Each year, Fjord identifies the transformational trends impacting technology, design, and business. We’re thrilled to present our predictions for what we believe will shape the way we live, work, and play in 2012 and beyond.

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Who will profit from the undeniable reality of consumerization, as more and more users bring personal tools to work?

Companies save money and workers are happier. However, security, privacy and scalability will become increased challenges.

Users won’t put up with interfaces that don’t match the slick, pleasurable experiences of the stuff they use at home. B2C becomes the new B2B. This will help re-invent work.

Fjord thinks quality user experience will triumph.
ENTERPRISE QUAKE

LIFE AND WORK WILL BECOME MORE INTERTWINED AS PERSONAL DEVICES MIGRATE TO THE OFFICE.

A few short years ago we had to put up with poor user experiences on our office PC or phone simply because the I.T. department supplied it—the worker was not even consulted.

But the I.T. department is no longer in control. Now, businesses are finding that home-originating technology can actually be cheaper and more efficient than their unwieldy I.T. solutions—meaning an “enterprise quake” is well under way.

What does this mean for consumers when you bring your tablet, smartphone, and favorite services to work? You bring your own motivation.

Life and work will become more intertwined as tools migrate to the office.

We will also see a transformation in the way businesses relate to customers, as tablets and mobile devices will free staff from a few familiar “hiding places,” behind big ugly monitors. The physical form of a tablet device will radically disrupt the way co-workers interact with each other and with customers.

Skype, Google Docs and Dropbox are leaders in this trend, as they have been created around a great user experience. Evernote is interesting as it glues work and life into an inseparable digital entity.

Mobile Iron is exploding as they bring some control back to the corporations. VMWare is innovating in mobile user experience with their two-faced phone. Microsoft has a massive opportunity with Windows Phone. Web 2.0 services like Salesforce matured just as PCs started dying. Holistic corporate services like SAP seem like software from the age of mainframes.

However, security and data loss are top concerns for most companies that allow employees to use their personal devices in the workplace, as well as compliance and legal implications. Fjord thinks there is demand for corporate specific services, they just need to be built for the users and not the I.T. department.

USER EXPECTATIONS ARE DIFFERENT FROM I.T. DEPARTMENT PRIORITIES.

CONSUMERIZATION WILL BE A PARADIGM SHIFT—YOU CAN MAKE IT AN OPPORTUNITY OR A THREAT.
As social networking moves into the mobile world, the categories of location and time will grow in significance.

This could alter the power balance between Facebook and Google and enable mobile first solutions to leap into contention.

Spatial and real-time awareness are conceptual disruptors. Fjord sees a bright future for organizations that are able to harness the power of location and time—categories which, unlike social and search, are still up for grabs.
FROM

SOCIAL TO SPATIAL

WHEN SOCIAL GOES MOBILE, THE RESULTS ARE SPATIAL.

Fjord believes there are four global universal ways in which people organize the world around them.

The first is people—the classic social network of connections and recommendations. The second is semantic, and the search paradigm. We also have location: because whoever you are, you are always somewhere unique. Lastly, time is universal and clearly shapes everything around us.

Users may also begin to create for themselves a more spatial graph, as an extension of their social network. This will be a balanced fusion of people, location and time. Only mobile devices can fully enable this unique and rich mixture, influencing the way we shape our relationships with not just people, but with places, products and companies.

INNOVATORS AND USERS WILL BUILD THE SPATIAL GRAPH JOINTLY IN 2012, AND SERVICES THAT BUILD LOCATION AND TIME-BASED FEATURES INTO THEIR SOCIAL ENVIRONMENT WILL REAP THE BENEFITS.

Early manifestations of this shift could include powerful new types of digital loyalty cards. Companies like Tesco can readily access elements of the spatial graph, as can Google and Nokia.

And although the mobile operators have their own very powerful assets in this space, they will continue to be paralyzed by their terms of service agreements and fragmented platforms.

CAPTURING THE POWER OF THESE LAST TWO WILL BE VITAL FOR SERVICE INNOVATION, AND FORMS THE NEXT STAGE OF THE EXPERIENCE ECONOMY AS CONCEPTUALIZED BY JOSEPH PINE (INFINITE POSSIBILITY) AND OTHERS.

Thanks to Luis Uguina of BBVA for this terminology and approach.
The living room is still where viewers, gamers and their devices battle for control of the largest screen in the home. The TV remote control is a usability nightmare and long overdue for a total revolution. Fjord thinks this is imminent. There is also a second screen, a smart phone remote app and a third screen, a tablet companion for an augmented experience. Basically, the disconnected living room is still crying out for smooth liquid experiences, and simplicity.

2012 IS THE YEAR IN WHICH THE STRUGGLE FOR SOFA SUPREMACY COULD FINALLY START TO SEE SOME WINNERS AND LOSERS.

But there is still no single company that has found a way to bring great connected liquid experiences to the living room.

The TV manufacturers, the set top box manufacturers, the cable and satellite operators, and the telecom operators are all battling for supremacy, and increasing numbers of digital natives like Google, Apple, and Microsoft are also muscling in. But no one is providing a universal benchmark, and for every new box and additional remote control in the room, end users are left more bewildered and frustrated.

The typical TV remote control is a usability nightmare, a throwback to technology from half a century ago and has become worse with the advent of smart TVs.

The “remote revolution” is imminent with touch emerging. Most innovation will take place in the third screen: “the companion experience.” This is where users can learn more about what they are viewing, chat with friends or other viewers and service providers can monetize. The second screen is the remote app on smartphones, which will become the personal remote with stored favorites.

The games console could become the “trump-card” by becoming a utility platform. Consoles have the computing power and the interface. They just lack the apps and content.

AN S.O.S. FROM THE DISCONNECTED LIVING ROOM

TV HABITS HAVE CHANGED FOREVER.

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WITH MORE THAN 70 PERCENT OF US REGULARLY VIEWING USING TIME-SHIFT FEATURES, TV HAS CHANGED FOREVER.
There’s only one thing you can’t buy on the Internet: PRIVACY.

As users give away their personal information in exchange for tangible benefits, privacy becomes currency. The exchange rate will be constantly “negotiated” between people and companies in real time.

Creative responses to managing this balance will be a key trend in digital for 2012.

WILL WE PAY FOR THE FUTURE WITH OUR PRIVACY?

Your Identity is the Currency
Your identity is the currency

Privacy isn’t something you own, it’s something you do.

Users of digital services are becoming aware of their power as personal data brokers. They intuitively understand the dynamic that offers free services and digital advantages in return for personal data, and how information is stored under the control of commercial enterprises such as Facebook (rather than governments or other accountable bodies). It’s a complex and potentially very socially significant shift in how we relate to each other and to organizations.

But your identity is highly valuable information for advertisers and businesses. Everybody remembers Google vice-president Marissa Meyer claiming that credit card companies are now able to track spending habits and predict with 98 percent accuracy, two years in advance, when a couple is going to divorce.

Cool is just one click from creepy.

Ethically, your information belongs to you as an individual. But in practice, Fjord believes that privacy is a strange and newly conceived commodity that is always being “negotiated” between the individual and corporations.

By providing different information to different companies, users are currently managing their own privacy in a haphazard and unstructured way. The smartest service providers, aware of this, will become aggregators of context awareness, striking meaningful deals with users and turning into the emerging “brokers of privacy.”

For banks and mobile operators, this could be a golden opportunity. They have previously been trusted as guardians of privacy, and now find themselves possible brokers of a new and highly lucrative commodity.

But for consumers the picture is less clear. How would you feel if your smartphone pops up with a coupon for a Coke just as you start to get thirsty? Is that cool, or creepy?

2012 will see a host of services that will push the boundaries of privacy—some of these will prevail as cool; others are doomed to be creepy. This is the tipping point we call the “Social Dilemma,” because nobody knows exactly where it lies. 2012 could be the first year of the Social Dilemma.

The trusted interface is a social variable in which the boundaries of privacy are constantly negotiated and re-negotiated between users and the providers of services. Trust is still built one click at a time.
Prepare for a new mobile frontier of connected watches, digital jewellery and “wearables.”

Touch, gestural input plus always-on body monitoring sensors will bring us new types of fashion objects.

New open micro platforms will make the sports monitors currently marketed by Nike, Polar, and Suunto look like dinosaurs.

Companies ranging from Motorola to recent start-up MetaWatch are now attempting to re-invent the watch. But traditionally watchmakers have insisted that the minimum battery life was not the day or two that we’re accustomed to from mobile phones. Instead, watches are expected to run for over a year on a single charge.

This subtle point illustrates the key differences between user expectations and what can happen when digital devices become wearables. Pundits say that watches are the dinosaurs of the digital age, but the killer app is time.

Wearable devices will help bring a broader understanding of our daily lives and wellness. These are no longer sports monitors, but life monitors, observing us 24/7. They will be open and connected, always-on, and they will dominate a new service domain.

The new breed of wearables will also include invisible devices, such as those that are fitted to running and sport shoes and clothing. Designers will need to understand the differences between those that include interfaces, and those which simply monitor and transmit data.

The natural control point for a network of sensors is the mobile phone. This turns the phone into the mobile digital hub. As the phone hosts a number of connected digital wearables from armbands to wrist devices, this makes the relationship with the phone even more intimate. The mobile phone will finally become the true life recorder.

This is fertile ground for start-ups, as functionality needs to be iterated, and incumbents are likely to be stuck in their old business ways.
PAYMENT TAIL
WAGS THE RETAIL DOG

PAYMENT INNOVATORS DISRUPT RETAILERS.

Users expect digital services that are immediate, connected, relevant, and actionable.

Now, they expect a similar level of digital immediacy to shape their interactions with real world services.

The real world becomes an immersive 3D catalogue for on-line retailers.

Retail, you are the dog, wake up!
Giant retailers like BestBuy, Walmart and others are terrified of finding they’ve become 3D catalogues for Amazon and eBay. They will need to counter-attack, and provide richer, smarter experiences that offer instant gratification and more value. Bring back haggling, conversations and the human touch.

Expect to see innovations in loyalty cards that create mutually beneficial relationships between merchants and customers.

Near Field Communication in store, free Wi-Fi and abundance of QR codes enable conversations and new experiences. The airline check-in counter and the supermarket check-out will become engagement platforms. Smaller retailers, emboldened by digital success with Groupon, will “get” mobile and will start to embrace the “new now” via foursquare, Yelp and others.

As consumers are increasingly tempted to focus on the benefit of a product experience right now (rather than delayed by delivery fulfillment), digital services will be dissolved further into the physical world. The consequence is that we will begin to rethink our relationship to our surroundings and develop a feeling of the new now. Retail is an emotion, not a place.

MUCH OF THIS GETS AGGREGATED IN THE DIGITAL WALLET: A COMPELLING FUSION OF PAYMENT MECHANISM, COUPON EXPERIENCE AND LOYALTY CARD.

THE WAR TO DEFINE THE DOMINANT DESIGN OF THE DIGITAL WALLET IS ABOUT TO ENTER FEVER PITCH.
With our heads down, poking at glass screens, the touch paradigm has become a victim of its own success as users become slaves to their devices.

Heads come up, mouths open and hands wave. The magic starts. Well, almost.

As voice and gestural input emerge to perform more functions, we’ll see new ideas for services and business models emerge going far beyond touch.
BREAKING THROUGH THE GLASS

WITH RICHER INPUT AND OUTPUT METHODS, WE WILL SEE A FLOOD OF SERVICES EMERGE, DISRUPTING AND TRANSFORMING THE WAY WE USE DIGITAL SERVICES AND DEVICES.

In voice input and output, we’re already seeing assistant services like Siri (Apple), Tellme (Microsoft) and Google Voice and Vlingo. The battle has begun.

Free services like Nokia Drive can revolutionize commuting, and put pressure on Sat Navs like TomTom and Garmin.

Location, time and social context is transmitted, making the network smarter.

Location-based inputs are taking off, and these can be expected to multiply. Foursquare and similar services are already suggesting offers and venues based on a user’s location.

Games development is habitually a driver for this type of interaction experiment. Xbox Kinect transformed the living room, and could create new experience paradigms for mobile devices.

We’ll see more devices begin to recognize your facial movements. Toshiba has begun marketing televisions that recognize the viewer and adjusts the set’s preferences accordingly.

It seems like a logical next step to allow users to tag things as “liked” by simply showing a thumbs up, or perhaps this gets commoditized with an action as natural as the blink.

In the health and fitness sector, we’ll enjoy innovation based around body sensors that further extend the multi-modal aspect of mobile devices.

Finally, there are “glanceable experiences,” optimized for peripheral vision and combining smoothly with wearable technology such as wrist-based devices.

What all these options have in common is that they give users the power to “break through the glass” and enjoy experiences that are not limited to touch or vision.

WE WILL SEE THE EMERGENCE OF WHAT FJORD CALLS “ZERO UI,” AN “EYESFREE,” “HANDSFREE” EXPERIENCE FOR TRUE MOBILITY.

THIS INCLUDES SERVICES SUCH AS TASKER FOR ANDROID. THESE EXPERIENCES WILL INTRODUCE USERS TO ADVANCED CONTEXT-AWARE AUTOMATION, AND REMOVE THE NEED FOR ANY KIND OF SCREEN INTERFACE AT THE MOMENT OF USE.
Consumers have embraced the tablet as a more “intimate” type of computer. It glides into social situations like an English butler.

Companies are embracing it as a new tool and focus for innovation. We are seeing a combination of leisure and business usage coming together with unprecedented synergy in the shape of the tablet.

Two years ago we asked: “What can I use a tablet for?” It seems the answer is: everything.
THE TRANSFORMATIONAL TABLET

iPads are now the third-largest revenue line for distributors across Europe as adoption by business customers takes off, and netbook sales (remember them?) were comfortably overtaken by tablets early in 2011. The instant on, large-scale multi-touch user interface enables new experiences, and development for it can start from a clean slate. It’s providing companies with an environment to experiment in: adopted by management and embraced by innovators, and has now become the digital “skunkworks” lab.

In terms of service design, banks have been very fast to embrace the tablet as a transformation tool, taking up the slack where initiatives like “sofa banking” failed to capture users’ imagination. This will spread to insurance companies, utilities, and retailers in 2012.

The tablet form incorporates leisure and desirability without even breaking a sweat, it seems. Early adopters were often amused to find their tablet instantly monopolized by their kids, and if they could afford a second one, that in turn was taken over by a smitten husband or wife.

THE TABLET DEVICE IS PERFECT FOR SO MANY BUSINESS USES—AND YET IT’S ALSO CARVED AN IMMEDIATE NICHE IN THE HOME. BUSINESS AND LEISURE USE ARE TWO SIDES OF THE SAME TABLET.

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The market is totally dominated by Apple and their dominance will continue throughout 2012, with only Amazon carving out a position in the lower end. If you are stuck in the middle, life will be tough, Apple and Android will struggle to make headway. A Windows tablet, perfected for enterprise, could be an opportunity, and here the Metro contextual experience should provide an interesting approach.

It is no exaggeration to say that the tablet is now the new “personal computer”—the first post-PC experience. In this era, organizations are finding out that they simply must provide an experience for users—mere functionality is no longer enough. The tablet is the tangible form of this truth, and the sales are the proof.
THE DIGITAL STEERING WHEEL

The phone becomes the remote control for the connected car.

2012 may see your car becoming part of your social network. The steering wheel will become an access point to not only real adventures, but virtual ones.

The old world of a vertically integrated car will slowly crumble as cars evolve into mobile platforms and experience hubs.

The next step is for many of the standard interaction paradigms of touch interfaces, such as swiping and pinching, to become fully integrated into the car environment. By opening up, they’ll bridge the different lifecycles between cars and consumer electronics, and put vehicles at the forefront of emerging connected objects.

For the driver, the steering wheel will become the mouse of the connected car and a toolbox for digital control. For passengers, we expect the car will increasingly become the rolling living room, with features like tablet integration becoming standard on even mid-level vehicles.

The car manufacturers are increasingly making their presence felt at consumer electronics events, embracing and extending the notion of the car as a connected platform. Digital will start to consume increasing R&D budgets.

Specifically, Microsoft is making slow but steady progress with their in-car platform. Google’s work in autonomous driving will act as a catalyst for the car industry. Though entry barriers are high, disruption is imminent. Maybe owning cars will become something of the past.

Car manufacturers will race to expose vehicle APIs to developers to stay relevant in the digital era.

Overall we’ll see moves, but many will feel like digital spoilers, stuck on, but fitted poorly into our digital lives.
New kinds of experiences and businesses are ready to take on the giants of the financial sector.

Digital natives like PayPal, Amazon, Zynga, Google, and Facebook are gaining ground as payments become smarter.

The most progressive banks will need to experiment with new business models and digital disruptions to fight back.

INSTEAD OF MERELY BEING THE “PIPE” OF MONETARY TRANSACTIONS, THE MOST PROGRESSIVE BANKS WILL PUT TRUE USER-CENTRICITY AND CUSTOMER VALUE AT THE CENTER OF THEIR STRATEGIES.

Mobile-optimized card payment solutions from Square and Intuit are putting pressure on card transaction margins, and the biggest threat of all in the payment space is the lure of the digital wallet, which will begin to shift the overall financial power balance from banks and credit card companies to companies that provide the smartest and best digital wallets. Banks have woken up to digital and mobile and are investing to transform their businesses hoping digital provides a new lock-in.

The second impact for the banks is that of digital services in physical retail.

Digital innovators will move the game from the world of e- and m-commerce to the much larger world of high-street retail. The most progressive banks are starting to experiment with new business models and digital disruptions. They are also exploring ways to turn their branches from liabilities to assets in the new multi-screen experience economy.

Customers increasingly demand consistency and fluidity of service, functionality and experience. The ATM emerges into the rural digital fountain providing money, connectivity and deals where services are sparse.