Trendfeed 2021

Our paradoxical era

Duke & Grace

5 contradictory truths

Pa·ra·dox: a statement that is seemingly contradictory or opposed to common sense and yet is perhaps true.

Introduction

When we came to think of where the future is heading, we were surprised about how it often seems to be going into two completely different directions at the same time. Is it possible that two extremes can meet? **And more importantly: is the truth a paradox?**

As a company, it's of vital importance to understand the nuances of those contradictory truths. Not only to prepare yourself for what will come, but also to protect yourself from public opinion. Today, more than ever, people are holding companies accountable for what they stand for and how they implement changes. Forewarned is forearmed, right?

In this report, we zoom in on **the five most important (paradoxical) macro trends for 2021.** As 2020 is the year that brought the domain experts to the table, we asked an authority on the subject to throw more light on where this trend might take us. First, we give the floor to them. Next, we wonder what the effect might be on your business.

So, take a seat on the table and gaze - together with us and the experts - into the crystal ball!

Happy exploring!
Team Duke & Grace

1. Superdiversity versus cultural convergence: **Hanan Challouki** explains how superdiversity challenges society today.

2. Productivity versus creativity: **Ben Hammersley** philosophizes about the Future of Work.

3. Keeping distance versus seeking intimacy: **Wim Slabbinck** analyzes how we are seeking intimacy in times of social distancing.

4. Ownership versus access: **Omar Mohout** clarifies that access will soon be the new ownership.

5. Privacy versus personalization : **Matthias Dobbelaere-Welvaert** elaborates on the fact that people are willing to give up their privacy if they get something in return.

Hybrid societies become more and more alike.

Superdiversity versus cultural convergence

Within 50 years, socio-demographics will look completely different from now! First of all, we are moving towards a more hybrid society. Even though it concerns a process that has been going on for several decades now, both immigrants and autochthons still cope with a certain feeling of loss: the former has given up his home to live and work in a foreign country, the latter has seen his familiar world disappear before his very eyes. Now, it goes even further than that, as digitization affects all aspects of life, creating superdiversity. **Slowly but surely, societies won't have a homogenous identity anymore. Instead, they will embrace different social and cultural influences.**

As our social interactions increase (due to migration, traveling, globalization …), cultures will be more and more alike. That's called cultural convergence. The values, ideologies, behaviors, arts and customs of different cultures will start to reflect on each other and eventually overlap. An outstanding example of cultural convergence is the English language. It has become the main language of communication for people all around the world.

Obviously, these phenomena also affect the business world. It seems to make things more complicated and it definitely sounds like a challenge: **How do you, as a company, deal with all those different influences?** How do you define your buyer personas? What message do you send them? Something to puzzle your brains over!

So, can we conclude that the future will be 'different, different but the same', instead of the other way around?
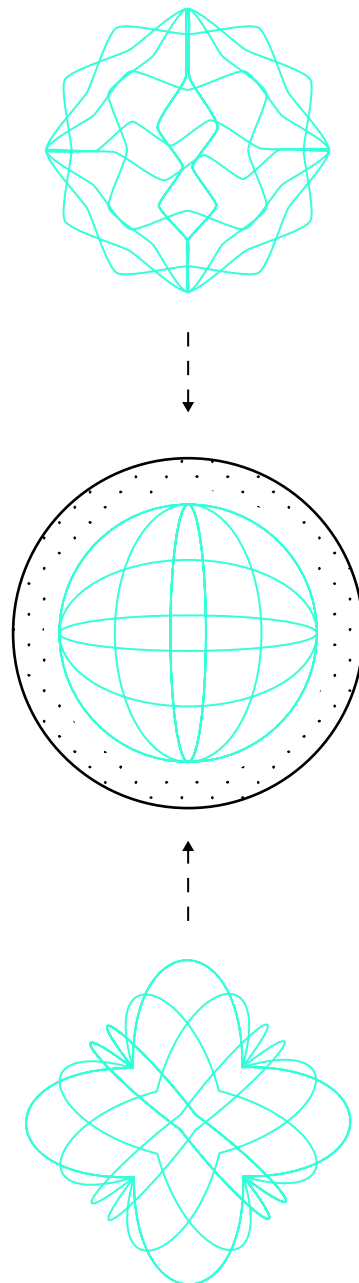
From a societal point of view

About
Hanan Challouki
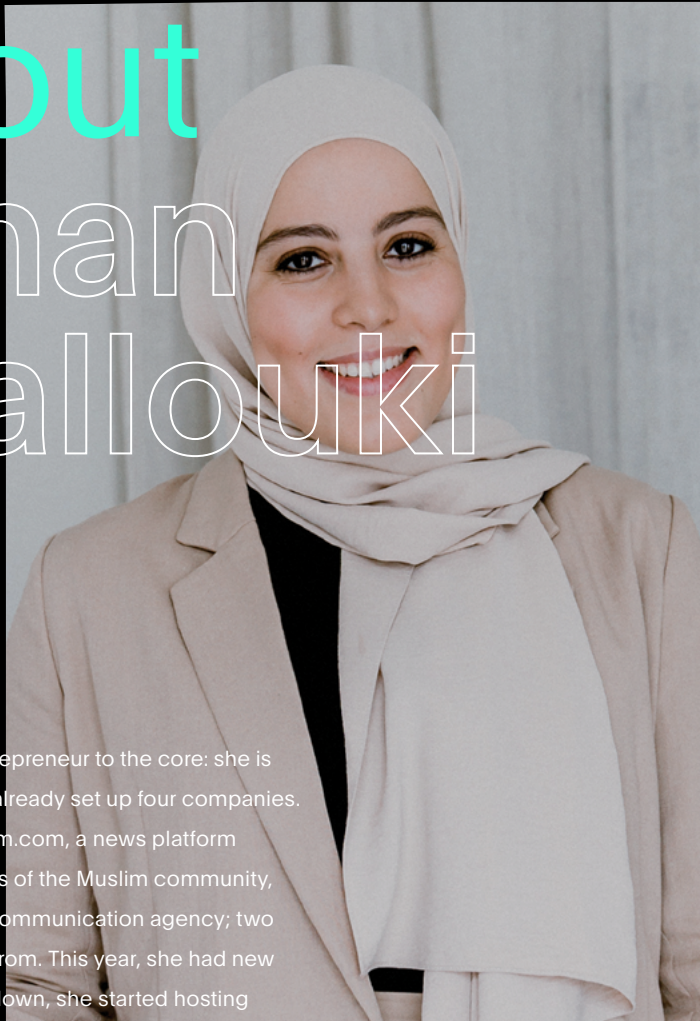
Hanan Challouki is an entrepreneur to the core: she is only 28 years old, but has already set up four companies. She is co-founder of mvslim.com, a news platform that shatters all stereotypes of the Muslim community, and Allyens, an all-round communication agency; two companies she departed from. This year, she had new ambitions! In the first lockdown, she started hosting the podcast 'Wat Zij Wil' (literally: 'What She Wants'), where she gives the floor to other inspiring female entrepreneurs of different backgrounds. In the second lockdown, she founded Inclusify, a strategic agency that has an eye for all things inclusive. Hats off! As an expert in inclusive communication, she can elaborate upon superdiversity more than anybody else.

Superdiversity certainly is an enrichment for society, but much of it remains unused - and that's a shame!

Hanan Challouki has a mission: she wants to change the communication industry from the inside out. When she graduated, she noticed a discrepancy between the diversity in our society and the diversity in the communication sector - not only on the shop floor, but also in their campaigns. "What we get to see is clearly not a proper reflection of our society", says Hanan. As there is very little theory about inclusive communication, it took her almost five years to master the subject. Experience is the best teacher after all! And now she wants to pass on her knowledge to others by publishing her first book 'Inclusieve Communicatie' (literally: Inclusive Communication), available from April 2021.

Superdiversity, diversity within diversity

Fifty years ago, we could talk about diversity. You could very easily identify the ethnic minorities within our society. Hanan explains: "It was easy to say, for example, those are the Moroccan migrant workers, the Turkish migrant workers, the Italian migrant workers … Their profiles were all quite similar. Today, the Moroccan-Belgian population is no longer that group of guest workers. On the contrary, it is a very diverse group: a highly-educated Moroccan-Belgian woman from Antwerp doesn't have the same profile as a Moroccan guest worker of 75 years." We now see that differences within communities are becoming bigger than differences between communities. When we talk about diversity within diversity, we speak of superdiversity.

That shift took place because of globalization and digitization. She illustrates that with a very topical example: "A black youngster in Belgium was recently confronted with images of Black Lives Matter in the United States. I'm sure that movement has affected his identity!" As a result of digitization, this movement from the United States was picked up here in Belgium. Such foreign trends or events will definitely influence the way we identify ourselves. In fact, there are many different factors that shape who we are today.

Superdiversity goes far beyond ethnicity. It also covers gender, disability, class … That's called **intersectionality**, a term coined by black feminist scholar Kimberlé Crenshaw in the late eighties. "It basically means that you carry different personal characteristics, all of which can be a reason for being disadvantaged in a society or not having access to certain privileges. A black woman, for example, can engage in both the feminist struggle and the anti-racist struggle." Hanan recapitulates the difference between diversity and superdiversity for us: "We are no longer talking about one particular characteristic that makes you different, but a combination of many different characteristics that contribute to your own unique identity."

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Superdiversity challenges society

Our society has changed very quickly in a very short space of time, and that means people had to change along with it. That is where the difficulty lies: "Superdiversity has a huge impact on your family, working environment, doctor's waiting room … And - whether you like it or not - there is no way back! People need to figure out where they fit in." Concretely, they have to check how they feel about it and how they can live together in harmony. And yes, some people have a strong aversion towards it. Hanan ascribes that to **'unknown makes unloved'**, which is a very human instinct. And the fact that we all tend to get on with people who resemble us, doesn't really help. In that case, stereotypes are (unconsciously) invoked, which can cause a lot of miscommunication. She further explains: "It's not because a society is diverse that everyone's environment is diverse. We should not underestimate how many people today do not go beyond their own village or region. For those people, diversity is what they read in the newspapers, see on television, know from hearsay …"

"Inclusion is bound to happen. If you, as a company, are not engaged in inclusion today, then there's a good chance that you will become irrelevant soon."

Overall, society is much more diverse than we realise. Hanan puts it to the test and asks us straightaway how many people have a physical or mental disability in Belgium. 1 million people, as it turns out. So, 1 million out of 11 million Belgians have a physical or mental disability that hinders them in their daily activities. That's a lot! Because we are not aware of the diversity of our society, we have no clue what we are missing out on. Hanan elaborates: "Many companies are missing out on a great deal of potential, because they think their business is going to become diverse by itself. Nothing is further from the truth! They have to take action themselves." And it's not a matter of jumping on the bandwagon: "Inclusion is bound to happen. If you, as a company, are not engaged in inclusion today, then there's a good chance that you will become irrelevant soon." How to get started? According to Hanan, there is no standard step-by-step plan. It always comes down to an authentic strategy: "A company has to work on its internal diversity in order to come off well with external diversity! I can assure you there were a lot of marketing fails in times of Black Lives Matter." So, it is important that all actions are geared to one another!

Differences will always prevail

A superdiverse society is a rich society. So, we easily come in contact with different cultures. As our social interactions increase, cultures might become more and more alike. That's what we call cultural convergence. According to Hanan, however, this only holds true for certain aspects of culture: **in some respects, we question each other's norms and values until we have a shared understanding of certain concepts and are able to find common ground.** When you think of the recent fuss about the controversial statues of King Leopold II, then we can conclude that the average Fleming wouldn't be concerned about this in the past.

"We have to focus on similarities while respecting the differences."

So, there is no getting around it: cultures still entail many differences. We remain true to ourselves - no matter what. Even when we get the same offer on, for example, Netflix, that doesn't mean we are choosing the same movies, series, documentaries … "You can compare it with someone who lives in a superdiverse neighborhood, but always goes to the French fries stand on the corner. It's not because you have the same offer that you make the same choices." So, what's the ideal approach then? "We have to focus on similarities while respecting the differences. At least, that's how I handle it! What are the similarities between all target groups, without pretending it's all one and the same?" And it's important to try not to make assumptions based on characteristics, such as ethnicity, gender, age … Hanan strongly advises to definitely let interests play a part in determining your target groups. So, people who are deeply interested in cooking might have more in common than people from a certain age.

Everybody's contribution

By now, it should be pretty clear that Hanan dreams of an inclusive society. She defines that as **a society in which everyone respects each other's individuality, looks for what they share with each other and has an open mindset.** The latter obviously is the hardest part: "It is important to strike up a conversation with each other! And by that, I don't mean trying to convince the other party you are right." Will we ever get everyone on one side? Never say never. Hanan is convinced that a drastic event can possibly change one's mindset. "For example, your daughter comes home with a same-sex sweetheart. In that case, you are obliged to deal with the situation, otherwise you will lose your daughter. Situations like that force you to strike up the conversation and get out of your comfort zone."

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Hanan also points out that **marketing and media** can have an impact on how we think and live: "Just think of smoking. There isn't a single episode in Sex & The City where Carrie doesn't smoke. That was charming back then, but that's certainly not the case today." When we look at what we are seeing today, it is, for example, the presence of a LGBTQ+ couple in almost every popular series. That certainly helps to normalize it. "What you see is what you get, right?" Absolutely!

That also applies to **society**. At present, positions of power, such as the police, are not a true reflection of society. "You can't be what you can't see." Society should make room for the participation of different types of groups in all of its institutions: administrative bodies, policymakers, media houses … Only then, cultural exchange will take place and society will become something that everyone can identify with. If not, society will continue to create separate groups. "Superdiversity certainly is an enrichment for society, but much of it remains unused - and that's a shame!" **Company cultures** in general are difficult to change. It is a long-winded work and it takes time. "Even someone who has many privileges can make a difference by making room for others, by actively recruiting for more diverse profiles …"

We conclude that everyone can do their bit. "It's not something the minorities have to solve. It's something for which we are all responsible." So … are you ready to make the world a better place?

From a business point of view

Duke & Grace speaking

"As a marketer, you'll have to reinvent yourself: you're no longer the 'creator of the message', but 'the creator of the system that creates the message'."

There is no denying the fact that our society is becoming more and more diverse. How companies treat diversity today - as 'variations' of a homogeneous target group of (often white and middle class) people - will not be feasible in the superdiverse society of tomorrow. Nowadays, your business has one main company website and probably makes translations of that website for every language or has some subpages for specific target segments. This approach will work up till you have so many different derivatives that it's no longer doable and affordable. Therefore, in a superdiverse society, there's no keeping up with that strategy. So, what's the alternative?

You could look for a different approach, search for the greatest common divisor and check what your superdiverse target audience has in common. In fact, that's what brand communication is all about: you look for the smallest possible idea that will be supported by the widest possible target audience. It will help you to build brand value, and thus pricing power. But, in a superdiverse society, it won't be easy to find an idea that will appeal to so many. By trying to please everyone, you run the risk that your communication will become very middle-of-the-road and unnoticeable. Remember that when you don't have haters, you don't have lovers either. Successful brands, such as Nike, aren't out to please everybody, but dare to take a stand. It makes sure that you are authentic.

Or, you could look for a different methodology and personalize in the extreme. If you would continue to think in the same way (and do things manually), you would first need to define the right personalization for every subgroup and then need at least 3,000 interns to set it up correctly, as there are an endless number of variations possible. So that's why we should look at technology. This type of task (huge, repetitive and data-driven work) is cut out for machine learning, because it goes beyond our ability. What machine learning (still) fails at is creativity. That's where your employees add value. So, let them define a set of creative messages and then let the machines decide who gets to see which one. The key to success is that you will have to let go of the idea that you craft every specific message, because it will become unbearable.

As a marketer, you'll have to reinvent yourself: you're no longer 'the 'creator of the message', but 'the creator of the system that creates the message'.

In fact, this is not new. Just think of Google Adwords. In the beginning, you bought one keyword and wrote one ad about that keyword. As it gained more importance, you bought 400 keywords and consequently wrote 400 ads. Every single day, you had to manually optimize them and decide which ones you would pause and which ones you would up the budget for. Today, Google does that for you. And not one time a day for a limited set of keywords, but every second of the day for an unlimited set of keywords. So, the challenge for tomorrow's marketer will be to define which behaviors are desirable and thus guard over the preferred output of the machines.
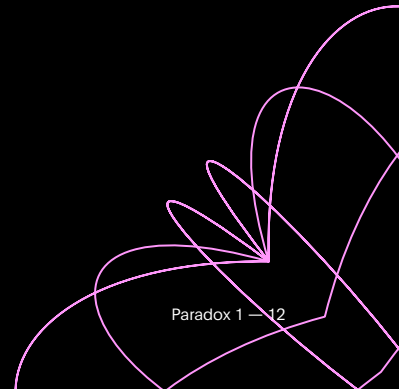
Letting this process fall into 'the hands' of machine learning can raise questions about ethics and purpose: To what extent do you let the machines define the message they show to the audience? What's your responsibility as a brand? To answer those questions, your company first needs to define its own authentic opinions. Only then, you can look at your target audience and think outside-in: in order to develop a system that works, you'll have to know how your audience behaves. So, not only interests but also behaviour will play a part in determining your target groups. That's why the importance of UX design and user testing will grow dramatically.

**Although the return of investment might not be huge just yet, you'll have to jump on the bandwagon if you want to stay competitive.** Because this change is bound to happen, whether you want it or not. The same happened with e-commerce: since the pandemic, every company had to switch to an online offer. As Hemingway would say: "Gradually, then suddenly." So, how to start? Make it smaller, manageable and less of a hype. You don't need to suddenly use machine learning for all your communication. First, tackle your Google Adwords, and take it from there on. Only then, you will slowly but surely master the technology and change your way of thinking from 'maker' to 'system maker'. This first step will give you the advantage of being a first mover and will help you truly embrace superdiversity in its full meaning.
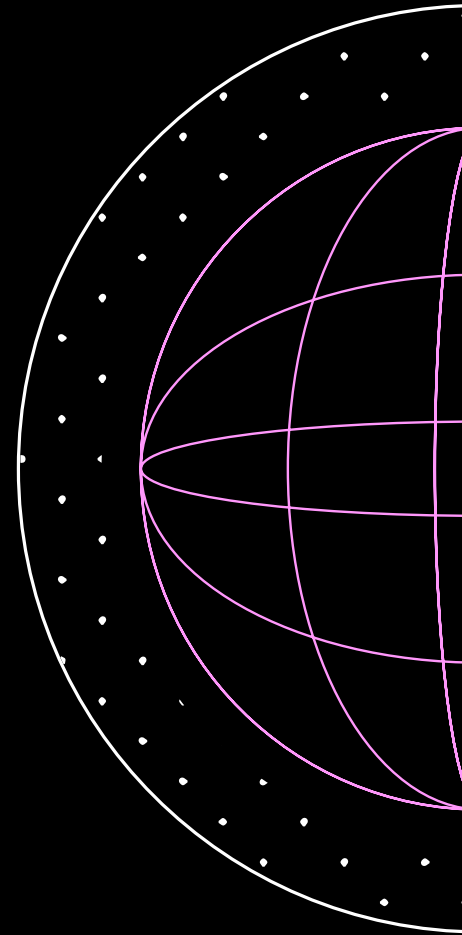
Working from home makes us more productive and less creative at the same time.

Productivity versus creativity
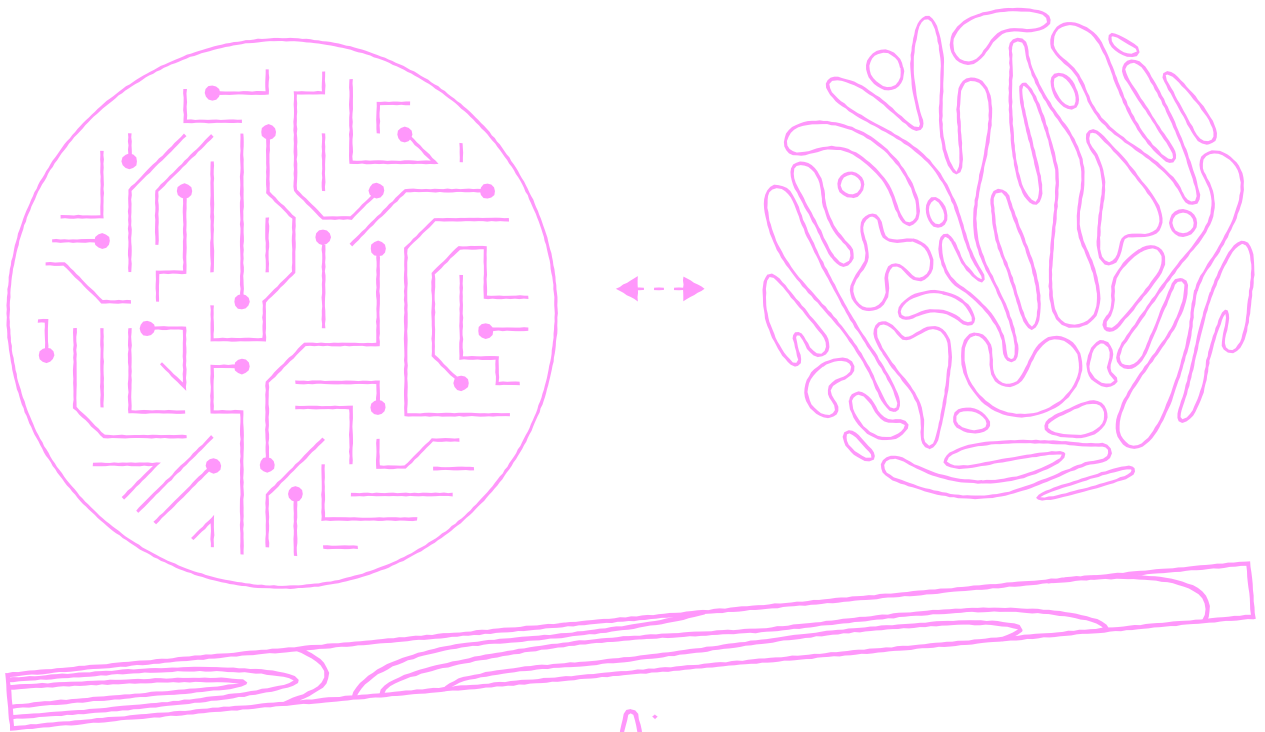
Remote working is causing a revolution in the way we work. Work used to be what you did at the office during working hours. Now, work can literally be done from your couch. Morning people give the go-ahead; evening people close the day. As long as things get done, you're good! **Not only the pandemic, but also Generation Z has a finger in the pie.** They are the true digital natives: from earliest youth, they have been exposed to the internet, social networks and mobile systems. They are now joining the workforce and accelerating the ongoing switch to digital.

Remote working is a toss-up. On the one hand, it's favourable for your focus. Nobody disturbs you in deep concentration (unless you have children terrorizing the place), there is little distraction, there is less small talk … In that way, you easily get into a flow, as a result of which you can rapidly tick off all the tasks on your to-do list. Done and done! **On the other hand, the lack of stimuli can affect, and even kill, your creativity.** Sharing your ideas with colleagues is extremely important when it comes down to creativity. When you blurt out a great idea at the office, it can be picked up by a colleague. At home, you overthink ideas before you actually present them during a (video) call. It stamps out serendipity in the workplace!

We are talking about the other side of the coin: will the office of the future be a place for creativity?

From a societal point of view

About Ben Hammersley
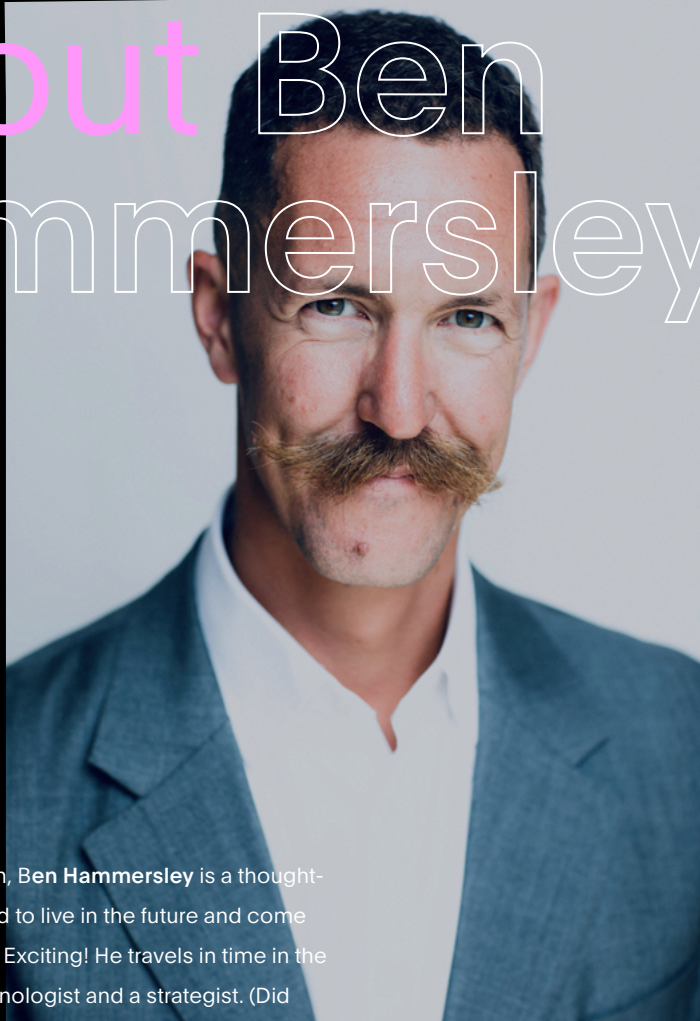
In one and the same breath, Ben Hammersley is a thought-provoking futurist. He's paid to live in the future and come back to tell you all about it. Exciting! He travels in time in the guise of a journalist, a technologist and a strategist. (Did you know he invented the word 'podcast'?) He's wearing three hats at the same time, which he collected throughout his career. He is currently Founder and Principal of Hammersley Futures, an international strategic forecasting consultancy, and Founder of Agathonic.AI, a digital product studio that builds AI-based cognitive tools. So, he's definitely our guy when it comes to the Future of Work!

"The Future of Work is a million different things for a million different people. But for it to be anything at all, it has to be the correct thing for people today to solve today's problems, and not, in any way, to solve yesterday's problems, in yesterday's ways, for nothing but nostalgia and previous generations' values."

To our great surprise, Ben immediately goes back in time. "In retrospect, the workplace of the before-times was always weird." As opposed to what we have in mind, he's not talking about the fact that we would spend hours each day traveling to them or the way they were laid out or decorated. Apparently, it's a good idea to have a dedicated workspace, even when we are working from home. "It's none of those things! The workplace of the before-times was weird, because it wasn't a place of work, so much as a place of historical reenactment. Apart from the screens and the air conditioning, the office of 2019 was almost identical to the office of 1919 or 1869." When you think about it, he's absolutely right. He illustrates this with a vivid example: "An office clerk from the 19th century would easily Recognize the workplace of 2019. Even the computers and digital tools that we might proudly point to as signs of our modernity would be recognizable to our time-traveling worker", he jokes. "After all, with their desktops, folders and files, both Windows and MacOS are designed to be simple representations of that 150-year-old physical office."

Dressing old habits in new clothes

Its as if we couldn't think of our work itself as something that could happen anywhere else than an office. Indeed, it has become the definition of work itself: "You are only working, or being productive, or being a good employee, or even being a responsible adult, if you are acting the role of someone who does 'office things' in an office." It's ridiculous when you think about it. **We judge people's contribution to the world not by a measure of their creative abilities, their insight, their compassion, their service or their reasoning, but by their ability to perform tasks identical in form, if not in content, to those of 50 or 150 years ago.** "And what innovation there has been, has been simply to do the same things but faster, or without printing those things out. That's kind of disappointing, isn't it?" We nod.

"You are only working, or being productive, or being a good employee, or even being a responsible adult, if you are acting the role of someone who does 'office things' in an office."

So, to talk about the Future of Work, we first have to recognize that **true innovation means doing new things, and not simply dressing old habits in new clothes**. But how can we break through this habit of thought? "We have to look at the problems we are trying to solve from the point of view of the modern world, and asking ourselves the question: If I had to solve this problem today, as if I was solving it for the first time, how would I do it?" Easier said than done, but that's where true innovaties is found!

The turning point

Answering this question truthfully, we would find that **for many work activities, the traditional ways of doing things are completely unsuitable.**

"But today, we are given the job of thinking about the Future of Work, and of the Workplace, without the need to continue these traditions. If we are wise, nimble and clever about it, everything is open to question. True innovation is now possible!"

The unquestioned habits of office life aren't actually very good solutions for the problems we have. "They have continued solely because of inertia, or habit, or social pressure, and not at all because they're useful", said Ben. "But today, after nine months of a pandemic, and perhaps at least another nine ahead of us, we are given the job of thinking about the Future of Work, and of the Workplace, without the need to continue these traditions. If we are wise, nimble and clever about it, everything is open to question. True innovation is now possible!"

This transformation in thinking happened in two stages:
"First, in spring, when the pandemic caused offices to close and employees to work from home, there was a rush to bring everyone and everything fully online." Of course, there were companies that chose not to do anything, hoping that we would return to work after a few weeks. Well, we all know how that worked out. "Most people had to transition everything they could to digital platforms as fast as possible. Processes and ways of working that were once reliant on face-to-face meetings, or simply being sat next to someone, were reconsidered and either moved to online platforms or abandoned altogether."

It's this head over heels reconsideration, the looking-afresh at the things we were doing, that is the key to the Future of Work! "Because the more we looked, the more we realized the fundamental problems in our old habits. This led to the second stage, which is where we are right now." Having moved ourselves to an entirely digital world, simply to stay alive, we can see clear-headed again: "We can now go further than just replicating the physical world in digital systems, and instead build systems that directly solve the problems we are in business to solve."

The Future of Work

So, what does the Future of Work look like? "It's impossible to answer that question. Because the ideal workplace, the ideal working processes, for any given business will be as different for each business as the problem each business is set up to solve." Ben elaborates: "For example, if we no longer feel the need to crush the results of our thinking down to fit into the constraints of digital copies of old physical things - as we do whenever we create a document in Word, Excel or PowerPoint - we can instead produce work in forms that are best suited to express the ideas themselves."

"Tradition, after all, is just peer pressure from dead people."

Ben follows the same course for our working conditions: "So much of the workplace, from traditional office hours to the clothes we wear, are now pointless. If we're communicating digitally, and producing work in new forms, why does it matter when you do the work? Or where from? Or what you are wearing when you do it? And if we need to get together in one place to do it, then why? What problem does an office, or office hours, or a tie actually solve?" The hard truth: "Ask 'why' enough times, and the answer will always be the same: because this is how we've always done things. And that's not a good enough answer!"

"Ask 'why' enough times, and the answer will always be the same: because this is how we've always done things. And that's not a good enough answer!"

We can conclude that the Future of Work isn't one thing: **"It's a million different things for a million different people. But for it to be anything at all, it has to be the correct thing for people today to solve today's problems, and not, in any way, to solve yesterday's problems, in yesterday's ways, for nothing but nostalgia and previous generations' values."** Amen!

From a business point of view

Duke & Grace speaking

"The lockdown has taught us that each job can be reduced to two types of work. The first being tasks for which you need to focus, basically ticking off to-do lists. The second being tasks that require creativity and innovation, and that is where we add value as human beings."

When thinking about the Future of Work, your business is probably rethinking its remote work policy, office furniture and business software as a result of the pandemic. Great! But if you really want to prepare your business for tomorrow, it's a question of leadership too. To lead your company into the future, you need to shift your mindset from input to output.

Today, our society as well as our legal system is built around input-driven management. We're expected to do our work in a certain place in a certain way at a certain time. But does it really matter how, where and when you do your work? As long as there are clear agreements about the desired result, you could easily work in a decentralized and asynchronous way. Antoine de Saint-Exupéry once said: "If you want to build a ship, don't drum up the men to gather wood, divide the work and give orders. Instead, teach them to yearn for the vast and endless sea." Of course, a framework is necessary to make sure both the employee and the employer are protected and can not be exploited - and that's where our legislation currently falls short. But, essentially, output-driven management makes everybody involved happier.

So, the real question is: How can you reorganize your business to make that happen? The lockdown has taught us that each job can be reduced to two types of work. The first being tasks for which you need to focus, basically ticking off to-do lists. The second being tasks that require creativity and innovation, and that is where we add value as human beings. The clash of ideas is crucial, and therefore the office can be the perfect meeting place. We like to call that the wonderful inefficiency from working at the office. Those valuable moments lead to creativity and innovation,
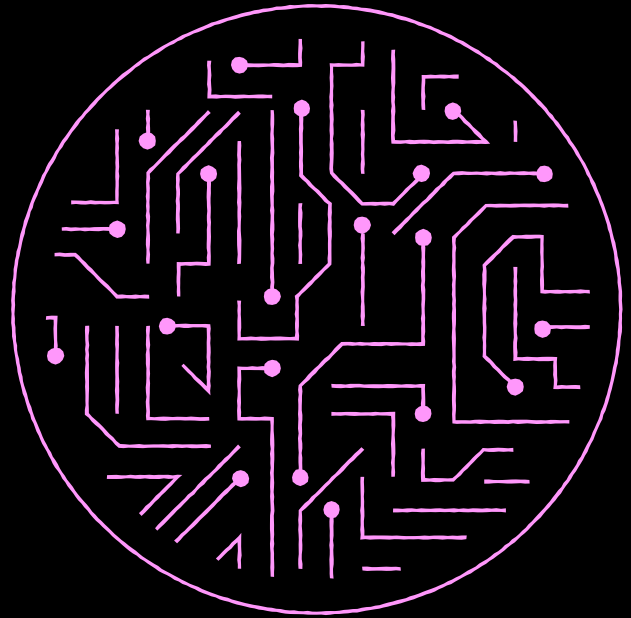
which ultimately leads to business value. For each type of work, there is a better time and place to perform it. As a result, work will generally become more and more decentralized and asynchronous. Nothing new under the sun: many companies, among which Google, have been experimenting with activity-based workspaces. Soon, this will become the new standard. The role of the company will be to provide their employees with a choice of settings according to the nature of work they are doing, combined with a workplace experience that empowers them to use those spaces throughout the day. We'll see that creative meeting places will gain ascendancy over 'focus desks'.

now see is that we try to translate what we used to do at the office to an online environment. But let's be honest, those Zoom drinks are not really an equivalent, are they? That's why we need to rethink how digital adds its own value - just like a song on Spotify will never be able to compete against a live concert if you judge it for its live performance, even though it's more integrated in our life because of its accessibility, speed and convenience. But in order to do so, we first need to become aware of what's inherent to the company culture and pinpoint what it's made of - especially now that we've lost the accidental encounter at the coffee-maker.

When you combine all these concepts together (output-driven management, asynchronous and decentralized work and innovating by ideation), you can even take it to the next level and introduce SLAM teams. Something we strongly believe in! A SLAM team is Self-organising, Lean, Autonomous and Multidisciplinary. The team members, who preferably reflect your target group, work together on a project towards a certain goal, inspire confidence and create a certain way of working while doing so. This will enable them to work together efficiently in the long term.

Of course, this change shouldn't be taken in a drastic way. Once this pandemic is over, a big group of people will probably be happy to return to the office. But even then, your company can take small steps towards output-driven management. Define one project that is small enough for it to be successful, on which you assign a SLAM team. Learn from it and then set up a second, third ... project with a SLAM team. Before you know it, your whole organization will have shifted from an insular culture to cross-pollination in a natural way.

Or imagine decentralized workspaces that aren't home offices but office hubs, where your employees could meet with your target audience and where co-creation is stimulated. Because that's what innovation is about: it's not about inventing something completely new, but recombining existing ideas in a new way. Afterwards, you can take those ideas with you to your 'focus workspace'.

The biggest pitfall in the Future of Work is the impoverishment of the company culture. While working decentralized and asynchronous, it will be a challenge to create and preserve your company culture. What we

# We seek intimacy in times of social distancing.

Keeping distance versus seeking intimacy

When talking about ongoing trends, we can't escape talking about COVID-19. The pandemic took the world by surprise. In order to slow down the virus, we had to make significant changes to nearly every aspect of our life (which seemed unthinkable just a year ago): remote working, temporary unemployment, homeschooling of children, isolation, the lack of physical contact with family and friends ...

One of the most visible effects is the new way of interacting with each other: from a distance. It feels very unnatural to keep our distance when we need intimacy the most. We have to cope with the fear, worry and stress that comes with COVID-19 (such as bereavement, isolation, loss of income …) and can't turn to our family or friends for comfort. That is literally unhuman, as man is by nature a social animal. We need to interact with each other on a daily basis and can't survive in isolation. Will this have an impact on our mental health? And what about our children who are growing up in this 'new normal'?

In this new reality, the role of businesses is to create humanity amongst its employees and clients. They need to replace what is forbidden and come up with a (better) digital alternative: facilitating encounters through video calls, bringing the experience to the customer (instead of the other way around), investing in customer service around the clock through chatbots …

Whichever way you look at it, the million dollar question is: how deeply will this change our society?
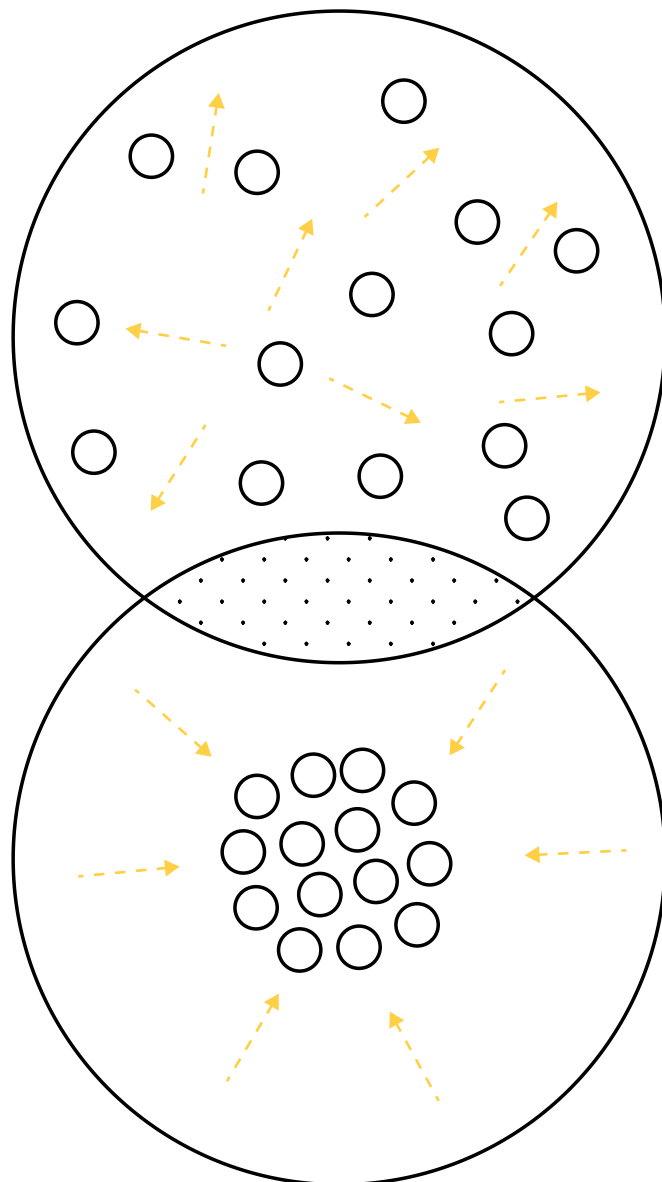
From a societal point of view

About Wim Slabbinck

He has a familiar face, but you might not be able to place him right away. Let us give you a push in the right direction: **Wim Slabbinck** is known as one the experts in Married at First Sight. (The penny has dropped?) He is one of the few sex therapists in our country. He coordinates a group practice of psychotherapists, called Ruimte, in the heart of Ghent. When it comes to sexuality, they have the largest team in Flanders working on it. So, he definitely has a say in the importance of intimacy in a world where we need to keep social distance.

"The need for intimacy is so inherent in humankind that I'm convinced that it will recover as soon as it is safe. COVID-19 has taught us that intimacy is something precious, and we clearly underestimated the importance of it."

Wim Slabbinck came straight to the point when we asked our very first question: who is Wim Slabbinck? In times of lockdown, it has become more difficult to describe ourselves, because our identity is determined by both how we look at ourselves and how others look at us. The latter is obviously simmering, as a result of which our identity is currently under pressure. Wim illustrates this with an example: "Look at a mom with a busy job. She has to work from home, but feels that she can only fulfil her function as a mom and not as a competent colleague." We're talking about an existential crisis, a consequence of lack of intimacy.

Intimacy, a basic need

As a human being, you have certain basic needs: need for safety, need for nutrition, need for sleep … and need for intimacy. The need for intimacy is subordinate to the first three core needs: "If you don't feel safe, you're not going to eat, you're not going to sleep and you're definitely not going to cuddle. It's as simple as that!"

Once the basic needs are fulfilled, the need for intimacy is next in line.

Intimacy plays an important role in security. For this, Wim refers to Harlow's controversial experiment of 1959, where young rhesus monkeys clearly preferred a surrogate mother made of textile without nourishment above a surrogate mother made of wire with nourishment. With this, the American psychologist demonstrated the nature and importance of mother love - and security by extension. But intimacy is not only about the relationship with the other, but also with yourself. Wim explains: "You can treat yourself by being in the shower longer than usual or going for a nice walk - whatever makes your day! It's a form of intimacy that we sometimes forget about." Next, intimacy also has an effect on the development of your immunity. It won't surprise you that physical contact makes you more resilient. Unfortunately, the latter is out of the question when it comes to COVID-19: we just need to keep our distance in order to slow down the virus.

Social distancing touches a sore spot

Intimacy is of fundamental importance to us, because we are by nature social animals. It was already under pressure because of our individualistic society, but now it leads to poignant situations: "People cannot say goodbye to a family member who has died of COVID-19. They can no longer see them, they can no longer hold them … We all know that when a loved one dies, we want to be close - or at least we want to be close to our family." Wim strongly believes that intimate relationships have a healing power. When we give a hug, stress hormones are breaking down. We feel more relaxed due to our heartbeat that is dropping and our breathing that is becoming calmer. So, how can we compensate for a touch? Eye contact appears to be the most effective replacement. "Research shows that looking at each other for more than seven seconds has a positive effect on imprinting the importance of that person in your life."

"We all need to start thinking about how we can give people easier access to intimacy, once this crisis is over. That will be the new gap in the market!"

Social distancing turns out to be quite a challenge, in the sense that it touches a sore spot. Wim elaborates: "We all need to start thinking about how we can give people easier access to intimacy, once this crisis is over. For example, we could link after-school child care to assisted-living centres. There is also great potential for solutions that will help people redevelop their identity (that is, after all, defined by how we interact with others), such as offering new ways of sharing experiences. That will be the new gap in the market!"

'The new normal'

We are allowed to meet in person, but the mask stands between us. That makes it not only more difficult to understand people, but also to read people, as half their face is covered. Quite a challenge for people who are hearing-impaired or deaf! But, eventually, we are all forced to look for new (and especially digital) forms of intimacy. Digitization has been on the rise for a while now, but gains momentum in times of lockdown.

Unfortunately, online does not replace a real encounter. "Our non-verbal behaviour largely disappears when we see each other online. So, an online encounter mainly becomes a cerebral process." That's why virtual interactions are more intense and can even lead to online fatigue. His recommendation? "We should turn off the camera more. We tend to look straight into the camera at all times - in an attempt to make eye contact - and do that 'out of politeness'. We are often poised on the edge of our seat and use our voice in a different way to make ourselves understood. It makes online encounters very unnatural. We clearly miss some good practices here!"

"We tend to look straight into the camera at all times, we are often poised on the edge of our seat and we use our voice in a different way: it makes online encounters very unnatural. We clearly miss some good practices here!"

This 'new normal' also accelerates changes in existing ways of interacting. When we look at online dating for example, a new step is emerging between online ('it's a match') and offline (the real encounter): "A video or telephone call can already give you a good understanding of your potential lover: What do they really look like? What does their voice sound like? What does their interior look like, and what does that say about them? It will make dating a lot more efficient." Furthermore, Wim is convinced that therapy will soon be supported in a digital way. A self-care app could, for example, ask for your state of mind on a daily basis. The question 'how are you doing' will pop up your screen and you will be able to assign a number to that question, which will then be forwarded to your therapist. It will make physical encounters more relevant.

"The need for intimacy is so inherent in humankind that I'm convinced that it will recover as soon as it is safe."

Through rose-tinted glasses

Wim is an optimist and has little concern for the future: "The need for intimacy is so inherent in humankind that I'm convinced that it will recover as soon as it is safe. COVID-19 has taught us that intimacy is something precious, and we clearly underestimated the importance of it. Once this is all over, we will revalue intimacy." It's the irony of life: you never know the value of something, until it is gone. He does give a short comment on his rosy view and tends to believe that masks may become the new normal - at least for some people - and we probably won't shake hands anymore. When we look at cultures that have dealt with viruses before, we also see some leftover habits, such as masks that dominate the streets, greeting each other with a bow … "Only time will tell! At the end of the day, it's all about the force of habit", concludes Wim.

Unlike what we thought, social distancing has less of an impact on the littlest ones. "Up to ten years, the most important relationship is the one with your parents, and that hasn't been put at risk. It's the relationship with the third party that is interrupted." Wim clarifies that young people who are now at the beginning of their sexual career, are most affected by social distancing. They are being put in some sort of a waiting room to further develop.

"People won't take intimacy for granted anymore, and will be willing to invest in it."

In the long term, he spots a rather remarkable side effect: "In Japan, we see that intimacy has become a tradable good. For example, you can book someone to cuddle with. That's rather frowned upon in the western civilization. But isn't it absurd that you can buy sex, but

not intimacy? If individualization and digitization continue at this pace, I would not be surprised that it will happen here too. People won't take intimacy for granted anymore, and will be willing to invest in it." They will not only invest money, but also time in making contacts or improving existing ones by, for example, following workshops about communication, doing volunteer work, bringing singles together … **That's how intimacy will become tradable!**

During the lockdown, we notice that many people dwell upon the climate (less commuting), their work-life balance (teleworking), life … **Wim hopes that society will also make use of this 'break' to pause for a moment:** "We, as therapists, often have the feeling that we are trying to make people function in a society that is actually sick itself. The fact that our society prefers pills above therapy furnishes evidence of not only short-term thinking, but also inhumanity." Something to think about …

From a business point of view

Duke & Grace speaking

"One could argue that social distancing was difficult in many ways, but we also got some business opportunities in terms of go-to market and value creation in return."
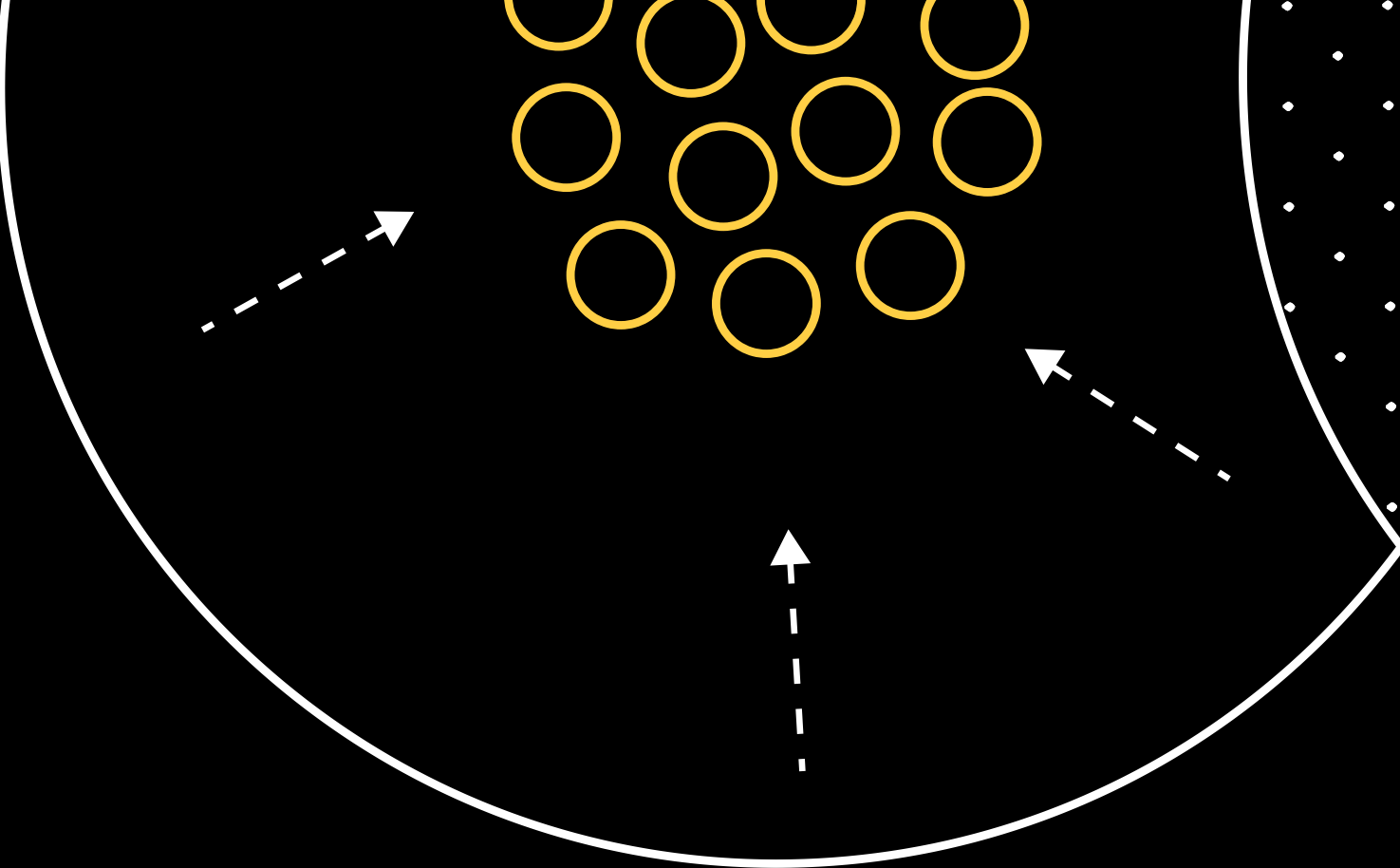
The more scarce something becomes, the more value it has. Just think of people who were stocking up on toilet paper in the beginning of the first lockdown. Then, we saw several companies taking advantage of the situation and selling toilet paper for big money. Well, the same goes for physical contact. We clearly undervalued its importance. But that doesn't mean digital is bad altogether. On the contrary, digital is perfectly suitable for tasks that require efficiency and where human intervention has no added value. For example, it's a good thing that we have digitized money transfers 25 years ago. Imagine that we would lose that much time over every single payment. So, the best of both worlds would be the perfect combination of physical and digital interactions based on the level of efficiency or intimacy a certain encounter needs.

Unfortunately, we now had to go to extremes and everything is digital. So, how should you deal with this as a company? As a part of the communication spectrum is lost (that is nonverbal communication), digital interchanges often get misinterpreted, resulting in miscommunication. We clearly miss some good practices on how to behave digitally. That's why you should train your employees to master this interpersonal skill in a digital way. But that's easier said than done. You see, our reaction to technology depends on our age. As Douglas Adams once said: "Anything that is in the world when you're born is normal and ordinary and is just a natural part of the way the world works. Anything that's invented between when you're fifteen and thirty-five is new and exciting and resvolutionary, and you can probably get a career in it. Anything invented after you're thirty-five is against the natural order of things." That's probably why the first translation of something physical into digital is far too literal. Just think of the save button on your computer that is still a drawing of a floppy disk. But it feels familiar and makes people less averse to changes. That phenomenon is called skeuomorphism, and is the first stage in the technology
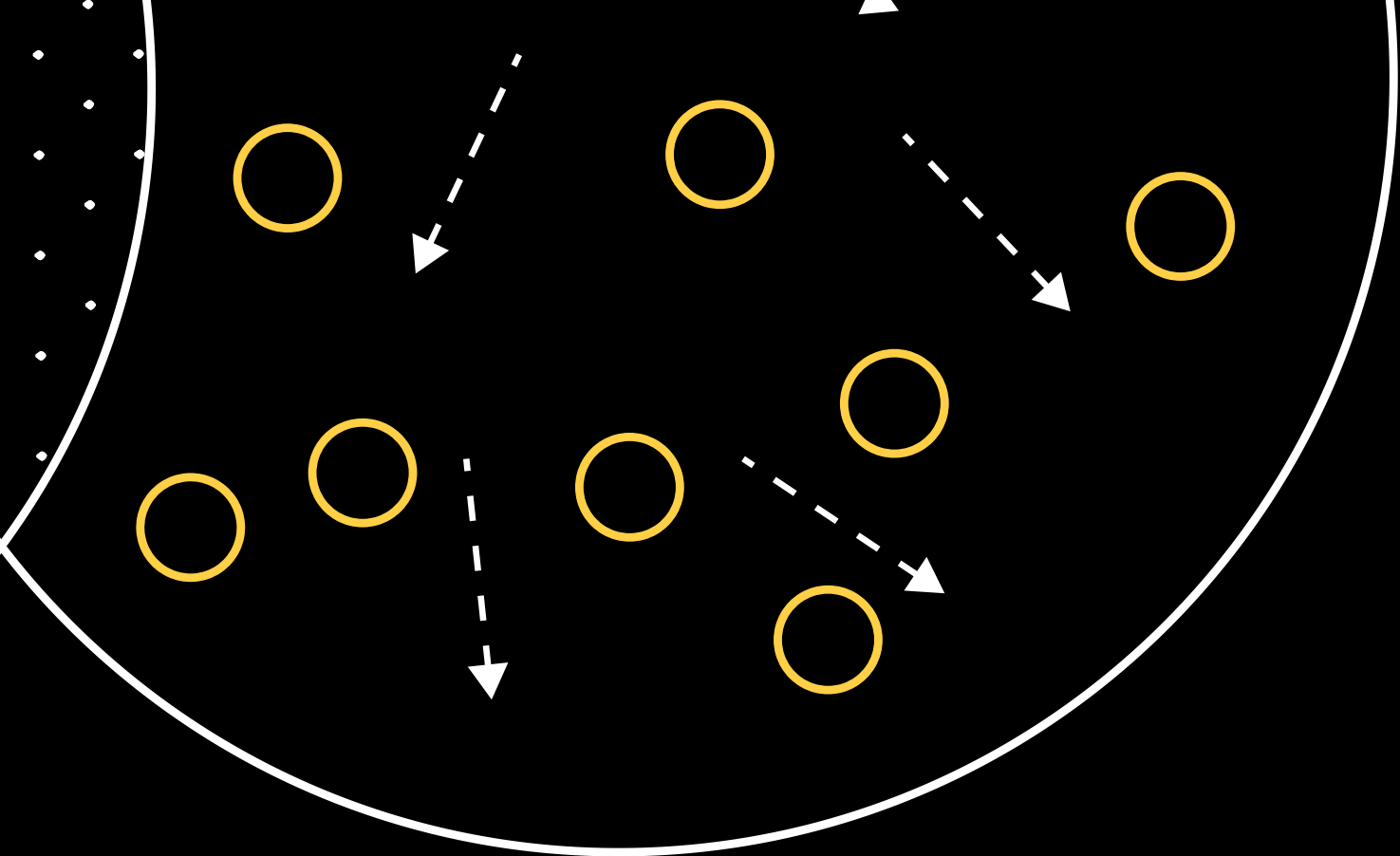
cycle. After that, the ease of use can be increased. As a company, your role should be to map out all touchpoints (physical as well as digital) you have with your clients and constantly rethink them in respect of added value. **So, how can you still add value in a digital way?** Because you can still inspire confidence and build a long-lasting relationship when you have an online encounter. For example, reacting to what a client posted on LinkedIn could become a valuable part of your Account Manager's job. It's actually the modern equivalent of being close to your community. This way of thinking already shows in **social commerce**, where brands engage with their customers on a platform they already spend time on. For example, a cosmetic brand could send personalized make-up tutorials to their clients through WhatsApp. That's relevant, and personal, and - last but not least - digital. So, we could say that the customer expects the relationship to stay human, even though the touchpoints aren't. **And that's the key to success: empower your employees to build a human relationship with your customers**. Make them aware of the fact that they're talking from one human to another. Because people don't like to be

treated like a number or a piece of data - neither in the real world, nor in the digital world. When you start from the customer's perspective, you will earn a place in their lives and that will ultimately be good for your business too.

So, will we go back to the way we used to do things before the pandemic? In many ways, we probably will. With this difference that people will expect that companies will use those best practices in order to improve their services and create a seamless customer experience. So, as a company, you need to take that into account and rethink the value of each touchpoint. In that regard, **chances are real that physical encounters will become more 'premium' in the future.** For example, training centres could implement a system in which you have to follow a certain number of digital classes before you can actually attend a physical class. You can also imagine that people are willing to pay more for this. So, one could argue that social distancing was difficult in many ways, but we also got some business opportunities in terms of go-to market and value creation in return.

Without ownership, you can still have **access**.

Ownership versus access

If we wanted to see a movie, we either had to buy it or to rent it. At least, that was the way it used to be. Now, almost everyone has a Netflix subscription, where you pay a recurring price every month to have access to their library of films, series and documentaries, including the ones produced in-house. That's called a subscription business model. In that way, they create a predictable recurring revenue stream, a management dream for companies. Furthermore, it also delivers deeper customer relationships and customer brand loyalty. Other well-known examples are Spotify and Uber. Such brands have been changing our perception of ownership for years now.
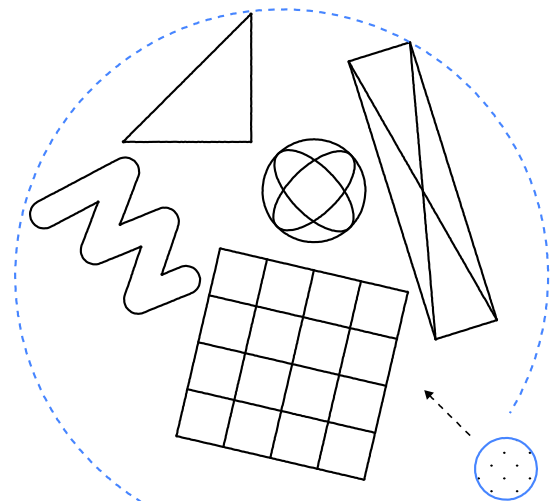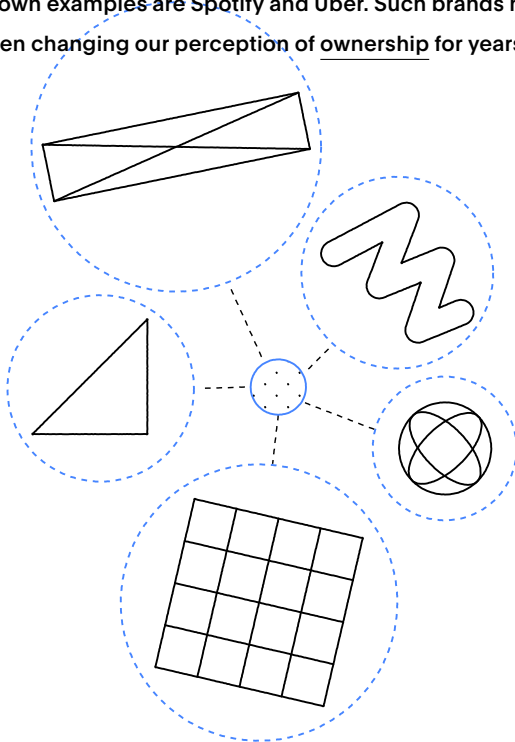
Slowly but surely, it spreads to every type of industry. Now, florists box our ears with flower subscriptions. They're not only cheaper, but also have a surprise effect. And, be honest, who doesn't like a positive surprise? But it goes far beyond that. **Traditional sectors, such as real estate, are experimenting with this business model too.** You can imagine that HaaS, Housing-as-a-Service, can turn the (real estate) world upside down. We see that many brands are already experimenting with this new business model. For example, BMW and MINI have recently launched their DriveNow Car Sharing & Car Club program. With their very latest models, they are offering the very best in car sharing. So, you might want to experiment and consider switching to this lucrative business model yourself …

That's also our burning question: will access be the new ownership?

From a societal point of view

About Omar Mohout

As Entrepreneurship Fellow at Sirris, **Omar** knows the Belgian start-up landscape inside out. His job is twofold: On the one hand, he helps technology companies grow and scale through coaching, workshops, keynotes, books... On the other hand, he maps out ecosystems on a European scale in terms of innovation. Furthermore, he's also a researcher and professor on the subject 'Growth Strategy' at the Antwerp Management School and the Solvay Brussels School of Economics and Management.

"If conditions change slowly, the cold-blooded frog will feel absolutely fine … until the water starts boiling. But then it's already too late. You'll see that within ten years one third of our salary will go to subscriptions. And it will be quite normal!"

"Everything that grows is beautiful, whether that is children or businesses!" With this beautiful quote, Omar opens the conversation. "Every company is looking for growth. When you're big, you want to protect your market share. When you're small, you want to increase your market share. The key to growth is innovation. The key to innovation is clock speed!" He states that big companies can actually learn a lot from smaller ones: how they experiment, how they adapt … In that regard, start-ups are both inspiration and takeover prey for large companies that want to innovate faster.

A business model as a hypothesis

Every company starts with a blank page to define their business model. What's in a name? "A business model defines how a company creates value, how it distributes that value and how it captures it. As long as a company captures enough value to last, you have a sustainable business model. And that's every company's goal!" Each company can choose from a wide array of different business models: transactional, marketplace, commission, licensing, franchising, ad funded, data monetization, interest charging, freemium, etc and the new kid in town, the subscription model.

But it's also possible to make a variation on one of those standard business models, and be innovative! You could reconfigure the value creation, the value distribution or the value appropriation. Omar gives us an example: "There's a UK startup, called Bought By Many, that offers Pet Insurance. That idea already existed, the value creation is not new. But they are still innovative. How? By their value distribution! They started looking at Facebook groups that have more than 10,000 members and noticed that the moderators of those groups didn't earn anything from it. They saw an opportunity and asked them whether they could present their pet insurance in the Facebook group. In return, they offered a group discount on the one hand and a commission to the moderators on the other hand attracting 100,000 customers in less than 3 years. That's smart!" Another well-known example is Tupperware. The way they sold their home products in the 1950s was also very innovative, even though their products, of course, weren't new.

"When you think about a potential business model, it's important to realize that it's a hypothesis. You still have to validate it. It's not because something works for another company that it will work for yours."

So, how does one choose the right business model? "As a company, you can either think inside-out or outside-in. In the latter case, you might look at companies in other sectors and get inspired by their innovative business model." He does make an important side-note: "When you think about a potential business model, it's
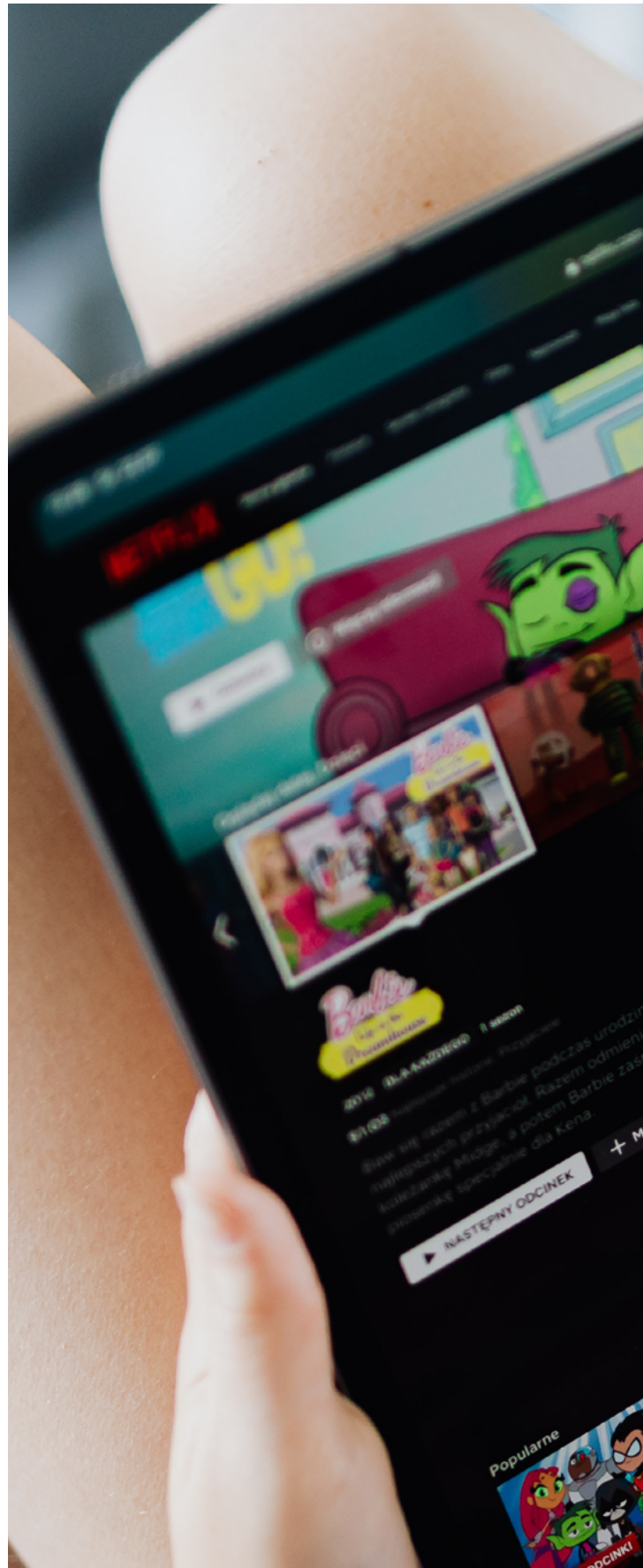
important to realize that it's a hypothesis. You still have to validate it. It's not because something works for another company that it will work for yours." **That process of trial and error is something tricky for bigger companies.** "They don't accept failures, when in fact if it doesn't fail it's not innovation. As long as you're agile, that's alright, because after a while you will figure out what works."

The success story of the subscription model

One of the most popular business models today is the subscription model. But the model as such isn't new. Think of utilities, cable TV, phone services and the internet as the precursors. "When you have a constant purchase, you have little choice but to provide a subscription formula." **The subscription model as we know it today actually arises from the intangible assets of the digital world, such as software, songs, data ...** There, the principle of ownership is practically non-existent. "For example, you pay to use a software package, but you'll never really be the owner, neither of the software and often also not of your data." Then why is it so successful? As a user you pay for unlimited usage. And the beauty of the business model is that, as a company, it doesn't cost you more. "When you look at software, one more user or license is a zero cost for the software company. You do have a large one-time cost to develop the software, but there is no real added cost for the company to serve another user." And that's the foundation of the subscription model!

"They know exactly who the client is and what the client wants, and that's a paradise of data! The relationship with the client is therefore essential for the subscription model."

Thanks to financial innovation, we switched from ownership to access for other products and services too. That's how the subscription model became a success story. Omar elaborates: "Formerly, you bought a car. In that case, you paid a lot of money at once and the car was yours. Because of financial innovation, it was suddenly possible to get a car and only pay for its use. Just think of leasing or renting a car." But why would any business prefer this over selling a car? **The subscription model creates customer loyalty, and thus predictability**

"So, when you subscribe to, for example, Foodbag, they are assured you are going to buy again. Compare that to a product in a supermarket that needs to convince you every single time you visit. The predictability of a subscription model is really valuable for investors. It forecasts the flow of income and therefore does not involve a lot of risk." And there's more to it: because of this predictability, the company also has just-in-time stock control, a huge advantage over otherwise very expensive inventory. "Foodbag knows exactly how many people will order which mealbox." And last but not least, the company maintains a close relationship with the customer: "They know exactly who the client is and what the client wants, and that's a paradise of data! They will be able to service their clients better, as a result of which the client will be inclined to stay, generating more recurring revenue. The relationship with the client is therefore essential for the subscription model. For a company to pivot from a product-centric approach to a customer-centric one is quite a change."

"When a company brings in a customer with a subscription formula and uses the generated data wisely, there's a really good chance that they will stay loyal."

Omar does make a side-note to nuance this success story: "The downside is that the acquisition of a customer is usually very expensive. So, losing one really hurts. But when you succeed and there is a healthy customer lifetime value, the return on investment is huge. When a company brings in a customer with a subscription formula and uses the generated data wisely, there's a really good chance that they will stay loyal."

"In the end, there will always be a balance between stuff you own and stuff you have access to. The man in the street buys a television, but has a Netflix subscription."

Furthermore, the shift from ownership to access can also be attributed to one's lifestyle. "If you want to lead a nomad life, then it's less interesting to own a lot of stuff. If you want to have a new car every two years, then it's less interesting to buy one." In that way, the subscription model will only increase in strength.

Access becomes the new ownership
For the consumer, there are three main advantages attached to the subscription model: convenience, the financial aspect and lifestyle. It's very convenient that, for example, a product can be delivered at your house on a monthly basis. The biggest drive, however, might be the financial decision: "Ownership will cost you more, and you have to pay in advance. Access will cost you less, and you can pay in pieces. So, from a financial point of view, access can be more interesting. Today, we have access to goods that were previously unaffordable." Last but not least, the subscription model is a choice of lifestyle: "When you opt for access, you'll be able to have more stuff. You can always have 'the latest and the newest' and will probably end up consuming more in the end." So, should we be critical and say that the subscription model encourages consumption and is at odds with sustainability? "Actually, it can also be a reinforcement." Omar explains: "You can also look at it this way: it might be more sustainable to have access to clothing instead of owning them. In itself, there is nothing wrong with the business model. It's about how it's applied."

In some cases, people still tend to opt for ownership. The more CapEx (Capital Expenditures or investment goods), the more people want ownership. People still prefer to own a house, a car, a television …

"In the end, there will always be a balance between stuff you own and stuff you have access to. The man in the street buys a television, but has a Netflix subscription", Omar states.

"You'll only switch when there's a better alternative, and your friends switch together with you. The essence of the problem? As long as you do not own your data, you will not be able to switch to a better alternative."

As the subscription model is mainly applicable to the digital world, there is a danger of monopoly: the winner takes it all. Omar puts it to the test: "If I ask you to name ten car brands, you will soon get there. Why is that? In a classic economy, you have a bell curve competition distribution, in which many players can take market share. But if I ask you to name the competition of Uber, you have to think very carefully. Most people don't know another brand, because we are talking about 'the first loser' Taxify and 'the second loser' Cabify. In a digital world, the number one disproportionately captures the market share. That's problematic, because then we are talking about a monopoly." As an individual, it's very difficult to go against that. "You'll only switch when there's a better alternative, and when your friends switch together with you." As a company, you can respond to this by offering alternative niches and become the number one in them. Just think of Disney+, as an addition to one's Netflix subscription.

So, won't we be oversubscribed at some point? For this, Omar refers to the metaphor of the cooked frog: "If conditions change slowly, the cold-blooded frog will feel absolutely fine … until the water starts boiling. But then it's already too late. You'll see that within ten years one third of our salary will go to subscriptions. And it will be quite normal!" Let's talk again in ten years, shall we?

From a business point of view

Duke & Grace speaking

"Even if you're not planning on implementing the subscription model at all, there still might be some interesting takeaways."

The subscription model has been gaining in popularity in a digital context. For companies, there are two gains: a constant revenue stream on the one hand and collecting relevant data on the other hand. Even if your business doesn't plan on shifting its whole business model to it, it can be interesting to do some small experiments. Just look at Novy, the company that sells cooker hoods. By selling filters in a direct-to-consumer web shop, they learn a lot from their customers, which is very valuable. In that sense, the business model might be a way to get to know your customer better and maybe even to add a direct-to-consumer strategy next to your existing B2B sales. But even if you're not planning on implementing the subscription model at all, there might be some interesting takeaways. As Gandhi once said: "There goes my people. I must follow them, for I am their leader." Your business always has to consider the underlying trends, as this is clearly where your customer is heading.

The subscription model goes hand in hand with some clear shifts in the customer's mindset. First and foremost, we see a shift in the customer's mindset from 'having' to 'experiencing'. This can be related to the Jobs-to-be-Done framework of Tony Ulwick, which proposes developing products based on understanding both the customer's specific goal (the job) and the thought processes that would lead that customer up to buying a product or service (in order to complete that job). The most famous marketing quote of Theodore Levitt says: "People don't want quarter-inch drill bits. They want quarter-inch holes." You could even take it one step further: no one wants a hole in their wall, they want to frame a family picture in order to feel connected at all times. So, not only a drill, but also Google Nest Hub could fulfill that job. The framework tries to understand the customer's underlying need. The user experience, and not the product, is the central motive when buying.

This experience economy is based on another shift that has happened over the past few years. The silent generation as well as the baby boomers grew up in a world of scarcity. They accumulated as much stuff as possible, so they had easy access to them 'just in case'. These things were passed on from generation to generation and defined wealth. But nowadays, scarcity has been replaced by abundance. We live in a world that is constantly evolving due to technology. As a result, people do not invest in products to last a lifetime, as its value depreciates quickly. For example, many exchange their phone for a newer model every few years. The customer's mindset has changed from 'just in case' to 'just in time'.

Next, there has also been a shift in the value chain. The value creation in society starts with raw materials, then factories that turn those into goods, then marketing and then the relationship with the customer. Think of it as a pipe through which water flows. The flow time, however, is determined by the narrowest point of the pipe. Whoever controls that point, controls the value chain. After WWII, the bottleneck was definitely the factories. Those who were able to turn raw materials into products clearly dominated the pipeline. Up till there were enough products (in the supermarket for instance). Then those who succeeded best in attracting the customer's attention were suddenly the ones who were in control. Until marketing has been democratized. Then the internet has turned the whole value chain upside down: the bottleneck shifted once again, as anyone could easily tap the global market.

So, the one who controls the value chain now is the one who controls the relationship with the customer. Look at companies like Airbnb or Facebook: they don't even sell products anymore, but fully focus on user experience.

In the first instance, this gives room to monopolies. But, like with anything new, competition will grow as it becomes more normal. The more companies step in (often per niche), the more differentiation you will see. Today, we clearly see that in social networks. Facebook used to have a monopoly on our digital social relationships, but our digital personality can have many facets too - just like in the real world. People start using different platforms for different expressions of their personality. Just think of the Dolly Parton challenge, a four-panel image in which people parody on how they present themselves on LinkedIn, Facebook, Instagram and Tinder. Then how can you prevent customer churn? By offering the best possible user experience. So knowing your target audience is of crucial importance: you could either collect data or set up Design Sprints to test assumptions. You would be surprised how much you'll learn about your customer in just a few weeks time!

In order to be innovative, you should look at how the world is changing and formulate an answer to that. Be it with a business model, product or process - that's up to you!
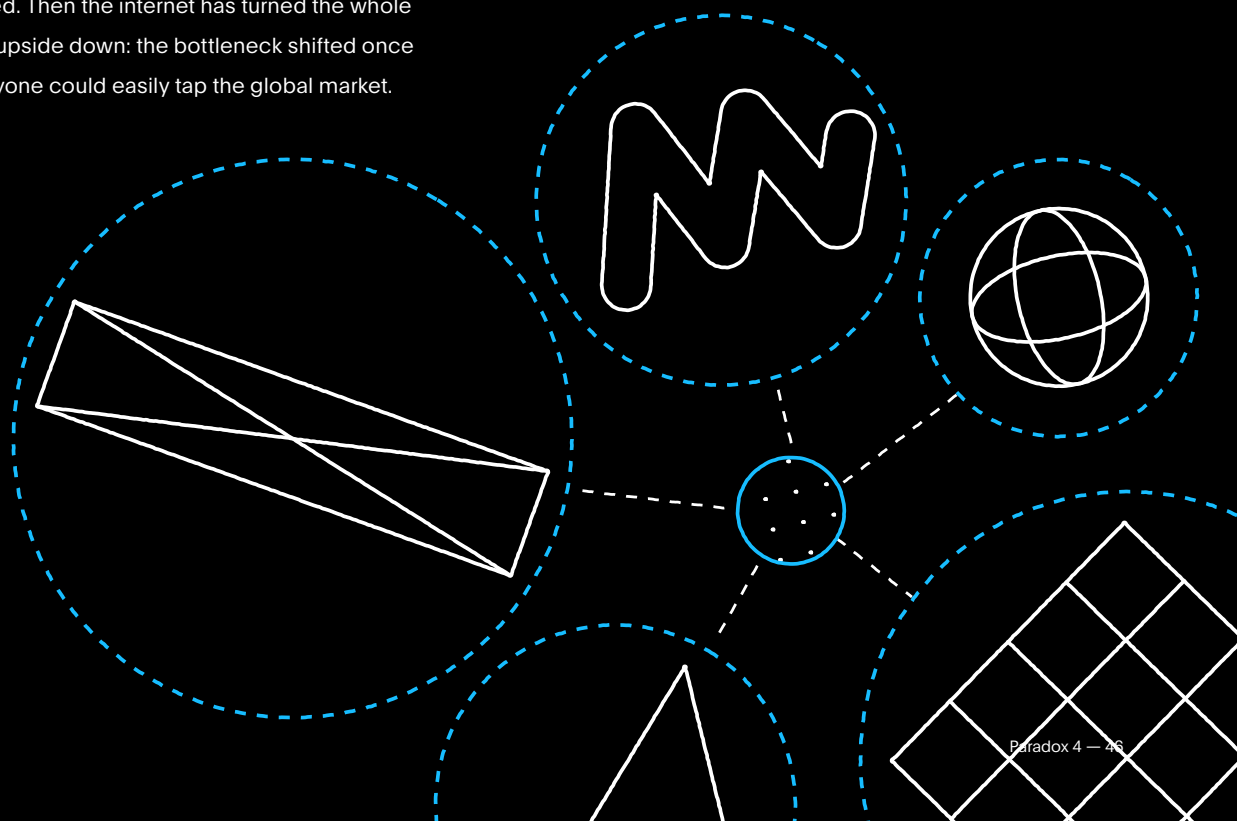
We guard our personal details closely, yet enjoy relevant content.

Privacy versus personalization

When the internet was still in its infancy, it seemed harmless to share personal details. Little did we know what the consequences would be and that, for example, political parties would use our personal details on Facebook for their political propaganda. Shocking! It was time to restrain these and other malpractices and call GDPR into being. That's how privacy became a hot topic! Nowadays, people are not very keen on sharing their personal details anymore, because they are fully aware of what is happening with their data. They take back control by disabling cookies, using ad or tracing blockers, using Apple Screen Time to set limits … People are now holding brands responsible for the use of their personal data and take this with them in their decision-making process. There is, for example, a movement against Google because of their controversial data policy. Therefore, some people consciously choose to use Ecosia as a privacy-friendly alternative search engine to Google.

At the same time, people are willing to give up their privacy if they get something in return: whether that is convenience (Google Home), a discount, suggestions (Spotify) or access to certain information or content. We are naturally more inclined to engage with content that we find relevant and interesting. So, first-party data seems to be the new gold! That's why businesses are now trying to put up their own dataset, in compliance with GDPR, instead of letting data be owned by major players like Google or Facebook.

But how can businesses collect first-party data without infringing on one's privacy?
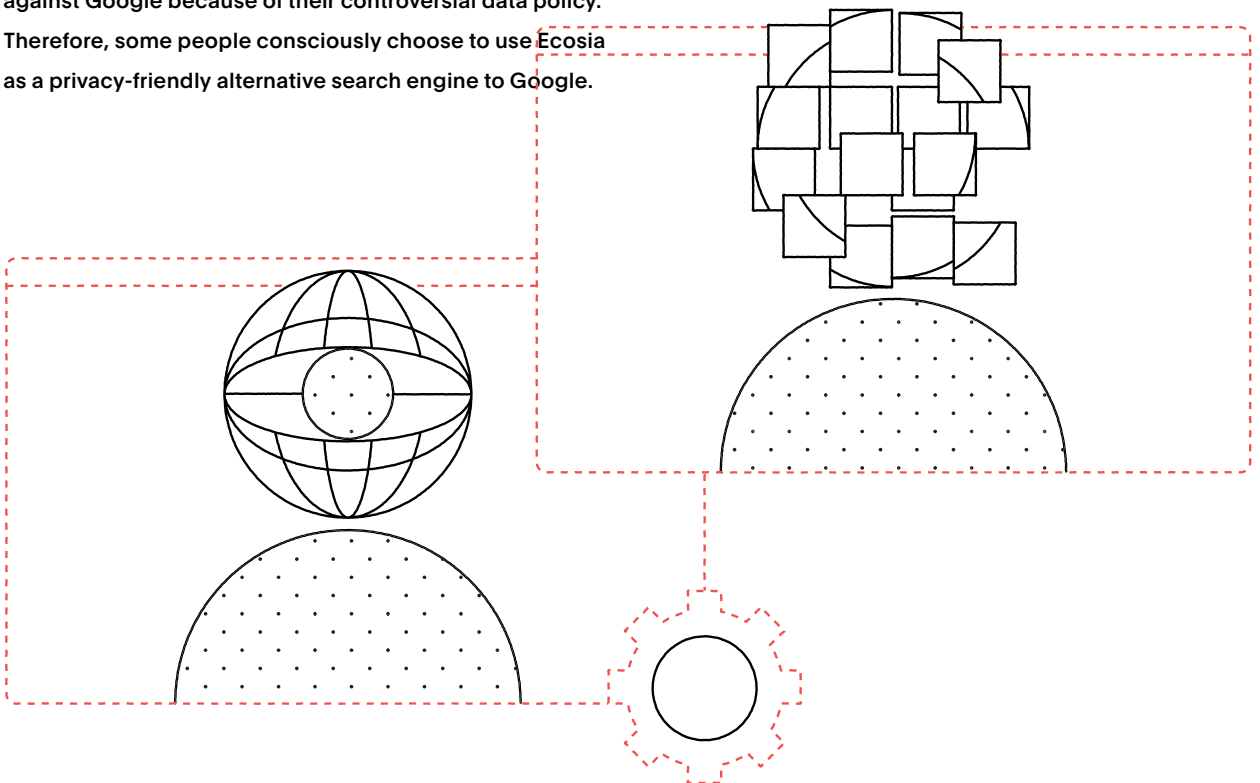
From a societal point of view

About Matthias Dobbelaere-Welvaert

As Director of The Ministry of Privacy, **Matthias Dobbelaere-Welvaert** stands up for our privacy. How? By informing, responding, learning and litigating. The goal is to put privacy higher on the agenda. A case you might know is 'Stop the Fingerprint', in which The Ministry of Privacy wants to prevent the compulsory fingerprint on the electronic identity card. Moreover, he passes on his knowledge to students of the bachelor Multimedia & Communication Technology at the Erasmushogeschool Brussel. On top of that, he just published a book, titled 'Ik weet wie je bent en wat je doet' (literally: I know who you are and what you do). He sure is a busy bee!

"Throughout history, we have always given up privacy for comfort, ease of use, financial gain ... What we see now is that many start-ups only give you a few euros in exchange for your privacy. That clearly shows that privacy is undervalued!"

We can say that privacy is the thread in Matthias' professional life. "I look up to other privacy activists, such as Edward Snowden who stood up against the government. It shows how powerful a government is and how powerless an individual is - unless you have the public on your side of course." So, he decided to become a privacy activist himself. That doesn't mean that he's demonstrating for his privacy every week. No, he is trying to broaden the subject of privacy, beyond the General Data Protection Regulation (shortly GDPR). "Since GDPR, companies have become allergic to the word 'privacy'. They just go on and on about: How do we make our company GDPR compliant? How do we prevent fines? While the real question should be: How do we respect privacy as a basic human right, while the interpretation of what that is might be different for everyone."

Privacy in a nutshelll

Privacy is not a defined concept. Matthias always starts his lecture with a small experiment, where he asks the audience to close their eyes and go to a place where they feel safe and free. "Some people are alone on a desert island. Some people sit in the garden with their family - even with their mother-in-law", he jokes. "So, privacy is different for everyone!" Yet we like to believe that privacy can be defined. For that, we tend to look at the law and narrow down the concept of privacy to GDPR, but that only covers the legal aspect of privacy.

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We have to look at it from an ethical point of view. "It's not about not being allowed to post something on YouTube or share something on Instagram. Privacy is about control and choice. You choose to put either your whole life online or nothing at all. Whatever suits you the best!"

On top of that, there is also a **technical aspect** of privacy. "By this, I refer to the protection of your data, especially online. Which protocols or encryptions should be used? When you exchange (sensitive) data, you want to be sure that it is done - and stored - in the most secure way possible." Yes, please!

Aversion to privacy

Ten years ago, people could still hide behind the fact that they were poorly educated in online behaviour. As there is much more awareness now, people can't continue to pass on that responsibility. After all, it's a matter of critical thinking. **The essence of the problem is that people generally think privacy is boring, and that's not entirely unjustified: privacy policies are often hard to read due to its poor readability and immense size.** "If you want to read the entire privacy policy of Facebook, it will take you 22 minutes and you will need a PhD to fully understand it", he jokes. "As long as we deal with privacy in this way, people will have an aversion to privacy. Not only lawyers, but also copywriters and (legal) designers should work on those policies in order to make it more accessible."

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Another argument that Matthias hears a lot is: **'Why should I worry about my privacy? I have nothing to hide.'** One that clearly drives him nuts: "Even though you have nothing to hide, privacy is important", Matthias sighs. "People say that because they believe that society will remain as it is today. But nothing is further from the truth: society is constantly changing - just look at the current situation with COVID-19. You might not have anything to hide today, but you might be punished for your choices in the future. Smart cameras are now managed by Alexander De Croo. Who knows who comes next?"

Privacy is a currency

The fact of the matter is that we, Belgians, are not really sensitive to privacy: "Privacy doesn't bother us until it hits us in the wallet." The Coronalert app is an outstanding example of our profound distrust of the government. "You obviously want critical citizens, but this app is actually really privacy-friendly", Matthias claims. Apparently, that resistance is due to the fact that people are not used to giving up their privacy for health; that's something new. "I guarantee you that there will be less resistance towards a curfew, an app or a vaccine when the next health crisis takes the world by surprise."

We are increasingly careful with our personal data, yet we like to receive relevant content. For example, we don't mind that Spotify processes our data into a 'Your 2020 Wrapped' playlist. How does that make sense? "Actually, it's all about 'what do I get in return', which is very human! Throughout history, we've always given up privacy for comfort, ease of use, financial gain … What we see now is that many start-ups only give you a few euros in exchange for your privacy. That clearly shows that privacy is undervalued!" According to Matthias, it's unfortunate that we are turning a human right into something purely economic. Although it is typically human to market everything, even privacy. "It's up to us, as individuals, to question this", Matthias concludes.

Watch out for the rabbit hole

We are all in - what Matthias calls - an echo box. Social media algorithms only show us things of people who think the same as we do. In that way, we no longer see the other side of the story. "That's nothing new. We have always had groups of friends based on a shared interest. We are naturally inclined to look for people who think the same as we do, who share our view of life … Social media just magnified that."

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According to Matthias, **the echo box in itself is not a danger, as long as you take a broad view, but it can be a rabbit hole:** "Some people who are very lonely and susceptible, look for help and confirmation online and get that in the form of conspiracy theories and fake news. That's a worrying phenomenon and we need to get those people out of that rabbit hole!" He elaborates: "When people lose themselves in conspiracy theories and fake news and are incited to violence and hatred, it can be dangerous for society. Only, society doesn't seem to bother ..."

We can't point the finger at social media, because they simply want to make money. "Social media is free of charge. So, if you're not paying, you're the product. Such platforms have no intention of overthrowing our government; they just want you to spend as much time as possible on their platform. It doesn't matter to them if what's circulating are conspiracy theories or cat pictures."

To regulate or to inform?
Matthias immediately answers: "There is definitely enough legislation at this moment. So, I resolutely choose for an informed audience." After all, awareness is key. **The biggest battle is the one against general disinterest.** "The danger does not come from the government, but from your partner, your parents, your friends ..." **So, it would be no luxury to educate people in privacy from childhood.** How does one handle its data, both online and offline, in an intelligent way?

"Unfortunately, that's how it goes in Belgium: they act first and then wonder whether or not it is legal. When it turns out that it isn't, they easily get away with it."

Sometimes, we are even unaware of any danger, just think of ANPR cameras or digital meters. This year, The Ministry of Privacy has focused on facial recognition. Matthias illustrates: "Clearview scraped pictures and personal details from social media and created a database, which they sold to the police. So, if you are spotted on a smart camera in the event of a conflict, a police officer can easily run your picture through the database in order to match it with your name. Impressive, but probably not what you had in mind when uploading your profile picture." We

found out that the facial recognition at the airport was an illegal project. "Unfortunately, that's how it goes in Belgium: they act first and then wonder whether or not it is legal. When it turns out that it isn't, they easily get away with it."

So, who has the final responsibility when it comes to privacy? "On a commercial level, it's up to us, as individuals, because we always have a choice. On a societal level, that's a different story altogether. You can't choose not to be filmed and thus traced on the public highway. Did you know that we are followed 24/7 for a year? It seems as if they are waiting for us to do something wrong." Matthias qualifies his statement: "I mean, I'm all for catching the bad guys, but that doesn't mean every citizen should give up their privacy just like that. For example, technology today is perfectly capable of switching on an ANPR camera when a signalized vehicle passes by."

So, next time you sigh at the word 'GDPR' or write a privacy policy, it might be interesting to think twice ... That's all Matthias wants to achieve!

From a business point of view

Duke & Grace speaking

"Basically, people just want to make sure that sharing certain data adds value in the relevant context and then stays within the one-on-one relationship they have with your business, and all of that needs to be transparent of course."

People are becoming more and more aware of their data, but that doesn't necessarily mean that they don't want to share anything with you. Let's illustrate this with an example: When you go to a tailor, you understand that he needs to take your measurements in order to make, for example, your suit. You will happily allow him to store your measurements if that means next time the measuring won't be necessary anymore - unless you have lost or gained some weight of course. Obviously, those data are relevant in that context. But the tailor doesn't need to know anything that doesn't serve that purpose, such as your hobbies. In addition, you expect him to treat your data with care and respect. You wouldn't be happy if he shared your data with the bakery next door after noticing that you gained some weight and might be in for a treat - especially when the baker is paying him for those data. Basically, people just want to make sure that sharing certain data adds value in the relevant context and then stays within the one-on-one relationship they have with your business, and all of that needs to be transparent of course. That's exactly how people expect to be treated by your business too.
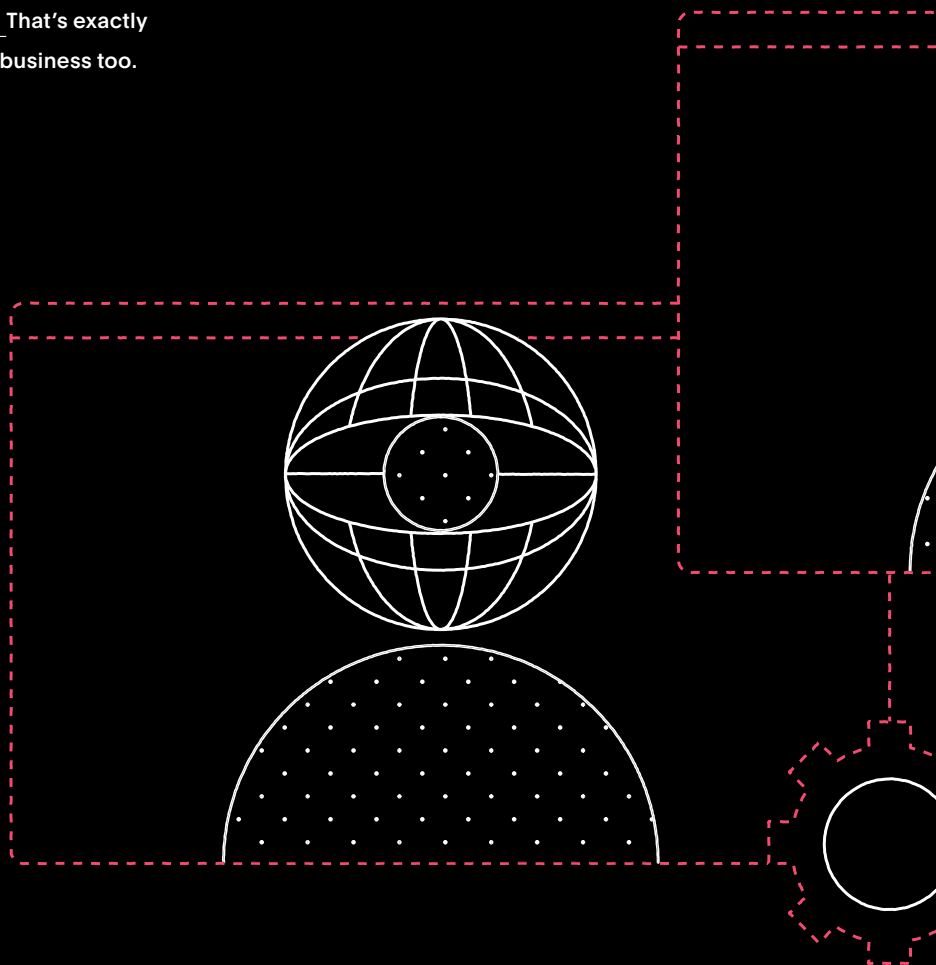
Unfortunately, in the digital ecosystem, all data was swept together into a pile. Under the guise of convenience, entire bitstreams were generated that went beyond convenience and resulted in a new business model. **When someone (outside the one-to-one relationship) is earning money from your data and you have no control over whether you want that or not, a mark has been overstepped.** But that doesn't mean that your data is yours to monetize. Data - just like the word itself reveals in its plural form - is only valuable when aggregated. Your data, as such, has no value. So, it can only be monetized by the aggregator. Of course, it can't be used to manipulate you.

So, the trick is to look at it from your customer's perspective: **as long as you're improving the customer experience, you're good.** As a customer, it's convenient not to have to explain who you are every single time. As a business, you can use that information to service your customer in a better way.
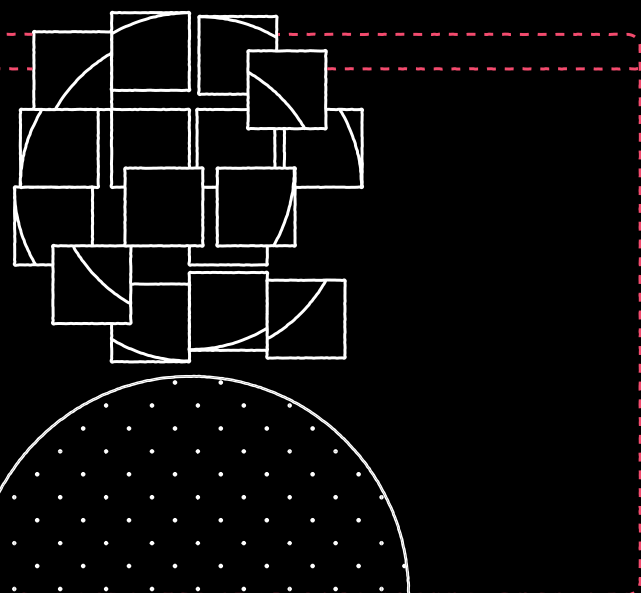
In fact, all of that is the essence of GDPR. As a company, you have the responsibility to make sure the data of your clients is collected and stored in a correct way. Software, such as a Data Management Platform or a Customer Relationship Management, can support you with that. The fact is people nowadays still underestimate which data companies have of them, but grossly overestimate what is being done with it. After all, when you don't use the data, why keep it anyway? **So, GDPR tells you to define which data you need from your clients and how long you need to store them, and then expects you to stick to your own definition.** In that way, you can defend yourself at all times in the event of a possible complaint.

But it can also be a choice you make as a company, to go all out for your customer's privacy. And that goes beyond writing a clear privacy policy. Even when Facebook would write the clearest privacy policy of all, the customer is still forced to accept it if they don't want to be socially excluded - since all their friends are using it. Look at Apple, they are the most valuable brand in the world and they clearly tell you: "Yes, we collect and use your data, but we won't share it. Your data, that's something between you and us." In that regard, we even see companies coming up with their own initiatives, such as ethical boards, which is a good thing. **We clearly see that companies that deal well with privacy are rewarded in brand value and even stock market value.**

And there's more to it: when building your own database in a correct and secure way, you'll become less dependent on external parties, such as Facebook or Google. So, gathering first-party data will definitely strengthen your position in the market. Does that mean that you can't use Google or Facebook Advertising anymore? No, of course not. Use those digital ecosystems to your advantage, but don't just rely on third-party data. Our advice? **Don't be put off by data! In fact, gathering data is of crucial importance for the relationship with your customer (in terms of customer experience) and your competitiveness in the market.** Just keep in mind that it should always be beneficial for your customer, and your business will thrive as never before.

In a nutshelll

One thing is certain: <u>if you want to be successful in 2021 and beyond, the customer has to be *your* first priority.</u> Because the one who owns the customer relationship dominates the whole value chain. So, if you don't start listening to your customer's underlying needs and focusing on customer experience soon, you're going to lose in the long run.

Change nowadays is happening at high speed, partially accelerated by the pandemic. We currently see some shifts happening in people's mindset towards, for example, sustainability and diversity. <u>People are holding brands accountable for how they deal with such trends.</u> We can compare this to how digital has been evolving over the past years: in the beginning, companies thought of digital as a niche. Look at newspapers, for example, it took them a long time to go along, because they couldn't believe people would actually prefer to read the news online. But then suddenly, people did, and the cost of printing a newspaper didn't outweigh the gain. <u>By adopting early to new trends, you have the benefit of being a first mover and a game changer - although you might pay one's dues.</u>

But whether you're an innovator or a laggard, at some point you will have no other choice than to embrace superdiversity, rethink how, where and when you work, re-evaluate your physical as well as digital touchpoints, reconsider your business model and work with first-party data. <u>All of this, however, should be done in function of the one-on-one relationship you have with your customer: does it add value?</u> And if it is adding value to the relationship, it will probably give you a competitive advantage and eventually add brand value too.

In order to truly put the customer at the heart of your organization, you'll have to rely on technology. <u>Machine learning will become increasingly important and will influence the role of the marketeer: he or she will no longer be 'the creator of output', but become 'the creator of the system that generates the output'.</u> And to do so successfully, he or she should always start from the customer's perspective. For example, if more people start using voice assistants, such as Siri or Alexa, to order goods or services online, the technomarketer will have to make sure the output he or she generates is optimized for those algorithms too.

So, we can conclude that <u>thinking outside in will be the only way forward.</u> But that doesn't mean you have to turn your whole business upside down at once. Our advice would be to make it small and manageable first. Isolate one assumption ('the Job-to-be-Done') and test it in a Design Sprint with a diverse Self-organising, Lean, Autonomous and Multidisciplinary team (shortly SLAM team). Slowly but steadily, you will understand these new ways of working and you'll transform your whole organization to cross-pollination in a natural way. This is what we call <u>Transformation by Doing</u>. You'll be surprised how much you'll learn on the go and how fast you can adjust your strategy based on real insights.

And if you do, don't hesitate to share your learnings with us. We're curious to hear where it takes you!

The best of luck!

Bart De Waele, CEO of Duke & Grace

Colophon

We are incredibly happy you took the time to download and read the 15th edition of our Trend Report. We hope you enjoyed reading it as much as we did making it!

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