

# Augmented Reality - UK - November 2019

Report Price: £2195 | \$2995 | €2600

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### This report looks at the following areas:

Companies will need to overcome current modest usage and preconceptions to focus on delivering practical experiences that offer inspirational assistance and functionality.

- AR's impact has already been felt in enterprise solutions, providing a platform for consumer innovations and engagement
- Targeting early adopters and removing barriers to use
- AR which can deliver functional utility to meet consumers' needs and priorities will stand out



"Augmented reality is a technology with the potential to shape how consumers interact between the real and digital worlds, enhancing everyday experiences and interaction with companies and brands. However, friction points to experience AR will need to be eroded for the technology to become mainstream."

Joe Birch, Consumer
 Technology Analyst

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What we think

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## Did you know?

This report is part of a series of reports, produced to provide you with a more holistic view of this market.

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#### **ISSUES AND INSIGHTS**

- AR's impact has already been felt in enterprise solutions, providing a platform for consumer innovations and engagement
- The facts
- The implications
- Targeting early adopters and removing barriers to use
- The facts
- The implications
- AR which can deliver functional utility to meet consumers' needs and priorities will stand out
- The facts
- The implications

#### THE MARKET - WHAT YOU NEED TO KNOW

- UK AR app market worth nearly £40 million in H1 2019
- Smartphone and tablet ownership can drive take-up of AR content
- UK government provides funding for immersive technology development

#### MARKET SIZE AND BACKGROUND

UK AR app market worth nearly £40 million in H1 2019
 Figure 9: UK consumer spend, by AR app categories,
 combined iOS and Google Play, H1, H2 2018 and H1 2019

#### **MARKET DRIVERS**

- UK government provides funding for immersive technology development
- Smartphone and tablet ownership can drive take-up of AR content

Figure 10: Personal ownership of technology, August 2019

- Tech giants continue to lay the groundwork for market expansion
- Snapchat raises \$1 billion to further its AR capabilities and drive retail proposition
- Google's search facility showing potential for retail opportunities
- Instagram looks to grow its ecommerce capabilities through AR
- Apple's Developers Conference indicates scope of firm's ambitions in AR
- Facebook lays out its mixed reality vision of the future

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- Microsoft soft launches HoloLens 2 squarely aimed at corporate and commercial customers
- AR in education and healthcare could pave the way for more advanced consumer applications
- AR being used to enhance education and learning
- Adoption of AR in the healthcare system helping drive efficiencies
- AR aids treatment for young people with depression and anxiety disorders
- Helping people to take a more active role in their healthcare management

#### LAUNCH ACTIVITY AND INNOVATION

- Nike gets fit with AR
- Puma brings AR to shoes and stores
- · Smart displays can be the navigation tools of the future
- Retail and financial services exploring AR applications
- · Home furnishings and DIY retailers follow IKEA's lead
- Car retail pre- and post-sale can be enhanced through AR applications
- The driving experience can be safer with AR applications
- · Technical assistance for car maintenance
- Using AR for holiday planning
- AR tour guides
- Providing localised information and services
- Engaging consumers through immersive packaging
- A practical and innovative tool for food choices
- The arts sector can enhance visitor experience through AR

#### THE CONSUMER - WHAT YOU NEED TO KNOW

- Nearly four in 10 smartphone or tablet owners have tried AR
- Tangible utility is key to successful future AR experiences
- The phone is the dominant medium, but tablet owners also use a wide variety of features
- Consumers can see the potential in AR technology
- Current AR users keen on the concept of rewards and engaging features
- VR edges out AR for future interest
- Preference for VR across all age groups suggests AR has work to do

#### **CURRENT AR USE AND FUTURE INTEREST**

Nearly four in 10 smartphone or tablet owners have tried AR
 Figure 11: AR activities ever done, August 2019

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- Young males fit the stereotype
- · Social media can help unlock wider AR use
- Use of AR is heavily linked with age

Figure 12: AR activity overall, by age, August 2019

- Tangible utility is key to successful future AR experiences
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- · Families a flourishing segment for AR
- Non-users could be open to AR if it displays practical utility

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 The phone is the dominant medium, but tablet owners also use a wide variety of features

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- Wearable technology could be what really unlocks AR's potential
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- Consumers can see the potential in AR technology
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- Inhibitors to AR use need to be overcome for companies to unlock potential

#### INTERACTION WITH AR ADVERTISEMENTS

- Current AR users keen on the concept of rewards and engaging features
- Knowing what consumers value and meeting an unmet need needs to be AR's priorities
- Social media can be a key advertising medium
   Figure 17: Attitudes towards AR advertising, August 2019

#### AR VERSUS VR

VR edges out AR for future interest

Figure 18: Use of VR headset, August 2019
Figure 19: Interest in future use of VR vs AR, August 2019

- Preference for VR across all age groups suggests AR has work to do
- Wearables and smart screens could bring AR to the masses
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# APPENDIX – DATA SOURCES, ABBREVIATIONS AND SUPPORTING INFORMATION

- Abbreviations
- Consumer research methodology

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