



# The Impact of Augmented Reality (AR) on Brand Loyalty and Consumer Engagement with respect to IKEA

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## ABSTRACT:

*This study explores the integration of augmented reality (AR) technology in the retail sector, focusing on its application by IKEA to enhance customer engagement and to understand customer wants as per their need. With the increasing prevalence of AR in various industries, this research investigates how IKEA utilizes AR to create immersive and interactive experiences for customers during the furniture purchasing process. By analyzing IKEA's AR implementation, this research contributes to the broader understanding of the role AR plays in shaping the future of retail and consumer research strategies.*

**KEY-WORDS:** *Customer Satisfaction, Decision-making, Digital Innovation, Furniture Shopping, Interactive Experience, Technology Integration*

## INTRODUCTION:

IKEA Place allows customers to utilize augmented reality to try products from the business in the comfort of their own homes. All the user has to do is aim their camera at the area around them, in particular, the spot they want to put an object. Any item in the IKEA catalog that they choose will be shown.

Customers can interact with the IKEA brand in a variety of ways, including online, in-store, at home, and through IKEA FAMILY. Throughout the world, hundreds of house visits are made by IKEA coworkers annually. IKEA develops its products and services using the data and insights gathered.

At the heart of IKEA's loyalty strategy is the IKEA Family Loyalty Program, which provides members with a number of advantages. Customers who sign up for the program can take advantage of exclusive events, discounts, and gift card giveaways

IKEA has embraced Augmented Reality (AR) to revolutionize the way customers experience Future shopping. Through the IKEA place app, users can virtually place furniture in their homes using their

smartphones. This AR technology allows customers to visualize how items will look and fit in their living spaces before making a purchase. By seamlessly integrating AR into the shopping experience, IKEA enhances customer engagement and empowers users to make more informed and satisfying buying decisions.

### **OBJECTIVES:**

- 1.) To understand how augmented reality affects customers' interactions with IKEA
- 2.) To understand how brand loyalty to IKEA is impacted by augmented reality.

### **REVIEW OF LITERATURE:**

**Graeme McLean and Alan Wilson, 2019**

**Shopping in the digital world: Examining customer engagement through augmented reality mobile applications.**

This study adds to our knowledge of how augmented reality (AR) elements in mobile apps for shops foster consumer brand engagement. The widespread use of smartphones has resulted in the development of augmented reality as a new technology that allows shops to interact with customers. The research determines the factors impacting brand engagement through retailers' mobile applications. Brand engagement through the retailer's AR mobile application is positively influenced by favourable perceptions of the AR qualities and technological adoption attributes.

**Kashif Abrar, 2018**

**Impact of Augmented Reality on Consumer Purchase Intentions**

The Moderating Role of Interactivity in Online Shopping with the Mediating Role of Customer Brand Engagement. The primary finding of this study is the correlation between augmented reality and the growth of consumer brand engagement and purchase intention. The study aims to investigate how augmented reality influences consumer brand engagement and purchase intention.

**Dongdi Chen, 2022**

**How Digital Technologies Reshape and Transform Marketing: The Participation of Augmented Reality in Brand Loyalty Building.**

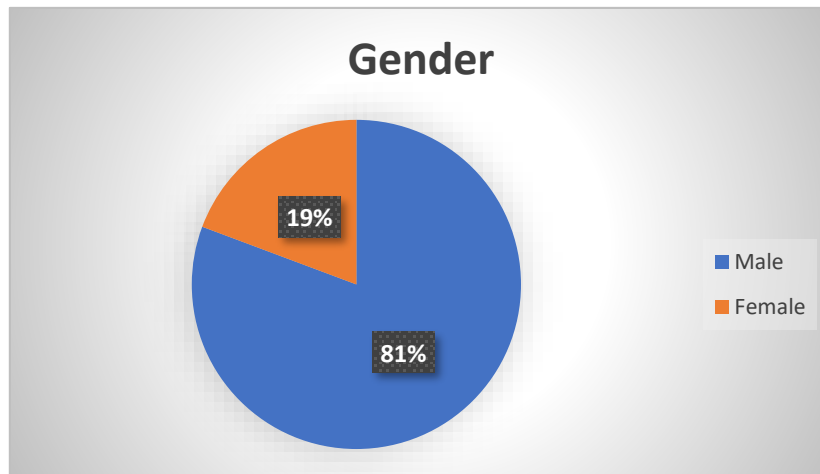
Augmented reality's use in brand loyalty building demonstrates how digital technologies are reshaping and transforming marketing. Digital technologies, such artificial intelligence (AI) and the internet of things (IoT), have developed quickly since the turn of the twenty-first century. These disruptive technologies have increasingly become part of company operations and value generation strategies.

## RESEARCH METHODOLOGY:

The Primary data sampling technique was employed in the study to concentrate on online survey strategy. The purpose of this prospective study is to determine how augmented reality (AR) affects consumer engagement and brand loyalty with regard to IKEA. Google forms that were given to the respondents were used to gather the responses.

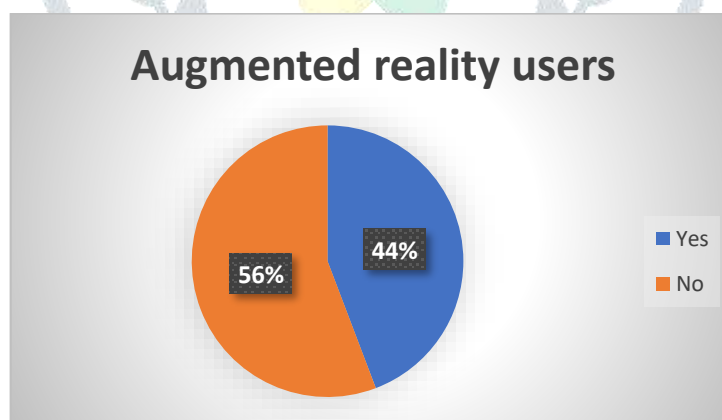
## DATA ANALYSIS AND INTERPRETATION

Q) People using IKEA place app?



The pie chart representing the user demographics of the IKEA furniture app reveals a notable gender distribution. A substantial majority, 81%, of users are male, while the female user base constitutes 19%.

Q) Have you ever used Augmented Reality while shopping?

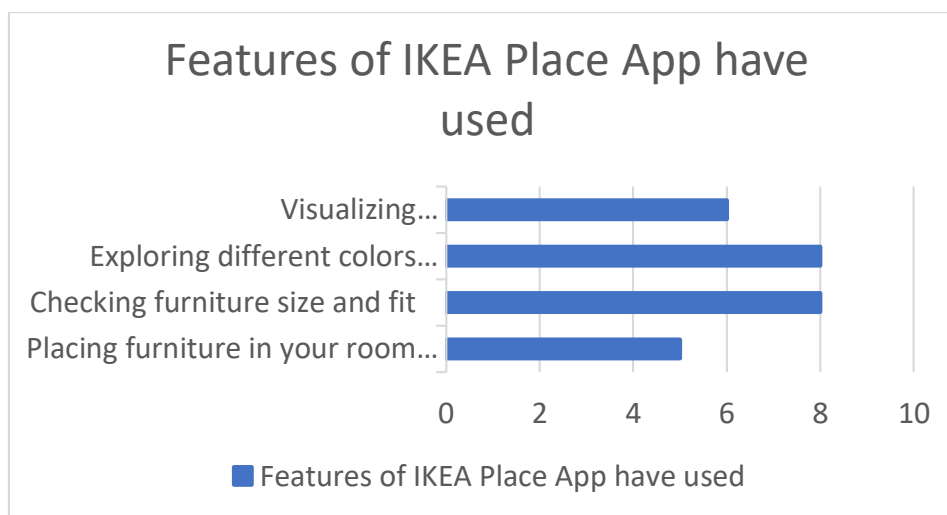


Out of the people asked, 44% have tried using Augmented Reality (AR) while shopping. Most, which is 56%, haven't tried AR shopping yet. This suggests that some people are starting to use AR for shopping, but it's not something everyone is doing. People who tried it used AR for things like trying at home virtually or seeing how products look in their space

Q) What features of the IKEA place app have you used?



Most people, 72%, said the IKEA Place app was very helpful for deciding on furniture purchases. However, 28% didn't find the app helpful for this.



Users have utilized various features of the IKEA Place app, including placing furniture virtually in their room, checking size and fit, exploring different colors and finishes, visualizing furniture arrangements.

**FINDINGS:**

IKEA has revolutionized the shopping experience for its customers by effectively utilizing augmented reality. IKEA allowed customers to realistically put and see furniture pieces in their own living areas by incorporating augmented reality into their mobile app. This eliminated purchasing uncertainty and improved consumer engagement by enabling customers to see how furniture will fit and appear before making purchases. Users were also able to customize the AR function by experimenting with various colors and styles. IKEA used augmented reality (AR) as a marketing tactic to position the brand as cutting edge and inventive, in addition to enhancing the shopping experience. The effectiveness of IKEA's implementation of augmented reality was further demonstrated by the effect of AR on sales, user feedback, and comparison with competitors.

**CONCLUSION:**

Technology innovation is developing daily. Augmented reality, or AR, is a cutting-edge technology that is attracting interest from a wide range of industries, including marketing, engagement, and user experience. Recently, augmented reality (AR) has gained popularity in contemporary marketing. These days, marketers spend time and money developing new digital marketing platforms for consumers who are connected. The researcher's goal in this chapter is to talk about how augmented reality advertisements affect how consumers feel about brands. This chapter's goals are to improve user experience and talk about how augmented reality advertising affects customer engagement and brand loyalty.

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