

The Pandemic Is Accelerating AR Adoption for Retailers and Entertainers

Article by **Debra Aho Williamson** | Sep 9, 2020 | 4 min read



In a March 2020 article, Nielsen called the coronavirus pandemic an “unexpected catalyst” for the adoption of augmented and virtual reality (AR and VR) to assist with the shopping experience. Budget cuts and advertising pullbacks are giving companies in industries like retail, accessories, and entertainment new reasons to explore AR's and VR's benefits.

“Advertisers may have historically thought about AR as the shiny object in the media plan—the tactic that is attention-grabbing or innovative enough to win an award, but not necessarily a business driver,” said Courtney Christ, associate direct of paid social at Mindshare. “But now more than ever, tactics and media dollars on social are being scrutinized. Brands are thinking about how AR can provide more utility.”

According to research published in July 2020 by CommerceNext and Exponea, a customer experience company, more than 20% of US retailers expected to invest in AR or VR for their company’s online store in June, up from 8% in January.

Coronavirus Impact: US Retailers Who Plan to Increase Marketing Investments in Select Emerging Technologies, Jan 2020 & June 2020

% of respondents

	Jan 2020	June 2020
Messaging/SMS platforms	51%	56%
Customer data platform (unified view of the customer)	57%	49%
Advanced attribution & measurement technologies	48%	43%
AI and other technologies (for personalization, customer service, etc.)	44%	43%
Alternative payments (Apple Pay, cryptocurrency, AfterPay, etc.)	52%	40%
Security/privacy compliance	50%	32%
AR/VR for your digital store (e.g., virtual product viewing)	8%	21%
Programmatic TV	31%	21%
Visual search	15%	16%
Voice-enabled search or voice commands, such as online personal assistant	8%	4%

Note: January 2020 n=111; June 2020 n=75

Source: CommerceNext, "The Big Pivot: How Traditional and Digital-first Retailers Re-prioritized Marketing Investments in the Wake of COVID-19" sponsored by Exponea, July 24, 2020

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Some retailers had already been dabbling in in-store AR, offering things like 3D body scanning or virtual try-on mirrors. But with many stores closed or operating at reduced capacity, these businesses have had to pivot toward digital commerce and are now evaluating mobile-based virtual try-on and other AR features with new enthusiasm.

"As soon as COVID-19 happened, people didn't want to go into malls and sunglass stores to try on glasses," said Chris Abbruzzese, vice president of trade marketing for sunglasses, goggles, and helmet manufacturer Bollé Brands. "Who wants to touch something that was on somebody's face? I'm not supposed to touch my own face, let alone wear glasses that touched someone else's face."

That led the company to develop a try-on experience on Instagram that not only let the user see what its sunglasses looked like on them, but also let them experience their own environment through the polarized lenses of virtual sunglasses.

Outside of retail and accessories, AR has struck a chord with musical artists who can't perform live shows during the pandemic. In August, performing artist The Weeknd teamed up with TikTok for what was billed as TikTok's "first ever in-app cross-reality experience," which included VR and AR elements.

"Recording artists are using AR as an extension of not just their brand, but of their music video, allowing fans to quite literally participate in their music," said Allison Ferenci, co-founder and CEO of Camera IQ, which helps marketers create AR experiences on Facebook, Instagram, and Snapchat.

And some consumers are engaging with AR more often during the pandemic. In Q2, the number of people who played with Snapchat Lenses every day grew 37% year-over-year (YoY). And when Camera IQ evaluated how its clients' executions performed in Q2 2020, the company found that median views (the number of times an AR experience is viewed) increased 1.4 times and median plays (the number of times an AR experience is interacted with) were up 1.9 times vs. Q1.

Marketers often think AR is "only going to be good when there's wearables," said Joe Williams, immersive lead at publisher LadBible Group. "Everyone's always looking around the corner rather than embracing the here and now of what people are doing, which is missing the point completely."

The more the social platforms can lean into use cases that are truly useful, the more likely it will be that marketers will adopt AR. There will always be a fun and entertaining aspect to AR, but experiences that are strictly playful with no bigger marketing payoff won't be prioritized in marketers' plans.

To learn more about how the pandemic is accelerating social AR and VR adoption, eMarketer PRO subscribers can read our recent report:



Report by Debra Aho Williamson Aug 26, 2020
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