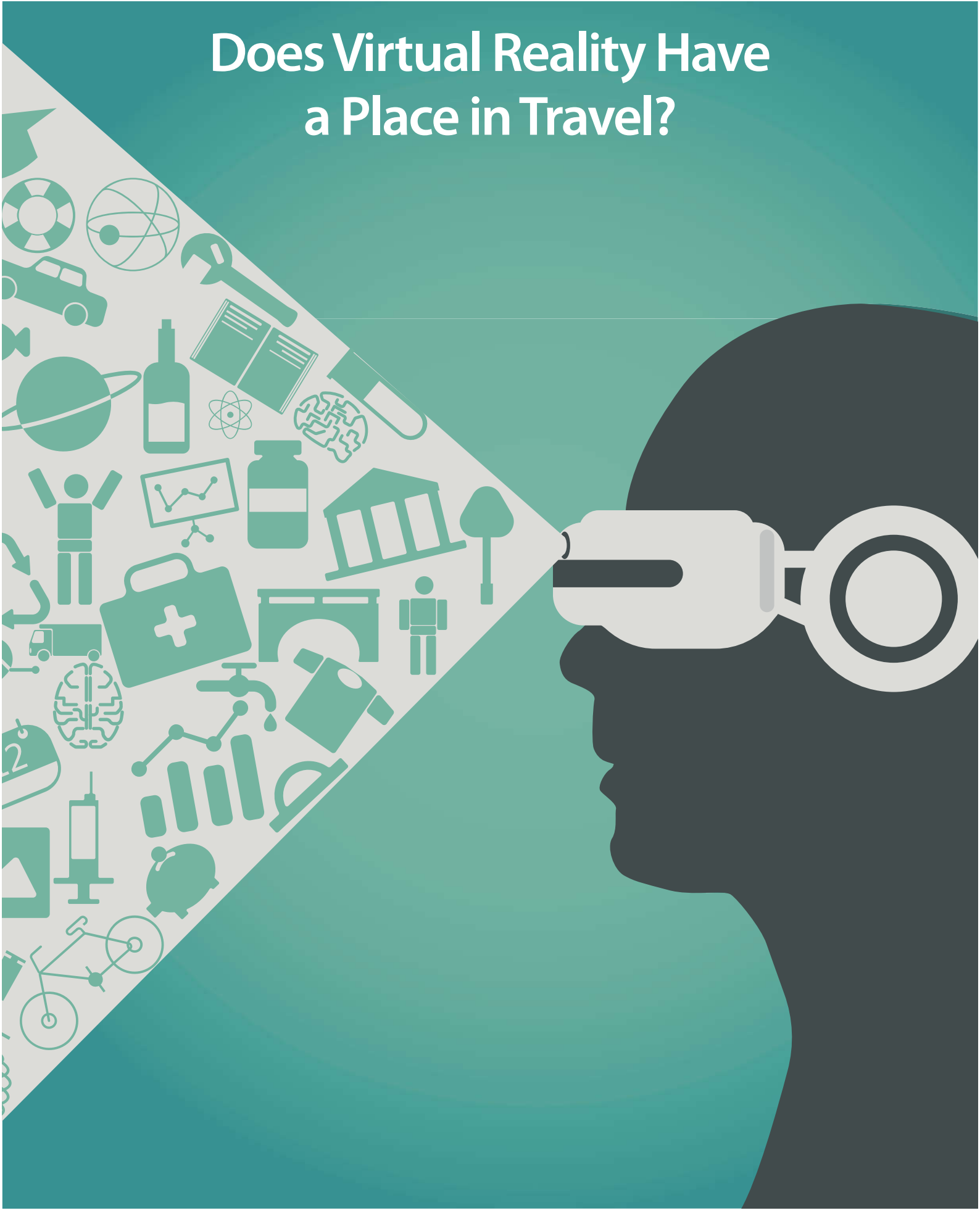


Does Virtual Reality Have a Place in Travel?



Does Virtual Reality Have a Place in Travel?

Disclaimer

The information and opinions in this report were prepared by EyeforTravel Ltd and its partners. EyeforTravel Ltd has no obligation to tell you when opinions or information in this report change. EyeforTravel Ltd makes every effort to use reliable, comprehensive information, but we make no representation that it is accurate or complete. In no event shall EyeforTravel Ltd and its partners be liable for any damages, losses, expenses, loss of data, loss of opportunity or profit caused by the use of the material or contents of this report.

No part of this document may be distributed, resold, copied or adapted without EyeforTravel's prior written permission.

© EyeforTravel Ltd © 2017

www.eyefortravel.com

Authors

David Howell, Nexus
Publishing

Alex Hadwick, Head of
Research, EyeforTravel Ltd



About EyeForTravel

We bring together everyone in the travel industry, from small tech start-ups to international hotel brands, to form a community working towards a smarter and more connected travel industry.

Our mission is to be the place our industry goes to share knowledge and data so that travel and tech brands can work collaboratively to create the perfect experience for the modern traveler.

We do this through our network of global events, our digital content, and our knowledge hub - EyeForTravel On Demand.

Our Values

We believe the industry must focus on a business and distribution model that always puts the customer at the center and produces great products. However, to deliver an outstanding travel experience, the strength, skills, and resources of all partners in the value chain must be respected and understood.

At EyeForTravel we believe the industry can achieve this goal by focusing on a business model that combines customer insight with great product and, most importantly, places the traveler experience at its core.

At our core we aim to enable the above by valuing impartiality, independent thought, openness and cooperation. We hope that these qualities allow us to foster dialogue, guide business decisions, build partnerships and conduct thorough research directly with the industry.

These principles have guided us since 1997 and will continue to keep us at the forefront of the industry as a vibrant travel community for many more years to come.

Our Services

Our events are at the heart of EyeForTravel. These draw in experts from every part of the travel industry to give thought-provoking presentations and engage in discussions. It is our aim that every attendee takes back something new that can help their business to improve. This might be in the fields of consumer research, data insights, technological trends, or marketing and revenue management techniques.

Alongside this we provide our community with commentary, reports, white papers, webinars and other valuable expert-driven content. All of this can be accessed through one place - the On Demand subscription service.

We are always expanding the content we create, so please get in touch if you want to write an article for us, create a white paper or webinar, or feature in our podcast.

EyeForTravel in Numbers

- 70,000+ database contacts
- 2,500+ annual event attendees
- 100,000+ monthly online reach
- 1,000+ online conference presentations

Contents

| | |
|---|----|
| Introduction..... | 7 |
| 1 A Brief History of VR..... | 9 |
| 2 Current and Forecast VR Market Conditions | 11 |
| 2.1 Consumer Perceptions of Virtual Reality | 11 |
| 2.2 Virtual Reality Device Sales..... | 15 |
| 2.3 Virtual Reality Market Growth to 2021..... | 17 |
| 3 The Business Case for VR | 21 |
| 3.1 In-Store Virtual Reality | 21 |
| 3.2 New Experiences..... | 21 |
| 3.3 In Focus: Lufthansa VR..... | 22 |
| 3.4 Producing VR Content | 23 |
| 3.5 A Sensible Investment?..... | 24 |
| 4 Travel Brands Using VR Today..... | 25 |
| 4.1 Matoke Tours: Virtual Gorillas | 26 |
| 5 User Generated VR Content | 27 |
| 6 Conclusion | 28 |
| 6.1 Keep One Eye on Augmented Reality..... | 29 |
| 6.2 Realizing a Virtual Reality | 29 |
| References | 31 |

List of Figures

| | |
|---|----|
| Figure 1: Which of the following emerging technology excites you most? | 7 |
| Figure 2: How appealing do you find the idea of owning a virtual reality device (UK consumers)? | 11 |
| Figure 3: Where Do UK Consumers Feel VR Would Be Useful? | 12 |
| Figure 4: Attitudes to VR in the Middle East, North Africa and South Asia. | 12 |
| Figure 5: Attitudes to VR for travel planning in Germany. | 13 |
| Figure 6: Percentage of US Consumers Interested or Very Interested in Using VR | 13 |
| Figure 7: Estimated Share of Smartphone and Non-Smartphone VR Device Shipments 2016. | 14 |
| Figure 8: Estimated Share of Smartphone and Non-Smartphone Device Shipments 2021 | 14 |
| Figure 9: Shipments of VR Headsets by Company in 2016. | 15 |
| Figure 10: Estimated Revenues Generated from VR in 2016 and 2017 | 16 |
| Figure 11: Forecasted VR and AR Spending by Region in 2017 | 17 |
| Figure 12: Estimated Shipments of Dedicated VR Headsets 2016-2021 | 18 |
| Figure 13: Quarterly VR Device Shipments in China 2015 and 2016 | 19 |
| Figure 14: Growth in Average Monthly Unique Users of VR 2016-2019 | 19 |

List of Tables

| | |
|---|----|
| Table 1: Estimated Revenues Generated from VR in 2016 and 2017 | 16 |
| Table 2: Estimated Shipments of Dedicated VR Headsets 2016-2021 | 18 |

Acknowledgements

EyeforTravel would like to acknowledge, with great thanks, the contributions of our advisory panel of thought leaders and industry experts. Each named individual below provided insights and analysis to ensure the focus and quality of this report reflect the highest industry standards.

Valeriy Kondruk | CEO | **Ascape VR**

Dorothy Dowling | Senior Vice President and CMO | **Best Western Hotels & Resorts**

Andrew Newton | Head of Corporate Travel | **Colpitts World Travel**

Wim Kok | Owner and MD | **Matoke Tours**

Thomas Gere | AR VR Entrepreneur, Mentor & Investor | **Realities Centre**

Henry Stuart | Co-Founder and CEO | **Visualise**

Gordon Meyer | Head of Marketing | **YouVisit**