
THE NAYSAYER'S GUIDE TO VIRTUAL REALITY IN MARKETING RESEARCH



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Virtual reality (VR) is the current darling of the technology world. It's hard to read the technology section of any leading publication without seeing at least one mention of virtual or augmented reality (AR). These technologies promise to revolutionize how human beings interact with technology by creating experiences so realistic that the mind begins to ignore the fact that what it's seeing isn't real.

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When I describe the experience of using these tools to someone, the best analogy I can offer is that VR is the closest thing you can imagine to an awake dream state. You put the headset on and immediately the visuals are so overwhelming that your brain is tricked into thinking you are actually *in* the experience.

The potential power of virtual reality is sweeping almost every industry, from entertainment to education, and yes, even to our own marketing research profession. As we move closer to widespread adoption of VR consumer products, researchers must come to grips with the impact VR could have on our business and how we uncover, collect and analyze insights for our clients.

As with anything that gets promoted as a potential revolution, there are those that believe VR is overhyped, overplayed or irrelevant. Here are three of the most common themes these naysayers cite when minimizing the role VR might play in our future.

1. "VR is really about playing video games and has no relevance in research"

The cynics in this category seem to view virtual reality as a toy for video games and nothing more. They cast aside VR as a "neat gadget," but not really relevant for practical purposes outside of *Call of Duty* games. They look at today's clunky headsets and the 3D graphics and fail to see the potential of this new medium.



For those of us keeping up with the virtual reality movement, we know that it's becoming harder and harder to find industries that won't be dramatically impacted by this next technological evolution. Here are a few applications of virtual reality that are not just theoretical, but involve companies actively working to develop the first generation of headsets:

FILM AND TELEVISION. VR promises to absolutely revolutionize the way you experience movies. A handful of video production companies have already begun filming in 3D VR, allowing you to look around the set of your favourite film and feel as if you are standing right in the middle of the action.

RETAIL AND E-COMMERCE. Car companies are racing to develop VR models of their cars, so buyers can take a test drive without visiting a dealership. Clothing stores are investing in 3D modeling tools so customers can virtually "try on" new designs at home.

SPORTS. Major league teams are developing ways to sell virtual seats to their games.

TRAINING. Medical schools are evaluating VR to train new surgeons, and military organizations are simulating battles for cadets – all without the real-world implications of live scenarios.

As marketing researchers, we will soon face a host of exciting new questions from our clients, such as:

“How will virtual reality affect my business, and what is my competition doing?”

“What should our VR advertising presence look like?”

“Is it time for us to consider embedding VR into our product offering?”

Luckily, in the next few years, marketing researchers will have at their disposal an arsenal of powerful virtual reality tools and techniques designed to help answer these questions. These new methods will allow us to engage, study and document consumer insights in ways we could barely imagine before, such as:

VIRTUAL RESEARCH EXPERIENCES IN VR

Researchers will soon have the ability to easily generate 3D virtual stores, allowing us to run customer simulations never before possible in the physical world. Imagine creating a virtual grocery store to observe how dozens of small changes in product location affect the flow of shoppers. Or perhaps we allow the customer to design a dream kitchen, then allow the clients to virtually walk through the highest rated examples.

Virtual reality technology has already shown some amazing insight into how the human brain perceives its physical space, and how this might translate into new insights in marketing research.

In one fascinating experiment, researchers allowed a VR-equipped respondent to roam around a physically empty room with a battery-powered display unit. In the VR world, the respondent was placed in an object-filled virtual environment and allowed to walk around freely. Researchers then altered the ratio at which the subject moved in VR; a single physical step would move the virtual avatar the equivalent of several paces. This allowed the researchers to “trick” the mind into believing

it was moving at a much faster physical pace than it really was – the subject assumed they were walking quickly, but, in fact, they were slowly shuffling across the room.

Virtual reality will allow marketing researchers to experiment with “disconnecting” senses in ways never before possible, learning more about how human perception of things like space and proximity could be optimized in the physical world.

CUSTOMER SATISFACTION IN VR

One of the most common activities in research is gauging customer satisfaction. In most cases, this exercise is done days or weeks after a customer experiences a brand, service or product, and satisfaction data is gathered with a rather uninspiring online survey.

Now, imagine a new world, one in which we can actually take the respondent into a virtual environment and ask specific questions about past experiences in that environment while simulating the event itself. A respondent might be transported back to an exact VR copy of their hotel, and asked about the check-in process while virtually standing in the same lobby. Afterwards, you can bring them up to their exact room where they can walk you around and point out specific elements of the in-room experience. Not only can VR technology allow them to recall their experience with ease, but it can also enrich the feedback provided.

VIRTUAL REALITY ETHNOGRAPHY

Virtual reality will have dramatic impact on the qualitative side of the industry. Companies like Samsung are already



developing VR cameras; these amazing devices will work like a remote camera (think GoPro or similar), but record a 360-degree, three-dimensional video of an event. Imagine taking one of these into a participant’s home for an ethnography; the researcher conducts the interview while VR-equipped clients are observing – remotely – the entire experience. These remote observers can look around in 360 degrees and become completely immersed in the home of their consumer without ever leaving the office.



Telepresence will take a dramatic leap forward with virtual reality. Many believe this is a key reason Facebook paid US\$2 billion for a key VR technology company, Oculus Rift. Facebook likely realized that, in a few years, consumers won't be satisfied with two-dimensional video chat, and instead will want to join a friend or family member in a virtual-reality session where both parties feel like they are in a coffee shop, a living room or a museum together. Now, think about the impact that will have on focus groups. We will soon be able to virtualize an experience where all participants feel as if they are gathered in the same room, looking at the same product ideas or marketing concepts, but, in fact, they are thousands of miles apart and in the comfort of their own homes.

Naysayers who fall into the “VR is all about video games” category are facing a growing challenge; it seems there is a new application for virtual experiences developed almost daily that has little to do with gaming. With each of these new developments, marketing research's role in the coming VR economy expands as well, as we will either use the technology within our data collection methods or we'll benefit from the desire to research a new commercial application.

2. “VR is a gimmick; the technology is a flash-in-the-pan and won't last”

Of all the arguments against VR, frankly, this one probably has the strongest case to be made. After all, we're talking about an industry that has already failed at least once before. Not to mention, when's the last time you have gone down to the local electronics store to test-drive the new VR headset? Oh yeah, that's right – you can't even buy a VR or AR headset yet, as consumer-ready versions aren't expected until later this year.

Sure, there is a chance that virtual reality might crash and burn and fail to become the next wave of consumer technology. Even though the largest technology companies in the world – everyone from Microsoft to Samsung to Apple – are collectively pouring billions into developing tomorrow's VR and AR hardware and software, the whole movement could come to a grinding halt if consumers *just don't get it*.

As unlikely as this scenario might seem, there are plenty in the MR world that think the idea of a virtual-reality-filled future is overhyped and doomed for failure. There is nothing wrong with a healthy bit of skepticism; however, if you hold the viewpoint that VR and AR are not the next wave in consumer digital experiences – then what do you put forward as your own theory for the next big thing? What technological innovation has the next best chance at success? What is your plan for research evolution if VR and AR don't come to pass?

In many cases, those who hold a contrarian view on the success of VR and AR rarely have an alternative theory of what our future holds. The concept that the world simply won't change is a rather delusional position – it changes constantly. I challenge naysayers who fall into the “gimmick” category to put forth a worthy alternative.

3. “VR is still in its infancy; it's too early to think about applications for marketing research”

Companies in most industries are beginning to see the impact virtual reality may have on their business and the way consumers interact with products and services, and very soon their marketers and product managers will be in search of guidance on how to navigate this new ecosystem. In much the same way the smartphone revolution forced thousands of brands and organizations to wrestle with the implications of a mobile consumer, the VR revolution will drive the same companies to reevaluate their customers' needs within an entirely new medium.

As researchers, it will be our role to help those companies navigate and understand these new waters. As a believer in VR, I see that time approaching quickly.

A naysayer might argue that it's too soon to begin a research investment in virtual reality. They will claim that the need for knowledge and capability in the VR world is something they will think about in a few years. They might even claim that it's not in their research agency's “wheelhouse,” and that specialist firms will pop up to meet that demand.

If you think VR is five to 10 years away, much of the tech world is betting against you. In fact, consumer VR devices are slated to hit the market this calendar year. By holiday season 2015, the single most anticipated gift is expected to be the new VR gear from Samsung, Oculus and an army of other companies. Many industry observers believe VR adoption will greatly outpace smartphones' early growth rates, as the hardware is slated to be significantly less expensive and easier to adopt than the first generation iPhones.

And if you think that specialist firms will pop up to meet the VR demand – you're right.

Just as we saw with the mobile research movement, and even the online movement before that, the firms that were prepared for shifts in consumers' lifestyle and their client's research needs thrived. They are now among the biggest names of quantitative and qualitative insights, and they were often the first companies with digital research departments or mobile innovation teams.

Several of those same innovative firms are quietly making investments in virtual reality today; they see the potential sea change in marketing research and are learning, experimenting, and preparing to meet the needs the clients will have today and tomorrow.

And so should you.

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