

Augmented, Mixed, and Virtual Reality Applications in Cause-Related Marketing (CRM)

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EXECUTIVE SUMMARY

This chapter deals with emerging augmented, mixed, and virtual reality platforms and their applications in cause-related marketing (CRM) campaigns. This chapter provides definitions and examples of augmented, mixed, and virtual realities and explains their importance CRM professionals. Compared with traditional marketing platforms, reality-creating technologies are characterized with their capabilities to interact with marketing contents through their geolocation specificity, mobility, and synchronization of virtuality and reality. These technological characteristics have made reality-creating technologies very promising for many cause-related marketing (CRM) campaigns. This chapter surveys current discussions in the existing literature and ends with three cause-related marketing (CRM) campaigns. The study concludes with an overview of emerging issues, future directions, and professional best practice recommendations.

INTRODUCTION

The Emergence of Augmented, Mixed, and Virtual Reality

Using digital information to generate a sense of immersive reality is commonly referred to digital reality technologies that include “an amalgamation of augmented reality (AR), virtual reality (VR), mixed reality, 360°, and immersive technologies” (Cook, Jones, Raghavan, & Saif, 2017, n.p.). A recent research report by ResearchAndMarkets.com (2018) predicts that the global revenue for both augmented reality

(AR) and virtual reality (VR) applications will reach \$94.4 billion by 2023. International Data Corporation (IDC) (2017) similarly forecasts a rosy prediction that these reality-creating technologies and their applications will reach \$13.9 billion in 2017. The compound annual growth of AR and VR is expected to reach \$143.3 billion in 2020 (IDC, 2017). Separately, AR is predicted to generate \$120 billion in revenue by 2020, according to *Forbes* (Gaudiosi, 2015). The forecast of the “disruptive” mixed reality (MR) is even more astonishing as the technology is said to affect the \$2 trillion entertainment market (Rizzotto, 2016). These technologies are expected to diffuse to other industry sectors in society, ranging from education, financial services, real estate, and retailing industries (Cook et al., 2017). Citing smartphone penetration as a main driver of these technologies due to its ubiquitous presence in people’s lives, it is projected that consumer applications in entertainment, gaming, and media will account for 30% of the revenue in 2017 (ResearchAndMarkets.com, 2018). The popularity of *Pokémon Go* location-sensitive AR game in 2016 is an excellent example of the convergence applications, which has earned over \$1.2 billion worldwide (Suciu, 2018). ResearchAndMarkets.com (2018) also estimates that the Asia-Pacific Region will see the fastest growth.

The applications of digital reality technologies could be traced back to 1990s. As early as 2010, HarperCollins Publishers experimented with AR to promote Cecelia Athern’s book, *The Book of Tomorrow*, in its campaign (everydayismagical.com) (Shields, 2010; Yang & Kang, 2018). Ford’s UK VR campaign (<https://www.youtube.com/watch?v=bl8T9oYO5vY>) allowed young mobile phone users to view images superimposed virtually onto another picture to promote its *Ka* model (Clifford-Marsh, 2009). Ford campaign also employs an interactive kiosk inside a shopping mall to deliver the immersive digital reality experiences by allowing users to virtually interact with different Ford models (<https://www.youtube.com/watch?v=bl8T9oYO5vY>).

Interest in technology-driven marketing activities such as customer acquisition, customer nurturing, brand affinity, and point of sale in both consumer-to-consumer or business-to-business electronic commerce has led to their growing applications in almost all industry sectors (Marketo, n.d.). A survey of agency clients reported that 67% of media buyers and planners are interested in incorporating AR and VR into their digital marketing campaigns (Martin, 2017). The survey also found that VR (67%) was favored over AR (17%) in their media buy (Martin, 2017). Due to their popularity, AR and VR marketing campaigns have gradually been recognized in major professional awards (e.g., the Auggie Awards, the Emmy Awards, or the Webby Awards) (Giardina, 2017). Interactive Advertising Bureau (IAB) expects these reality technologies will ultimately become major advertising media in the next five years because of their immersive storytelling and emotion-eliciting benefits that can influence consumer brain at its neocortex, limbic system, and reptilian brain (Klie, 2016; Marketo, n.d.). Trade publications and conferences avidly advocate the coming of VR, and other reality technologies, as one of the noteworthy trends (Alcántara, 2018; Braiker, 2018; Burritt, 2017b; Higham, 2018). For example, a VR campaign by McCann Erickson (2016) allows kids to experience what it is like and how people feel to be bullied (<https://www.youtube.com/watch?v=NKln3HNkWIU>). The campaign also won the best CRM campaign, The 2017 Webby Awards (The Webby Awards, 2017). Similarly, Expedia, the online travel site, collaborates with its agency, 180LA, to develop an immersive VR campaign, *St Jude Dream Adventures* (<https://www.youtube.com/playlist?list=PLdgCSOJzrmKHooMkCbPL00HE0EB-OPCP>), to allow sick children to travel virtually to their dream destinations (Dias, 2016). This award-winning CRM campaign has successfully created awareness and driven donations to St. Jude Children Research Hospital (The Shorty Social Good Awards, 2016). The impacts of these digital reality technologies are

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