

Blending Old and New, SXSW 2018 Finds Power With the People



Executive Summary

Many themes repeat at SXSW, and in digital pharma overall. But this doesn't mean they're old news. On the contrary, it means these topics are so important that they should be top of mind in all we do.

While certain ideas remain consistently popular, other themes change, reflecting current cultural events. SXSW 2018 was less overtly and specifically political than the previous year, instead placing an increased focus on gender and racial issues, with speakers from Lena Dunham to Melinda Gates reflecting on the vast positive potential of authentic diversity.

“Every organization must look for connections between trends, rather than following individual trends themselves.”

— 2018 Tech Trends Report

The current state of cultural consciousness was also reflected in the main session topics.

The concept of decentralization rose above all to become the encompassing ideology emerging from SXSW 2018. The overall idea — the increasing popularity of the dispersal of authority, away from a central body and toward the empowerment of individuals, seemed to inform and bring forth many of the other concepts seen throughout the week:

- **Listening** in order to more effectively change behavior
- Data-driven technology developments like **artificial intelligence (AI)**
- The increasing popularity of **location**-aware tech
- How vital new types of **partnerships** will be in helping pharma remain relevant

Decentralization Enables Connection

“A community of three people have the power to change the dynamic of any group.”

— Stacy Brown-Philpot, CEO, TaskRabbit

Speakers explained how decentralization could address some of the potential drawbacks of technology — the concerns that an overly mediated life experience can be cold and lack human emotion and relationship.

Individual connection is becoming more important than ever — emotionally, but also logistically. Consumers today often seek out individuals, rather than conglomerates. The sharing economy sees solo entrepreneurs succeed as Lyft drivers; artisan makers succeed on Etsy; and even large online retailers like Amazon double as marketplaces for individuals' storefronts.

Smaller-scale connection can help individuals feel more authentically connected. Consumers have developed an increasing appreciation for that which makes them feel truly connected and valued. They have become extremely discerning to rote “personalization” — companies that address their customers by first name or attempt other artificial means of mimicking a true human connection.



Healthcare is decentralizing as well, with innovative players making disruptive moves that work outside the established norms. For instance, pharmacy giant CVS has purchased insurer Aetna, and Amazon's secret health division, codenamed 1492, continues to take steps to enter the prescription drug industry. (See the "Partnerships" section of this paper for more on that.)

Certainly, large health systems and corporations remain important — but this trend toward decentralization is important for these big players to understand. Not only are the emotional implications (empathy-seeking being a powerful motivator) important for understanding customer motivation, but the business implications (non-traditional players changing the industry) are vital to understanding the future of healthcare.

Changing Behavior Begins With Listening

"When we listen deeply to the experiences of other people, we find ourselves standing in front of a mirror — and see ourselves. And we can find courage."

— Esther Perel, Author and Psychotherapist

A surprising variety of SXSW speakers discussed the importance of listening to people's stories — not only individual designers and human-focused professionals, but also executives from technology and data companies.

Listening enables effective innovation and brings in new points of view. It helps us move beyond our presuppositions to see what our audiences are actually feeling and experiencing.

"Fake news isn't just [about] politics," said therapist Esther Perel, "it also applies to curated Instagram fiction." She helped her audience to understand the importance of focused listening, giving them blindfolds to eliminate distractions.

"We privatize problems and make them our own, not societal," she noted, pointing out the isolation that can create. Good listening can encourage real transparency and bring to light important truths.

Actor and producer Lena Dunham agreed in her "Authenticity and Media" session, saying, "The greatest gift women can give each other is normalizing things that are impacting them." By listening to each other, we can connect in new and important ways and on deeper levels.

In a session called "Scaling Design Systems: Pixels to People," panelists from AirBNB, Microsoft, IBM and Google encouraged their audience not to design first, and then get feedback — rather, they said, go out to learn from diverse communities of users; design for those with the most restricted situations, and build up from there.



Never before has it been so easy for pharma to listen to its constituent communities, thanks to social media. It can help us to improve, enabling our brands to offer solutions that are more effective at supporting patients, caregivers and healthcare providers.

And never before has it been so important to connect in this way. Listening is the oft-forgotten half of effective communication. Transmitting messages is only part of the equation; to remain relevant we must truly engage, and to engage we must listen. Our audiences are savvy and sensitive — and they will seek out those who *do* listen if we do not.

Read "[Listen Like You Mean It](#)," a blog on this topic that the team published from SXSW.

Data Drives Tech Advances in Artificial Intelligence

New statistics seem to come out every day on the preponderance of data — how much of it exists, how much more is being created. If data is the fuel, machine learning is the fire, and artificial intelligence applications are the flames. Thanks to this wealth of digitized information, as Michael Dell of Dell computers put it, "AI is not just a pipe dream anymore."

"Data is the new oil."

— 2018 Tech Trends Report

Conversations about “Big Data” and AI have been happening (everywhere, but especially at SXSW) for years. This year at SXSW, however, we saw the conversation move away from the theoretical, as example after example showed real-world use of AI in healthcare.

These examples of data-driven advances in automated healthcare bring up interesting new possibilities and ramifications for health AI.

One is the use of AI, not to replace human interaction, but to assist in its improvement. In the “Bots in Mental Health” session, speakers from Stanford and app developers Qntfy, Seven Cups of Tea and Circadia Labs explained the potential of bots to help humans learn skills that can transfer to conversations with other humans. Obviously, computerized interfaces can be less nerve-racking to interact with for an anxious human, and can also help them level up their conversational ability – not only soothing, but also preparing them.

Similarly, speakers referenced the documentary “[AlphaGo](#),” which explained how a machine-learning algorithm not only improved its own abilities to play the game Go, but also helped human experts improve by approaching situations in ways humans hadn’t.

SXSW sessions also addressed issues that were coming to light with data-driven technology. In “Machine Learning Is the New Design Material,” speaker Josh Clark discussed the responsibility of designers to remain cognizant – and work to minimize – the biases they were inherently introducing. He offered as examples situations in which automation was programmed to recognize pale, but not dark, skin, or which could not recognize different eye shapes. Of course, this isn’t a new issue, or one isolated to advanced tech. A wide variety of manufacturers have belatedly, but increasingly, come to realize that appealing to diversity in their customers is smart business.



In contrast, some issues are new to health tech. One is the increasing ability of AI and virtual reality to demonstrate clinical efficacy. The team learned from Samsung’s Dr. David Rhew that the company has become one of only a very few in the FDA’s new Digital Health Software Pre-Certification Program, which fast-tracks eHealth solutions.

Another concern is the issue of market access for eHealth – getting coverage and reimbursement for digital solutions. As the environment changes, so too are business models. As mobile defined the last decade of tech innovation, so too will machine learning define the next decade. From virtual and augmented reality, to voice- and face-activated tech, these smart solutions will permeate life. Pharma solutions must also “get smarter” in order to reach patients and providers intelligently and helpfully.

Read “[Getting Real About Artificial Intelligence](#),” a blog on this topic that the team published from SXSW.

Location, Location, Location



WGSN trend forecaster’s Carla Buzasi told SXSW that “localvists” are one of the three emerging consumer tribes to watch. Localvists, or local activists, are exemplars of yet another trend that relates back to our overall theme of decentralization.

A public that is moving away from large institutions is choosing to go local – to have an impact on the community in which they live. This increasing importance of local action is affecting not only small businesses, but mainstream brands. Politics has certainly discovered this – the success of grassroots efforts brought the Tea Party movement to the national stage, and more recently has given a global spotlight to the Never Again movement against gun violence.

These locally based efforts harness the power of digital communities to connect with each other and coordinate action. At SXSW, the team heard how national and global brands, from Huffington Post to Cartier, are increasingly turning to locally focused outlets and even individual influencers as important, if not more important, than other sources.

Pharma's ability to segment has always been extensive. But outreach efforts into local communities, and with local organizations, have often taken a back seat. Local outreach and marketing can help build Rx brands or bolster corporate reputation. Geographically focused philanthropy can address needs in underserved communities. Thinking local – like, office local – can even boost brands internally: how can your brand learn more from other brands you're co-located near?

Read "[The Power of Localism](#)," a blog on this topic that the team published from SXSW.

On This Road Together: New Partnerships for Pharma

"The future of healthcare will be built on the shoulders of strong partnerships."

— Rasu Shrestha, Chief Innovation Officer, UPMC

As SXSW progressed, we saw the trend of decentralization continue to crop up. Local activists were making change where national efforts had failed to find traction. Small startups and tech newcomers were taking places traditionally occupied by health and pharma stalwarts. Thoughtful, individual conversations are becoming increasingly important to keep a brand in touch with its audience.



But what, we asked each other, did this mean that pharma should be doing differently? How can large traditional corporations authentically act on these insights?

The answer itself arose as we recognized another trend: partnerships. Collaborative efforts proliferated across the SXSW Health track, demonstrating the effectiveness – and perhaps the necessity – of taking this tack to find innovation. What the team found emphatically important was the need for pharma to countenance a new sort of partnership. Traditionally, the term has been used to describe the hiring of a service provider. But today's partnerships often involve non-pharma players, such as startups, tech giants, and patient groups. And these upstarts and mavericks aren't always courting the traditional healthcare players in traditionally subservient roles. Instead, they frequently circumvent them deliberately.

As noted previously, Samsung was one of nine companies chosen by the FDA from more than 100 applicants to be part its Software Precertification Pilot Program to fast-track digital health solutions. The program includes Johnson & Johnson and Roche – but alongside Samsung, the other members are startups Pear Therapeutics and Phosphorus, as well as Apple, Fitbit, the nonprofit open-source Tidepool, and Google's Verily.

The FDA explained that they selected companies based on "where we can learn the most," and stated, "These companies represent the breadth of the digital health community and its range of products."

The Intouch team was struck by the evidence: Once, tech disrupting pharma was considered to be a possible near future, but SXSW proved that it's well underway in the present.

Read "[Lead, Follow, Or Get Out of the Way: New Partnerships Abound in Health](#)," a blog on this topic that the team published from SXSW.

Conclusion: Back to Decentralization

"What will you unlearn so your new world will look different?"

— Rasu Shrestha, Chief Innovation Officer, UPMC

While buzzwords like "big data" have long enamored the business world, recent headlines about companies like Cambridge Analytica have put the public on edge. Data-powered analytics and insights are a double-edged sword. Healthcare companies need to harness

data to be most effective in improving health outcomes – but they must be cautious and transparent in their approach, particularly as the populist distrust of big business continues.

Navigating this mix – taking data insights and putting them to good use, but doing it in ways that demonstrate goodwill and positive results – requires not only good motives but also an adept understanding of technology, how to use it, how to talk about it, and how to work with others on it.

After SXSW 2018, we wondered many things – among them, will we be paying for our Lyft rides in bitcoin by next year? That's hard to say. But one thing is certain: In a world where decentralization is increasingly popular, it's ever more important that an agency partner combines industry wisdom with lightning-fast reflexes. When everything is disparate and changing, it's vital to have a good partner – a real partner – to navigate these waters.

Join the conversation: email us at getintouch@intouchsol.com, message us on social media, or [contact your Intouch team](#).

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