



Virtual Reality in Ecommerce Isn't There Yet, But Keep It in Mind

By Michael Weinberg

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Once a term that sounded like it came from the nerdiest character in a sci-fi movie, virtual reality is now a popular form of entertainment worldwide.

As a business owner, you're smart (and maybe also a bit of a nerd) to start thinking about how your ecommerce shop can benefit from a well-thought-out virtual shopping experience.

Over [171 million people](#) use virtual reality (VR) devices globally, and there's no doubt the market will continue to grow in the coming years.

The problem is that 171 million people isn't much of the buying population—only about 4%. And although the world has a growing interest in this high-tech experience, your ecommerce business shouldn't focus on developing a [\\$30,000 VR installation](#) just yet.

But first, what's all the hullabaloo about?

What Is Virtual Reality?

Virtual reality is a simulated, three-dimensional environment using hardware and software. It's an experience that replicates the physical world with realistic images, movements, sounds, and sometimes other sensations. Using hardware, VR lets users interact with and influence digital objects as if they were part of the real world.

In the context of ecommerce, virtual reality is a medium you can use to propel your business forward with creative ideas. In itself, VR is not a marketing idea.

When you think of VR, you probably think of a headset that wraps around the back of your head and covers your eyes. These head-mounted displays (HMDs), controllers, cameras, gloves, and motion sensors make up virtual reality hardware.

Types of Head-Mounted Displays

The three types of HMDs include:

- **Mobile headsets:** A mobile headset, like the one from [Merge](#), connects to and encloses your smartphone so you can use apps like [YouTube VR](#).
- **Standalone headsets:** Wireless standalone headsets are much more expensive than mobile headsets—we're talking \$300 to \$1,000 for the likes of the [Meta Quest 2](#) and the Meta Quest Pro.
- **PC-based headsets:** Wired PC-based headsets are tethered to a cable and are better equipped for gaming.

VR software programs allow certain headsets to function for different uses, such as gaming, social platforms, and training simulations. To maximize your VR experience, you'll want to download virtual reality apps or web-based programs, such as [Tennis Esports](#) from Meta Quest.

Overall, VR HMDs are getting smaller, and their computing power is getting faster.

Augmented Reality vs. Virtual Reality

And then there's AR: augmented reality.

As its name suggests, augmented reality adds to the physical world rather than creating an entirely new one. AR devices enhance your surroundings by overlaying digital objects with your physical environment.

Think of AR as putting a few bumper stickers on your car, while VR would be covering your car in a new matte finish.

Another major difference between the two experiences is that AR doesn't require a headset, while VR does. Plenty of apps, like [IKEA's Place app](#), Snapchat, and Pokémon Go, allow people to use augmented reality with their smartphones and no extra equipment.

That's an important comparison when deciding whether your business should put time, effort, and money into VR shopping. Not everyone has access to hardware like standalone HMDs or [haptic gloves](#), which simulate touch (in case you want to touch virtual grass).

Mixed Reality

Mixed reality (MR) is another potential avenue for ecommerce shopping and marketing. It combines virtual and augmented reality elements and allows interaction with the physical and virtual worlds.

For example, Apple announced the [Vision Pro](#) in June 2023, a headset that basically turns your surroundings into a backdrop for Apple applications. It uses a functionality called “passthrough” that allows users to see their physical surroundings while using the headset.

Virtual Reality for Ecommerce

We want to be fair to virtual reality because it has several potential ecommerce benefits.

Virtual shopping experiences have a long way to go before they replace in-person shopping trips, but some retail brands are already inching toward the idea.

For example, [Lululemon](#) has a “virtual” store. While it’s not quite virtual reality shopping (it incorporates live chat and live video calls with product experts), it could ease the brand’s transition into a real virtual reality store.

Some benefits of incorporating VR in your ecommerce business’s marketing mix include the following:

- Building brand awareness
- Creating a memorable customer experience
- Encouraging word of mouth
- Strengthening brand trust
- Giving customers better product information before they purchase

An Important Note on Your VR Marketing Ventures

When the time comes to start investing in a rad new VR experience, your business needs to ensure that it aligns with your overall goals.

You really shouldn’t be focusing your [marketing budget](#) and efforts on a project simply because it involves VR. Support your VR endeavors with a strategy that makes sense for your audience and the type of product you sell. For example, you probably wouldn’t create a high-speed VR marketing experience as a brand selling dentures.

That goes for any medium, by the way. The medium you choose depends on factors like your product offer, audience, and budget.

Why VR in Ecommerce Isn't Worth the Hype—Yet

Excitement for virtual reality, as for artificial intelligence, is ramping up with each passing day. It's a thrilling experience with innumerable theoretical applications, especially for gaming.

But your ecommerce business may not have [the suitable circumstances](#) to start a virtual reality marketing project yet.

Below are some considerations about ecommerce VR.

Your Audience Is Limited to Whoever Owns an HMD

There may be millions of people using VR, but ask yourself how many of those users are part of your audience of online shoppers.

Also, remember that virtual reality is [most popular among](#) Gen Z and young Millennials and might not increase your customer base if these groups aren't in your target audience.

If you want to learn more about your audience, invest instead in a [customer data platform](#) that collects and presents your customers' information.

Headsets Can Be Expensive

Does your average online customer have enough disposable income to own a good HMD?

To engage a customer base with a VR experience, they'll need some form of headset already. That can be pricey, depending on the kind of HMD.

The new Meta Quest 3 coming out in fall 2023 costs \$500, and most [competitors](#) aren't much cheaper.

VR May Not Cure the Woes of Online Shopping

Some of the problems that come with online shopping include blindly trusting clothes sizes and missing human interaction. Virtual online shopping and try-on are innovative solutions.

But an immersive shopping trip with advanced VR technology isn't accessible enough to fully replace the experience of going to the mall with friends, smelling perfumes, touching clothes, or getting a kiosk snack. (Plus, [virtual try-on](#) is a form of AR anyway.)

AR Might Be a Better Choice

Virtual reality may be the cool new thing, but AR is less invasive.

As we said in the previous section, AR doesn't require a headset, so the experience is not only more accessible to your customers but also less of a commitment.

An AR app is also less expensive to develop than a VR experience, making it more accessible for your ecommerce or retail business.

VR Ecommerce May Surprise, But May Not Delight

If you've ever tried virtual reality, you'd likely agree it was surprisingly fun and riveting. But that was probably for entertainment purposes.

Putting on a headset after an ecommerce brand tells you to try out their new virtual store seems like more of a chore than an exciting experience.

Let's say you already had the headset on while playing a video game. If you come across a VR ecommerce ad, for example, the ad loses the enchantment that comes with VR because you were already doing something much more entertaining.

COVID May Have Overestimated the Hype

The pandemic saw a lot of consumers at home for more than a year. Many innovative at-home experiences like VR and [livestream shopping](#) burgeoned as people continued their lives in their houses.

But now, people miss human interaction, and the appeal of VR may have blunted the spike in excitement.

Putting VR Statistics Under a Microscope

A lot of statistics out there seem to indicate that VR is taking the world by storm and exploding in market size. That's only kind of true—like how early sailors saw “mermaids” in the water, but they were actually manatees.

For one, many statistics lump AR and VR into the same market, which inflates VR's reputation. For another, the data is often misleading.

For example, a graph from [Statista](#) shows a steadily growing market for AR and VR. For 2023, the revenue for the AR and VR market is projected to be \$8.57 billion, and by 2027, it's expected to increase to \$14.24 billion. But that's not the full picture.

According to Statista Market Insights, the “AR and VR market” comprises the following segments:

- AR advertising
- VR advertising
- AR hardware
- VR hardware
- AR software
- VR software

If you look at each of these segments’ revenue, they are all on a steady incline. But if you look at the graphs for *revenue change by segment*, you’ll find that the segments start to stagnate or even decline in the coming years.

That means the market is growing, yes, but by less and less each year. The rise of VR doesn’t sound so imminent now.

Other stats show that projections were overestimated. As we mentioned before, the pandemic may have overhyped VR’s role in consumers’ lives. An [IDC report](#), for example, shows that AR/VR headset shipments declined by 20.9% in 2022.

As reasons for the decline, the report cites limited headset sellers in the market, a previous year of consumers stuck at home, and the headsets not reaching a mass market.

The report also says that sales are expected to rebound in 2023 and after. But those are estimates, and the increases aren’t explosive.

Apple’s Vision Pro Offers a Reality Check on Virtual Reality

Apple announced its Vision Pro headset in June 2023, but the tech company initially had a goal to sell three million units a year. Now, it aims to sell just under [one million a year](#).

What’s more, Apple’s stock fell by about [one percent](#) after it announced its “one more thing.”

Don’t misunderstand us—the Vision Pro looks incredible, and the potential uses are unfathomable.

But there just isn’t a mass market for VR headsets yet. Unless you’re a luxury goods vendor, those willing to spend \$3,500 on an HMD probably represent a small portion of your existing target audience.

Success With VR Is Still Possible

Virtual reality in ecommerce is the future because accessibility and demand aren't fully *present* yet. But an ecommerce company that thinks ahead is a smart company.

Prepare your business for what could be a huge VR market in the future with the following tips:

- Stay on top of VR tech developments.
- Try VR for yourself and note what elements you like about it.
- Determine if VR makes sense for your industry based on your audience and product.
- Brainstorm ways to use VR in marketing to help solve business problems.
- Research VR success stories, specifically in the context of ecommerce.
- Consider AR and non-immersive virtual reality for your online store.

As long as you're thinking about VR—and not jumping any virtual guns—your ecommerce business will have the proper equipment to take on what will surely be a challenging medium to navigate.