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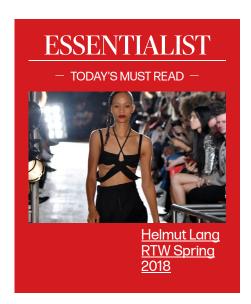
# How Apple's New iPhone Can Supercharge Mixed Reality

For the iPhone's 10th anniversary, Apple's giving retailers a gift — a major boost for mixed-reality AR and VR tech.

By Adriana Lee on September 11, 2017







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Apple's getting ready to bring a new reality to the market.

The tech giant has never been quick to jump on the latest trend, but it does have a long history of pushing the industry forward and setting the pace once it sets its sights on the next big thing.

Now, with the iPhone maker fixing its gaze on augmented reality and preparing to introduce the latest iPhone on Tuesday, AR may suddenly land in the pockets of hundreds of millions of consumers and nearly all at once.

The technology, which adds a layer of visuals over a user's view of the world, itself is nothing new. AR and its cousin, the more immersive virtual reality, have been subjects of intense development at Google, Samsung, Facebook, Microsoft and many others. The attention spurred on retailers, who have been dabbling with "mixed reality" experiences for customer engagement for years.

In June, Apple signaled its next step and revealed ARKit, a set of software tools that simplify the work of putting AR features in iPhone apps.

"Apple's ARKit changes the game, because it makes AR immediately accessible to 300-plus million people on release of iOS 11," said Jacob Mullins, principal at venture capital firm <a href="Shasta Ventures">Shasta Ventures</a>. "We don't have to wait for the technical difficulties for wearable AR glasses to be solved."

Apple's ability to transform industries is legendary. "The iPhone is such a popular device, that when Apple takes something seriously it has an even deeper impact on customers and markets than any other company," said Blake Morgan, a customer experience expert and author of "More Is More." "When Apple prioritizes a feature, the adoption rate spikes."

The wireless ear bud industry can attest to that, having enjoyed a significant boost when Apple moved toward wireless headphones and ditched the 3.5-mm headphone port last year. According to market research firm The NPD Group, sales in this sector surged 22 percent from January to July, over the same period in 2016.

Now experts believe that Apple, with a new AR-ready iPhone and cohesive software platform, could push the mixed-reality technology beyond the experimental stage. For <u>retail</u>, the tech could reshape consumer expectations and change the way people shop *en masse*.

Retailers — including Sephora, Toms, Neiman Marcus, Lowe's, Ikea and many others — need no convincing about the tech's promise. Sephora customers can try on virtual lipstick and other makeup, and furniture shoppers can fire up their phone cameras to see what an Ikea couch would look like in their real-world







living rooms. Brands have been exploring virtual fitting features, tours and other experiences, both at home and in brick and mortar shops.

Salvador Nissi Vilcovsky, founder and chief executive officer of MemoMi Labs Inc., which coproduced digital mirrors with Neiman Marcus for in-store use, looks forward to the lift Apple can give the sector. However, he remains skeptical about the company's approach.

"The <u>retail</u> sector has been experimenting with AR for a while," said Vilcovsky. "But what we are seeing in the last months is that more and more brands are moving it from experiment to production, [making it] standard as part of their store experiences." He sees Apple's involvement enriching the market, "but mostly on iOS devices, which have their own limitations."

When Apple's new hardware arrives, it will land with one notable omission: Unlike Samsung, which gives away Oculus-powered Gear VR headsets, Apple isn't expected to start producing iOS goggles anytime soon. That may be just as well. Reportedly, the company's production line is experiencing delays as it is, thanks to upgraded cameras and high-resolution displays suitable for AR and other features, like facial recognition. But an Apple-branded face gadget may simply be a matter of time.

"Apple is pursuing AR glasses but consumers likely won't see them for five years," said Mullins. "AR experiences on the iPhone and mobile devices are the bridge to warm consumers to the Augmented Reality user interaction, which will only accelerate when AR glasses reach the market."

Until then, there should be plenty to take in, including more AR-specific apps, possibly an in-camera app store, he added. "We will start to see AR features as a part of most mobile applications going forward."



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