural to want the products in our possession to add to the influence of our personality. Similarly, people are increasingly likely to want to buy a green product because they want to portray themselves as somebody who cares about the rising global concerns and feel like the product that is labelled green can add to the positive outlook about their personality. An example is the tendency of people to get more attracted to a t-shirt that says, "Save the Earth." That is the factor that green marketing can use to its own advantage by incentivizing people to contribute to the protection of the Home by making a purchase that does not harm the environment through carbon emissions or non-degradability.

Similarly, ARM & VRM can create and incorporate views and influences that may interact a much wider market than the actual product, its value, and its quality itself. A person may like a Coca Cola advertisement based on the Extended Reality he is subjected to and automatically feel



good about purchasing its products even though he isn't an avid fan of the taste or quality. That is how people's individual preferences and choices that make up their personality and make them more inclined towards purchasing certain "concepts" can be used by ARM & VRM professionals.

### **Findings and Analysis**

Similarly, The Interactive Advertising Bureau (2019) concluded their findings about the impact of Augmented Reality in helping marketers across the globe by saying that the scope for the technologies of Extended Reality is inevitably going to increase in the coming three to four years because the audience for Extended Reality is continuously increasing and will continue to do so – forcing marketers to find ways to coax visitors to become viewers on the basis of these technologies. Augmented Reality significantly contributes to the development of B2C communication and interaction, allowing businesses to step up their marketing by a huge margin and maximize their conversion rates – it is like the Extended Realities offer an entirely new language to business marketers in which they can talk to their markets and convey their ideas more effectively because the market is infinitely more receptive to that particular language. (Gallardo, Quevedo, & Andaluz, 2017)

### **Conclusion**

In order to survive the ever-fiercer competition in the domain of business marketing, every business organization from well-established brands to small retail stores must stay ahead of the curve and invest in a type of marketing that is the future of the world of business. It will soon form the criterion on the basis of which the success of marketing efforts is measured, and therefore, it is recommendable to start employing Extended Realities in your marketing efforts at a much larger

and at a more basic scale – using it as a success metric before the rest of the industry realizes the potential in it and you get left behind due to a lack of innovation.

### **Recommendations**

As recorded by Flavián, Ibáñez-Sánchez, & Orús (2019), companies offering hybrid experiences to consumers with physical-virtual touchpoints are succeeding much more rapidly and are much more likely to dominate the markets in the future. It has become imperative for marketing professionals to focus more on the graphic environments and images and realities that they create to influence their target audiences. The same thing is recorded by Carton (2019) who concluded that VRM and ARM are both important in helping organizations build their brand image rapidly and influence their consumer markets into building a deeper connection with their brand.

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