



From proof of concept to global execution:

How to build a scalable XR strategy in your organization



Zappar is the world's leading augmented reality platform and creative studio for mobile and web apps. Since 2011, Zappar's mission has been to democratise AR and get it into the hands and lives of as many people as possible, unlocking value for businesses and end-users alike. Zappar's award-winning AR platform and creative consultancy, enable brands, businesses and license partners across the world to deploy innovative and market-leading AR solutions across the mobile web and native apps.

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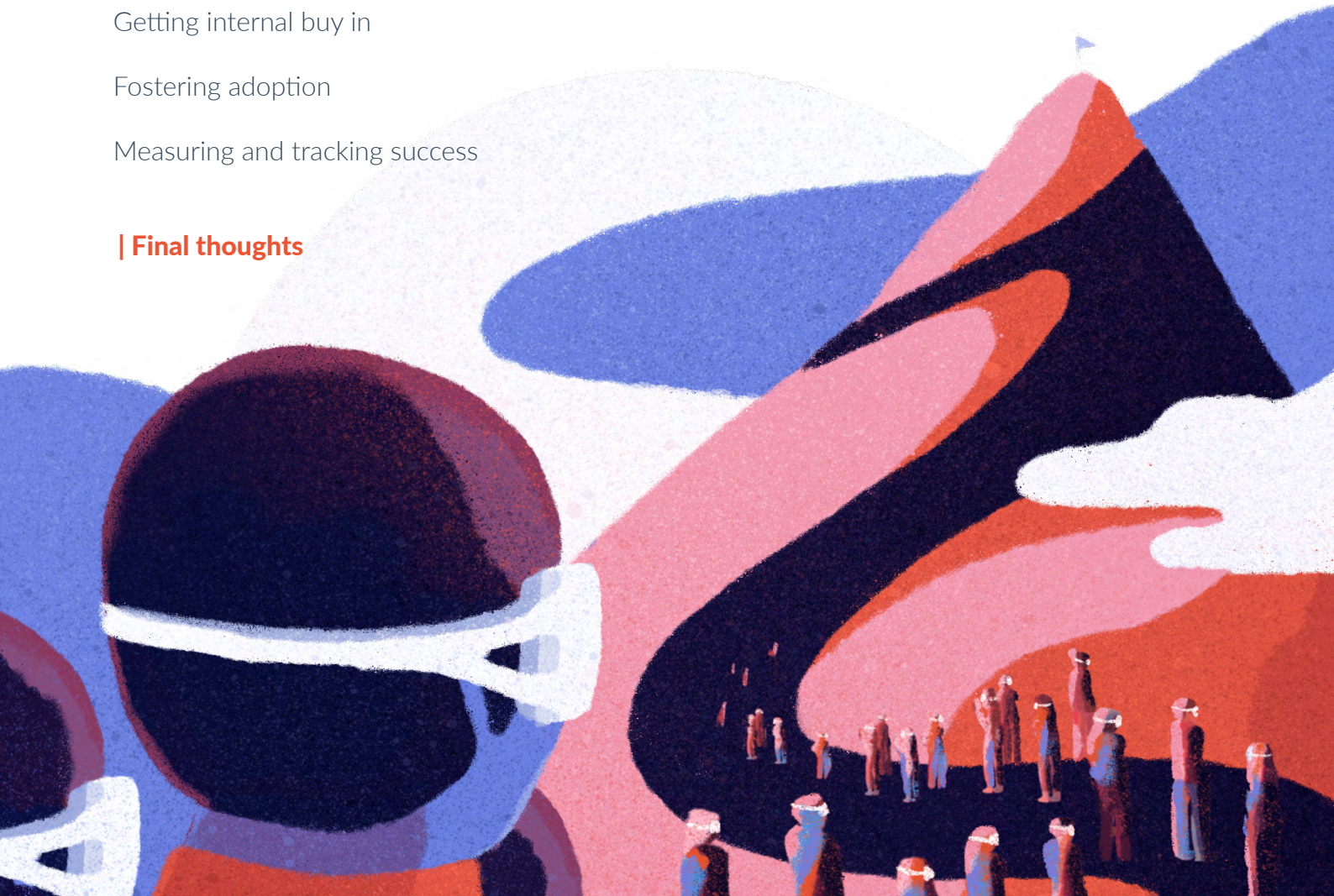
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It is an incredibly exciting time to be working within the XR Industry - whether you are cutting your teeth building new technology to run next generation computing platforms, or managing a brand trying to lead and stay ahead of the curve, there are multitudes (multiverses?) of opportunities to carve a path in this space. The metaverse - as an idea, a descriptor, or future promise - has galvanized investors, Fortune 500 businesses and entrepreneurs have put a serious amount of time and resources into understanding where they fit within the next trillion dollar market.

Through all the explosion of Metaverse and Web3 platforms and use cases, it can all be a bit disorientating on where to start? What to build? And where to spend your innovation budget? What will truly be transformative and what will be a marketing gimmick? It's easy to dive right in and launch an immersive campaign, an NFT, or an event on a virtual world - and there is some merit in the press that comes with it - but it's important to ask what is going to lead back to tangible results and return on investment; how will XR help you build new businesses models, enable digital transformation, and ultimately build a better relationship with consumers and help your bottom line?

We hope this guide provides you with a wealth of insight into some of these questions. If you are here, you know XR is something being talked about by your customers, consumers and internal leadership, and it's something you need to start embracing in your organization. This guide will provide a primer on how XR and the Metaverse conversation can take cues from previous trends, and empower you with a long term outlook on how to position you and your organization for success no matter where the XR industry turns next. We hope to shine a light on how to structure internal resources, approach commercial relationships with immersive products and platforms, and how to industrialize one-off proof of concepts into operational frameworks to scale XR across your organization. After reading this guide, you should get a grasp on how to evangelize and influence stakeholders in your organization, and how to sustain XR offerings past the yearly budget cycle.

Finally, we will arm you with ways to truly measure success - how XR provides value to brand, product and consumers, and enhances the overall value proposition of your business that is more meaningful and impactful than web metrics like impressions. Ultimately, adopting a customer success mindset will put you in the driver seat for driving repeatable and constant improvement.

After reading this guide, you should have a better understanding of how to build a scalable XR strategy within your organization and a foundational blueprint to establish an operational framework for execution.

Rich Hess,
Zapbox Product & Sales Manager

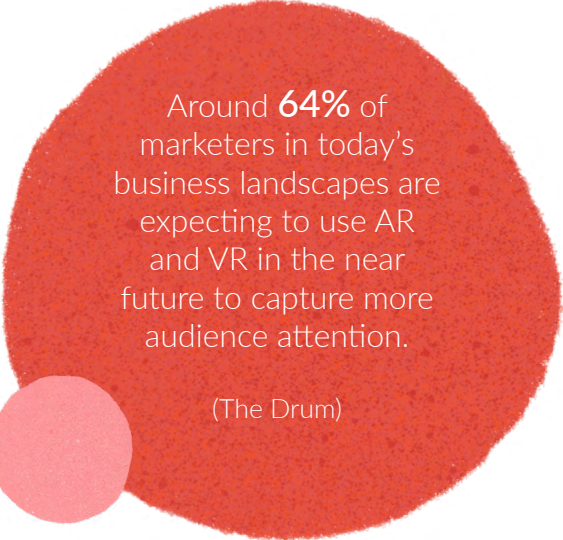


1 The current state of XR



The XR market is set to hit a value of **\$1,005.9 billion** by 2030.

(PR Newswire)



Around **64%** of marketers in today's business landscapes are expecting to use AR and VR in the near future to capture more audience attention.

(The Drum)



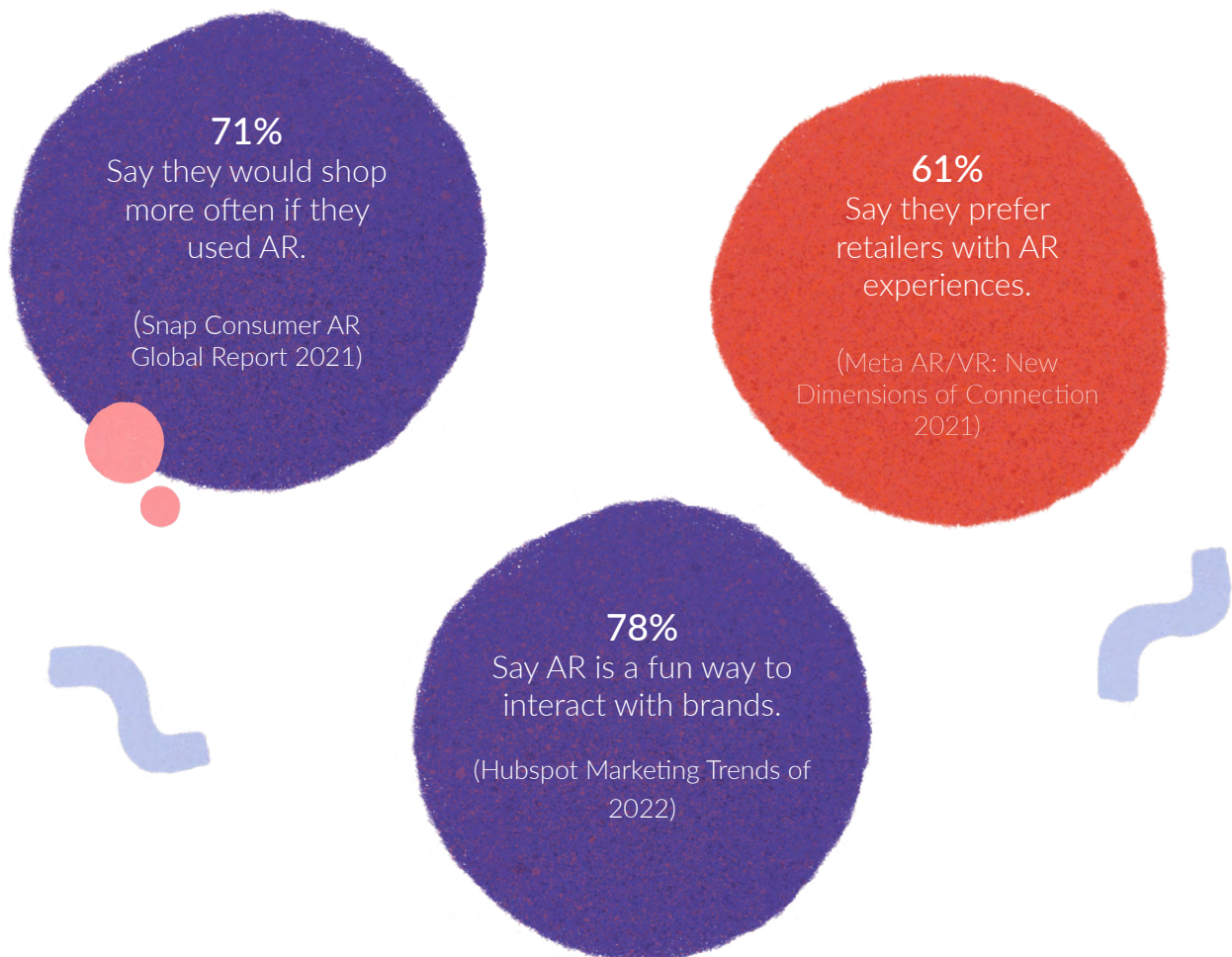
1 million customers in the US are already using AR every month, and there are around **1 billion AR** customers worldwide.

(eMarketer)



XR as part of the customer journey

A key trend we are seeing is AR and VR in general becoming an expected part of the consumer journey.



“

The conversion rates that we've seen have surprised us, as a result we're doubling-down on AR experiences to drive eCommerce.

Robert Triefus EVP of Brand & Customer Engagement Gucci

Impact of big organizations

On a different side of things we're also seeing that XR is making a real impact within larger organizations.

94%

Higher conversion rate after interacting with products that have AR experiences.

(Meta AR/VR: New Dimensions of Connection 2021)

75%

Business leaders plan to use AR or VR by 2023.

(Snap Consumer AR Global Report 2021)

42%

Of marketers plan to increase their investment in AR/VR in 2022.

(Hubspot Marketing Trends of 2022)

“

As AR evolves, it will revolutionize our lives and will become as significant a technology shift as the web or mobile was to society, changing how we view and interact with the world around us.

Allan Cook Digital Reality Business Leader Deloitte Digital

If your role focuses in on digital innovation or marketing or an agency that has large brands as customers or clients, XR is fast becoming something you need to plan on implementing. Both your consumers and your leadership are sending the message that this is something you need to take advantage of, be aware of and have a strategy for.

The metaverse

It's impossible to talk about the state of XR at the present moment without addressing the M word. The metaverse is a concept that has been percolating in the background for decades - but has exploded most recently when Facebook rebranded into Meta and declared they were a "metaverse company".

Whatever position you take on the metaverse - bullish or bullcrap - we aren't going to use this guide to define what it is (or isn't). There is a host of great material all over the internet that does a great job talking about the philosophy behind a completely virtual world.

However, it's important to discuss how the metaverse is driving interest from brands and businesses of all shapes and sizes. The trends around NFTs, virtual real estate and XR are all stepping stones on a journey to a fully realized virtual world. All of these trends will have an impact on your XR strategy.

If we look at the historical context and take a step back, the Metaverse may feel a little bit familiar to some certain trends that we've seen before.

Going back to 2009 with the advent of social media (Facebook, Twitter, YouTube), it wouldn't be out of place to hear from the C suite, boardrooms or Digital Marketing leaders phrases like "Hey, we need a Facebook... and what exactly does that mean."

This was the same with mobile apps and then AR and VR experiences. What we learned then is that you need a strategy; an understanding of what these technologies can do for your company or brand, and the framework that needs to be put in place to support it. That's still true today. So - how can brands and companies take advantage of the metaverse? Well, we've seen and are going to see a lot of people try a variety of different things. While these companies may not quite reach their end goal of existing in the metaverse just yet, we're at a place where companies need to test things out. This includes testing many different angles, value propositions, and experiential content in order to figure out the right space for their organization.



2009

"We need a Facebook"



2011

"We need a Mobile App"



2015

*"We need a VR Experience
with our Brand"*

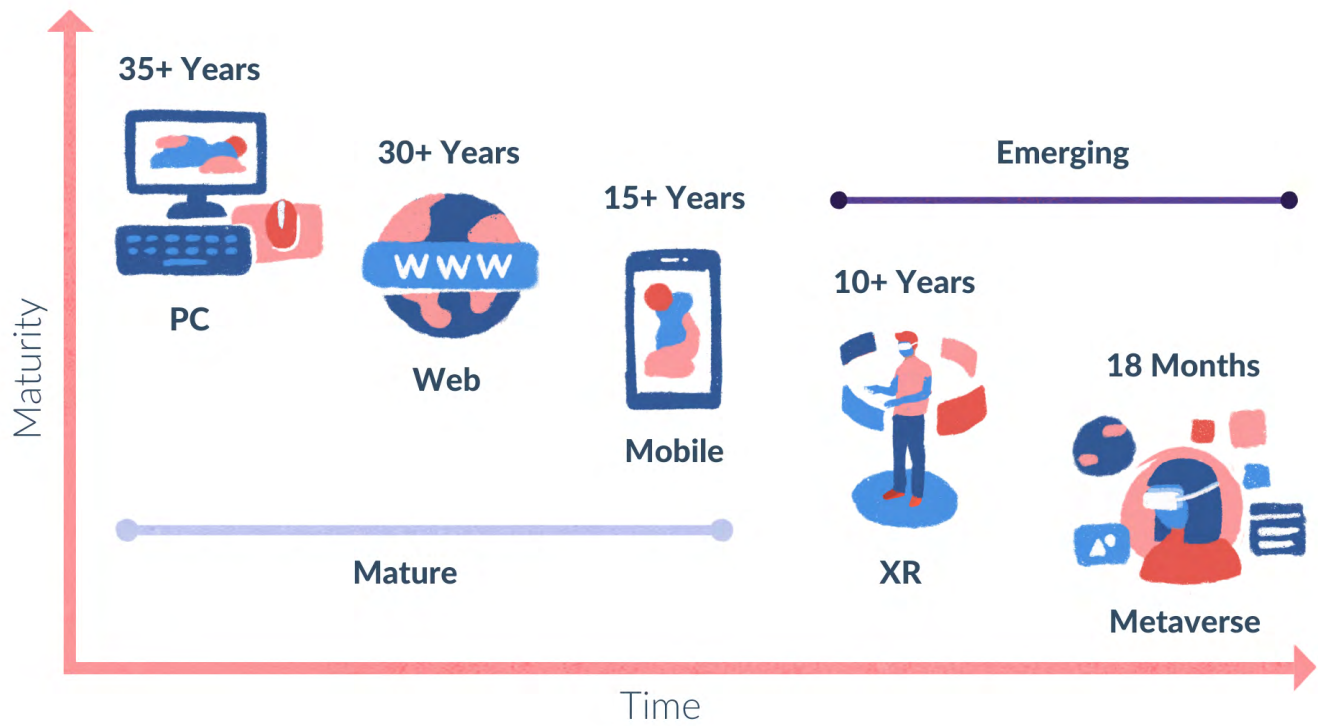


2022

"We need a Metaverse"



A more pragmatic and long term way of looking at this is considering how our relationship to the digital world has evolved over time.



- The dawn of the PC and graphical user interfaces.
- The web, enabling access to a library of content and communication across vast distances.
- Mobile devices and smartphones, taking that access with us on the move.
- And XR, changing the way we interact with that information into a spatial realm.

What you can see for the first three technologies is that they are more mature, they have well-defined ecosystems, there's consolidation on platforms, there's a marketplace and global standardization. When it comes to XR and the metaverse it's still more of an emerging format - most of this is still being figured out and we have a long way to go.

So whether you're a company that's looking at how their brands interact in the metaverse space or you're a company that services those brands, you need to consider the following scenarios:

When people start to buy products through this medium

There's been a lot of testing on purchasing products using VR or AR through a digital experience, but it's worth considering that outside a nice proof of concept there hasn't been mass market appeal yet. Looking at how long it's taken for mobile to overtake desktop in terms of ecommerce indicates that this could be a slower adoption.

When do people spend most of their time in XR?

We have seen some large companies and agencies implement XR experiences, betas and immersive formats, however it is still not a significant part of their business. With few XR experiences available, even the most staunch VR enthusiasts spend only a couple of hours at a time interacting with this type of content.

Moving from emerging innovation to utility

Innovators have to defend the innovation and prove the utility, making knowledge sharing and disseminating learnings vital for progress. Moving it from an exciting new thing to almost boring.



2 Building your scalable XR Strategy

Prepare to implement your strategy

1

Be Holistic and Agnostic

- Think cross functional and long term.
- Diversify when appropriate.
- Embrace the pivot!
- Consider internal capabilities.

2

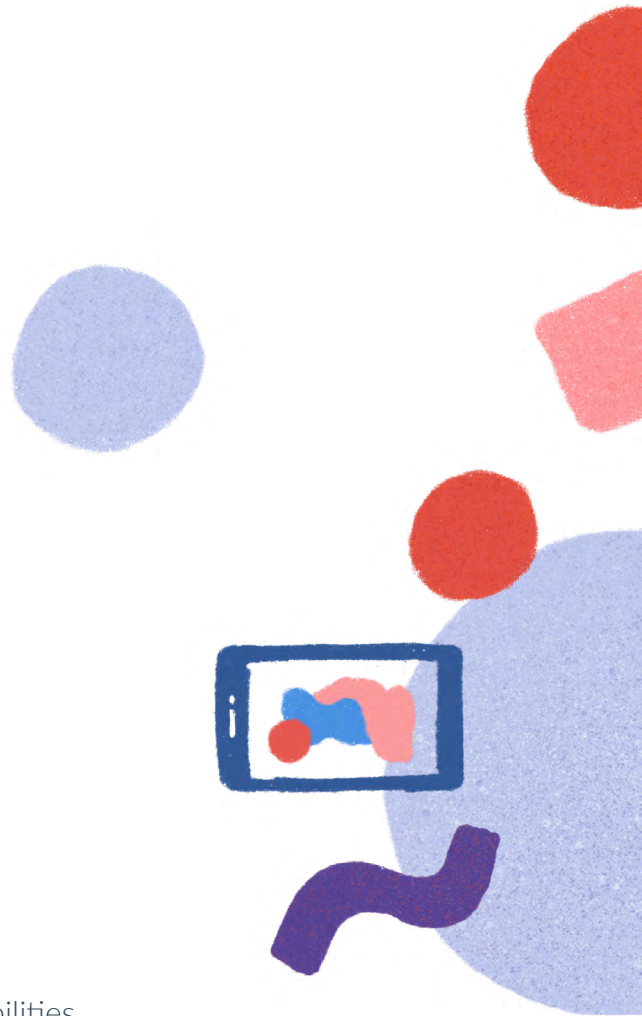
Test Quickly and Often

- Start small but be ready to scale if successful.
- Tolerate failure while adopting learnings.
- Look to productize even if using external capabilities.

3

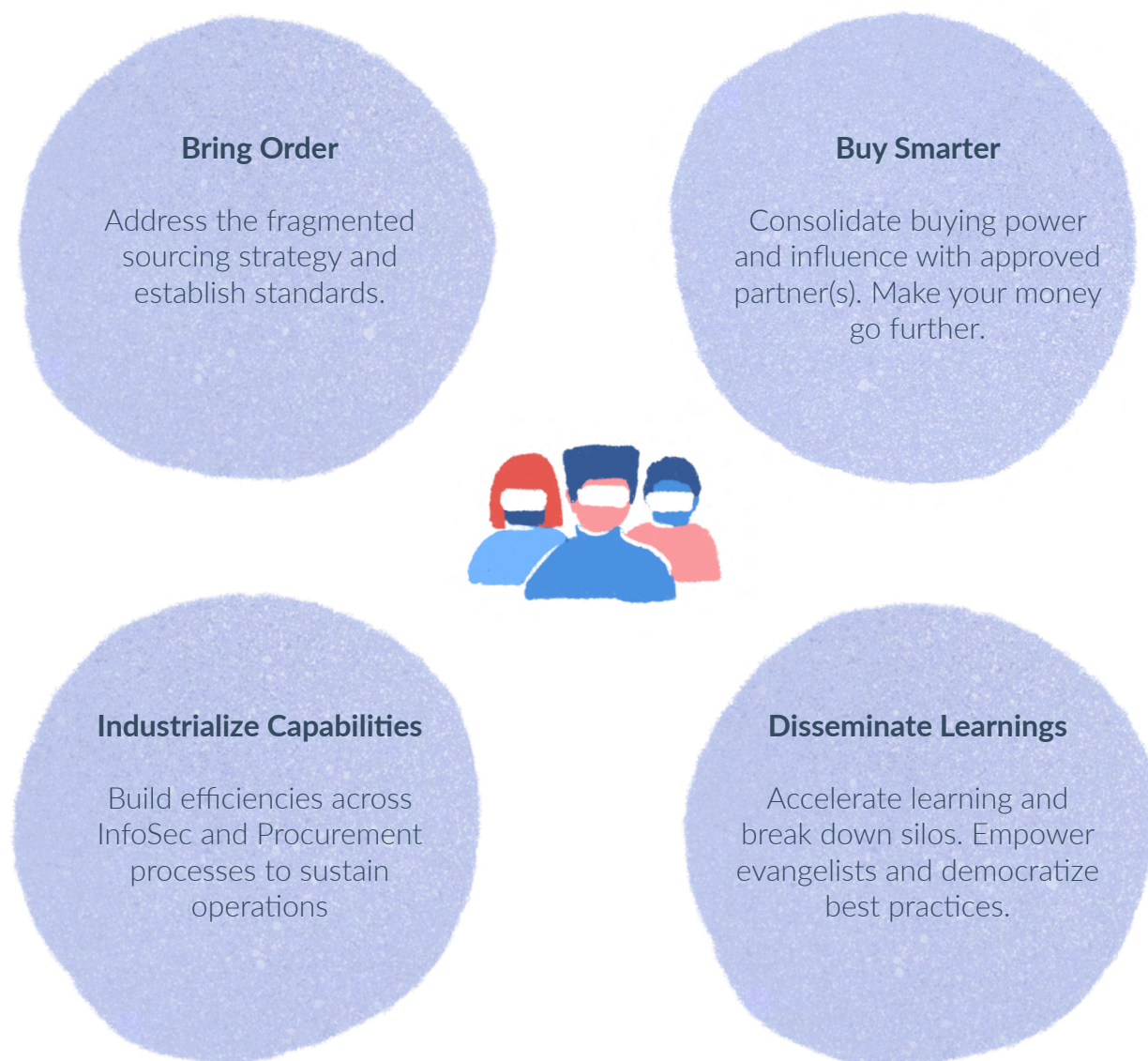
Before Scaling Target Platforms & Influence Roadmaps

- Consider repeated usage at the PoC phase.
- Short term pain (security, compliance) for long term gain (industrialization).
- Help build the product by becoming a super user.



Creating a centralized approach

You'll need a centralized XR team that focuses holistically on XR strategy across multiple verticals in an organization.



Building your internal XR team

So who do you need in your team?



IT will...

- Bring enterprise tech landscape expertise.
- Implement security and compliance by design.
- Help industrialize emerging tech into business capabilities.



Legal will...

- Review and approve master agreements and NDAs.
- Protect brand IP.

Support



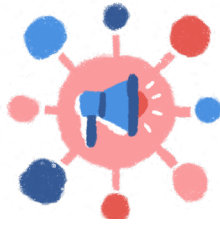
HR will...

- Find and recruit talent for the XR Team.
- Be leveraged for learning & development use cases.



Procurement will...

- Negotiate scalable master agreements.
- Enforce globalized sourcing strategy.
- Scout and due diligence potential partners.



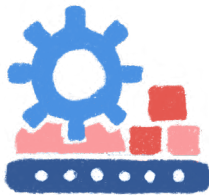
Marketing & Sales will...

- Co-build strategy on best practices and local execution.
- Joint plan with MarTech partners.
- Champion marketing & sales use cases for promotional and packaging experiences.



eComm/D2C will...

- Map out key consumer touchpoints where XR can influence purchase decisions.
- Integrate with D2C tech stack.
- Champion D2C use cases for product visualization.



Manufacturing / Supply Chain will...

- Are key stakeholders for enterprise use cases around remote assistance, learning and training, and collaboration.
- Integrate AR Call to Actions into packaging production process.

Stakeholders



R&D will...

- Are key stakeholders for prototyping and packaging design use cases.
- Partner to test and assess new technological capabilities and XR advancements.



Innovation Head will...

- Potentially support / lead XR Team.
- Secure new projects and internal targets.
- Source new innovative partners.

How do you build your team?

When it comes to building your team there are different resourcing approaches you can take.

	Center of Excellence	Internal Studio	Partnerships
	An intense, agile and lean team of SMEs, Project Managers, and Architects that lead on strategy and the big picture.	Bring creative and development capabilities in house to accelerate XR projects.	Leverage established and innovative tech leaders to drive adoption and make huge impacts
	• Disseminates learnings across large organizations. • Can handle higher workload by delegating development to 3rd-parties. • Better positioned to handle multiple verticals.	• Can operate off resource and license costs. • Closer and unbiased to the business vs. 3rd-parties. • Can more easily pivot and accelerate projects based on changing demands.	• Huge brand recognition by working with companies creating the tech. • Roll into or integrate with joint business plans across different marketing verticals. • Strong driver for internal buy-in.
	• Beholden to budget schedules and restrictions. • Can be spread thin across multiple stakeholders. • Need consistent buy-in from the rest of the business in order to execute projects.	• Up-front resource cost that can be heavily disrupted during budget challenges. • Tough competition to attract the best talent. • Will be compared and compete against agencies.	• Needs a large, prohibitive investment. • Will often be tied to other financial commitments (i.e. Advertising, Media) • Partner priorities can pivot fast and leave you hanging.



How to get internal buy in?

Storytelling

A hard number and a technology first approach will sometimes not be enough for internal stakeholders or key decision makers to buy into your vision. Consider how to sell them the idea and use of XR for your company or brand. Focus on weaving a narrative similar to a story to help them understand how your customers will be best supported with the XR or metaverse solution. At the beginning, identify what your customer or user's pain points are. The middle becomes what the solution is, this could be an XR experience, go into how this will solve the problem for your users. Finally, the end is how you would go about executing it and delivering the XR experience to your audience.

Give a vision on how this will impact their world and how they can prepare and excel in this new reality!

Key things to remember ...

1 Pitch often

Pitching is a muscle that needs to be built - build your way up from elevator (couch) to TED talk (5k).

2 Make sure you talk business

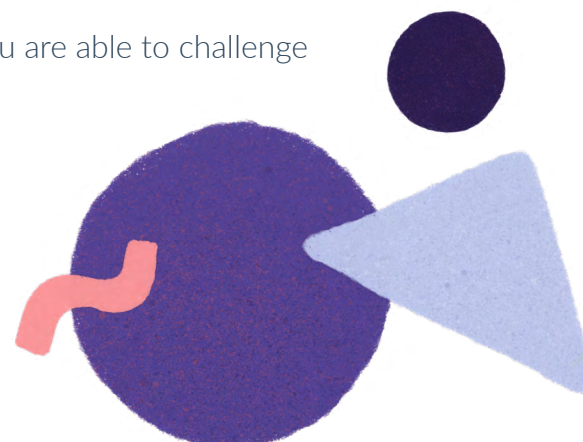
Demonstrate tangible business value and outcomes without getting lost in the tech. Communicate why they should invest.

3 Empathy is a must

What problems does XR solve for your stakeholders? Understand their perspective and don't force it.

4 Finally..own it

Become a subject matter expert - the "go to". Make sure you are able to challenge and respond to challenges.



How to foster adoption?

1

Start Small, Think Long Term

- Test and Learn with multiple approaches on different platforms.
- Scale the successes.

2

Benchmarking

- Compare the advantages of AR vs. alternative options and methods.
- Use data to support your argument.

3

Incentivize Stakeholders

- Help fund or champion promising projects and initiatives.
- Excite partners and build your tribe.

Finally, how do you measure and track success?

Use established frameworks



SMART Goals

Specific, measurable, achievable, relevant and time bound
SMART goals can really help when you're in the early deployment stages.



OKRs

Objectives and key results
These are helpful if your organization already has the structure to support them.



It's not box ticking

Don't use innovative technologies as a box ticking exercise - you only get so much line to catch the right fish.

Use the analytics tools you know already

- ZapWorks Analytics
- Google Analytics
- PowerBI
- Third-party analytics
- Retargeting via social apps



Link XR to tangible business outcomes

Business Problem

You want to tell your sustainability story on-pack via a QR code on X million products.

Solution



Business outcomes

- 10% uplift in brand awareness as measured by X
- 2% uplift in sales as measured by X
- 100,000 mentions on social media as measured by X vs the same results from a more established channel.

Use the power of “customer success”



Mindset

Adopt a customer success mindset in your team and your business and your strategy - if you are the customer, always know what success looks like to you and communicate it.



Champion

You become the champion at getting the internal buy-in, working with external champions or other people in the XR community to build legitimacy. Use the expertise you have at your disposal and leverage existing additional resources like free and paid training, workshops and collaborations between teams. A good place to start is getting in-touch with your CSM as Zappar if you are already a customer!



Celebrate

Use internal comms, intranet, email and other internal tools like Slack, Yammer, Teams to celebrate the success of the teams.

Final thoughts

Planning a sustainable enterprise XR strategy takes a ton of hard work and foresight. It requires pragmatism and flexibility in execution while being steadfast on your own vision and evangelism. It takes partnerships with external platforms and internal stakeholders, while building your own thought leadership and team resource capabilities. Finally, it requires hearts and minds as much as it requires numbers to tell a story on why XR is an important technology paradigm, whether standalone or more broadly part of the Metaverse conversation.

We hope this guide shed some light on the attitude, methods, and long-term thinking needed to scale XR in your organization, as well as provided a blueprint on how to measure the success of your journey. To quote Andy Parg of WARC, **“it feels strange that we are still talking about metrics like click-through rate or impressions”** while the average consumer is spending more time in immersive technologies, and the guidelines we provided should help get buy-in, foster adoption and measure how impactful XR can be to your organization.

When embedding new technologies into your business it's important to embrace a test and learn culture. From the early days of social media to the XR strategy of today; there has always been an attitude of “start small, think big” across businesses in all sectors.

These days, when starting your XR strategy, it's easier than ever to build in frameworks for measuring success; whether you're focussed entirely on specific objectives and their key results or moving the needle on some north star metric (like engagement, brand awareness or training) it's essential to know what you want to achieve before you set out on the journey.



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Get in touch today >>