Augmented Reality is Changing Marketing and Sales

Supercharging Sales through Digital Innovation

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New Opportunities for Marketing and Sales

Organizations must improve how they market and sell products to their buyers. They must make the process easier, ensuring prospective customers are able to understand how products operate or can be applied to their specific set of requirements. In the face of this challenge, the buying experience has become the new focal point for organizations looking to market and sell more effectively and thus perform better.

However, the most direct path to this goal, the digitalization of product marketing, has not been traveled much over the past decade. There have been advances in marketing through the incorporation of graphical content such as images or videos of products, but these don't enable a full appreciation of what the products are or how they operate. Much marketing today also does not take full advantage of new technology-enabled ways to enable buyers to better understand products. As a result, all too often organizations do not make it as easy as they might to fully understand the actual products.

Engaged buyers increasingly expect to be able to not only see but interact with products. They expect a buying experience that is sophisticated and relevant to their needs. How products are presented can have an immediate impact on customer engagement and lead potential customers further along the journey to purchasing.

Many industries – those selling physical products and especially those in involving industrial manufacturing – have dealt with the challenge of satisfying buyers’ need for information by following tradition: They ship products to customers for a trial or demonstration, or they ship them to a trade show. But this approach can be expensive and time-consuming, particularly when the products are large and cumbersome as well as expensive. And in this model organizations often aren’t able to personalize the experience of the physical asset.

Sales organizations also have found it challenging to effectively present products to customers. They have embraced some digital aspects of selling, in areas such as engagement to sales enablement, but most effort has gone to making traditional forms of commerce more efficient by improving the selection to shopping basket process. In terms of what the products are and how they work or can be used, most digital commerce still has much to improve on.
Much of this lack of effectiveness is due to organizations’ inability to offer virtualized presentations of products to customers. When products are complex, selling cycles can be longer, as more detailed reviews are necessary before purchasing. When customers can’t physically see products or don’t have available an effective virtual equivalent, purchasing delays can occur, perhaps even leading to a need for requotes and longer sales cycles and possibly the loss of the buying opportunity.

Digital Innovation in Augmented Reality

Augmented reality is an interactive experience that combines computer-generated perceptual overlays on real-world physical objects with digitally presented information. In recent years its use has grown rapidly and the cost of developing AR experiences has declined significantly. The technology is widely available on AR-enabled mobile devices such as smartphones as well as increasingly accessible and wearable headset-based devices, reaching a much larger audience.

Our research finds that close to half (46%) of organizations view mobile technology as playing a critical role in improving product information management. AR is a part of this effort; a variety of industry research finds that up to one-third of customers are using some form of it today. Adoption will continue to increase – AR has demonstrable value in marketing and selling because it generates revenue and improves the buying experience. Businesses will take advantage of innovations in AR as it becomes clear the technology will enable them to realize the full potential of their investments.

In retail environments, customers increasingly expect personalization and products that can be test-driven in forms customized to suit their needs and the industrial market is rapidly following suit. AR helps provide this desired direct experience of products both technically and spatially. Such an augmented product experience can be a trigger to purchase and a tool for shortening the sales cycle. Our research finds the three most important interactivity capabilities with respect to product information are:

- Getting more detailed product information (65%).
- Reading product information (55%).
- Accessing product information easily on mobile devices (52%).
New developments are making it easier and more cost-effective for organizations to implement AR. Modern platforms are designed to be flexible, with applications that do not require coding but rather just assembly and configuration. The design process for AR is much simpler than organizations might expect and includes studio-based creative environments where physical products can be combined to create a digital twin.

Rolling out AR-related experiences is easier than ever before, as they can be tested on mobile devices or applied to specific product- or channel-related systems where they are needed. The results can improve the ease and cost of delivering virtual experiences with digital twins that engage buyers and improve the effectiveness of sales processes.

Examples of Augmented Reality

Opportunities for AR in marketing and sales abound. Built-to-order and configurable products such as industrial equipment for agriculture and manufacturing need to meet the individual buyer’s specific needs but it’s often very costly to ship large, heavy equipment in advance of a sale. With AR-enhanced product catalog, customers can use the camera on their mobile device or headset to virtually experience that same equipment or merchandise in a setting of their choice.

AR-enabled visualization of vehicles, equipment, furniture and appliances means buyers can examine or operate the product with unprecedented autonomy.

Specific versions of configurable products are difficult to create with CPQ software, which often is managed by sales personnel rather than the customer. But with AR the buyer, working alone or with sales, and can configure the equipment or product in real time. Electronic manufacturing equipment, for example, is not always easy to experience prior to purchase. With AR, though, buyers can experience the product virtually, which increases interest in purchasing. For example, industrial HVAC, because of the size and cost of the equipment, can be difficult to visualize without a digital twin let alone see how the piece would look and function in its intended setting. With AR, buyers have the ability to visualize equipment at their location and see how it fits and appears in context. And with AR, buyers can change the product’s configuration, see it...
operating and ensure it satisfies their expectations. Using AR, the trade show experience can be reconceptualized so that the buyer can not only be guided in a walk around a configured piece of equipment but can actually be shown how to operate it.

Organizations now have the opportunity to more closely align marketing and sales to the customer journey with technology innovations that can advance engagement and increase product purchases. AR is proven to dramatically speed the buying experience and reduce the time and cost of resources required to address buyers’ needs.

The Value of AR for Business

It’s now possible for organizations to engage customers in new ways by investing in AR content that can enable them to deliver more satisfying interactions at a faster pace to achieve revenue targets. Also, they can more easily differentiate their brand and buying experiences through AR that delivers to customers highly detailed digital twins. This technology also makes it possible to provide an interactive and immersive digital product experience without a cumbersome and costly transportation and logistics infrastructure.

More broadly, AR can lead to more active customer engagement in the marketing and sales processes. This is important, as our research finds that optimizing the customer experience and maximizing satisfaction is the top priority for three in five organizations’ (61%) when they explore improving product information.

From a marketing perspective, organizations’ substantial investments often prove to be less than optimally effective because they are subject to competitive disruptions. With AR, investments are directly linked to a more engaging experience and more directly address customers’ needs. With AR in their toolbox, organizations can reduce their spending on non-differentiated aspects of marketing and sales, including substantial shipping costs for review and demonstration items and even experts’ travel expenses. Effective AR efforts that are immediately available on AR-enabled mobile devices or eyewear can reach significantly larger audiences than those targeted by more traditional marketing spend.

AR has the potential to dramatically speed the buying experience and reduce the time and cost of resources required to address buyers’ needs.
From a sales perspective, AR offers more differentiated approaches that efficiently engage prospects in smarter, more targeted ways. AR reduces the time for product discovery and education, which both shortens sales cycles and increases buyer confidence. Customers can be quite knowledgeable as to what they want to see before buying a product and so will appreciate the opportunity to experience products virtually. In addition, using AR provides the opportunity to learn about configurations and uses of the product that would otherwise not be obvious or easily understood. This in turn means fewer requotes and reconfigurations because the buyer collaborates in the testing and configuration process. The net result is an increase in sales velocity and volume with the same level of resources. It’s an approach that can lead to higher win rates and revenue target achievement by enabling buyers to engage faster than ever before.

Getting Started with Augmented Reality

To start, organizations should assess their marketing and sales processes and prioritize how to apply digital innovation to the buyer’s experience purchasing products. The intent should be to develop a compelling new virtual buying experience, one that uses AR to provide a more comprehensive way for buyers to understand and engage with products.

In particular, organizations should seek opportunities to augment or reconceptualize presentations of products to make it easier for buyers to understand what they offer and how the products suit their needs. Organizations also should consider where AR and the use of digital twins would be beneficial beyond sales and marketing processes; for example, it has the potential to improve the service experience as well. Digital innovation with AR brings more value to the company brand; it improves customer perception and is rapidly becoming a competitive differentiator.

It's critical to establish a compelling business case that communicates the value of an AR investment. It should define target use cases, present the value of the investment and outline clear and quantifiable benefits that can be achieved in projected time frames. It’s important that organizations ensure they can achieve significant value with any proposed additional resources. That value is likely to lie largely in improved customer satisfaction. AR provides a simpler and lower-cost way to offer a more personal and customized method to configure products. And it
can reduce the cost of marketing and selling because after initial development, less work is required to follow up and pursue customers.

To support the business case, look at what other organizations are doing, seeking out in particular examples that are similar to your needs. Assess market options and explore the potential for innovation within your organization. Look at online video representations of AR to see what is possible and examine how using currently available AR systems, tools and services for innovation in marketing and sales might enable greater effectiveness.

Finally, be sure to consider the usability and manageability of an AR platform. Evaluate platforms that are easy to configure and customize, particularly those that don’t require coding and can be used for both mobile and headset AR devices.

Through an investment in AR, sales and marketing can be more buyer- and revenue-focused while working to meet customers’ needs at a dramatically lower cost than is prevalent today.

About Ventana Research

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