Virtual Reality awareness reaches tipping point, as UK consumers excited by entertainment, sport and education potential

As VR begins to make an impact on UK consumers, retailers must capitalise on the opportunity

London, 5th July 2016 - Virtual Reality is no longer the preserve of gamers. Research from CONTEXT, the leading European IT market analysis company, suggests that three in four UK consumers have heard of the technology. VR companies such as Oculus Rift, HTC, and Sony PlayStation are working tirelessly to entice the British public to their technology. And their efforts are working, resonating well beyond video gamers into the general public, as well as for use in business applications.

Consumers in the UK and around Europe are most excited about VR's applications in sport, film and TV. Half of those surveyed in the UK (51 percent) would relish the opportunity to experience something they would never do in real life, such as sky diving. And VR's biggest draw is currently sport, with 60 percent claiming they're most excited about viewing a match as if they were really there. This figure rose to 65 and 66 percent in France and Germany.

VR's potential

VR's ability to transport a user into an otherwise impossible experience is one of the main reasons for its appeal. What's more, one in ten respondents is convinced that VR has the potential to revolutionise the way we live. With widespread adoption still far from a reality, this is a staggering figure.

Those in the UK certainly do not see VR as a gimmick, with over half of the British public (56 percent) agreeing that VR has serious applications in fields such as medicine, science, and education. The figure rose to 68 percent of German consumers.

Experiencing reconstructions of historical events and private counselling in a safe space were chosen as some of VR's most positive potential applications, with 44 percent and 22 percent of respondents interested in these activities. Other VR use-cases that would interest the public are solving workplace challenges, as well as mental and physical health treatments (both at 9 percent).

The most alluring VR products

As commercial launches continue, speculation is mounting over which products will dominate the space. But it could be the most basic format that is the initial runaway success as the new medium is still in its infancy. Those surveyed were most familiar with Google Cardboard, with half claiming to have experienced it already. Further, basic form factors such Cardboard appeal most to consumers, with 43 percent stating the untethered headset paired with a smartphone would be the format they would be most likely to use for VR.

However, when asked which product they would most likely purchase, UK consumers favoured the more advanced products from Sony PlayStation VR (18 percent) and Oculus Rift (10 percent). These formats are growing in popularity, with tethered headsets for console gaming and PC were second and third choice as the most likely to be used (28 percent, and 19 percent).

How cost is affecting consumer adoption

Consumers appear excited by the potential of VR, but convincing them to invest in the technology may prove an obstacle.

When asked how much they would be willing to spend on their first VR headset, consumers showed hesitancy about investing substantial sums. 37 percent would prefer to pay nothing for the headset, whilst 21 percent would only be willing to pay under £100.

Nevertheless, over a third (35 percent) would fork out £100-£200, but when asked to consider the current cost of the headsets, almost four in ten (39 percent) believe they are too expensive.

An uncertain understanding of VR

Although being aware of the term and its possible applications, consumers are still unsure of their understanding of the category. Almost four in every five we spoke to (78 percent) agreed that they do not understand enough about VR products, and 73 percent would like to wait before investing in the platform.

“Now that consumers are aware of the term, the onus is on manufacturers and retailers to tell the VR story. Further education is needed, to explain why VR merits the buzz it has generated and why people should begin to invest. Above all, consumers should be given the chance to try on the VR headset - once you’ve tried VR, you’re sold on the concept.” said Adam Simon, Global Managing Director, Retail at CONTEXT.

Despite feeling uncertain of their grasp of VR, the UK was still optimistic about the future of the technology. Almost a quarter (23 percent) saw themselves using a VR headset once or twice a week, with a further 35 percent claiming they would use a headset once or twice a month.

Perhaps more surprisingly, six percent of Italian and five percent of French respondents claimed that they would use VR every other day.

The opportunity for traditional retailers

The question of where consumers would choose to purchase VR technology resulted in some surprising answers. A third of consumers (33 percent) chose a large specialist technology retailer, over three times higher than an online retailer (10 percent) and almost twice as much as Amazon (18 percent).

This is no doubt because a huge 79 percent consider a demo opportunity an important factor in deciding where to buy. Seeing the technology in action is the most important factor to consumers, even overtaking price at 68 percent.

“Traditional retailers who have struggled to compete with their online rivals have an incredible advantage with Virtual Reality,” Simon commented. “VR transports you immediately to the most incredible places, and trying it out in the store is the only way to experience it. Online 360-degree videos don’t come close, so retailers should jump at the chance to create dedicated spaces for their inquisitive shoppers.”

Furthermore, expert advice was valued by 67 percent of respondents. In addition to consumers seeking retailers who would offer advice, those surveyed would also appreciate aftercare; post-sales support (51 percent) and home installation (32 percent) are both judged to be significant.

Simon continued, “Retailers can provide the product demos and the expert advice that consumers are aware they need. The added benefits that their staff and stores can provide in person are a significant opportunity for them over online competition, and one they should grasp with both hands.”

CONTEXT will present the results of the survey at its event ‘The 101st Object to Shape the History of the World’ at the British Museum on 5th July 2016, joined by VR experts from the University of Reading in addition to Oculus, AMD, Attensi, Brighter, Rewind, Dell, and Ricoh.

About the research

The research was conducted by retail research consultancy, Conlumino, with 2,511 consumers in the UK, France, Germany, Spain and Italy during May/June 2016.

About CONTEXT

Headquartered in London with over 250 staff in 15 countries, CONTEXT specialises in tracking technology sales and pricing across the globe. Supported by the largest Distribution Channel Sales Database in the world, CONTEXT tracks Channel sales in most countries across EMEA where we are the official data partners with all members of the Global Technology Distribution Council (GTDC). CONTEXT reports and services enable our customers to assess their business operations in the light of actual sell out figures, and make business critical decisions based on hard data. Follow us on Twitter: @contextworld or visit our website: www.contextworld.com

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