**dentsu**

# CES 2023 Rewind: Beyond the Tech

**4 lessons for marketers emerging from the 2023 Consumer Electronics Show**

# Introduction

Last year, in 2022, CES had returned to an in-person format, but attendance (on the part of both visitors and exhibitors) had proved to be underwhelming. This year, the show seemed to return at full force boasting 115,000 circa guests looking to find out what the next wave of innovation has in store for us.

As marketers, CES does not simply offer us an opportunity to unveil the latest set of screens or devices upon which advertising will be projected or cast, or to speculate on what gadgets consumers will be spending their disposable income (or their savings) in the near future. It also inspires us to reflect on the broader set of expectations and the underlying tensions that innovators across multiple industry sectors are knowingly or unknowingly aiming to respond to through research and development.

In this spirit, our strategists discuss some of most compelling trends and innovations showcased at the event in the context of lessons for marketers to keep in mind when developing future-facing strategies.

## Lessons for Marketers::

01    **Think Person, Not People**

02    **Think Experience AROUND the Experience**

03    **Think of the Joy**

04    **Think of Energy as a 'System'**

# Think Person, Not People

CES has long been a showcase for ways that technology can bring the power of personalization to the masses. But the promise of infinite customization, or the ability to tailor any technology to our individual preferences has been more potential than promise fulfilled. But with each year, we see more avenues for consumers to take control of technology, and shape it to match our individual needs, preferences, and tastes.

This year, CES offered up some tantalizing looks at more ways for individuals to take control, customize products to their liking — be it for personal expression, achieving a creative vision, or just getting advice or recommendations based on their unique needs.

## Car Chameleon

Last year at CES, BMW announced a car that could change to different colors in a scale of black, white, and grey - a concept they called "the world's first color-changing car." This year, they went beyond mono-chrome, and arrived at full technicolor! The i Vision Dee sports-sedan concept was packed with new capabilities like an AI-powered virtual assistant and a full windshield-wide heads-up display. But that's not what everyone was talking about.

What fired peoples' imagination was how the body (and grill and wheel hubs) were skinned with 260 E Ink panels (the same tech found in the kindle e-readers) capable of replicating 32 different colors. Each panel can be controlled individually — enabling the car to change into one solid color, or display more complex animations on demand. The panels are ultra-low power since, unlike an LED screen which needs power to show an image, E Ink only uses power when changing the color/image.

BMW is still working on making the panels more resilient to the kind to stresses any car faces – from bug impacts to car washes, to a little "tap" while parking. But given how quickly BMW went from B&W to color, changing your car's appearance might soon be just as much an expression of your identity or mood, as changing your outfit.

Source: BMW

## Yourself on Your Shelf

Hasbro, one of the world's largest toy manufacturers, has been experimenting with mass customization for years. Fans have long wanted to become the characters they love – to see themselves immortalized as an action figure. But until very recently the technologies available were unable to provide the right balance of quality, speed-to-market, and price. Without that right balance, custom-order action figures and toys would be out of reach for most.

However, recently two different technologies reached a level of quality and accessibility to make many a fan's dream into a reality: the first was mobile, easy-to-use facial scanning technology, where a smartphone can generate an accurate scan from an app; the next was affordable, high-quality 3D printing in the form of stereolithography printers made by Formlabs – a kind of resin-based 3D printing process that can produce highly accurate shapes with fine features and a smooth surface finish. Formlabs was able to customize the resin to work with different skin and hair tones, and the right density/opacity to meet Hasbro's specifications.

And now fans can scan their face with the Hasbro Pulse App, have it 3D-printed, and added to one of dozens of action figure bodies across some of the most popular IP including G.I. Joe, Ghostbusters, Power Rangers, Marvel and Star Wars, all packaged and shipped to their door. Now fans can not only identify with their favorite characters, but actually see themselves reflected in their favorite IP.

Source: Hasbro

# Bathroom to Wellness Room

Over the years, CES has been growing the number of medical, health and wellness gadgets on display. Withings, a company that has specialized in smart scales and hybrid activity trackers/watches, is dipping it's... toe into medical analysis tools.  The U-scan enables you to scan your urine from the comfort of your own... throne. You clip the hockey puck-sized device into the toilet bowl where it measures various compounds that pass through your urine.

Inside the device is one of several replaceable cartridges, each designed to measure different aspects of your health. The Cycle Sync cartridge can inform you of when you're ovulating. The Nutri Balance cartridge looks at vitamin and hydration levels to provide informed input into managing your general nutrition. Withings is also working on Professional cartridges that will allow you to conduct regular medical-grade tests from home.

The device is paired via wifi or Bluetooth with the Withings app where the data is analyzed. The app can provide guidance on how to interpret test results and on what steps you might take – for example recommending taking certain vitamins, or eating (or avoiding) certain foods.

## What Can Brands Do?

As marketers we often think in terms of broad audiences, or assume our consumers are all quite similar in terms of their wants and needs. And while this can be a useful simplification, it can sometimes blind us to the opportunities behind better understanding the nuance of our consumers, and how our brand can respond to that nuance.

Some questions we might ask to move towards a "think person, not people" mindset:

- Is your brand/product nimble and flexible enough to speak to individuals' needs and desires, and not just a generic "audience?"

- What information do you have to add more color and depth to understanding your consumers?

- Are there groups who might benefit from a less "general approach" to product creation or messaging?

### Further Reading/Viewing:

Color-Changing BMW i Vision Dee At CES 2023 Has Up To 32 Colors (Motor1).

Hasbro Selfie Series hands-on: I'm an Action Figure Now (The Verge).

A First Look at Withings' Toilet Bowl Urine Analyzer (Engadget).

# Think Experience *Around* the Experience

Often, innovation focuses on leveraging new technology to create previously unknown capabilities and experiences as with the kinds of applications 5G unlocked, or how virtual reality creates all new ways of interacting with a virtual environment.  However, a great deal of innovation is focused on ADDING to the core experience – making it more useful, more immersive, or just more enjoyable.

CES showed numerous products, both commercially available, and concepts that can significantly alter how a person experiences other offerings by adding new elements, expanding the core experience, or altering the way that experience is felt and perceived by the user.

## Getting Deeper into the Game

We often think of "smart lighting" as key component of a smart home, enabling people to control lights remotely or build complex lighting "scenes" (such as a 'watch movie scene' that automatically turns off some lights, and dims others in preparation for settling in for movie night). However, it also can add to the experience of gaming. Govee, which has been making smart lighting products for years, debuted the AI Gaming Sync Box Kit. This HDMI gaming box can enhance the gaming experience by syncing smart lighting to the action on the screen. It orchestrates a real-time light environment that morphs and changes automatically based on what's happening on the screen and in the game.

Where does AI come in? The Sync Box Kit's AI is trained to work with specific games (such as Apex Legends and Valorant): it's aware of what actions are happening in the game, and then triggers ambient lighting effects in response. For example, killing a boss or destroying a tower in the game will trigger a special lighting effect – specifically crafted to match the color and mood of that moment in the game. It works with

lights specifically designed to work with and around monitors but can also integrate with other smart home lights. There are currently over 30 customized lighting effect for each game supported (with more games and effects to be added over time).

Beyond gaming, the kit can also provide the same kind of reactive lighting effects while watching videos or movies.

Source: Govee

# Entertainment Without Borders

While advancements have continued to give us ever larger, brighter, thinner and more colorful TVs – LG showed off a concept they were calling the "Expanded Screen Experience."

By combining a traditional TV with a series of projectors, speakers and motion sensors – the image on the Television could suddenly escape the confines of the screen to fill the entire room via projections that matched up to the images on the screen, with a set of surround speakers fill that room with relevant sound. Finally, sensors could track the viewer standing before the screen, and begin to move the image forward as they took "steps" as if walking down a forest path that filled the entire room – images of dirt on the floor and trees and greenery moving past as they "walk."

You can see LG experimenting with how the overall experience of watching a TV can become more engaging, and immersive than ever before.



Source: LG
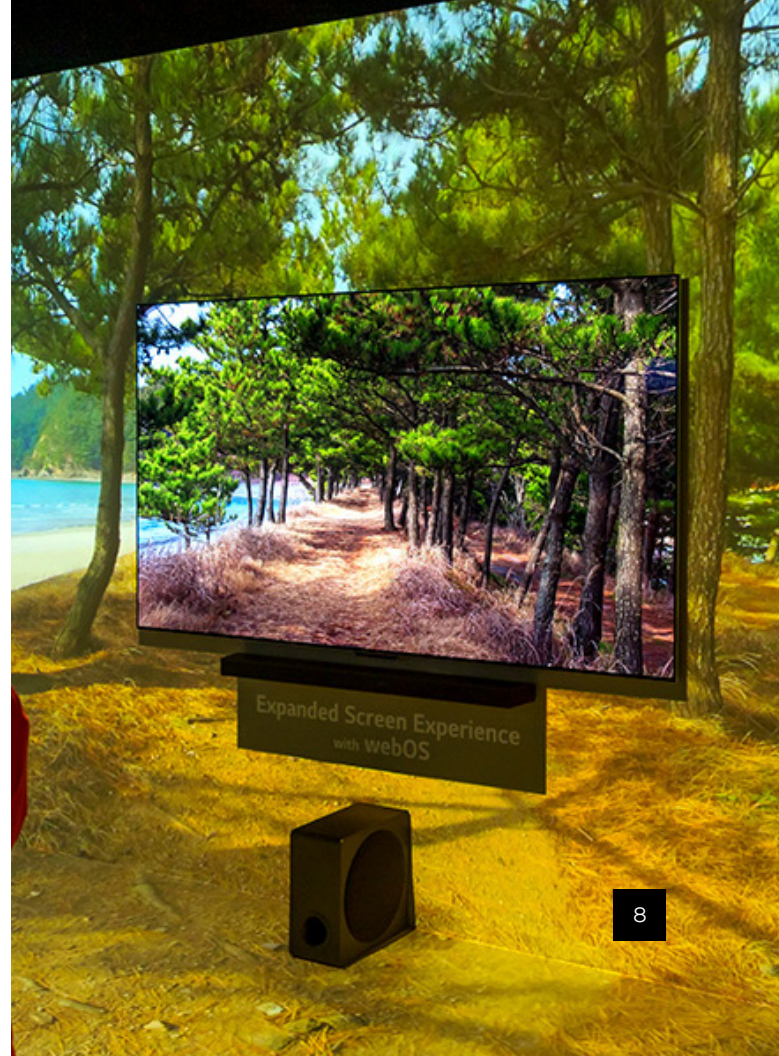
# Helping People be Less Sick of Virtual Reality

While virtual reality can be an exciting and immersive experience, many users experience a kind of "motion sickness" when entering a virtual digital environment. This is partly due to how realistic these 3D environments can be – creating a convincing sense of motion – even while the user is not actually moving through space. But it is also caused by the user's brain getting conflicting signals. Visually, the brain sees the world as if the person was in motion – but the body is not detecting any actual motion. This disconnect can cause many to feel uncomfortable and even nauseous (especially with prolonged exposure).

The C-Infinity Interface is a stationary rig that users stand in so that it supports their body by reducing pressure on the legs and back while they rest their arms on the controllers. This enables less fatigue over long sessions. But what's really different is that the user controls the VR experience by actually moving their body, shifting their weight and arms to control the program. Since the body is actually issuing commands through the sensors, those signals, as well as a slight sensation of actual motion are passed to the brain. The weak motion signals are synced up with visual sense of movement in the VR – thus reducing motion sickness.

NeuroSync Laboratories imagines this for gamers and for industrial VR use such as long, more productive, and realistic training sessions in virtual reality.

# What Can Brands Do?

As marketers we often focus so much on our core product/offering that we might forget to optimize all the elements that contribute to how consumers perceive our brand. However, every touchpoint can strengthen or weaken a connection. Customer service, the retail environment, web experiences, they all contribute to how consumers experience your offering.

Some questions we might ask while adopting a "think experience AROUND the experience" mindset:

- How well do you understand all the elements/touchpoints consumers experience of your brand?

- How many of those are directly in your control? How are other parties (e.g., delivery providers) contributing to the end user's experience?

- How can your brand address not just your product or service, but ALL the touchpoints that make up how your consumer values (and choses) you?

## Further Reading/Viewing:

Every LG TV and Gaming Monitor Revealed at CES 2023 (YouTube).

The Coolest Gaming Gear From CES 2023 (CNET).

CES 2023: Govee Unveils AI Gaming Sync Box Kit to Sync Your Smart Lights and In-Game Moments (MakeUseOf).

# Think of the Joy

At a technology conference, at CES you are of course going to be bombarded with a lot of specifics on how technology works and what each component of the design is doing to make the final product we interact with work. But very few people really care about that, on mass we care more about what the product is doing for us and how it makes us feel. As a technology company it is easy to get caught into the trap of showing your work in order to look intelligent or competitive, but the best brands in the world (Apple, Samsung, and Spotify etc) have shown that you don't need to do that. As marketers, we may be guilty of fawning over the most radical tech at CES but we shouldn't ignore some elements that are simply fun and enjoyable. After all, we are in the business of creating lasting emotional responses that form a distinct connection to our brand and the best of those are those that spark joy.

## TV Is on a Roll, or It Sucks

TV technology can be impressive but often confusing, from K counts, Inch counts, and acronyms that will have you searching Google we can become numb to it all. That's until the absurd comes along every so often at CES and sparks a wry smile in even the most cynical of attendees. This year a new company on the scene, Displace, previewed their battery powered TV that can be placed on any wall or glass through a vacuum system. This 20lb TV can be picked up and moved from place to place and requires no wiring or fittings, the four batteries that power the screen also power the suction of the vacuum system. It's from a small start-up company that is comfortable being quirky, and although it probably never be a mass product, the joy of the utility is probably what has kept this TV alive when a bigger company would probably have cancelled the concept.

That said, one big company that brought a fun concept back to CES three years since its initial preview was LG Electronics with their rollable design OLED R TV. The TV screen rolls up like a blind on a window, or in this case into a box that sits in your living room. At the click of a remote button the TV screen slowly rolls upwards to full view from a thin box. It's sleek, stylish, kind of ridiculous, and frankly quite cool. Is it a better TV than others? Probably not, but it's a statement piece that sparks joy in adults and children alike. The kids can even play catch in the room now, when it's rolled down of course.

Source: LG
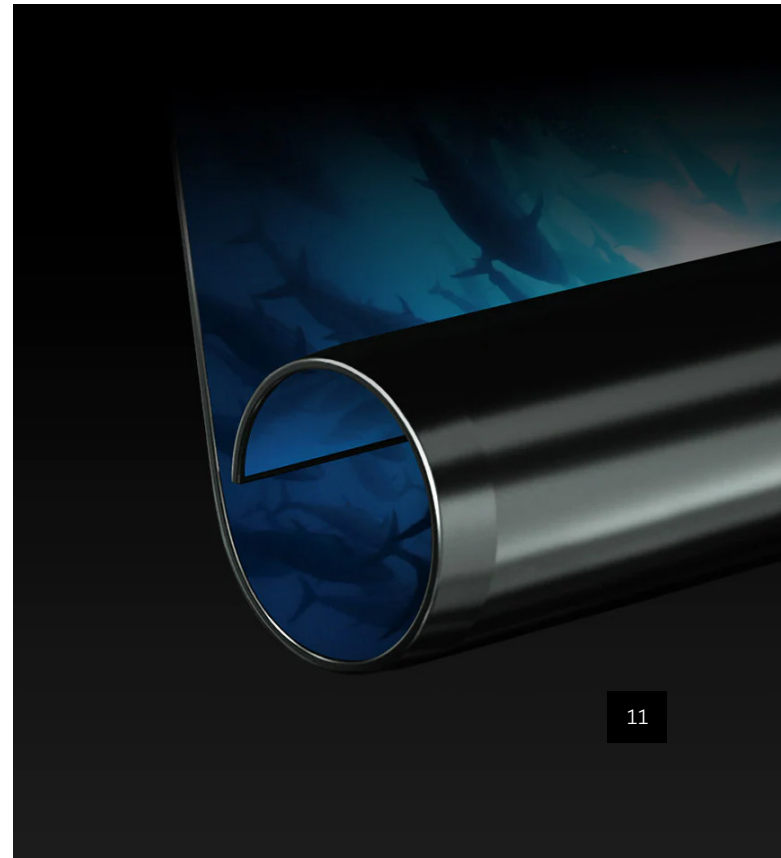
# Modernized Nostalgia

As Mark Twain said: "there is no such thing as a new idea. It is impossible. We simply take old ideas and put them into a sort of mental kaleidoscope." At CES that is never truer than the array of nostalgic tech that is on display every year, and 2023 was no different. We saw concepts from decades ago brought up to today's tech standards, whether it was record players, pinball machines, or arcade games there was joy to be found in concepts that should have been killed off by their superior tech competition many years ago. It is heartwarming to see the old technology have such resilience.

Yes, we could play Capcom Street Fighter on our phone anytime we want through an app but it's not as cool as a mini arcade machine with a 2inch screen. We could easily stream any music we want on Bluetooth headphones anywhere at any time, but it's not as fulfilling as putting on a record that connects to your modern audio home ecosystem – especially when there are friends over that you want to show off to.

These modernized nostalgia items bring to life a tangible side that harkens back to a time when it felt like technology was a small part of our world. They also act as a statement piece for Millennials and Gen Xers who grew up in that time when tech was novel, it's tangible and sends a signal to others in your generation who understand the joy of it. The modernization of nostalgia is big business, and we see it all the time in content, especially with the success of Stranger Things on Netflix. It's important as marketers to remember that, even when there is an abundance of new digital options, there's a market for nostalgia that can be used today.

Source: Capcom

# A Calm Focus to Tech

In the zoo of Vegas' CES showrooms it's a crazy concept to consider such a thing as rest. That is until you snuggle up with the 'smart' pillow called Fufuly by Yukai Engineering. This pillow is designed to help you sleep. It has three fixed modes - regular, deep, and relax - which the user can turn on and then simply lay on. Okay, it's not the most complicated or sophisticated product but that's the point: it's cute and it's simple. A pillow that you can use to help you relax through 'respiratory entertainment' sounds completely bonkers, and it is, but that's also what is wonderful about it.

Adversely, Samsung is a lot more sophisticated and perhaps complicated of a technology provider. The company provides thousands of its own products and services along with many integrated partner devices and software. Consumer complexity is an obvious challenge and if you combine that with the growing need for sustainable technology practices you have the potential for consumer complexity. Consequently, Samsung focused CES 2023 on showcasing how they're bringing 'calm'. As they said, "Samsung is focusing on seamlessly connecting devices and designing products to make the everyday use of technology more sustainable." One way that they are doing this is by utilizing MATTER. Matter is an open-source interoperability standard that allows smart home devices from any manufacturer to talk to other devices directly and locally with no need to use the cloud. This means that Samsung are creating home systems that feel easy to set up and operate across a number of devices and brands. Rather than focusing on the details that make their home operating system SmartThings work, Samsung have focused on why it helps people and how it creates consumer convenience. It's easy to be overwhelmed at the Samsung space at CES, but they have brought calm to even the most chaotic of places.

Source: Yukai Engineering

# What Can Brands Do?

In order not to underestimate the importance of joy, as marketers we might want to ask ourselves:

- How do we not let all of our effort and "work" show, and just get out of the way so people can experience what they really want, what's wonderful about our brand or product?  As the innovation philosophy states: nobody wants a drill, they want a hole.

- When you have a complex ecosystem of products and services, how do you make it feel simple and calm?

- How can you bring joy to consumers through your product? You may have a complex product, or a very simple one, but can it spark joy in consumers so they remember it and want to share it?

## Further Reading/Viewing:

The World's First and Only Rollable TV Has Arrived (LG).

The $3,000 Totally Wireless Displace TV Is the Definition of CES Absurdity (The Verge).

Breathe Along with the Robot Pillow (TechCrunch).

How Samsung's SmartThings Is Thinking about Matter and the Future of the Smart Home (The Verge).

Victrola Unveils Cheaper, Sonos-Ready Turntable at CES (CNET).

# Think About 'Energy' As a System

Energy may be the most important topic in the world to consumers all over the world today. Whether it's the impact of a war in Europe, the post-Covid fuel surge, or global warming, energy is both a macro geo-political and kitchen table issue. It was evident at CES 2023 that big tech and auto were not just conscious of this, but were in some cases shaping their entire businesses around a more sustainable and innovative energy model. Auto-makers showed us their vision for electric, while big tech showed us how we can live in a sustainable and cost-efficient home.

## Lightyears Ahead

CES is best when it's pushing the limits of our comprehension, and auto-makers really stole the show this year with electric cars that had everything from games (a fun haptic-enabled in-car game from a partnership between Microsoft and GM) while you charge, to AR driving assistance for when you're on the road. What was most interesting was the full shift change to electric not just as a fuel source for driving, but as a conduit to a car within a digitally connected experience.

Lightyear is a Dutch start-up auto manufacturer that makes a solar-paneled EV, designed to get its energy from the sun as it travels. Although few people have actually driven the prototype, the company intends to start production in 2025. While the car obviously will do well in the more sun-drenched parts of the world, Lightyear estimates that the 700 plus panels that drape the car will provide 43 extra miles on a sunny day. The car still requires a plug-in charger, but with the solar panels acting as a supplemental energy source the car when fully charged could achieve around 450+ miles.

Auto has transformed from a vehicle showcase to an innovation in mobility, centered around the energy and ecosystems needed for a future of sustainable connected digital mobility. Whether it's solar paneled cars or integrated gaming, we can be confident that it's lightyears ahead of what we would have called a car just a decade ago.

Source: Lightyear

# Home Hacking is the New Frontier of Energy

Control of the home was a hot topic this year, with multiple technology companies at CES showcasing new systems. Panasonic showcased the Green Impact House, an energy efficient home that optimizes to the environment and inhabitants. The Green Impact House is unlikely to be a for-sale product by Panasonic, but it is a neat way to showcase the Hydrogen fuel cell, which creates renewable electricity in a zero-carbon world, and powers Panasonic home products like the Air to Water heat pump that turns warm air into heating energy with zero carbon footprint.

Another company showcasing its sustainability credentials was Samsung with the Energy Saving SmartThing system. Samsung have a philosophy of partnerships and with their Matter partnership they are integrated into a number of systems that allows them to create a holistic home view for consumers of Samsung and other devices. Beyond the home they are finding ways to reduce their corporate carbon footprint and overall environmental impact, most notably through the pursuing of a circular economy. As they say, Samsung aims to go "beyond the conventional practice of using resources once and discarding them, Samsung is working to ensure that products can remain in use longer, and that resources can be reused at end of life by recovering, reusing and recycling after the product's lifespan."

Source: Samsung
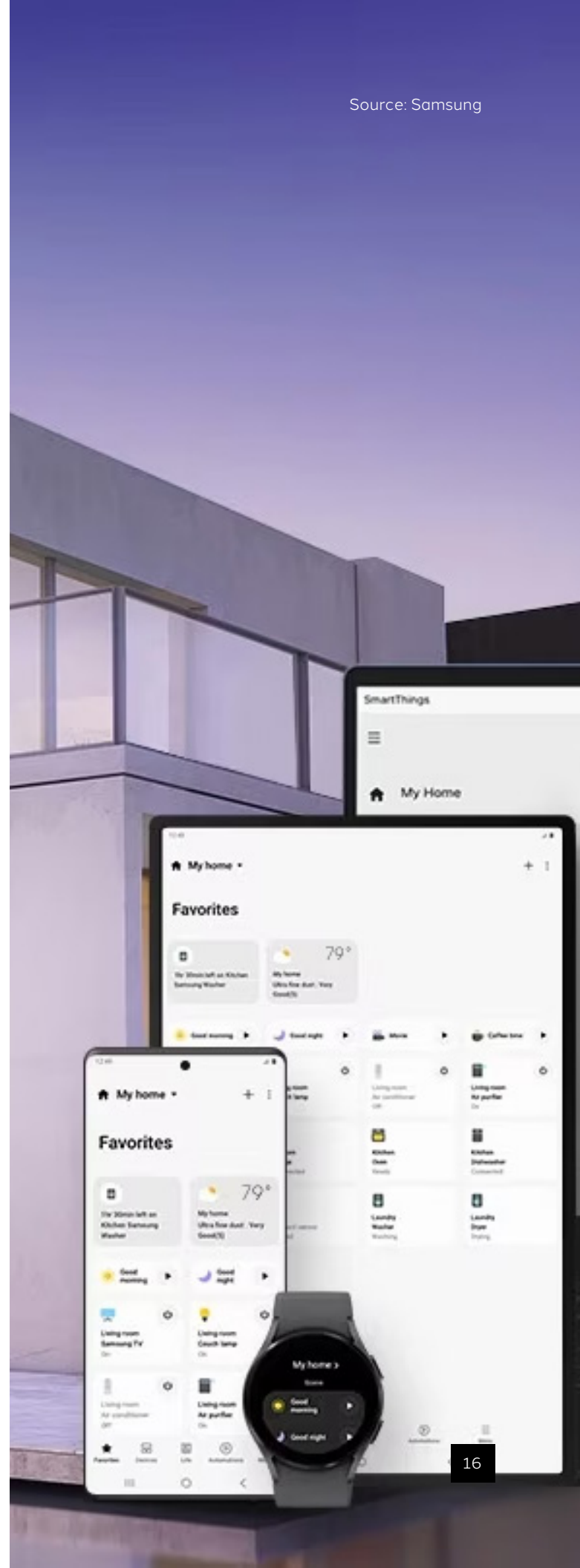
It's clear that energy consciousness is driving tech companies to creating systems that put the consumer in control. Tracking and digital controls, combined with smart devices, are beginning to come together in a new ecosystem that will be akin to the boom of health hacking we saw a few years ago. It is normal today to monitor our sleep, steps, heart rate, breathing, and much more about our life all through our phones. This has spurred all manner of health hacking products and services. Smart-home providers are now tasked with following the same trajectory and delivering to consumers effortless access to information that empowers them to change their behaviors. Now with the smart energy ecosystem for the home, combined with the 2020 rise in home buying, we can expect to see a similar home hacking boom to what we saw with health. The most complete but immediately applicable example of this was the Schneider home system.

The Schneider home system debuted at CES this year monitors and controls the entire home from the input / breaker level through to the outlet / device level. This allows the system to create a holistic ecosystem management and puts the user in full view and control of the home's energy usage. At its core, the system includes the 'smart electrical panel' and the 'home app', while the full package also includes 'solar panels' and 'inverters', 'EV charging', 'back-up battery', as well as 'smart light switches and outputs'. The more products combined, the more control of the home's energy the homeowner has. With the app, users can monitor energy usage and switch on or off individual devices (eg. lights) or a group of devices at the breaker level (e.g. an entire room), and schedule charging of products (e.g. EV car charging) - all via the home app. This home hacking allows people to get a quick read out on how efficient their home is and take control of their energy usage and reduce their bills, a win for the environment and for consumers' pockets.

Empowering consumers to effortlessly monitor and understand energy usage, putting them in control and optimizing cost are all areas we as marketers can understand and bring parallels to in our day to day. It's interesting to see how the energy ecosystem is evolving and think about how a brand's consumer touchpoints and expressions come together under a holistic ecosystem and how that is created and managed with some consumer control.
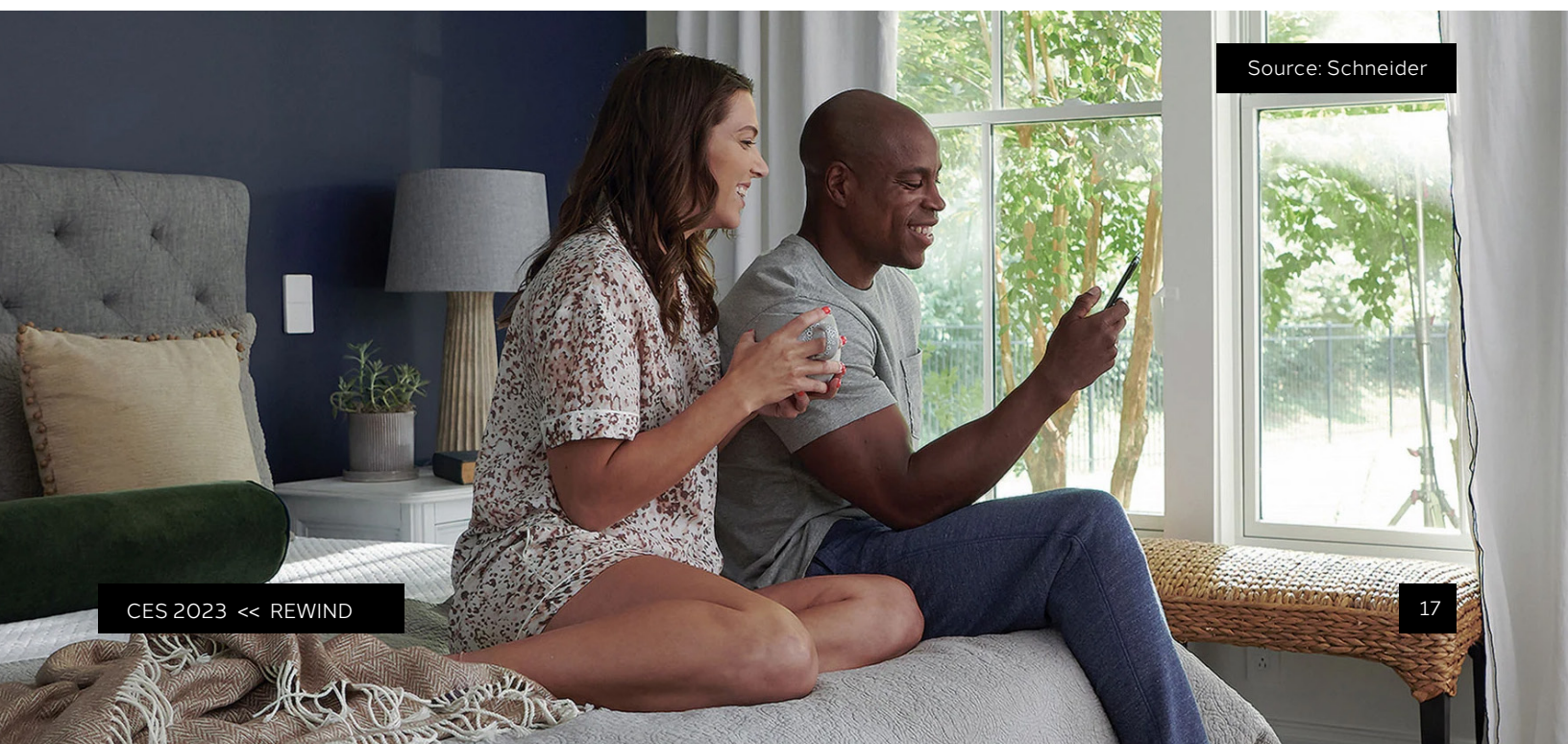
Source: Schneider

# What Can Brands Do?

The continued importance placed on eco-sustainability and empowering consumers to change their behaviors based on access to data at CES should motivate us as marketers to keep asking ourselves:

- How can you think of your brand as an energy source that fuels an ecosystem of consumer touchpoints, which adapts based on consumer usage?

- How can you capture data about how consumers use your products and make that data available to them as a value-added servicer that empowers their decision-making?

- What areas of your ecosystem could a consumer control?

- How can you bring sustainable practices into every touchpoint to reduce the energy impact of your brand?

**Further Reading/Viewing:**

GM, Microsoft Team to Simplify Software Development (IoT World Today).

Panasonic Launches a Phygital CES Booth with a Sustainability Message (VentureBeat).

New Appliances, Smart Home Devices, and Energy-Saving Products Unveiled at CES 2023 (Consumer Reports).

# Closing Thoughts

This year's CES showcase built up on the emphasis placed on sustainability, virtual experiences, self-care, and home automation that had emerged in recent editions. Regardless of industry sector or brand focus, most of the innovations showcased this year seem to respond to similar tensions and preoccupations: delivering on customization to cater to the individual; considering the broader settings in which products and experiences are inserted and finding ways to influence them to enhance their desire effects; creating a sense of joy among consumers, whether this is achieved by inventive design, riffing on nostalgia or removing complexity from the end-user's experience; finding ecosystem synergies to maximize opportunities to promote environmentally sustainable behaviors, among both businesses and consumers. As marketers, we should reflect upon how these underlying tensions are manifesting in what our brands' own product and services are solving for and consider how these aspects of the value proposition can be further highlighted. Beyond existing products and services, we should consider these underlying tensions as organizing principles for future-facing strategies.

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