

# Exclusive—Retailers rank immersive experiences near the top of their investment priorities

Article

**The landscape:** Fifty-five percent of US brands and retailers across categories will “definitely” increase their investments in immersive experiences over the next three years, per

a new Obsess and Coresight Research study exclusively provided to Insider Intelligence.

- That spending stems from companies' efforts to distinguish their businesses from their competitors to increase customer acquisition, boost loyalty, bolster conversions, and ultimately, drive growth.
- The top immersive experience investment priorities over the next 12 months among respondents are: data/artificial intelligence (AI)-enabled content for personalization (average rank of 3.3), virtual reality/augmented reality-enabled virtual try-on (3.4), virtual stores (3.9), virtual events/fashion shows (4.1), social shopping (4.3), [livestreaming](#) (4.3), and gamified shopping (4.6).

**Zooming in:** Four key areas—virtual stores, AI-empowered content for personalization, gamified shopping experiences, and social shopping—provide a window into the fruits that experiential investments are bearing for brands and retailers.

- **Virtual stores.** Sixty-one percent of all surveyed companies have invested in [virtual stores](#), similar to [J.Crew's virtual beach house](#) and [Ralph Lauren's Beverly Hills Virtual Store](#). Those investments paid off as over nine in 10 (91%) generated significant or moderate increases in online sales.
- **AI-empowered content for [personalization](#).** Seventy-one percent have invested in this area, which uses AI to more effectively segment audiences based on customer data. Of those, 64% saw a bump in their click-through rates, 65% saw time spent rise, and 61% saw their Net Promoter Scores increase.
- **Gamified shopping experiences.** Forty percent have invested in the channel, which comprises a range of experiences including feature points and rewards, challenges and missions, virtual currency, and interactive quizzes and polls. Gamified shopping experiences can significantly increase time on site as 70% of those that invested in the channel saw time on site increase.
- **Social shopping.** Sixty-five percent of all surveyed companies have invested in social shopping, which includes features that enable shoppers to [invite friends to shop together](#) and avatars that replicate real-life shopping interactions. The benefits have been particularly pronounced for non-fashion retailers as 35% saw a “significant increase” in online sales (compared with 15% of fashion retailers) and another 49% saw moderate gains (compared with 48% of fashion retailers).

**Why it matters:** It makes sense that retailers and brands are increasingly looking to immersive experiences to help them stand out and deepen their connections with consumers.

- That’s increasingly important given **Amazon** and **Walmart**’s outsized share of retail ecommerce sales. Our forecasts expect **Amazon** will account for 37.6% of US retail ecommerce sales this year, and **Walmart** will make up another 6.8%.
- The companies that will realize the greatest gains are those that implement experiences aligned with their customer bases’ behaviors and interests.

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**Retail Technologies/Experiences in Which US Retail Decision-Makers Have Invested, Aug 2023**

*% of respondents*



*Note: n=150 decision-makers from retail/brands that have invested in immersive experiences*

*Source: Coresight Research, "Immersive Experiences in Retail: Driving Sales Through Enhanced Shopper Engagement" sponsored by Obsess, Oct 24, 2023*

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