

Exploring the impact of virtual reality on consumer purchase decisions: A strategic perspective on immersive digital marketing in the luxury fashion industry

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Abstract

This study explores how Virtual Reality (VR) is changing the luxury fashion shopping experience, specifically how it affects consumer behaviour, brand engagement, and their purchase decision. The main objective of the study is to examine the strategy that luxury fashion brands can adopt to integrate virtual reality (VR) efficiently, recognize the variables that influence the purchase of luxury fashion through VR, evaluate the influence of VR on consumer engagement metrics, and understand the ways in which VR fosters trust and confidence in luxury fashion brands. A survey of 109 participants who have engaged with VR in the luxury fashion environment revealed that many critical variables, including the realism of the VR experience, ease of navigation, and customisation choices, had a major influence on customer behavior. In addition to increasing their confidence in making purchases, participants reported that immersive virtual reality experiences enhanced their capacity to examine detailed product information. Numerous participants said that virtual reality encounters strengthened their connection with luxury fashion brands, amplifying their sense of trust and allegiance.

The study also shows that customers were more inclined to connect with and promote luxury brands using virtual reality (VR) if they could access engaging elements such as virtual try-ons and tailored recommendations. Notwithstanding its favorable impact on consumer involvement, the research also recognized several limitations, including the limited accessibility of virtual reality technology and the need for better authenticity and engagement.

The study looks at these challenges and provides insightful analysis of the connection between luxury fashion and virtual reality. It also gives helpful recommendations for luxury fashion brands that want to be innovative and deliver more engaging, personalized shopping experiences. Future studies may concentrate on getting beyond these technical obstacles and reaching a larger audience via VR experiences, guaranteeing greater accessibility and more in-depth interaction with luxury fashion.

Introduction

In recent years, VR has grown immensely as a strong tool for promoting luxury fashion brands. It lets brands show off their goods in virtual worlds and interact with customers in new ways (Barnes, 2016). VR offers immersive experiences that may change customer behavior and buying choices as digital revolution continues. Luxury fashion firms can engage with customers in new and meaningful ways with VR's realistic, engaging, and interactive surroundings. In this fast changing setting, this study project examines VR's strategic implications in luxury fashion.

Exclusiveness, quality, and experience define luxury fashions. Traditional marketing methods in this industry have depended on physical store settings to portray grandeur and exclusivity. VR technology allows luxury businesses to reproduce similar experiences in a virtual realm, allowing customers to examine items and connect with the brand in new ways. Redefining the customer journey and improving the brand experience is part of this transition, along with integrating new technologies (Dacko, 2008).

This research addressed the necessity for luxury fashion firms to embrace sophisticated digital marketing tactics to be competitive in a digital economy. VR has great promise, but little is known about

how it affects luxury fashion customer buying choices. This research addresses this gap and gives luxury marketers concrete information by examining VR implementation and use. Effective VR strategies include understanding VR-driven sales, customer engagement, and trust development. Luxury firms are investing more in VR, according to research. In VR, Burberry and Gucci let customers attend fashion presentations and explore their collections. These projects show how VR may improve brand engagement and shopper immersion, impacting purchasing choices (Trotter, 2021; Hobbs, 2021).

Research aims and objectives

The aim of this research is to investigate the impact of virtual reality on consumer purchase decisions within the luxury fashion industry, with a focus on strategic perspectives in immersive digital marketing.

Research objectives

- To investigate Strategies for luxury fashion brands to implement virtual reality effectively.
- To identify Factors affecting luxury fashion purchases using virtual reality.
- To assess the impact of Virtual Reality on Consumer Engagement Metrics.
- To learn how Virtual Reality builds consumer trust and confidence.

The introduction part describes the study's background, purpose, goals, and structure. The Literature review provides a detailed look of VR in digital marketing, luxury fashion customer behavior, and immersive technology strategy. The methodology details the research strategy, data collecting, and analytic methodologies used to study VR's influence on customer purchasing choices. The findings and Analysis reviews the study's data against the research goals and assessing VR strategy efficacy. The discussions will talk about how the results affect luxury fashion firms and digital marketing. The conclusion and recommendation Summarizes major results, highlights research contributions, and give luxury fashion marketers VR technology advice. This study examines VR's strategic impact on consumer purchase decision to enlighten the luxury fashion business and provide the framework for future research.

Research Questions

- 1) How does Virtual Reality impact luxury fashion marketing consumer engagement metrics?
- 2) What influences virtual reality driven luxury fashion purchase decision?
- 3) How can luxury fashion brands strategically use Virtual reality to boost sales?

Research rationale

The digital revolution has changed customer behavior and company tactics, notably in luxury fashion. The rise of virtual reality (VR) as a tool for engaging customers and improving purchasing is exciting. However, the practical effects of VR on luxury fashion consumer behavior and business strategy are unknown. VR's effects on luxury fashion customers and business tactics are examined in this dissertation to fill this gap. Two reasons drive this study.

First, from an academic standpoint, there is a need to expand the current knowledge on VR applications in marketing, especially in the luxury fashion industry require further research. VR has been investigated in many settings, but its effects on luxury fashion's sophisticated customer habits and high standards have not. The empirical data and theoretical insights on how VR affects luxury fashion customer perceptions, preferences, and purchases will add to academic debate.

Second, from a practical aspect, the luxury fashion sector is at the forefront of using breakthrough technology in order to preserve its competitive advantage and appeal to an increasingly tech-savvy customer base. Luxury businesses need to know how to use VR in marketing to boost consumer engagement, brand immersion, and sales. This study will help luxury fashion marketers create unique, consumer-focused VR tactics. This research focuses on how VR affects consumer behavior and luxury fashion company tactics to bridge theoretical and practical research. Academic and industry experts may use the results to construct educated and successful VR-enhanced luxury fashion marketing tactics.

Literature Review

Virtual reality in luxury fashion marketing

Across several industries, including luxury fashion companies, virtual reality (VR) has developed as an effective tool for impacting consumer decision-making. Virtual reality (VR) lets brands present engaging stories to customers that make emotional links and change how much they think a product is worth.

Jang & Lee (2020) and Kim & Forsythe (2008) research backs up the idea that VR can make customers more interested and emotionally involved. Fashion brands can use VR to make virtual worlds where customers can feel like they are there and connect with the story of the brand. This contact goes beyond normal promotion because it lets customers directly experience the brand's values, workmanship, and way of life. By putting people in these stories, VR helps them connect directly with brands.

Building consumer trust & confidence with VR

Luxury brands use virtual reality (VR) to build consumer trust by providing immersive experiences that convey authenticity and transparency. According to Okonkwo (2010) and Kang & Gretzel (2012), immersive content increases brand connection and customer engagement. Customers may use virtual reality to learn about company legacy, product quality, and workmanship, which builds emotional trust. Transparency fosters confidence in decision-making and increases loyalty, according to Kapferer and Bastien (2009). Customers feel appreciated by VR product demonstrations, excellent graphics, and customized experiences, which increases their trust and propensity to buy.

The impact of virtual reality on consumer metrics

In the marketing of luxury apparel, virtual reality (VR) has a big influence on customer engagement metrics. Stronger brand connections and increased consumer interest in a company may be achieved with captivating and immersive virtual reality experiences.. Users feel more connected to the brand since VR experiences are unique and memorable. Enhanced customer loyalty and more favorable brand views are the results of this enhanced involvement. Kim and Forsythe (2008) pointed out; these interactions also boost the likelihood of purchasing high-end clothes. This is an illustration of the significant influence that virtual reality has on the behavior of consumers.

Strategies for effective implementation of virtual reality

Brand consistency, customization, exclusivity, and quality are all critical components of a strategy. Brands must integrate virtual reality with their values (Kapferer, 2012), strike a balance between exclusivity and accessibility, provide high-quality, customized experiences, such as exclusive fashion displays or virtual try-ons. Using consumer data and integrating VR into larger marketing strategy helps to adapt the experience and maintain brand loyalty.

Conceptual framework

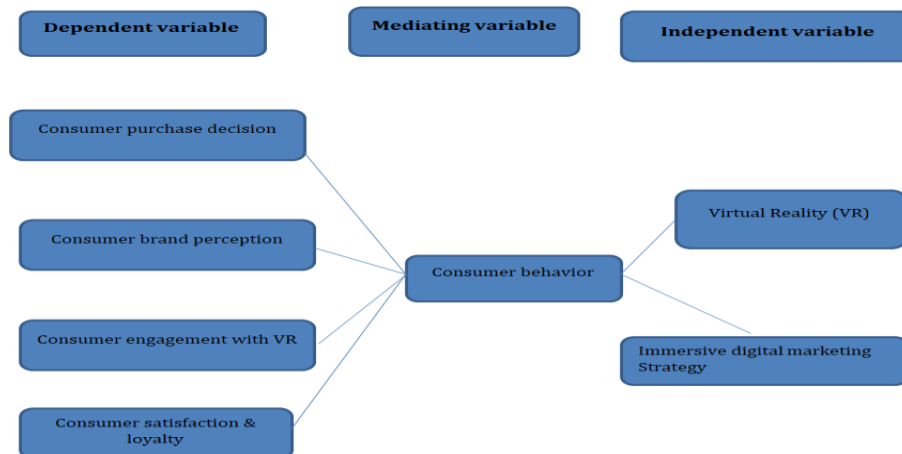


Figure 7. Conceptual framework
(Source: Author)

Methodology

In this study, the researcher adopted positivism research philosophy, which emphasizes objective analysis and measurable data. This was followed by a deductive approach to test hypotheses based on existing theories, using a quantitative research method, specifically a survey strategy, to gather numerical data. A mono-method approach was used, focusing solely on quantitative data. Since the study follows a cross-sectional time horizon, data was collected at a single point in time rather than over a period. 109 participants were selected using random sampling (probability sampling) to ensure every individual had an equal chance of being included. The data collection and analysis were conducted using Google Forms, allowing efficient and structured responses.

Findings/Results

VR strategies: Successful VR strategies involve a user-friendly design, personalization (tailored) and immersive experiences.

Consumer engagement: 64.4% of participants found VR highly engaging, which boosted their purchase decision.

Consumer trust & confidence: 67% felt more confident in their purchases after using VR, showing that it increases trust.

Purchase decision: 60.3% said VR strongly influenced their decision to buy luxury fashion.

The findings show that effective VR strategies improve engagement, trust, and purchase decisions.

Discussion and Conclusion

Summary of the Research Project Focusing on Objectives:

The study explores how virtual reality (VR) influences luxury fashion purchases, customer engagement, and brand trust. It aimed to meet four primary objectives:

Examining VR implementation strategies: Based on the report, luxury fashion brands may effectively use VR if they prioritize personalised experiences, simplicity of use, and authenticity. Respondents stressed how important it was for features to be easy to use and integrate with each other smoothly in order to improve the buying experience.

Finding factors that affect luxury VR purchases: The study discovered multiple elements that influence luxury purchases via VR, including the realism of virtual try-ons, the ability to observe intricate aspects of a product, and the perception of exclusivity that VR delivers. People who answered who had used VR said that these factors had a big effect on their decisions to buy.

Assessing the impact of VR on consumer engagement: The study showed, that VR makes customer participation significantly higher. Most of the people who answered thought that buying things in VR was more fun than buying things the old-fashioned way. They said that the dynamic experiences and intense environments were key to keeping people excited for longer.

Learning How VR Builds Consumer Trust and Confidence: According to the study, VR builds trust in luxury brands by giving users close-up views of items and letting them virtually try on clothes, which makes them feel safer about the purchases they make.

Summary of Contributions:

Better understanding of how VR affects high-end fashion: The study gives important insights into how virtual reality affects customer behavior in the luxury fashion business. For example, 67.2% respondents reported feeling more secure in their purchases after using VR, suggesting that firms should continue to build immersive experiences.

Implementation Guidance: The report provides practical advice for luxury businesses wishing to successfully deploy VR strategies. Key results indicate that prioritizing realism, customisation, and seamless integration may considerably enhance the user experience and increase purchases. 61% respondents believed VR shopping experiences were superior than in-store shopping, demonstrating VR's potential to replace or enhance real retail facilities.

Contributions to Consumer Engagement Research: This study contributes to the expanding corpus of research on consumer engagement via digital platforms, proving that virtual reality delivers a more

engaging and participatory purchasing experience. With 64.4% respondents seeing the future of VR in luxury fashion as promising and widely embraced, there is an increasing need for VR experiences in this area.

Research limitations and future directions:

Sample Size and Demographics: Sample Size and Demographics: The results may not be applicable to the entire luxury fashion market because only 109 people responded to the survey. Furthermore, the bulk of responses were from London and the United Kingdom, which may not be representative of a worldwide readership.

Technological availability: The research did not account for the disparities in availability to VR technology between areas, which might have an influence on the practicality of using VR on a larger scale.

Future Research: Future research could look at how people from different cultures use and understand virtual reality (VR) when shopping for high-end clothes. Advances in VR technology, such as haptic feedback and AI-driven customisation, might be studied to see how they affect customer behavior. Long-term customer involvement with VR in fashion may give further information into its efficacy as a long-term strategy for luxury firms.

Recommendations

The researcher recommends various ways luxury fashion industries might enhance their VR experiences and address gaps. The limited accessibility of VR experiences and inconsistent realism are major issues. Brands should boost VR platform realism and immersive via high-quality images, lifelike textures, and realistic simulations. Bridging this gap helps consumers engage with products, enhancing their confidence in VR luxury fashion purchases. Increasing VR customization options is crucial. Brand owners should focus on letting customers virtually try products on, adjust them in real time, and receive personalized advice on many VR platforms that lack personalization features. Addressing this gap will make shopping more interesting and personalized, satisfying consumer demand for customized luxury. Luxury fashion brands should find ways to make VR experiences more accessible. Mobile or web-based VR systems without expensive hardware might make VR more accessible to a wider audience.

Finally, luxury fashion brands could pitch VR as a way to improve trust. Consumers may feel more confidence in luxury fashion purchases if VR provides detailed product information. Solving these issues will boost luxury fashion purchases and consumer trust VR engagement.

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