

SOFTWARE AND TECHNOLOGY

Snapchat acquires Israeli AR firm ahead of rumored 2017 IPO

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The deal establishes Snapchat's presence in Israel. Image courtesy of Burberry

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Snapchat has acquired Israeli augmented reality startup Cimagine for a purported \$35 million, but both companies are keeping mum on their plans for the future.

Cimagine's augmented reality platform allows consumers and retailers alike to better visualize the presence of products such as furniture and appliances in a room, on their mobile devices. The startup is Snapchat's first foray into acquisitions in the Israeli market, and, its past success in scaling unique research and development initiatives out of all of its international offices suggests the same for Cimagine.

"Visual interaction is at the soul of Snap and as the lines between digital and physical engagement blur mix, reality services will rule the day," said Michael Becker, managing partner at The Connected Marketer Institute. "The future of visual engagement will be driven by augmented and virtual reality, the former will turn physical media (including space and distance) into interactive media, and the later shall immerse individuals into worlds that are limited only by a brand's imagination.

"There are a wealth of intriguing examples for the application of AR. For example, recent ISACA study reported that vast majority of individuals would like to use AR from training, retail, and shopping guides, to healthcare and home decoration services, as well as gaming and more."

Cimagine

The acquisition continues Snapchat's dedication in incorporating AR, making it essential to the application's experience.

Applications of AR in Snapchat have culminated in many popular features, including many of the most popular filters.

No statement has surfaced yet from either company on the acquisition, which is not a surprise considering the history of notoriously press-averse Snapchat.

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The acquisition also comes conspicuously close to dates mentioned during rumored discussions of a Snapchat IPO, which is said to be valued at as much as \$25 billion, several magnitudes higher than the \$3 billion from Facebook Snapchat turned its nose up at in 2014.

"This acquisition could certainly help Snap's IPO," Mr. Becker said. "Mastering experiences will become a core competency to compete in the age of the connected individual.

"With this acquisition, Snap is skating to where the puck is going, not where it has been. It is acquiring the capabilities it will need to support brand marketers and members of its community."

Snapchat success

The platform's dedication to research and development has paid serious dividends this year, contributing to growth in advertising revenue. Sony Pictures' newest blockbuster film, Underworld: Blood Wars, got the mobile treatment with a Snapchat campaign that production company Screen Gems calls the world's first 3D-interactive Snapchat lens ([see story](#)).

And ABC's The Bachelor recently debuted a Snapchat companion show named Watch Party: The Bachelor ([see story](#)).

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"It is hard to say what will happen as more AR and VR solutions are introduced," Mr. Becker said. "AR and VR are tools, and like any tool they can be wielded with skills to create beauty and value, or they can create damage.

"I suspect that these services will have a significant impact on society," he said. "They can bring people closer together while at the same time isolate them, they can simplify and streamline commercial experiences while potentially adding unnecessary complications and risks and they can create value for or from people.

"I suspect we'll find situations in the near future where all these cases will become true. It is up to us as marketers to invest in and pick what's is right for our respective companies and the people and communities we serve."