



# Monocle's Augmented Reality Proximity Marketing

## ABSTRACT

Augmented Reality (AR) is a growing field in digital marketing. As it provides a new channel to enterprises that allows their consumers to interact with the brand.

This white paper provides a brief overview on how AR in marketing has shown how impactful it is across all aspects of the marketing loop with multiple examples of successful use cases. As well as the approach that we at Monocle plan to take with proximity marketing and how we can introduce AR to digital marketing.



# CHAPTER ONE | INTRODUCTION

Camera advertisement is a new way of marketing that is slowly paving its way into legacy digital advertisement methods, and specifically the use of augmented reality (AR).

The digital world was one of the moments that unlocked humanity's potential and capabilities. Advertising moved into that world as it became more sophisticated than the original methods of physical advertising with multiple advantages spanning from cost to more effective targeted advertising.

The mobile phone and its camera have moved from a stagnant barrier that allow access to individuals, to a portal that allows its users to access a different world. Mobile phone camera advancements have opened up new trends in consumer behavior. Smartphone users are ever more interacting with one another by sharing their interactions with the physical world onto the digital world.

This individualistic reach allowed businesses to customize advertisements and awareness campaigns to every smartphone holder. Camera advertisement is a new way of marketing that is slowly paving its way into legacy digital advertisement methods, and specifically the use of augmented reality (AR).

AR is where information, be it in the form of sound, image or video, is superimposed onto the real-world using technology such as a camera phone. The best example to describe AR and it's marketing use is Pokémon GO where it peaked at 147 million active users in May 2018 and total downloads crossed the 1 billion mark across the globe.<sup>1</sup>

The best example to describe AR and it's marketing use is Pokémon GO where it peaked at 147 million active users in May 2018 and total downloads crossed the 1 billion mark across the globe.<sup>1</sup>

AR was capable to remove the imagination block in people as it integrated physical stimuli with digital development. Though AR is not to be confused with virtual reality (VR) where the whole interactive world is computer generated.



Figure 1 PokemonGo Example Photo

## A. Augmented Reality

Smartphone penetration across the world projected to hit approximately 45% by 2020,<sup>2</sup> with the UAE leading this chart with a near 100% penetration. This opens up a whole world of AR marketing opportunity. Paired with the advancements in technology within the phones and what enables them such as 5G to enhance the refresh rates, the outlook only looks more promising.

As a potential, the US is expected to have 120 million AR users by 2020.<sup>3</sup> Technology giants such as Facebook, Apple, Google and Microsoft have moved into this field with their own respective technologies that provide AR or enable AR, such as ARKit from Apple. And to quote Apple's CEO Tim Cook "I'm incredibly excited by AR because I can see uses for it everywhere".<sup>4</sup>

Technology giants such as Facebook, Apple, Google and Microsoft have moved into this field with their own respective technologies that provide AR or enable AR, such as ARKit from Apple

## B. Proximity Marketing

53% of consumers are willing to share their location in order to receive more relevant and tailored information

Proximity marketing is generally defined as the use of any location-based device to directly communicate with customers. Exploiting the current technology as well as location footfall, businesses have been able to tap into the pockets of their consumers by communicating with them directly.

Beacon technology has been implementing this approach but the hassle of installing beacons and maintaining them has been pushing back the technology's potential. Though the potential of this type of marketing is huge as the connection with the consumer deepens and slowly start to become more tailored to their preferences. 53% of consumers are willing to share their location in order to receive more relevant and tailored information.<sup>5</sup>

## C. Augmented Reality Marketing

A new channel of marketing channel is upon us where print and online advertisements are combined to create a new form of customer experience. The so called "Camera First" approach is a new channel that is gaining a lot of traction from all the big technology firms, as seen with Instagram when it allowed its users now to create AR filters.<sup>6</sup>

AR is a new tool that has gained traction in its exploration as a standalone marketing tool. An academic paper has identified AR marketing as "a strategic concept that integrates digital information or objects into the subject's perception of the physical world, often in combination with other media, to expose, articulate, or demonstrate consumer benefits to achieve organizational goals."<sup>7</sup>

According to a report on AR by BCG, a management consulting firm, nine out of ten large consumer advertisers are already using, or are planning to use AR into their marketing strategy.<sup>3</sup> The advertisers look at AR as a way to increase the engagement level of the consumers across different levels of the marketing loop.

AR advertising is already proving to be a successful channel of advertisement as it is already outperforming other existing channels from 20% to up to a staggering 80%.<sup>8</sup>



Nine  
out of ten large  
consumer advertisers are  
already using, or are  
planning to use AR into  
their marketing  
strategy



#### *D. AR Marketing vs Legacy Digital Marketing*

The blending of digital and physical world, AR offers a unique way of interacting with consumers.

Creating targeted advertisements have helped companies to laser focus on their potential customers. Though companies fail to fathom the ocean of online advertisement that exists in the hands of everyone with a smart phone. This abundance of advertisement has turned the user behavior to tend to skip to a more user engaging content.

Adding that layer of user engagement significantly increases the chances of capturing the potential customer, going back to the Pokémon GO example and how the app captured millions of users due to its high engagement level. The blending of digital and physical world, AR offers a unique way of interacting with consumers.



Figure 2 Different digital marketing channels currently in use



# CHAPTER TWO | CASE FINDINGS SHOWING IMPACT ACROSS THE MARKETING LOOP

In this section we explore how the marketing loop was impacted by the use of AR. Each of the four sections was impacted differently by different marketing campaigns.

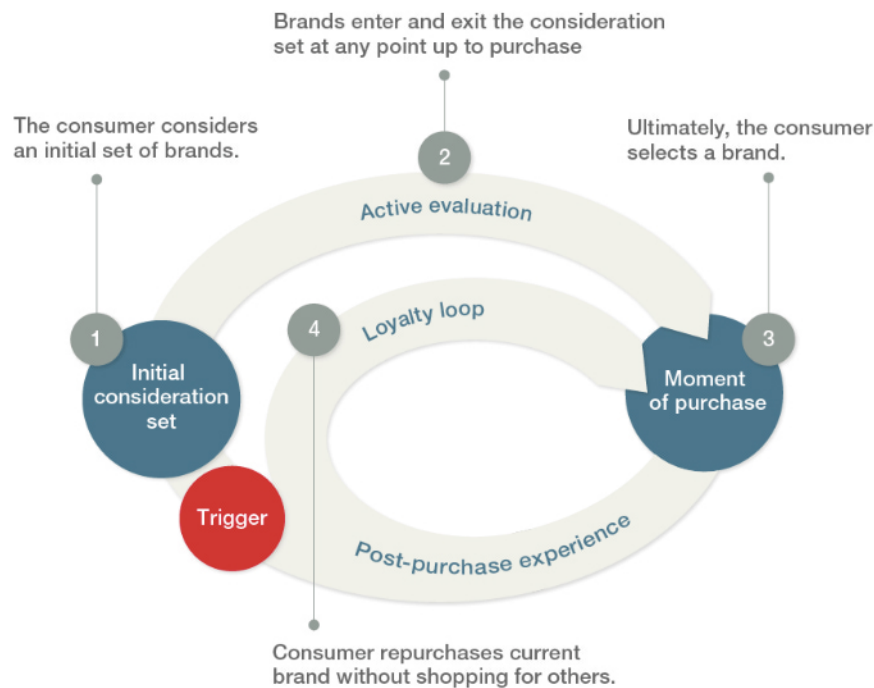


Figure 3 The consumer decision journey - McKinsey Quarterly 2009

## A. Awareness and initial consideration increase

Nissan used AR to show off safety features by having characters from the Star Wars movie talk the users through them. The results showed 67% rise in familiarity with intelligent mobility technology and 15% increase in brand favorability. Both increases are significant for an already well-known giant such as Nissan.<sup>3</sup>

The results showed 67% rise in familiarity with intelligent mobility technology and 15% increase in brand favorability



Figure 4 Nissan showcasing their new technology with Star Wars characters<sup>9</sup>

## B. Moment of purchase increase

McDonald's campaign in 2017 with Snapchat had a clear goal, promote the cold beverages to drive foot traffic and expect the customer to purchase other products once they are inside the restaurant. The campaign generated a significant lift in sales and foot traffic with a 10.5 times return on advertisement spending, that is 3 to 4 times more than McDonald's normal return on advertisement spend.<sup>3</sup>

The campaign generated a significant lift in sales and foot traffic with a 10.5 times return on advertisement spending, that is 3 to 4 times more than McDonald's normal return on advertisement spend.<sup>3</sup>

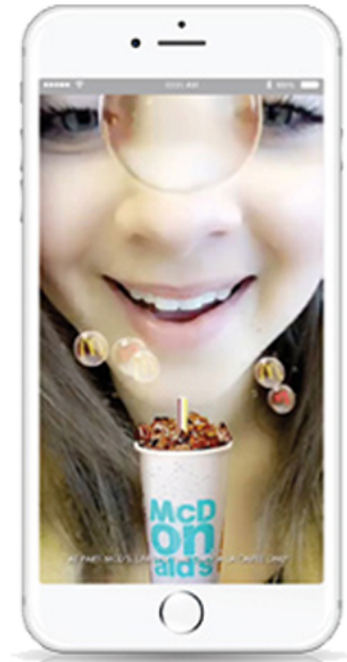


Figure 5 MacDonald's campaign with Snap<sup>3</sup>

## C. Loyalty increase

Burger King created generated a huge rise in interest as it's campaign went viral in Brazil.

Using Burger King's app, where users could point their phone towards an existing MacDonald's advertisement and "Burn it" to gain a voucher for a free Whopper.<sup>7</sup> It kept customers coming back and engaging in the campaign creating this loyalty loop as well as increase the number of downloads by 1.5 million of its Burger King app.<sup>10</sup>

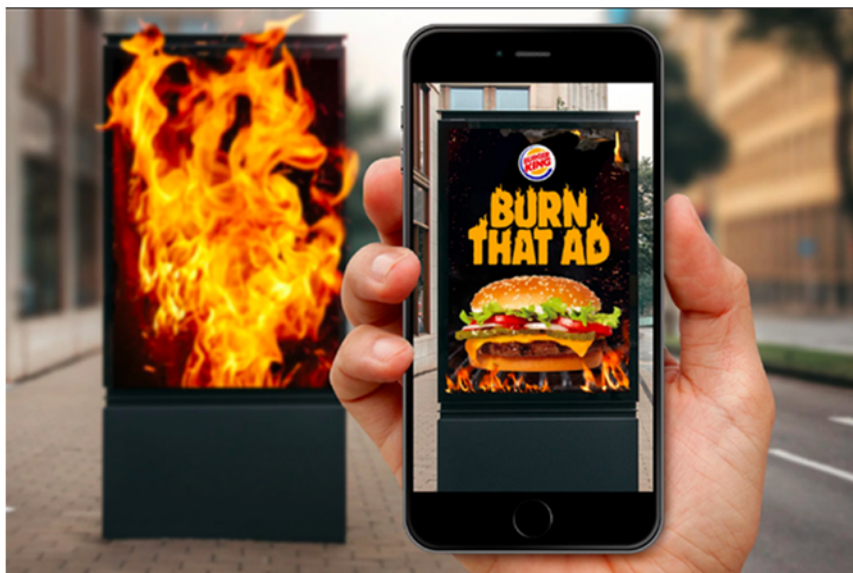


Figure 6 Burger King capitalizing on MacDonald's existing advertising using the power of AR<sup>7</sup>

It kept customers coming back and engaging in the campaign creating this loyalty loop as well as increase the number of downloads of its Burger King app by 1.5 million



## CHAPTER THREE | THE MONOCLE APPROACH

Utilizing the power of augmented reality, we aim to tackle the digital marketing space and provide this service to clients. As a first build, we aim to work on the initial consideration of the marketing loop by allowing easier discoverability of enterprises that are within walking distance to the person using our solutions. They could point towards a food and beverage outlet and have a quick, easy and visualized access to information ranging the menu to offers and deals they have available.

There are many uses for AR in marketing, though we believe that the most promising is the consideration aspect of the marketing loop. It is in that part where the journey begins for the customer to interact with a certain brand. Future builds will include an AR solution across all parts of the marketing loop and unlock the potential of this technology.

We are able to customize the interface past the user's interaction with the entity, to whatever the entity wants. We start with the usual information such as menu, offers, photos and ratings but the features can extend beyond that with our AR graphic design capabilities. This enables the entities to interact with the users in a customizable manner to show their true brand identity.

They could point towards a food and beverage outlet and have a quick, easy and visualized access to information ranging the menu to offers and deals they have available.

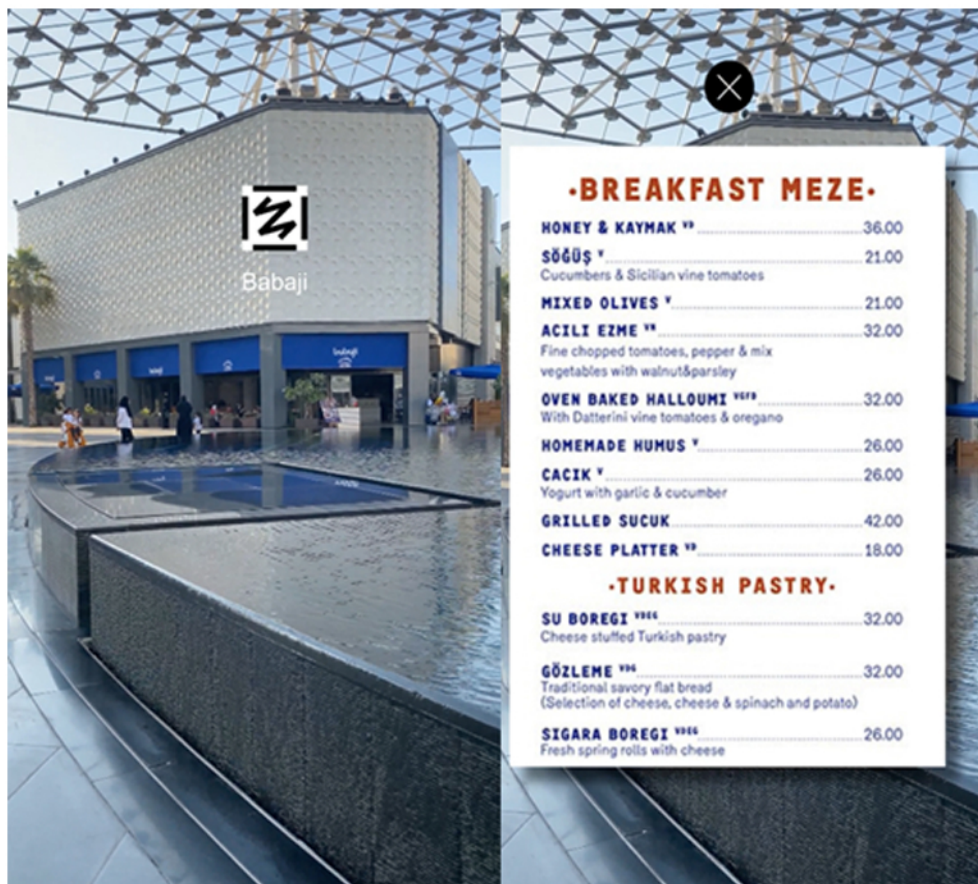


Figure 7 Monocle in App visuals in City Walk Dubai, UAE

# REFERENCES

- [1] <https://www.businessofapps.com/data/pokemon-go-statistics/>
- [2] <https://www.statista.com/statistics/203734/global-smartphone-penetration-per-capita-since-2005/>
- [3] BCG, 2018. Augmented Reality: Is the Camera the Next Big Thing in Advertising? <https://www.bcg.com/publications/2018/augmented-reality-is-camera-next-big-thing-advertising.aspx>
- [4] <https://www.bbc.com/news/technology-41590323>
- [5] <https://www.forbes.com/sites/gregpetro/2014/10/08/how-proximity-marketing-is-driving-retail-sales/#36411da83ed4>
- [6] <https://www.socialmediatoday.com/news/instagram-opens-ar-filter-creation-tools-to-all-users/560848/>
- [7] Rauschnabel, P.A.; Felix, R.; Hinsch, C. Augmented reality marketing: How mobile AR-apps can improve brands through inspiration. *J. Retail. Consum. Serv.* 2019, 49, 43–53.
- [8] <https://www.forbes.com/sites/solrogers/2019/06/28/ar-advertising-a-gimmick-or-a-new-advertising-frontier/#7f5e2034184d>
- [9] <https://usa.nissannews.com/en-US/releases/nissan-dealers-welcome-star-wars-themed-augmented-reality-experience-to-demonstrate-advanced-technologies?mode=print>
- [10] <https://seekingalpha.com/article/4239908-restaurant-brands-international-inc-qsr-ceo-jos-cil-on-q4-2018-results-earnings-call?part=single>
- [11] <https://www.mckinsey.com/about-us/new-at-mckinsey-blog/ten-years-on-the-consumer-decision-journey-where-are-we-today>