

# An augmented reality check

By [Johan Walters](#)

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The large analyst houses do not have an enviable task making predictions given the monumental speed of change in the tech space. At the end of 2016, Gartner predicted that by 2020, 100 million consumers will be shopping in augmented reality. Six months later, the company went on to say that by 2019, augmented, virtual and mixed realities (AR, VR and MR) would be evaluated and adopted in 20% of large enterprises across the globe.



Johan Walters, head of NVR Labs.

Some claim that these are bold predictions. However, if we look at how tech companies are ploughing money into AR and VR developments it's easy to see why analysts are so bullish about the growth in this space.

Samsung and Google have made [clear their commitment](#) to AR advances, announcing further co-creation, and the talk around [Apple's AR headset](#) is gaining momentum. Both Android and iOS have solid AR developer kits out and the industry is developing some impressive apps with them.

Until now, there has been a clear delineation between AR and VR. The latter creates a completely digital world that we

experience through digital headgear. While the previous layers data and functionality over the real world, seen through a device (phone or headset). However, the pace at which AR and VR are developing is being spurred on with the parallel improvements being made in Artificial Intelligence.

AI enhanced mixed realities will be the way we first experience human/machine contact. The blurring of the lines between AR, VR and mixed realities has forced the industry to start talking about XR or [extended reality](#). An umbrella term which encompasses all realities and, with the boost of AI, we will soon be able to seamlessly switch between all these realities.

The user case for XR extends from science, to gaming, and gives brands countless ways to engage with their customer through genuinely immersive experiences. In fact, the only inhibitor is the scope of our imagination.

## Get busy with AR or get left behind

For now, AR is where the focus is being placed – and with good reason. There is no doubt that AR campaigns are ideally suited to retail. Some truly amazing global campaigns have captured local marketing professionals' interest. The festive season [campaign](#) in Covent Garden, where the entire mall became interactive and more than 140 stores took part, resulted in a significant boost in foot traffic and sales.

Similarly, McDonalds' UK festive season [campaign](#) in 2016 had a significant impact on local customers and was backed up with solid multichannel support. An earlier [Finnish campaign](#) saw the fast food chain's app jump to number one on the App Store and Google Play in just four days.

From an advertising perspective, AR is perfect to turn real world into a giant [billboard](#) and will add a completely new revenue stream to many media companies.

While South Africa may still be a little behind international brands when it comes to the size and sophistication of AR campaigns, we are most certainly gaining momentum. However, there is some cautionary advice for local CMOs.

## Start AR with low risk

Like any new technology, introducing AR into the marketing mix should be done in a phased approach that is both low risk and cost effective.

It's important that marketing leaders think carefully before building bespoke AR offerings. Companies looking to implement augmented reality into their existing apps, but which are reluctant to ask their communities to download additional apps, can

now [gain access](#) to some of the international leaders like Blippar and Zappar – both of which have released solid software development kits (SDK).

## Experimental approach

Taking an experimental approach to AR in isolation of other marketing initiatives is also not a wise move. This piecemeal approach gives a skewed view of how effective a new technology or solution could be. We believe there is real merit in creating an innovation line item in the marketing budget to allow for experimentation in a safe way that still delivers results.

Having a dedicated innovation line item also forces you to take some time to make sure any new project aligns with your brand values, is not done in isolation, and can be motivated for in relation to the overall spend.

## Innovation budget

An innovation budget gives you a safe space to try new things without compromising your delivery in other, more traditional spaces. A separate budget, with well thought through projects, gives you the freedom to test and learn. Once this is done, you can use this insight and aggressively upscale what works.

To be fair, we think it may be a year or so before true XR hits our shores. But, if the analysts are to be believed, local marketing professionals will need to move quickly to incorporate current technology like AR into their offering. After all, 2020 is less than 24 months away and choosing not to engage with the hundreds of millions of customers who will be exploring, considering and buying using AR, could truly be a career-limiting move.

*\*NMPi Labs is the augmented reality sponsor of BizTrends2018 book.*

## ABOUT JOHAN WALTERS

With over 22 years experience in digital marketing and eight years experience in AR, Johan Walters enables brands and agencies to adopt AR into their marketing mix.

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