



# EXPERIENCE MATTERS

## VIDEO TRANSCRIPT

### **FORMER ACCENTURE INTERACTIVE CEO BRIAN WHIPPLE ASKS “WHAT WILL YOU REIMAGINE NEXT?”**

**Speaker 1 (Brian Whipple):** You remember your first Uber ride. What about the first time you stayed in an Airbnb? You probably don't, and that's an example of how seamlessly these type of experiences fit into your life. But one thing is for sure, it left you wanting more. Brands and marketers have been working to keep up with liquid expectations for years and years. The notion of seamless experiences is not new, but it has been accelerated by the covid pandemic. Have you been making your weekly trip to the grocery store? Me neither. Or what about when you forgot to buy a new webcam for that big pitch tomorrow? Or ring light? Click and ye shall receive. These experiences weren't even on my radar before 2020. I have to tell you, I'm not going back. Great experiences make consumers' lives better, more efficient and more rewarding. These brands build loyalty, trust fandom. They even win Cannes Lions.

Brands that are willing to reimagine experiences around people's needs have an opportunity to shift the paradigm of their business, their industry, maybe even the world just a little bit. This is a hard fact: companies that are experience-led outperformed their industry peers and profitability growth by six times. I don't know any CEOs or CMOs who don't want that. Yet, oddly, some experiences have been left untouched. Today, we're going to learn about why experience matters to brands, marketers and consumers. We'll look at experiences that, for some strange reason, haven't changed at all. Talk to business leaders who are pioneering new experiences and will dive into some important questions. What's creativity's role within the entire customer journey? What about the future consumer? The next generation of people that will be holding the big pocketbooks? What are their values, needs and demands from brands? So sit back. Turn off your notifications and let's learn about why experience matters.

### WHAT IF YOUR CLOTHES TOLD A STORY?

It seems I know a decent amount about what I'm buying to eat. I could see if it's organic, non GMO made in a nut free facility. That's cool. Why can't we have a label or a barcode or something that tells us these things or their equivalent on more things we buy? What about the sweater? Where did the cotton come from? What conditions was the sweater made under? How was the energy produced to make it? How about just telling me something?

### VOX POPS

I would like to know more about where my clothes are made, just because I've heard some horror stories.

They don't pay their workers or the way they make them is bad for the environment.

I'm pretty sure the condition of those factories are not pretty good. I would personally love to know more about, like, process or like material. And I think as a customer, I'll probably enjoy more if I know more about the story.

If a single store was made fully transparent and the clothing that they sold, I think I'd be inclined to pay a reasonable amount more per item.

Being more ethical would definitely be the gravy on top or the cherry top.



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### EXPERIENCE REIMAGINED: SUSTAINABLE SHOPPING

#### **Speaker 2 (Jennifer Hyman, CEO, Rent the Runway):**

As a woman walking into a room in an outfit that makes you feel confident can change the course of your day. Twelve years ago, my sister went in search of that confidence and it put her into credit card debt. There was a recognition that I had that everything she owned in her closet was effectively dead to her. It was a representation of who she was in the past. The light bulb moment for me is what if the closet were alive and it could actually adapt to you as your life changed and the weather changed and your mood changed. And from there, it really came up with this concept of a closet in the cloud where you can get unlimited access as a customer to whatever you wanted to wear whenever you wanted to wear it.

One of the key indicators to me that this was a real need that we were fulfilling was the fact that one hundred thousand customers signed up for our service in our first week of operation. And clearly, women understood what the consumer value proposition was of renting a dress instead of buying something that she knew that she was only going to use a few times.

The fashion industry, in order to make money, has to convince the consumer to irrationally buy things that they don't need. They have to convince you to buy an 11th pair of jeans or a twenty fifth top that you don't need. And given that fashion is the second most polluted industry on Earth, and most of that pollution comes from manufacturing clothing that is underutilized in our closets. The industry is kind of existing on unsustainable ground. So by nature of creating the world's largest shared closet, Rent the Runway is attacking the central premise behind why fashion is actually unsustainable. Five and a half years ago, we launched our Subscription to Fashion, which is now over 75 percent of our revenue. Our most engaged subscribers are using our service a hundred plus days of the year to wear rented clothing from us as opposed to wake up in the morning and get dressed out of their closet or buying something new.

We've been continuously surprised and letting the customer lead us in terms of how much she wants to disrupt her previous behavior and actually have an entirely new experience around how she gets dressed. It's been fascinating to us that the more we improve the customer experience, reduced friction from it, made it more comparable to the experience of waking up and getting dressed the more days of the year she's willing to use the service. I think covid was an accelerant across all customer segments to online, and we saw that in categories, that there had been a lot of friction in the past. We had seen friction around grocery as an example. Covid just erased that. Do we really think that people are going to be going back to supermarkets to the same extent that they did prior to the pandemic when it is so convenient to order online through an interface like Amazon or Instakart? And similarly, we've seen that in online shopping or clothing, that there's been so much innovation over the past 10 years that the online apparel space jumped dramatically over covid. And I don't think it's going to go back. I think physical stores are going to have to offer something that you would never be able to get online.

One of the theses for business was we believed that experiences would become more important than ownership and really that the sharing economy would overtake every sector and every aspect of how we lived. Where too many big companies fail is in seeing kind of mediocre metrics around the first launch and then not following through and not really understanding how they can iterate their product over time and really use it to change their entire business. The other thing is that too many companies are afraid about disrupting their core business. The reality is, if you don't disrupt your core business, your core business likely will get cannibalized.



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**WHILE SOME EXPERIENCES HAVE CHANGED, TOO MANY HAVE NOT.**

### WHAT IF WE DIDN'T NEGOTIATE?

**Speaker 1:** So I'm wandering around the lot. I kind of know what I want already, but you want to see a car in person, right? And do the test drive, questions answered. All good. So I tell him I want the price that I want. And even though he knows the price that I want, he says, "Come right this way. Let's go inside and get some information". Finally, we get to the price. Plot twist! It is at the very high end of the researched range. I still have to negotiate. It's like perpetual negotiation. Who likes this? Let's go find out.

### VOX POPS

Hate it, hate it, I hate it, I hate negotiating.

I don't have time to worry about the price in my car. I didn't negotiate.

It would have been nice if it was faster, if it was less kind of going into this sleazy back alley place.

Such a process to know if you're actually getting a good deal,.

Don't get scammed, like know the price of the car and don't be afraid to walk away.

### EXPERIENCE REIMAGINED: MONEY MADE EASY

**Speaker 3 (Sergio Rial, CEO, Santander Brazil):** We have today about 30 million customers, that bank with Santander in some sort of combination of a single product or a mix of products. Brazil has 210 million people. And the beauty of it, it is a consumer that wants to continue to improve. And leverage has not been at the disposal of Brazilians for a number of decades, couldn't really borrow when levels of inflation that we had. And over the last five years, we have coexisted with single digit rates, which for most countries in the northern hemisphere is like, what are you talking about?

But in Brazil, being able to coexist with rates between four and seven percent a year, it's something new. The word "sim" in Portuguese means yes. "Sim" is 100 percent digital platform for credit. When you talk about credit and you start with the word, yes, it is a very powerful signal. So it can happen. It is possible. You will get.

What "sim" does first is a very unique digital experience. You can actually do everything and get the credit to your account without any human intervention. So you can go through the process completely digitally and then you can borrow more cost effectively and eventually pay down some of your most expensive debts. We basically started with the original idea of leveraging consumers' assets, which could be a motorcycle, a car, anything they clearly had equity embedded in the asset, but they were not taking full advantage of a better rate on the back of that asset.

One of the very basic things that I think banks have an obligation to do is to be very transparent and explain a lot better mathematics around financials. You know, one percent a month on a compound basis does not equal 12 percent a year. A lot of consumers are sometimes misguided about what they're actually contracting. So I think it's very important that people understand what they're truly paying for. That's rule number one. Rule number two is what I think is duration. So the longer you can actually lend to someone, the higher the propensity for that individual to be able to fill in that installment in their pocket. The third is people really believing that they going to have access to credit. When we start lending money through ATMs in Brazil. We had a sentence which basically said "your credit has been pre-approved." There was hardly any take on loans in the new ATMs. And you know why? Because the notion of pre led consumers to believe that they would still go through a second or third screening. So we eliminated the word pre and we just said your credit is approved. The take of loans and the ATMs went up 30 percent.



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The whole neuroscience and how you approach consumers in an intelligent manner that basically speaks their language is also a very important component of what we are trying to build and also be educated ourselves. I am a big believer of atomizing the company to the lowest level of possible individual that each and every individual can actually touch the PNL of the company. We are going through such a phenomenal transformation in the world. It doesn't matter which business model, whether you're in finance or you are in auto or in the hotel or leisure. I think this is a time where people want to be entrepreneurs. They want to be in a position to run and have autonomy. It's not anymore at a time where you just want to be a regular bank employee and understanding that it's an essential part of a company that wants to grow.

Technology has arrived in a way that is basically redesigning all the drivers that we knew as drivers of a successful business model. So all of the exercise is to ensure that within the system you have individuals creating models to destroy yourself. So to at least if not destroyed, maybe it's a big word, but to make sure that your competitiveness is being checked and challenged from within, let alone the fact that it's already being challenged from outside, but that you start creating because the best benchmarks are the ones you can create yourself.

**Speaker 1:** If there's one thing I want you to take away, it's that brands are built by experiences. Now, does this experience involve creativity? Of course. Does it involve technology? Of course. Does it involve understanding your customers unmet needs? Of course. The leaders you heard from today recognize the shift in their customers' expectations and either built their business around it or reinvented an experience to fulfill it.

You also saw experiences that have been left untouched and are simply begging to be reimaged. And I'm sure you have many more experiences you'd like to see reimaged as well. If there's one thing we know for sure, it's that experience matters. Right now as brand leaders, we have a once in a generation opportunity to change the way people experience brands, to really listen to our customers' needs and team together to make their lives easier, more rewarding, perhaps more meaningful.

So the question remains, what experience will we reimagine next?

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