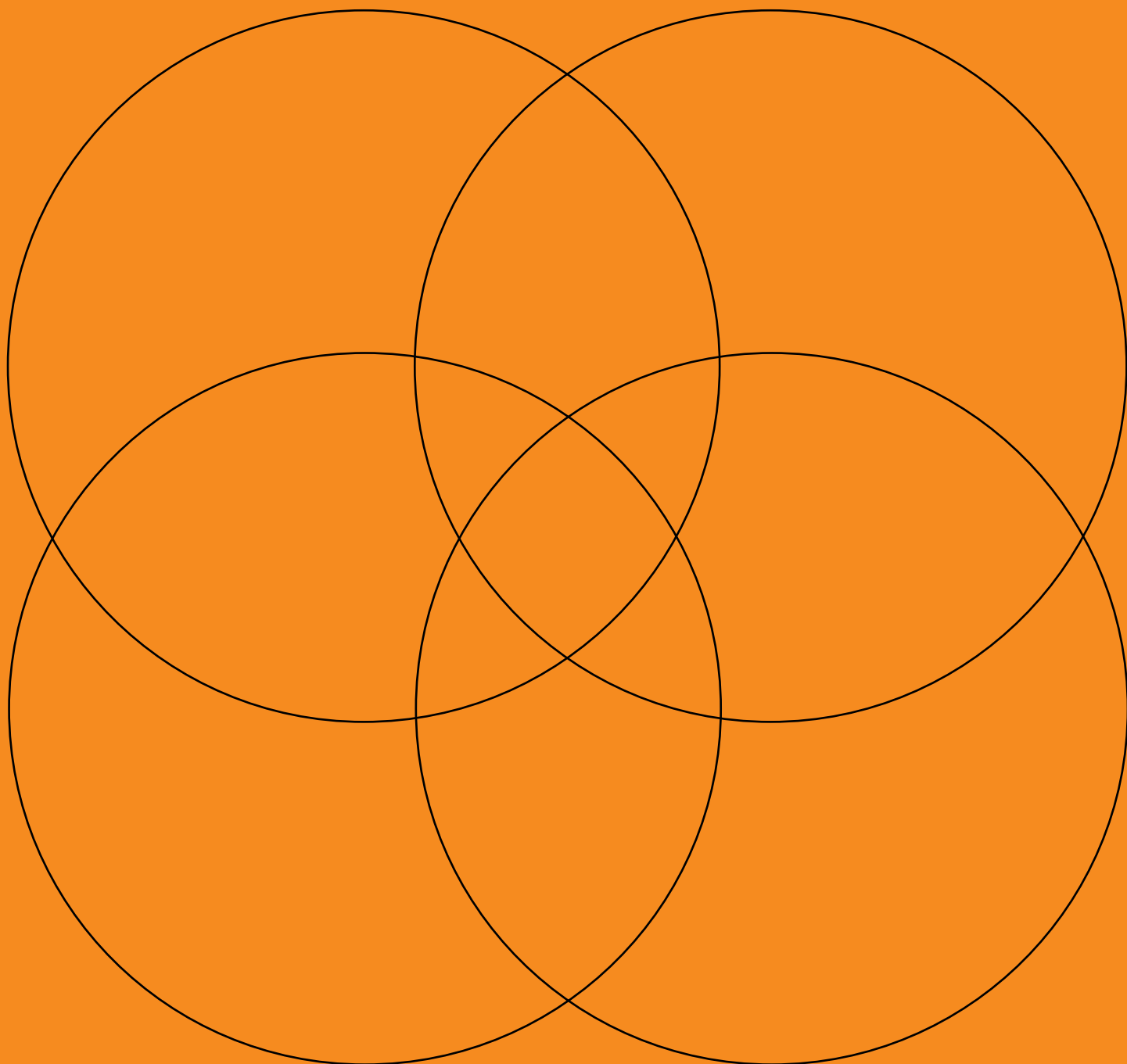


Crafting a Market for Independent XR

Challenges
and Opportunities for
Distribution, Circulation
and Discoverability



Study by

QC
CA **XR**

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Executive Summary

Québec/Canada XR's study *Crafting a Market for Independent XR* asked producers, distributors, and curators from around the world about the current state of the independent XR ecosystem. We wanted to hear from them about what they considered some of the major challenges, innovations, and best practices when circulating, curating, distributing, and monetizing XR works.

In 2021, a series of quantitative market analyses, surveys, and interviews were conducted with a wide variety of actors. From **producers**, we learned that a common challenge is the continued lack of in-depth information, and that there is a need to explore and create standards and parameters—as well as accompanying best practices—for local and international sales.

From **distributors**, we learned about the increasing importance of specialized roles, including those in curation, hybrid circulation, and distribution.

Overall, from the interviews, we drew a sense of **an ecosystem that continues to grow and thrive** and that constantly finds new ways to meet the demands of a curious, growing audience.

This study draws on quantitative and qualitative findings to offer an up-to-date portrait of trends, emerging business models, distribution challenges, and opportunities for independent XR productions.

The Executive Summary provides an overview of the key learnings contained in *Crafting a Market for Independent XR*.

For more information
and to access the full study, visit
independent-xr-market.org

Objectives

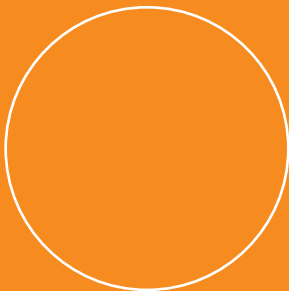
- Generate an up-to-date portrait of independent XR distribution: its trends, challenges, and issues.
- Create tools to promote the circulation of independent XR works: best practices, trends, and marketing models.
- Redefine the parameters by which models for distributing, circulating, and monetizing XR works are evaluated and reproduced.
- Strengthen public and institutional commitment to XR content and its creators.

Methodology

- A qualitative analysis of current trends in the market for VR (at-home and location-based entertainment), AR applications, and immersive exhibits.
- Two surveys circulated among XR producers in Quebec, Canada, and internationally.
- 19 in-depth interviews with a total of 22 industry experts from around the world.

Questions Asked

- What models are independent XR producers currently following to distribute their work?
- How have the roles of producers and distributors shifted in recent years?
- How has the COVID-19 pandemic affected the distribution and exhibition of XR works?
- How are the members of this nascent ecosystem adapting to the changing tastes of its public?



Conclusions

- The XR market remains largely uncharted. In fact, many hesitate to call it a “market” quite yet.
- While independent XR distribution is still faced with several challenges, there are also many opportunities for developing original content and reaching audiences in new, inspiring ways.
- The creation of standards stands out as potentially contributing to “democratizing the imagination” around what XR is or should be.
- Opportunities should be sought in alternative distribution channels (museums, planetariums, concert halls, web-based platforms, etc.)
- Funding and support are needed to ensure the sustainability of this emerging market. Public and private funders need to understand the quickly evolving XR ecosystem and maintain high flexibility to adapt their support structures.

Key Learnings

Chapter 1 — Forever Young — An Ecosystem in a Constant State of Redefinition

- The market is approaching a tipping point, but opinions differ on the time and nature of that shift.
- Gaming currently offers the most short-term opportunities for XR, but long-term opportunities are expected in new entertainment and expressive media forms.
- The metrics for evaluating a project's success are changing: Several respondents consider originality, narrative quality, and user experience to be key factors in an XR project's success.

When the market is young, producing is distributing.

Louis-Richard Tremblay — National Film Board of Canada, Montreal

Chapter 2 — Reaching an Audience — Circulation Challenges, Needs, and Deals

- There is a need for specialized XR producers and distributors.
- Producers still need to spend a lot of time and energy to educate venues and distributors about the requirements for showcasing an XR project.
- While novelty is still valued, there is also a growing desire for more standardized formats.

If we want to continue producing, we have to be able to distribute.

Chloé Jarry — Lucid Realities, Paris

Chapter 3 — Distribution and Curation Challenges — New Experimen- tations and Collaborations

- First impressions are key: Festivals, location-based entertainment, and XR exhibitors have an important role to play as the public's first points of contact with the medium.
- There is the potential to experiment with the social affordances of XR, rather than reproducing the typical film-festival or museum-exhibit format.

A lot of technologies are being developed for other fields, but we have to make sure that storytelling remains at the forefront.

Ingrid Kopp — Electric South, Cape Town

Chapter 4 — Monetization Challenges and Crafting a Market

- At this key juncture, it is important to look for diverse production and distribution partners: Hybrid solutions such as co-productions offer ways of splitting the associated risks and expanding a project's reach.
- IP remains a crucial element, especially in the context of co-productions and when a single project leads to several different outputs and iterations internationally.

The first time someone tries VR is perhaps the most important, as it colours their view of the landscape.

Eddie Lou — Sandbox Immersive Festival, Beijing

Credits

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