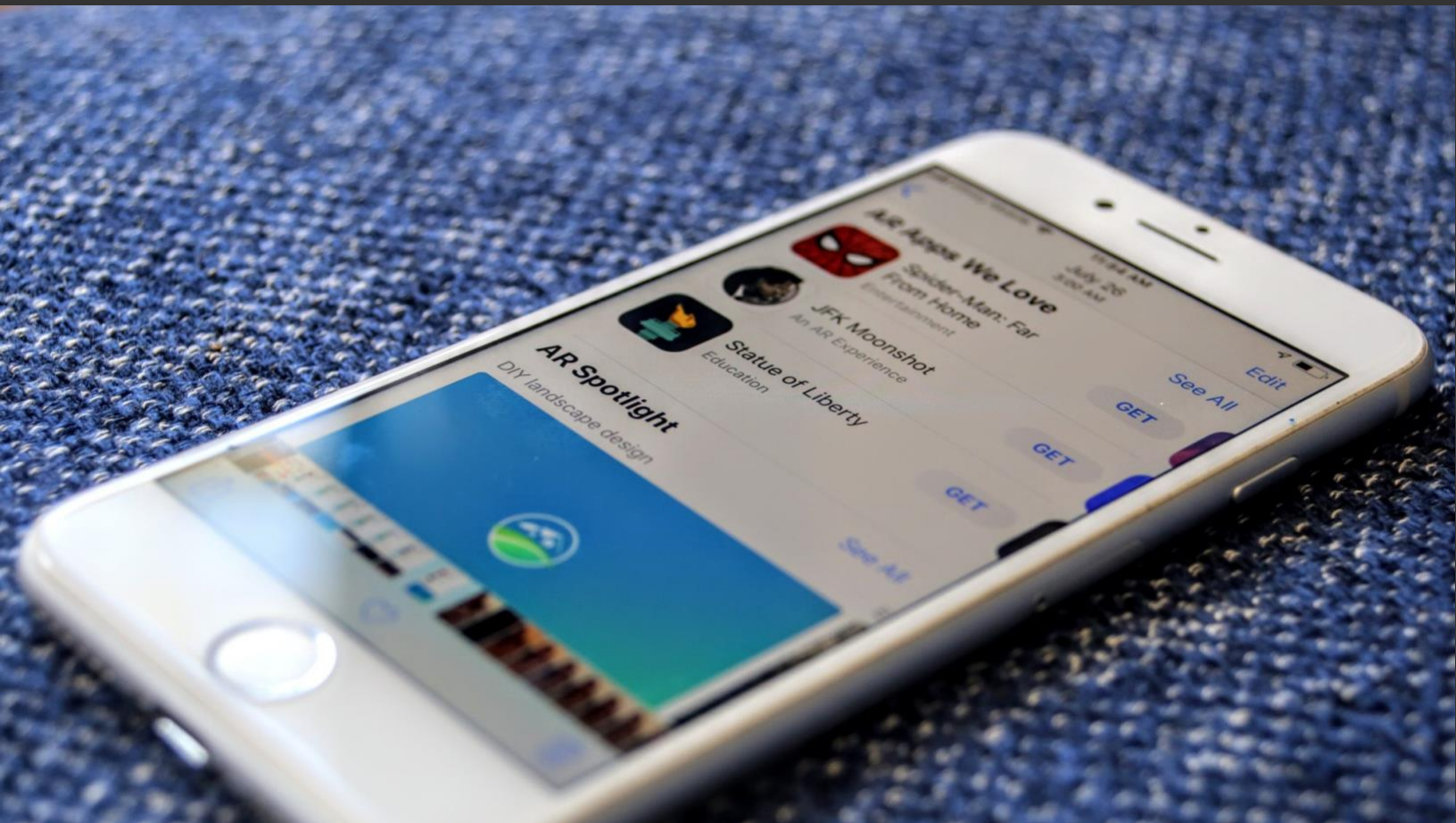


# ARtillery Intelligence



## ARtillery Data Brief

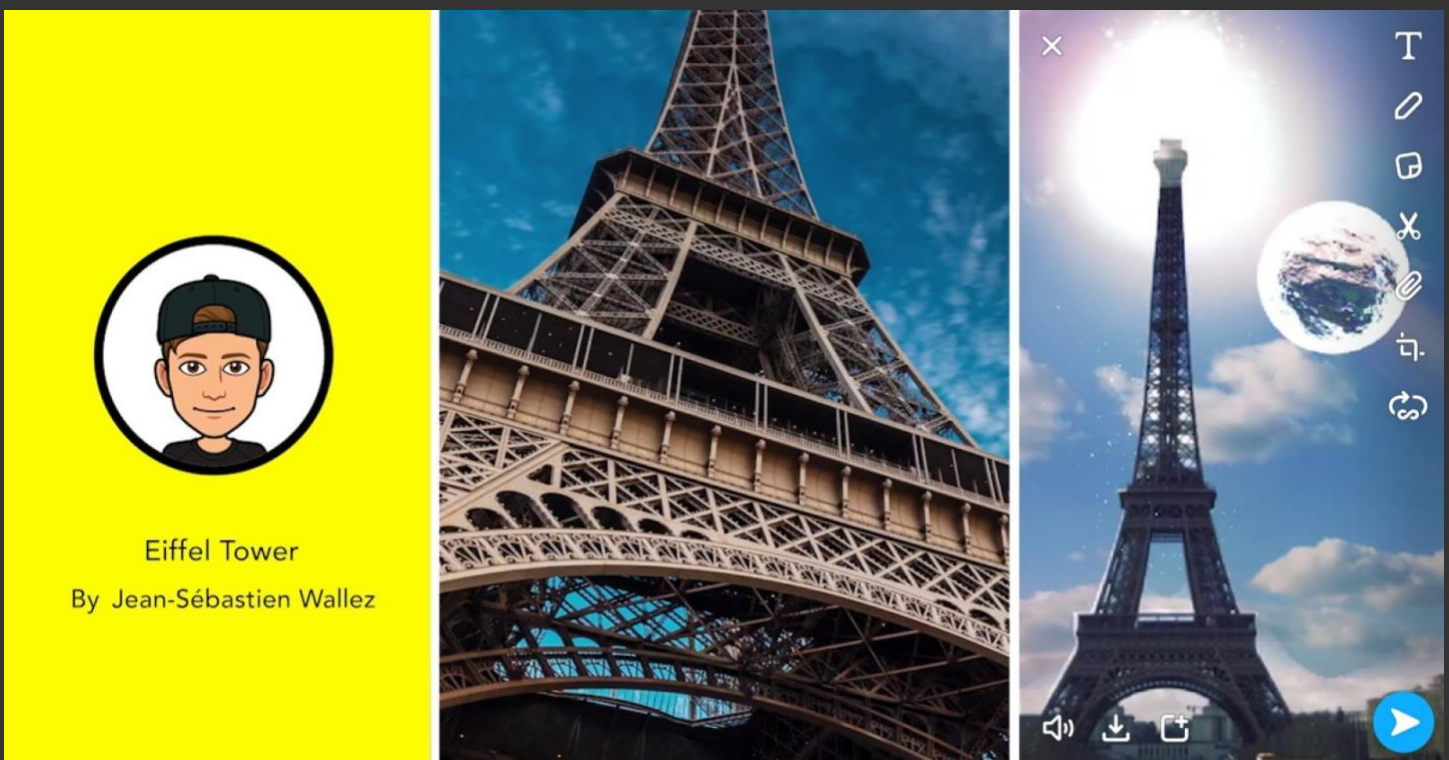
Snapchat Lens Users Engage ~30x Per Day

11/04/19

Engagement data continue to roll out from Snapchat, sealing its position as the consumer AR usage and revenue leader. In addition to 600,000 lenses and 142 million lens DAUs, the latest metric buried in its Q3 earnings call is that active AR lens users engage “nearly 30 times per day.”

“Snapchat now powers billions of daily AR experiences, with each of our daily active users interacting with augmented reality nearly 30 times every day on average,” said Evan Spiegel on the earnings call. This high level of engagement with augmented reality has made Snapchat an appealing platform for creators and developers to build and distribute new augmented reality experiences.”

This frequency metric is important and deviates from the “vanity metrics” we more often hear in AR, such as app downloads. Active use indicators are a lot more telling of AR’s impact, and include metrics we’ve examined recently like session lengths. Metrics will continue to evolve.



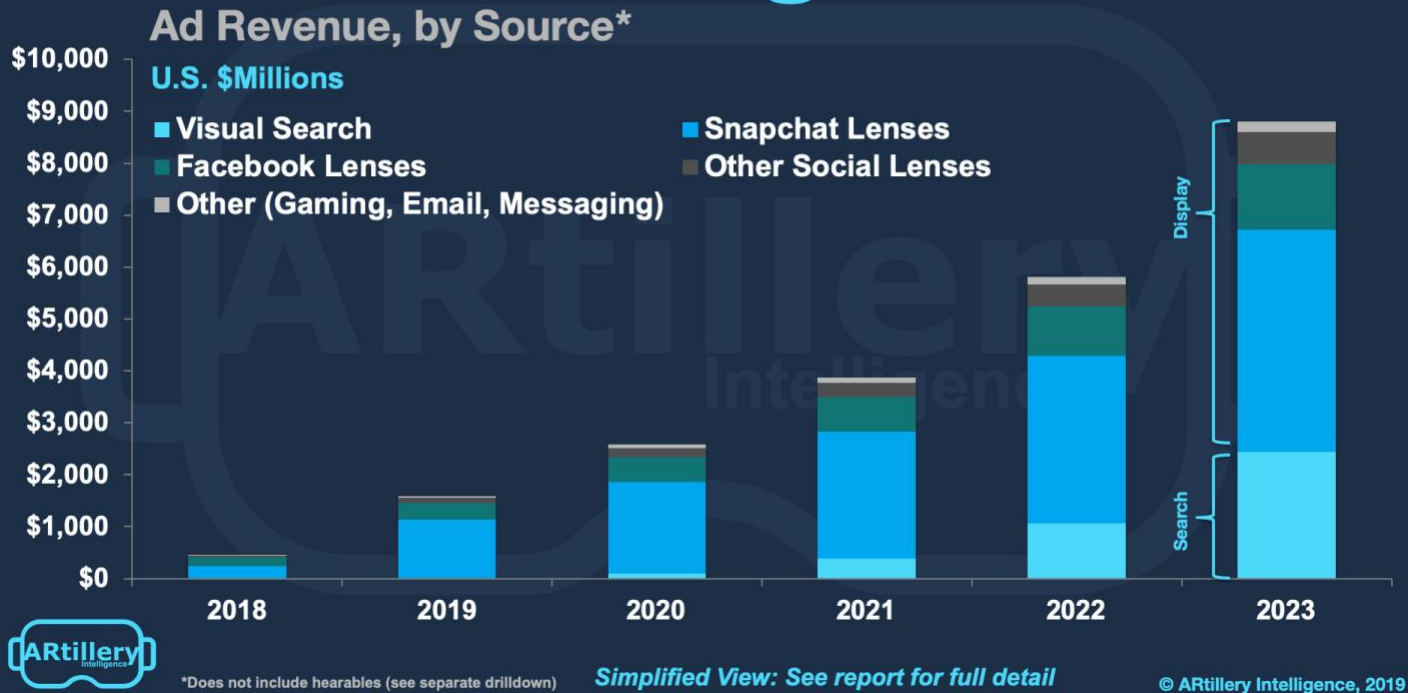
Panning back, Snap continues to double down on AR as it sees usage and financial results. It continues to attribute AR to its revenue growth and notable turnaround in public markets in 2019. Beyond immediate results, it sees AR as a core part of its future business as a camera company.

It also realizes this is best achieved by creating a network effect. That works on a few different levels including the viral distribution and social sharing of lenses among users. But it also applies to the network effect that’s gained by cultivating lens development that in turn fuels user demand.

That’s a notable flip from its early AR lens experiences that were limited in volume and gated by a highly curated approach. It has since leaned into the idea of scaling up lens development by rolling out a steady procession of tools and incentives for lens developers. We expect this to continue.

The latest is its 3D paint feature, launched alongside the new AR Bar. This lets Snapchat users annotate live scenes with stylistic overlays, essentially making anyone a lens developer. This aligns with the pattern of crowdsourcing AR, pursuant to feeding and fueling hunger for lenses.

# AR Advertising Revenue



Expect that trend to continue as Snap internalizes the feedback loop of its lens efforts. AR clearly impacts its notable financial turnaround. Though all of the above applies to community-created lenses, it stimulates lens demand and in turn attracts brand advertisers to the medium.

Meanwhile, advertising is AR's leading revenue source with \$453 million last year according to our research arm ARtillery Intelligence, growing to \$8.8 billion by 2023. Snap is the market share leader but Facebook looms. The latter has more global scale, but the former is more AR focused.

Because these stats keep rolling in and are hard to keep up with, here's a quick list of the latest Snapchat AR figures. We'll keep tracking these stats closely and circle back with more reporting and analysis as the numbers tick upward. It will be a key driver for AR advertising revenue.

- Daily active users: 210 million
- Daily active lens users: 142 million
- AR lens share of DAUs: 68 percent
- Lens developer growth: 20 percent in Q3
- Lenses created to date: 600,000
- Lenses viewed to date: 15 billion
- Lens usage frequency: ~30x per day on average

# Video Companion

(Click Video to Play)



# 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, 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 Data Briefs

ARtillery [Data Briefs](#) are research deliverables that are assembled weekly by ARtillery Intelligence analysts to document the market trends and events they're tracking.

# 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 XRDC. 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](#).



# Methodology

This brief highlights *ARtillery Intelligence* viewpoints, gathered from its daily in-depth coverage of spatial computing. To support narratives, data are cited throughout the report. These include *ARtillery Intelligence* original data, as well as that of third parties. Data sources are attributed in each case.

For market sizing and forecasting, *ARtillery Intelligence* follows disciplined best practices, developed and reinforced through its principles' 15 years in tech-sector research and intelligence. This includes the past 3 years covering AR & VR exclusively, as seen in research reports and daily reporting.

Furthermore, devising these figures involves the “bottom-up” market-sizing methodology, which involves granular revenue dynamics such as unit penetration, pricing and growth patterns. More on *ARtillery Intelligence* market-sizing research and methodologies can be read [here](#).

# Disclosure and Ethics Policy

*ARtillery Intelligence* has no financial stake in the companies mentioned in this report, nor was it commissioned to produce it. With respect to market sizing, *ARtillery Intelligence* remains independent of players and practitioners in the sectors it covers, thus mitigating bias in industry revenue calculations and projections.

*ARtillery Intelligence*'s disclosure and ethics policy can be seen in full [here](#).

# Contact

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

