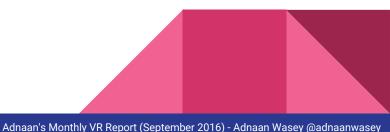
Adnaan's Monthly VR Report (September 2016)

VR Still Sucks*

Adnaan Wasey @adnaanwasey Executive Producer, POV Digital @povdocs

* Before we begin...

- This is a pessimistic view to help us look critically at the state of the industry
- The optimistic view is that there is massive potential for virtual reality and related technologies, and we have invested in it for this reason
- We also believe that nonfiction media creators are well positioned to show great uses for VR, so...
- If you are interested in inventing the future of storytelling with us, whether it's VR or AR or anything else, get in touch...



POV VR TOOLKIT



Accessible, Open-Source, Web-Based Virtual Reality for Anyone to Create and View

View Code on Github

📥 Download Code

pov.org/vrtoolkit



A weekend media incubator for digital storytelling



VR is not accessible at current prices

- "You need a pretty high-end PC to run it now... that's one of the biggest limiting factors" Palmer Luckey, Oculus
- "Computers you need to run them cost too much" John Riccitiello, Unity
- 1% of computers are able to support Oculus Rift Goldman Sachs
- Current pricing is set for enthusiasts
 - Minimum PC cost: \$1,000-\$1,500 + Headset (Oculus Rift or HTC Vive): \$599-\$899
 - Playstation 4: \$399 + Headset (Playstation VR): \$399
- Consensus: Prices must be under \$400
- Who is your audience? They have phones. Why not tell stories on social media?

VR sales are flat

- August 2016: Sales of HTC Vive and Oculus rift are essentially flat. Valve
- 80% of gamers don't want to upgrade their PCs for VR Valve
- 55% of gamers don't want a VR device Valve
- July 2016: < 0.2% of Valve users had an HTC Vive (the most popular device) -Valve
- If gamers aren't buying it, who will?

VR is not a mainstream technology

- VR/AR: "Most people still don't know what they are." Venturebeat
- Sept 2016: 2% of households own a VR headset Parks Associates
- Ownership is confined to enthusiasts and developers
- There is no killer app driving hardware sales
- And most companies making VR aren't funded May-July 2016 Perkins Coie/Upload industry survey
- How much of your time and money can you invest? For how long?
- Are you OK with making content that may only ever be viewed by enthusiasts?

VR content has not excited audiences

- "There's not enough content to make the devices must-have" John Riccitiello, Unity
- The lack of good content is the biggest issue May-July 2016 PC/U survey
- There is no killer app but "killer apps are needed" an investor quoted in May-July 2016 PC/U survey
- The mainstream is not going buy a device to watch demos
- "Pong was more exciting" a WSJ article commenter
- Is your content just a demo? Or are you creating a new mode of storytelling that is showing audiences the value of the technology?

VR makes viewers ill

- Sickness is "one of the biggest challenges" Evan Suma, USC
- "What you see isn't matching up with what your body feels" Tech. Review
- Action is misaligned with our vestibular system (aka balance & orientation)
- VR health guidelines could prevent nausea Noah Heller, Hulu
- "There's no silver bullet to solve things like that." Palmer Luckey, Oculus
- Is long-term viewing possible when you get ill in minutes?



VR user experience is rudimentary

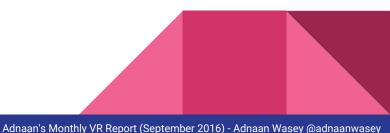
- Media depictions & concept videos have set a high bar not yet reached
- The grammar of VR filmmaking is still undefined
- The Swayze Effect: We are like Patrick Swayze's character in Ghost, who can experience everything but can't affect it
- Current films are inelegant for in-camera action / viewer focus, 360-degree stitching, acceleration / deceleration, etc.
- Are you applying the grammar of rectangle-based 2D films? Or are you studying the grammar of a new experiential form (perhaps with theory from videogames and theater)?

VR predictions show every kind of future

- "2016 will be the make-or-break year." Tractica
- Jan 2016: 300,000 (ITA) to 200 million (Tractica) headsets sold by 2020.
- Jan 2016: 2.5 million headseats (and 10m games) sold in 2016 Deloitte
- Jun 2016: 9 million headsets sold in 2016 (incl. 6m PSVR*) Trendforce
- Jan 2016: Revenue between \$23 billion and \$182 billion by 2025 Goldman
- Feb 2016: Revenue between \$2.8 billion and \$126 billion by 2020 Analysis
- July 2016: Forecast for 2020 cut by \$30 billion to \$120 billion Digi-Capital
- * Note: Google Daydream & Playstation VR aren't yet available to consumers
- How far will forecasts need to retreat before we question the viability of VR?

VR industry inventing excuses for slow adoption

- Despite the hype, VR hasn't disrupted anything
- The "gap of disappointment" will last until 2020 John Riccitiello, Unity
- "The best stuff I've seen... is targeted for 2017 and some in 2018." Riccitiello
- Facebook has a 10-year plan & sees an industry after 50-100 million unit sales
- "It's real and we're waiting for folks like you to innovate." Riccitiello
- Is he really saying: "It's real **but** we're waiting for folks like you to innovate."?
- Are you making excuses for why your VR content hasn't made more impact?



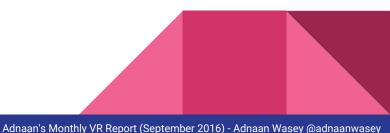
VR industry is expecting games, not films

- Industry/investors believe games will receive the most investment by far (78% of them) May-July 2016 PC/U survey
- Videogames have cutscenes because immersion isn't enough for storytelling
- Videogames have influenced the aesthetics of film, but they remain two distinct media with their own sets of artists
- Games and films have never overlapped. Will VR and documentary?



Other technologies are expected to overtake VR

- The market for AR will be triple that of VR Digi-Capital forecast
- With Cardboard and Daydream, Google is putting its resources on phone-based technology vs. specialized hardware
- Artificial Intelligence is something actually happening now
- Are you making media for future devices that may never come? Or for the technology people are likely to own and use in the near future? Or are you making media for today's technology?



Film organizations are on the VR bandwagon

- Festivals are favoring VR technology over higher quality non-VR content
- There was enthusiasm too around transmedia, web series, crowdsourcing, i-docs, ARGs, Flash, videogames, CD-ROM, 3-D...
- Other technologies are already available for modern storytelling that are independent of VR: HTML5/browsers, social media, phones
- Is VR the film industry's biggest issue that it has displaced other kinds of new storytelling exploration completely?



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Thank you: Clint Beharry (Harmony Institute) Anne Marie Bogar (POV) Deniz Ergürel (Haptic.al) ← Follow on Medium for VR news