Snapchat's push into augmented reality shopping is set up for success

Article



The news: Snapchat announced a slew of new features and products at its Partner Summit last week, many of which centered on augmented reality (AR) and ecommerce:





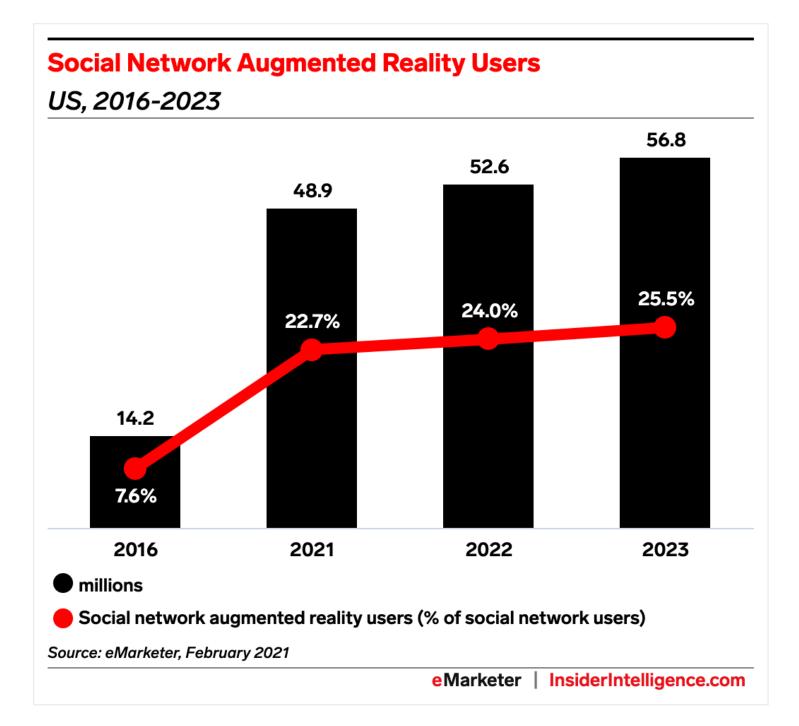
- A new, developer-exclusive version of its AR-enabled Snap Spectacles.
- An improved AR scan feature that can use the camera to, say, identify dog breeds or Amazon products.
- Scan will also be getting a Screenshop integration after Snap acquired the company last month. This provides clothing product recommendations based on photos a user takes.

Why it matters: For now, AR ecommerce is still new—just 10% of US adults said they've used AR to shop, and only 35% said they were interested, per an April 2021 survey by Bizrate Insights for Insider Intelligence. But as AR adoption grows, big players like Amazon, Walmart, and Pinterest have thrown their hats into the AR ecommerce ring.

Snap has a few major advantages over its competitors:

- 1. Unlike other social or shopping apps, the camera is central to the Snapchat experience. It's the first thing people open the app to, giving Snap the ability to serve users AR experiences more frequently than other apps.
- 2. Snap has a strong track record of AR innovation—it pioneered the AR Lenses that the likes of Instagram and TikTok quickly adopted, for example. They quickly became one of its most popular features: By 2017, Snap estimated that one in three daily users were engaging with Lenses.
- 3. And because Snapchat users are already accustomed to AR, getting them to adopt newer features like AR shopping may be easier. Since users were already familiar with Lenses, for example, Snap didn't need to create any new features for its inaugural AR ecommerce campaign with Nike—it just added a "buy" button to a Nike AR Lens. The shoes sold out in 23 minutes. That success story is good news for its Screenshop integration, which will be built into its camera feature.

Key stat: When Snap launched the first version of its AR Spectacles back in 2016, just 7.6% of all US social media users (14.2 million) used AR, per our estimates. This year, we expect 22.7% of US social media users (48.9 million) to use AR.



The big takeaway: As social media companies chase ecommerce dollars and ecommerce companies chase AR experiences, Snapchat is perhaps the best-positioned to make AR shopping a central part of its platform.