

ARTILLRY DATA BRIEFS

LONG-RUN AR SCALE WILL BE IN CONSUMER MARKETS

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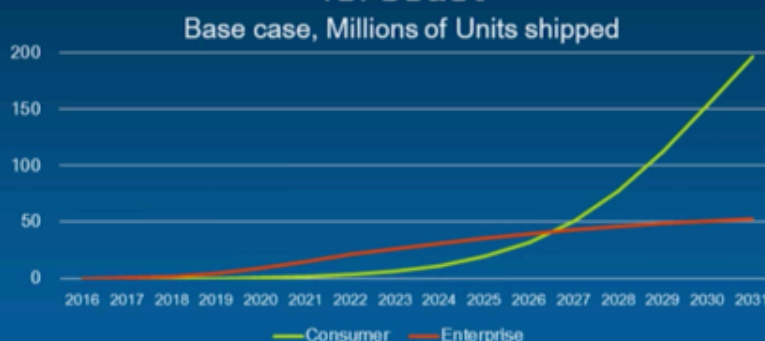
AR's nearer term revenue scale is in the enterprise, for all of the reasons we've examined. And Enterprise AR will also take the leading revenue position among XR sub-sectors this year and throughout ARtillery's forecast timeframe.

But what about further off? Consumer AR glasses could actually eclipse enterprise counterparts in the next decade. Specifically, Intel reports that consumer AR glasses will inflect around 2027 with 50 million unit sales, and then grow to about 200 million by 2031 (see below).

The Promise of Augmented Reality



Consumer and Enterprise AR TAM forecast



Source: Intel forecast based on weighted average of industry forecasts and internal analysis

This long-term outlook is of course purely speculative, but is conceptually important. The rationale is that enterprise AR — though opportune in the near term — will reach a saturation point. Consumer AR conversely has a higher ceiling (6 billion humans on the planet).

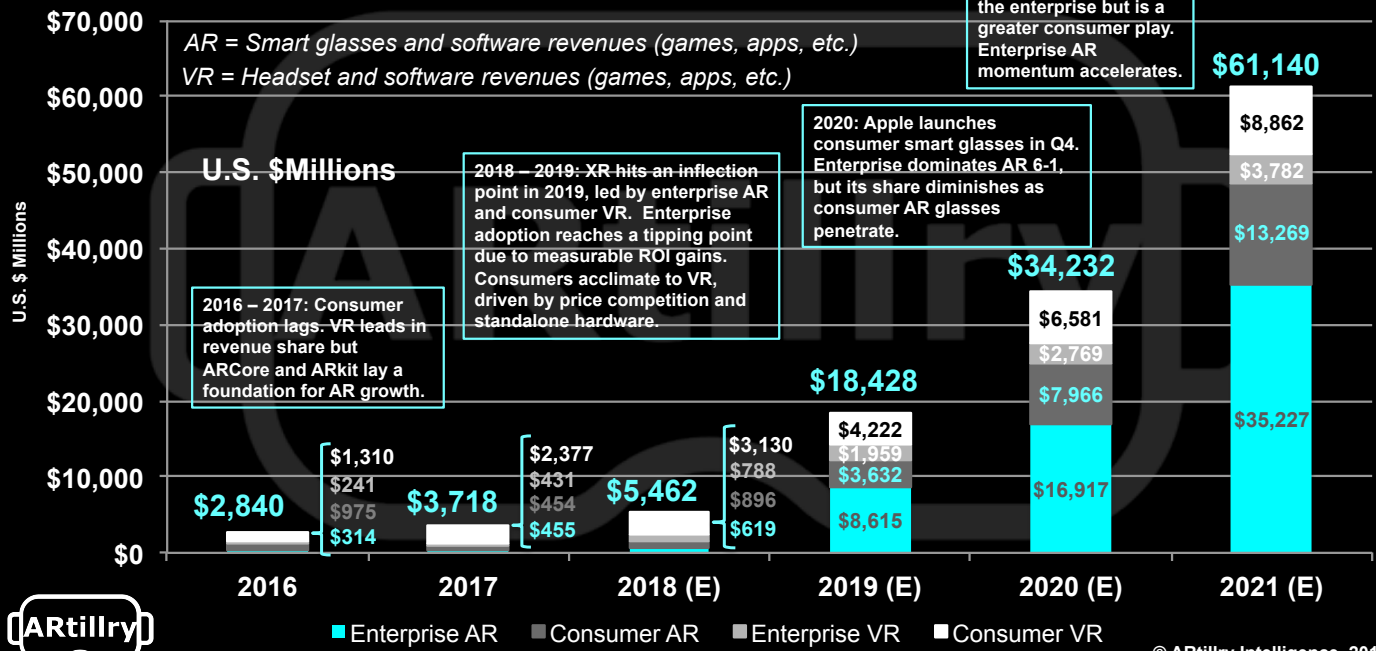
“In the long run, we know that the consumer market is going to far outpace the potential for enterprise,” said Intel’s Chris Croteau at an ARiA event. “There are a finite number of jobs on the planet and many of those jobs are being optimized and automated. So our ability to capture that market is a fixed target. But humans keep reproducing, and technology keeps spreading.”

AR’s glasses don’t pass stylistic requirements (size, weight, etc.) for consumer markets. But the onward march of Moore’s law will bring us mainstream-viable consumer AR glasses in the next decade. That could start with the halo effect brought by Apple’s rumored glasses circa 2020.

GLOBAL XR REVENUE BREAKDOWN

(DETAILED VIEW)

2021: VR has a place in the enterprise but is a greater consumer play. Enterprise AR momentum accelerates.



Once those hardware goals are reached, it becomes a question of killer apps and utility. And from there, Intel is right that consumer market scale could outpace the enterprise. Meanwhile, consumer markets are being acclimated (and developers being trained) through mobile AR.

We'll be watching closely and course-correcting our own projections as the market develops, and as all of the above unfolds. There will be a lot to see.

About ARtillery Intelligence

ARtillery is a publication and intelligence firm that examines augmented reality and virtual reality, collectively known as XR. Through writings, data and multimedia, it provides deep and analytical views into the industry's biggest players and opportunities. It's about insights, not cheerleading.

Run by career analyst and journalist Mike Boland, coverage is grounded in a disciplined and journalistic approach. It also maintains a business angle: Though fun and games permeate VR and AR (especially the former) long-term cultural, technological and financial implications are primary.

Learn more at <https://artillery.co/about>



About the Author

Mike Boland was one of Silicon Valley's first tech reporters of the Internet age, as a staff reporter for *Forbes* (print) starting in 2000. He has been an industry analyst covering mobile and social media since 2005, and is now Chief Analyst of *ARtillery Intelligence*, covering emerging tech.

Mike is a frequent speaker at industry conferences such as VRLA, ad:tech and LeadsCon. He has authored in-depth reports and market-sizing forecasts on the changing tech & media landscape. He contributes regularly to highly read online news sources such as *TechCrunch*, *Business Insider* and the *Huffington Post*.

A trusted source for tech journalists, his comments have appeared in A-list publications, including *The New Yorker*, *The Wall Street Journal* and *The New York Times*.

Further background, history and credentials can be found at:

<http://www.mikebo.land/>





Contact

Questions and requests for deeper analysis can be submitted at:

<https://artillery.co/contact/>



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