

Research on Brand Marketing Strategy Based on Virtual Reality Technology

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Abstract. This article mainly applies case studies to analyze the characteristics and problems of virtual reality technology in the field of brand marketing. Based on the media environment theory, content marketing theory and brand equity theory, this paper analyzes the marketing strategies of virtual reality technology application such as scenario, content and branding.

Introduction

In 1965, the father of computer graphics Ivan Sutherland put forward the concept of virtual reality. It has experienced 50 years of development so far and has been widely used in entertainment, education, military, medical, industrial, commercial and other fields. The large-scale development and commercial application of virtual reality technology increased more possibilities to the brand marketing. Many domestic and foreign well-known brands have begun a preliminary attempt in the field of advertising.

The Definition of Virtual Reality Technology Features and Technology Marketing

Virtual Reality or VR for short is the world concept of virtual reality presentation proposed by Ivan suzerland in his paper “The Ultimate Display” from the perspective of computer display and human-computer interaction [1]. Virtual reality technology mainly uses motion capture, motion simulation, space location tracking, sensors and other equipment to realize the user action signal transmission and real-time simulation of the user, which leads to interaction with the specific environment, thus the users could gain an immersive experience and achieve a virtual state of “real presence”. In 1992, Burdea and Coiffet summarized the important features of virtual reality as “3I”, Immersion, Interaction and Imagination [2].

Since the virtual reality technology has been applied in large-scale commercial application, it has been paid close attention by the game and film content industry. The concept of “technology marketing” is widely used in the industry, and different industries have different understanding of “technology marketing”, including technology as the precursor for product innovation, the carrier to conduct the change of business model, and the brand marketing communication with technology as the carrier. This article defines “technology marketing” in the aspect of “technology as the carrier for brand marketing communication”.

Case Analysis of Virtual Reality Technology Marketing

The paper collated the application cases of virtual reality technology marketing at home and abroad in recent years, and found that there were four main types: innovation based on brand product packaging, entertainment experience based on brand content, virtual trial based on brand products, and mission based on brand knowledge.

Packaging Innovation

In the commercial application of virtual reality technology, head-mounted display device is an important part of the hardware. In many display devices, Cardboard is very popular among entry-level users of virtual reality for the low cost, mainly comprised of hard cardboard, convex lens, magnetite, rubber band and NFC paste.

In 2015, McDonald released a HAPPY GOOGLES spectacle, transformed from a McDonald's lunch box and inserted into a cell phone after assembly, and it could be the simplest VR spectacle, as well as a skiing virtual reality game called Slope Stars. Similar to McDonald, as an officially designated beer for the Cleveland Knight of the NBA team, Budweiser had designed an official spectacle box by the use of tinned beer's outer packaging, which can be used to watch the 360 degree panoramic video of the Cleveland Knight. In addition, many brands, such as Coca-Cola and Pizza Hut, have also employed similar techniques to transform their products into cardboard - similar glasses. These brands that adopt product packaging innovation and transformation have common characteristics: small scale launch and large-scale two dissemination. However, this form generally uses panoramic video as supporting distribution content and lacks interactive functions. The concept of product innovation is strengthened in the actual brand communication, and the virtual reality content is not spread.

Entertainment Experience

The characteristic of immersion makes virtual reality technology widely used in film content production. Short space, low production cost and difficulty, micro film has become the wind gap of virtual reality technology. The car brand Lexus and the American ABC TV station Quantico co-produced a 4 minute VR version of the micro film to provide an immersive experience for the audience and ingeniously integrate the new car of the sponsor Lexus into the plot to let the fans feel and understand the brand new car better through the panorama. The video received more than two million views.

Similarly, in 2016, the shampoo brand Rejoice, a product of P&G, cooperated with Taobao, a domestic e-commerce company, produced two vivid micro films. Brand spokesperson Yang Yang acted as a dream boyfriend while Dili Reba acted as a dream girlfriend. It uses panoramic cameras to show their daily activities. When the audiences watch it, they will think that the two stars are their partners, and the immersion is obvious.

Developed by Ali VR laboratory Gnome Magic Lab, the project is the first domestic first-person interaction VR micro film. The microfilm is also associated with Taobao's VR shopping system. Audiences can collect and purchase all products appearing in the film. After the film, the page will jump to Taobao's VR shopping guide system, which can be selected through visual angle movement. According to the data released by P&G's official website, the sales volume of the shampoo Rejoice has increased by more than three times compared with the same period in the past year.

In July 2017, Nike invited Zhou Dongyu to shoot a panoramic VR advertising film "a little more wild", which focuses more on constructing story scenes for the audience. The whole length is only about 4 minutes, with the first person monologue of Zhou dongyu and her sports life as the theme, telling her heart journey of growing from scratch to become a Golden Horse Movie Queen. By dragging the screen, the audience can observe Zhou dongyu's facial expressions from different angles at the same time, as well as the rapid changes in the surrounding environment. The story telling and ingenious integration with the brand spirit allowed the advertisement to attract about eight million views in less than four days.

Virtual Product

Experience is a very important link in the actual shopping decision-making process. Using virtual reality technology, many products that cannot be experienced can be simulated. Based on this, the most active marketing activities may be the brand of the real estate industry and the automobile industry.

In 2015, VR video and interaction at major auto shows have changed from novel marketing

methods to standard experience. In 2016, many manufacturers began to integrate VR with digital marketing, and actively expand online channels to enhance brand marketing power. In the launch of the new model XC90, Volvo collaborated with agent R/GA and VR studio Framestore, and launched a virtual reality test driving experience called “Volvo Reality”. Users can apply for free Google Cardboard and download Volvo’s app, and put the phone on the glasses to experience the new car at 360 degrees. In the experience, users can see the internal structure of the car and drive on the road in the virtual reality test drive video. In the test driving image, the new model runs through several natural scenes, such as mountains and rivers, which provide users with an experience close to real driving.

Audi, the same brand as the automotive industry, has taken a different display from Volvo. It works with Oculus. Audi’s content supports customers’ changes in the color and leather of the car’s interior seats. Customers can use virtual reality technology to experience models at Audi dealer stores and experience the entertainment system in the car. The biggest difference between Audi’s virtual display and Volvo’s panoramic video lies in the interactivity. For users, it is easy to simulate the quality of the car and make it easier to make a purchase decision by enriching the diversity of interaction options; for advertisers, it can reduce store display and reduce storage and transportation cost, which is actually a win-win act.

Brand Mission

In addition to changing product packaging, creating entertainment content, and providing virtual experiments with products, virtual reality technology is also used to provide the peripheral experience of the brand.

Unlike the first three, brand peripheral experience is generally used to improve the consumer’s brand preference, and usually has an educational function. In 2015, Dior developed and announced an exclusive brand VR helmet for customers: “Dior Eyes”. Except for providing a number of customary scenes, such as watching the show in the front row, it provides more exclusive scenes. The audiences have the opportunity to explore the fashion show behind the scenes and understand the backstage operation process.

Patron, the tequila maker, also offers similar branding peripheral experiences. They launched a 360 degree panoramic video from a honeybee perspective. The video shows the whole production process of tequila from the raw material to the factory. The audiences are able to simulate the flying height of the bees, getting a splendid view of all the production process. This strategy of using VR technology to display brand production and to educate consumers is also used by McDonald and Mengniu.

Existing Problems in the Application of Virtual Reality Technology Marketing

By analyzing the marketing application cases of four categories of virtual reality technology, the author summarizes some problems of virtual reality marketing application at this stage.

Narrative Confusion

Virtual reality content is a new type of visual media, which is similar to the previous film and television content, but also has great differences. Traditional films and television works are generally linear narration, while VR videos are netted narration. Traditional films can adopt fast-paced clipping to create a stressful narrative atmosphere, for example, the fast-paced clipping in the VR film may cause the audience to feel sick, even lead to physical vertigo and nausea.

In 2016, KIA launched a 360 degree panoramic video in which the main character used KIA’s unmanned concept car to save the hostages with the heroine and get out of the siege. In order to highlight the driverless characteristics of the products from multiple angles, the film uses different angles of lens switching to show the car. But when the audiences are watching, the picture is not a rectangular panoramic display but only the visual range of human eye. Therefore, it is easy to lose the lens direction between different lens switching and cause sensory confusion. Moreover, the speed of the film is too fast, even two seconds of shot switching, exacerbating this sense of

confusion.

Lack of Interaction Mechanism

Due to technical limitations, most virtual reality marketing cases at present lack of interaction between users and the virtual space constructed by the brand. In the current marketing practice application, most of them use mobile phone box head display as the export of virtual reality content. There are few cases of integrated head display and external head display. Panoramic video itself does not have the interaction characteristics, so when using the mobile phone box display, it naturally loses the interaction. For brands, this interaction attribute is not only a guarantee of user experience, but also a way of user feedback. It is worth mentioning that, in the case of the virtual boyfriend/girlfriend produced by Taobao and Rejoice, although the panoramic video is still displayed on the phone box head, the user's interactive option is added to the video, and the user can choose the options provided by the gravity induction, indicating that the simple interaction is still possible in the panoramic video.

Homogeneity of Creativity

In the marketing case of virtual reality technology, the four types of applications are homogeneous in content creation. The application of automobile to virtual reality technology is divided into virtual test drive and car brand implantation. Volvo, Infiniti and Audi all launched the test drive film content based on 360 degree panoramic video technology for the new model. They all show the driving situation in different scenes and the car space. The differences between the models are detailed in the film, but the differences of the function between the models and the characteristics of the automobile brand itself are not obvious. The lack of more expressive creative content may be a bottleneck restricting the brand's use of VR technology. The development of virtual reality technology is not yet mature, and there is large information asymmetry in the application of technology, which also contributes to the scarcity of content production. So with the maturity of technology and the decline in production costs, when virtual reality ushered in the content explosion, it may be too late to build exclusive brand identity in virtual space.

Discussion on the Marketing Strategy of Virtual Reality Technology

The marketing industry generally takes into account three factors to measure the return rate on investment in mobile Internet advertising: Exposure, Engagement and Outcomes [3]. The three parts measure content presentation, audience participation and target management respectively. Integrated with the existing problems in marketing practice, three strategies of virtual reality technology marketing are discussed in the following context: scenario, content and branding.

Scene - Creating a Media Environment with the Highest Experience

In 1968, Neil Postman put forward the concept of "media environment", and created the media environment school which explored the substance nature or inner symbol of communication technology and its profound influence on society [4]. The content of the virtual reality technology brand has two communication environments - one is the entrance environment, that is, the entrance of the brand content, and the other is the virtual environment itself.

Media scene experience is generally based on the following scenarios: brand owned media, free media and offline experience. Generally speaking, the audience with the initiative to browse the brand from the media itself has a certain preference or purpose. Considering these needs, more detailed information of brand and product should be provided. In Volvo's test drive virtual reality video, when users enter the new car introduction page, they have entered the model environment of the new car presentation. There are much more content with high quality in free media. To gain the audience's attention, scene experience is the vital key.

Offline activity experience usually refers to large-scale offline activities and invites consumers to participate. In this situation, it is equally important to create a scene with virtual reality. Outdoor brand The North Face conducted an experience activity in South Korea. They invited consumers to

sit in a sleigh and wear a headset to watch a segment of virtual reality video. At the end of the video, under the guidance of the staff, a group of sled dogs broke through the foam wall and took customers to the mall. They could see the brand's new autumn and winter products hanging at the designated point, and the customers could take them when they passed by. This highly integrated scene experience with virtual reality content will give consumers stronger sensory stimulation. Different from the rational display in traditional advertisements, the media of VR environment itself is highly directional information content. In the case of Dior, although there is no direct display of any relevant products, the vogue exhibition and the backstage of the virtual creation convey the brand characteristics to the audience.

Content - Making Long Term Content Strategy

Joe Pulizzi, the founder of the American content marketing association, proposed the B.E.S.T. rules to guide the content marketing behavior, considering that content marketing has four major features: Behavior, Essential, Strategic and Targeted [5]. This rule is also applicable to guide the production of brand content in virtual reality technology. Behavior is planning and managing content objectives before making decisions, such as increasing brand awareness or reputation, or increasing sales of certain products. Essential emphasizes the dissemination value of brand content and the audience needs. Strategy refers to whether virtual reality brand content delivery can play a synergistic role in business objectives. Targeted means identifying core target audiences and promoting to them accurately.

Marketing scholar Chris Sietsema divided brand content into two categories: Bricks and Feathers [6]. Brick content refers to large content products with long production cycle, high production cost and expectation, such as brand white paper, brand research report, brand video, etc. Feather content refers to small content products with short production cycle and low cost, usually comprised of words and pictures. The production of virtual reality technology is undoubtedly the former one-long production cycle and high cost. Therefore, it is doubtlessly a multiplier way to combine a large amount of feather content with a small amount of bricks.

Branding -- Building Brand Equity through Virtual Reality Content

David. A. Aker, a famous marketing strategy professor at the University of California in the United States, points out that brand equity is a series of assets (and liabilities) associated with the name and symbol of a brand, and can increase (or reduce) the value of a product or service to the company and/or the company's customers [7]. He divided brand assets into brand loyalty, brand name awareness, perceived quality, brand association and other brand assets. These five parts constitute the market performance of brand assets [8]. Ogilvy Inc added a brand core value to David A. Aker's description [9]. The five sub items of brand equity are determined by the core value of the brand. The core value of brand is divided into functional interest, emotional interest and self-expression interest. For the virtual reality content of the brand, the functional interest lies in the simulated trial experience of the product. Emotional interest lies in the audience enjoying the experience of brand entertainment content. And when the consumer's emotional appeal and rational appeal are satisfied with the brand, the brand will be transformed into a consumer's personal expression tool, which is the embodiment of the brand's self-expression interest.

Taking the functional interests of the audience as an example, the content of virtual reality must satisfy the demand of use value. Volvo's virtual test drive experience is only for viewing panoramic video, while Audi's test drive experience allows the audience to change the virtual car space through the device in hand which has really surpassed the real test drive and fully meets the customer's trial drive demands. If Audi's test drive experience can be promoted on a large scale, it will dominate the brand core value of "perfect test drive" in virtual reality space. Therefore, it has higher requirements for the creation of virtual reality content - expressing itself through high difference and distinct personality, not binding on the existing form of content, and surpassing the real environment. At present, no brand has successfully established a distinct brand identity in the virtual reality space.

Summary

This paper makes a preliminary division of the existing virtual reality technology marketing cases, and summarizes the four major problems of the virtual technology marketing in the present stage. This paper puts forward three virtual reality technology marketing strategies, firstly, combining the immersion of virtual reality technology and the theory of media environment. It divided the user's acceptance environment into two parts, the entrance and the content. Secondly, based on the B.E.S.T theory and content level theory of content marketing, it put forward the "content" strategy to analyze the virtuous management of the virtual reality content from the two dimensions. Finally, combined with brand equity theory, it put forward the branding strategy. Since virtual reality marketing is still in the initial stage, the main forms and corresponding strategies of virtual reality marketing need to be further supplemented and improved.

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