VIRTUAL REALITY: CAPITALIZE ON HIGH AWARENESS TO ENCOURAGE TRIAL AND BOOST USAGE

With 9 in 10 Home Entertainment Consumers aware of Virtual Reality (VR), there’s nearly universal awareness of the new technology. Yet only 18% have tried it, according to market research firm Screen Engine/ASI’s quarterly tracking study of 3,000 consumers. Notably, a strong majority of those who have already tried VR are satisfied with the experience (85% “very satisfied”/“satisfied,” 51% “very satisfied”), suggesting the market is primed for growth if consumers have the opportunity to experience it.

Early adopters of the new technology are more likely to be male, 13-49, and have higher incomes. Adult VR users are also more likely to have children. Additionally, they are more avid Home Entertainment Consumers, buying 5 more movies than average in the past 6 months. Not surprisingly, active gamers, those who have played at least one game in the last month, are much more likely to have donned a VR headset.

When looking at the variety of VR experiences, HE Consumers are most likely to have heard of gaming and entertainment (movies & TV shows), which are also the top types of experiences consumers have tried (17% and 14% respectively). HE Consumers are also most interested in trying these types of experience in the future – with 27% planning on playing video games and 24% trying entertainment based experiences in the next 6 months. Notably, there’s also strong interest in tourism and concerts/other live events, but comparably lower awareness – suggesting that highlighting other types of VR experiences outside of traditional entertainment may help broaden usage.

Currently among VR head-mounted display devices, Samsung Gear VR has the most usage at 14% of entertainment consumers, followed by PlayStation VR (13%), Google Cardboard (11%), and Oculus Rift (10%). Interest in purchasing VR devices or kits in the next 6 months are ranked as follows: Google Cardboard (17%), Samsung Gear VR (14%), PlayStation VR (13%), and Daydream View by Google (12%), with Oculus Rift ranking lower (9%) and would require high powered—and expensive—PC system.
Entertainment consumers are interested and value aspects of VR. Specifically, those who are aware of VR would pay more for VR experiences that mimic natural body movements without using handheld controllers (66%), followed closely by immersive experience and open-worlds (65%), and going into worlds of entertainment franchises like Harry Potter, Star Wars, etc. (65%).

Among those who aren’t interested in trying the new platform, cost is the top barrier (51%) followed by being satisfied with their current viewing experience (44%). Unlike other forms of entertainment, VR may require more than 2D advertisements (such as commercials and paper ads) to entice consumers into adopting and being VR users. VR itself is an experience, and thus, naturally would require an in-person demonstration to feel this new type of entertainment.

Though it remains to be seen how quickly VR hardware costs come down, VR exposure through demos and in-store stations may allow consumers to test and experience VR’s capabilities, and its potential as part of daily entertainment leisure. High-tech arcades are even being developed, with IMAX opening its first VR hub in Los Angeles earlier this year. “With such a high rate of satisfaction, in-person exposure is the key to the growth of VR usage” (Mark Orne, SVP of Digital Entertainment at Screen Engine/ASI).

**Screen Engine/ASI (www.screenengineasi.com) is a full-service market research agency, headquartered in Century City, CA, with a strong base of entertainment and consumer electronics clients. Launched in 2015, the NET (New Entertainment Technology) Tracker is a monthly online survey of active home entertainment consumers which measures the growth and impact of emerging technologies across the digital entertainment landscape. For further information, please contact Mark Orne, Senior Vice President, Digital Entertainment at morne@screenengineasi.com. Office line: 310-474-0300.**