

China will account for 40% of virtual reality headset shipments in 2016

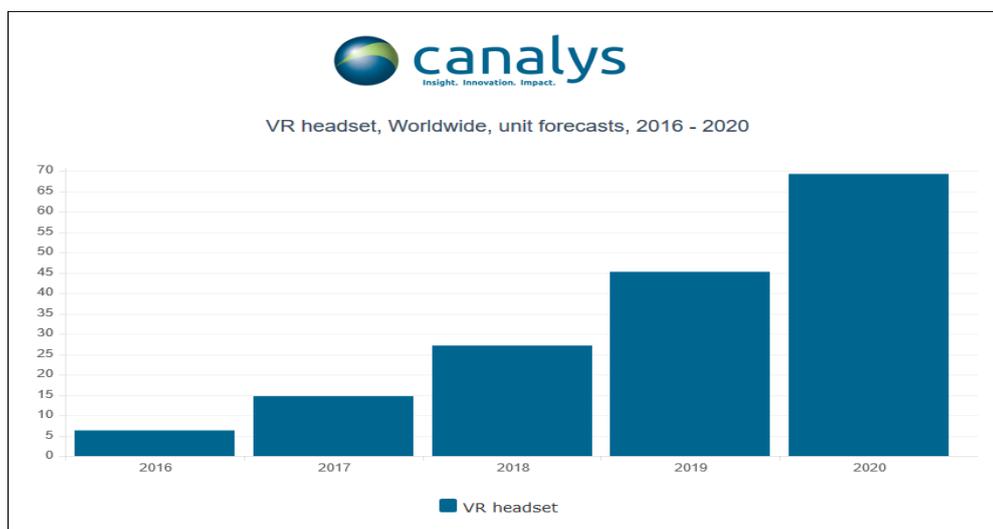
➤ Chinese VR vendors dominate the floor at CES Asia 2016

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Canalys predicts vendors will ship 6.3 million virtual reality (VR) headsets worldwide in 2016, of which 40% will be in China. VR has the potential to thrive in the country and Canalys believes competition will be fierce this year. Barriers to enter the VR market have been lowered. Local vendors are releasing VR headsets that overcome the quality and performance issues of simple viewers, such as Samsung's Gear VR and Google's Cardboard.

Canalys Analyst Jason Low said, 'The competition is around the user experience, hardware quality and content. Currently, there isn't a clear leader for VR content in China. Local content providers, game publishers and service providers are racing to exercise their influence on the development of VR beyond hardware. Numerous Chinese vendors are exhibiting their VR headsets at CES Asia 2016 this week. Attendees are willing to suffer long queues to experience the VR demonstrations. Leading Chinese vendors such as DeePoon, Pico, Pimax and Idealens are attracting the most interest from consumers.'

'CES Asia has become a great platform for local VR vendors to demonstrate and let users try their products,' Low added. 'But it is still a huge challenge to translate that into product sales and the creation of content.' Canalys believes that though inexpensive, simple viewers appeal to many consumers, vendors must look beyond these to more advanced VR headsets, where the longer-term opportunity lies. 'The Chinese market is highly fragmented and vendors such as Huawei and DeePoon are moving quickly to form partnerships. Local VR ecosystem companies need to move fast before international vendors, such as HTC, Oculus and Sony, get a foothold.'



Definition

Canalys defines a VR headset as a ‘device with a display designed to be worn on the face that immerses the viewer in a virtual world’. This definition includes smart and basic headsets, but excludes simple viewers that do not perform any computing (and are thus not devices), such as Samsung’s Gear VR and Google Cardboard.

If you are interested in further information, please contact our analysts attending CES Asia 2016:

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