

THE GATEWAY TO THE METAVERSE:

AR Marketing & Consumer Behavior in 2022



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Introduction

— A LETTER FROM OUR CEO & CO-FOUNDER, ALLISON FERENCI

The internet is taking shape around us. More than a system of connections, a network of information, or a mode of communication, it's become a tangible expression of what it is to be human. This corporealization will redefine our era, but not at some distant point in the future. XR technologies, smart devices, and the IoT combine to act as gateways to the new cyberspace. It's the internet, spacialized. It's three-dimensional, interactive, and co-creative. It's the metaverse, and it's already here.

A common misconception is that the metaverse will have a single entry point for brands and consumers alike. If such was the case, brands could simply wait for the platform's launch and make an account. The reality is that the metaverse is taking shape as organically as the internet itself, incorporating many of the social platforms we use today. The technology to transform social platforms into meta-experiences already exists in the form of augmented reality. For brands, this means it's time to develop your metaverse marketing strategy, and AR is a crucial component.

Over 100 million US consumers will use augmented reality monthly in 2022. That means for over 30% of the US population, AR is woven into the fabric of everyday life. AR will mirror the trajectory of video, shifting the way people communicate, research, engage with brands, and connect with each other. The role of marketers is to deliver on this potential.

This study takes a deep dive into consumer preferences and behavior surrounding AR, social media, and ecommerce. It explores how marketers can make their greatest impact with AR today while charting a roadmap for the metaverse of tomorrow. We hope you find it useful!

Allison Ferenci

CEO & Co-Founder of Camera IQ



METHODOLOGY

To conduct this study, we surveyed 1,500 US consumers in December 2021. Respondents' ages ranged from 16 to 54+, with the majority falling between ages 18 and 44. The survey was carried out on a platform called Pollfish, whose global panel includes over 550MM consumers. We also leveraged reputable third-party industry and consumer studies to validate our research and provide additional context.

eMarketer. "US Virtual and Augmented Reality Users 2021."

INSIGHTS AT A GLANCE

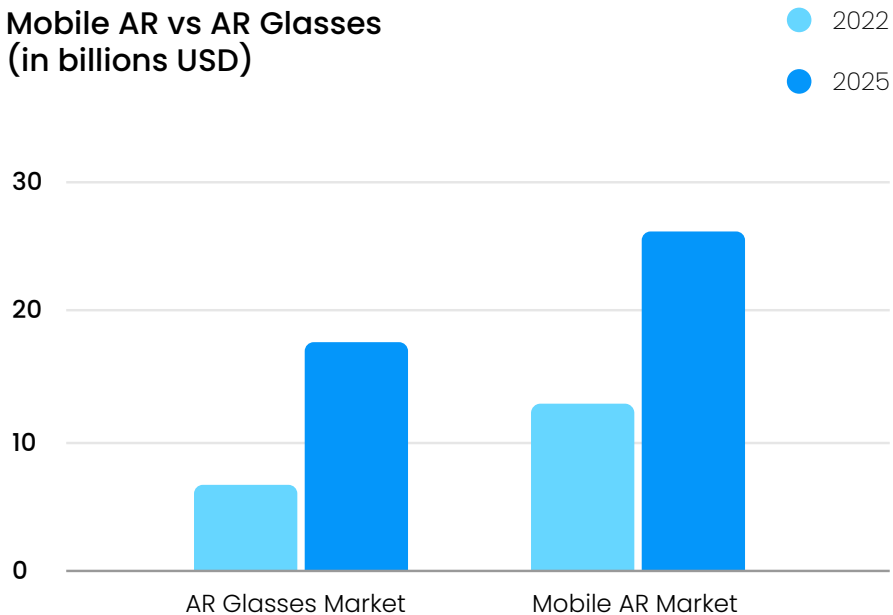
- 1** **Consumers crave AR experiences:** 76% of consumers have used augmented reality. Over half of those who have not tried AR say they hope to do so in the future.
- 2** **AR is a big marketing differentiator:** Just 29% of media agencies are currently buying AR ads, meaning the mode lends a competitive edge.
- 3** **Social media sets the stage for AR:** 66% of consumers say they find brands on social platforms, and 82% say they're likely to engage with AR on social media.
- 4** **AR has the potential to go 'viral':** 78% of consumers say they are likely to share a brand's AR experience with their community.
- 5** **AR accelerates the buyer's journey:** 59% of consumers say they would be more likely to purchase a product they've seen visualized through AR.

2022 is the year of mobile AR

— CONSUMERS ARE PRIMED FOR AUGMENTED REALITY. NOW IS THE
MOMENT TO INVEST IN AR-POWERED DIGITAL MARKETING STRATEGIES.
2022 WILL TELL WHICH BRANDS ARE THE WINNERS AND LOSERS.



Mobile AR vs AR Glasses (in billions USD)



1B AR USERS AND COUNTING

Statista projects that mobile AR users will total 1.07 billion worldwide in 2022. By 2024, that number will soar to 1.73 billion users. On the hardware side, the mobile AR market is growing at an even faster rate; it's projected to double over the next three years to a total of \$26.6 billion USD. In contrast, the augmented reality glasses market will lag behind in terms of both adoption and revenue, reaching \$17.72 billion USD by 2025.

Mobile devices put AR in the palm of the consumer today. Marketers that neglect mobile AR risk falling short of consumer expectations — and the competition.

Vibrant Media. "New Virtual Reality Ads Give 360 Degree View From Within Editorial."

Statista. "Global mobile augmented reality (AR) users 2024."

Statista. "Mobile augmented reality (AR) market size 2025."

Statista. "Consumer and enterprise AR glasses revenue worldwide 2019-2025."



76% OF CONSUMERS HAVE
TRIED AR EXPERIENCES

MOBILE AR IS ALREADY HERE

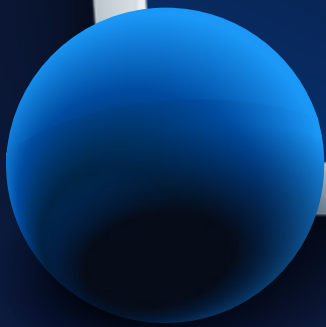
Roughly 64% of marketers expect to use AR and VR in the near future to connect with consumers and capture attention. Already, 76% of consumers have encountered AR experiences. Among the remaining 24%, just over half expressed an interest in trying AR in the future. According to a study from Snap Inc., 2 in 5 shoppers already expect AR to be available now when shopping for clothing, beauty products, furniture, cars, or luxury items. This finding illustrates the rapid pace at which consumer expectations are evolving. The future of consumer engagement, particularly in the retail sector, will undoubtedly include AR experiences.

WHY NOW IS THE TIME TO INVEST IN AR

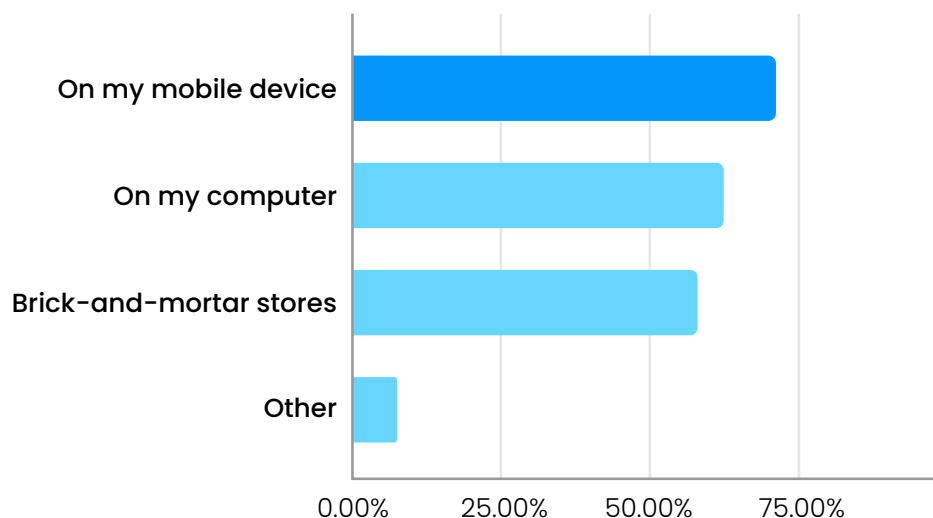
Augmented reality is on everyone's lips — but is it in their media plans? For 29% of media agencies, the answer is yes. 67% of media buyers and planners also said they hope to incorporate more AR ads into digital campaigns in the near future. That data is only reflective of paid AR advertising, to say nothing of organic brand social. Another survey of retail executives found that just 1% of companies currently have AR or VR incorporated into their buyer's journey. However, 27% of these same executives claimed they would consider AR implementations in the next two years. For marketers, the writing is on the wall: The industry is on the cusp of mass adoption of augmented reality. Brands that invest now stand to gain a competitive edge.

AR aligns with consumer behavior

- MOBILE COMMERCE IS GROWING. FOR MARKETERS, THIS TREND ADVANTAGEOUSLY COINCIDES WITH THE RISE OF MOBILE AR. BUT WHICH MOBILE CHANNELS WILL DELIVER MAXIMUM ROI?



Where do you shop?



CONSUMERS SHOP MOBILE FIRST

For 71% of consumers, mobile is the modern shopping destination. 37% of consumers keep their options open, shopping on mobile and desktop in addition to brick-and-mortar stores. However, **14% of consumers shop on mobile exclusively**, meaning brands are less likely to capture their attention through other channels.

It's no surprise that loyalty to in-person shopping is waning, especially post-COVID. But we're also seeing a behavioral shift across age demographics: 60% of Millennials shop in-store, while just 31% of Gen Z claim to do the same.

This preference for mobile is even true for retail items that people like to try before they buy. According to Snap Inc., 30% of shoppers say they would actually prefer to use AR to try on clothes virtually rather than visit a store.

[The Drum. "What are the opportunities in virtual reality and augmented reality for marketers in creating meaningful experiences?"](#)

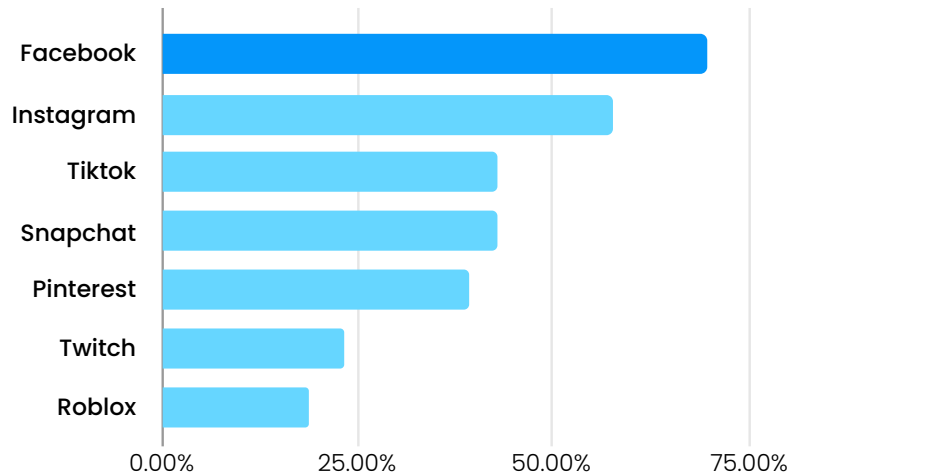
[Snap Inc. "The Future of Shopping US Market Report 2021."](#)

[Vibrant Media. "New Virtual Reality Ads Give 360 Degree View From Within Editorial."](#)

[Marketing Dive. "52% of retailers feel ill-prepared to support emerging mobile tech, study says."](#)



Which of the following apps do you use?



SOCIAL PLATFORMS RULE THE LANDSCAPE

In 2021, Google's decades-long reign as the top-visited site came to a surprising end. Tik Tok, a relative newcomer even by social media standards, outperformed the search engine in terms of traffic. Some called this a death knell for traditional, passive content, citing the rise of video and UGC. Our take? Social media is the place for brands to be, and experiences are king.

Despite Tik Tok's gains, our survey revealed that Facebook still dominates in terms of user volume. In our survey, Instagram was close behind, largely due to the divergent preferences of Gen Z respondents. Just 51% of Gen Z is on Facebook, while 64% are on Instagram. Millennials are comparatively loyal to Facebook: 73% use Facebook, while 56% are on Instagram.

Gen Z also weights the scales in favor of TikTok and Snapchat. 54% are on TikTok, and 53% are on Snapchat. Millennials have been slightly slower to adopt these platforms; 47% use TikTok and 48% are on Snapchat.

SOCIAL MEDIA IS ALL ABOUT STORIES

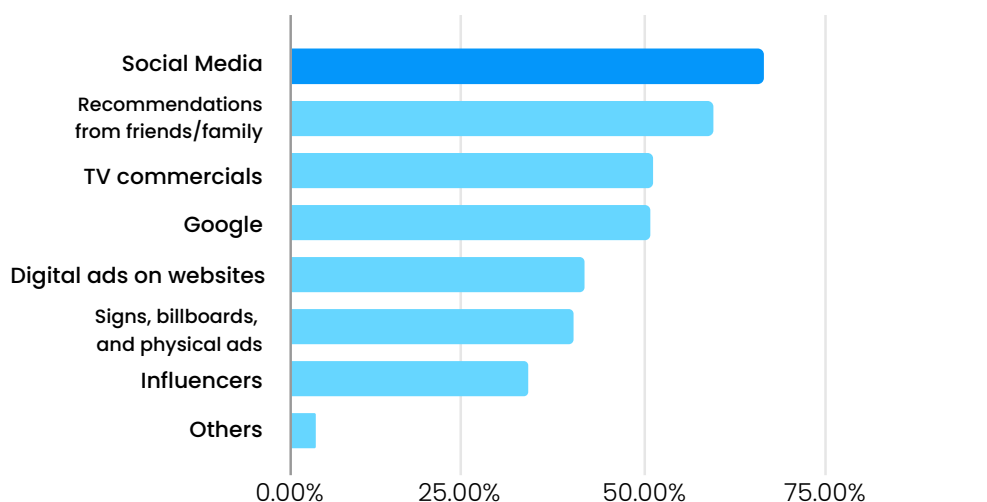
91% of consumers claim to use Stories, making them an almost universal part of the social media experience. 72% even say they use Stories multiple times a week, and 44% say they do so daily. What makes Stories so popular? They serve as an axis point for both creation and discovery. Stories create a portal between a user and their community, and the bridge is camera-based content.

Every time a user creates a Story, they open their camera. That makes them an ideal venue for augmented reality experiences. In fact, savvy brands have been experimenting with AR Stories almost since the technology's inception. Bonus points: Stories are full-screen and optimized for shareability.

CONSUMERS DISCOVER NEW BRANDS ON SOCIAL MEDIA

Consumers are more likely to discover your brand on social media than anywhere else. 66% of consumers say they find new brands on social media. 34% also claim to find new brands through influencers, the majority of whom engage their audiences through social platforms. Word of mouth goes a long way, too. 60% of consumers say they find new brands thanks to recommendations from friends and family. For Millennials, social media and friends' recommendations have equal weight. For Gen Z consumers, social media is the primary mode of discovery.

Where do you discover new brands?



A light blue rounded rectangle containing the text '82%' in a large, bold, blue font. To the right of the percentage, the text 'OF CONSUMERS HAVE PURCHASED SOMETHING VIA SOCIAL MEDIA' is written in a smaller, blue, all-caps font.

82%

OF CONSUMERS HAVE
PURCHASED SOMETHING
VIA SOCIAL MEDIA

SOCIAL MEDIA IS THE ECOMMERCE HUB

Social media is more than a lever for brand awareness. It's also a key to driving down-funnel conversions, including purchases. 82% of consumers we surveyed said they have purchased something via social media. 70% of consumers say they make purchases on social platforms regularly — at least once a month. Industry data suggest this trend will only accelerate: Statista projects that US social commerce will grow 37% by 2025.

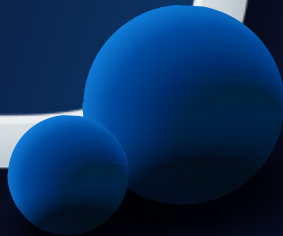
Augmented reality is ideally suited to the consideration stage of the buyer's journey. Social media sets the stage for AR to directly impact sales and drive ROI.



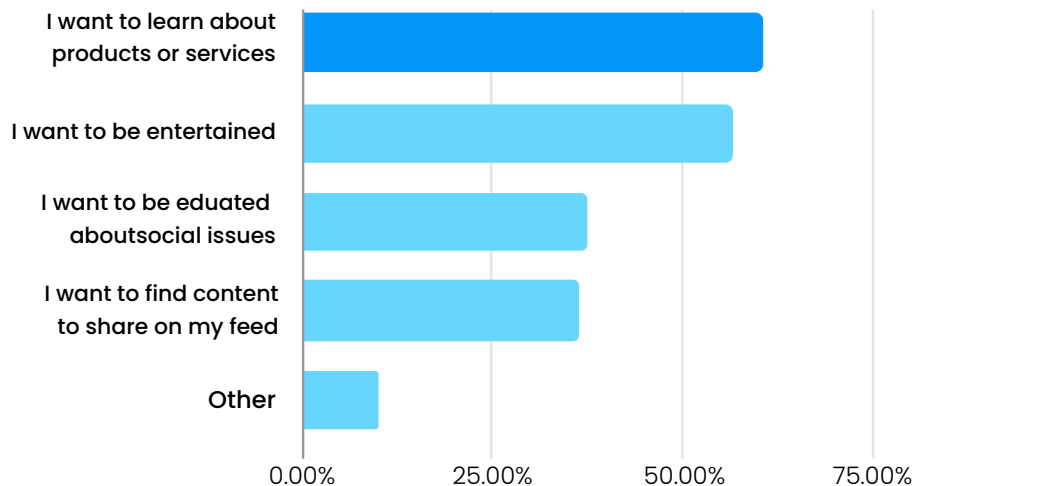
AR has unique appeal with consumers

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SOCIAL MEDIA IS THE PLACE FOR BRANDS TO BE. BUT ALL CONTENT IS NOT CREATED EQUAL. CONSUMERS WANT TO BE EDUCATED AND ENTERTAINED, AND AR IS THE IDEAL FORMAT TO REACH THEM.



What do you look to gain from brand content on social media?



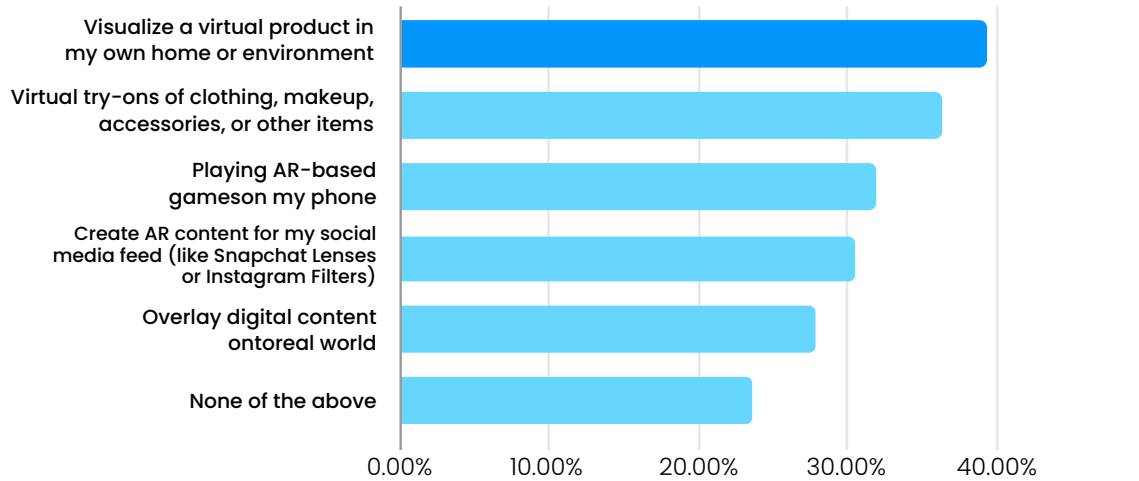
CONSUMERS WANT TO BE EDUCATED AND ENTERTAINED

Consumers engage with brands on social media for a wide variety of reasons. Some want to explore the latest products, some follow brands that display a sense of humor, and others engage with brands that share their social values. Overall, product education and entertainment stood out as the primary reasons consumers seek brand content. 60% of consumers want content that educates them about products and services, and 57% want to be entertained.

Here the generational divide comes into play. Millennials and Gen X consumers expressed a clear preference for product info. Meanwhile, Gen Z placed a higher value on entertainment: 59% said they want to be entertained, compared to 52% who said they want to learn about products.

Statista. "Number of social commerce buyers in the United States from 2019 to 2025."

In what ways have you used augmented reality to date?

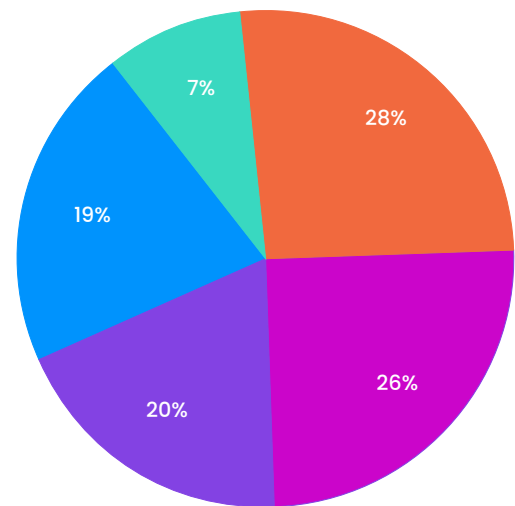


AR EXPERIENCES GO BEYOND VIRTUAL TRY-ONS

Augmented reality has seemingly endless use cases, but when it comes to marketing, a few applications surface repeatedly. Among consumers who have used AR, product visualizations are the most common experience at 39%. 36% have engaged with virtual try-ons of clothing, makeup, and accessories. 32% have played AR-based games on their mobile devices. It's no coincidence that the top three use cases align with the consumer preferences above.

Which augmented reality experience do you prefer?

- Funny transformation effects
- Pretty or flattering visual effects
- Branded AR Games
- Product visualizations
- Other



AR EXPERIENCES DRIVE FULL-FUNNEL ENGAGEMENT

When asked which AR experiences appeal to them, consumers offered a variation of the same refrain. Funny transformational effects merited the top response, with 28% of consumers listing this as their preferred experience. Pretty or flattering visual effects was a close second with 26% of responses. Branded AR games and product visualizations earned 20% and 19% of the tally, respectively. The distribution of preferences was largely equal, suggesting that AR is effective when it targets various stages of the marketing funnel.

Again, we saw minor variations among different age demographics. Humor especially resonates with Gen Z — 32% said funny effects were their favorite. Millennials have a special penchant for AR games; 26% said these were their favorite compared to 24% that liked funny effects. Millennials were also far more likely to prefer product visualizations than their younger counterparts: 22% selected this option, compared to just 9% of Gen Z.

82%

OF CONSUMERS HAVE
PURCHASED SOMETHING
VIA SOCIAL MEDIA

39%

SAY THEY PREFER
WHEN BRANDS USE AR
OVER OTHER TYPES OF
CONTENT

We also asked consumers who are familiar with AR experiences to share their overall impressions. **82% said they would likely feel positively towards a brand that used AR** to educate them about products or services. 39% went so far as to say they prefer when brands use AR over all other types of content.

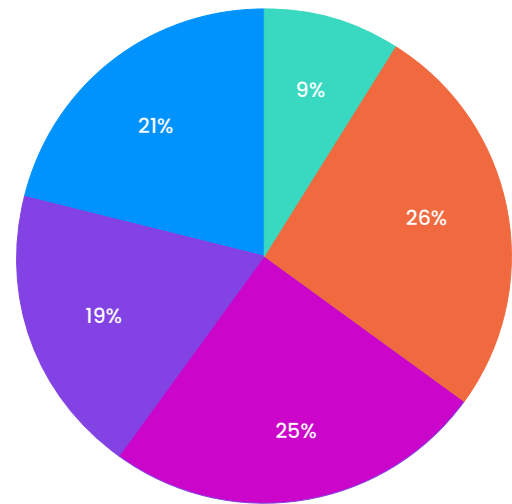
A high-level read of this data is that consumers prefer interactive experiences over passive content. This preference is reflected in the engagement rates of interactive content. The average play rate across Camera IQ campaigns is 60%. According to the International Advertising Bureau (IAB), playable ads see 15-30% engagement. Both of these stats outperform the engagement rate for passive content, which we found to be just 1.6%.

Consumers' love of interactivity originates in co-creation. A recent report from Tapjoy suggests that Millennial and Gen Z consumers make purchases with a brand's identity, ethics, and values, in mind. They seek self-identification with brands, and co-creation is a natural expression of that urge. Augmented reality experiences place consumers at the center of a brand narrative, encouraging self-identification and co-creation in one.



If you have shared AR Content, why did you do so?

- To get feedback on how something looks
- To share a story or memory
- To share something funny
- To share the AR experience so people can try it
- To show how cool something is



CONSUMERS SHARE AR CONTENT

Of consumers who have seen an AR experience, **78% say they would likely share AR content with their social communities**. In fact, 53% claim to have done so already. 41% also say they would be more likely to share an AR experience than a brand's post. Brand social engagement rates for photos, videos, and text-based posts range from 0.02–2.74% across industries, making these figures especially striking.

We also investigated the factors that motivate people to share AR content. We asked consumers who have shared AR in the past why they did so. **26% said they shared content to get feedback on how something looked**. This insight is applicable to virtual try-ons and illustrates how AR may drive the decision-making process. 25% wanted to share a story or memory, which signifies the power of emotion in AR marketing. 21% wanted their friends to be able to try the experience, and 19% wanted to share something funny. 9% said they shared to show off a cool experience.

IAB. "Playable Ads for Brands."

Tapjoy. "Modern Mobile Gamer™ 2021: Millennials Edition."

SocialInsider. "Study: 2021 Social Media Industry Benchmarks."



AR marketing is a revenue driver

—

AUGMENTED REALITY EXPERIENCES ARE
ADAPTED FOR MOBILE AND SOCIAL MEDIA.
CONSUMERS SHOW A CLEAR PREFERENCE FOR
— AND PROPENSITY TO SHARE — AR CONTENT.
BUT DOES AR MARKETING IMPACT SALES?





82%

SAY THEY WOULD LIKELY
ENGAGE WITH AN AR
EXPERIENCE

AR MAXIMIZES ENGAGEMENT

Neuro-Insight recently partnered with Mindshare UK and Zappar to study the neurological and brand impact of augmented reality. The study suggests that AR drives high levels of visual attention in the brain. In fact, **attention levels are almost double** those associated with non-AR experiences. Right now, AR also elicits a 'surprise' response in the brain. These factors could account for why AR engagement is so high. 82% of consumers said they would likely engage with an AR experience should they encounter one.

Once a consumer is engaged, AR continues to generate impact by encoding a powerful memory. Neuro-Insight found that memory encoding is 70% higher for AR experiences. This result likely occurs because AR is novel and interactive.

Both engagement and brand recall are crucial factors in driving an eventual purchase. But what does that engagement look like? At Camera IQ, AR campaigns typically see 4X engagement compared to passive content. Reporting from The Drum further validates this data, stating that AR can capture people's attention for over 85 seconds. AR has a clear impact on the awareness and consideration stages of the marketing funnel.

Neuro-Insight. "How augmented reality affects the brain."

The Drum. "Three things marketers should know about adopting augmented reality."



59%

SAY THEY WOULD BE MORE
LIKELY TO BUY A PRODUCT
AFTER USING AR

AR ACCELERATES THE BUYER'S JOURNEY

Consumers attest that AR aids the decision-making process. 59% said they would be more likely to purchase a product after they'd seen it visualized through AR. Brand affinity is an added bonus; 42% also say they'd be more likely to purchase from a brand that uses AR in the buyer's journey. These statistics are consistent across age demographics. They also align with Camera IQ platform data, which shows that brands that use AR to sell products have shown to have a 3.4X increase in conversion rates.

Other industry studies tell the same story: Snap Inc. found that three out of five consumers say they would be more likely to make a purchase after an AR experience. This same study asserted that by 2025, we will see a 37% increase in the proportion of Gen Z consumers who use AR before buying a product. Similarly, a study from Eclipse Group notes that 71% of shoppers said they would shop more often if AR were a part of the experience. **72% of AR users also claimed to have made spontaneous purchases because of AR.**



Conclusion

As the metaverse evolves, augmented reality will have a crucial impact on marketing. Mobile AR adoption is accelerating globally, and brands have been slow to adapt. 2022 will be a tipping point for AR: Some marketers will capitalize on its potential while others will simply fall short of consumer expectations.

Consumers are experiencing augmented reality every day. As this study revealed, they're already forming opinions on which content is most engaging and effective. They claim that when done right, AR directly impacts buying decisions. This insight is crucial for marketers in a moment when a shifting digital landscape has thrown the old playbook into question. Competition and CACs are up, and no single channel or format can guarantee ROI. It's essential to invest in new formats, and augmented reality has the greatest potential to drive revenue today.

About Camera IQ

At Camera IQ, we believe the camera is the future of consumer engagement. Our no-code AR design platform enables brands to engage audiences at every touchpoint of the customer journey.

Using Camera IQ, creators and brands can easily transform their products and brand message into rich augmented reality experiences in a matter of minutes, with no technical expertise required.

Leading brands such as Away, ViacomCBS, Universal Music Group, Atlantic Records, Nestlé, EA, and MAC Cosmetics use Camera IQ to launch AR campaigns for brand engagement and virtual try-ons at scale.

Learn more at www.cameraiq.com

[Snap Inc. "The Future of Shopping US Market Report 2021"](#)

[Eclipse Group. "How Is Augmented Reality Impacting Retail?"](#)

Ready for the next step? Get a complimentary demo of our no-code AR design platform.

GET A DEMO