

INTERACTIVE AGENDA

EDITOR'S NOTE



I'M pleased to introduce this edition of the Interactive Agenda.

We have brought together opinion-led content from across Accenture Interactive. Our main focus is how technologies are driving a new human experience and changing the world of the marketer. We truly believe that an understanding of both is required for brands to succeed.

A lot has happened at Accenture Interactive over the past year; we have pivoted our business on the dynamic between experience and technology. We made the bold move of acquiring a major advertising agency, Karmarama, creating a powerhouse for digital design and creativity,

and changing the agency landscape in the process. We now have both Fjord and Karmarama under one roof and have together defined a new service model-part creative agency, part business consultancy, part technology powerhouse-to help envision, create, activate and scale the next new consumer experience, and every touchpoint along the way, from inception to execution at speed and at scale.

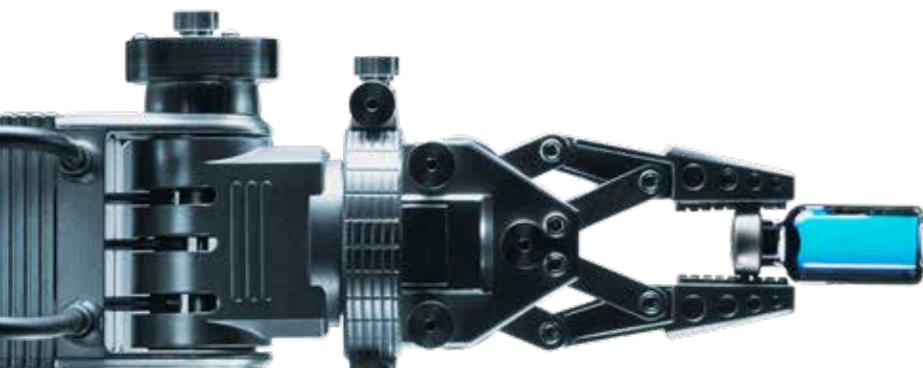
I hope you find this an interesting read. Please get in touch if you would like to discuss further.

Joy Bhattacharya

*Managing Director, UK and Ireland Lead,
Accenture Interactive*

YOU NEED A CREATIVE MOT

Resist the urge to chase after the shiny and new-instead consider what your customer really needs from your brand.



WHAT DO WE REALLY WANT FROM BRANDS?

This has changed since we started playing around with the internet. We've become accustomed to finding what we want quickly, having our queries responded to in real time, the overnight delivery of our purchases and the positives of personalisation.

And at the same time we're also feeling swamped by information, messages, feeds, and adverts all competing for the little time we have.

All businesses have been told they need to keep up with the new stuff. They need to harness new technologies, new channels and new platforms to improve the experiences they provide. So they continue adding more and more bright and shiny new things to their existing services and experiences, much like a teenager adds go-faster stripes to a car when they should really be booking it in for an MOT.

Adding new, shiny things can actually hinder not help the customer experience. It can create cognitive dissonance-a response of 'How can they do this while they're still rubbish at that?'

The consumer is in charge, and is peering through the cracks with a knowing sneer.

Only once the experience MOT has taken place can you truly start to think about where things can be improved and what is in need of innovation or enhancement. But once that has been established, where do you begin?

It's a good question. Businesses too often start with the new and shiny-a new piece of technology, a new platform or a new play thing. There is a great hope that somehow the answer will lie within this innovation-that the experience can be magically improved by throwing in a slice of AI or VR, or whatever the next big thing is when you read this.

This isn't the case. The starting point for anything new has to be driven by an insight into that most valuable of commodities-the customer. Will they like this new technology? Will they believe you're adopting it to really make a difference, or will they just find it just intrusive?

The background of the entire page is a complex, abstract pattern of thin, overlapping lines in vibrant red and light blue. These lines are set against a solid black background, creating a sense of dynamic movement and digital connectivity. The lines vary in thickness and direction, some forming loops and others extending across the frame.

Are you putting your customers first and then thinking about how technology can enhance their experience with your brand?

Companies have spent years building value in their brands. Some have done this very consciously, some maybe less consciously, but whatever approach they've used, the lens of the brand is as critical for innovation as it is for any aspect of marketing.

Once you've conducted this analysis, your MOT if you like, and found the value in your brand, you'll be ready to add the magic. This comes from creativity: putting insight, brand value and technology into the blender and creating new inspiring things.

These innovations should be something customers really want. They should surprise and delight them and raise their expectations so they want to spend more time and money with that company.

Finally, the era of public failure in innovation is changing as businesses and brands realise their customers expect more than the flexibility previously given to the likes of Google, Facebook and Amazon. Public iteration of a new product or service, in the past seen as a necessary piece of the development cycle, can seriously slow down your quest to deliver the most innovative and amazing experience. To counter this, you must be able to test your new, exciting ventures quickly and cost effectively, via prototyping and closed testing. If you can master this, the sky is the limit.

RETHINKING YOUR ADVERTISING CHANNELS

As ad blocking continues to threaten publishers' digital revenues how can you develop a seamless advertising experience?



A recent PageFair report shows that 11% of the global internet population is blocking ads. That's a total of 615m² devices across desktop and mobile. And this figure is growing quickly, with 30% increased adblocker usage year-on-year. It's a major commercial problem, with publishers set to lose more than \$27bn dollars³ in revenue by 2020 as a result. Clearly consumers are fighting back and a frictionless experience is being sought.

Against this backdrop, non-interruptive forms of advertising should be considered as more powerful than ever. One tried and tested format is product placement. In recent years product placement has been left behind other forms of digital advertising in terms of transparent ROI and specific targeting. But the technological focus favoured by the likes of Amazon and Netflix coupled with developments in computer graphics mean this could be the future for targeted advertising with real time results.

Digital product placement can enable advertisers to reach users with messaging that feels native to the medium rather than jarring. Key to this is making sure assets appear entirely photorealistic and ensuring they can be rendered extremely quickly into videos.

We have been considering the possibilities and are in the process of developing an end-to-end solution that will allow the rendering of product placement and native advertising into video content assets. This would let brands drop logos and branded products into entertainment shows, programmatically, in real-time. The technology would not only provide a non-interruptive content experience for users, but has the ability to unlock new revenue streams for publishers.

Speed is vital in allowing brands and publishers to trade this new style of creative programmatically. Different users can be served personalised advertising, natively, into the show or other content they are consuming. This will be possible within the boundaries of both new and existing programming, while artificial intelligence is employed to detect the optimal places to position product placement.

²<https://pagefair.com/blog/2017/adblockreport/>

³[https://www.juniperresearch.com/press/press-releases/ad-blocking-to-cost-publishers-\\$27bn-in-lost-reven](https://www.juniperresearch.com/press/press-releases/ad-blocking-to-cost-publishers-$27bn-in-lost-reven)

Does your advertising still provide the ROI it once did or could you improve by looking at new opportunities to engage?

In our research and development, we are considering what the impact of product placement at scale might be. We're countering these barriers by utilising research into human attention to optimise the placement of branded assets, as well as building marketer-friendly tools and machine learning to ensure photorealism of the rendered creative.

Will there be any losers in this new programmatic content landscape? Well, ultimately, yes. As these new formats are adopted by publishers and not blocked by users then advertising dollars will flow to them. It's logical to predict that this positive flow will be at the expense of other traditional advertising formats. Overall the addition of more effective and consumer friendly digital advertising formats will draw revenues away from more traditional advertising mediums.

Also under threat will be revenue streams dependent upon interruptive formats, such as pop-ups and pre-roll. The vendors of these medias-and publishers who cannot switch from them-will likely find themselves threatened by the shift in the media investment landscape.

Yet the implementation of this technology should be widely welcomed by all sides of the digital media debate. Users will find that their consumption experience will be improved and advertisers will see revenues previously eroded by adblockers replaced by ad dollars from non-interruptive sources. Crucially, though, brands will find their messages being delivered in more user-friendly formats that elicit better responses from the users they want to target.



THE NEW REALITY IS HERE (FINALLY)

Immersive human experiences are no longer just hype. They are real and available - and can enhance the brand experience.



A quick scan through Wired magazine's wonderful cover collection shows that it was back in June 2014 that a VR Headset took centre stage for the first time, the Oculus Rift in this case, and strangely only the Italian edition. Since then it has been hard to get away from the hype and hyperbole of VR and AR. Touring Mobile World Congress this year in Barcelona, brands who wanted to differentiate their stand from others simply had to not have a Microsoft Hololens experience on offer!

With all this noise, it is quite reasonable that many marketers might have put AR/VR aside as not for the now, but more of a gadget or gimmick for the few and less of a strategic opportunity for the masses.

Yet something big is happening in our virtual worlds. Gartner's Hype Curve of Emerging Technologies in 2017 flagged Virtual Reality as well on the way up 'The Slope of Enlightenment' and whilst Augmented Reality was right at the bottom of the 'Trough of Disillusionment' history shows that even six months on, it's likely AR will be climbing out the other side.

A key reason for this is that where-as even now VR and AR capable devices are relatively few and far between, moves to integrate location aware, augmented reality capabilities into consumers handsets, along with increasing variations of headsets linked either to phones or consoles, mean that first generation VR/AR capabilities are going to be in the hands of many consumers and colleagues sooner than we think.

Apple has developed ARKit for iOS, which allows users to create AR experiences on iPhone and iPad. This will roll out to the mass market with the proliferation of the latest iPhones on iOS 11. On the Android side, Google has released the competitor framework ARCore. Based on leading research and the current adoption levels of ARKit on iOS11, our prediction is that 200-300m phones are likely to be capable of handling sophisticated AR within months!

We'd suggest that 2018 is the year to really understand how AR/VR might integrate into the human experiences of both your customers and your colleagues. Different human experiences require different technology capabilities and will cope with differing levels of friction.

Whilst for some experiences consumers might be more than happy to grab their handset and point at an object, others will only really work when wearable AR comes of age, and doesn't demand a spaceman-like visor system, or extremely deep pockets!

So what immersive human experiences might we be able to create?

- Imagine if you could help ophthalmologists experience the eye conditions they are treating through the eyes of their patients; allowing an augmented reality view through the handset of the world seen with a cataract, glaucoma or colour blindness. Imagine the higher levels of empathy and better patient to practitioner conversations that this could enable.
- Imagine sitting in a car in the car showroom, and as you look around the car, being able to make changes to finishes and features to personalise the car to your tastes. Not only does this aid up-sell and customisation, it generates a valuable stream of data for future design and production.
- Imagine charities or lobbyists being able to put those they wish to influence in the boat with an RNLI crew, experiencing the sensory overload felt by those suffering from autism, or putting you right at the heart of the Calais Jungle, understanding what its really like to have your life on hold in that environment.
- Imagine being behind the scenes at a fashion shoot, not just being on set with the top artists and industry pros, but interacting with products and participating in choices that affect the outcome of the shoot.

Imagine if all the above, were real and in action now, gathering insight and feedback from customers and developing the immersive experiences of the future. All the above are in action right now - delivering insights, lessons learnt and results. If you are not exploring these ideas, which of your competitors are, and what experiential opportunities might they seize before you do?



You don't have to know what the ultimate immersive experience is for your customers before you start experimenting and learning. Understand how immersive human experiences could transform your relationship with customers and colleagues and design experiments to ensure the opportunities don't pass you by.

BLOCKCHAIN'S MARKETING POTENTIAL

Blockchain, traditionally associated with the banking sector, has the potential to unlock transparency in digital media buying.

THERE'S a dearth of transparency within the media buying process. The supply chain has grown long and complicated, served by various partners often not known by the investor-the advertiser.

Some of these partners add great value, but some do not. As is often the case with technologies that have developed very rapidly, it's often difficult for the people investing in the supply chain to differentiate between the two.

Partners can take more money than they declare in hidden fees-or tech taxes-but they can also deliver very little return on investment. The advertiser, who has entrusted their media agency to oversee the purchasing process is often, almost entirely, kept in the dark.

Blockchain can be a solution to this problem. The technology distributes what would have previously been a centralised record system across multiple users and devices, all of which hold a copy of the ledger. When put together this completes an audit trail of transactions, or blockchain, which means rewriting information becomes near impossible.

We are seeing that principles of blockchain, historically developed to prevent fraud in banking, can be applied to programmatic media buying. By using the system to monitor and govern budget spend, advertisers will be able to track investment from the initial transfer of the media budget to the final publication of creative with the media owner, reducing risk of overcharging, or underperformance. This is already on the roadmaps of many businesses and has turned the head of the second-largest exchange in the world, Nasdaq.

Interest in this space has been made notable by Nasdaq, which is building a programmatic exchange called Nyiax - the New York Interactive Advertising Exchange. Earmarked to launch in 2019, this will leverage the stock exchange's Financial Framework architecture, host transactions in the cloud, and run on blockchain technology. Advertisers and publishers will see improved efficiencies and rid themselves of unnecessary costs and risks through the technology.

Nyiax is currently still in development. This is because blockchain technology still comes with a delay incompatible with the real-time nature of programmatic buying, and this discordance in pace must be solved before it becomes the norm in media buying. However, whilst it may not be here yet, its development is important for digital marketers.

Whilst blockchain will help resolve a lot of the industry's transparency problems, there is a lot that could be done while waiting for its arrival. Better framed contracts between advertisers, their agencies and the limited amount of data provided by some of the biggest advertising companies, and a greater amount of in-house control, would weaken the current opacity around results and margins.

Are you making changes now by forcing transparency in your campaigns and assisting in the betterment of the Ad industry?

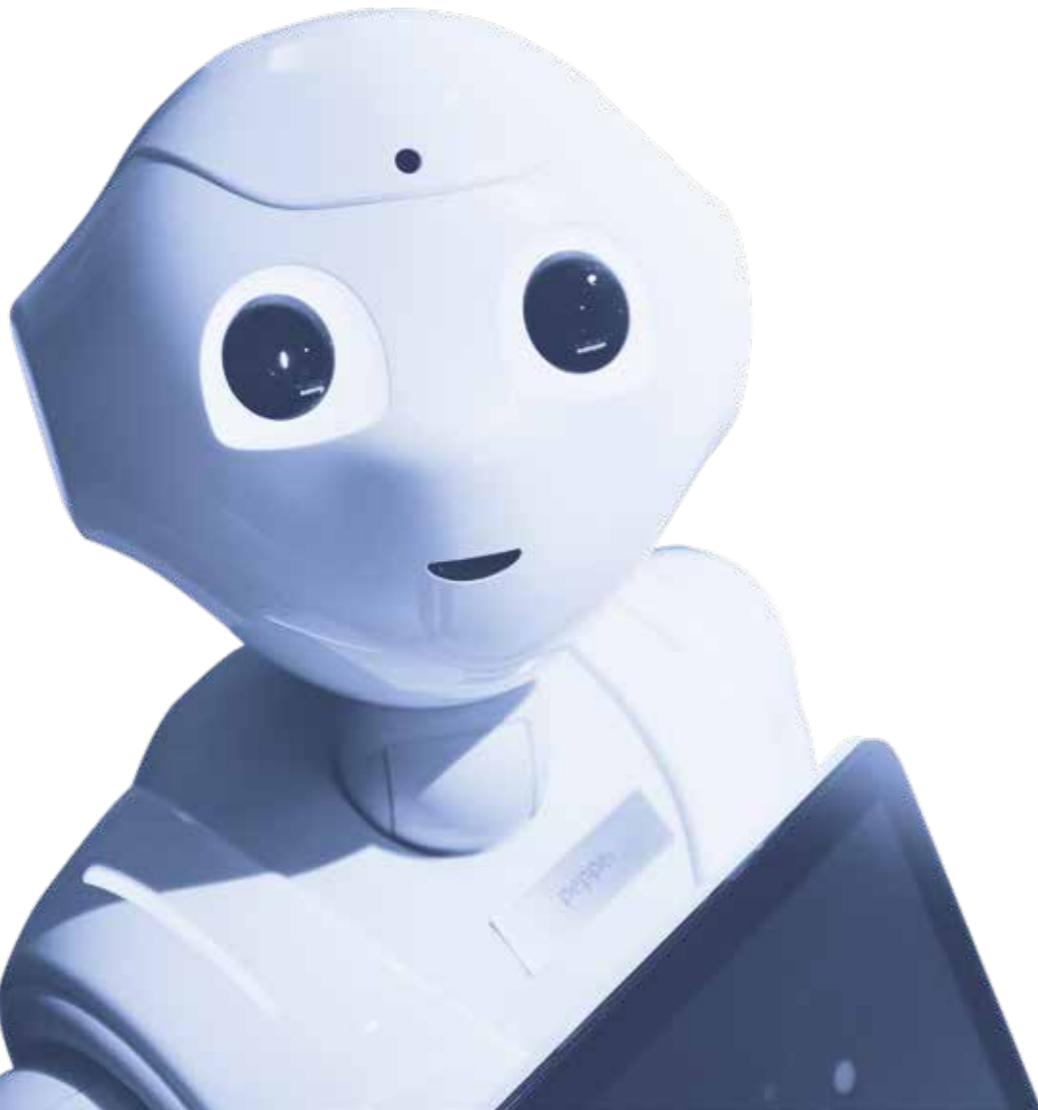
When blockchain arrives it will offer incremental gains, but it will not cure the behavioural problems that we see across the industry. And the jury is out on how it will scale. For blockchain technology to transform marketing it will require critical mass, and due to the transparent nature of the offering, it wouldn't be surprising if market leaders resist exposing their margins for as long as possible. However, those that hold back in the long term will no doubt be questioned on what it is they have to hide.

For now, we're focusing our efforts on increasing market efficiency, by making sure clients have more information on spend, value, and what they need to do to increase this value. When blockchain becomes a more realisable component, it will be another tool that we add to our kit to keep delivering that value for advertisers.

Can blockchain save digital marketing from its demons? Yes, but only when coupled with a supply chain-wide change in attitude towards transparency.

CONVERSATIONS, NOT CHAT BOTS

The technology enabling brands to automate customer conversations is out there, but successful implementation will require an entirely new way of thinking.



AS voice activated technology and behaviours move from the emerging to ubiquitous, conversations will be everywhere.

These conversations will be seamless, connected, and most importantly, expected by customers. Just as we balk when we lose mobile reception or 4G today, so we'll curse when we can't just 'talk' to a brand tomorrow. We'll just expect to have asynchronous conversations with businesses on our terms, in real time. We'll need to pick up at exactly the point where we left off and to feel the benefit with immediate effect.

We believe the convergence of conversational commerce, Zero User Interface and connected devices will give customers more fluid and intuitive access to brands than ever before. Conversation-first experiences will deliver far more personal and connected moments and will only lead to better commercial results.

It would be untrue to suggest that technology itself has not caught up with customers' changing habits. Commerce now lives in the air around us, thanks to developments in the likes of Amazon Echo, Microsoft Bot Framework, LiveEngage and Jacada.

Brands are starting to enter this brave new world but it's still in the form of a rudimentary chat bot. This technology hems in a conversation to a single channel or a pre-programmed, rules-based dialogue. Future dialogues will need to flow organically without any boundaries.

It's these conversational moments that will drive differentiated and valued brand experiences. Progressive marketers must be thinking conversation first, technology second.

Why? Because tomorrow, your conversation is your brand. Verbal identities will be just as important as your social or visual identity.

The brands that will succeed will perfectly and sensitively automate conversations across new channels when, and if, the context demands. They will create a human/hybrid intelligence. In fact, conversational strategy will only serve to enable staff in call centres to act more human, as they will not have to do the leg work. Considered properly, machine learning and AI can have a less robotic conversation than an untrained human using a script.

The technology is out there to create these conversations, but they have not been sparked ubiquitously. This is primarily because brands have not yet begun the process of changing their customers' behaviour through education. Countless conversational technologies sit unused because if a customer has always phoned a call centre to place a query, it's unlikely they'll use an app without being told why they should.

The siloed nature of businesses is another barrier to conversational proliferation. Conversations will not take place effectively if customers cannot flow between making a complaint, to purchasing a product, to submitting a piece of feedback. Brands will have to move away from segmenting customers by social demographic. Instead they'll segment them by the sorts of conversations they'll want to have, in order to achieve a natural and successful dialogue.

There are companies that have cleared these hurdles and have already designed conversations across employee and customer channels. IPSoft's Amelia is currently being deployed in several sectors including banking, pharma and telecoms, reducing friction in customer journeys and creating business efficiencies.

Another example is Avianca, a Spanish airline that worked with us to create an API-powered travel assistant named Carla. As a first outing into conversational commerce, Carla is initiated through social media and takes the stress out of travel by answering any queries through the most relevant channels.

A new conversation is already coming over the horizon. So don't build a chat bot, build a conversational strategy.

Use customer insight to define an appropriate multi-channel conversation strategy spanning voice, chat, messaging, social, email, video and both a proactive and reactive response. Take care to blend human and bot appropriately to create the right customer experience and cost benefits.

PREPARE FOR THE OPEN DATA REVOLUTION

Open data regulations are providing huge opportunities – are you ready?

DATA use changes currently materialising in the banking industry should be a wake-up call to all brands across all industries. The Competition and Marketing Authority's 'Open Banking Remedy' and the European Directive 2 require banking organisations to open customer transactional financial data with third parties via APIs.

These regulations are designed to encourage innovation and boost competition in the sector. In a digital world where new businesses can create innovative customer experiences and new digital products and services at pace, access to data has been one of the last big barriers to entry that have protected the big banks from the world of Fintech startups.

In an environment where access to that data (with the customer's permission) is no longer a barrier, who is better placed to capitalise on the opportunity to create new remarkable human experiences? Is it the banks that have been notoriously slow to launch new products, or the Fintechs that are able to go to market in weeks and iterate quickly based on user feedback?

The potential impact on other industries with similar regulatory pressures, or simply increased consumer demand for transparency and flexibility is clear. The big utility companies in the UK have long benefitted from the revenues delivered by disengaged customers sitting on profitable standard variable rate tariffs. However, regulators are actively attempting to force these customer data sets into a space where startups and competitors can engage, activate and ultimately capture these customers whilst offering them better tariffs and differentiated services.

Even within industries without regulatory pressures, the first party

customer data that has until now provided an edge in capturing and retaining valuable customers, is being supplemented or usurped by new data sets available to all and an increasing demand for transparency.

Insurers have seen their customer relationships eroded and their prices slashed by increased product transparency driven by the comparison sites. The reaction has been interesting as they have looked to become more transparent. Some have taken the view that if they can't beat them, join them, launching comparison websites themselves and generating new revenue streams through affiliation.

Whether it is the advanced profiling and targeting offered by the big social networking and search providers, or new and unique profiling tools that generate unimaginable levels of insight, how businesses use open data is going to be a key battle ground for future success. With a few simple user permissions a brand can use analysis of all images on a user's mobile phone to profile the individual and predict with high accuracy a life event such as moving home. The first business to capitalise upon this insight and reach customers before their competitors will win.

Over the top service providers such as Flippr are managing customers' energy costs by moving them seamlessly from one provider to another as needed with no intervention from the customer. At present this is a very manual process, but as regulation exposes increasing levels of data and functionality through APIs, the prospect of services that do this not on a quarterly basis but on a day-to-day or even more frequent basis threaten to truly disrupt the energy ecosystem.

The connected home represents another significant battleground for open data. Traditionally individual providers have been focused on

creating closed environments where data is only shared within the platform of choice. However, customers are wising up and demanding interoperability between devices. The battle is no longer to own the connected home, but how to be a key collaborator in a complex mixed device, mixed provider ecosystem unique to each individual consumer.

An interesting example of these recent developments is Sonos' launch of the Sonos One. Previous Sonos systems have been closed loop, albeit with partnerships across a range of different music services. Their latest product the Sonos One has launched with Amazon Alexa integrated within it, more interestingly it has been announced that in future releases the Sonos One will support both Google Home and Amazon Alexa.

The direction of travel is clear: increasingly open data and API integration opportunities across all industries driven by regulation, third party data sets and consumer expectations for interoperability. The companies that will win are those who understand their role in the 'human experiences' desired by their customers, combined with an ability to expose, integrate with and collaborate in open environments at pace.

If big businesses across any sector are to survive their own 'open-banking' revolution-they must understand the opportunities this new level of openness offers to both their business and their competitors both large and small. They must seize the initiative and create new remarkable experiences that embrace open data and partnerships. Those that don't will watch others drive a wedge between their services and their customers through better integrated experiences and propositions, leaving traditional businesses as little more than the commodity players.



Prepare for the open data revolution – it is fundamentally changing the likes of banking and insurance sectors, with core business models and revenue streams at risk.

THE SECRET TO AUTHENTIC CONTENT

Marketers need to create content that is lightweight and 'aware' if they're going to tackle Generation Z's new media consumption habits.

Digital and traditional broadcast media have their differences, namely in terms of user experience, format and editorial control. Yet marketers continue to create, distribute and measure marketing in the same way across both. [>](#)





Each utilises video as their primary unit of creativity and the way success is measured hasn't really changed since the '80s. Reach, frequency, brand impact and view length are still metrics used today.

In part, this is a good and necessary thing as digital media needs to be judged comparatively against other parts of the media schedule. But in some ways it ignores the fundamental shift that presents itself in the way certain groups of consumers communicate - particularly Generation Z.

A recent study by SCG⁴ reports that 89% of university and senior school students say Snapchat is their main medium for communicating with friends. Similarly, GlobalWebIndex has found that nearly 80%⁵ of Generation Z-ers are using WhatsApp once a day or more. Both these platforms lie partially in the dark web - a space near-impossible for marketers to mine for brand analytics.

Beyond those two big players is a world of forums, blogs, sub-Reddits and Tumblrs that are similarly hard for brands to navigate. In these spaces

brands can only make authentic, measurable contributions, or risk being ignored or lambasted.

That's not to say video shouldn't be part of a brand's strategic thinking when it comes to targeting the youth market - these customers are over-indexing on online TV and online press. What's tricky for brands is young people are consuming that video, creating their own content and communicating with friends inside platforms much harder to measure than other forms of media.

We need a new approach to creating content for this commercially important audience. This should be guided by two key principles.

Firstly, assets should be lightweight. They should be created at volume, changed at the speed of culture, and available to be used as mode of self-expression by a brand's audience.

Secondly, they should be aware. They should translate easily between private and public spaces, and be authentic and understanding at worst, and useful, contributory and measurable at best.

A great example of a brand following the lightweight and aware model is PlayStation and its use of Giphy as a central part of its recent campaign. Research from the brand revealed that teen gamers were distrustful of broadcast media, prizing YouTube influencers and dark social conversations with their peers more than traditional outlets.

To allow those conversations to happen, PlayStation launched a Giphy page to give teens visual content with which to share their most meaningful gaming moments. Those Gifs have been used around 290m times with little or no media spend.

Is your brand's content for younger audiences authentic? Does it travel easily across the channels they inhabit and help them to express themselves? Does it do all of this whilst still being able to measure success?

Yes, it's difficult to develop creative like this within the industry's current framework. It requires a more humble, more elastic, more collaborative and less craft-obsessed touch. We also need to fuse this alternative approach with a new attitude to measurement that feeds back quickly into new content development and demonstrates ROI to budget holders.

Implementing cross-device, multi-touch attribution across many content pieces in many different environments is hard. But ultimately it is the only way that CMOs will truly understand audience behaviours within both investment planning and optimisation - ultimately in real time.

We believe in giving this new audience real experiences and really useful and entertaining content, whatever the format and however simple those experiences may feel to seasoned marketers. Ultimately it's about giving audiences what they want, and come to think of it, that might not be a bad approach to marketing as a whole.

⁴<http://digital.scgadv.com/pages/services/social-media-white-paper/?ts=1492030559808>

⁵http://insight.globalwebindex.net/social?utm_campaign=Chart+of+the+Day&utm_medium=email&hsenc=p2ANqtz-8EOINI4NDrav4Q0oGNOvK1DJN2hD4iW872qLlSaqh0A50-DDS-Ae1dlrC2qU2TajY_MptsYcqCpROXZyvm1CPTz9dRQFPV92Z_ZJ-sjzbt1qMuy0&hsmi=50504722&utm_content=505

THE STRENGTH OF SCALE



In a fast moving world the size of your business must be your strength, not your weakness.

THE sheer speed in which new innovations can scale is overwhelming. According to the UN, it took 38 years for radio to reach 50m households. Apple reached that many with the iPhone alone less than three years after the model hit the market.

This changing landscape creates exciting new opportunities, but at the same time this rate of change poses a set of questions for established brands. Which technologies are going to have real, long-lasting impact and which will disappear quickly from view?

Witness as an example Pokémon Go. ComScore reported that the withering star of AR peaked at 28.5 million daily users the week after launch in July 2016. By the end of 2016, daily users were just 5 million. On the other side of the coin there's Google Glass. The specs were written off as a failure after their high-profile consumer launch, but are quietly pivoting to become an Enterprise product that is gaining real traction.

We'd all ideally like time to evaluate which technologies will scale and become useful foundations for communications, products and services. But this is time that it feels like we don't have, thanks to the looming presence of startups. These new, leaner companies are creating and testing a myriad of solutions to consumer problems at the speed of light.

As we've constantly been told, many of those experiments and startups will fail. But history shows that those that don't will disrupt pretty much every market they enter, in turn ramping up the rate of change for everyone.

So if 'wait and see' is not a workable option, surely the answer is for big companies to act like the speedy small ones that disrupt them. "Act like a startup and fail fast"-you've heard it or said it before.

But this maxim probably isn't true.

Of course you should build a test and learn methodology that takes into account customer feedback and the opportunities created by new technology. Of course you should be iterative and open in your approach.

But if all you do is attempt to beat disruptors with operational and production speed, you'll lose. You'll lose because it's always easier for a small team to act quicker than a big one.

We believe that established companies' 'bigness', so often cited as a weakness, is actually a secret weapon. To that end we've created an innovation process which aims to help these businesses utilise the power of their brand and internal resources, aligned with customer needs, to create and test new things. These can, in turn, become meaningful products and services through scale.

Here are three key ways you can use your own inherent scale to innovate.

SCALE AS A SERVICE

Karmarama's work with the Unilever Foundry has taught us that scale can be a product in its own right. Through the incubator, startups with new technologies can test them at scale with real customers. Unilever receives insights and new ways to talk to consumers, while startups get data and validation.



GATHERING INSIGHTS

One thing that any startup would kill for is the insight that customer data at scale brings.

Use those insights to develop new hypotheses from data rather than guess work, and use a small section of your vast customer base to test robustly and quickly.



PUTTING EXPERIENCE FIRST

Aligning yourself with customers makes you better able to meet human needs and build better experiences. Starting with customers and your brand purpose is always a better way to innovate than starting with the technology, and that's the focus we take into the start of all of our innovation engagements.



Are you using your scale to get insights from your customer base quickly and offer scale to startups that can bring tested pieces of innovation?

WHO GIVES AI ITS INTELLIGENCE?

Harnessing technology to drive experiences requires us to think 'human-first'.

'Replicants are like any other machine... either a benefit or a hazard.'

Rick Deckard, *Bladerunner*, 1982

Forgive me for opening with a movie quote but as the next *Bladerunner* hits cinemas it feels both topical and apt. Harrison Ford's character Rick Deckard was describing the fine line we tread today. It's the line where technological innovation—represented by the Replicants in *Bladerunner*—could so easily deliver a benefit or a hazard to how we as humans live our lives and evolve.

It's a fine line that marketers are debating now regarding the best use of new technologies when communicating with their customers. How do we deliver personalised experiences without becoming too personal? When do we know too much about our customers? How does programmatic deliver relevance without becoming a spam-filled black box? And if the machine is learning, who is teaching it?

Where AI gets its intelligence from is an interesting question. Clearly, there has always been the potential for marketers, and indeed brands, to show their bias, unconscious or otherwise, in what they create and how they go to market. But when it comes to programming computers to make decisions and take operations on our behalf, this risk becomes amplified.

In many cases marketers and digital innovators are fundamentally disconnected from their target market. Take for example the average UK income; in July 2017 the Office for National Statistics predicted that the average household income in the UK would rise marginally to £27,200. Compare this to the average salary in a UK marketing agency which is likely to far exceed £27,000 after just a few years. And the diversity of many marketing departments is also unrepresentative of the UK as a whole. So are we teaching machines biases and assumptions that just aren't true of the humans we market to?

Are you ensuring your brand is empathetic and remaining human, as we harness technology to create ever-more personalised brand experiences?

The scale, frequency and impact AI-led technologies enable marketers to have on their audiences is very different. To get it wrong can create more far-reaching damage to their brand. So marketers need to understand that their reality isn't necessarily their customer's reality. They need to build a true and deep understanding of the humans who buy their products and services. And this is where the world of analytics blurs with the creative world – we can use the power of data to get deeper understanding and act accordingly. Analytics can provide deep mapping of preferences and so on, but it does not reveal the human element or provide empathy.

We recently delivered a project to bring digital technology into a client's contact channels. The brief was clear—only deploy digital platforms if they will enrich the relationship with the people who use the centres, including citizens, partners and the contact staff. We spent hundreds of hours at the client's office, with their teams in the field and their contact centres getting to know the real people we were designing for. The result is an innovation that works, enabling faster responses to people's queries, reducing pressure on the contact centre staff while delivering a great customer experience.

As a take-out from this project, there are a few things that we learnt:

1. If you started with "technology first", start again. Don't force a new technology into your marketing mix. Instead start with identifying the human need you're trying to address and the right technology will find you.
2. Bring the real world into your marketing department. Ask your team if they've ever actually met a customer using, buying or talking about your product in the real world—not behind a glass screen in a research group. Give the team time to go out and explore.
3. Apply design thinking to balance technical specialism. Marketing leaders need to remain curious about and empathetic with their customers. So never entirely outsource your technical integration to IT, and work in partnership with the specialists to remain focused on human-centred outcomes.



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