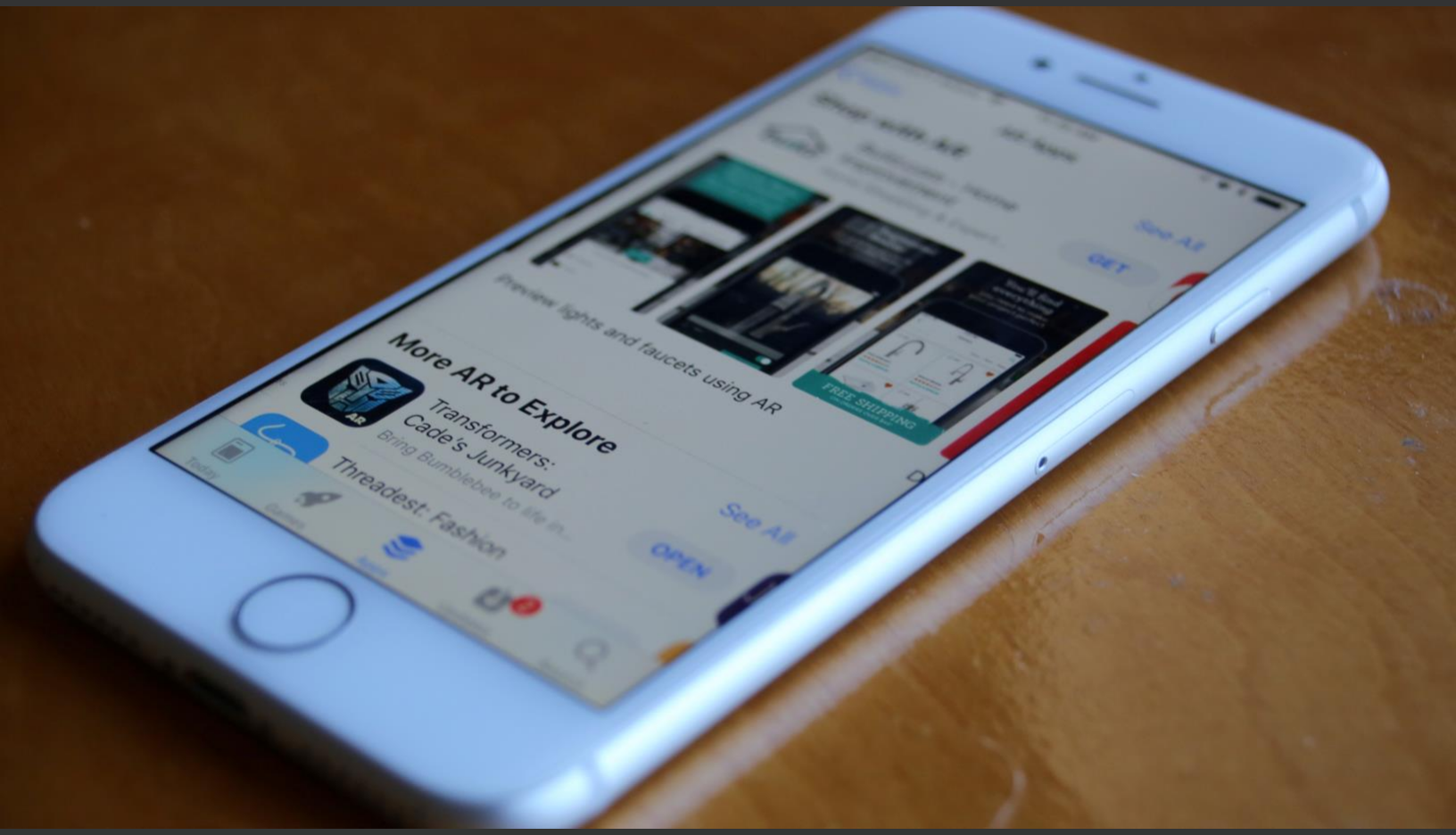

ARTILLERY DATA BRIEFS

VR MERCHANDISING BOOSTS SALES 18%

03/04/19

Most of our focus on spatial computing in retail is around AR, such as in-store shopping assistance. We wrote an entire report about it. But VR is also having an impact. Its place is more retailer/enterprise-facing. That's played out in the past through things like Walmart's VR training.

But it's also being deployed for store layouts and yield optimization. That's a fancy way of saying it helps retailers simulate shopping experiences in a virtual environment (cheaper), to decide what products should go where. These decisions can sway millions in revenue when at scale.

The latest comes from Kellogg's (think: Corn Flakes) which worked with Accenture XR and Qualcomm for a new VR-fueled form of consumer research. It did so by testing in-store shelf positioning for its products in VR, and measuring user engagement with eye tracking.

Test subjects were exposed to full-scale virtual store aisles in VR. They could move through the space by teleporting, shop and put products in a virtual shopping cart. Eye tracking came into the picture to see where on store shelves shoppers attention was attracted.

Specifically, the test sought to discover behavioral data around Kellog's Pop Tart Bites. It found that placing that particular product on lower store shelves was more effective than top shelves. This is a discovery that likely wouldn't result from its standard product testing (online surveys).

"To confirm the high degree of correlation between results of our VR tests and those from existing testing methods, eye tracking provided us insights in consumer behavior that otherwise we would have missed," said Accenture XR's Head of Marketing & Innovation Strategy, Rafaella Camera.

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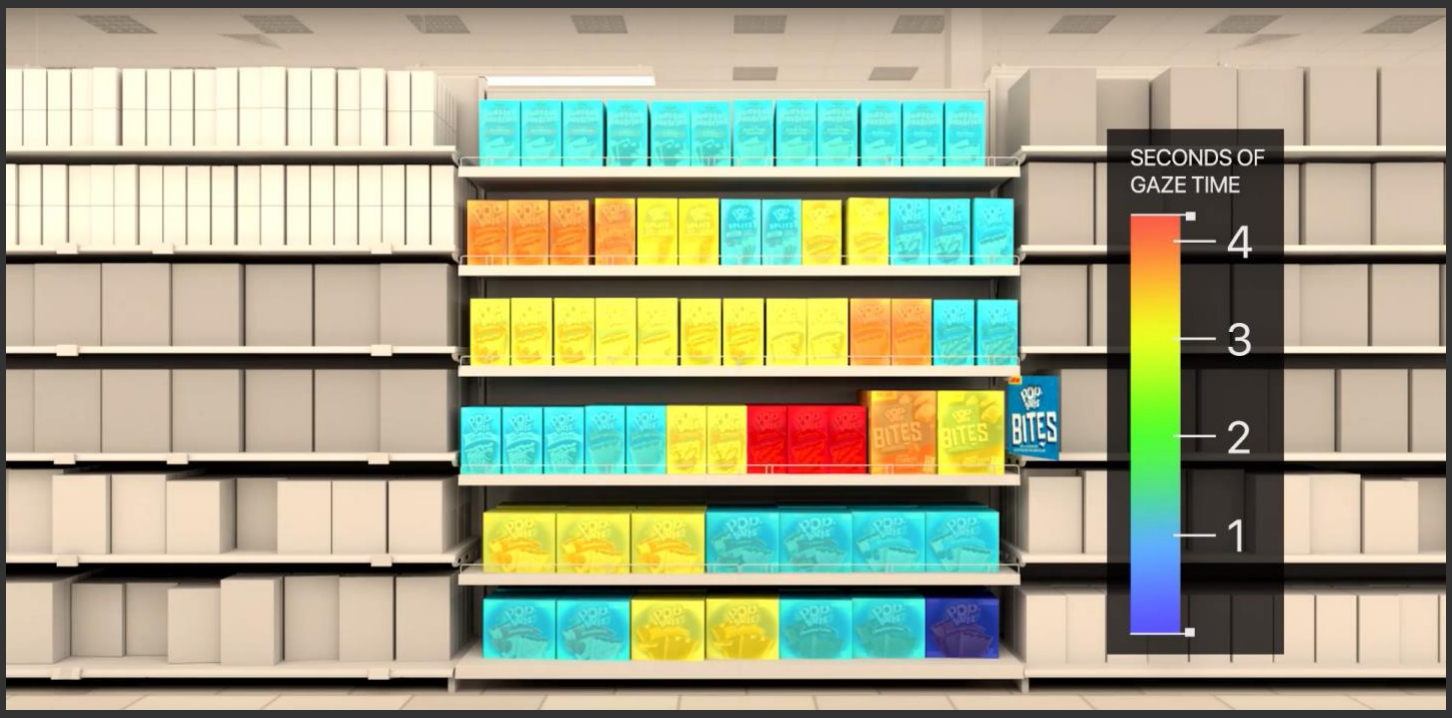
And the result? The company put this knowledge in play and saw a lift in purchases, to the tune of 18 percent above the baseline control group. And the sales lift wasn't just for the tested product: the new placement created an optimized orientation of all Kellog's products on the same shelf.



As for who did what in this collaboration, Accenture XR developed the software and test parameters, Qualcomm provided headsets and eye-tracking, and Kellogg was the test partner. With this test validated, there will likely be other brands and retailers lining up to do the same.

Moreover, this validates VR as a potential new flavor of consumer research, and the results speak for themselves. The takeaways of this particular test (lower shelf placement) won't apply to nuances of other products, so we'll see lots of other insights uncovered by other brands.

See the video below for more color on the project and ROI metrics. And for more from Accenture XR's Raffaella Camera, see our past interview and panel discussion.

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Video Companion

(click URL to view)

https://youtu.be/meT_FEMeB4w

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ARtillery Intelligence chronicles the evolution of augmented reality (AR) and virtual reality (VR). Through writings and multimedia, it provides deep and analytical views into the industry's biggest players, opportunities and strategies. It's about insights, not cheerleading.

Run by analysts and former journalists, coverage is grounded in a disciplined and journalistic approach. It also maintains a business angle: Though there are lots of fun and games in AR & VR, long-term cultural, technological and financial implications are primary.

Products include the *AR Insider* publication and the *ARtillery PRO* research subscription., which together engender a circular flow of knowledge. Research includes monthly Intelligence Briefings, market-sizing forecasts and consumer survey data, all housed in a robust intelligence vault.

Learn more at **https://artillry.co/about**

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About the Author

Mike Boland was one of Silicon Valley's first tech reporters of the Internet age, as a staff reporter for *Forbes* (print) starting in 2000. He has been an industry analyst covering mobile and social media since 2005, and is now Chief Analyst of *ARtillery Intelligence* and Editor-in-Chief of *AR Insider.*

Mike is a frequent speaker at industry conferences such as VRLA, ad:tech and LeadsCon. He has authored in-depth reports and market-sizing forecasts on the changing tech & media landscape. He contributes regularly to highly read online news sources such as *TechCrunch*, *Business Insider* and the *Huffington Post*.

A trusted source for tech journalists, his comments have appeared in A-list publications, including *The New Yorker*, *The Wall Street Journal* and *The New York Times*.

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