

# Meta captures 90% of VR headset market share

## Article

**The news:** The global VR headset market saw growth by **241.6%** in Q1 this year, with **Meta** owning 90% of the market with its **Quest** headsets, [per](#) IDC.

**Meta dominates headsets, but for how long?** Meta's **Quest 2** device is only available in the **US** and **Canada**, [per](#) IDC's Worldwide Quarterly Augmented and Virtual Reality Headset Tracker. Other VR headsets are gaining ground.

- Following Meta, with a **4.5%** market share, was **ByteDance's Pico** headset, which is mostly limited to China's borders but has slowly entered global markets for use in commercial

applications.

- Other VR headset players include **HTC** and **iQIYI** with less than **4% share combined**.

IDC notes there's a high expectation for **Apple's** VR or AR headsets, **rumored** to be coming to market this year.

- "All eyes will be on Apple as it launches its first headset. Keep in mind that this is its first headset that will appeal primarily to a small audience of early adopters and Apple fans," **noted Ramon Llamas**, research director with IDC's Augmented and Virtual Reality team.
- Apple's entry into the market will likely upend pricing models, pushing headset costs into the premium market. The company is reportedly **busy building content** to support its VR play.

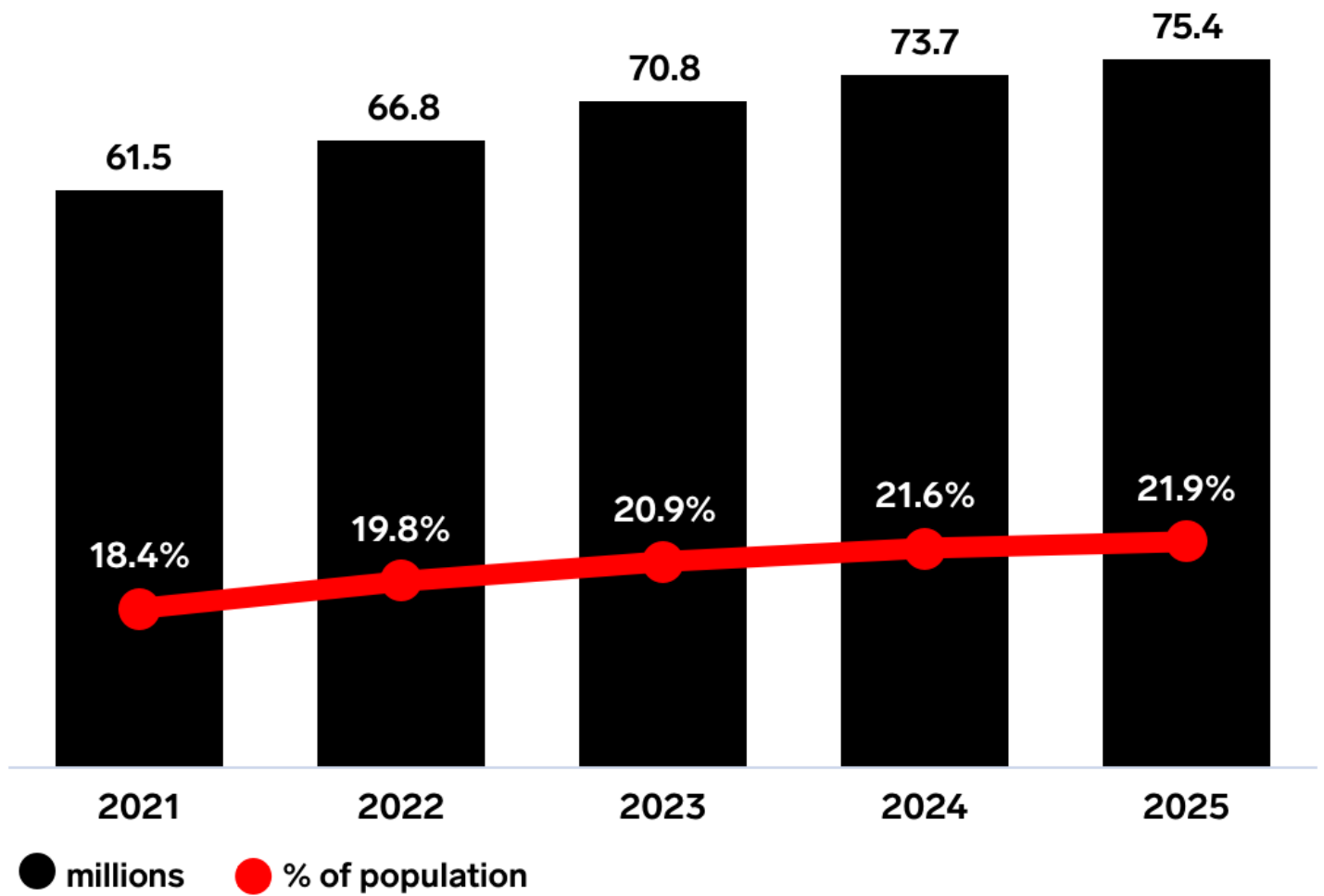
**Subsidizing VR hardware is not sustainable:** Meta owes a lot of its success to its pricing model for Meta Quest 2 headsets, which start at \$299, about the cost of entry-level smartphones or gaming consoles. Meta has been subsidizing the cost of the hardware to entice user adoption.

- "Meta continues to pour dollars into developing the metaverse, but the strategy of promoting low-cost hardware at the expense of profitability isn't sustainable in the long run," said **Jitesh Ubrani**, research manager for IDC Mobility and Consumer Device Trackers.
- Meta is currently **reeling** from the ongoing financial crisis, with CEO **Mark Zuckerberg** warning employees he's anticipating "one of the worst downturns that we've seen in recent history."
- The company has frozen hiring, is "turning up the heat" on performance management to cull headcount, and is cutting back on metaverse investments to stay afloat.
- Hardware like **VR headsets is the key to metaverse adoption**—software is the key to retention. This makes it challenging for any one company to create affordable headsets while developing new and compelling use cases for VR and AR.

**What's next?** Big Tech companies are in the best position to develop VR hardware while building immersive virtual-reality worlds and experiences. Meta's forced financial austerity could put it at a disadvantage while companies with deeper pockets barrel into the metaverse hardware space.

# Virtual Reality Users

US, 2021-2025



Source: eMarketer, February 2022

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