

## The Role of Virtual Reality in Fostering Brand Experience on Retail Success

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The competition between retailers has increased dramatically in the last decades in a globalized market. In order to improve the competitive position, there is a growing interest in developing the concepts and theories of brand management. In this regard, one of the concept recently applied to the management of the retailing is brand experience (Brakus et al., 2009; Dolbec & Chebat, 2013; Khan & Rahman, 2015; Ngo et al., 2016). For example, Dolbec and Chebat (2013) found that brand experience positively influences brand attitude, brand attachment and brand equity. Brand experience has also been shown to influence word-of-mouth (e.g., Ngo et al., 2016; Klein et al., 2016).

Due to the advancement of technology, the experience throughout the customer journey could be improved in many customers-retailers touchpoints in both the offline and online environments (Sit et al., 2018; Stein & Ramaseshan, 2016) where physical and virtual objects could be integrated at different levels (Flavián et al., 2019). Continuous innovation and new technology are critical in creating sustainable competitive advantage because technology (i.e., shopper-facing technology) plays an important role in increasing revenue and decreasing costs (Inman & Nikolova, 2017). Recent research has started to study how to build a better destination brand experience using technologies such as Virtual Reality (VR), Augmented Reality (AR), Artificial Intelligence (AI) and so forth, but it is still very limited (e.g., Alexander, 2019; Lombart et al., 2019; Plotkina & Saurel, 2019). For example, Rauschnabel et al. (2019) found that augmentation quality positively influence inspiration, which in turn drive the changes in brand attitude. On the contrary, Plotkina and Saurel (2019), through online experiment, found that the Virtual Try-On tool was less enjoyable than traditional interfaces, less convenient and less enjoyable than pictures of models with physical features similar to those of consumers.

The aim of the current study is to increase our understanding on the role of VR in shaping brand experience within the retailing context. Data was collected from a lab experiment. Participants were asked to imagine that they were planning to visit a mall. In the experiment, participants had a pre-experience with a real mall by watching a 360-degree video with technologies with varying degrees of technological embodiment (i.e. destock PC, smartphone and VR HMD). The results contribute to the growing literature on retail brand management and this would be one of the first studies to enhance our understanding on how new technologies shape and develop brand experience within the retailing sector.

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