

When will virtual reality become a profitable reality?

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Walking the floor of any travel industry trade show over the last 18 months you may have noticed that many of the stands have some kind of virtual reality (VR) display. If you'll excuse the pun, people are literally tripping over themselves in the process.

But when will virtual reality become a profitable reality for the travel industry? The truth is that virtually nobody knows for sure. It is not yet well enough developed to consider it a key technology for the travel industry (certainly not for the B2B sector anyway) - but will it become one in 2018?

This is a technology that has existed for years. In fact we have recently seen a significant shift in the development of new products and devices. But the high cost of developing specific content, the need for expensive devices and the lack of a clear business model has slowed its arrival in the travel market. This explains the distinct lack of the development of new products and services specifically for our sector.

By contrast, the video-gaming sector is one of the few that has been able to find a route to monetizing this technology. By providing players with immersive environments and differential gaming experiences, they've taken video-gaming to another level - and gamers are prepared to pay for that.

In the travel sector, the path is less clear: people won't pay for a 3D experience of a holiday any more than they'd pay for a holiday brochure. Nonetheless, despite the lack of a direct and obvious profitable purpose there are still remarkable potential applications for the travel sector:

- To provide a traveler with an immersive trip to a destination to experience all the possibilities that it can offer, including views and weather conditions, from the travel agency office or even from traveler's own sofa.
- To take a tour inside a cruise ship, visiting the cabins or public spaces and enjoying the activities, in order to experience the trip before booking.
- To move around inside a hotel, visiting its different types of rooms, with the aim of having more information with which to make a purchase decision.
- To configure and arrange the set-up of a hotel room, or other travel experience, such as selecting the particular room, bed type, linen, extra activities and more simply by selecting them as they walk through the experience.
- To enjoy the thrill of a potential theme park ride or outdoors activity such as white-water rafting or parachute jumping in order to entice customers to sign-up for activities ahead of arriving in the destination.
- To assist in guided tours and educational activities, such as comparing how a place looked in a previous historical period or could look in the future.

Clearly the possibilities for the travel industry are huge, but perhaps only once use becomes so widespread that VR goes from being a nice-to-have gimmick to an absolute essential - in the same way that having a company website started to become essential in the early millennium - will all travel businesses roll-out use of VR in their points of sale.

On that basis, VR might not ever become any more profitable than a laptop computer or smart phone: two devices no CFO expects to be profitable, but nonetheless doesn't question the logic of the company purchasing.

No doubt this will happen in time, but when, where and how is far from being a virtual reality yet.

Thumb image

