Chapter 3
Optimizing Augmented Reality and Virtual Reality for Customer Engagement

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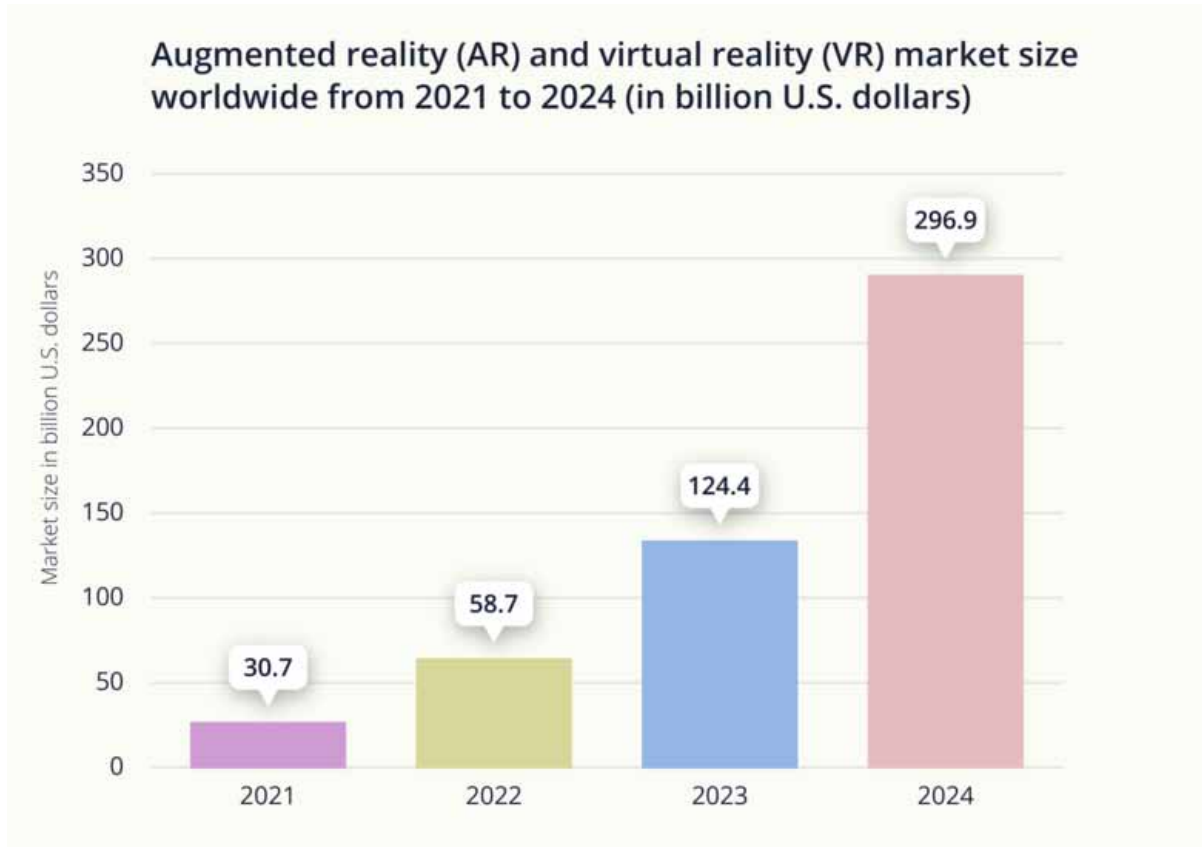*Maharshi Dayanand University, India*

ABSTRACT

Technological developments have advanced significantly. Augmented reality and virtual reality are emerging technologies and rapidly gaining popularity. Augmented reality combines the virtual world with real environment using digital visual elements, sound, or other sensory stimuli delivered via technology and creates an interactive experience. Virtual reality creates a 3D-simulated immersive environment. AR and VR are two sides of a coin. Virtual reality replaces what people see and experience whereas augmented reality actually adds to it. The study aims at understanding applications of augmented reality and virtual augmented technologies for optimizing customer engagement and challenges in implementing these technologies for developing customer engagement. The study being conceptual in nature is based on secondary sources. Efforts have been made to collect literature from every possible source including websites, journals, books, theses, etc.

Figure 1. Growth in market size of AR and VR
Source: (Bitkina, 2022)

Augmented reality (AR) and virtual reality (VR) market size worldwide from 2021 to 2024 (in billion U.S. dollars)

INTRODUCTION

The absence of physical contact is a major barrier that has made customers more reluctant to buy. These are the customers that want to see and test products before spending their money. Immersive technology is attempting to break down barriers and remove constraints. Businesses can use various reality technologies to engage their customers by providing them with a level of customer experience nearly equivalent to when they shop in person.

Today, augmented reality enables businesses all over the world to engage with their customers and has become one of the digital world's must-have tools. And its current market growth indicates that this technology will grow at an exponential rate. According to a new report published by Research Dive, the global AR market will grow at a 30.9% CAGR and reach USD 65,323.4 million by 2028. Immersive technology has revolutionized the way companies deliver services and products to customers. This transformation significantly improved level of customer engagement in ways that no other technology could. Consumers can have realistic experiences by immersing themselves in virtual reality before purchasing a product or service. This includes everything from making an inquiry to testing the products they like to purchase, as well as after-sales service. Immersive technology touches all of these aspects, making the engagement more interesting, accurate, and effective. (Padua, 2022)

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