A whole new world

Using immersive technology to develop marketing strategies

s we enter the era of digitalization, many businesses have purposed to make use of technology throughout their value chain. While some areas such as production and manufacturing have seen considerable uptake and application of advanced technology, other areas have followed suit at a slower pace. While more businesses have become comfortable with technological advancements such as social media, now the movement has shifted towards elements such as artificial and virtual reality. As technology develops further it can lead to enhanced user experiences. Many businesses are intrigued with how to make use of these advancements in different areas of their operation. Specifically with the increase in virtual and artificial intelligence programs, there are more possibilities than ever before that firms can leverage. These initiatives are already employed in areas such as training where employees are tasked with dealing with various scenarios that are presented to them. The immersive nature of the technology allows them to respond to situations that provide as close to real life scenarios as possible. While it may be difficult to fully replicate the actual experience, such preparation allows employees more confidence and can improve results. Given the value that such innovations offer it is no surprise that firms seek to make use of them in various ways. The work by Yawised et al. (2022) investigates the use of immersive technology as businesses develop marketing strategies for their offerings.

Within a different world

With immersive technology, consumers can interact with their environments in different ways. In some aspects businesses can replicate the physical environment so that consumers can get a better sense of either products or services and how they would respond in real life. Whereas there are also cases where a lot of the elements are fabricated, and consumers are transported to a completely virtual world. In each of these cases, the selling point is that businesses are usually able to adjust and adapt certain aspects based on consumer interactions. This process is valuable as it offers more real time results that business can use to improve the customer experience. However, for the most part this technology is more commonly used for entertainment purposes. Since it is still early days it is understandable that businesses have not used this technology to their full potential. A lot of the initiatives around this area are mostly in trial phases as they are costly to invest in and to implement as well. However, with its rapid growth and interest, this will likely not remain the same soon.

Marketing is an area that immersive technology can yield considerable benefits. The possibilities do not only lie with marketing the products or services to the consumers in this way but can also be applied to the strategy development process that happens before. Immersive experiences can also be used as a data collection tool to further improve marketing strategies. This technology can be adapted to cater for gathering customer information in terms of preferences, habits as well as behavior. Each of these is essential information and can be fed into the strategy formulation process. As consumers engage with the technology and within the worlds created, there can be valuable data gained around how they respond to certain elements that can feed into the marketing mix of the product or service. Considerations such as atmosphere, messaging and packaging are all elements that can be altered within the virtual realm and then gauging customer reactions without committing the resources to do so in the physical environment. While this only provides an indication of what could be expected, it is better than going into the market blind. Any information, no matter how uncertain in this case is better than no information.

Observed behavior can be misleading

In some cases, given the fantasy element that might be associated with immersive technology, there might be the possibility that some information is inaccurate. Consumers may behave in a way that is completely contrary to their normal behavior because they are in a virtual environment. When this happens, it may skew the data and lead to misleading conclusions. On the other hand, it may also present more opportunities for consumers to engage with offerings that they may not have readily done so in normal circumstances. The unpredictability of the use of this technology is something that businesses must factor into their decisions. While this may further complicate the strategic planning process, it is upon the business to decide how far they make use of the information gathered. There is also the risk that the virtual experience may outweigh the physical experience and thus consumers could be left disappointed when faced with the reality. These are all aspects that need to be considered and the firm has a difficult task of making those decisions and dealing with whatever consequences may follow. That is the nature of innovative practices; while there may be benefits achieved, there are also risks that are unique to that innovation. In today's world there is always room for innovation, however, engaging with these new forms of technology should not be taken lightly.

More than one can handle

Unlike other forms of technology that have been more affordable to implement and have not required as much hardware, immersive technology poses a financial hurdle for most businesses. The initial investment required to acquire and operationalize these programs is what most businesses are unwilling to part with, especially as such early stages. There is also the need for the technical expertise to operate these technologies, and that also has financial implications in terms of personnel or training and development that would be required. Even with the various avenues that they could reveal for many businesses, even those on the smaller side, it may take some time before these become as commonplace as social media is now.

The immersive nature of the technology allows them to respond to situations that provide as close to real life scenarios as possible.

Immersive experiences can also be used as a data collection tool to further improve marketing strategies.

Comment

The review is based on 'Turning digital technology to immersive marketing strategy: a strategic perspective on flexibility, agility and adaptability of businesses, by Kritcha Yawised, Darlin Apasrawirote, Maneerut Chatrangsan and Paisarn Muneesawang, published in Journal of Entrepreneurship in Emerging Economies.

Keywords: Marketing strategy, Virtual reality, Artificial reality, Immersive technology

Reference

Yawised, K., Apasrawirote, D., Chatrangsan, M. and Muneesawang, P. (2022), "Turning digital technology to immersive marketing strategy: a strategic perspective on flexibility, agility and adaptability for businesses", Journal of Entrepreneurship in Emerging Economies, doi: 10.1108/JEEE-06-2022-0169.

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