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ARTILLRY INTELLIGENCE BRIEFING
VR USAGE & CONSUMER ATTITUDES
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Executive Summary

Who's using virtual reality (VR) today? What are their motivations? What are the VR use cases and content categories that resonate most, and least? And for those who are uninterested in VR, what are their biggest reasons?

A lot can be learned about VR's market opportunity by answering questions like these, and uncovering sentiments of the consumer public. And in VR's early days, such data is scarce yet critical to positioning strategies.

So we set out for answers. Working closely with Thrive Analytics, ARtillry authored questions to be fielded through its established survey engine. The result is the first wave of Thrive's *Virtual Reality Monitor™* (VRM).

Tapping a considerable sample of almost 2000 adults, the data returned telling consumer behavior patterns, useful in ongoing VR strategy refinement. That includes content, hardware and other components.

In addition to data, this report applies a layer of insights from ARtillry analysts to translate raw figures into prescriptive advice for VR/AR players. This takes form in a narrative story arc, grounded in Thrive's original data.

Questions and requests for deeper analysis can be submitted at
https://artillry.co/contact/.

Key Takeaways

- Samsung's Gear VR is VRM's most popular headset, followed by Playstation VR (PSVR)
  - Gear VR's success is due to its relatively low price ($129), and longer tenure in the marketplace relative to the comparable Google Daydream View.
  - PSVR's success is due partly to its compatibility with 60 million PlayStation 4 consoles.

- VR owners will pay for quality… to a point. PSVRs tier-1 benefits resonate with consumers but are also "good enough" for most, versus the more capable and expensive Rift & Vive.

- VR satisfaction is favorable across headsets, invoking cautious optimism for VR's future.
  - Because VR is so immersive and visceral, it incites a strong positive response.
  - This is a blessing and a curse: Though it results in high satisfaction levels, it requires direct experience that can't be replicated in commentary or marketing.
  - The industry's challenge is to bring technologically invasive experiences to the masses.

- Among those uninterested in VR, the biggest reason was "just not interested."
  - This contrasts with owners' satisfaction, validating that you have to try VR to "get it."
  - This indicates two key areas of improvement for VR players: education and distribution.
  - Getting that "first taste" to the masses should be a key business objective for the industry.
  - Adoption accelerants include retail installations, VR arcades and Mobile VR.

- Among the things that VR users desire, more and better content top the list.
  - This validates that content is king in VR, just like other mediums (see enclosed video).
  - Content is currently a gap in VR's value chain, and a business opportunity for entrants.

- VR affinity correlates to youth, due to natural technology interest among digital natives.
  - Willingness to spend $400+ on VR equipment shows a reverse correlation to age, with one exception: Ages 25-34 are more willing than ages 18-24, likely due to spending power.

- $400 is a significant price point, validated by Oculus' recent pricing adjustment for Rift.
  - We'll see more price competition: emerging sectors often trade margins for market share.

- Top VR activities include watching movies, exploring the world, gaming and watching sports.
  - These areas are ripe for business opportunity, or synergies with existing businesses.

- The most successful VR apps will apply native thinking: building specifically for the form factor.
  - Just like with smartphones, apps that utilize unique aspects (i.e 3D immersion) will outperform those that shoehorn legacy 2D media it into a VR experience.

Takeaways are also highlighted throughout this report's main narrative.

Introduction: Demographic Snapshot

The adoption patterns examined in this report tell an overall story of where opportunity lies throughout VR's value chain (content, hardware, use cases etc.). But before breaking all of that down, a few high-level results characterize demographic and psychographic profiles of VR adopters.

8% of households with Internet access own a VR headset.

89% of VR headset owners have a video game console.

67% have household incomes greater than $50,000.

80% are under the age of 44.

97% have children.

60% are male.

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About ARtillry Insights

ARtillry Intelligence partners with the VR/AR Association to deliver a research package. Known as *ARtillry Insights*, it will equip subscribers in AR and VR sectors to make informed business decisions.

FEATURES
Original Research: Monthly original reports examining opportunities and dynamics of VR and AR.
Curated Research: ARtillry analysts collect, analyze and filter recommended reading and data.
Indexed Intelligence: Archived reports and multimedia assets, all in one place.

EDITORIAL CALENDAR
June: The State of Virtual Reality (published)
July: Tech Giants Tackle AR (published)
August: VR Usage & Consumer Attitudes (published)
September: When will AR & VR Reach Consumer Ubiquity (forecast)
October: Discussions & Takeaways from AR & VR Investors
November & Beyond: To Be Announced…

COST
VR/AR Association Members: **$39/month**
Non-VR/AR Association Members: **$89/month**

https://youtu.be/WTruV4arTl0

ARtillry Insights: Gain a VR/AR Knowledge Position

About ARtillry

ARtillry is a publication and research firm that examines augmented reality (AR) and virtual reality (VR). Through writings 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://artillry.co/**

About Intelligence Briefings

ARtillry Intelligence Briefings are monthly installments of VR/AR data and analysis. They synthesize original and third party data to reveal the dynamics of VR and AR sectors, and their opportunities.

In addition to data, a layer of insights is applied to translate market events and raw figures into prescriptive advice. This takes form in a narrative story arc, grounded in market figures.

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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 ARtillry, covering emerging tech.

Mike is a frequent speaker at industry conferences such as VRLA, ad:tech and LeadsCon. He has authored in-depth reports on the changing tech & media landscape including social networking and mobile. 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. Mike was previously a San Francisco-based journalist for business and technology print publications, such as Red Herring, Business 2.0, and Mobile Magazine.

Note of Disclosure

ARtillry has no financial stake in the companies mentioned in this report, nor received payment for its production. ARtillry's disclosure and ethics policy can be seen at:
https://artillry.co/disclosure-and-ethics-policy/

About Thrive Analytics

Thrive Analytics is a leading digital marketing research and customer engagement consulting firm. With clients spanning leading national brands as well as publishers and agencies serving the small business community, it pairs proprietary market research services and data analytical tools with time-tested business insights and methodologies to help organizations measurably improve customer experience, loyalty and sales results. Its mission is to provide superior research and support services that inspire clients to make smarter decisions. For more information or to contact, visit:

http://www.thriveanalytics.com

About Virtual Reality Monitor

Virtual Reality Monitor™ is Thrive Analytics' proprietary survey of virtual reality/augmented reality technology users. These surveys, conducted semi annually, track the adoption rates, usage, satisfaction levels, profiles and many other areas related to VR/AR users. Each wave has a customizable section for client specific inquiries. Results & key insights are communicated in advisory reports & presentations, charts & infographics, newsletters & articles and custom data views. Information from these studies are used by marketers, product managers, consultants and other people working in the technology space.