



SXSW
2021

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Chief Strategy Officer,
OMD Worldwide

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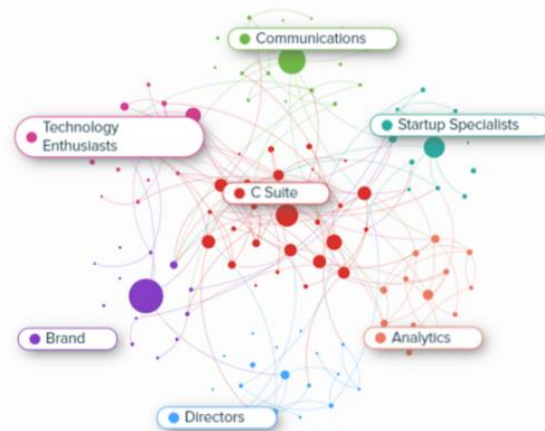
Agenda



Introduction

SXSW Online

SXSW 2021 was a digital experience that spanned across 5 days: March 16–20, including keynotes, conference sessions, musical showcases and film screenings. Marketing specialists and technology enthusiasts from around the world tuned in to the online programming, including OMD reporters from Australia, EMEA and USA.



For this year's event, we created a dashboard powered by OMD's Fast Start data - covering the key market signals, consumer sentiment and trends in media behavior - that has helped us to understand the emerging trends & opportunities coming out of SXSW.

This debrief examines the ideas and insights sparked from the festival, exploring the future of technology and creativity as we enter a new era of connection and business.

The 2 SXSW themes we have chosen to focus on are:

1. **Challenging tech's path forward**
2. **A new urgency**

There was clearly a lot of urgency and positive intent to do better, and be better, this year. What is the role of advertising and how can we use technology to help our clients achieve this?

SXSW in numbers

5

Days

230+

Sessions

270+

Creative exhibitions

1bn

Fast Start data points





01

Foreword by Chrissie Hanson

Chief Strategy Officer, OMD Worldwide

Looking through the Lens of Commerce



Chrissie Hanson

Chief Strategy Officer
OMD Worldwide

How SXSW Blends Aftershocks, Mixed Reality, and the ‘You of Things’

This year, the SXSW conference felt like a forum for the collective acknowledgement and processing of 2020. The event that, in years past, turned the city of Austin into a fantastically energetic gathering for creatively minded, and technologically forward folk, moved online. With sessions available on-demand, the urgency to plan one’s schedule, and rush to catch the keynotes was replaced by a quieter, more considered approach. Many sessions began with a review of the past year, as presenters reflected upon the challenges endured, and the steps taken as people and businesses fought to survive. The focus and tone then shifted to one of measured hope, and pensive perspectives on a future that will likely contain the aftershocks of a most challenging year.

The Retail environment continues to be a pioneering space that provides some of the earliest signals regarding consumer change. In **Immersive Retail: Connected Shopping in a New Era**, Silke Meixner, IBM’s Digital Business Strategy Partner delved into the innovations that separated the pandemic winners and losers. The ability to render every single product for a virtual environment was held up as one example. Virtual experiences give customers the ability to discover, research, see, experience, and share brands and products across their networks, and then click to purchase when they’re ready. However, marketers and technologists must have the right functions and features to deliver a seamless omnichannel experience that is truly personalized; one that removes the friction of having to keep logging into multiple devices as one moves from screen to screen. Tony Parisi, **Unity Technology’s** Global Head of AR/VR Ad Innovation added that 3D technology is here to stay, reducing the cost of photo shoots for product catalogues, while also increasing the levels of customers interactions. By allowing shoppers to interact with virtual clothes in interactive ‘fitting rooms’ with friends, and then adapt, edit, and place those items in different contexts, the co-creation of the brand and product content between the end user and the retailer is deepening and broadening the eCommerce experiences that are possible.

The subject of VR featured prominently in **What’s Next in Social? Enter the MetaVerse**. The panellists offered a definition of the metaverse as being a ‘VR space where we bring a representation of ourselves into a persistent digital world, where we have the opportunity to blend the virtual and digital into an online community.’ But even this definition is challenging, because the root of the words ‘meta’ (which means after, and beyond) and ‘verse’ (which refers to the universe) mean that some will argue that the metaverse is more than a VR space, that it goes far beyond a game, platform, or world.

While we can debate the nuances of the term, what's clear is that there's potential significant eCommerce value to be gained from the Metaverse. Amazon already sells inside Twitch, Nike recently debuted custom skins and limited-edition products in Fortnite, and last year, Roblox players could buy Wonder Woman accessories to dress up their own avatars. The ability for brands to create far more intimate connections using content, commerce, and the community of the metaverse, to create more valued and valued brand experiences and monetize them is evident, and as always, those who move at speed, testing, learning, iterating, and optimizing at speed will be the ones to watch. However, this space does require brands to tread with care.

Jessica Freeman, Head of Minecraft Marketing, **Microsoft** explained that as every aspect of our life (be it work, school, play) has shifted online, we're increasingly experimenting with VR and 3D spaces, avatars, shared games and experiences. The digital space permits both functional interaction, and emotional connection. While the digital experience and space are currently not optimized well, we need to figure out how we better architect these for the human condition, both a physiological and psychological perspective. For there is a fundamental human need to connect, and the bonding in the metaverse will need to allow for a better experience than is possible in the real world, otherwise people will simply exit it. And brands need to understand that goal of connection, as they map out their commerce goals.

In **2021 Emerging Tech Trend Report**, Founder of **Future Today Institute**, Amy Webb shared her insightful and comprehensive analysis of the most urgent tech trends we should have on our radar. Looking at her report through the lens of commerce, the implications and applications of mixed reality on the moment of transaction shone through. The digital and the physical realms have been increasingly intertwining, and soon, many more people will be tagging, saving, transacting seamlessly in mixed reality spaces.

Add to this the concept of the ***You of Things***, which, as the name suggests, shifts the Internet of Things to the personal realm. **Y.O.T.** uses sensors to connect your body to a network, and that network connects your data, via the internet, to third parties. The potential uses of Y.O.T. include the tracking and capture of your real-time emotions and biometric data that would correlate your responses to advertising or brand experiences stimuli to your likelihood to purchase, so that an incentivizing message or offer could be served if needed to nudge you back into the purchase cycle. Innovations in the Y.O.T. space require us to submit to even greater surveillance, in exchange for convenience and other benefits, but the implications on privacy, regulation, and ethics are considerable and will continue to be wrangled over the next few years.

“The focus and tone then shifted to one of measured hope, and pensive perspectives on a future that will likely contain the aftershocks of a most challenging year.”

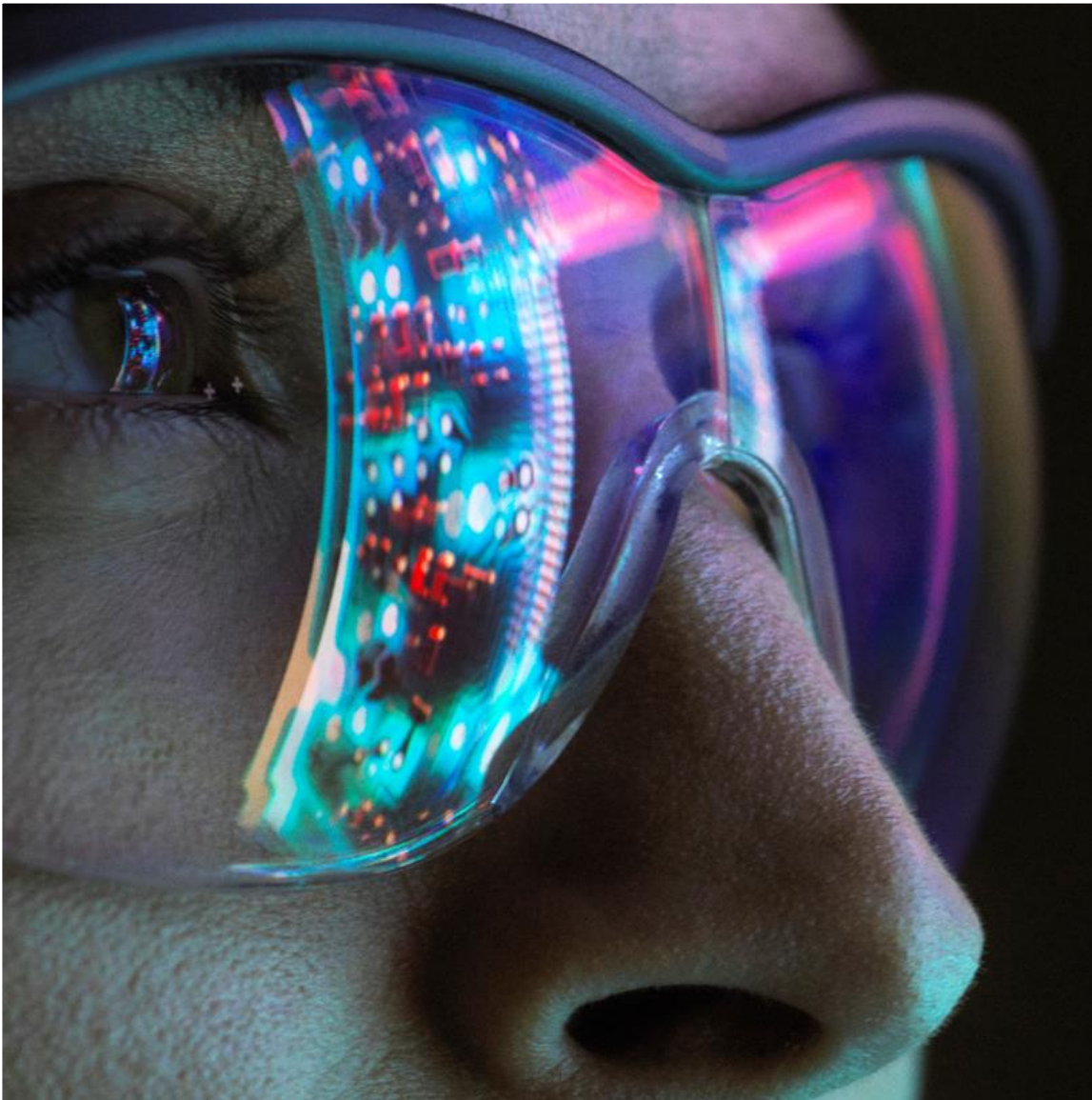
Some of the more immediate innovations we can expect as retail returns to the physical are centred on answering the consumer call for greater safety. There are medical grade COVID scanners that perform a temperature check and display the temperature back to the user. The system will either accept or refuse people entry based upon their temperature. Such scanners can be programmed to limit the capacity of entrance to a store.

The retailers that thrived were the ones that were most prepared for change. The ones that had digital transformation plans that sought to de-risk investments in innovation, by containing costs. By having a series of scalable tests which they could set up, run, and learnt from at speed, it was possible to gather the proof points and evidence of what would work, to give the confidence to then scale the technology and its application, while still being able to flexibility deal with shifting capacity and bandwidth realities.

As states and countries continue to re-open, we’ll soon see which of these SXSW innovations will appear in a mall or digital store near you, making your experience feel safer, smoother, and potentially optimized to your mood, your needs, and your wants.

Click below to watch my conversation with two of OMD's key thought leaders about SXSW 2021.





02

Challenging tech's path forward

What did we learn?

Technology has been an integral part of creating consumer experiences in the last decade, but this accelerated rapidly during the pandemic. With the lack of real-life engagement opportunities brands can provide for consumers, dependency for technology increased. The digital “stay at home” economy has created habit shifts in multiple categories.

Specifically, in the beauty industry, AI and VR now play a very important role in introducing products to consumers. In the session *Driving Engagement with Beauty Tech*, Wayne Liu from Perfect Corp and Angelica Munson from Shiseido Group looked at how Beauty has set a precedent for the way brands should be forging their technological path forward.

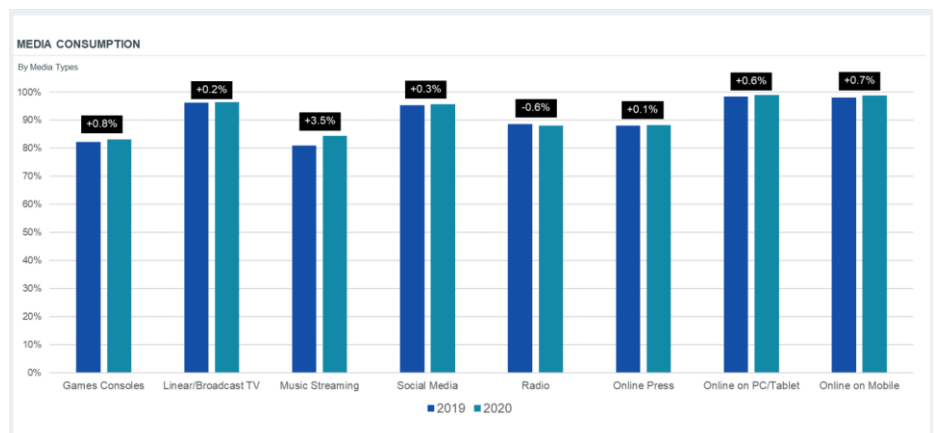
In conclusion, technology should be an enabler for a better consumer experience. Use of tech and data should always start from analysing the “consumer decision journey” first. By finding the trigger moments and frictions we can then add value to consumer experiences. A robust data strategy is also essential to give back value to consumers. AI should be integrated in the consumer journey with smart use of data to guess consumers’ “next best action” and guide them for better experiences.



Shiseido Ginza, Tokyo

Shiseido Ginza’s very own Tokyo Store is a prime example of how technology now plays a key role within the traditional retail space, not just online. It offers a mix of traditional beauty consultancy with the help of data, AI and AR.

Despite talk of habit shifts, we identified that media consumption among the SXSW audience has not seen much change YoY. However, it can be argued that the audience tuning into SXSW are already tech and media savvy. Whereas there are still unmet opportunities for technologies to be embedded in everyday life.



How can marketers challenge, but also supercharge tech’s path forward?

With all eyes on the climate crisis at SXSW this year, the responsibility of technology has become weighty. People are now looking to tech companies to not only keep relationships between brands and consumers alive, but also keep the planet alive.

The tech sector is driving the development of new services and solutions to optimize responses to the climate crisis. The integration of new technologies, such as AI, will further amplify this trend. In the session *Getting to Net-Zero with Digital Tech*, some of the world's leading technology companies, including Google and SAP, shared how new tech is supercharging climate action across the Atlantic.

Consistent policy and frameworks are catalysts of change

All the tech companies on the panel felt that developing a consistent approach to measurement, KPIs and tracking business emissions, was crucial to driving an approach that can be scaled across regions and globally.

Consumer and business transparency is key

Consumers are more aware of how their decisions and the businesses they support impact climate change. Businesses need to help their consumers to be more informed and we expect this is something they will soon demand. Initiatives like Climate 21 aim to enable consumers to view emission data across the entire value chain, which may soon be a critical factor in decision making.

AI technology is driving sustainability through democratization and validation

Companies with the technology and infrastructure in place are supporting governments and local authorities to drive sustainability initiatives. For example, Google are sharing travel data with cities to reduce vehicle miles travelled and identifying opportunities for solar energy collection.

Sustainability at the core of businesses

Gone are the days of sustainability being a separate workstream or CSR division, it is now essential that sustainable initiatives are central to broader business decisions. For example, as part of the digital transformations taking place in many businesses, they want to monitor and reduce their environmental impact through cloud computing. The digital tech industry needs to make it simple for businesses to adopt these approaches.

What is OMD's PoV?

Empathy is the starting point to understand the need and best use of data and technology. At OMD, we always put empathy and consumer insights at the heart of our decisions. We are also believers of using data to enable consumers to have more valued and valuable experiences. Beauty is an example of a category where personalization is key, which makes data extremely important. This approach is not unique to one category though and will be relevant to many of our clients.

With regards to how technology can make strides towards Net-Zero, Empathy is again key. Therefore, we have developed a sustainable planning and investment approach to support clients on their sustainability objectives. This spans from helping businesses understand the category dynamics, growth opportunities and consumer needs in relation to sustainability, but also how to optimize media investment, behaviors, messaging and partnerships to make a positive impact.

What could this mean for OMD clients?

Many of our clients are advocates of using and collecting data for better consumer experiences but most do not have the right infrastructure and capabilities to collect and use this data as part of a robust data and technology strategy.

Shiseido and the beauty industry in general's use of data is trailblazing compared to other categories and marketers need to take on board the learnings and best practices to enable better consumer experiences and journeys for all industries.

The pandemic has accelerated consumer lifestyles and mindsets; setting a new behavioral path. Whether tech innovations are playing a big role in helping industries and consumers adopt sustainable solutions or AR is being used in e-commerce for immersive pre-purchase product trials, new horizons in technology are opening new worlds of opportunity.

We know from the *Getting to Net-Zero with Digital Tech* session that providing consistent guidance across clients and markets is crucial in driving change. The industry is learning together and collaborating in the pursuit of Net-Zero and as we further develop sustainable planning capabilities, we will continue to share these with clients as well as pushing ourselves to contribute through our own business decisions.

9%

of plastics are recycled globally

2030

is when electric urban air transport is estimated to take off

“

...there is a combination of things happening right now, which added up together are a once in a century opportunity; and a once in a century imperative to do big things.

**Pete Buttigieg,
US Transportation
Secretary
March 18, 2021**



03

A new urgency

What did we learn?

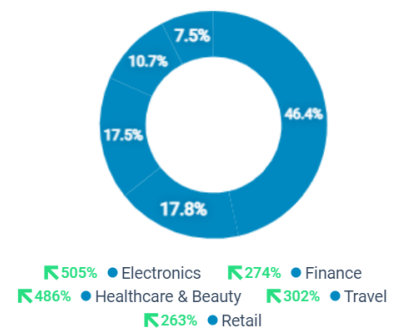
Brands have a responsibility, now more than ever, to speak up and drive change. This was a resounding message throughout SXSW. We looked at one challenger brand and one well-known brand who were championing this message, and how they matched up.

First up is the young but high-growth skincare brand ‘Supergoop!’. In the session *How to scale a mission-driven brand*, founder Holly Thaggard, spoke about their mission to: get everyone across the world to integrate SPF (sunscreen) into their skincare routine to stop the epidemic of skin cancer. They faced a challenge that is not uncommon to advertisers: How can a brand cause disruption in an already saturated market while also bringing about real change?

The brand quickly realised that to achieve this mission, they would have to create innovative products. Working with experts, they also realised the sunscreen category wasn’t providing products that would allow for everyday use. Therefore, they revolutionised the category by developing products that could be worn every day, and that would fit every skin complexion and condition.

Investor, Maria Sharapova, explained that such an authentic brand mission should be used as a blueprint for business and decision-making. For example, Supergoop! recognised that it needed to de-seasonalize the product to achieve its mission. The brand worked on communication plans that would raise awareness outside of Summer months. As a result, one of its objectives for PR was to have frequent press releases throughout the year, working with key opinion leaders that truly believed in the mission.

In general, Healthcare & Beauty was among the top industries discussed around the event. Perhaps, unsurprisingly within the context of a global pandemic, a real opportunity has emerged within this sector to spark meaningful change.



Healthcare solutions are increasingly able to digitize and focus on emotional wellbeing alongside leveraging e-commerce developments. And, non-traditional healthcare innovations and patient therapies will continue to evolve post-pandemic.



Holly Thaggard, Founder of Supergoop!
 Maria Sharapova, SuperGoop! Investor
 Christine Lagorio-Chafkin, Author at Inc. Magazine
How to scale a mission-driven brand, March 18, 2021

Then there is P&G, who have been rising to the challenge through creativity. In the session *Creativity that leads to change*, the four speakers were key contributors to P&G's work: Chief Brand Officer, Marc Pritchard, Keith Cartwright and Justine Armour from the agencies Cartwright and Grey respectively, and Tiffany Warren from Sony Music Group. They talked about the moments of truth that have helped shape their work on race and allowed P&G to draw attention to uncomfortable truths society needs to face.

Together, they offered "Four Moments of Truth" which helps create work that can really resonate and mean something to audiences:

1. **Find your voice** – recognising how your unique position contributes to wider conversations and challenges.
2. **Seek diverse views** – ensuring that collaborators are representative to ensure what's being said is meaningful and resonates with broader audiences.
3. **Building a circle of trust** – creating an environment for people to share opinions and concerns freely, and without fear of getting it wrong.
4. **Step up to act together** – being brave with what work you put out and forcing people to have uncomfortable conversations with themselves.

As well as race, climate change and mental health were popular topics taken on by speakers.

Both mental and health were among the top keywords that were mentioned by speakers throughout the 5 days.

The singer Demi Lovato used the festival to debut her documentary on abuse and mental health, which was one of the most talked about sessions on Twitter. Pete Buttigieg, US Transportation Secretary, also spoke out about how it was time to create jobs out of climate action.

Emerging Themes

#sxsw	2.2K% 
mental	1.4K% 
health	1.2K% 
sxsw	883.3% 
online	850% 

Most influential author



Secretary Pete Buttigieg
Twitter
12.6K Engagement

Musicians and politicians were key in drawing attention to these topics, but, how can we as advertisers help?

What is OMD's PoV?

SXSW sessions this year encompassed undertones for an equitable future. Applicable across all categories – conversations either highlighted areas needing improvement or pioneering steps forward. As consumers enter a post-pandemic world, assessing all business decisions with an inclusive outcome is imperative. From entertainment to health to community, no matter the emerging trends within each sector, the common denominator is finding equal access and inclusion for all.

At OMD, we have been developing purposeful propositions, namely around Inclusivity and Sustainability. Now, working with experts could be insightful to ensure that our solutions truly align to the ambition we have set ourselves. We can develop solutions that are aligned with our client's mission, from developing a clear approach to helping identify the most relevant audiences to communicate to, to developing communication strategies and behaviors that reflect the mission. We can ensure that all communications are authentic to the brand and for the consumer.

Intentional Inclusion Planning

Inclusive audiences

Empathy workshops

Consumer insights

For example, last year, OMD EMEA launched “Intentional Inclusion Planning”, a step on from building diverse audiences, to creating inclusive ones. We looked at the research, particularly in behavioral science, and it informed us that when the focus is on inclusion, not just diversity, there is more chance of obtaining the business value but also being considered an authentic brand. Following the science, we have set out to elevate those elements in our OMD Design process to diversify our media planning and to nudge inclusive behavior at every stage from insight and strategy, through planning, activation, creation and measurement, moving us on from diverse planning to “Intentional Inclusion”. This process is a step change in the way we view our end-to-end planning process, and provides ample opportunity for us to align with our clients' missions/values.



The team at OMD USA have been looking at ways that Entertainment can elevate a brand's mission. Whether it's through immersive music concerts, gaming or sports, consumers want to see themselves represented in the narrative. An influx of content has been a connection point for so many this past year. Increased use of streaming platforms whether it be video, gaming, social or audio content, has led to a dichotomy shift in entertainment. Technology is advancing immersive engagement and production quality. While content creators (from studios to influencers) are using their skills and platforms to create and share a more diverse representation of content/stories.

What could this mean for OMD clients?

Many of our clients have a mission as part of their brand DNA. However, sometimes it can get lost amongst urgent business pressures, and this has been especially true in the last year.

It is time to reimagine business through the impact of experiences on customers, employees and the world. In the session *Pivot to Growth: The Business of Experience*, Baiju Shah, Accenture Interactive Chief Strategy Officer presented research that 77% of CEOs say that their company will fundamentally change the way it engages with customers and 80% are rethinking customer interactions entirely.

Whilst it is vital for a brand to maintain the business in the short-term, it is essential not to lose sight of the longer-term mission that they have set themselves. Working with relevant experts or partners that truly aligns to the values of the brand can be a powerful way to develop solutions, which can drive the business whilst still aligning to the mission. The relationship between business objectives and brand mission/value objectives can sometimes create some disruption. Financial pressures can also mean that the higher mission of a brand becomes less of a priority. However, consumers today demand transparency and authenticity from brands, and brands that fail to stay true to the mission or values they have set themselves are likely to face negative backlash. Brands will have to find the right balance to respond to the financial pressures whilst staying true to their mission.

At OMD, we have a renewed focus on how clients can use their media spend to be a force for good. This means that our work will resonate with, and reach, more diverse audiences.



“

**Empower your employees. Be
obsessed with your customers.**

**Pivot to Growth: The
Business of Experience
March 17, 2021**

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Better decisions, faster.



SXSW
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