



WALK IN THE CLOUD S4 LIFE TRENDS: POWER TO THE PEOPLE

AUDIO TRANSCRIPT

Host:

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Mark Sherwin Bio:

Mark leads Accenture Song's Global Digital Customer Services business as well as its European Energy and Utilities businesses. He has recently completed a 2-year stint as Chair of the Institute for Apprenticeships Digital Route Panel, judges the prestigious DADI digital industry awards and in 2017 was recognised as a top 10 'Digerati' for his influence on the UK Digital industry. Mark speaks regularly at global events ranging from AdWeek to international utilities and policing summits. Mark completed his EMBA at Cass in 2010 and collects hobbies and skills including Expedition Medic, Sailor, Skier and Jaguar Handler to name a few!

Katie Burke Bio:

Katie is the global thought leadership lead for Accenture Song, focused on how future technologies are changing the future of interactions, human behaviour, and marketing. With over 17 years of strategy experience, Katie serves as a futurist and the lead content writer for the annual Accenture Song Life Trends report.

Intro: Walk in the Cloud.

Ellen: Welcome to Series 4 of Walk in the Cloud. I'm Ellen Bencard, your host, and just the most audible member of a whole team at Accenture that brings these walks to you. We are so thrilled that you keep listening and you seem to be telling your friends because our numbers keep growing, which gave us the confidence to plough ahead into a new series of episodes. As you might imagine, we have a lot to talk about, including lots of artificial intelligence. It is the topic all of Accenture's clients want to explore, but that is far from all. We will look beyond AI to quantum, and we'll consider the latest trends in digital experience to create truly human interfaces. UK national infrastructure will come under our microscope as we question how technology can make it better. Global shifts in reshoring see us talking about manufacturing and supply chains in the UK. We'll chat about security concerns that cross all of these areas. But first, we're going to do a bit of future gazing.



Now I'm joined today by Katie Burke and Mark Sherwin. Hello both.

Mark: Hey.

Katie: Hello.

Ellen: These are two of the future gazers behind this year's report. Now Mark, I'm going to come to you to start out with. Can you layout the context of this report as the UK moves towards the quarter century mark. You start out by talking about society in a state of flux – what differentiates the current environment from what you've seen in the past?

Mark: Thanks, Ellen. It's a fantastic report. The way we gather the insights and evidence points from over 2000 designers around the world is what makes this really unique. But UK has always had a strong arm in that, and it's fantastic that some of the authoring team are based in the UK and immersed in this environment. The macro theme that we're talking about this year is where do we begin? And that's because we are genuinely in a greater state of flux than we ever have been and that can seem like a bit of a truism. We always know the pace of change is always increasing within our world, but particularly at the moment, the macroeconomic environment, the political environment, the financial situation that many families and homeowners find themselves in coming out of a world of COVID where we're having to reevaluate every element of our lives and how we operated, the values that we live by, and so I think this is a global report, but there is no economy in the world, no environment in the world that is feeling this state of flux more than the UK and Ireland. I think it's really relevant to the businesses that are based here and trying to address their relevance to consumers in the UK.

Ellen: So fabulous setup, Katie, let's jump right into that first trend and start with this sense that you found of consumers who are feeling increasingly unloved in the face of cost cuts. The report says that around the world, 47% of people feel less valued as customers. When dealing with service agents, but that rises to a massive 66% in the UK, can you talk to me about this trend and why it matters.

Katie: Yeah, this trend I mean is rooted in what I'm calling a bit of a whiplash that's gone on with customer obsession and, for years since the rise of digital, especially mobile devices, we've focused so much on customer obsession, it correlates to revenue growth. But globally and especially here in the UK, we're watching a bit of a shift in the experience of the brands, which includes shrinkflation, where a lot of the packaged goods that we buy at the groceries are smaller quantity, same price. But that's also being combined and I'm saying combined with something called skimp-flation. We're watching the recipes that are quietly being tweaked to these ingredients as well. Not only are we getting less, but we're getting lower quality at the same time. We're watching surge pricing come into things when we when they are in most demand. And we've seen that at a few pubs here and that's caused outrage across the media landscape where you're being surcharged on things during peak when you used to not be able to have that. There's more of this customer service for example, which has always been an issue; it's still an issue. We're watching a lot of this happen, so when you anchor it back to the customer standpoint and the promise of being obsessed with us as a customer, it just feels like we're not actually getting that obsession feeling in our experience of the products.



Ellen: Is AI a way to get that experience back? Unsurprisingly, your second trend is about AI. It is the technology that's on everybody's lips, and there's a lot of talk about how it can be a silver bullet to help this country get over its productivity issues. However, in your survey, Brits come out as being extremely uncomfortable about relying on insights from Generative AI. In fact, it's roughly double the numbers of the global average. So how do we square that circle and use AI for good?

Katie: Generative AI is new right now and I still think we're about a year into the explosion onto the scene of what the large language models can do. There's two ways that we look at it. There's a productivity angle and there's a growth angle. Our trend focuses on the growth. You know where these new digital interactions are actually evolving to a next level of understanding of customers is where we're looking at this in particular. On the flip side of the productivity, productivity measurements and ROI are still being defined at the moment because it gets down to this micro workflow of productivity and productivity has always been a measure of output; speed to output, quantity of output, but you're looking at this at individual workflow levels, and it's often some invisible tasks that are where Generative AI is coming in. I think that we're watching productivity be explored further, and there's a lot of opportunity there. But trust is at the heart of any new technology. We're watching that consumer trust is a big part of the equation and the success of Generative AI at the moment.

Ellen: Mark, let me come to you for the third trend, which is about creativity. The creative industries are incredibly important to the UK. We are pushing towards 6% of our economy as creative industries and we're running a £25 billion surplus on the trade balance. So bottom line, people from other countries buy creativity from the UK. Yet in your third trend, your reports suggest that increasing use of today's technologies in the creative industries could suppress that creativity as much as it drives it. How do businesses make sure that doesn't happen?

Mark: Thanks, Ellen. We call this trend mediocrity. Some people say mediocrity, some say mediocrity, but the principle is there. There's a bit of a shrug, which you can't see that on a podcast, but it's definitely there with the word. The needles of creativity out there are some fantastic examples in the UK economy of incredible creativity that's cutting through, that's world class and we should be really optimistic about that. But the reality is, is that creativity was once about the audiences, but now it's as much about playing the tech systems, it's much about using the tech systems to generate more and more content, and therefore the risk is whilst the crown jewels are still there, there's a sea of sameness across all of the other content we see out there. It's a pretty scary world where we realise that the technology platforms are actually becoming almost the gatekeepers to what good content looks like. We're seeing things like just because of the rules of streaming services around music and how artists are rewarded, we're seeing that fundamentally the length of songs is shortening. In fact, they're bringing the choruses to the front so that they can avoid the swipe right to the next song before they've even recognised the song they're listening to. And in the same way you look at TV and the number of remakes. We've seen a surge from in 10s and 20% twenty years ago of remakes to something in above 80 to 90% in in some categories of remakes because people are using the same templates. They're wanting to work on reliable formats that they know work, but actually that means that both audiences and creators are becoming bored. Audiences are frustrated by more of the same and creators are frustrated that rather than go out and do something new and high impact, they're being asked to fit to the constructs and define that we know work within the platforms. And with old tropes, it's easier to bring out the 4th or the 5th version of the same film, rather than try something new.



It's a really challenging time and to be clear, this is not a trend about Generative AI, this has happened pre-Generative AI, but if you take this and apply Generative AI to that environment, you think, it's going to get a whole lot more. There's going to be a whole lot more content that can be created, and it's not necessarily going to be better creative, but actually more of that sea of sameness and harder to pick out the creativity amongst it.

Ellen: I suppose the good news here is that the audience will keep us honest and will drive the quality, which leads me to your next trend, which suggests a human fight back is coming and people are hitting a tipping point where they feel they've lost control of the technology. They want more and they want to take control back. I was amused, but not surprised to see that Brits are 17% more frustrated than the global average with technology induced issues and this is a nation that does not suffer fools gladly. So, if we assume that we're on the cutting edge of trend four Katie, what does that mean for big organisations in the UK?

Katie: To be clear, technology is an overwhelming positive influence on our lives. We don't complain about the things that are frictionless. We don't complain about the things that have made our lives easier. We complain about the things that have problem spots in our lives. And I think that at that point, there's a couple of things that are underneath that. One is that the general pace of new technology introductions into our lives, followed by the intense hype cycles, if you will, of what they are, feel very cultural in nature. So, tech introduction has become a cultural hype cycle. The second is that we need space as humans to understand what new tech is doing. Understand whether how it fits in our lives. How do we have that period of adjustment? We're not having those periods near as much because the pace of change is exponential and we're not exponential as people. But underneath that, I'd say we're looking back at the past 15 years and there are some things that we do not like. The loneliness epidemic that's been labelled in the US by the US Surgeon General, but is a global phenomenon, especially here in the UK, loneliness is a big issue. Mental health is a big issue. A lot of these have been attributed to some technologies. We're demanding control in certain places, but do we have it? And I think it's a crossroads of what we're thinking about of our relationship with tech and regulation is coming; I do think that there's regulation that includes well-being in the text. Organisations just have to really understand the context of the human limits and how they introduce technologies into their customers lives or their employees lives. This isn't just customers; this is just our lives in general and work is a big part of it. They're hitting limits, they're feeling overwhelmed and that's really the provocation that we have in this trend is what can we do differently to ease that burden off of people.

Ellen: And I gotta say, this is why I love life trends, because it is where humans and technology come together and let's get very human, Mark, on this last point. Your 5th trend talks about the effects of rapid change on demographics and attitudes and tradition. Now tourists may head to this country for chocolate box villages, heritage, the old-world stuff. But anybody who lives here knows that the UK is a place of dramatic change. We are one of the most diverse, connected, rapidly changing places in the world, particularly in our urban centres. So, what does your report suggest lies ahead for the country, in light of what you talk about is social deconstruction?

Mark: We talk about this concept of the decade of deconstruction, and we see that over the last 10 years and particularly the last three years, people's route through lives has been fundamentally questioned. And they're saying, do I need to plan for a long term future or do I just live for the now? The world's changing so quickly, maybe my planning horizon comes down to three years or indeed as we've found with many people, down to one year.



Good old English tradition was sitting around a board game like the Game of Life and playing that and that was pretty well mapped out for you. You went through these life stages and each one was a couple of decades long and you've got one job and you stuck at it, and you went to university, you got married and you retired and that's just not the case now. We're seeing people really shrinking their planning and because of that we're seeing some big changes in the demographics. University graduation down to 24% from 30% over the last three years, marriage from 30% to 21%, moving out of parental homes from 23% to 17%. What this means is, people are making different life choices that are not necessarily aligned to our traditional model of how we're going to go through life. And this is a great opportunity because brands who understand this could become incredibly relevant by thinking about how do they adapt to those shorter planning horizons, to people wanting the flexibility and the services, the way that they buy services, the way they commit to the big purchases in life; the cars, the houses. We talked about the subscription economy; people are actually questioning is a subscription right or do I just buy things when I need them? Do I just rent things when I need them and give them back? I think there's a huge opportunity to reinvent services that fit into that much more micro moment view of the world where living for the now, having the things I need right now and having the services I need but not committing to a path well-travelled and instead having a much more fluid lifestyle that fluxes, with the flux that we're seeing in the world

Ellen: So, that's a gallop through our five trends and there's a lot of angst and stress inducing stuff in here, but can we end on the positives? Because as I mentioned earlier, with change comes opportunity. So, Katie as somebody finishes reading this, give me the one or two positives that you would hope somebody moves forward with.

Katie: These trends are point in time. We're trying to gather the research and the thing that I ground myself in is that these are cycles and cycles have ups and cycles have downs and within the ups, there are things that can be negative and when there's downs or things that can be positive and that means that there's opportunities to try and connect with people in the best way you can in the cycle that they're in. I have this optimism that when we talk about a where is the love trend for example, that brands sit up and they say, let me try harder. I hadn't realised that this is the experience of being the user and my brand's part, maybe I can do something a bit different to keep our product in the basket and show them a little bit more love in new ways. I use a challenge as an opportunity, but again, these are just cycles, and cycles will end. We will pull out of these ruts that does feel like. Nothing is permanent and so that's the optimism that I have; shine that light on it!

Ellen: Got it. Mark, what's your good news?

Mark: Well, I think there's lots of good news in here, really. But under the decade of deconstruction, these new life paths create new opportunities for brands to be relevant in ways they never could be before. Those brands that choose to really understand and be life centric around the choices consumers are making and design services that fit into those can really thrive. So that's super exciting. And then if we think about the conversation we had about mediocrity. Audiences are bored and creators are bored. That's a huge opportunity to do something different. People are looking out for difference. They have an appetite for difference. And if you look back at previous periods of flux and difficulty, we saw in the 70s, out came punk, we saw incredible creativity come out of moments where there was perhaps a challenging environment, so I believe the next few years are going to be a huge renaissance of true creativity.



If you're brave enough and have the commitment for a little bit of lunacy to make sure that you cut through.

Ellen: Thank you. That is a great note to end on. Listeners, I would encourage everybody to download the report, look for Accenture Life Trends 2024. Have a read with a notebook next to you because you are going to be jotting down ideas as you go through this. It really is good stuff. Mark, Katie, thank you very much for sharing your time with us.

Outro: Walk in the Cloud

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