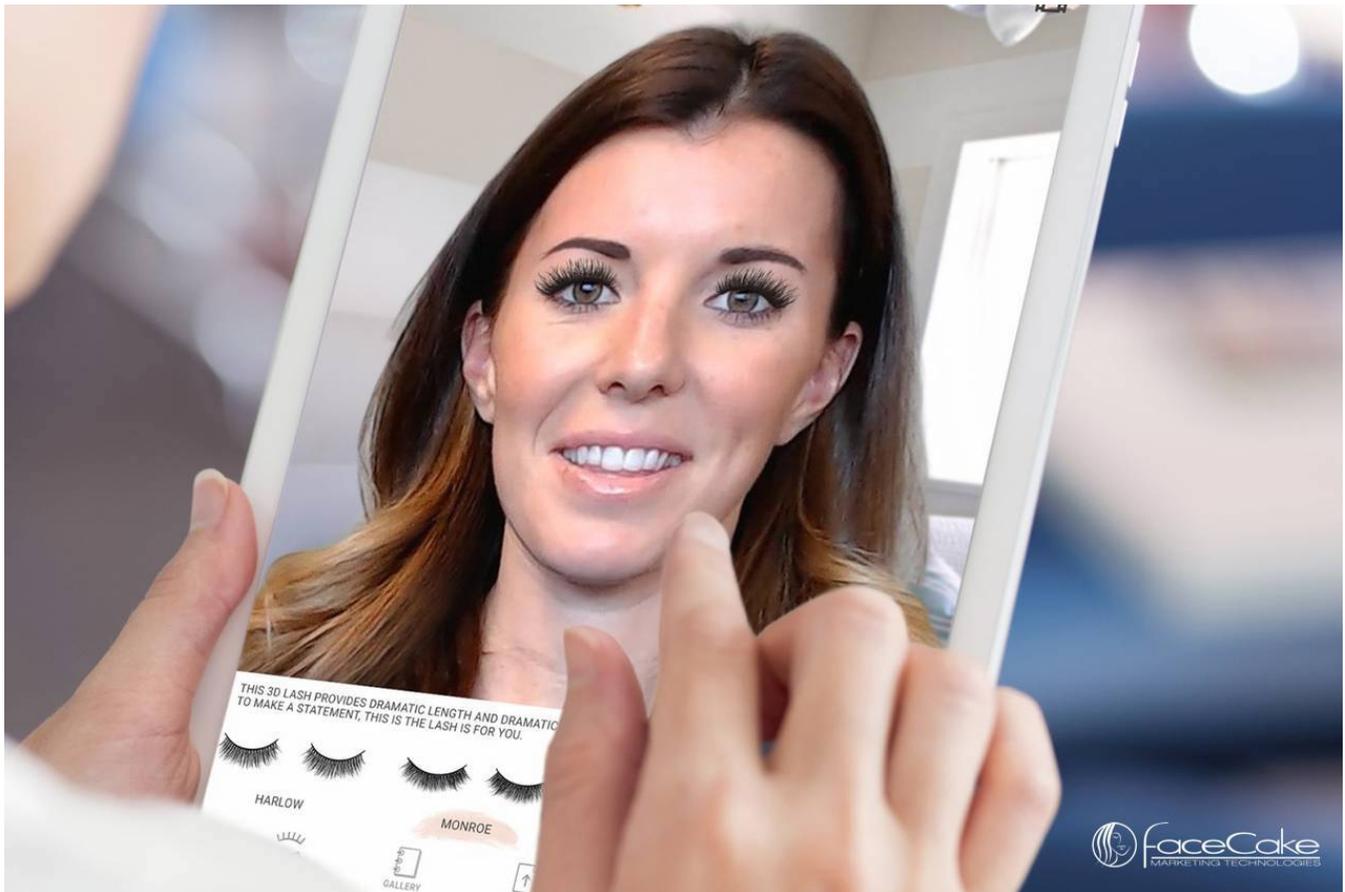


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Small Businesses Turn to Augmented Reality to Win Customers

Startups are discovering that the new technology can help cut costs and give them an edge on big rivals.



Battington Lashes uses augmented reality to let people sample lashes. PHOTO: BATTINGTON LASHES

By Dennis Nishi

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Imagine using your phone to move a couch around your living room. Or put false eyelashes on your face. Or open a wedding cake to see the filling

Small firms are giving customers the chance to do just that and more—using augmented reality.

Big businesses, of course, are starting to use the technology, as well. But the tool can be especially powerful for smaller firms on tighter budgets. Augmented reality lets them avoid producing lots of sample items or renting large showrooms to show off goods.

With augmented reality, digital images can be placed over real-world images or live video on a phone or another device. People can manipulate images on-screen, such as moving a 3-D image of a couch around a real-world room to see how it looks in different places.

The technology can be a powerful sales tool, experts say. “It has the potential to change an opinion about an item. Especially for bigger-ticket products, since customers can see more detail,” says ABI Research’s Eric Abbruzzese, who covers the augmented- and virtual-reality marketplaces. Augmented reality “can help convince customers who are on the fence about an online purchase they can’t see in person.”

Here’s a look at innovative ways small companies are leveraging this new technology.

A new look for cosmetics

Beauty brands have been early adopters of augmented reality, since it can demonstrate makeup in stores without the time or expense to apply samples to customers.

For Sirine Swed, the chief executive of Denver-based eyelash maker Battington Lashes, augmented reality helps solve a major problem. Many retailers require that samples be discarded after use for sanitary reasons—a big hassle because the products are handmade—or don’t let customers try on the lashes at all.

So, Battington partnered with FaceCake Marketing Technologies Inc., a beauty app and marketing company in Calabasas, Calif., to create an app that allows customers to virtually try on eyelashes—placing images of lashes on images of their face. Last year, Ms. Swed says, Battington promoted the app during a QVC segment and saw a big rise in traffic and downloads of the app. A lot of callers “wanted to know how the lashes would look on them.... We told them to try them on using the app,” says Ms. Swed, who has seen a 52% increase in sales over the time she has used the app.

Icing on the cake

For Magnolia Bakery, a small chain based in New York City, augmented reality was a matter of space. It was impractical to keep full-size samples of wedding cakes, but the bakery wanted to do more for customers than hand out photos of its creations. “Customers ask a lot of questions about things that can’t be seen very well with static photos, like how big the cakes are in real life,” says Sara Gramling, spokesperson for Magnolia.

With an app called Kabaq, customers in the store can use an iPad Pro to see 360-degree views of a virtual cake that they can place on a real-world plate. Customers can manipulate the cake images and zoom in to see the filling. Although the bakery has been using Kabaq for less than a year, the owners are happy with the ease of the technology and have gotten great response from customers, Ms. Gramling says.

Interior design, digitally

Big-ticket items have always been a tougher sell for online retailers that offer off-brand merchandise, since customers have no direct experience with the items or the brand, say experts. Now augmented reality has become an effective way to sample these expensive items.

That is why Ryan Walker, co-owner of Horne, a furnishing company in Lancaster, Pa., was an early adopter. The four-employee company—which has never had bricks-and-mortar showrooms—uses augmented-reality features offered by its commerce platform, [Shopify](#). The features let the company display some products in 3-D. When customers click on pictures of the products, a browser pops up that superimposes the 3-D model onto the real-world view from the customer’s smartphone or tablet camera. Then customers can, for instance, move a virtual lamp onto a real-world table. Mr. Walker says sales of items with augmented-reality photos have risen 15% over last year, when they had regular photos.

Interior-design clients have also said they can use the augmented-reality feature to do virtual demos with clients, Mr. Walker says. “Right now what they’re really saying is, ‘Hey, it’s great that I can send over the red lamp, and they can kind of see how the red corresponds to their blue couch.’ That’s actually proven to be much more beneficial than I was anticipating,” says Mr. Walker.

Sprucing up empty houses

Early versions of augmented reality were proprietary and expensive. But many new apps are tailored to the needs of industries like real estate.

Chris Lim, founder of Climb Real Estate Group in San Francisco, has been using one of those apps to reduce overhead. Staging empty homes with rented designer furniture is an effective practice in real estate, but it can cost tens of thousands of dollars to hire an interior designer and fill every room with furniture that may be there for weeks or months.

So Mr. Lim works with an augmented-reality company, roOomy, that allows him to pack houses with virtual furniture for about \$109 per room. The process begins by sending photos of empty homes to the San Jose, Calif., startup. RoOomy turns the 2-D photographs into 3-D spaces, which can then be decorated from a database of prescanned 3-D furniture from bricks-and-mortar partner stores such as Design Within Reach.

At the property, customers can hold an iPad in front of them and see superimposed images of furnishings arranged by an interior designer. “It looks like a fully furnished house with paintings, floor coverings and everything else,” says Mr. Lim.

RoOomy has helped him move many difficult-to-sell listings in a few days, Mr. Lim says. As a small boutique going up against big competitors, “I think [augmented reality] really differentiates us.”

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