Chapter 9
The Future of Brand Experience:
AI-Powered AR/VR and the Rise of Immersive Interactions

Abdul Basith
http://orcid.org/0009-0001-8858-2636
Woxsen University, India

Nida Bashiruddin Shaikh
http://orcid.org/0009-0006-0630-4832
Woxsen University, India

Anikha Ahmed
http://orcid.org/0009-0003-3525-3913
Woxsen University, India

Mohd Azhar
http://orcid.org/0000-0003-3222-5565
New Delhi Institute of Management, India

ABSTRACT

With a generation of technological advancements, AI, AR and VR are the hotspots of a paradigm shift in the interactions between the brands and the consumer. In this chapter, the technology of engaging the consumers in some new forms and ways using these emerging technologies is discussed, where the traditional experiences of a brand are turning to innovative immersive experiences. The key driver in the process, AI fits perfectly into these strategies, boosting data-driven personalization, predictive storytelling, and emotional connection with avatars, chatbots, and recommendation engines. At the same time, the immersive worlds which are fuelled

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by the technologies of AR and VR are redefining consumer behaviour. This chapter discusses important ethical dilemmas that include data privacy, algorithm bias, and digital fatigue that provide future outlook on metaverse, spatial computing, and digital twins. Overall, the study offers comprehensive road guide the brands can use in walking with the immersive brand experiences in the future.

INTRODUCTION

The rapid progress of artificial intelligence (AI) is causing an unusual disruption in the global economy, fundamentally changing the retail industry and the nature of the consumer shopping experience (Annapareddy et al., 2025). AI-enabled real-time interaction systems are resulting in "major behavioural shifts" in the retail industry, changing how consumers interact with brands and how they purchase. What was once simply science fiction is now part of everyday interactions, often without consumers even being aware of these technologies, thus changing the way companies engage with brands and the way consumers make purchasing decisions (Ahmad et al., 2025; Sagio et al., 2025). This technology disruption is not only a mere enhancement of business processes; it is inadequate to say it will transform market dynamics in rewarding ways. It is incumbent upon organizations to innovate responsibly and opportune change in accordance with ethical guidelines, social parity, environmental practices and long term-value.

As we transition toward a digital economy, the traditional retail models can no longer do because they are static recommendations based on past purchasing histories, and cannot support collaborative exchanges in the present dynamic space of consumer preferences and usage complexity (Anderson, 2025; Ahmad et al., 2025) The modern consumer is no longer described as a passive recipient of marketing messages, but now is an active participant, a co-creator and critic of brand stories, demanding relevance, speed, personalization, trust, and immersive experiences for every contact point (Gokhan Nalbant & Aydin, 2025).

This chapter, The Future of Brand Experience: AI-Driven AR/VR and the Future of Immersive Interactions, discusses the integration of innovation in AI-assisted technology, and immersive technology, and how these can envision new ways to create brand consumer linkages. It aims to offer a coherent summary of the ways in which AI is reconceptualizing not simply the products people buy, but the motives and behaviours motivating those purchases. There is a special focus on the rising field of AI-assisted augmented reality (AR) and virtual reality (VR), as the discussion provides an explanation for why businesses in this sector will dominate the future of enhanced brand experiences. By outlining the considerations, it addresses the research gap in synthesizing a customer's personalized information and the augmented