TREND INSIGHTS

NEW CONSUMER ELECTRONIC TRENDS FOR 2017
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The Consumer Electronics Show (CES) marked its 50th anniversary this year in Las Vegas. CES is where many tech products—including VCRs, camcorders, DVD players, HDTVs, DVRs, gaming consoles and, Blu-ray players among others—are first showcased. This year, more than 175,000 attendees walked the sprawling 2.5 million square feet of CES to see over 3,800 companies showing their latest products. As always, there were several innovative products that attracted interest, including voice-controlled personal assistants, the latest automotive technology, virtual reality, smart homes, as well as the next generation of television sets and wearable devices. In recent years an increasing number of advertising and media executives have attended, looking for the latest in product innovation and potential new marketing opportunities to reach consumers.
**Voice-Controlled Personal Assistants:** According to MIT Technology Review (January 6, 2017), conversational interfaces was the breakthrough technology of 2016. At CES, Amazon—although it didn’t have a booth—had the most talked about product, the Amazon Echo with Alexa, a voice-controlled personal assistant. Alexa’s voice reverberated throughout the convention floor because Amazon had embedded Alexa across a wide array of products, including automobiles, robots, baby monitors, televisions and refrigerators. According to TWICE (January 24, 2017), 8.2 million U.S. Amazon customers have already purchased the device since its limited introduction in 2014. Additionally, consumer awareness of Amazon Echo speakers was 82% by the end of last year, up from 47% as of the same time in 2015.

Fast Company reported (January 7, 2017) a few examples of how Alexa will be powering products:

- **Appliances:** LG will use Alexa as part of its smart refrigerator. Users will be able to use voice commands to re-order foods. Whirlpool said it plans to embed Alexa on all of its smart appliances in early 2017. The appliances will respond to Alexa’s commands.

- **Automotive:** Ford will integrate Alexa into its Sync 3 product, allowing users to start cars with voice control, lock/unlock doors, checks fuel levels and more. Volkswagen will use Alexa in its cars, allowing drivers to ask for directions or check fuel levels.

- **Television:** DISH subscribers will be able to use Alexa to voice activate their DVR.

- **Baby Monitors:** Mattel’s new Aristotle is a voice-activated baby monitor using Alexa to answer questions from kids and parents.

Other competing products in this category include Apple’s Siri, Microsoft’s Cortana, Google’s Assistant and Samsung’s Viv. According to Wired (January 7, 2017), digital assistants could become a $3.6 billion business by 2020.
Automotive Technology: Having the latest technology has become an important consideration for some prospective car buyers (Los Angeles Times, January 4, 2017). According to pocket-lint.com (January 7, 2017), these are some of the noteworthy innovations introduced this year:

• BMW: Introduced a “HoloActive Touch” system allowing drivers to use gestures instead of a touch to interact with a car’s control interface.

• Hyundai: The company’s “Mobility Vision” idea connects the smart home with a smart (and self-driving) car. Also, by using Alexa, drivers will be able to open/close garage doors, adjust climate, start their car and more with voice control.

• Nissan: Announced it will use Microsoft’s Cortana (a rival to Alexa) as a voice assistant in its cars.

Also of note was Faraday Future, a new automotive company that introduced the FF91, an all-electric car. A report from the BBC (January 4, 2017) says the FF91 can accelerate to 60 mph in 2.39 seconds and has a range of up to 482 miles when driven at 55 mph.

Virtual Reality: Virtual Reality (VR) provides viewers with a 360-degree immersive experience in a simulated environment, and in recent years has become a popular tech product. According to Barron’s (January 3, 2017), there were 71 VR/gaming exhibitors, up 48% from a year ago. Barron’s also reported that companies introducing new VR products included Samsung’s Gear, Facebook’s Oculus, Sony’s PlayStation and HTC’s Vive. According to a Consumer Technology Association (CTA) press release (January 3, 2017), sales of VR headsets are expected to reach 2.5 million units in 2017. A new report from Warc Toolkit (January 11, 2017), said recent developments in VR will offer new ways for advertisers to engage with consumers in 2017.

Smart Homes: As part of the Internet of Things (IoT), the continuous connectivity to the web via various devices, like appliances, lights and climate control units, characterizes a smart home. At CES, CNET (January 8, 2017) reported several new household products that can now be connected to the web. Among those featured at the CES were thermostats, refrigerators, lights and smoke/carbon monoxide detectors.
Comcast announced it will release a series of gateway smart-home hubs in 2017. The service will allow subscribers to centralize and organize their in-home networks. According to Engadget (January 4, 2017), the new offering will run on an app for mobile devices as well as a web portal and will be integrated with Comcast’s existing X1 voice remote. This will provide full control of every IoT device in the house via the television. The system automatically searches and connects every WiFi device in the house.

**Television Sets:** TV sets continue to innovate: some are getting thinner, some are incorporating curved screens, and some have larger screens. Many sets displayed offered more superior picture resolution than high def TV (Daily Mail, January 8, 2017). TV sets are becoming more integrated, making the living room not a room anymore, but a moveable and virtual space. With all this innovation, television will continue to be the “first screen” for viewers.

**Wearable Devices:** Fitness trackers, heart monitors, smart watches, hearables (wireless earbuds) and other wearable devices continue to have a presence, with many of the products targeting health-conscious consumers. There have been reports that sales of wearable devices are slowing (eMarketer, December 20, 2016), though according to a CTA press release (January 3, 2017), revenue for wearable devices will reach $5.5 billion in 2017, a year-to-year increase of 3%.

There were other notable consumer electronic products including drones, robots and 3D printers, as well as updated video gaming devices, tablets, smartphones and laptops to name a few.

**Conclusion:** Time will tell whether voice controlled digital assistants, virtual reality or any other products that generated widespread interest will become popular with consumers. After all, it wasn’t too long ago that 3D TV was considered a hot technology, but the last two companies building 3D sets have announced they will no longer manufacture them (Fierce Cable, January 23, 2017). Ultimately, success depends on consumer interest and a perceived benefit that makes an investment worthwhile.