

Extended Reality (XR) - Market Share Analysis, Industry Trends & Statistics, Growth Forecasts (2025 - 2030)

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Report description:

The Extended Reality Market size is estimated at USD 157.44 billion in 2025, and is expected to reach USD 865.36 billion by 2030, at a CAGR of 40.61% during the forecast period (2025-2030).

Key Highlights

- Extended reality (XR) is an umbrella word for immersive technologies, including virtual reality (VR), augmented reality (AR), mixed reality (MR), and additional future realities that these technologies are expected to bring. The market need is driven by increased demand for shorter distances between individuals and better visual information.
- Virtual reality is the utilization of computer technology primarily aimed at generating a simulated environment. In contrast to the conventional user interface, VR enables users to fully engage in an immersive experience rather than merely observe a monitor screen. This technology has undoubtedly revolutionized various aspects globally by providing a multi-sensory simulation encompassing aspects like vision, touch, hearing, and even smell.
- Gesture-based computing refers to interfaces that employ the human body to communicate with digital resources rather than traditional input devices such as a game controller, a mouse, a keyboard, or a voice-entry method. The advent of the mouse-enabled computer input is set to evolve beyond the linear dimension of the keypad to two dimensions, with gesture-based technology emerging as the next stage in that development, providing three-dimensional input that incorporates people in the computing process.
- The miniaturization trend and improvements in smart devices are expected to result in ever smaller sensors and electronic systems that can be integrated into the human body. Smart gadgets and many other Internet of Things (IoT) applications are driving the miniaturization trend.
- One of the most challenging difficulties confronting XR technology is training a larger audience. The current applications in development (for usage on tablets, smartphones, and wearables) are restricted to a single user. To make XR more accessible,

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multi-user, consistent, and simplified experiences must be created. The availability of such solutions in the present market scenario is restricted, posing a substantial impediment to the growth of the industry.

- Furthermore, in June 2023, Apple unveiled an augmented reality (AR) headset called Vision Pro at its annual Worldwide Developers Conference (WWDC). Apple called Vision Pro a new kind of computer that offers spatial computing with a starting price of USD 3,499.

Extended Reality (XR) Market Trends

Media & Entertainment End-user Segment Holds a Significant Market Share

- Over the last few years, media companies have examined XR technology as a new frontier for storytelling and a possible advertising outlet. They have formed partnerships with companies developing VR headsets and software developers broadcasting VR events in order to determine how to build the best VR content. Furthermore, some firms are also beginning to invest in VR companies.
- The XR's greatest marketing potential lies in its engagement capabilities, which allow companies to build emotional connections to their products and services. With XR-powered technology, media companies can reach their target audience more effectively. By simulating real-world experience, XR applications make the customer experience more interactive, engaging, and appealing. As a result, digital agencies and media buyers can build an emotional attachment to their brands.
- According to the Game Developers Conference 2023, 36% of responding game developers globally are actively developing games for the Meta Quest virtual reality headset.
- The growing demand for immersive content creation, virtual production, live events in virtual spaces, augmented advertising, spatial computing, wearable MR devices, and collaborative experiences drives growth opportunities for the market.
- In January 2024, VR and MR device vendor Goertek partnered with hand-tracking provider Ultraleap to announce a VR/MR headset reference design that followed Qualcomm's XR2+ Gen 2 chipset revealment, where Qualcomm also revealed the new reference design. The design intends to support OEMs creating MR/VR devices with high-quality hand-tracking features from Ultraleap's Gemini framework. Ultraleap's computer vision and machine learning models enable low-cost hand-tracking integration for enterprise end users.
- In January 2024, Qualcomm Technologies Inc. launched the Snapdragon XR2+ Gen 2 Platform, a single-chip architecture that provides 4.3K spatial computing at 90 frames per second for better visual clarity throughout work and plays. Supporting 12 or more concurrent cameras with powerful on-device AI, Snapdragon XR2+ Gen 2-powered devices can also effortlessly track the user, their movements, and the world around them for effortless navigation and unparalleled experiences that merge physical and digital spaces. Snapdragon XR2+ Gen 2 unlocks 4.3K resolution, taking productivity and entertainment to the next level by bringing spectacularly clear visuals to use cases such as room-scale screens, life-size overlays, and virtual desktops.
- Overall, due to the rise in such developments, technological advancements, and product launches, the segment studied is anticipated to witness ample growth opportunities throughout the forecast period.

North America Holds a Significant Market Share

- Globally, the United States has been one of the most highly innovative augmented reality (AR), virtual reality (VR), and mixed reality (MR) markets. Most of the companies advancing this technology are based in the United States. The region's high technology exposure and the ease of use of smart devices have created strong demand. Microsoft's AR product, HoloLens, was first released in the United States and Canada, and it received a positive response from users in the country.
- The region is also expected to hold a significant market share, as the US government has been finding both direct and indirect

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ways to use these technologies to facilitate innovations and promote prosperity. Moreover, the Foreign Service Institute at the State Department has introduced VR as an experiential learning tool in specific training.

- Moreover, various AR and VR training programs have been implemented to develop local workforces and manage wastewater. The region also dominates the market owing to the high technology exposure and the easy availability of resources, creating robust demand for extended reality devices. Many companies in the region are deploying innovative technology into their AR/VR wearables.
- Regional telecom companies are also aggressively attracting customers to use their 5G networks. Hence, these regional vendors are investing and innovating software and platforms for the development of AR applications by leveraging the upcoming 5G technology.
- According to GSMA, the number of smartphone subscribers across North American countries is expected to reach 328 million by 2025. Moreover, by 2025, the region is also expected to witness an increase in the penetration rates of mobile (86%) and internet (80%), recording the second-highest rates globally. As smart devices, especially smartphones, play a major role in the development of AR technology, the region offers a huge opportunity for the growth of the market studied over the forecast period.
- Augmented reality is revolutionizing retail shopping experiences; with AR in retail, customers can customize, interact, and engage with products better. Several companies are investing in AR to enhance their customers' experience and create a more seamless engagement. For instance, in October 2023, Walmart announced that it was investing in AR tools for apparel and home products. This experience will initially be available for 300 furniture and home decor items. By combining the power of generative AI and AR, Walmart aims to provide customers with personalized design assistance.

Extended Reality (XR) Industry Overview

The extended reality market is fragmented, with major players like Qualcomm Technologies Inc., Accenture PLC, SoftServe Inc., SphereGen Technologies LLC, and Northern Digital Inc. Players in the market are adopting strategies such as partnerships, innovations, investments, mergers, and acquisitions to enhance their product offerings and gain a sustainable competitive advantage.

- January 2024: Qualcomm launched a Snapdragon XR2+ Gen 2 chip for extended reality (XR) headsets that can support 4.3K spatial computing at 90 frames per second (fps) with higher GPU and CPU frequencies. This is the competing solution for Apple's Apple Vision Pro, which can support 12 or more concurrent cameras with on-device AI to track user movements and things around them.
- November 2023: Varjo Technologies Oy introduced the next generation of its high-fidelity mixed reality headsets, the XR-4 series. This series includes high-resolution displays, auto-focus cameras, and new capabilities for industrial and enterprise applications. The XR-4 series is a family of "mixed reality" headsets that deliver photorealistic immersive experiences that blend computer-generated simulated objects with the real world.

Additional Benefits:

- The market estimate (ME) sheet in Excel format
- 3 months of analyst support

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