Ready, steady, game!

Is augmented reality (AR) the next level of gaming?

An Ericsson ConsumerLab insight report

About Consumer & IndustryLab

Consumer research since 1995

>2.6 million respondents

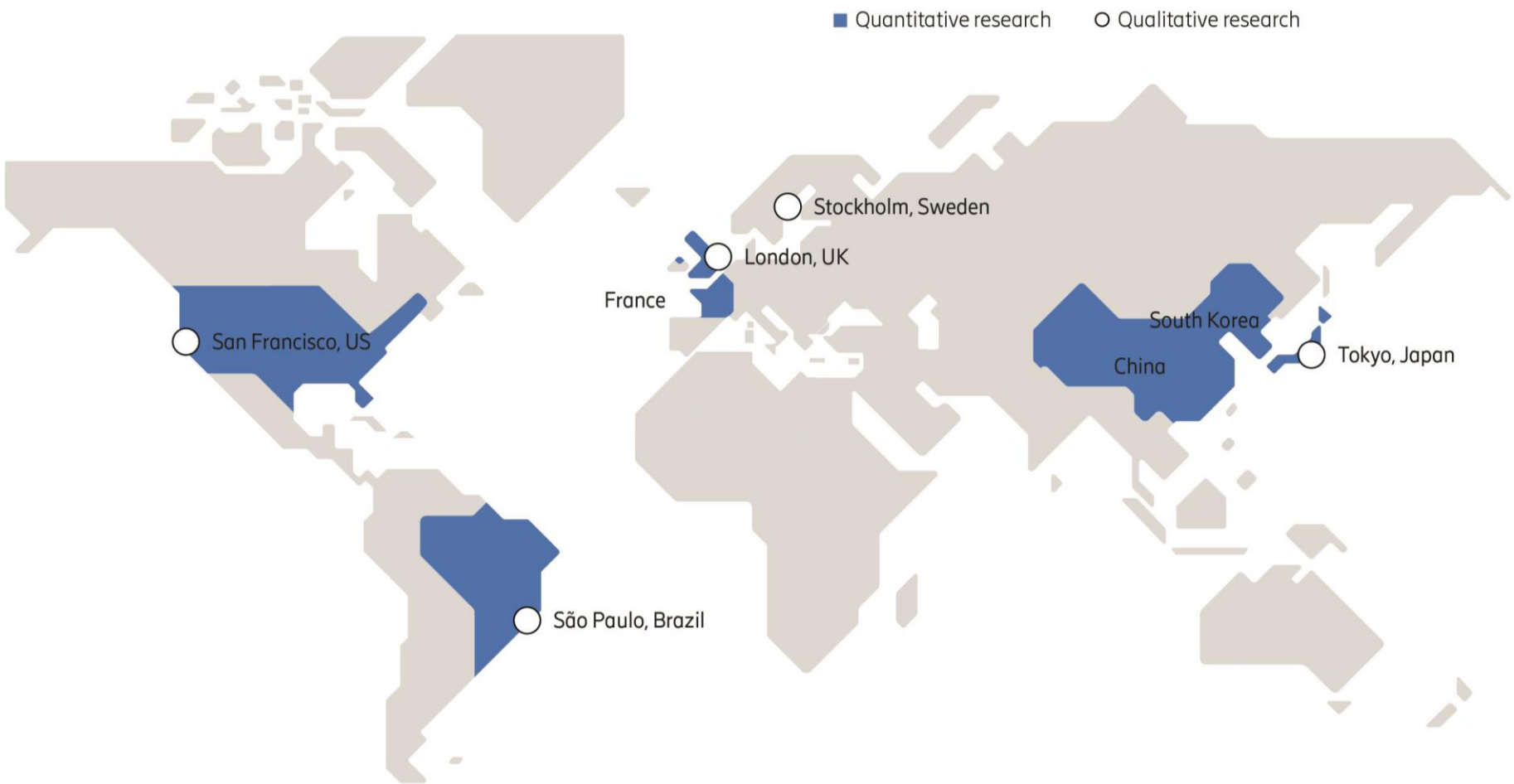
>1.1 billion people represented

>50 countries

Qualitative studies and expert interviews

Complementary data sources

Representing over 670 million consumers



Quantitative research

Quantitative data was collected from 7 countries. Over 7,000 online interviews were held with people aged 15-69 in Brazil, China, France, Japan, South Korea, the UK and the US. All respondents use internet or online services at least weekly. Almost all use the internet on a daily basis.

Qualitative research

Qualitative insights were gathered through 58 face-to-face interviews in London, San Francisco ,São Paulo, Stockholm and Tokyo. These respondents were all at least weekly video gamers and had an internet connection at home.

Source: Ericsson ConsumerLab, Ready, steady, game! (March 2019)

Key insights

Have mobile phones killed the importance of gaming?
Gaming now makes up 26 percent of all media consumption hours.

10 percent of consumers log half of all gaming hours
Game time is heavily skewed to a small group of people.

The AR gaming mobility paradox: gamers reject mobile phones but embrace mobility
For one in three, holding a mobile device is not good enough.

An immersive AR experience can make games matter again
Almost 4 out of 10 think that gaming itself will improve with better AR games, access to lower-cost AR glasses and better batteries.

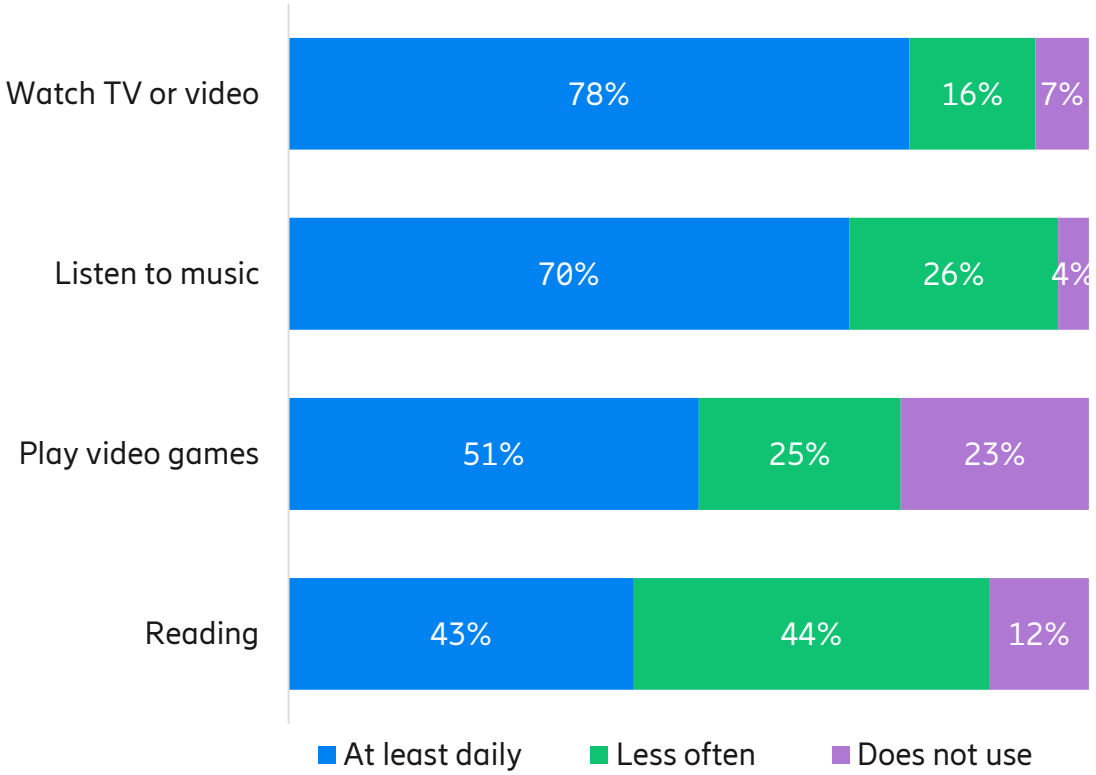
Virtual objects that stay put change everything
Almost half of consumers agree that it would be particularly interesting if virtual objects remained where you "placed" them.

AR gaming makes AR part of everyday life
67 percent of gamers say they will increase their AR usage in the next 5 years.

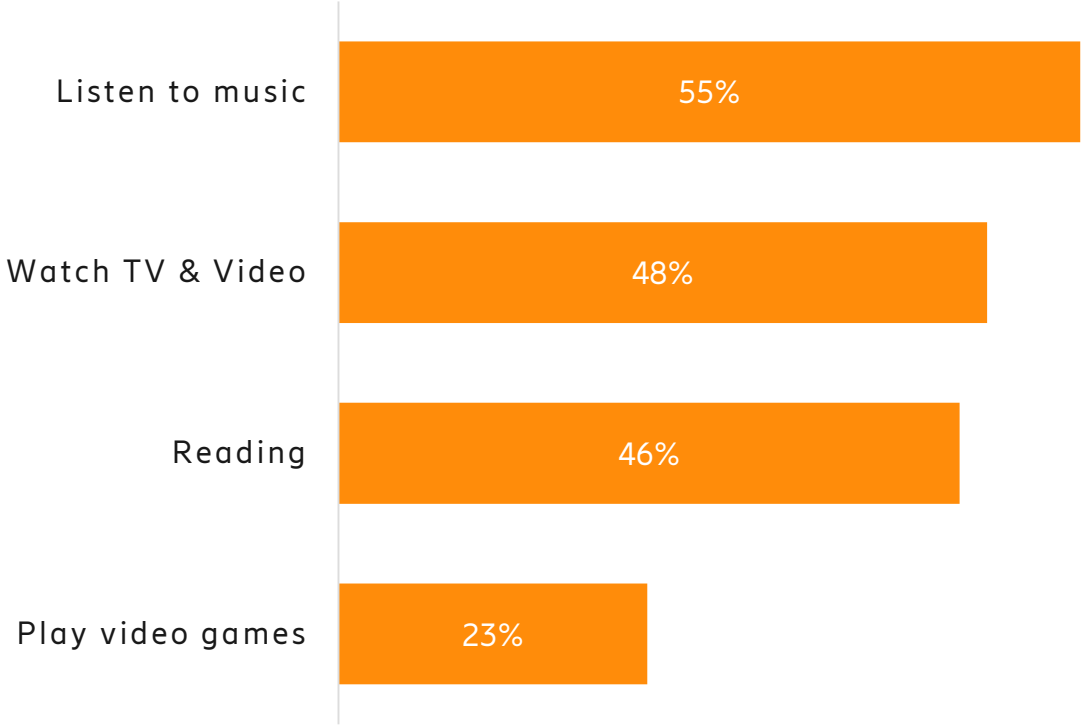
Base: Internet users aged 15–69 in Brazil, China, France, Japan, South Korea, the UK and the US
Source: Ericsson ConsumerLab, Ready, steady, game! (March 2019)

Video gaming less important than music and video

Frequency of usage for each media type [self-reported]



Percent that think each media type is very important (top 2 answers on 7-graded scale) [self-reported]

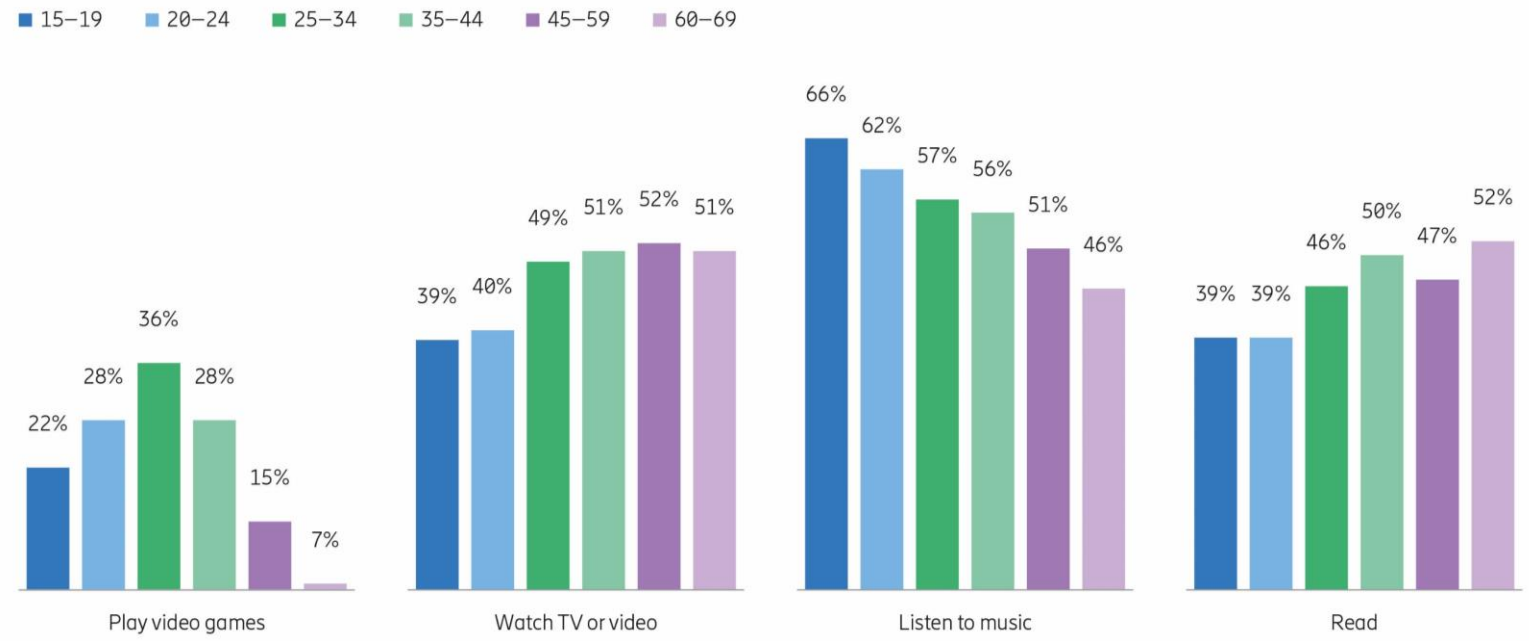


Base: Internet users aged 15–69 in Brazil, China, France, Japan, South Korea, the UK and the US
Source: Ericsson ConsumerLab, Ready, steady, game! (March 2019)

Have mobile phones killed the importance of gaming?

- Gaming now makes up 26 percent of all media consumption hours.
- Teenagers don’t think games are as important, but play anyway.
- Those in the "marriage and kids" life stage rate gaming as most important.

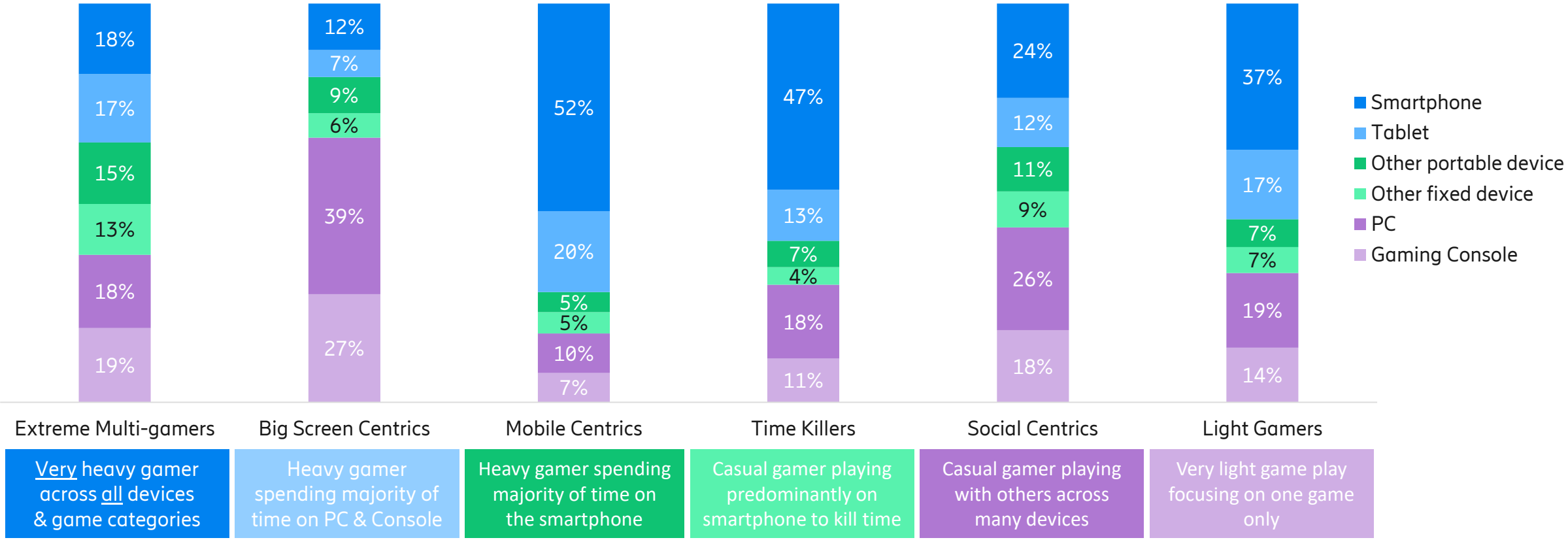
Importance of media – differences between age groups (percent)



Base: Internet users aged 15–69 in Brazil, China, France, Japan, South Korea, the UK and the US
Source: Ericsson ConsumerLab, Ready, steady, game! (March 2019)

Different strokes for different folks

Percentage share of total gaming time spent on each gaming device per gamer segment
(Segmentation based on time spent, device used and reasons for gaming)



Base: Internet users aged 15–69 in Brazil, China, France, Japan, South Korea, the UK and the US
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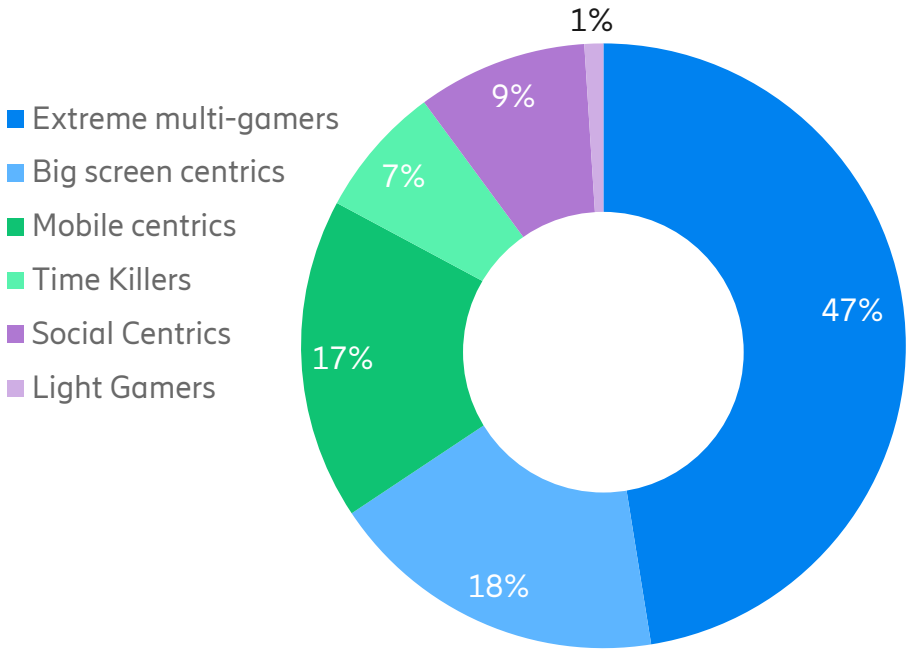
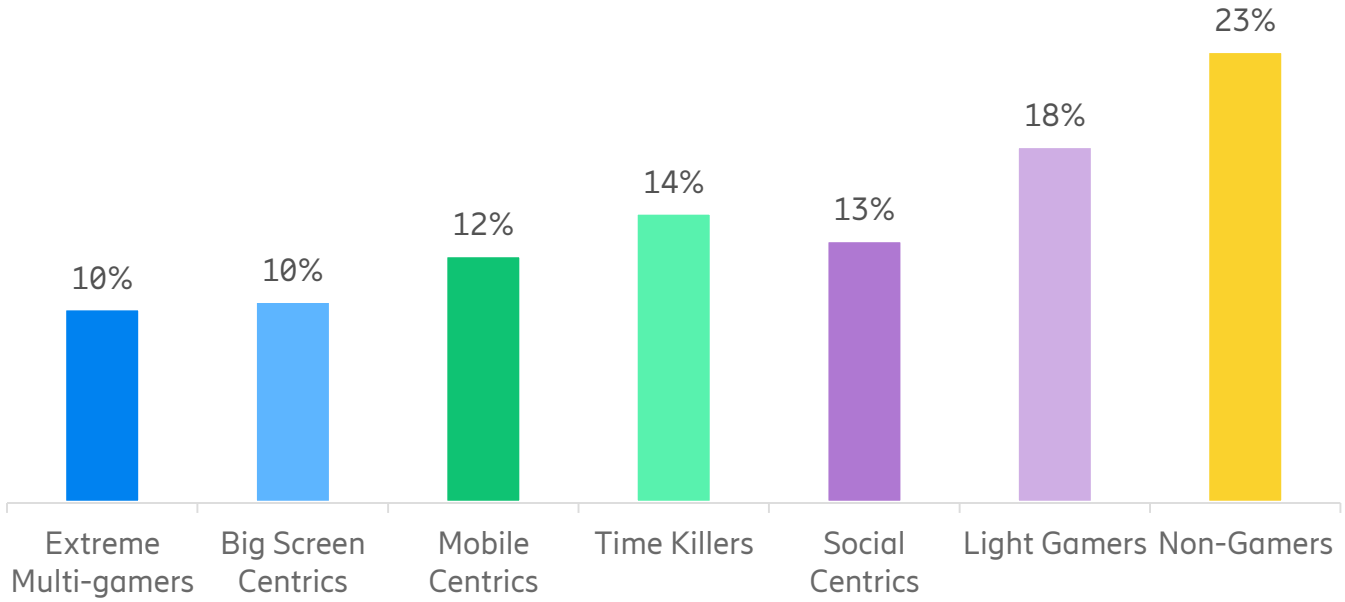
10 percent of consumers log half of all gaming hours

Share of total gaming time [self-reported]



Share of population per gaming segment

"I'm really heavily addicted to gaming. I would say I game 50 hours per week!"
Amy, 29, US



Base: Internet users aged 15–69 in Brazil, China, France, Japan, South Korea, the UK and the US
Source: Ericsson ConsumerLab, Ready, steady, game! (March 2019)

Evolving game habits

Smartphones have already surpassed PCs and consoles as primary gaming devices, but consumers are aware of technical limitations

While home PC gaming rates shrink, the idea of AR gaming at home could entice even non-gamers into trying new technology

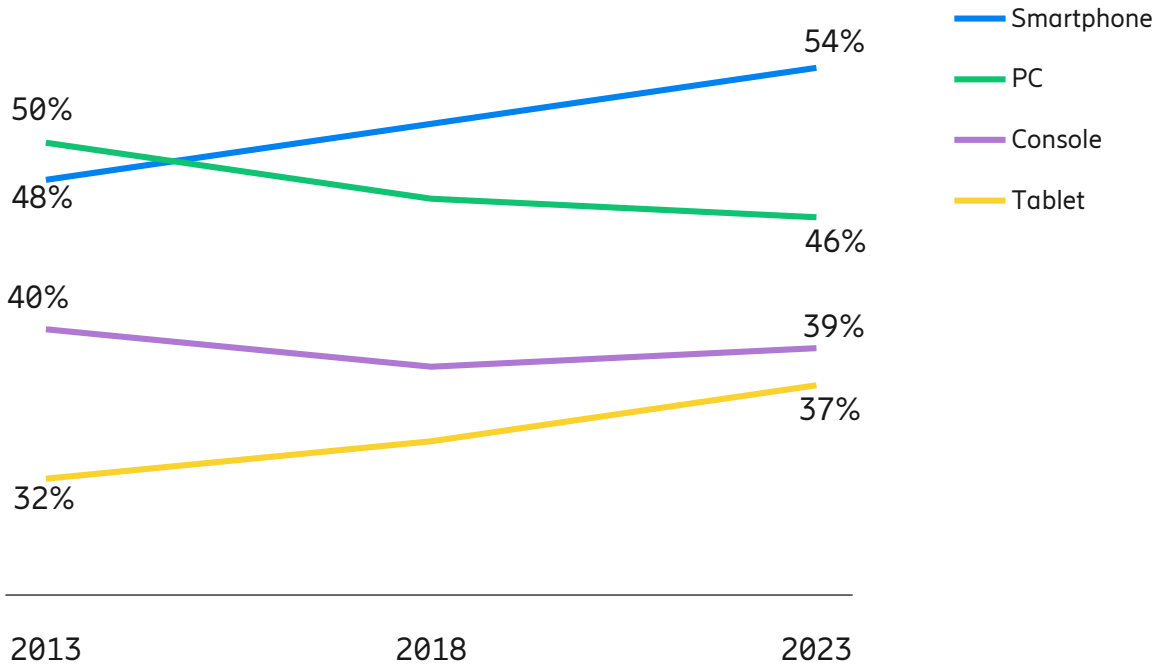
The top location outside the home for gaming is on the way to work, and unobtrusive AR glasses are the most anticipated next step to empower public gaming

Base: Internet users aged 15–69 in Brazil, China, France, Japan, South Korea, the UK and the US
Source: Ericsson ConsumerLab, Ready, steady, game! (March 2019)

PC gaming will decrease in the next five years

- The smartphone has already overtaken the PC as the main gaming device.
- Mobile gaming platforms will increase, whereas fixed platforms will decrease.
- Console gaming will remain largely unchanged, and only the PC will lose traction, shrinking to 46 percent, which is a decrease of 8 percent.

People who play video games at least weekly in 2013 and 2018, and believing they will play at least weekly in 2023 (percent)



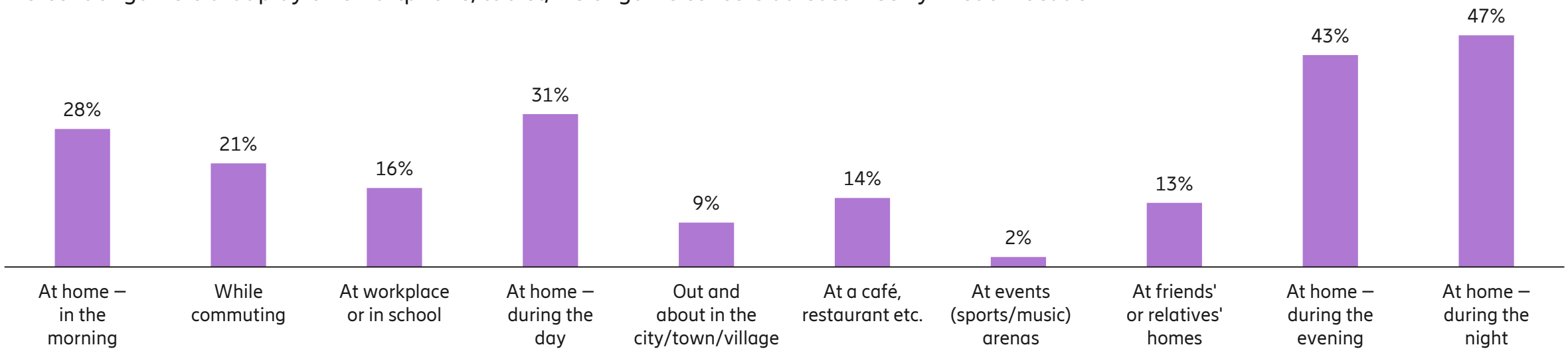
Base: Internet users aged 15–69 in Brazil, China, France, Japan, South Korea, the UK and the US
Source: Ericsson ConsumerLab, Ready, steady, game! (March 2019)

One in five play games while commuting

Gaming takes place in many different locations today.

The majority of all gaming still occurs at home.

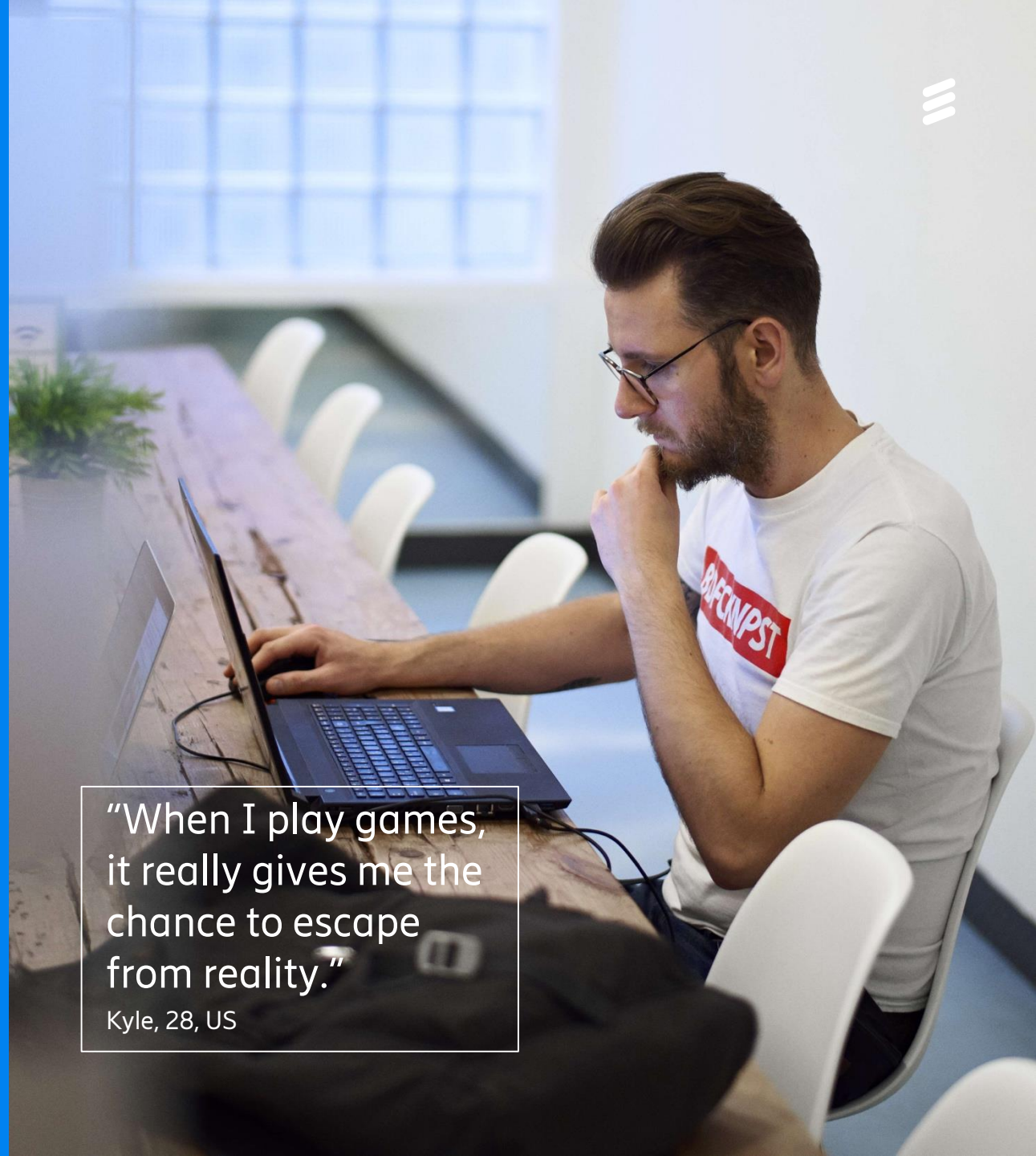
Percent of gamers that play on smartphone, tablet, PC or game console at least weekly in each location



Base: Internet users aged 15-69 in Brazil, China, France, Japan, South Korea, the UK and the US
Source: Ericsson ConsumerLab, Ready, steady, game! (March 2019)

To game or not to game?

- 95 percent of Extreme Multi-gamers think game immersion is very important, closely followed by the opportunity to escape and relax.
- Time Killers and Mobile Centrics rank escapism and killing time as most important.
- Even among Social Centrics, socializing does not score highest, but it does rank higher for them than for the other casual and light gamer segments.
- Only Extreme Multi-gamers give significantly higher importance to social gaming.



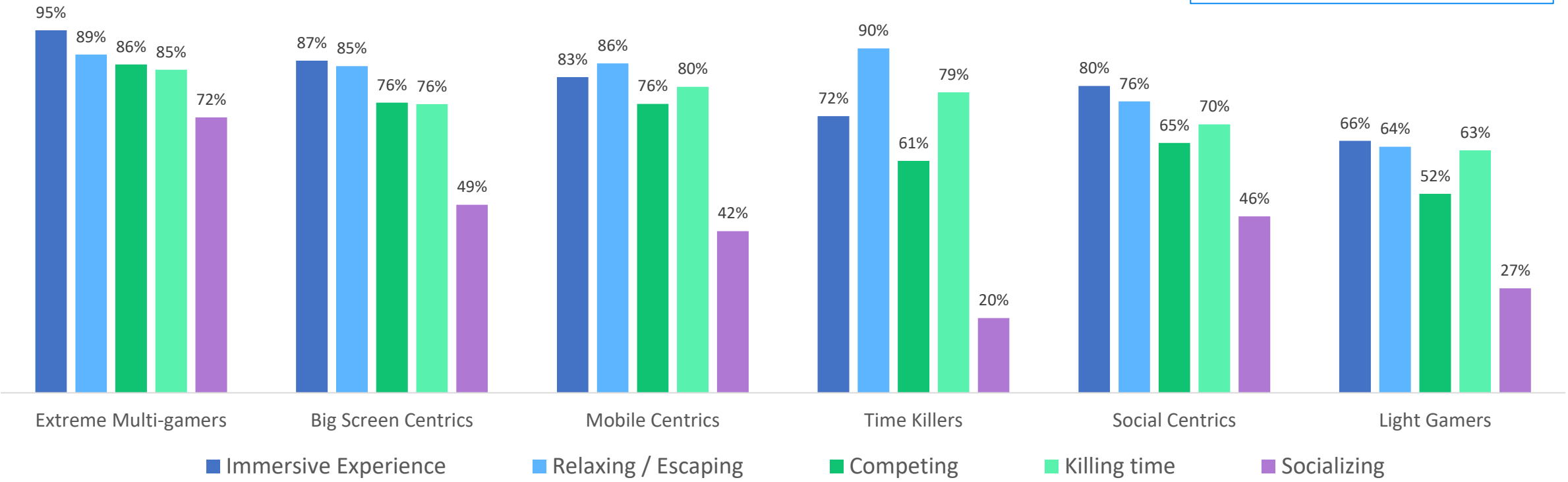
"When I play games, it really gives me the chance to escape from reality."
Kyle, 28, US

Base: Internet users aged 15–69 in Brazil, China, France, Japan, South Korea, the UK and the US
Source: Ericsson ConsumerLab, Ready, steady, game! (March 2019)

To game or not to game

"If I notice I'm not in first place, I'm going to do whatever I need to do to get back into first place!"
Kyle, 28, US

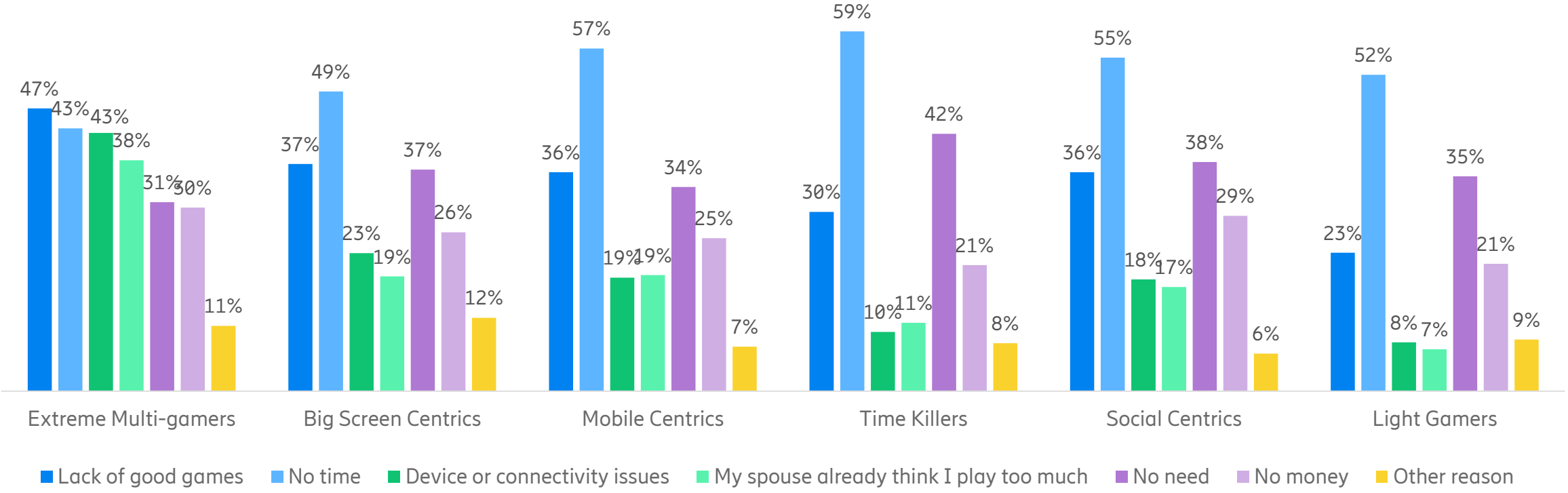
Percent of each gamer segment that agrees that each factor is important for a great gaming experience [self-reported]



Base: At least weekly gamers on smartphone, tablet, PC or gaming console, aged 15-69 in Brazil, China, France, Japan, South Korea , the UK and the US
Source: Ericsson ConsumerLab, Ready, steady, game! (March 2019)

To game or not to game

Percent of each gamer segment that agrees with each reason for not playing more video games [self-reported]



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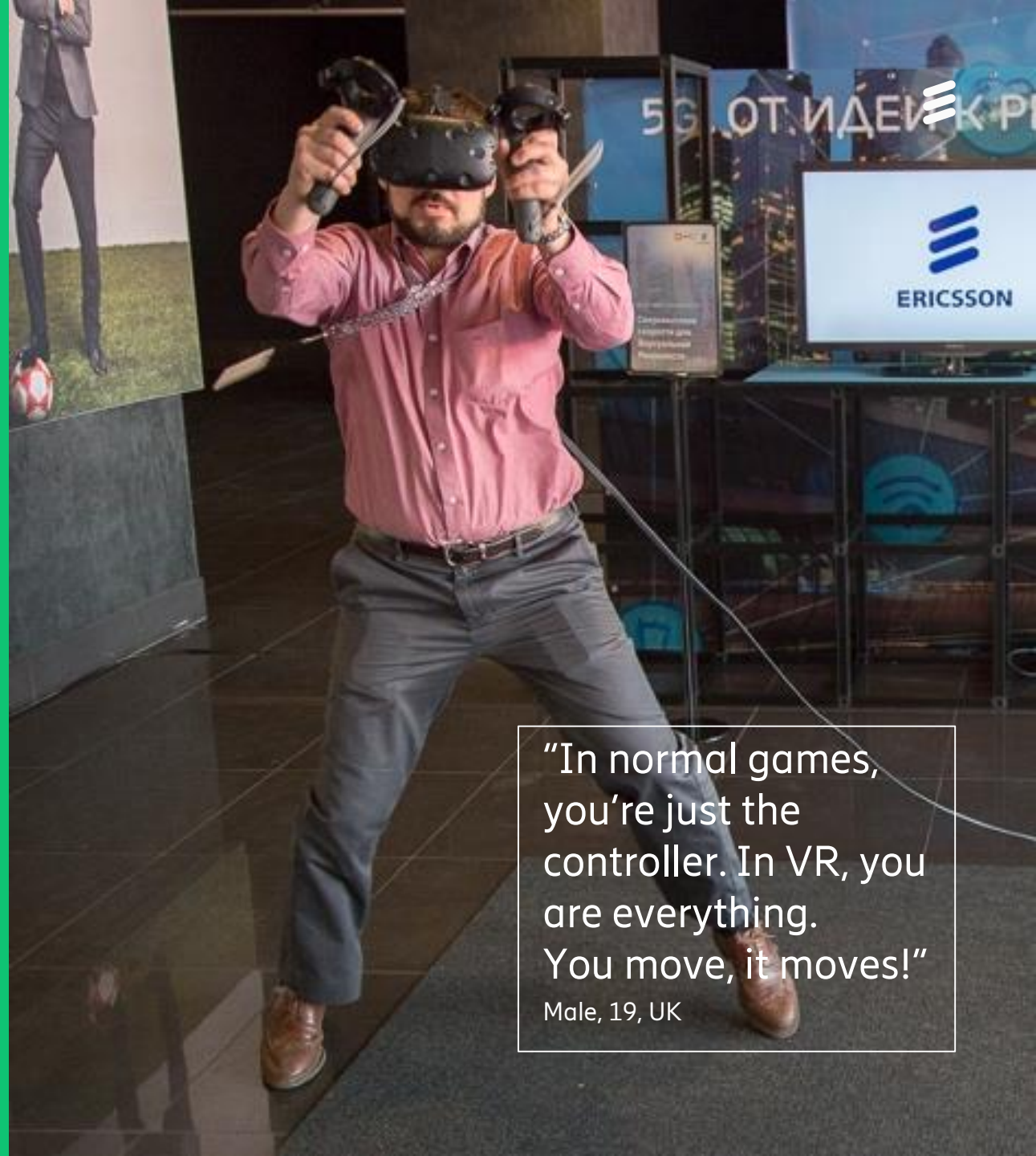
Source: Ericsson ConsumerLab, Ready, steady, game! (March 2019)

Virtual reality gaming lessons learnt

- Today, gamers can play video games in an immersive 360-degree experience through a wide range of VR devices.
- But so far, VR gaming has hardly made a dent in the overall gaming ecosystem.
- A lack of affordable, high-quality VR headsets and good VR games are reasons.
- 2 in 10 have bought a VR headset. Half of them don't use it anymore.

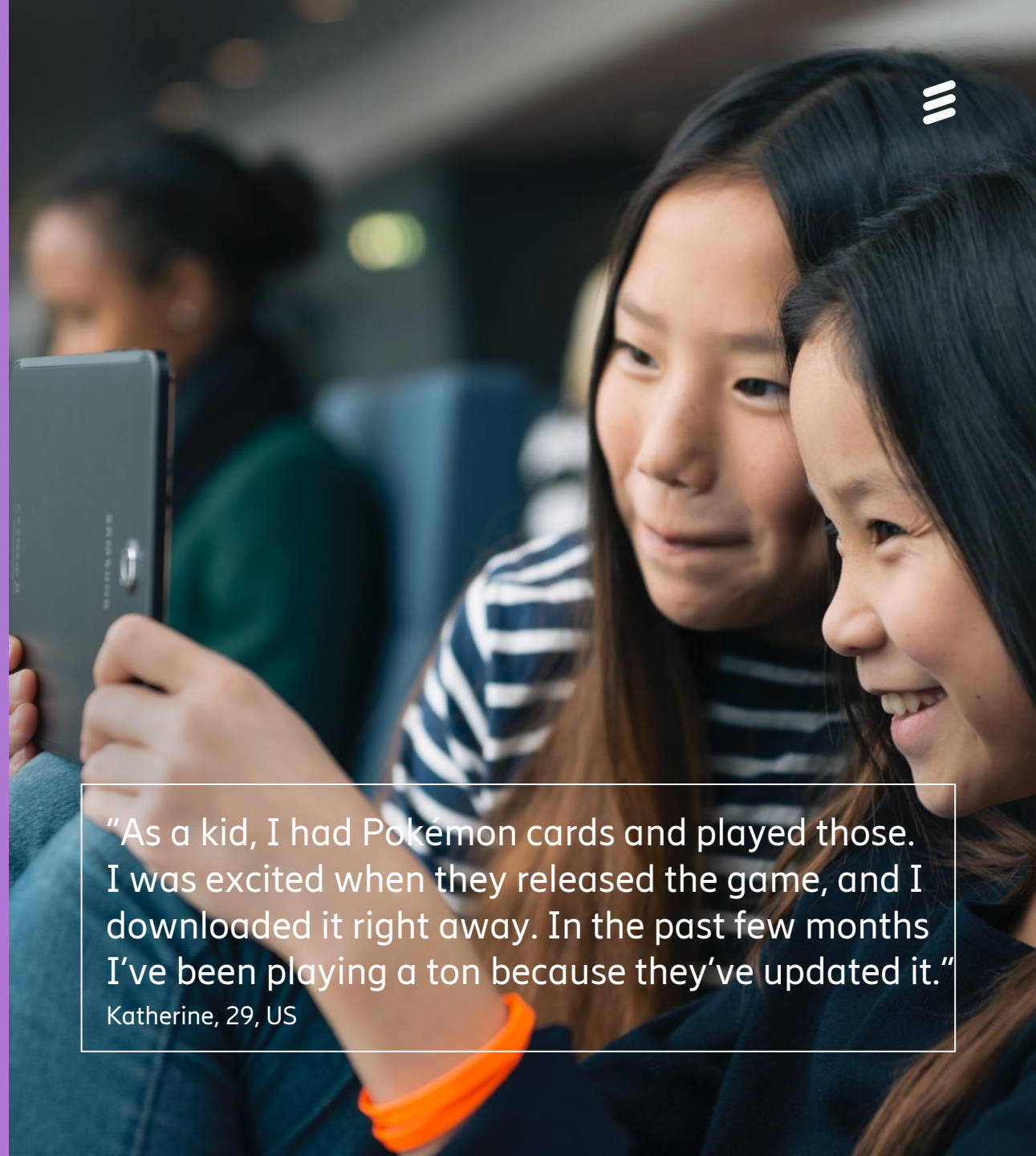


"In normal games, you're just the controller. In VR, you are everything. You move, it moves!"
Male, 19, UK

Base: Internet users aged 15–69 in Brazil, China, France, Japan, South Korea, the UK and the US
Source: Ericsson ConsumerLab, Ready, steady, game! (March 2019)

AR gaming promises the (real) world, but can it deliver?

- Pokémon Go was the first video game to really bring AR to the masses in 2016.
- Still the world's second highest grossing smartphone game, it increased its revenue in 2018 compared to 2017 by 35 percent.
- Overall mobile AR software is estimated to generate more revenue than VR by 2021.
- The main driver for AR gaming is relaxation and escapism. Unsurprisingly, immersive gaming also scores high, as does social gaming.



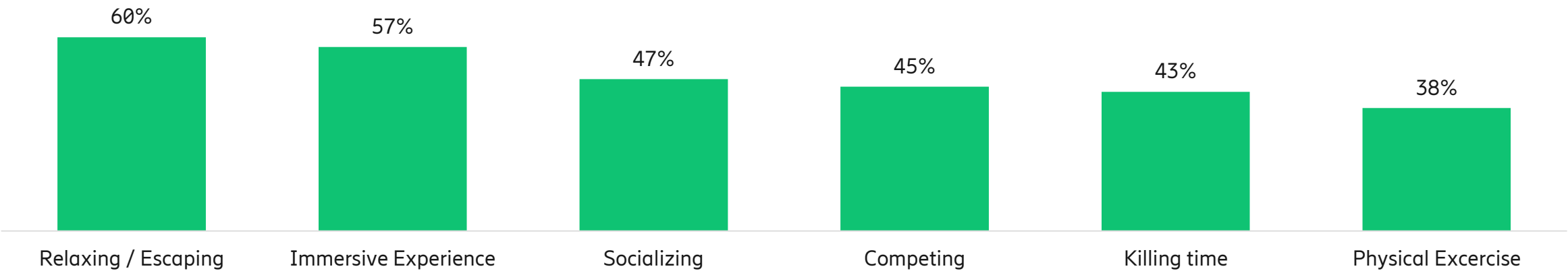
"As a kid, I had Pokémon cards and played those. I was excited when they released the game, and I downloaded it right away. In the past few months I've been playing a ton because they've updated it."
Katherine, 29, US

Source: Ericsson ConsumerLab, Ready, steady, game! (March 2019)

AR gaming promises the (real) world, but can it deliver?

"AR to me is new, revolutionary, and I guess just fun. It's very interactive."
Janet, 32, UK

Percent of AR gamers that agree with each reason to play AR games [self-reported]

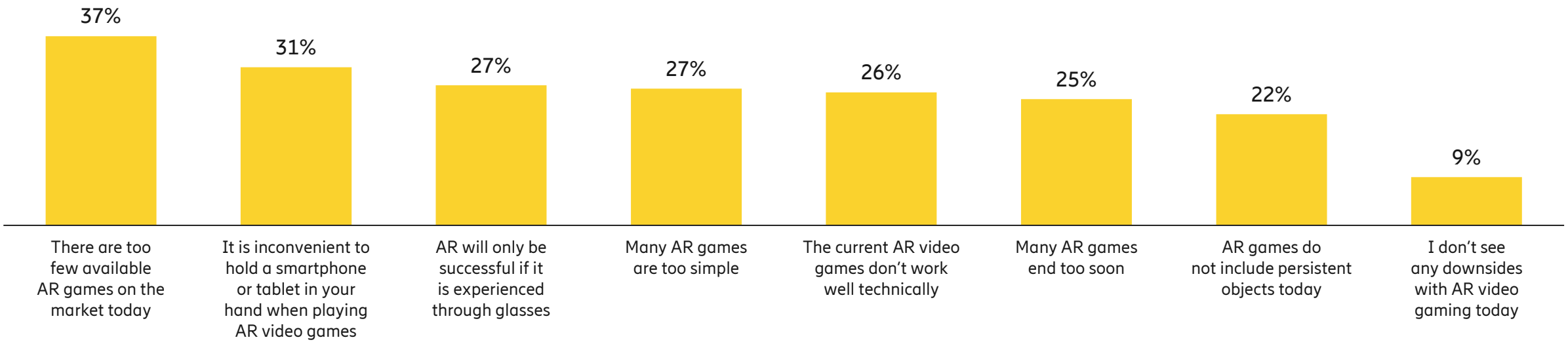


Base: AR gamers aged 15-69 in Brazil, China, France, Japan, South Korea, the UK and the US
Source: Ericsson ConsumerLab, Ready, steady, game! (March 2019)

AR gaming barriers

AR gamers are both intrigued by the promises of AR and disappointed by the delivery.

Percent of AR gamers that agree with each reason not to play AR games [self-reported]

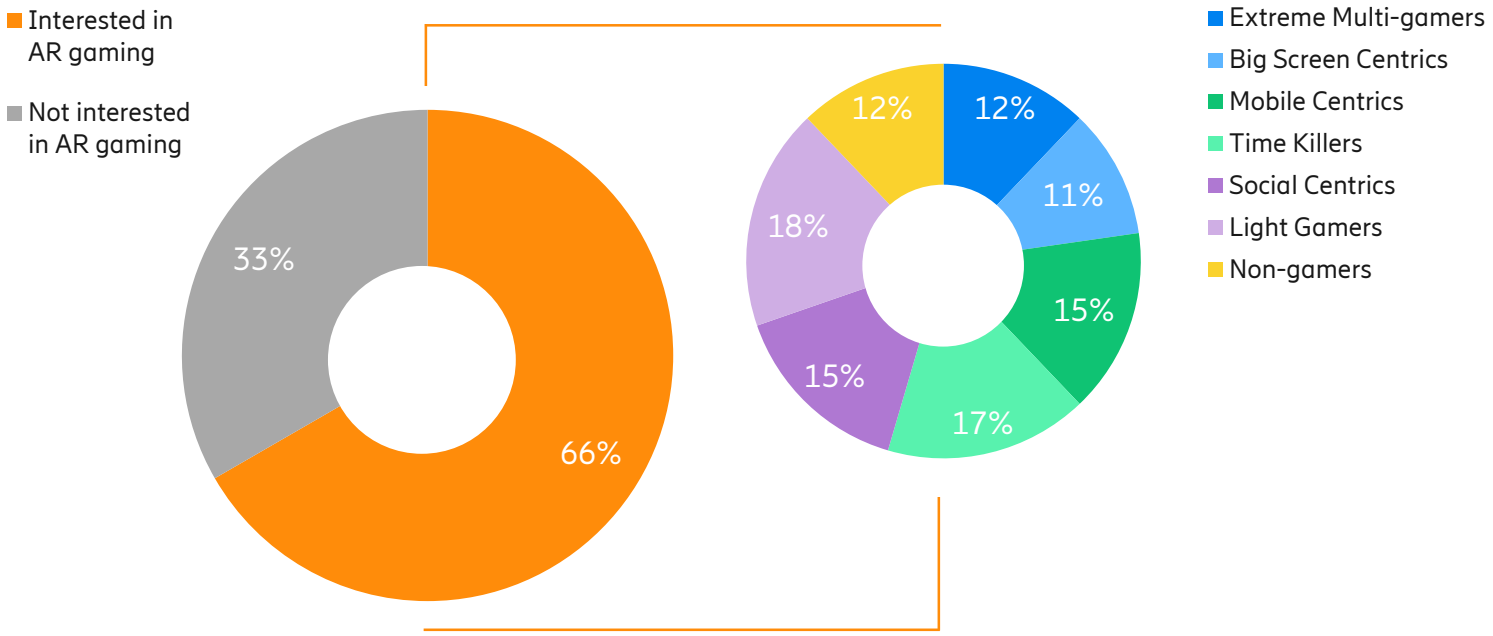


Base: AR gamers aged 15–69 in Brazil, China, France, Japan, South Korea, the UK and the US
Source: Ericsson ConsumerLab, Ready, steady, game! (March 2019)

One in three non-gamers are interested in AR gaming

- Game time today is heavily skewed to a small group of people, but 35 percent of non-gamers express interest in AR gaming.
- This is significant, given that 23 percent are non-gamers.
- All in all, 66 percent of consumers are interested in AR gaming.

Share of total population that is interested in AR gaming, and contribution from each gamer segment [Self-reported]



Base: Internet users aged 15–69 in Brazil, China, France, Japan, South Korea, the UK and the US
Source: Ericsson ConsumerLab, Ready, steady, game! (March 2019)

An immersive AR experience can make games matter again

- Almost 4 out of 10 think AR gaming will be more interesting with better games, access to lower-cost AR glasses and better batteries.
- 6 out of 10 current AR gamers list immersive experience as a key driver for playing AR games.
- AR is thought to open up a totally new video gaming experience by 7 out of 10 AR gamers, and almost as many agree that it will change how video games are played in the future.

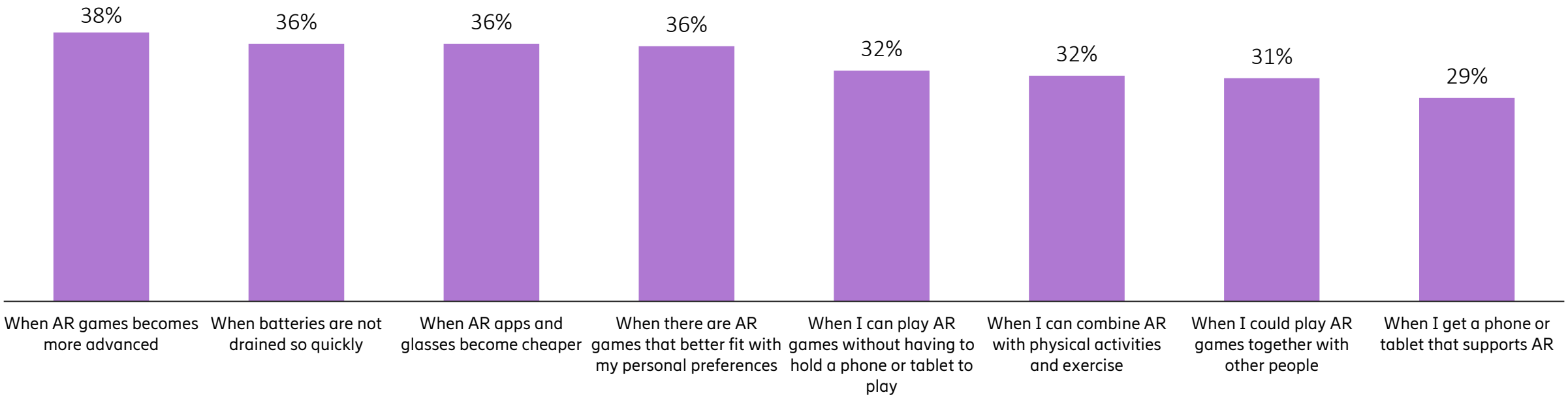
"At the moment there's no depth to an AR game. It's literally like: 'Okay, I can fight Kylo Ren, and then if I close and reopen it, he is going to do the same motions again.' I feel that AR is still in its infancy."

Mitch, 28, UK

Base: Internet users aged 15-69 in Brazil, China, France, Japan, South Korea, UK & US
Source: Ericsson ConsumerLab, Ready, steady, game! (March 2019)

Changes that would make AR games more interesting

> "If AR glasses look reasonably like normal glasses, I would not hesitate to wear them all the time."
>
> Sumiko, 27, Japan



Base: AR gamers aged 15–69 in Brazil, China, France, Japan, South Korea, the UK and the US
Source: Ericsson ConsumerLab, Ready, steady, game! (March 2019)

Social AR gaming is going to be key

- Today the need and expectation for a social gaming experience is higher, rather than lower, driven at least in part by online gaming.
- 22 percent of PC and games console gamers play more multiplayer games today than they did 5 years ago.
- 20 percent believe they will play more multiplayer games in the next 5 years.

"I played Pokémon Go for a little while. It was fun in the beginning. It was a reason to get out of the house. It was one way to explore the neighborhood, which was cool! It was fun to see that many people focused on the same thing. Everyone was there but nobody was mingling. It also got boring really fast!"

Male, 28, US

Base: PC and console gamers aged 15-69 in Brazil, China, France, Japan, South Korea, the UK & the US
Source: Ericsson ConsumerLab, Ready, steady, game! (March 2019)

The AR gaming mobility paradox

- Two in three respondents think AR games are very interesting, not only to play at home but also when out and about.
- But one in three say holding a mobile device is not good enough for AR gaming. Consumers also complain about the limitations in the field of view.

This paradox could be solved with AR glasses that are affordable and look like normal glasses.

Base: Internet users aged 15-69 in Brazil, China, France, Japan, South Korea, The UK & the US
Source: Ericsson ConsumerLab, Ready, steady, game! (March 2019)

AR and physical exercise

- An AR-enabled future will offer an immersive experience of jogging or cycling as if users were on the beach, in the woods or on a country road.
- Roughly one in four say that they will use AR when exercising in the next five years.
- 43 percent would find playing multiplayer AR sports, like football or badminton, with a human opponent operating virtually very interesting.

Base: Internet users aged 15-69 in Brazil, China, France, Japan, South Korea, the UK & the US
Source: Ericsson ConsumerLab, Ready, steady, game! (March 2019)

Virtual objects that stay put change everything

- Almost half of consumers agree that it would be particularly interesting if virtual objects remained where you "placed" them.
- The promise of digitally decorating your room, creating a digital sculpture or even designing a house triggers the minds of gamers and non-gamers alike.

"It would be really cool, in the AR world, to have a dinner party with your friends and invite them to your home, but you're having a dinner party in Morocco, and you cook Moroccan-style dishes, but everyone is in a reality that looks like we're actually there. That would be amazing!"

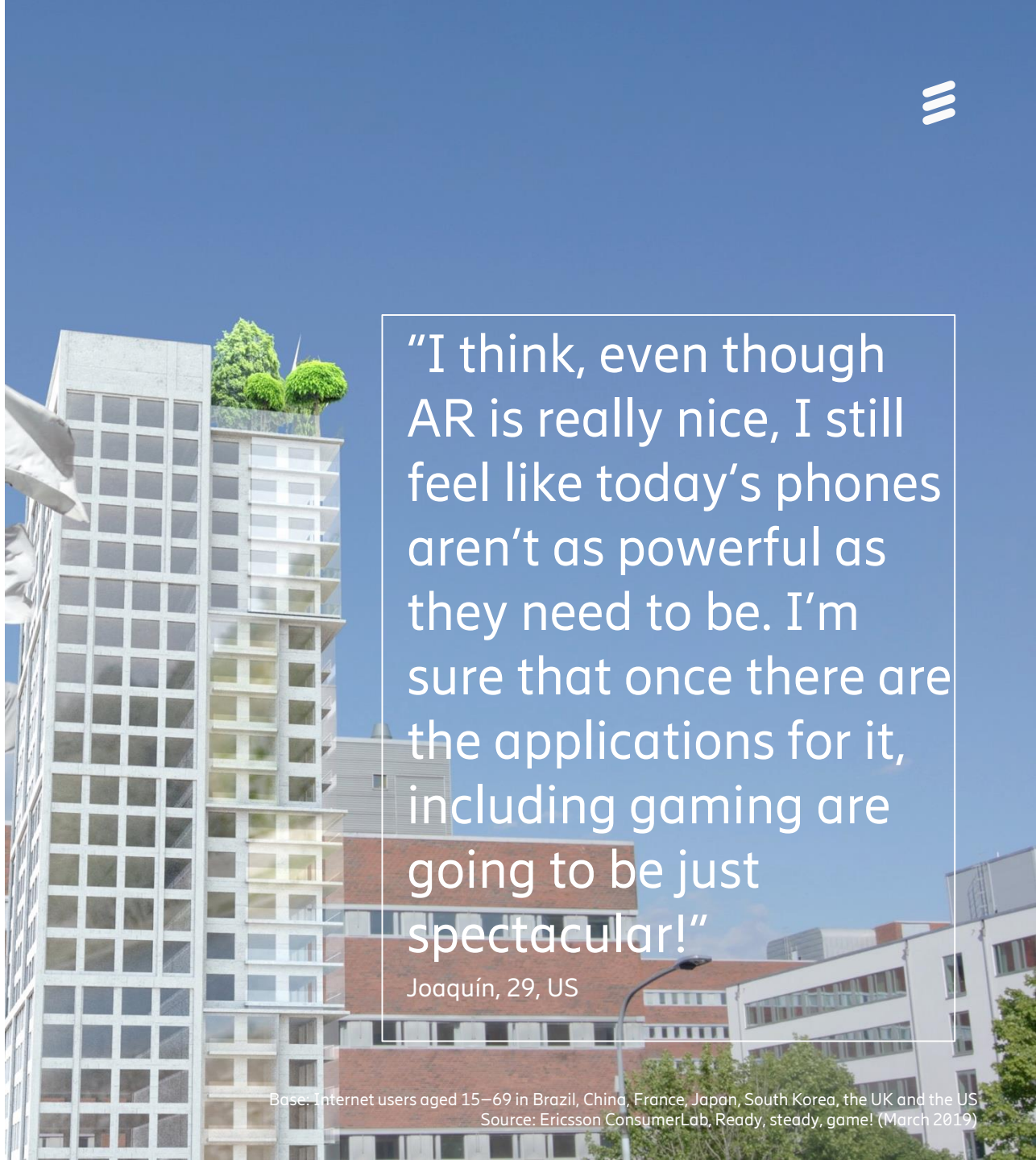
Deborah, 27, US

Base: Internet users aged 15–69 in Brazil, China, France, Japan, South Korea, the UK and the US
Source: Ericsson ConsumerLab, Ready, steady, game! (March 2019)

AR gaming makes AR part of everyday life

- While 84 percent of Extreme Multi-gamers are interested in AR gaming, 1 in 3 non-gamers show a high level of interest too.
- AR promises an experience unlike traditional gaming and appears to be more palatable for non-gamers.

As many as 67 percent of gamers say they will increase their AR usage in the next 5 years.



"I think, even though AR is really nice, I still feel like today's phones aren't as powerful as they need to be. I'm sure that once there are the applications for it, including gaming are going to be just spectacular!"

Joaquín, 29, US

Base: Internet users aged 15–69 in Brazil, China, France, Japan, South Korea, the UK and the US
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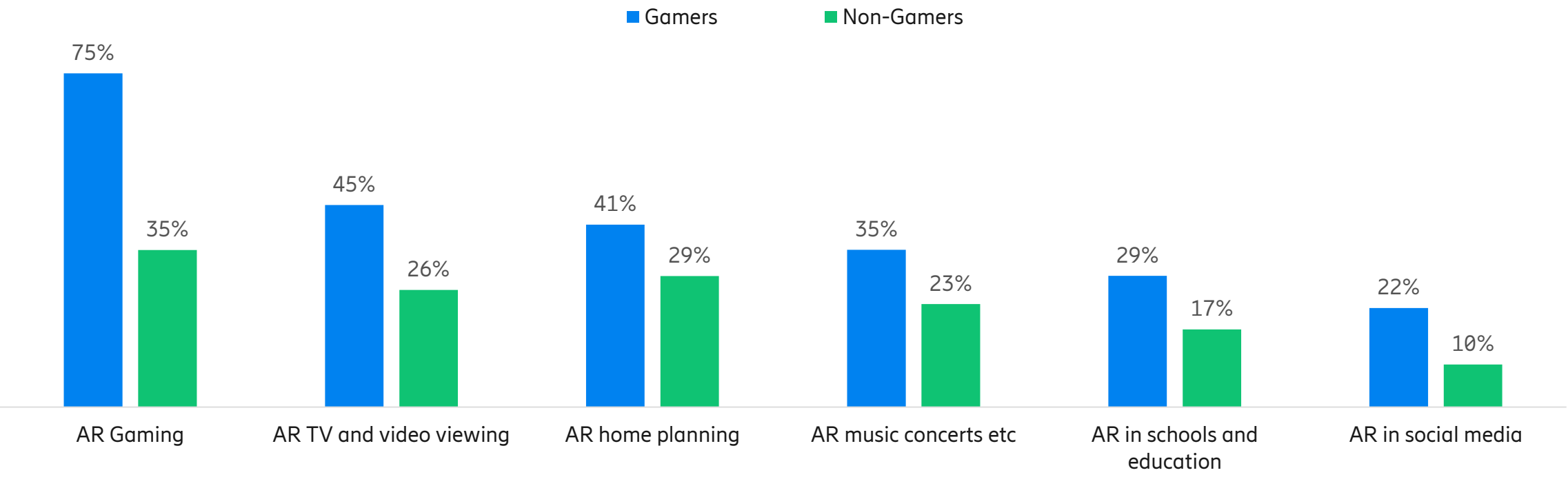
AR gaming makes AR part of everyday life

Interest in different AR activities for gamers and non-gamers [self-reported]



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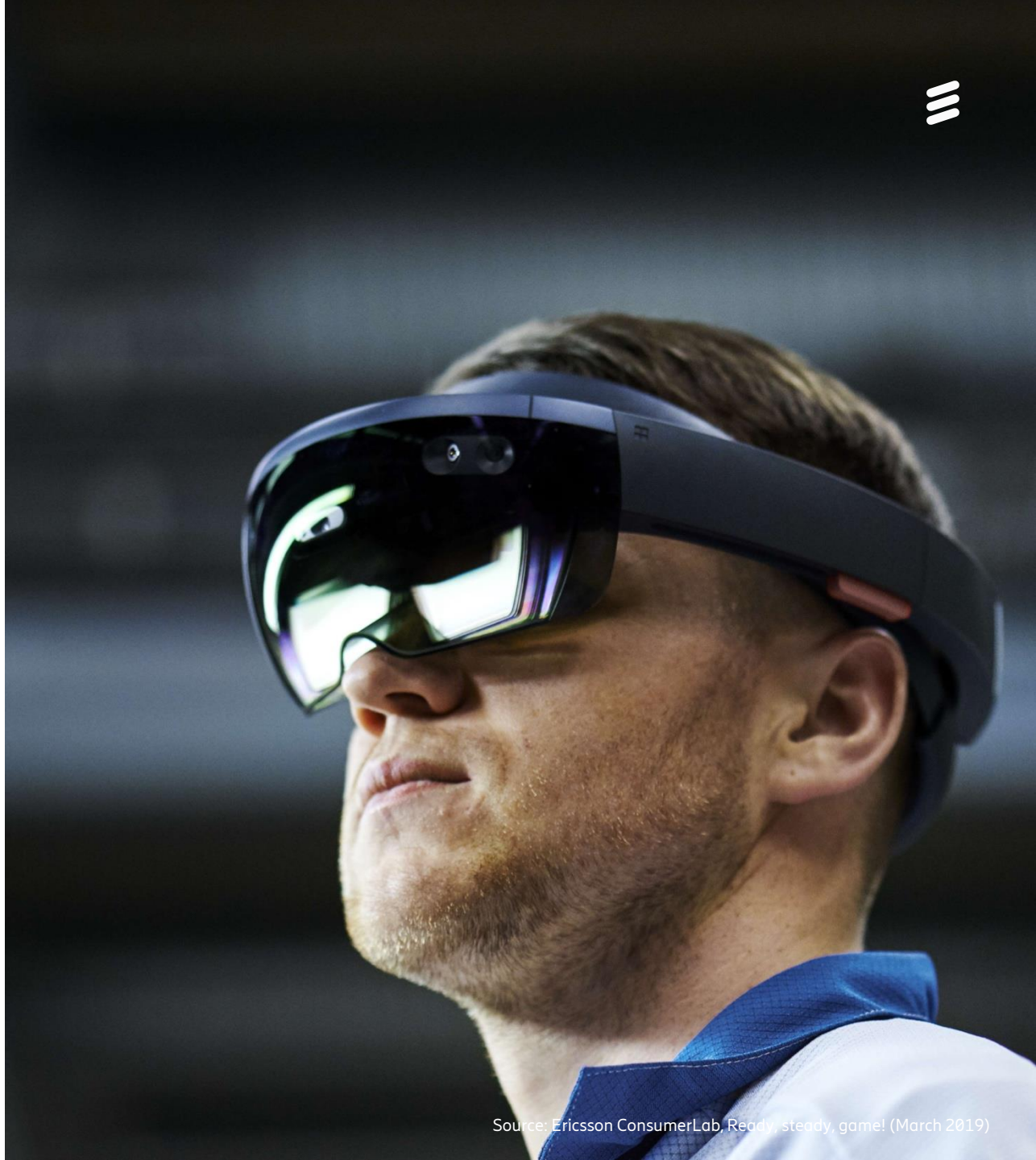
Is AR the next level of gaming?

- AR could potentially return gamers to the immersive experience they might have lost with today's mobile games.
- The key to understanding what will happen could lie in the increasing overlap between gaming and other AR activities.
- When multiplayer AR games move out into our physical surroundings, the whole world becomes a potential game platform.
- AR might be the next level of everyday life and not just the next level of gaming...



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ericsson.com/consumerlab