

Exploring The Potential of Augmented Reality (AR) In Enhancing Customer Engagement and Product Visualization: A Study with Reference To IKEA

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Abstract—This paper discusses, for IKEA, a leading retailer of furniture, how augmented reality could enhance consumer interaction with and perception of the products. IKEA uses augmented reality capabilities through its smartphone app to offer clients immersive experience that enables them to virtually place furniture in real world environments. It follows a mixed-method approach through questionnaires and qualitative feedback, studying how AR influences consumer behavior, purchase decisions, and satisfaction.

The results of this research clearly prove that AR enhances product understanding and builds confidence in making decisions; therefore, it reduces the rate of returns. It has, however, listed a few major challenges that are high implementation costs, low awareness among users, and compatibility of devices. The respondents highlighted that, for full realization of AR potential, it's necessary to offer better options for personalization, performance of the app, and visual realism. Key findings from this study confirm that augmented reality is an innovative game-changer, thus offering IKEA the competitive edge through narrowing the online and in-store shopping experience gap. The recommendations are focused on marketing campaigns, technological enhancements, and augmentation of augmented reality across more customer touchpoints to further establish IKEA in the leading position in retail innovation.

Index Terms—*Artificial Intelligence, home furnishing, sustainability, green marketing*

I. INTRODUCTION

Augmented Reality (AR) is an innovative technology that merges digital components with the physical world, enriching our real perception. Contrasting with Virtual Reality (VR), which creates a wholly virtual

experience. AR superimposes digital data over the real world in real-time. AR's applications span entertainment, gaming, education, healthcare, and retail. It enhances our environment with computer-generated visuals, videos, or information, offering an engaging and immersive experience that has the potential to alter our interaction with our surroundings.

Augmented Reality technology has revolutionized business-to-customer engagement and the way one views products within the retail sector. One such company that has been leading the way in its adoption of augmented reality in customer engagement and product visualization is IKEA. As a global company committed to giving innovative solutions in the furniture and home décor market, augmented reality has been embraced to give customers both immersive and interactive experiences.

In recent times, IKEA has integrated augmented reality capabilities into the mobile app, letting users digitally try placing furniture and home accessories within their living spaces. Not only is that a huge step up in the purchase experience, but it also helps customers envision how the products will look and fit in their homes before they have even bought them. Using augmented reality, IKEA has closed the gap between online browsing and in-store shopping, thereby making the experience in the store seamless and personalized for its customers.

This research aims to investigate the impact of augmented reality technology on customer engagement and perception of products in relation to IKEA. By studying customer reviews, nutritional information, and literature reviews, the present paper

investigates the effectiveness of augmented reality to enhance the overall shopping experience and increase sales for IKEA. The study of how challenges and opportunities arise in the use of AR technology in the retail industry, focusing on IKEA strategies and best practices, provides useful insights into the role of AR in the transformation of customer engagement and perceptions of products at IKEA and its implications for the retail industry. By conducting a study of the success of augmented reality at IKEA and noting areas for improvement.

II. STATEMENT OF THE PROBLEM

Although previous research has shown the potential of AR in marketing and retail, there is a lack of understanding regarding how to effectively integrate AR technologies into IKEA's operations to enhance customer engagement and product visualization. Without a clear strategy for using AR, IKEA may miss opportunities to enhance the shopping experience, resulting in suboptimal customer interactions and product presentation. This lag in keeping up with the technology prevents IKEA from exploiting the potential benefits of the technology that could enhance customer experience and improve how they perceive products in the store. As the company lags in keeping up with development, it may be difficult for it to implement new technologies and produce solutions that meet the needs of its customers in the future.

III. AIMS AND RESEARCH OBJECTIVES OF THE STUDY

1. To examine the effectiveness of augmented reality (AR) in enhancing customer engagement for IKEA
2. To assess the impact of AR on product visualization and its influence on customer purchasing decisions for customers at IKEA
3. To study the potential benefits and challenges of implementing AR technology in the marketing strategies of IKEA.

IV. RESEARCH QUESTIONS

1. How does augmented reality (AR) contribute to enhancing customer engagement for IKEA?

2. What are the effects of AR on product visualization and its influence on customer purchasing decisions for IKEA?
3. What are the potential benefits and challenges associated with integrating AR technology into the marketing strategies of IKEA?

V. SIGNIFICANCE OF STUDY

1. Contribution to the academic literature: Empirical self-study on augmented reality (AR) influence on consumer behavior, particularly of IKEA, will not only complementarily boost existing knowledge but yield empirical results. The unexpected information furthering the argument as the data is curated and recorded in an attempt to fill the voids in the literature accompanied with insights on how augmented reality technology can be leveraged in the marketplace to offer a more satisfying shopping experience for the customers.
2. Practical implications for IKEA: For the brand to choose the best options from using augmented reality technology in IKEA's marketing mix, it is compelling to analyze the benefits and challenges of augmented technology. It is evident that the advantages of augmented reality (AR) that include encouraging the customer's engagement as well as the visualization of the product can guide IKEA to useful strategies that will bring forward sales. In addition, acknowledging the obstacles of AR and the relation of technology limitations and what customers need, and it will be necessary to consider the way AR is implemented to prevent any problems.
3. Insights into Customer Behavior: the research study discusses the role played by AR in making the consumer appreciate 3D models and know whether to buy from IKEA or not. As a result of the study, it may be easily believed that it would change our knowledge and understanding of consumer behavior through the virtual and dynamic shopping experiences. This intelligence plays a dangerous role for the business community in order to change their marketing strategy in accordance with client needs.
4. The significance of study for students' researchers: Lies in gaining in-depth knowledge of modern technologies related to work

environments. Also developing problem-solving skills and challenges that they may face in the work field. Stimulating innovation and creativity and how to employ it to achieve work goals. In addition to enhancing research skills and analyzing data to provide conclusions based on strong evidence. Achieving a deep understanding of consumer behavior and their interaction with products and how technology will affect their choices.

VI. SCOPE AND LIMITATION

SCOPE: The scope of the research focuses on exploring the potential of augmented reality (AR) technology in enhancing customer engagement and product visualization within the IKEA store environment. The research aims to evaluate how the use of AR affects the customer experience with IKEA products. It seeks to study key variables such as user satisfaction, purchase intention, and sales conversion rates. In addition, the extent to which AR affects consumers' decision-making process will be analyzed, and whether it contributes to improving the overall shopping experience.

VII. RELATED LITERATURE

A literature review can also be described as an in-depth synopsis of relevant, prior research. Put differently, it is referred to as the act of putting up a summary, a synthesis, and/or critical analysis of the material that was found during a literature search.

MUHAMMAD AL-KHALIDI, ABDUL-RAOUF ISHTEIWI, AHMED AL-QURM, AMJAD AL-DAWISH, MUHAMMAD AL-OTHMAN, AMMAR AL-MOMANI (2023) in their study entitled Redefining the E-Commerce Experience: Exploring Augmented and Virtual Reality Technologies. Incorporating virtual reality (VR) and augmented reality (AR) technology into online stores enables more effective and engaging shopping experiences, which is important for businesses to succeed in today's competitive e-commerce market. These technologies offer customized experiences that look at the needs of every client. The aim of this study is to gain a deeper understanding of the 1 advancements in VR & AR technology, also their potential applications in e-

commerce. This study employed a variety of data sources and inclusion criteria that were centered on the application of virtual and augmented reality in e-commerce. A total of 55 papers and gels were found which were categorized based on the research methodologies and issues used. Given the results of the research paper, it can be concluded that integrating augmented reality and virtual reality technologies into e-commerce has the potential to develop and improve e-commerce.

SYEDA BUSHRA QADRI, MUHAMMAD MASOOD MIR, MUHAMMAD ARISH KHAN (2023) in their study titled Exploring the Impact of Augmented Reality on Customer Experiences and Attitudes: A Comparative Analysis with Websites. Many customer-oriented businesses use augmented reality to enhance motivation, shopping experiences, and buying behavior. Therefore, AR-based empowerment stimulates customer engagement and shopping behavior by providing a lively technological experience. Previous studies found that the development of augmented reality, trust, and liveliness influence customer usage behavior. There is existing literature presented in the context of AR applications, and they are widely used through many tools; however, the researcher intends to explore the comprehensive features that tend to understand customer experiences and attitudes to find the contrast between AR and websites. Augmented reality is expected to disrupt the real-world environment by providing an enjoyable customer experience and eliminating the physical efforts that tend to motivate customers who are fascinated by augmented reality compared to a website. The author chose the Houzz AR app and website to collect the data and provide a better understanding of both scenarios. The author conducted two field experiments to demonstrate positive customer attitudes who satisfied the experience toward the augmented reality application instead of the traditional website. The application of augmented reality is vital and new to engage the customers and modify the attitude toward immersion in technology. Finally, this study provides multiple effects such as unique visual illustrations, exciting features, and innovation leading to a satisfying customer experience, considering both features in real and virtual world environments.

CARLOS ORÚS, SERGIO IBAÑEZ-SANCHEZ, CARLOS FLAVIAN (2023) in their study titled Exploring the Impact of Augmented Reality on Customer Experiences and Attitudes: A Comparative Analysis with Websites. Many customer-centric businesses use augmented reality in enhancing their stimuli, the shopping experience of customers, and the purchase behavior of customers. Thus, with the help of a colorful technological experience, AR-driven enablement triggers customer engagement and their purchasing attitude. Previous studies found that the usage attitude of the customer was impacted by the vividness, freshness, and trust of AR. While there is already literature on AR applications and they are often used with a variety of devices, the author wants to explore holistic aspects that tend to realize customers' 10 experiences and attitudes in order to establish how different AR is from websites. Augmented reality can destroy the real-world environment by providing hedonic visual rewards and removing the physical exertion which normally activates customers who get mesmerized with AR compared to a website. In order to gather information and to provide a more holistic analysis of both situations, the author chose the Houzz AR app and website. The author conducted two field tests to show favorable consumer sentiments which fulfilled their experience of using the augmented reality app compared to the traditional website. The creativity and vibrancy of the AR software attract the users and make them alter their perspective of using technology. Lastly, considering elements in both real and virtual situations, this study provides numerous implications, including sensational features, inventiveness, and distinct visual illustrations that result in a positive consumer experience.

RUMEN POZHARLIEV1, MATTEO DE ANGELIS1, DARIO ROSSI (2022) in their study titled the effect of augmented reality versus traditional advertising: a comparison between neurophysiological and self-reported measures. Despite the growing use of augmented reality in advertising, less is known as to how consumers respond to this form of advertising and how that differs from more traditional paper-based advertising. Given its dynamic, engaging, and vivid nature, augmented reality advertisements have a chance to enable businesses to establish an emotional connection with their target audience. Investigating

whether consumers' responses to augmented reality advertising might differ from those to traditional paper-based advertising in terms of emotional and affective intensity, authors conduct two laboratory studies factoring in self-reported measures of affect intensity, physiological measures of arousal (galvanic skin response), and willingness to pay. The results suggest that customers exposed to augmented reality ads were willing to pay a premium than those exposed to standard paper-based ads. In addition, processing fluency may be behind the reason for consumers' enhanced emotional responses to AR. These findings suggest that the replacement of augmented reality commercials with standard ones increases the physiological reactions of consumers and an urge to spend, which could have an impact on consumer segmentation and marketing messaging.

AKASH BAJPAI, TAJAMAL ISLAM (2022) in his highlight how technological advancements influence marketing strategies, offering new ways to engage and influence customers. Augmented Reality Marketing (ARM) utilizes digital platforms to create immersive experiences that appeal to multiple senses, aiming to enhance customer engagement, behavior, loyalty, and purchasing decisions. The research demonstrates that ARM can bring products closer to consumers, bridging the gap between experience and action, and fostering stronger customer-brand relationships through innovative marketing approaches.

DIAA, N. M. (2022). INVESTIGATING THE EFFECT OF AUGMENTED REALITY ON CUSTOMER BRAND ENGAGEMENT: THE MEDIATING ROLE OF TECHNOLOGY ATTRIBUTES. THE BUSINESS AND MANAGEMENT REVIEW, 359.

The article studies the impact of augmented reality (AR) on consumer brand engagement (CBE) among Egyptian women is explored. The research utilizes the Technology Acceptance Model (TAM) to analyze how AR features influence CBE, with enjoyment, perceived utility, and perceived ease of use acting as mediators. Through structural equation modeling (SEM), the study investigates the relationships between AR qualities, technological attributes, and CBE. The findings suggest that perceived utility, perceived ease of use, and enjoyment play a mediating role in the positive effects of AR characteristics on

CBE. This study offers valuable insights for marketers on leveraging AR technology to enhance consumer interaction with their brand.

TAN, Y. C., CHANDUKALA, S. R., & REDDY, S. K. (2022). AUGMENTED REALITY IN RETAIL AND ITS IMPACT ON SALES. *JOURNAL OF MARKETING*, 86(1), 48-66.

This article focuses on online sales. Although many firms are interested in investing in augmented reality, little is known about the actual use of this technology in real life. Before discussing how augmented reality helps customers with pre-purchase product evaluation, the authors review the four key applications of AR in retail. Focusing on data from a global cosmetics retailer, the authors identify that the utilization of augmented reality in the retailer's mobile app is positively associated with sales uplift, especially for more expensive, niche-appealing, and less well-known products. They also note that the impact of AR is stronger for the lower product category and web channel experiences.

PHUTHONG, T. (2022). USE OF AUGMENTED REALITY-BASED APPLICATIONS IN ONLINE RETAILING AND CUSTOMER ENGAGEMENT: AN EMPIRICAL INVESTIGATION IN THE CONTEXT OF THE EMERGING ECONOMY OF THAILAND. *JOURNAL OF MANAGEMENT INFORMATION AND DECISION SCIENCES*, 25, 1-19.

The technological advancement or the growing use of digital technologies has been changing retail operations and customer purchase behavior. Different digital innovations, such as AR, have the ability to integrate both physical and digital facets within a retail context. The current study looked into one pattern of customer engagement for e-retailers through augmented reality applications. The survey was participated in by 400 customers who had experienced augmented reality in online purchasing. Partial least squares regression was used in analyzing the structural equation models, while frequency and percentage distribution was employed in order to view descriptive data. The findings showed that perceived simplicity of use, social impact, and individual inventiveness-three key causal factors-driven digital service experiences influenced customer engagement through hedonic and utilitarian values. Moreover, the study finds that

personal innovativeness does not affect utilitarian value and perceived danger does not affect hedonic or utilitarian values. From these results, the study identifies how important it is for augmented reality online retailers to understand the factors which will determine how their customers will interact with their applications, as well as suggesting that these firms use AR apps as part of increasing consumer interaction.

ORÚS, C., IBÁÑEZ-SÁNCHEZ, S., & FLAVIÁN, C. (2021). ENHANCING THE CUSTOMER EXPERIENCE WITH VIRTUAL AND AUGMENTED REALITY: THE IMPACT OF CONTENT AND DEVICE TYPE. *INTERNATIONAL JOURNAL OF HOSPITALITY MANAGEMENT*, 98, 103019.

While augmented and virtual reality are creating a new frontier in business-customer interaction, few studies so far have been primarily designed to compare the efficiency of these two technologies. This study investigates how these different content types of influence customers in perceiving presence and past hotel experiences. High-resolution material with factual realism, for example 360-degree films, has been shown in the lab trial to greatly enhance the consumer's sensations of presence, ease of imaging, visual appeal, and intent to book. Using high-immersion technologies, like head-mounted displays, increases these effects. Secondly, a sense of presence also evokes creativity and aesthetic appeal. It dampens the effect of content on the intention to book. The study contrasts the effects of conventional VR and AR experiences while highlighting the crucial role that presence plays in influencing behavioral intentions in the hotel industry.

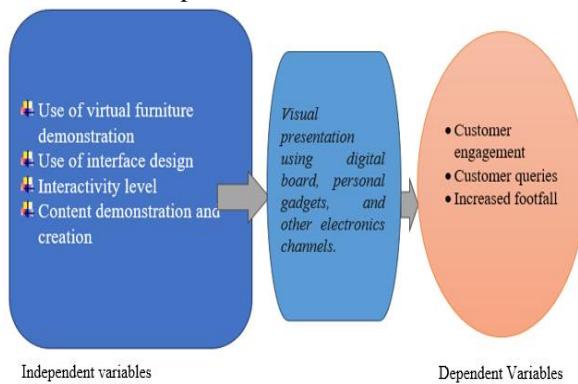
RAUSCHNABEL, P. A., FELIX, R., & HINSCH, C. (2019). AUGMENTED REALITY MARKETING: HOW MOBILE AR-APPS CAN IMPROVE BRANDS THROUGH INSPIRATION. *JOURNAL OF RETAILING AND CONSUMER SERVICES*, 49, 43-53.

Concentrating on internet sales, little is known about how augmented reality is really used in real life, despite the fact that many businesses are interested in investing in this technology. The writers review the four main uses of augmented reality in retail before going into how it aids buyers in evaluating products before they buy. Concentrating on data from a global

cosmetics retailer, the authors find that using augmented reality in the shop's mobile app is positively correlated with an increase in sales. This is, they point out, truer for more expensive and niche-appealing products that are not as well-known. They also point out that the effect of augmented reality is more significant for lower product categories and web channel experiences.

VIII. CONCEPTUAL FRAMEWORK

The following conceptual model has been carefully formulated. This diagram will show the potential of augmented reality (AR) in enhancing customer engagement and product visualization for IKEA company. Customer engagement, customer queries, increased footfall is a dependent variable, while use of virtual furniture demonstration, use of interface design, interactivity level, content demonstration and creation are independent variables.



DEPENDENT VARIABLES

The variable that is measured or observed to assess the effect of the independent variable, it is the presumed effect or outcome in the study.

1. CUSTOMER ENGAGEMENT:

Explanation: By making use of augmented reality technology, these variable measures the level of connection and participation that consumers make with the brand or its products. Higher customer engagement depicts that users are in fact actively engaging with the company by use of increased product exploration, spending more time on the app or website, and sharing on social media about their experiences.

MEASUREMENT

Time spent on the augmented reality app, usage frequency of its features, social media mentions, and rating of feedback can be used to quantify this.

IX. RESEARCH GAP

Many previous studies have included augmented reality and its uses in marketing and its impact on customer engagement and product visualization. However, there is still a gap in how to effectively integrate augmented reality into various areas such as retail, e-commerce, and marketing, to improve customer interaction as well as product Visualization, due to the lack of comprehensive research on real-time responses during augmented reality interactions and their direct impact on improving customer engagement and product visualization. There are also no previous studies and research regarding augmented reality in the furniture industry in the Sultanate of Oman.

X. RESEARCH METHODOLOGY

This chapter focuses on the research methodology for investigating how augmented reality can enhance customer engagement and the visualization of a product for IKEA Company. Understanding this methodology is important for the achievement of the thesis goal: to investigate the effects that Augmented Reality technology has on customer engagement and product visualization in relation to IKEA offerings. In the following analysis, researchers investigated how AR can be used in driving better customer experience and business improvement for the company. This chapter outlines the methods to be used in collecting and analyzing data, the design of the research, and the justification of the methods to be employed in order to illuminate the role that augmented reality is playing in revolutionizing the strategies of customer engagement and product visualization of IKEA in Oman.

10.1 TYPE OF RESEARCH:

In this research researchers use mixed research methods which combine both qualitative and quantitative approaches because would be beneficial for researching for the potential of augmented reality (AR) in enhancing customer engagement and product visualization for IKEA Company.

Qualitative methods, using interviews and focus groups, can provide in-depth insights into customers' perceptions, opinions and experiences with AR technology in the IKEA's company. This can help researchers understand the emotional and psychological impact of AR on customer engagement and product visualization.

On the other hand, quantitative methods by using surveys and data analysis. it will provide statistical evidence and measurable data on the effectiveness of AR in enhancing customer engagement and product visualization. This can help researchers identify trends, patterns and correlations.

By integrating qualitative and quantitative approaches, researchers can achieve a holistic insight into the potential of augmented reality (AR) for IKEA Company. This approach allows for a more holistic exploration of the topic, leading to more robust and reliable research findings.

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10.2 RESEARCH DESIGN

The research study exploring the potential of augmented reality (AR) in enhancing customer engagement and product visualization for IKEA Company. The population will be the customers or potential customers of IKEA who interact with the AR technology.

Exploratory method helps in finding a new insight related to consumer preferences and behavior and allow the identification of ideal ways through which augmented reality can be integrated into IKEA's business plan. This is highly effective in testing a range of augmented reality capabilities, such as virtual try-ons and room visualization, in order to find possible barriers or enhancements that one wouldn't necessarily think of.

10.3 RESEARCH RESPONDENTS

A simple random method was used, meaning participants were selected randomly from the population. In this case, the population will be IKEA customers. Random selection ensures that each

customer has an equal chance of being selected, which helps in obtaining a representative sample. This research aims to explore how AR can enhance customer engagement and product perception for IKEA, by having these randomly selected customers provide feedback and insights based on their experiences with AR technology and IKEA products.

10.4 RESEARCH FINDINGS

The researchers used a primary data source in this study by using a questionnaire that used a combination of both closed and open-ended questions for quantitative and qualitative analysis, respectively. Qualitative data have been analyzed thematically for discovery of commonalities and suggestions while the quantitative ones have been examined descriptively using techniques to pin out trends and inferential techniques in establishing relationships. Based on the responses, analysis is made through tabulation and interpretation.

IKEA's augmented reality (AR) technology has already begun reshaping customer perceptions and shopping behaviours, although its full potential has not yet been fully realized. A notable percentage of respondents (46.71%) have used AR to make furniture purchases, with many highlighting its benefits in improving product visualization (52%) and enhancing the overall shopping experience (44.7%). AR increases confidence in purchasing decisions by offering realistic representations of products, which helps reduce uncertainty and saves time during the decision-making process. However, awareness of IKEA's AR app, IKEA Place, remains low, with nearly 30% of respondents unaware of it, signalling a need for stronger marketing efforts. Despite this, users generally agree that AR, particularly for visualizing furniture in real spaces, can boost shopping activity and satisfaction.

The study emphasizes that AR has the potential to influence purchasing decisions by increasing customer confidence and reducing product returns. Respondents indicated that immersive AR features, such as the ability to "try on" furniture in their homes, help minimize errors and increase confidence in products. Moreover, AR accelerates decision-making and encourages exploration, making the shopping process more enjoyable and efficient. However, challenges such as high development costs (50.7%), limited user

awareness (40.1%), and technical barriers, such as device compatibility, need to be addressed for AR to reach its full potential. Suggestions for improvement include enhancing customization options, improving visual realism, speeding up loading times, and simplifying interfaces to improve user satisfaction.

For IKEA to maximize AR's potential, it must focus on refining AR features while addressing user challenges. Increased awareness through targeted marketing campaigns will help drive engagement with IKEA Place. Additionally, technical advancements, such as offline capabilities, voice controls, and multiple layout options for furniture, could further enhance the AR experience. As AR becomes more accessible, it will revolutionize furniture shopping by bridging the gap between virtual and physical spaces. By continuing to develop AR capabilities as part of its broader marketing strategy, IKEA can strengthen its market position, foster customer loyalty, and provide a more immersive and rewarding shopping experience.

Overall, the data shows that IKEA's AR tools, particularly the IKEA Place app, offer significant benefits for improving the furniture shopping experience, but they also face critical challenges. AR improves product visualization, with 52% of respondents recognizing this as its primary advantage, followed by enhancing the shopping experience (44.7%) and boosting confidence in purchasing decisions (38.8%). Customers strongly believe that AR helps reduce errors, lower furniture returns, and drive purchases by enabling them to see how products fit in their homes, with 33.55% agreeing that it increases shopping frequency. However, the app remains underutilized, as 29.61% of respondents are unfamiliar with it. The key challenges include the high cost of AR technology (50.7%), limited device compatibility (32.2%), and issues like lack of awareness and usability. Customers suggest improvements such as faster loading times (49.3%), better visual realism (34.2%), and simplified interfaces. Desired features also include 360° views, offline functionality, and customization options like colour, size, and material changes. Respondents strongly believe that further investment in AR is crucial for IKEA's marketing strategy, as it meets evolving customer expectations and transforms the furniture shopping experience into a more immersive,

convenient, and interactive process, enhancing trust in IKEA's innovation-driven approach.

XI. RECOMMENDATION

This study aims to exploring the Potential of Augmented Reality (AR) in Enhancing Customer Engagement and Product Visualization for IKEA Company and understand how IKEA's use of augmented reality impacts decision making and overall satisfaction.

- Launch targeted marketing campaigns that emphasize the benefits of the app, such as improving product perception and decision-making. In addition to leveraging digital channels, influencer partnerships, social media, and in-store promotions to educate and engage users and include in-app tutorials and interactive guides to enhance user understanding and engagement. Also, partner with AR-friendly platforms such as Instagram and Snapchat to demonstrate AR capabilities.
- Invest in advanced AR rendering technologies to enhance visual realism with accurate textures, colors, and lighting. In addition to adding customization options for furniture styles, colors, and materials and enabling the visualization of multiple furniture items at once for complete room layouts. Also, integrate offline functionality for seamless use in areas with limited internet access and improve app performance by reducing loading times, minimizing glitches, and designing a more user-friendly user interface to meet the needs of all users, including those who are less tech-savvy.
- Implement gradual development of new AR features to manage development costs with a focus on high-impact updates. In addition to using user behavior analytics to prioritize updates and improvements.
- Installing AR kiosks in physical stores, allowing customers to "try on" furniture in real time. In addition to linking IKEA Place with interior design consulting services for a seamless omnichannel experience and offering loyalty incentives, such as discounts or rewards, for purchases made through the AR app.

- Collecting regular user feedback through surveys to identify areas for improvement and building an engaged user community through forums, social media groups or interactive campaigns where customers can share their AR experiences.
- Focusing on creating an immersive and rewarding shopping experience that bridges the gap between virtual and physical retail spaces. In addition, using AR to reduce product return rates, increase customer satisfaction and enhance confidence in purchasing decisions and establish IKEA's leadership in retail innovation by continuously enhancing AR capabilities to strengthen market position, increase sales and enhance customer loyalty.

XII. CONCLUSION

In conclusion, this study underscores the importance of AR as a tool to enhance the shopping experience and shape the future of the retail industry. For IKEA, leveraging AR effectively will translate into greater customer satisfaction, increased sales, and a competitive advantage in a dynamic market. Through sustained innovation and a commitment to customer-centric solutions, IKEA can set new standards for integrating digital technology into retail.

The findings revealed that AR significantly enhances customer confidence by providing realistic and immersive visualizations, allowing users to virtually place furniture in their spaces. This reduces uncertainty, minimizes product selection errors, and reduces return rates. Furthermore, AR enhances convenience and efficiency, enabling customers to explore different options from the comfort of their homes. It was noted that while the majority of respondents acknowledged the benefits of AR, there is still a gap in awareness and accessibility, with many not familiar with IKEA's AR app, IKEA Place.

Challenges such as high development costs, device compatibility issues, and limited user awareness hinder the widespread adoption of AR. Addressing these barriers requires strategic investment in marketing campaigns, user-friendly interfaces, and robust technology improvements such as faster loading times and offline capabilities. Respondents' suggestions highlighted the need for better personalization features, improved visualization

realism, and seamless integration with other IKEA services.

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