

Analysis on VR & AR Gaming Market in Taiwan
Taiwan May 2021 Update

GMO RESEARCH

INSIGHTXPLORER



AD2!CTION



Executive Summary

Regarding penetration rate, Taiwanese gamers are not very keen on VR and AR games. Both are found to have less than 30% of gamers saying they have played.

- VR games
 - Despite its low penetration rate, almost 80% of those who have played give positive reviews. As to those who have not played, it's simply because they don't have the chance yet and more than half are willing to give it a try.
 - For now, players do not show much engagement in VR games. Nearly half play once a month or even less, while 20% play VR games once a week. When players engage themselves in VR games, they believe the sense of reality comes before everything else and then device-related factors come second, such as the image has to be clear, it should be easy to control the device and the audio effect should be stereoscopic without latency.
 - Number of men who own VR gaming devices is 1.6 times more than that of women. Sony PlayStation VR is the top choice among players. For those who have tried but do not wish to buy VR devices, the majority finds them too pricey, followed by not having enough space at home to keep them. The third most common reason is they don't think the devices available are not good enough tech-wise.
- AR Games
 - Over 60% of netizens have not tried AR games. In addition, less than half are willing to give it a try. Comparing with VR games, AR games have rather low market potential in Taiwan. However, our March survey finds AR games to be the most lucrative among all mobile games, with nearly 60% of players willing to make in-game purchase. The gaming market shows AR players more willing to spend than other mobile games.
 - Players find AR games most appealing because of the interactive experiences. Besides, they also enjoy having fun with other players and they find the games story rich. To increase gamer engagement, game designers need to consider what the key factors to attract gamers are.



Recommendations

1. Market Potential of VR Games

- Even though gamers are not getting their own devices either because of the price or they think the hardware can be enhanced, the high percentage of people giving good reviews show VR games are well-liked after gamers try them.

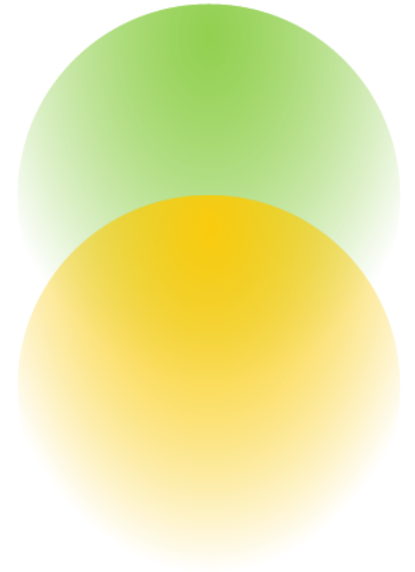
2. In addition to gaming, VR technology has also transformed how enterprises communicate with the market.

- Most netizens who have tried VR games give good reviews, so businesses can upgrade experience marketing with VR. For example, travel businesses can take potential customers on a VR tour to explore their destinations while interior designers can demo what future offices are like to their clients. These are the examples where businesses can apply VR to enrich product experiences.
- VR brings remote experience to reality; consumers are now able to try on clothes with their own images or enjoy consulting services with VR. Subscription services are therefore popularized while business activities are made possible during quarantine.

3. AR games might not be the most popular mobile games, but it's the most lucrative on average.

- The key factors why players stick to AR games are the interactive features, having fun with other players and the rich storylines. For an AR game to keep its players, it's important to update the game with diverse roles/game characters and provide different storylines.

Report Details





Outline



Data Collecting

1,483 samples were collected during 3 May – 5 May 2021 via our online panel on those aged 16-60 in Taiwan



Data Weighting

The collected data was processed and weighted to better represent the Taiwanese online population



Insight Sharing

The results are now shared to help inform decision makers about Taiwanese people's sentiment towards the current situation

Key Takeaways



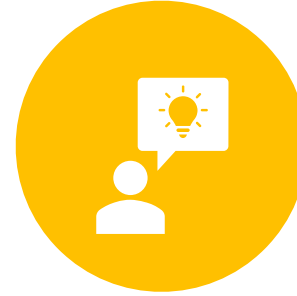
Positive VR Gaming Experience

27.2% have tried VR games, 78.3% of which have given positive reviews for their VR experiences.



VR technology can be widely applied in the market

VR technology has transformed the way enterprises communicate with the market and hence taken experience marketing to a higher level.



Engaging or not is key

With excellent interactive experiences, joy and fun while playing with others, together with the rich storylines, these three key elements have won the hearts of AR players.



AR games are the most profitable

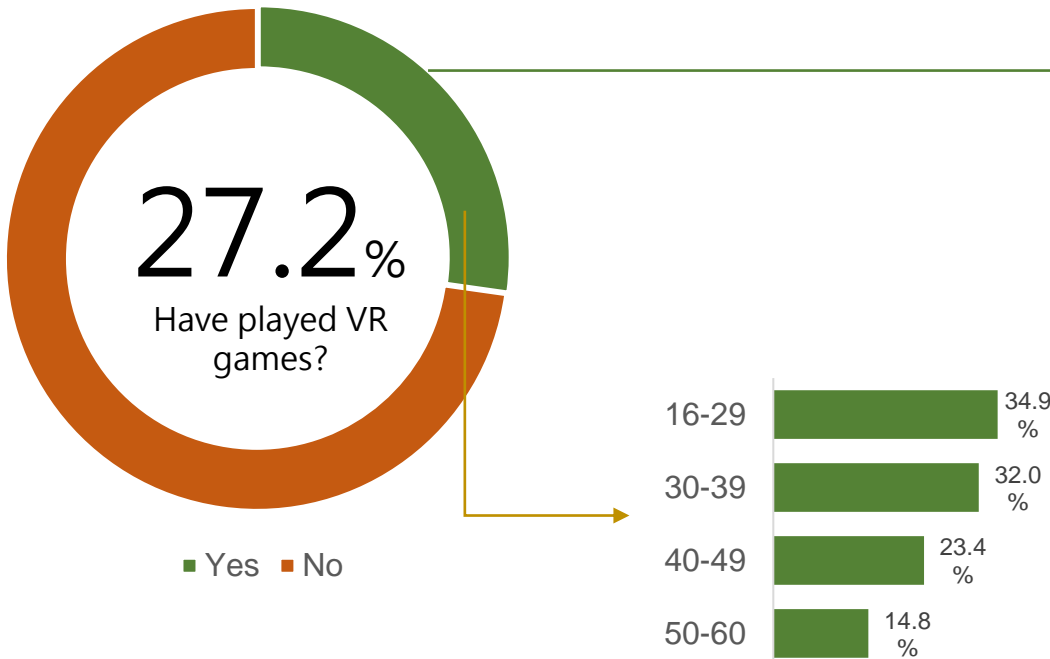
AR games are the most lucrative mobile games on average.



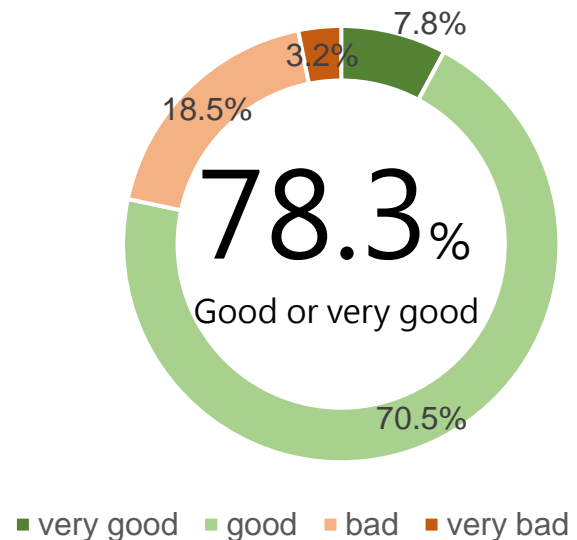
Despite low number of VR gamers, more than 75% have given good reviews after they played

- Although less than 30% of Taiwanese netizens have tried VR games, more than 75% have a positive impression.
- For those who have tried VR games, the youth has 10% higher than those above 40.

Penetration Rate of VR Games



VR Gaming Experience

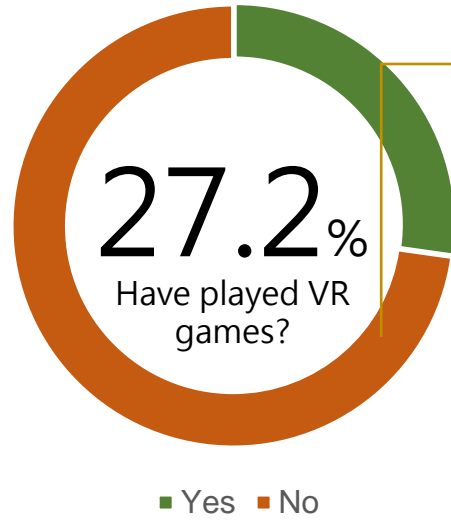




Having no chance is why gamers haven't tried. Besides, more than half are interested

- The reason why people haven't tried VR games is because not having the device or the right location. The second most common reason is having no time.
- The follow-up questions find out that more than half of those who haven't played are interested.

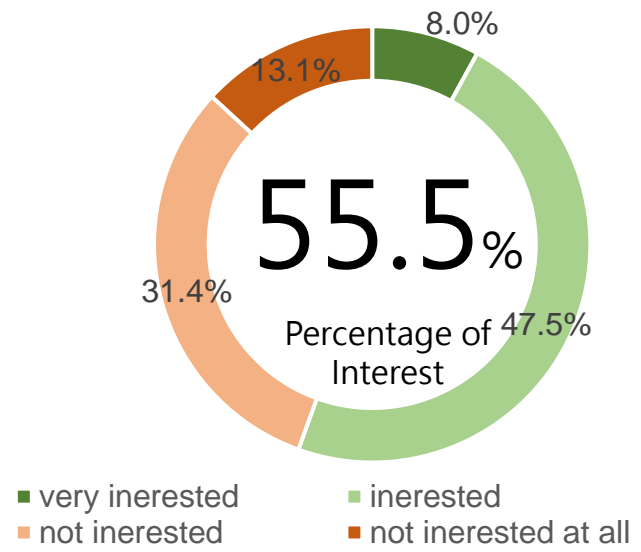
Penetration Rate of VR Games



Reasons for Having Not Tried VR Games

No chance (got no devices or the right place)	39.4%
Have no time for it	35.1%
No one in my circle is playing	28.6%

If you have the chance to play VR games, how interested will you be?

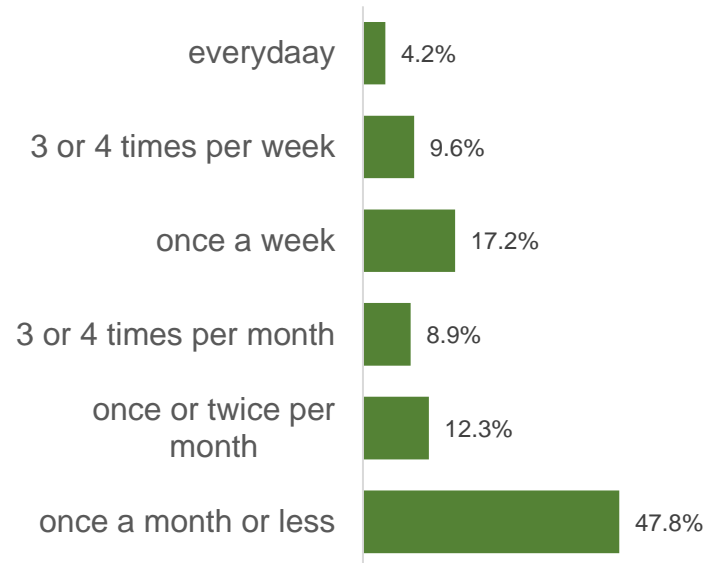




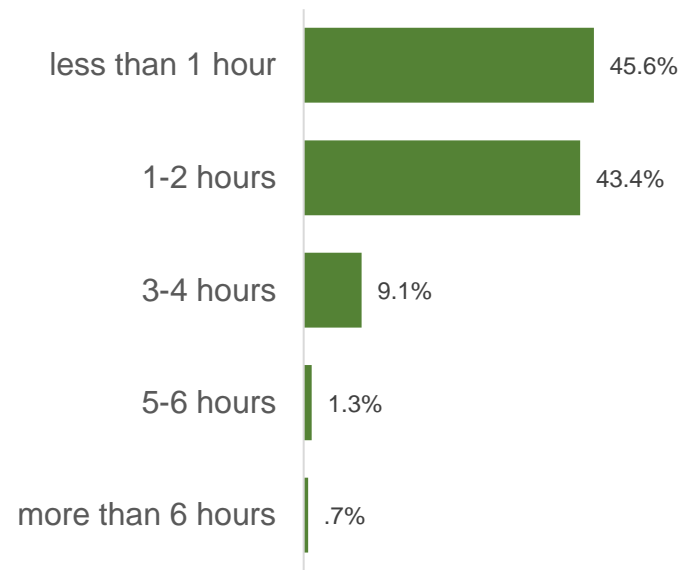
Currently, players do not show high engagement in VR games

- Nearly half gamers play VR games once per month or even less, while 20% play once a week.
- The survey finds not only low gaming frequency, but also short logon hours -- most players do not stay more than 2 hours.

How often do you play VR games?



On average, how long do you spend on VR games?

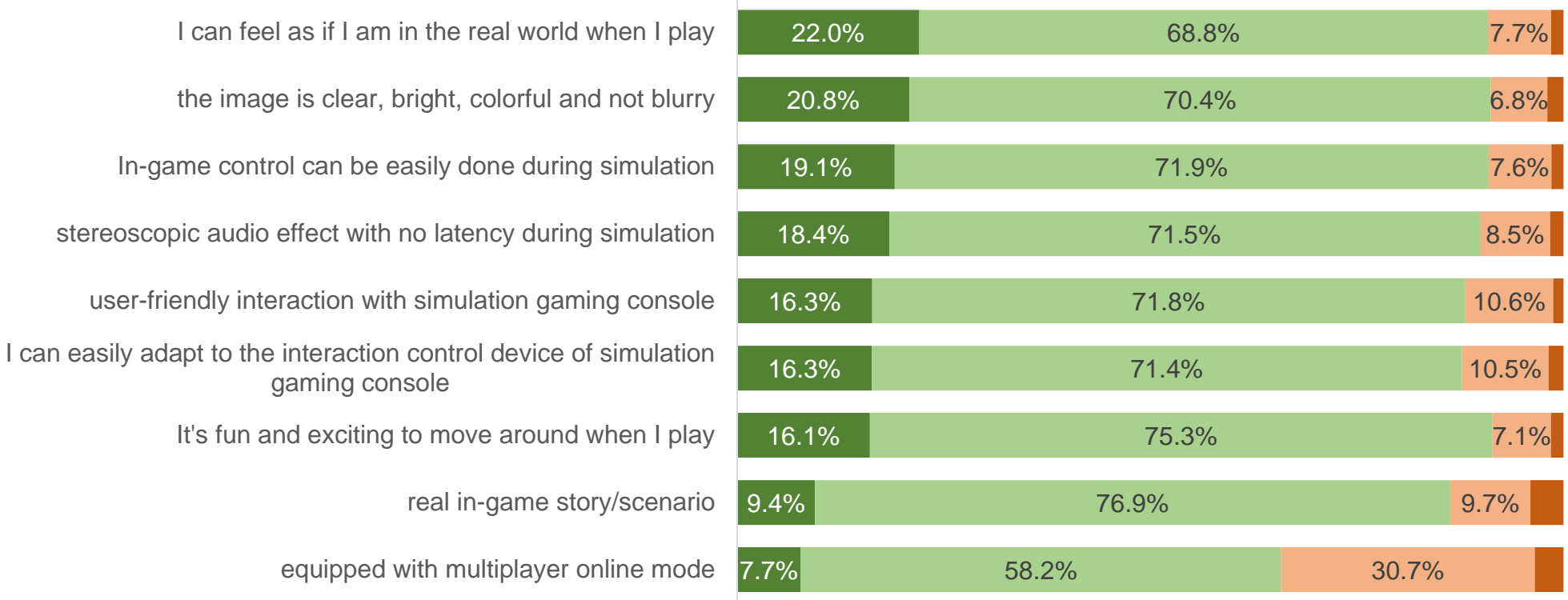




The most appealing factor is for one to feel as if they are in the real world

- When players engage themselves in VR games, the sense of reality comes before everything else to them.
- Other factors are all device-related, such as the image has to be clear, device control should be easily done, and the audio effect should be stereoscopic without latency.

Important Experience Elements of VR Games



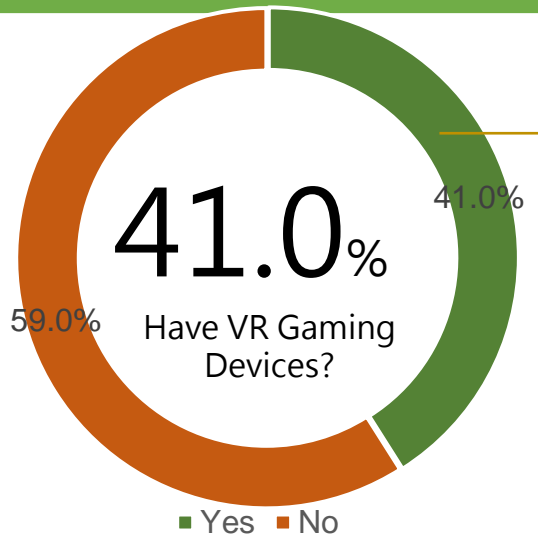
■ very important ■ somewhat important ■ somewhat unimportant ■ very unimportant



Men who own VR gaming devices are 1.6 times more than women. Sony PlayStation VR is players' top choice.

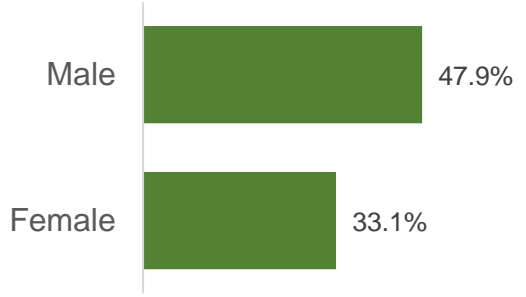
- Among players who have tried VR games, 41% have their own gaming devices. Number of male owners is 1.6 times more than female.
- When they buy VR gaming devices, the first choice appears to be Sony PlayStation VR, followed by HTC Vive Pro and the third is Samsung Gear VR

Percentage of Owning VR Gaming Devices

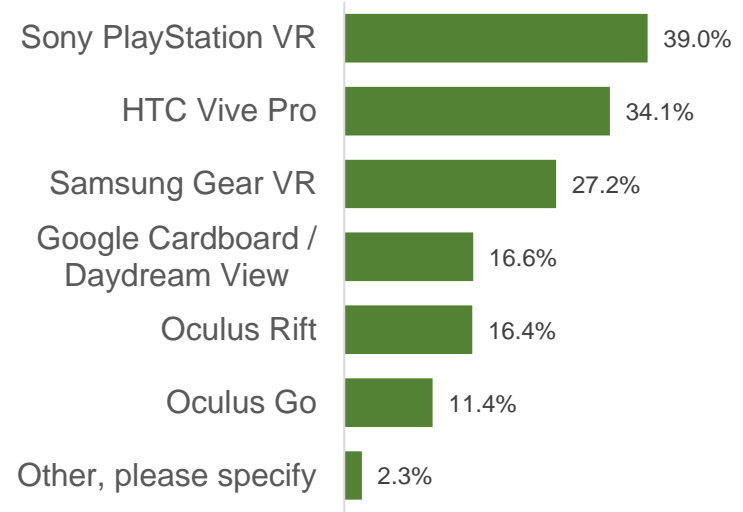


Only those who have played VR games are asked

Percentage of VR Device Owners by Gender



What kind of VR gaming devices do you have?

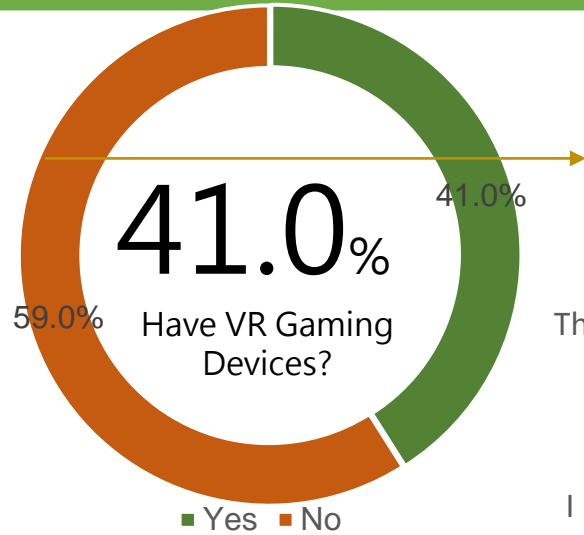




Price is the determining factor that players don't want to buy VR gaming device

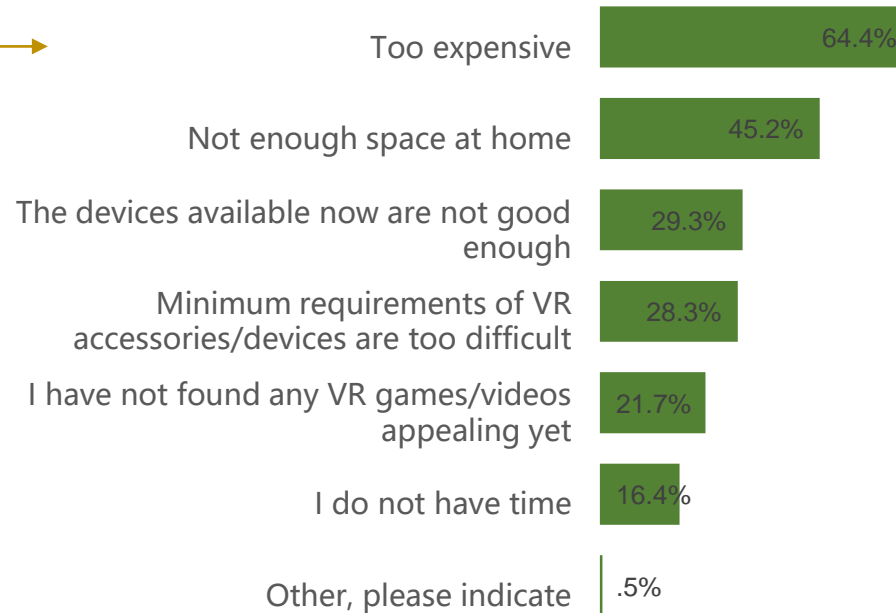
- For those who do not wish to buy VR devices, the majority finds them too pricey, followed by not having enough space at home to keep them. The third most common reason is they don't think the devices available are not good enough tech-wise.
- As to the budget, most players (44.1%) are willing to spend under NT\$ 10,000 for VR devices while around 30% would pay NT\$ 10,000-15,000.

Percentage of Owning VR Gaming Devices

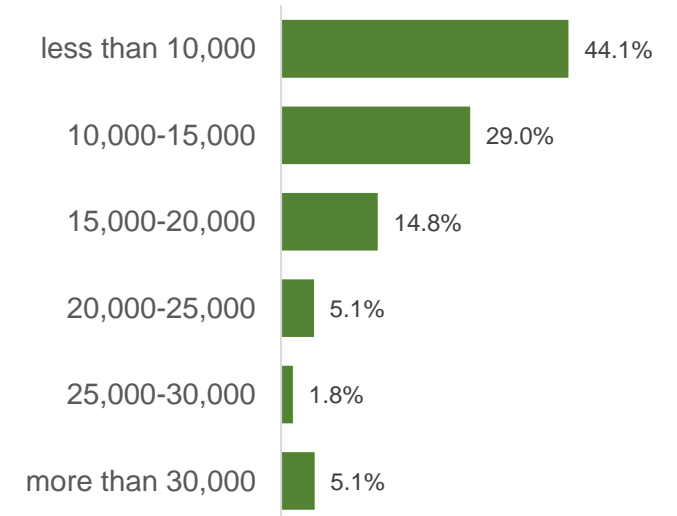


Only those who have played VR games are asked

Reasons for Not Buying VR Gaming Devices



Budget for Getting VR Gaming Devices (including helmet and joystick)

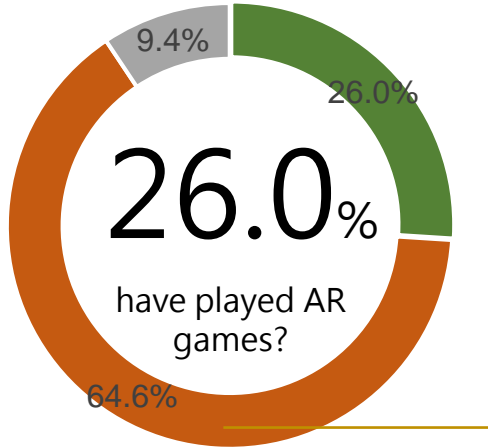




Less than 30% of Taiwanese netizens have played AR games

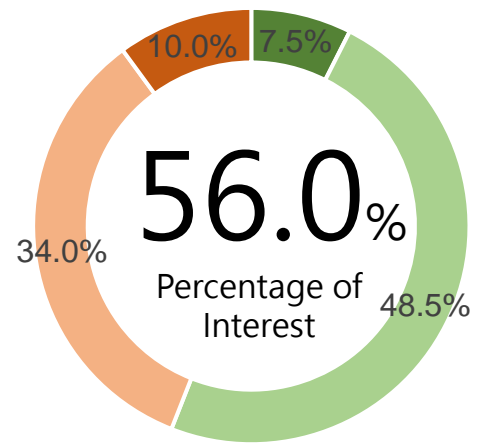
- Over 60% of netizens have not tried AR games. For those who have not tried AR games, more than half say they are interested.
- In contrast, VR gaming has a bigger market potential because more than half of netizens say they are interested in trying.

Penetration Rate of AR Games



■ Yes ■ No ■ never heard of AR games

If you have the chance to play AR games, how interested will you be?



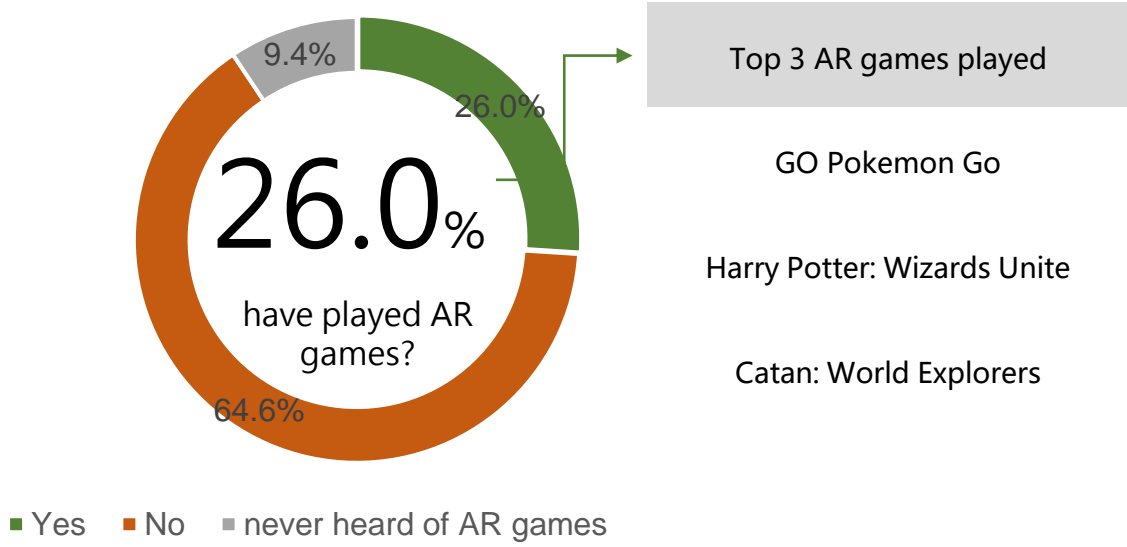
■ very interested ■ interested
■ not interested ■ not interested at all



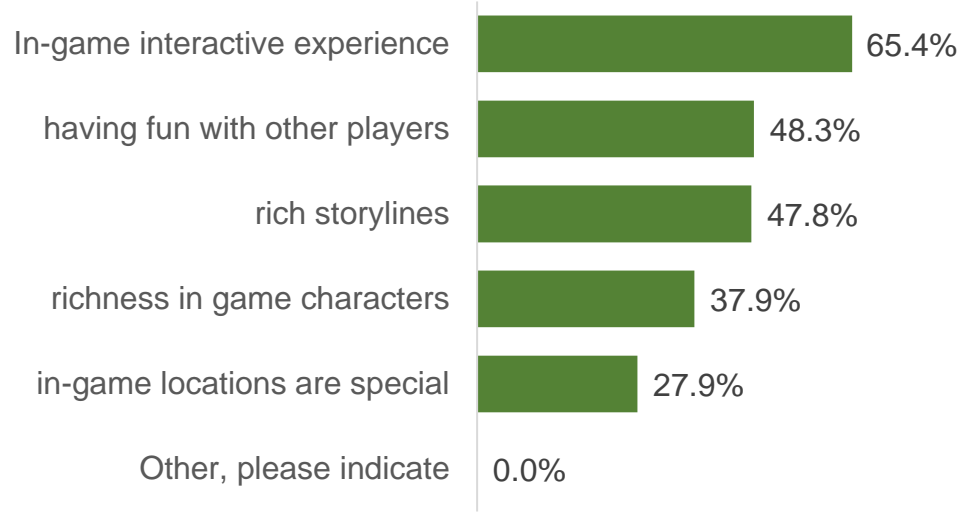
The most appealing factor of AR games is the interactive experience

- The players' top 3 AR games are GO Pokemon Go, Harry Potter: Wizards Unite and Catan: World Explorers.
- Reasons why players find AR games appealing are the interactive experience (65.4%), being able to have fun with other players (48.3%) and the rich storylines in the game (47.8%).

Penetration Rate of AR Games



What appealing factors do you find in AR games?

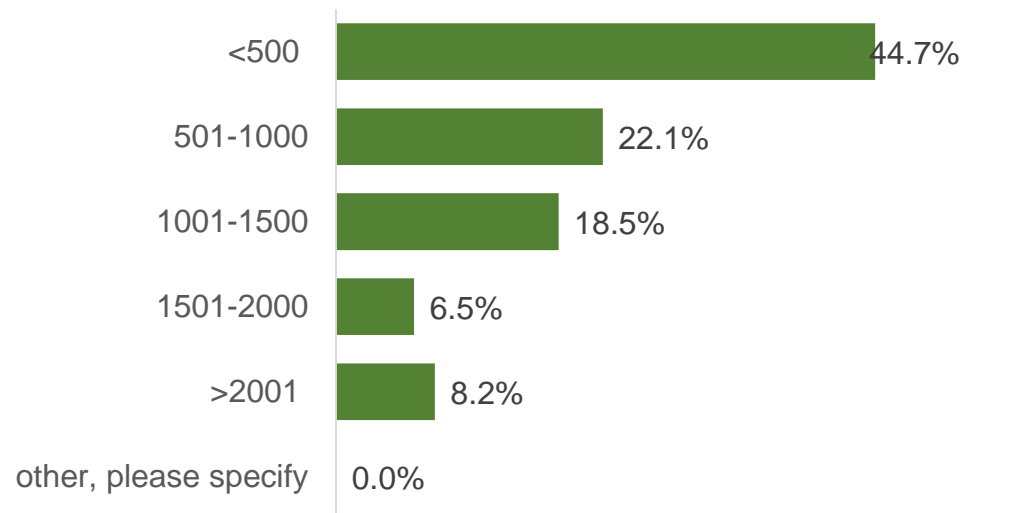




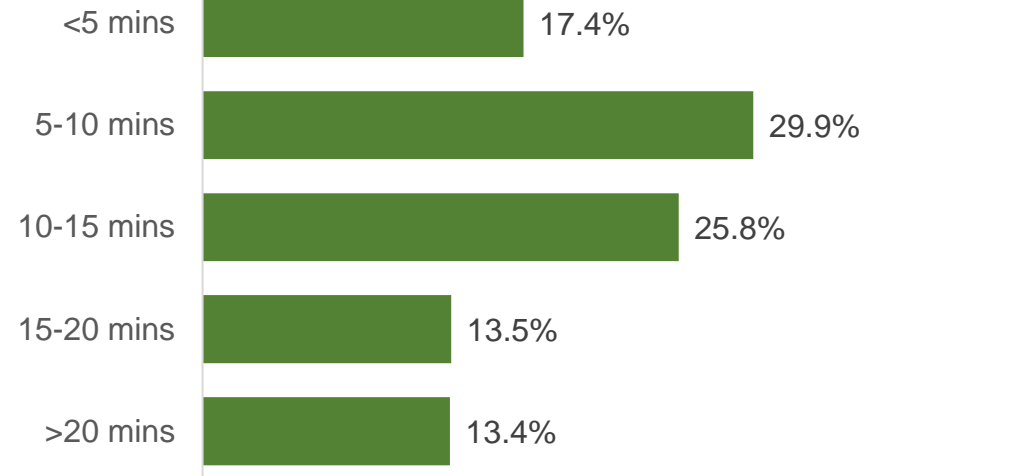
The convenience of gaming location is also one of the determining factor for players to stay with AR games

- As to the budget on AR games, the majority (44.7%) says they would pay under NT\$ 500 and 22.1% would spend between NT\$ 501-1,000.
- The interactive experience in AR games means once the player goes to a specific location, the player can interact with the virtual game characters. 30% of the players would spend 5-10 mins to get to the designated location while 25% would spend 10-15 mins.

How much are you willing to pay for a AR game (top)?

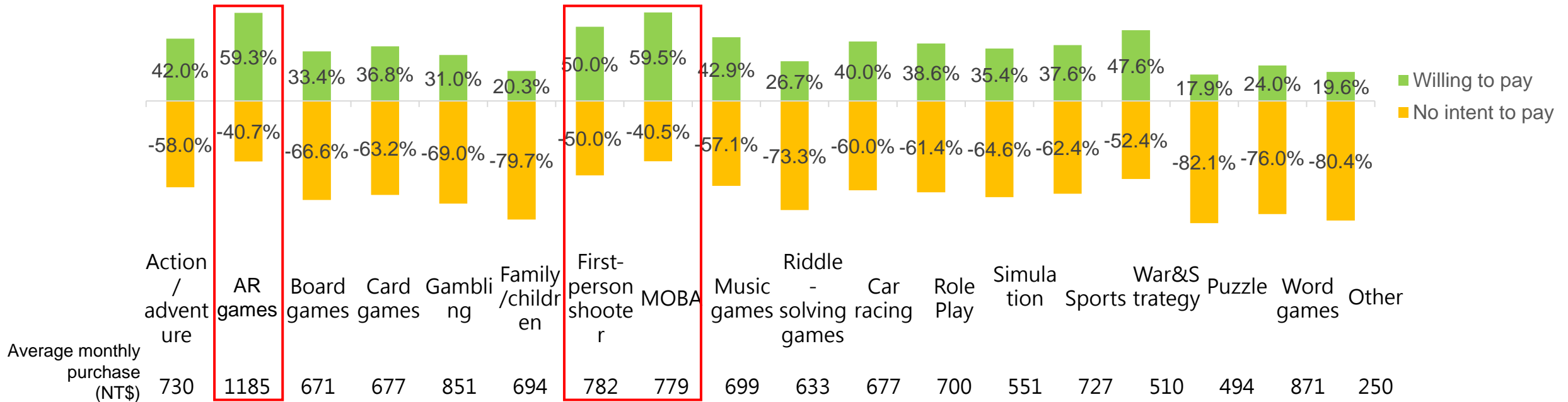


How long are you willing to spend to get to the designated location in a AR game (top)?



Our March survey finds AR games to be the most lucrative among all mobile games

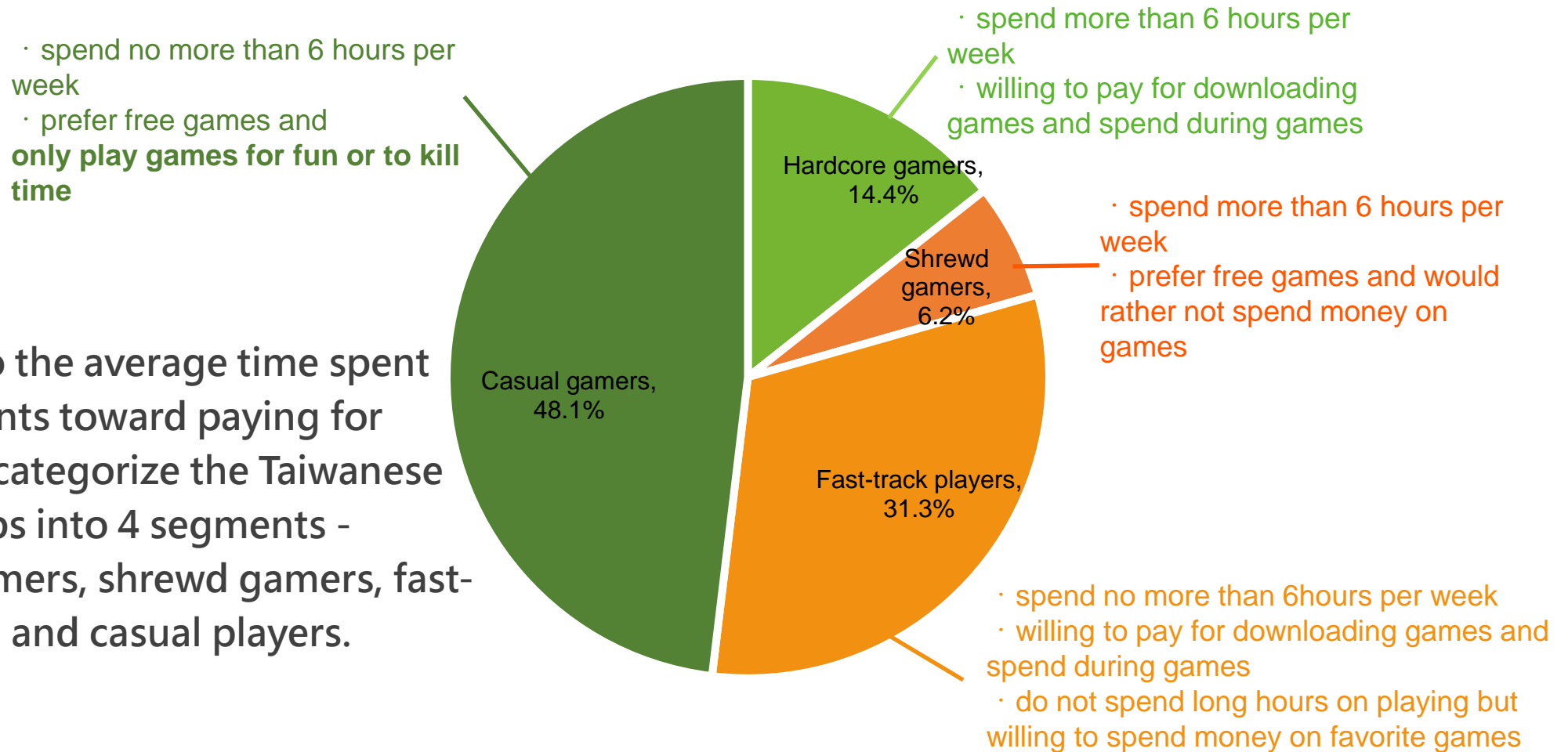
- Although not many netizens have tried AR games, players' average amount spent on games show that AR games are the most profitable game type. The monthly average amount is as high as NT\$1185 and more than 60% are willing to pay.





Taiwanese Online Gamer Segments

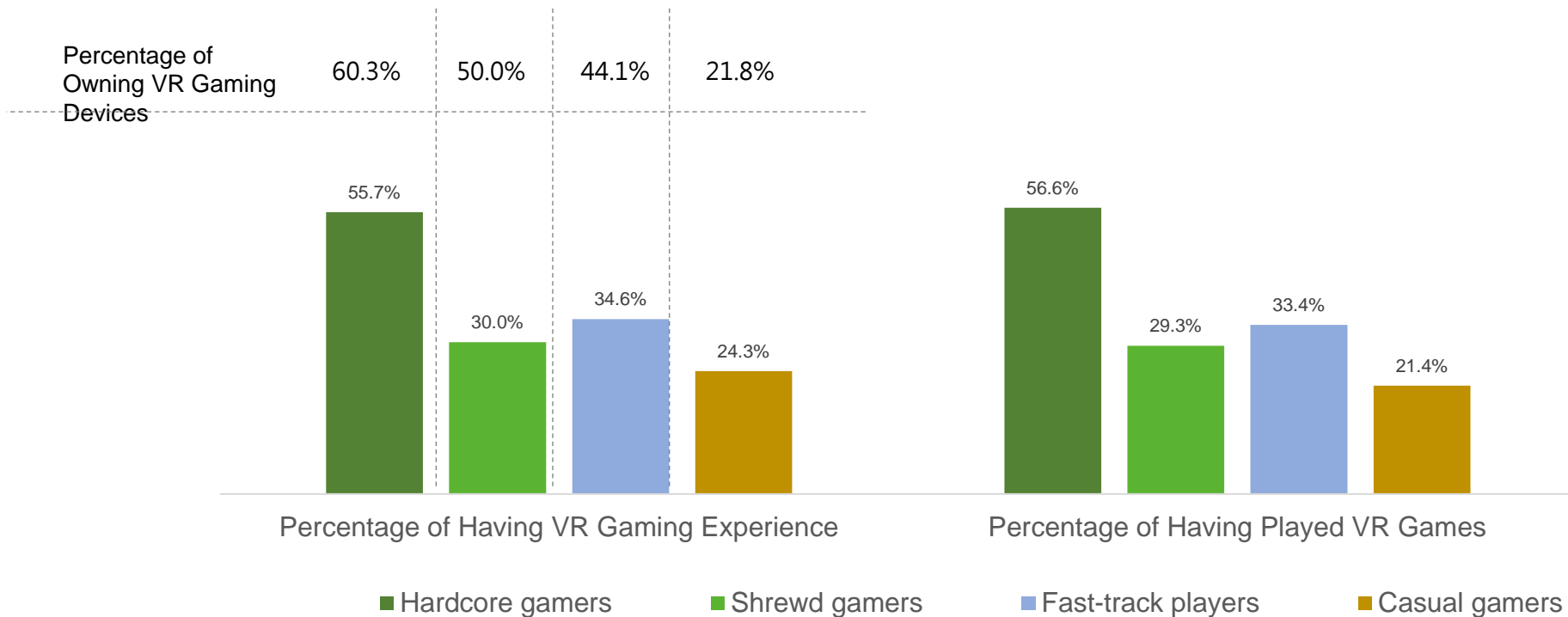
According to the average time spent and sentiments toward paying for gaming, we categorize the Taiwanese gamer groups into 4 segments - hardcore gamers, shrewd gamers, fast-track players and casual players.





Hardcore gamers have the highest penetration rate in VR and AR games

- Regarding gaming penetration rate, hardcore gamers show highest engagement in both VR and AR games.
- Among hardcore gamers who have engaged in VR games, nearly 60% have their own VR gaming devices.

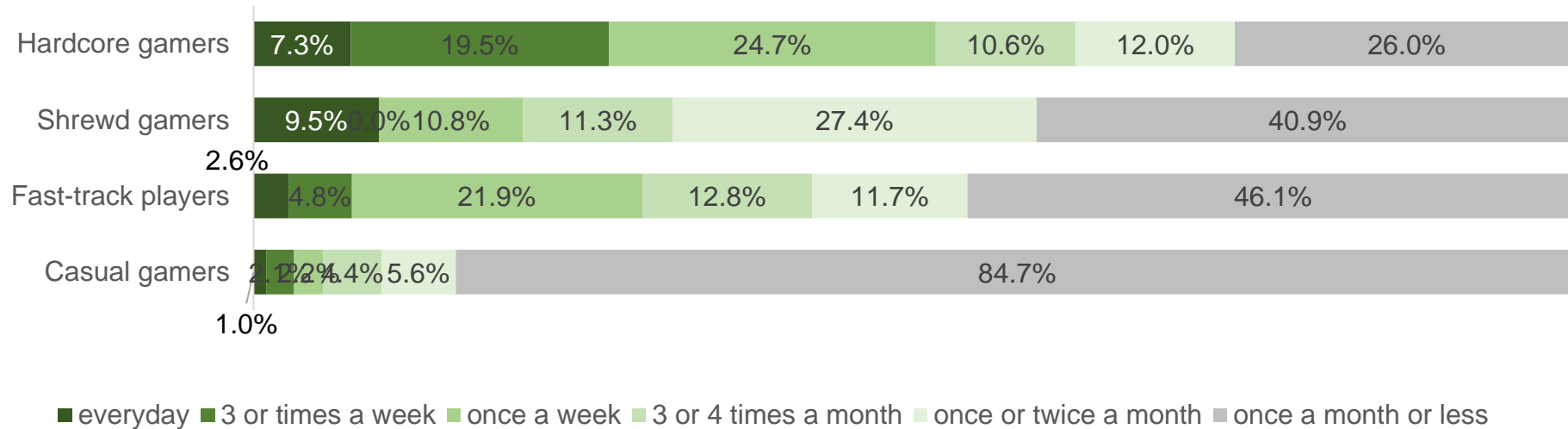




Hardcore gamers show higher engagement in VR games

- 25% of hardcore gamers play VR games once a week.
- In contrast, 40% of shrewd gamers, nearly half of fast-track players and more than 80% of casual gamers play once a week or less.

How often do you play VR games?

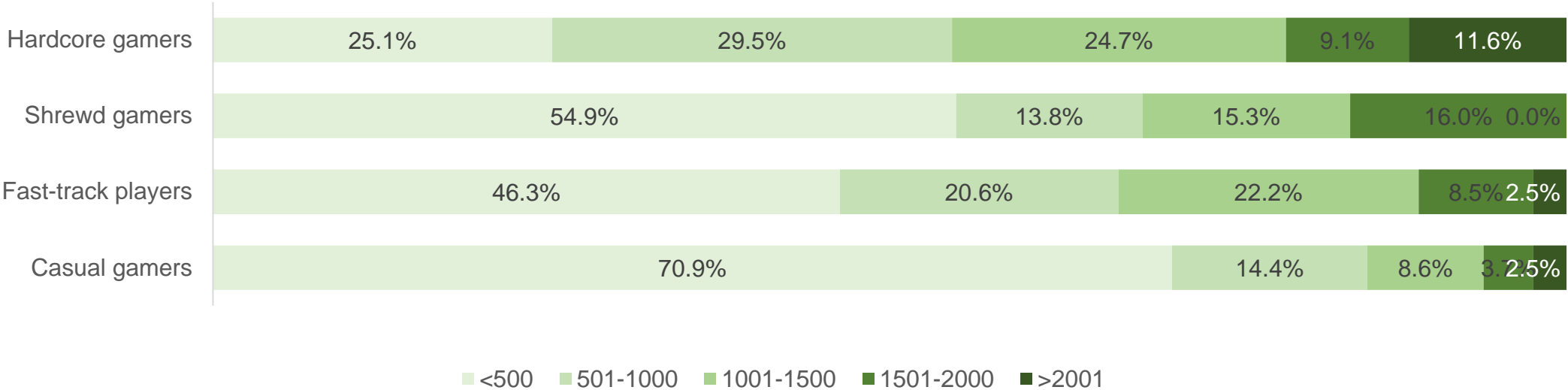




Hardcore gamers also don't mind spending extra while playing AR games

- Most gamers won't spend more than NT\$ 500 on AR games.
- More than 40% of hardcore gamers are willing to spend more than NT\$1,000 buying AR games.

How much would you pay for one AR game (top)?



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