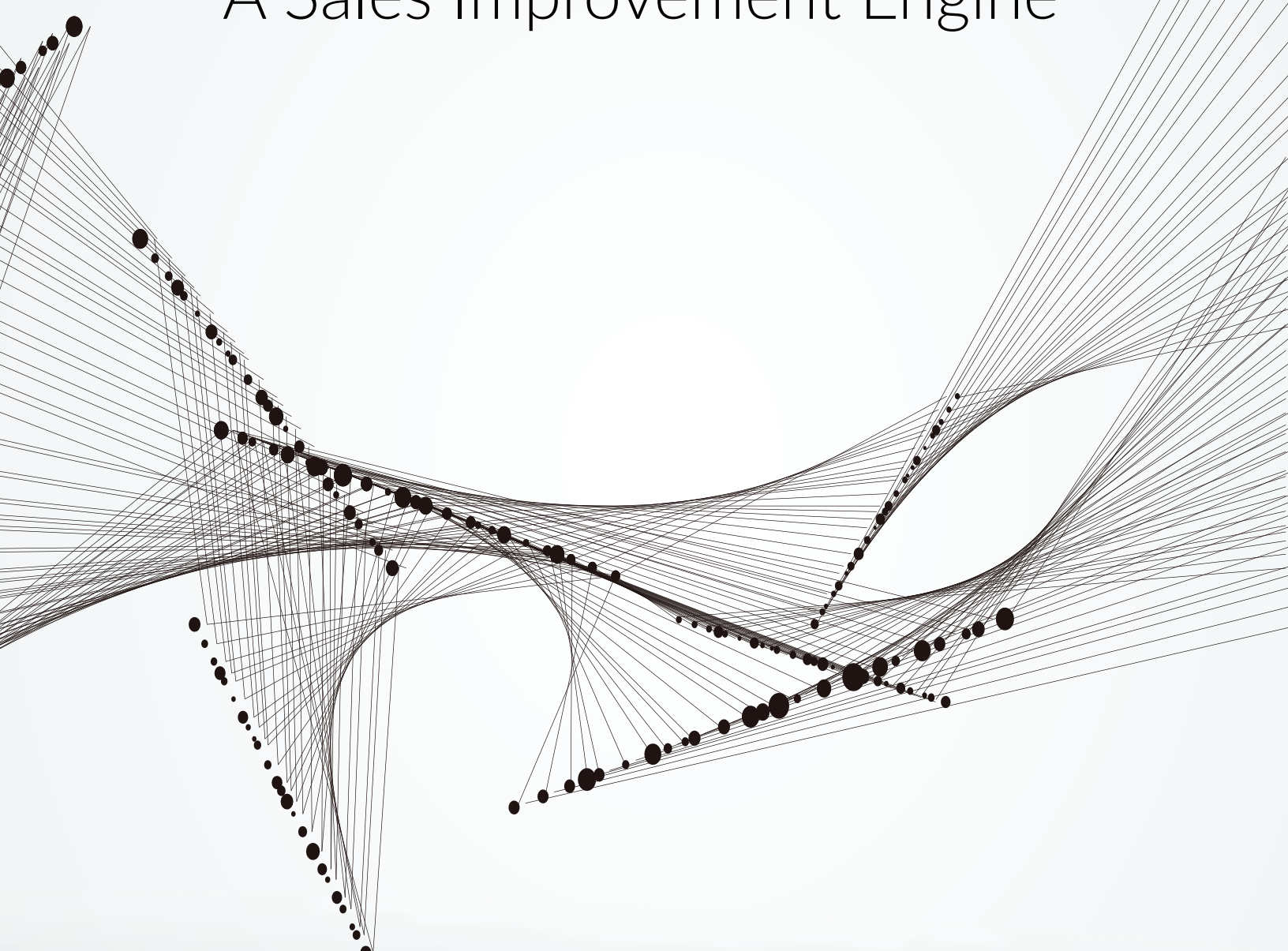


# Virtual Reality: A Sales Improvement Engine



# Introduction

Virtual and digital reality are some of the most interesting technologies of the decade, with the potential to transform a lot of industries. And while VR innovation news often comes from gaming, it would be a mistake to dismiss VR as an entertainment technology. There is tremendous potential for VR to disrupt plenty of industries, including medicine and education - but also design, real estate, corporate training, and customer relationships for sales in retail and business.

**If you have been waiting to see if VR is a trend with staying power or just a fad - it's time to stop the waiting game.**

Without widespread consumer adoption, it has been hard to tell if these technologies have reasonable use cases in business. Developments in 2018, however, have brought VR into a business ready state. The hardware has evolved to standalone headsets like Oculus Go which are easier than ever to use. Software costs are low, in some cases approaching a dollar a day. Below, we'll investigate the state of VR and bring some of the best recent case studies together to help you think through adopting VR for business. Because digital reality technologies are here to stay and it's time to get started.

Looking not too far into the future, the economic impact of virtual and augmented reality is predicted to reach \$29.5 billion. And if you've thought that VR isn't catching on because it doesn't seem that many people have headsets yet, you should know that:

- In 2017, VR software and hardware shipped by Sony, Oculus, HTC, and others totaled \$2.4 million, up from \$1.7 million in 2016
- By 2020, experts predict that 82 million VR headsets will be sold - a 1,507% increase from 2017 totals.

Perhaps more importantly though, there are predictions that business uses of VR will soon outpace leisure, something we've been predicting for some time. Business spending is expected to reach 9.2B by 2021 - not too far in the future.

VR in business is being adopted quickly, and adding it to your customer engagement toolbox is something you should think about for the coming year to ensure you stay relevant to consumers.



# Getting Started

---

If you've been uncertain that, compared to other activities you can do to improve your customer service and engagement, VR is the way to go, let's review what VR can achieve.

VR is really an evolution of visual storytelling - as far back as cave paintings, through toys that made images appear to move in the early 19th century, through photography, film, and television humans have been trying to get immersion and storytelling with visuals right for a long, long time. VR is the next (and very exciting) step - it immerses the viewer inside the image to create greater understanding and emotional connection. So if you use images like brochures or catalogs to tell your story today, you can use VR to do it better.

VR can replicate nearly any business process, from training to customer service, sales presentations or marketing. It can be used to let people carry out tasks without being physically present - like reviewing a presentation. Or in modeling objects that wouldn't be feasible in real life - like shipping a car to a buyer in London or California.

**Generally, the most useful applications of VR fall into one of three categories - VR is best used when something:**

- Doesn't exist yet - think architecture and design where it's about a vision of a building, space or even room that doesn't exist yet
- Exists but is a long distance away - consider previewing a home for an overseas buyer, advertising travel destinations or showing a satellite office the options you presented to a local team
- Is too large, impractical or complex to model - think about the many iterations of a product like cars or furniture

VR essentially solves the classic problem of not being able to share a vision - it takes away any ambiguity of words or 2D plans. VR offers every business the chance to rethink how they present ideas to their customers. It opens up new possibilities for showcasing products and services and creates an exciting buyer experience as it's still relatively new.



# VR in Showrooms

For business, figuring out how to drive new revenue is always at the top of the list. Figuring out how to do it with VR is a task to tackle as soon as possible. Many leadership teams want to be part of implementing cutting edge technologies but are struggling with how to do it. Any business with a showroom - either physical or in printed catalog form can get started and see benefits fast.

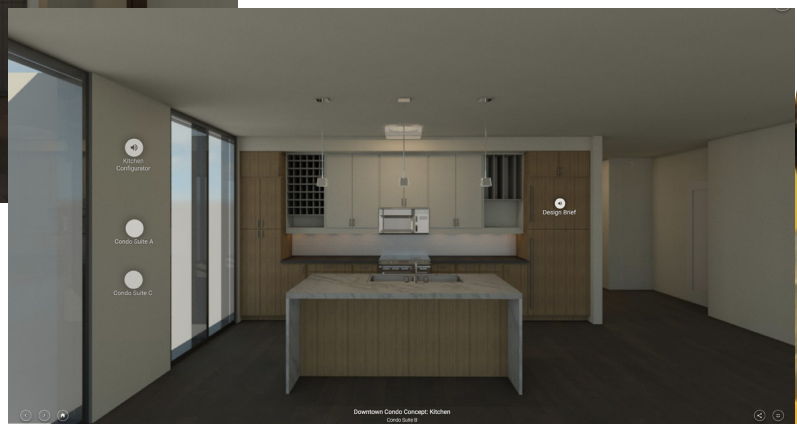
Start by realizing that the digital world presents new opportunities - objects can be placed and moved instantly, and you can 'travel' between concepts and ideas in seconds. And while your customers may always want to touch and feel products before buying, a digital showroom can help you entice customers in by previewing your services, and the value of visiting your showroom. You can expand your showroom digitally with no space constraints and, VR gives customers a customized curated experience without you having to recreate it in the physical world.

Macy's is rolling out the largest VR retail experience to date in Jan 2019, with 90 stores on board, and a key reason is that to be a competitor in furniture requires a lot of expensive real estate. Macy's CEO Jeff Gennette said "we've been constrained by not having enough square footage," adding that VR is allowing the company in just 5,000 square feet to do what it would

normally have needed 20,000 square feet to showcase. Audi has discovered the value of virtual showrooms, particularly in European dealership locations where space is at an even greater premium. Customers can try out even the smallest details to configure their cars - "with the VR experience we have developed a full-fledged sales tool for Audi dealers. It offers our customers more information and certainty when making their purchasing decision, as well as a special excitement factor," says Nils Wollny, Head of Digital Business Strategy/Customer Experience at AUDI AG. "With this, we are taking the next step in our strategy to combine digital innovation with the strengths of the bricks-and-mortar dealership."

At Yulio, our clients in the commercial furniture industry and in real estate have seen success by providing alternate possibilities in VR. So, while they may have a great setup in their showroom, it can be hard for clients to envision small changes. In VR, our clients then link scenes from the same perspective that flip between styles, color palettes or arrangement of furniture. Flipping through the scenes in VR gives clients direct comparisons and would be expensive and time-consuming to do in the real world.

In these ways, VR is disrupting traditional showroom sales and contributing both to customer experience and business ROI.



# VR for Memorable Pitches

At Yulio, we sometimes say that VR is the end of 'I'm just not seeing it'. What we mean is that there's simply no better way to present visual data to a client. Not everyone is good at imagining distance and scale and translating 2D plans. In VR, they don't have to. Have you ever had a client say "it seems smaller/bigger/lower/higher/darker/brighter than I'd envisioned it from the plans"? Even for trained professionals, space is a very hard concept to fully appreciate using imagination alone. How big of a space is big enough without being too big? How small is cost-effective yet isn't restrictive? In the majority of our client conversations, addressing this major pain point was felt to be one of the defining strengths of VR.

By resolving these issues, VR can add tremendous value to the pitching and iterating phases of a design project.

Toronto firm Diamond Schmitt Architects discovered the importance of visual understanding for getting buy-in during the earliest phases of a project to build a massive expansion to a Canadian museum in Ottawa. Andrew Chung, an architect at the firm explained "what Yulio [VR] let us do was create multiple scenes and spatial cohesion by stringing together multiple scenes. That way, someone not used to looking at our plans can understand and orient themselves much more clearly. That's when we were able to much more effectively communicate just how big this building would be, and how everything would coalesce together. It helped clients understand why spaces had to be designed so large".

Diamond Schmitt found the level of client understanding changed dramatically after viewing their proposed solution in VR and the clients stopped asking them why the space was the size it was, and instead started asking questions that pushed everyone to better design.

Even early in the pitch phase, a VR presentation can create engagement. Alex Garrison of Gensler Denver explained the value of showing off concepts and portfolios in this medium for them is partly about the excitement they create in the pitch phase. "VR is helpful during pitches as it creates a realism we don't have on 2D projects. For instance, we're able to show example projects, cool renderings or explore 360 photos, in which we can explain our portfolio. It's also exciting for clients if we were able to quickly come up with new design concepts in a pitch".

Distinguishing themselves through their use of VR has also become a key part of business practice for HBI, a commercial furniture dealership in Calgary. "If clients are visiting...different showrooms while they're researching, showing them VR makes them remember us - it doesn't all blend into the same thing", said Mike Taylor, founder. HBI tries to distinguish themselves not as a furniture seller but as a partner to their clients who can consult on workplace innovation, not just sell furniture. Taylor added "Showing them that through the technology, showing them that we'll embrace new things to help bring them the right solution makes us stand out...The immersive experience is so much more effective and memorable".

# VR for a Faster Sales Process

During the sales process, a lot of factors can impact the total time it takes to get to 'yes', but one of the biggest is client indecision. This may take the form of multiple meetings and questions to the seller to try to deepen understanding. It may result in internal meetings to get senior stakeholders to sign off. And you may or may not get to influence those meetings. A lot of it comes down to understanding, though - whether it's understanding the details of your solution or the value vs. price that you're bringing to them. There's absolutely no better engine for removing ambiguity and promoting understanding than VR.

Today's clients need help to make purchase decisions, and the ability for VR and AR to let them try before they buy is another of its key strengths.

Our clients are experimenting with VR to make spaces that are too complex to model more realistic and show their clients their furniture solutions with no ambiguity. Oregon furniture dealership Hyphn has been using VR in their sales process for about 18 months. "It really comes down to how clients can visualize the designs they receive, understand them and make faster decisions when they

see something in VR," said IT Director Brian Barnett. At HBI, Taylor often finds that it's their ability to help clients with their own internal stakeholders that makes all the difference."In one example, we were working with a large education client with lots of common areas, and we had multiple competitors. At the end of the day, the end user recognized that we were going to be a better partner because we could better show them how it was going to look, and help them better communicate to their own internal stakeholders. Price didn't matter at that point, it was our technology that put us above everyone else. They recognized us as a resource in showing design."

In the end, moving along the sales funnel is about understanding and VR is the difference between immersion and viewing - it allows you to put your prospects inside your product or solution no matter where they are located, or how complex or large your products may be.



# VR as a Persuasion Engine

VR has a power that goes beyond simply providing a cool experience. Humans are wired to have their behavior more directly influenced by virtual experiences as they appeal to three key areas of our brains responsible for our perceptions and reaction. Content and experiences communicated through VR are experienced versus simply being seen and this triggers the parts of the brain that more clearly influence behavior, making VR a key way to influence decision making.

With its unique ability to go beyond 'showing' products or stories and have viewers experience them, VR has delivered an entirely new toolset to marketers and advertisers. Studies have shown VR to deliver a 27% higher emotional engagement and 34% longer engagement than 2D content, so, for businesses already using images or videos to tell their story, it is a very compelling new option. VR gives consumers more control, allowing them to enter an experience alone, decide where they choose to go, how long they're there for and what they see.

In the Audi example cited earlier, a traditional retail showroom was replaced with a "completely digital showroom" where customers can customize, shop for and select cars. Sales increased by 70% and average transaction prices grew by 20% likely because people felt able to guide their own experience - and had a sense that they were able to try things out before buying and fully understand and discover their value without being 'sold'.

Similarly, Carnival Cruises found it was easier to upsell their clients when they previewed cabin upgrades in VR. The experience makes the value of the additional space and features very clear. "We know that many first time cruisers find it difficult to understand what the cruising experience will be like until they've experienced it firsthand, so we decided to use 360 video technology to help get consumers closer to the spaces that make Carnival special," said Stephanie Leavitt Esposito, Director of Social Media and Branded Content for Carnival.

Previewing destinations with VR travel allows booking agents to create an emotional connection that helps consumers see the value and complete their bookings. Thomas Cook, for example, found there was a 190% uplift in New York excursions for people coming from the UK after people tried a 5-minute version of the holiday in VR.

For a relatively small one-time investment, marketers can leverage the emotional connections of VR both in their physical locations and online to generate interest. The same is true for any product or service where a verbal pitch or still images alone don't fully explain the value of an upgrade.



## Next Steps with VR

VR and similar technologies don't need to be complicated processes it takes a long time to adopt - you can get started with simple, practical content. Practical VR and AR for business aren't about convincing someone they're really in a different room, it's about enabling them to experience a spatial environment in a way that they're better equipped to understand. And it's a perfect example of what these technologies do best - show off size, scale and what it's like to be immersed with your product.

The best part is that it's not too late to be early - there is still an opportunity to be a technology leader and bring the VR experience to your clients first. But it is time to get started - developers (including Yulio's) are consistently advancing the technology. Don't wait for perfect VR or the next evolution to land. Start to experiment right now. VR doesn't need to replace tools already being used successfully but can integrate with the majority of them with surprising simplicity.

### Some thoughts on things to try:

- Carry your catalog or portfolio in your pocket - with any smartphone and small Homido or Cardboard viewer, you can carry VR examples of your products and services anywhere
- Expand your 'showroom' by creating VR environments of best practice ideas - show off multiple versions while keeping your sample costs and showroom real estate down
- All VR experiences should be useful but only very few need to be beautiful. Confirming the feasibility of design by doing a simple black and white proof of concept with the correct dimensions can save countless hours, dollars and chances of future issues. Use VR to pop in and out of a draft design, check the validity of an idea and get buy-in from a client.
- Show off some upgrades - for any products or services where it has been historically challenging to prove the value, try doing so in VR and see if your sales increase when clients really understand what you're offering
- Reduce return rates and increase customer satisfaction by comparing original project renderings to finished photos - so that clients can really feel confident they ended up with what was agreed to.



## Conclusion

---

With millions in investment and rapidly increasing adoption rates, it's clear VR is still improving and changing - but it's here to stay. Finding the winning patterns for your business now will put you ahead of the curve, and help you transform your sales with try-before-you-buy viewers that lower showroom, catalog, and sample costs.

To find out more about using Yulio VR as a sales engine in your business, visit [www.yulio.com](http://www.yulio.com) or learn with us in our free 5-day email course at [try.yulio.com/course](http://try.yulio.com/course)





Yulio Technologies Inc.

[www.yulio.com](http://www.yulio.com)  
[hello@yulio.com](mailto:hello@yulio.com)