



Virtual Reality: Inc Impact of COVID-19 - UK - January 2021

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This report looks at the following areas:

- The short-, medium- and long-term impact of COVID-19 on buying and using virtual reality headsets.
- Which type of VR headset consumers own and which factors are most important to them when deciding on a new headset.
- The growth in using VR headsets to watch films and how the major streaming platforms can enhance their apps to take advantage of this trend.
- The interest in VR for people who do not currently have headsets and some of the barriers to using technology.

Some 33% of people who own and use a VR headset use the device to watch films, rising from 22% in 2019. Apps like Amaze VR, which feature interactive short films which place the user into the narrative of the story, highlight the direction that the major streaming platforms could move in with their VR apps to take advantage of the growing trend of watching films on a headset. Netflix, for example, has already experimented with interactive films and offering them in VR would take that to the next level.

In terms of how the usage of VR headsets has changed since COVID-19, some 40% of people who own and use a headset have used it more since the pandemic. With the UK returning to a full national lockdown in January 2021, it is likely that consumers have maintained this higher usage of VR headsets. However, due to the individualistic nature of the technology, usage is expected to drop after whatever point consumers can resume face-to-face interaction. A third of people interested in buying VR headsets say that COVID-19 has made them more likely to consider buying one, indicating that the pandemic could – or at least should – provide a platform for growth.

The biggest challenge for the VR industry is converting general interest into sales. Interest in the technology has been there for several years and our latest data shows that 30% of consumers are interested in buying a VR headset.



“Converting interest into purchases remains a key challenge for the virtual reality market. A potential audience to look at to resolve this is Older Millennials as they have shown greater interest than others in buying headsets since COVID-19.”

- Zach Emmanuel, Consumer Technology Analyst, 18 December, 2020

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However, overall ownership has stayed at a similar level, with 7% of people owning a headset now, the same level as in 2018.

One of the key audiences that could help to turn interest into sales is Older Millennials. Some 40% of them who are interested in buying a VR headset are now more likely to consider buying as a result of COVID-19. Our upcoming *In vs Out-of-Home Leisure - UK, May 2021* Report has also found that 39% of Older Millennials say that more artistic content in VR would make it worth buying a headset, compared to the 24% average. Therefore, retailers demonstrating concert apps like Melody VR in stores could have success in engaging Older Millennials to buy headsets.



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