



Digital reality: The focus shifts from technology to opportunity

On April 17, 2018, Deloitte broadcast a special edition Dbriefs webcast before a live studio audience at Georgetown University. The topic? Digital reality—both augmented and virtual—which has led market leaders to shift their focus from proofs of concept and niche offerings to strategies designed for industrialization.

After the webcast's conclusion, host Mark White and the other speakers stayed on to take questions from the audience. Here are highlights of that exchange.

How are marketing applications of digital reality changing the way people think and behave?

One approach marketers have taken with digital reality is to enhance consumer engagement with a product or brand. An Australian winemaker, for example, features mugshots of different nineteenth-century criminals on its labels. After downloading the winemaker's app, consumers can look through their phones to see each label's convict come to life and tell the consumer their story.

Another take is to use digital reality as a sales training tool. A global retailer is doing just that by providing its store associates with an immersive, 360-degree experience of Black Friday. Having experienced a version of the mayhem beforehand, each associate is that much more prepared for the real event that follows.

And then there is product placement. Digital reality can, for instance, track shoppers' eye movements as they move about a store. This allows retailers to test the effectiveness of different store layouts and product shelf positions, without having to rely on consumer feedback filtered through their memories of the experience.

How can we incorporate digital reality into our daily lives without becoming disconnected from physical reality?

The risk of disappearing into an artificial world is real. However, social media offers a glimpse of how digital reality might actually extend the physical world by enhancing social interaction. Digital connections can make it possible to meet people you might otherwise have never known, due to geographical distance or other limitations.

Consider also that many face-to-face experiences may be less than healthy. In this view, digital reality could provide, for instance, a safer alternative to sitting in a bar where people might drink too much, get into a fight, or get arrested on the way home.

Also worth considering: Stanford’s experiments with empathy.¹ Using digital reality, scientists at the university are seeing how people react to the experience of being homeless, consuming coal, or cutting down trees. They are discovering that these experiences not only enable people to understand these situations better, they create lingering changes in attitudes and behavior, more so than through other means of communication.

What are privacy and security concerns of collecting data through digital reality?

The technology is too new for us to have identified many of the cyber implications. But we do know they are significant, because digital reality applications can potentially know you better than you know yourself. You may not realize what circumstances cause your pupils to dilate, for example, but the application does.

Current technology has shown that if data can be collected and shared, it likely will be. And there are many ways to collect the data. Free apps, lengthy user license agreements, and one-click permission requests are all it takes for many entities to track user behavior today. To control this going forward, firms and individuals must be informed and aware. They also must act on their awareness by declining implicit permissions and insisting on devices with built-in security.

What education and skills are required to succeed in the digital reality market?

Not long ago, it was possible for a solo individual to build a groundbreaking new technology in their garage. That could still be the case—but not necessarily for digital reality.

Digital reality is different because it is not a single technology. Instead, it encompasses a spectrum of sciences that together generate realistic simulations. Delivering on this ordinarily takes specialized skills. One is experience design, which determines how people will interact with the outcome that developers intend to achieve. On the technical side, there are developers, programmers, visual artists, and anyone else involved with making the application work the way it needs to. Finally, subject matter specialization is required to provide insight from whatever the applied discipline happens to be.

Digital reality depends on soft skills as well. These include the ability to work on a team, listen to users, solve problems, and zero in on the issues that an application aims to address. Of all the skills involved, however, the most valuable may be imagination. That is because digital reality, almost by definition, requires thinking along three-dimensional lines—the basic scaffolding of a brand-new world.

¹ “Using virtual reality to make you more empathetic in real life,” by Marlene Cimon, *The Washington Post*, 12 November 2016, https://www.washingtonpost.com/national/health-science/using-virtual-reality-to-make-you-more-empathetic-in-real-life/2016/11/14/ff72ee7a-a06e-11e6-a44d-cc2898cfab06_story.html?utm_term=.137998b2e64f.

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