

SXSW INTERACTIVE 2016 : BIG IDEAS

CELEBRATING ITS 30TH YEAR, THE ANNUAL TECHNOLOGY FESTIVAL WAS MORE FOCUSED ON BIG ISSUES SUCH AS POLICY, PRIVACY, AND SOCIAL GOOD, WHILE VIRTUAL REALITY TRIUMPHED AS THE NEW MAINSTREAM.



Fortune

ANALYSIS

- Real-time marketing becomes a key focus for the booming Internet of Things revolution
- Artificial Intelligence will drive more opportunities for tailored convenience and intuitive service
- Video content is challenged with shorter attention spans and the need for creative curation
- Self sells: brands pioneering self-expression and self-involvement win over Gen Z
- The hype around wearable tech is fading, and being replaced with strong platform development
- Fashion and virtual reality intersect for more immersive and memorable experiences

SXSW Interactive has always had its share of tech-utopians calling for the greater good and improving lives through tech. At 2016's event this element coincided with a wider cultural conversation that resulted in the event becoming a global platform for world leaders to deliver this message to the tech and entrepreneurial sphere. SXSW opened with Casey Gerald, an Austin native and the founder of MBAs Across America, calling for an increase in social good among the interactive community. President Obama delivered a historic keynote in which he asked tech innovators to work with the government, not against it; making it clear that every citizen has a role to play in making America (and the world) better, asking, "As I'm about to leave office, how can we come up with new platforms, new ideas, and new approaches across disciplines and skillsets to solve some of the big problems we're facing today?". Thought leaders from retail, fashion and lifestyle strengthened the message of social good, putting forward their belief in conscious consumerism. Kendra Scott explained why philanthropy is a pillar of her business model, discussing company initiatives such as involving cancer patients in the design process for Color Bar as well as her passion for encouraging female entrepreneurship (another strong theme continuing from last year's conference).

INTERNET OF THINGS : REAL-TIME MARKETING



Uber



Business Cloud News

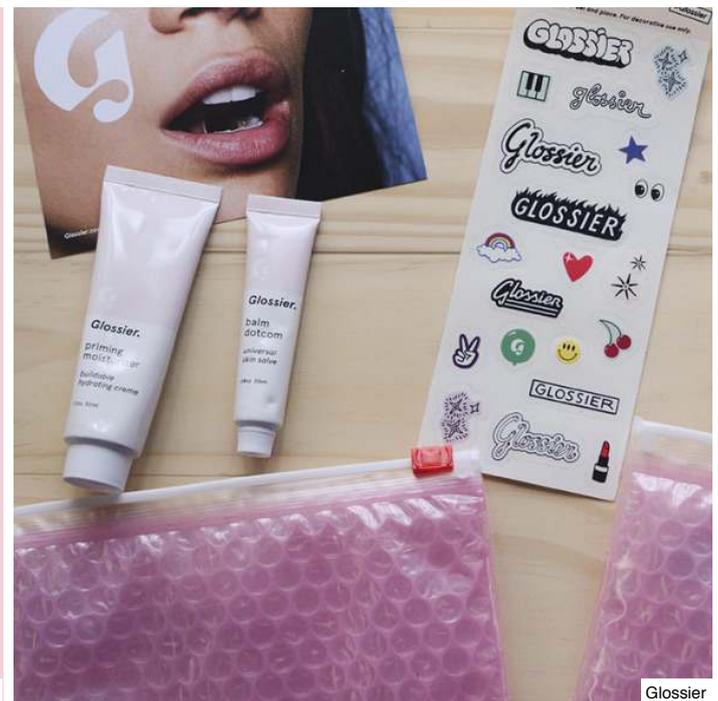
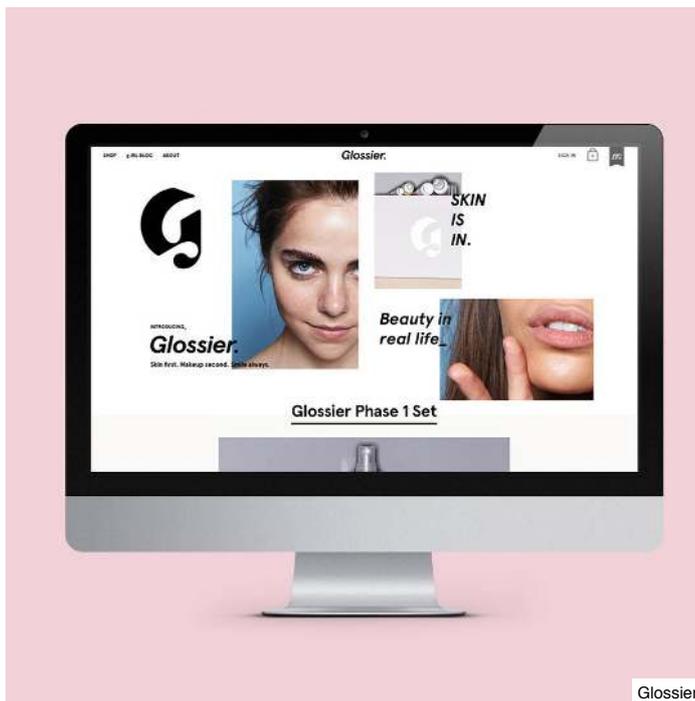
As the Internet of Things continues to infiltrate a range of industries, focus at SXSW was on how marketers will make service-oriented use of the data. Samsung's VP of mobile computing marketing, Alanna Cotton, highlighted three key areas for delivering immediate value: smarter consumer targeting, surprise-and-delight engagement, and real-time utility. As brands begin to harness this real-time data with zero latency, the opportunity for personalisation increases. "When you have data that's fuelling experiences, you can make them customisable," said Thom Gruhler, CVP of apps and services at Microsoft. His tips for brands? "Make the investments now to test and learn how your experiences can be fuelled by data in the cloud." Moment marketing plays a big role in this, as Facebook's head of content and activation, Ann Mack added: "People are manufacturing and consuming their own and each other's moments in mass, every moment, every day. If we understand the magnitude, motivation, and meaning of moments we can deliver to them." Mack brought in the lost phone example, noting the 51.2 million interactions in the US each month around lost phones, posing the question "how can you turn a moment of inconvenience and frustration into one of surprise and delight?"

AI : THREAT OR OPPORTUNITY?

With SXSW starting days after Google's DeepMind beat the world's best human player at Go, all eyes were on artificial intelligence (AI) and robotics. While some statistics sound ominous – 47% of US jobs are judged to be vulnerable to robot replacement – experts believe that AI will be employed to help humans, not hinder us. Machines will take over essential jobs – factory and service roles, as well as elderly care – but the more immediate impact of AI on the average person will be a new level of personalised convenience. Dag Kittlass, co-creator of Apple's Siri, has developed Viv, an AI that's described as a "global brain". He described how AI will mean that every object or service we interact with will already know what we want: "AI will be in the cloud, like a utility. It will plug into any device. There is no theoretical limit to how many things you could teach it, and no shortage of monetisation strategies." Doug Lenat of Cycorp described the potential for human and AI collaboration, not competition, while Kevin Kelly stated that "robots will make new jobs."

VIDEO : STREAMING IS THE NEW SCROLLING

"If a picture is worth a thousand words, a video is probably worth a million," says Jim Underwood, global head of entertainment strategy at Facebook. Underwood noted that over 100 million hours of video are viewed on the site every day. His sentiment was shared by numerous companies at SXSW as video content consumption and creation became the talk of the conference. In regards to mobile, video's a different ballgame altogether. "Most of time spent on devices is in feeds. There's something called the three second audition; within the first several seconds you want someone to know why it's personally relevant." Doug Neil, Universal Pictures' EVP of digital marketing, spoke of the challenge within that timeframe of producing impactful (and concise) film trailers, especially because social media platforms intentionally mute video content on feeds. "Sound sells a movie and we want it to be a part of it. Facebook won't do it because too many people are checking their phones in meetings and the sound would disrupt it," said Neil. This presents an opportunity for brands to create compelling videos with informative overlays and captioning, which aims to capture the viewer with visual stimulation if the audio is disabled. Video giants including Netflix and Hulu need to prepare for the impending growth of free web television services. Pluto TV is laser-focused on audience growth (currently attracting over two million active users per month) through a content curation strategy of pop-culture curators, known internally as Pop Culture PhDs. "Curation requires a combination of human knowledge and technology": aggregating, reposting, and using algorithms alone are not curation," said George Rausch, director of content at Pluto TV.



Emily Weiss, founder and CEO of beauty empire Glossier, discussed her belief that the old adage 'sex sells' is being replaced by 'self sells'. With the initial intent of rethinking, reclaiming and redefining beauty, Weiss tapped into a digitally native generation of girls who aspire for a more attainable standard. "Today, I don't think women want to become someone else – I think they want to be their best self; a lot of traditional beauty marketing is outdated." By championing a sense of community, Glossier has built a loyal and involved following. "We don't want people to feel involved, we want them to be involved. We like to think of all of our channels, including Into the Gloss, as social channels. For product ideation and creation, we get so much feedback from UGC (user-generated content). There have been amazing ideas, catchphrases or hashtags that girls are just generating on their own." Ziba Design's creative director Jaelyn Suzuki echoed this idea, saying Generation Z are going through a non-identity crisis, looking for brands to belong to. "We're in a self-creation era. It's important to think of services as churches: services like access, convenience, belonging and commitment. Talk about your values over your benefits and bring a bit of religion to it," she said.



Emel & Aris



Under Armour



Under Armour

The customary hype around wearables was largely absent at SXSW this year, signalling that the technology is transitioning from early-stage, novelty applications to more robust product development. Under Armour CEO Kevin Plank explained how his \$4 billion performance brand's mission is to own the health and fitness market, 'taking biometrics to the next level' with a connected fitness ecosystem that boasts 160 million users already and is adding one million more every 8 days. The secret? "We went from being a products company to being an ideas company." Rebecca Minkoff CEO Uri Minkoff eschewed the usual discussion of smartwatches and fitness bands, speaking instead about connected fashion accessories that can charge your phone on the move, as well as Emel & Aris's Smart Coat, which heats up on demand. Josh Gunkel of Garmin strengthened the call for wearable tech to have "a laser-focused use case... With a wearable, you have a limited interface," he said, so it's crucial to understand context, lifestyle and user priorities.

VIRTUAL REALITY : FASHION'S NEXT STEP

A continuation from one of last year's major themes, virtual reality (VR) made its mark as the most topical subject at SXSW. Social media analytics company Sysomos reported that VR was the buzziest term on Twitter, garnering over 102.4 million impressions. The intersection of fashion and virtual reality is a new undertaking for brands and retailers with One Third Blue's creative director Angela Haddad pioneering the immersive 360-degree production. "Fashion has historically been rather slow at embracing emerging technologies; we're seeing that with VR it's a bit different – there's so much potential in engaging fans in experiences that can be memorable," said Haddad. Maveron's Anarghya Vardhana added, "not doing VR would be like not doing mobile years ago." The future of VR and fashion? "I think there's a lot of other room for experimentation for content as well, like shooting a story-like short movie to convey the inspiration behind the newest collection, to name one," said Haddad. "VR will definitely be making its way into the retail space by allowing us to experience the clothes we're browsing from home before purchasing them." WWD's deputy managing editor Evan Clark was sceptical explaining fashion and technology's relationship as "a series of sugar highs for retail" where new technology creates a buzz but then fizzles out.

CALM TECHNOLOGY

Amid the mental and sensorial overload of SXSW, there were several voices putting forward the case for calm technology, subtle interfaces and a more meditative approach to the digital world. Andy Puddicombe, founder of the hugely successful meditation app Headspace (3 million regular users across more than 150 countries) led hundreds of attendees in a 10-minute meditation session. "We're so early on in our relationship with technology and phones, we haven't worked out a skilful way to interact with it," he said. "Find a way to relate to your device that brings you peace of mind." Designer Tom Metcalfe spoke about quiet technology projects such as Rain Cloud, a weather gauge that demands nothing of you – "it's not shouting for your attention; you see it when you need to see it" – while visitors to Dutch designer Simon Heijdens' installation, The Silent Room, could immerse themselves in complete auditory emptiness for 60 seconds at a time.

