

Media Release

SMU researchers honoured for innovative & timely research on Augmented Reality in Retail

Singapore, 8 May 2023 (Monday) – Researchers from Singapore Management University (SMU) have been recognised for their study on 'Augmented Reality in Retail and Its Impact on Sales' (Volume 86, Issue 1) and honoured with the 2022 AMA/Marketing Science Institute/H. Paul Root Award.

The innovative and timely research by Assistant Professor Yong-Chin Tan from City University of Hong Kong (who graduated with a PhD from SMU Lee Kong Chian School of Business), SMU Associate Professor of Marketing Sandeep R. Chandukala and SMU Professor Emeritus of Marketing Srinivas K. Reddy has been recognised to be the Journal of Marketing article that has made the most significant contribution to the advancement of marketing practice in 2022.

The research sheds light on how marketing managers and online retailers can transform the way they connect with customers using augmented reality (AR) to enhance their bottom-line.

The authors conceptualised the role of AR in entertaining, educating and evaluating brands, and offered strong actionable recommendations to help marketers determine when AR would be most effective with respect to product preference, category sales and channel choice. Their study found that AR usage in online settings positively affects customer behaviour and sales. They also found that the impact of AR usage is stronger when customers are purchasing for the first time from a product category; for less popular brands; and for less mainstream products.

The study's real-world impact cannot be ignored, as an industry report projects that the worldwide market size of AR/VR in retail will grow at a compound annual growth rate of over 40% in the next few years (Allied Market Research 2022). According to a survey by NeilsenIQ, customers enjoy using AR applications, and they are becoming reliant on the tools to make purchase decisions. For example, 56% of shoppers surveyed by NielsenIQ said that AR gives them more confidence about the quality of a product, and 61% said they prefer to shop with retailers that offer AR experiences. Yet, according to Mobile Marketer, 52% of retailers say that they are not ready to integrate advanced technologies into their shopping experiences.

On the motivation for this study, Professor Reddy said, "Our team is honoured to be recognised for this study. We have been working with firms – both online and offline retailers – on research problems that would have an impact on practice. The use of AR was an interesting research problem for which we did not find much prior work. With AR becoming a popular trend in the retail industry, and blurring the lines between physical and digital shopping, it is going to transform the sector - both for customers and retailers alike."

Associate Professor Chandukala said, "Customers want AR, but managers must have a proper understanding of how AR can help their brand before they invest in the technology. I believe our research will help retailers better understand how they can integrate AR into customer experience, and make better business and investment decisions."

The selection committee, composed of esteemed professors Detelina Marinova, Ralf Van Der Lans, and P.K. Kannan, praised the authors for their thought-provoking study on the growing use of AR in retail. The paper offers practical recommendations for marketing managers and online retailers to use AR to enhance their bottom line by connecting with customers at different stages of the customer journey.

The article will be honoured at the Summer AMA Academic Conference to be held in August 2023 in San Francisco. Past recipients of this award can be found here.

About the AMA/MSI/H. Paul Root Award

The <u>AMA/MSI/H. Paul Root Award</u> is an annual award presented by the American Marketing Association (AMA) in collaboration with the Marketing Science Institute (MSI). It is named after H. Paul Root, who was a pioneer in the field of marketing research.

First presented in 1994, it recognises an outstanding article that advances the practice of marketing research in terms of its originality, rigor, relevance, and potential impact. The article should have been published in a peer-reviewed journal within the past three years and should address a significant problem or opportunity in the field of marketing research.

The award is highly prestigious within the marketing research community and is considered one of the most significant honors in the field. Past winners feature researchers from prestigious business schools / universities globally, including University of Chicago, Columbia University, Northwestern University, MIT, London Business School, University of Cambridge and HEC Paris.

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Enclosure:

• AMA announcement - https://www.ama.org/press-releases/tan-chandukala-and-reddy-win-the-2022-ama-marketing-science-institute-h-paul-root-award/

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About Singapore Management University (SMU)

A premier university in Asia, SMU is internationally recognised for its world-class research and distinguished teaching. Established in 2000, SMU's mission is to generate leading-edge research with global impact and to produce broad-based, creative and entrepreneurial leaders for the knowledge-based economy. SMU's education is known for its highly interactive, collaborative and project-based approach to learning.

Home to over 12,000 students across undergraduate, postgraduate professional and postgraduate research programmes, SMU is comprised of eight schools: School of Accountancy, Lee Kong Chian School of Business, School of Economics, School of Computing and Information Systems, Yong Pung How School of Law, School of Social Sciences, College of Integrative Studies and College of Graduate Research Studies. SMU offers a wide range of bachelors', masters' and PhD degree programmes in the disciplinary areas associated with the six schools, as well as in multidisciplinary combinations of these areas.

SMU emphasises rigorous, high-impact, multi- and interdisciplinary research that addresses Asian issues of global relevance. SMU faculty members collaborate with leading international researchers and universities around the world, as well as with partners in the business community and public sector. SMU's city campus is a modern facility located in the heart of downtown Singapore, fostering strategic linkages with business, government and the wider community. www.smu.edu.sg

About Lee Kong Chian School of Business (LKCSB)

SMU commenced its curriculum in 2000 with the School of Business, which welcomed its pioneer cohort of students in August 2000. In 2004, the Lee Foundation contributed \$\$50 million to SMU in honour of the late Dr Lee Kong Chian, a well-known Southeast Asian businessman, philanthropist and community leader. In recognition of the Lee Foundation's generosity, SMU named in perpetuity the School of Business, the building and the university-wide scholars programme after Dr Lee Kong Chian.

Today, LKCSB is a dynamic Asian business school with more than 4,000 students and over a hundred full-time faculty members with doctorate degrees from renowned universities such as Cornell, Harvard, INSEAD, London Business School, Wharton, Oxford, Stanford and Yale. The school offers undergraduate, master's and doctoral programmes and is affiliated with a number of research centres such as the Sim Kee Boon Institute for Financial Economics, the Centre for Marketing Excellence and the Institute for Innovation and Entrepreneurship. www.business.smu.edu.sg