

Mobile AR is already a serious moneymaker

Article

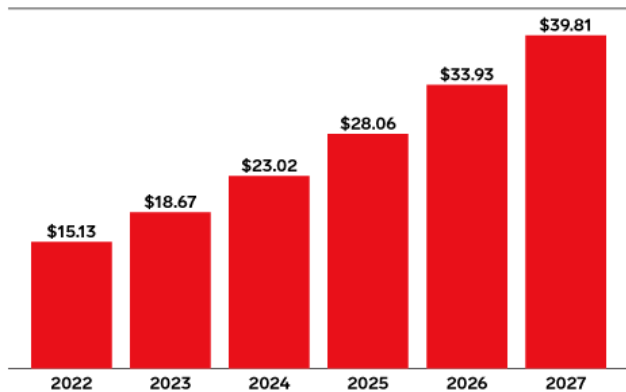
There are 3.60 billion people around the world who have phones capable of delivering AR, and 1.06 billion already use mobile AR, according to a March 2023 report from ARtillery Intelligence.

- **AR advertising generates sizable revenues.** Of the \$18.67 billion in mobile AR revenues worldwide ARtillery Intelligence projects for 2023, 18.8%, or \$3.50 billion, will come from AR advertising revenues. That will roughly triple to \$10.74 billion by 2027. Even so, the 2023 figure is just **0.7% of mobile ad revenues worldwide**, per our forecast.

- **Snapchat Lenses capture the biggest slice of mobile AR ad revenues.** The product's \$1.51 billion in 2023 will more than double runner-up Meta's \$730 million from mobile AR ads, according to ARtillery Intelligence. A huge increase in visual search ad revenues is likely through 2027, accounting for more than \$5 billion in additional mobile AR ad revenues.
- **Consumer spending on AR is still low but could scale quickly.** Most direct consumer spending on AR right now is in games—primarily Pokémon Go, which generated \$1.3 billion in 2021 (the latest full-year figure), according to Sensor Tower. But Snapchat launched a new feature in December 2022 that lets creators make money from Snapchat Lenses, so this could change.
- **The expansion of QR codes makes it easier to launch AR.** We project 94.1 million smartphone users will scan QR codes in the US this year, and **marketers are using this large audience to launch AR experiences** from billboards, packages, and print advertisements.
- **Where bulk matters less, new AR ad formats may show up.** Car companies (e.g., BMW, Audi) and ski goggle brands (e.g., Rekkie) already provide some basic speed, direction, and safety information projected onto the windshield or lens. They could eventually serve apps and ads that generate revenues.

Mobile AR Revenues Worldwide, 2022-2027

billions



Note: consumer and enterprise applications; includes productivity software, advertising/marketing, consumer spending on in-app purchases & premium apps, entertainment & games development, and retail/ecommerce enablement software
 Source: ARtillery Intelligence, "Mobile AR Global Revenue Forecast, 2022-2027" as cited in press release, March 20, 2023

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Report by Yoram Wurmser Apr 18, 2023

US AR Users 2023

