

Getting connected with consumers

At this year's CES event in the US, major themes relevant to UK retailers included AI, automotive, AR, smart home, drones, connected health devices and wearables. Tech Data's team was there to seek out new potential and assess the direction that new and emerging consumer technologies are likely to take.

WEARABLES INNOVATE AND EVOLVE



Michael Cain, Business Development Manager, New Technologies at Tech Data UK, said: 'Wearables continue to evolve with the onset of market maturity. This year showcased the integration of voice assistants into smartwatches and highlighted consolidation in fitness trackers. "Health tech" has now become a distinct category, with large areas dedicated to health and wellness, fitness, and sleep-monitoring technology. There were also developments such as pet trackers and "hearables".'

Adoption of medical-grade wearable technology is expected to increase dramatically due to the availability of devices such as L'Oreal's UV Sense, which sticks to a fingernail to monitor exposure to sunlight, and the Omron HeartGuide, a smartwatch that provides blood pressure readings. Sleep monitoring was a big theme at this year's show. Our highlight was Nokia Sleep mattress pad that records your sleep patterns and integrates with IFTTT as part of your connected home.

FITNESS BANDS AND SMARTWATCHES



Smartwatches saw decent growth in 2017, largely due to the success of the Apple Watch and Samsung's Tizen smartwatches, and we see growth continuing in 2018. Fitbit was in the spotlight due to its \$6 million acquisition of Sano, which is developing patches to monitor blood-sugar levels. Fitbit is increasingly involved in research on

diabetes, heart disease, sleep apnoea and mental health, so we can expect features that address all these areas soon.

One useful function here is voice integration and we are likely to see more of this with wearable devices.

CONNECTED HOME GETS SMARTER



CES featured devices covering every part of the home, including smart switches and sockets, light bulbs, cameras, movement sensors, thermostats and door bells. This category is over-saturated and consolidation is inevitable, but real progress is being made in the wider connected home, and with major vendors such as Samsung now taking a more open approach, the possibility of consumers using devices made by different companies is closer.

Voice-activation was a big feature of the show and products integrated with both Google Assistant and

Amazon Alexa was featured everywhere, from LG's ThinQ speaker to Lenovo's Smart Displays.

While Google Assistant is undoubtedly catching up, there were many new devices that connect to Amazon's Alexa, including new PCs from HP, Asus and Acer. Vuzix announced its Blade smart glasses – the first augmented-reality glasses that work with Alexa. Many devices are now enabled for both Amazon's Alexa and Google Assistant, effectively leaving the choice up to the consumer.

ARTIFICIAL INTELLIGENCE

Artificial intelligence (AI) was a ubiquitous theme at CES, but as a concept AI is not something that can be packaged-up and offered as part of a consumer product or solution. Instead, its value in this market is the already-established use of AI made by firms like Google and Amazon to deliver more targeted and refined choices to consumers.

Much of what was said or claimed by exhibitors at CES 2018 with regard to AI could be regarded as hype. Similar points could be made with respect to blockchain and cryptocurrency technologies.



Intel Shooting Star Drones dazzle audiences for first time on the Las Vegas Strip

VR STANDS ALONE

VR and AR technologies went head-to-head with virtual reality clearly coming out on top. Several promising stand-alone VR headsets were announced, including the Oculus Go and Lenovo Mirage Solo as well as a significant upgrade to the HTC Vive.

The Oculus Go is the firm's first stand-alone system and aims to make VR more accessible by improving ease of use and lowering cost

significantly. The Lenovo Mirage Solo showcased new technologies such as the WorldSense motion tracking and VR180, for recording, watching and sharing of VR video.

VR is still a niche category, but the industry is slowly overcoming challenges in content availability, comfort, compatibility and affordability. AR still has a long way to go, but we can remain optimistic about its long-term potential.



THE OUTLOOK FOR THE YEAR AHEAD

While CES 2018 saw some interesting innovations and underlined the strength of the wearables product category in particular, there were no major landmarks. Michael Cain believes that we can now expect a period of gradual maturity and steady growth lies ahead.

'The outlook is very good for consumer tech. We can expect less emphasis on experimentation and more on honing tried-and-tested, so the mix of product sales probably won't change to any great extent. Market consolidation has simplified consumer choice in the activity tracker and smartwatches, although we fully expect to see new wearable categories such as hearables, connected health devices and GPS tracking – developing and expanding.'

'In connected home, there is no shortage of choice. The growing strength of Amazon and Google's

ecosystems looks to be key to unlocking this market. Products that integrate with these platforms will be the ones to watch in 2018.

'The new untethered wave of VR devices should again see a big resurgence. These products need visibility and the opportunity for consumers to try them out for themselves. Here, presentation and content will be the key to success.'

Partners servicing consumer channels should be excited about the wide range and reach of current development, he added. 'There is so much investment going into the design and refinement of consumer products which are all gradually becoming interwoven into the "smart consumer" category. This move to a connected, simplified ecosystem of products will have the biggest impact in the consumer space in 2018.'



Michael Cain
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If you'd like to know more about any of these categories or products, or explore how Tech Data can help you drive consumer tech sales, please email CTG@techdata.co.uk