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Future Trends Working Group

Future Trends Volume 16: The Future of Virtual Reality

Introduction: Virtual Reality? We're already immersed in it

Tim Elkington, Chief Strategy Officer, IAB UK

According to Elon Musk we're almost certainly [living in a Virtual Reality based world](http://www.vox.com/2016/6/2/11837608/elon-musk-simulation-argument) (<http://www.vox.com/2016/6/2/11837608/elon-musk-simulation-argument>) as part of a computer simulation constructed by more advanced future generations. The IAB's Future Trends Group doesn't necessarily subscribe to that view, but we are pretty excited about the potential of Virtual Reality (VR).

Marcos Angelides from OMD argues that live music and festivals will be the most likely short-term application of VR and open up increasingly exclusive festivals and concerts to a wider audience at a fraction of the cost.

Dan Kent-Smith from LinkedIn looks back to the 1930's to track the history of VR and thinks about how brands, and the market research industry, might take advantage of the emerging technology.

Finally, the IAB's Bradley Moss, speculates about how VR will be a mainstream in our lives as the mobile phone is now and looks forward to a tour of Beijing before meeting friends in the pub.

Whatever the application of VR, it's clear that we're reaching a tipping point, with technology dropping in price, becoming more accessible and brands starting to experiment with getting the most from new immersive Virtual Reality experiences. How long before we're talking about the 'year of VR'?

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Festivals and concerts could be the key to unlock mass market Virtual Reality

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In the past 4 years over \$4b has been invested in VR. From Oculus Rift and Cardboard to Hive and Morpheus; it's clear that every tech brand is betting this will be the next big thing. The reason is simple; the experiences VR can offer are just too exciting for people to ignore. Why continue to watch from afar when you can stand in the middle of the action?

But don't be fooled, VR's rise doesn't mean the death of TV. There are so many occasions when VR would be a waste of time. A family isn't going to strap their headsets on just to catch up on an episode of Corrie. The success of VR will not come from stealing attention away from TV, it will come from offering people moments where they can be transported beyond the living room.

So where will they be transported to? My money would be on live music events. Last year, UK festivals generated over £270m in revenue and are predicted to grow to £3b by 2019. But there is a problem; there are simply not enough tickets to go round. The future of music events are limited by their very existence, the physical capacities of the industry is what's holding it back. This isn't just an annoyance for music fans, it's a major concern for musicians who make more than 50% of their income from ticketed events. And that is what makes VR the perfect solution.

Fans who are unable to attend a physical event will be able to beam in virtually. With cameras positioned in the VIP area, you'll be able to experience the immersive sights and sounds of the festival as though you were actually there. You could even place cameras on stage so people can finally feel what it's like to perform in front of 50,000 people.

As physical tickets can retail for more than £200, a VR pass of £10 makes it a very compelling option. And from an organiser's perspective, this would supercharge their profits. Glastonbury has a capacity of 135,000 – generating revenue of approx. £35m. But with almost 8m 16-24yr's expressing an interest in attending – a £10 ticket would more than triple profits.

So where do brands stand in all of this? It could actually make the complicated world of VR much simpler to navigate. Rather than having to think about producing compelling VR content, brands can approach the technology as an extension of experiential. If you have a physical space at a festival, then create a similar experience for VR audiences – it's as simple as that.

I realise that many people still see VR as a novelty. How could it ever replace the experience of standing in the middle of a festival watching a headline act? But 60 years ago people said the same thing about televised football matches. Why on earth would real fans watch a match at home rather than the stadium? But fast-forward to the present day and the Premier League have just sold their global TV rights for £5.1b. And that's why I believe VR will be a success. The role of technology is not to replace live experiences – it is to give access to those who would never otherwise be there.

Our dreams of Virtual Reality are coming true

Dan Kent-Smith, Senior Research Consultant EMEA, LinkedIn

Virtual reality (VR) is not new. In fact, it's been around in some shape or form for some 80 years. Believe it or not, VR as a concept (as far as I can tell) came to fruition in the 1930s via Stanley G. Weinbaum's short story: *Pygmalion's Spectacles*. In the story, the main character, meets a professor, who invents a pair of goggles that enables him to be "in the story", by providing "a movie that gives one sight and sound...taste, smell, and touch." The main character isn't just in the story, but can "speak to the shadows and they reply, and instead of being on a screen, the story is all about you, and you are in it."

Since then a number of visionaries looked to create VR in various guises, but were left wanting by the lack of technology available. Not so today; what their ideas once promised, technology can now deliver.

Facebook's, \$2bn investment in Oculus signals serious intent, as does Samsung's Gear VR (also powered by Oculus), and if the rumour mill is to be believed, Google Glass will soon be coming back into the mix.

The focus here, at least in the short term appears to be in gaming, entertainment, music and sport. Imagine, if you will, choosing your seat at the stadium of your choice and feeling the exhilaration of a live experience all from the comfort of your home. But, why stop there? Marketers the world over are pricking up their ears and considering the use of VR in their own marketing plans and strategies. In fact, a number of companies – including the likes of Tesco, Lexus, The North Face, Marriot and even Thomas Cook – are not just considering VR, but dedicating resource and budget to it. As a researcher, I can already see the benefits of VR in my industry. Imagine placing a respondent in a research setting and observing their behaviours, or having them *test* a new product or concept in a VR world. Then of course there's recruitment – having candidates spend time 'in the office' and training. The possibilities are limitless.

For me though, the benefits go beyond testing products and being 'in the room' at a keynote speech. VR is about connecting emotionally. If companies and brands can tell their story, and tap into the deeper parts of the brain, where emotion and memory work together, then VR will succeed. Because, from a psychological point of view, our mental episodic memory structures are well developed for remembering and integrating complex episodic material. In other words, we remember episodes; we remember stories. And if VR produces the kind of immersive experience that enhances these stories, then brands can create a closer relationship with their audiences.

As a slight aside, I'm hoping Roy Hodgson, (the England Football Manager) has packed a bagful of these prior to the European Championship next month. As any football fan knows, England are the single worst nation in the world at penalty shoot outs – and it's nothing to do with ability and everything to do with psychology. If VR can create the environment that accurately reflects the pressure cauldron we often succumb to, then maybe, just maybe Roy's boys will be prepared for the inevitable. After all, as Stanley G. Weinbaum says, "why can't you take a dream and make it real?"

We're standing on the cusp of a Virtual Reality revolution

Bradley Moss, Online Content & Communications Assistant, IAB UK.

Virtual reality (VR) has certainly taken precedence in recent times. In 10 years time (or maybe sooner) our living rooms could be a virtual, technological bubble. The everyday objects that we surround ourselves with may project us with a virtual world, a fantasy world, that really DOESN'T exist, but that is so satisfying and appealing that we embrace it with open arms.

The famous photo taken at Mobile World Congress with Mark Zuckerberg walking down the aisle with delegates in the audience wearing Oculus Rift VR headsets was a pinnacle moment in VR. This image symbolised that VR is very real and not just limited to gaming enthusiasts - far from it.

Zuckerberg declared '[VR is going to be the most social platform](http://www.forbes.com/forbes/welcome/#2d0b82379590)' (<http://www.forbes.com/forbes/welcome/#2d0b82379590>) suggesting VR may play a part in our daily "social" lives. Like the mobile phone, VR could be a multi-functional part of our day-to-day life. It will be part of our communication and entertainment world and maybe further. Indeed, John Oswald, a Director at design and innovation firm Fjord, declares '[it could be a boon when it comes to understanding and treating disease](https://www.theguardian.com/technology/2016/jan/10/oculus-rift-facebook-virtual-reality-headset)'. (<https://www.theguardian.com/technology/2016/jan/10/oculus-rift-facebook-virtual-reality-headset>)'

It appears that good times will be ahead for VR in the advertising industry as well, according to William McMaster, Head of VR at the London-based company Visualise, who sees advertising as a key area for the technology.

Soon we'll be able to immerse our children in the ultimate 'Narnia' style [bedtime story](https://www.theguardian.com/technology/2016/apr/29/samsung-thinks-the-future-of-childrens-bedtime-is-virtual-reality-stories) (<https://www.theguardian.com/technology/2016/apr/29/samsung-thinks-the-future-of-childrens-bedtime-is-virtual-reality-stories>), see [our favourite bands live from our sofa](http://www.independent.co.uk/arts-entertainment/music/news/coachella-2016-you-can-experience-the-festival-in-virtual-reality-a6985521.html) (<http://www.independent.co.uk/arts-entertainment/music/news/coachella-2016-you-can-experience-the-festival-in-virtual-reality-a6985521.html>), and head off for a tour of Beijing before going to the pub with our mates in London.

However, how that is done and which technological systems we will use to incorporate VR into our lives is still up for question.

At £499, the Oculus Rift (bought without a computer) isn't a cheap investment and at prices like that – it will be unsustainable for the average family. However it is hugely significant. As McMaster states, 'Oculus Rift is a template for what VR headsets are going to be like in the future for everybody.' For those with a lower budget wanting a demo of VR, both Google Cardboard & Gear VR are available to use alongside your phone at incredibly cheap prices.

It is clear that this really is only the beginning.

What we need (and what we are expecting) is an everyday, economically viable, realistic and fully functioning VR experience. We're on the cusp of a VR revolution. The potential is here, we've just got to wait for the likes of Facebook, Google, HTC, Huawei, Samsung and Sony to really harness it and bring it into the everyday living room.

Want to know more? The Guardian has starred a dedicated [VR area](https://www.theguardian.com/technology/virtual-reality) (<https://www.theguardian.com/technology/virtual-reality>) on their site for all the latest news and developments.

IAB Whitepaper

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