



THE ERA OF

LIVING SERVICES

EXECUTIVE SUMMARY

What will banking be like in 20 years' time?

How will we manage all the suppliers that keep our homes going?

How will we manage our working lives?

You will have heard of the Internet of Things, but how will businesses and brands use it? How will health services, transportation, insurance, utilities and security companies, for example, evolve to match our increasingly liquid demands and expectations in a world where almost everything is digitized?

These questions are answered in this ground-breaking report on the future of everyday life by design and innovation consultancy Fjord, part of Accenture Interactive, which envisages how businesses from oil companies to retailers, will create entirely new types of customer service or ways of working.

LIVING SERVICES: THE NEXT WAVE IN THE DIGITIZATION OF EVERYTHING describes how brands will use the Internet of Things to create services that come to life; predicting and reacting to consumers' changing needs and circumstances. In other words, branded services that are personalized and change in real-time for every individual wherever they are and whatever they are doing.

The report predicts a wholesale transition from one-size-fits-all services to the delivery of mass-service customization within 20 years, marking a revolutionary shift in the relationship between the customer and service providers.

A similar radical transformation will occur in the business world.

Powered by smart technology including sophisticated analytics capable of learning our behavior and our preferences, Living Services will talk to us; they will know us; they will entertain us; assist us and protect us. Crucially, they will put consumers in control of brand relationships and enable us to protect and make choices about our personal data.

THE ERA OF LIVING SERVICES is based on informed predictions and analysis of market trends covering the fields of consumer and business technology, data, product design and user experience (UX) design, cloud computing and consumer behavior. It also highlights real, early examples of

Living Services in action and predicts how they will evolve in a variety of business sectors and aspects of our everyday lives.

Fjord uses the term Living Services because they will “breathe life” into the Internet of Things. In its report, Fjord describes how Living Services will usher in broader cultural/commercial trends affecting business and society. It also looks at six specific areas where Living Services will have a profound impact:

- 1. Our homes:** explaining how a fusion of smart devices will ultimately come to manage our lives and protect our families and interests.
- 2. Our bodies:** how the growing popularity of smart wearable devices is the very beginning of a journey toward complete body management, continuous health monitoring and predictive and personalized treatment.
- 3. Our finances:** how banks and insurance companies could become far more helpful in our daily lives by continually advising and supporting the decisions and challenges we face every day.
- 4. The future of travel:** how smart, driverless cars or connected trains enable us to carry our digital lives and Living Services with us.
- 5. Our working lives:** how our employers will tailor our workloads and challenges to match our personal capabilities and the challenges we face in real-time.
- 6. Our experience** of shopping: how retailers will seek to recreate a digital version of old-style customer service and integrate themselves far more deeply into our lifestyle choices and interests.



HOW LIVING SERVICES WILL TRANSFORM OUR WORLD

Business operations and the evolution of brands:

1. A RETURN TO PERSONAL SERVICE, BUT DELIVERED EN MASSE

Over the next two decades we will see a gradual shift away from mass-production of one-size-fits-all generic products and services, in favor of highly personalized services tailored to consumers' individual needs. Not only that, but these personalized services will change, or respond in real-time to suit our needs.

Living Services will harness the principles of mass production, enabling innovative companies to of-

fer mass customization while still achieving economies of scale.

In this respect, Living Services will change forever the relationship between brands and consumers.

The starting point for new services will no longer



IN THIS RESPECT, LIVING SERVICES WILL CHANGE FOREVER THE RELATIONSHIP BETWEEN BRANDS AND CONSUMERS

be ‘how can we sell our clearly defined service more profitably?’, but rather, ‘how can we improve consumers’ lives?’

This approach marks a return to the concept of personal service prevalent in wealthier homes and department stores 100 years ago. This time around, ubiquity of the

technology and smart devices means that the personalized benefits of Living Services will be much more democratic.

2. BUSINESSES WILL FACE WHOLESALE STRUCTURAL CHANGE

The rise of mass-customization presents few problems for consumer-centric start-ups such as personal organization brand [Evernote](#) (which aims to make you better at everything), or app aggregator [If This Then That](#) (designed to help consumers use their apps more seamlessly).

These companies, along with digital behemoths such as Google and Amazon, have embedded customer service and anticipation of their needs at the core of what they do; think of Google’s predictive recommendation service [Google Now](#), or [Amazon’s anticipatory shipping patent](#).

For conventional companies whose ethos, business model and corporate structure is based on delivering mass products based on established consumer needs, the idea of mass-customization presents huge challenges.

Fjord’s report provides detailed advice on how companies can tackle the complex challenge of reconfiguring their businesses so that they can deliver Living Services.

These challenges include embracing continual design, reinventing mass-marketing and managing and applying data to create services that can react in real-time to different contextual situations and changing consumer needs. Ultimately, Fjord predicts all consumer-facing businesses will be challenged to deliver elegant solutions that consumers find indispensable or they risk being cast aside for better, faster options.

3. LOOK OUT FOR UNIVERSAL SERVICE PROVIDERS

Living Services will also stimulate a blurring of traditional boundaries between market sectors. Established brands will race to exploit the commercial opportunities Living Services create in a wide range of different sectors outside their traditional territory. Just as we have seen in the retail sector where supermarkets diversified into a range of parallel sectors such as financial services, Fjord predicts many more business types will use technology and fresh thinking from start-ups to build new and different relationships with consumers.

This approach has already been pioneered by technology companies including Google and Amazon, which are seeking to build an eco-system of services that engage with consumers in many different areas of their lives.

Long-established businesses outside the technology sphere are now following this path. It’s striking that Nike, having built its brand on sports and lifestyle apparel, should venture into wearable fitness technology in the form of fitness tracker, FuelBand and smart sports watch, Nike+, only to shift its focus again, away from hardware to service orientated software (we expect to see Nike build on Fuel through third part devices).

4. BRANDS WILL BECOME SUPER-DISTRIBUTED OR ATOMIZED

In the pre-digital era, brands appeared where you expected them to be in fixed locations. The digital age and in particular smart mobile devices have enabled brands to be present with us in a far more diverse range of circumstances. The process of creating Living Services will see this trend go a step further. Brands will increasingly appear outside their own channels and be combined with other brands or services.

A simple way to understand this evolution is to look at Twitter or Google Maps, which have become a ubiquitous presence in a host of third-party websites and apps.

As most brands seek to pivot around consumers, rather than the other way around, it will be increasingly important for their branded services to appear at the right time, or in a context where they can meet a consumer's needs.

So you might see your bank brand appear as you book a train ticket, buy groceries, negotiate with a real estate agent or travel in your car.

Atomization is a challenging concept for traditional businesses as it involves ceding control over the brand experience and a willingness to share aspects of their services with third-party developers for the benefit of consumers.

Nevertheless, as consumers become more transient in their use of content and information, atomization is set to become an inexorable trend.



HOW LIVING SERVICES WILL AFFECT SOCIETY AND HOW WE LIVE

1. DECISIONS AND DIAGNOSES WILL BE MORE INDIVIDUALIZED AND ACCURATE

Living Services will change the way we make choices every day in a multiplicity of scenarios. We will see a shift away from decision-making based on averages in favor of decisions based on individualized, real-time information delivered exactly when it's needed.

The widespread availability of smart sensors embedded in objects and the environment, will provide us with much more granular, instant information about what is happening in our bodies, our homes, our roads, our cars, our businesses.

Not only will this help us and the professionals we rely on to make decisions tailored to our particular needs in real-time, we will also see a move from reactive solutions to problems that have happened, towards more proactive prevention of problems.

Living Services will overlay this trend by offering innovative services that both pre-empt and prevent problems arising and that diagnose and help solve problems that can't be pre-empted.

The most obvious area where this will have an impact is health and wellness, where we will see a switch from population-based diagnostics and prescriptions to those based on an individual patient's particular physiology.

However, the move towards individualized real-time information has implications for a wide range of commercial activities, from manufacturing to home maintenance.

2. WE WILL USE OUR BODIES TO CONTROL TECHNOLOGY

Because Living Services are all about seamless control of services, they will inevitably stimulate change in the way we physically interact with technology.

We are already seeing the rise of natural user interfaces, where physical devices such as keyboards and pointing devices are replaced by parts of our bodies or our unique genetic make-up to get things done faster and more intuitively.

In areas ranging from marketing to medicine, innovators are experimenting with how human bandwidth, from fingerprints to facial and voice recognition, can simplify everyday actions and even make clinical diagnoses.

PayPal for example, is using facial recognition linked to credit cards to allow wallet-less transactions. Meanwhile, Aston University mathematician [Max Little is working on a project to detect Par-](#)

[kinson's disease, including the severity of symptoms from voice recordings, with an accuracy rate of up to 99%.](#)

3. LIVING SERVICES WILL RAISE THE STAKES AROUND PRIVACY AND ETHICS

Living Services that draw on multiple real-time personal data-feeds across different areas of our lives, blended with third-party information will raise tough questions around privacy and ethics. Who will own and have access to all this highly sensitive data? And what are the ethical implications of our connected, trackable digital lifestyles?

Living Services offering us personal data control, or manipulation, will begin to shift the balance of power away from brands and into the hands of consumers. Individuals will be offered a protective shield that will enable them to automate which brands they permit into their lives, creating openings for new ones or excluding redundant or poorly performing services.

The idea of personal data and privacy as tradeable commodities will gain momentum. Organizations or brands that are trusted could win the right to be our personal data guardians.

Living Services also raise significant ethical questions. Take insurance premiums: as more individualized real-time information becomes available about how healthy our lifestyles are, how safely we drive, how secure our houses are, should premiums be linked to our lifestyles and driving habits? Is it right for people who drive badly, or have obesity issues to pay higher insurance premiums than good drivers, or thinner, fitter people?

These are important issues that society as a whole will need to address.

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