

INNOVATION ROADMAP POCKETBOOK



REIMAGINING
REALITY **CES 2023**

POWERED BY

IPG MEDIA LAB

WELCOME TO CES

Welcome back to CES! After a fully virtual CES in 2021 and a hybrid-but-largely-online event last year, we are excited to be back in Las Vegas with a full team to deliver you the best that this year's CES has to offer!

2022 has been a year of hope and uncertainty. Faced with rising inflations and a looming economic downturn, even the tech industry, which saw significant growth over the course of the pandemic, took a step back and adjusted their vision in response. While some consumer behaviors have rebounded to pre-pandemic levels, it is evident that the consumer expectation for convenient and value-adding brand experiences, often delivered via digital innovations, has been permanently raised.

Therefore, 2023 offers a great opportunity for brands and marketers alike to reimagine reality, to continue to navigate the fallout of the pandemic with refreshed eyes, and to deliver new types of innovative products and services that help consumers reshape their everyday life for the better. From mixed reality to the metaverse, the building blocks for the future are already within our collective imagination — now we just need to find a way to bring them into reality.

WELCOME TO CES

To get you ready for a week of disruption, we've organized this 2023 Innovation Roadmap to guide you. Inside, you will find the top-line information you need to know about how consumers are adopting new technologies that will change the way they work, live, and communicate with others. The content within represents immediate, actionable opportunities to explore as we continue to map the future of marketing, some of which you'll get to see live on the show floor.

Throughout 2023, we'll help you cut through the clutter, bring you new opportunities to explore, and work with you to pave the way for the future through our annual Outlook, Category Disruption Reports, Floor 9 podcasts, weekly newsletters, ipglab.com, and of course, through our bespoke work for clients like yourself.

HAVE A GREAT CES!

Eileen Kiernan, Global CEO, Mediabrand
Chad Stoller, Global Chief Innovation Officer,
UM Worldwide

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AUGMENTED REALITY

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AUGMENTED REALITY

OUTFITTING THE WORLD WITH AR UNLOCKING BOUNDLESS REALITY AND SHOPPING OPPORTUNITIES

OVERVIEW:

Augmented reality (AR) technology presents a gateway to a hybrid future where our online lives are interwoven into our physical surroundings. It promises to enable frictionless, contextual access to information and digital assets, and enliven offline activities with the kind of digital malleability that makes online events fun.

OPPORTUNITY:

The past year has elevated virtual try-on from an innovative offering to table stakes for retail brands. The technology's dramatic impact on consumer confidence is a driving force behind these investments: [eMarketer](#) reports that three in four shoppers are less likely to return an item because of their AR experience before purchasing. So it's no surprise that Snapchat recently partnered with Amazon to launch an AR shopping feature for eyewear.

AUGMENTED REALITY

Looking ahead, AR headsets will create even more immersive experiences and unlock new brand opportunities. Snapchat released a revamped set of Spectacles for creators to develop more contextual AR experiences. We expect the long-rumored Apple AR glasses to appear in the next few years.

Until then, brands can use this time to continue working with platforms to establish a library of 3D branded assets, explore new consumer-facing use cases, and understand how consumers engage with AR in different contexts.

**250 MILLION SNAPCHAT USERS
HAVE USED AR SHOPPING
LENSES SINCE JANUARY 2021.**

RETAIL DIVE, 2022

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PODCASTING

THE DUALITY OF PODCASTS PODCASTS STILL MANAGE TO SERVE NICHE INTERESTS DESPITE THEIR MAINSTREAM SCALE

OVERVIEW:

Podcasting, as a medium, finds itself in an interesting sort of limbo. It does not yet qualify as a mass medium like its audio cousin, radio, even though a substantial portion of the population listens every month. And though podcasting has gained audience over time, in many cases, its purpose is to serve the niche interests of the listener.

OPPORTUNITY:

Despite the increasing level of sophistication in ad serving, data from both [Nielsen](#) and [Edison Research](#) show that host-read ads outperform prerecorded copy across a variety of brand metrics. Nielsen's data showed the native ad copy had a 50% advantage over inserted ads when it came to purchase intent, and a 67% advantage for brand affinity.

So, what does this mean for marketers? For starters, working with creators and hosts directly is clearly going to drive better results for the brand. This certainly does not rule out

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strategies like targeting or dynamic insertion but may require more work on the front end. Marketers can also take advantage of the fact that podcasts enable listeners to learn more about topics of interest or immerse themselves in a particular story.

At the end of the day, even as the profile of podcasts continues to rise, it still manages to hold on to its grassroots origin, and feel authentic and relevant to niche-interest listeners. The duality is unique to podcasting and may just be its winning formula.

**38% OF US CONSUMERS AGED
12 AND OLDER SAY THEY LISTEN
TO PODCASTS EVERY MONTH.**

EDISON RESEARCH, 2022

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VIRTUAL REALITY

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VIRTUAL REALITY

WAITING FOR A KILLER USE CASE

VR GETS A RE-EVALUATION THANKS TO THE METAVERSE HYPE

OVERVIEW:

Nearly a decade after Facebook acquired Oculus and bet on VR as the next big thing, virtual reality continues to be suspended between widespread awareness and mass adoption. Despite showing incremental growth in audience reach over the years, it has yet to hit the necessary thresholds in terms of both audience size and content diversity to qualify as a legitimate media channel ripe for investment from developers and media owners. That being said, in 2022, it has been benefiting the halo effect of the incessant hype around the metaverse developments.

OPPORTUNITY:

One clear indicator of VR still falling short of realizing its full potential is the sustained lack of compelling content and use cases outside of gaming. The metaverse developments may change that, but not in the near future. Therefore, marketers are right to remain wary of VR's short-term prospect as a media channel to reach consumers with immersive experiences at scale.

VIRTUAL REALITY

Still, there are reasons for cautious optimism. The popular online game [Among Us is set to release a VR version](#) later this year, which could drum up some interest in the wider audience to give VR another try. In addition, Apple's long-awaited mixed reality headset is expected [to be released sometime next year](#), which could bring an iPhone moment to the product category and help normalize owning a headset among mainstream consumers over the next few years.

Although Meta says it currently has no plan to monetize Horizon Worlds via ads or brand partnership, that has not deterred some adventurous brands to venture into the 3D virtual world. For example, in April 2022, QSR chain [Wendy's opened](#) a virtual location in Horizon Worlds, featuring a basketball court where Quest 2 users can play a VR match or two as part of its March Madness campaign.

40% OF U.S. ADULTS SAY THEY HAVE TRIED USING A VR HEADSET, BUT ONLY 15% SAY THEY PLAN TO USE ONE IN THE NEXT 30 DAYS.

FUTURECASTER SURVEY, WAVE 3, 2022

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GAMING

GAMING COMMANDS MORE ATTENTION THAN EVER **GAME PUBLISHERS MOVING TOWARD MORE IMMERSIVE AND VALUE-DRIVEN ADS**

OVERVIEW:

Video games and esports content are commanding more audience attention than ever. A host of diverse applications of gaming technology elevated the medium to unexpected heights, attracting and empowering a new class of players this past year. The rapid ascent of mobile gaming and the high interest in approachable titles have contributed to the continued climb of gaming.

OPPORTUNITY:

The way we play games is also becoming more immersive and engaging than ever before, thanks to advancements in AI and mixed-reality technologies. Over the past five years, game publishers have moved quickly to evolve their offerings to include more dynamic opportunities like rewarded videos and [custom cosmetics](#) to [full-blown integrations with the IP itself](#). Bespoke opportunities inherently require higher production value, but we're nearing the point where inserting your brand

GAMING

into a game is as simple as uploading a jpg file to a website.

Standard media opportunities aside, immersive formats are becoming the norm across all gaming environments from mobile to the metaverse. As gaming inches closer to becoming the most popular entertainment medium in the world, the brands that will distinguish themselves in their competitive set are the ones doing it longest and the ones doing it best. The same sentiment rings true across the gaming-adjacent realms of live-streaming and esports.

Legacy advertisers with less of an appetite for innovation and a healthy dose of reservation from a brand safety perspective have a multitude of opportunities of the turnkey variety. Sites like YouTube and Twitch — once considered disruptor platforms — offer programmatically purchasable run-of-site media that provides reporting similar to most brand measurement practices.

THE GLOBAL GAMING POPULATION WILL GROW TO MORE THAN 3 BILLION PLAYERS BY THE END OF 2022, WITH 67% OF U.S. ADULTS IDENTIFYING AS GAMERS.

NEWZ00, 2022

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THE METAVERSE

INCUBATING THE METAVERSE ENTERING A HOLDING PATTERN AFTER TWO YEARS OF BREAKTHROUGH GROWTH

OVERVIEW:

The past two years have been a breakout period for the metaverse as an idea, backed by tremendous growth in the platforms that will form the basis of it in the future. Notably, 45% of U.S. adults have used what they consider a metaverse platform, according to the Lab's latest Futurecaster survey results. But now, developments of the metaverse seem to be entering a holding pattern, as major stakeholders working on more mainstream use cases.

OPPORTUNITY:

So far in 2022, the metaverse has been in a holding pattern; not a retreat, but more of the same, while we wait for technology and culture to catch up to the ideas. Rebranding from Facebook to Meta in late 2021, one of our biggest digital ad platforms has spent the past year shifting its focus to developing the metaverse, but Horizon Worlds is still falling short of expectations in terms of user adoption.

The history of consumer technology makes some form of the metaverse — a higher-

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fidelity way for users to communicate at a distance —inevitable in the long run. But it won't necessarily look anything like what Mark Zuckerberg would like it to be. Notably, the largest web3-native metaverse platforms, Decentraland and The Sandbox, both have under 1 million active users — larger than Meta's properties, but less than 1% of the major players like Roblox. Even if the demographics you're looking for skew older, you're far more likely to find a critical mass in one of the mainstream platforms, rather than one of the web3-native platforms.

For those of us —consumers, brands, startups, or established companies — not actively building the metaverse, it's important to keep track of how it develops, so that we can ensure we have a place in it. If the metaverse does turn out to be an internet-level platform for the future, we must begin now to understand how people will use it and how it will shape their attention and media habits, or risk being wiped out by the changing tide.

56% OF U.S. ADULTS HAVE ATTENDED A LIVE CONCERT, SCREENING, OR EVENT IN A GAMING ENVIRONMENT, A LEADING INDICATOR OF METAVERSE INTENT.

FUTURECASTER SURVEY, WAVE 3, 2022

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CONNECTED CARS

WHEN CARS BECOME “COMPUTERS ON WHEELS” UNLOCKING BRAND OPPORTUNITIES TO REACH CONSUMERS AND ADDING VALUE TO THE IN-CAR EXPERIENCE

OVERVIEW:

Connected cars are now more the rule than the exception. It wasn't long ago that the idea of a fully connected vehicle was something out of a science fiction movie. Self-driving cars, over-the-air updates and repairs, and streaming entertainment were often talked about in terms of the future. But it is now reality.

OPPORTUNITY:

The key drivers of disruption in the automotive industry continue to be a convergence of tech advancements and consumer demand. As more cars become connected and driver experiences become more lean-back, OEMs are taking an entertainment-first approach to design by introducing new media opportunities in their vehicles.

In-car media consumption is changing as connected cars become more commonplace. As in-car connectivity grows in popularity,

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streaming media (first audio, then video) is expected to supplant traditional radio as the primary in-car media channel. BMW is one of the leaders in this space — passengers of its new 7 series are provided with 5G connectivity along with onboard Amazon Fire TV.

Outside of streaming, points of integration currently reside in GPS systems and navigation apps such as Waze and Google Maps. For marketers, this will create opportunities to connect with consumers based upon their preferences, social interests, and landmarks encountered along the route to their ultimate destinations.

IN Q2 OF 2022, THE NUMBER OF CONNECTED CARS SURPASSED THAT OF NON-CONNECTED CARS FOR THE FIRST TIME EVER, ACCOUNTING FOR ABOUT 50.5% OF ALL VEHICLES ON THE ROAD WORLDWIDE.

COUNTERPOINT RESEARCH, 2022

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CONNECTED HOME

FROM ROOMS TO WHOLE HOME ECOSYSTEM

SMART HOME EVOLVES TO TACKLE AREAS BEYOND CONNECTIVITY AND SECURITY

OVERVIEW:

At this point, it sounds like a cliché, but the pandemic has truly reshuffled our priorities and made the home the center of our universe. The accelerated shift toward remote work enabled people to try out a nomadic lifestyle by working from anywhere. As we continue to move forward in a post-pandemic world, people are discovering new ways to revitalize their living environments, and upgrading their home infrastructure has become a top priority for many.

OPPORTUNITY:

Touchless technology, smart speakers, smart lighting, and smart televisions are examples of simple and affordable additions that homeowners have adopted without having to overhaul the underlying infrastructure of their home. For those who can afford to move, finding a better-connected home is crucial to their decision.

CONNECTED HOME

Another important industry-wide change in 2022 was the rollout of Matter, a cross-system interoperability standard for smart home devices. This new industry standard was created by a consortium supported by more than 170 companies, including all major players in the smart home space such as Apple, Amazon, Google, and Samsung. As a result, you will soon be able to, for example, use an Amazon Echo device to see the stream from your Google Nest doorbell camera. The impending adoption of the Matter interoperability standard will transform the consumer's experience with smart homes.

Matter enables the developers and device manufacturers to easily create connected home devices that will work across the major home platforms, which will further enhance the user experience and potentially open the home platforms to more brand opportunities.

OVER 302 MILLION SMART HOME DEVICES WERE ESTIMATED TO BE IN USE WORLDWIDE IN 2022; THAT NUMBER IS ESTIMATED TO GROW TO OVER 478 MILLION BY 2025.

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THE RISE OF AD-SUPPORTED STREAMING SUBSCRIPTION FATIGUE AND SPENDING CAPS SPUR GROWTH OF AVOD SERVICES

OVERVIEW:

Netflix rattled the streaming space in the first quarter of 2022 when it announced a loss of 600,000 subscribers in North America, its first decline in subscribers in more than 10 years. Naturally, financial experts and the media started questioning the staying power of streaming video. However, we believe the loss in subscribers was not due to the lack of interest in streaming video, but an oversaturated market of choice.

OPPORTUNITY:

There are currently somewhere between 200 and 300 streaming services offered globally — so many in fact there isn't even a hard number of available services to be found. According to [a recent Nielsen report](#), nearly 60% of U.S. households subscribe to more than three paid streaming services in 2022.

In tandem with the abundant paid streaming options, we are seeing more viewers turn to

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free or low-cost streaming services or tiers for their video consumption. The rise of these services, known as advertising-based video on demand (AVOD) and free ad-supported streaming TV (FAST), are influencing the streaming video on demand marketplace.

Overall, while viewers enjoy the streaming experience and availability of a wide variety of content, the number of services out there, as well as the rising costs, are top of mind for consumers. A theme that emerged from this year's television upfront was that many major media corporations find themselves owning multiple streaming services: Disney owns Hulu and Disney+, and the newly merged Warner Bros. Discovery now houses both HBO Max and Discovery+ content. To ease the burden on consumers and continue to drive subscribers and users, we expect to see more bundle options in the coming years.

VIDEO STREAMING ON A CONNECTED TV GREW BY 8% IN 2021 AND IS EXPECTED TO INCREASE ANOTHER 10% IN 2022 AMONG ADULTS 18-49.

MAGNA, 2022

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CONVERSATIONAL INTERFACES

CONVERSATIONAL AI USE CASES EXPAND

AMAZON AND GOOGLE LEAD IN TESTING NEXT-GEN CAPABILITIES WHILE MARKET HITS SATURATION

OVERVIEW:

Conversational user interfaces, also known as CUIs, are popular among smart home devices and other types of connected devices designed for hands-free usage. They leverage natural language processing and other machine learning technologies to enable convenient, sometimes even intimate, interactions, unlocking new types of brand experiences.

OPPORTUNITY:

The consumer adoption of smart speakers often serves as a bellwether for the audience reach of conversational interfaces. According to MAGNA's [Time Spent With Media Q1 2022 report](#), smart speakers are still on the lower end of usage when it comes to audio consumption overall, ranging from 3% to 5% for adults 18-34 and adults 18-49.

So, if people are not using smart speakers to stream media, how are they engaging with them? According to Comscore, the most

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common actions performed through smart speakers last year were simple utilitarian functions like asking general questions (31.4%) and getting weather, travel, and traffic updates (26.7%).

The home remains the preeminent environment in which consumers engage with conversational interfaces. Where Amazon holds the most distinct advantage over its competitive set is its ability to transform conversational commerce. According to eMarketer, 33.2 million U.S. consumers are expected to shop using a smart speaker in 2022. Voice-enabled ads from Amazon will enable Fire TV users to simply ask Alexa to add on-screen items to an Amazon or Whole Foods cart and ask to check out as if they were chatting with a cashier.

IN 2022, 95 MILLION U.S. ADULTS SAY THEY OWN AT LEAST ONE SMART SPEAKER DEVICE; 50% OF THEM USE IT AT LEAST ONCE A DAY.

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WEB3

WELCOME TO WEB 3.0

**THE EARLY DAYS OF THE NEXT
ITERATION OF THE INTERNET
ARE ALREADY ENDING**

OVERVIEW:

The blockchain-based technologies got a rebranding as web 3.0 tech (often shortened to simply “web3.”). In theory, web3 aspires to building a new, decentralized internet, governed by the community, with monetization built directly into the protocols that enable individuals to capitalize on their own contributions. In 2022, web3 has become an umbrella concept currently driving innovation in tech, the use of blockchain and crypto technologies for things like NFTs (non-fungible tokens) and DAOs (decentralized autonomous organizations).

OPPORTUNITY:

Several cultural trends are coalescing to make Web 3.0 technologies sound particularly appealing. The Covid-19 pandemic has caused many workers to become remote, shifting interactions from physical to digital. At the same time, internet users are more aware of privacy concerns and who is monetizing their data, and they increasingly want to take more control over how their data is monetized. For brand marketers, the rise of NFTs unlocks

WEB3

exciting new possibilities in the realms of digital goods, digital media distribution, and access management.

Quite a few hurdles remain for developing mainstream web3 applications. First, the cryptocurrency market is inspiring not much confidence in web3 followers these days. Economic headwinds have resulted in an extremely volatile cryptocurrency market. In late spring 2022, Bitcoin was down around 60% from its high of \$69,000 in November 2021, hitting an 18-month record low. Athletes, celebrities, and [politicians](#) who opted to take their paychecks in cryptocurrencies have proven quite unsavvy.

In addition, bad actors and scam artists in the crypto space have [conducted theft on a massive scale](#) and sowed distrust in the adoption of these technologies among the wider public. This also makes web3 a tricky territory for brand marketers to navigate, as there's little safeguard for brand assets and misinformation. Until these issues are addressed, we will not see a wholesale shift in adoption from the current mobile-centric era to web3.

**AS OF JUNE 2022, 1 IN 4 U.S.
HOUSEHOLDS HAVE BOUGHT OR SOLD
AN NFT OR A CRYPTOCURRENCY.**

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WEARABLES

GOING BEYOND WRIST AND ACTIVITY TRACKING

WEARABLE MAKERS TEST NEW USE CASES ACROSS HEALTH MONITORING, AUGMENTED REALITY, AND MORE

OVERVIEW:

Wearable devices continued their steady ascent into mainstream adoption in 2020. And the category shows no signs of slowing. Most of that growth will be driven by audio-based devices—or hearables—which are set to account for marginally under half of the total global sales in the coming year.

OPPORTUNITY:

While wristwear has historically been the focus of wearables, they're neither the most-used products in the category, nor will they be the field on which the decisive battle for wearables plays out. The conversation about wearables has naturally focused on health use cases, and the key players in the category compete to introduce increasingly specific and contextualized health tracking features.

Despite consumer interest in wearables' health tracking capabilities, health-specific use cases for brands tend to be few and far

WEARABLES

between, given that health data collected from smartwatches has been rightfully off limits to advertisers. That said, the ever-growing number of data points collected by wearables — from sleep and diet to exercise and movement activity — offer health brands with wearable integration a chance to create holistic data profiles and ultimately better understand their consumers.

Looking beyond health, recent announcements from category players suggest a future of wearables that's more well-rounded, expanding beyond health to add features that offer convenience and enable immersive experiences, all of which reflect a clear opportunity for brands. Given the immense popularity of hearables and their increasing number of use cases across augmented reality, fitness, and communication, brands should think about how they can surface notifications without visuals, and ensure they have a voice strategy in place.

IN 2022, NEARLY A QUARTER OF THE U.S. POPULATION — 82.7 MILLION PEOPLE — WILL USE A SMART WEARABLE.

INSIDER INTELLIGENCE, 2022

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RETAIL TRANSFORMATION

SHOPPING WILL NEVER GO OUT OF STYLE

THE RETAIL EXPERIENCE IS BEING CONSTANTLY REIMAGINED

OVERVIEW:

Retailers have been rapidly adapting to meet changing demands, and the significant technological developments in omnichannel shopping prove retail will never die; Instead, it will continually evolve. With this dramatic evolution comes a resurgence of in-store opportunities for retailers to meet the new value-driven expectations for loyalty.

OPPORTUNITY:

Retailers are investing in new infrastructure to streamline shopping and turn young consumers into lifetime fans. First, supply chain optimization is helping ease some of the major disruptions and shortages. Ultra-fast fashion retailer Shein, for example, implements AI for demand-forecasting to detect the rise and fall of trends.

In addition, retailers are remaining competitive by making Buy Now Pay Later (BNPL) accessible for all audiences. BNPL has slowly been gaining steam via the popular platform Klarna since its launch in 2005; it now has [147](#)

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[million active users across 45 countries](#). The proliferation of BNPL services has released the floodgates of spending, especially for Gen Z. [Retail Dive](#) reports that one in five holiday shoppers used BNPL.

Although many of the notable infrastructure innovations are happening online, there is a lot of progress in reimagining the brick-and-mortar experience, which is no longer focused on the act of purchase. The in-store experience has become a critical touchpoint for added benefits beyond the expected returns and alterations. For example, apparel brand Arc'teryx launched a hybrid flagship store in New York City with a [ReBird service center](#) that offers services like product testing, demonstrations, repairs, and even upcycling.

IN 2022, CONSUMERS SPENT A RECORD \$9.12 BILLION SHOPPING ONLINE DURING BLACK FRIDAY THIS YEAR, AND ONLINE SALES JUMPED 2.3% YEAR-OVER-YEAR.

ADOBE ANALYTICS, 2022

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SOCIAL COMMERCE

ALL SOCIAL MEDIA IS NOW SHOPPABLE MEDIA SMART BRANDS START TO REVERSE-ENGINEER SOCIAL INTO ECOMMERCE

OVERVIEW:

Covid-19 has fundamentally changed the way people shop, accelerating ecommerce and redefining the consumer journey. As such, social media platforms, keen to take advantage of their already-important role in that journey, have invested heavily in their social commerce capabilities, hoping to keep consumers in-platform as they shop.

OPPORTUNITY:

Key players in social media have introduced new social commerce features. In both 2020 and 2021, platforms honed in on live shopping, and consumers responded, with 61% of social shoppers reporting that they watched a livestream, according to [Sprout Social](#). YouTube also experimented with live commerce in 2022, and it announced at its Brandcast event that creators would be able to co-host shoppable live streams.

Meta, despite owning the [majority](#) of social commerce transactions, has had a relatively quiet year when it comes to introducing new

SOCIAL COMMERCE

social commerce features. Instead, it has focused on expanding its existing social commerce features, rolling out the Instagram Shop tab worldwide and allowing all U.S. Instagram users to add product tags to their posts. Still, we'll likely see a shift in the way Meta approaches social commerce in the coming year.

Gen Z favorite TikTok has continued to demonstrate its outsized influence on the purchase decisions of young people. According to Bazaarvoice, nearly 75% of TikTok shoppers worldwide shop on the platform when they stumble across something in their feed. In May 2022, it announced that it was launching a new ad product called Branded Mission, which allows creators to connect with brands and potentially receive awards for videos.

As consumers become more comfortable with social commerce, trusted brands will be able to leverage its features to build cohesive, omnichannel experiences that benefit their consumers and ultimately drive results for the brand.

U.S. SOCIAL COMMERCE SALES ARE EXPECTED TO REACH NEARLY \$46 BILLION IN 2022, A 24.9% INCREASE YEAR OVER YEAR.

EMARKETER, 2022

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DIGITAL HEALTH

DIGITAL HEALTH GOES MAINSTREAM

THE PANDEMIC HEIGHTENED THE NEED FOR ACCESSIBLE HEALTHCARE SERVICES

OVERVIEW:

Following explosive growth and investment in 2020 and 2021, the digital health space calmed down somewhat as it navigates the challenges that came with going mainstream. Overall, several emerging trends in the healthcare space, including embedded services and mixed reality healthcare, are ushering in new consumer expectations and a shifting competitive landscape.

OPPORTUNITY:

An obvious change in the digital health landscape was the rapid acceleration of telemedicine. In 2022, telehealth usage has dropped significantly since its peak during the pandemic, with visit volumes falling 37 percent from 73.7 million in Q2 2020 to 46.4 million in Q1 2022, according [to data from Trilliant Health](#). Despite the drop, behavioral health patients continue to flock to telehealth, making it a key area for provider

DIGITAL HEALTH

investment. Telehealth service provider [Amwell is reportedly exploring](#) a \$200 million buyout of online therapy provider Talkspace.

The biometric data generated by digital health products present brands with a great opportunity to build intimate relationships with their consumers. Consumers are increasingly open to sharing their data if doing so will give them access to services that will help them. While health and health-adjacent brands have a more straightforward way in, there is an opportunity for non-endemic brands to engage in the category.

As we slowly emerge from the pandemic, brands should consider what they can do to advocate for the well-being of their customers. If they can effectively incorporate services that are aligned with the new digital health habits of consumers into the brand experience, it would be a great way to build brand affinity and earn consumer trust.

THE AVERAGE NUMBER OF DIGITAL HEALTH TOOLS IN USE BY A PHYSICIAN GREW FROM 2.2 IN 2016 TO 3.8 IN 2022.

AMA, 2022

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CONSUMER PRIVACY

CONSUMER PRIVACY & RESPONSIBLE DATA USE PEOPLE-CENTRIC PRIVACY PRINCIPLES FOR A DURABLE PATH FORWARD

OVERVIEW:

Perhaps for the first time since the inception of the ad-supported web, regulation is outpacing the media industry in some aspects. Five U.S. states have passed comprehensive state privacy laws. The European Union (EU) has progressed an ambitious agenda on digital reform by way of the Digital Services Act and Digital Markets Act. The U.S. Congress has broken a 20-year stalemate with a bicameral, bipartisan draft of a federal comprehensive privacy law, the American Data Privacy and Protection Act.

OPPORTUNITY:

Perhaps for the first time since the inception of the ad-supported web, regulation is outpacing the industry in some aspects. While there have been countless updates by big technology companies over the past year, the advertising industry remains largely unchanged. Google has replaced FLoC with Topics, yet questions remain around whether these changes sufficiently address regulator mandates for cohort-based solutions to respect user choice.

CONSUMER PRIVACY

Meanwhile, protracted grieving over the demise of the third-party cookie has stymied momentum toward durable alternatives. For example, TikTok recently started using third-party cookies, citing the deprecation delay and its need to keep pace with competitors. Meanwhile, IAB Europe's TCF 2.0 hangs in the balance at a time when standards and accountability are central to the durability of identity solutions like TheTradeDesk's UID 2.0.

For marketers, the top questions from 2021 persist: What will replace third-party cookies, and what are other brands doing to adapt to the regulatory and industry change? The answers from agencies remain the same: Solutions will be fragmented; first-party data and smart, trusted partnerships will be key; and integrated data and privacy management infrastructure that breaks down silos and integrates preference and rights management will be the enabling foundation.

93% OF AMERICANS CONSIDERED IT IMPORTANT TO BE ABLE TO CONTROL WHO COULD ACCESS THEIR PERSONAL DATA.

MARTECH ALLIANCE, 2022

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