The Development of Augmented Reality in the Retail Sector during the Covid-19 Pandemic

Bachelor Thesis for Obtaining the Degree

Bachelor of Science in

International Management

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Vienna, 1st of June 2022

Abstract

The usage and adoption of Augmented Reality (AR) within the retail industry is currently growing in order to strengthen consumer-brand relationships and satisfy the needs and wants of consumers. The Covid-19 pandemic has been a leading factor for brands to implement "try on" options, when governmental restrictions were imposed, and brick and mortar stores were closed. This thesis explores consumer buying behavior before and after the pandemic and further investigates the impacts of AR for buyers. The empirical part of the study includes an online survey that was conducted to test the researcher's hypotheses. The survey collected a total of 125 responses, which were later statistically analyzed. The data collected confirmed that the preferred buying behavior before the pandemic was offline shopping, while during the pandemic it shifted to online shopping. The influence of AR on consumer enjoyment was supported by the data. The findings also revealed a positive relationship between enjoyment and purchase intention. The results failed to support the assumption of the researcher that AR impacts perceived risk of buying online. Moreover, there was also insufficient data to prove a relationship between perceived risk of buying online and purchase intention. Based on the findings of this research, managers should implement AR technology in online retail businesses in order to attract and retain more customers. Incorporating virtual fitting rooms raises the interest of buyers and increases their willingness to purchase.

Keywords: Augmented Reality, Retail, Covid-19, Consumer Buying Behavior, Enjoyment, Purchase Intention, Perceived Risk of Buying Online