The Year of Lifestyle Tech

This year the International Consumer Electronics Show will boast 150,000 attendees, 20,000 products and 3,000 exhibitors from over 150 countries. And while the convention is like a step into the future with the latest cool tech and sexy new gadgets, this year’s CES is really about re-imaging how people are living as technology becomes the enabling platform for the new consumer story, Lifestyle Tech.

Today’s consumer lives and breathes new digital tools, with cloud based technologies, smartphones and ubiquitous screen based content helping to guide them. This ‘lifestyle tech’ is influencing and shaping their daily life through a number of social channels that keep them connected to each other at all times. We have become our own large computer network; each person a node or connection point in the fabric of a larger global community. We are sharing stories and experiences that tie us all together.

Today’s storytelling, whether by content creators, brands or consumers is enabled by technology as never before. Because of this, informed collaboration between storytellers and technology companies is now driving how the consumer experiences content. This relationship is becoming increasingly more interdependent, and valuable.

The following CES Trends identified by your StoryTech™ team will help provide the relevant insights to build valuable and profitable customer/audience relationships in this new world of lifestyle tech.

Use this as a guide for your 2013 CES Decision Point Tour.
2013 will usher in the re-imagination of everything...from everyday life services, to entertainment content and communication tools all powered by constant connectivity and cloud based services. What emerges is an enabled and empowered consumer “audience,” one that demands new content, product and business models.

1 **Discovery is Social, Aggregated, and Curated**
   In an evolving digital world where marketers and content creators are becoming publishers, and publishers are becoming marketers and studios, content is indeed King and the currency of the kingdom is discovery. It’s no longer about how your going to find content but how it’s going to find you. The reality is, the content most consumers find and interact with is shifting to what surfaces in their social space, not a specific destination or site. This means content is being distributed “node-to-node.”

2 **Mobile-“I”-zation of Experiences**
   With PC sales stalling, mobile sales out-pacing PC’s and tablet growth accounting for all the growth in the “PC” market, we are truly all citizens of a mobile world. What have traditionally been off-line experiences are now two-way engagements with a mobile layer pivotal to delivering a direct response. Content providers have begun to incorporate mobile executions into on-air programming and events to create real time viewing demand. Witness last year’s X-Factor’s award winning Twitter engagements which drove the show to become ‘the most social TV show’ with 11 percent share of voice. Live event and sports planners are incorporating mobile executions into their packages (e.g., text to vote on the Jumbotron), but moving into 2013 — particularly as connectivity issues are more seriously addressed in major venues and stadiums across the country — mobile will begin to deliver an essential and expected second-screen service that materially enhances the content experience itself.

3 **Fluid Content**
   Consumers are watching more TV this year\(^3\), but those larger aggregate audiences are dispersed across multiple channels and are becoming their own programmers, choosing what device they want to watch on and where, at any given time. They are driving a “fluid content” behavior, the kind that moves from TV to tablet to any screen available. In these new scenarios, the screen no longer has walls and the cloud-based content becomes ‘smart,’ adapting to its device and user. As Xbox is fond of saying “YOU are the Controller”\(^4\) and this new consumer will program from a number of trusted providers, shifting from broadcast, to cable to Over-The-Top, purely based on need and context.

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1 - Shopify: “How Pinterest Drives Ecommerce Sales”
2 - Mass Relevance: “How the X-Factor became the most talked about tv show of the year” 2011
3 - Brian Stelter, New York Times 2012
4 - Xbox
Trend: Mobusiness!

Mobile devices are becoming businesses unto themselves across consumer lifestyles and different verticals. Consumers will see their mobile devices as utility driven, focused on handling a wide variety of experiences including purchases, communications, time and financial management, health and fitness, entertainment, gaming and even voice communication.

1. AppBubble for Platforms, Developers and Apps?
Is it time for a shakeout? As of September 2012 the Google Play Store offered 675,000 applications and iTunes 700,000. For other mobile platforms, 2013 will be a make-or-break year—with those that aren’t attracting interest from at least 50 percent of app developers not likely to survive (at least not as a standalone). Google and Apple are well past that threshold of course, and Microsoft now stands at about 33 percent. RIM is at 9 percent. Across all operating systems, the most popular apps are the most socially and utility driven: Google Maps, Facebook, Weather and YouTube.

2. Come to Your Senses: Biosensors
More than half of smartphone users (52 percent!) use mobile for health info, and one-fifth has a health app installed on their device. Pairing these apps with biosensors, connected wristbands and other devices (e.g., Nike FuelBand, Fitbit and Garmin GPD enabled watches), and other MEMs (micro-electrical mechanical systems) are unlocking new value for users. With the opt in of customers, these sensors will provide a trove of lifestyle information that will assist brands and marketers in tailoring their offerings and products.

3. Maas: Mobile As A Service
Leveraging mobile platforms and applications to deliver value-added digital services across industries, such as healthcare, retail, and entertainment is whole new business front. By creating new IP and products with the merging of mobile hardware and service offerings, companies are developing new product lines. Mattel, for instance, has developed its so-called “app-tivity” initiative, which looks to embed mobile elements into the play patterns of the toys by tying physical toys to tablet applications.

“Through technology we are engineering our lives and bodies to be more quantifiable. We are embedding sensors in our bodies and in our environment in order to be able to quantify all kinds of functions. Just as science has been a matter of quantification — something doesn’t count unless we can measure it — now our personal lives are becoming a matter of quantification.”

—Kevin Kelly
Founding executive editor of Wired magazine

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1 - CNET September 27, 2012
3 - Pew Internet: “Mobile Health 2012”
Trend: The Democracy of Disruption. Building Better Digital Mousetraps

Consumers are embracing ways to blend personal and business technology, and invest their own resources to buy, learn, engage with a wide-range of entertainment, utility, and business content and opportunities. A new generation of digi-preneurs is upending traditional ways of doing business in entertainment, commerce, transportation, and life management.

1 The Rise of Independent Content Creation, Publishing and Distribution. Here’s The Story...
It used to be that independent content creators were at the mercy of large media companies that put them through meat grinders and took their rights. But the game is changing with musical artists such as Karmin, Daria Musk, and Psy with “Gangham Style” rising to the top of the music world all on their own. The same is true in storytelling (The Guild, Smosh, Annoying Orange), games, and art. The trend is creating new development pipelines along with new business models for production, distribution and media sales. Web series are now high value content whose budgets now include the costs of media buying. Brands continue to encourage DIY content and commercials with contests and battles. Clearly in some ways, the audience is leading and bringing legions of followers along.

2 Old Dog, New Tricks: Solution Oriented Businesses
Emerging on-demand services such as Uber, which provides GPS-enabled call-to-order car service, as well as TaskRabbit — which taps a peer-reviewed pool of handymen, grocery shoppers, babysitters, and other everyday help — are creating a mini-economy for busy people willing to pay a premium to have their needs met ASAP. These new services are beginning to upend established ecosystems (e.g., the NYC Taxi and Limousine Commission is struggling to figure out how to regulate Uber and similar services to get their cut of the action).

3 Social Ownership
We’re not talking Marxism here, we are talking about communities that take an “ownership” stake in a brand either from a social perspective from marketing to distribution and co-creation, or from a financial perspective sharing in the profits. The redefined category also includes “social benefit marketing” and “social benefit storytelling” whereby the participation of the audience results in a social benefit to the community. The trend of social cooperation for results is a hallmark of the Millennial Generation. The consumer experience thus begins at ideation and inception and carries all the way through to the result.

4 The Wisdom of Crowds: Micro-Funding
Micro-funding market developments are giving rise to the so-called “pre-sume,” or the consumer who loves to get involved with, push, fund, and promote products and services before they hit the market. And companies are responding, including Hong Kong-based ZAOZAO (which bills itself “Your Social Pretailer”), as well as Brikstarter, which provides CAD designs, 3D printing models, and manufacturing sourcing services to product-based kickstarter projects. Pre-sumers can be a critical source of free or very low-cost publicity for some of your most innovative projects. In the same way that brands eventually figured out how to work with influential bloggers, this category of tastemaker is one that will yield deep benefits for those marketers and storytellers who can recruit them (read: Incentivize Them) to authentically evangelize on their behalf.
Trend: Retail Fights Back

The integration of technology and personal devices into retail environments signals the migration of online behavior into the real world. The “new” retail experience takes savvy connected consumers into consideration and serves their needs 24/7, redefining the customer experience and bringing well refined online tactics into of brick and mortar stores.

1 Show and Tell Your Friends: Next Gen Showrooming
One in four online users this past Black Friday shopped via a mobile device, with the large majority via iPad and iPhone¹. And with mobile sales as a percentage of total website sales hitting a record of 13 percent, or double that of 2011, “digital showroaming“ will only get more sophisticated and competitive in 2013². At the same time consumers are using their devices for more product information and price comparisons while inside the store.

2 3D or Not 3D, That is The Question!
Retailers are turning to “virtual showrooms” that leverage the latest in 3D projection and LED installations. Gesture interactions, which have become more mainstream with consumer interfaces like Xbox’s Kinect and Nintendo’s Wii, will become integral parts of these models going forward.

3 Scan This! Dynamic Bundling
Retailers are looking to a “scan intelligence” model, which tracks and incentivizes product scanning to deliver mobile content, offers, loyalty points, and online price matching. In a high-end model, this system can employ “dynamic bundling,” where a user scans an item, and based upon their loyalty profile, the backend system creates a real-time bundled offer not only to close the sale, but close on a larger basket of goods than might have otherwise been purchased.

4 Where’s My Wallet: Mobile Offers and Payments
Despite heavy efforts by Apple (Passbook) and Google (Google Wallet), as well as carrier consortiums like ISIS, mobile walleting / NFC payments likely will not see a major tipping point before 2014 or 2015. The reality is that the majority of major retailers still cannot scan mobile coupons as part of an integrated POS system, which is an infrastructure / capital investment problem that has existed for more than five years. To succeed in this tech-limited environment, bricks-and-mortar retailers will need to be clever about leveraging combined techniques such as check-ins + mobile personalization which would include special offers and affinity programs to really capitalize on emerging mobile shopping behaviors.

5 I’ll Tap That
Near Field Communication (NFC), will not only be reserved for payments but will have an influential role in retail environments and beyond as a technology used to initiate an experience. Tagged Products, Shelf Locations and Marketing Literature can contain contextual information, media, and purchase incentives. Static packaging can be digitally expanded to include multi-media, incentives, usage info, complementary product offers, and real-time brand messaging. Because the ‘tap’ can instantly be associated with various meta such as geolocation, time, profile, device type, etc., the responding content can be hyper-contextualized and provide the consumer with a highly personalized experience.

¹ - KPCB, 2012
² - Black Friday Report 2012 - IBM Digital Analytics Benchmark
StoryTech™ is your source for information, analysis and strategy, keeping your story and brand relevant as technology continues to change the landscape and the dynamic between “audiences” and brands.

CONTACT: LORI@WORLDOFSCHWARTZ.COM

“Personal data is the new oil of the Internet and the new currency of the digital world.”

–European Consumer Commissioner Meglena Kuneva in 2009!

Trend: Baking Big Data

Like hearing the Tsunami warning and not knowing where to go, the buzz about the coming overwhelm of “Big Data” characterized 2012. The capture, and storage of our behavior is creating volumes of data, at exponential rates there for the plucking and analysis. It will allow for the refining of products, marketing and commerce as well as effect the very nature of storytelling.

1 Clouds in Your Coffee: Putting the Cloud to Work
IDC reports that the Big Data market will grow at an annual rate of 40 percent, and hit about $10 billion by 2013 and $53 billion by 2017. Yet while the majority of companies define themselves as “data driven,” there still remains a large gap between their targets and actual usage and practical analysis and application of that data. 2013 will be about better leveraging the cloud and Big Data across industries. Most of the machinery has been put into place, so now it’s about putting it to work in categories such as customer insights + segmentation, pricing, product development, supply chain, customer service, and social sentiment analysis.

2 You Want to Put what where?
Hypercontext and Found Moments
Fueled by what sophisticated marketers now know about their customers at various points in their day, brands are increasingly able to serve up “content through context.” In other words, I know where you’ve been online and what you’re likely to do next, so let me serve up the messaging most likely to convert you. The combination of device accessibility and spur-of-the-moment usage leads to a sense of found time for consumers — which they’re using as “micro-moments” to search, shop, communicate, and be entertained. These are the instances when users are often most susceptible to conversion, and when leveraging data to deliver the highest-impact brand touch, as described above, becomes the most critical.

3 Data Safari! Cast a Wide Net
Quickly growing parts of the world like China, Brazil, Turkey, India, and South Africa will collectively spend $730 billion on IT in 2013, up almost nine percent. Given that one-third of global IT customers will come from these areas, there’s currently an explosion in products and services from emerging markets for emerging markets powered, in part, by this strengthening infrastructure. These under-tapped international markets are ripe for expansion, and technologically ready to embrace digital strategies traditionally reserved for Western markets, opening the door for new business opportunities for North American companies.

According to the McKinsey Global Institute big data is the next frontier for innovation, competition and productivity.

Source: Forbes.com

1 - IDC: Big Data Technology and Services Market Forecast, 2012