

Cynopsis DIGITAL: CES Wrap Up

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Good morning. It's still **Tuesday, January 15, 2013**, and this is a special Digital edition wrapping up the 2013 International CES, with a special focus on news, trends, and events tied to digital video.

by [Sahil Patel](#)

Much has been made about the supposed decline of the International Consumer Electronics Show (CES). An annual extravaganza of new and sometimes innovative technology and gadgets -- appropriately set in Las Vegas, a city that's no stranger to gaudy monstrosities -- the trade show has lost a little bit of its luster. In fact, in recent years analysts have been quick to ring the death knell for CES.

It's easy to see why they're eager to bury it. None of the five major technology/software companies today -- Apple, Google, Amazon, Facebook, and Microsoft -- had an official CES booth or event planned this year. Microsoft, a stalwart presence at CES for nearly two decades, decided last year to end its relationship with the Consumer Electronics Association (CEA), the body that oversees the entire event. The company said it no longer wished to time its product rollouts to its annual CES keynote. And this was at the beginning of 2012, a year in which the company released Windows 8, the Surface tablet, and struck deal after deal to boost Xbox Live's content library.

With most of the top-line players sitting out CES in an official capacity, it begs the question: What's left? That's where this gets interesting, especially with respect to the digital video ecosystem. The tradeshow may be notorious for its unabashed love for new technology and gadgets, but it's also increasingly become a site where the content and media worlds converge every year.

"We sometimes forget that this show used to actually be all about consumer electronics," says JoAnna Abel, VP/Marketing, FreeWheel. "But now we're seeing content owners and programmers, distributors and aggregators, and this year an increasing number of agencies and advertisers -- it really has become a 'media mecca' with several layers of conferences within conferences."

"My business partner and I, as well as other senior executives at Evolve, were there to attend meetings with bankers, venture capitalists, journalists, advertisers, agencies, and friends," said Brian Fitzgerald, Co-Founder/President, Evolve Media Corp. "CES has turned into the Super Bowl of networking and doing business. Everyone is there, so it is a highly efficient way to kill 50 birds with one stone."

Why, though? Why does pretty much the entire media ecosystem choose to show up at what's long been considered primetime for consumer electronics manufacturers?

"The business being done at this show used to be all about the devices, but that conversation has evolved," said Abel. "What content is being made available on the devices? How is content syndicating across operating systems and devices? What technology is needed to power that syndication? How is the content monetized? How do advertising experiences persist as content extends across sites and devices? What new advertising opportunities are available as a result? All of these conversations, these negotiations, these deals being done require not just device manufacturers, but also programmers, distributors,

technology providers, agencies, advertisers... And so the show really just becomes a catalyst for a much wider range of discussions."

In other words, the video business is not only evolving, but it's also expanding, which, as the 2013 International CES demonstrated, means more mutually beneficial relationship between the hardware and software companies.

Lori H. Schwartz, Tech Catalyst and Principal, World of Schwartz, highlights a great example of such a relationship. Qualcomm partnered with Sesame Workshop, the producer of Sesame Street, to develop a game that works across TV screens and tablets in unison. Abby's Fairy Rock allows kids to turn their tablet into a guitar and learn about different musical concepts by watching and interacting with a Sesame Street character on a smart TV/STB powered by Qualcomm's Snapdragon processor. The game uses AllJoyn, a peer-to-peer application development framework that enables OS-agnostic, device-to-device communication. "It requires some really creative thinking in terms of video usage," says Schwartz. "You have characters engaging with the child and that interaction flowing between multiple screens."

This leads to another theme of this year's CES -- transmedia content and storytelling. This showed up in several different ways at the tradeshow, including services that allow users to push content from one device to another, all the way to home entertainment systems that look to connect every device with each other for a seamless living experience.

It's actually one of the themes that top video ad companies such as Tremor Video and Videology say the industry should be on the lookout for in 2013, as well as one that they saw demonstrated aplenty on the show floor.

"Digital, portable content is increasingly complementary to what people are watching on the biggest, and still most beloved, screen in the house," said Melinda McLaughlin, CMO, Tremor Video.

Describing their curated tour of CES, Tremor says it was pointed out how people are using multiple screens everywhere, in all facets of their lives, confirming the company's belief that the content users are consuming on different screens is starting to blur. It's all leading to one unified viewing experience.

This doesn't mean advertisers should forget about TVs, though. As TV screen sizes continue to grow, Tremor notes that it'll be interesting to see how brands choose to showcase their ads in these larger environments. "4K technology means viewers can literally see every hair on the back of their favorite TV character or every product detail in a commercial," says Paul Sluberski, VP/Sales, CPG, Tremor Video. "As more people buy these sets -- at \$25,000, they are an early-adopter luxury for now -- brands and agencies will need to produce their ads, and test them, to make sure they're compatible with the living room experience."

Adapting ads based on the device. In an increasingly transmedia environment, that's a pretty big deal.

"Today, content consumption is contextually relevant to the device you're using," says Schwartz. "This requires knowledge of the technology and solutions that the content is running on, as well as how that will impact who is watching and how they are watching. To put it simply, you can no longer be a storyteller of any kind without understanding what these devices can do. CES has become a pilgrimage for everybody to understand the current role of technology, and to understand what's coming six months from now so we

can be well-educated and prepared for it."

For programmers and advertisers, this includes the Upfronts. "Given the breadth of the audience now attending CES, it seems to be a test bed to start floating ideas and opportunities that will be available at the Upfronts," says JoAnna Abel. "Agencies and advertisers have the chance to get a read on what new content deals may be struck, what new devices are coming, what new levels of consumer engagement are possible, and what new opportunities may exist to deliver brand messages in new and innovative ways."

"All of these electronic devices are becoming less tethered by wires," says Brian Fitzgerald. "The content that's being created or consumed on them is increasingly more personal. This is a ripe opportunity for advertisers who want to learn how to tap into these mobile, often data-driven devices in order to drive sales. CES has become advertising R&D for agencies and their clients."

This is all to say, when it comes to the 2013 International CES, a lot of it had to do with the consumer, which means, a lot of it had to do with content. At the end of the day, screen resolutions, processing speeds, or any other specifications will not be enough. For the tech world to thrive, for CES to thrive, it has to continue to embrace the content and media side of the equation. That's what will really pique consumer interest and drive them to point-of-purchase.