

ARTILLERY DATA BRIEFS

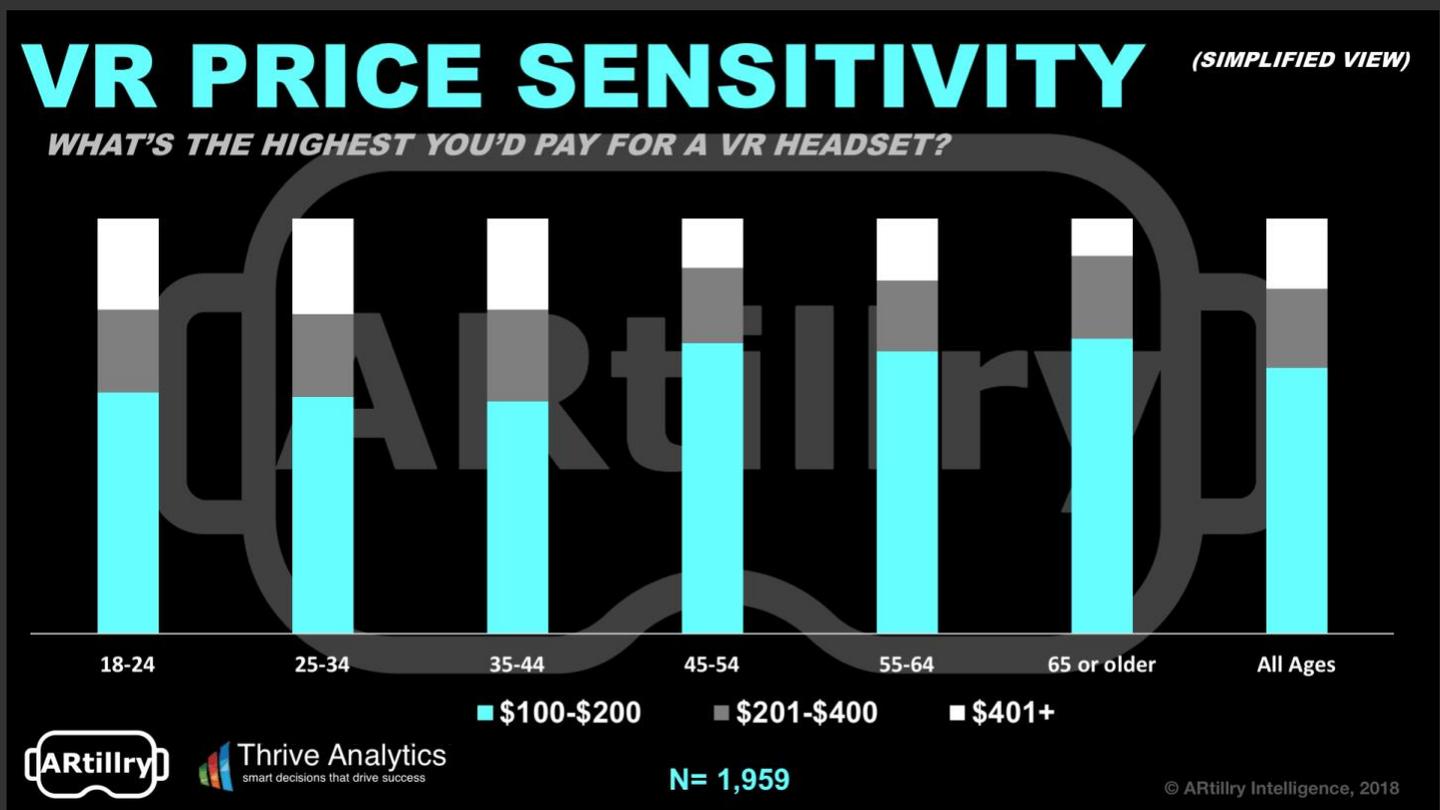
80% OF OCULUS GO BUYERS ARE NEW TO VR

12/31/18



Oculus Go's strategic positioning as a VR gateway drug appears to be working. According to new Facebook survey data, the device is the first VR purchase for 80 percent of the people that buy it. This is a key point of validation for Go's positioning as a VR accelerant for Oculus.

The price is right for mainstream adoption — right under the \$200 demand-inflecting threshold indicated in our survey data with Thrive Analytics. That's by design, pursuant to Facebook' loss-leader approach. It's investing in its VR future, rather than near-term hardware margins.

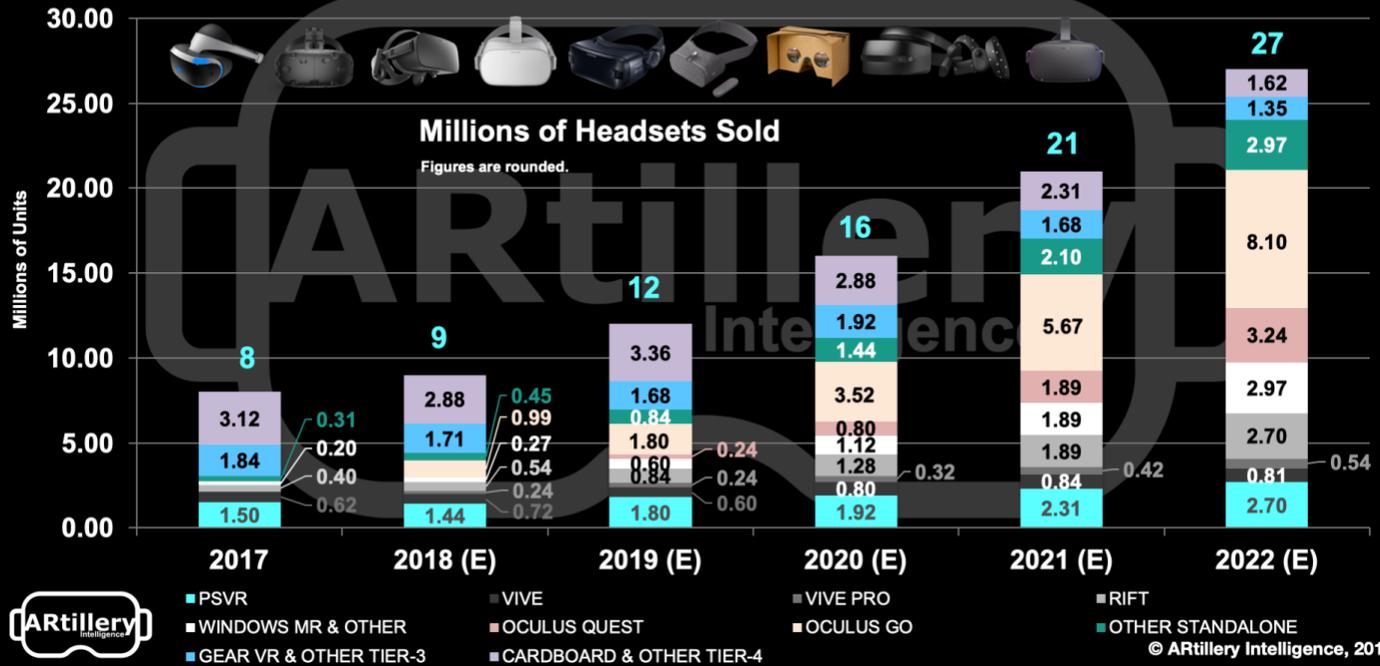


Beyond price, it's also qualitatively fitting to mainstream consumers. Tuned more for lean back entertainment than gaming, it's aligned with users current comfort levels. And it's a solid VR entertainment device, speaking from our own use and Techcrunch's 2018 top-gadgets list.

But the real proof will be in the 2018 sales figures, which of course aren't out yet. We've long predicted that the current holiday season will be a moment of truth for the \$200 (giftable) device. And Oculus has pushed on this, with an aggressive marketing campaign over the past month.

(DETAILED VIEW)

GLOBAL VR HEADSET UNIT SALES



Our prediction for 2018 Oculus Go sales is 990,000 units, growing to 1.88 million units next year. We could know in a few months if that's on target. Meanwhile, early sales estimates from IDC show the device has sold well in a strong overall VR sales quarter (but PSVR has outsold it).

Regardless of unit sales, which we'll know soon, Oculus new disclosure about the large share of OG users that are new to VR is telling. And if it's doing its job as a VR gateway drug, a share of those new VR converts will graduate to Oculus Quest when it launches in just a few months.

Video Companion

(click URL to view)

https://youtu.be/_kMvK1ETjf4



About ARtillery Intelligence

ARtillery Intelligence chronicles the evolution of augmented reality (AR) and virtual reality (VR). Through writings and multimedia, it provides deep and analytical views into the industry's biggest players, opportunities and strategies. It's about insights, not cheerleading.

Run by analysts and former journalists, coverage is grounded in a disciplined and journalistic approach. It also maintains a business angle: Though there are lots of fun and games in AR & VR, long-term cultural, technological and financial implications are primary.

Products include the *AR Insider* publication and the *ARtillery PRO* research subscription., which together engender a circular flow of knowledge. Research includes monthly Intelligence Briefings, market-sizing forecasts and consumer survey data, all housed in a robust intelligence vault.

Learn more at <https://artilry.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* and Editor-in-Chief of *AR Insider*.

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*.

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