bottle rocket®

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20 trends
worth remembering

Who said 2020 was all bad?

2020 was one for the books

Let's face it, 2020 was hard.

No one could have imagined a global pandemic would arrive and change the way we do pretty much everything in our lives. Offices closed and the sale of home office furniture soared overnight. Businesses were forced to find new ways to continue serving their customers, and sadly, many were unable to survive the change that was forced upon them. And, let's not forget that people had to quickly adopt new ways of doing even the most basic of tasks like grocery shopping. We have always known that technology has fundamentally changed the way we live, but never before has this statement hit closer to home.

But even amid all the change and hardship, believe it or not, 2020 has managed to teach us a few things and forever change the way that brands and consumers interact. Some brands have taken advantage of the crisis and we believe there is something powerful to be learned from each of their stories.

Our hope is that by celebrating some small, and some not so small wins of 2020, we can all remember that in fact good can come from crisis and that change, while painful, can be rewarding.

Here, we've compiled 20 of our favorite trends we've noticed this year that will certainly carry us into 2021 and beyond. You just might be surprised at how much we've learned.

01

Direct-to-Consumer Selling Accelerated (Even for Non-Native DTC Businesses)

ANDREW SEVIN, EVP OF REVENUE

Amid today's ever-changing consumer landscape is a lingering question that many brands are grappling with. Should I sell my brand/product direct to consumers (DTC)? If you ask Google, this is very clearly a common topic as there are dozens of articles on this very question that have appeared in just the last few months. While the world around us continues to change, one thing is for sure: consumer behavior has already changed and finding new and different ways to interact with your customers could mean the life or death of your brand.

Even brands that have very strong businesses that are doing well during this COVID-19 time are asking themselves this same question. I recently saw the article *Business Insider* published titled "How Frito-Lay Built a New DTC E-commerce Site Virtually in 30 Days Amid the Pandemic." Or the follow up article just a few weeks later on the same topic. If a brand as successful as Frito-Lay is thinking this way, this tells me that it could be equally as valuable to businesses of all shapes and sizes. No matter the industry, people are buying and consuming products differently than they ever have before. And, due to rising demand, even Frito-Lay knew that they had to think differently in order to keep up and meet their customers where they were at.

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As a direct-to-consumer selling endeavor, earlier this year the snack giant launched Snacks.com. Snacks.com was developed from concept to execution in less than 30 days by leveraging a combination of internal and external insights, resources, and inventory in order to keep up and best serve their customers who were turning in great droves to online ordering. This new resource is offering the brand new and different ways to connect with customers in a new digital era and is offering personalization, multiple shopping paths, and greater searchability to better serve new and existing customers. This strategy is fundamental to the brands' long-term success and is also providing them with never-before had first-party data that they can leverage to continually enhance their business.

Contactless Payments Went Mainstream

AL NOLAN, SENIOR SOLUTION ARCHITECT

There are about a dozen common ways to pay or transfer money digitally now, and probably dozens more for niche uses and up-and-coming cryptocurrencies. Paying with your phone using Apple Pay, Google Pay, or Samsung Pay is relatively simple, with some initial setup that only has to be done once per device. The same credit card terminal you normally would insert your credit into has the capability to accept these mobile payments, and more locations are enabling this feature to ensure low-touch experiences.

> *Over the last several months, there's been a spike in interest from U.S. merchants looking for no-touch payment options due to health concerns from the pandemic, and U.S. consumers say they are significantly more likely to use contactless payments than before the outbreak."*

– LIZ KARL, VICE PRESIDENT OF THE PAYMENTS
   CONSULTING GROUP, AMERICAN EXPRESS
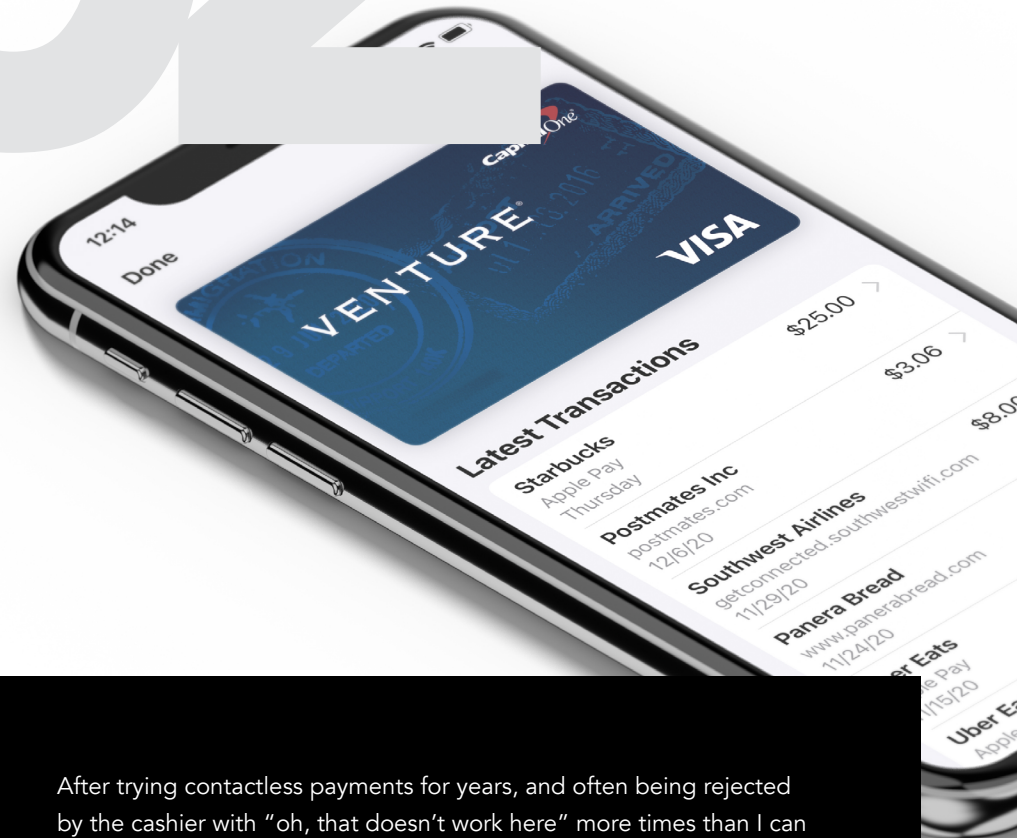
After trying contactless payments for years, and often being rejected by the cashier with "oh, that doesn't work here" more times than I can remember, I have seen a huge shift in 2020. Workers aren't confused by the concept, and almost enjoy the experience because they don't have to touch my card either. In-N-Out Burger holds the terminal out the window for me to tap, and even my church supports NFC payments at their fancy coffee stations. As the name implies, the devices never actually have to touch, and it's comforting to know that I can prevent touching terminals used by thousands of other people.

The Way We Access Healthcare Has Forever Changed (For the Better)

RAJESH MIDHA, PRESIDENT & CHIEF EXPERIENCE OFFICER

The realities of the Coronavirus pandemic have reinforced the power of digital platforms in communicating and guiding healthcare. Throughout the crisis, online visits, remote monitoring, and patient engagement tools have effectively reduced foot traffic at clinics and delivered a large portion of office visits virtually. Customers, now wholly accustomed to getting what they need, when they need it, are driving the healthcare agenda and the shift in how providers interact with them. Telehealth services in the U.S. are now projected to show staggering seven-fold growth in the next five years and are set to become the most available source of healthcare. Pressure is mounting for health systems and providers to expand their use of technology to remain relevant and an effective 'digital front door' strategy will be a key component.
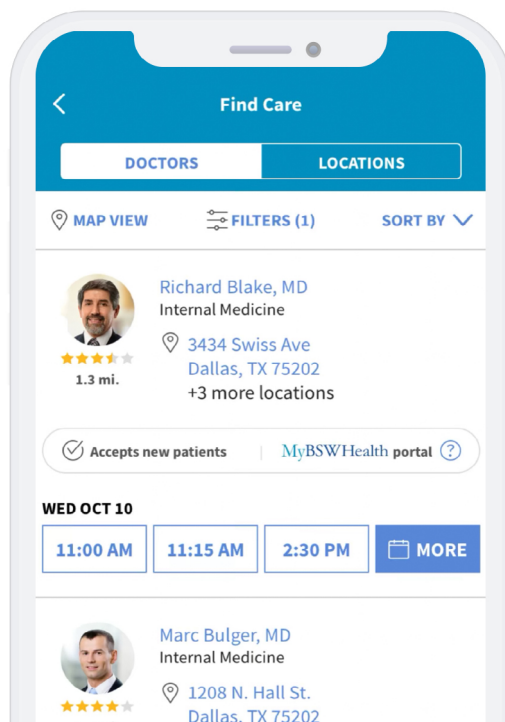
The digital front door is a strategy built to engage patients before, during, and long after an appointment takes place. By allowing patients easy access to every touchpoint of their journey, including mobile scheduling, check-ins, virtual visits, and payments, providers are creating a holistic digital experience and returning control over their own healthcare to patients. With the adoption of single-use patient portals remaining low – averaging less than 35 percent – the digital front door presents a valuable opportunity to providers to reach out to their patients using a blend of technologies already being used in their day-to-day lives.

> *By allowing patients easy access to every touchpoint of their journey, including mobile scheduling, check-ins, virtual visits, and payments, providers are creating a holistic digital experience and returning control over their own healthcare to patients.*

Take the success of Baylor Scott and White's digital front door during the past year. The hospital system struggled like everyone else and was forced to take extreme measures as a result of the financial pressure from the pandemic. But luckily for this hospital system, they had been investing for many years in the creation and continued evolution of the MyBSWHealth app (or digital front door if you will) that has helped the system remain a force during the pandemic. By late May, the tool had already helped to facilitate almost 175,000 digital screenings and more than 45,000 electronic visits related to COVID-19. Currently, millions of patients and family members use the app to manage their healthcare.

03

Blockchain and Cryptocurrencies are Becoming Part of the Conversation

DEB GELMAN, SVP OF EXPERIENCE DESIGN

Today, product managers across all industry sectors are looking to harness the power of blockchain to create real value for both their teams and customers. Blockchain, which underpins bitcoin and most cryptocurrencies, is being used to govern and record human or machine interactions such as sending money from one person to another or recording the votes for an upcoming election by mail ballot.

Given its high degree of security and transparency, this technology will prove to be a key investment area for businesses as we move into a post-pandemic world. This new bitcoin era, however, has left many leaders both confused and excited, and has created widespread disagreement over which qualities are essential in order to call something a blockchain.

Given its high degree of security and transparency, this technology will prove to be a key investment area for businesses as we move into a post-pandemic world.

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The relationship between the customers/employees and blockchain/cryptocurrencies, however, will be largely derived by the design and the user experience of the web and/or mobile application used to interact with it. If businesses want to drive adoption using blockchain and cryptocurrencies, they must make the experience so easy-to-use that it is intuitively understood by even the most casual observer.

In order to do this, leaders will need to cultivate a strong understanding of their customer base, their current behaviors, expectations, goals, and assumptions. Indeed, bad design, navigation, and user experience are the main barriers that have prevented adoption and growth of bitcoin and other cryptocurrencies. Because it's not super easy for most people to use, it's just now starting to emerge as a possible solution to help companies drive growth.

05

App Clips Emerged Giving Brands More Ways to Connect with Customers

LEE BROWN, SENIOR EXPERIENCE ARCHITECT

Just to level-set before I dive into this one, let's start with what are App Clips? App Clips are a new iOS 14 feature created and launched by Apple earlier this year. They allow a user to interact with a small part of an overall native app experience without downloading the full app experience. App Clips are proving to be a highly contextual means of meeting a consumer immediately at their point of need with a simple to use experience to achieve a single task. App Clips are accessible via multiple means in the physical world like by scanning a QR code from a poster or flyer.

What's so interesting is that for the first time, brands are able to bring new users into their native app in almost a trial-like fashion without any commitment or effort on the part of the end user. Apple Pay can easily be integrated into the App Clip or intelligent assistants can be implemented demonstrating responsiveness and helpfulness on the part of the brand. Think about the impact this could have for restaurants/QSRs, the hospitality industry, or any retail environment as well.

One example of how a large brand is using this new innovation to better connect with customers is our client, Caesars Entertainment. Caesars just recently launched its first App Clip that has two important use cases for on-site guests. First, by scanning different QR codes throughout the casino, guests can use the App Clip to help them easily locate their hotel room and also book restaurant reservations at the click of a button, all without downloading the app. While the immediate value to the customer is clear, the brand is also excited to be able to improve the discoverability of their Rewards mobile app and encourage downloads and use. This App Clip is helping the brand address some of the biggest and most expensive marketing challenges of the past decade – app discovery and user acquisition.

> *App Clips are proving to be a highly contextual means of meeting a consumer immediately at their point of need with a simple to use experience to achieve a single task.*

Internal Silos Started to Break Down

ALEX COHEN, DIRECTOR OF PRODUCT MANAGEMENT

For an organization to embark on change for its digital future, it's imperative to move with speed and purpose, and remove silos. Brand marketing, customer experience, loyalty, and operations must all integrate in support of common goals. To fix a broken customer journey and achieve growth objectives, everyone in the organization must unite around a common digital vision. This vision must then be translated into action by developing digital programs – rather than digital projects – with a relentless focus on the customer.

> *It will be those companies with integrated teams that are able to work together in service of the greater good that will create deeper connections with customers and more inspiring experiences that are connected across all touchpoints.*

Organizations burdened with short-term project mindsets and siloed teams will typically create uninspiring customer experiences and leave significant growth opportunities on the table. On the other hand, actioning on a common vision

will yield digital excellence and promising returns. It will be those companies with integrated teams that are able to work together in service of the greater good that will create deeper connections with customers and more inspiring experiences that are connected across all touchpoints. Using, learning from, and actioning on data insights across marketing/advertising and product development is the path to success.

Positioning your brand's digital experience or mobile app as a centerpiece to in-flight marketing campaigns is essential for maximizing application conversion, engagement, and retention metrics. And it just makes plain sense to connect these two marketing and product functions to boost your chances in converting and retaining customers for the long haul. Burger King and DAVID The Agency have pioneered this strategy and are routinely supporting the continued growth of the Burger King mobile app with a progressive set of martech tools that power their marketing campaigns. Through these martech tools and the close collaboration of their product and marketing teams, Burger King has been able to achieve some of the highest growth rates ever seen in any industry. The latest Burger King campaigns have been so interesting, purposeful, and targeted, they have literally made the world want to buy more Whoppers and generated 1.5M app downloads.

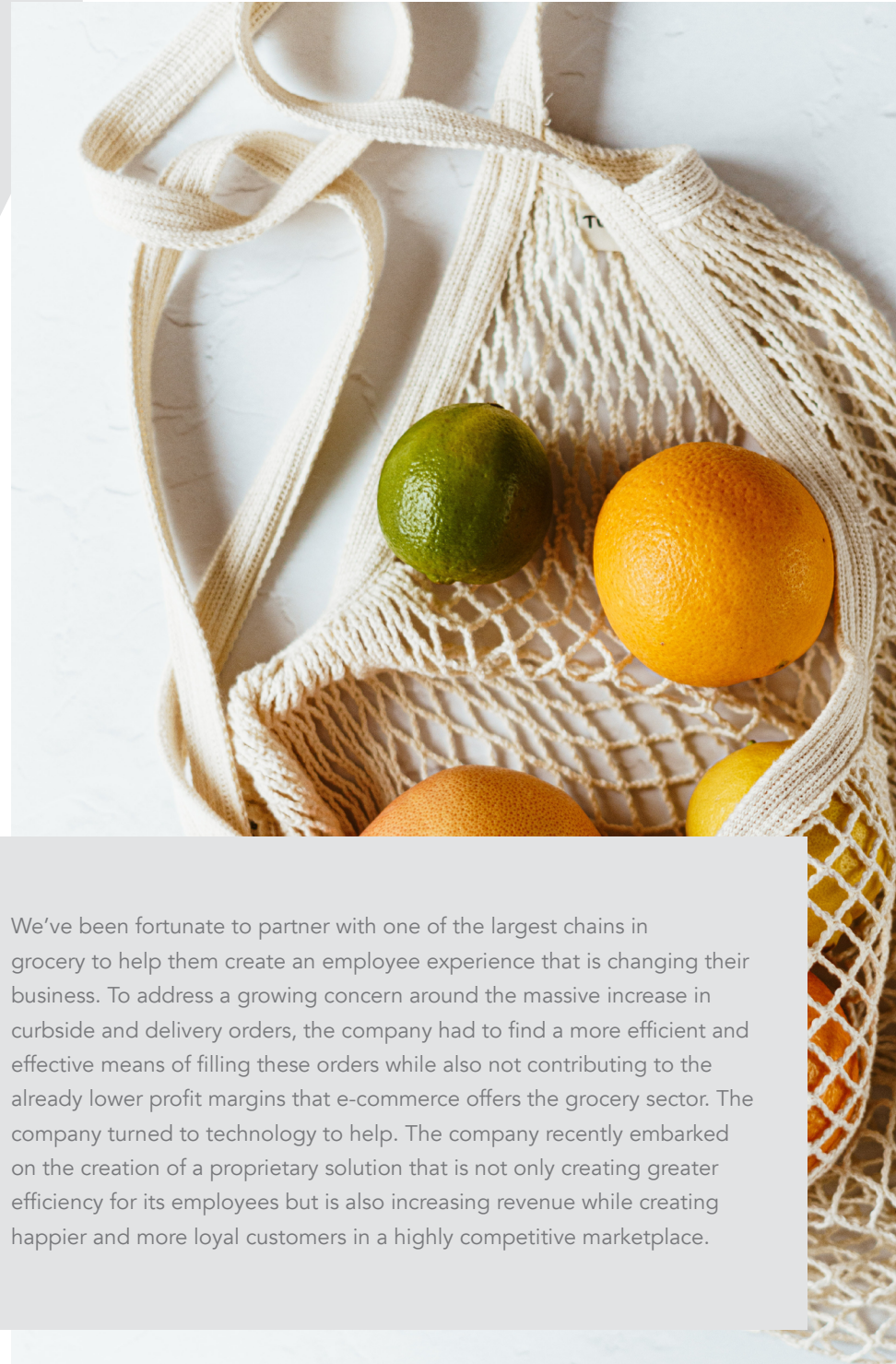# The Importance of Employee Experiences was Solidified

ABBEY KAREL, CLIENT PARTNER

Experience-led transformation for employees is the next frontier. We see incredible unmet need to ensure the same level of rigor and purposefulness when it comes to supporting and caring for your employees through the creation of digital experiences that help them do their jobs better.

> *Imagine if businesses spent as much time thinking about and using digital to support their employees as they did their customers. Team members would be happier, more productive, and your business would more successful.*
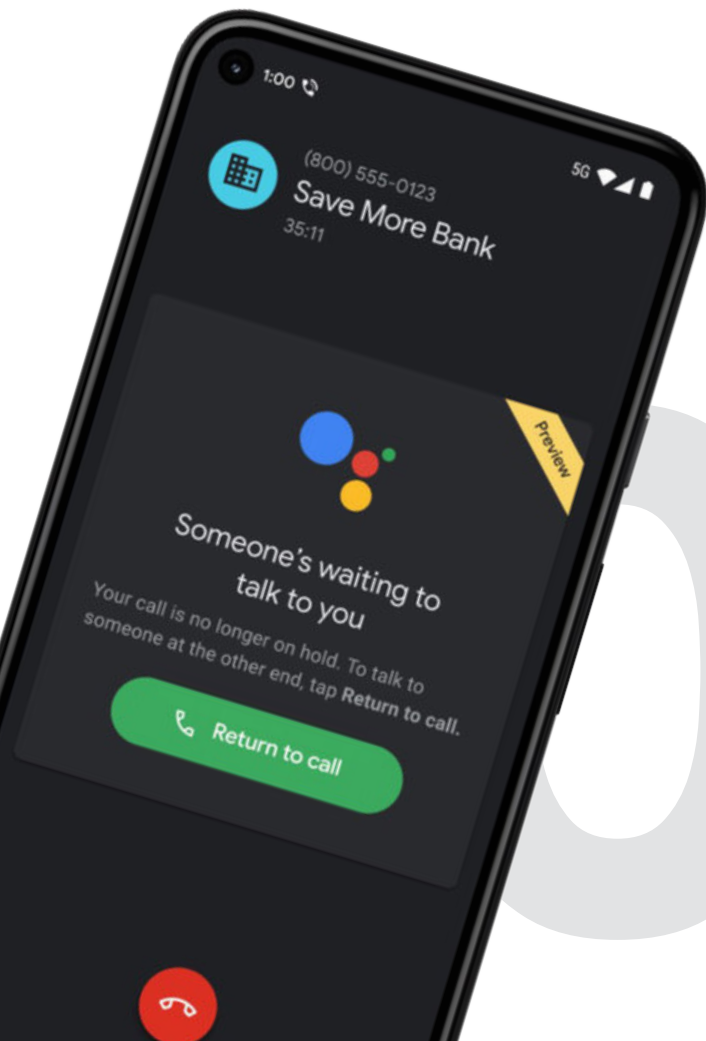
The benefits of implementing better digital experiences for your employees are massive. First and foremost, you take care of your most precious asset — your people. In addition, employees spend less than 17% on manual processes, drive 5% additional revenue growth over three years, and have increased retention and overall higher organizational profitability. The bottom line is improving the employee experience will result in improvements in the customer experience.

We've been fortunate to partner with one of the largest chains in grocery to help them create an employee experience that is changing their business. To address a growing concern around the massive increase in curbside and delivery orders, the company had to find a more efficient and effective means of filling these orders while also not contributing to the already lower profit margins that e-commerce offers the grocery sector. The company turned to technology to help. The company recently embarked on the creation of a proprietary solution that is not only creating greater efficiency for its employees but is also increasing revenue while creating happier and more loyal customers in a highly competitive marketplace.

Google has taken on the challenge of improving a long-forgotten part of smartphones, the phone itself. A year ago, Google integrated the Google Assistant into the experience, having it answer calls for you and helping you screen out unwanted callers. But in 2020, they've rolled out even more improvements. Now it can automatically screen calls, meaning your phone won't even ring until the caller has provided their reason for calling, and Hold For Me lets you put your phone down while the muzak plays, and wait for another notification that someone has picked up and is ready to talk. This saves a huge amount of brain space and doesn't monopolize your attention for such a basic task.

New Android Phone Features Emerged and Gave Brands A New Way to Build Connections

LUKE WALLACE, SENIOR DIRECTOR OF ANDROID ENGINEERING

For brands that have significant phone interactions with their customers, it may be tempting to let the smartphone platforms work on solutions that improve the user experience, but this is a clear indicator that users are looking for more convenient, asynchronous interactions.

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For brands that have significant phone interactions with their customers, it may be tempting to let the smartphone platforms work on solutions that improve the user experience, but this is a clear indicator that users are looking for more convenient, asynchronous interactions. Some companies already provide a "we'll call you back when it's your turn" option but providing even more connection options will pay off too. Great app experiences, voice apps, texting options, or chat features will pay huge dividends as consumers want more convenient options for connecting with your business.

The rise of location data infrastructure and geofencing technology combined with an omni-channel experience is now key to staying competitive and customer retention.
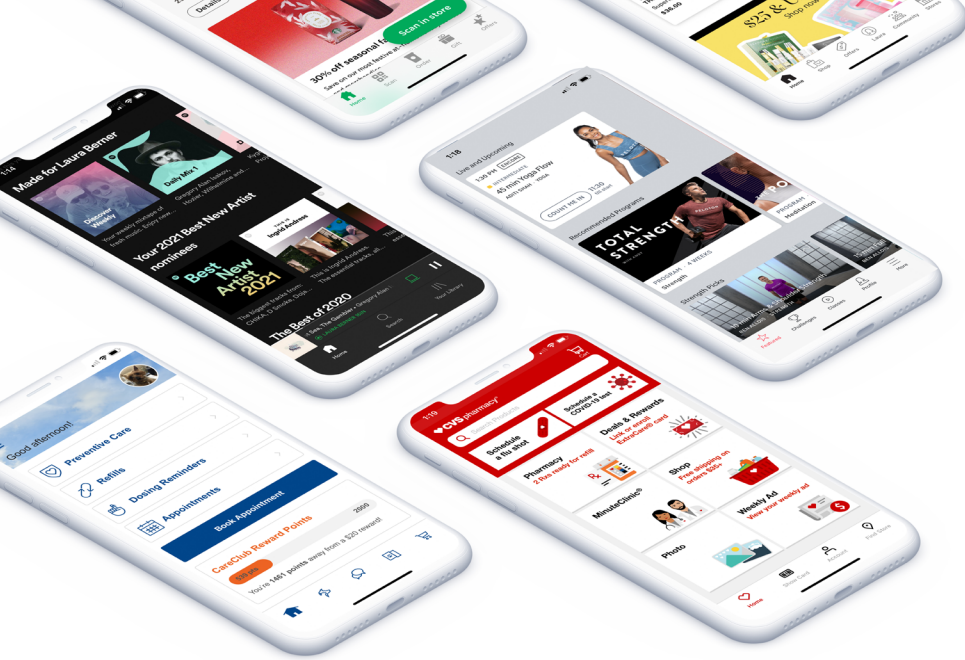
Retention and Personalization Became More Important Than Ever

FAREED HUDA, SENIOR PRODUCT MANAGER

Retention is the cornerstone of sustainable growth and the driver of new organic customer growth for a brand. Everyone knows that it's easier and more cost effective to retain an existing customer than it is to try and acquire new ones. According to research done by Frederick Reichheld of Bain & Company, a mere 5% increase in your customer retention rate can increase profit from 25% to 95%.

One of the best examples of retention around is Starbucks. The brand invested in the order ahead feature quite some time ago to battle long wait times in store for orders to be fulfilled. But now, with the pandemic in full effect, all Starbucks had to do to deliver on customers' changing needs was alter the messaging. The important thing to convey at this point in time was that ordering on app allowed for a safe socially distant pickup experience. The brand reminded customers that their routine of grabbing coffee before starting work does not have to change, even if they were working from home.

This year as more and more relationships between brands and customers turn to digital, customer retention in digital experiences has been a key focus and long-term goal for many brands as well. We know in past years that 80 percent of new users stop using the average app just three days after downloading it. Companies need to focus on keeping the customers they already have by decreasing the time it takes to complete actions, driving engagement through omni-channel messaging and touchpoints, and creating personalized offerings. Traditionally personalized mobile or web engagement meant right content, to the right user, at the right time. In order to fully deliver on this, real-time context is everything. The rise of location data infrastructure and geofencing technology combined with an omni-channel experience is now key to staying competitive and customer retention. This level of personalization can allow brands, especially in industries like travel, retail, and food and beverage to complete the omnichannel experience.

A great example of a highly-personalized experience is Sephora. Sephora's digital channels allow customers to book a makeover through their mobile device. This digital experience is further enhanced by using location data to suggest stores that are closest in distance from the user. After the in-store makeover, the makeup artist enters the details of the product s/he used during the appointment into the customer's digital profile. The digital experience also lets customers try on products virtually, driving recommendations based on the customer's personal beauty preferences. The mobile experience allows customers to find these products in-store when they visit a retail location. When an item that the customer wants is not available in-store, the store associates assist with the order to be delivered, sometimes with no delivery fee.

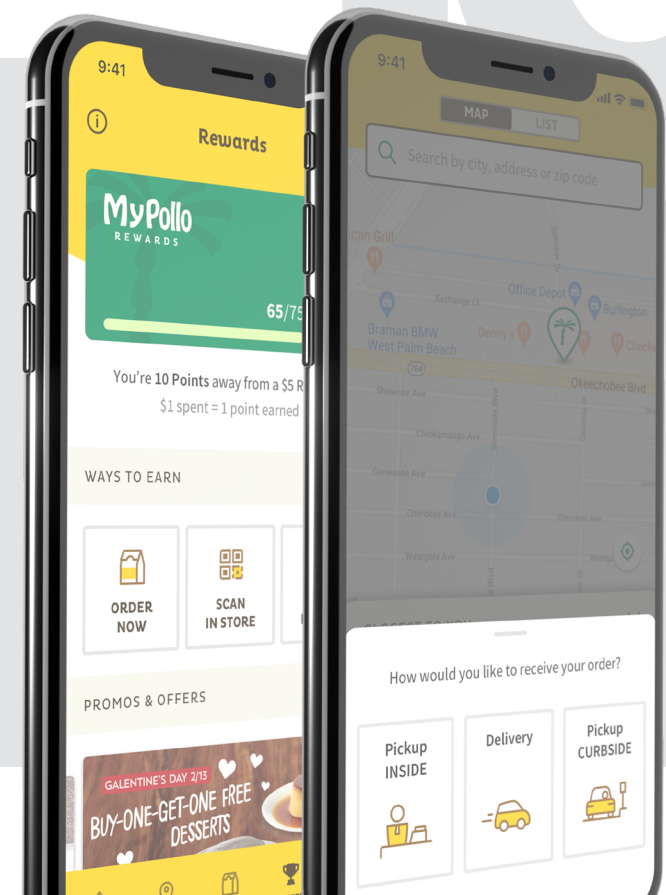# QSRs Survived and Thrived Without Open Dining Rooms

RACHEL SOUTHARD, CLIENT PARTNER

The quick service restaurant (QSR) industry is a hyper-competitive market where convenience and quality are of the utmost importance. Industry research has proven that digital customers regularly spend more than physical customers across all QSR brands, making digital experiences an imperative component of customer retention and revenue growth, especially during 2020 as most QSR brands were forced to close their doors to customers and drive all business digitally.

No longer could brands rely on foot traffic within a store to drive sales. Almost overnight, the need to meet customers in this new normal demanded digital become a core focus for all brands wishing to survive this shift. Some brands had been investing in digital for many years and others had to play catchup to keep up. With speed to market at the top of the priority list, brands quickly rearchitected their digital product roadmaps and made immediate changes to provide customers more options to remain engaged with the brand.

> *Almost overnight, the need to meet customers in this new normal demanded digital become a core focus for all brands wishing to survive this shift.*

One Bottle Rocket customer, Fiesta Restaurant Group, who owns and operates the Pollo Tropical and Taco Cabana brands nationwide, made quick shifts to existing workstreams and reprioritized features and solutions that would help deliver on customers' new needs for digital ordering and curbside pickup. With velocity top of mind, we were able to architect a solution and a standardized framework that would effectively support both brands and ensure enterprise scalability and flexibility for the long-term. Both brands have brand new digital ordering experiences and have stood up new pickup, delivery, and curbside options for guests. The brands are experiencing a **53% increase** in loyalty club sign ups and a **10.1% increase** in off-premise sales as a result of these new efforts.

Apple Silicon Launched and Completely Changed the Game

TYLER MILNER, IOS ARCHITECT

These apps will run natively on the Mac, not even requiring app updates from developers. If you consider the fact that the new M1 chip will likely also serve as a catalyst to increasing overall consumer adoption of Mac hardware, the number of users downloading apps in the App Store could skyrocket.

If you're plugged in to the computing world, you're probably aware of the major shifts in processing performance that have occurred over the final two months of 2020. I'm talking, of course, about Apple Silicon. First announced at WWDC in June, Apple launched its first Mac products with their new "M1" chip in November and the results have been astonishing. In these new versions of the MacBook Air, 13-inch MacBook Pro, and Mac mini, Apple has demonstrated that they are the new CPU performance king of the computing world. Now a maxed-out iMac configured with Intel's top-of-the-line chip and costing several thousands of dollars can now be absolutely demolished by Apple's new $700 M1 Mac Mini.

So, what does this mean for the future of Apple's ecosystem?

> *As a result of the new M1 chip sharing a common architecture with Apple's mobile devices like the iPhone, these new Macs with Apple Silicon are able to run iOS and iPadOS apps out of the box. Suddenly, Mac users will have access to the full library of App Store apps that are available to iPhone and iPad users.*

However, as the number of app users increases, consumer expectations of apps are sure to increase as well. By default, these iPhone and iPad apps will run "windowed" on the Mac, rather than making use of more conventional interactions and UI that make up typical macOS apps. While this "unoptimized" method of interacting with iPhone and iPad apps on the Mac might be acceptable initially, users are sure to expect experiences better tailored towards a traditional macOS environment. Luckily, Apple has recently made it much easier for developers to translate and share code from their iPhone/iPad apps into macOS apps. As the ecosystem continues to evolve, users will surely look more favorably on brands that take the time to provide a native macOS interface to their apps. Brands that fail to pay attention to this new segment of App Store users may be at the risk of looking "cheap" to consumers.

Of course, some apps will make more sense running on a Mac than others. Apps that can easily take advantage of the capabilities of Mac hardware, like the larger screens, full-size keyboard, and increased processing power will see the most benefit. Brands that publish games and apps focused on content consumption should strongly consider adapting their apps to the Mac. Other apps focused on utility that aren't necessarily hyper location-aware or make use of other common mobile-specific use cases could also see benefits as well. However, there's no need to rush the process right now. Apple plans to transition their full product lineup over to Apple Silicon over the next two years so it will be a little while before macOS-tailored mobile apps start to become the norm. The time to build might not necessarily be right now, but it's certainly time to start giving the idea some considerable thought.
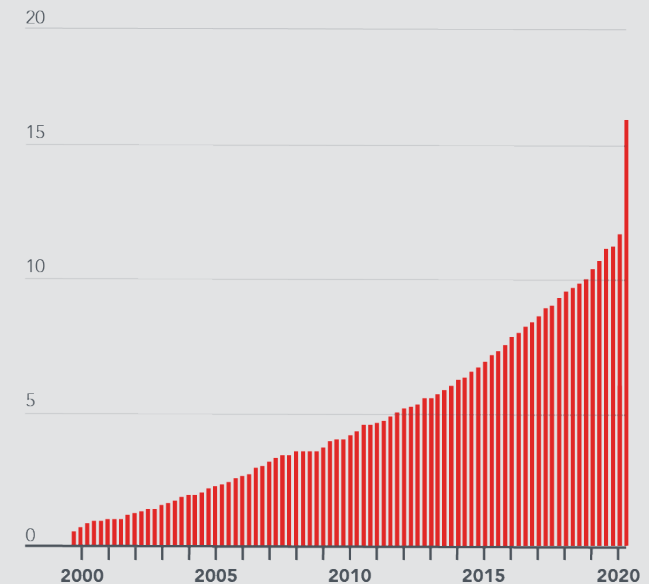
E-commerce Jumped Years in a Matter of Months

TIM DUNCAN, PRODUCT GROWTH LEAD

It has been a record year for e-commerce sales with share of market taking a giant step forward from 10.8% in 2019 to 16.1% in 2020, the largest such increase we have seen on record for a single year. This has obviously been driven in large part due to COVID-19 restrictions and safety concerns. As the pandemic continues to drag on, customers' online shopping habits have continued to become deeper and deeper engrained in their daily lives. This, coupled with the speed of delivery offered by many businesses (one hour sometimes now!) and the ease of online ordering, has resulted in a chain reaction of growth in e-commerce sales. Take Walmart for example whose e-commerce sales jumped 79% in Q3 of 2020. Demand for their retail stores and the products they sell has never been higher than it is today as a result of the investments they had made in digital and the parallel investments they had made in their physical stores to support these digital investments.

> *It has been a record year for e-commerce sales with share of market taking a giant step forward from 10.8% in 2019 to 16.1% in 2020, the largest such increase we have seen on record for a single year.*

On the flip side, we have seen mass store closings and bankruptcies from retailers who were not positioned for a fully digital future with their customers. It isn't uncommon to see a shopping mall where there is a store having a "going out of business" sale next to a store like Kroger or Target which are busting at the seams with customers. Take Neiman Marcus for example who recently declared bankruptcy and came out the other side telling investors they would be focused on a digital-first future. They even put out a digital catalog for the first time in the company's 113-year history. Hopefully there's time to catch up.

E-Commerce as Share of Retail Sales

Note: Seasonally Adjusted
Source: Commerce Department via St. Louis Fed

Targeted advertisements promoting a product that you had just talked to your friend about five minutes prior became too much for many people to understand and comprehend. In 2020, it wasn't uncommon to hear someone say, "Are Google and Facebook listening to us or something?" The pinnacle of these fireworks culminated in the public grilling of many executives at top tech companies on Capitol Hill and the most severe lawsuit to date against Facebook alleging monopolistic and anti-competitive practices from previous acquisitions such as Instagram or WhatsApp. Apple, which has taken one of the most customer-centric stances on privacy for some time, has been the driving force of many tools and policies that reign in this power and deliver it back to consumers.

User Privacy and Data Protection Took Center Stage

TRACEY FRANCIS, VP OF WEB AND SERVER TECHNOLOGY

It's safe to say that more than a few fireworks flew this year around the topic of user privacy and data protection. It didn't help that the topic became caught in the crosshairs of American politics, but even so, customer questions on this topic seemed to surge this year. Consumer sentiment on how companies are handling data has reached an all-time high. Blame it on politics, The Social Dilemma, or whatever you want, but it's a growing concern that companies must get a handle on before things really get out of control.

The negative customer sentiment surrounding these topics has been brewing for some time now, and in 2020, the majority started to understand more about how big tech companies were using their data to influence their views and buying decisions. 2020 was the year that people started to get curious and ask questions regarding how their data was being used.

According to recent research from Pew Research Center, 81% (of respondents) feel they have very little to no control over the data that companies collect about them, 79% are very concerned about how companies use the data collected, and 59% feel they have very little to no understanding about what companies do with the data collected.

The good news is that we have started to see big tech companies begin to act in response to this sentiment to turn it from negative to positive. Google is ditching the Chrome browser cookie soon, and Apple said it plans to move away from its IDFA in January. Facebook and Instagram have started to run national advertising campaigns attempting to turn this negative customer sentiment around. Twitter began to put features in its application that tag specific tweets with "this claim is disputed."

One thing is certain; it will be interesting to see where these conversations and concerns go in the future. Here's to hoping it's all up from here.

Measurement & Analytics Are Leading the Way

KIRBY SHAW, SENIOR DIRECTOR OF PROJECT MANAGEMENT

Although COVID-19 is leaving us with more questions than answers, one thing is for certain: product investments of all shapes and sizes are being scrutinized more than ever. And, like it or not, this trend is not going anywhere soon.

Providing data-backed POVs on what is resonating with customers and how it impacts the business is now clearly a non-negotiable. This imperative is accelerating the already rapid growth we're seeing in the adoption of self-service product analytics platforms. Gone are the days where a data request takes a week to turn around. Now, more than ever, individuals across the organization need to be fully empowered to access, understand, and action on data in real-time.

Now not only are data and analytics taking the driver's seat, but due to the massive need for digital experiences in our current pandemic-driven environment, there is so much more collective data that we can all look to as a guidepost for what is working in today's day and age. This can provide a better jumping off point for many businesses who have been forced to forge new digital experiences fast.

A 2020 totals report from App Annie indicates over 3 trillion hours were spent in apps this year. This annual growth of 25% included over 200% growth for business apps, but also 20-40% growth in five other categories, including 25% for both finance and shopping apps. All this extra time in app has created opportunities for experience-focused businesses to turn these new increases in short-term customer needs into long-term changes in user behavior.

Grocery retail survey data compiled by Brick Meets Click (BMC) and grocery e-commerce platform Mercatus indicates that "approximately half of the households who placed their first online order for delivery or pickup since late March are considered monthly active users today," and attributes part of this growth in repeat purchase intent to improving digital experiences for pickup or delivery. This type of consumer survey data, combined with the ability of product analytics to measure the success of experiences at the specific user goals level, forms a strong feedback loop for businesses to tie their experience improvements to customer needs that drive results.

Forrester's CX Index survey of nearly 100,000 U.S. online consumers collects each customer's intentions based on experience to stay with, buy more from, and recommend a brand from across a dozen industries. In their recent report "How Customer Experience Drives Business Growth," Forrester ties this survey data to an experience index to predict how a one-point improvement can drive annual incremental revenue per customer that adds between $25 million to $1.1 billion per company based on industry.

Clarity on the bottom-line value of better experience design drives more investment in better experiences for everyone – at a time when we can all really use them.

15

We Took One Step Closer to Mind-Controlled Devices

PETER KLAYMAN, DIRECTOR OF BUSINESS STRATEGY

Do you remember the first time you used a smart phone? For many of you, this may have been the awesome and immersive rolling ball from Blackberry. Regardless of the device, there came a time when we all realized that the world had changed. The slew of firms that were born after the wide commercial rollout of mobile technology unlocked one of the fastest periods of technological and equity valuation shifts in history. This year, we got one definitive step closer to the next revolutionary technology platform that will change everything: the ability to interact with an internet-enabled device with just your mind.

We've started to see enough sustained progress in the field of human machine interaction to warrant mentioning the possibility of a future when machines can be controlled with a human's mind. We are still years away from widespread commercial applications, but the scope and scale of change that will be brought about as a result of this new interface, a thought-based interface, will change the world as we know it.

"*We are on the cusp of a revolution that few people are aware of. The smartphone, which today represents the pinnacle of mobility and connectivity, will disappear and, in a few years, it will be replaced by virtual and augmented reality headsets linked to connected implants.*"

JEAN-LOUIS DE BOUGRENET DE LA TOCNAYE, DIRECTOR OF THE OPTICAL DEPARTMENT AT THE IMT ATLANTIQUE

A future, a possible vision of which was provided by Neuralink's launch, shows great potential. For all the benefits that will arise from real-time, in-brain, communications between an internet-connected device and a human, we need to be vigilant. Technological progress is good; it more efficiency allocates resources, allows people to stay in touch, automates mindless tasks and has the potential to reduce some of the less positive aspects of human nature. In that same breath though, we must be cautious. Be excited about the prospect of a brain-controlled computer. Don't overregulate the device before it's even commercialized, but once it comes, it must be regulated. Let's not lose the opportunity to put a mindful framework in place to drive innovation while also ensuring privacy and security are paramount.

Diversity, Equity & Inclusion Efforts Were Reenergized

AMY CZUCHLEWSKI, EVP OF TECHNOLOGY

In 2020, the tragic deaths of George Floyd, Breonna Taylor, and countless others were a wake-up call for many and also triggered many companies to begin or reinvigorate company initiatives surrounding diversity, equity, and inclusion. Although these efforts have long been a focus of healthy companies and have been proven to improve employee engagement and retention, unfortunately it took events like these to create a much-needed spark to jumpstart conversation, action, and change.

Because of these events, we've noticed an increased awareness of the importance of the employee experience and terms like unconscious bias and microaggressions are a greater part of our everyday language system. Training programs were rolled out and the leaders of many organizations are establishing, supporting, and listening to affinity groups for direction. The good news is that 2020 has seen many companies finally become more transparent about reporting diversity statistics and making public commitments to do better on hiring and retention for underrepresented groups. This is one step in the right direction, but there's so much more we can do.

The global move to virtual work has also has some positive impact on inclusion. Unconscious bias related to height, weight, or even physical disabilities can be detached from the hiring process, as well as from day-to-day team interactions. Team-level communications are more equitable when decisions are discussed and documented with the whole team versus side conversations and a different experience for people in and out of the office. Last, virtual team lunches and team building ensures that everyone has the same experience regardless of location.

> *In 2020, the tragic deaths of George Floyd, Breonna Taylor and countless others were a wake-up call for many and also triggered many companies to begin or reinvigorate company initiatives surrounding diversity, equity, and inclusion.*

At Bottle Rocket, we've taken a long hard look in the mirror and know that we can do better. We have been honest with ourselves about our shortcomings and have dedicated time, energy, and focus to constantly challenge ourselves and our company through not only our words, but also our actions. We've got a long way to go but are pledging to be open and transparent with where we are at and where we hope to be one day. To publicly display this transparency, we launched our first Inclusion & Diversity Report in 2020 along with over a dozen internal taskforce teams that are planning change across our entire business.

Artificial Intelligence Gives Way to "The Internet of Behaviors" (IoB)

DAVID HARRISON, VP OF MOBILE

As we've mentioned throughout this document, COVID-19 has had a huge impact on business in 2020. Not only has it impacted business, but it has expanded even the most basic consumer's use of digital experiences. Without us even realizing, this consumer use explosion has created a plethora of "digital dust" that can be used by Artificial Intelligence (AI) algorithms to personalize experiences going forward.

Forrester predicts that in five years, 85% of business relationships with consumers will be managed without human interaction. Due to ongoing data analysis at both individual and aggregate consumer levels, brands will create experiences that naturally integrate with each consumer's day-to-day life.

Consumers will no longer need to change their active daily living patterns in order to get what they need from their favorite brands. Due to AI and machine learning techniques, brands are getting a deeper comprehension of their consumers and will soon be able to provide enhanced and more personalized experiences based off behavioral patterns. Imagine this. You drive up to Chick-fil-A and the app immediately recognizes you are in the parking lot. Proactively, the app verbally asks "Do you want me to take your order? Also, here's a coupon for your favorite sandwich." Once you order on the app via NLP, you proceed to the drive through, your QR code is scanned and a touchless payment occurs. This is the next evolution of a contactless, fast, efficient experience that the consumer loves.

> *The Internet of Behaviors (IoB) captures the 'digital dust' of people's lives from a variety of sources, and that information can be used by public or private entities to influence behavior."*
>
> **GARTNER**

The companies who will win in this space are the ones who can create the best solution by making the best possible use of all available consumer data in a safe and secure manner. By creating AI-based learning profiles, these brands will be able to accurately predict what the consumer needs and immediately deliver on that need. As AI and machine learning techniques become more mainstream due to the added computing power in mobile phones, companies will be able to create the most ideal, customized experience for each consumer before they can even request it. This trend will inevitably create customer loyalty and will also push consumer expectations to an all-time high. As consumers become more and more accustomed to this type of experience, they in turn will begin to demand applications that understand preferences seamlessly. For the consumer, this means less time spent on programming preferences and a more immersive user experience across devices.

According to Gartner, "The IoB presents significant and pervasive social and ethical implications. Collecting data to influence behaviors has the potential to be a powerful tool, and its social reception might depend on just how heavy-handed organizations are with what they're trying to do."

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The "If it Ain't Broke" Way of Thinking was Broken

TONY DAUSSAT, LEAD EXPERIENCE ARCHITECT

"If it ain't broke, don't fix it." It's a saying we've all heard time and time again. Perhaps we've even said it. For some, this saying once seemed to be an effective way of keeping costs down, mitigating risk, and retaining customers, systems, and profit. However, 2020 has proven that the legacy technology, legacy business models, and legacy thinking was a thin sheet of ice that in fact…broke. And the pandemic was the ice pick.

> *We must shift from a legacy mindset to a human-centered innovation mindset.*

No one could have predicted that the pandemic would shutter the doors of thousands of businesses. However, now more than ever, it is time to completely rearchitect the way we think about our business models and experiences we are creating for consumers.

But how do we do that? We must shift from a legacy mindset to a human-centered innovation mindset. We need to dig deep and focus on creating the experiences that truly benefit and impact the user. Gone are the days of "surprise and delight" or delivering simply on function. Personalized, contextual, and frictionless are table stakes. User needs and expectations with digital experiences have been on a steady increase year-over-year ever since the advent of the iPhone in 2007. But in only a handful of months, the pandemic has skyrocketed (and forever altered) those expectations by leaps and bounds.

These expectations extend beyond digital interactions as well. Not only have our physical interactions with brands changed, but our emotional interactions with them have also changed. If empathy and innovation aren't part of every conversation being had right now, the ice will only continue to break. We can't stop global disasters from happening, but we can start to have the right systems, people, and processes in place to help build a solid foundation for human-centered innovation.

An example of a not-as-well-known brand that has zeroed in on this philosophy is Sweetgreen. With only 11 new freestanding restaurants in 2019 (for a total of 102 nationwide), the brand had to find a new way to meet customers where they were at in 2020. With a little human-centered thinking, the brand launched lunch-pickup stations in nearly 1,000 locations in nine cities. The company's 18-month-old Outpost program, which offers free delivery at set times to select buildings, has allowed Sweetgreen to build its capabilities without having to wrestle with one-to-one delivery. It also helps the chain gain new customers via the employers and landlords who offer the service to office workers and residents. Outpost has more than 100,000 users, roughly a third of whom were new to Sweetgreen, and it's poised to reach nearly 3,000 more locations this year. Says cofounder and CEO Jonathan Neman: "Outpost is a Trojan horse for us."

Businesses Pivoted and New Business Models were Tested

PETER BANDY, MANAGER OF STRATEGY, TRANSFORMATION & ACCELERATION

When times are tough, the tough get going. As COVID dug its claws into verticals like travel and hotels, many businesses were forced to think of new revenue streams to augment their current business models. And with the power of digital unleashed, many businesses found ways to test new strategic uses for existing assets and relationships.

Before looking at some of the great ideas rolling with unprecedented punches in 2020, it's helpful to remember some household names that also grew out of new ideas in other tough times. Airbnb, Uber, Slack, and Venmo – among many others – got their start in 2009 during the Great Recession. The same is true for every big economic downturn over the last 100 years…from IBM and Disney to Apple and Microsoft. The story is still being written about the major players of tomorrow that are growing out of today's crisis, but there are many great examples that remind us they will arrive.

Already this year, we've seen several examples of companies that, like Uber and Airbnb, are finding new value in platforming new connections to existing assets.

Part of the support keeping our strongly tested global supply chain moving is a pivot by many commercial airlines to start using empty passenger space for cargo flights. American Airlines, United, British Airways, Virgin Atlantic, Lufthansa, and Emirates are all among the airlines around the world that have started moving vital supplies through travel restrictions and lockdowns.

Grocery stores are contending with tremendous changes in conditions and buying behavior from restricted store hours and capacity to surging online orders. Part of their pivot to manage these changes has been the acceleration of an experiment that started pre-pandemic – the dark store. Amazon's Whole Foods Market converted several stores into these online-order-only fulfillment centers that are closed to customers in the initial surge that saw as much as 35% of all grocery sales. Even as that percentage drops back into the teens, adoption is 5+ years ahead of where experts expected pre-pandemic, and Whole Foods and other large chains are building new dark stores that still look more like traditional stores than warehouses with later potential conversion in mind.

Next to airlines, hotels have been among the hardest hit by the pandemic. With revenues down as much as 80%, several major international chains including Marriot, Hilton and Hyatt have started discounted day use programs catering to an widely-expanded remote workforce. Additional platforms like DayUse and HotelsByDay specialize in day use bookings for a large number of remote workers that, while down from its pandemic highs, is likely to stay large with nearly two-thirds of U.S. workers that have been working remotely saying they'd like to continue.

These pivots haven't solved all the pandemic challenges they continue to face, but they demonstrate the ability to find creative solutions to unprecedented problems and leverage technology to adapt. As we all face more uncertainty in the New Year than anyone expected, it's encouraging to remember our boundless creativity.

Empathy has taken on a whole new meaning; diversity has become more important than ever, and mental health is something that is no longer taboo to discuss.

We've Learned to be Better Together When Apart

SANDEEPA VEMIREDDY, VP OF QUALITY ASSURANCE

So, here's an obvious one. Everyone is working remote. Everyone is doing everything remote. And everyone is having to find new ways to build relationships and stay connected even without common office space to do so. While many people may have originally thought that working in this manner wasn't the most productive way to work, I know for sure at least we, at Bottle Rocket, have determined just the opposite and technology has played a huge role in keeping us together, even though we are apart. Technology has reduced our dependency on location and allowed us to turn our attention to more meaningful and relevant things.

Many of the tools that are now at the center of our enterprise productivity are not necessarily new tools in our arsenal, but we have certainly amped up our usage of them and even in some cases altered how we use them. We have also added others to the mix that work seamlessly in our ecosystem and help us remain connected and efficient in our daily efforts wherever we may be working that day. Although technology has helped us work more efficiently, there's still a need to remember the other aspects of our lives that have had to shift with this new world.

As managers, we are managing differently. As team leaders, we are leading differently. And as partners to our clients, we are certainly working differently. Tools like Zoom have taken over our meetings and others like Miro have helped us continue to collaborate effectively. We put strategies in place to create consistency within our WFW (Work from Wherever) experience like creating the WFW expectations checklist, encouraging the use of constant communication, and emphasizing the need for extra proactiveness knowing we are all not in a physical space together.

While the pandemic was rough all around, it has also forced us think outside the box in many ways, one of which was recruiting. Through our new WFW model, our access to diverse talent was limitless, but we had to pay special attention to not lose our sense of "togetherness." We paid special attention to onboarding new team members and welcomed the new hires in fun new ways like trivia games, new hire coffee meet-up sessions, breakout lunch sessions, and virtual social events. This helped to ensure the new hires had an equal opportunity to meet others throughout the company even though we were all in different locations.

At Bottle Rocket, we have pushed to maintain our culture and keep the important parts of what makes us 'us' intact, even if it has to look a little different than in past years. One important element of our culture that is near and dear to my heart is Diwali and our annual celebration. This year, through the power of video editing, Zoom and a little Grub-Hub delivery action, we were still able to come together and celebrate The Festival of Lights and reflect on what it means to each of us. Bottom line, it takes time and an intentional approach to ensure we stay together while being apart. We are continuing to learn along this journey and will continue to find time to make sure our "togetherness" culture that is key to empowering and inspiring Rocketeers remains a focal point at Bottle Rocket.

Wishing you and yours a very happy and healthy holiday season and a blessed 2021.

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