

NEW ENTERPRISE REALITIES

Industry perspectives and key metrics
on business applications for virtual,
augmented and mixed realities



Produced by

(VR) Intelligence

 **SUPERDATA**
GAMES & INTERACTIVE MEDIA INTELLIGENCE

In conjunction with:

(VRX)

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June 26–27, Boston

“Will VR remain the dominant form of immersive technology, or should enterprise developers start shifting resources over to AR and MR as soon as possible?”

INTRODUCTION

The spread of consumer-oriented virtual reality (VR) headsets has been a boon to businesses in fields ranging from architecture to medicine to retail. Companies now have access to more affordable hardware and can depend on developers who are experienced in working with the new platforms.

However, the possibilities can be daunting for this new medium. Industry end users like automakers and educators need to ask questions like “How can VR enhance my business?”, “How is it giving our competitors the upper-hand?”, and “Is VR the best solution for my needs?” In turn, those who supply software and services need to know who their potential customers are and how they want to use VR.

Looming over all this is the rise of augmented and mixed realities (AR and MR). Will VR remain the dominant form of immersive technology, or should enterprise developers start shifting resources over to AR and MR as soon as possible?

Using proprietary industry data and a comprehensive survey of professionals in the immersive technology space, SuperData Research and VR Intelligence have teamed up to provide a look at where VR/AR/MR use in the enterprise stands and where it will go next.



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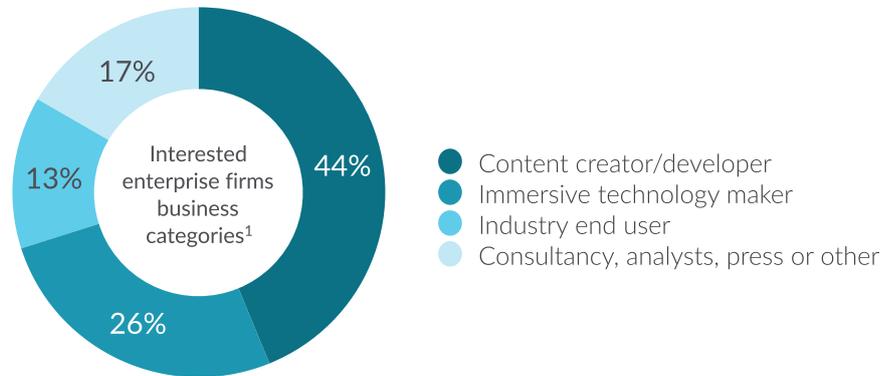
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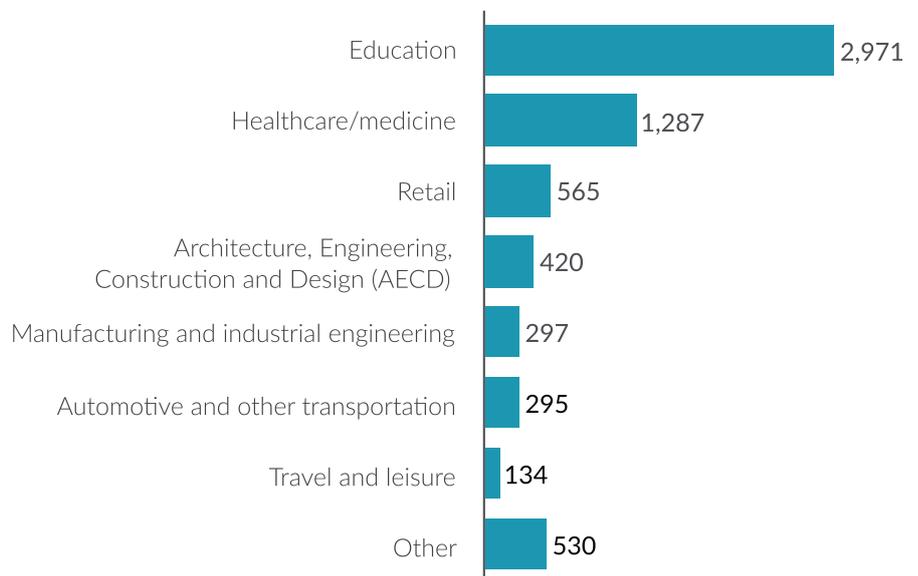
“Education and healthcare win out as the fields with the most end users thanks to a high volume of academic institutions and hospitals harnessing the potential of VR.”

INDUSTRY END USERS MAKE UP A LIMITED — BUT VALUABLE — SHARE OF THE VR SPACE



Among respondents, the share of content creators involved in the immersive technology industry far outnumbered their potential enterprise customers (44% versus 13%). The use of immersive technology still needs to grow so the industry can support a high volume of enterprise-oriented content creators. These creators will need to invest further in marketing themselves and show concrete examples of how VR services are able to help end users’ bottom lines.

Number of industry end-user entities (Q4 2017)²



¹ Question: How would you describe your company’s business category? | From a VR Intelligence survey of 335 VR industry stakeholders. Responses were collected in August and September 2017.

² VR Intelligence survey: In which of these areas do you use, or plan to use, VR in your business?



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Education and healthcare win out as the fields with the most end users thanks to a high volume of academic institutions and hospitals harnessing the potential of VR. WorldViz, a creator of high-end VR solutions and simulations, counts Stanford, MIT and Brown University among its clients. On the other end of the spectrum, Google Expeditions lets elementary school students take virtual field trips using smartphone-based VR.

Compared to healthcare, education and AECD, fields like automotive or travel and leisure have a smaller number of high-value businesses harnessing VR. Supply-side firms succeed

“Developers of “showroom” experiences would do well to look at the retail and travel industries: Roughly two-thirds of the businesses using VR in these fields do so to power virtual showrooms and sales tools.”

by targeting select, valuable clients in these spaces. Properly implementing VR can be a daunting task even for the largest demand-side companies.

VR TRAINING SOLUTIONS AND DESIGN TOOLS HAVE THE WIDEST RANGE OF POTENTIAL CUSTOMERS

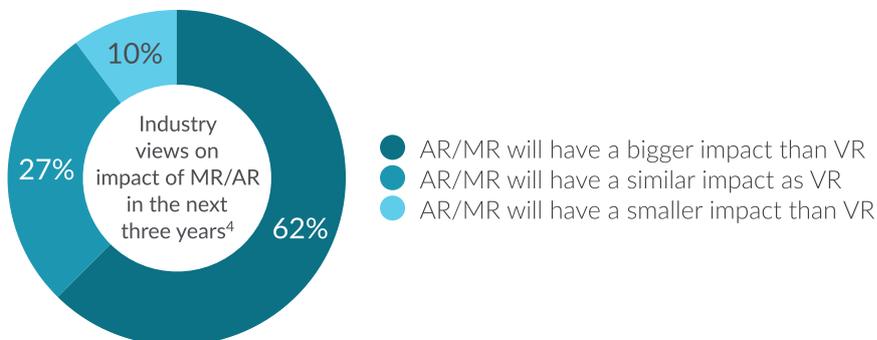
How industry end users use VR or plan to use VR³



Training and simulation win out as the most popular ways enterprise consumers utilize VR — no surprise considering the long-running use of VR in areas like military training. Product design and engineering is a distant second overall but are hugely important in fields like the auto industry. Carmakers like GM now rely on VR to create models of cars to prototype designs without needing to build a physical model.

Suppliers cannot take a “one size fits all” approach and hope users across every industry have the same needs. For example, developers of “showroom” experiences would do well to look at the retail and travel industries: Roughly two-thirds of the businesses using VR in these fields do so to power virtual showrooms and sales tools. Meanwhile, the AECD industry is the most likely to make use of VR for design and engineering purposes.

VR DEVELOPERS ARE PREPPING FOR A SHIFT TO AR AND MR



³ VR Intelligence survey: What do you think the impact of Augmented Reality (AR) and/or Mixed Reality (MR) will be on industry in the next 3 years?

Nine in 10 industry stakeholders agree AR and MR will at least match VR’s impact on industry in the near future, and most believe AR/MR will have a greater impact overall. As Pokémon GO showed, consumers are ready for smartphone-based AR. However, smartglasses affordable and sleek enough for consumers are still years away. Enterprise will lead early adoption of headset-based AR/MR as long as the devices are too expensive and bulky for mainstream consumers.



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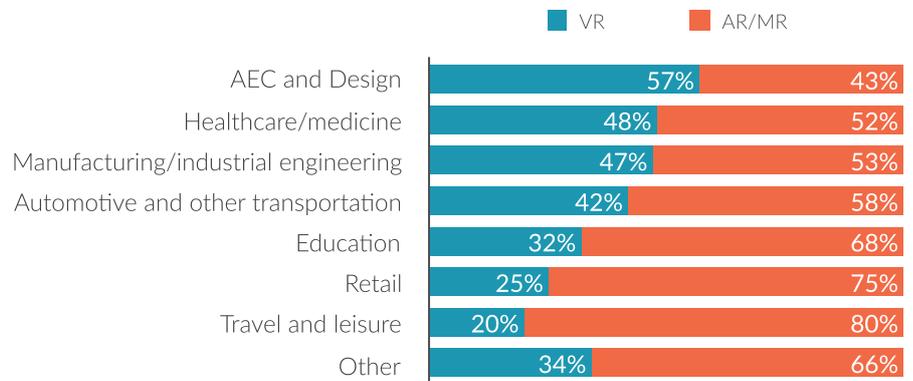
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“As smartphone-based AR becomes more ubiquitous, retailers will want solutions that can enhance the consumer experience”

Projected share of 2020 enterprise investment and spending



The AEC and Design field is poised to remain focused on VR technology for longer than other industries. Use cases like architectural design and client sales will still take advantage of VR’s unmatched immersion. Meanwhile, fields with a strong consumer focus (e.g., retail and travel and leisure) will soon be in need of AR/MR expertise. As smartphone-based AR becomes more ubiquitous, retailers will want solutions that can enhance the consumer experience (e.g., virtually trying on clothing, which companies like The Gap have already experimented with). Due to shifting developer and investor priorities, supply-side VR companies will have to decide whether to start investing substantially in AR/MR now or risk getting left behind.

LOOKING FORWARD

The benefits of VR are no longer theoretical as industry end users like Lockheed Martin publicly share how VR is saving them millions. The question is no longer, “Do I need to use VR/AR/MR to compete in my industry?” but, “How do I use immersive technology to stay competitive?”

However, standards are also higher for supply-side companies. They can no longer rely on hype around VR to attract investors’ interest. Instead, they must address specific enterprise pain points and start earning B2B revenue. And, depending on the industries they target, they may need to start shifting their focus over to AR and MR sooner rather than later.



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