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Augmented and virtual reality in the brand building
process - a multiple case study approach

Camila Moreira, Meri Nordström & Jaritza Ortega

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Heads of master course Strategic Brand Management (BUSN21), part of master program International Marketing and Brand Management.
Lund School of Economics and Management

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Augmented and virtual reality in the brand building process – a multiple case study approach

Camila Moreira, Meri Nordström & Jaritza Ortega

Abstract

Purpose: The aim of this study is to reflect on how augmented and virtual reality are being used to support the brand building process as well as analyze the influence of these technologies on the relationship between organizations and their customers and on the creation of unique brand experiences. In addition, this research intends to examine the benefits of altered reality use for brand activation and finally discuss through case studies how some companies are applying it to build their brand identity.

Methodology: Initially, a literature review is conducted with the aim of clarifying the concepts and frameworks, which guides the organizational branding process as well as introduce the terms virtual and augmented reality. A qualitative multiple case study approach has been chosen to demonstrate how theories can be applied to investigate the phenomena.

Research implications: This is one of the first studies to widen the perspective of altered reality technology through a branding perspective. Most researches discuss these technologies as marketing tools to enhance the relationship of organizations and their consumers with a sales oriented objective. This study is unique as it examines altered reality influence in both internal and external elements of the brand building process.

Keywords: altered reality, virtual reality, augmented reality, market and brand orientation, brand identity, brand activation, positioning.

Paper type: research paper.

Introduction

During recent years, there has been a lot of buzz around augmented and virtual reality in the fields of marketing and branding. McKone, Haslehursts and Steingoltz (2016) describe how virtual reality (VR) immerses the user in an artificial world whereas augmented reality (AR) brings different virtual elements to the natural world. The authors mention that additional equipment – as an example a specific headset – is required to experience VR while AR for its part can be experienced simply via tablet or smartphone.

For marketers and brand managers, AR and VR offer various opportunities for content creation, design visualization and engagement with the audiences; companies can use these

novel technologies to facilitate the everyday lives of customers, provide unique experiences and increase level of customer service (Cavanaugh, 2017; McKone, Haslehursts & Steingoltz, 2016). The case companies covered in this paper – Topshop, Ikea and Patrón Spirits – use both augmented and virtual reality as for storytelling, customer education, brand positioning and innovative product presentation.

This study aims to provide further information how marketers and brand managers can use VR and AR strategically in the brand building process. The writers also pursue to widen the limited view of seeing these new technologies purely as push-marketing, technical or selling

tools. The introduction part is followed by literature review and case analysis and discussion divided into three subchapters focusing on each case company. The last chapter, conclusion, summarizes and comprises the findings of the study.

Literature Review

Augmented reality and virtual reality are experiential technologies that enhance consumer experiences and are often referred to together as altered reality (Caballar, 2017).

Augmented Reality

AR technology enhances a user's existing physical environment through computer generated images and graphics overlaid onto the real world (Reality Technologies, 2017). AR technologies utilize computer vision research such as marker tracking, gesture recognition, and real-time processing in order to track objects and gestures in real-time to give users a realistic and personal experience (Zheng et al., 2017). Computer generated images and graphics are then translated into a display such as a mirror, an application on a smartphone, or a panel-mounted display to allow a user to become a part of an experience (Milgram et al., 1994). The goal of AR is to enhance a user's perception of reality by augmenting their environment and allowing them to interact with a brand's products. Through the use of AR brands are capable of providing a personalized experience that will lead consumers to build a relationship with a brand and ultimately build a community. (Kapferer, 2012).

Virtual Reality

VR creates a completely synthetic virtual environment that mimics reality or fantasy in which a user can be immersed in through head mounted technology specifically designed for VR (Milgram et al., 1994). There have been recent developments that have made virtual reality technologies more accessible to firms and consumers (Kerrebroeck, Brengman, and Willems, 2017). These new advancements in VR allow consumers to experience an

immersive multi-sensory environment from their homes through the use of smartphone-enabled headsets and other affordable options (Kerrebroeck, Brengman, and Willems, 2017). Firms are also implementing VR into their business operations as a marketing tool to engage consumers in their stores with their brand through immersive experiential storytelling.

Brand positioning

Customers are confused with the variety of choices offered today (Wheeler, 2013). To catch the attention of the audience, and ultimately to build brand loyalty, marketers and brand managers have to focus increasingly on brand identity and positioning, which can be defined as a process of identifying what indeed makes the brand unique in the minds of customers (Melin, 2002; Wheeler, 2013). Wheeler writes that "the best positioning builds a deep understanding of customer needs and aspirations, the competition, the strength and weaknesses of a brand, changes in demographics, technology and trends" (Wheeler, 2013, p.136).

Melin (2002) extends the concept with such terms as distinct positioning, first-mover advantage and depositioning. According to him, distinct positioning can be obtained by nurturing the same core value over an extended period. The author describes first-mover advantage as a benefit of being the first brand occupying consumers' minds. Naturally – as mentioned by Melin (2002) – this benefit cannot be gained by many but, anyhow, imitators have opportunities for unique brand positioning as well. The third term presented by the author, depositioning, refers to the aim of defacing the positioning of one's competitor. Thus, the author mentions, it can also be seen as one way of positioning a brand.

To facilitate brand positioning, one can utilize for instance four questions presented by Wheeler (2013), which – for the purpose of this paper – is called Positioning Framework (see Figure 1). The author describes that successful positioning lays at the intersection of today and tomorrow. Considering the internal questions

an organization can present itself, these can relate to its current status as well as its future endeavors. So-called external questions, directed towards organization's stakeholders,

are connected to their current beliefs and values – and how these might change in the future (Wheeler, 2013).

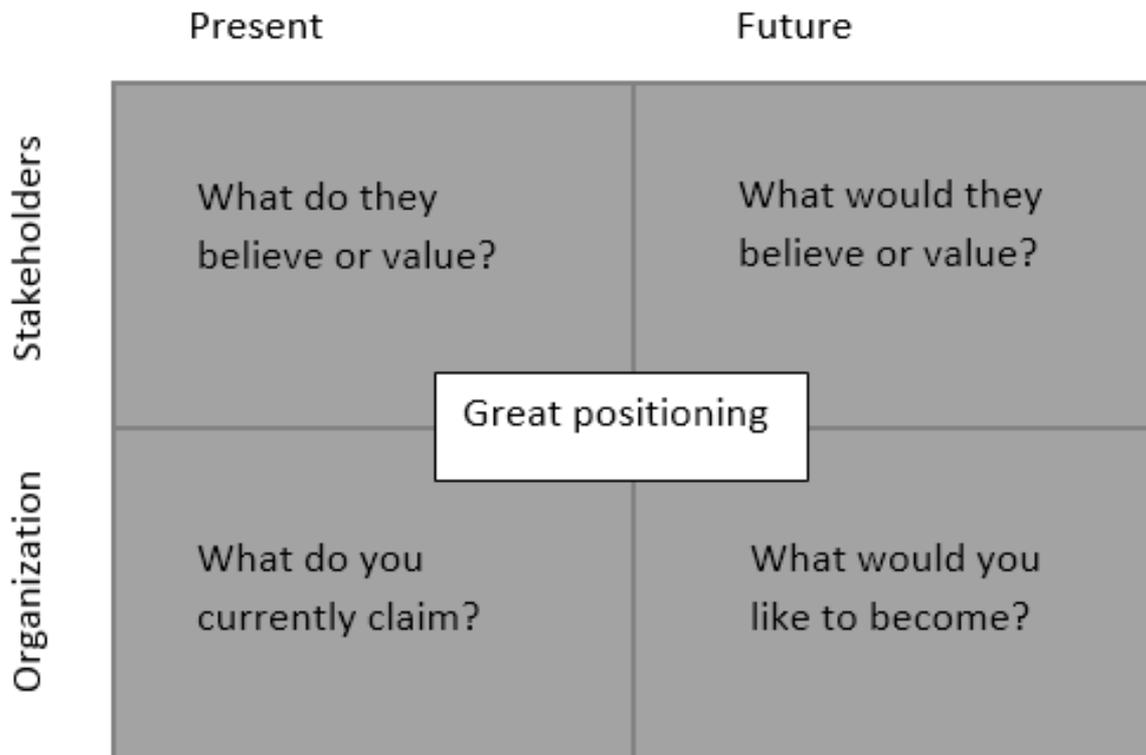


Figure 1. Positioning Framework (Wheeler, 2013)

Brand activation

An important aspect of modern brand management is brand activation (Kapferer, 2012). Consumers are no longer interested in brand promises instead they are focused on what can be experienced through a brand, which is made possible by activating values (Kapferer, 2012).

Firms are no longer selling a product or a service, but instead an experience that appeals to the senses through storytelling. A brand should demonstrate quality and experience control all along the value chain (Kapferer, 2012). Brands can achieve brand activation through actions, actors, and activism, which

ultimately builds a community of activists who are engaged and passionate about a specific brand (Kapferer, 2012).

Brands can be activated through actions such as consumer engagement and experiential experiences made possible through new and innovative technology (actor) because innovation is capable of creating value (Kapferer, 2012). According to Kapferer, innovation detracts consumers from price sensitivity and instead puts the focus on value.

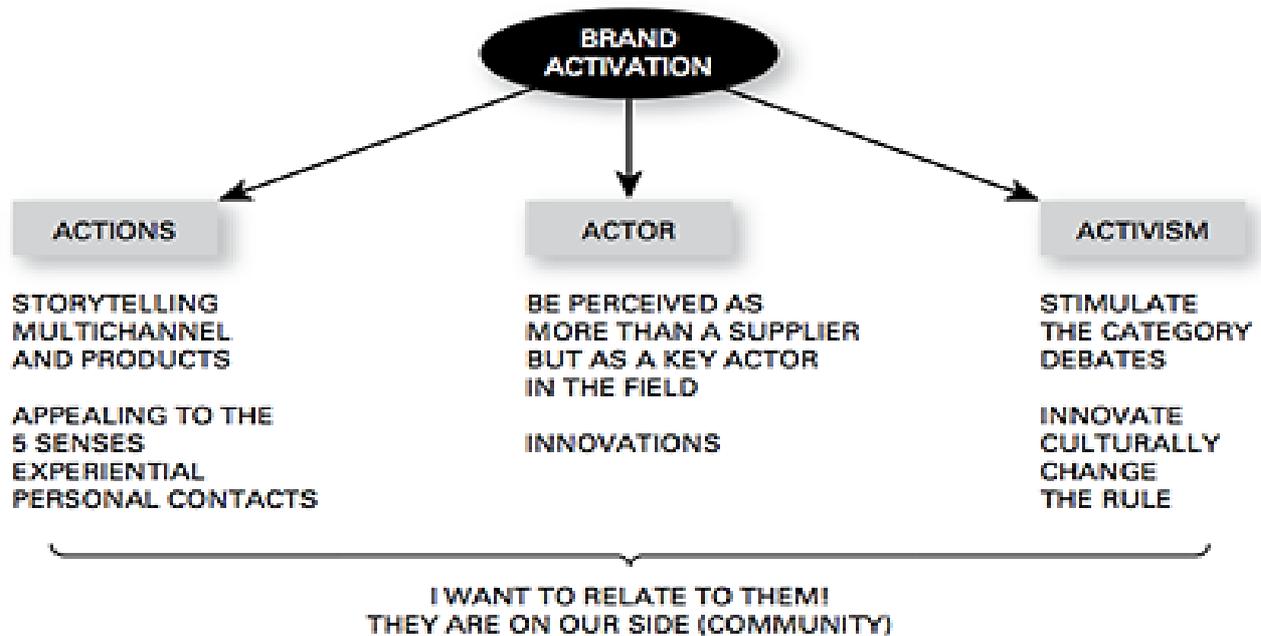


Figure 2. Brand activation model (Kapferer, 2012)

Market & brand orientation

The brand building process can be guided by a brand or market orientation, or the combination of both approaches, as suggested by Urde, Baumgarth and Merrilees (2013). Most successful companies combine both approaches to create a strong brand.

Market orientation is a strategic approach that utilizes an outside-in perspective and focuses on brand image rather than brand identity (Urde, Baumgarth and Merrilees, 2013). This approach prioritizes the needs and wants of the consumers and implements it into a firm's marketing strategies to ensure customer satisfaction. Brand orientation is an inside-out approach having the brand identity as the key element in the process of building a brand (Urde, Baumgarth and Merrilees, 2013).

It is also important to consider a hybrid approach that combines both paradigms and creates four approaches to brand and market orientation. These four basic approaches are important because it is very difficult for a company to focus on just one approach. The market and brand orientation approach is similar to market orientation, but also takes the importance of brand identity into

consideration (Urde, Baumgarth and Merrilees, 2013). The market and its customers are prioritized, but brand identity is taken into account due to its impact on an organization's culture, behavior, and overall strategies (Urde, Baumgarth and Merrilees, 2013).

Determining an approach is a strategic decision, but it should also be aligned with a company's culture, resources, and competencies (Urde, Baumgarth and Merrilees, 2013). Overtime, it is also common for companies to change orientations and instead adopt a hybrid approach such as market and brand orientation or brand and market orientation in order to meet different demands and changes in the market.

Corporate brand building process

In order to support organizations in their corporate brand building process a managerial framework was proposed considering the balance of brand and market orientation, the Corporate Brand Identity Matrix by Urde (2013). It recognizes the internal, core and external elements in the process of building a corporate brand, with brand identity as key in the process.

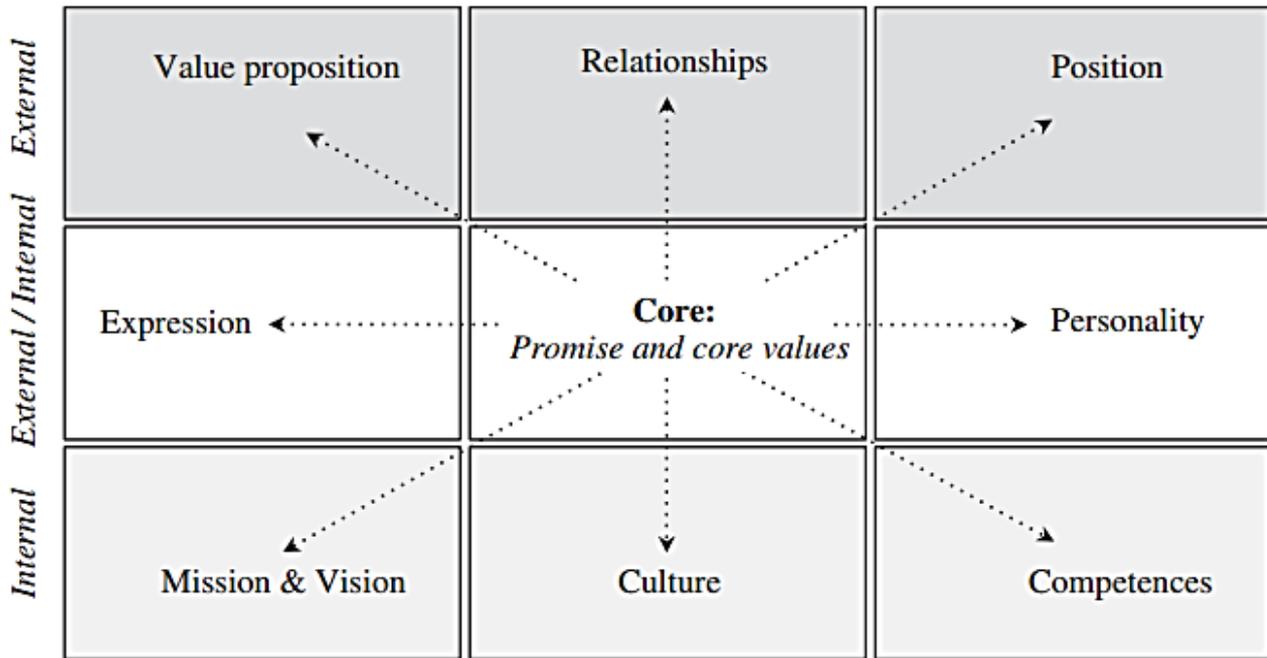


Figure 3. Corporate Brand Identity Matrix (Urde, 2013).

The internal elements from the sender perspective are mission and vision, culture and competences, related to the organization purpose of existing and where they are heading to, how it is organized internally and what they are especially good at (Urde, 2013). Internal/external elements are the essence of the brand, its core values and promises, their unique way of communication, which is the expression and personality, a corporate character based on human characteristics (Urde, 2013). External elements touching the receiver, customers and non-customers stakeholders, are value proposition, relationships and position in the market and in the minds of receivers (Urde, 2013). It is a point of departure for the following positioning process of the corporate brand.

The author explains that arrows symbolize the interrelation of all elements in the matrix and in a comprehensible corporate brand identity, the core reproduces all elements, and every element replicates the core. CBIM is unique in the way it represents the combination of a brand oriented (internal) and market oriented (external) brand building approach (Urde, 2013).

In the corporate brand building process altered reality can be used both internally and externally nevertheless most companies still limit the use of these technologies in the relationship with their customer. However, its use can go beyond the external elements of a corporate brand. Case studies will be discussed to demonstrate how altered reality is being applied to shape brand identity and align of internal and external elements in the corporate brand building process.

Methodology

A qualitative case study approach has been implemented in order to investigate a contemporary phenomenon and gain a deeper understanding of the research topic at hand (Yin, 2003). According to Yin (2003), case study research can include single or multiple case studies, in this case a multiple case study approach has been adopted to explore differences and make comparisons of different organizations. This study will explore the role altered reality technologies plays in the brand building process, therefore a qualitative multiple case study approach would be the best

method to investigate the relationship through three innovative companies.

The analysis of the multiple cases presented in this paper will be conducted using books, articles, models, and online resources. A discussion section follows to examine the key theories and decisions an organization would have to administer to build their brand through the adoption of altered reality innovations.

Case Analysis: IKEA

IKEA is a Swedish furniture chain, established in 1943 by Ingvar Kamprad (Fredén, 2015). A simplified version of the company name, Ikea, is used in this report. On its website (Ikea, 2017a), the company informs that it is present in 43 countries today and has approximately 9,500 products in its portfolio. In 2015, Ikea stores were visited 771 million times whereas its website Ikea.com recorded 1.9 million visits (Ikea, 2017a). In order to connect with customers and market its products innovatively, Ikea has utilized new technologies – such as augmented and virtual realities. In September 2017, the company announced the launching of Ikea Place – a new AR app for smartphones that enables customers to visualize how Ikea furniture would look in their homes (Richards, 2017). Customers can now choose, for instance, a sofa from the electronic Ikea catalog and see how it would fit in their living rooms.

The company introduced its first VR experiment in 2016 with the help of a headset that allowed customers to visit Ikea's virtual kitchens (Morris, 2016). The writer for Ikea, Åkesson (2017), explains how the innovation enabled adults to shrink themselves to the height of a child in order to anticipate possible risks with counter tops and door frames. Not limited to that, she adds, customers could enlarge and teleport themselves via virtual reality. In 2017, Ikea Canada launched a pilot called VR Pancake Kitchen – a platform through which customers could flip pancakes and explore different design options in a virtual kitchen (Ikea, 2017b). The aim of the platform was to support customers in the process of

planning and designing a kitchen (Ikea, 2017b).

Jesper Brodin, Range & Supply Manager at Ikea, commented company's innovation initiatives followingly:

Virtual reality is developing fast and in five to ten years it will be an integrated part of people's lives. We see that it will play a major role in the future, for instance it could be used to enable people to try out a variety of home furnishing solutions before buying them (Åkesson, 2017, online).

Rob Kelly, Head of Sales at Ikea Canada, explained the goals of VR Pancake Kitchen experiment as follows: “[t]hrough this test, we want to learn if virtual reality experiences will help our customers to visualize their dreams and make informed choices when buying a kitchen” (Ikea, 2017b, online).

Positioning the Ikea brand

In the literature review part, positioning was characterized as a means for a brand to identify what makes it unique for customers (Melin, 2002; Wheeler, 2013). By exploring the possibilities of altered reality, Ikea has a chance to influence its positioning in the minds of the public. Not only does it provide practical solutions facilitating customers' lives today but also strengthens its image as a tech-savvy and innovative company considering the changing trends of tomorrow.

“Constant desire for renewal, constantly being “on the way” and daring to be different” are examples of Ikea's company values (Ikea, 2017c, online). These include adaptation to customer needs with innovative solutions, willingness to change, continuous self-reflection, questioning of established solutions and the pursuit to find new ones (Ikea, 2017c). The nature of the values presented strengthened the perception that Ikea is not using novel technologies superficially to seem trendy and tech-wise but the aspirations are rooted more deeply within the organization. Furthermore, the values are linked to the business aspirations and brand-building process – including

positioning – of Ikea. The latter claim is supported by the comments of Jaspreet Kang, Sustainability Developer at Ikea, who has stated followingly on her LinkedIn Pulse post:

The IKEA key values are the essence of the IKEA culture. They express who we are, what we believe in and what we stand for. The values serve as a compass, guiding us in how we do things. Maintaining the IKEA culture is one of the most crucial factors for our future success. It sets us apart from others and helps us create a brand that is unique, meaningful and trustworthy (Kang, 2017, online).

Activating the Ikea brand

Kapferer (2012) states that strategic brand management should be done by, for instance, delivering customized services to consumers; providing continuous innovations to foster the brand; and deepening the link and engagement with end customers. The author describes how people are in favor of brands that bring delight or tighten social ties: these experiences can be brought to customers with the help of new technologies connecting people and enabling interaction. Altered reality solutions, according to Pardes (2017), have enabled more customized service to Ikea's consumers as they have been able to model pieces of furniture already at home. Moreover, this has removed the need to take measures and improved the shopping experience (Pardes, 2017).

Experience is a word often repeated by Kapferer (2012). He describes how people in developed countries have already satisfied their needs and are, therefore, now in search of exciting experiences. This, on its part, has provided companies with new opportunities by increasing experiential benefits according to the author. He mentions Ikea as an example of a company that has been able to realize its brand values in 3D as well as providing customers with lasting sensual experiences.

Kapferer (2012) highlights the importance of involvement and the need to build the brand at different contact points. He states that experimental dimension, involving the client,

should also be embraced by product-focused brands. Marketers should consider multiple possibilities that can be realized through senses since “the brand is lived, felt, touched or heard” (Kapferer, 2012, p.138). With the help of AR and VR, Ikea has introduced experimental dimensions to the brand and its products since similar experiences are not realizable with shop visits, catalogs and the online store.

Finally, the brand activation model by Kapferer (2012) can also be reflected to the use of AR and VR in the brand-building process of Ikea. The furniture company is present on all three levels of brand activation: actions, actor and activism. Particularly, Ikea can be linked to innovativeness – under the actor level – as it strives to provide new, as well as unconventional, solutions to audiences.

On a business perspective this innovativeness can be regarded as positive. According to Kapferer (2012), customers are less price sensitive with innovations. This is just as important for brand management, as innovators are often regarded as leaders within their category (Kapferer, 2012). Furthermore, Ikea can be perceived as an activist changing the field of furniture retail. As Kapferer (2012) argues, activist-like behavior is important for a brand today since it facilitates creation of communities. To conclude: “nowadays it is no longer consumers who build brands, but communities” (Kapferer, 2012, p.135).

Case analysis: Patrón Spirits

Patrón Spirits was founded in 1989 by two entrepreneurs in Mexico. The company claims to have created a new spirits category, the ultra-premium luxury tequila with their Patrón Tequila brand (Patrón, 2017a). They have been committed to educating their consumers to a refined flavor, smooth taste tequila (Patrón, 2017a).

Besides Patrón Tequila, the Patrón Spirits brand portfolio includes other two minor brands Pyrat and Ultimat vodka (Sherry, 2017). The company has been investing in international distribution and today their

products are available in more than 100 countries through travel retail channels (Sherry, 2017). Their key international markets are the United States, Russia, Middle East and Israel according to Sherry (2017).

Art of Patrón virtual reality experience

The brand is constantly intensifying its educational efforts towards their distributors, employees and consumers to establish the ultra-premium tequila category. In 2015, 'The Art of Patrón virtual reality experience' was launched with the concept of bringing viewers into their distillery in Jalisco, Mexico, the Hacienda Patrón, through a bee's point of view (Digital Training Academy, 2016). Using the virtual reality Oculus technology, the brand created a 360 degree journey following the product lifecycle from agave fields to a fine luxury tequila served in their unique bottled, also produced by them. The VR experience was available in institutional fairs and events around the world, educational seminars, at selected retailers and 'The Art of Patrón' website (Gaudiosi, 2015). The VR technology is used in this case to tell the story of the brand, the artisanal production of Patrón's tequilas and their commitment to high quality.

According to their Global Chief Marketing Officer, one of their main goals was to increase the level of transparency of the brand (Gaudiosi, 2015). He also believes the use of technology is an opportunity for innovative storytelling and an educational tool to be explored by their company (Gaudiosi, 2015). In the last three years Patrón has been using different technologies to constantly relate to their customers and non-customers stakeholders.

In the same year as the VR experience, Patrón started the 'Know Your NOM' campaign (PRNewswire, 2015). Through a digital platform (computer, mobile or tablet) it offers a production tracking system using a number found on every tequila bottled in Mexico (PRNewswire, 2015). The application offers an interactive map where it is possible to identify the distillery of origin and learn about the

location and production system (PRNewswire, 2015).

An additional interactive device is being used today to enhance brand relationship: a voice-enabled technology applied to their 'Cocktail Lab' catalogue of recipes. Through Amazon Echo, iOS App or Bot-tender chat via Facebook, Twitter or their own website, consumers can receive cocktails recommendations and recipes from bartenders in real time (Patrón, 2017b).

Augmented reality enhances storytelling

According to PRNewswire (2017) almost simultaneously to Apple's release of its new and advanced AR technology in September 2017, Patrón launched their augmented reality app: The Patrón Experience. The brand is one of the first to use this new technology which is consistently aligned with their educational efforts, it takes consumers to their Hacienda Patrón again to explore the production process. Besides its use for storytelling, the brand is introducing a new product, the Patrón Extra Añejo, through their AR app exploring the exclusivity of this specific tequila (PRNewswire, 2017). On their website consumers can access the new app under the 'Simply perfect Innovation' session (Patrón, 2017c).

Lee Applbaum, Patrón's Global Chief Marketing Officer stated that

With this platform, we are once again rewriting the rules for how consumers engage with ultra-premium spirits, and providing a new, highly interactive educational tool for them to learn about what they're drinking (PRNewswire, 2017, online).

Compared to their VR experience, the new AR app reaches a much extensive audience as consumers can use their own iPhones to access it.

In 2016, Patrón recorded almost 13% growth and in 2017 it has been named Supreme Brand by The Spirits Business's Brand Champions, a world ranking of spirits brands selling more than one million cases annually (Hopkins,

2017). The brand has been using different technologies to communicate and reinforce their uniqueness, handcrafted high-quality product and position as the world's finest tequila.

Patrón Spirits' brand building process

Examining Patrón use of altered reality technologies it is prominent how it is applied in different occasions and interfaces assisting their corporate brand building process. Patrón has a brand orientation approach in the sense that they introduced a new product category - ultra-premium tequila - and have been interacting with their customers to communicate its brand's identity. Their brand building process is centered in their core values and promises - luxury tequila, innovative and sustainable - to achieve their position as the world's finest tequila brand.

Considering the Corporate Brand Identity Matrix framework by Urde (2013), their expression is unique in the way they apply altered reality to communicate to their customers and non-customers stakeholders, but

it goes beyond this element. The use of virtual reality and augmented reality enhances the brand relationship to their customers and other stakeholders (distributors, retailers), with an educational effort to reinforce their position in the ultra-premium tequila market and in customers' minds.

Patrón is making use of VR and AR not only to connect and engage to their consumers, but also by creating unique brand experiences. They are using it as an instrument for the brand building process whereas through storytelling, it creates the emotional connection between the brand core values, their employees and customers in an innovative and unique way. In their virtual reality experience it demonstrates how their tequila is hand-made, adding a human perspective to the production which according to them drives through 60 hands (Patrón, 2017a). Thus, Patrón creates an emotional bond with their customers when transporting them to the heart of company, their farm Hacienda Patrón and consequently taking a position as an innovative, sophisticated ultra-premium tequila brand.

Through the analysis of 'Art of Patrón' virtual and augmented reality experiences it was possible to apply the CBIM by Urde (2013) for Patrón corporate brand on figure 4.

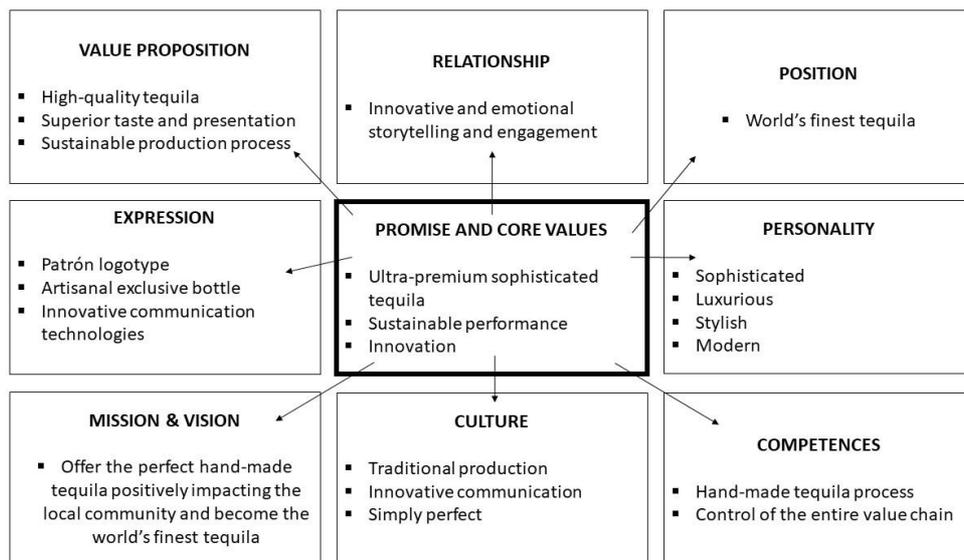


Figure 4. CBIM (adapted from Urde, 2013).

Lee Applbaum, Patrón's Global Chief Marketing Officer explained how the use of

technology is key in their interaction with customer and is more than a tool to drive sales:

Our goal with any technology we develop is to further elevate the way consumers interact with Patrón. Innovative technology for us is a means to an end as opposed to an end in and of itself, and this is philosophically very important as we are constantly evaluating a range of new ideas and technologies (PRNewswire, 2017, online).

As a brand building tool, VR and AR shapes Patrón's expression, as an innovative way of communicating with consumers and other stakeholders. Most importantly, Patrón uses the technology to engage with their customers and develop a relationship where they are constantly educating and reinforcing the brand core values. In their virtual and augmented reality experiences, they demonstrate how they control the entire value chain to deliver their promise of an ultra-premium sophisticated tequila, through a sustainable and innovative performance to become the world's finest tequila.

Case analysis: Topshop

Topshop, an innovative fast fashion British retailer, was founded in 1964 as part of the Peter Robinson department store in Sheffield in an attempt to attract young consumers (Tipper & Fishwick, 2012). Their strategy proved to be successful as Topshop continued to expand and became known for its innovative approach to retail. Topshop is an early adopter of innovative technologies and the utilization of social media within fashion, which has positively impacted their brand development and also driven them to success (Sedghi, 2013). Recently they have incorporated altered reality technologies such as AR and VR in their marketing and branding strategies in order to engage their customers and deepen the relationship with the brand.

Topshop's virtual reality runway

Topshop transmitted a live 360-degree runway show through virtual reality in their flagship

Oxford Street store to showcase their new Topshop Unique AW14 collection for Autumn Winter London Fashion Week in 2014 (Inition, 2014). Customers were seated in the storefront of one of Topshop's most important flagship stores and given a customized Oculus headset (Inition, 2014) that allowed them to be a part of the brand experience by virtually being present at an exclusive retail event. Topshop's virtual reality experience gave viewers more access than an actual attendee – viewers were given the opportunity to access multiple video streams by looking up, down, or around the area of the event (Arthur, 2014). The Oculus headset gave viewers the opportunity to be immersed into the fashion show's live environment such as the catwalk and the backstage area (Arthur, 2014).

Giving customers access to an event that is usually exclusive to celebrities and big names in the fashion industry is a way to engage and involve customers in the brand building process. Through the use of VR customers get a first-look at the latest trends of the season before they are released in store shelves, which provides a sense of inclusiveness. Through virtual reality, customers were given the chance to become part of Topshop's creative retail process rather than just a consumer of the brand itself.

The difference between Topshop's virtual reality experience and other fashion retailers that have experimented with VR in their marketing and brand management strategies is that the British retailer has created an immersive and multisensory experience that gives customers the chance to interact with the brand on a personal level. Consumers are becoming more interested in brands that can offer an experience rather than just a product or service.

Although Topshop's virtual reality runway was only accessible in their flagship store in Oxford Street for a few days – it highlighted the possibilities of virtual reality and other technologies in the fashion industry (Arthur, 2014). In order to enhance consumer engagement and deepen a consumer's relationship, brands can offer an in-store virtual

reality experience that allows consumers to become part of the brand or the brand building process.

Topshop's virtual reality waterslide

Topshop created a virtual waterslide inside their store in Oxford Street, London to celebrate the start of the summer season. The virtual reality waterslide integrates an actual slide with a virtual slide simulated through an Oculus headset that takes consumers for a virtual ride through the streets and buildings of London (Newis-Smith, 2017).

According to Topshop's Global Marketing and Communications Director the interactive slide was designed to create an immersive in-store experience while integrating virtual reality and retail in one of the brand's most distinguished store fronts in the world (Weiner, 2017). After customers have experienced the virtual water slide they can share their ride with their followers on Snapchat, a social media platform, and utilize a unique geographical lens to commemorate the event (Melnick, 2017).

Topshop's kinect augmented fitting room

Topshop temporarily installed an augmented reality dressing room powered by Microsoft's Kinect motion sensor in their Moscow store in Russia (Houston, 2011). This augmented dressing room was created by AR Door, a Russian agency that specializes in augmented reality technologies, and allowed customers to virtually try on different clothes by overlaying 3D augmented pieces offered in stores by the retailer (Gordon, 2011). Through the use of hand gestures, in-store customers were given the opportunity to virtually try on different clothing from Topshop's 'Dress Up' collection without physically stepping into an actual dressing room (Gordon, 2011). According to Gordon (2011) customers were also able to see how these pieces of clothing looked from the front and back giving them a realistic fitting room experience without the hassle of trying on clothes. Topshop's augmented reality dressing room gave customers the opportunity to visualize how their clothing would look on them before making a purchase decision. The augmented reality dressing room was used as a

tool to engage customers inside Moscow's Topshop store through a new and innovative technology that would ultimately enhance customer engagement and drive sales.

Augmented reality technology such as Topshop's dressing room provides consumers with a simulated experience that is personalized, interactive, and convenient which encourages buying intentions and builds favorable brand associations (Huang and Hsu Liu, 2014). Favorable brand associations are formed because firms are not just offering a product or service, they are offering experiential value (Huang and Hsu Liu, 2014), which is difficult to imitate and prevents substitutability. Not only can augmented reality be implemented in stores, but it can also be implemented in e-commerce to facilitate online purchase decisions and eliminate uncertainties such as purchase anxiety (Huang and Hsu Liu, 2014).

Accessing brand activation

As competitors continue to arise, it is essential to be innovative in the modern markets to make a brand name the unique purchase criterion of consumers (Kapferer, 2012). According to Kapferer young consumers are passionate about brands that can be interacted with and experienced and also offer a unique value proposition. Topshop has been able to activate their brand by stimulating their values and becoming activists in the fast fashion retail industry (Kapferer, 2012). Over the years Topshop has focused on their actions through experiential multi-sensory storytelling in order to engage consumers and include them in the retail experience. The use of social media in conjunction to VR reinforces the activist aspect of the brand activation model (Figure 2) because it stimulates communication through innovation. It also induces brand activation because it builds a virtual interactive community of followers sharing a brand experience via VR and social media. Through the use of altered reality brands can become more than just a name or a product – they can become part of a person's life through engagement adding value to a brand.

From market orientation to market and brand orientation

Topshop has primarily implemented a market oriented approach in their marketing strategies due to the fact that they are a fast fashion retailer focused on satisfying consumer needs and providing the latest fashion trends at a reasonable price (Newman and Patel, 2004). The fashion-forward retailer's brand image is perceived as cool and trendy street style without breaking bank on high fashion luxury brands. Their brand image of being fashionable at an affordable price is continuously reinforced in the minds of the consumer through advertising, unique collections, celebrity sponsors, and collaborations (Schlossberg, 2015).

However, over time Topshop has shifted from a market orientation to a market brand orientation (Urde, Baumgarth and Merrilees, 2013) in order to focus on the role brand identity plays in the brand building process. The adoption of this hybrid approach is common due to growing concern of incorporating brand identity into a market orientation to assess its influence in an organization (Urde, Baumgarth and Merrilees, 2013). Although consumer preferences are prioritized, Topshop's focus on brand identity allows them to be positioned as an engaging and innovative fast fashion retailer, creating

customer associations of innovativeness and inclusiveness, ultimately adding value and preventing substitutability. The use of AR and VR innovations within retail stores deepens engagement and allows customers to build a personal relationship with the brand, therefore fortifying Topshop's core values as well as customer values (Urde, Baumgarth and Merrilees, 2013). Technological innovations like altered reality can enhance a brand's identity by influencing a firm's intangible values such as brand personality and culture, while building community (Kapferer, 2012). Recognizing the importance of brand identity allows Topshop to employ their experiential technology as a competitive advantage against other fast fashion retailers such as Zara and H&M.

Discussion

Altered reality supporting the brand building process

Through the case analyses it was possible to reflect on the relationship between the use of virtual and augmented reality and the market/brand orientation approach of Ikea, Topshop and Patrón. Therefore, a matrix is proposed to identify the position of each company on Figure 5.



Figure 5. Altered reality and brand orientation positioning matrix

Ikea has, partly, a market orientation as the company's emphasis is on the needs and wants of the consumer when new products are

created. Moreover, global brand image is an essential aspect for the firm. Nevertheless, Ikea has been strengthening their brand identity and

communicating its core values internally and externally. Thus, the company has shifted to the dynamic market and brand orientation in their brand building process. In terms of the use of AR and VR technologies, the company is mostly applying it externally, in the relationship with their consumers, to engage with the brand community and generate unique and innovative brand experiences. For this reason, we consider a low use of altered reality and position the company as more market than brand oriented in Figure 5.

Topshop has a similar approach to Ikea in terms of having a market and brand orientation. The company is a fast fashion retailer which, in essence, develops their collections according to trends and the needs and wants of consumer, but they have been introducing new elements in their brand building process to tie consumers to their brand identity. One of these initiatives is the increased use of AR and VR, enhancing consumers' engagement and providing brand experiences that actually assist in the process of communicating their brand identity. Thus, we consider Topshop as having a higher use of AR and VR supporting their shift from market to a hybrid market and brand orientation approach.

Placed highest in use of AR and VR among the three studied companies, we have Patrón Spirits. The company has been using these technologies and other innovative applications as part of their brand orientation strategy to support their core values internally with employers and externally with consumers. We consider Patrón to have the highest brand orientation approach compared to Ikea and Topshop as they developed a strong brand identity while shaping the market of ultra-premium tequila.

Through the CBIM (Urde, 2013) perspective we observe that Ikea and Topshop are applying AR and VR mostly to support external elements of their brand building process: relationship and positioning. Additionally, Patrón uses it in internal and hybrid elements supporting the brand's expression, personality and culture in the CBIM framework.

Brand activation and community

While all the brands mentioned exploit the opportunities present in altered reality technologies, Topshop was the only one that integrated it with social media in order to activate their values. Topshop has been able to successfully activate their brand by incorporating AR and VR with social media to build a community of followers who are activists to the brand. Altered reality technologies used in conjunction with social media platforms present an opportunity for brands to engage consumers through a stimulating experience that can be shared together with a group of people who are passionate about a brand. For instance, while all the brands mentioned above were able to innovate and provide consumers with experiential storytelling, Topshop was capable of building a strong sense of belonging between followers due to their social media and altered reality integration. Although Ikea and Patrón were able to differentiate themselves from the competition and become key actors in their respective industries through innovations (Kapferer, 2012), Topshop was capable of bringing people together through shared multisensory experiences, while Ikea and Patrón used AR and VR to communicate with consumers through experiential virtual and augmented experiences.

Brands can implement a strategy similar to Topshop's social media-driven experience (Edwards, 2014) by considering the aspects presented in Figure 2 (Kapferer, 2012) that drive brand activation, but also by considering ways that will enhance relationships and create brand activists.

Conclusions

This study has examined how innovative technologies can be utilized in the brand building processes of companies. We have approached the question by analyzing the use of AR and VR of three case companies: Ikea, Topshop and Patrón. The aim has been to widen the perspective on these new technologies – thus, not seeing altered reality solely as a marketing tool or as a promotional technique.

There is currently not much research available on augmented and virtual reality – especially from a branding and marketing perspective – which we consider a limitation for the study. Also, it should be considered that the research was carried out solely with qualitative methods and no interviews were conducted to support case analyses. However, we have linked our interpretations on the literature and aimed to apply the theoretical framework presented in the literature review. Finally, the scope of the research has its limitations, only three case companies were explored in this study.

It is expected that a growing number of companies will start using AR and VR in the near future and that brand building is an important reason to harness the new technologies. We believe that the findings of this research will provide managers with insights from branding perspective – for instance on utilizing novel technologies to influence corporate and brand identity. In addition, the study provides practical suggestions on how AR and VR can be availed to achieve competitive advantage.

As mentioned, the link between altered reality and branding has not been widely researched thus we strongly suggest future research to be conducted in this subject. Future research could concentrate for instance on: 1. creating a practical framework for the use of AR and VR for brand managers 2. explaining how companies can differentiate from competitors and gain competitive advantage with the help of novel technologies 3. examining how a company already advanced in AR and VR technologies has benefited from its use through a branding perspective.

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