

Connected devices become more shoppable while Apple muscles in on ad revenues

Article

Last year, we made some predictions about what would happen across **connected commerce** and **mobile advertising** in 2023. Now that we're halfway through the year, let's check in and

see what's changed—and what hasn't.

Prediction: Connected devices get ready for commerce

Last year, we predicted that click-to-buy would come to TV, helped by virtual assistants that would make it easier to create connected TV (CTV) advertising formats and purchasing moments. We also anticipated that QR codes and visual search would create new mcommerce opportunities as they became more ubiquitous.

Where we are now

CTV gets shoppable: Retail media partnerships are driving shoppable CTV as brands narrow the gap between awareness and purchase. Early adopters include Instacart and DoorDash, which both tested the technology leading up to this year's Super Bowl.

QR code use soars: This year, 94.1 million US consumers will use smartphone QR scanners, which will grow to 102.6 million by 2026, per our forecast. Marketers are embracing QR codes to drive conversions across physical and digital spaces and create a more interactive shopping experience.

Visual search builds momentum: The number of US adults who use visual search increased from 3.8% in 2020 to 8.2% in 2023, per Insider Intelligence and Bizrate Insights. Though this is a small portion of the population, Google and Bing are building out visual search in the hope of accelerating adoption.

“Overall, connected commerce is on the way, but it's not fully there yet,” said our analyst Yoram Wurmser. “As the technology evolves, advertisers need to tap into their audience data to figure out the best ways to reach consumers with ads on connected devices.”

Prediction: Apple is still pushing into advertising, but pressure will mount

Last year, we predicted Apple would continue to benefit from its privacy rules and expand its offerings beyond search ads in the App Store, specifically with a demand-side platform (DSP) that would launch in 2023 with ads on Apple TV+. However, we also believed that the company would face more blowback from its App Store policies.

Where we are now

Apple's DSP has yet to materialize: There hasn't been much movement on Apple's DSP since rumors began swirling last year. While there have been some signs that point to Apple ramping up its ad intentions (namely, hiring Lauren Fry, former chief revenue officer of ad tech firm Simulmedia, in February to build out its ad service for Apple TV+), the company has been tight-lipped about its plans.

Scrutiny is mounting over Apple's App Store policies: In the US, the Justice Department is ramping up its investigation into Apple over antitrust concerns, while the Biden administration accused Apple (and Google) of anti-competitive practices in the mobile app market. The Interactive Advertising Bureau also condemned Apple over its anti-competitive practices. On the other side of the pond, the EU's Digital Services Act places stricter rules on Big Tech companies like Apple.

"Apple will have a little reprieve from lawsuits after winning its antitrust appeals battle with Epic Games," said Wurmser. "But it's facing more political pressure in the US, the EU, and even in places like [South] Korea, where both Apple and Google are facing limitations on their app stores and payments systems."

Want to learn more about our analysts' predictions around connected devices and mobile advertising? Check out our "[Connected Devices in 2023](#)" lookbook, made possible by InMobi.

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