

## ARTILLERY DATA BRIEFS

HOW MUCH MONEY DO SNAP LENS DEVELOPERS MAKE?

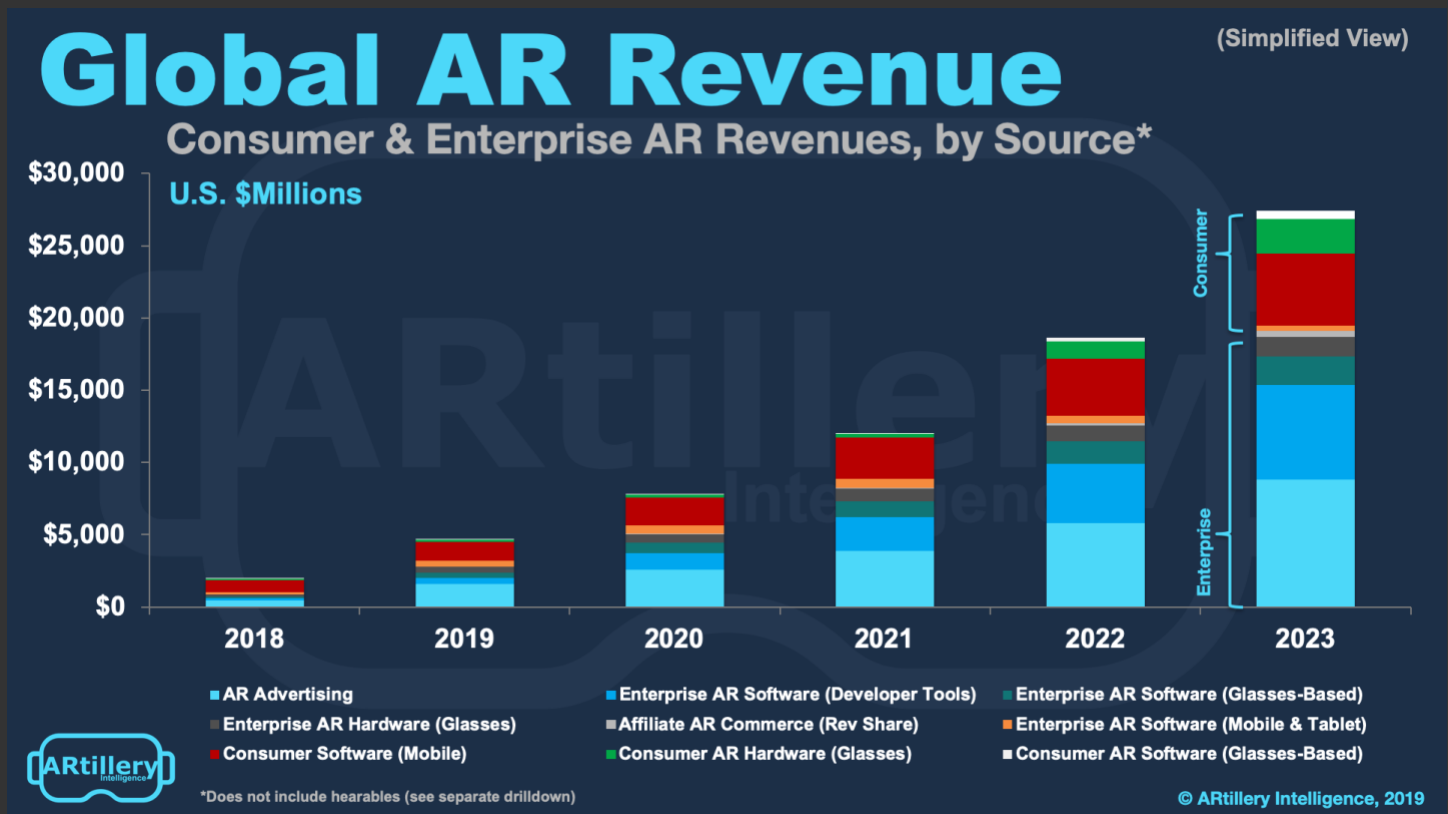
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In the early stage AR market, few companies are producing real revenue. One of those is Snapchat, which is a leader within the leading AR revenue category of advertising. According to our research arm ARtillery Intelligence, AR advertising revenues were \$453 million last year.

But within that value chain, AR lens ad networks — predominantly Snapchat and Facebook — aren't the only ones making money. The art of lens creation itself is getting relatively lucrative. "Relatively" is the operative term, as the revenue levels aren't on the industry-scale above.

But in terms of personal income for lens creators, it's become a notable subset of the ecosystem. Specifically, graphic designers (and design firms) within Snap's selected group of about 100 official lens creators can bring in as much as \$40,000 per month from branded AR lens creation.

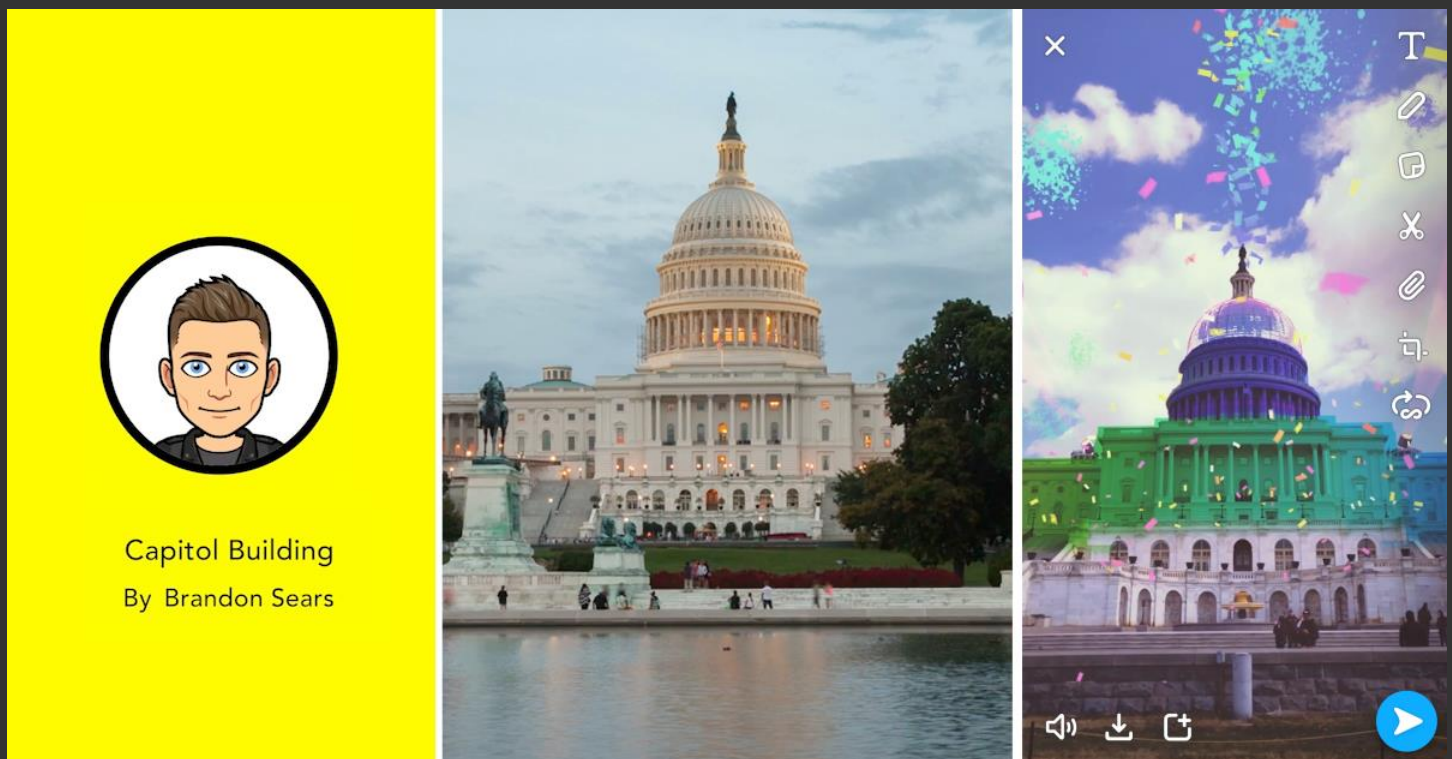


The way this works is that Snapchat has created the small network of designers to which it refers brand advertisers that wish to create AR lens campaigns. Snapchat doesn't take a cut of the creation fee, but it benefits from lens creation in its downstream ad placement revenue.

This also helps its ad sales execs go out and sell brands on AR lens campaigns because they can connect those brands with designers to fulfill the creative work. That's a key factor at this early stage when many brands are otherwise unfamiliar with and intimidated by the new format.

Still, brands are getting AR-curious after seeing attractive performance metrics from AR campaigns run on Snapchat and Facebook by pioneering advertisers like Michael Kors, Gatorade and Jordan Brand. Snap is greasing the wheels a bit with the creative network.

Those designers are also sitting pretty. Not only is it proving relatively lucrative, but that will only increase as their skills are in greater demand. The demand side of that equation will grow with increased brand interest, and more distribution channels, such as Instagram's recent entrance.



Of course, those demand signals could end up attracting more developers that saturate the market, in which case their rates will go down. But overall, it seems the marketplace is favoring the bold. Graphic designers who picked up Lens Studio (and Spark AR), are finding it a salable skill.

We'll keep watching for the above supply/demand dynamics. The time is ripe as Instagram just opened the closed beta for Spark AR developers. Just like we saw when Snapchat did the same, the extra AR lens volume and creativity should gain lots of traction on the camera-forward app.

And the lens creation skillset of those Snap-endorsed designers will transfer over to Instagram, assuming they're not bound by exclusivity clauses (questionably legal in many states). Many of them will be hired hands across all these networks and other AR sleeping giants like TikTok.

It seems that it's a good time to be a lens developer.

# Video Companion

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# About ARtillery Intelligence



*ARtillery Intelligence* chronicles the evolution of spatial computing. Through writings and multimedia, it provides deep and analytical views into the industry's biggest players, opportunities and strategies.

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 spatial computing such as AR & VR, cultural, technological and financial implications are the primary focus.

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

Learn more [here](#).



# 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 AWE, VRLA and LeadsCon. He has authored more than 120 reports and market-sizing forecasts on the tech & media landscape. He contributes regularly to 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 read [here](#).



# Contact

Questions and requests for deeper analysis can be submitted [here](#).



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