Augmented Reality: Designing Immersive Experiences That Maximize Consumer Engagement

Andrew N. Smith  
Assistant Professor of Marketing, Girard School of Business  
Merrimack College, North Andover, MA  
smithand@merrimack.edu

Joachim Scholz  
Assistant Professor of Marketing, Orfalea College of Business  
California Polytechnic State University, San Luis Obispo, CA  
jscholz@calpoly.edu
Augmented Reality: Designing Immersive Experiences That Maximize Consumer Engagement

Augmented reality (AR) is the practice of displaying digital information over people’s real-time view of objects, people, or spaces in the physical world. Users typically perceive this virtual content (e.g., texts, pictures, videos, animations) through digital devices, such as smart phones, smart glasses, and AR installations. Innovative marketers – such as IKEA, Pepsi, and Google – have begun to leverage augmented reality in a variety of ways to create more interactive advertising and enable consumers to experience products and spaces in novel ways. While AR can play a valuable role in integrated marketing programs, little is known about the practice and how to execute effective AR programs in the marketplace. We address this gap and discuss a framework that describes the active and passive ingredients of augmented reality. First, we introduce the building blocks of AR experiences; these include active and passive ingredients of the physical world. Active ingredients include the virtual AR content, the users who are experiencing the AR layer, and the target that is being augmented. Passive ingredients include bystanders who are in the general environment of the user, and the physical environment in which the AR experience is situated. Next, we discuss the basic design decisions marketers have to make when developing AR initiatives. Marketers can design more successful AR experiences by defining the target audience and communications objectives, determining how the AR layer will be activated for users, regulating what content will be added to the AR layer and by whom, as well as planning for how the AR layer will integrate with specific social and physical contexts. For example, a marketer who is interested in achieving awareness objectives would be better served by developing an AR campaign that is automatically triggered and experienced through an installation in a public location. Third, we describe how marketers can optimize their AR initiatives by making, often small
and inexpensive, adjustments to their AR content and overall experience. As a part of this dis-
cussion, we explain how understanding and addressing the dynamics between various active and
passive AR ingredients can help marketers to optimize their AR campaigns and enhance various
types of consumer engagement: user-brand engagement, user-user engagement, and user-
bystander engagement. To enhance user-brand engagement, for example, marketers can offer
users more affordances for interaction, while to bolster user-user engagement, they can enable
in-layer sociability. Finally, to enhance user-bystander engagement, they can provide users with
opportunities to create interesting artifacts that users can share via social media. In conclusion,
this paper presents an initial framework to help marketers understand augmented reality and in-
tegrate it into their marketing programs. We hope, also, that it will generate interest from market-
ing scholars and encourage them to further study augmented reality as a developing and poten-
tially influential phenomenon in consumer culture.