

# Virtual Reality (VR) - Market Share Analysis, Industry Trends & Statistics, Growth Forecasts (2024 - 2029)

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## Abstracts

The Virtual Reality Market size is estimated at USD 22.81 billion in 2024, and is expected to reach USD 131.93 billion by 2029, growing at a CAGR of 42.05% during the forecast period (2024-2029).

Virtual reality primarily uses technology to create a simulated environment. Unlike the traditional user interface, VR places the user inside an experience, which means that instead of viewing a monitor screen in front of them, users are immersed and can interact with the 3D world. With the simulation of as many senses as possible, such as vision, touch, hearing, and even smell, the technology has been transformed across the world.

One of the most popular reasons schools are taking advantage of VR technology is its ability to let students take field trips virtually. Field trips are a time-honored tradition for educational institutions. They allow teachers to educate their students in immersive environments and provide hands-on learning opportunities that would otherwise be difficult to achieve within the classroom. However, field trips can be financially prohibitive for some students. They can also be challenging for students with mobility limitations.

With the rise of remote work and virtual collaboration, a growing demand for VR software enables users to interact and collaborate in virtual spaces. VR meeting platforms, virtual event spaces, and collaborative design tools allow users to work together in immersive virtual environments regardless of physical location. It is also used in various industries, including healthcare, for medical training, surgical simulations, pain management, exposure therapy, and rehabilitation. The demand for VR software in healthcare is driven by its potential to improve patient outcomes,

enhance medical education, and reduce healthcare costs, driving its adoption.

Virtual reality is emerging as a revolutionary technology that can notably impact various end-user industries. The technology is witnessing continuous growth, leading to significant expansion in the number of use cases.

VR is usually accessed using a headset that tracks the movement of the head and eye. Some systems also use other peripherals (e.g., gloves) to simulate additional senses. This technology has immense potential to expand human knowledge by changing how people learn, play, work, and entertain themselves. Its adoption has been increasing across various end-user verticals.

The COVID-19 pandemic halted the manufacturing of several products in the semiconductor production industry owing to continued lockdowns in critical global regions. In addition, country-wise lockdowns inflicted by governments across the world further resulted in sectors taking a hit and disrupting supply chains and manufacturing operations worldwide. Most manufacturing operations, including the factory floor work, were significantly affected, resulting in decreased productivity.

## Virtual Reality (VR) Market Trends

### Gaming to be the Fastest Growing End-user Industry

Rapid growth in AR and VR gamers worldwide has expanded the market's horizon. According to NewGenApps, a provider of artificial intelligence, machine learning, big data analytics, and AR/VR solutions, the global user base of AR and VR games will increase to 216 million users by 2025.

Moreover, the increasing demand for video games creates an opportunity for vendors to offer VR headsets. According to the Entertainment Retailers Association, in 2022, British consumers spent approximately GBP 4.66 billion (USD 5.83 billion) on video games, a 2.3% increase from the previous year. Furthermore, in a survey conducted in September 2023, a significant number of Steam users stated that they use VR headsets, and over 41% of them use Oculus Quest 2 VR headsets.

Strategic initiatives like partnerships, collaborations, and mergers and acquisitions give major market players a significant chance to expand their market presence. For instance, in October 2023, Yudiz Solutions, a leading digital transformation and game development company based in Ahmedabad, showcased its capabilities at the India

Mobile Congress 2023 by unveiling a VR combat shooting game in partnership with leading telecom operator Vodafone India (Vi). 5G technology is used to power VR combat shooting games, and users can expect a low latency experience that allows them to be responsive and interactively immersed in virtual reality.

In October 2022, Microsoft and Meta partnered to provide virtual reality experiences. This collaboration aims to bring Teams' and Microsoft's other productive tools to VR headsets, and Meta will get a partner in its grand metaverse plan. Microsoft and Meta are exploring ways to bring the Xbox Cloud gaming service to the store so gamers can play high-quality XBOX games on smartphones, tablets, computers, smart TVs, or any connected device through a Meta Quest system.

The gaming industry recognizes the market potential of VR. As the technology becomes more accessible and affordable, the demand for VR gaming experiences is increasing. Game developers and publishers see VR as an opportunity to reach new audiences and create exciting, immersive experiences that stand out in a crowded market.

### North America Holds Largest Market Share

The demand for VR in North America has experienced rapid growth owing to the significant shift in individuals across various sectors engaging with technology. This increasing demand is fueled by the various applications of VR technology, from entertainment and gaming to education, healthcare, enterprise solutions, and others.

The demand for VR is further propelled by technological advancements, making VR devices more accessible and user-friendly. The affordability and improved performance of VR headsets have contributed to broader adoption across North America, from tech enthusiasts to casual users seeking novel and engaging experiences. Hence, many companies are launching new products to increase their market share.

Also, as VR becomes more accessible and easier to use, it offers a lot of great possibilities for the government to explore innovative approaches. Hence, the US government uses VR as a valuable tool across multiple sectors. For instance, in September 2023, the US Food and Drug Administration announced that VR could deliver some clinical services, normally delivered only in clinics and hospitals, to patients in their homes or other non-clinical settings.

Moreover, by the end-user industry, the education sector is expected to grow significantly during the forecast period. North American educational institutions are integrating VR into their curricula to provide students with hands-on, experiential learning opportunities. Virtual field trips, simulations, and interactive lessons enhance the learning experience, making complex concepts more accessible and fostering a deeper understanding of various subjects.

These factors indicate the growing demand for VR. As VR evolves and becomes more accessible, various industries will shape how individuals and industries interact with the digital era. The trajectory of VR adoption in North America suggests a future where immersive experiences become an integral part of everyday life. Hence, the above-mentioned factors will boost the growth of the market studied in the future.

## Virtual Reality (VR) Industry Overview

The virtual reality market is fragmented in nature. It is witnessing a rise in competitiveness among companies as VR companies are focused on accessibility to larger masses through gaming, entertainment, training, marketing, etc. The competitive rivalry is high in this industry, owing to the growing industry. Competition is expected to increase in the future. Some major players include Oculus VR LLC, Lenovo Group Ltd, Samsung Electronics Co. Ltd, Sony Corporation, and Pico Interactive Inc.

In January 2024, Qualcomm Technologies announced strategic collaborations with RayNeo and Applied Materials to develop and bring the next generation of market-leading AR glasses to market. This collaboration is expected to bring together the expertise of industry-leading technology providers to redefine the future of AR glasses. RayNeo's AR glasses will utilize Qualcomm's Snapdragon AR1 Gen1 platform and Applied Materials' lightweight full-color waveguides to create a comprehensive software and hardware ecosystem for consumer-grade AR products.

In November 2023, Pico announced the launch of PICO 4, a next-generation, all-in-one VR headset designed to make virtual reality accessible to everyone by combining comfort and performance. PICO 4 is based on the Snapdragon XR2 platform and features an ultra-light body, pancake optics, a 4K display, and an intuitive user interface.

Additional Benefits:

The market estimate (ME) sheet in Excel format

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