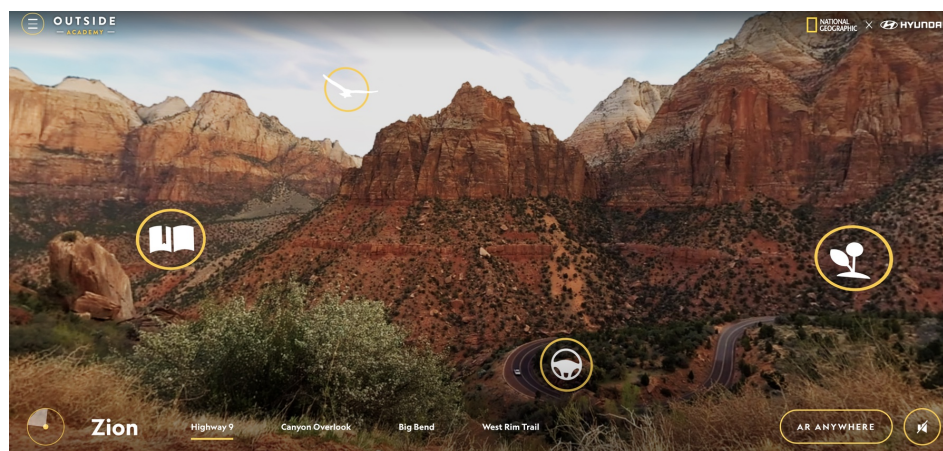


TRENDLINE

Augmented Reality



Courtesy of National Geographic

NOTE FROM THE EDITOR

Though developed long before the pandemic, augmented reality (AR) is among the beneficiaries of heightened buzz since March 2020 as marketers seek safe yet fresh ways to engage consumers both on the go and from home.

AR is growing increasingly central to the retail marketing space in particular, with brands from beauty to apparel tapping the immersive tech to entertain users and nudge them toward a purchase. Companies like Google, Pinterest and Snap are focusing more of their efforts to integrate AR into their platforms, while marketers continue to deploy this interactive content as a way to offer a more comprehensive view of their products remotely.

audiences via AR-powered applications, including virtual try-ons, product demonstrations and mixed reality portals.

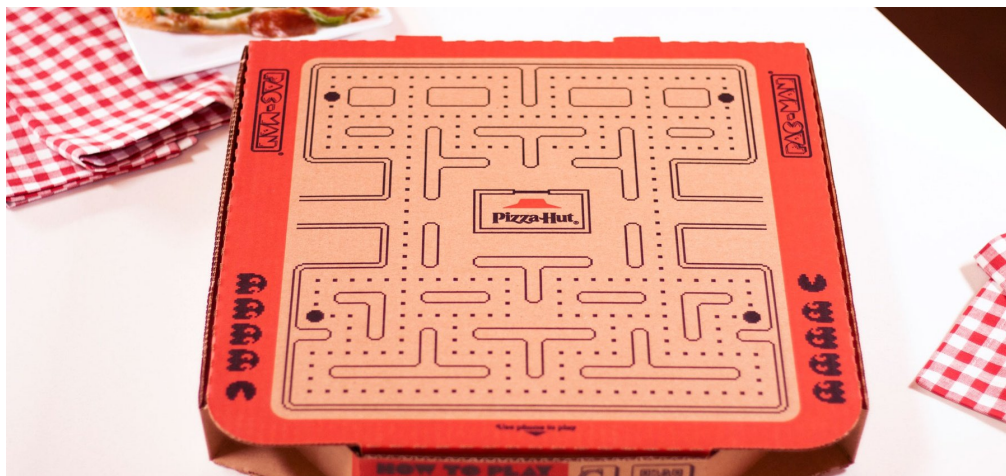
In this report, Marketing Dive examines:

- How Coca-Cola gave an iconic ad new life through AR
- Where AR's role in commerce may be headed
- How 5G could unlock wider adoption of AR in marketing

As mobile behaviors continue to evolve alongside technology advancements, this content can serve as a reference point for marketers as they allocate media budgets and consider a technology that's ramping up to meet consumer demands.



Natalie Koltun
Editor



Pizza Hut spins boxes into Pac-Man AR game for 'Newstalgia' campaign

"Newstalgia" refers to iconic branding elements that Pizza Hut reimagined with a modern twist for a Pac-Man AR game promoting its \$10 Tastemaker pizza. The yearlong campaign, created with agencies GSD&M and Tool of North America, includes branding elements like the Book It! program, classic arcade games, red cups and Tiffany-style lamps, which also appear in a TV spot that features spokesperson Craig Robinson playing a retro Pac-Man game.

The pizza chain's hopes that "Newstalgia" would be a "breakthrough campaign" and accelerate its 2020 momentum, according to CMO George Felix, found early fruition, with Pizza Hut reporting a 12% increase in same-store sales in Q1 2021, per an earnings report by parent company Yum Brands. This growth builds on the 8% lift in same-store sales that Pizza Hut saw in Q4 2020.

"There's so much love for this brand and so many iconic elements ... any marketer would die to have a fraction of those things. The challenge is taking those things that people know us for, and bringing them into today's world in relevant ways," CMO George Felix told Marketing Dive.



That old-is-new approach is key to the campaign's Pac-Man tie-in, which turns the classic arcade game into an AR experience via a QR code-enabled pizza box. Beyond a novel, playful use of AR, the sharing of scores on Twitter could extend the campaign's reach as more people enter to win a Pac-Man gaming cabinet. Plus, it allows consumers to capture some of the social experience of on-premise dining that was lost during the pandemic, according to Felix.

Felix joined Pizza Hut at the beginning of 2020 after serving as the global marketing director at sister brand KFC. David Graves, KFC's director of marketing strategy and innovation also joined Pizza Hut as chief brand officer. The moves appeared to be a way to help Pizza Hut capture some of the marketing prowess that helped make KFC a stand out in the crowded QSR category.

Article top image credit: Courtesy of Pizza Hut



AR's role in shopping poised to swell in next 5 years, Publicis and Snap find



Augmented reality (AR) usage for shopping is on the rise, and consumers — particularly those on Snapchat — are increasingly seeking out the technology during browsing and buying sessions, according to a study released in May by Publicis Media, Snapchat's parent company Snap and Alter Agents.

Snapchatters are 56% more likely than consumers not on the social media app to use branded AR lenses, which increase the likelihood to purchase. This trend is especially true in categories like home decor (73%), product personalization (73%) and demonstration (70%), and virtual try-on (72%), per the study conducted in France, Saudi Arabia, the U.K. and U.S.

About three in four survey respondents predicted AR will play a larger role in how people shop over the next five years, suggesting marketers will continue to experiment with immersive lenses to meet consumer expectations. Two in three who said they would use branded lenses for shopping also agreed they are likely to purchase an item after interacting with a brand's AR experience.

Snap's study with Publicis Media and Alter Agents tries to underscore how branded AR experiences can positively influence consumers throughout the shopping journey, helping them to learn about potential purchases, virtually try on items and ultimately boost brand perceptions.

The coronavirus pandemic accelerated the role of AR in shopping, with people using the tech from home to more closely inspect goods online before buying. That behavior may persist after the pandemic, as shoppers become accustomed to virtual try-ons. More than half of survey respondents said they actively search for AR experiences, with the most common way of doing so through platforms like Snapchat, per the study. The uptick in integrating AR into the shopping journey comes as consumers expect more from brands.



strategies, as the data shows that it's becoming critical to long-term success," David Roter, Snap's vice president of global agency and brand partnerships, said in a press release.

The study also found that while Gen Z is most familiar with AR in general and has the highest conversion rates, older consumers in the millennial and Gen X cohorts also show interest in branded AR and a high likelihood to purchase items after interacting with these types of immersive lenses.

Snap has continued to round out its commerce capabilities, partnering with Poshmark in May 2021 to create a new social shopping experience in Snapchat. The feature, dubbed Poshmark Mini, lets users browse curated products, attend virtual shopping events (Posh Parties) and shop top brands without leaving the app. The social media platform has had its sights set on shopping as far back as 2016, investing in new features and collaborations as it ventures deeper into social commerce. In 2020, it began streaming its first shoppable show featuring streetwear partnerships with celebrities and designers.

Snapchat's features helped brands reach housebound consumers who avoided visiting stores in person during the height of the pandemic, Snap executives said in an April earnings announcement. Top features discussed include branded AR lenses, which were adopted by advertisers looking to showcase products in nontraditional channels like social AR.

Adoption of AR shopping will continue to swell, Snap's management said during an April conference call with analysts. One executive cited a study the company commissioned from Deloitte that found 94% of people expect to use AR for shopping the same or more in 2022 than they will this year.

Article top image credit: Courtesy of Snap, Inc.



Coca-Cola revives 'Hilltop' ad with vintage wardrobe for Samsung AR emoji

By: Asa Hiken • Published June 24, 2021

To celebrate the 50th anniversary of its 1971 "Hilltop" ad, Coca-Cola partnered with digital content company Tafi to create a vintage wardrobe for Samsung augmented reality (AR) emoji. Samsung Galaxy users can dress their personalized AR emoji with T-shirts, tank tops, sweatsuits and more inspired by the '70s fashion from "Hilltop," which starred a large, diverse group of young people singing for peace and unity on a hill in Italy.

Users will be able to access the collection via a link in their smartphone's camera, as well as through the Samsung Galaxy Store's AR emoji marketplace. Through the tie-up, Coca-Cola is hearkening back to one of its most popular campaigns and leveraging mobile AR technology to reach younger consumers who may not know about the ad's renown.

"Hilltop" first debuted in 1971 and has since become known as one of the Coke brand's most iconic spots. Created with agency McCann Erickson, now called McCann, the ad was later spun into a full-length hit song, inspiring hope amid a particularly dark era in U.S. history. It experienced another wave of popularity when it

by the fashion in the ad, called the Unity Collection.

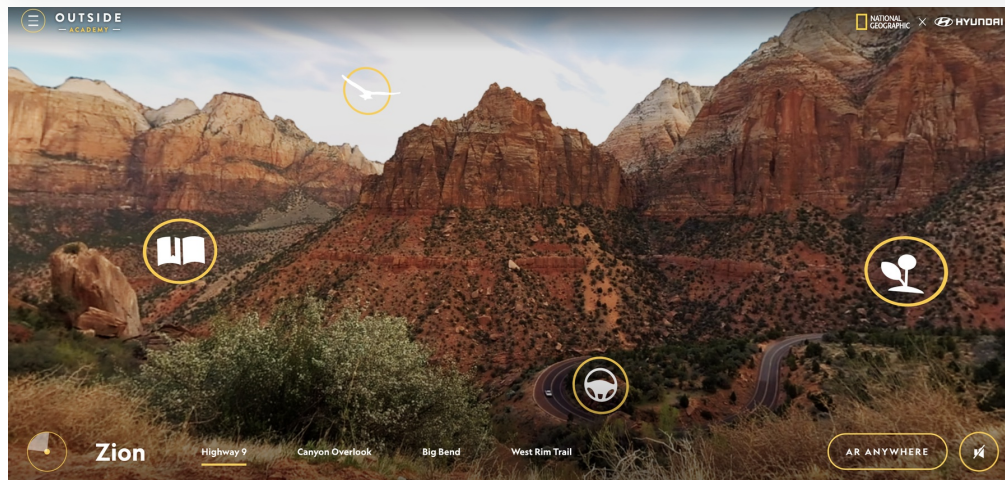
Through its partnership with Tafi, Coca-Cola is turning the Unity Collection virtual to tap into digital audiences. Samsung Galaxy users will be able dress their AR emoji in the collection's apparel, including shirts, tank tops, sweatsuits and more. The smartphone's AR capabilities also allow emoji to be captured in moving-GIF form, a feature that Coca-Cola is pushing users to activate in order to reflect the positive moods depicted in the original "Hilltop" ad.

Another advantage of teaming with Tafi, which designs branded digital content for mobile platforms, is that Coca-Cola can reach Samsung Galaxy users directly via a link in their devices' cameras, as well as through the Samsung Galaxy Store. Tafi has worked with Samsung Galaxy, one of the most popular smartphones in the U.S., since October 2020.

AR is increasingly becoming a go-to technology for marketers to create interactive, digital experiences for younger consumers. Earlier this year, Coca-Cola activated mobile AR content via collector's cups in a tie-up with White Castle. AR emoji in particular provide personalized opportunities for brands to connect with consumers, which could help explain Coca-Cola's decision to team with Tafi. Such avatars experienced a boost in popularity across a range of platforms due to virtual habits spurred by the pandemic, and given that videoconferencing is expected to stick around after the health crisis ends, avatars could continue to be a promising touch point for marketers.

Coca-Cola is also leveraging nostalgic themes as a way to engage with consumers. As with the original "Hilltop" ad, the virtual clothing collection channels "flower power" with messages of peace, love and unity. Nostalgia is a tried and tested way to use culture and history to reach consumers, and brands are continuing to activate it through their marketing efforts.

Article top image credit: Permission granted by Tafi



Hyundai touts hybrid cars in Nat Geo's AR series on national parks

By: Robert Williams • Published April 28, 2021

Hyundai has been appealing to prospective car buyers who are environmentally conscious by showcasing its electric and hybrid vehicles in National Geographic's AR series about national parks. Featuring the automaker's electric and hybrid vehicles, "Outside Academy" urges people to explore national parks virtually and physically.

Launched during National Park Week in April, the series is a way for National Geographic and Hyundai to showcase the great outdoors with an immersive digital experience that's also educational. "Outside Academy" is the publisher's first co-branded augmented reality series and arrived as the summer road trip season approached and people were looking for safe travel destinations amid ongoing concerns about the pandemic.

"Education for millions of students was disrupted this past year, so we partnered with National Geographic to create AR science, geography and history lessons from three of America's most

The series is an opportunity for Hyundai to associate its brand with eco-friendly transportation that squares with many people's concerns about climate change. It is available worldwide and has location-enabled features for driving trips through Zion, Yosemite and Great Smoky Mountains national parks. The geotargeted content is available as an effect in Instagram. The series also is integrated with information about Hyundai's electric and hybrid vehicles such as the 2021 Santa Fe HEV, Tucson PHEV and Ioniq 5.

The location-based content in Instagram provides a way to reach younger consumers who are heavy users of social media as they visit national parks. Almost three quarters (75%) of U.S. people ages 18 to 29 use the photo-sharing app, compared with 40% for all age groups, Pew Research Center found in a survey. By creating an interactive experience in Instagram, Hyundai can engage those younger prospective car buyers as demand for eco-friendly vehicles, including electric cars, continues to grow.

Hyundai's collaboration with National Geographic on branded content is another sign of the vehicle maker's digital marketing efforts to reach younger consumers who are more elusive to traditional media outlets like broadcast and cable TV. The company's luxury brand Genesis in late 2020 integrated its messaging in an online cooking show produced by digital media network Tastemade. The series, titled "Origins," featured tips from professional chefs and let viewers order ingredients for delivery through Amazon Fresh.

For National Geographic, the AR series continues its history of publishing nature-themed content. The publisher in the past few years has created several immersive experiences including the "Everest Climb" that let Instagram users virtually dress as mountain climbers and travel up Mt. Everest. Before that, National Geographic released an AR version of its magazine to observe

"Outside Academy" was created by National Geographic CreativeWorks, the branded content studio that is part of Disney Advertising Sales. Disney is a joint venture partner with National Geographic on its commercial activities including TV channels and publications.

Article top image credit: Courtesy of National Geographic



5G promises to unlock wider adoption of AR in marketing

Sixty-one percent of 5G mobile users said augmented reality ads grab their attention more than traditional formats, Ericsson Emodo found in a survey.

By: Robert Williams • Published April 15, 2021

The growing adoption of higher-speed 5G mobile service promises to provide marketers deeper ways of connecting with consumers through augmented reality (AR) experiences. The interactive content has a variety of applications for brands that

"A lot of brands have this concept that they have to get consumers to touch and feel a product, and get used to it," Jake Moskowitz, head of data strategy at Ericsson Emodo, the telecom equipment maker's mobile ad platform, said at the Mobile Marketing Association's Impact conference in early 2021. "COVID has permanently changed that part of human life where we're used to going out to exploring and being in a physical space for a long period."

AR experiences let brands and retailers that previously relied on brick-and-mortar stores to showcase their wares in ways that reach a broader audience on mobile.

"We're seeing AR works up and down the funnel in our early tests... Those exposed to AR love AR."

Jake Moskowitz

Head of data strategy, Ericsson Emodo

"The same things that drove our brands to need that flagship store or need for consumers to touch and feel physically — you can accomplish many of the same things at much greater scale using augmented reality," Moskowitz said in the discussion about the intersection of AR and 5G with Scott Elchison, manager of partnerships at IPG Media Lab.

Emodo has seen positive results in AR-based campaigns, including one for a national convenience store chain whose return on ad spend (ROAS) was 3.79 times greater, as measured by data location company Placed. AR not only can bring consumers into the purchase funnel, but it also can help to bring them closer to the point of sale.

"We're seeing AR works up and down the funnel in our early tests," Moskowitz said. "Those exposed to AR love AR."



5G phones. Many of those owners don't consider themselves to be tech-savvy, with two-thirds of self-proclaimed "later adopters" asking for more AR ads over traditional formats. Sixty-one percent of survey respondents who said 5G wasn't a major driver in their phone choice also said AR ads grab their attention more than normal ads do, the survey found.

Popular applications for AR

The three most popular marketing applications for AR are product try-ons, demonstrations and mixed reality portals, per Moskowitz.

Product try-ons use the front-facing camera to show a mobile user with a virtual overlay of makeup or clothing. AR sampling is most popular in the beauty industry, with major brands including L'Oréal and Estée Lauder adopting the technology early on to help mobile shoppers visualize their products without having to visit stores.

Product demonstrations have included everything from technology to home furnishings, with companies like Ikea among the first adopters of AR. The company developed 3D models of its products that mobile users could virtually place in their real surroundings through a smartphone camera.

"If you have a physical product, and people want to see how it's going to fit into their life or their environment around them, that visualization is a great tool to provide some sort of tangibility in a traditionally 2D environment," IAB Tech Lab's Elchison said.

Mixed reality portals use a smartphone's rear camera to show a computer-generated doorway that's fixed in the user's surroundings. By walking forward through the portal, the AR experience gives the illusion of entering a completely virtual world that can be viewed at different angles. Luxury brand Gucci Beauty, store chain Kohl's and toy retailer Toys 'R' Us featured AR portals in their campaigns to immerse shoppers in a branded experience.



Moskowitz said Emodo is pushing digital ads that have embedded AR experiences instead of pointing consumers elsewhere, making the content more immediate and engaging.

"We're working to bring the AR experience into the ad itself so that we can provide far greater reach and scale," he said.

"Advertising has fallen behind — AR has come a lot further and advertising has followed it, but that is changing right now."

Creating content for AR environments requires specialized knowledge, including expertise that's commonly found among designers of video games who work with 3D renditions of objects, Elchison said. In many cases, they may use software like Unity or Epic Games' Unreal Engine to create graphics for virtual environments.

"There is a whole new vocabulary that you need to learn to properly talk to game designers and game developers to make these assets," Elchison said. "It truly is a specialized skill to build out one of these experiences. It's very different from your traditional banner assets or video production."

In the longer term, AR experiences are set to become a more significant part of brands' ad creative, Elchison predicts.

"We're going to see a lot of our creative assets, our marketing materials — everything that is traditional in the whole marketing pipeline today when it comes to creative especially — is going to start to be optimized for 3D environments," he said.

Article top image credit: Retrieved from Snapchat on April 14, 2021



Snap prioritizes creators with AR-equipped smart glasses

Before selling the new Spectacles to the public, the company is distributing the device to select creators who make augmented reality Lenses for Snapchat.

By: Robert Williams • Published June 3, 2021

Snap has equipped its next generation of smart glasses with augmented reality (AR) technology to help foster stronger ties with people who create content for its photo-messaging app. The limited release among creators may help Snap to drum up interest in AR wearables before selling them to the general public, potentially opening another media channel for marketers to interact with consumers. At the same time, the strategy enables Snap to support the creation of the kind of content that could keep current users engaged.

The company is among several developing AR glasses that show digital images on their lenses, letting the wearer view much of the same information that's currently available on a smartphone screen, but in a more immersive fashion. Apple and Facebook are developing similar wearables, seeking to pick up where Google left off with its Glass headsets that failed to gain traction among consumers.



wireless device strategies at Strategy Analytics. "A lot of players in the industry are talking and thinking and speaking about AR, but it's more about planning and experimenting."

That spirit of experimentation is evident in Snap's AR-equipped Spectacles, which the company introduced in May 2021 at its annual Snap Partner Summit. Unlike previous generations of Spectacles, the new models aren't yet ready for consumer purchase. Instead, Snap is taking a different approach by distributing them to select creators who make Lenses, the popular AR feature in Snapchat for decorating selfies and pictures with digital imagery.

The limited release is reminiscent of Google's marketing for its Glass headset, which the search giant introduced in 2013 to qualified "Glass Explorers" in the U.S. before making the device available to the public a year later. Unlike Google, Snap is offering the Spectacles for free to its AR creator community of 200,000 people who have designed more than 2 million Lenses, Snap announced at its summit. Creators can apply for a chance to receive the Spectacles by applying on the product's website, which asks for samples of their creative works.

Geared for creators

The Spectacles have several features that make AR content a more interactive — rather than passive — viewing experience. Their 30-minute battery life currently isn't geared for extended wear, but Snap emphasized how creators can use the wearable device in their experiments with AR content. By supporting its creative community, Snap is laying the groundwork for more AR applications down the road within sales and marketing.

"A lot of players in the industry are talking and thinking and speaking about AR, but it's more about

Neil Mawston

Executive director of wireless device strategies, Strategy Analytics

Spectacles' role as a development tool is evident in their integration with Lens Studio, Snap's desktop software for creating and distributing AR content. The wearable device has two cameras to capture video and support a Scan feature that suggests a Lens based on a wearer's unique field of view. The glasses also have four built-in microphones to record audio and allow for the use of Voice Scan to launch Lenses, removing the need to tap the touchpad on the glasses' arm. The touchpad has two buttons to activate the Scan feature or capture 10-second clips of Lens overlays and share them on Snapchat.

Depending on Spectacles' acceptance among the AR creative community, Snap may market the product to consumers as it did with previous versions of the glasses that had limited functionality. Earlier Spectacles models offered a way to record video and post to Snapchat, but didn't let the wearer view digital content on their lenses. Those versions of Spectacles didn't gain widespread acceptance after initial fanfare, and the company reported a loss on unsold inventory in 2017.

Measuring consumer need

Snap's more cautious approach with its AR-enabled Spectacles this time around is warranted until consumers show more of a need for wearable devices that offer hands-free functionality along with the versatility of smartphones. Still, people may be more willing to buy AR glasses from a tech company that has a track record of developing hardware. For that reason, Strategy Analytics' Mawston predicts a company like Apple could be a major player in the development of consumer-facing AR headsets

scaling production as needed.

Apple is said to be developing a variety of headsets, though its standalone AR headset isn't expected to be ready for several years, 9to5Mac reported. More immediately, the company is preparing to launch an AR/VR headset aimed at the developer community, similar to Snap's current strategy with Spectacles. Apple's first headset will have 15 cameras to track eye movements to provide better image quality.

"Apple is probably the catalyst in terms of whether augmented reality or virtual reality takes off on a mass scale," Mawston said. "Lots of companies are trying it, but nothing is really hitting the sweet spot."

Article top image credit: Retrieved from Snap on June 03, 2021



Brookfield Properties opens AR ad inventory across 100-plus shopping malls

By: Asa Hiken • Published July 9, 2021



physical mall presence into "phygital" experiences by offering augmented reality (AR) ad inventory throughout its shopping centers nationwide. The effort is in partnership with The Aria Network, which now has exclusive rights to Brookfield Properties' untapped virtual air space.

Using Aria's AR technology, marketers will be able to leverage Brookfield's retail space — cumulatively covering more than 150 million square feet in 100-plus locations across 42 states — for branded content accessible through mobile phones. Other opportunities afforded by the ad network include virtual mall directories, wayfinding in mall environments, immersive retail displays, touch-free transactions and more.

Though developed before the pandemic, phygital experiences have received more attention since March 2020 as retailers have sought safe yet fresh ways to engage in-person shoppers. Nike tested the market earlier this year through a recreation of a state park in its NYC flagship store. At a time when mall shopping is declining, Brookfield Properties could use its phygital offering to stir up much-needed interest for its many tenants. In September 2020, the real estate subsidiary laid off 20% of its retail arm.

As people spend more time on their phones, AR experiences are becoming central to the retail industry. Companies like Google, Pinterest and Snap are focusing more of their e-commerce offerings around the technology, which brands have been activating across a variety of categories. AR marketing is one way in-person commerce can compete with its internet-based rival.

Aria, founded two years ago, has been steadily gaining traction in adland. The company used its AR tech to help power the 2020 Super Bowl halftime show, and plans to bring its platform to more public spaces, including airports, music festivals and universities. Former CEO of Interpublic Group David Bell, CMO of Mastercard Raja Rajamannar and former global CMO of Facebook Antonio Lucio are among members of Aria's advisory board.

