



## **European Spending on Augmented and Virtual Reality Expected to Increase Ten Times from 2018 to 2022, According to IDC**

FOR IMMEDIATE RELEASE, Prague — European revenues for the augmented reality and virtual reality (AR/VR) market are forecast to increase by double digits each year from 2018 to 2022, according to the latest update to the [Worldwide Semiannual Augmented and Virtual Reality Spending Guide](#) from International Data Corporation (IDC). Total spending on AR/VR products and services is expected to soar from \$1.06 billion in 2017 to \$16.84 billion in 2022, achieving a compound annual growth rate (CAGR) of 74% along the way.

Western Europe in 2017 accounted for 75% of the total European revenues from AR/VR and will remain by far the largest contributor in the broad European region, with a spending CAGR of 76% over the 2017–2022 period. Central and Eastern Europe (CEE) will be close behind with a CAGR of 66%.

“CEE follows all the worldwide trends, although with some delay,” says [Evelin Stoev](#), a senior research analyst with IDC. “Consumer spending will dominate the AR/VR market until the end of the forecast period in CEE. One specific trend is the increase in spending on AR/VR outsourcing services with demand coming mostly from Western Europe.”

The consumer segment will be the largest source of AR/VR spending in Europe over the five-year forecast period, although its share of the total market will decline from two thirds in 2017 to one third in 2022. The next largest segments in terms of spending are discrete and process manufacturing. Other industries with heavy AR/VR investments are retail, transportation, and utilities.

Spending on VR systems, including viewers, software, consulting services, and systems integration services are forecast to be greater than AR-related spending in the first half of the forecast period, largely due to consumer uptake of hardware, games, and paid content. In the second half, AR spending will surge ahead, owing largely to commercial adoption of AR software and viewers.

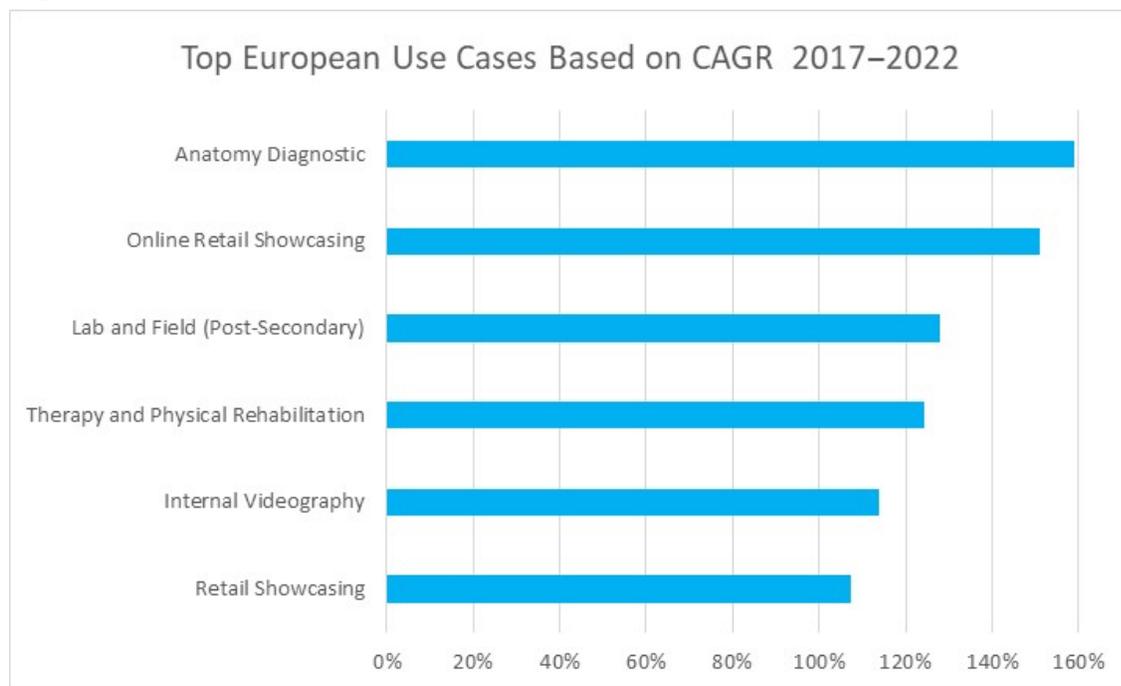
A large portion of VR spending stems from the consumer space. In 2017, the largest use cases were games (61% of all VR spending) and video/feature viewing (25% of spending). In the commercial space, the largest VR use case is training, a cross-vertical use case where simulation is used to train employees even on complex procedures in a free-risk environment. In contrast,

the use cases that will see the fastest growth over the forecast period are online retail showcasing (151% CAGR), and therapy and physical rehabilitation (124% CAGR).

AR adoption will flourish in the enterprise space, where discrete and process manufacturing will lead the charge, capturing 36% of the AR commercial market, thanks to the rapid adoption of use cases such as industrial maintenance, aimed at improving production and accuracy and reducing errors. Other industries investing in AR in Europe are transportation, healthcare, retail, and utilities.

In 2017, the largest commercial use cases in terms of AR spending were industrial maintenance and logistics and package delivery management, while the fastest-growing ones were anatomy diagnostics (159% CAGR), lab and field research for post-secondary education (128% CAGR), and internal videography (114% CAGR).

Figure 1



Source: IDC's *Worldwide Semiannual Augmented and Virtual Reality Spending Guide*

"As devices are now more stable and use cases are maturing, the new challenge for the AR/VR market resides in content production and integration with existing infrastructure," says Giulia Carosella, a research analyst with IDC.

The [Worldwide Semiannual Augmented and Virtual Reality Spending Guide](#) examines the AR/VR market opportunity globally and provides insights into how this rapidly growing market will develop over the next five years. Revenue data is available for eight regions, 12 industries, 26 use cases, and eleven technology categories. Unlike any other research in the industry, the

comprehensive spending guide was created to help IT decision makers to clearly understand the industry-specific scope and direction of AR/VR expenditures today and in the future.

### **About IDC Spending Guides**

IDC's Spending Guides provide a granular view of key technology markets from a regional, vertical industry, use case, buyer, and technology perspective. The spending guides are delivered via pivot table format or custom query tool, allowing the user to easily extract meaningful information about each market by viewing data trends and relationships.

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