ARtillry

ARTILLRY DATA BRIEFS

50 Percent More AR Companies in 2018
07/23/18

In the first half of 2018, the AR industry has grown in number of companies by 50 percent. This is according to The Venture Reality Fund. The group tracks a comprehensive index of qualified AR companies through its Global Augmented Reality Landscape — a nice meter stick for the industry.

There are of course several other signals for industry health, but company launches is one barometer. This also correlates to VC funding (a separate figure), a classic leading indicator for long-term growth. 'Long-term' is the key phrase, as AR is clearly early, especially consumer AR.
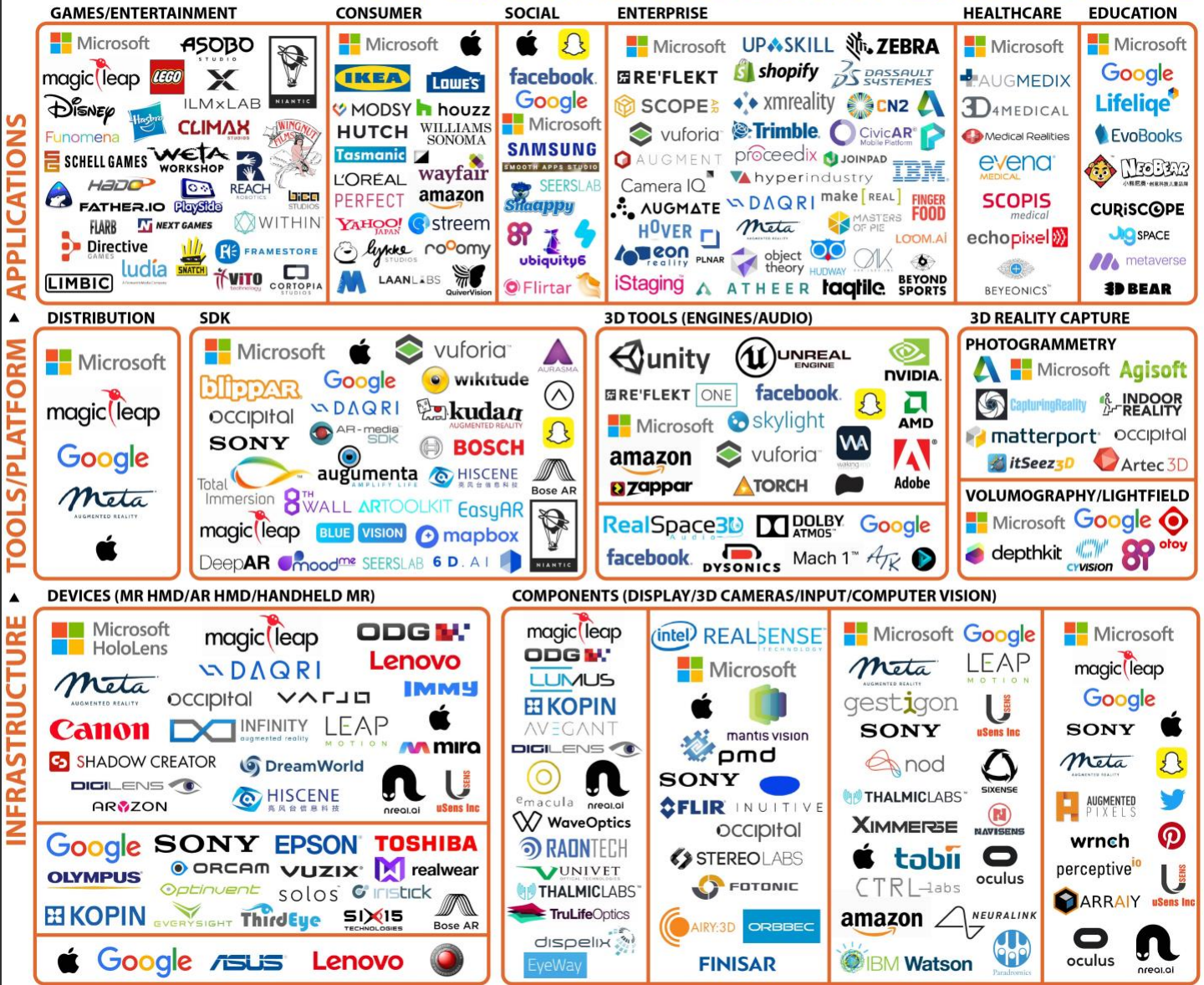
In our XR investor insights report last year, it was also clear that one attractive target is "building block" technologies. That investment thesis appears to sustain — especially given the rise of the AR Cloud — and aligns with the above realizations about playing a long game with frontier tech.

In the meantime, AR has some bright spots in nearer-term revenue and scale. There are apps, albeit not many, reaching meaningful penetration. Niantic's Harry Potter: Wizards Unite will be key moment of truth for AR's "phase 2." Niantic's momentum, plus lots of new IP, instills confidence.

Quantifying that confidence, we've pegged consumer AR revenues to reach $803 million this year. Thats mostly mobile AR software (we don't count smartphone sales as AR revenue), which is subdivided by premium apps and in-app purchases, the latter being dominant in the near term.

AR, along with the rest of the XR spectrum, will be a moving target. We've seen a clear correction to 2016-2017 exuberance, but that will be followed by a more realistic pace of product traction and growth. Just like the 2000's dot-com correction, the exuberance wasn't wrong… it was just early.

THE VR FUND H1 2018 AR INDUSTRY LANDSCAPE

ARtillry

APPLICATIONS

GAMES/ENTERTAINMENT · **CONSUMER** · **SOCIAL** · **ENTERPRISE** · **HEALTHCARE** · **EDUCATION**

TOOLS/PLATFORM

DISTRIBUTION · **SDK** · **3D TOOLS (ENGINES/AUDIO)** · **3D REALITY CAPTURE** · **PHOTOGRAMMETRY** · **VOLUMOGRAPHY/LIGHTFIELD**

INFRASTRUCTURE

DEVICES (MR HMD/AR HMD/HANDHELD MR) · **COMPONENTS (DISPLAY/3D CAMERAS/INPUT/COMPUTER VISION)**

THE VENTURE REALITY FUND

BY TIPATAT@THEVRFUND.COM

Video Companion

(click link to open)

https://youtu.be/On6GStY430s

ARtillry Briefs, Episode 17: XR Revenue Forecast & Growth Drivers

ARTILLRY BRIEFS, EPISODE 17
XR REVENUE OUTLOOK & GROWTH DRIVERS

About ARtillry Intelligence

ARtillry is a publication and intelligence firm that examines augmented reality and virtual reality, collectively known as XR. Through writings, data and multimedia, it provides deep and analytical views into the industry's biggest players and opportunities. It's about insights, not cheerleading.

Run by career analyst and journalist Mike Boland, coverage is grounded in a disciplined and journalistic approach. It also maintains a business angle: Though fun and games permeate VR and AR (especially the former) long-term cultural, technological and financial implications are primary.

Learn more at **https://artillry.co/about**

About the Author

Mike Boland was one of Silicon Valley's first tech reporters of the Internet age, as a staff reporter for *Forbes* (print) starting in 2000. He has been an industry analyst covering mobile and social media since 2005, and is now Chief Analyst of *ARtillry Intelligence*, covering emerging tech.

Mike is a frequent speaker at industry conferences such as VRLA, ad:tech and LeadsCon. He has authored in-depth reports and market-sizing forecasts on the changing tech & media landscape. He contributes regularly to highly read online news sources such as *TechCrunch*, *Business Insider* and the *Huffington Post*.

A trusted source for tech journalists, his comments have appeared in A-list publications, including *The New Yorker*, *The Wall Street Journal* and *The New York Times*.

Further background, history and credentials can be found at:
http://www.mikebo.land/

Contact

Questions and requests for deeper analysis can be submitted at:

https://artillry.co/contact/

Disclosure and Ethics Policy

ARtillry has no financial stake in the companies mentioned in this report, nor was it commissioned to produce it. With respect to market sizing, ARtillry remains independent of players and practitioners in the sectors it covers. It doesn't perform paid services or consulting for such companies, thus mitigating bias — real or perceived — in market sizing and industry revenue projections.

ARtillry's disclosure and ethics policy can be seen in full at:

https://artillry.co/about/disclosure-and-ethics-policy/