

Despite having been introduced in retail settings relatively recently — clothing chain Topshop and home improvement chain Lowe's pioneered them less than a decade ago, in 2014 — Augmented Reality (AR) and Virtual Reality (VR) have become mainstays of the experience economy.

Ikea, Walmart, Amazon, ASOS, and countless other brick-and-mortar and online retailers use AR and VR to enhance the shopping experience. Customers can 'try' products or 'see' them in situ before they buy, or even participate in virtual events where they can brush up on their DIY and other skills.

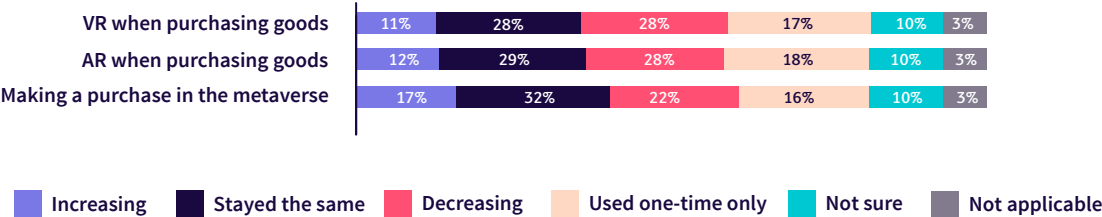
As AR and VR have matured, they've also started being adopted in other experiential settings: from travel to online gaming, online gambling, sports, cinema, and other entertainment products.

These latter developments have led to payments being integrated into AR and VR, so consumers can complete purchases without disrupting the experience.

But how comfortable are consumers with the idea of making payment while immersed in an augmented or virtual world?

Our research found that, while uptake is low — only 3% of respondents have used AR or VR to purchase goods — appetite for AR and VR payments is growing in tandem with demand for AR and VR-driven experiences.

With virtual reality and augmented reality becoming increasingly commonplace in retail, how comfortable are consumers with the use of this technology?



6.1 Most consumers think AR and VR payments are secure

Invariably, the biggest stumbling block to adoption of any new payment technology is concern about its security.

Financial data is some of the most — if not the most — sensitive data a consumer can share. So, if consumers don't fully understand how a technology works, it stands to reason that they'd be less likely to trust it with that data.

Our research found that, when it comes to AR and VR payments, this challenge has been largely overcome.

While older respondents — over 65s in particular — were more likely to say AR and VR doesn't seem safe than younger respondents, concern about the technology's security was low across the board.

Overall, only 12% of respondents told us they wouldn't use AR or VR to purchase goods because they don't seem safe.

Crucially, when we asked respondents if they see themselves using VR and AR to purchase goods in the next two years, 27% said they see themselves using VR and 28% said they see themselves using AR if these technologies become more widely available and they learn more about them.

8 <https://www.campaignlive.co.uk/article/topshop-engages-vr-technology-live-stream-fashion-show-oxford-circus-shoppers/1230847>

9 <https://money.cnn.com/2014/06/12/technology/innovation/lowes-holoroom/>

10 <https://www.youtube.com/watch?v=OIYItG1RKuI>

11 <https://www.technavio.com/report/augmented-reality-and-virtual-reality-market-industry-analysis>