



**Brandcheck Perspective Series:**  
Augmented Reality for packaging

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## About Brandcheck

Brandcheck is a consulting service focused on packaging. The strategists use expertise in the packaging industry, human behaviours, and creative design to get packaging right. Brandcheck uses these insights to provide brand and product strategy, competitor analysis, and graphic and structural redesign for brands, internationally.

## About Brandcheck perspectives

Brandcheck Perspectives is a series of white papers and reports designed to bring Brandcheck's insights to life. Opinions expressed are our own.

We invite your feedback. Visit [brandcheck.ca](http://brandcheck.ca) and let our team know what you think.

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Analyze the client's brand and product family

Benchmark the client's packaging against, compare vs. domestic & global competitors

Graphic and structural redesign to improve fit between brand & strategy

Identify cost reduction opportunities that make sense & create value



## EXECUTIVE SUMMARY

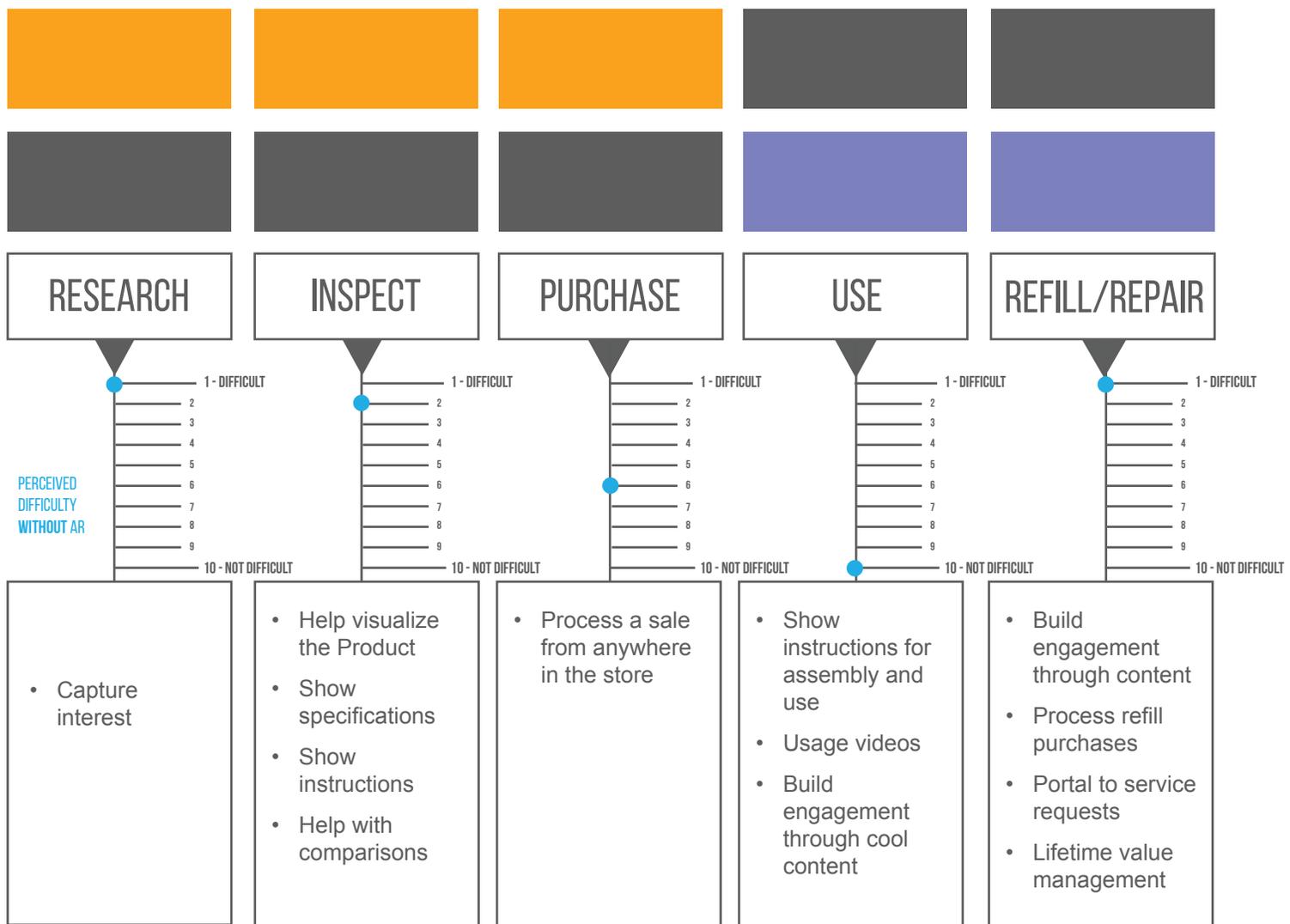
Augmented Reality (AR) is a new technology that superimposes digital information on to a user's view of the world using a display like a tablet, mobile phone or wearable device. This technology has the potential to change how consumers relate to, and use, packaging.

Packaging that is AR-enabled can show consumers more information than a regular package can accommodate. AR content on a package can increase purchase likelihood (in a store setting) and consumer engagement (in a home or consumption setting).

Off-the-shelf Augmented Reality technologies like Layar are fast and inexpensive to deploy. A campaign can be created in minutes by uploading package artwork to a web-based interface. Integrating packaging with AR at a deeper level is done through custom-developed apps that can link packaging content with custom-created games or activities.

However, the profusion of AR platforms and apps threaten to decrease adoption of this technology for packaging applications; if one platform can gain market share at the expense of its rivals, consumer take-up may increase.

# ON PACKAGE AR: THE CUSTOMER JOURNEY



AR in retail  
 AR after purchase

# HOW AR DRIVES PURCHASES IN A RETAIL ENVIRONMENT

Brands are using AR to inspire purchase decisions in store. These examples show how brands use AR-enabled packaging to smooth the “path to purchase,” tempting consumers to make a buying decision instead of leaving a product on the shelf.

## Capturing the customer’s imagination

Interactive point-of-sale displays use AR to delight customers. Lego used a technology developed by [Metaio](#) to build kiosks within toy stores.

Shoppers waved Lego boxes in front of the kiosk’s camera and looked at an image on the kiosk’s digital display. The assembled Lego creation (a carousel, for example) popped up on the screen, superimposed on the box and moving around as the shopper moved the package (see the video [here](#))

This AR experience thrilled customers and stimulated the purchase decision. Imagine showing a child exactly how much fun they could have whilst playing with the Lego product they were holding in their hands!

## Looking outside the packaging

Consumers have a hard time visualising how products look outside their packages. Flat-pack furniture and bulky electronics boxes filled with protective foam distort the shape of the product inside and make it hard for consumers to imagine exactly what the product looks like. Additionally, the poor lighting and handling damage found in big box stores makes it hard for printed packaging to show a product at its best.

AR technology can use a shopper’s smartphone or tablet as a display to show what the product inside the box looks like. With the AR app making the product appear to be sitting on the store floor or shelf, consumers can pan, tilt and rotate the AR image so they can see the product from all angles.

## Instructions for big-ticket purchases

Brands have experimented with using AR to make print marketing more powerful. Power tool manufacturer [Stihl](#) used flyers with [Layar](#) functionality to give consumers more information about its lawn and garden equipment. By moving a phone or tablet running Layar over the Stihl ad in a flyer, consumers could access YouTube clips of the products in action. The app linked to a Stihl website where the product specs were available in detail.

What worked well in a flyer setting might work even better on package graphics, changing the experience from in-home to at point of purchase. It’s easy to see how AR-enabled package graphics can provide users with the information they need to make a purchase decision. On-package AR can give consumers a quick, easy link to:

- Detailed product specifications and dimensions
- Installation instructions that help the consumer understand the installation process
- A product builder that lets consumers customize a product by choosing options and add-ons
- A comparison tool that compares the brand’s products against the competition’s, complete with prices

# HOW AR DRIVES CUSTOMER ENGAGEMENT AFTER PURCHASE

While the package lives inside the home, AR can increase consumer engagement by acting as an inviting portal to more informational and marketing messages.

## Teaching the consumer

AR's power to link packaging with digital information can deliver a better usage experience to consumers across many different product categories.

Package-enabled AR is a great way to trigger the display of **cooking videos**, **usage** or **application instructions**, or **videos** showing how a product should be installed. The power of this concept lies in how easy it is for consumers to access this information; the package acts as an easy-to use gateway to information on a company's website, YouTube page, or social media.

## Using your brand to tell a story

Sophisticated brands know how to create a narrative around them: who they are, where they came from, the values they stand for: videos showing the history of a clothing firm, a microsite integrated with Google Maps showing where fresh vegetables were grown. But all too often, these narratives are buried in the "About us" page of a website. On-package AR makes it easier for consumers to access this content, creating a direct link from the brand logo or SKU name to the brand's backstory.

## Maximizing the lifetime value of a consumer

Many products are sold on the "razor and blades"

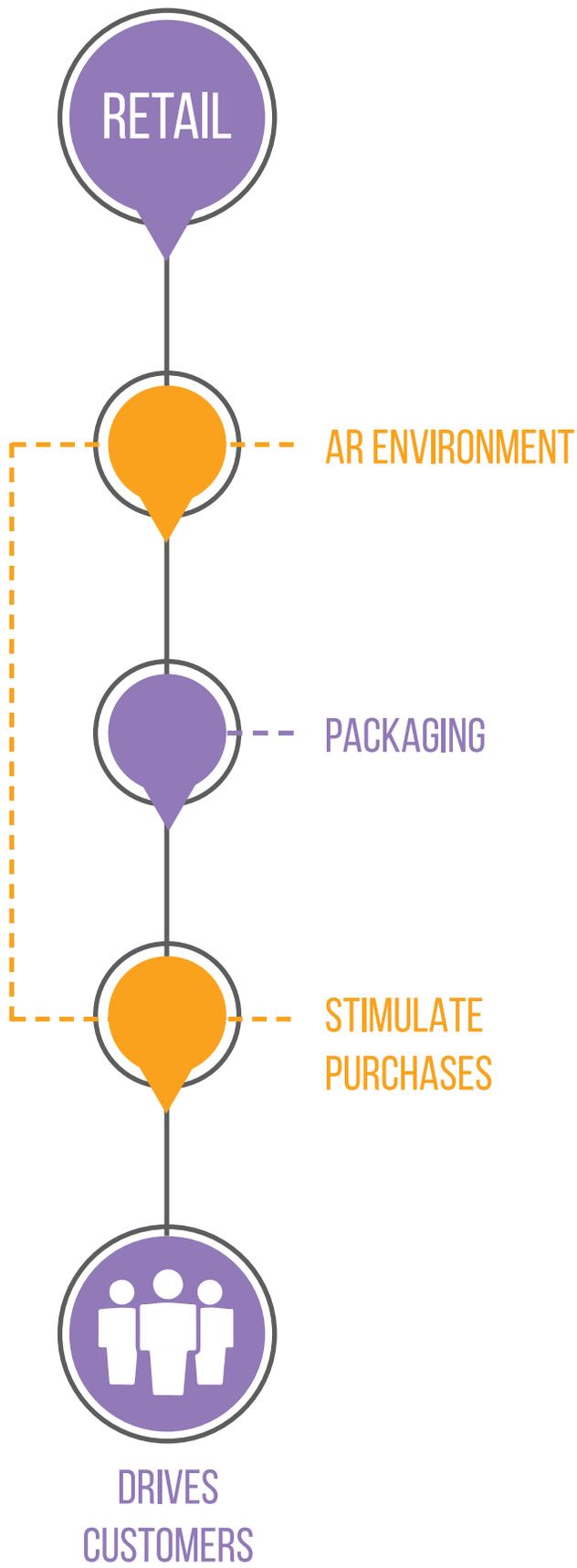
model, where repeat purchases form an important portion of the revenue stream each customer represents. The danger with this business model is that lifetime consumer revenue is low if an initial purchase is not followed up with subsequent refill or repeat purchases. On-package AR makes it easier to encourage consumers to refill or repeat-buy a product. By waving a product package in front of a smartphone running an AR app, consumers can be taken straight to an online store where they can purchase refills. AR makes remembering to "order more" easier for consumers.

## Engaging user experiences

The same "wow factor" that drove initial AR deployment on printed material, advertising or point of sale displays is even more powerful in an on-package setting. Consumers may run an AR app triggered by a magazine ad only once; the same content triggered by an AR-enabled package that sits on their shelf at home may be accessed many times, because it is near to hand. Imagine a tea carton that, when scanned with an AR-enabled phone, streams soothing music and plays a video with a relaxation theme. Consumers can trigger the experience whenever they want it, just by reaching for the product package.

## Contests and promotions

On-package AR is a great way to drive contests and promotions. AR makes it easy to upload photos and videos to social media like Facebook and Twitter.



## SUMMARY

Within the retail environment, AR triggered by packaging can help stimulate the purchase decision. AR can do this by showing the consumer how the product will look, how it works, and how it can improve their lives. The goal should be to give the consumer the information they need to make the purchase decision then-and-there, smoothing the “path to purchase.” As retail stores move to more of a self-serve model and embrace the concept of “checkouts everywhere,” AR may begin to serve as the gateway to purchases.

At home, on-package AR has the unique potential to deliver both useful information and brand-building experiences triggered by the product package itself. Because the package is near to hand and AR apps are so simple to use, the likelihood that consumers access these types of content is greater than if they had to type in a URL themselves.

Whether used within the store or at home, on-package AR can add significant value to consumer product packaging.



## APPENDIX - AR IN ACTION

The Lego Digital Box, an AR-enabled kiosk, used packaging to trigger an AR experience within the retail environment.

An image of the assembled Lego toy appears on top of the product carton. The user can rotate and tilt the box to make the image move.

Lego claimed the technology was successful in motivating purchase decisions.



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