INTRODUCTION

For years, digital convergence has been the overriding trend at CES, with devices expanding in scope, overlapping older devices and cannibalising each other at the expense of new items. So this year’s CES felt more ambitious than ever — an explosion of screens, devices, systems, categories and platforms.

The Shenzhen ecosystem, venture capital and crowdfunding have provided energy and money to support ever more imaginative, niche and bizarre offerings. Everything is getting smarter, more specialised, more complex and more connected. We saw entire new product categories like connected speakers, selfie drones and hearables seemingly emerge from nowhere. Verticals like wearables, beauty tech, personal mobility and robotics have increased in complexity and proliferated.

We at Zenith believe that this digital convergence is driving a convergence of brand communication and media, which means:

1) Marketing goes beyond communicating product benefits to deliver brand service.
2) The consumer journey becomes more personal and experiential to deliver ROI.
3) There are new ways of using media to create brands. These will emerge based on new killer applications, new digital natives and affordability.
1. PRODUCT AS BRAND SERVICE
   - Smart Systems, Dumber Devices
   - Access not Ownership

2. A MORE PERSONAL AND EXPERIENTIAL CONSUMER JOURNEY
   - Digital Intimacy
   - New Interactions and Behaviours

3. NEW WAYS OF USING MEDIA BASED ON KILLER APPS, DIGITAL NATIVES, AND AFFORDABILITY
   - Immersive Media
   - Hearables
   - Kid Tech
   - China Rising
PRODUCT AS BRAND SERVICE
Artificial intelligence was everywhere at CES. Hardware manufacturers have gone from connectivity in 2015 to added smartness in 2017. Smartness as a service is the new cloud-based add-on to improve products. With phone makers such as Huawei adding AI to their Kirin chips, car makers like Toyota developing Concept-i cars, and TV manufacturers adding Alexa to aid navigation, it seems that smartness is increasingly extracted from devices and added externally.

There is a slow but steady movement towards dumber devices and smarter systems. The Meural art frame is essentially a dumb screen that pulls the best artwork from the cloud; Google Home is both a speaker and an internet connection. Increasingly the storage, processing and wisdom is held outside the device. The Google Pixel phone was the first example of hardware sold on the basis of access to smartness.

This brings about a new way of thinking of machines, less as buying devices and more as buying access. As the systems start to become more important than the device, products will get better. Updates and improvements can be made once and beamed out to all. Teslas will get faster and get better at self-driving thanks to software updates beamed for free overnight. Google Homes will become more relevant, and phones will start to learn and adapt. Ultimately all these things will slowly become smarter and more helpful.
Uber has opened eyes to the sharing economy and made people realise that as long as they can use something when and where they want, they don’t care if they own it or not. So for car companies, whose model is mostly centred on ownership, this is a true threat. As in any industry, they will need to adapt, for example by partnering with ride-sharing apps.

This year’s CES showed some great ways in which car manufacturers are adapting to meet the needs of a ride-sharing consumer. French car manufacturer Navya brought its new autonomous shuttle bus — called the Arma — to CES this year. This is designed to act as an autonomous fleet for commuters, with each pod-like shuttle carrying up to 15 passengers. Honda is allowing its drivers to act as Uber drivers, except even better, because they make money whenever they don’t need their car. Honda’s concept, the NeuV, is an autonomous driving car, which drivers can rent out to autonomously pick up and drop off other people, whenever the owner isn’t using the car. Mercedes is taking the same thought process as Honda, but looking to apply it to every car in its fleet, the idea being that every car should be able to be shared when it is not in use.
PRODUCT AS BRAND SERVICE

WHAT ARE THE IMPLICATIONS FOR BRANDS?

Makers of products should start to remove themselves from making products and instead focus on the services and solutions they provide. Tesla doesn’t make cars, it sells mobility; Sonos isn’t a speaker, it’s access to the seamless world of music; American Express Platinum is more about airline lounge access than it is about payment. Everyone making something needs to think about its role in its user’s life, and how to use physical and digital experiences to help it play it better. Think of how smartness and AI can reinvent your business.

ACCESS, NOT OWNERSHIP

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A MORE PERSONAL AND EXPERIENTIAL CONSUMER JOURNEY
We saw a plethora of robots emerge this year, primarily for assistance and company rather than hard labour. From Kuri to Pepper, Jibo to Buddy, robots dialled up cuteness and personality like never before. Functionally more like iPads, aesthetically more anthropomorphic than ever, they introduce us to a new way of thinking about technology as personality-driven. They bring gadgetry into a new role in our lives, intimacy.

At the same time wearables became smaller, closer to us and more personal that ever. Sleep tech was big, as were wearables less about fashion and more about being in the background. From Under Armor’s smart shoes and underwear, to Motiv’s basic wearable ring, to smart socks from Siren, we even saw Parihug offer hugs from people across the planet. This batch of technology seems to be about technology finding its place — getting smaller, more assistive. Not another screen to check, but a way to be more present.
Most digital design until now replicated pre-digital thinking. Websites were made to mirror newspapers, e-commerce pages were digital paper versions of catalogues, and search pages were like directories. The choice architecture, purchase funnels and decision trees were digitally enabled, but remained similar.

We’re now seeing the potential for the greatest change to behaviours ever through more natural interfaces. This year gesture control became a huge area of exploration for car makers such as BMW; we saw face interaction from drone makers DJI, robots and TV makers; and technology like the Airbar allowing old laptops to be retrofitted with gesture control.

Haptic tech is emerging as a major trend to watch. BMW’s Inside Future Sculpture concept featured HoloActive Touch, a sensor-equipped holographic dashboard that could float graphics in the air and provide vibrating touch feedback. Tapdo's wristband takes touch control up a level and makes it more personal: it responds to fingerprints, meaning that every part of the wearer's hand can be assigned a different function.

Voice interaction was the big hit at CES, with Alexa stealing the show as the default gateway to the Internet of Things, the smart home, and — as Huawei revealed — even our smartphones. The question is how these interactions will take off. Are people ready to talk to devices? We’re also on the cusp of direct brain and machine interfaces from companies like Brain Co and we’re starting to see more interesting use cases like TV sets that can act on your thoughts.
A MORE PERSONAL AND EXPERIENTIAL CONSUMER JOURNEY

WHAT ARE THE IMPLICATIONS FOR BRANDS?

We’ve long talked about the size of data and soon we will talk about the profoundness of decisions we can make from it.

If we're wearing watches, clever clothes and using sentient spoons, then our heartbeat, moods, location, stress levels, calendars and search activity are all being recorded, shared and analysed. If we circumvent for now the obvious privacy concerns, we're armed with the best data we've ever had. This means that we can give people more personalised messaging relating to their stage of the consumer journey.

We need to understand how robots can give personalised brand experiences at scale. Are we ready to outsource key decisions to robots and algorithms as long as they feel human?

Marketing communications have long being based on visual recall, on pointing and clicking, or picking up. What becomes of branding in the era of the Amazon Echo? How does technology affect the consumer journey experience: do brands pay big money to ensure top of mind awareness? Do they buy search ads — or whatever they evolve into — to ensure that generic category descriptions default to their brand? What becomes of e-commerce when Amazon Dash Replenishment services hardwire some products to auto-renew?

Increasingly the storefront is everywhere. What do retailers do when our TVs become shoppable channels? What becomes of swipeable commerce, what new frictionless UIs can we create and leverage? Now is a time of land grab where those who best understand new opportunities can get first-mover advantage.
NEW WAYS OF USING MEDIA BASED ON KILLER APPS, DIGITAL NATIVES, AND AFFORDABILITY
IMMERSIVE MEDIA

Screens are proliferating, with every reasonably flat or white surface becoming a place to emit or project moving images. The atomic unit of content is no longer the image but video. At the same time screens are also getting closer to us, more personal, more intimate, more interactive, more tactile and more immersive.

VR (virtual reality) and AR (augmented reality) have been much talked about, as increasingly has MR (mixed reality). Whether through multi-touch interactive pico projectors like the Sony Xperia Projector, the head-tracking capabilities of Oculus Rift, or the interjections of video calls into real life via Beam, these technologies require us to think about the digital and physical worlds in new ways — as a blended reality of augmentation in the world around us.

New screens include Samsung’s digital art frame, Navdy’s car windscreen projectors, or Sony LifeSpace UX’s range of small and short-throw laser projectors. Holographic kitchen fans from Kino Mo make 3D images feel real. Even the way images move is changing, with the problem of power demands solved by watches can that use E Ink.
HEARABLES

In a world where everything is becoming 'able', why should headphones be any different? But, like many wearables, if the gadget doesn’t enhance the user’s experience, it will quickly fade out. So what can hearables really provide, that all the other wireless headphones can't? Clik’s smart earbuds eliminate any language barrier by translating languages in real time. Imagine the possibilities.

Okay so maybe you don’t travel so much and don’t see a need for that, but how about just wanting to be able to carry on a conversation with people without stopping your music? Take a look at Dash, Hear One or IQbuds — these three are blending your digital and physical worlds, allowing you to jam out to your favourite Spotify hits, while still being able to hear what’s going on right in front of you.
KID TECH

Until now, kid tech has primarily been about taking existing toys and adding suitable functionality or a layer of physical design for children. This year kid tech has become far more significant, as devices are created specifically for kids, with one example designed to help them learn to code. This is a fundamental rewiring the role of technology in growing up. There are smart cycles to keep kids active, iPottys to keep them entertained on the go, or smartwatches like Doki to make video calls, and even a kids’ assistant by Mattel.

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CHINA RISING

There were nearly as many exhibitors from China at CES (1,575) as there were from the US (1,755). Chinese companies have gone from cheap followers, to fast followers, to vast powerhouses who lead in places.

While we’re not yet at the point where we can beam our molecular bits to far away places, or ask for “a cup of Earl Grey, hot” from our in-home replicators just yet, more and more of Star Trek is becoming a reality every day, and Chinese companies are making this happen. The H2 smartphone — a partnership between Consumer Physics and Chinese electronics maker Changhong — is about as close as we’ve come to a real life tricorder.

The device builds a molecular scanner — once a $10,000 piece of equipment — into an extremely affordable smartphone. By using near-infrared light (very close to how the tricorder was imagined to work), the H2 can do everything from telling you how fit you are through precise body fat-analysis, to analysing the sweetness of a strawberry or even the authenticity of medications.
NEW WAYS OF USING MEDIA
WHAT ARE THE IMPLICATIONS FOR BRANDS?

We foresee some of these opportunities will become killer applications for consumers. So as marketers, we need to work out in advance how these work both for consumers and for our brands. We need to stop thinking along the old lines of single purpose devices in media. The notion of TVs, radios, phones and tablets become unhelpful distinctions in a world where these lines all blend. Now that TVs can be used to stream Twitter, tablets to read newspapers, and phones to live stream the world, outdated thinking is the biggest barrier for brands.

With all media becoming digital and device uses merging, a multi-layered ecosystem of digital screens is evolving around us. Marketers need to think less in terms of channels and more about the context for consumption. New opportunities will emerge. What should advertising on a smart mirror look like? What can be done on digital billboards when ads can be placed and created programmatically? What should a smart watch brand experience feel like? How can apps on Apple TV bring people into a purchase funnel?
Zenith is The ROI Agency. The first agency to apply a rigorous and objective approach to improving the effectiveness of marketing spend, Zenith transforms businesses and brands through evidence-led thinking. Zenith is part of Publicis Media, one of four solution hubs within Publicis Groupe [Euronext Paris FR0000130577, CAC40], and has offices within Publicis One. As a leading global media services network, Zenith has over 5000 people working across 95 markets. Supported by Publicis Media’s Global Practices, Zenith offers its clients a full range of integrated skills across communications planning, value optimisation, performance media, content creation and data & analytics. We work with some of the world’s leading global brands including Aviva, Coty, Kering, Lactalis, L’Oréal, LVMH, Nestlé, Nomad Foods, Oracle, RB, SCA, Sanofi and 21st Century Fox.