

Media alert: DPVR unseats HTC as VR headset leader in China in Q2 2017

Palo Alto, Shanghai, Singapore and Reading (UK) – Tuesday, 22 August 2017

[DPVR overtook HTC as the top VR headset vendor in China in Q2 2017 by shipping 18,000 headsets, a 30% quarter-on-quarter increase.](#) HTC, whose only product is the HTC Vive basic headset, suffered a 6% sequential decline, shipping 14,000 units. Sony took third place, shipping 9,000 PlayStation VR headsets in the country. According to Canalys estimates, the overall VR headset market in China grew 25% quarter on quarter to reach 80,000 units. Notable vendors, including Pico, 3Glasses and Hypereal, contributed to growth with new product releases.



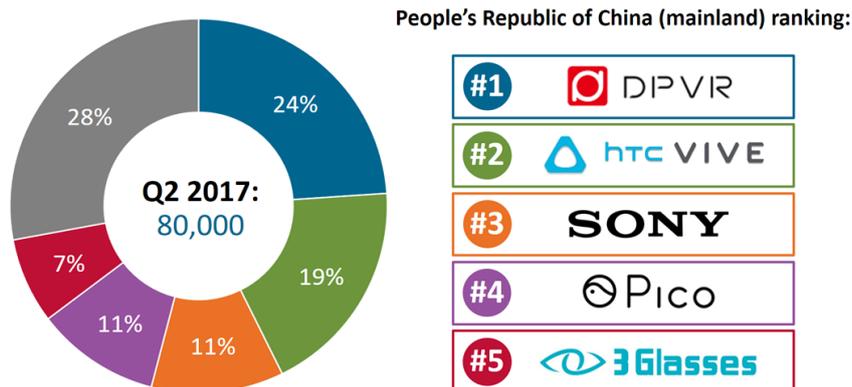
[DPVR unseats HTC to take the top spot in China; standalone VR headsets to be the focus for H2 2017 – via @Canalys](#)
<http://tinyurl.com/ycingtyb>

DPVR ships a variety of VR products, with a strong focus on standalone smart VR headsets, which accounted for 60% of its total shipments in Q2. The company benefited from a better product mix, with the addition of the newly-released E3, a basic VR headset that tethers to a PC. “The E3’s biggest selling point is its competitive price,” said

Canalys Analyst Jason Low. “By dropping the barrier to entry, businesses are now investing more in VR. DPVR is winning contracts from B2B partners, including media content and service providers looking to deliver VR content to customers at home.” DPVR shipped 7,000 E3s in Q2 2017, though it still trailed behind HTC and Sony in the basic VR headset segment.



DPVR unseats HTC as VR headset leader in China



Source: Canalys estimates, Virtual Reality and Augmented Reality Analysis, August 2017

In the second half of the year, Canalys expects the market to move toward smart VR headsets. HTC announced the recruitment of developers for its upcoming smart VR headset during ChinaJoy 2017, an entertainment expo held in Shanghai in July. “HTC saw the need to quickly launch a standalone headset specifically for the Chinese market to follow the trend early,” said Low. But even as HTC drops the selling price, the current Vive system poses many challenges for both consumer and business adoption due to its complexity and the need for VR-ready PCs. “HTC will regain its top position in China if it produces an appealing standalone headset that is affordable yet capable of providing new use cases for both businesses and consumers.”

China’s consumer market remains challenging, especially for basic VR headsets that need an additional external computing device. But Chinese vendors have identified opportunities that HTC and Sony missed. “Hypereal, a newcomer to the industry, released the Pano, an affordable headset suitable for VR gaming on the PC, to fill the void caused by the absence of Oculus in China,” said Canalys Research Analyst Mo Jia. “Vendors must lower prices while improving the user experience and content to drive growth and adoption in the consumer market. Pico demonstrated that it is possible to produce an appealing standalone headset while offering a decent VR experience for under CNY2,000 (US\$300).” Canalys estimates that worldwide VR headset shipments reached 800,000 units in Q2 2017, with China accounting for 10% of the market.

VR headset shipment data is taken from [Canalys' Virtual Reality and Augmented Reality Analysis](#) service, which provides quarterly market tracking. Canalys defines a virtual reality headset as a device with a display designed to be worn on the face that immerses the viewer in a virtual world, and it excludes simple viewers, such as Samsung's Gear VR and Google's Daydream View. A smart VR headset is a standalone, multi-purpose device that is designed to be worn on the face and not carried, runs an operating system, and can run third-party computing applications. A basic VR headset is a device serving a specific set of purposes that is designed to be worn on the face and not carried, cannot run third-party computing applications independently and is generally tethered by cable to a desktop PC.

Canalys EMEA: +44 118 984 0520

Ben Stanton: ben_stanton@canalys.com +44 118 984 0525

Tim Coulling: tim_coulling@canalys.com +44 118 984 0533

Canalys APAC (Shanghai): +86 21 2225 2888

Mo Jia: mo_jia@canalys.com +86 21 2225 2812

Jason Low: jason_low@canalys.com +86 21 2225 2816

Canalys APAC (Singapore): +65 6671 9399

Rushabh Doshi: rushabh_doshi@canalys.com +65 6671 9387

Ishan Dutt: ishan_dutt@canalys.com +65 6671 9396

Canalys Americas: +1 650 681 4488

Vincent Thielke: vincent_thielke@canalys.com +1 650 656 9016

About Canalys

Canalys is an independent analyst company that strives to guide clients on the future of the technology industry and to think beyond the business models of the past. We deliver smart market insights to IT, channel and service provider professionals around the world. We stake our reputation on the quality of our data, our innovative use of technology and our high level of customer service.

Receiving updates

To receive media alerts directly, or for more information about our events, services or custom research and consulting capabilities, please complete the [contact form](#) on our web site.

Press release 2017/1644
22 August 2017



Alternatively, you can email press@canalys.com or call +1 650 681 4488 (Palo Alto, California, USA), +65 6671 9399 (Singapore), +86 21 2225 2888 (Shanghai, China) or +44 118 984 0520 (Reading, UK).

Copyright © Canalys 2017. All rights reserved.

Americas: Suite 317, 855 El Camino Real, Palo Alto, CA 94301, US | tel: +1 650 681 4488

APAC: Room 310, Block A, No 98 Yanping Road, Jingan District, Shanghai 200042, China | tel: +86 21 2225 2888

APAC: 133 Cecil Street, Keck Seng Tower, #13-02/02A, Singapore 069535 | tel: +65 6671 9399

EMEA: Diddenham Court, Lambwood Hill, Grazeley, Reading RG7 1JQ, UK | tel: +44 118 984 0520

email: inquiry@canalys.com | web: www.canalys.com