

ARTILLERY DATA BRIEFS

SNAPCHAT REACHES 700 MILLION AR LENSES IN ONE DAY

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One of the downsides of AR as an ad medium in these early phases is a lack of reach. Brand advertisers are very reach driven and many are dismissing AR with the notion that it only reaches niche audiences. And they're right in some cases but are starting to be disproven in others.

We're seeing signs that AR can reach "television-sized" audiences. But before going into that, it should be noted that regardless of reach, there are strong performance metrics from AR ad campaigns. We wrote an entire report about it, and our boiled down chart can be seen below.

Now back to the question of reach, niche status continues to be disproven as Snapchat and Facebook offer huge audiences for AR lenses. The latest comes from Snapchat which announced in its most recent 10Q filing that there were 700 million AR lenses viewed on New Year's Eve.

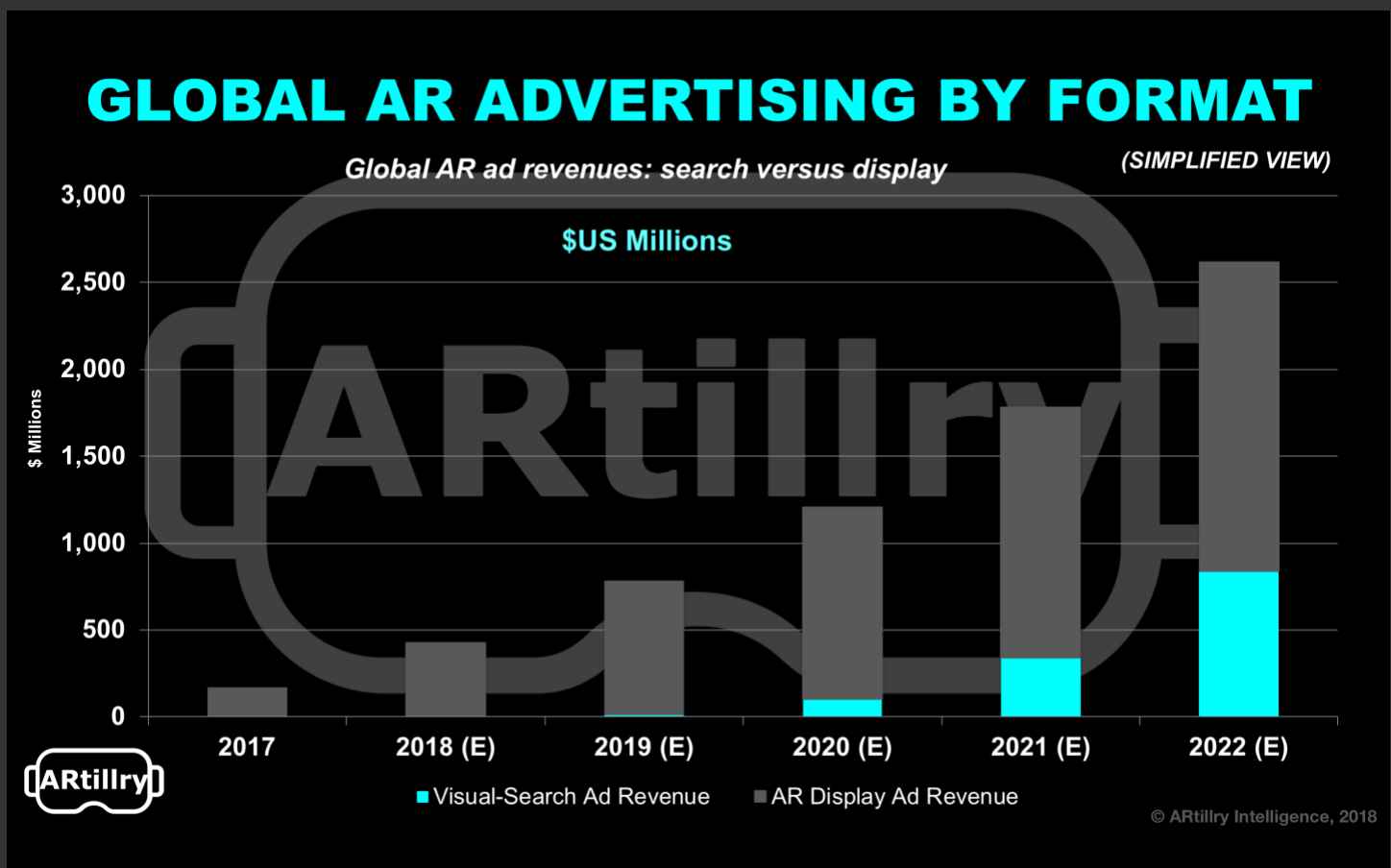
Advertiser	App/Publisher	Campaign Dynamics	Results
Home Depot	Yahoo Mail	AR sequence launched from static email banner ad.	2+ minute average engagement time. 12.5 percent CTR to shopping page.
Kia	Facebook Messenger	Car visualization via AR overlay, launched from Kia's Facebook Messenger Bot.	46 percent boost in dealer inventory searches; 20 percent boost in phone calls.
Nike	Facebook Messenger	Kyrie 4 shoe release available exclusively through Facebook Messenger after users launched AR visualization feature.	Shoe sold out in less than an hour
Asus	Facebook Messenger	Customers "virtually unbox" latest ZenPhone 5 via AR visualization launched from Messenger.	Achieved 10x engagement compared to non-AR campaigns.
Foot Locker	Snapchat	The latest Jordan sneaker visualized through AR animations, launched from Snap Stories.	45-second average play time, 4 million impressions.
N/A	Houzz	In-home furniture visualization of a large portion of Houzz's online catalogue.	11x increase in purchase intent. 2.7x increase in time-in-app.
N/A	Snapchat	Branded Lenses, Shoppable AR and Ad to AR comprise its current range of paid AR offerings.	Overall 15 percent boost in purchase intent and a 9 percent boost in conversions from branded AR lenses.

Of course, that's not a typical day as it's ripe for social sharing and digital activity (selfie masks, party hats, etc.). But there's a strong longitudinal signal in that it's a 40 percent year-over-year increase. User demand is growing along with lens creation in a flywheel-like dynamic.

Adding to seasonal or event-based AR marketing is Gatorade's previous 160 million impressions for its Superbowl AR Lens. Again, that's not a typical day but it's directionally relevant and one could even argue more challenged by an oversupply of visual stimulus on that day.

And there are other similar campaigns to point to. Since our report, we've tracked AR lens campaigns including Nike's Michael Jordan-themed lens around NBA all-star weekend, and a separate LeBron James-themed lens activated by Snapcode. Both were from Snapchat.

In fact, Snapchat is the revenue share leader in AR advertising due to its head start. But Facebook will catch up and eventually exceed Snapchat due to its larger global user base (1.5 billion global mobile users), operational scale and its ongoing investment in the Spark AR platform.



Panning back, we'll also see the AR ad world mimic the broader ad world. In other words, just as we have digital display and search advertising, AR will evolve into the same dichotomy. And like digital advertising history, display will come first, followed and eventually exceeded by search.

The latter takes form in tools like Google Lens and VPS. The reason they come later is more technical complexity (computer vision, AI, etc.) for visual search. But when Google nails it — and it's well on the way — it will be more valuable due to pull-based user intent (just like search).

Back to AR display (lenses), the above campaigns add to a growing list of confidence signals. We're going to have to continue updating the table above (or make a more dynamic version), but that's a good thing. Due to the aforementioned advertiser misconceptions, education is key.

Video Companion

(click URL to view)

<https://youtu.be/naJ9MEeb0Ws>



About ARtillery Intelligence

ARtillery Intelligence chronicles the evolution of augmented reality (AR) and virtual reality (VR). Through writings and multimedia, it provides deep and analytical views into the industry's biggest players, opportunities and strategies. It's about insights, not cheerleading.

Run by analysts and former journalists, coverage is grounded in a disciplined and journalistic approach. It also maintains a business angle: Though there are lots of fun and games in AR & VR, long-term cultural, technological and financial implications are primary.

Products include the *AR Insider* publication and the *ARtillery PRO* research subscription., which together engender a circular flow of knowledge. Research includes monthly Intelligence Briefings, market-sizing forecasts and consumer survey data, all housed in a robust intelligence vault.

Learn more at <https://artilry.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 *ARtillery Intelligence* and Editor-in-Chief of *AR Insider*.

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*.

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