

The Daily Telegraph

22nd June 2020

Blippar's new vision for augmented reality is perfect fit for a post-Covid world

By Hannah Boland

There are few recent British technology collapses as notorious as Blippar. The augmented reality start-up was for years classed among the UK's brightest tech stars. It had received takeover offers of as much as \$1.5bn (£1.2bn), it claimed, while boss Ambarish Mitra was called a "real-life Slumdog Millionaire".

And yet, in late 2018, Blippar was in a state of disarray. Following rumours over spiralling losses and collapsed deals, the company plunged into administration in December 2018. Its assets were later bought by property mogul **Nick Candy** for a fraction of Blippar's earlier price tag, at £450,000.

Since then it has got a new boss, finance chief and chief commercial officer. Chief executive Faisal Galaria says Blippar has been "deliberately quiet". But that is about to change. Partnerships are in the pipeline. "It's going to be a really big summer for Blippar," Galaria says.

Such comments are likely to raise some eyebrows. Augmented reality (AR) has failed to deliver on the hype. It is not just Blippar that has come up against hurdles, however. Google failed to make its Google Glass product work in 2015.

More recently, American firm Magic Leap, which raised \$2bn for its AR glasses, was said to be cutting 1,000 jobs in April. Its boss Rony Abovitz stepped down late last month. Just last week, audio specialist Bose shut down its own augmented reality work.

Investors have clearly been

questioning whether there is a future for AR. Funding for firms fell off a cliff last year, with figures compiled by Pitchbook for *The Daily Telegraph* showing a 30pc global decline in the amount venture capitalists were investing in the field compared with 2018. In the UK, the drop was far sharper at 70pc.

Reservations about diverting cash to AR among investors are hardly surprising, says CCS Insight's Nick McQuire. For those augmented reality firms developing glasses, they have often been clunky, uncomfortable and expensive.

The software has required high quality bandwidth. And, really, "individuals actually have to be comfortable using it".

Yet things may be on the verge of changing. Blippar's Galaria says "ecosystems need to come together for companies to take off".

Galaria had been an early employee at Skype, and "back in the early days, it needed 3G and it needed voice compression technology to be around".

"For Blippar, you need 5G, you need AR stacks to be downloaded to the phones" – which he says is now in place.

Whether Blippar's revival will prove a success depends on more than timing. The company itself needed to be "right-sized", Galaria says. When he first began speaking to **Nick Candy** and ex-boss Mitra over the role, in Cannes this time last year, he told them what he would do: simply build an augmented reality business. Blippar's plans to build a visual

search engine, which would use a smartphone camera to identify any object or person, were off the table. "I just said, what you're really good at is augmented reality, so let's do what works."

Requiring users to download Blippar's own app to scan items and get AR content was also out the door. Now, Galaria says, users can scan things on their phone to start what are termed "experiences" without having to open any applications.

It hopes this will solve the problem of people actually using the AR technology. Stefan Bardega, of marketing firm iProspect UK, says this problem has plagued the business for years. "They had to solve the distribution first before advertisers would be interested."

He adds: "The world has really moved on from augmented reality as a novelty that meant people were prepared to go and download applications."

It is not just the novelty of AR wearing off that Blippar has had to contend with. The world has changed dramatically in the year since it launched – not least with Covid-19 wreaking havoc in the advertising market, where Blippar sells. Budgets have been slashed as companies cut spending to prepare for a downturn.

But, Galaria says, advertising spend isn't gone – it has just shifted from "out of home" to mobile. Blippar has signed three \$100,000 client campaigns during the lockdown, he notes.

All this signals an upturn in the AR market, which the latest

figures seem to reflect. British firms have already raised more this year than they did during the whole of 2019.

Jason Ball, who led Qualcomm's investment into Blippar in 2012, says: "Covid and AR are best friends in some ways - if you can't go to the furniture store, you can bring the furniture store into your living room."

The pandemic could bring about a revival for AR - and for Blippar, the timing couldn't be better.



Nick Candy, left, bought Blippar from administrators for £450,000