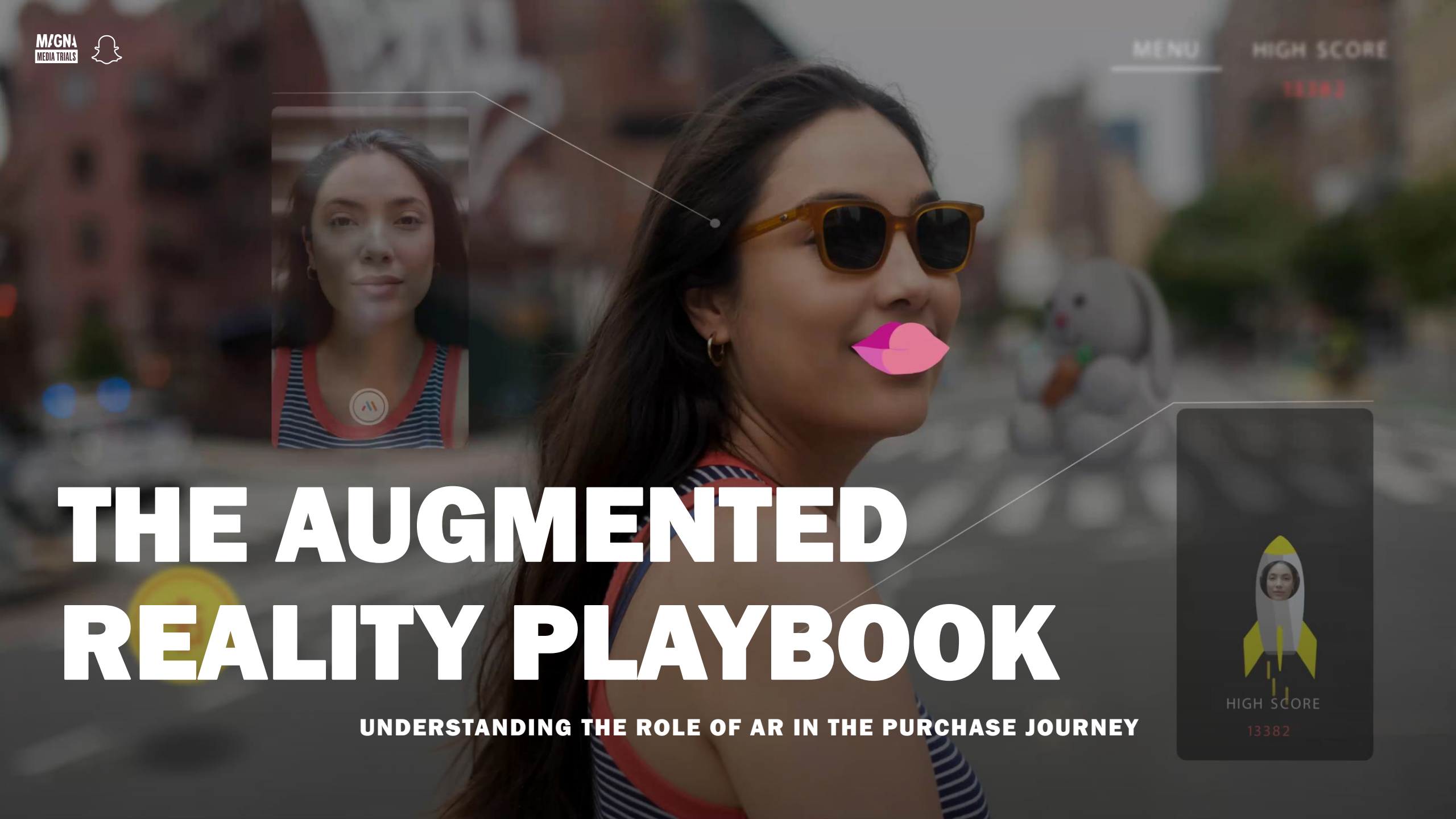
The Augmented Reality Playbook

Aarti Bhaskaran

Snap Inc.

Brian Hughes

MAGNA



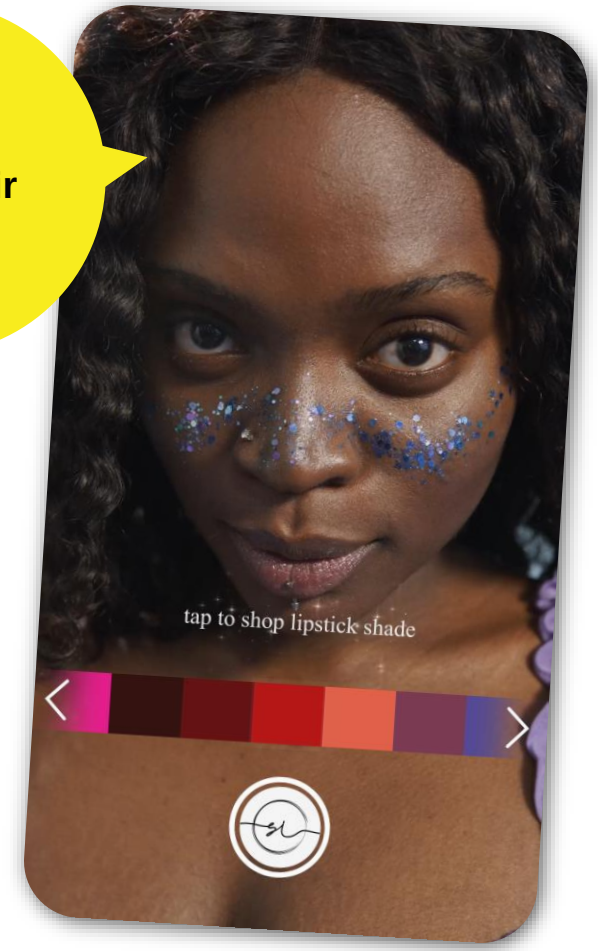
THE AUGMENTED REALITY PLAYBOOK

UNDERSTANDING THE ROLE OF AR IN THE PURCHASE JOURNEY

AR IS UNDENIABLY UNIQUE

AR allows consumers to…

Try on makeup from their home



See what new furniture looks like in their living room

Playfully interact with brands

BUT WHERE EXACTLY DOES

FIT IN A MARKETER'S TOOLKIT?

WHO WE TESTED AND WHERE

RAN EXPERIMENTS TO UNCOVER…

1. The true capabilities of AR ads
2. The role of AR ads in the consumer purchase journey

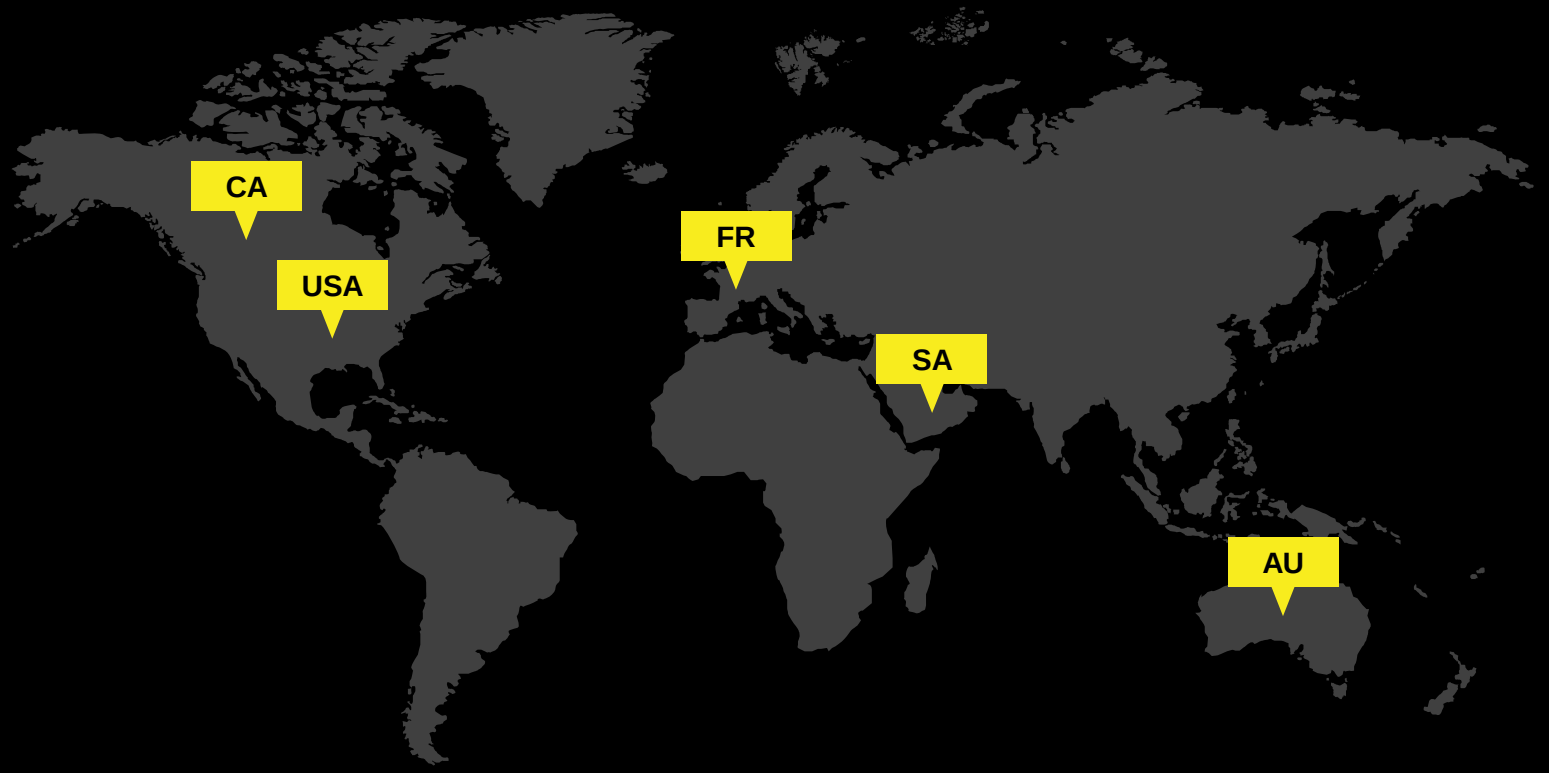
VERTICALS

- Auto: Car
- Clothing
- Telecommunications
- Retail
- Toys
- Candy

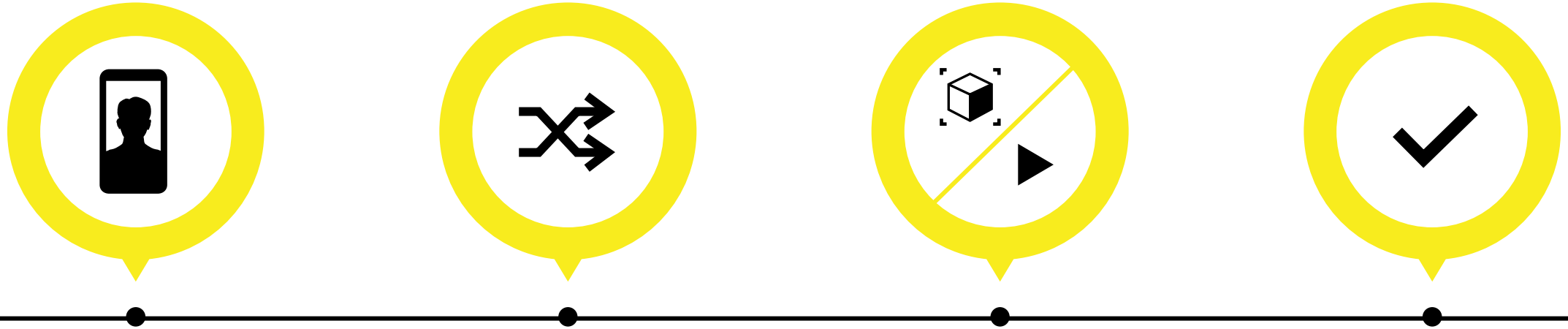
BRANDS

kmart, LEGO, HONDA, HERSHEY'S, stc

TESTED IN 5 COUNTRIES:



OUR METHOD



Who

Recruited from a representative mobile panel

n=9,177

Randomization

Once users qualified for a media platform based on natural habits, users were randomized into a test cell:

Control Ad // Test Ad

Media Experience

Explored one of three Snapchat AR experiences

or

Watched video on video aggregator with 15-second pre-roll ad served

Responses

Post-exposure survey measuring impact on branding metrics

THE TRUTH ABOUT AR ADS

HOW AR COMPARES TO TRADITIONAL PRE-ROLL

MAGNA MEDIA TRIALS

AR ADS ARE MORE THAN FUN. AR PROVIDES UTILITY AND INFORMS ABOVE AND BEYOND PRE-ROLL ADS

Ad Opinions | All Brands
Deltas (AR – Pre-Roll)

AR Ads Pre-roll Ads

Fun ..... **+8%↑**

Enjoyable ..... **+6%↑**

Informative ..... **+5%↑**

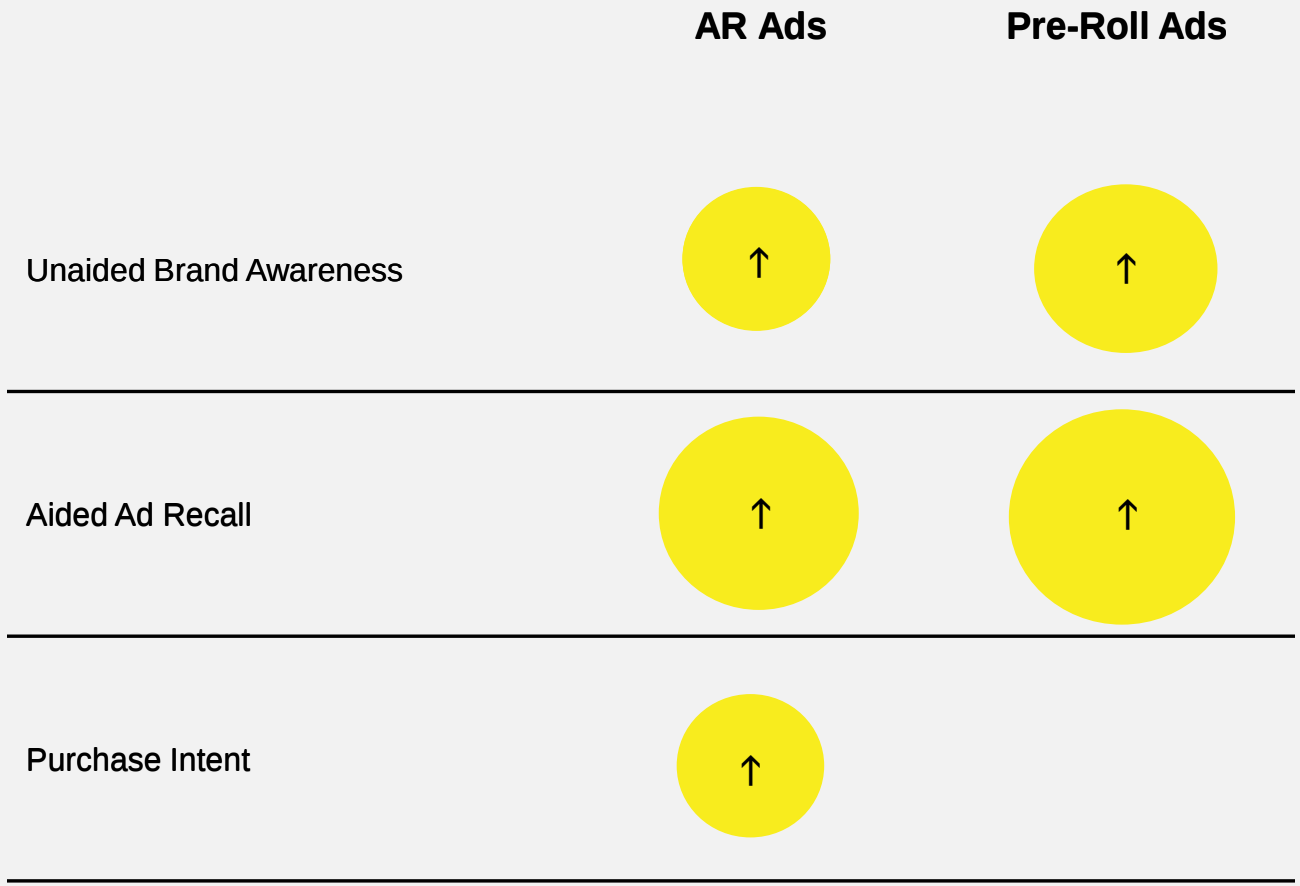
Useful ..... **+6%↑**

Exposed only, AR Ad N=3271, Pre-roll Ad N=1363
↑ = Statistical significance between Exposed and control groups at >=90% confidence level

AR ADS PERFORM JUST AS WELL AS PRE-ROLL IN ACHIEVING BRAND OBJECTIVES

Impact of Ads

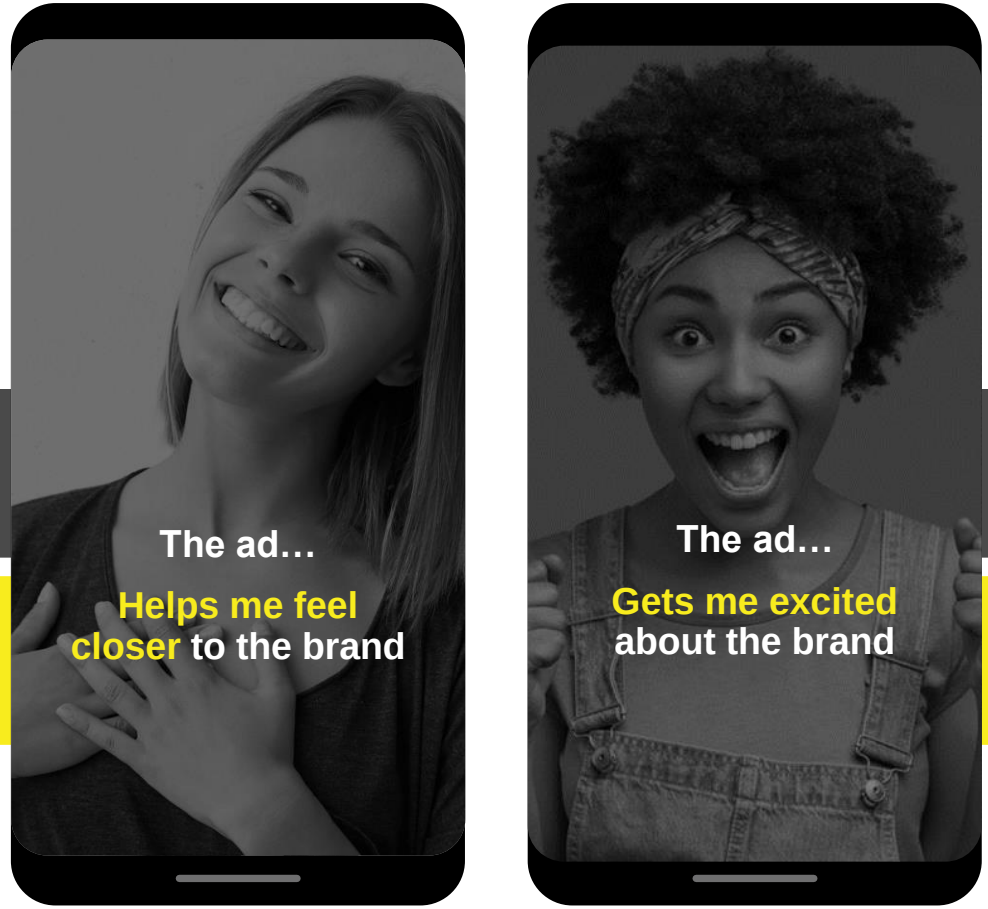
Deltas (AR – Pre-Roll)



AR, Exposed n= 3268, Control N= 3187; Pre-roll, Exposed N= 1359, Control N= 1363
↑: Statistical significance between AR ad and Video ad at >=90% confidence level

AR'S PERSONALIZED EXPERIENCES HELP BUILD DEEPER CONNECTIONS

Ad Opinions | All Brands
Deltas (AR – Pre-Roll)



Pre-roll Ads

AR Ads, **+14%↑**

Pre-roll Ads

AR Ads, **+9%↑**

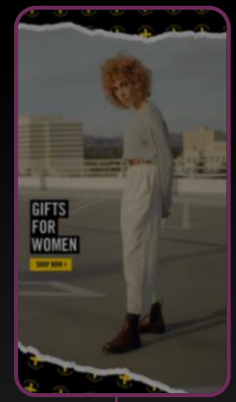
Exposed only, AR Ad N=3271, Pre-roll Ad N=1363
↑: Statistical significance between AR ad and Video ad at >=90% confidence level

KEY FINDING

AR ads provide utility and help brands build deeper connections with consumers. Marketers should leverage this to differentiate their brand when it matters most.

INSIDE THE PURCHASE JOURNEY

THE ROLE OF AR IN THE PURCHASE JOURNEY



MAGNA MEDIA TRIALS

THE PURCHASE JOURNEY, DEFINED.

BEGINNING OF JOURNEY

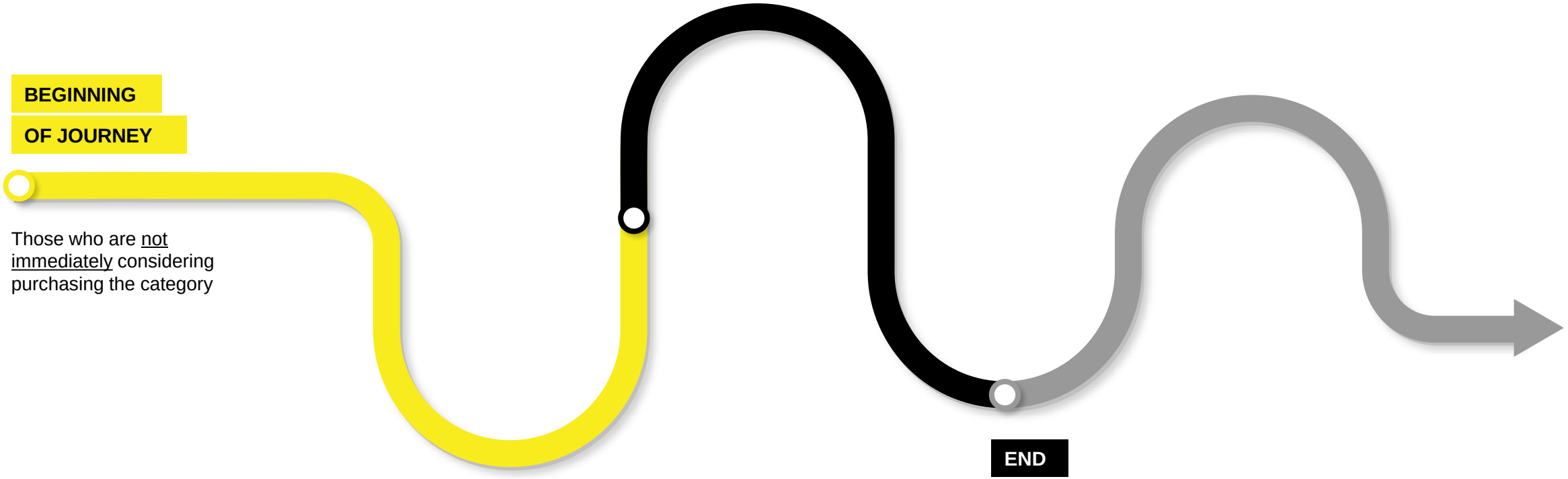
Those who are not immediately considering purchasing the category

MIDDLE

Those who are immediately considering purchasing the category

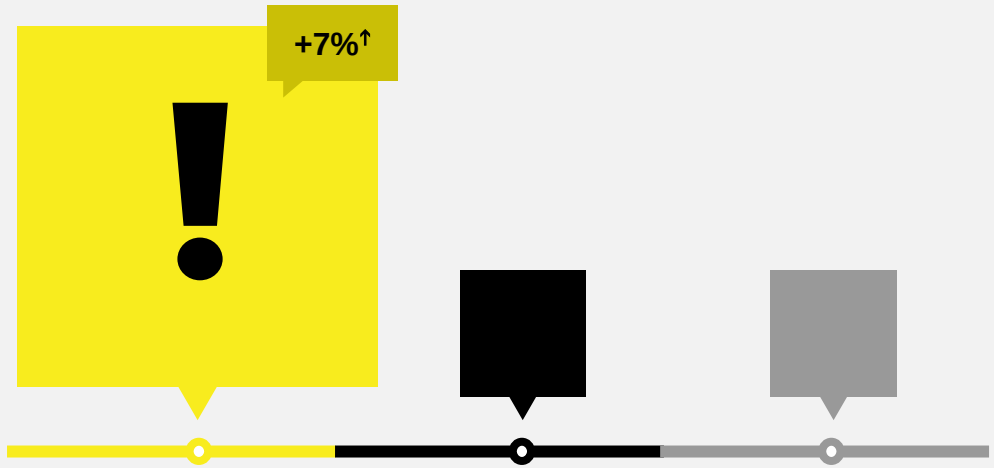
END

Those who are immediately considering purchasing the category and who are including the test brand in their consideration test



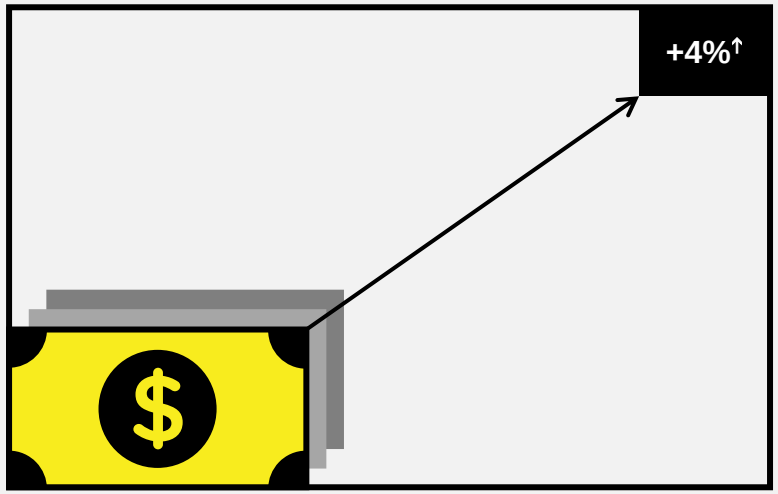
AR ADS CAPTURE THE ATTENTION OF BROAD AUDIENCES EARLY IN THE PURCHASE JOURNEY

Aided Ad Recall
Deltas (Exposed - Control)



...AND PROPEL SOME TO DESIRE PURCHASING SOONER.

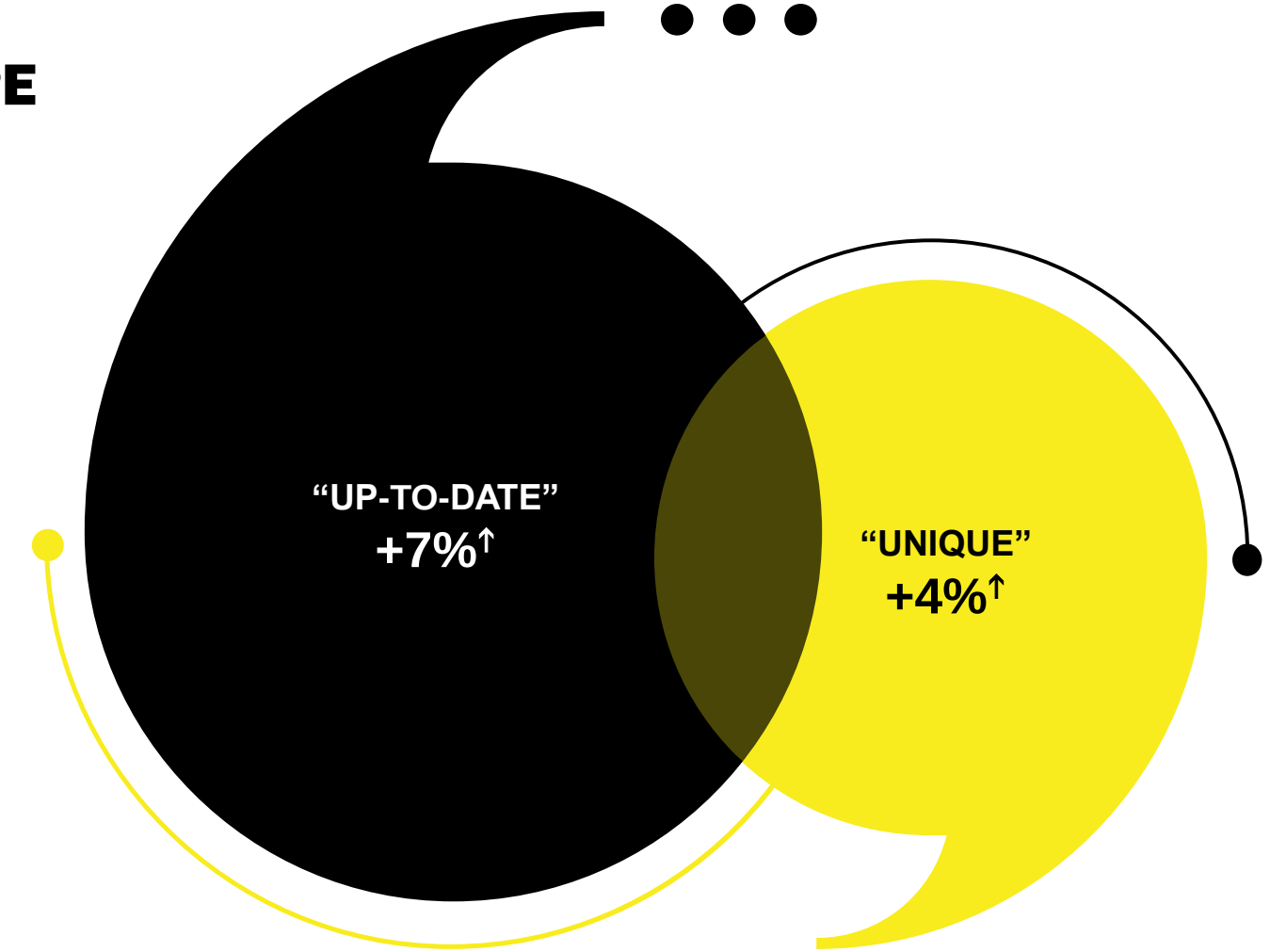
Purchase Intent
Deltas (Exposed - Control)



Beginning, Exposed N=677, Control N=604
Beginning: Those who are not immediately considering purchasing the category
↑ = Statistical significance between Exposed and control groups at >=90% confidence level

FOR THOSE IN THE CONSIDERATION PROCESS, AR ADS SHAPE BRAND OPINIONS

Impact of AR Ads
Deltas (Exposed - Control)

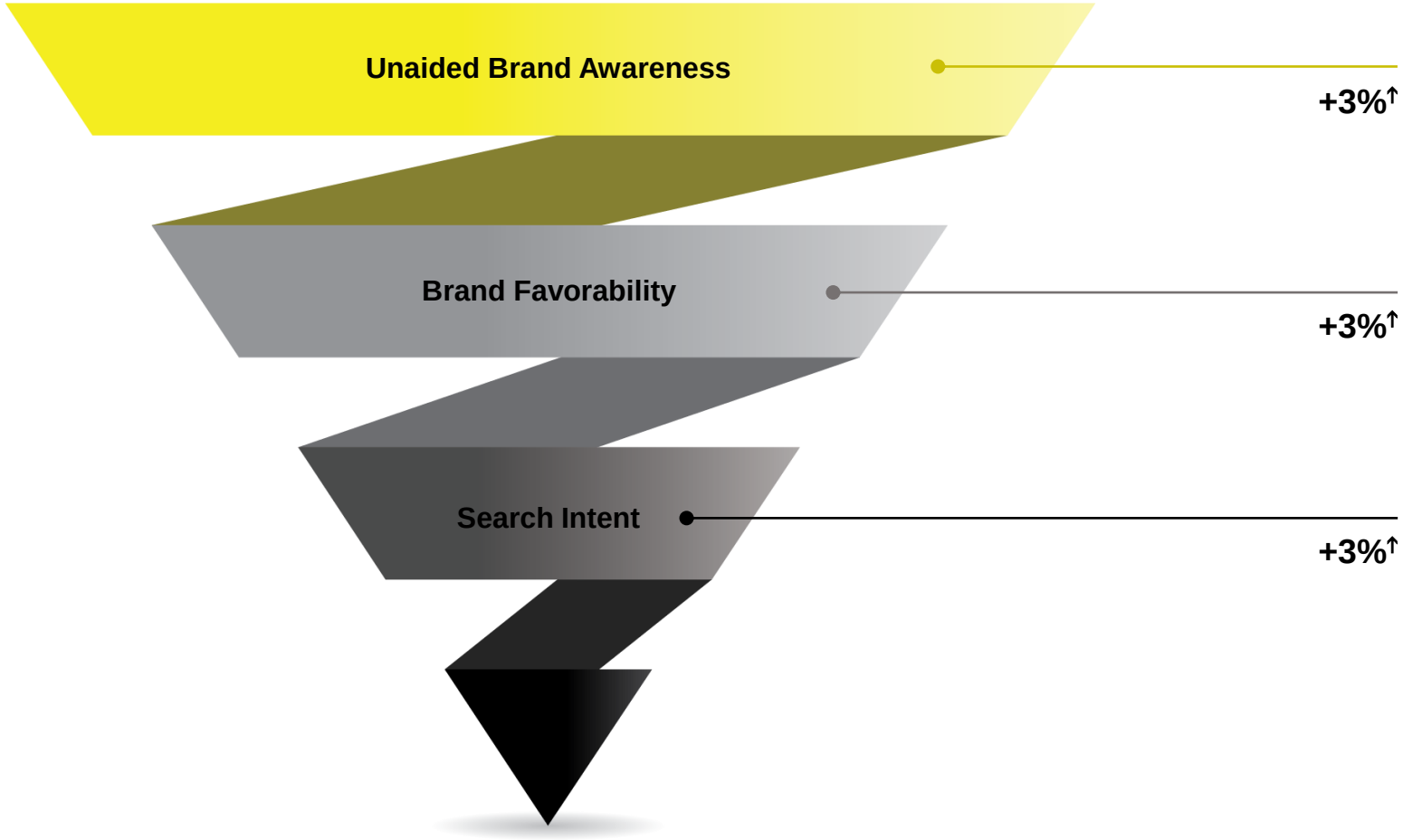


Middle, Exposed N=1043, Control N=1055
Middle: Those who are considering purchasing the category soon
↑ = Statistical significance between Exposed and control groups at >=90% confidence level

FOR THOSE CLOSEST TO DECISION-MAKING, AR ADS INFLUENCE METRICS ACROSS THE BRANDING FUNNEL

AR brings the brand top-of-mind, solidifies overall brand opinions, and drives people to take the next step

Impact of AR Ads
Deltas (Exposed - Control)



End, Exposed N=1548, Control N=1529
End: Those who are considering purchasing the category soon and the test brand is in their consideration set
↑ = Statistical significance between Exposed and control groups at >=90% confidence level

KEY FINDING

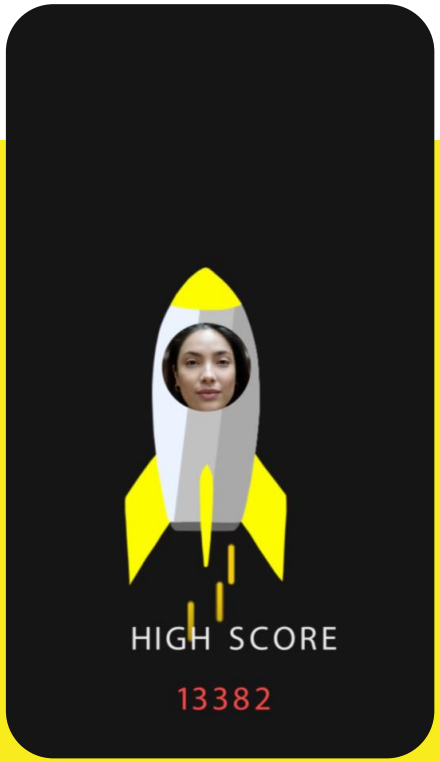
AR ads play a unique role in each phase of the purchase journey. Hence marketers shouldn’t view AR as an add-on but rather use them to build and amplify the brand by matching the right goals with the right target audience.

AR LENS TACTICS

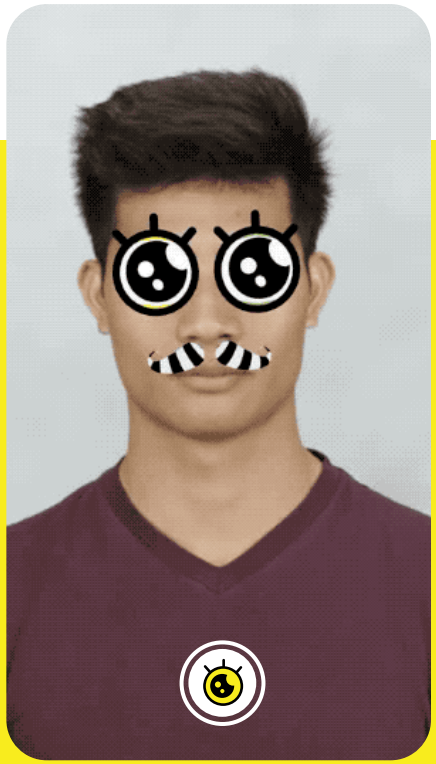
HARD AT WORK

TYPES OF AR ADS & TACTICS TESTED

Shoppable AR

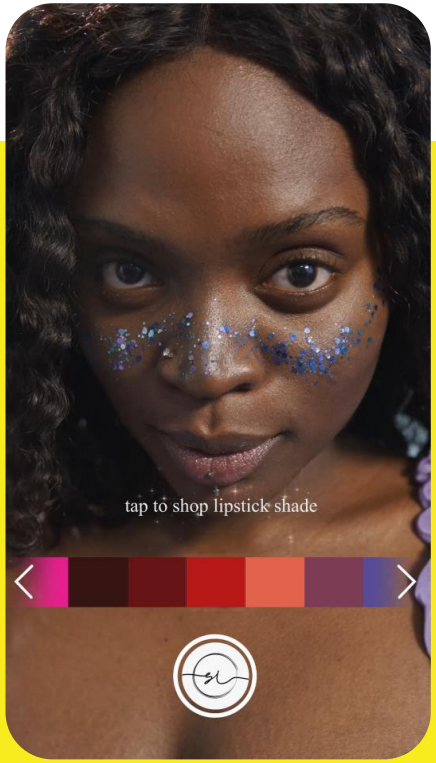


Entertainment
**\\ Gaming AR **



Entertainment
**\\ Not Gaming AR **

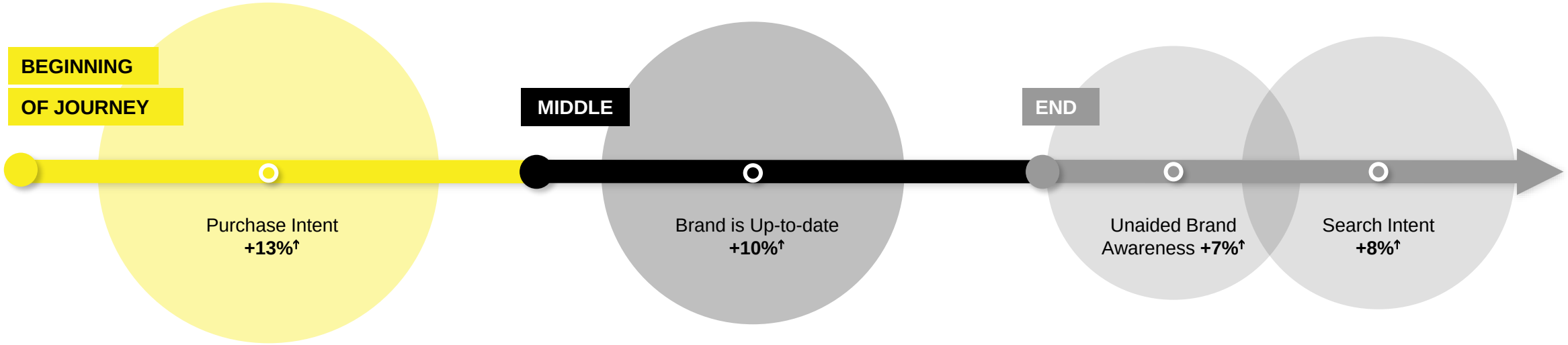
World Facing AR



Front Facing AR

WHILE EFFECTIVE THROUGHOUT, SHOPPABLE LENSES TRIGGER THOSE AT THE END OF THEIR JOURNEY TO TAKE THE NEXT STEP

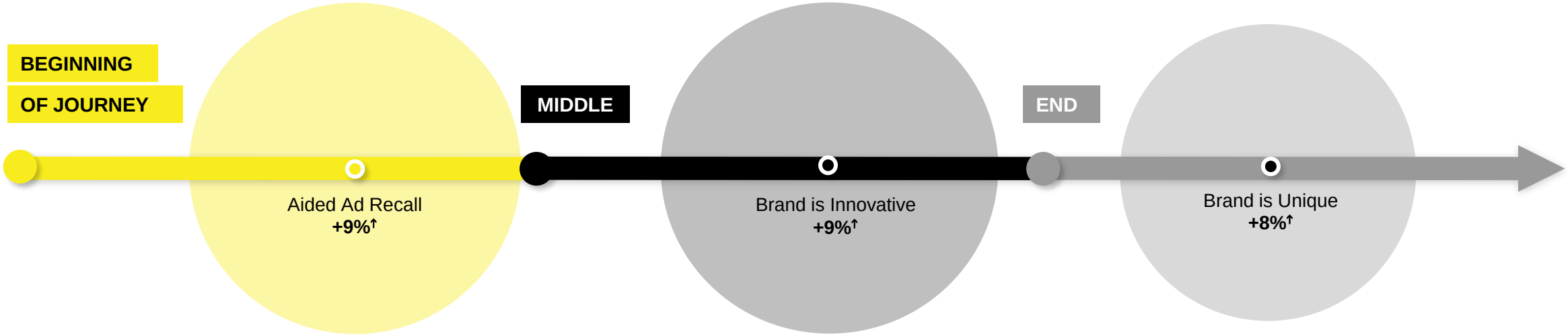
Impact of Shoppable AR
Deltas (Exposed - Control)



Shoppable AR, Beginning, Exposed N= 219, Control N= 195; Middle, Exposed N=293, Control N=193; End, Exposed N=402, Control N=425
Beginning: Those who are not immediately considering purchasing the category
Middle: Those who are considering purchasing the category soon
End: Those who are considering purchasing the category soon and the test brand is in their consideration set
↑ = Statistical significance between Exposed and control groups at >=90% confidence level

FUN & INTERACTIVE ENTERTAINMENT LENSES HELP BOOST MEMORABILITY AND BRAND PERCEPTION

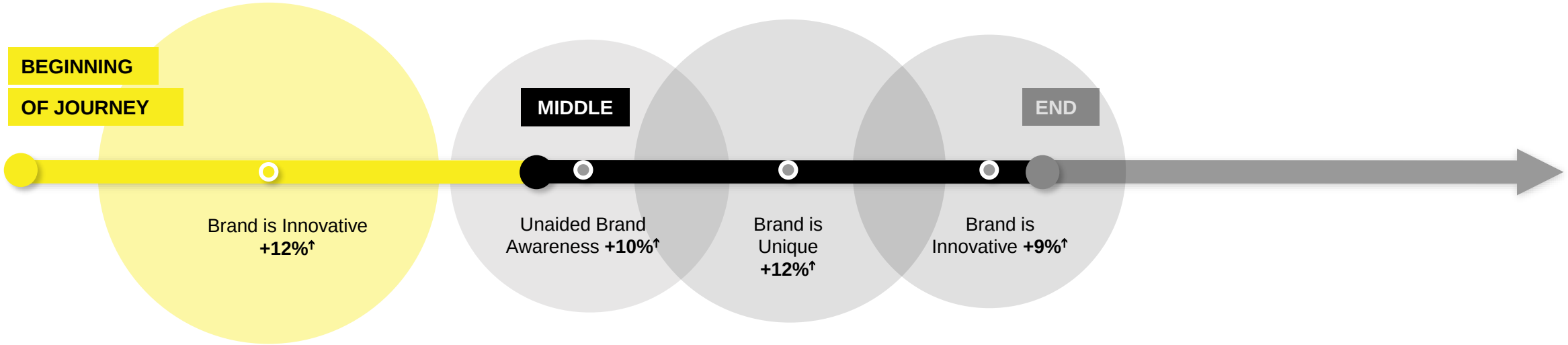
Impact of Entertainment AR | Not Game
Deltas (Exposed - Control)



Entertainment AR, Beginning, Exposed N= 216, Control N= 208; Middle, Exposed N=286, Control N=275; End, Exposed N=433, Control N=428
Beginning: Those who are not immediately considering purchasing the category
Middle: Those who are considering purchasing the category soon
End: Those who are considering purchasing the category soon and the test brand is in their consideration set
↑ = Statistical significance between Exposed and control groups at >=90% confidence level

GAMIFIED ENTERTAINMENT LENSES WORK HARDEST AMONG BROADER AUDIENCES BY SHAPING BRAND IMAGE

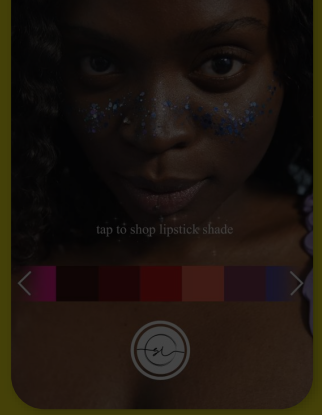
Impact of Entertainment AR | Game
Deltas (Exposed - Control)

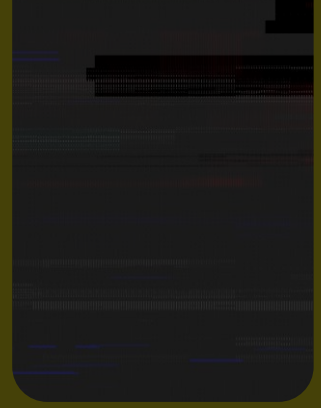


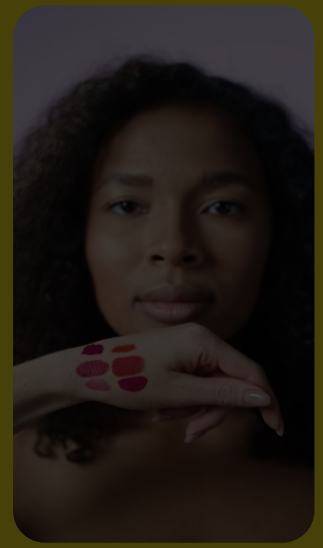
Entertainment AR, Beginning, Exposed N= 157, Control N= 157; Middle, Exposed N=168, Control N=192
Beginning: Those who are not immediately considering purchasing the category
Middle: Those who are considering purchasing the category soon
↑ = Statistical significance between Exposed and control groups at >=90% confidence level

KEY FINDING

While AR can shape how consumers feel about brands, marketers should think about how to use different AR types to help them achieve their desired outcomes.

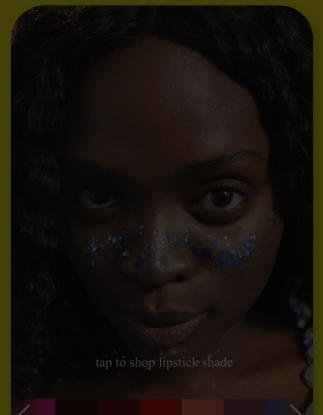






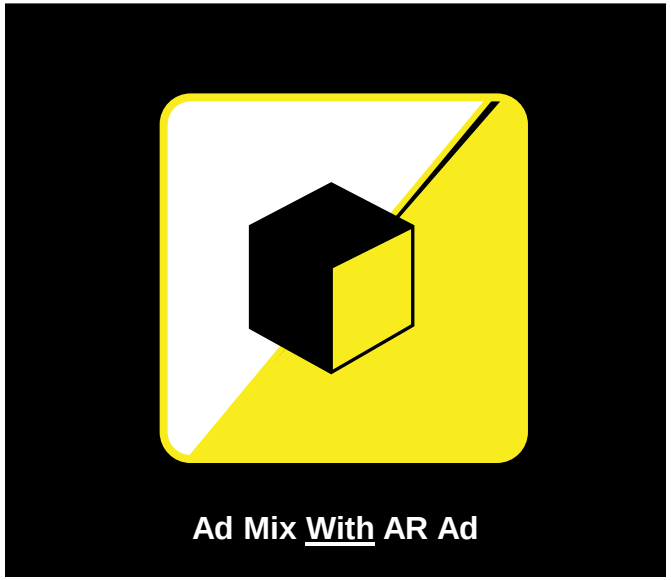
MIXING IT UP

THE IMPACT OF AD SEQUENCE



MAGNA MEDIA TRIALS

WHAT IS THE IMPACT OF AR IN THE MIX?



Ad Mix With AR Ad

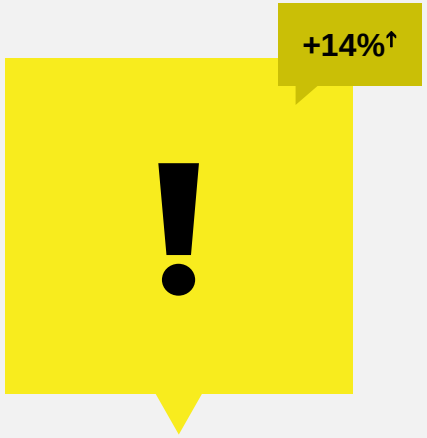
Ad Mix Without AR Ad

AR IS AN INTEGRAL PART OF THE MEDIA MIX

Brands benefit directly with higher purchase intent and brand preference when an AR ad is in the mix.

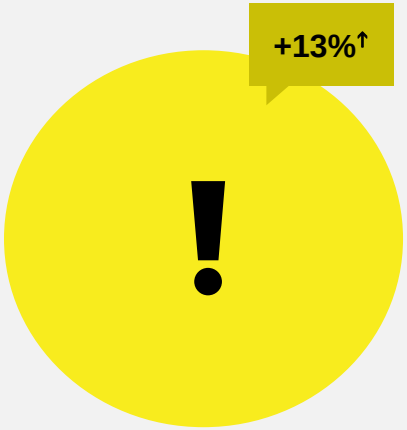
Impact of AR in Ad Mix | Controlling for Frequency
Deltas (Exposed - Control)

Ad Mix Without AR Ad

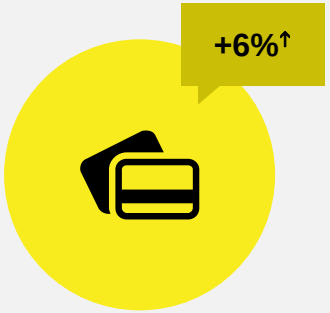


Aided Ad Recall

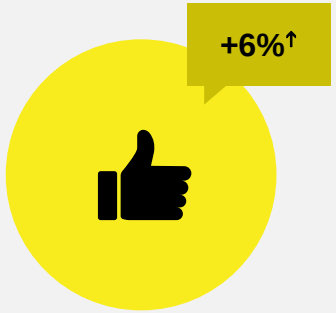
Ad Mix With AR Ad



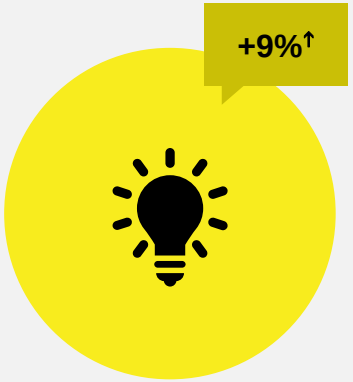
Aided Ad Recall



Purchase Intent



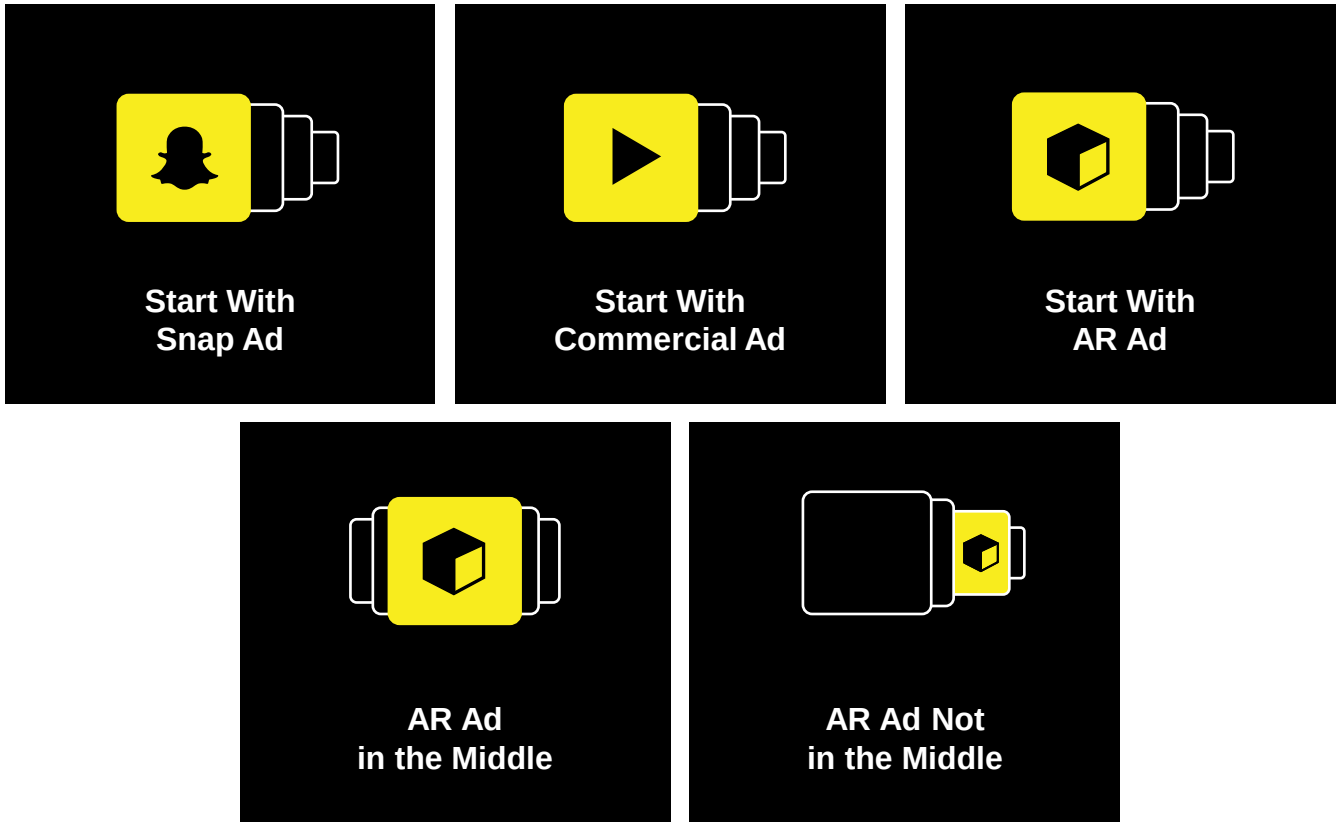
Is a Brand I Prefer



Brand is Innovative

Without AR, Exposed n=366, Control n=366; With AR, Exposed n= 344, Control n=344
↑ = Statistical significance between Exposed and control groups at >=90% confidence level

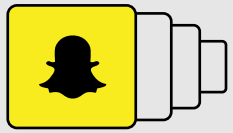
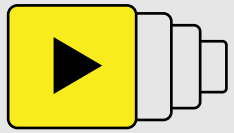
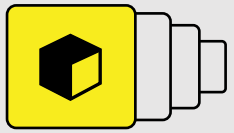
BUT DOES SEQUENCE MATTER?



PRIME THE AR AD WITH A VIDEO AD TO AMPLIFY IMPACT

Snap and commercial ads provide more information about the product while AR ads facilitate interaction with the product

Impact of Ad Sequence
Deltas (Exposed - Control)

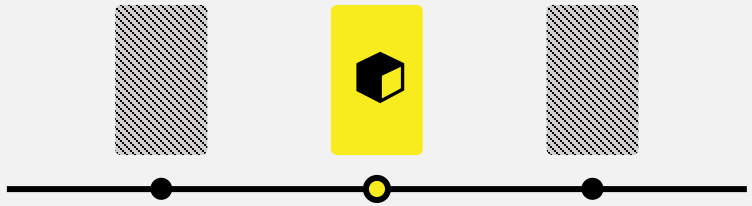
Start with…	 Snap Ad	 Commercial Ad	 AR Ad
Brand Favorability	**+8%↑**	**+8%↑**	
Search Intent		**+10%↑**	
Purchase Intent	**+11%↑**		

X- No Significant Delta
Start with AR, Exposed n=235, Control n=235; Don't start with AR, Exposed n= 498, Control n=498
↑ = Statistical significance between Exposed and control groups at >=90% confidence level

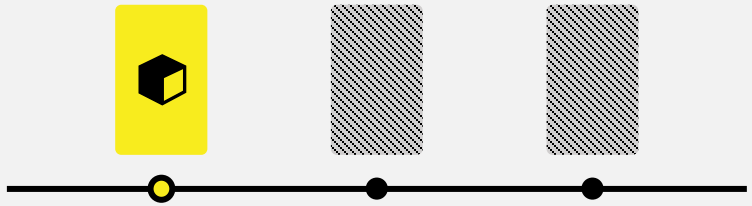
BREAKING THE VIDEO SEQUENCE WITH AN AR AD HELPS SHOWCASE THE BRAND AS CHEERFUL & BOOSTS SEARCH INTENT

Impact of Ad Sequence
Deltas (Exposed - Control)

AR Ad in the Middle



AR Ad Not in the Middle



AR in middle, Exposed n=257, Control n=257; AR not in the middle, Exposed n=476, Control n=476
↑ = Statistical significance between Exposed and control groups at >=90% confidence level

KEY FINDING

Ads in a sequence can help achieve more than just high recall

- Start the sequence with a video ad and follow it with interactive AR for amplified impact on traditional metrics
- For a positive brand image, place the AR ad in between two similar ads to offer an element of delight

IMPLICATIONS: DEVELOPING THE AR PLAYBOOK

VIEW AR AS AN AMPLIFIER, NOT AN ADD-ON

Use **any AR format** to build and differentiate brand personality, but align on right goals with the right target audience

BE MORE STRATEGIC WHILE DEPLOYING AR TACTICS

Use **Shoppable AR** to encourage consumers to take the next step

Use **Entertainment AR** to draw in new customers and to create positive brand perception

Use **World-Facing AR** to allow those in the consideration process to experience the brand/product

Use **Front-Facing AR** to appeal to those closest to purchase

MAKE AR AN INTEGRAL PART OF THE MARKETING MIX

Use AR strategically as part of consumer's exposure to the brand on the platform

Sequencing ad exposures can help amplify impact. Deliver AR to users after exposure to video.

THANK YOU
MAGNA
MEDIA TRIALS
+