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## Barometer Report - 2017 AR/VR Member Survey

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# Industry Perspectives from the Source.

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## The people speak!

As the only association dedicated 100% to supporting the growth of the Canadian Internet advertising industry, IAB Canada is able to leverage its representative membership to gain unique perspectives on issues and data that directly impacts the Canadian marketplace.

Starting last October, IAB Canada began reaching out to survey our members on selected topics. The resulting report to the Canadian ad industry launched IAB Canada's new "Barometer" series of studies and your input made it possible.

*In our first IAB Canada Barometer survey for 2017, we asked Council and Committee members to share their unique thoughts, views and prognosis for the future of Augmented Reality (AR) and Virtual Reality (VR) in Canadian marketing communications.*

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# 2017 AR/VR Survey – **Highlights**

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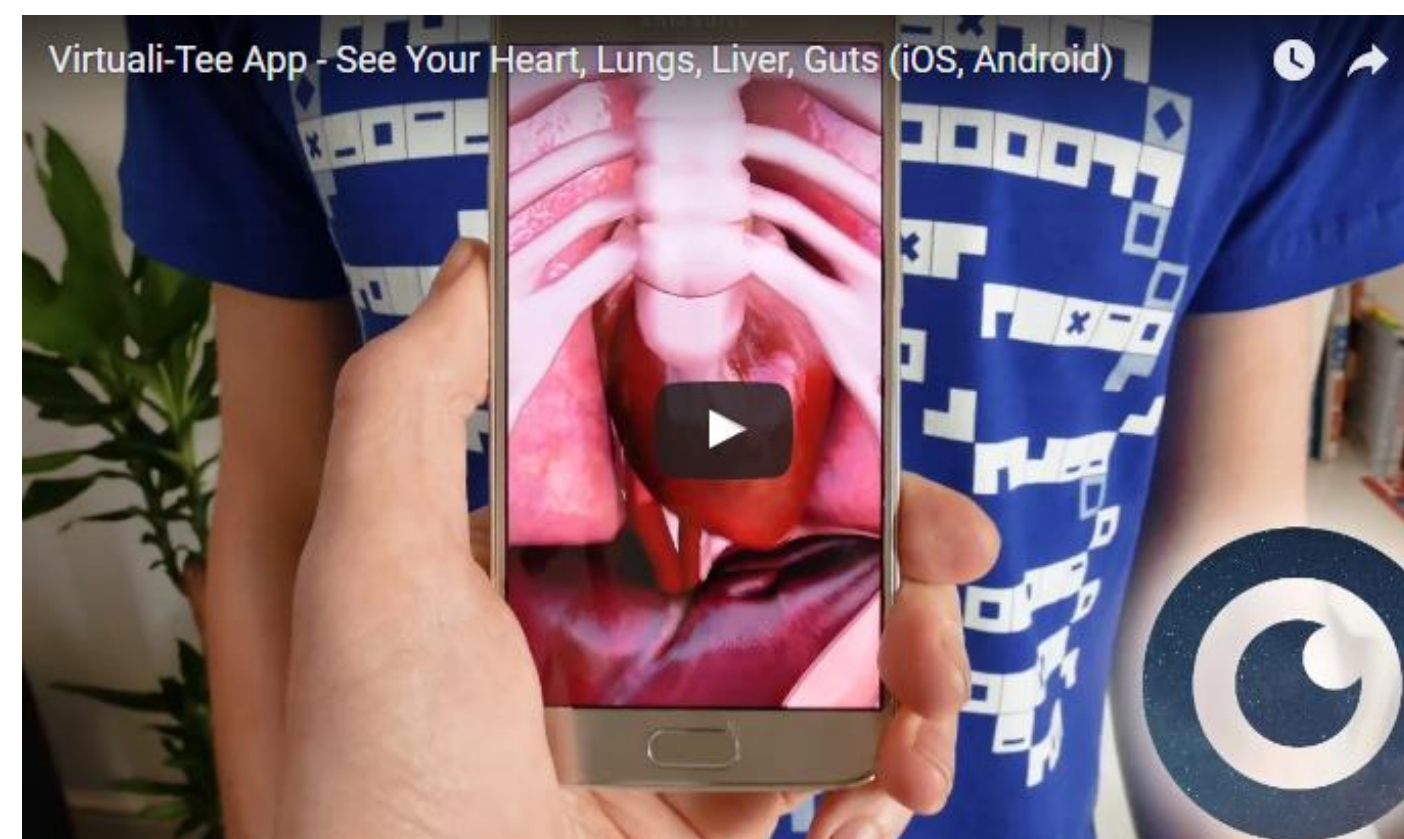
# Here's what we're talking about.

**AR and VR:** Two app technologies - virtual reality (VR) and augmented reality (AR) – offer new ways to deliver those experiences.

**Augmented Reality** is the integration of the physical, real-world environment, with computer-generated digital information such as sound, video or graphics.

With object recognition via the onboard cellphone camera, the information about the surrounding real world of the user becomes interactive and digitally manipulated

**Simply put...**AR is a view of reality which is modified on the screen of your cellphone.



**Virtual Reality** immerses consumers in a 3-dimensional, 360-degree digital environment and is most commonly experienced via a headset or head-mounted display that cover the user's eyes and responds to head movements.

A person is typically able to look around the artificial world, move within it and interact with features that are depicted.

**Simply put...**VR is the use of computer technology to create a simulated environment.

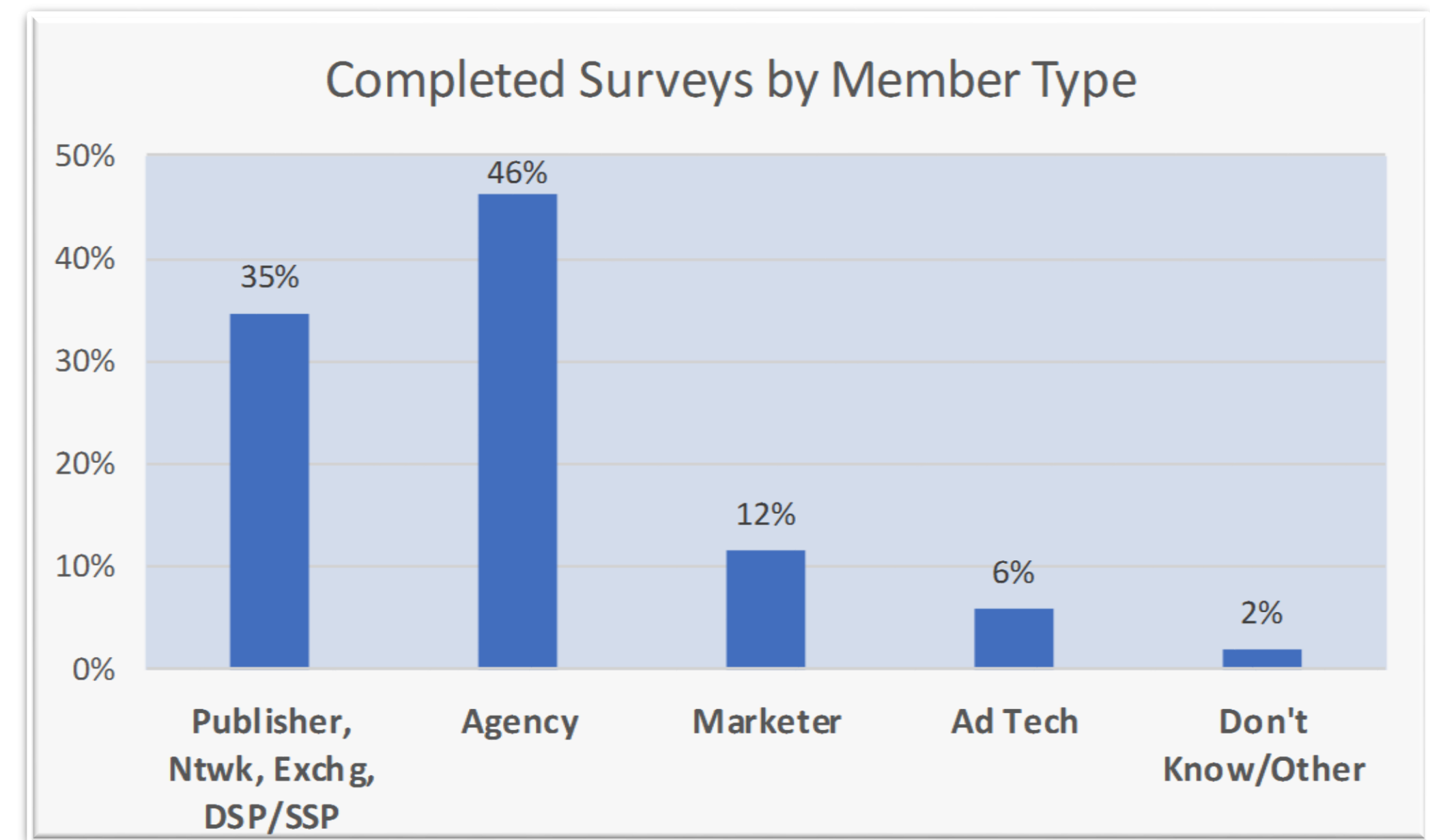




# Here's who participated.

## Distributed to All IAB Canada Councils & Committees

- Conducted by IAB Canada via Survey Monkey Platform!
- In-Market February 2-13, 2017
- Sample reflects key IAB sectors impacting AR/VR!



*Note: Survey results are a reflection of only those members who choose to participate (i.e. not random).*

# Highlights of Findings

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- ✓ Majority of sample has personally experienced AR and VR as Entertainment.
- ✓ Key Marcom BARRIERS include... audience too niche to adopt AR/VR in communications marketing
- ✓ Top Marcom usage OCCASIONS... 'immersive experience' and 'enhanced product demonstration'.
- ✓ Top REASONS for adoption... 'connected technology-based' experiences are key for my brand.

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# 2017 AR/VR Survey – **Detailed Findings**

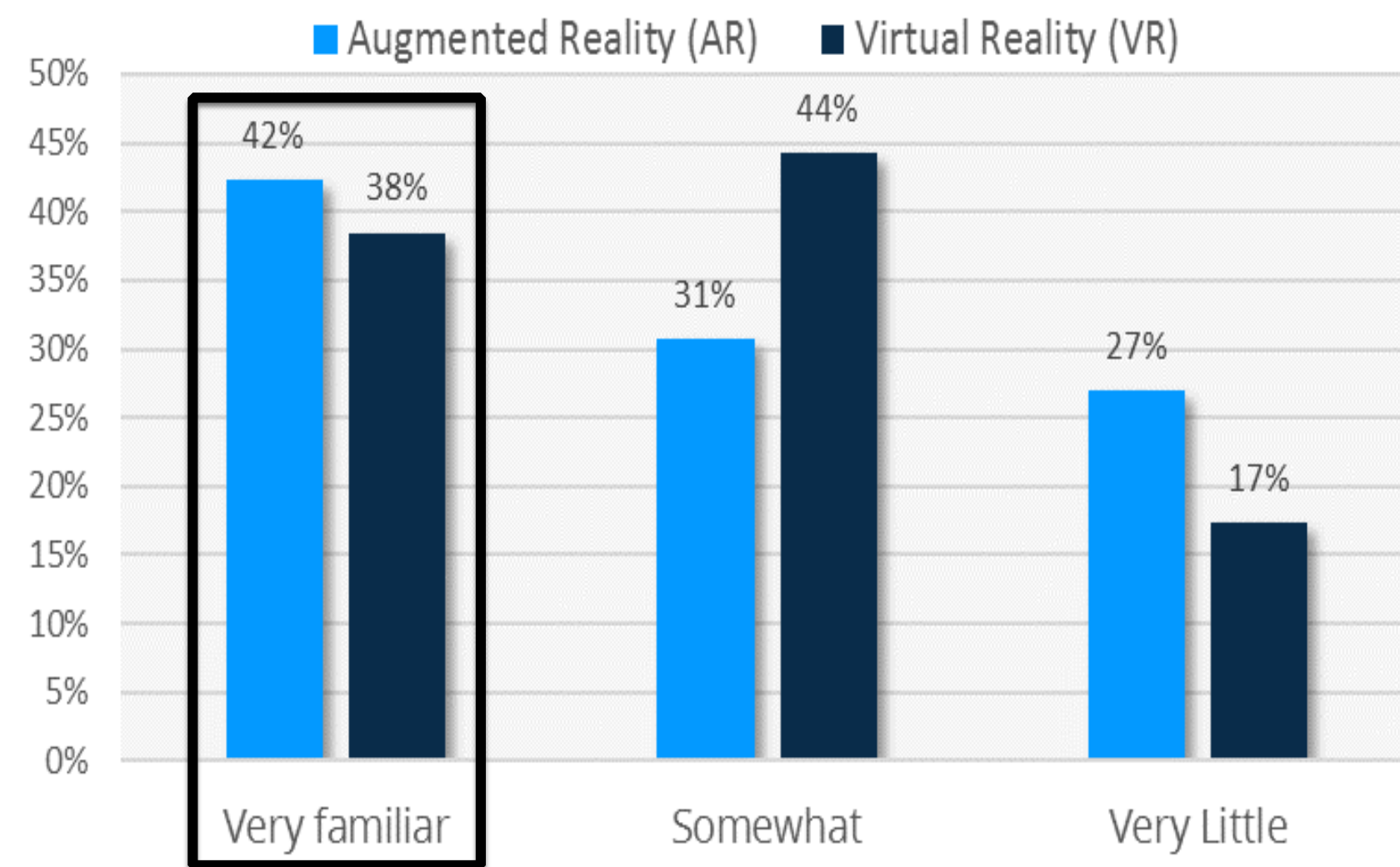
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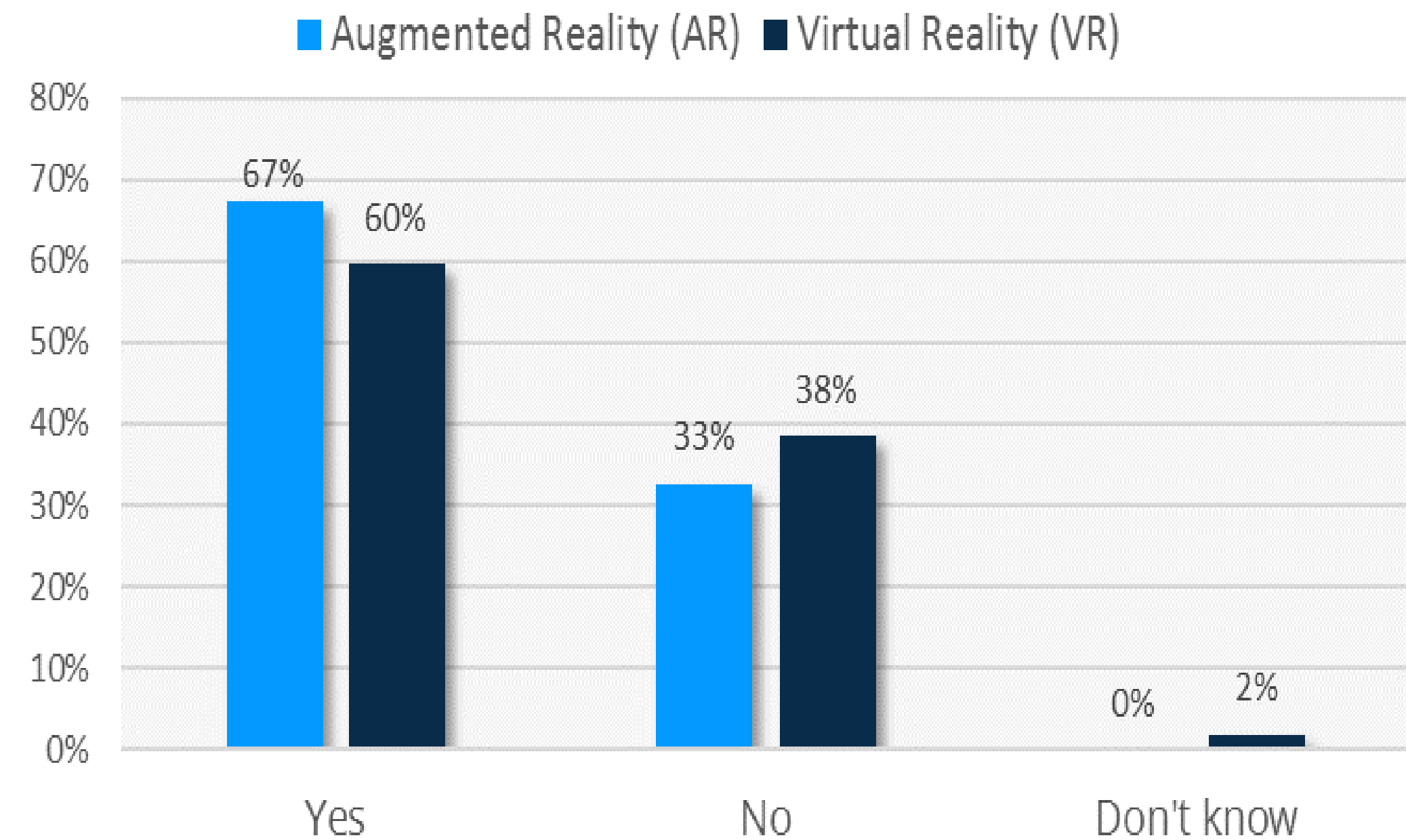
# Nowadays many know what it is...

Most respondents are familiar, to varying degrees, with the terms AR & VR while the majority has personally experienced AR and/or VR for entertainment.

Familiarity with the terms AR and VR



Personally experienced AR or VR for Entertainment



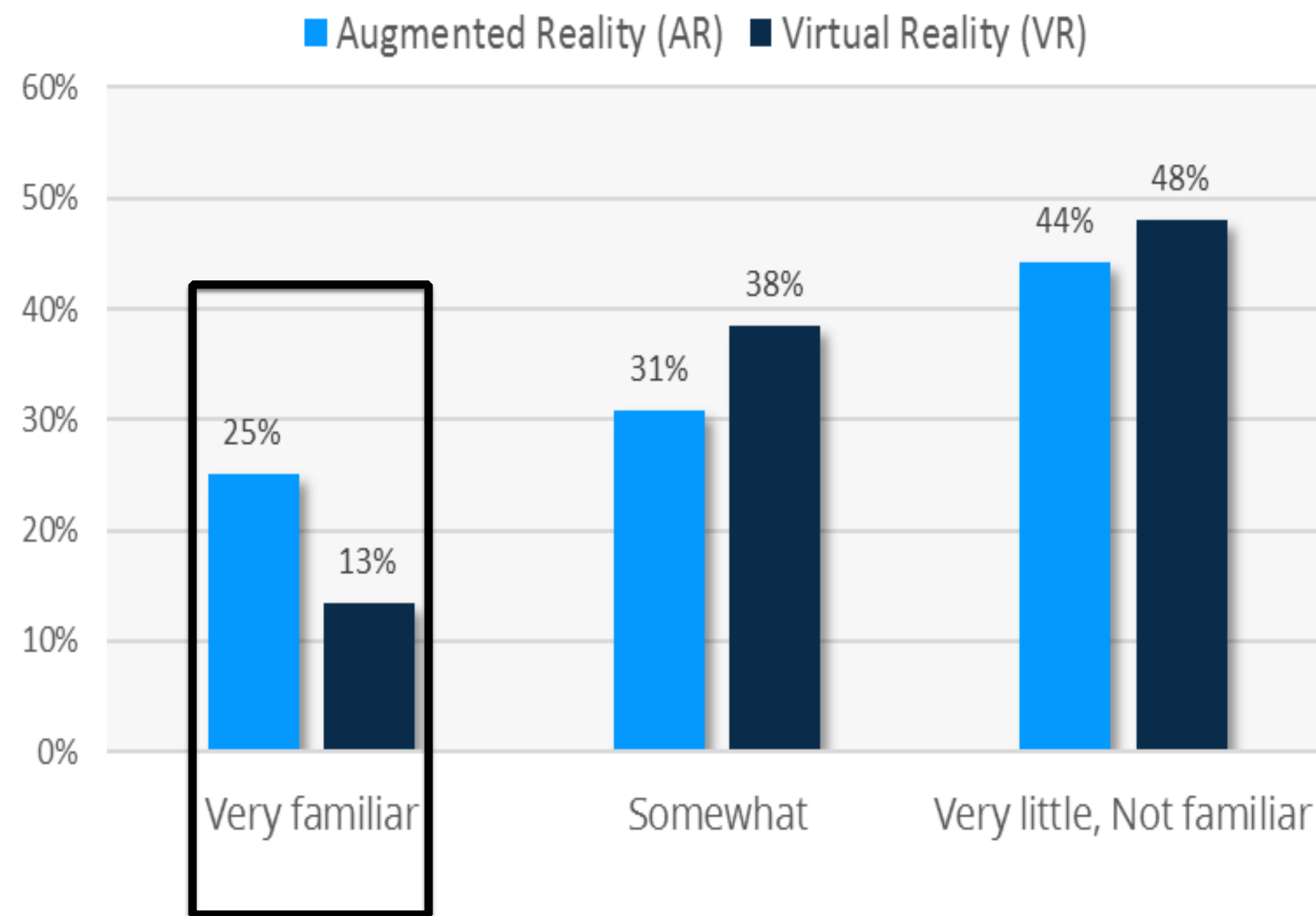
1. How familiar are you with the terms Augmented Reality (AR) and Virtual Reality (VR) in general? Choose one answer each for AR and for VR separately.

2. As a consumer, have you personally experienced Augmented Reality and/or Virtual Reality on any device(s) in the past 12 months, for entertainment or other non-work related purposes? Choose one answer each for AR and for VR separately.

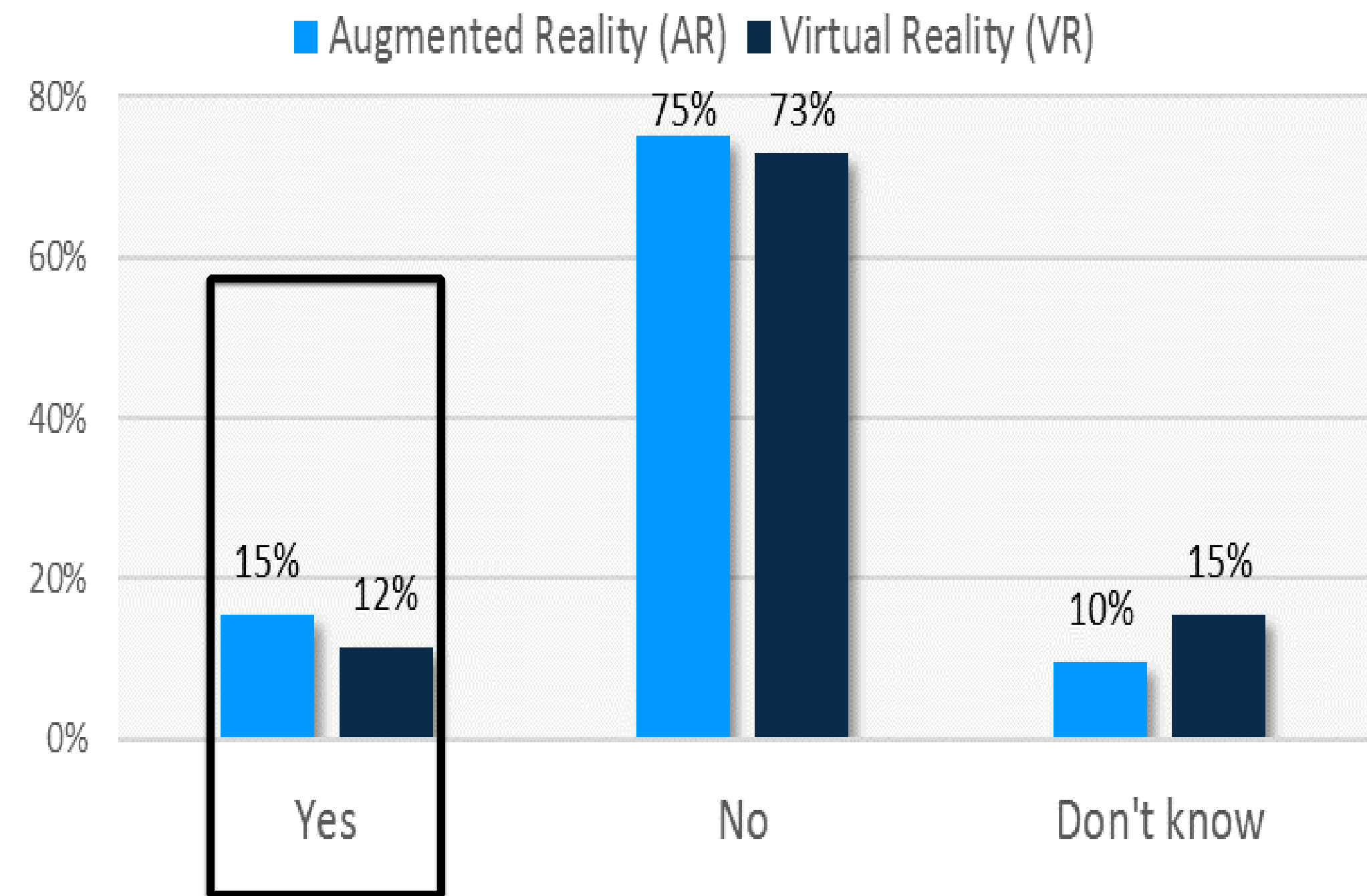


# Less familiar with AR/VR as marketing communications tools, ... and very few claim to have used either.

Familiar with Use as Marketing Communication Tools



Used AR or VR as Marketing Communications Tool in the past 12 months

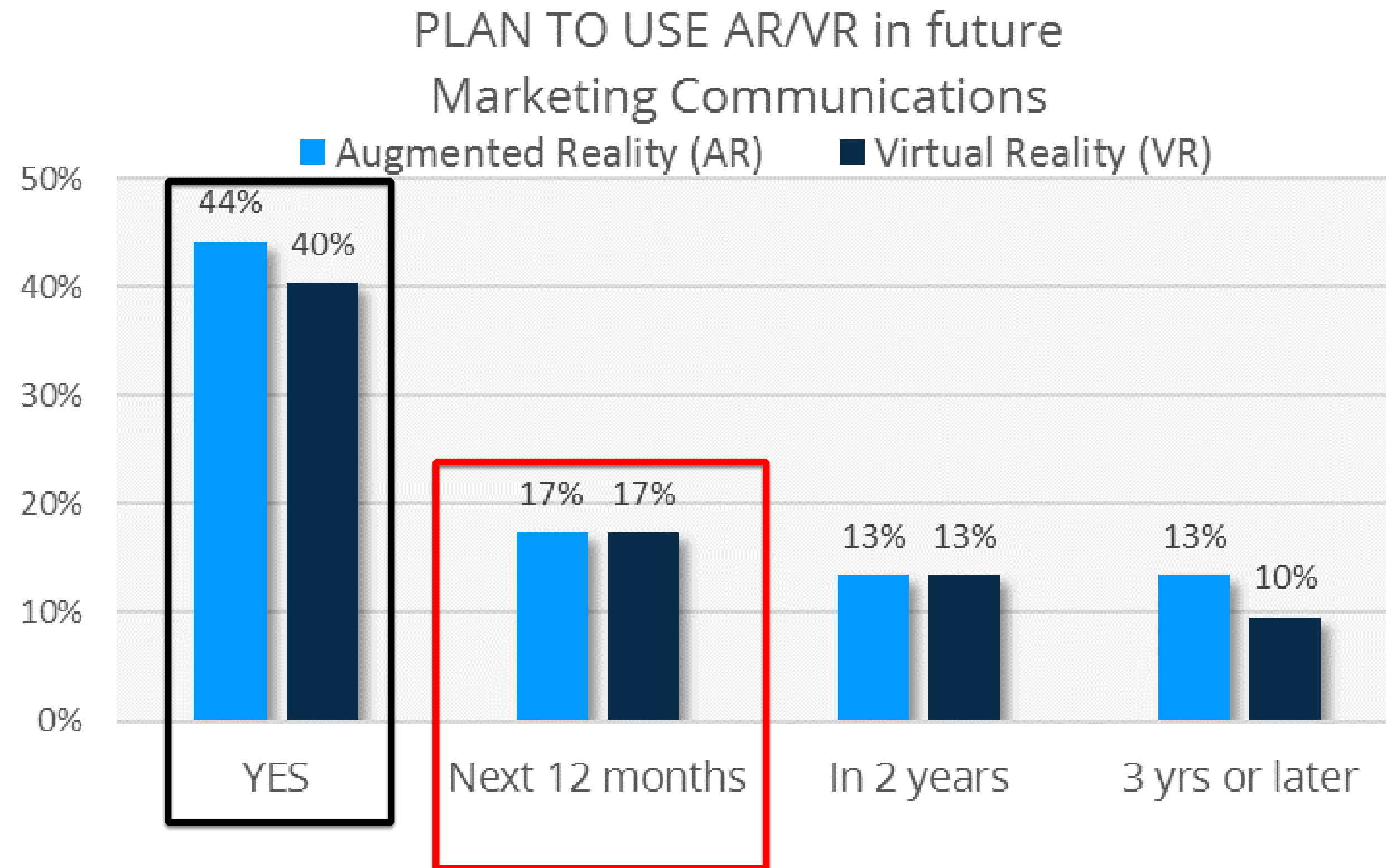


3. How familiar are you with the use of Augmented Reality and/or Virtual Reality in business as marketing communications tools? Choose one answer each for AR and for VR separately.

4. Have you or the company you work for, used AR and/or VR as marketing communication tools in the past 12 months? Choose one answer each for AR and for VR separately.

# Can't afford it, but I'd *LOVE* to have it!

Over 40% PLAN to adopt AR/VR over time; but few have budgets for 2017.



**Under 5% claim to have budget for 2017.**

6. Do you or the company you work for, plan to use AR and/or VR in future as marketing communication tools. if so, how soon do you anticipate this occurring? Choose one answer each for AR and for VR separately.

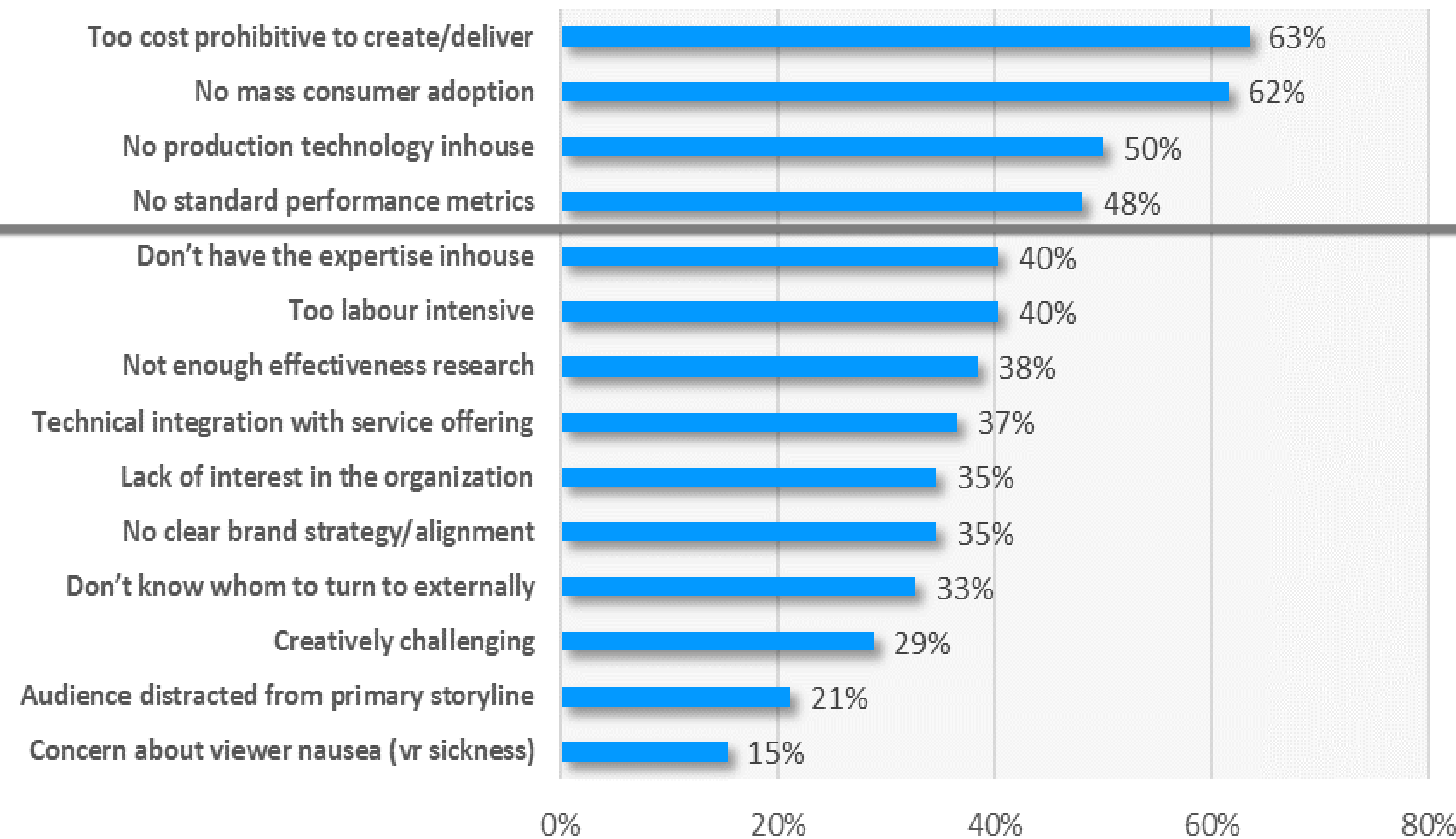
7. If you or the company you work for, plan to use AR and/or VR in future, have you established a budget in 2017 to accomplish this. If so, what level of spend have you budgeted for. Choose one answer each for AR and for VR separately.

# Adoption BARRIERS we need to overcome... *niche, high cost, absence of in-house technology, metrics issues.*

## AUGMENTED Reality (AR): BARRIERS to adoption

### TOP FOUR: AR

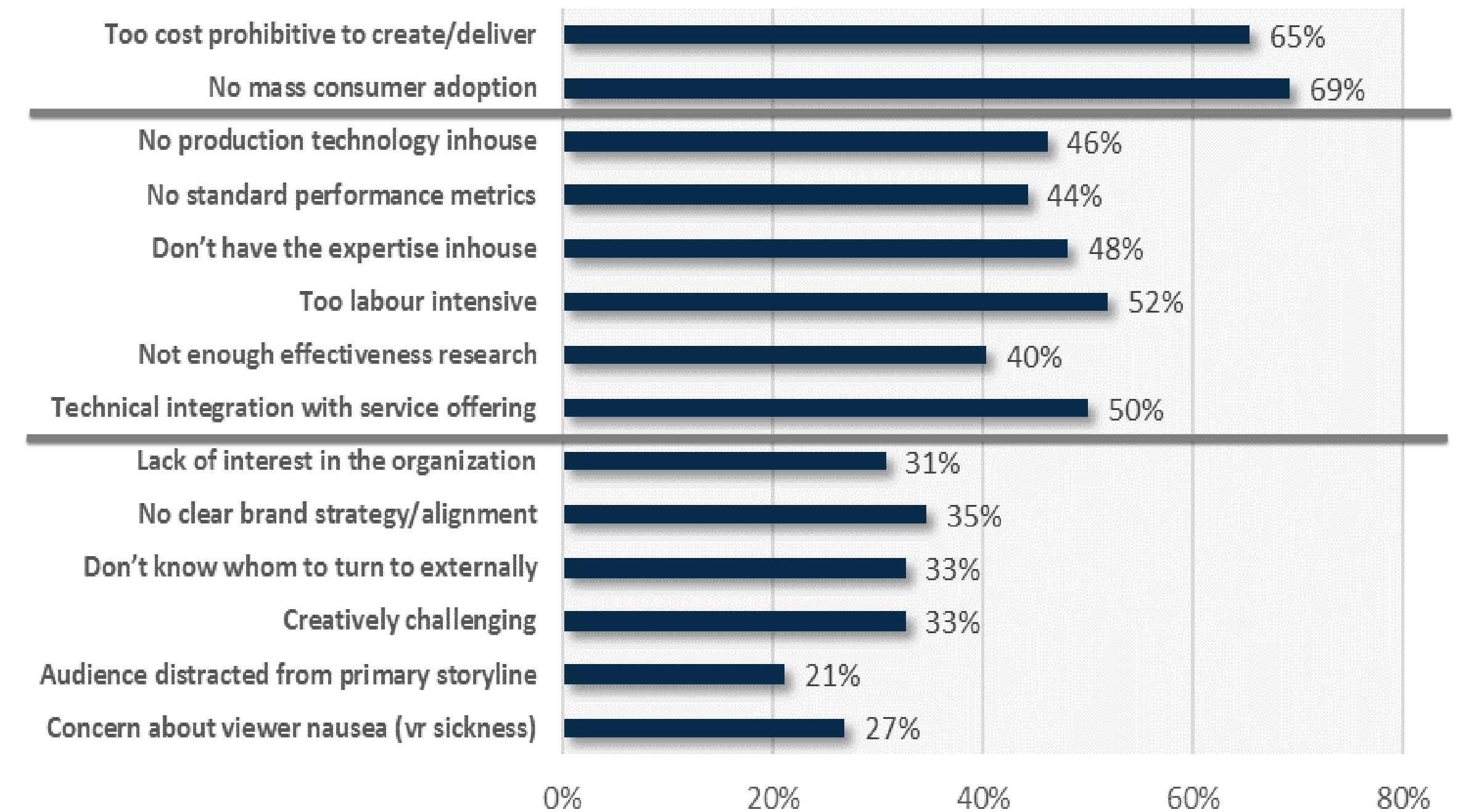
% most significant (top 2/5)



## VIRTUAL Reality (VR): BARRIERS to adoption

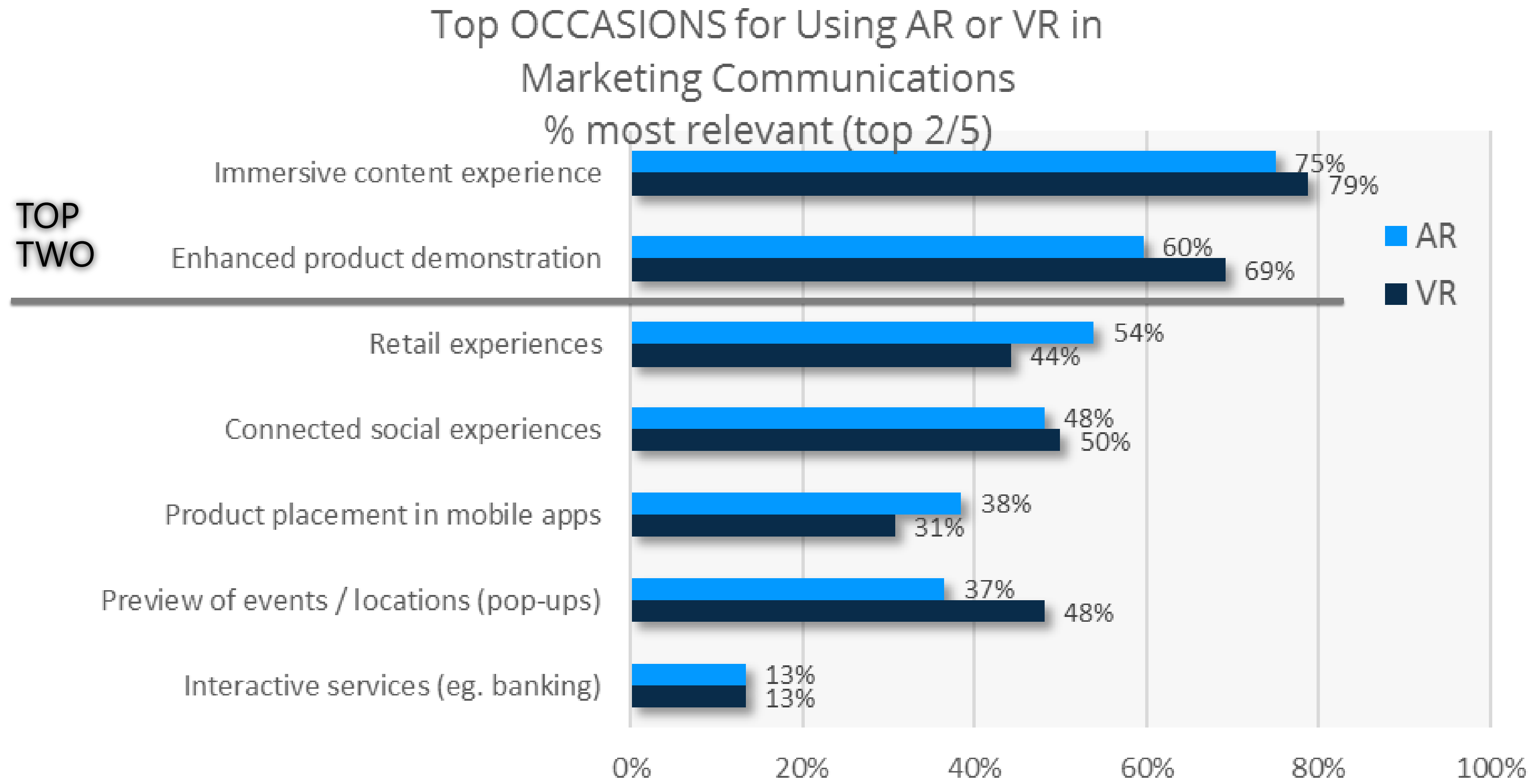
### TOP TWO "+": VR

% most significant (top 2/5)



5. In your opinion, what are the most significant barriers to adopting AR and/or VR as marketing communications tools. Score each of the following potential barriers from 1-5, where 1 is "least significant" and 5 "most significant". Do this separately for AR and for VR.

# Compelling usage OCCASIONS... *immersive experience, enhanced product demo capabilities.*



9. What do you, or the company you work for, believe are the top OCCASIONS for using AR and/or VR as marketing communication tools? Score each of the following potential occasions from 1-5, where 1 is “least relevant” and 5 “most relevant”. Do this separately for AR and for VR.

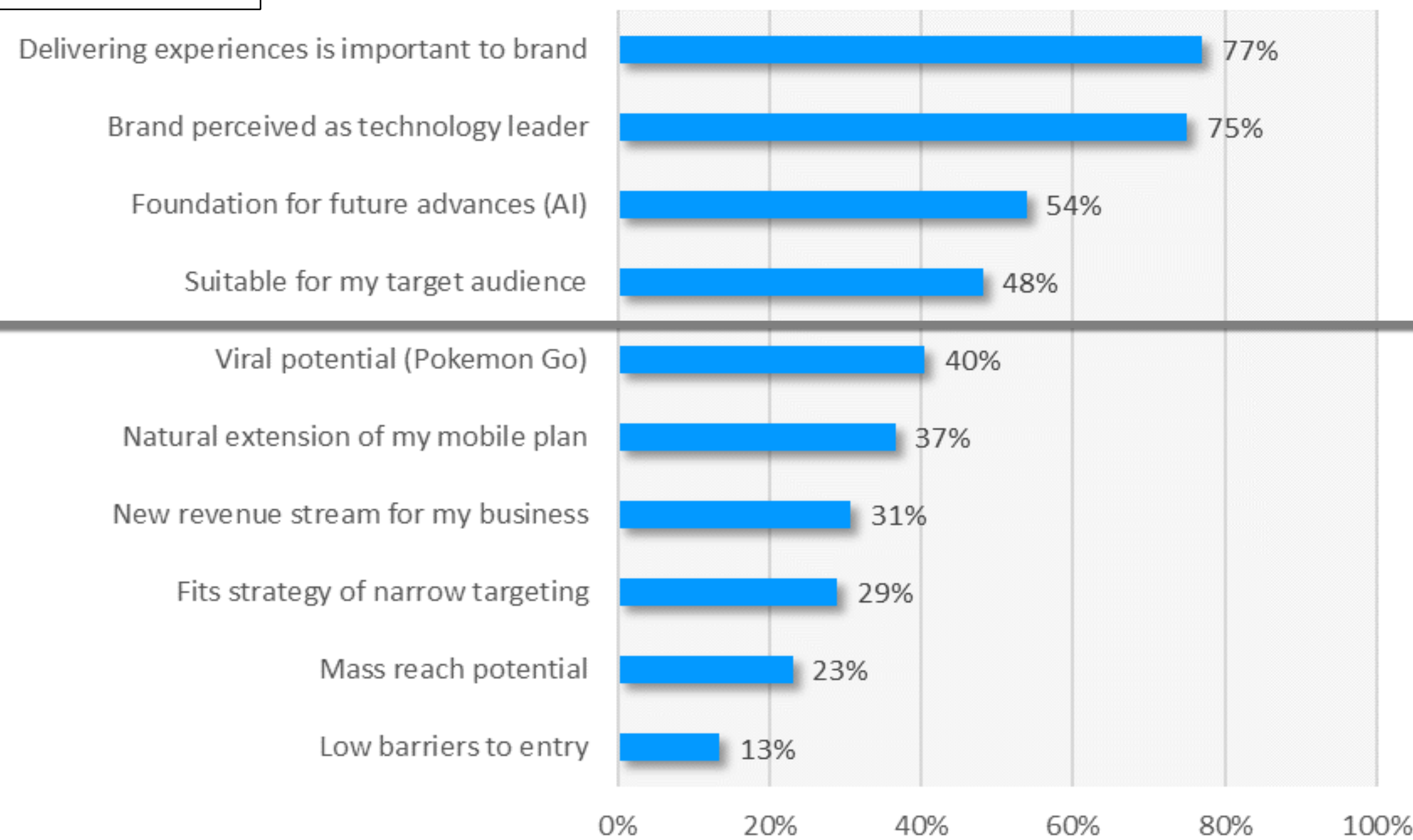


# And some powerful REASONS.

Top REASONS to adopt AR/VR... 'tech-based connected experiences' are key for my brand & target audience.

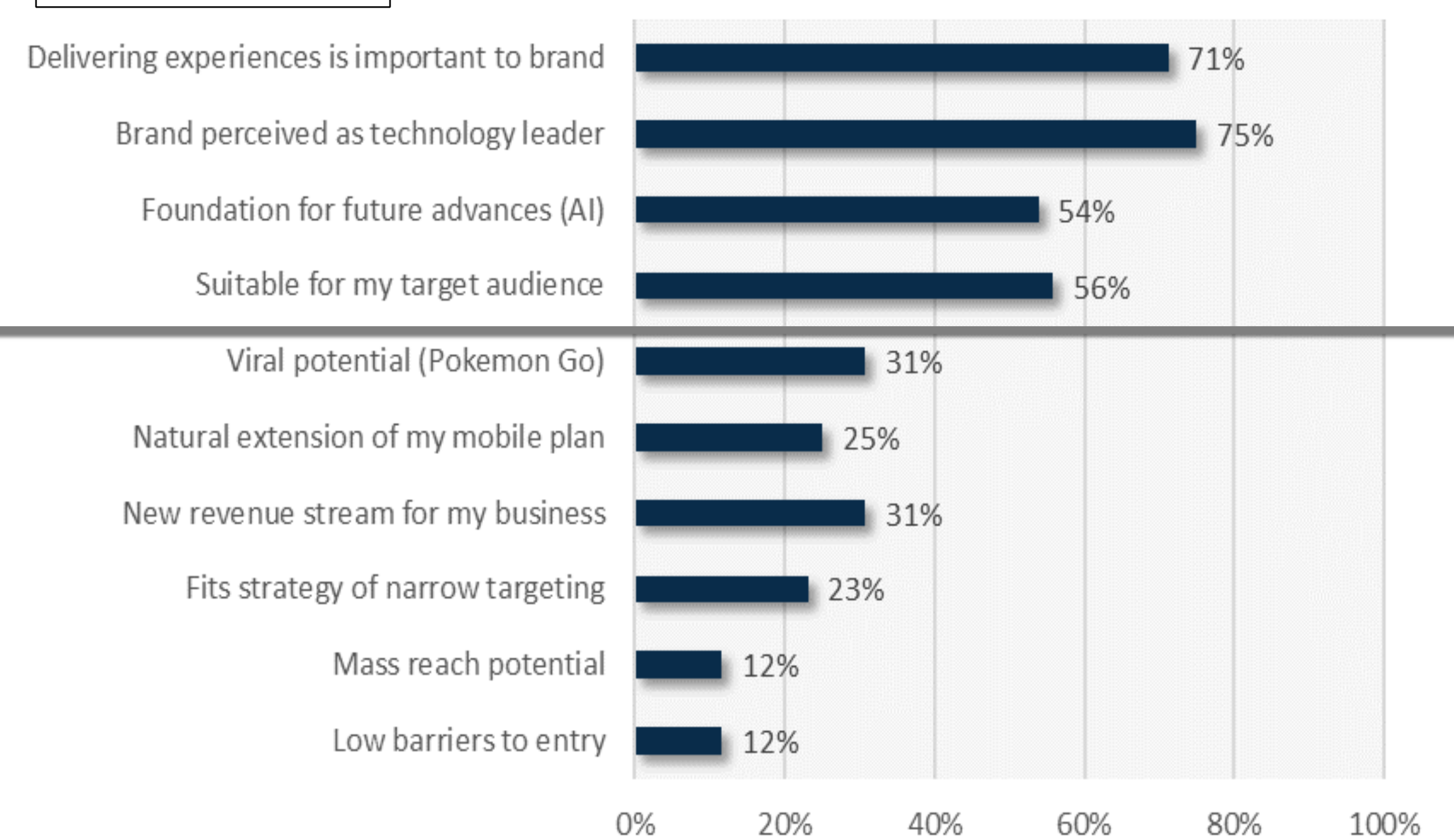
**AUGMENTED Reality (AR):** REASONS to Use in Marcom  
% most important (top 2/5)

**TOP FOUR: AR**



**VIRTUAL Reality (VR):** REASONS to Use in Marcom  
% Most Important (top 2/5)

**TOP FOUR: VR**

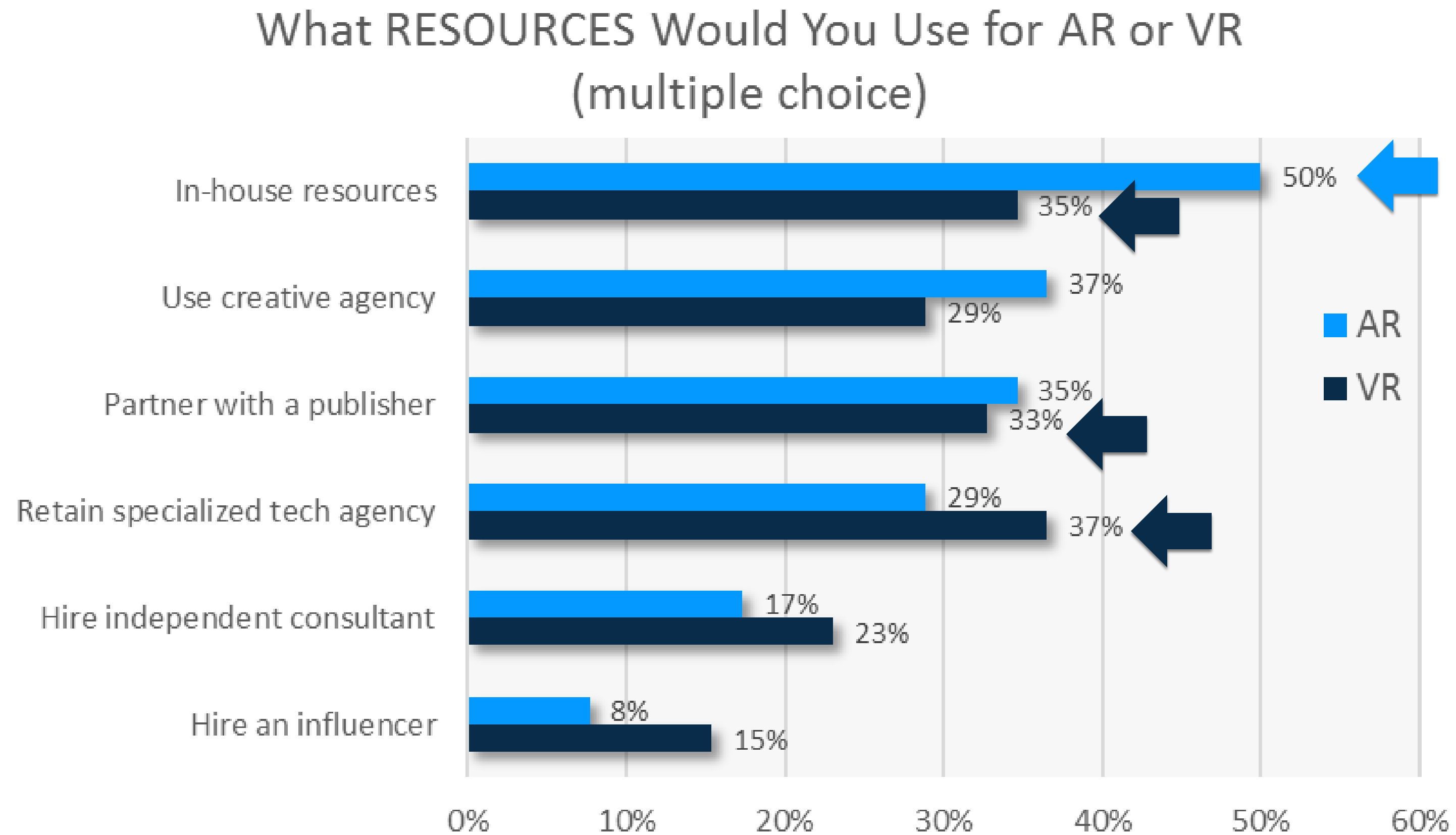


8. What do you, or the company you work for, believe are the top REASONS for using AR and/or VR as marketing communication tools? Score each of the following potential reasons from 1-5, where 1 is "least important" and 5 "most important". Do this separately for AR and for VR.



# How do we make this happen?

RESOURCES preferred to make it happen... **AR: In-house first choice...** **VR: open to going outside.**



10. If you or the company you work for, plan on using AR and/or VR in future as marketing communications tools, what resources would you employ to make it happen? Choose only those that apply for AR and also separately for VR.

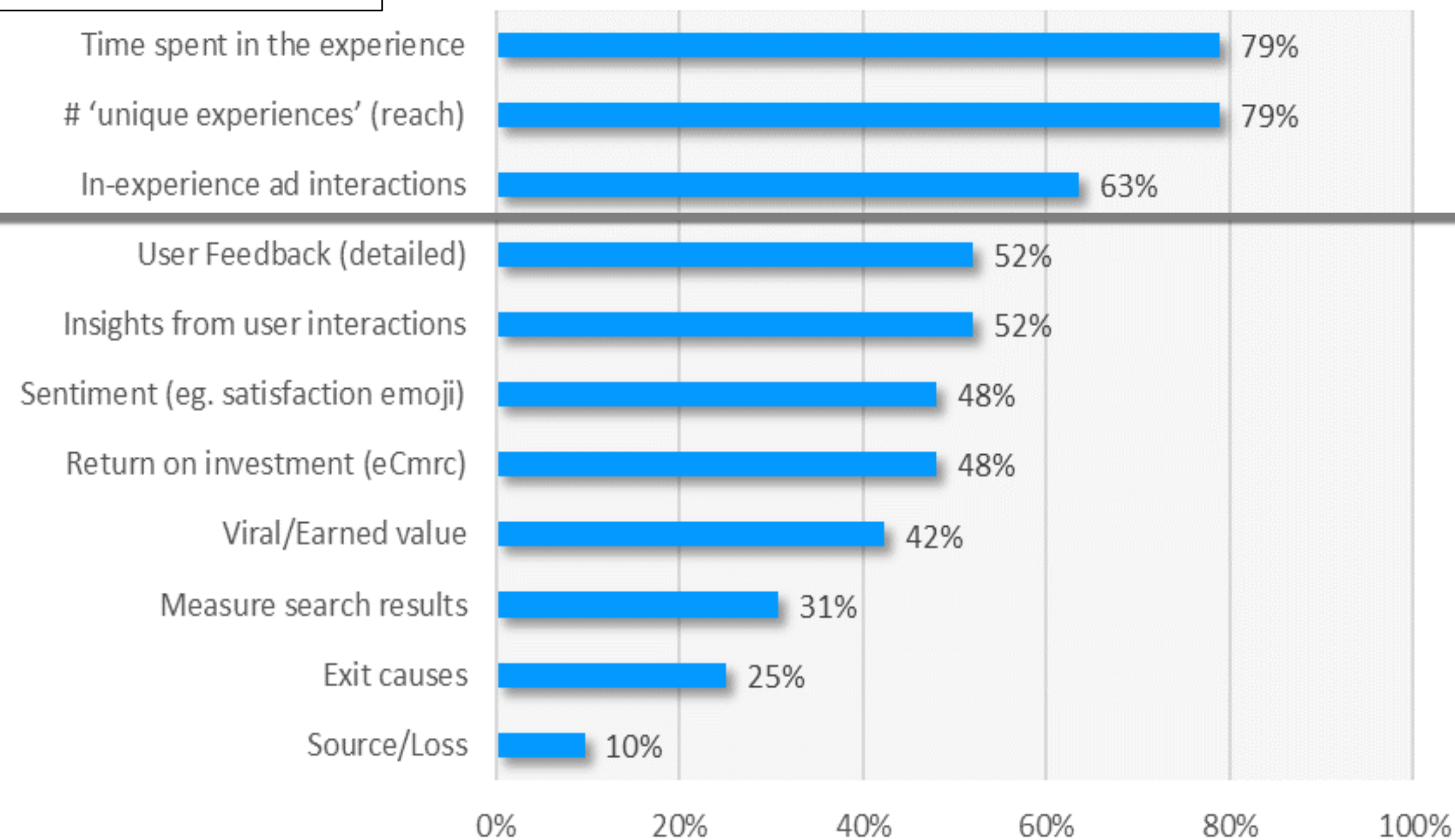
# It's all about *engagement!*

Top METRICS cited for evaluating AR/VR success ... *#uniques, time-spent, ad interactions (within).*

## AUGMENTED Reality (AR): Top Success METRICS

% "most useful" (top 2/5)

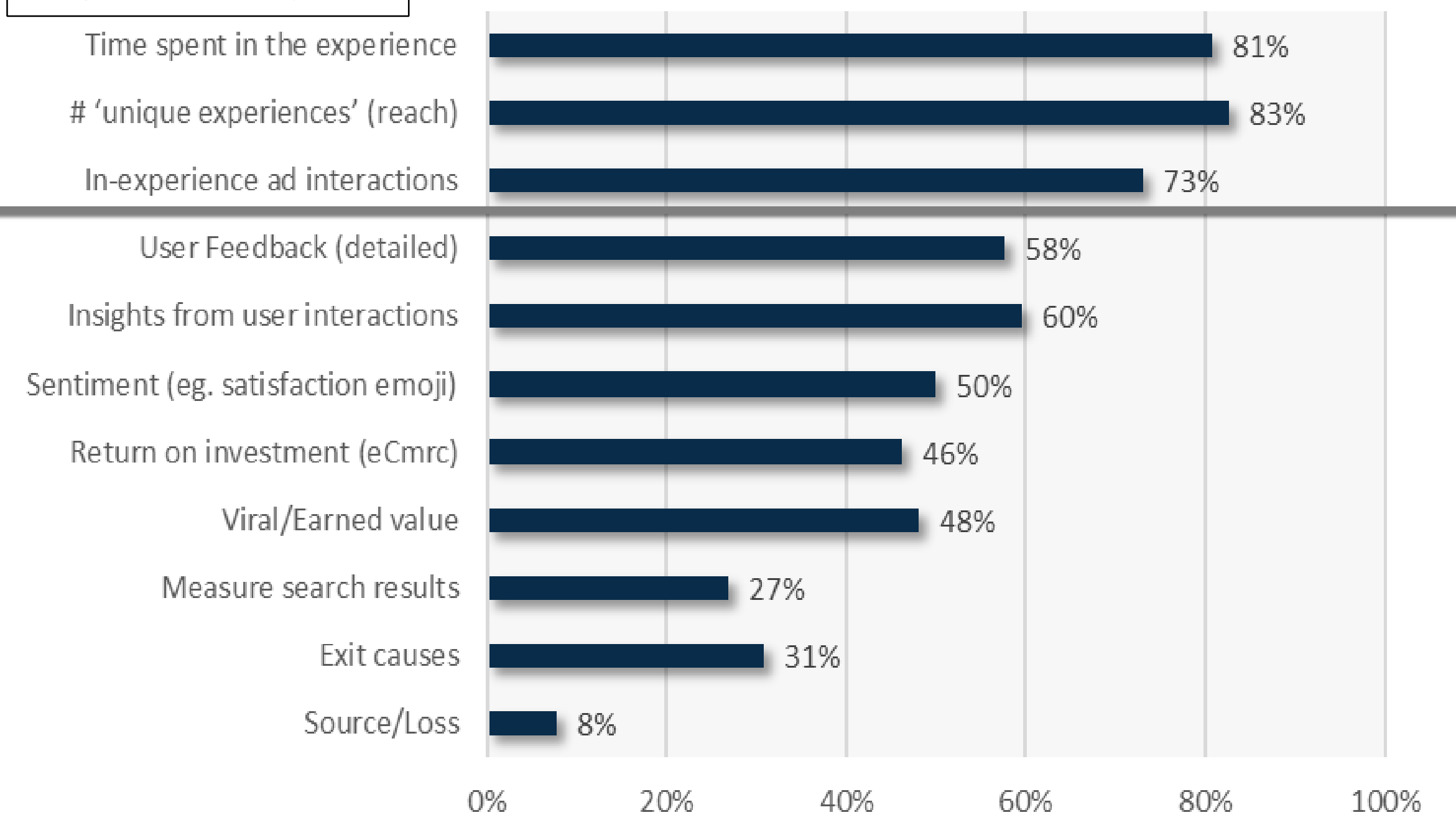
### TOP THREE: AR



## VIRTUAL Reality (VR): Top Success METRICS

% "most useful" (top 2/5)

### TOP THREE: VR



11. Finally, what metrics do you think would be the most useful for evaluating AR and/or VR success as marketing communications tools? Score each of the following potential metrics from 1-5, where 1 is "least useful" and 5 "most useful". Do this separately for AR and for VR.

## So here's what we've learned...

These are very early days for probing IAB member views or plans in the emerging AR and VR fields.

- ✓ Majority of sample has personally experienced AR and VR as Entertainment.
- ✓ Key Marcom BARRIERS include... audience too niche to adopt AR/VR in communications marketing.
- ✓ Top Marcom usage OCCASIONS... 'immersive experience' and 'enhanced product demonstration'.
- ✓ Top REASONS for adoption... 'connected technology-based' experiences are key for my brand.

The AR/VR Barometer Survey will be repeated in 2018 – expect some significant changes.

Next Barometer Survey Report on May 31 - DOOH (Digital Out of home).

# iab.canada

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