**Why**: CES is a darn big show. We planned to visit several booths yesterday but didn’t due to a combination of informal meetings, spotting cool stuff that we just had to investigate, and being lost; all slowed us down beyond elbowing our way through the 2.4 million square feet of exhibits. And although we didn’t accomplish as much as we wanted, we still uncovered some jewels that relate to tech themes we believe will blossom into multi-billion dollar industries.

**The people have vented**: Oculus unveiled **Rift pricing** yesterday. For US$599, you too can own a high-end VR head-mounted display (HMD). **Analysts and fans** weighed in with mixed reactions. Regardless, enthusiasts are snapping them up – Founder Palmer Luckey tweeted about “insanely high load” and “people really want Rifts”. Judging by the insanely high load of enthusiasts lined up at the Oculus booth, we suspect he’s right. Still, if the price is too high for you, we visited Dongguan Long Optoelectronics, a Chinese HMD OEM. They showed me an HMD named “HMD” which had an integrated screen, 100° diagonal field of view, and an HDMI port to interface with a PC or game console. They also had a GearVR-like HMD called “3D Virtual Reality Headset” that uses an external phone and is priced at a whopping US$30. We rode a virtual roller coaster on the former device and streamed content on the latter. We wouldn’t rate these devices as having Oculus quality; not even GearVR quality. But they were okay, especially at these price points and will help to get VR experiences into the hands of the masses.

**Another Oculus catalyst**: Yesterday Oculus also revealed that they expect to have over 100 games and experiences for the Rift in 2016, so content is coming in a big way, which is the key to VR adoption in our view.

**The other side of virtual reality**: Walking around the Las Vegas Convention Center, we were struck by the number of OEMs displaying their 360° cameras. Even more revealing was that many of these cameras were connected to virtual reality head-mounted devices (HMD). This brings us to two points: virtual reality hardware is being integrated as an accessory, and we’ve neglected to discuss the other VR market – content. Filmmakers and amateurs are making content, with the former not filming from a point-of-view but by putting themselves in the scene. As good as the video can be, what lacks is evolving stereophonic audio into 3D sound for improved immersion (one day, haptics will help with the sense of touch).

**Tapping the thoughts of the engine builders**: We talked to Intel about VR a big debate we’ve had with several people – will VR HMDs all go wireless? According to an Intel rep, the answer is “no”. He said that the amount of processing is astronomical: data, video, sensor transmit and receive, audio, movement, etc. This amount of processing also requires power – a lot of it, so for high-end VR, removing HMD cabling isn’t likely to happen. This was consistent with what we heard at a VR conference late last year when we spoke with a representative from AMD who chuckled when we asked how long it would take to get the processing and graphics quality of a PC/console driven VR HMD into a “phone driven” HMD (like the GearVR). His comment: “I don’t know - ten years? Before VR we thought the graphics war was over and we had done everything we could, but now we are back in full development mode and doing things that can require multiple cards in a system to produce an even more immersive experience. We expect the quality of graphics to continue to accelerate over the next several years and for high-end HMDs to remain tethered.
The best augmented reality we’ve seen: Let’s start by saying that yesterday we only visited one AR vendor – Vuzix (VUZI-NASDAQ). We saw their compact M100 glasses. The tekkie we spoke with said that they incorporated customer feedback into a lighter, more glasses-like prototype called the M300, which could be available this summer. Here’s the really cool thing: Vuzix is working to incorporate waveguides into glass lenses. What this means is that heavy, thick LED screens are eliminated. What this means is that Vuzix has created a prototype (on display at their booth) that looks like a real pair of glasses. Form factor is important for consumer adoption because humans are vain, and glasses are a fashion statement. We will sweep CES in the coming days to see if anyone else comes close. All we can say is that at the Augmented Reality Exposition we attended last June, no OEM vendor came close to making AR glasses look like glasses.

The big monkey in the room: Something that caught our eye on the way to the VR hall was Corning’s Gorilla Glass. This 2mm piece of glass is the same used on most smartphones. Corning had something that resembled a 3 foot by 6 foot Microsoft Surface covered in Gorilla Glass. Corning wasn’t selling the table, but it was a lot of fun to slide icons around the table, tap open applications, and scroll through pictures. A nice collaboration tool for the office, and a nice media/entertainment center for the family to gather around.

Wrapping up: That is about it for the first day on the show floor. Day 2 was all about VR and AR. Day 3 we are going to be looking at more VR and AR since we barely scratched the surface of what was at the show. Friday, our last day at CES, we plan to dive into the drone space and, time permitting, a 45-minute rush-hour bus trip to another CES convention hall to look at wearables. No guarantees on any of this because anything can happen at CES.
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