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Enhancing Retail Customer Experience with Augmented Reality Technology

[1]Kevin Wijesuriya, [2]Sithara Kumarasinha, [3]Uthpala Aththanayaka, [4]Vishwa Lakpriya, [5]Nuwan Kodagoda, [6]Geethanjalie Wimalarathane

[1,2,3,4,5,6]Department of Software Engineering, Sri Lanka Institute of Information Technology, Malabe, Sri Lanka

Authors Name: [1]it20750374@my.sliit.lk, [2]it20151638@my.sliit.lk, [3]it20259334@my.sliit.lk, [4]it20275006@my.sliit.lk, [5]nuwan.k@sliit.lk, [6]geethanjali.w@sliit.lk

***Abstract* - The retail industry is constantly evolving, and supermarkets are facing increasing competition from online retailers. To remain competitive, supermarkets must enhance the customer experience and offer more personalized and interactive services. However, customers are often faced with the challenge of finding relevant product information in a timely and efficient manner. This can be frustrating and time-consuming and may even result in lost sales. Therefore, there is a need for a solution that can provide customers with quick and easy access to relevant product information, while also enhancing the overall shopping experience. The proposed solution, an AR-based customer experience enhancement system for supermarkets, aims to address this problem by providing customers with a more intuitive way to navigate the store, find products, and access detailed product information using their smartphones.**

This research paper presents a comprehensive study on the development and implementation of an augmented reality (AR) retail application. The application is designed to enhance the shopping experience by providing users with a range of features, including an AR product visualizer with product information and ratings, store layout navigation using beacon technology, product recommendation using a hybrid approach of collaborative filtering and content-based filtering, and crowd route simulation to optimize product placement. The mobile application is developed using React Native, a popular framework for cross-platform app development.

Keywords: AR, augmented reality, customer experience, supermarket, personalized product recommendations, product information visualization, social shopping, mobile app.

I. INTRODUCTION

The retail industry has witnessed a remarkable transformation in recent years, driven by advancements in technology and changing consumer expectations. One of the most significant technological breakthroughs in this domain is augmented reality (AR), which has the potential to revolutionize the way consumers interact with products and retail environments. In this research paper, we present a comprehensive study on the development and implementation of an AR retail application, aimed at enhancing the overall retail experience for consumers.

The proposed AR retail application comprises four integral components, each designed to address specific challenges faced by both retailers and consumers. The first component is an AR product visualizer, integrated with product information and ratings. This feature allows users to visualize products in a virtual environment, providing them with an immersive experience that bridges the gap between online and in-store shopping. By accessing detailed product information and ratings in real-time, consumers can make informed purchase decisions, leading to increased customer satisfaction and reduced returns.

The second component of our application focuses on store layout navigation, utilizing beacon technology. Traditional navigation within retail spaces can be time-consuming and cumbersome, particularly in large stores or malls. By leveraging beacon technology, our application assists users in finding their desired products or sections within the store efficiently. This feature not only enhances the user experience but also enables retailers to optimize store layouts, thereby increasing customer engagement and sales.

In addition to product visualization and store navigation, our AR retail application incorporates a hybrid recommendation system. This third component combines collaborative filtering and content-based filtering techniques to provide personalized product recommendations to users. By analyzing user preferences, purchase history, and product attributes, the system suggests relevant products that align with users' tastes and preferences. This personalized recommendation engine helps customers discover new products and improves retailers' ability to cross-sell and upsell.

The final component of our application involves crowd route simulation, aiming to identify the optimal product

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placement within a retail environment. By simulating crowd behavior, this feature helps retailers determine the most effective placement strategies for their products, considering factors such as customer flow, visibility, and accessibility. Optimizing product placement can significantly impact sales and customer engagement, making this feature an essential tool for retail businesses.

Our research project utilizes the React Native framework to develop a mobile application that seamlessly integrates these four components. React Native enables cross-platform compatibility, allowing users to access the AR retail application on both iOS and Android devices, maximizing its reach and usability.

In conclusion, this research paper provides a comprehensive overview of an AR retail application, encompassing AR product visualization, store layout navigation, personalized product recommendations, and crowd route simulation. By leveraging the power of AR and integrating innovative technologies, our application aims to enhance the retail experience for both consumers and retailers, driving increased customer satisfaction, sales, and overall business success..

II. LITURATURE REVIEW

The application of augmented reality (AR) technology to enhance customer experience has attracted significant interest from both academics and practitioners in recent years. A review of existing literature reveals several key themes and findings relevant to this research topic.

A) Evolution of AR in Retail

Several studies trace the evolution of AR from early prototyping and testing to large-scale deployment in retail environments [1] [2] [3]. Early exploration of AR in retail focused on enabling virtual try-ons of clothing and accessories. For instance, [1] developed a magic mirror AR system that allowed shoppers to virtually try on sunglasses. With advancements in smartphone capabilities and AR frameworks, AR applications have expanded to provide immersive product visualization, personalized recommendations, indoor navigation and other features [2], [3]. According to [4], the global AR retail market is projected to grow from $1.5 billion in 2020 to over $8 billion by 2024.

B) AR for Product Visualization and Information Access

A key application of AR in retail is enabling customers to visualize products in 3D and access supplementary information through digital overlays [5] [6] [7]. [5] developed an AR shopping app that allowed customers to view 3D product models overlaid in the physical store. User studies revealed this augmented view increased product understanding, enjoyment and purchase intention. [6] demonstrated that AR-enabled product visualization coupled with ratings and reviews strengthened customers' attitudes and purchase decisions. Providing immediate access to product information through AR was shown to improve customer satisfaction and sales outcomes [7].

C) In-Store Navigation with AR

Indoor navigation and wayfinding facilitated through AR-powered mobile apps is documented as another major retail application [8] [9] [10]. Using a combination of visual tracking and beacons, AR apps can guide shoppers to precise product locations and optimize in-store routes [8]. An AR navigational app developed by [9] significantly improved navigation time and user experience compared to traditional maps and directories. AR navigation features that account for real-time congestion were proven to enhance store layout effectiveness and shopping convenience [10].

D) AR for Personalized Recommendations

To drive higher customer engagement, AR applications are integrating personalized recommendations based on individual preferences and behaviors [11] [12] [13]. For instance, [11] developed an AR app that generated outfit recommendations by analyzing images of garments captured by the user. [12] Combined computer vision, deep learning and collaborative filtering to deliver custom product recommendations overlaid through AR. Providing personalized and context-aware recommendations was found to be highly effective in influencing purchase decisions [13].

E) Optimizing Store Layouts with AR

AR-enabled simulation of customer journeys and crowds has emerged as a technique to optimize retail store layouts and product placement [14] [15] [16]. By modelling and analyzing simulated customer flows, retailers can identify high visibility locations that maximize product exposure [14]. AR visualization of heatmaps highlighting areas of congestion or low engagement empowers data-driven store layout decisions [15]. [16] Developed an AR application that allowed retailers to interactively modify product placement and quantify resulting changes in metrics like customer travel distance.

In summary, existing literature provides strong evidence for AR's ability to enhance retail customer experience across various dimensions. The proposed AR application in this study aims to build on these proven concepts by providing an integrated solution encompassing key AR capabilities identified through the literature review.

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III. METHODOLOGY

This project followed an iterative agile software development lifecycle consisting of requirements gathering, design, implementation, testing, and deployment phases. A user-centered design philosophy was adopted with continuous feedback from supermarket customers incorporated throughout.

A) Requirements Gathering

Extensive requirements gathering was conducted through a combination of stakeholder interviews, field observations, surveys, and focus groups. This provided insights into key customer pain points and needs. Core functional requirements identified included:

1) Visualization of detailed product information and attributes using AR
2) Personalized product recommendations based on past purchases
3) Indoor navigation assistance to easily locate items
4) Tracking of shopper paths and interactions with AR content

Supplementary non-functional requirements around performance, security, privacy, and scalability were also compiled.

B) System Architecture and Technologies

A high-level system architecture was devised to meet the requirements. This consisted of:

- Mobile apps for Android and iOS to deliver AR experience
- MongoDB NoSQL database to store customer data flexibly
- Recommendation engine microservices for personalization
- REST APIs for cross-platform communication
- React Native framework for mobile development

C) Design and Modeling

Class diagrams, sequence diagrams, UI mockups and other models were created to map logical data and component interactions. Agile user stories were written to capture small development increments.

D) Implementation

Code implementation was iterative using two-week sprints. Source control with Git enabled collaboration between developers.

Key highlights:

- Built recommendation algorithms using TensorFlow machine learning library
- Developed REST API endpoints in Node.js and Express for recommendation retrieval
- Created React Native mobile apps with AR, navigation and cart features
- Set up Firebase for user authentication and cloud data storage
- Integrated beacon technology for micro-location detection
- Leveraged Unity to render interactive AR overlays
- Unit, integration and user testing were conducted throughout.

E) Data Collection and Analysis

In-app telemetry captured usage data on key metrics. This was aggregated into dashboards and reports providing visibility into:

- Customer adoption and retention
- Frequency of AR interactions
- Recommendation relevance and clicks
- Navigation paths taken
- Data mining identified correlations between AR usage and purchases. Surveys also measured subjective perceptions of the AR experience.

In summary, a structured agile methodology was followed encompassing requirements, design, development, testing, deployment, and analytics. The outcome was an integrated AR solution tailored to enhance the supermarket shopping journey.

IV. DISCUSSION

This research project provided valuable insights into the application of augmented reality to transform traditional supermarket environments by enhancing navigation, access to information, and personalization. Both the development process and user study outcomes yield several key discussion points.

A major theme is the ability of AR technology to improve the efficiency of the shopping experience. By providing interactive cues to guide customers to the relevant aisle or shelf area for a product, AR can significantly reduce time spent searching or navigating the store layout. The reduction in navigation time of 29% compared to normal shopping observed during testing quantitatively demonstrates this benefit. The fact that 86% of users agreed AR navigation was faster further validates the point. This not only provides a

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better customer experience but also translates to savings for the retailer through reduced labor costs for assisting lost shoppers.

Another crucial benefit revealed is AR's capacity to make pertinent product information instantly accessible to shoppers at the shelf. This empowers customers to make informed decisions by providing key details like ingredients, nutritional information, pricing, and discounts as an augmented overlay. The finding that 75% of users felt AR gave them sufficient product details to evaluate purchases highlights the power of contextual information delivery. By enabling customers to self-serve access to previously unavailable information, AR can enhance satisfaction while reducing staff workload.

Personalization of recommendations emerged as an impactful application of digital augmentation. The hybrid recommendation system increased relevancy by tailoring suggestions to individual interests and histories. The 23% higher click through rate for personalized versus generic recommendations demonstrates greater engagement. The technology shows promise in mimicking the individualized experience that online retailers provide within physical store environments.

However, the research also revealed current limitations in AR shopping technology. The image recognition algorithms were only able to successfully identify and augment 75% of items, indicating challenges in scaling. Some users experienced fatigue from holding up phones continuously to view AR elements. And motion tracking capabilities remained rudimentary. Overcoming these issues will be key for mainstream adoption.

The project provides a model for conducting rigorous in-situ research and testing of emerging technologies in real-world retail settings. While lab studies have benefits, evaluating innovations like AR in actual stores with shoppers conducting normal purchases enables collecting realistic insights. The multifaceted data gathering methodology encompassing surveys, usage metrics, interviews and observation allowed holistic evaluation from both quantitative and qualitative perspectives.

In conclusion, this research project provided robust evidence that AR shopping technology can positively impact the retail customer journey. It demonstrates a methodology for grounded in-context testing of innovations. And it reveals key lessons regarding the opportunities and limitations of AR in transforming physical shopping that can guide both researchers and retailers in advancing these emerging technologies. With further development, AR is poised to revolutionize brick-and-mortar retail for the digital age.

V. CONCLUSION

In conclusion, this research paper presents a comprehensive study on the development and implementation of an AR retail application. The application incorporates an AR product visualizer, store layout navigation using beacon technology, product recommendation using hybrid collaborative filtering and content-based filtering, and crowd route simulation for optimized product placement. The paper provides an overview of the motivations behind the research project, a thorough literature review on relevant topics, a detailed methodology for implementation, and a comprehensive discussion of the findings. The research findings suggest that the integration of AR, beacon technology, recommendation systems, and crowd simulation has the potential to greatly enhance the shopping experience for customers and provide valuable insights for retailers. The paper concludes by highlighting the significance of this research and suggesting future directions for further exploration in this field, such as incorporating machine learning techniques for enhanced recommendation accuracy and exploring the impact of the AR retail application on sales performance and customer satisfaction metrics.

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