

VR Headsets Remains on the Up in 2019

Written by Alice Marshall
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According to Futuresource Consulting, the VR headset market sees shipments grow by 5% in 2019, and while sales growth is slowing down the outlook remains positive for the near future.



As the analyst puts it, customers prefer to purchase next generation devices over dispensable low-tech mobile viewers, giving content creators the opportunity to showcase more immersive experiences and the potential of the VR medium. As such, one can safely describe mobile as the weakest link in the market chain, with shipments falling by -11% to below 11 million units in 2019.

All-in-One headsets (AIO) also underperform in 2019, at least relative to early ear expectations. Such a shift in fortunes is primarily due to a change in market direction. Vendors are focusing on high-quality 6 degree of freedom (DoF) experiences, as opposed to the standard 3DoF interface responsible for the rapid mobile and AIO growth of 2017.

PC and console VR post strong results in 2019, helping offset the declining mobile volumes and modest AIO growth. While market development is still to reach the levels expected at the start of 2019, the analyst describes the current situation as a delay in uptake, rather than a market reversal. Customers are looking to the benefits of improved hardware, and moving away from easy access to limited, short-term content.

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Console VR is a "market high-point," with 2019 shipments of 2.4m and an install base of 3.8m active units. With an attachment ratio of 5% to active PS4 console, it also continues to deliver on its promise. PC VR remains premium niche, with shipments reaching 4.1m units in 2019 driven by high quality headsets. The consumer gaming angle remains limited, even as the category drives business user interest.

Looking forward to the near future, Q4 2020 will usher in the next generation of console hardware. The PlayStation 5 should boost PSVR headset demand, and will likely bring about an update following the PS5 launch. By 2023, Futuresource expects the AIO HMD market to ship over 30m units, with a CAGR of 61% across the forecast period. Driving growth is consumer demand for mid-level 6DoF AIO headsets in Europe, the US and Japan.

"Although price and content availability remain the largest inhibitors to widespread consumer adoption of VR, we are seeing signs of progress," the analyst concludes. "Technological achievements like inside-out tracking, hand tracking, field of view and resolution milestones suggest that this technology is leaving its nascent stage and will be commercially viable within the next 5 years."

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