



watchful

A hand is shown holding a smartphone. The screen of the phone displays the title of the report. The background of the entire image is a gradient of blue and red.

**Mobile  
Megatrends**  
for 20**23**



Mobile developers are constantly creating new features and tools to make our lives easier, more productive, or more fun. This report aims to identify **5 of the megatrends** that took off in 2022, which will transform and shape how the world will engage with mobile apps in **2023**.

---

**Watchful.ai** provides the measurement tools, industry benchmarks, marketing insights and competitive intel to give **Fortune 500 companies** visibility into competitor activity across the web and mobile. We see thousands of feature updates, tests, and changes across thousands of apps every day. The end of the year brings us an opportunity to take a birdseye approach to analyze what significant trends we see repeatedly across apps. These megatrends are a powerful way to understand which new tools, features, or strategies have been repeatedly used and tested by the most successful apps in the world.

If you are a mobile developer, product strategist or want to learn more about the space, this report is for you. We hope you find it insightful and useful as you plan your strategies into 2023.

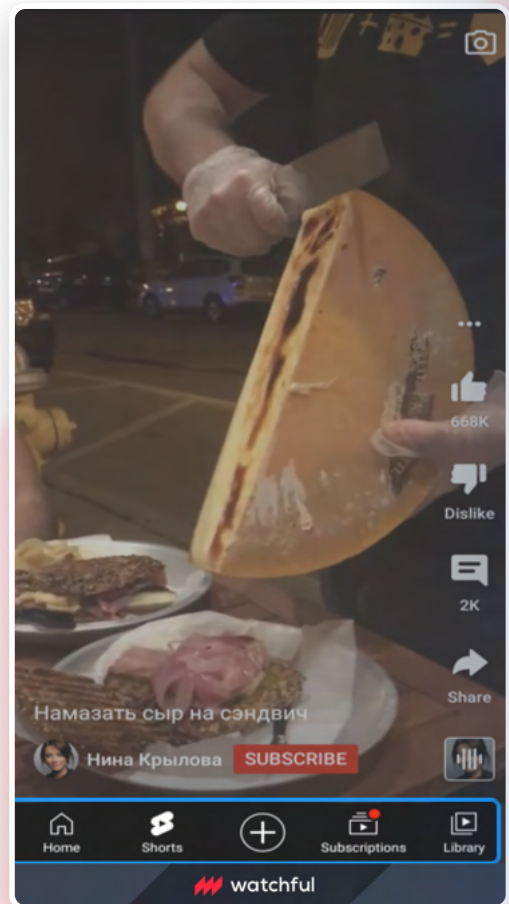


# 1 TikTok-ization of mobile apps

TikTok took the mobile world by storm, becoming the most downloaded app in the world in 2022. Beyond its viral funny videos, the company is geared to become a shopping giant, a streaming powerhouse, and one of the leading communications platforms. Following its success, many other companies are drawing inspiration from TikTok’s famous vertical scroll and the format/style of the video content which made the company stand out from the crowd and become one of the fastest-growing apps in history.

## YouTube

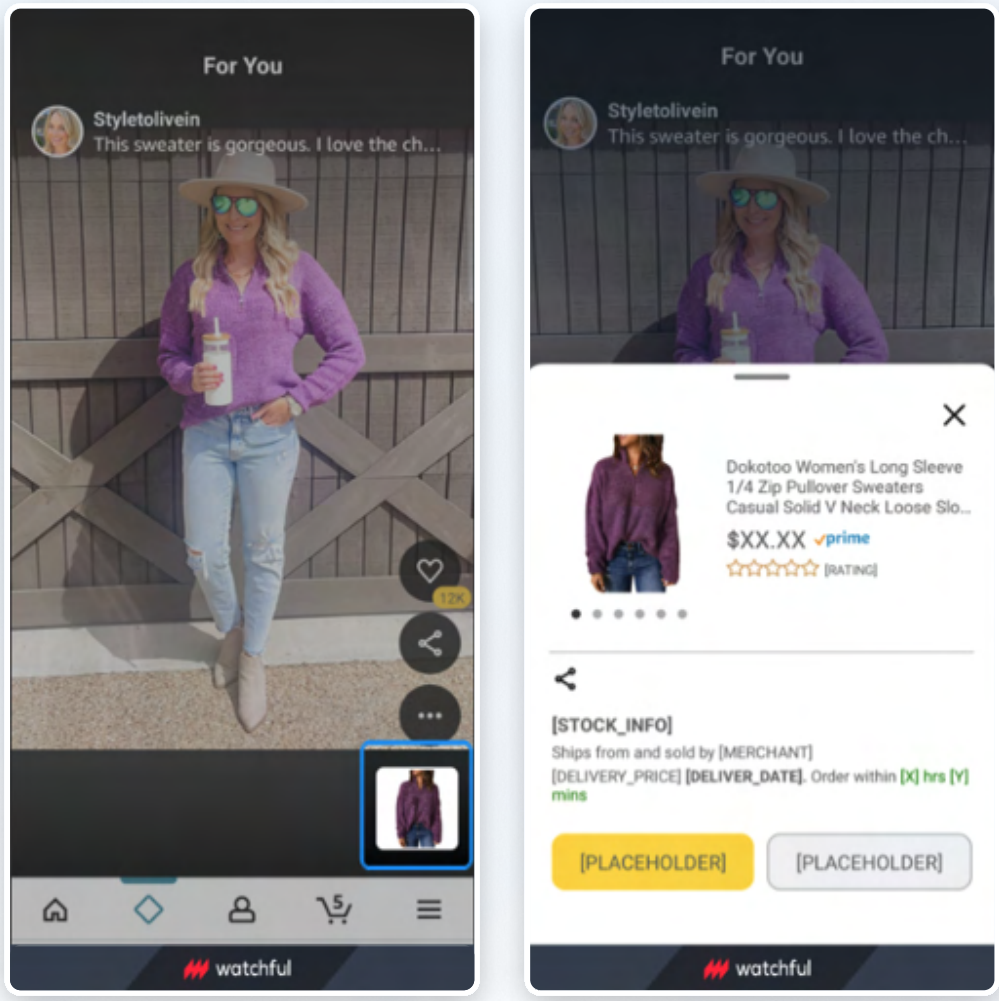
In 2022, YouTube launched “Shorts”, a short-form video-sharing platform offered by YouTube. The platform hosts user content much like YouTube's primary service but limits pieces to 60 seconds in length. Since its launch, YouTube Shorts has accumulated over 5 trillion views. Its monetization program pays creators up to \$10,000 a month from its \$100 million creator fund. In September, the company announced an ad-revenue sharing program to give qualified creators a 45 percent cut of ad revenue. TikTok launched a similar sharing program earlier this year following widespread complaints about its previous “static pool of money” approach. YouTube’s aggressive approach appears to be paying off, with Shorts tallying views from over 1.5 billion logged-in users per month. As of September 2021, TikTok had racked up 1 billion monthly users.



YouTube is aggressively competing with TikTok encouraging creators to monetize YouTube Shorts.



Beyond social media networks competing for eyeballs, companies across other verticals such as e-commerce are also embracing the “TikTok style”. Using Watchful insights, the Wall Street Journal reported this year that Amazon was testing a TikTok styled feed for customers to browse the app. Amazon’s test showed a vertical photo and video feed in its app. Per photos that Watchful provided to the WSJ, the feed is named “Inspire”, which was subsequently launched in December ahead of the holiday season. When users tap the diamond-shaped icon, they can see posts on a feed, which includes links to purchase any items featured.

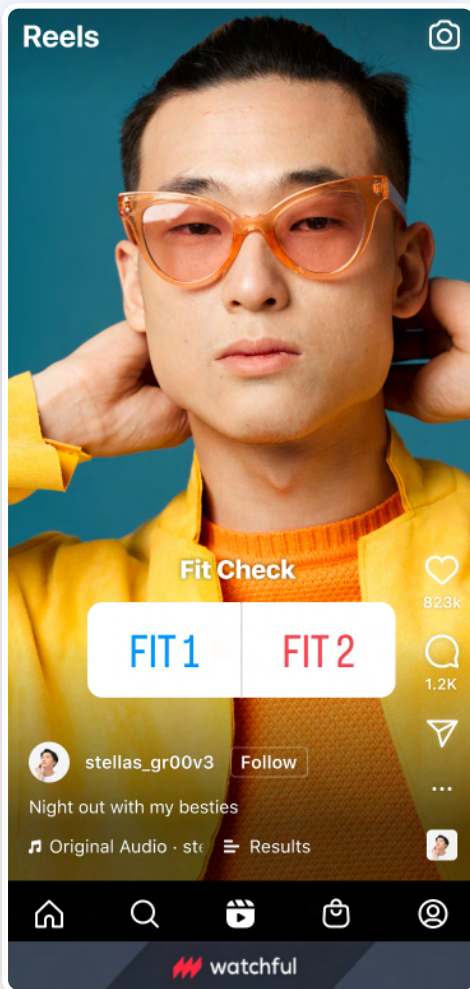


Amazon early test of Inspire Feed, six months before releasing the feature.

 Instagram

Instagram quickly jumped on the TikTok-inspired trend in August 2020 when they rolled out Instagram Reels. This addition allowed users to share short-form video content. In essence, an Instagram Reel is a vertical video anywhere between 15 to 60 seconds long. Users can stitch together video clips, add filters, and set the reel to music from the app’s music library.

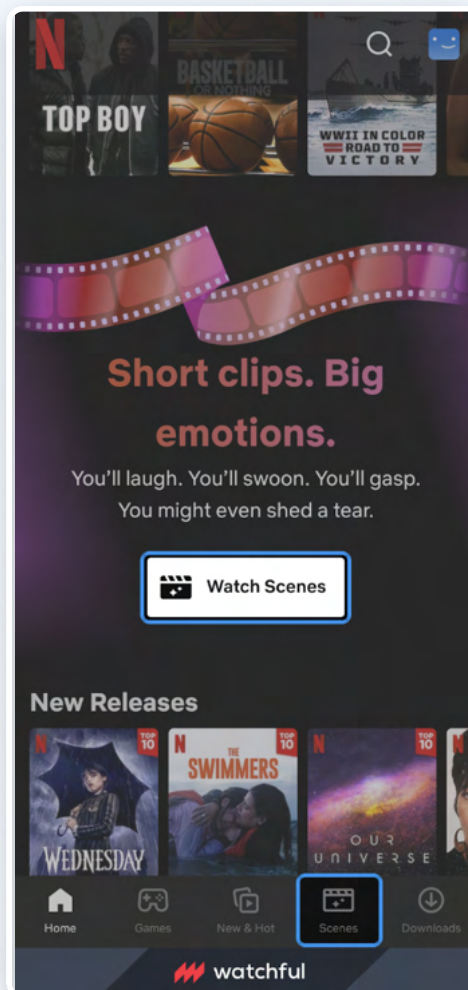
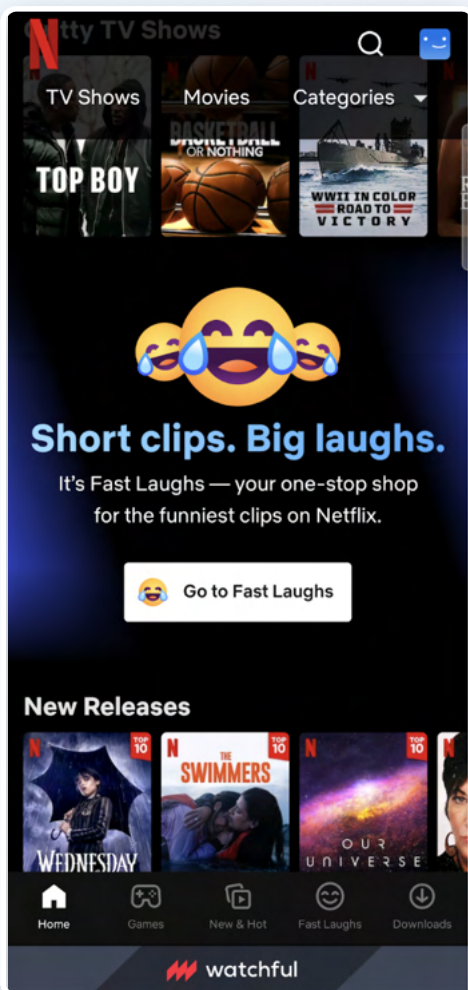
In the words of a TechCrunch reporter: “The e-commerce giant joins the laundry list of companies that have had the same idea: Facebook, Instagram, Twitter, Snapchat, Pinterest, LinkedIn, YouTube, Spotify, Netflix... What’s next, a vertical video feed on the IRS app that tracks your tax refund?”



Instagram was one of the first social apps that quickly took inspiration from TikTok with their reels.

**N** Netflix

Launched in 2021, the TikTok-inspired feed of funny videos serve as a way to introduce Netflix users to new shows, movies and comedy specials. The smartphone version of “Fast Laughs” was given a prominent position in the Netflix app, in the middle button in the bottom navigation bar. Similar to TikTok, “Fast Laughs” on mobile offers a swipeable, vertical video feed where buttons to react, share or save the content are stacked on the right side of the screen. Netflix’s goal is to encourage users to add shows, movies and specials to their Netflix watch list or jump right in to start streaming a title after viewing the short video teaser.

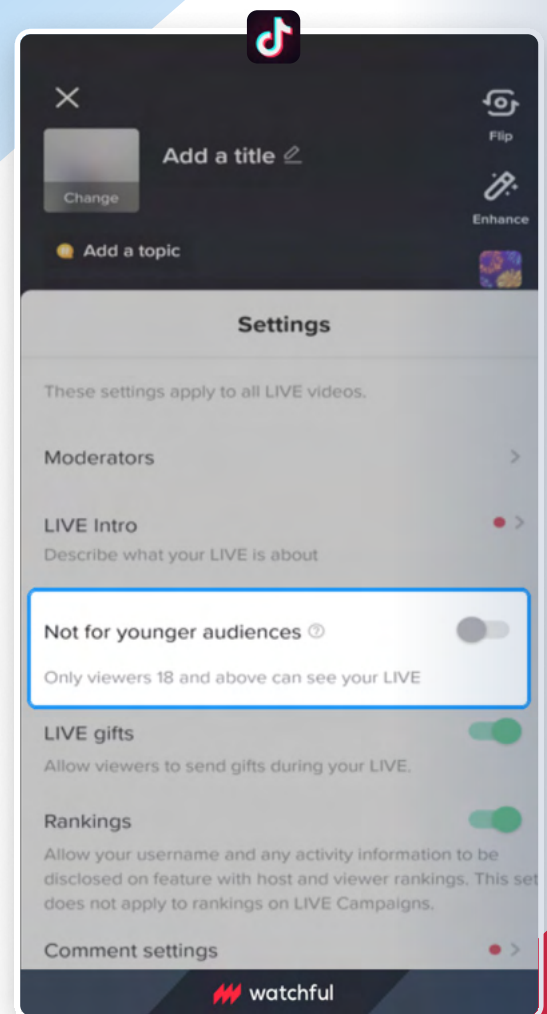


Netflix App added "Fast Laughs" to showcase short funny clips.

## 2 Focus on Safety & Privacy

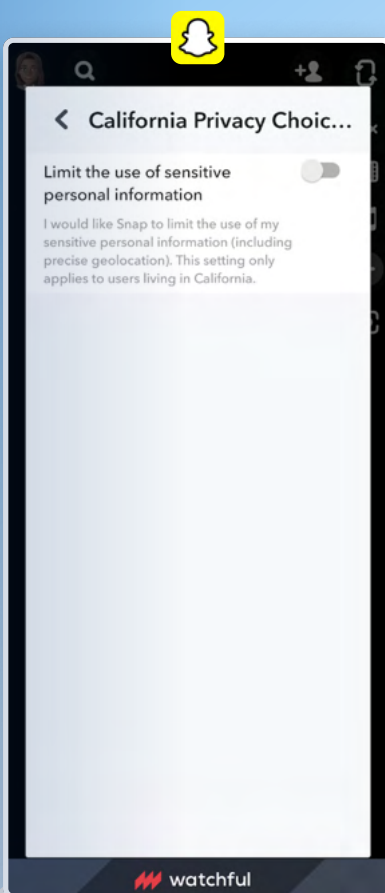
As regulations tighten and some of the biggest companies in the app space are under increased scrutiny, we see a growing trend in companies updating and tightening their privacy policies, especially around data sharing and child protection. In November 2022, Ireland's data privacy regulator imposed a 265 million euro (\$277 million) fine on social media giant Facebook, bringing the total it has fined parent group Meta to almost 1 billion euros. The penalty resulted from an investigation, started in April 2021, related to the discovery of a collated dataset of Facebook personal data that had been made available online. Facebook was also ordered to make a range of corrective measures. The fine is the fourth Ireland's Data Privacy Commissioner (DPC) has levied against one of Meta's companies.

Back in November 2020, California residents voted to pass the CPRA (California Privacy Rights Act), which builds on an earlier consumer privacy law, the California Consumer Privacy Act (CCPA) of 2018. While the CCPA gave residents the right to access and delete personal information held by businesses and opt out of the sale of that data, the new law puts into place further requirements for businesses around their data collection practices and data retention. It also introduces new notification requirements and clarifies that users have the right to opt out of both the sharing and the sale of their personal information, while also adding a new category of "sensitive data." The new CPRA took effect on January 1, 2023.

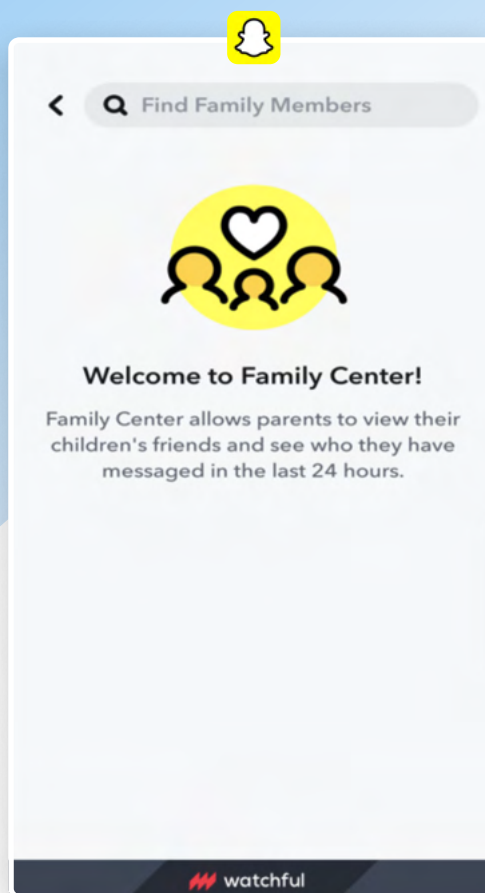


TikTok introduced new restrictions for LIVEs targeted at viewers +18.

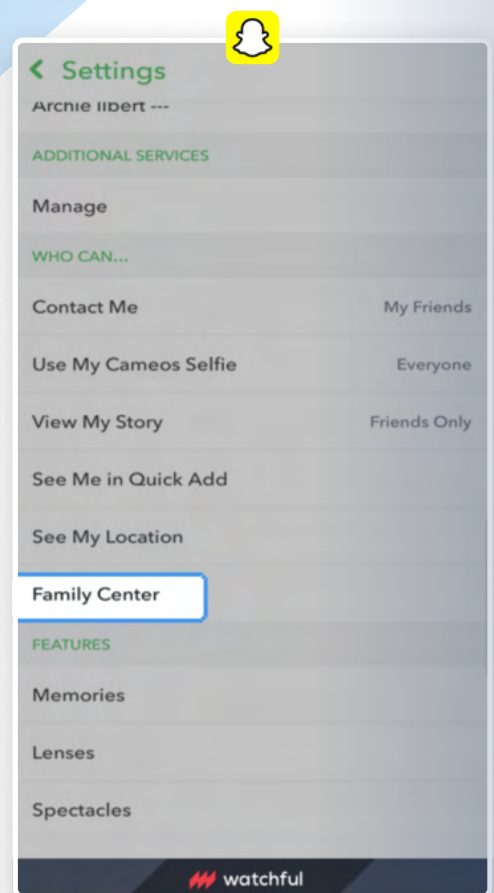
Another issue that is tightly connected to safety and privacy, is the need to protect minors online. Santa Monica-based Snap and other social media giants have faced mounting criticism for not doing more to protect their younger users—some of whom have been bullied, sold deadly drugs and sexually exploited on their platforms. State attorneys general have urged Snap and Culver City-based TikTok to strengthen their parental controls, with both companies’ apps especially popular among teens. This year, Watchful discovered the test behind Snapchat’s new Family Center, which allows parents to see who their children are friends with on the app and who they’ve messaged within the last seven days, to be able to identify abuse or harassment.



*Snapchat was the first social network implementing changes to adhere with new California Privacy Laws.*



*Snapchat early tests of Family Center, a feature for parents to see their children's activity.*



What’s more, a new California privacy law might fundamentally change how kids and teens use the internet – not only in California but also across the country. The legislation, going into effect in 2024, imposes new restrictions and requirements for internet companies that serve minors to design their platforms with children’s “well-being” in mind.



## 3

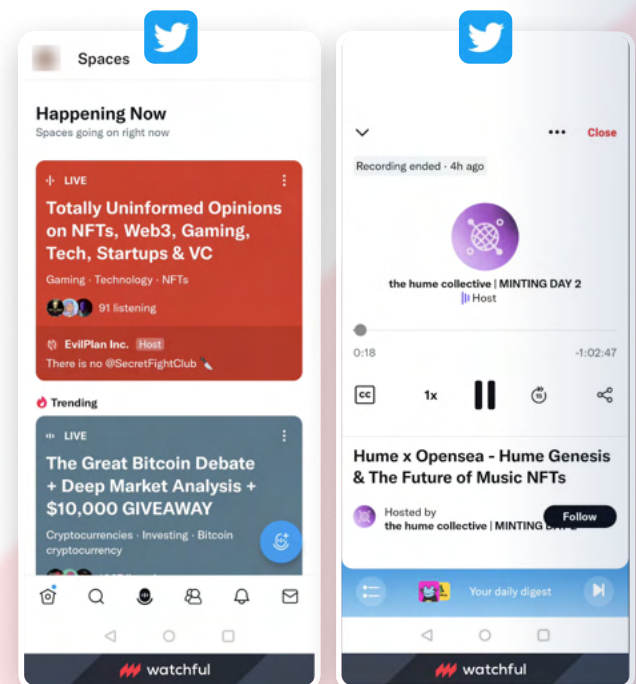
# Voice Explosion: Audio, Podcasts, Voiceovers

As cameras became a popular feature of mobile devices ten years ago, a picture craze was kicked off. From selfies to food pictures, the world became obsessed with documenting and sharing everything around them through images. A few years later, video started gaining traction. Recording, editing, posting, watching, and sharing videos has become an integral part of the mobile experience. From e-commerce apps embracing videos to display products in motion to endless reels of funny clips on Instagram or Tiktok, video became king.

Watchful.ai expects the next megatrend to be focused on leveraging the power of audio. Apps like Spotify or Apple Music have long been popular for listening to music, but in 2023 we expect an even bigger explosion in features surrounding voice. Podcast listenership has been jumping exponentially in 2022 and it shows no signs of slowing down. It is predicted that there will be around 424 million podcast listeners worldwide by the end of 2022.

## Chat Rooms

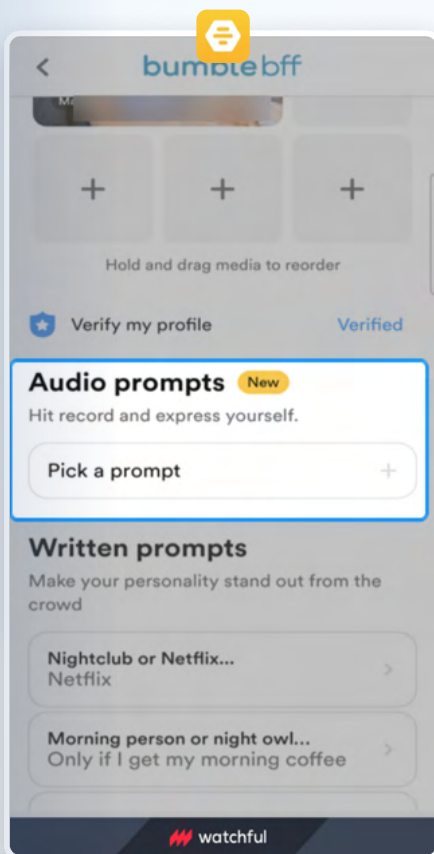
Twitter first launched Spaces in November 2020 as an attempt to eclipse Clubhouse's success with its own version of audio-centric chat rooms – but the ability to actually host a Space was limited to Twitter users with 600 followers or more. In 2021, Twitter gave all of its users the ability to host a Space. In 2022, Twitter rolled out a number of new features for its live audio Spaces, including giving hosts and co-hosts on iOS and Android access to analytics about their Spaces. The company also announced that it would soon introduce an option that allows hosts to record their live audio sessions in Twitter Spaces to make them available for replay.



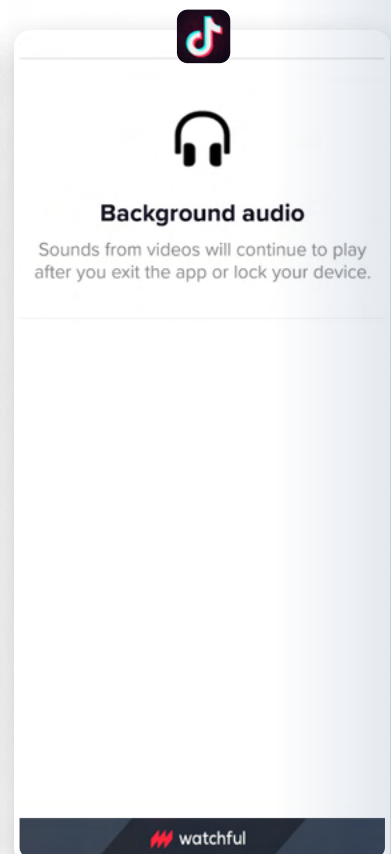
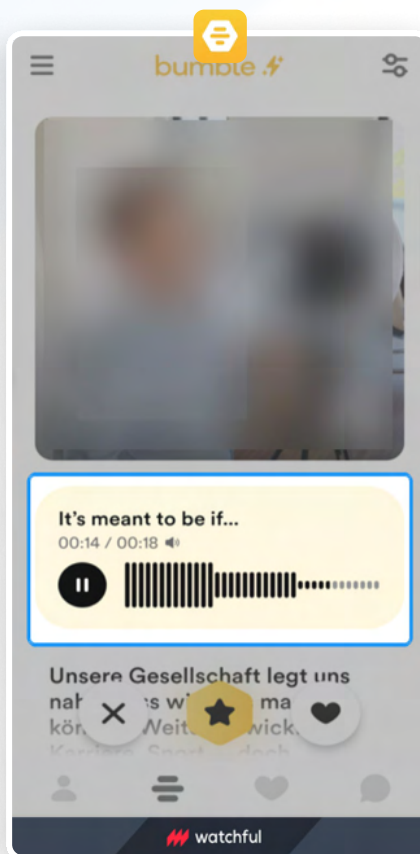
Twitter Spaces rolled out many updates over 2022 to expand their audio offerings and empower creators.

New Ways of Using Voice

Besides podcasts and audio-centric chat rooms, voice was also used in new creative ways by many apps. While voice notes have become commonplace for messaging apps like Whatsapp and Messenger, in 2022 we saw the inclusion of voice features in new verticals such as dating. For example, Bumble added a feature for people to add an audio message as part of their profile. We can also expect apps that were traditionally focused on video such as TikTok to leverage their potential as audio apps, whether it's through podcasts or music. In fact, a new Watchful insight revealed they're testing the ability to listen to audio in the background while the app is closed... so watch this space!



Bumble included a feature to include audio prompts as part of user profiles.



TikTok is currently testing a ways to enable users to continue playing audio when exiting app or locking device.

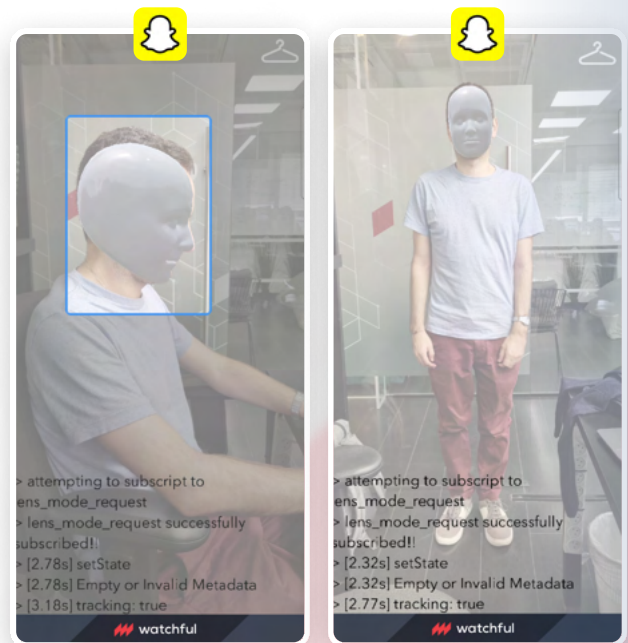
4

# Augmented Reality: Merging Digital & Physical Worlds

We have all heard and read a lot about Meta’s focus on developing metaverse technologies to strike down the barriers between the digital and physical worlds. While using Virtual Reality (VR) for gaming, virtual meetings, shopping or socializing is still in its infancy, AR is making big strides, acting as a gateway to an upcoming VR revolution by fusing elements of digital & physical experiences together. Companies like Instagram and Snapchat have been using AR for years with filters that have now become commonplace as part of the social media experience. However, over 2022 we have seen many more applications of AR across different verticals such as retail and entertainment which are changing the ways in which we interact with our mobile devices.

Snap

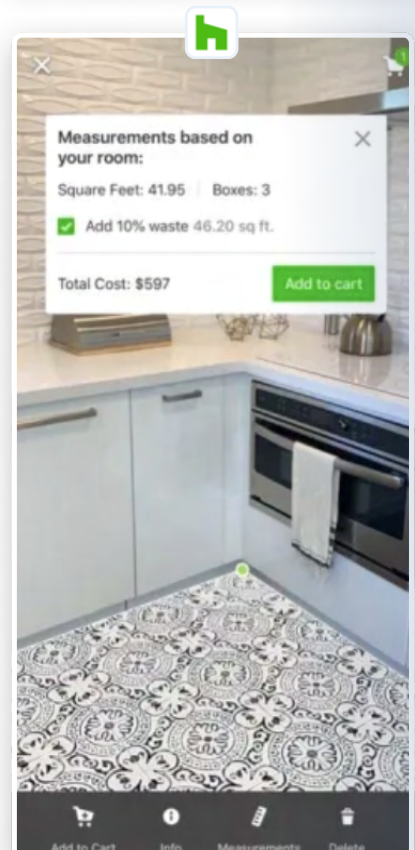
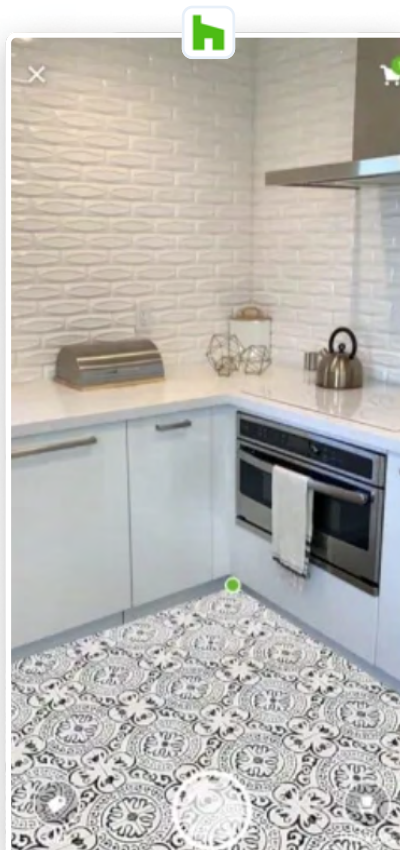
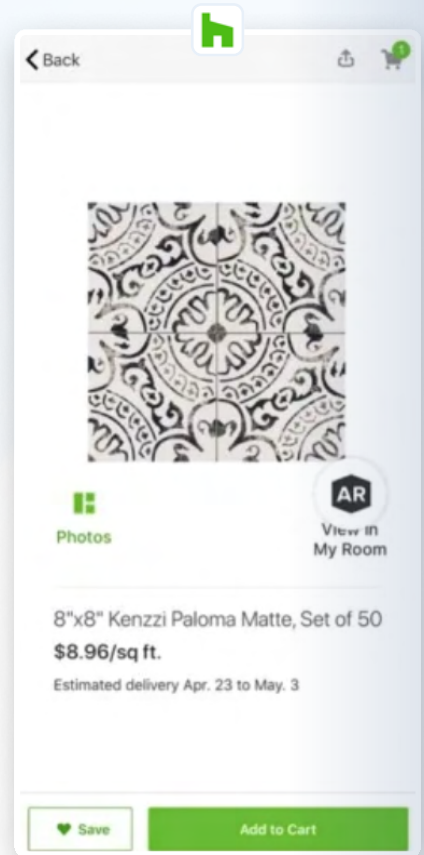
Snapchat has been ahead of the game when it comes to AR. According to the company, over 250 million users utilized the platform’s AR lenses for shopping more than five billion times since January last year. Recently they launched a partnership with H&M so users could try garments on the platform. Snap’s AR features have also been implemented by the likes of Puma for virtual footwear try-on. Watchful insights also show Snapchat is currently testing the creation of a new “look builder” which could become a new way to try on garments in the app.



Snapchat is testing new ways to leverage AR with a new "look builder".

E-commerce

E-commerce is really embracing AR and we expect to see much more in 2023. For most sites, online shopping is limited to product photos or occasional 360-degree images. With AR, customers can see how a garment looks on you or how a table fits in your dining room. Home improvement app Houzz is a great example of leveraging AR for e-commerce. The "View in My Room" feature uses AR to place products into a photo of the user's home – using 3D technology, so the resulting image is lifelike. It even shows what the product will look like in different lighting.

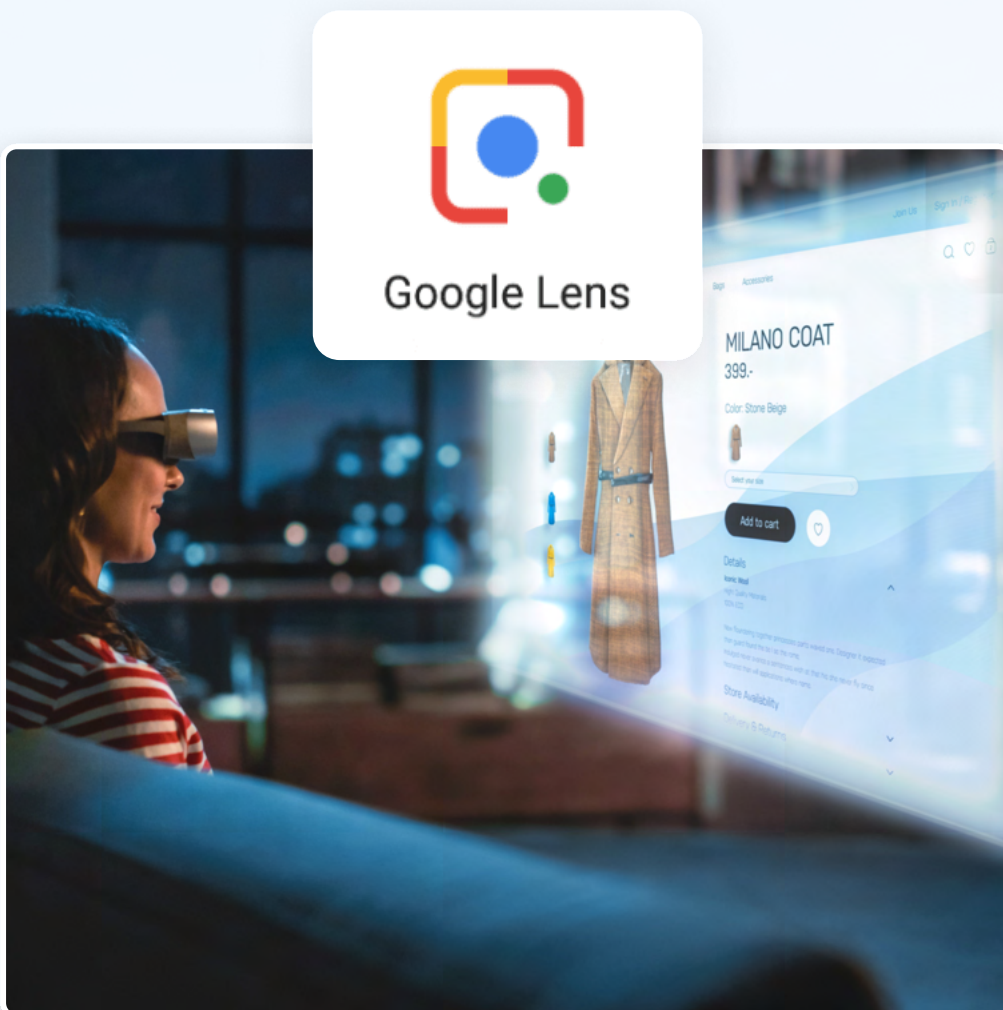


Houzz "View My Room" leverages AR for people to see what their house could look like.

**Google Lens**

Beyond shopping, apps such as Google Lens are reinventing the search experience with AR. Instead of typing in a text-based query, open the app and aim it at what you want to learn more about. Google Lens will identify the object, tell you what the text says, and it'll tell you where to buy the object if it's available online.

AR is giving consumers a new, multi-dimensional way to communicate, research and interact with products before making a purchase. Meta isn't the only one heavily investing in virtualized experiences; Apple's much-anticipated VR/AR headset is expected to arrive in mass volumes in the second half of 2023.



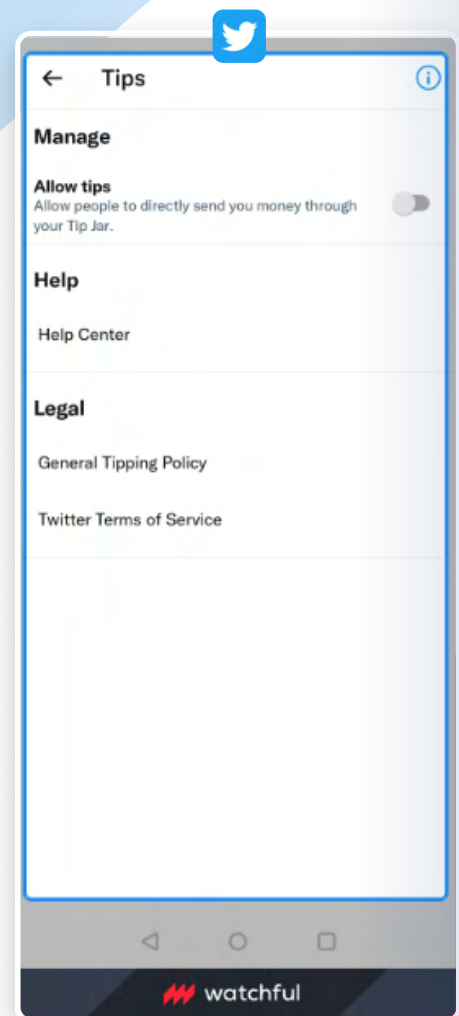
**5**

# Mobile Payment Revolution

Over two billion people used mobile payments in 2021, with Worldpay estimating that digital and mobile wallet payments accounted for 49% of online transactions worldwide. The use of mobile wallets is set to rise to 53% by 2024, and the entire market for mobile wallets is expected to be worth \$350 billion by 2026.

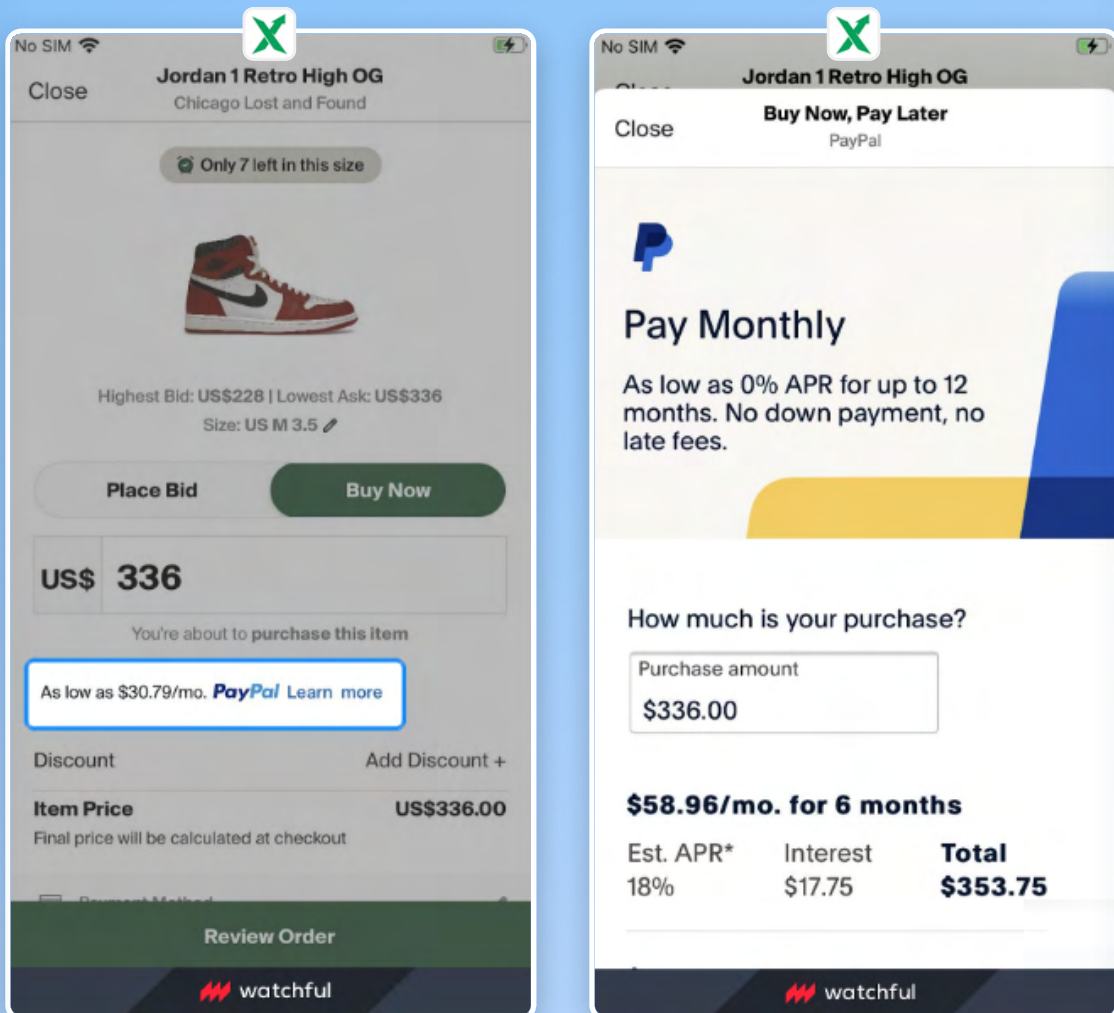
In addition to using your phone as a wallet, mobile commerce is fast becoming consumers' preferred shopping channel. In 2021, retail m-commerce sales hit \$359.32 billion—an increase of 15.2% over 2020. By 2025, retail m-commerce sales should more than double, to reach \$728.28 billion, and account for 44.2% of retail ecommerce sales in the US. In 2023, it's estimated that 8% of all retail transactions will take place through a mobile device.

Mobile commerce doesn't just mean using mobile-friendly websites but also tapping into payments technology. Most mobile devices have a built-in card storage feature, such as Apple Pay, Samsung Pay or Google Pay. In addition, shoppers can download mobile payment apps to their smartphones such as PayPal, Venmo and Xoom to either send money to their family and friends or pay for goods and services. An estimated 56.7 million US customers will use Apple Pay by 2026, accounting for 19.7% of the US population. Several regional mobile payments services have also seen rapid growth in the past few years, including GrabPay (South-east Asia), SadaPay (Pakistan), Mercado Pago and PicPay (Brazil).



*Twitter expanded the payment options for users to send money through the Tip Jar.*

As our mobile devices make it easier to pay for products, we're also seeing huge growth in apps including a range of financing options. With the current economic crisis, customers are keen to "buy now, pay later". Companies such as Klarna, which offers payment installments have exploded and we are seeing more websites and apps adding them as an alternative. We will also see existing players, such as PayPal introducing "buy now, pay later" alternatives. In a recent test from Watchful, we saw this feature is already in development for StockX, the popular sneaker e-tailer. In addition, new players will enter the market, such as One, a Walmart-backed fintech startup that plans to launch a buy now, pay later option as soon as next year.



StockX testing "buy now, pay later" alternatives with PayPal.



# About Watchful

Watchful.ai provides the measurement tools, industry benchmarks, marketing insights and competitive intel to gain unprecedented visibility into competitor activity. Our platform is at the core of the decision-making process at business, strategy and development teams of **Fortune 500 companies**.



## Product Intelligence

Most companies don't have the ability to systematically receive and analyze competitor product releases. In the fast-moving world of mobile apps and web, competitive intelligence isn't something that can be done once or twice a year, but an ongoing process to stay on top of changes within your competitive ecosystem.

Watchful.ai gives you ongoing reports, alerts and indications for your competitor's tests and features in development. Our team of engineers and analysts have created a new way to understand the digital landscape and visualize what your competitors are doing today, and planning for tomorrow.

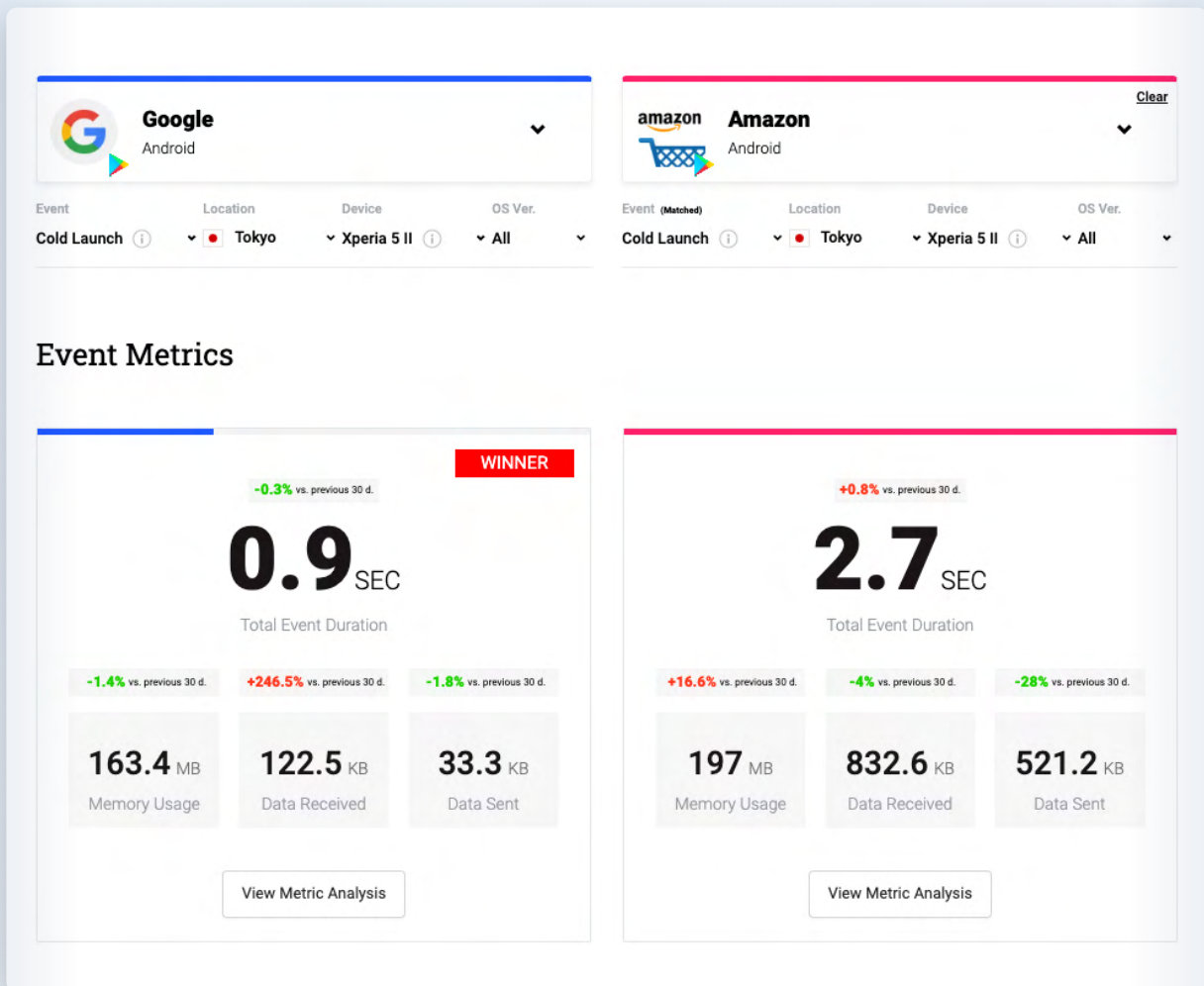
The screenshot displays the Watchful.ai interface for TikTok. At the top left is the TikTok logo. Below it, three product release events are shown in a timeline format, each with a 'COMPLETED' status in a green box. The first event is dated Nov 8, 2022, for version V.26.8.16, with 12 discoveries. The second event is dated Nov 18, 2022, for version V.27.0.2, with 7 discoveries. The third event is dated Dec 7, 2022, for version V.27.3.2, with 17 discoveries. Below the timeline, there is a section titled 'Experiments (15)' with a dropdown arrow. Underneath, four experiment cards are visible, each with a screenshot of the app interface and a description: 'Testing to Add Commercial Content Library', 'TikTok is Testing to Add Autofill Information', 'Testing to Add Quick Upload By Swiping Up', and 'Clickable Avatars Leads to the 'Now' Feature'.



**Benchmarking & App Performance**

Watchful offers you the ability to benchmark and visualize user flows to identify issues impacting user experience and conversion across key metrics throughout the customer journey.

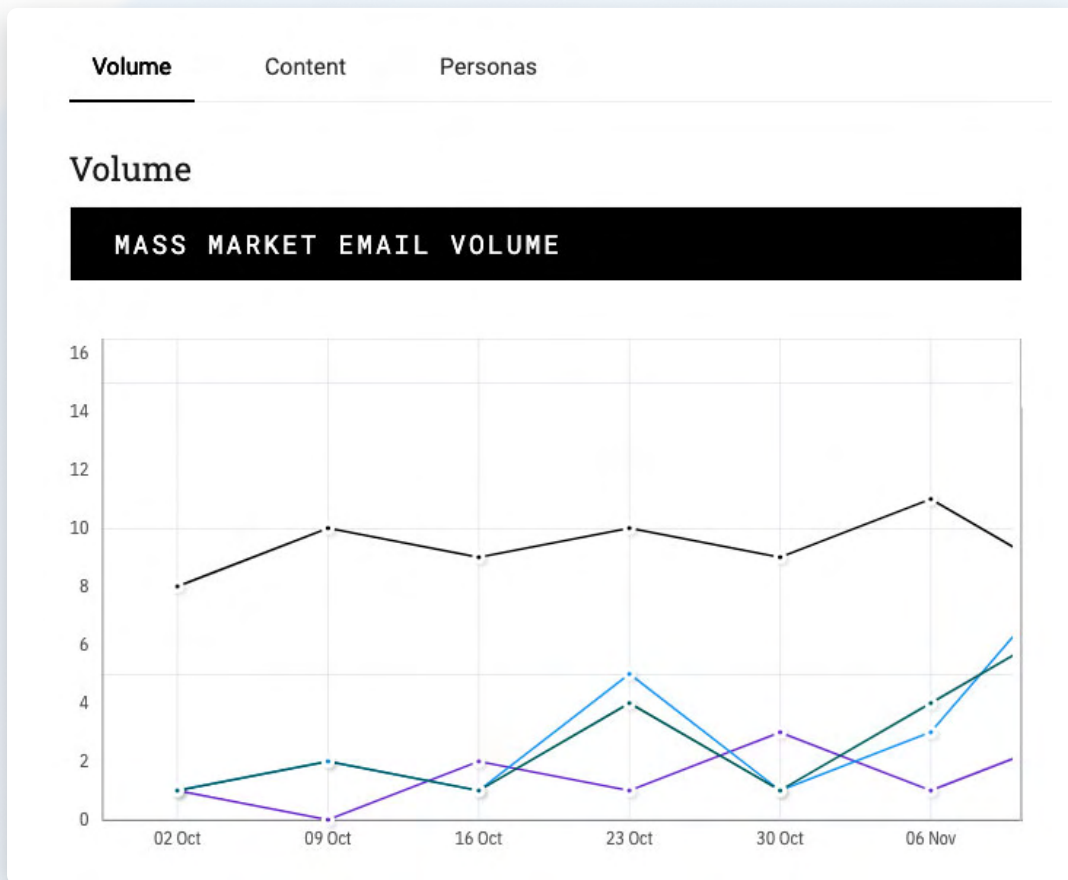
Learn which specific pages or events in your product are lagging behind when it comes to speed and performance and get alerts and reports on performance issues across your user flow.





 **Marketing Intelligence**

See how your competitors market to their customer segments through CRM, email and online campaigns. Watchful gives you the ability to get a full view of what your competitor's digital marketing campaigns and flows look like, from the emails they're sending customers to the ad campaigns they're being targeted with. Learn the differences in how different user segments are targeted and stay on top of new campaign launches as they happen.



 [Learn More](#)

Looking to uncover insights about your competition? Our Product Intelligence, Benchmarking and Marketing Intelligence Solutions are core to decision-making processes at Fortune 500 companies globally. Let us know how we can help at [watchful.ai](https://watchful.ai).