Apple's mixed reality ecosystem could focus on gaming, fitness, and streaming

Article



The news: Apple is reportedly working with developers to create a supporting ecosystem and apps to accompany its headset.





Apple's reality play: Apple has been working on its **Reality Pro** AR/VR headset for years, and despite <u>pushback from some of its engineers</u>, the device is likely to be revealed this June at the **Worldwide Developers Conference** (WWDC).

While a lot of focus has been on the <u>hardware and its capabilities</u>, Apple is looking at the bigger picture and likely preparing a slew of apps and experiences to demo its technology.

- It has reportedly been working with "a small number of developers" to optimize apps for the new product.
- The company has no shortage of options to pivot into AR/VR—it can expand Apple Fitness,
 FaceTime, iMessage, and Apple Arcade services into immersive experiences.
- It can also extend the headset's connectivity across other peripherals like Apple Watch and AirPods to ensure customer lock-in.
- Apple's investments in live sports like Major League Soccer and Major League Baseball, as well as Apple TV streaming, also offer opportunities for VR.

More details on the Apple headset: A report from Bloomberg gives us some insights on Apple's hardware and its unique features.

- The headset will be able to shift from VR to AR using a Digital Crown, similar to one on the Apple Watch and AirPods Max.
- Users can control the interface with eye and hand gestures.
- Apple's headset will also have an in-air virtual keyboard and support physical keyboards, although Apple's Siri voice assistant will likely be on tap.

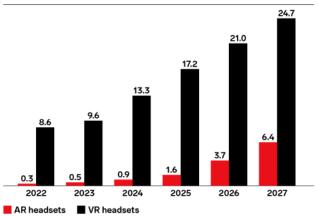
The caveat: Building a case for a **\$3,000** headset—Reality Pro's rumored cost—will be a monumental undertaking and a huge risk, even for a company with Apple's track record.

- With its collection of fitness, gaming, music, and streaming apps, Apple could easily surpass Meta's offerings on its Meta Quest headsets.
- High consumer trust in Apple's brand and its focus on user privacy could pave the way.



AR and VR Headset Shipments Worldwide, 2022-2027





Note: includes commercial and consumer devices Source: International Data Corporation (IDC), "Worldwide Quarterly Augmented and Virtual Reality Headset Tracker" as cited in press release, March 21, 2023 281039 InsiderIntelligence.com

