ARTILLERY DATA BRIEFS

## SNAPCHAT LENSES REACH 500,000 IN QUANTITY

09/09/19

Snap continues to lead the way in consumer AR as it doubles down on its camera-forward mission. Its latest move is to beef up developer tools with the launch of Lens Studio 2.1. It includes 14 new landmarkers and templates for human-centric lenses like hair color (full list here).

As part that launch, Snap revealed that 500,000 lenses have been created to date, and that the number of lens developers grew 20 percent during Q3. This joins recently-announced figures such as 15 million cumulative lens views 142 million daily active lens users.*

Though half a million lenses is the headline, the potentially more significant figure is the 20 percent rise in Snapchat developers. These developers are the lifeblood of Snap's lens growth, as they create the content that fuels the network-effect of lens sharing throughout the social graph.

Eiffel Tower
By Jean-Sébastien Wallez
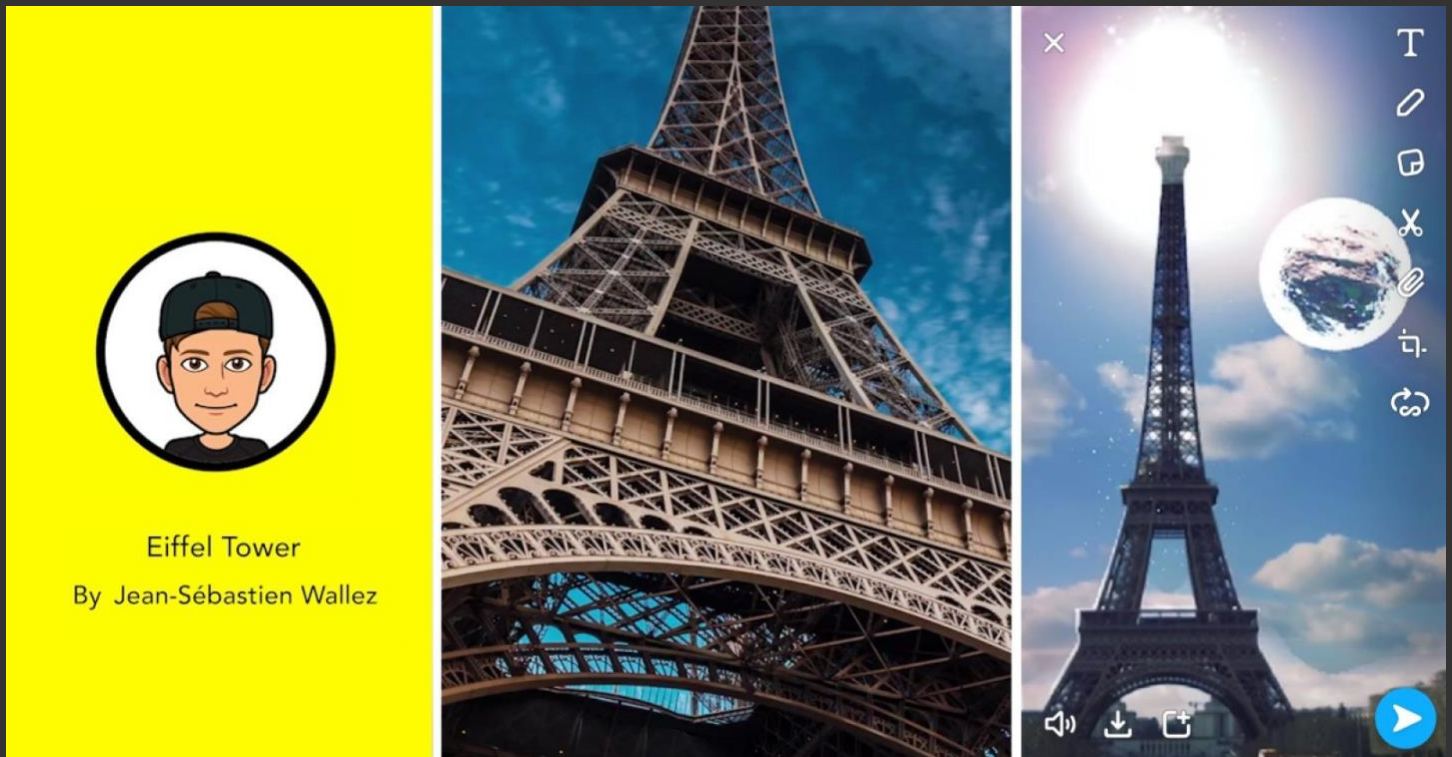
Importantly, what attracts those developers is a combination of capabilities in Lens Studio (hence the v.2.1 additions) and reach. The former provides tools to unlock their creativity, while the latter gives that creativity a place to go. It's all about better ROI through distribution scale.

Beyond independent developers looking to reach larger audiences, brand advertisers want to do the same. And that creates demand for those developers to do contract work in creating branded lenses. As we examined recently, lens developers can make up to $40k per month.

All of the above continues to be propelled by validation for the potential reach of Snapchat lenses. And those numbers keep rolling in, such as the NFL's recent disclosure that its Superbowl LII lens had more than 300 million impressions. That's roughly equal to the population of the U.S.

This is important to embolden the ROI formula for AR advertising. The storyline was previously that lenses are effective at driving user engagement (product try-ons, conversions, etc.), but the reach is low. Now it's evident that reach can indeed be achieved in lens-based AR advertising.
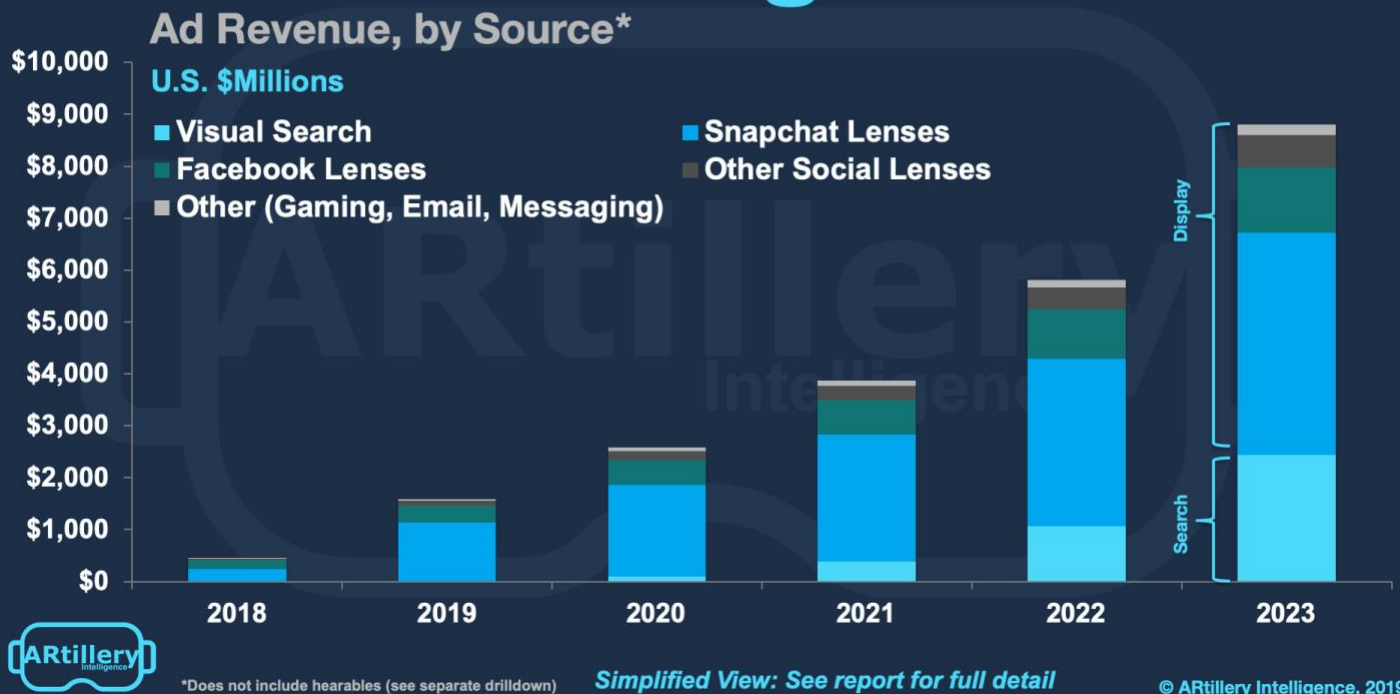
Of course, all Snapchat lenses don't have the massive reach that the NFL can accomplish by driving Lens engagement from existing channels. But it's a glimpse into what's possible, and it indicates the audience sizes that can be reached — a key consideration for brand advertisers.

Panning back to an aggregate market level also provides some validation. Advertising is currently the largest AR revenue source according to our research arm ARtillery Intelligence. It pegs AR advertising at $453 million last year (mostly branded lenses), on pace for $8.8 billion by 2023.

Of course, AR ad formats and best practices are in early stages of their evolutionary path and will be a moving target. We'll keep a close eye on it and report back what we see. There will be lots of opportunity gaps that break open as the sector twists around and takes shape.

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ARtillery Briefs, Episode 27: Snap Leads AR Monetization

ARTILLERY BRIEFS, EPISODE 27
AR MONETIZATION: SNAP LEADS THE WAY

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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.**

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