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ACCENTURE LIFE TRENDS 2023

AUDIO TRANSCRIPT

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If you're looking for Fjord Trends 2023, you're in the right place. It's now called Accenture Life Trends 2023. Under a new name, this year's report remains true to the 15-year legacy of Fjord Trends and has the same inspiring content.

Let's dive in.

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Control and power

If we think of life as seismic waves, until a few years ago, things seemed to hum along quite nicely (in most places) with the occasional spike here and there. Now, though, the shocks feel relentless and wild, and sometimes it's extremely unsettling. When circumstances are literally beyond people's control, it prompts multiple responses designed to stabilize and regain control—often expressed in micro-moments and small opportunities that make people feel like they've got a handle on things.

We see technology providing a channel for people to take control. A creative shift is underway thanks to the democratization of AI for images, sound, and words. Technology is offering opportunities to participate in shaping the future of the brands they love through changes in the attention economy. And through tokenization, technology may soon hand people full control over their own personal data.

The landscape never looks the same after a seismic shift, and we're already seeing it alter. There are areas where the balance of control will teeter and tip one way or another. This affects people's relationships with the systems through which they run their lives, but it also impacts brands and organizations. Brands will decide how much control to offer their participatory customers in exchange for their loyalty, and in business, leaders will define the next evolution of hybrid working.

On the following pages are five trends we believe will alter the power dynamic between brands and people in the coming 12 months and beyond. We hope you find them insightful.

AI-generated art: Our approach

As a way of illustrating our five distinctly different trends, we made use of one of them that we feel most fundamentally impacts art and design and is a great visual example of the control and power balance at play in today's world.

Our designers used the power of AI-generated art to help tell our story: first highlighting and pulling words and phrases from the text to use as an initial prompt, then working hand-in-hand with the technology in a mutual expansion of creativity, diversity and possibility.

As a vibrant experience that is a true partnership between human ingenuity and technology, we hope you enjoy the report.
We believe the trends, like the artworks themselves, promise a potential for change like never before.

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[00:02:57]
Trend 1: I will survive
Permacrisis and human adaptability

Waves of crises, one after the other, have come in to change people's day-to-day lives. For some, crisis isn't new but for others, it's extremely destabilizing. People's response to crisis is always (eventually) to adapt. As growing numbers of people internalize instability as a norm, the way they adapt will affect what they buy, and how they view brands and their employers—so companies need to be ready.

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What's going on

There's no sugar-coating it: the world seems to be lurching from one crisis to the next. There has been a pandemic, war, extreme political division, wildfires, severe weather events (hurricanes, floods, droughts), dramatic increases in the cost of living—and no time to take a breath after each one before another rolls in. People may look back on the previous thirty years as comparatively stable in many places.

This is neatly expressed by the fact that Collins Dictionary announced its word of the year for 2022 as "Permacrisis," defined as an extended period of instability and insecurity.

When will the macroeconomic shocks of life settle down?

Many people believe the very systems through which they run their lives are failing them, placing responsibilities that were once shared solely on their shoulders. Workers whose income doesn't rise in step with inflation are effectively taking pay cuts, and at the time of writing, daily headlines shout about inflation rates and their impact on the cost of goods, energy, and mortgage repayments. In Argentina, for example, interest rates have reached 75% and inflation is almost at 100%, while the UK's energy crisis threatens to plunge a third of households into fuel poverty and the cost of living is increasing at its fastest rate in 40 years.

While people are busy fighting personal financial fires, they're also facing increasingly tangible effects of climate change. The record-breaking temperatures that roasted Europe in the summer of 2022 are expected to become the norm by 2035, which will likely see millions of people displaced by wildfires, flash floods, and storm damage. Asia will be hardest hit by rising sea levels, as six of its nations are home to approximately 75% of the 300 million people worldwide living in areas that are projected to be below average coastal flood levels by 2050.

People who seek a mental escape from it online are facing challenges there, too. Algorithmic angst—the constant paranoia of whether people's decisions are truly theirs or a result of manipulation—is on the rise and is driving an exodus to new platforms. Apparently, they can't even trust the news anymore. In fact, many have simply stopped looking at it. Reuters Institute's 2022 Digital News Report—a global survey of 46 markets across six continents—revealed: "Trust in the news has fallen in almost half the countries in our survey... Interest in news has fallen sharply across markets, from 63% in 2017 to 51% in 2022."

Living in an era that relentlessly demands mental coping strategies is gnawing away at people's sense of safety and causing widespread anxiety. A survey by the British Association for Counselling and Psychotherapy revealed that 66% of therapists said that the cost-of-living crisis is impacting people's mental health but, despite their increasing need for help, 47% reported patients cancelling their sessions because they could no longer afford them.

The instability is also emphasizing the normalization of contradictory behaviors, as explored in Accenture's The Human Paradox report. The research found that people are allowing themselves to be inconsistent as they reconcile personal values with practical realities, with 69% of those asked saying they think paradoxical behaviors are both human and acceptable.

Over the past 40 years or more, stability and rising prosperity have taken billions of the world's population up Maslow's famous hierarchy of needs. For example, China has lifted over 800 million people out of poverty since 1990. As some slide back down and become increasingly anxious about concerns like food, heat, and housing, will they forget the higher order of needs such as esteem and even self-actualization? We don't think so. With the exception of the very poorest members of society, the past few decades have taught people values they will not willingly abandon.

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What's next

Periods of instability are a fact of life and, throughout history, people have always found ways to adapt to get through. Accenture's research found that people in emerging markets have so much more experience in dealing with instability that when they get bad news, they get upset, then they simply keep going. Their ability or perhaps willingness to adapt generally far outstrips that of people used to living in mature markets.

In a slight adjustment to the generally accepted "F" responses, we're characterizing people's approach to adapting as a constant switch between fight, flight, focus and freeze.

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Fight: People will increasingly raise their voices against injustice—in some cases, at the risk of significant personal cost.

People are fast approaching the end of their patience and many more of them will do what is often a last resort: stand up and fight for what they need. After the death of Mahsa Amini—a 22-year-old woman who had been detained by Iran's morality police for not wearing her hijab—crowds took to the streets around the world. Social media provides a vehicle for sharing information, which spreads anger and leads directly to increased action. This kind of fight can go down in history books as a turning point for countries and people.

While the current situation in Iran is one of the most severe examples, this fight is manifesting in other ways, too. At the time of writing, the UK is facing its biggest rail strike in decades, while Europe's airline staff continue to strike over low pay. Strikes aren't new, but we expect to see many more of them as formerly rule-following people are forced into taking extreme action in the hope of better equipping themselves to survive financial strain. People have more access to information and are now increasingly aware of the harsh realities of the world. They are angry and they want what is just. This has been made plain by acts like the defacing of Van Gogh's "Sunflowers" in London.

We expect to see more protest around a range of issues that span the whole human experience. Some of these will catch brands and employers by surprise or disrupt companies and whole economies further.

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Flight: People will look for alternative options, including relocation, switching financial systems and finding different digital platforms.

Flight response is often characterized by the feelings of cynicism, desperation, and the hope that elsewhere can offer escapism—both mentally and physically.

People are losing the ability to trust anyone to act in their best interest—including their governments. Those who can afford to will vote with their feet and leave places where housing isn't affordable, infrastructure is inadequate, and state-run systems fall short. Twice as many Australians will move because of cost-of-living pressures (65%) as Covid disruptions (27%), and the financial squeeze has become so extreme in recent months that a rent increase of just AU$50 a week would prompt 40% of Australians to consider moving house.

The flight reaction is also a spectrum. It may be as simple as being unhappy with congestion and air quality in a city and moving to a more rural area, or as extreme as fleeing government-mandated conscription, as young men have been doing in Russia.

Families who are seeking to make ends meet are cutting back on non-essentials like media and subscription services, resulting in a phenomenon dubbed the "Great Cancellation." People are cancelling gym memberships, pausing contributions to pensions, and abandoning health and life insurance policies. Recent studies in the UK suggest 5% have cancelled their home and contents insurance over the past 12 months, and 6% or 1 million households don't intend to renew in the coming year.The cost-of-living crisis may also exacerbate loneliness as one of the first expenses people drop will be their social activities. Brands that find ways to meet the resulting need will do well in the long run.

We're also witnessing a change in how people use social media. Rather than accounts portraying the perfect life, real people want to see and connect with real people, complete with shortcomings and vulnerabilities. BeReal has rapidly gained in popularity with over 10 million daily active users—the concept is simple and is a far cry from the edited and staged content on almost every other platform.

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Focus: People cope by focusing on what they can control.

When the big wide world feels negative and daunting, some people will channel their attention on communities where they feel they belong. They will reduce their sphere both physically and virtually, quieting the noise and rejecting the global-first version of life that has been promoted by online news and social media in the past decade or more. They'll cut out anything that falls outside their highest priorities.

When people don't know how to plan for the future, or when their autonomy to plan is compromised, they naturally channel their attention on things they can control. Accenture's research project participants told us about their initiatives to organize community shopping and share transportation. Besides the obvious cost savings, these initiatives create meaning and help focus their minds.

Single-function platforms are creating spaces where like-minded individuals can relax and bond over shared interests. Discord, a platform whose original purpose was for in-game communication, has always been grounded in social connection.

Digitally, this is manifesting in a shift from large-scale influencers to micro-influencers, whose follower numbers sit between 1,000 and 100,000. Micro-influencers offer the promise of greater credibility as they tend to focus on niche areas—some on travel, others on financial advice. Sixty-one percent of US consumers think these communities are more trustworthy than brands. We expand on this phenomenon in the trend entitled *I'm a believer*.

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Freeze: People will switch off entirely.

If they're unable to easily leave their environment or actively shape it, many people will embrace resignation as a coping mechanism. "Resignation" more often relates to quitting something, but a lot of the time it can equally mean enduring, or simply not fighting anymore. In that way, quiet quitting is not simply about leaving a job, but more about an emotional power-down to economy mode. The signals include China's "bai lan" or "let it rot" movement, which centers around young people's refusal to invest significant effort in life because it seems futile.

Fatigue and the onset of the empowered individual combine to mean people will look at existing systems and brands with ever-greater skepticism. They already suspect manipulation and disappointment, and they'll increasingly approach with caution, not hesitating to shut down their relationships with any brand they perceive to have disappointed or betrayed them.

The energy is running low, but music, art and culture always bring vitality into society. They bring a fresh mood that rejects and replaces that which has grown stale—out with the old and in with the new. Think about the wider circumstances around the emergence of rock 'n' roll, punk or rap, for example. As this permacrisis rumbles on, we see the right conditions brewing for something new, culturally, that changes people's outlook and brings them hope. With a transformation in creative tools through AI, it feels like something might come soon.

The situation may be approaching a point where people are moving on from skepticism or feigned ignorance to sheer anger, which will have dramatic effects on brands. Like it or not, most people must interact with brands—especially those that make life possible, like consumer-packaged goods. As brands exist entirely in a cultural context, it will be important to read signals fast and react to them appropriately. They will also need to understand that adapting responses will vary from person to person, and that any single person may show all of them in different contexts.

Step one for brands is to understand their own permission space in fine detail, and to avoid invading spaces where they aren't welcome. This is reflected in calls for brands and people to "stay in their lane" and includes keeping tabs on how new platforms are evolving, whether they belong there, and whether people want to hear from them on any given topic. During Accenture's research project, one person in the US said: "It feels mostly artificial when brands take a stand on issues that are not related to their specific product. I want brands to be known for being good to their employees and not be wasteful or polluting."

People's needs are evolving fast—and companies must embrace a life-centric approach to meet these ever-changing circumstances and priorities, as Accenture explores further in The Life Centricity Playbook.Organizations will need to show their value through meaningful products, experiences, and services, and not through short-term gestures that will ultimately be viewed as PR stunts.

The pressures facing people today inevitably impact brands too and when times get hard, companies often make the mistake of dropping things they see as luxuries, like innovation, advertising, and brand building. Brands must resist the tendency to behave in the same way as people do when under pressure—i.e., dropping what they deem to be non-essential. Often, the best innovation happens against a backdrop of constraint and difficulty. Right now, AI and the metaverse (which we cover in more detail elsewhere in this report) are worth exploring as routes to innovate.

When faced with hardship, people always adapt and evolve into a new version of themselves, and that will continue to be the case. People will come through this period. The way they adapt will likely define a generation and the products they love.

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Trend 2. I'm a believer
What's next for loyalty?

A sense of belonging is one of humanity's most basic needs—the feeling of being happy or comfortable as part of a group. In recent years, people have found belonging through interest groups on digital channels, and some of those habits have found a more permanent place in their lives. New technologies are building on the shift in behavior, enabling a new wave of community-first, product-later models that boost customers' connection with a brand. This will reshape loyalty programs to enable people to participate more in the brands they believe in. On the other side of the coin, it will enable brands to explore new product areas and enjoy more lucrative customer relationships.

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What's going on

People are seeking out new places online where they can feel a greater sense of belonging. Social platforms don't feel so social anymore as algorithms prioritize brilliantly curated carousels of third-party content over friends' posts. Many are now focusing on hobbies and activities that give them meaning and have started seeking out digital groups where they could explore their interests. A significant majority of Accenture's research project participants across geographies told us they've tried new hobbies or joined new communities in the past six to nine months.

Right now, we see three threads converging: communities of interests and belonging, token-gating of exclusive content or access, and digital collectibles. People have discovered communities of belonging on platforms like Reddit, Discord, and Twitch, where it's easy to find kinship among of people who will actively listen, engage in, and talk about the topics they had perhaps assumed were niche. There's a digital channel for almost everything, including activist causes, coffee, skincare, vintage synthesizers, home renovation, ghost-hunting, sports, Dungeons and Dragons—just to name a few. These communities exist at macro and micro levels, global and local, offline and online, and they're creating places where people feel they belong.

The groups have begun to experiment with tokenized experiences enabled through Web3 technologies, whereby people buy participation or access rights to content or community, or to join an event. This is revealing a new and lucrative way for brands to engage meaningfully with their most loyal customers.

Tokenized access and content have allowed brands to experiment with new ways to monetize branded digital assets, and is allowing superfans into a reimagined customer experience where two-way loyalty is at the core. Adidas Into The Metaverse is an effective token-gated community, where users can benefit from things like free Adidas products if they connect their wallet to Discord.

The progression of digital communities is prompting brands to develop new goods and experiences for customers and it's leading to new revenues for brands and potentially the customer too. In some cases, there are new, independent revenue streams driven by entirely virtual goods (including but not limited to NFTs), perpetual royalties that generate passive income, and products that have utility in virtual and physical experiences simultaneously.

Communities are forming around digital collectibles, which include things like art, autographs, trading cards, brand catalogues, and even important moments in news/history/sports. For instance, Nike has created virtual sneakers and collectibles through their acquisition of RTFKT, a creator-led organization that uses NFTs, game engines, blockchain, and augmented reality to create unique digital artifacts. They have made US$185 million in revenues, and secondary market revenues (where their customers are reselling the digital collectible NFTs) of about US$1.29 billion.

Customers have proven time and again that they will pay premium prices for innovative and compelling experiences, including accessibility to an exclusive club. The pay-for-access model offers an opportunity for brands to monetize exclusive and premium offerings for participants or creators—such as metaverse worlds, games, in-game tiers, individual events, voting rights or items. The pricing structure for the experiences is designed to take advantage of scarcity while enhancing engagement.

"Token-gating" is growing in popularity across the fashion industry, as it enables new ways to embed utility, capture revenue, or govern a project—creating scarcity of access and exclusivity. For example, Lacoste launched a collection of 11,212 NFTs, paying tribute to their iconic L12 polo shirt, and offering token holders a say in the brand's future.

Elsewhere, a community of enthusiasts under the banner WAGMI United is investing in Crawley Town FC with the goal of giving fans a meaningful voice, reinventing legacy sports management models, and taking Crawley Town FC to the premier league. They released an NFT-gated community for the club, and owners of the NFTs gained voting rights in addition to their asset. In the words of WAGMI, “democratizing the club and enabling our community to vote on decisions that shape the club’s future: anything from matchday grub [food] to the club’s directors.” In some ways, sport is showing brands the way by experimenting with using Web3 not only to enhance revenues, but to actively confer rights to fans.

Ultimately, the opportunity here lies in exploring new places to foster a deeper connection with people, as their passions, hobbies, and interests tip beyond loyalty into active participation in communities. Where sports, games, and culture are leading, brands will follow to take these developments into the broader environment.

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What’s next

What comes after loyalty in the marketing funnel? If loyalty is just a program for many brands, then we think of the next level of customer relationship as participation. Participation happens when a brand or IP’s (intellectual property) superfans take their loyalty to the next level and actively play a role in shaping, using, funding, governing, or advocating for a brand.

Some customers’ passion for a brand borders on emotional investment, fueling a desire to see it become a success beyond monetary gain (although this could be a part of it). We expect to see more brands creating products specifically because of online communities populated by people who articulate or perhaps unwittingly surface an unmet need.

Bacardi has done a number of NFT projects with several of their brands, including creating NFTs for musicians—to connect fans with the artists they love—while receiving monetary remuneration in return.35 This bears some of the hallmarks of old-fashioned sponsorship but with a twist, as a consumer-packaged goods (CPG) brand is effectively playing the role of a record label and facilitating participation between artists and their audiences.

To grow a customer base, it will soon become essential for brands to engage their communities—or build a new one, if they have the permission space. The next generation of brands will be built as communities first, and then turned into brands that benefit from the proactive participation of a community. This is a huge step forward from the long-established model whereby founders have defined a brand, advertised, and then engaged in sales. In a Web3-enabled world, a founder might start with community, define the brand with them, and only then start to market and monetize.

Brands like Doodles are already proving the business model. The Doodles NFT project is a profile picture collection from artists that portrays different cartoon characters with joyful pastel color combinations. It launched in the middle of an NFT frenzy but, instead of going big right out of the gate, it built a dedicated, tight community of fans who were financially and emotionally invested in the brand—a rare combination in a space known for speculative investment and making a quick buck. As Doodles has grown, so has participation, with customers taking a proactive role in shaping its future.

Of course, there are degrees to which the community approach to loyalty can be applied, depending on the nature of a brand and its products or services. Some brands (like fashion or homewares, perhaps) might enjoy more widespread success with loyalty as a relationship than others (like cleaning products or car parts). That said, there are now estimated to be 8 billion people on the planet, and every single one of them will find a community to which they belong—no matter how niche it may seem—so most brands should be able to find a way to engage on this level.

It'll be important to remember that the technology isn't the most interesting thing about this for the customer—it's simply a tool to drive engagement and facilitate ownership. While brands need to know their way around Web3 and tokens, many people will only be interested in what's in it for them. The brands that do best will be those who shape their offering around the benefits and utility for customers, and let the technology sit quietly in the background.

It's early days, but Starbucks is experimenting by launching a tokenized loyalty program called Odyssey, which is gently introducing Web3 to a mass-market customer by focusing on communicating rewards and brand engagement rather than on the technology. Starbucks CMO, Brady Brewer commented, "It happens to be built on blockchain and Web3 technologies, but the customer — to be honest — may very well not even know that what they're doing is interacting with blockchain technology." When other brands follow suit, many customers will reap the benefits of the technology without being bogged down by it.

Even long-established online communities are branching out in a number of directions in search of new lines of revenue. Reddit, for example, has launched an NFT-based marketplace where people can buy blockchain profile pictures for a fixed rate, and released digital collectible avatars on its website and mobile app. This is compelling evidence that community-based engagement is tipping into the mainstream.

These Web3 developments will almost certainly give brands significantly more direct contact with and influence over their community, but they will have decisions to make around the dynamic. For instance, will they treat participants as customers, or as part of the brand? It's easy to alienate and isolate existing communities by prioritizing those who will just generate profit. The relationship needs to be shaped in a sustainable and organic way that enhances the power of communities and allows them to contribute to bottom-up innovation.

Brands today are reliant on ad platforms and hamstrung by changes to social media algorithms that dictate how much of their content reaches their followers. Even the word "follower" describes a one-way relationship and a shallow connection. Followers will become participants as they help to shape products and services and are rewarded with exclusive offers, previews, and events in return. Many brands built digital communities through social media groups on various platforms, but found they were difficult to track, manage, and extract value from—both for customers and for the brands. Web3 communities and tokenization could potentially eliminate these concerns.

Influencers are changing how they run their business relationships, too. Influencer management companies are moving into Web3, and creating much better ways to track the financial gain brands make from their clients. Rather than only being credited when a follower buys a specific recommended item, influencers will be compensated for every item bought in that transaction. The management companies are increasingly hosting industry events, and offering resolution to the key pain points of traditional social media for creators, including content ownership and monetization.

Furthermore, creators will have opportunities for repeated monetization through secondary markets. Gen Z creators expect compensation for the value they provide, having learned lessons from their millennial counterparts who pioneered the industry but struggled towards monetization. Increasingly, affiliate marketers will experiment with decentralized autonomous organizations (DAOs), to proactively drive the future of their industry and leverage strength in numbers—almost like a unionization of creators. The tools are rapidly sharpening, moving away from a reliance on affiliate links, referral codes, and gifting groups, towards being able to prove attribution. Social media platforms have not been giving creators proper ownership or monetization capabilities, and Web3 will likely enable long-term, more accurate monetization.

These developments are creating a new and exciting channel for growth. Belonging to a community is a feeling people value, and technology is now enabling a new way to nurture communities where people can connect and build something meaningful. It doesn't replace in-person connection—it's simply another route.

The impact this evolution has on brands is yet to be fully explored, but we believe those who are open to experimenting with Web3-enabled communities will enjoy stronger two-way relationships with their customer base. Brands must remember at all times that tokens are just a vehicle—customers will buy a benefit.

For 30 years, many people have lived in an experience economy, but this trend pushes things somewhere beyond experience to participation and ownership. The shallower the control, the less meaningful the play but, conversely, the more control is distributed, the less autonomy a brand retains. The key question is: how much control are brands prepared to divest to fans so that they feel a sense of belonging, and the brand can grow? How much is belonging worth?

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Trend 3. As it was
The importance of work intangibles

As debate continues around the return to the office, one thing is clear: for many people, it's not yet a success. We've raised some of these issues before, but they haven't been fixed and the consequences are becoming clearer. It comes down to the hard-to-measure, intangible benefits of office life that have gone missing—and this is intimately tied to the post-pandemic evolution of cities and their entire value proposition. Many continue to resist a return to pre-Covid work rituals, while others crave the rewards of being together. It's time leaders went back to the drawing board to make a logical, mutually beneficial plan.

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What's going on

The pandemic dispersed people to the confines of their homes so suddenly, there wasn't time to design a remote working setup that captured all aspects of work. In the rush to keep the business ticking along, a raft of intangible elements of office life fell through the cracks. As well as obvious factors like face-to-face meetings, there's the loss of accidental culture—the unscheduled conversations and chance encounters that often yield ideas worth exploring and help develop career-defining connections.

Without in-person engagement, what happens to mentorship? To innovation? To culture? To inclusion? People who continue to work remotely could easily be overlooked for promotions or opportunities simply because they aren't so visible—and many will be parents of young children whose logistics are easier if they work at home. The return to the office is not yet a success, and leadership must take a fresh approach if they want to move things forward in the right ways.

Accenture's research found that people around the world are missing certain intangible aspects of office life: a participant in China commented, "I miss the team building activities held by the company in the past, and now they have been cancelled due to the reduction of contacts due to the epidemic," while another in India told us, "Before Covid, we all employees used to have lunch breaks and tea breaks in which we used to chit chat a lot. And we missed that thing a lot." In the UK, a participant told us they missed "the daily interaction with colleagues, impromptu conversations."

For balance, a US participant in the same research project stated, "I feel closer to and appreciate my employer MORE. By allowing me to work remotely I feel more inclined to stay present with my job but still allowed flexibility." A different study found that 35% of Australians said they would quit their job or start looking for another if their employer forced them to return to the office full time. The primary reason? To avoid the commute.

Working hard used to be balanced with social and leisure activities that describe the fun part of work. Today, the balance is leaning too far towards work as those who aren't yet back in the office miss out on the social aspects, the fun and the friendships. A recent Gallup poll found that those who had a best friend at work were twice as likely to report feeling strongly satisfied at work during the pandemic as those who don't have a close friendship in the office (32% vs 15%).

The tension between employer and employee is evolving and becoming harder to ignore. The statistics are stark, with 85% of employees reporting that they're productive at work, but only 12% of managers stating they have full confidence that this is the case. 48% of employees and 53% of managers say they're burned out. Managing people is difficult and more visibility of employees allows managers to understand where they might need more support. This is hard to see when people are not together.

There is a range of subtle but important angles on this loss of intangibles:

Firstly—and this is a big one—the office is a place for being together. It's about sharing moments of camaraderie, trials, triumphs and the pursuit of a goal. Accenture's research found that people miss being together to share in birthday cake, gossip, and inconsequential pop culture chats, though many have replaced those things at home with solo activities like gardening, pets, or lunchtime workouts.

Mentorship is better delivered in person, too. The typical professional learning model is said to be 70% learning on the job by gaining experience through assignments, 10% dedicated learning such as training courses, and 20% observing and discussing with role models. If young workers in particular aren't exposed to role models, the loss could slow their progress.

It's also easier and more effective to deliver validation when together. An email relationship will never be as fulfilling or stable as one that has the powerful benefits of vocal intonation, body language, and facial expression. Providing regular, informal feedback is almost impossible when people are apart, as it requires scheduling calls or sending emails to employees, rather than grabbing a quick chat.

Second is that no two teams—indeed, no two people—are alike. While creative teams might benefit from being together and fostering a shared vibe that sparks ideas, tasks that require absolute focus could be better done, uninterrupted, in the home office. On an individual level, introverts who have now worked on their own terms might be reluctant to return to pre-pandemic norms, while their more extroverted colleagues will thrive in a vibrant office environment. Designing for these extremes is a challenge leadership must be ready to take on.

Third is about output and outcomes. Measuring "productivity" generally focuses on output and fails to quantify what really matters: outcomes. Evaluation of outcomes shouldn't be limited to quantitative metrics like leads followed up or sales made but should encompass qualitative factors like the experience of work itself. The importance of fun at work should never be underestimated.

When Covid-19 locked everyone in their homes, it kicked spontaneity to the side-lines, which is still having a knock-on effect on innovation. An MIT study found that when workers are dispersed, the relationships that foster innovation are often those that suffer most. Innovation is also fueled by unconscious observation, as exposure to the world beyond the home office brings color to people's lived experience. If nobody ventures out to investigate new fields of interest or looks deeper into emerging trends, creativity will suffer. People who stay at home all the time miss out on the stimulation of watching how the world is moving forward, of identifying problems to solve, and of simply being part of an evolving culture.

As Neal Stanton, Co-CEO of enterprise video service Ramp, comments in Forbes: "One of the biggest challenges facing leaders is ensuring the ongoing viability and profitability of a company, two factors that are tied to not only individual performance but also team performance as well. It's the latter where collaboration, creativity, innovation and productivity are irretrievably linked and dependent on one another." Tangibles such as those elements Mr. Stanton mentions are given meaning and made more enjoyable by intangibles, many of which were lost in the scramble to work remotely.

Those losing out most are the generation who joined the workforce since March 2020, who have yet to benefit from the intangibles in a reliable, constant, or meaningful way. This must inevitably change not just what they learn and how they develop in their careers, but also how they feel about the experience of work. It also removes their opportunity to build a network of strong professional relationships that can help shape their career further down the line.

By the time this report is published, three years of new joiners will have been affected. It's a significant percentage of the workforce and it's rising each year. Those workers could become increasingly out of kilter with older colleagues, or simply less engaged with the very notion of work.

Questions around the intangibles affect us at Accenture, too. Hybrid working initially looked as though it would be an experiment that needed constant tweaking. As time goes on, it becomes increasing clear that workable solutions will only come with a determined and concentrated effort to remap work.

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What's next

Workplace design hasn't yet caught up to new workforce expectations. Instead of continuing to optimize what exists, companies should completely reimagine work, addressing with intention both tangibles and intangibles. Intangibles should be treated as must-haves rather than nice-to-haves, and leadership will need to be 100% on board. Simply making it a policy won't work—they need to be confident in their strategy and put in the work to make it effective.

We're seeing most organizations taking either a non-negotiable, directive approach or a more democratic one. The first means setting out leadership's expectations and enforcing them, regardless of the risk that employees will walk. The second involves including employees in the process, understanding their current life priorities and what they want from their working experience, then finding a compromise between that and business objectives. In our view, neither of these will truly work.

We believe the solution centers around clarity of purpose, which informs clarity of policies. CEOs should be crystal clear about the company's ambitions and how their employees can play a role in getting them there, and they must be so firm in their convictions that they're prepared to lose employees for whom the plan doesn't work. Putting it into practice will require an attitude that bears the hallmarks of a life-centric approach, to ensure it stops short of the directive (even dictatorial) approach we've rejected above.

To make this work, the role of leadership and managers should evolve to include a degree of event management. Leaders must create reasons for people to want to come into the office, beyond free coffee—they must earn people's commute. People will only be willing to come to the office for the promise of community, relationships and factors that enrich their careers, and the responsibility to deliver these things lies with leadership.

Earning people's commute demands proper investment in designing intangibles into a hybrid working model. This means starting from a blank sheet of paper and taking no suggestions off the table before fully investigating their value. It's essentially the zero-based approach—albeit in a very different, non-financial context. Designing intangibles into a hybrid working setup will require imagination to create solutions and plenty of drive to embed them. The idea of planning for spontaneity sounds absurd but it's doable with creativity—think weekly 30-minute coffee chats unrelated to work, with randomized small groups of people. Time should be strictly ringfenced for celebrating successes and sharing ideas, for building relationships and having inconsequential conversations.

There should be new rules to reduce online meetings on days when people are in the office to make space for the intangibles they can't benefit from at home. If people are taking calls through headphones all day, they're still isolated—just in a different location. Calendar etiquette should be redesigned to make it acceptable to reschedule calls for the sole reason that the invitee will be in the office that day. In fact, the digital calendar looks like it's up for complete redesign.

Tools are a key part of the redesign, and leaders should scrutinize each for its suitability for hybrid working and ditch those that fall short. Employees will likely have strong views on what works for them, and what puts an unnecessary kink in their working day. They'll have already spotted opportunities for streamlining, so companies could save time and money by involving them in the discussion.

Space design is also important, and some organizations are already creating spaces that foster deeper connections with colleagues. Salesforce, for example, opened a 75-acre ranch where it's running a range of employee engagement programs to bring people together in person. A lot of people find much-needed balance in the opportunity to choose when they go to the office or work from home.

Office environments usually exist within the wider context of a city or town, which must inform strategy for delivering on intangibles. Exactly what cities offer (and how they offer it) was part of the work package for many if not most office workers, and it creates a triangle of places from which people derive invisible benefits: city, workplace, home. Shops, a variety of lunch places, even the scenes people walk past to get to work can all create a vibe that make it worth commuting in. In London, Thursday night is the new Friday—a self-reinforcing trend that allocated Friday as a stay-at-home day, so social engagements moved earlier in the week.

Many cities are thinking about their own unique selling points and looking at ways to attract and retain the best talent from around the world. For instance, Line is a new city in Saudi Arabia that will run entirely on renewable energy and will eventually be home to 9 million residents whose needs will all be reachable within a five-minute walk. Cities have become more community-centric, thinking through traffic by expanding car-free neighborhoods and developing public transportation and bike lanes. Barcelona is addressing spatial planning by creating green hubs that form rural areas in urban jungles. Paris has introduced a dedicated series of "streets to schools" as it looks to make the city safer for children.

Leaders now need to decide which approach will serve their business and their employees best. It's not about just where people work—it's how they work, and the value exchange between employer and employee beyond money. In some cases, leaders will need to make clear that what employees want may, in fact, be detrimental to their own experience of work. It'll be a hard sell, but an important one.

[00:47:13]
Trend 4. OK, Creativity
AI is now in people's hands for creativity

Artificial intelligence is breaking new ground and helping people harness their innate creativity. What was once a tool for companies to complete repetitive tasks is now a co-pilot that's available to everyone as part of their creative process. Suddenly, anyone can create reasonable-quality language, image, and video content with seemingly little effort or learned skill. With developments emerging at astonishing speed, companies need to be thinking about this now and working out how to stand out in a sea of decent content.

[00:47:53]
What's going on
When rumblings about artificial intelligence (AI) first started years ago, many people feared their jobs would be automated but those in creative fields felt a little safer, believing that creativity must surely be a uniquely human ability. That's changing fast, as 2022 saw technology take giant leaps, with new tools frequently springing up to put tech-powered creativity right in people's hands.

While there's no consensus on the definition of "creativity," in this context it's the ability to produce something new. It's a process that results in an outcome, like art, books, or music. Creativity evolves culture—influenced by environmental and social norms, and the motivations that push people to follow, reject, or change those norms. Technology is now acting as a co-pilot that sits alongside anyone who's interested in harnessing their innate creativity.

A threat response when new technology emerges seems to be hardwired into people's psyche. For instance, when photography was first invented, people found it peculiar and worried about what would happen to the art of capturing a scene through painting. As it turned out, photography arguably opened the door for new painting movements like impressionism and surrealism. Indeed, photography itself became about much more than simply capturing images for utilitarian or record -keeping purposes and is a creative artform that has made the world an infinitely richer place.

Technology's impact on creativity has often been as a tool that expedites the process. It helps people figure out what to do with ideas and how to take them further, or else it creates entirely new possibilities that can be developed. It's rapidly evolving beyond its purpose as just a tool for efficiency into a creative canvas that opens new possibilities.

Neural networks or deep learning are often lumped into a broader definition of artificial intelligence, which we'll indicate with quotation marks (i.e., "AI"), as we believe this is the terminology people will use. In the past year, "AI" has been breaking new ground in the creative field at an exhilarating pace. The technology is certainly a driver of this change, but the most exciting part is the accessibility of deep learning to the public, which is inspiring a wave of innovation.

"AI" has been in the news for decades, having first being introduced in 1956. It beat a chess player in 1997 and won a Jeopardy match against a human in 2011. Self-driving cars, search and recommendation engines, voice assistants, and facial recognition are just some of the use cases most associated with it. Essentially, "AI" has largely been used by enterprises and brands as a service to people or for people.

Recently, neural networks have been made widely available to create language, images, and music, putting "AI" squarely in people's hands as a tool for creativity:

For language, neural networks are being used to generate sentence structures in text based on a language model with 175 billion parameters. It's sophisticated enough to generate copy for blogs, emails, and articles, (albeit copy that could then benefit from some human editing).

As we went to press with this report, ChatGPT emerged, suggesting a big leap forward in "AI"'s ability to create accurate and useful text, which may become a major challenger to search engines

For sound, Magenta is a research project from Google, exploring how neural networks can be used as a creative tool for art and music, and Jarvis is a tool that can help create song lyrics. Jukebox is a neural network that generates music—including rudimentary singing—as raw audio in a variety of genres and artistic styles.

For images, Midjourney is a closed-source, deep learning model (accessible via the Discord bot with paywall) for creating images from text and even from other images. It has a highly active creator community round it. In fact, Accenture designers around the world experimented with Midjourney to visualize their pitch ideas for this trend.

At the time of writing, Dall-E2 (which preceded Midjourney and was also closed source with paywall) has 1.5 million active users generating 2 million unique images a day. Stable Diffusion emerged as we were compiling the Trends report in September 2022 and already has more than 10 million users across all channels, and importantly is open source with a paywall option for higher speed. Because it's open source, there has been an incredible amount of innovation in a very short time.

AI is shifting from enterprise and service enablement (which is often invisible) to something that is highly visible and applicable in all parts of people's lives—not unlike the shift in computing from mainframe to PC.

But what does all this mean? Today, computers are so capable, they can do many things better than people can but at this point, they work on demand and can't generate ideas without being trained up by people. "AI" doesn't have imagination, so it can't come up with a high-concept movie or ad campaign, and it doesn't have heart, which is arguably what gives art its power.

The ease of access means "AI" is being built into more existing creative tools, websites and apps, and repackaged in inclusive formats for people of every language, culture, age and ability. This development enables individuals to be exponentially more productive than previous generations and generates opportunities for brands and businesses.

[00:53:34]
What's next

When it comes to developments in this technology, "next" is becoming "now" at astounding speed. As venture capitalist Daniel Eckler details on his Twitter feed, "AI" will continue to enable an explosion of creativity, with new tools coming out at pace.72 It's almost impossible to keep up with the amazing array of game-changing applications for business, such as generating synthetic brain scan images that drive medical research, on-demand interior design, stock photography for presentations, Hollywood-style film effects, seamless textures for video games, new kinds of rapid animation that could launch new streaming content, on-the-fly animated videos and books, concept art, plugins for design tools and software, and much more.

Google has already published a proof-of-concept paper for DreamFusion, which shows potential for "AI" to generate 3D objects from text and Meta has launched Make-A-Video, which creates high-quality videos from a few words. Soon, "AI" might be creating entire immersive spaces. In Fjord Trends 2022, The Next Frontier speculated about the metaverse and its potential future developments. One thing we hadn't predicted was the possibility that "AI" could become the tool of choice for building it, and yet, it looks increasingly likely to be the case.
The speed with which the accessibility of deep learning models has grown is making people question whether creativity is under existential threat, but we would argue that this is simply another variation of the natural cycle of progress. But as always, steps forward in technology bring potential positives and negatives. Expect debate along these lines:

Good/utopian

First, there's the creativity aspect. The hardest part of the creative process is going from zero to one—meaning making the first mark on a blank page or canvas. Neural networks will help people to get started, and then they can build layers on top to produce excellent output.

As a tool that sits in the hands of anyone who wants to use it, "AI" is driving a new wave of creativity at scale. The output will include new genres such as art, electronic music that reaches new dimensions, and more sophisticated writing.

Second is the efficiency aspect, as people who use these tools will be able to create new content at speed. Until recently, searching for an image online yielded variable results, but those results are becoming more imaginative. There's also reason to believe that content will move on from static to adaptive, such that it will be possible to create programmable content that flexes according to the audience.

Furthermore, "AI" will make it quicker and easier to align content to brand style guidelines, and even to react to events, news, or customer complaints in a brand-compliant way. It will likely become possible to program "AI" to know how to craft appropriate responses with little or no supervision.

Bad/dystopian

People's fears of being replaced or made redundant will need to be handled sensitively. In this context, "AI" should be described as what it is: a tool that enables people to explore their own natural creativity. These advances in technology will most probably involve creative industries, meaning it won't turn out to be as daunting a prospect as it may seem to some.

It's unclear how professional creators will be able to opt out and preserve copyright over their work. When a creator's work is blended with others' work using these "AI" models, how will copyright issues be unpicked? AI platforms must take responsibility for the content used to train the "AI," stay in control of damaging behaviors, and protect the rights of people and artists.

Quality of output is utterly reliant on quality of data, and bias is virtually inevitable. This will likely be addressed in future, but the basic guardrails in place right now don't solve for the fact that the largest data sets don't represent all cultures or ways of thinking. And, when machine learning has created 51% of the world's content (which could happen quickly), might it start going round in a loop, like the social media echo chamber phenomenon? If "AI" uses "AI"-created content to create more content, does it stop being so useful, interesting, or creative?

The pace of development is the key thing, and it's why companies need to be thinking about this now (if they're not already). For example, Droga5 (part of Accenture Song) offices around the globe have used "AI" to generate 116 works of innovative art, which are now taking up residence in a virtual exhibition and in physical form in Dublin, Ireland. For many people, this moment in time is when "AI" becomes real and starts to find its way into their everyday lives. We expect "AI" for creativity will become so mainstream that children will start to use it to illustrate their homework.

This will also affect the metaverse and immersive worlds. Creators are already playing with Stable Diffusion technology to project "AI" imagery as a layer onto real-world rooms and settings. People's ability to generate images and worlds for gaming and experiences changes the dynamic of world building and content creation. If the pace continues, then it's entirely likely that within months or a few years, people will be able to create their own metaverse places—gaming worlds, experiences—en masse. This will generate an inevitable market need for the guardrails between the places people create, and those who connect these places together will create valuable new businesses.

Companies will need to work out how to make an impact in a world inundated with creative user-generated content. Much of it will be topical and its relevance short-lived. They will need to transition their teams to a new content strategy focused on creating larger volumes of 3D content, as well as hero content that competes with consumers' output on concept and quality. Teams will need to upskill to learn to use these new tools and develop their understanding of "AI," and be acutely aware of where the boundaries lie between their personal and professional capabilities.

Machines that can help anyone create images, videos and text—which were formerly tasks for skilled human designers—have increased the pool of people who can create. In turn, this promises to make storytelling easier for every employee. Much as presentation software enabled a dramatic shift in people's ability to explain and convince within corporations, so neural networks will enhance their ability to generate compelling presentations.

Marketers will likely find new utility with machine learning. Tomorrow's chief marketing officer may use tech-generated images as concept art before the photoshoot or video in audience testing before the big campaign enters production—they might even use "AI" to generate 3D graphics for a metaverse brand activation. It could breathe life into campaigns at an earlier point in the timeline and ultimately lead to quality results at higher speed.

It's an absolute truth that everyone has some degree of creativity within them. The interesting tension here is between "AI" helping them explore that creativity and the quality of output. Attention to craft separates the excellent from the average—and the craft cannot stand still but must evolve with the new tools. We expect to see increasing debate around quality and standards where "AI" is applied to creative work in professional settings. In design, for instance, if technology plus a novice can design something good enough, might an employer start to question the need to invest more for experienced designers? Without care, output will become sub-standard.

Returning to the photography example, it took decades for the technology to reach the hands of the masses—it will only take months for "AI" to do the same, and it will impact how people function. Businesses that lean heavily on visual content (like social media platforms) will likely be transformed almost overnight. On a personal level, the way people live their lives will probably be impacted as they weave this newfound ability to be more creative into their activity at work and at home.

These developments will simultaneously put the ability to be creative in people's hands and take it away, and organizations will be confronted with the impact of both. They'll need to find ways to be noticed in a sea of good creative content, and imagine what these new tools can do to enhance the speed and originality of innovation. As with most emerging technology, open questions around the legal and ethical implications remain, and it's important for companies to consult with their legal and compliance teams and monitor developments as adoption grows.

[01:02:36]
Trend 5. Signed, sealed, delivered
Digital wallets: a question of adoption

A digital identity crisis is going on and brands should take note. The status quo of how personal data is used—and even misused—is long overdue for a change, and people may soon regain control through digital wallets containing tokens to represent ID, payment methods, loyalty cards, and more. Crucially, the default will be that they'll decide how much data they share with organizations. For brands, it might replace data lost to cookie restrictions with first-party data from people who voluntarily share it. The devil is in the details when designing the value concepts and building people's trust in the technology's ability to keep their most precious personal data safe. Defining how to ensure adoption is not a trivial task.

[01:03:29]
What's going on

Privacy is a fundamental right. However, in online experiences today, there's a lack of transparency in how companies are using people's data, and trust has diminished. According to software marketplace G2, 86% of people in the US stated that they felt growing concerns about their data privacy, and a further 78% expressed concerns about the amount of data collected—but they still wanted personalization.

Dark patterns, which are design tactics that persuade or heavily influence people to make certain choices, have been tricking internet users into giving up their data, money, and time. Third-party cookies follow people around the web for retargeting purposes, helping brands lure them back to their sites to make a purchase. Ad networks have stored incredible amounts of user data, and may have access to sensitive detail such as medical history, sexual orientation and political affiliation. The problem is that, in some cases, this information is linked to people's real names—and it's unclear how extensively this is happening.

In addition to privacy concerns, the friction in people's internet experience has been increasing. Cookie preference pop-ups are just as much of a nuisance as pop-up ads, and for every new site or service provider, people are required to onboard data all over again. Today, they're forced to remember, on average, over 100 usernames and passwords—each of which should be unique and/or follow a specific set of rules around upper and lower case, numbers and special characters. The experience is wildly fragmented and anxiety-provoking as they must manage brands' attempts to collect information about them and enter a set of personal details multiple times a day.

The mental burden is enormous and grows with every new job, activity, retailer, social media platform, or financial transaction. But digital change is in the air.

In 2023, Google is phasing out third-party cookies, which is forcing brands to create marketing approaches that are less reliant on third-party cookies and to use more transparent, privacy-centric tactics to target customers. Viable alternatives for marketing strategy are leaving a gap in how advertisers collect people's data, and there's anxiety in the marketing industry.

As of 2021, some 83% of marketers still relied on third-party cookies as part of their marketing strategy. A G2 article from February 2022 states that 44% of marketers predicted they'd need to quintuple their spending from 5% to 25% to hit the same goals in 2022 as they did in 2021.

We see signs that tokenization could be a win-win for people and for marketers. The rise of digital ownership, through blockchain technology, is shifting the power dynamic to users by putting them in control of their digital identity through non-transferable fungible tokens stored in digital wallets. What are tokens? When people check their coat at an event, they get a ticket in exchange, showing a unique number matching that on the coat hanger. The little slip of paper is a physical token that represents that coat and serves as proof of who owns it.

Today's tokens of life range from the important to the useful, the permanent to the fleeting. Important tokens generally cannot be transferred between people. Some prove who a person is, (like birth certificate, passport, citizenship card, etc.), and others are critical for a specific purpose, (such as driver's license, medical records, education certificates, employee ID badge, homeowners' deeds, etc.). This trend is just as important for those institutions that create personal identifying information—such as government agencies for personal data, universities for credentialed degrees and so on—as it is for brands.

Digital identity, objects, and assets will increasingly be stored in a “wallet” online, built on the blockchain. Web3 wallets serve two major functions. The first is that wallets allow their owners to manage all owned digital assets, currencies, and tokens in one place. The second is that wallets are used for accessibility to other blockchain-based apps. People can authenticate themselves through their wallets, and it’s pseudonymous. They’re easy to use—at least in theory—and becoming more accessible.

The promise of Web3 (and what wallets enable) is the ability for people to take their data with them and share it with—or even sell it to—brands and companies they trust. They remain in complete control of their assets because nobody else has access to the tokens. From Twitch to Burger King, large companies are recognizing digital wallets as a payment option. Metamask, one of the most popular wallet providers, currently has 21 million users, and usage multiplied by 38 since 2020. Computer Weekly predicts that more than 60% of the world’s population will use digital wallets by 2026, with Southeast Asian countries expected to see the steepest growth.

[01:08:37]
What’s next

it’s still a ways off, we’re seeing the foundations of an open wallet framework starting to form, with transparency and interoperability built in at the core. We expect to see a universal digital wallet system that enables people to carry their tokenized identity (via governments), money (via banks), and possessions and loyalty (via brands) around wherever they go online. This is the next version of the wallets in use today in Web3.

Non-profit technology consortium, The Linux Foundation, has launched the Open Wallet Foundation (OWF) with a mission to “develop a secure, multi-purpose, open-source engine anyone can use to build interoperable wallets.” Moves like this will offer people and brands a way to shape a relationship, cutting out the behemoth companies that have profited from sitting in the middle, harvesting and selling on customer data.

Digital wallets promise to give people control over their data privacy and will offer companies a platform to obtain more valuable first-party data in a post-cookie world.

According to The Linux Foundation, “Massive business model change is coming and the winning digital business will be the one that earns trust to directly access the real data in our wallets to create much better digital experiences.” This will be the basis on which people reclaim their data privacy and control, and brands create better digital experiences.

While a lot depends on design, (more on that shortly), these changes should be eagerly welcomed by internet users as soon as they understand the benefits they’ll gain:

Firstly, as the ecosystem emerges, identity tokens (via Web3 wallets) will put people in control of their data. If people owned their data, they would be able to choose, monitor, and adjust what data they share with the businesses they interact with. They could also set preferences and selectively disclose the minimum amount of personal information required to receive the desired service.

New privacy preserving techniques will enable brands to create highly personalized experiences but will prevent them from storing or misusing people’s raw data. Brands that retain, share, or link people’s personal information beyond what’s necessary for the service they provide could betray customer trust. When customers can simply revoke access to their first-party data, brands will not be able to force their way into people’s digital wallets.

Secondly, people may no longer need to onboard their data to individual service providers—instead, service providers would have to onboard to them. This would reduce today's friction points of having to update identity details with service providers that hold such information. For instance, if a person moves home, they'll change their address once and any organization that has been granted sight of that information will be updated. This streamlines people's experience and reduces opportunity for error.

Thirdly, when people have absolute control over their data, businesses will have to work harder via loyalty programs and incentives to reward customers for sharing their data. This is a renegotiation of the established dynamic from the past decade. People who trust a brand will want to offer their data in exchange for benefits offered. We expect to see brands plugging their loyalty apps into people's digital wallets as a strategy to fit seamlessly into their lives and earn their trust—and their data. Ultimately, loyalty programs will improve when customers own the data the programs collect, such that it can't be sold on. This aligns incentives: marketers will want and need to be trustworthy because if they aren't, they won't have consumer data to work with. They will compete to become the most trusted brand in their category because customers will have the power to go where they want, buy what they want, and share what they want.

When customers willingly share their data, it suggests a level of buy-in to whatever the brand is offering. Companies spend an average of 10% of revenue on marketing, but the average conversion rate is between 2-5% because the quality of data is poor. Experimenting with new avenues to grow first-party data and increase conversion rates will prove to be lucrative.

When someone shares parts of their digital identity with a brand, a rich profile will be built, telling a deeply personal story about them. This will enable more accurate and personalized marketing.

However, all this comes with a major caveat: despite the obvious advantages, will there be significant adoption? Tokens represent a huge design challenge. There will be a transition point where the technologies that are in the foreground today (i.e., tokens, blockchain, Web3), will fade into the background and just become part of digital experiences. As much as any new technology we can remember, adoption will require excellence in experience. How will customers be convinced that the wallet is trustworthy and secure? Everything above represents a massive shift in control and access, and in the mental model people have of how things work around identity, data, and ownership.
Four life-centric requirements stand out:

1. Showing people that the control they will get over their data privacy—and how much better this is than the status quo—is absolutely worth the time they'll need to invest to manage it effectively.

2. Making tokens easy to obtain and use in day-to-day transactions. Simple onboarding is essential. Right now, crypto is far too complex, so it'll be important to learn from experience and shape the future with empathy for all users.

3. Helping people understand what a wallet is—beyond a payment mechanism. This is the mental model shift, where the wallet address becomes the new email address.

4. Understanding the layers, levels, or zones of permission people can grant to businesses through their wallet. We expect almost nobody will be willing to define token-by-token access every time they're asked. So how can it be designed as a quicker task? How can it be made easy for the user to set up and control layers of access? Every extra step in addition to those that people take now will lead to a drop-off in engagement, so how do designers mitigate that?

accenture

It bears repeating that it’s early days—we envisage it’ll take between three and ten years to play out fully—but leaders need to be talking about and strategizing around it right now. This technology exists, it works, and it’s meeting the human need, but it has two big barriers to mass adoption. The first: will governments, advertisers, and brands truly engage with it, and does it deliver a business model that works for them? The second: will people understand what it is, trust it, accept it and engage with it en masse?

There is real tension here, and these things are not a given.

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