

# The Strategic Value of Immersive Luxury Commerce

Christian Dior has successfully redefined the parameters of digital luxury commerce through the strategic, multi-faceted deployment of AI-powered Augmented Reality (AR) Virtual Try-On (VTO) campaigns. This approach spans the brand's most critical product segments—including Beauty, Footwear, and Fine Jewellery—and represents a calculated effort to transition VTO from a mere technological novelty into a fundamental, conversion-driving bridge between the physical and digital retail environments.



# Brand Overview

## Brief Background on Dior

Christian Dior founded his eponymous couture house in 1946 with a clear mission: to inject beauty, grace, and renewal into the post-war world. This founding ethos was instantly cemented with the debut of the legendary "New Look" in 1947, a fashion revolution that redefined femininity and established Dior as a visionary designer of dreams.

The House's exceptional heritage, rooted in the excellence of *savoir-faire* (craftsmanship), is perpetuated at the iconic Parisian landmark, 30 Avenue Montaigne. Dior has since evolved into a diversified global luxury brand, offering haute couture, ready-to-wear, accessories, fragrances, and cosmetics.

## Luxury Positioning and Digital Mindset

Dior's market positioning is characterised by a dynamic blend of heritage, exclusivity, innovation, and cultural relevance. The brand maintains prestige through a rigorous pricing strategy that commands premium rates, ensuring its products are coveted symbols of status and viewed as "timeless pieces of art and fashion".

To connect with a diverse yet affluent global clientele, Dior maintains a robust digital marketing strategy, positioning itself as a forward-thinking brand. This digital mindset ensures the brand appeals to younger, tech-savvy audiences through innovative campaigns, virtual try-ons (VTO), and immersive experiences.

# Why Dior Needed AR

## Challenges of Selling Expensive Items Online

One of the biggest obstacles to online luxury shopping is the inability for customers to physically try on products before purchasing. This inability generates considerable customer uncertainty regarding fit, colour, and quality, particularly for high-value goods like high-end beauty products, handbags, sunglasses, and jewellery. This hesitation often results in high return rates and lost sales opportunities for the brand.

## Shifts in Consumer Behaviour

The shift towards online shopping accelerated significantly due to the COVID-19 pandemic, making an immersive digital try-on solution critical. Consumer expectations have evolved rapidly: approximately 30% of Millennials and Gen Zers expect brands to use AR technology to enhance how they shop online. Furthermore, the use of AR and Virtual Reality (VR) in the cosmetics and beauty markets is projected to grow by 25.5% from 2022 to 2027.

## Need for Immersive Digital Experiences

Dior needed a solution that could replicate the intuitive, personalised, and exclusive in-store experience in a digital environment. AR provides a way to bridge the gap between aseptic online purchasing and the desired physical experience, allowing customers to live the in-store shopping experience from their home. Dior found that high-fidelity AR acts as the digital manifestation of its traditional expertise.

# The Concept

## What the AR Try-On Experience Allowed

The AR Virtual Try-On (VTO) experience was designed to allow customers to visualise products—such as lipstick, eyewear, and fine jewellery—on themselves or in their real-time environment using their mobile phone camera or webcam. Dior deployed several key VTO concepts:



### Beauty Products

Dior Addict Lipstick: Allowed customers to see how different shades of makeup would look on their own face and skin tones in real-time.



### Accessories and Footwear

B27 Sneakers, Rose des Vents Earrings: Allowed users to virtually place the product with hyper-realism, confirming style, fit, and appearance before purchase.

## Why AR + AI Was Chosen

Dior's strategy employed a dual architecture where AR serves as the immersive front-end, delivering the VTO capability, and AI operates as the efficiency engine for campaign optimisation and scale. AR was chosen because it provides the essential interactive functionality needed to overcome the barrier of physical distance and create a personalised, memorable brand encounter. AI was chosen because it supports intelligent targeting through formats like AI-powered Video action campaigns to maximise reach and conversion efficiency. This convergence allows Dior to efficiently target the most qualified user (AI), who then engages with an immersive experience (AR) and is converted into a ready-to-transact lead.

## Simple Explanation of How It Worked

The virtual try-on technology relied on advanced computer vision and deep learning algorithms:

01

### Facial or Object Mapping

For makeup and eyewear, the AI system was trained on thousands of facial data points to precisely map the user's facial features, recognising different skin tones, face shapes, and lighting conditions for a seamless experience. This process is known as Face Tracking. For objects like earrings or sneakers, sophisticated 3D assets (digital duplicates of the physical product) were created.

02

### Real-Time Overlay (Augmentation)

The system then overlays the high-fidelity 3D product asset onto the user's live video feed, ensuring the product appears as realistic as possible and moves correctly with the user.

03

### Fidelity Check

For high-end items, like the "Rose des Vents" jewellery (which retailed between \$5,000 and \$15,000), the technology was developed to ensure that the virtual earrings had identical colour and shine to the physical item and were placed properly on the ear, replicating the in-store experience.

# Execution

Dior's execution strategy was highly segmented, utilising different platforms based on the product's price point and target audience.

## How the AR Filters Were Created and Launched

Dior collaborated with leading external technology partners for execution, including Google/YouTube for media reach, Snap for social virality, and Perfect Corp. in collaboration with Teads for premium open web distribution. The underlying AR technology, which utilised advanced computer vision and deep learning, was often developed through partnerships with specialised tech firms. Dior's commitment to high fidelity required meticulous creation of 3D assets to accurately represent materials and textures.

### Dior Addict Launch

The VTO utilised Google's proprietary AR Beauty Try On technology, integrated directly into AI-powered Video action campaigns on YouTube.

### B27 Sneakers Launch

The AR Lens was promoted via the Snapchat Lenses Carousel and the Snap Ads to AR Lens format, establishing AR at the heart of the product launch.

### Rose des Vents Launch

High-value jewellery campaign used Teads/Perfect Corp. for premium open web distribution without requiring app download.

## Platforms Used

Dior leveraged a multi-platform approach to maximise reach and conversion efficacy:



### YouTube/Google Ads (AI-driven)

Used AI-powered Video action campaigns to market the Dior Addict Lipstick range in strategic markets like the Middle East over Eid.



### Snapchat

Used AR Lenses for instant try-on of the B27 Sneakers for a younger, mobile-native audience. Dior was an early adopter of Snapchat's Business Profile feature, creating a permanent virtual showroom for its lenses and content.



### Open Web/Premium Publishers (Teads/Perfect Corp.)

Used for the high-value Rose des Vents Fine Jewellery campaign (earrings priced between \$5,000 and \$15,000). This VTO format was seamlessly integrated into ad slots on high-end publisher websites.

## What the User Experience Looked Like

The user experience was streamlined to provide a low-friction, immersive path to purchase:

- **For Dior Addict Lipstick (YouTube):** The AR Beauty Try On experience automatically loaded in a panel beneath the video ad. Viewers could click "try it on," grant camera access (live AR selfie mode), and instantly try on lipstick shades, seeing the product on their own face.
- **For B27 Sneakers (Snapchat):** Users accessed the realistic try-on Lens directly from the Snapchat ecosystem. After viewing the six variations of the sneakers on their feet, the ad unit included a customisable text button prompting them to "buy the shoe instantly" by directing them to Dior's website.
- **For Rose des Vents Jewellery (Teads):** The VTO was integrated into a traditional ad slot on premium publisher sites, ensuring a controlled, high-quality environment. The user was able to virtually try on the earrings on their smartphone, focusing on ensuring accurate colour, shine, and placement to guarantee a seamless luxury experience.

# Audience & Media Response

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## How It Went Viral

Dior's virtual try-on features became viral on social media, with millions of users engaging with the interactive tool. The unique and engaging nature of the immersive digital shopping experience appealed particularly to younger, tech-savvy audiences.



## Why Users Shared It

The AR experience provided consumers with engaging, shareable content. Users were so engaged that in the Dior Addict Lipstick campaign, they tried the different shades over 400,000 times and took more than 2,000 screenshots on their phones. These screenshots acted as powerful social signals, fostering organic virality. The Rose des Vents jewellery campaign also recorded a 12% rise in users eager to share their experience.



## Media Coverage

Dior's innovative AR campaigns garnered significant attention in the marketing and fashion technology press. The successful collaboration on high-end jewellery was covered by Marketing Dive, highlighting how Dior achieved a luxury virtual try-on experience. The Dior Addict campaign results were promoted by Google/YouTube, emphasizing the high reach achieved during strategic regional periods.

## Verified Data: Ad Recall, Engagement, Purchase Intent

Campaign (Product)	Platform	Key Performance Indicator (KPI)	Result
Dior Addict Lipstick	YouTube Ads (Eid Campaign)	Total People Reached	Over 4 million (in 21 days)
Dior Addict Lipstick	YouTube Ads (Eid Campaign)	Consumer Click Rate on Shade Panel	41% (3.5% above industry benchmarks)
Dior Addict Lipstick	YouTube Ads (Eid Campaign)	Total Virtual Tries	Over 400,000
Rose des Vents Jewellery	Teads/Premium Publishers	Uplift in Purchase Intent	<b>36% lift</b>
Rose des Vents Jewellery	Teads/Premium Publishers	Increase in Advertising Recall	<b>43% increase</b>
Rose des Vents Jewellery	Teads/Premium Publishers	CTR Post-AR Activation (U.S.)	<b>36%</b>
B27 Sneakers	Snapchat Lenses Carousel	Return on Ad Spend (ROAS)	<b>6.2X</b>
B27 Sneakers	Snapchat Business Profile	Organic Lens Views	Over 2.3 million

# Why This Was a Landmark Digital Moment

## How Dior Elevated Luxury Through AR

Dior successfully proved that high-fidelity AR technology can not only coexist with but actively enhance the exclusivity and craftsmanship that define its luxury heritage. By investing in VTO for high-value items (like £5,000–£15,000 earrings) and rigorously controlling the digital environment (using premium publisher sites instead of mass social feeds), Dior ensured the VTO experience reinforced its premium status. This resulted in a **17% increase in consumers recognising Dior as a premium brand**, demonstrating that sophisticated digital technology is now a mandatory component of the luxury service signal.

## Why Experiential AI-Driven Ads Work

Experiential, AI-driven ads, like Dior's VTO, work because they dramatically reduce the perceived risk of online purchasing, which positively and significantly affects the consumer's decision to purchase ( $\beta=0.944$ ,  $p<0.001$ ).



### Conversion Premium of Confidence

The extremely high conversion metrics (e.g., 36% purchase intent lift and 11.25% post-AR CTR) show that VTO effectively pre-qualifies the consumer. By verifying fit and appearance virtually, the consumer clicking the link is already highly confident in their choice, leading to efficient and highly profitable transactions.



### Emotional Connection

The immersive, interactive quality of AR strengthens the emotional connection with the brand, influencing customer loyalty ( $\beta=0.905$ ,  $p<0.001$ ).

## Impact on Digital Luxury Marketing

Dior's comprehensive, segmented AR strategy has set a new standard for the digital luxury market:

1

### Reduced Friction and Returns

The technology significantly reduces the uncertainty that leads to high return rates. By mitigating the cause of returns (poor fit or colour match), VTO improves operational efficiency and potentially aligns with sustainability goals.

2

### Shift to Immersive Commerce (I-Commerce)

Dior's consistent VTO deployment signals a definitive shift from traditional transactional e-commerce (E-Commerce) towards Immersive Commerce (I-Commerce), where the ability to virtually experience the product becomes the core differentiator.

3

### Data Insight Generation

Data collected from virtual try-ons enhanced Dior's ability to analyse customer preferences, aiding in better inventory planning and enabling more targeted marketing campaigns.

4

### Setting the New Standard

By consistently delivering VTO across diverse product categories, Dior is fulfilling the growing demand of the 30% of younger consumers who expect AR, compelling competitors to rapidly meet this new technological threshold.



# The Magic Mirror Analogy

Dior's AI-powered AR try-on is like converting a static window display into a magic mirror accessible on every phone. Before AR, buying luxury online was like ordering a piece of art based only on a brief description; the risk was high. Now, the magic mirror instantly places that art precisely on your wall or accessory on your body, giving you the confidence and joy of the physical experience, ensuring that when you finally commit to the purchase, you are already certain it belongs to you.