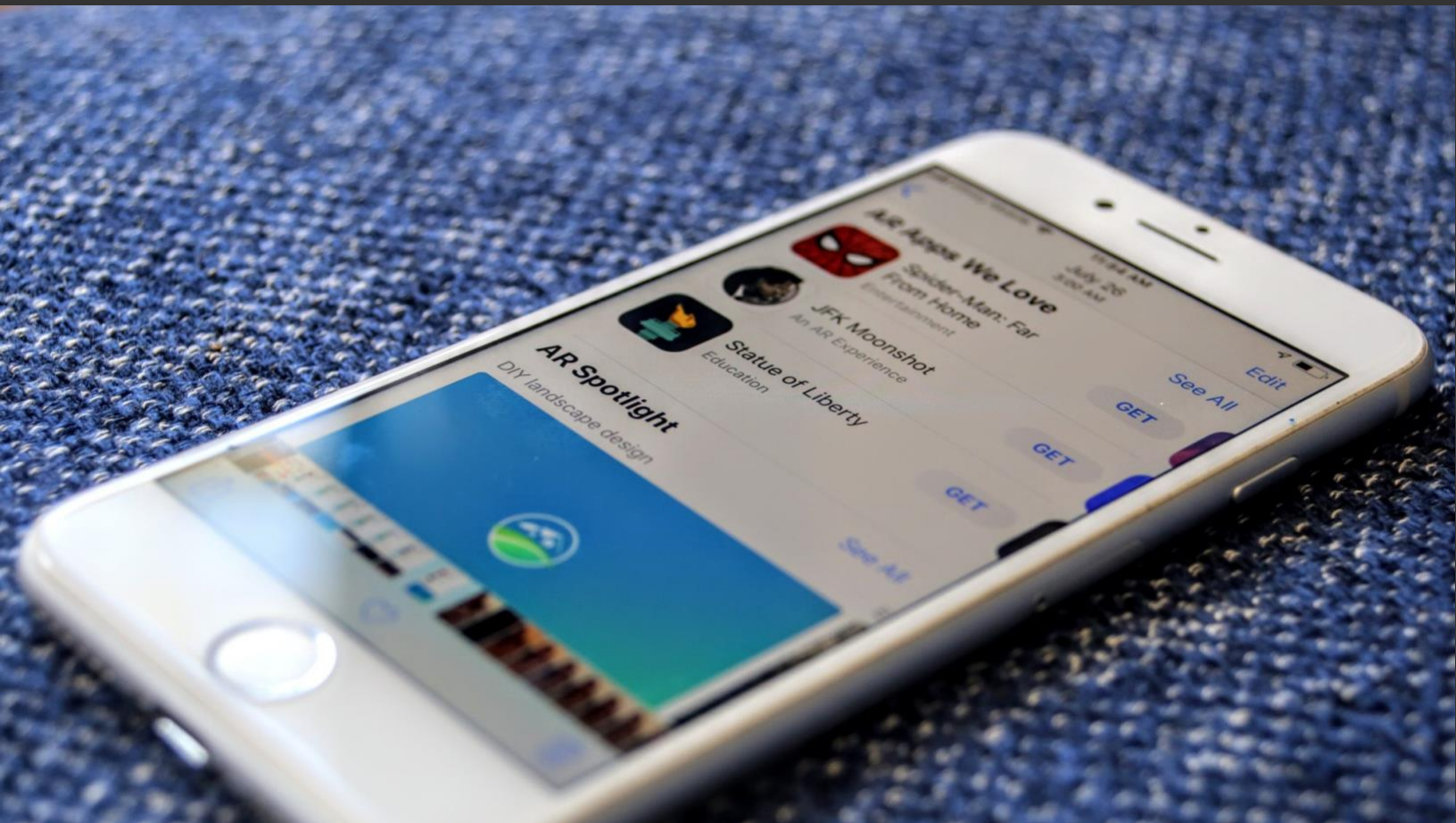


ARtillery Intelligence



ARtillery Data Brief

Has Oculus Sold 333,000 Quests So far?

09/30/19

One of the ongoing challenges in market sizing is to piece together clues to extrapolate things like unit sales and revenues. In mature markets like smartphones, hardware players disclose figures — especially if public — but it’s a lot quieter on the early-stage front.

That’s the case with VR, which becomes an exercise in gathering hints in perpetual market-sizing mode. Sometimes there are gifts like Sony’s frequent disclosures while boasting PSVR sales. Otherwise, it’s about detective work and talking to as many industry insiders as possible.

But there are also some valuable gut checks and thought exercises that help to wrap one’s brain around a given product segment. The latest clue is Mark Zuckerberg’s disclosure at OC6 that Oculus has sold \$100 million worth of content, \$20 million of which on Oculus Quest alone.

“We need to build an ecosystem that supports all of you, which is why I am proud to share the news that as of today people have bought more than \$100 million of content in the Oculus store. And since Quest came out just several months ago more than 20% of that is from Quest already and growing really quickly.”



This says a few things but our minds go directly to how it clues Quest sales. We know that the average price for Quest titles is \$25, which we’ll use for the purposes of a thought exercise. And let’s say for the sake of argument that each Quest owner has bought 3 games on average.

Also relevant is Facebook’s disclosure during the OC6 keynote that 80 percent of Oculus Quest owners have bought content. So our 3 games per-owner estimate would apply only within this 80 percent subset of the Quest population. That would dictate a formula that looks like this.

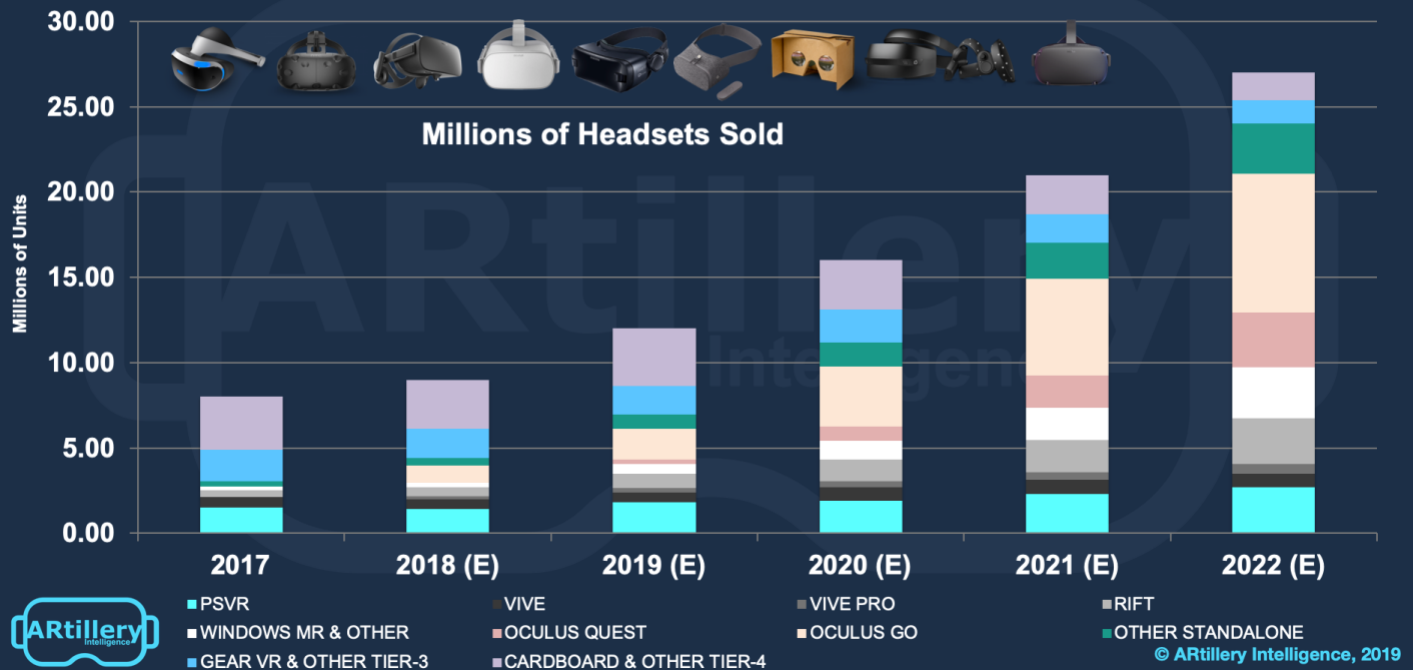
$$((\$20,000,000/(\$25*3))/.8)= 333,333$$

If per-person spending is accurate — probably the most arguable input above — it would mean that Oculus has sold just over 333 thousand Quests. Moreover, annualizing Quest’s sales, given an average 83,000 units per month, yields 583,000 units (seven-month sales runway in 2019).

It will likely end up less than that, as sales have slowed. In the first 6 weeks, an initial surge moved 250,000 units, so growing to 333,000 since then indicates a slower pace for Q3. So the year-end total will likely be closer to 400,000 units if that pace sustains. Holiday spending is the wild card.

(SIMPLIFIED VIEW)

GLOBAL VR HEADSET UNIT SALES



400K is a bit higher than estimated by our research arm ARtillery Intelligence, which pegged Rift 2019 unit sales at 240,000. Still, could end up being closer than many projections that had 2019 Quest sales exceeding one million units (a fair estimate at the time given signals available).

But we’ll reiterate once again that this is not an official figure we’re publishing for AR Insider, nor its research arm ARtillery Intelligence. As mentioned, it’s a thought exercise and hopefully, a valuable one to gain some level of perspective on where VR revenues could end up in 2019.

Either way, we see Quest as an important inflection point for VR. Though it’s not the industry’s iPhone moment, it’s perhaps its Palm Pilot — the same thing we said about Magic Leap One’s place in AR evolution. It will bring lots of people into VR, which will do the industry a favor.

We’ll keep watching for more clues, and having lots of off-the-record insider discussions to unravel the mystery. Meanwhile, check out the latest VR forecast from ARtillery Intelligence which will be refreshed next month.

Video Companion

(Click Video to Play)



About ARtillery Intelligence



ARtillery Intelligence chronicles the evolution of spatial computing. Through writings and multimedia, it provides deep and analytical views into the industry's biggest players, opportunities and strategies.

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 spatial computing, cultural, technological and financial implications are the primary focus.

Products include the [AR Insider](#) publication and the [ARtillery PRO](#) research subscription, which together engender a circular flow of knowledge. Research includes monthly narrative reports, market-sizing forecasts consumer survey data and multi-media, all housed in a robust intelligence vault.

Learn more [here](#).



About Data Briefs

ARtillery [Data Briefs](#) are research deliverables that are assembled weekly by ARtillery Intelligence analysts to document the market trends and events they're tracking.

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 AWE, VRLA and XRDC. He has authored more than 120 reports and market-sizing forecasts on the tech & media landscape. He contributes regularly to 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 read [here](#).



Methodology

This brief highlights *ARtillery Intelligence* viewpoints, gathered from its daily in-depth coverage of spatial computing. To support narratives, data are cited throughout the report. These include *ARtillery Intelligence* original data, as well as that of third parties. Data sources are attributed in each case.

For market sizing and forecasting, *ARtillery Intelligence* follows disciplined best practices, developed and reinforced through its principles' 15 years in tech-sector research and intelligence. This includes the past 3 years covering AR & VR exclusively, as seen in research reports and daily reporting.

Furthermore, devising these figures involves the “bottom-up” market-sizing methodology, which involves granular revenue dynamics such as unit penetration, pricing and growth patterns. More on *ARtillery Intelligence* market-sizing research and methodologies can be read [here](#).

Disclosure and Ethics Policy

ARtillery Intelligence has no financial stake in the companies mentioned in this report, nor was it commissioned to produce it. With respect to market sizing, *ARtillery Intelligence* remains independent of players and practitioners in the sectors it covers, thus mitigating bias in industry revenue calculations and projections.

ARtillery Intelligence's disclosure and ethics policy can be seen in full [here](#).

Contact

Questions and requests for deeper analysis can be submitted [here](#).

