

# DATA AND INSIGHTS ON VR - AUGUST 2016



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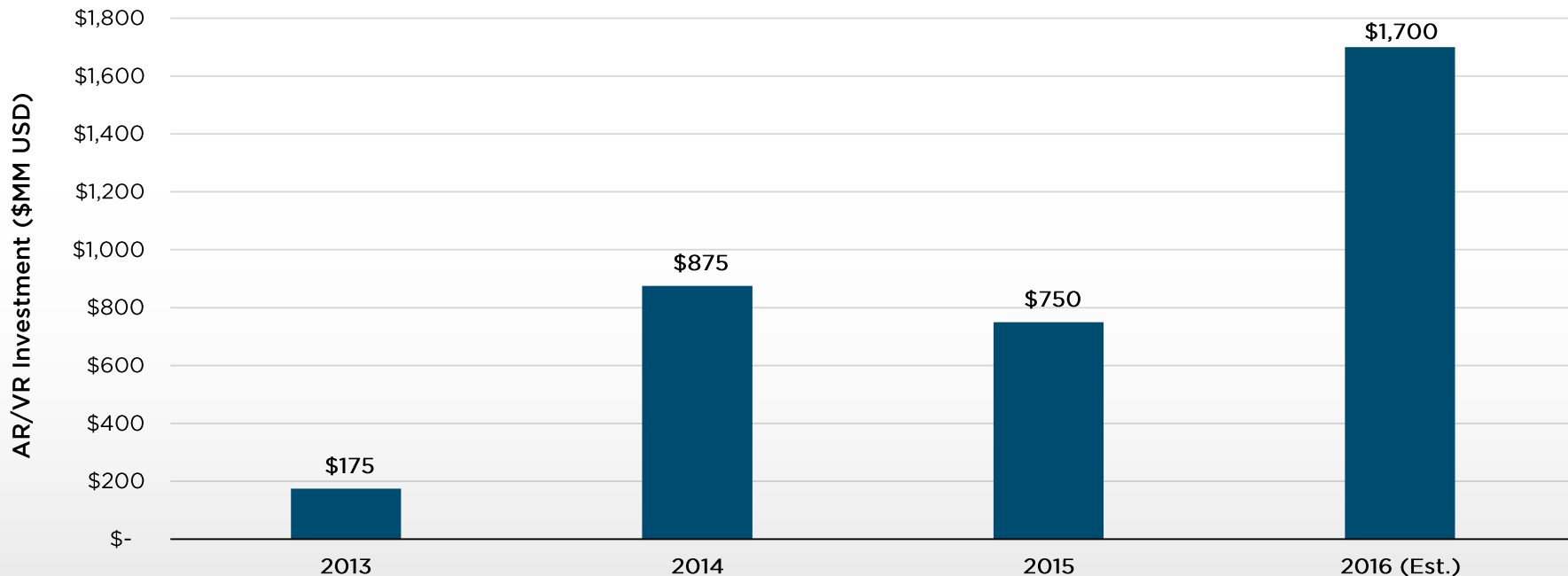
DEVELOPERS ARE JUST A *LITTLE* BIT EXCITED ABOUT VR



# ONE REASON FOR DEVELOPER EXCITEMENT IS FUNDING

## VR/AR Investment (2013 - 2016)

[Seed, Series A/B/C][Excludes M&A]

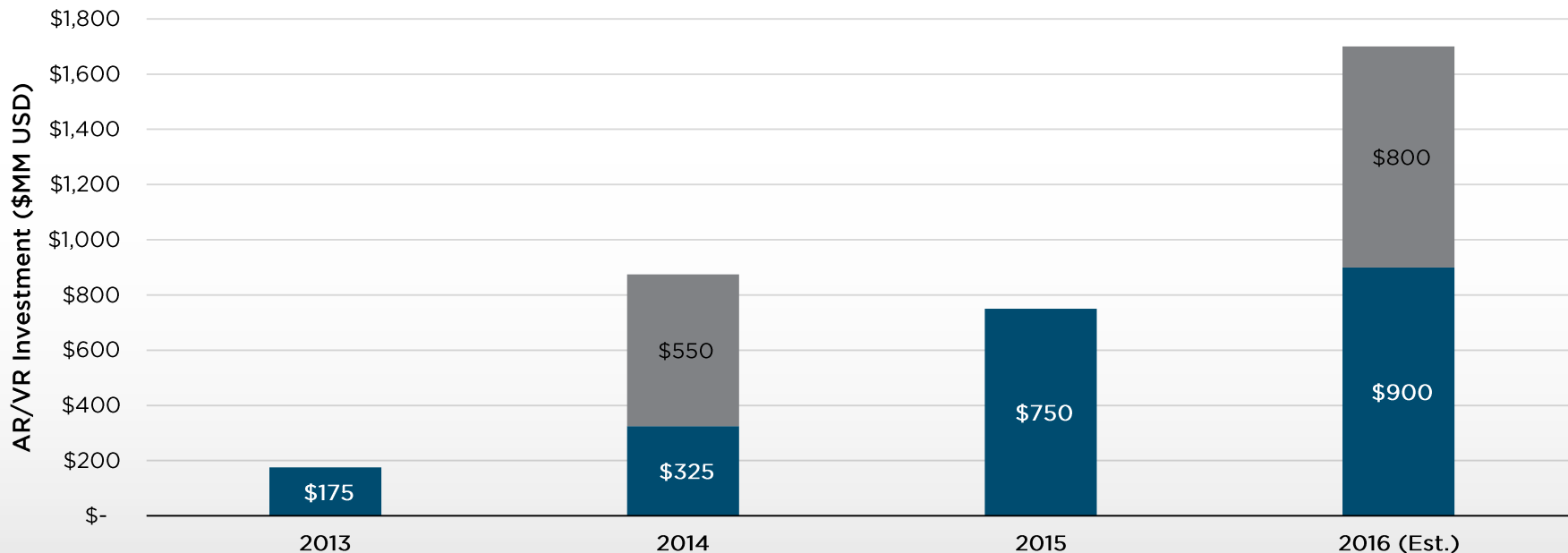


# INVESTMENT GROWING Y/Y EXCLUDING MAGIC LEAP

## VR/AR Investment (2013 - 2016)

[Seed, Series A/B/C][Excludes M&A]

■ Magic Leap    ■ Other



# WHY I'M NOT TALKING ABOUT *POKEMON GO* TODAY

*Pokemon Go's* winning formula is not dependent on AR:



*GPS Integration*

*Powerful Native Branding*

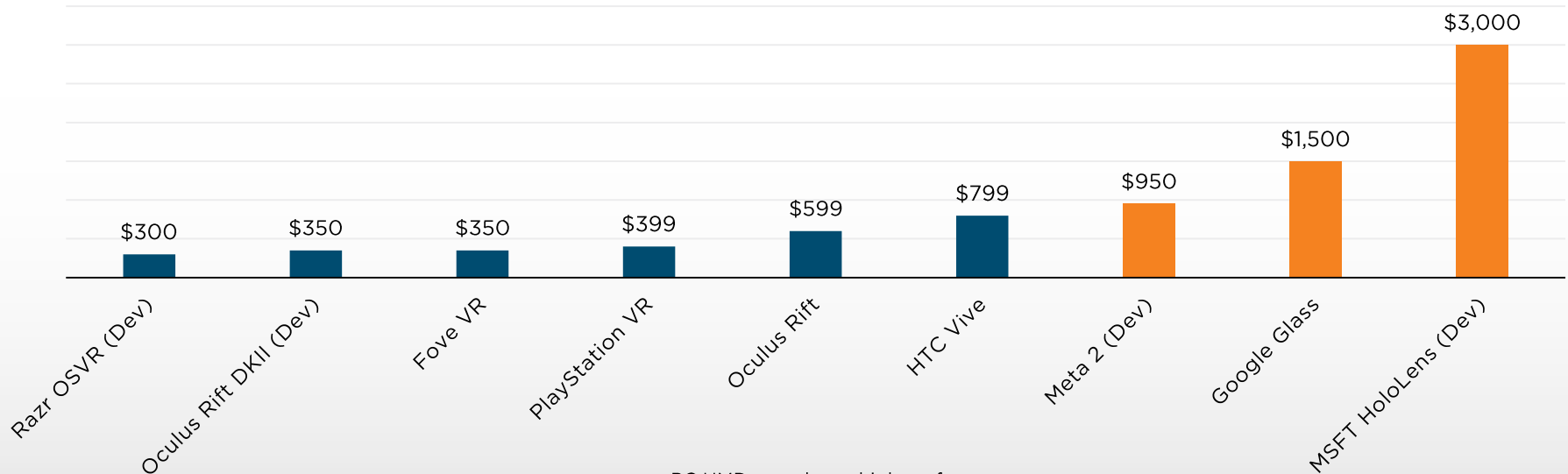
*Viral Phenomenon*

# LONG ROAD TO THE BRIGHT FUTURE OF AR

AR HMDs have much higher prices than VR HMDs:

VR & AR HMD Prices  
[Price at HMD Release]

AR Headsets need to have the computing power in the device increasing the unit price significantly



PC HMDs need an a high performance PC in addition to the HMD price



VR HYPE HAD TO BECOME VR REALITY AT SOME POINT



# AND THE PLATFORMS ARE THERE FOR GREAT EXPERIENCES...

## Oculus Rift



PC Magazine

80

TechRadar

80

The Verge

80

Engadget

84

IGN

90

PC Gamer

76

Polygon

85

## HTC Vive



PC Magazine

80

TechRadar

100

The Verge

80

Engadget

82

IGN

93

PC Gamer

85

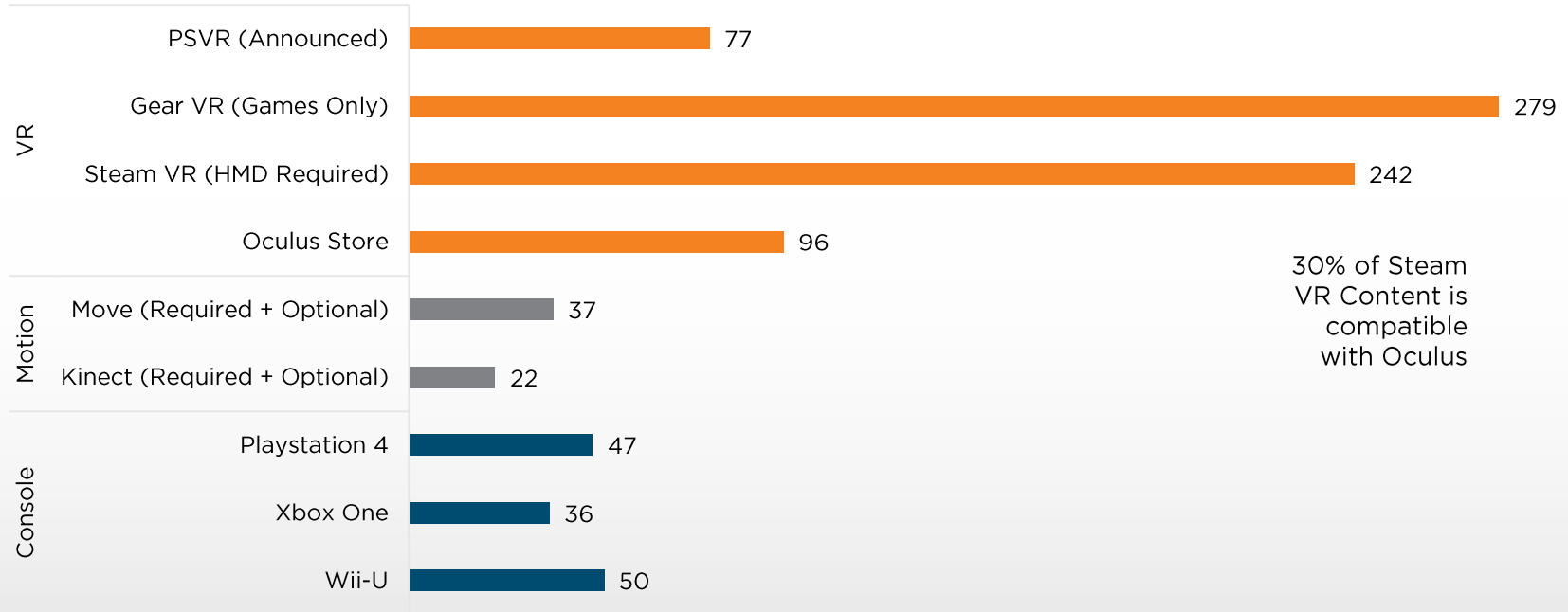
Polygon

80



# LEADING TO A LARGE AMOUNT OF VR CONTENT AT LAUNCH

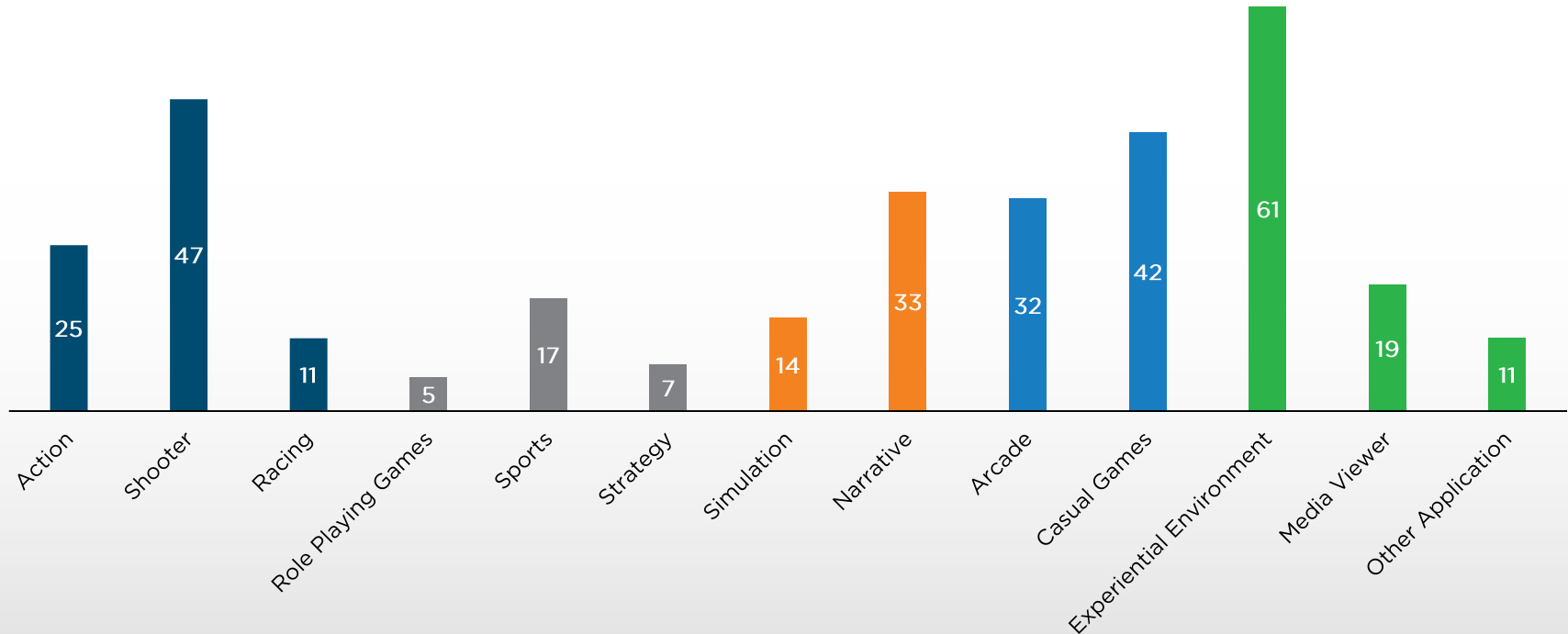
## Release Count - Four Months after Platform Launch



Release Count (Digital & Physical)

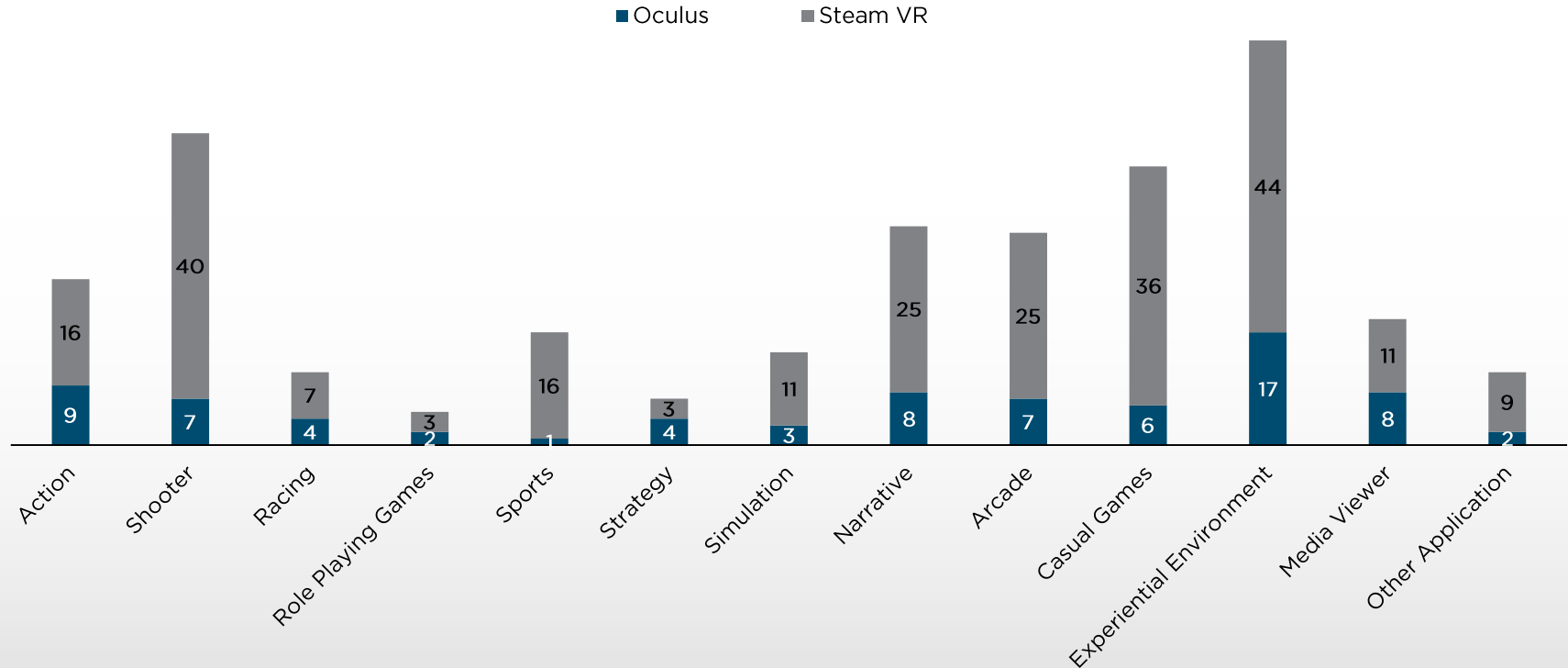
# AND DIVERSITY IN AVAILABLE VR CONTENT TYPES

**VR Release Count by Genre**  
[Oculus and Steam VR][July 2016]



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**VR Release Count by Genre**  
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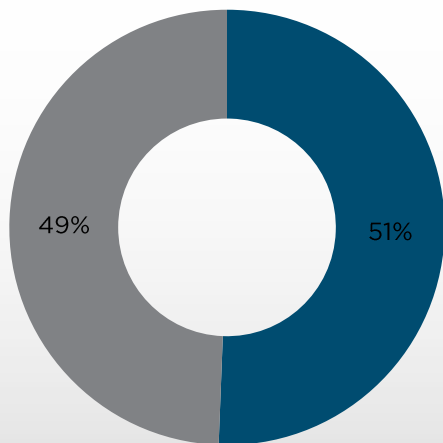
# CONTENT MATCHES WHAT EARLY ADOPTERS SAY THEY WANT

## Game Preference of VR Early Adopters

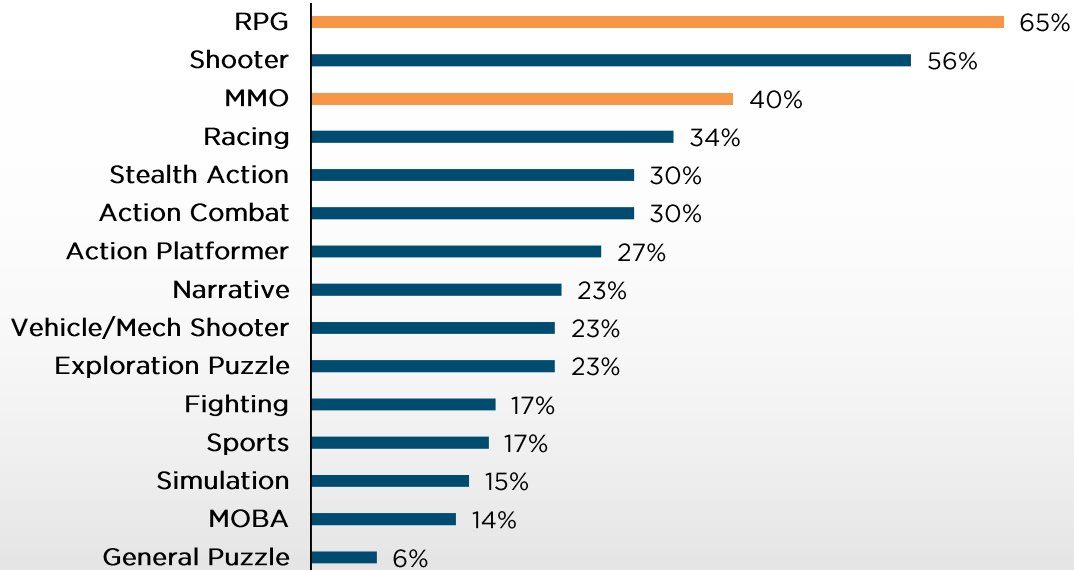
[Plan to Purchase Premium HMD in 2016][NA]

### Experience Type

- Play Completely New VR Experiences
- Play Established Genres Enhanced with VR



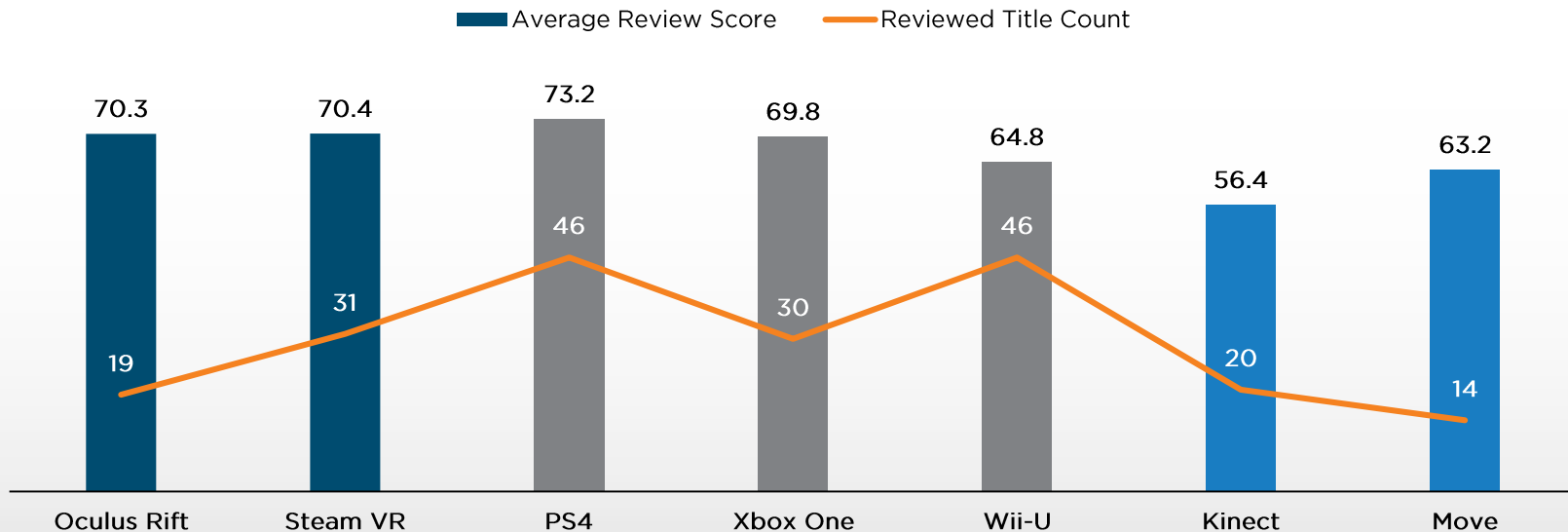
### Genre Preference



# BUT IS IT THE RIGHT CONTENT?

Critics have been positive.

**Average Title Review Score - VR vs. Other Platforms**  
[First 4 Months Post Platform Launch]

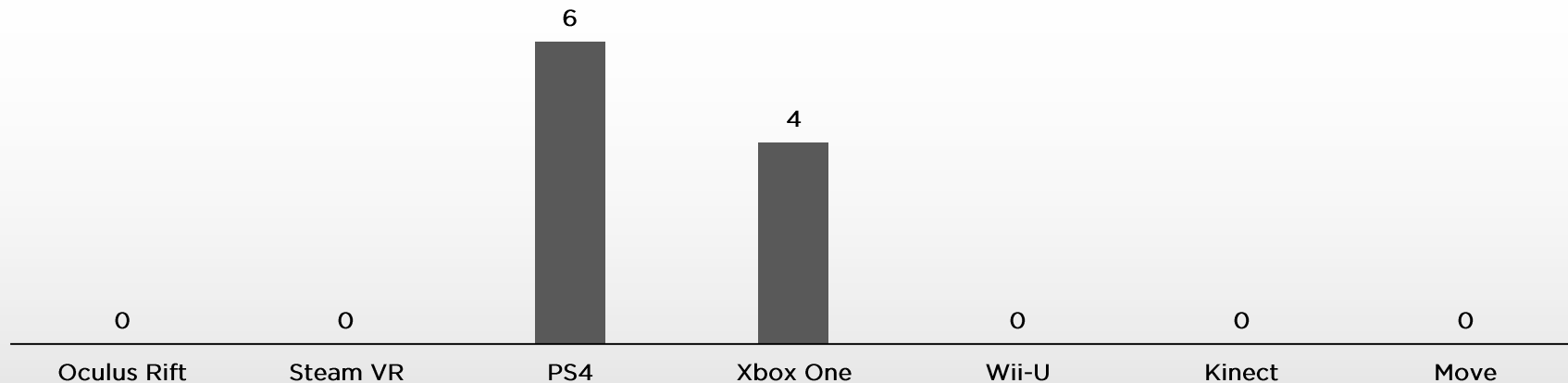




# BUT IS IT THE RIGHT CONTENT?

But we are still waiting for a killer app.

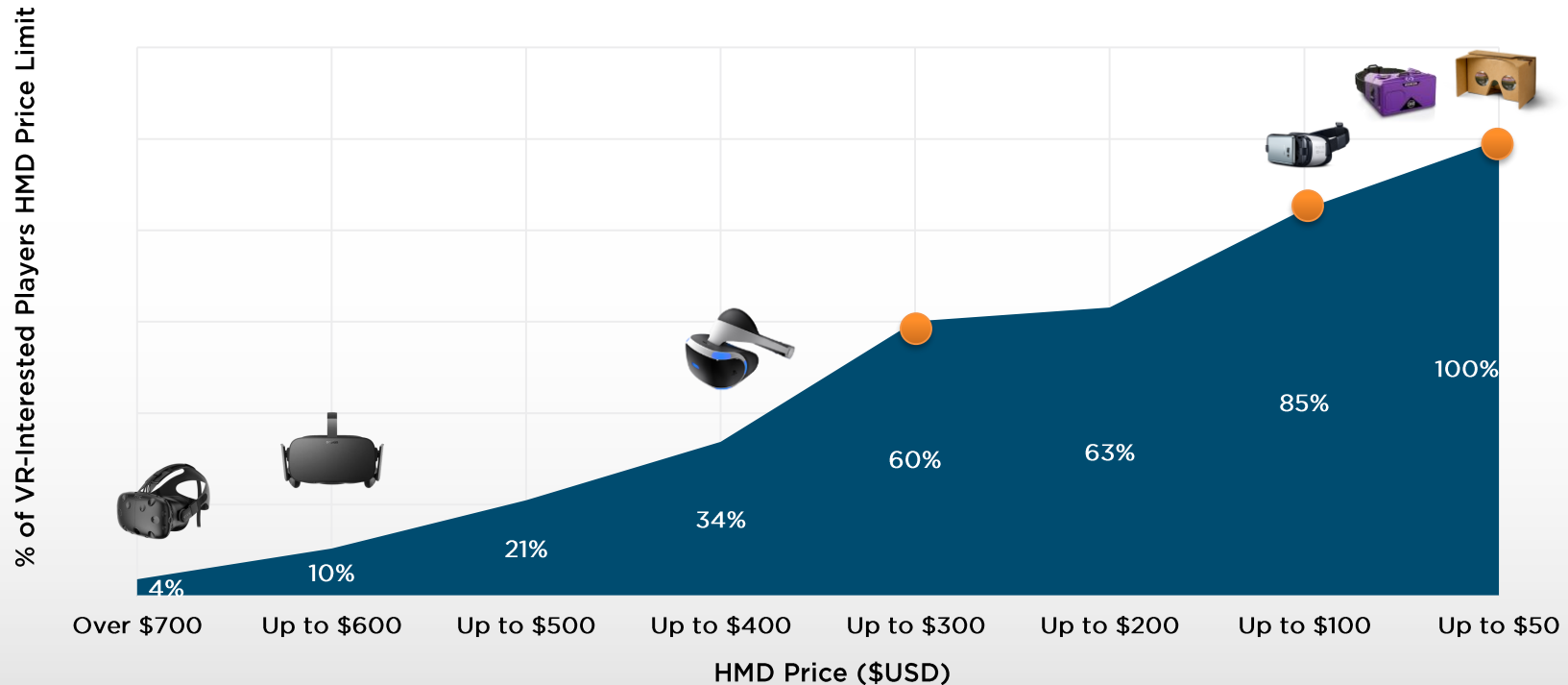
Count of Titles with RS over 85 - VR vs. Other Platforms  
[First 4 Months Post Platform Launch]



# HIGH-END VR IS PRICED OUTSIDE MOST PEOPLE'S RANGE

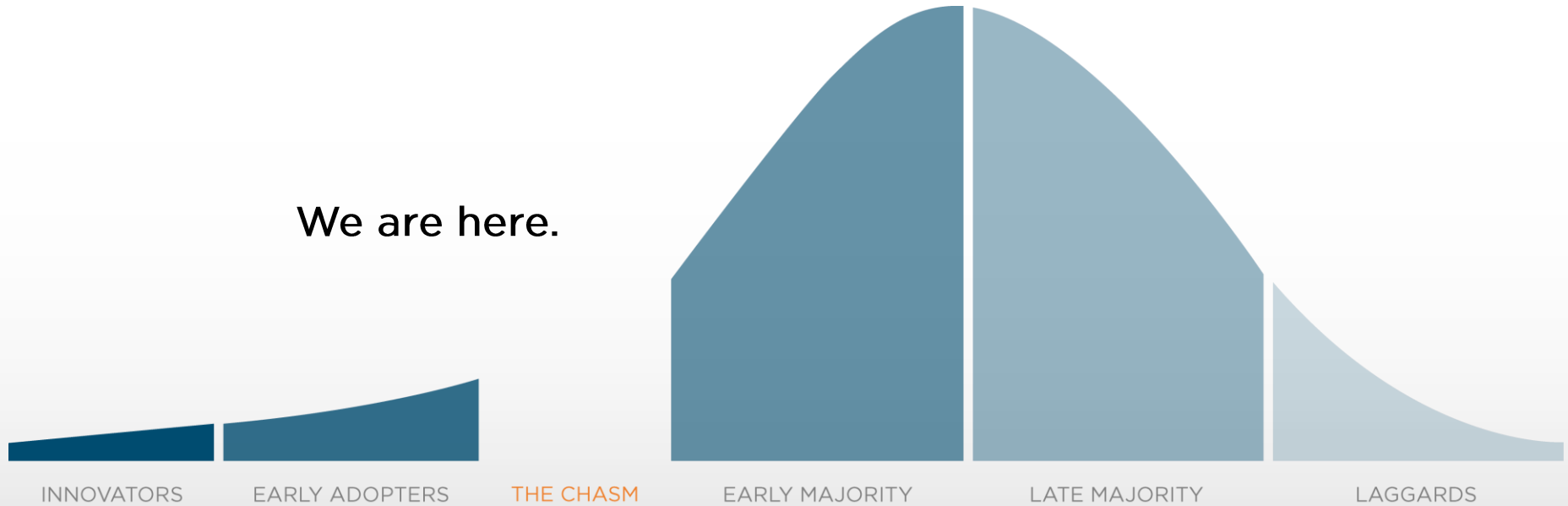
## HMD Price Sensitivity Among VR-Interested Gamers

[NA VR-Interested Non-Owners][Self-reported Spend Limits]



# AS EXPECTED, PRICE AND CONTENT DEPTH LIMIT ADOPTION

We are here.



## HIGH-END VR OWNERS ARE A SMALL PERCENTAGE OF MARKET

38.3 MM US gamers played a console or PC game in July 2017.

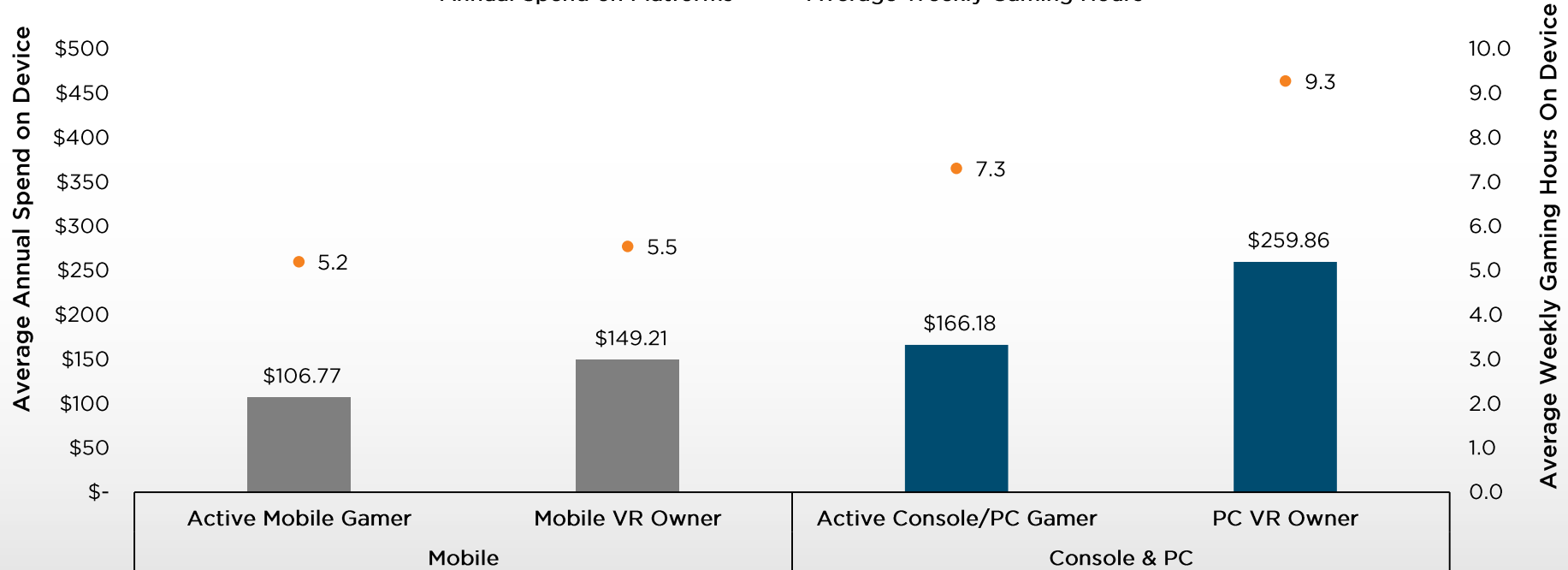
200K owned a PC VR Device

# THE VR EARLY ADOPTERS ARE HEAVILY INVESTED GAMERS

## Gamers Spend and Time Played - VR Owners vs All

[PC VR = Oculus/HTC] [Mobile VR = Samsung Gear]

■ Annual Spend on Platforms    ● Average Weekly Gaming Hours

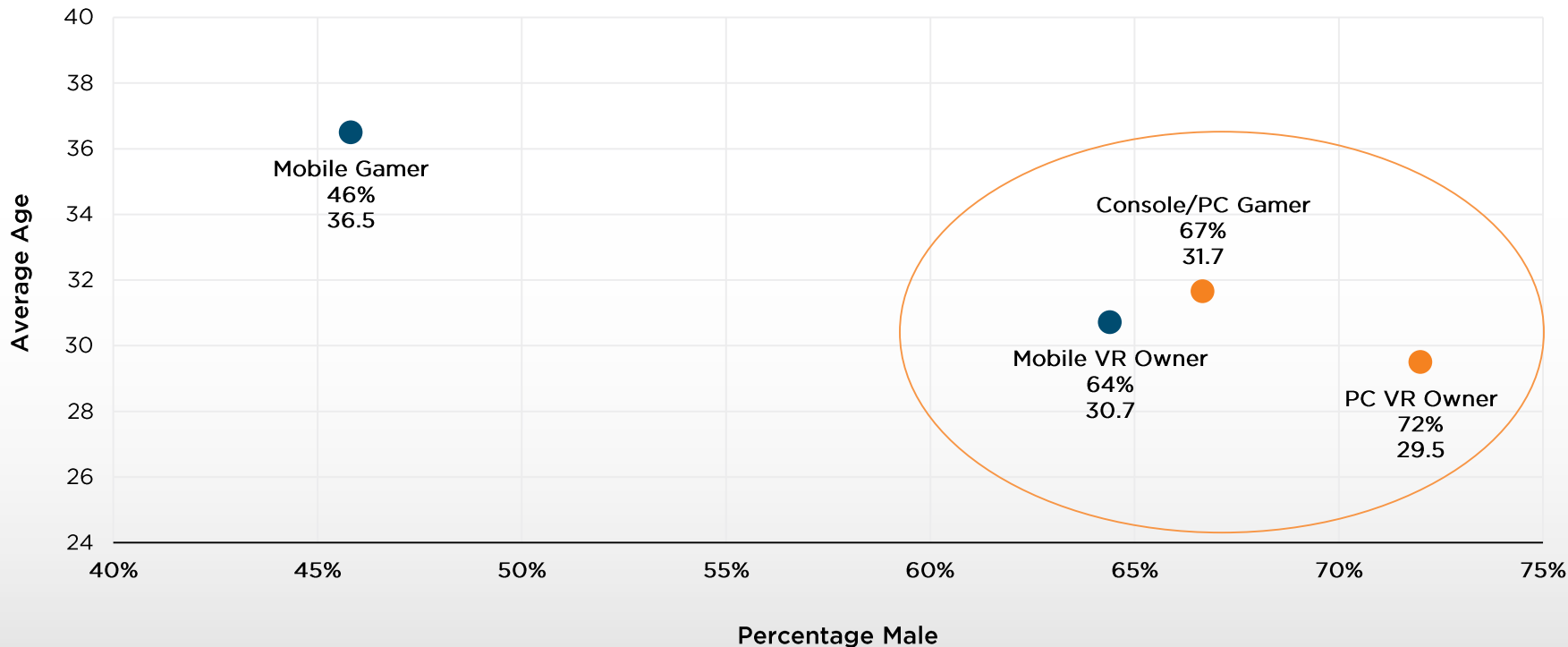




# MOBILE VR OWNERS LOOK LIKE CORE CONSOLE/PC PLAYERS

## Gamers Demographics - VR Owners vs All

[July 2016] [PC VR = Oculus/Rift] [Mobile VR = Gear/Cardboard] [US]



# LARGER GROUP EXCITED ABOUT VR

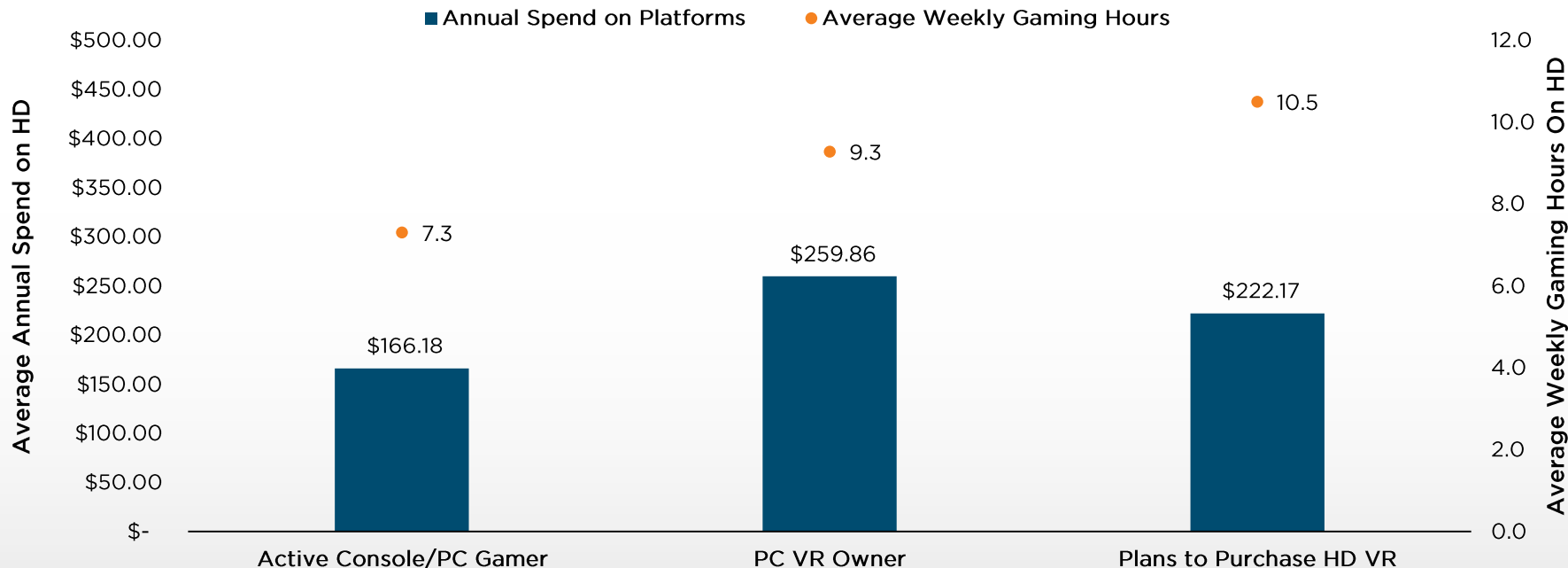
38.3 MM US  
gamers played a  
console or PC  
game in July 2017.

21.9 MM were aware  
of a specific PC or  
console HMD

7.5 MM  
Would  
like to  
Purchase  
an HMD  
Within 18  
Months

# GAMERS INTERESTED IN PURCHASING GAME MORE & SPEND LESS

## Gamers Spend and Time Played - VR Owners vs All [PC VR = Oculus/Rift]



# CONSOLE INSTALL BASE WILL HELP DRIVE VR INSTALL BASE

## ~45MM PS4s this Holiday Season

- 5% Attach = 2.2MM PSVR HMDs
- 10% Attach = 4.5MM PSVR HMDs



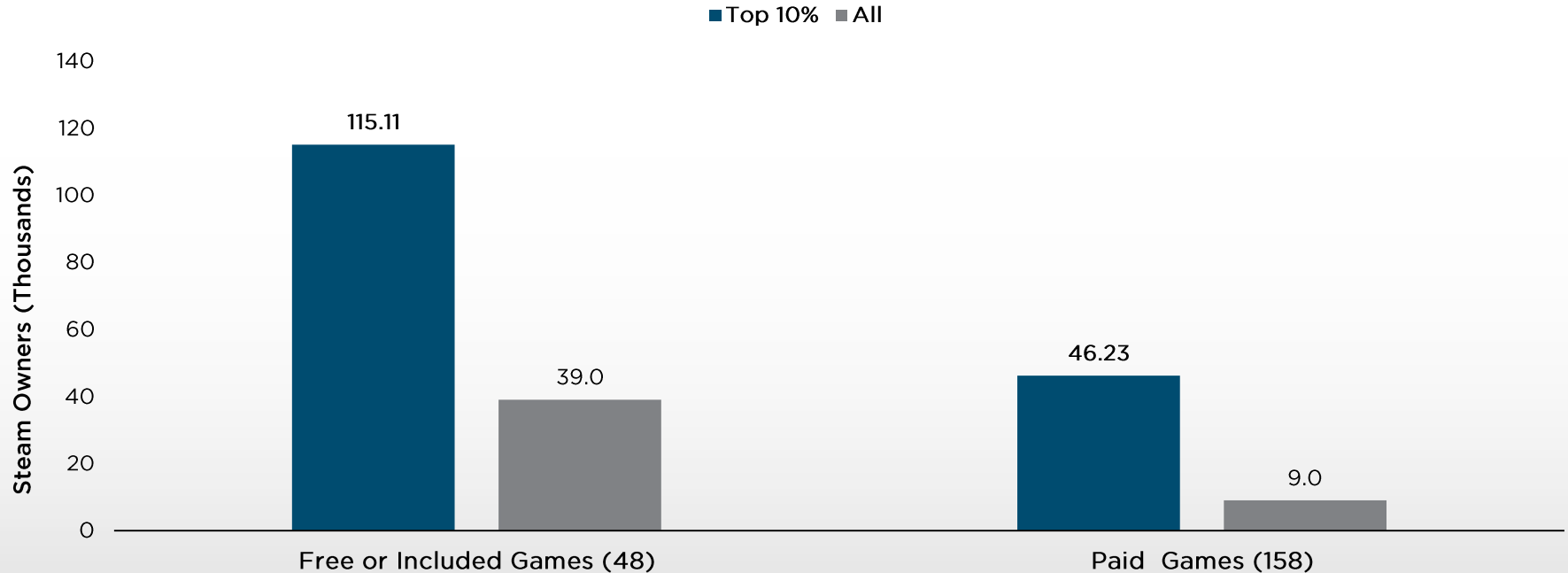
## ~5MM PC GPUs that are VR Ready in 2016

- 5% Attach = 250K PC HMDs
- 10% Attach = 500K PC HMDs



# LIMITED PC HMD INSTALL BASE HAS LIMITED PC VR SALES

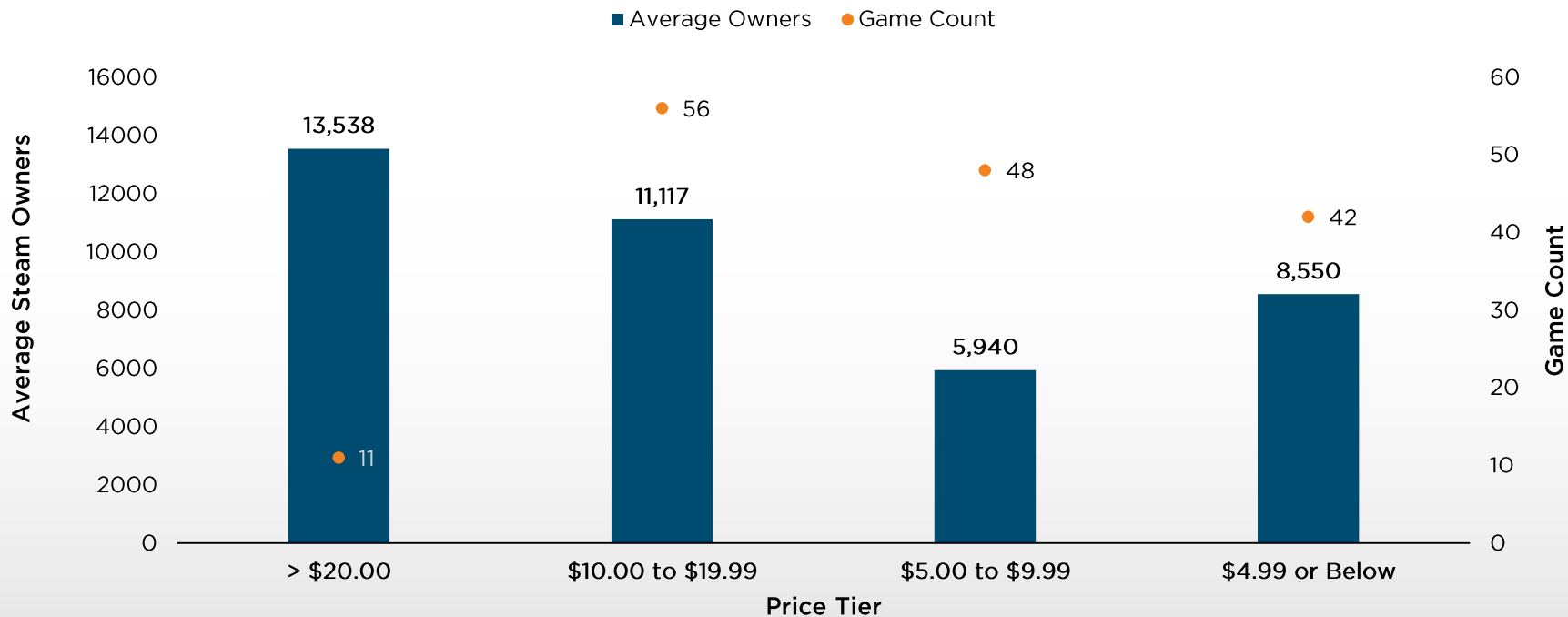
## Average Ownership of Steam VR Games [VR HMD Required][July 2016]





# PRICE DOES NOT DRIVE STEAM VR GAME OWNERSHIP

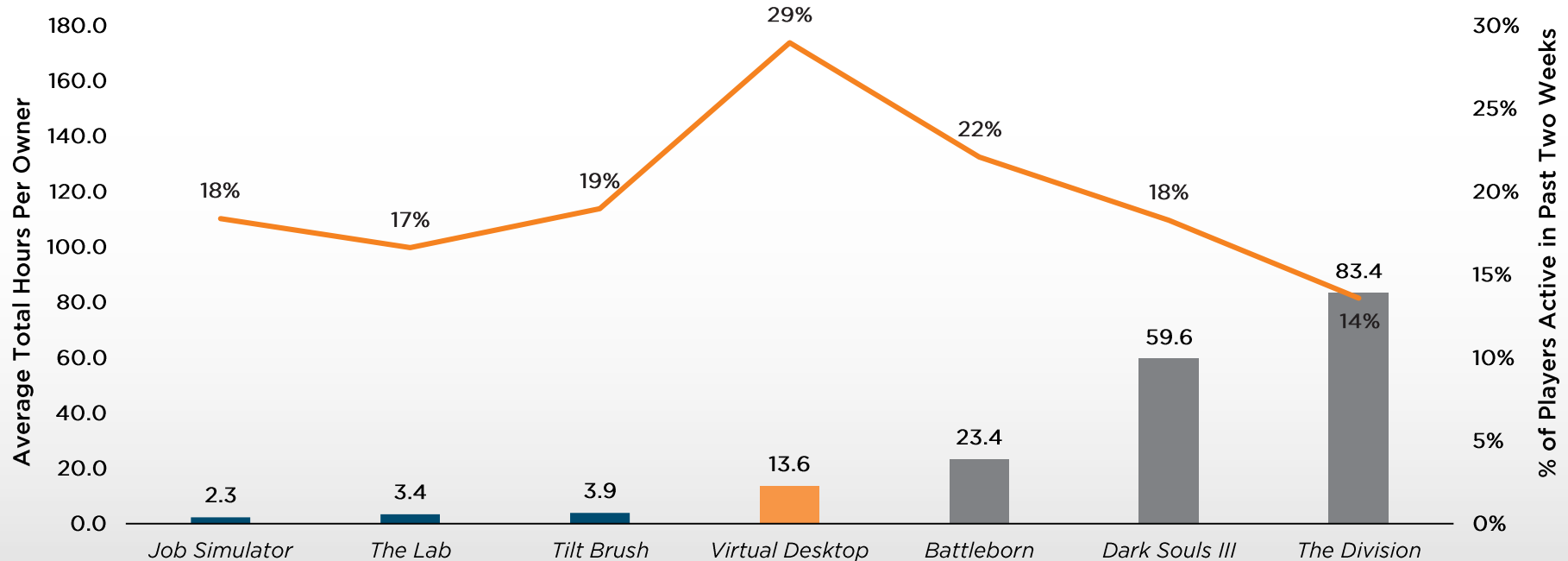
## Average Ownership of Steam VR Games by Price [VR HMD Required][July 2016]



# VR CONTENT IS NOT BEING PLAYED FOR LONG SESSIONS

## Popular Steam VR Titles vs. AAA Titles - Hours Played

Avg. Total Hours Played      % of Players Active in Past 2 Weeks

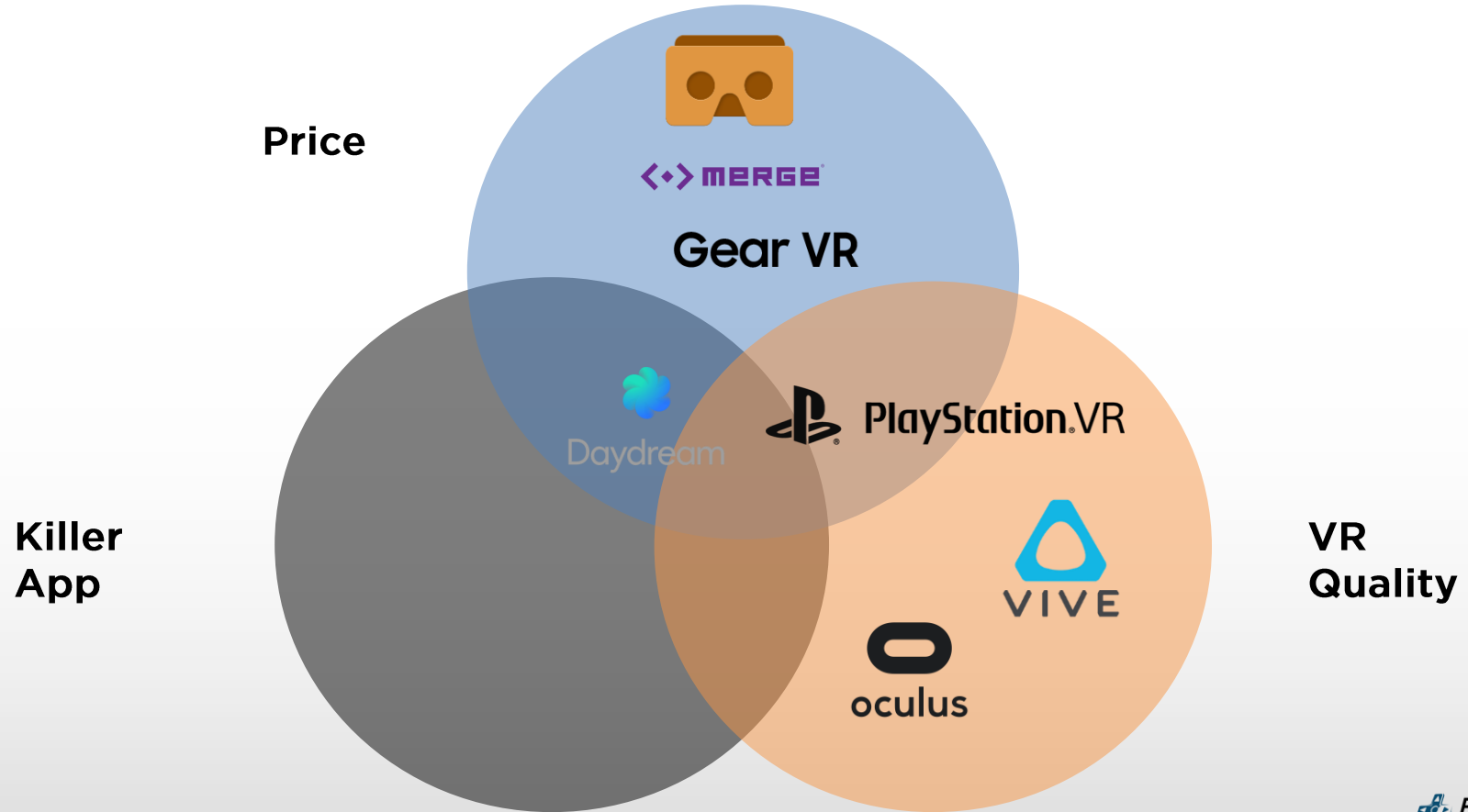


# THE KILLER APP GOES FROM EXPERIENCE TO ENGAGING/USEFUL



Picture source: [www.latimes.com/link](http://www.latimes.com/link)

# MAGIC FORMULA IS PRICE, KILLER APP, AND VR QUALITY



# MOBILE VR AND THE KILLER NON-GAMING APP



- + High Smartphone Install Base
- + Google's VR Initiative
- + Device mobility adds use cases
- + Low-end VR HMDs as gateway
- Mobile GPUs lag PC by 5+ years
- Quality/Market Size Tradeoff
- Apple's Wait and See Approach



# PLAYSTATION VR AND THE KILLER MULTIPLAYER VR GAME



- + High PS4 Install Base
- + Standardized Experience
- + Living Room Platform

- Users may need to buy an upgraded PS4 (aka Neo) to unlock advanced VR experiences

# A POSSIBLE ROADMAP TO MAINSTREAM HOME VR

- PlayStation VR's successful holiday launch is driven by branded experiences
  - Mobile VR explodes on android because of phone improvement, development standards, and app innovation
    - Price cuts, HMD bundles, Neo hardware power, and more advanced VR games drive higher PSVR attach rate
      - Apple launches HMD to protect market share, making mobile VR more mainstream
        - GPU advancements usher in the rise of mainstream PC VR/AR

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**2016**

**2017**

**2018**

**2019**

**2020**

# DATA IN THIS PRESENTATION COMES FROM THE FOLLOWING EEDAR PRODUCTS:



VIDEOGAME MARKET  
INTELLIGENCE



MONTHLY GAMER  
TRACKER

VISIT [EEDAR.COM](https://eedar.com) FOR MORE PRODUCT INFORMATION

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SLIDES AVAILABLE  
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