

CES 2018

THE CONTINUED EVOLUTION OF CONSUMER TECH AND WHAT IT COULD MEAN FOR MARKETERS



4,500 exhibitors | 3.2 million square feet | 3 days



The Consumer Electronics Show, now in its 51st year is, of course, the largest technology event in the world with 4,500 exhibitors covering 3.2 million square feet over 3 days in the convention capital of the world, Las Vegas. The overriding theme for 2018 is evolution. The consumer tech products and services that we have been talking about for the last few years continue to evolve and improve and as a result, dominate the agenda. From automotive automation to connected wearables and homes, TVs, personal assistants and new realities, the story is one of continued progress rather than breath-taking breakthroughs.

That said, 2018 was the year that Chinese technology companies broke out. BAT, the Chinese tech powerhouses Baidu, Alibaba and Tencent, have long been the counterweight to GAFA (Google, Amazon, Facebook, Apple) but this year Chinese companies made up more than a quarter of the 4,500 exhibitors. An emphatic demonstration of their strength and depth and when you couple this explosion of start-ups with the continued investment by BAT in western technology companies

(the latest being Tencent and Spotify trading minority stakes in December) we might just be seeing the breaking down of the great Chinese firewall.

If evolution is the overriding theme of this year, it is being driven by Artificial Intelligence. AI is not a trend but the general-purpose technology that is enabling progression in almost every category. From the obvious, like machine vision systems powering autonomous transportation and virtual personal assistants to the more discreet like the machine learning algorithms that convert low res video to high res, AI is shaping the future of technology.

Here is our summary of what's new and interesting in the major tech categories.

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Chris Lewis-Jones
Executive Director, Digital and Technology Development

Virtual Personal Assistants



CES 2017 was the year of Alexa, Amazon's virtual assistant was everywhere and it looked set to dominate but there is a lot of the year left after CES and the rest of 2017 saw Google Assistant make consistent strides in the category led by its Home speaker and pixel handsets, in fact it is now on more than 400m devices worldwide. What has this meant for the assistant battle at the show this year? Well, the technology press is calling it for Google. Despite this type of software being in its infancy it's difficult to see how other players like Apple's Siri and Samsung's Bixby can be anything other than also-rans. Google Assistant was on display at over 200 partners this year with integrations ranging from the obvious; laptops, TVs, watches to the unexpected like vacuums and washing machines. For many exhibitors, this year the phrase 'Alexa integration'

was followed quickly with 'and Google Assistant'. The giant Assistant powered billboards and gumball machines may have driven awareness but it's the sheer number of partner integrations that has put Google firmly up there with Amazon and, given the more open nature of their platforms, Google has the potential to accelerate faster. Virtual assistants are here and, thanks to the huge number of integrations announced this year, are scaling fast.

IMPLICATIONS

The sheer volume of Alexa and Assistant integrations at this year's show are a clear indication that we are going to rely more and more on these virtual assistants to organise our lives and make them easier. Because it's the primary input mechanism there is a focus on voice in this field but the software offers much more and smart marketers will be thinking about how they integrate with the full suite of features where appropriate. Voice as an input and output might be great for following along with recipes in the kitchen but features like image recognition and diary management should not be forgotten.



Automotive

Transport has been a huge part of CES for a number of years now and in 2018 progression can be split into three areas; autonomous vehicles, electric vehicles and cockpit tech integration. As computer vision systems continue to improve exponentially we are used to hearing about the progress companies like Google and Uber are making with self-driving cars but this year saw announcements from major manufacturers like Honda's NeuV concept, Hyundai's autonomous prototype of its electric Ioniq vehicle and Ford's next-generation Fusion hybrid autonomous vehicle. As the mainstream automotive industry squares up firmly behind autonomous vehicles a driverless future is getting closer. The likes of Mercedes, BMW, Nissan and Ford all showed off new electric cars however it was a little known Chinese start-up, Byton, that

stole the show as it unveiled the new Byton electric car, it's a serious looker and does 0-60mph in five seconds. The attention Byton attracted highlights that the appetite for attractive, performance-based, driver-led electric cars remains strong and Byton may just be a serious alternative to Tesla who have the market cornered at the moment. Given that they permeated nearly every corner of CES it perhaps wasn't a surprise that Ford announced Amazon Alexa integration into its vehicles or that Google announced the integration of its Assistant into the Android Auto system. The ability to organise your life, from adding items to your shopping list to turning on the heating at home, from behind the wheel is a huge step forward for in-car tech.

IMPLICATIONS

Whilst driverless cars and performance-based electric vehicles are exciting, the real opportunity for marketers is in the improvement to in-car tech that Amazon and Google bring. In-car tech is finally getting a much-needed upgrade and the ability to organise your life via Google Assistant whilst on the move provides a significant opportunity for brands to become relevant whilst people are on the road.



Health

Health tech has become a staple of CES in recent years and that theme continued in 2018. As usual there was a lot of wearable tech focused on health and the Samsung Relúmiño smart glasses that help people with visual impairments see more clearly when they're reading was certainly one of the smarter applications as was the smart mouth guard from Prevent Biometrics that is designed to detect concussion in athletes and alert side

line staff. Smart indeed. Although arguably the most interesting and future-facing piece of health tech was from the UK start-up DNA Nudge whose app uses a person's genetic makeup to guide on what they should or shouldn't be eating. It works by analysing DNA from saliva to provide bespoke dietary advice and then users can scan barcodes of food to see if it matches with what is recommended.

IMPLICATIONS

Whilst the democratisation of DNA analysis is exciting it's probably not a space brands are going to be playing in soon so from a marketing perspective the continued growth in wearable tech that focuses on health and fitness is where the opportunities lie. If you are the right brand and can leverage this technology to motivate people to stay in shape, the rewards should be plentiful.



TVS

A staple of CES since the beginning, TV tech continues to evolve and continues to be a major part of the show. TVs remain the preeminent AV device in our homes and OEM investment in them reflects this. This year, size and resolution continued its upward trend with Samsung's monster set dubbed 'The Wall' taking centre stage with a giant 146-inch screen featuring a micro LED display and billed as the world's first modular TV meaning it can be built to custom sizes. However, the

more interesting set from Samsung was the Q9S, an 85-inch screen with a proprietary algorithm that learns over time to upscale low-res video to high resolution. Quite a trick if it works well! Beyond super high-resolution displays and massive screens the integration of virtual personal assistants. LG has integrated both Amazon Alexa and Google Assistant into its high-end 4k range for 2018 creating seamless voice integration that doesn't just operate in isolation.

IMPLICATIONS

TVs have always been the dominant screen in the house but until now have operated in isolation of other household technology. As this continues to change, thanks largely to partnerships with Google and Amazon, we are going to see more and more video content consumed on the big screen and the trend of creating low fi content easily consumable on a mobile may start to reverse. Are you prepared for your digital video content to be consumed on the big (super high res) screen?



New realities

New Realities is how we describe the evolving world of virtual, augmented and mixed reality. Whilst the most exciting and mysterious company in this space, Magic Leap, was nowhere to be seen, despite finally releasing images of their customer ready hardware in December, there was still plenty to keep people interested. In the world of VR, HTC unveiled an upgrade to their Vive headset: THE Vive Pro. It has a higher resolution screen, better headphones and a lighter frame. Lenovo launched a standalone headset built on Google's Daydream platform so no more slotting your phone in to access the platform,

a big step forward. Vuzix, a regular at CES, showed off their new Blade glasses that augment the view and yes, you guessed it, now has Amazon Alexa integration. One of the major barriers to creating AR or MR headsets that people will actually want to wear is reducing the size of the displays and the optics within them. It's here that the Israeli company Lumas is making great strides with increasingly tiny AR displays, their waveguide display has a 40-degree top-down field-of-view and a sharp 1080p resolution squeezed into a form factor far more compact than we've seen before.

IMPLICATIONS

Whilst VR and AR products are becoming lighter, wire free and more immersive they are still only on the fringes of consumer attention and a long way from mass adoption. The opportunity for marketers at the moment lies in the integration of AR features with the smartphone camera. Disney's recent partnership with Google to include Star Wars AR Stickers on Google Pixel phones via the camera is a brilliant example of fun, shareable, easy to access AR.



Drones

Whilst the use of drones for commercial purposes is going to remain hampered until we can collectively figure out how to effectively regulate them, the technology continues to progress and that's good news for consumers: specs go up and prices come down. The drone that really caught our eye this year was the Tello from Chinese firm Ryze Tech. Aimed at children it has a

360-degree camera, live streaming, flight stabilisation and the ability for users to code in their own flight patterns via scratch coding. All for a slated RRP of just £75, now that sounds like a bargain!

IMPLICATIONS

Although delivering products via drones is set to remain little more than a marketing stunt in the short term, the real value of drones for marketers remains in the possibilities they open up for how content is captured, from aerial shots to close-ups capturing amazing footage. It has never been easier or cheaper.

Smart phones and PCs

It can be argued that since Apple, Google and Samsung wrapped up the high-end smartphone category a number of years ago it has become a bit stale from a hardware point of view. Sure, the iPhone X is very pretty but outside of incremental gains in screen resolution and processing power it's all about the software, and that goes for the camera too. What happened to the abundance of form factors on offer a decade ago? Well if you are looking for something other than a rectangular touch screen, CES is often a good place to look.

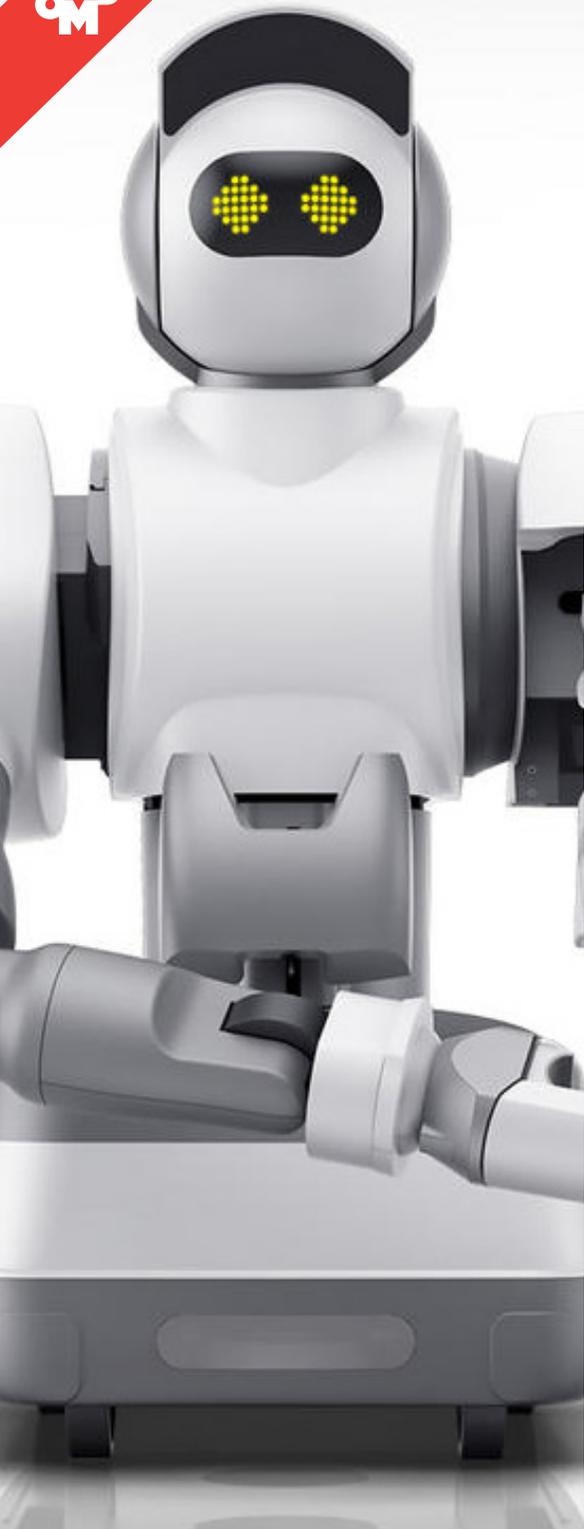
This year's efforts at standing out from the crowd came from Gemini who is revisiting the PDA style of the early 2000's with their full keyboard cover designed to use the phone in landscape and ZTE with their Axon M, a foldable handset that gives you not one but two rectangular touchscreen

slabs effectively stuck together. Neither are particularly inspiring or likely to take off, for the moment at least. It's time to accept the fact that smartphone form factor has peaked, whilst it may be a little dull that all our phones look the same there is obviously a clear design reason why they do!

The story for laptops was very much one of thinner, lighter, faster with Dell, Acer, HP and Lenovo all showing off new models fitting that theme. In the same vein gaming PCs, whether desktop or laptop, are getting lighter, faster and cheaper too as proven by the Zotac Mek 1 and the Acer Nitro 5. Perhaps the device in this category that got the most attention was more tablet than PC or smartphone, in fact it's being billed by Lenovo as a 'smart display' and is effectively a tablet-sized screen to host, you guessed it, Google Assistant!

IMPLICATIONS

Smartphones continue their dominance as our 'first' device and our primary connection point to the internet but we didn't need CES to tell us that. With a bevy of beautifully designed, thinner, lighter and cheaper laptops on display - the more interesting point is that whilst the marketing world continues its love affair with the smartphone we shouldn't forget that there is still a huge laptop market out there giving people immersive digital experiences on a large screen every day. If you haven't considered a standalone 'desktop' strategy already, now is the time.



Smart homes

The race continues to connect seemingly every object in the home to the internet. CES has always been fertile ground for smart or connected home gadgets and this year was no different. From a bevy of new smart speakers, to smart window cleaners, dishwashers, fridges, modular light systems, sleep trackers and connected outdoor lights are homes are certainly becoming connected but the question of just how smart that makes them remains to be seen. Ultimately you need a single platform to unite and control

everything, enter once more Amazon Alexa and Google Home. Arguably the home gadget at the show with the most utility is Aeolus the robot butler who can, it is claimed, recognise thousands of objects, pick them up and tidy them away. It also has a modular build so you can attach brooms, vacuum cleaners and other useful devices. By all accounts, the demo was highly choreographed and the price is likely to be in small car territory so this feels like something for the future, if at all!

So, there you have it. CES 2018 was all about the evolution of existing products, powered by AI and of course the year of the assistant.

ME: 'Hey Google, apparently you won CES this year'

GA: 'My apologies, I don't understand'.

Well, I guess it's all about progress over perfection!

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If you have any questions, please email:
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IMPLICATIONS

'Alexa, turn off the lights' may be a neat trick when your hands are full but surely having to remember the zone each of your lights in the house is in for voice control means a light switch is still going to be more convenient 90% of the time! The temptation to dive into the connected home fray is certainly there for brands however unless you have a way to be genuinely useful at scale, attention is best placed elsewhere at the moment.