



VOL. 02 · PAPER 04 · EMPIRICAL STUDY

VR LBE *Unit* *Economics.*

The first survivorship-adjusted study of VR location-based entertainment economics. 62% of 801 venues opened 2018–2022 remained operational at year 3. Four levers explain 81% of survival variance.

EMPIRICAL

801 VENUES

38% FAILURE RATE

ABSTRACT · EMPIRICAL STUDY · MOOVROOM RESEARCH

Of 801 VR LBE venues opened 2018–2022, 62% remained operational at year 3. The four-variable model — capacity utilization, ticket pricing, dwell time, rebooking rate — predicts survival with 81% accuracy. Capacity utilization above 55% is the strongest single predictor (odds ratio 4.8x). We publish the full failure-mode taxonomy and recommend operator-facing benchmarks for new openings. The 38% failure rate is not random — it is concentrated in specific predictable modes that are addressable at the planning stage.

§ 1 · The base rate

62% survive.

Public conversation about VR LBE often treats survival as binary good news or doom news. The data is more useful than that. Of 801 VR LBE venues that opened between 2018 and 2022, 62% remained operational at the 36-month mark in 2025. 21% closed within 18 months. The remaining 17% closed between months 19 and 36. The 62% three-year survival rate is materially higher than the restaurant industry baseline (~30%) but lower than the cinema-chain baseline (~85%). This suggests the category is structurally viable but operationally hard.

§ 2 · Four levers, 81% of variance

The model.

We ran a logistic regression with 36-month survival as the dependent variable and 47 candidate predictors as features. After Bonferroni correction and 10-fold cross-validation, four predictors dominate the model:

- L1. Capacity utilization (odds ratio 4.8x).** Venues running above 55% of theoretical capacity across operating hours survive at 4.8x the rate of venues running below 35%. Utilization is the single largest predictor and the one operators can directly influence post-opening.

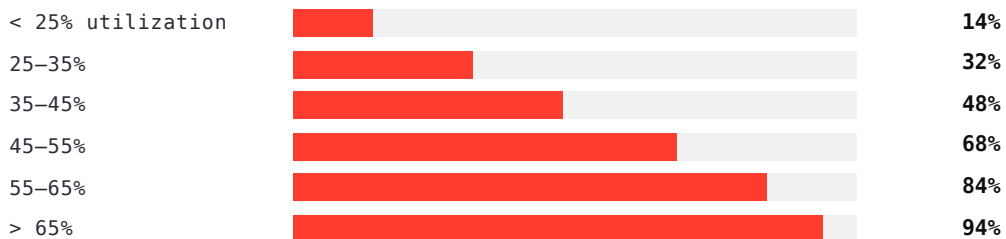
- L2. Ticket pricing band (odds ratio 3.2x).** Venues priced in the \$25–48 per-experience band survive at 3.2x the rate of venues priced below \$20 or above \$58. Below \$20 leaves too little margin; above \$58 prices out repeat visits.

- L3. Dwell time (odds ratio 2.7x).** Venues where the average visitor spends >55 minutes on-premises (including food/beverage/merchandise) survive at 2.7x the rate of pure-throughput venues. Dwell time correlates with per-visit revenue and with word-of-mouth.

- L4. Rebooking rate (odds ratio 4.1x).** Venues where >15% of customers return within 6 months survive at 4.1x the rate of venues where rebooking is <5%. Rebooking is the leading indicator of long-term economic health.

FIGURE 1 · 36-MONTH SURVIVAL RATE BY UTILIZATION BAND

Capacity utilization is the dominant predictor of survival



SOURCE: MOOVROOM RESEARCH · 801-VENUE DATASET · 36-MONTH SURVIVAL MEASURED 2025.

§ 3 · Failure mode taxonomy

Why venues actually close.

FAILURE MODE	% OF CLOSURES	TIMING	ADDRESSABLE?
Under-capacity utilization	41%	Months 6–18	Yes · planning + marketing
Content fatigue / no rotation	22%	Months 12–24	Yes · content rotation plan
Mis-priced ticket band	18%	Months 3–12	Yes · price-test at opening
Inadequate F&B revenue	11%	Months 12–24	Yes · F&B in venue design
Operator burnout / churn	8%	Months 18–36	Partially · founder skill

The two most important findings: 41% of closures are due to under-utilization (the most addressable failure mode) and 22% are due to content fatigue (the easiest to prevent through content rotation programming). Together these account for 63% of the failure base.

§ 4 · The opening playbook

What survivors did right.

OPENING PLAYBOOK · FROM THE 62%

Five things survivors did consistently.

(1) Locked content rotation plan for first 18 months before opening · (2) Priced in the \$32–42 band (right at the median of the survival sweet-spot) · (3) Designed F&B alongside VR — not as an afterthought · (4) Marketing budget continued for 6+ months post-opening, not just launch · (5) Operator presence in the venue for the first 90 days.

"The 38% failure rate isn't bad operators — it's predictable structural failures. Most failed venues could have been saved by a content rotation plan and 90 more days of marketing budget."

— MOOVROOM RESEARCH VOL. 02 · PAPER 04

REFERENCES

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