

# SXSW 2022 DEBRIEF

MARCH 2022



# Introduction

After two years without an in-person South by Southwest (SXSW) 2022 saw a welcome return for the music, culture, entertainment and technology festival to Austin, Texas.

In 2020, SXSW's timing could not have been worse, as lockdowns forced the cancellation of the event just days before it was due to open. In 2021, the festival went online only. But with Austin having recently scaled-back its Covid restrictions, this year's 11-day festival was good to go-ahead, albeit in a slightly scaled-back hybrid format.

According to the organizer, music performances across the city were reduced by a third and conference registration numbers were also down by around a quarter compared with 2019.

However, those in-person attendees who used their rolled-over conference passes from 2020, or stay-at-home viewers who joined online for the live streamed and on-demand talks, were treated to insights and knowledge-sharing across subjects ranging from the metaverse, NFTs and the future of creative human potential to AI, gaming and content.

OMD's reporters had their ears and eyes on both the SXSW conference auditorium and online to disseminate the key talking points and offer our agency point of view (POV) to many of the outcomes.

Let's get on with the Debrief.



# The Metaverse and NFTs



The buzzword on everyone's lips during SXSW was of course 'the metaverse' with multiple sessions dedicated to the future of 3D virtual worlds and other discussions turning to the subject at seemingly every available opportunity.

In a session entitled 'Welcome to your Digital Afterlife', Greg Daniels - the creator, writer, and executive producer, of Amazon's new Prime Video series 'Upload', set in a metaverse world in the year 2034 - spoke to futurist Amy Webb about digital life extension.

"If you could digitize your memories and you could be hosted as a person somehow in a digital environment, it's an opportunity for people to create their own heaven," Daniels told the audience. "It would have all the same greed and foolishness that any society created by man has."

With metaverse worlds under construction in the real-world, technology giants are already faced with ethical decisions around the rules and what an online society should look like. Today, people are spending millions of dollars getting real estate rights in the metaverse and buying into Non-Fungible Tokens (NFTs).

"The show isn't a dystopian look or a utopian look, it's a comedy based on the most fundamental law of the universe - the law of unintended consequences," Daniels said. "History repeats itself, first as tragedy, second as farce."

## What's OMD's POV?

In order to drive interest and even acceptance of a branded metaverse experience, cases will need to be built around what the intended consumer will value in a wide range of environments and contexts. Will consumers really want 'real world' experiences in the metaverse? Or will they be drawn more towards brands that turn the impossible upside down and inside out, until it becomes possible in a virtual space? Brands that apply and evolve best practices when executing in-game activations (stay authentic, contribute to rewarding gameplay, don't interrupt, and fit in) will be much better prepared for integrating themselves sensitively into vastly populated metaverse worlds if, (or should that be when) the concept becomes a reality and hits mainstream acceptance.

# NFTs

According to American billionaire and one of the ‘shark’ investors on the ABC reality TV series Shark Tank, Mark Cuban, a turning point in the evolution of NFTs will occur when they improve a creator’s ability to interact with their audience, provide analytics and sentiment data on how they’re responding and even invite the community to be a part of the creative and production process.

Cuban views collectible NFTs and too many different types of crypto as what’s holding the technology back from reaching its full potential. Currently, NFTs are seen as little more than ‘merch’ investments.

Speaking during a panel discussion on ‘Predicting the future of entertainment with Fireside’, he said: “Streaming keeps on expanding in ways that make it seamless, but what’s missing is participation.”

Cuban’s new venture, Fireside is an invite-only creator app for podcasters and streamers, designed to drive greater participation and collaboration between the entertainer and their fanbase.

Content produced live within the Fireside app can be multicast simultaneously or distributed to multiple platforms to reach extended audiences.

By making it easier to produce and distribute live shows across multiple streaming services and social networks, Cuban believes it will open opportunities for creators to grant fans access to special content, participatory features, or tickets to a live show - and that’s where NFTs fit in.

Fans might also be more motivated to sign-up for crypto wallets and to purchase NFTs because they want to participate in their favorite show as well as support them financially.

## What’s OMD’s POV?

Just as Clubhouse signaled a potential shift in the popularity of shared audio and the beginnings of a trend for bringing creators and users closer together, Fireside is another example of where this shift may be heading. Future-facing social networks will not only grow interaction between consumers, brands, and public figures together in one place, they’ll also provide the use-case for developing NFTs and how fans choose to engage with their favorite content. It’s definitely ‘one-to-watch’.

## Where else did NFTs feature at SXSW?

Country music icon, Dolly Parton teamed up with FOX Entertainment’s Blockchain Creative Labs on the ‘Dollyverse’ for her SXSW showcase.

Her appearance, alongside author James Patterson to promote their co-authored novel, Run Rose Run and its accompanying album, was followed by a live-streamed performance and the release of limited-edition album NFTs, as well as Dolly-inspired NFT artwork for purchase during and after SXSW.

In-person attendees at Parton’s performance were able to claim a free NFT, while fans streaming the event received tokens authenticating their participation.



# The Future of Content

According to Variety Intelligence Platform's Gavin Bridge and Andrew Wallenstein, Netflix is ready to jump further into gaming, TikTok is just getting started, and last year marked the first time that major streaming platforms ordered more content overall than traditional linear networks.

The pair, presenting a 'Future of Content' session, also predicted that Netflix will integrate advertising, 'maybe in five years? It's going to happen'.

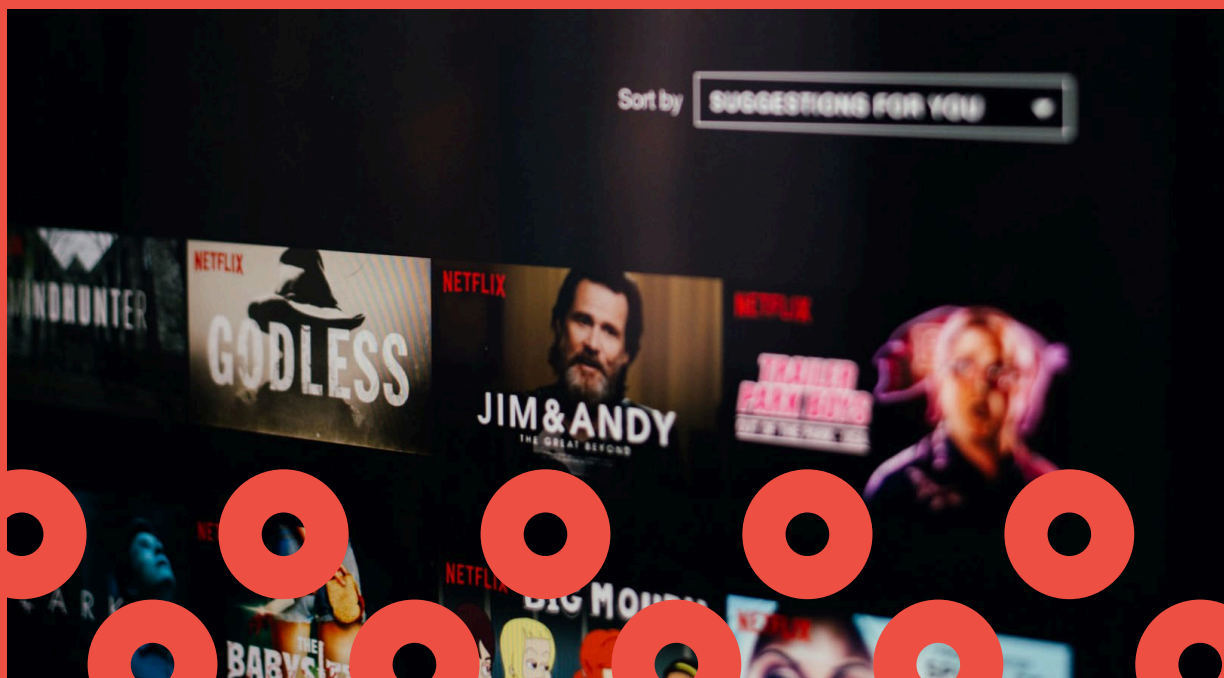
Bridge suggested that Netflix's softened stance on ads is because of accelerated double-digit ad growth predicted for live

streaming channels, which hit \$13 billion last year. That number is projected to grow 82% by 2025.

TikTok remains the golden child of social media, in part because its content recommendation engine is so strong.

The China-owned social media platform is "at the epicenter of youth culture," according to Wallenstein. "There's nothing like it as a culture force."

He added, "Social commerce is already a \$500 billion business. It has barely started in the US. TikTok will lead the way."



## What's OMD's POV?

Content should always be developed with the channel in mind as adoption and attitudes vary greatly. Just because something is buzz-worthy, it doesn't mean that consumers or clients fully understand it or that it will help spread their intended message.

Take the metaverse as an example. Bridge and Wallenstein reminded us that around half of consumers have not even heard what the metaverse proposes to be. Even though these concepts feel groundbreaking and relevant to us in media, they may not be relevant to every campaign or execution.

# A Word from the Content Creators

A common theme among entrepreneurs and content creators on-stage throughout SXSW was a desire for authenticity.

Working under the constant spectra of ‘cancel culture’ has caused everyone from senior leaders to Fortnite streamers to try and avoid the dreaded sell-out.

Jack Conte, Co-founder of Patreon speaking during ‘Creating in a Shit Storm’ said: “When I leave this planet and enter darkness forever, I want to know that at least I put my real self into the world... I want to know that whether the record light was blinking or not in my time on this planet, I was who I was. And we are not alone.”

Tyler ‘Ninja’ Blevins presenting ‘Beyond Gaming: Ninja on the Future of Entertainment’ said: “Recruit talent that understands pop culture, TikTok trends, and what’s about to ‘blow-up’. Streaming Fortnite I was growing an audience at 5,000 new viewers a week and a company reached out to partner with me. My wife explained the numbers and asked for an exclusive rights deal of \$2,500 per month.

They countered with \$500 per month so we walked away. A month later, I was playing Fortnite with Drake. If that company had had the foresight to understand the growth and popularity of Fortnite and how I was a part of fueling that growth, they could have had me contracted for up to two years, right at the point where I blew up.”

## What’s OMD’s POV?

Authenticity is a major currency for influencers. As an agency, we need to help them to retain it by understanding their place within the zeitgeist and making better decisions faster to keep them relevant while assessing the risks of association. Ninja’s trajectory grew from Fortnite streamer and influencer to a competitor on the Masked Singer, to appearing in movies. But he also spoke about how many of his film scenes have ended up on the cutting room floor and how he became a laughingstock and a meme on New Year’s Eve 2019 when Times Square refused to ‘Floss’ with him in the rain. Working with influencers is not a linear path so mutual collaboration and understanding is key.



# Gaming: Ready Player One



Sticking with gaming, Sarah Bond, VP of Game Creator Experience and Ecosystem at Xbox, talked about how clinical studies show that video games can be a powerful platform for healing mind and body; whether through social connection, groundbreaking storylines, or integration into physical and cognitive therapies.

As the former CVP of Global Gaming Partnerships and Development, Bond was instrumental to the growth of Xbox and foundational to the success of Xbox Game Pass, the game subscription service.

In her SXSW presentation on ‘How Gaming can Help Build a Better World’, Bond further discussed how online games allow players to collaborate without bias, due to not knowing anything about other avatars’ real genders, abilities or personalities.

She says: “That type of collaboration in a modern world encourages a growth mindset to face and overcome obstacles, develop motivational skills, build friendships within a community and it activates problem-solving attributes and the satisfaction of completing a goal.”

## What’s OMD’s POV?

Fortnite concerts from artists such as Ariana Grande and Travis Scott have legitimized gaming platforms as metaverse worlds where brands can extend their reach and increase loyal fanbases.

As metaverse worlds take shape, messages of wellbeing and positive attributes among gamers will grow in importance, especially from brands that participate in authentic ways.

As media specialists, we need to think about what the industry can do to increase awareness of gaming’s positive evolution. Media and gaming can work hand-in-hand to educate around issues such as cyberbullying and online sexual harassment while encouraging younger generations to share their stories of gaming positivity.

Clients such as Home Depot could embrace gamification by getting players to navigate through construction or remodeling projects. NFTs could provide an opportunity to unlock digital tokens, which could be swapped for physical tools, offers, and content such as makeover videos.



# AI and the Future of Human Creative Potential

Today, there is a false narrative that Machine Learning (ML) and Artificial Intelligence (AI) are replacing humans in the workplace. The reality is very different in that AI and ML are being deployed at scale, yet the industry is hiring more than ever.

Humans have knowledge and understanding that machines and algorithms don't. However, machines and algorithms can perform specific tasks at a speed and scale that humans could never achieve. As a result, there is a massive gap around enhancing and leveraging human creativity and unlocking human potential at scale using technology.

In a session entitled, 'Not Missing a Beat: AI and the Future of Creative Human Potential' the notion of fusing creativity and technology was exemplified by a 'second self' collaboration from a beatboxer called Reeps One. Using a data set of 100 hours of his voice audio, the AI was able to create new phrases sounding just like him.

## What's OMD's POV?

This session delivered a valuable lesson in how AI and ML can push human smarts to the next level and enhance people's daily lives with the human / 'lived experience' at the heart.

Plus, it reminded us of the potential behind voice and 'Augmented Audio'. Adding AI into the mix of artist and brand collaborations has huge potential to produce work of significant value to everyday lives. However, it'll need a lot of experimentation, huge data sets, and clients prepared to go on this complex journey.







## And Finally,

No SXSW conference Debrief would be complete without a provocative last word or two from Professor of Marketing at NYU, Scott Galloway.

In a highly entertaining talk, 'Provocative Predictions with Scott Galloway', Professor Galloway first took the audience along on a reality check of his predictions for the year 2022 before sharing his belief that, whatever Meta and Mark Zuckerberg are trying to achieve is destined to fail.

In Galloway's opinion, the early stages of the metaverse will be built around audio content instead of VR, because it's more immersive, is already available to most users via technology such as Apple Air Pods, plus it doesn't give you motion sickness.

Galloway also believes the 'Super App' will come to fruition in 2022, with companies like Uber aiming to become the Amazon of transportation and WeChat already handling all Chinese consumer needs within one dedicated app.

This is likely to result in mergers and acquisitions, with FinTech firms such as PayPal (which owns Venmo, and Square) or Salesforce buying up media companies like Twitter or Pinterest to create consolidated Super App services.

Galloway said: "They already have the transaction network and financial relationships in place with businesses and consumers alike. People trust them. As far as we know, no fin-tech company has helped organize an insurrection or speed-balled teen depression. Such companies print money, not conspiracy theories. They're well-financed and could pursue a titanic set of acquisitions that would change the tech landscape — while reaping trillions of dollars via the ultimate exercise in scale."

According to Galloway, an app reaches 'Super' status when it knits together a critical mass of services and makes them addictively easy to toggle among, even if they aren't as good as sole-purpose apps.

The more services, the stickier and more lucrative. A Super App can start small: WeChat began in chat; Indonesia's Gojek started in ride-hailing; and in India, Paytm was originally for buying prepaid mobile minutes. All of them eventually expanded from their niche and snowballed to dominance.

"The economics of Super Apps are powerful — and possibly inexorable," Galloway concluded. "I'm convinced that constructing a US Super App is the strategic imperative of the next decade and could result in the first \$10 trillion company."

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