

# Apple delays mixed-reality pivot

## Article

**The news:** Apple's long-rumored mixed-reality (MR) headset, its first new product category since 2015, is being pushed back to June due to software and hardware setbacks, per [Bloomberg](#).

**What we know about Apple's MR pivot:** [Apple's AR headset](#) was expected to be revealed in late 2022, and reports indicated it could have more processing power than an iPhone, per [Insider](#).

- Initial reports stated the **Reality Pro** AR glasses would run off the iPhone's processing power. Now it looks like they will have their own onboard **Apple Silicon**.
- Apple's AR pivot was expected to serve as the cornerstone of a **10-year plan to replace smartphones with AR headsets**.
- The company could now be accelerating its MR pivot as smartphones are starting to plateau in innovation and in sales.
- Apple recently reported earnings of **\$117.1 billion**, versus the **\$121.1 billion** expected—its biggest decline in revenue since 2016.

**What's the holdup?** Apple will reportedly use its **Worldwide Developers Conference** in June as a springboard to announce the headset and developer ecosystem.

- Apple, which has been working on this technology since 2015, reportedly delayed the launch after **product testing revealed both hardware and software had significant issues** that need fixing.
- The company looks to bring the product to market in late 2023, but supply chain hiccups and its contentious developer relations could be hurdles beyond its control.

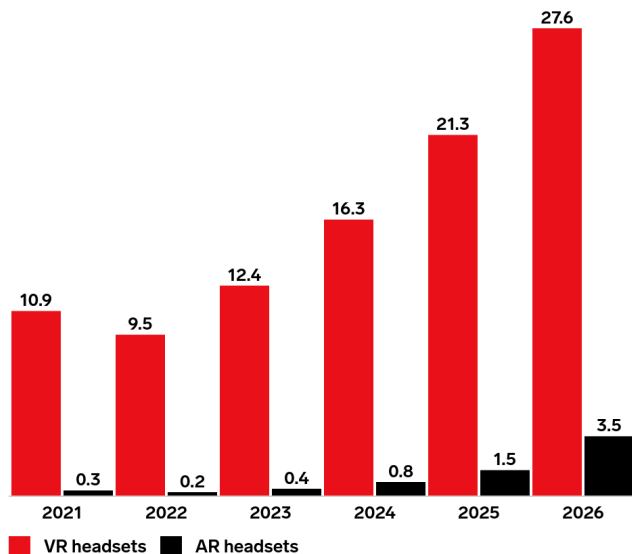
**Pricing is a sticking point:** Apple reportedly plans to charge \$3,000 for the headset, which is expected to be more of a developer tool similar to **Microsoft's HoloLens** rather than a consumer-oriented product like **Sony's** and **Meta's** offerings.

- The cost is nearly double what Meta charges for its high-end Quest Pro headset. Meta's flagship already has a supporting app ecosystem but is still considered niche and expensive.
- Sony's **PlayStation VR2** headset, which is designed around gaming, is being panned for being too expensive at \$550.

**The problem:** While it is under pressure to produce another hit product category, **now might not be the right time for Apple to pivot toward AR and VR**. Even Meta CEO **Mark Zuckerberg**, the leading proponent of the metaverse, said a functional metaverse is years away from being realized.

## AR and VR Headset Shipments Worldwide, 2021-2026

millions



Note: includes commercial and consumer devices

Source: International Data Corporation (IDC), "Worldwide Quarterly Augmented and Virtual Reality Headset Tracker" as cited in press release, Dec 20, 2022

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