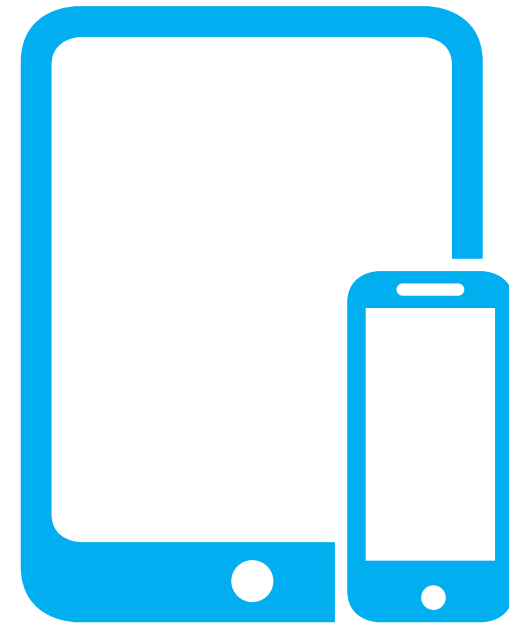


Media Tech Intelligence Briefing:

CES 2022: The Big Picture

January 2022



CES 2022

A grand in-person trade show experiment

CES 2022 took place as a physical trade show between Monday January 3rd and Friday January 7th. The show attracted over 40,000 attendees in person, of which 30% travelled from outside the US, representing 119 countries, according to the Consumer Electronics Association (CTA). This year, CES acted as a grand experiment in how to organize an in-person event during the on-going pandemic. While there were nearly empty showroom areas - as many major tech companies and media businesses had pulled out from the show - a "next big thing" that the conversation largely focused on throughout the show was clear - the metaverse, referring to a network of virtual universes combining VR/AR technologies. This was the case, even though Meta (and Amazon, Microsoft and Google) pulled out only few days before the show started.

We think that CES 2022 has highlighted important trends related to the future of technology and trade shows, which is why we have analyzed these topics in the first IABM Media Tech Intelligence Briefing of 2022.

What are IABM Media Tech Intelligence Briefings?

IABM Media Tech Intelligence Briefings are data-driven snapshots of specific media industry trends, sectors, and technologies. IABM Media Tech Intelligence Briefings aim to provide a continuous flow of evidence-based market information to IABM members and Global Engaged Partners.

CES 2022

CES 2022 Takeaways - Personalized digital experiences, interactivity and the metaverse



CES 2022 accentuated the huge acceleration of digitalization and personalized digital experiences having become the core of every service and product. Consumers are seeking convenience, connectedness and virtual well-being from consumer technology (e.g., smart home appliances, health solutions or entertainment), all being dependent on trust between buyers and sellers.



CES 2022 reiterated the prominence of streaming in the media industry and highlighted an increasingly crucial role of interactivity and viewer engagement linked to content rights. Monetizing interactive experiences will likely be prioritized by media companies in 2022, as gaming and commerce continue to complement new media storytelling.



CES 2022 highlighted the increasing importance of enabling consumers to enjoy the metaverse, a new online realm. While the definition of the metaverse remains abstract and somewhat obscure, many technology manufacturers are preparing and conceptualizing the "next reality" and how their products and services will relate to it and be differentiated to support the metaverse.

CES 2022

Consumer tech trends this year - Virtual well-being at bespoke home

Digital health is experiencing a significant rise as consumers globally have become more aware of the importance of their mental and physical well-being during the COVID-19 pandemic, which has threatened their ability to live a full life. The pandemic has also made consumers to seek more convenience, connectedness and personalization from their homes; a unified home experience making connected living more accessible and seamless. For example, Sleep Number introduced the Climate360 smart bed, which leverages IoT technology, AI/ML and 3D smart fabric to automatically adjust the mattress to its user. Samsung, in turn, introduced Samsung Home Hub enabling consumers to optimize and make all home appliances and devices interoperable with each other, also including devices from other manufacturers like GE and Electrolux through the Home Connectivity Alliance (HCA) launched at CES.



Arçelik

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SAMSUNG



CES 2022

Why are these macro trends relevant to the media tech industry? - Digital experience & trusted relationship

Digital acceleration means deeper relationships with consumers, more personalized experiences and more purpose-driven innovations. A trusted relationship with consumers requires customizing a digital experience around every product and service. As media companies continue to move to direct-to-consumer (DTC) models, they use more personal data to power their operations and revenue-generating activities, particularly when it comes to areas such as ad tech. Consumer electronics companies are increasingly "leasing" the trust that big streaming companies already have in relation with their viewers. For example, at CES 2022, BMW introduced its future entertainment system integrating Amazon's Fire TV - offering an in-car cinema experience. At the same time, the collaboration signals Amazon's push into the auto industry in 2022; the company also announced Fire TV partnerships with Ford and Stellantis.

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*In Theatre Mode, the rear of the interior is transformed into **a private cinema lounge**. With the 31-inch display, **5G connectivity**, **8K resolution**, surround sound and **individual streaming** program, an unprecedented experience is created that sets new standards for in-car entertainment*

Frank Weber, Member of the Board of Management,
BMW AG Development

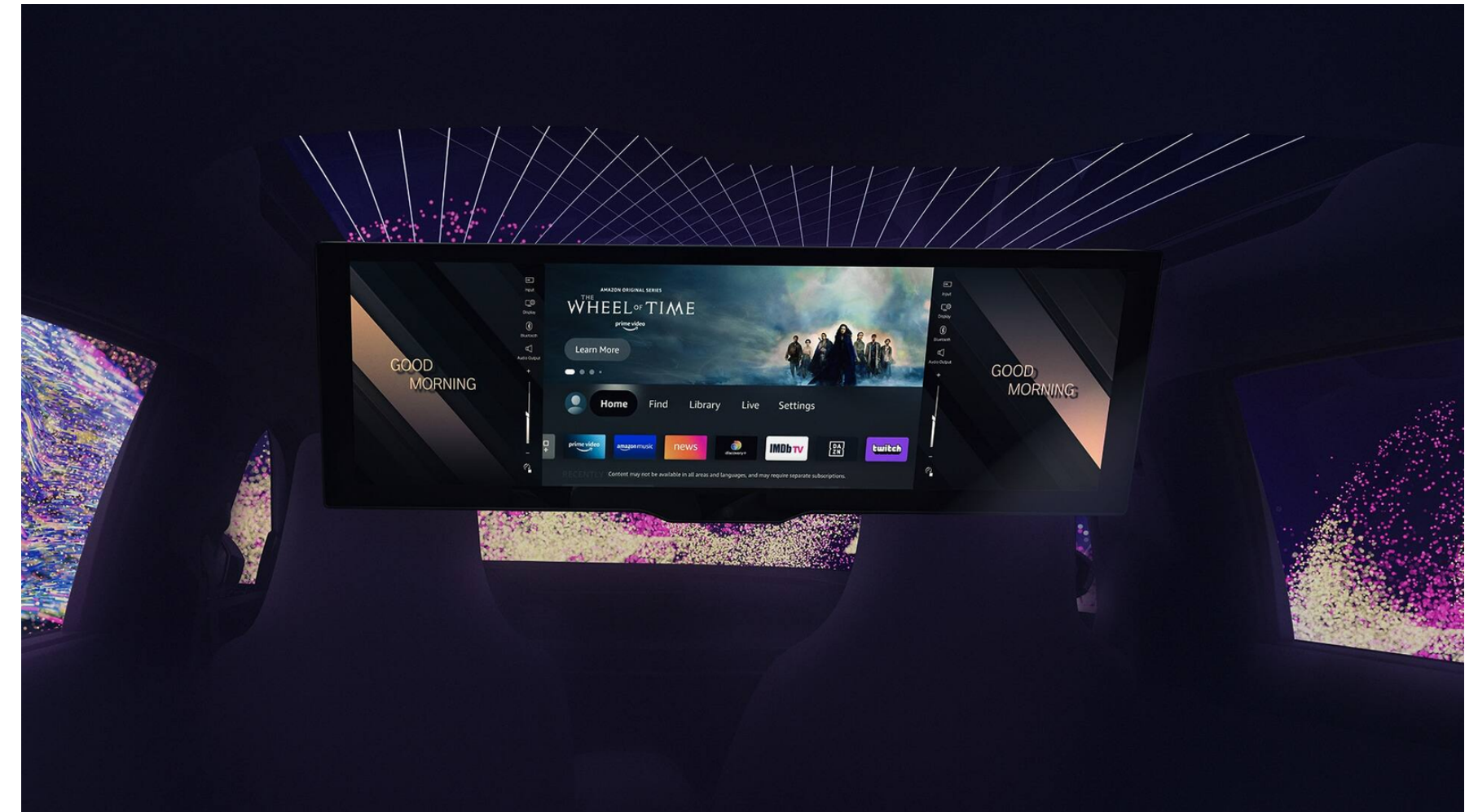
CES 2022

Why are these macro trends relevant to the media tech industry? - Digital experience & trusted relationship

BMW Future Entertainment System | In-car cinema



BMW with Amazon Fire TV | 5G streaming



CES 2022

Media-specific trends this year - Monetizing interactive experiences

Aside from the macro tech trends mentioned in the previous pages, a plethora of media-specific technologies and trends were presented during the show. CES 2022 reiterated the content-led streaming boom as well as specific trends such as the demand for interactivity driven by the pandemic, changing content distribution and monetization forever. When it comes to the specific trends triggered by the pandemic, the increasing demand for interactive experiences is arguably the most important and is causing a convergence between sectors that were more clearly separated pre-pandemic. Monetization from interactive experiences is linked with improved data capabilities at media businesses and is motivated by data gathering. Kevin Mayer, Chairman at DAZN, said in a keynote session that interactive betting opportunities create an important new revenue stream when built around content rights, because the sports streaming space is getting more crowded with Amazon and other big players now buying content rights.

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*You can surround streaming with interactive programming. In DAZN's case, we're going to have **a substantial betting operation in Europe** or for European soccer rights, for instance. And if you're receiving the programming on the same device that you can create **interactive betting opportunities** and all those fun things you can do around the video it just makes that much more **compelling***

Kevin Mayer, Chairman, DAZN

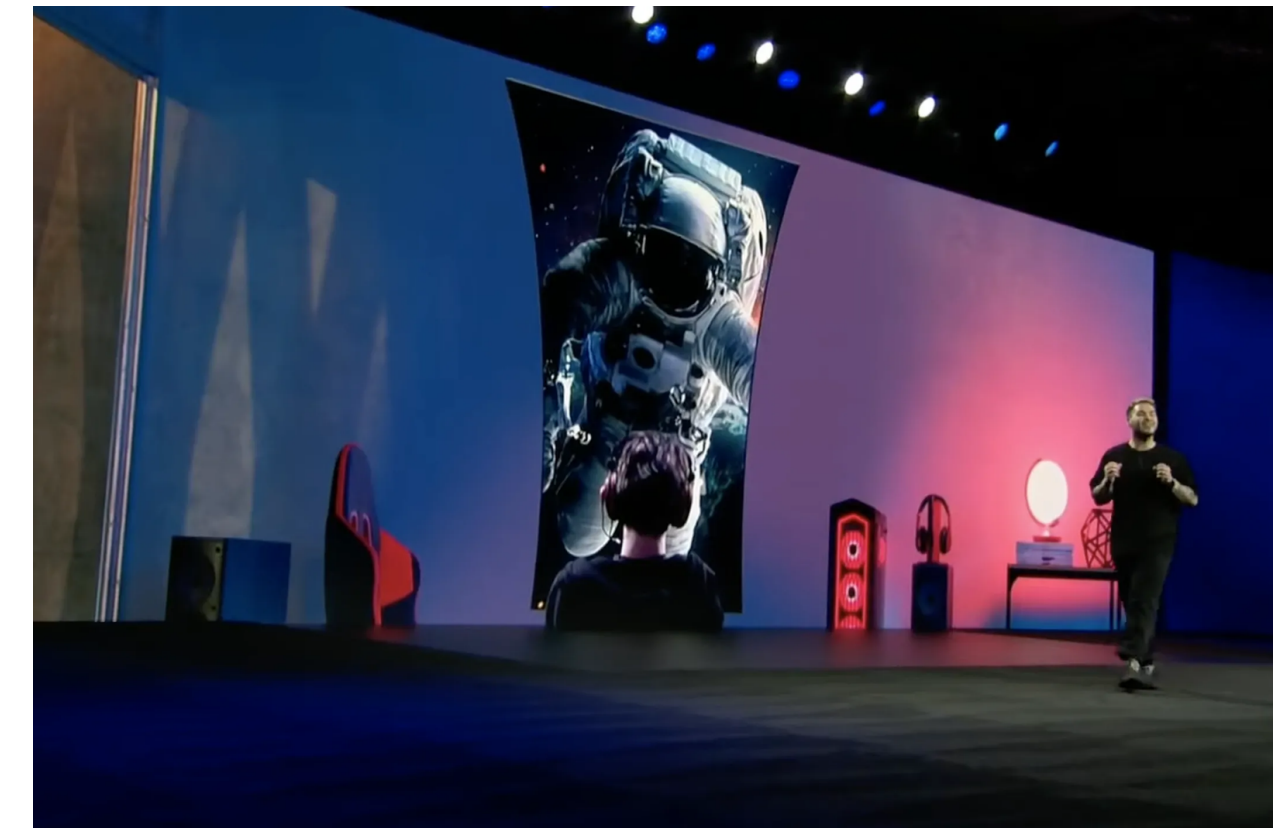
CES 2022

Media-specific trends this year - Interactivity and Next Generation Gaming

According to many news outlets, CES 2022 was dominated by the effects of the content-led streaming and gaming boom, highlighting consumers' explosive thirst for immersive experiences and hardware. For example, HTC's Vive wrist controller for the Vive Focus 3 headset as well as the new PlayStation VR 2 headset and its VR2 Sense controller - featuring eye tracking and headset feedback amplifying sensations during the game - were unveiled at CES. Moreover, Samsung introduced an AI-based, low-latency-guaranteed Samsung Gaming Hub made available on Samsung smart TVs and monitors in 2022 as well as Samsung Odyssey Ark, a 55-inch, flexible, curved monitor aimed at long gaming sessions.

Interestingly, Pedro Pancheco, Senior Research Director at Gartner, said that *"at the moment, many companies are including Metaverse on their long-term roadmap thinking about how they should bring it to life"*. This is in line with IABM data showing media companies' increasing interest and investment in interactivity and gaming.

Samsung Odyssey Ark | Curved Screen for Gaming



CES 2022

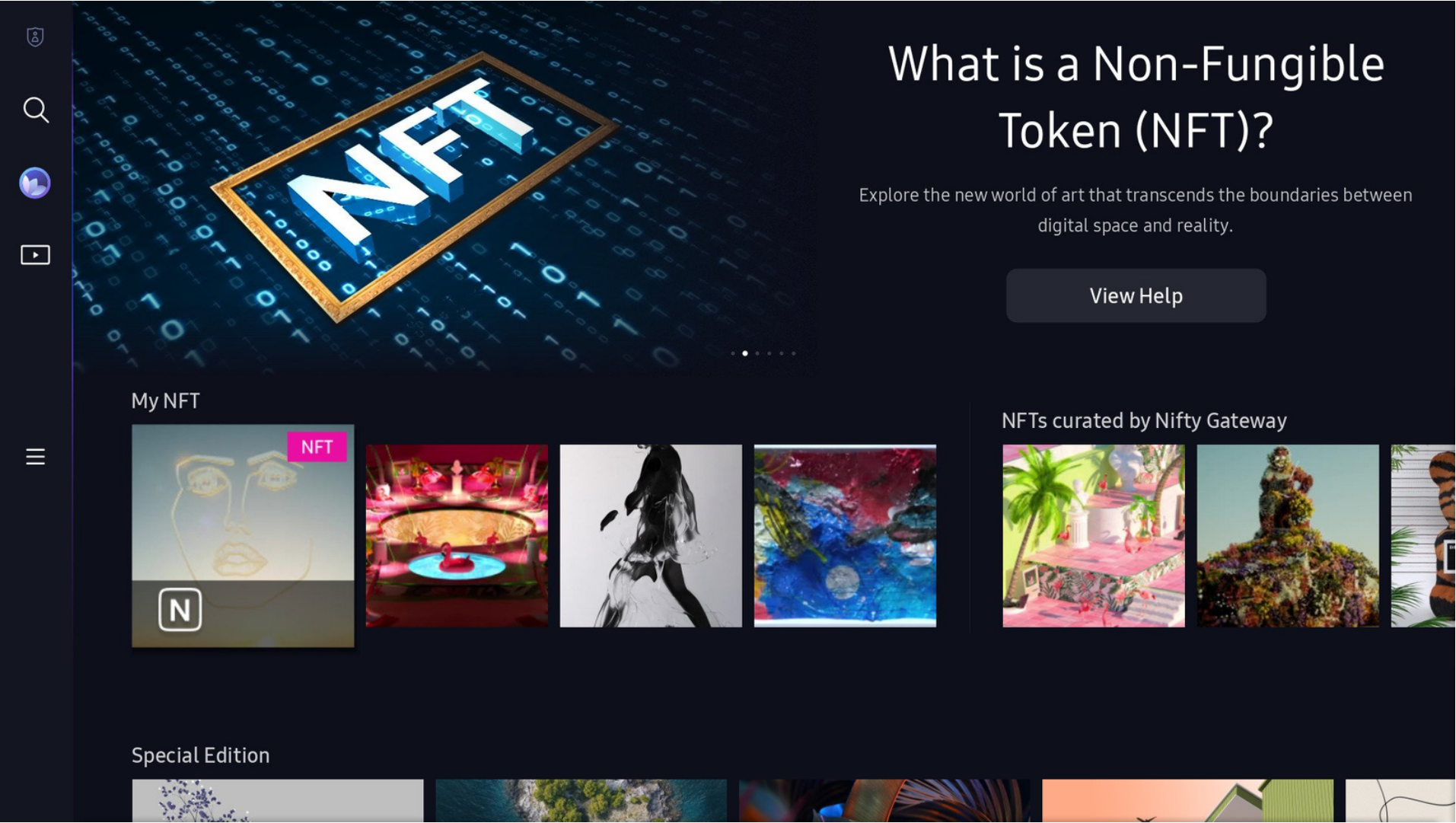
Media-specific trends this year - Next Generation Gaming and NFTs

The growing popularity of NFTs (Non-Fungible Tokens) was evident at CES 2022; many big technology companies announced their first NFT initiatives at the show. For example, Samsung - announcing its new gaming service at CES as discussed above - introduced an integrated NFT Platform app allowing users to discover, purchase and trade digital artwork/assets through supported Micro LED, Neo QLED and The Frame television sets. By offering an NFT trade platform on its devices, Samsung will be able to attract more content providers and game producers on Samsung Gaming Hub, who can take advantage of additional revenue streams from NFT-based trade of their licensed digital assets. Obviously, this will attract new gamers and viewers (who may only watch others playing the game). Samsung - being the first TV manufacturer offering its own gaming platform linked with a built-in NFT platform - could choose to become a super aggregator of games, in which NFTs are increasingly linked with specific shows and other streamed content. This would incentivize viewers to choose Samsung devices also for streaming, when they can play games and trade digital assets at the same time, significantly improving their digital UX/UI. This highlights an increasingly crucial role of device manufacturers entering the content business as well as the importance of content rights around which new business models and revenue streams can be built on (e.g., subscriptions, betting, advertising, commerce). Commerce and gaming complementing new media storytelling will be prioritized by media companies in 2022.

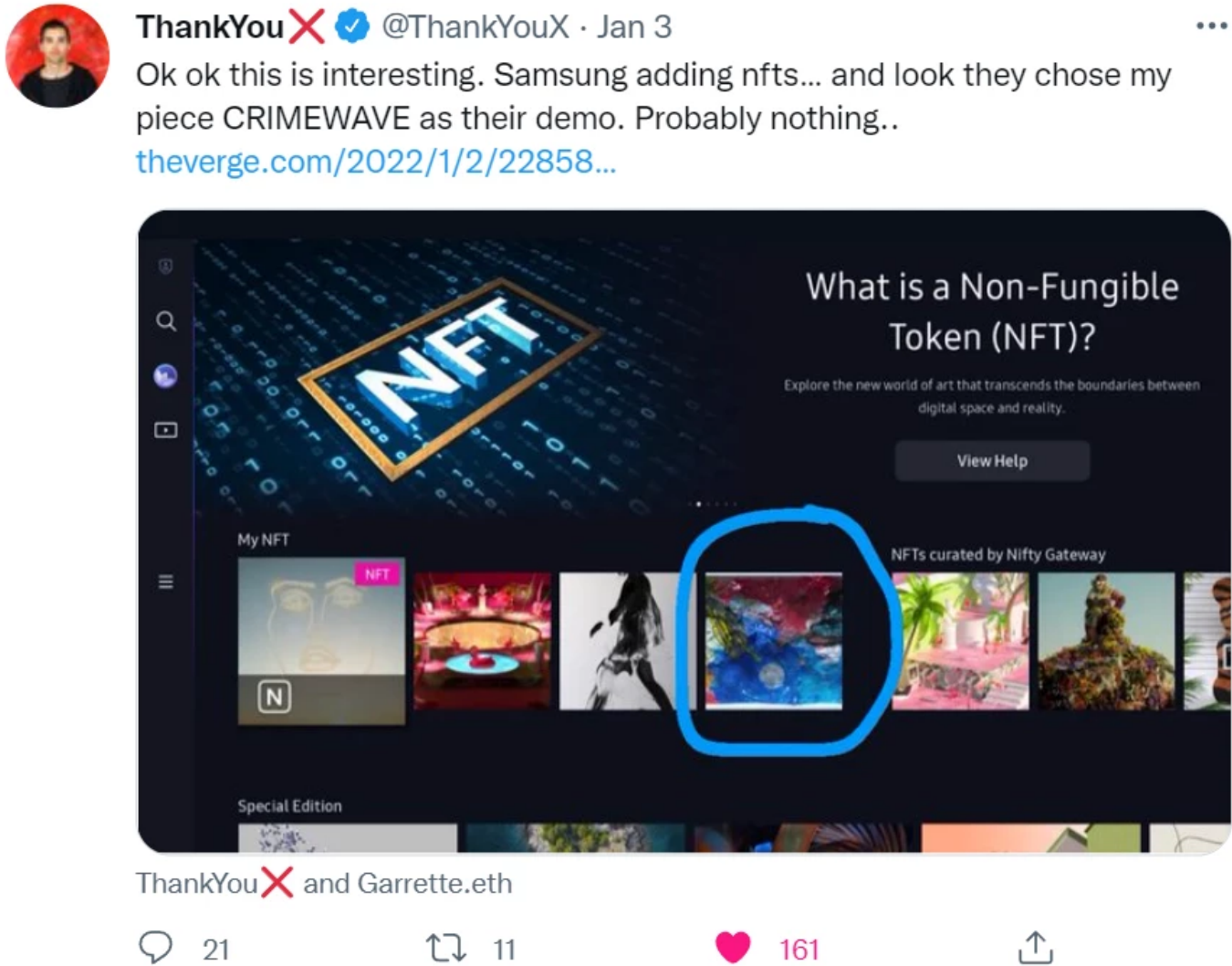
CES 2022

Media-specific trends this year - Next Generation Gaming and NFTs

Samsung NFT Platform app | Introduction



NFT Creator on Twitter | Creator engagement



CES 2022

Media-specific trends this year - 5G enabled immersive experiences

The COVID-19 pandemic reinforced how critical connectivity is, pushing forward new 5G innovations. Following the expansion of commercial 5G networks in the US, 5G remained a key topic at CES 2022. For example, Mo Katibeh, EVP and Chief Product & Platform Officer at AT&T, highlighted that using 5G to access nearby cloud instances [edge compute] will revolutionize gaming, training, customer experiences and even healthcare with remote patient monitoring using a video platform with ultra low latency. As people continue to work - at least partially - from home, the shift toward enterprise-grade experiences inside the home will continue, involving SD-WAN technology used to allow businesses to prioritize specific application traffic (e.g., a business video conference being prioritized over a gaming or streaming session of a teenager at home). When it comes to media-specific 5G-related innovations from 2021, Katibeh mentioned a 5G holographic interview that took place as part of the NBA playoffs and smart AR glasses allowing trainers (ranging from surgery to sports) to train hundreds of people at the same time. Another interesting innovation relates to magic mirrors with 4K cameras built inside, which enable a consumer to virtually try clothes and buy them online based on a low latency, real-time video experience delivered via 5G networks. All these innovations bring the metaverse a step closer to consumers, some of whom already are "metaverse-ready" thanks to their generation's digital-first/only attitude, digital skills and experiences in different gaming universes and social platforms.