

ARTILLERY DATA BRIEFS

SOCIAL LENSES LEAD AR USAGE?

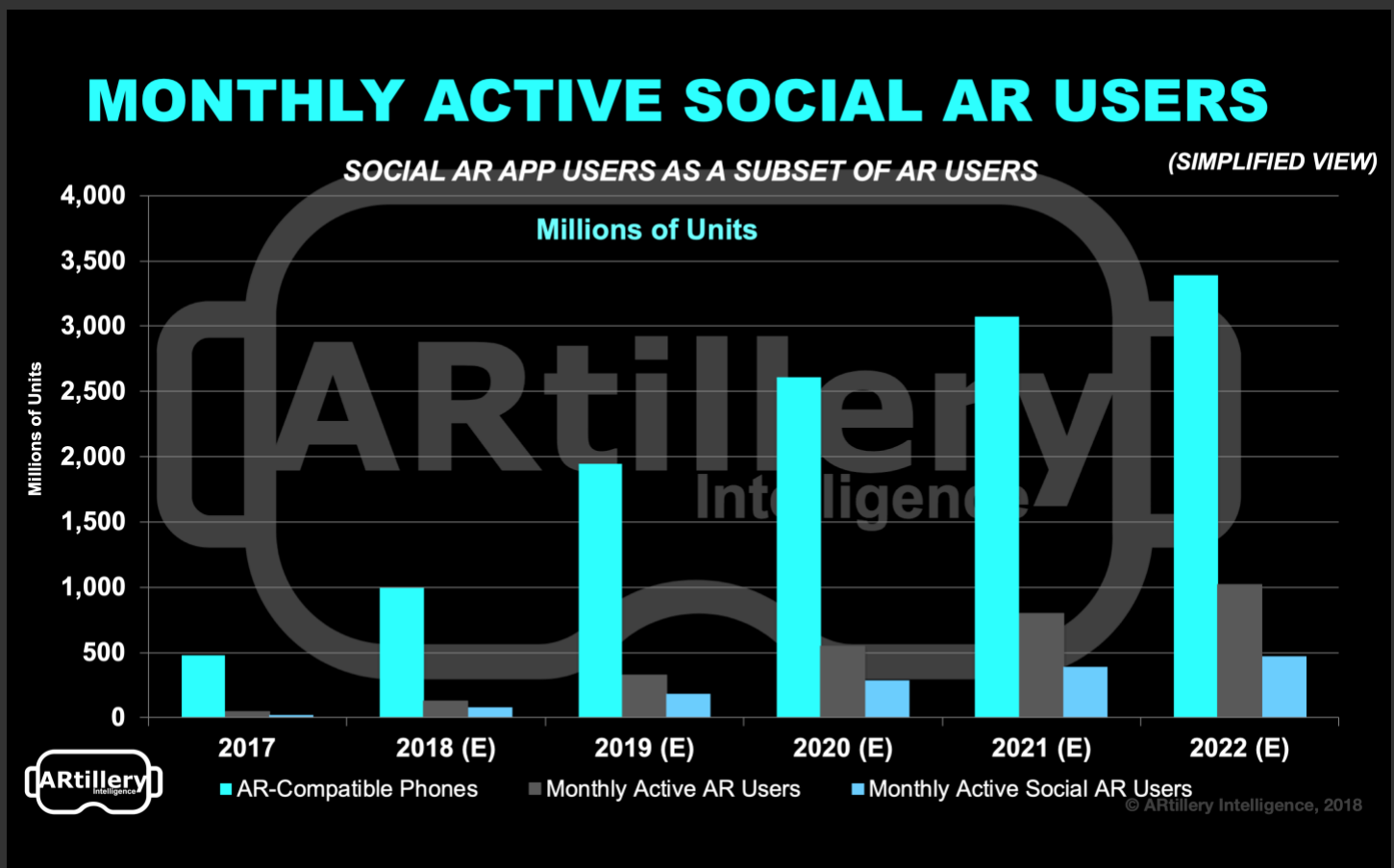
04/08/19



In the wake of last week's Snapchat announcements around new AR features, there's lots of evidence that social use cases lead consumer AR market share. And that works on several levels including number of active users (key word: active), time spent and most of all, revenue.

For active users, Snapchat reported at last week's Partner Summit that 70 percent of its 186 million daily users activate AR lenses daily, and 15 billion have been viewed to date. By comparison, the other AR leader, Pokemon Go, has roughly 65 million monthly active users.

But there's a key distinction: AR's role in Pokemon Go isn't primary, whereas it's certainly a central experiential component of AR lenses. For Pokemon Go, AR is an element of play, but one that most users de-activate due to battery drain or difficulty levels (more on that in a bit.).

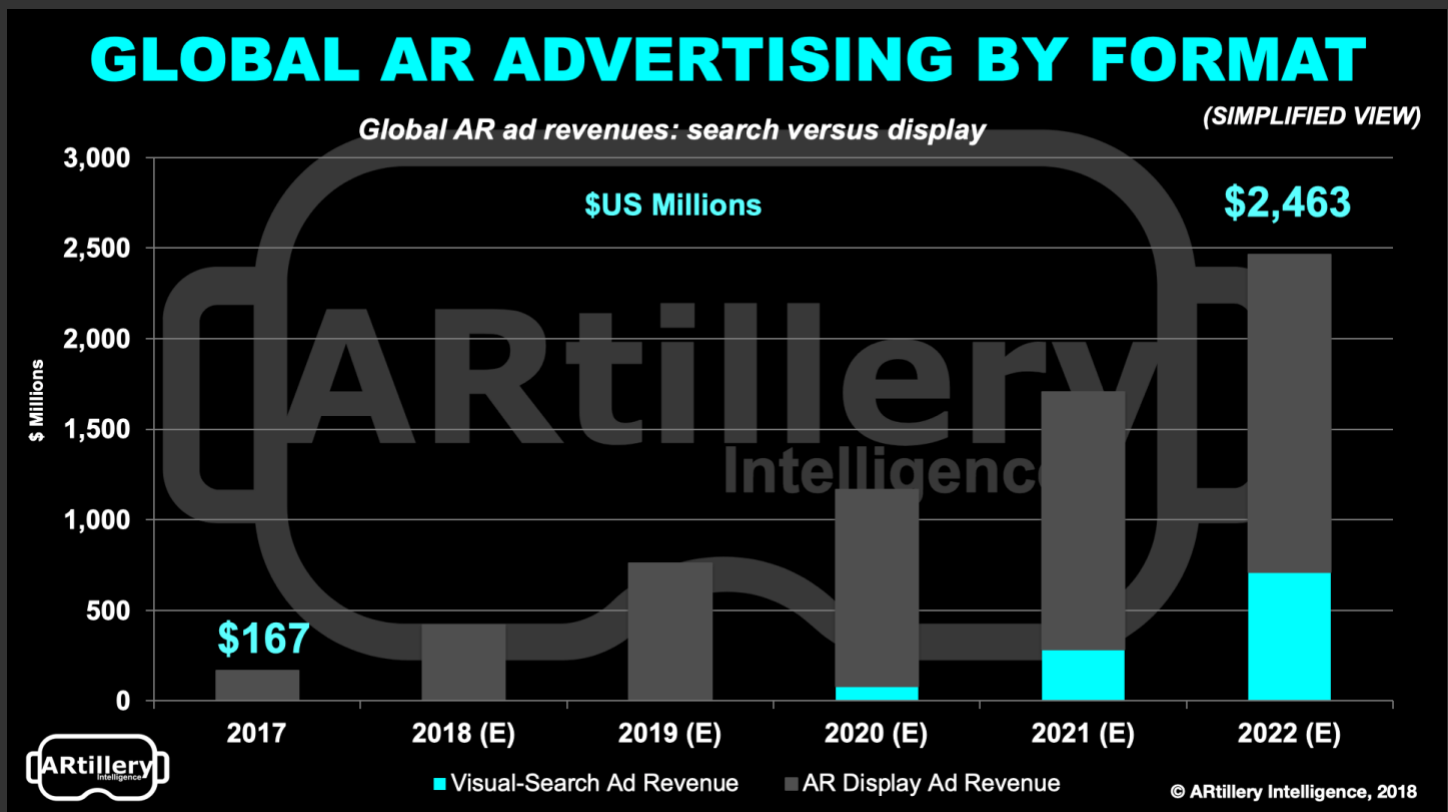


This distinction enters the revenue picture too. People (including us) point to Pokemon Go's \$2.3 billion in cumulative in-app-purchase revenues. But all of that revenue isn't directly attributable to AR for the reasons mentioned above, whereas Snap's branded lens revenue is all AR.

We've projected that Snap derived \$236 million of the \$408 million spent on AR advertising in 2018. The total ad spend from social lenses is projected to reach \$2.4 billion by 2022. It's the leading AR revenue category today, if you don't count Pokemon Go's in-app-purchases.

That brings up another key distinction. With social lenses, the revenue source is brands that apply ad budget (advertiser pays) to this emerging and immersive form of customer engagement. Pokemon Go rather follows the mobile gaming playbook with in-app-purchases (user pays).

As for whether or not Pokemon Go should be counted in AR figures and considered an AR experience, that's an age-old question (in AR years). On micro levels, it's not really AR for the reasons cited above. But if we broaden the definition of "augmentation," it sort of is.



In other words, on a pixel (or voxel) level it's not AR in lots of ways (scene mapping, etc.), though that's improving. But on a contextual level, the experience is augmented with situational awareness. For example, certain Pokemon are found in certain landscapes, (think: near water).

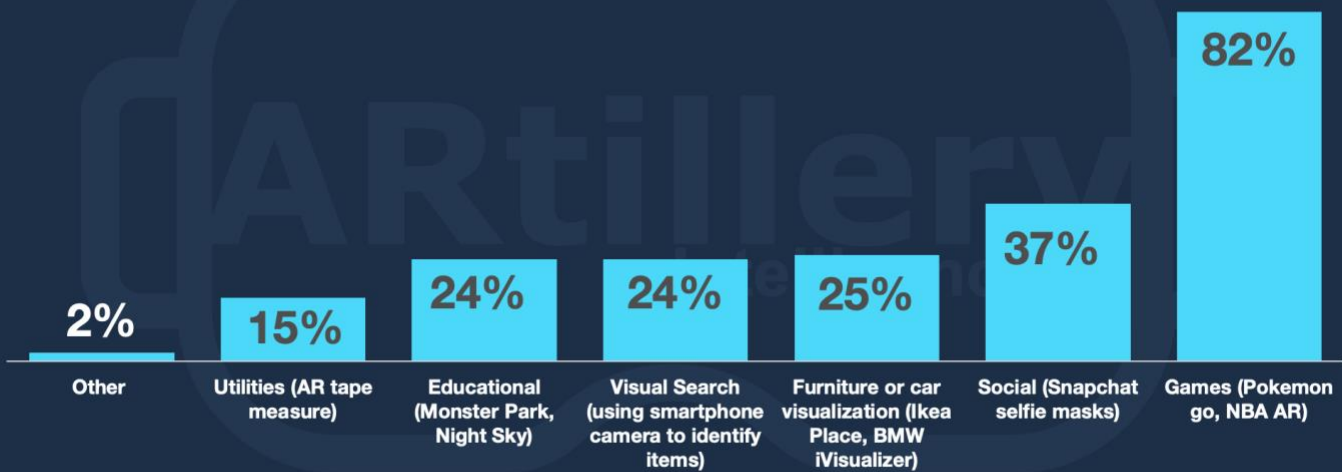
There are legitimate arguments on both sides. App analytics firms like Sensor Tower don't count Pokemon Go in their AR app tallies. But that's more because they don't include AR experiences in non-AR apps (AR-as-a-feature), which also incidentally includes social AR lenses.

The same goes for research firms. ARtillery Intelligence counts Pokemon Go in consumer AR survey data. NewZoo does the same, but SuperData doesn't appear to. There's no wrong answer, as long as definitions, inclusions and methodology are explicit and well-reasoned.

We'll be back with a deeper dive on Pokemon Go's AR "status" and the concept of broadening the definition of augmentation. That includes hearables and other things that break out of the graphically-bound definition of AR. The good news: that outlook broadens the market opportunity.

Mobile AR Categories

What types of mobile AR experiences have you used?



Thrive Analytics
smart decisions that drive success

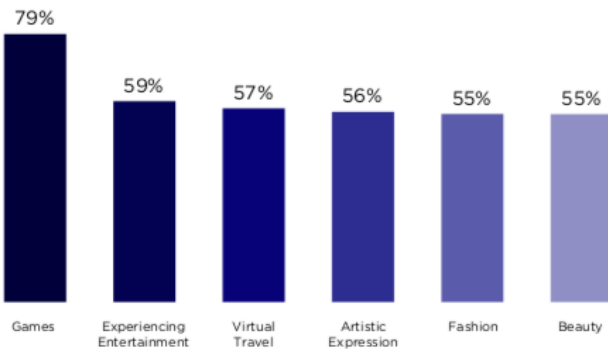
Base = 3,118 US online adults (18+).

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GAMING IS THE MOST COMMON USE OF AUGMENTED REALITY

Based on those surveyed in the U.S. who have used AR in the last six months

MOST COMMON WAYS PEOPLE HAVE USED AR



79% of Americans we surveyed who have experienced AR in the past six months used it to play games.

AR users also use the technology for experiencing entertainment (59%), virtual travel (57%), and artistic expression (56%). Almost a fifth (19%) of people play AR games on one or two days a week.

AR WEARABLES



42%
Share that is aware of them

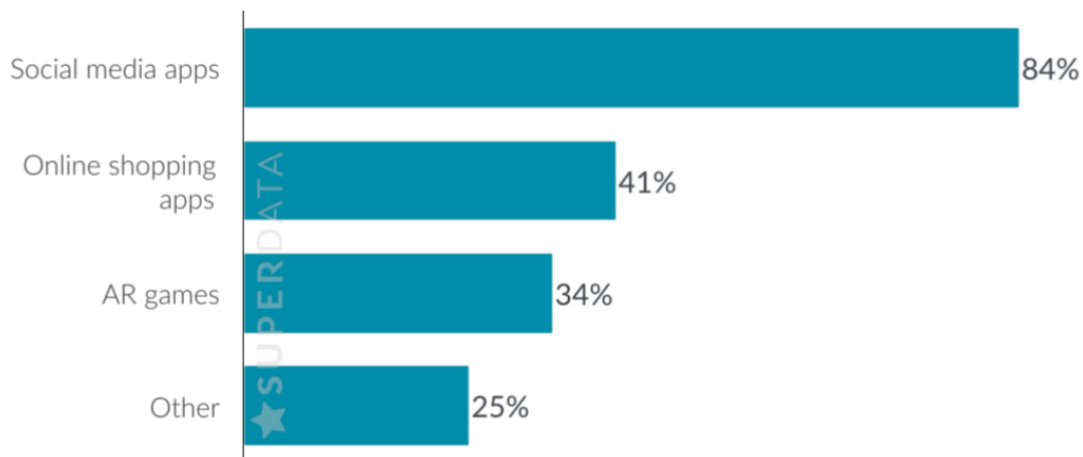


61%
Share that would consider using them

Mobile AR app

Most popular types of AR apps: December 2018

Share of U.S. users by app type





Video Companion

Click to Play



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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