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Impact of Augmented Reality on AIDA Model of Consumer Buying Behaviour

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Abstract

Augmented reality is the recent form of digitalization with broad applications for business and society as a whole. This article aims to analyse the benefits of augmented reality in marketing over traditional marketing, the demerits of augmented reality, and the gaps due to these demerits. Secondary research suggests that Augmented Reality has made its impact everywhere, be it customer attention, creating interest, desire to buy the product, or purchase the product. It has created a major impact in retailing, furniture, jewellery, etc, influencing the purchase behaviour of the consumer.

Mobile devices are AR ready, and software is available. AR has positive effects on product knowledge, customers' attitudes towards brands, purchasing intentions, trust, and cognitive processes interactivity, thus potentially supporting all phases in the AIDA (Attention Interest Desire Action) model. Companies focus mostly on drawing awareness and creating interest but they are not efficient in creating a desire for purchasing the product.

Keywords: **AIDA-model, Augmented Reality, Consumer Buying, Customers, Digitalisation**

JEL Classification Code: M31, L86, D11, M37, O33

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1. Introduction

We live in the era of digitalization. When we have multiple vendors, the competition is also tight. So, the companies have to use competitive breaking technology to attract and retain customers. Augmented Reality (AR) will be the technology that will help convince the customers to have a glimpse of the product and draw the attention of the customer.

Augmented reality helps in attention creation, creating interest in the product, which in turn creates a desire for the product, which finally leads to a purchase, which is action. AIDA formula can be applied through augmented reality.

Augmented reality creates 3D interactive images wherein the customer can virtually try the products. Augmented Reality can be best utilized in apparel, retail, and e-commerce industries.

2. Literature Review

Patrick *et al* (2024) proposed how Augmented Reality builds on cue-utilization and habituation theories to understand if the proposed effects are subject to erosion over repeated use of AR applications. The intensity of Augmented Reality has a better and stronger impact on affective responses for first-time users compared to habitual users, and augmentation exerts a stronger effect for habitual users on their cognitive and affective responses.

Söderström, C., Mikalef, P., Landmark, A. D., & Gupta, S. (2024) suggested that first time users of the product believe

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in perception whereas habitual users in entertainment, hence augmented reality plays a major role in evoking cognitive and emotional response among habitual users

Jelínková and Nosková (2023) opined that AR has earned a prominent space in marketing, be it in the field of tourism and cultural heritage or in the area of positively influencing consumer purchasing behaviour.

Prodea *et al* (2023) proposed that augmented reality intensified the choice of the consumer which, in turn, enhances the marketing strategies and this can be assessed through the dimensions of brand awareness, brand associations, perceived quality, and brand loyalty, as well as consumers' buying intention.

Rauschnabel, P. A., Babin, B. J., Tom Dieck, M. C., Krey, N., & Jung, T. (2022) observed how AR has inspired and convinced people regarding brands and suggested the difference between traditional and AR marketing techniques.

Sung, E., Han, D. I. D., & Choi, Y. K. (2022) experienced that AR mobile app advertising creates positive impact among consumers to respond through customer engagement.

Kyguolienė, A., & Braziulytė, R. (2022) analysed how AR can be used in packaging of a product and what are the challenges and opportunities that can be encountered during the process.

Sung E. C. (2021) investigates consumer responses to AR mobile app advertising by the consumer experience that is shared through viral marketing and purchase intentions.

Vinci et al ,(2020).Augmented Reality (AR) is a new technology that combines virtual elements with the real environment, creating new, interactive experiences for users.

Haumer, F., Kolo, C., & Reiners, S. (2020) sensed that AR is the emerging technology that is going to create a experience through its interaction in the virtual world. Brands use AR to recognise a Brand, by creating associations building loyalty and brand equity.

Scholz and Smith (2016) advocated innovative marketers can now force augmented reality to engrave immersive brand experiences, create more interactive advertising, and enable consumers to experience products and spaces in innovative ways.

Javornik (2016) suggested that augmented reality has emerged in the marketing environment and due to its unique method of connecting physical environments and virtual elements, offers a major innovation in access to commercially relevant content.

3. Key Findings and Discussions

3.1 Benefits of Augmented Reality

According to research, customers feel that their buying experience can be enhanced and comparison between competitive products is easy due to augmented reality.

When the customers start using augmented reality the usage rate and customer engagement can be measured.

Augmented reality can boost the confidence of traditional marketers by including QR codes in their Posters and help in more customer engagement.

AR can inform customers in a reliable way which helps in building trust among customers**.**

Indian companies that have adopted augmented reality are:

1. **Myntra:** It has developed an app where customers can try to apply make-up and eyewear before purchasing the products.
2. **Lenskart:** Here, customers can try on different frames using augmented reality. This helps get a virtual experience without the pain of visiting the store.
3. **Pepper Fry:** The furniture store helps its customers align their furniture through virtual reality and then buy furniture.
4. **Reliance trends:** They capture the look of their trendy dresses through their interactive dressing room mirrors and help customers try the fit virtually.
5. **Shoppers stop:** They have interactive trying Kiosks that help select products and offer recommendations and virtual try-ons.

3.2 Impact of Augmented Reality

i. AR amplifies the trust among the customers, which is a deficit in online shopping, especially for elite items like jewellery and furniture.

ii. AR helps in Omnichannel marketing creating a great shopping experience both offline and online.

iii. Customization is the key due to AR: this helps with individual preferences and improves customer satisfaction and retention.

3.3 Application of Augmented Reality to AIDA

1. Attention: The sellers capture the attention of the customers through AR-like interactive displays, which use the movement and some gestures of the audience. It can also use filters to attract the youth, as we can see in Snapchat and Instagram for GenZ who are tech-savvy. Gamified AR experience can use games like treasure hunts and other types of product revelation techniques.

2. Interest: Augmented reality helps create interest in customers. It helps spark curiosity and customer engagement by using techniques like virtual try-ons used by Lenskart and Nykaa Products. Visualization is a technique of AR that helps customers relate better, for example, where can the pepper fry furniture fit in the living room. Product features like foldable furniture can be highlighted that consume less space, allowing the customer to build a strong relationship.

3. Desire: AR helps to enhance the interest to preference of the customer to buy the product through customization or personalization, creating an experience where the customer feels special. Ex: Adding the initials of the customer on a leather purse that is customized or any jewellery. Creating stories for elite brands and asking customers desirability towards that brand. Ex: Being a member of Mahindra holidays. When customers start sharing their stories of how they stay at different places using Mahindra holidays, it creates an aspirational value that creates preference.

4. Action: AR helps in the final stage of purchase after the customer is convinced to buy the product. AR can guide users to navigate to the nearest store to shop faster and easily. It can have limited offer deals, which we see on Amazon so that products that are of high quality can be sold quickly to valued customers. Buy-now options lead to final checkout options.

3.4 Advantages of Opting Augmented Reality in AIDA

1. Customer engagement is good as Augmented Reality gives a bird's eye view and has a better chance than traditional marketing.

2. Augmented reality arouses a lot of interest in the customer and gives them a personalized experience.

3. Purchase intentions are enhanced through virtual reality which, in turn, enhances decision making.

4. Word-of-mouth marketing with augmented reality spreads virally, and reach is more.

5. The conversion rate is higher as customers are satisfied with Augmented Reality and can guide customers better through different stages of AIDA.

3.5 Disadvantages of Opting Augmented Reality in AIDA

1. AR influence requires sophisticated and exorbitant technology. Small and start-up firms cannot adopt AR technology because it's expensive.

2. All smartphones cannot have AR hardware so the majority of users cannot have access to AR technology.

3. Customers who are not conscious of AR technology during different stages of AIDA reduce customer engagement.

4. Flashy advertisements of AR may not generate interest in customers.

5. Too much exposure to media may, in turn, lead to fatigue and less engagement.

6. AR may raise privacy concerns where it may affect AIDA in its Action stage.

7. Slow loading time and technological glitches create a negative impression on the customer.

8. AR may not suit all industries and products. There may be information overload.

Conclusion

Augmented reality creates innovative dimensions through its integrated marketing campaigns using digital technologies to develop better consumer experiences through user-friendly choices. It helps in attracting and engaging customers. Augmented Reality can evaluate benefits for different industries, segments, and target customers and optimize marketing strategies for success. When AR is used it becomes effective when it's used in the AIDA model. However, AR has to focus on how it is going to be used, where its relevance is, and how it should enlighten the customers' experience.

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