dentsu X

@ CES 2023: What's Next in Tech & Media

CES 2023

CES is all about charting what's next. It's an opportunity to understand consumer habits and serves as inspiration for planning our clients' test and learn agenda for the upcoming year.

CES 2023 felt like a return to the pre-pandemic conference, with attendance estimated to be over 100,000, and the show space alone at 50% bigger than CES 2022.

With a potentially turbulent year ahead impacting consumer confidence, clients will be looking for ways to standout, offer value and meet their customers with meaningful services and experiences to elevate their relationship.

In our CES 2023 What's Next Report, we have identified the intersection of key trends and technologies we saw on the show floor, along with what's making waves outside of CES for the upcoming year. From generative AI, to Web3's rebrand, to health tech's focus on mental health, we are excited about all software and hardware developments.

Read on for seven major trends and takeaways from this year's conference:
1. Generative AI in Action
2. Web3's Rebrand
3. Mixed Reality Gets Closer to Reality
4. Accountability in Sustainability
5. Shifts in the Socialsphere
6. Health Tech Tackles Mental Health
7. Transmedia Storytelling Collabs

"CES 2023 was ripe with disruptive advancements in AR/AI, new opportunities to engage in immersive platforms, continued progress around interoperability, and tech that can help drive sustainability agendas, all showcasing the power of cutting-edge innovation to transform consumer experiences. As we head into 2023 with our promise to defy convention at dentsu X, we couldn't be more excited for what's next in tech and media."

Leah Meranus, Chief Media Officer, dentsu X

1. GENERATIVE AI IN ACTION

Artificial Intelligence has been a reoccurring theme and a space to watch from afar over the years, but in 2022 consumer use cases became available to the masses in the creative and productivity sectors. Visual generation platforms like MidJourney and text-based models such as OpenAI's GPT-3 have already shown impressive promise in enhancing and inserting inspiration on demand. The potential to inject AI into marketing teams, enabling research, optimizing plans, or even creating prototype images and concepts is significant.

On the floor, we saw a plethora of AI-enabled devices, from AI powered Robots, TVs, Wearables, and even Strollers, Ovens, and Memories (!?).

We expect to see technological leaps in 2023 as it continues to uncover new use cases and evolve at breakneck speed. This progression however comes with moral implications around source information and IP, which adds on to an already long list of ethical questions around AI.

Replika creates AI companions to be a friend who will listen, have your back, or just chat
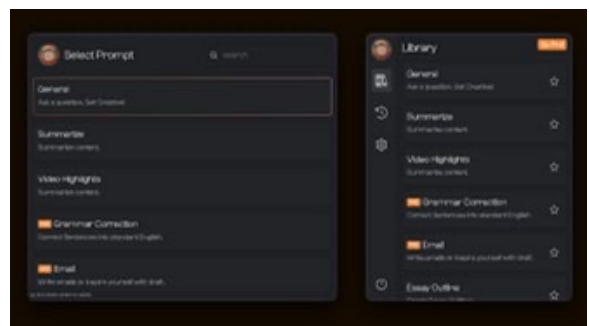
Tools like JasperAI and BearlyAI aim to augment consumer and enterprise workflow & marketing

Glüxkind's smart stroller, Ella, can walk itself, park itself, and drive on various terrain

DeepBrain allows you to revisit loved ones that have passed and cherish memories and moments

Samsung announced a few TVs enhanced by AI, from upscaling to tracking health data

2. WEB3'S REBRAND

Web3 has been a massive topic for brands in 2021 and 2022. However, with its ties to crypto businesses, we've witnessed both a slight pull back as well as doubling-down from brands.

Moving away from short-term gains and hype to building utility-based experiences, brands like Starbucks, Odyssey and Nike Swoosh, and platforms like Reddit are deliberately using language around NFT's as digital collectibles to appeal to broader audiences and tie back to their unique offerings.

For Web3 to become mainstream, there needs to be more consumer-friendly ways to onboard users, without the confusing

tech jargon – and we're starting to see brands adopt this practice.

Even in the NFT native programs, we're excited to see the adoption of more seamless onboarding technologies that allow Web3 newbies to create a wallet and mint their first NFT in under a minute – a process that is crucial and usually a current barrier to traction.

In this Build Market, we anticipate brands will refresh their approach to appeal to the masses which will allow a more democratized business model with a collaborative customer community and offer heightened experiences for loyal fans.
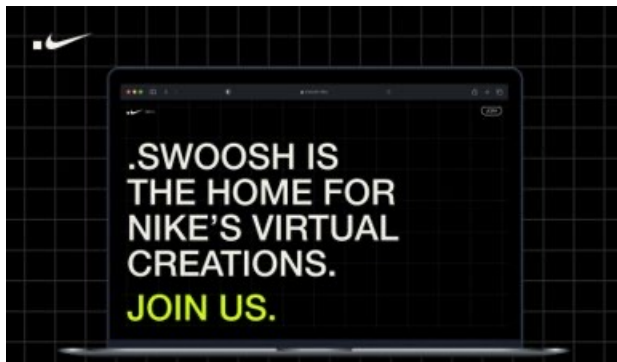

Nike's .SWOOSH (dot swoosh) is the brand's new entry way into their Web3 brand storytelling & community driven initiatives

Starbucks Odyssey, a Web3 program aimed to bring in a new era of loyalty on the blockchain, without the jargon
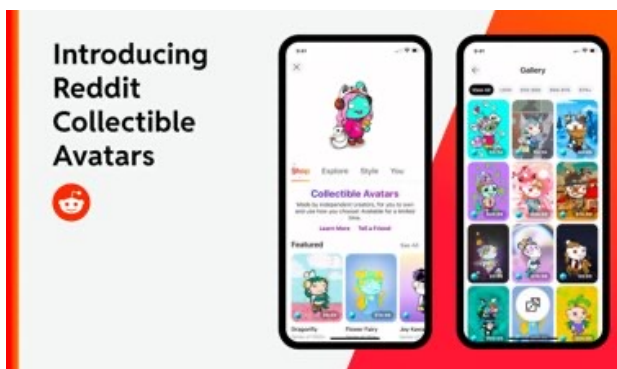
Reddit unassumingly became one of the largest NFT marketplaces overnight when they minted 5M+ NFTs as 'Digital Collectibles' on their platform
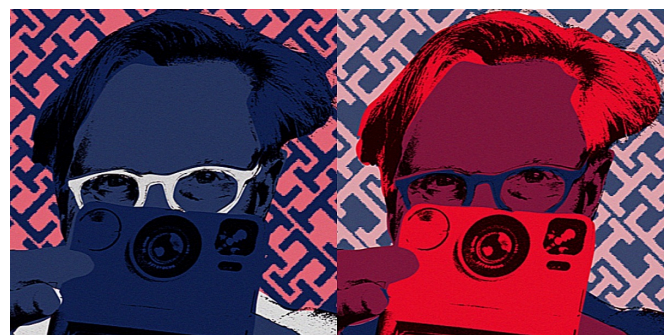
Tommy Hilfiger worked with Cupcake protocol to enable a quick NFC scan to create a wallet & mint an NFT in under 60 seconds

3. MIXED REALITY GETS CLOSER TO REALITY

Metaverse was the buzzword of 2022, creating a frenzy around testing in social gaming platforms like Roblox and Fortnite, and an openness to trialing emerging consumer friendly hardware with Oculus Quest 2 and Meta's Horizon Worlds.

In 2023, we expect to see the focus swing back to AR given growth fueled by tech advancements (5G, Edge Computing, pass through tech, etc), consumer adoption growth (+233% since 2020), and landscape acquisitions (Niantic & 8th Wall).

Hardware developments in AR are looking to expedite scale, which has largely been viewed as the most popular way to bring consumers into immersive media. Niantic and Qualcomm, as well as Snap's

Spectacles, are early signs of wearable AR, but rumors of a 2023 Apple announcement may catapult wearable AR into the headlines and homes of many in the future.

On the show floor, Magic Leap showed their latest device hoping to appeal to enterprise customers where TCL, Vuzix, and HTC Vive, are all hoping to crack the scaled consumer market by making the wearing experience light, simple, and intuitive. From the VR & Mixed Reality front, Meta's Quest Pro & Sony's VR2 still aim to support immersive long-wear sessions with content and games. AR is likely to get a lot more attention over the next 18 months with much more content and devices coming to market.

Niantic + Qualcomm's AR headset is rumored to be taken outside of the home and into the real world, supporting their current AR thesis

Apple is rumored to release it's XR device at a whopping ~$3,000 later this year

Magic Leap 2 finally shows off its potential after years of speculation, and did not disappoint

TCL has been a tenured AR player in the consumer market and announced a suite of headgear

4. ACCOUNTABILITY IN SUSTAINABILITY

63% of Fortune Global 500 companies have made climate commitments. Much of these practices are focused on business operations, sourcing, and product waste, which use sensor tech and data visualization to help track and identify areas of improvement or leakage.

During many of the CES Keynotes, we noticed that nearly every company kicked off their presentation reinforcing their commitment to sustainability, a great way to boost confidence in the business and reduce criticism of 'green washing'. Even on the floor we got to see many great inventions that made good on these promises, from carbon friendly processes to products that help our planet.

While much of this is out of the hands of marketers, we will start to see more solutions for the industry as well. Brands are starting to measure emissions to begin decarbonizing, and we expect to see more third-party startups provide measurement & reduction automation, publisher transparency, and real time data sharing.

As an industry, we can keep ourselves accountable with clean practices and tools for vendor measurement and optimizing plans to reward those moving toward zero.

Samsung collaborates with Patagonia to keep microplastics out of our oceans with new washer

Goodyear announces new tires made from 90% sustainable materials, that also boost performance

ASUS' laptop that is entirely carbon neutral
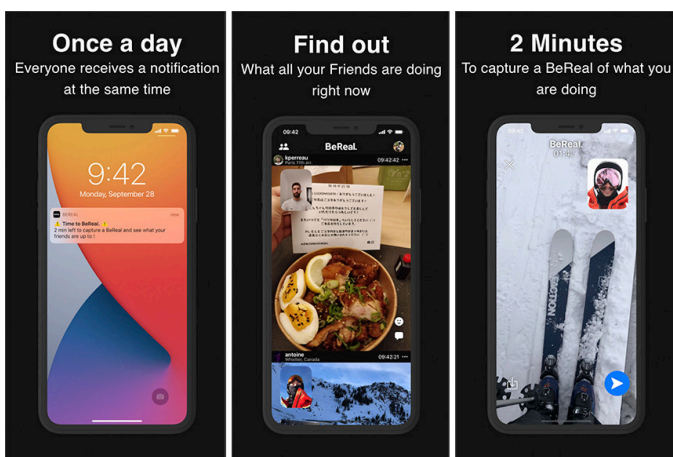
5. SHIFTS IN THE SOCIALSPHERE

2023 will be a year of changing of the guards for many of the top social and content platforms. Much of this is due to GenZ dictating what products and features are to be created (or copied), but the ongoing uncertainty or instability due to leadership or policy of some platforms will shake up the network hierarchy.

We're seeing an exhaustion and confusion in users who view the landscape as a sea of sameness and cloning, where loyalty and network effects are starting to lose their grip. Explosive growth in new entrants like "BeReal" & "Gas" show the potential and yearning of new social experiences – as the former app being named "Apple's top iPhone app of the year" and the latter on the rise as the #1 app for highschoolers at the moment.
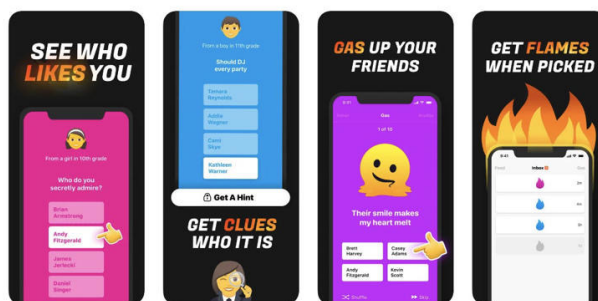
What will also drive these shifts are the monetization policies that the Creator Economy is influencing. Many of the legacy platforms are still playing catch-up on how to satisfy their most influential users, which essentially become a part of

that platform's product offering. As "Shorts", a TikTok-esque feature on YouTube, open ad revenue share with their creators this February, and already seeing 1.5B video views a month vs TikTok's 1B in the US, we expect creators across the landscape to flock to platforms that support them monetarily as a key priority.

We expect an interesting year for product development as a retention mechanism, social commerce to be everywhere, and the Creator Economy to impact the value dynamic of platforms and users.

"Gas", the current #1 app for highschoolers is only in 12 states but expanding quickly. A new way to interact and discover within your social sphere.
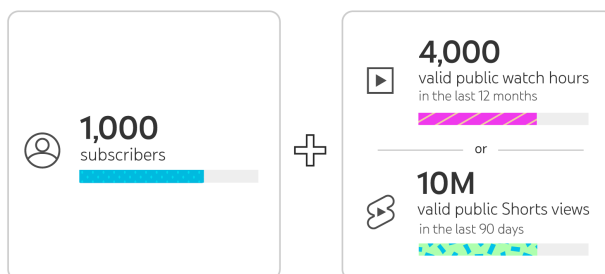

BeReal's intimate and ephemeral features have already been cloned by Big Social and already named 2022's Apple App of the Year. Can it continue its momentum in 2023 or will we see it become the next Clubhouse and disappear when the hype dies off?

YouTube Partner Program Eligibility

1,000 subscribers

➕

4,000 valid public watch hours in the last 12 months

or

10M valid public Shorts views in the last 90 days

Creator funds & rev-share programs will gain more importance to a growing Creator Economy

6. HEALTH TECH TACKLES MENTAL HEALTH

CES has showcased many health wearables and IOT devices, appealing to consumers by democratizing their health through data.

Health companions aren't new to the floor either, with niche brands looking to support child and elderly care.

This year, we saw more brands tackle holistic care with increased consideration towards consumers' mental health needs, including:

Mood improving tech including LG's MoodUp refrigerator, a color changing appliance to set the mood at home.

New wearable brand Nowatch, a health tracker with no watch face to review data whilst wearing, refers to itself as an "awareable," reflecting its mission to push back against overstimulation, anxiety and stress.

Fufuly, a "breathing pillow" was one of the more interesting products on the floor. It matches the user's respiratory pattern to help reduce stress and anxiety.

Tech is always looking for ways to tackle scaled consumer demand and supporting mental health will likely continue to grow as the topic is normalized along with raised awareness since the pandemic.

LG's MoodUp fridge

Nowatch is a screenless wearable

Fufuly Pillow matches the rhythm of your breath

Moxie is a robot companion for children that supports social, emotional, and cognitive development through play-based learning

7. TRANSMEDIA STORYTELLING COLLABS

Major entertainment companies have commonly collaborated with platforms, but we are now seeing this roll across connected devices and the hardware marketplace.

Sony previewed its movie for Gran Turismo at CES as well as announcing Gran Turismo 7 on PSVR2 when it launches in February. Entertainment brands are experienced in finding multiple ways to onboard fans into their IP (intellectual property), and leveraging tech and devices is a great way for that IP to create evergreen touchpoints for consumers.

Tangentially, we also thought Sony's decision to not announce a TV but focus on their Electric Vehicle (in partnership with Honda), will further how their content can support transmedia storytelling. We imagine their future driven by a seamless transfer from phone or TV to car display and vice versa.

Disney and Amazon's Alexa are building branded devices and services in their parks and resorts, building utility into the app, leveraging well loved characters and fun experiences for all the family.

Disney partners with Amazon Alexa

Sony announced GT movie and PSVR2

Marvel + Niantic World of Heroes

Sony's electric vehicle in partnership with Honda

CES 2023 RECAP

The CES 2023 event took place in Las Vegas on January 5th – 8th, with over 3200 exhibitors showing off innovations from smart TVs to self-driving vehicles to smart toilets! Catch up on our kick-off content, exclusive podcast episodes discussing what we saw (and the potential implications,)

CES Wrap podcast episode

In an exclusive on-the-ground episode of The Human Element Podcast, we explore ways to inject humanity and insight into modern marketing, with a focus on CES. Tune in anywhere you get your podcasts: Spotify, SoundCloud, iHeartRadio, Apple, TuneIn, Stitcher, and Google Podcasts.

Listen here

Dentsu @ CES morning session recording

Watch a recording of dentsu's session hosted live in CES. Doug Rozen, CEO, dentsu Media Americas and Travis Montaque, CEO and Co-Founder, Group Black discuss how creators are the next startups, Michael Liu, Head of Innovation for Carat presents key themes from the CES show floor, and Sarah Stringer, Head of US Media Partnerships moderates a discussion with Dan Ackerman, Editorial Director of Gaming and Computers, CNET and Alex Heath, Deputy Editor, The Verge to help us myth-bust the technology that will actually impact media this year.

You can subscribe to Alex Heath's newsletter "Command Line" launched at CES, for weekly updates on all things tech.

Watch here

Dentsu NXT Space @ CES Unveiled

We officially launched Dentsu NXT Space at CES Unveiled. A first-of-its-kind metaverse collaboration with dentsu, Microsoft, LinkedIn, and HeadOffice.Space. Here, brands can test, learn and explore opportunities presented by Web3, the metaverse, generative AI, XR, everyday web tools, and more to rapidly realize business growth opportunities and prepare for what's next.

Watch Here

Contact us

If you have any questions about the CES 2023 content, reach out to the dentsu Media US Marketing & Communications team,

To learn more about the future of tech & media, reach out to Michael Liu, SVP, Head of Innovation, Carat

To discuss how you can leverage our partnerships in the tech space, reach out to Sarah Stringer, EVP, Head of US Media Partnerships, dentsu