

CREATECH 2019 BREAKOUT SESSIONS SUMMARY

A summary of key points and quotes from the breakout sessions from the Creattech 2019 conference on 11th June.

Session 1: Transformative Experiences – The New Frontier

This session covered how technologies such as virtual and augmented reality are used by brands in sectors including fashion and alcoholic beverages to engage consumers and develop new ways to experience brands.

Imagination presented its Immersive Spectrum model. This segments developments in the immersive space, showing how offerings can be complementary.

Participants:

(Chair) **Anton Christodoulou (AC)**, Group CTO, Imagination
Rory Byrne (RB), Business Director, Imagination
Jeremy Lindley (JL), Global Design Director, Diageo
Katie Baron (KB), Head of Retail at Trend Intelligence, Stylus
Glenn Kelly (GK), Head of Production, Imaginarium Studios.

Takeaways:

- The cost of the technology required to deliver Creattech immersive experiences has fallen significantly in recent years. Quality VR kit can be purchased for as little as £170.
- Falling costs will allow more people to get involved more cost-efficiently.
- The videogames category is actively embracing VR.
- Creattech has great potential to help develop boutique, personalised immersive experiences.
- Brand strategies need to evolve in a more immersive (3D) world

Panellists' quotes:

RB, Imagination: *"Technology will continue to transform our experiences and is the fourth industrial revolution. Look at the speed these things took to reach 100m users. The telephone took 75 years. Instagram took two years. Pokemon Go took one month."*

"We need to shift from relying on 'tech-literate' people to developing 'people-literate' tech."

"Immersive experiences seek to engage all the senses: sight, hearing, taste, smell and touch. By bringing together all five senses in an immersive experience, we can create a suspension of disbelief."

AC, Imagination: *"Creativity - or the idea - is what holds together the work we do. Technology is the tools to do or make things."*
"Changing behaviour starts with the analogue, and the next element is social. I don't mean social media, but (people) actually talking to each other."

RB, Imagination: *"Brands are very effective at communicating in a 2D world. But brand strategies, rules and guidelines need to change as we enter an immersive world."*

"Immersive is the fourth dimension, 4D. It is the most powerful form of communication. You can take a creative idea and deliver it directly to the consumer with no complications. You can build the world in which they experience it."

AC, Imagination: *"It is important for brands to understand how they want to carry themselves in a world they can completely own. There are so many possibilities. For example, when you have immersive stories (Passive & Entertainment) you have to understand who we are in the story..."*

"For me, the Active Utility (segment) is a really interesting space. The tools the creative technology will develop can give us superpowers. There is some fascinating tech in development that will open so many doors."

"This is not about changing what we are doing. It is more about changing us."

KB, Stylus: "A huge part of entertainment is about mood manipulation. It will be interesting to see how screen culture may change in the next five years."

(An audience member asked about how to make immersive tech more accessible to the mass market – the questioner represented a mass market clothing retailer).

KB, Stylus: "There are lots of different gateways, which could include AI shop assistants, AR mirrors to see how clothes fit etc."

AC, Imagination: "With tools like AR Core, it is far more accessible to develop a prototype."

JL, Diageo: "If you can find something incredibly useful, there will always be an extremely scalable solution."

How did this session increase understanding of Creattech?

The session emphasised that although everything has the power to be immersive, brands must understand how immersive messaging differs from other communications.

The implications of falling technology costs were underlined by the speakers.

Session 2 – Finance and funding enabling Createtech

This session covered requirements for securing funding, and the attributes of different types of finance.

Participants:

(Chair) **Esther Carder (EC)**, Partner, Kingston Smith.

Matt Byrne (MB), UK Managing Director, FastPay

Nick Hynes (NH), Angel Investor & CEO, Somo Global

Mike Hayes (MH) Partner, Kingston Smith

Natalie Graeme (NG) Founder, Uncommon Creative

Chris Pettit (CP), Partner, Ingenious,

Paul Winterflood (PW), Director, Kingston Smith

Takeaways:

- The priority for investors is the quality of the team in the funded company. This team needs to believe in what it is doing, have a clear vision and mission, and be in it for the long haul.
- The biggest change in the market has been the increased number of funding options available to smaller businesses. Previously, the funding process would have taken 3-4 months. Today, there are many alternative finance models and Fintech lenders, and the loans process may take only 2-3 weeks.
- It takes much longer to raise equity than most people think. Mixing debt and equity can give businesses the flexibility to grow. It can be a good idea to raise debt to leverage cash flow.
- Going international is one of the most challenging and exciting things you can do as a business. A good funding base and expert contacts in each market are pre-requisites.

Panellists' quotes:

CP, Ingenious: *"Teams sometimes keep problems away from their finance partners. That does not work. Both partners need to be on a long-term journey together. Transparency is key."*

"Also, the makeup of the team when we first meet them is usually never quite right. Being open about the fact that there may be some weaknesses in the businesses really helps."

NG, Uncommon Creative: *"We needed some cash flow support to start us off, so that we were able to put our best foot forward to go up against other established businesses confidently and win."*

"We also needed it to hire the best people and to respond to where the opportunities came from. An enforced year out was put to good use by spending a lot of time at start-ups, with VCs and in the investment community. Our investors took a minority stake. We really found the right partners who let us move ahead."

NH, Somo Global: *"There are usually two types of people when we look at start-ups. Those who have some independent economic support or previous related experience; and those who have a brilliant idea and no support."*

"The great new idea can be challenging as investors want proof that this can go somewhere with the right support. So what we call 'basic friends and family support first' is key for this group to bring them to a level where they may attract angels who have a particular interest in their subject area"

CP, Ingenious: *"There is a clear desire for authentic creative content in emerging markets which is a huge opportunity for the UK to share our expertise."*

"Ingenious is selling films all around the world and currently working with a Nigerian investor to distribute films and build cinema in Nigeria."

How did this session increase understanding of Createch?

The audience combined people who approached the subject as start-ups, and others looking at issues facing businesses scaling up.

For both groups, the panel provided an understanding of how finance and funding are encouraging the development of the Createch category, and supporting UK businesses in going international.

Session 3: Connecting with future audiences

This session covered how Createch audiences will change with developments such as the growth of the Fortnite game.

Participants:

(Chair) **Alyssa Bonic (AB)**, Head of Creative Industries, Digital Catapult
Mark Melling (MM), Head of RYOT Studio, Verizon Media
Dino Burbidge (DB), Innovation Consultant, Sky Labs
Fred Warren (FW), Immersive Lead, Digital Catapult

Takeways:

- 5G produces an experience that is simply not possible on 4G/Wi-Fi. It will be important for future business models.
- Fortnite is more than a game. In Fortnite, human interactions are primary, and game objectives are secondary. This a new version of social networking, and Facebook should take note. During the most recent US Superbowl, Marshmallow the DJ played to over 10,000 characters in Fortnite during the half-time entertainment show.
- We are changing from a 2D world to a 3D one, and businesses need to be clear about the value exchange they are offering people for their time and attention in the new environment.

- Businesses should also be aware that people are taking more of a stand against technology e.g. by practising mindfulness and 'digital detoxes'.
- It is worth asking: what are the skill restrictions that might prevent you scaling up?

Panellists' quotes:

MM, Verizon Media: *"Anyone who isn't looking at what is happening on Fortnite is missing out."*

DB, Sky Labs: *"We can get carried away with technology when it is really the person we need to be aware of...It is not the year for VR."*

AB, Digital Catapult: *"The UK has an outstanding reputation in digital capabilities."*

MM, Verizon Media: *"If you are a brand, grab a technology and weave it into your brand story now."*

FW, Digital Catapult: *"That was the problem with VR...everyone forgot the value exchange and focused on the technology...."*

"The Internet is semi broken with its ad model."

DB, Sky Labs: *"Data has ruined advertising... the way the industry produces creative is just broken"*

Session 4; Developing New Business Streams

This session covered the breadth of Creattech innovations which are providing new business opportunities.

Participants:

(Chair) **James Murphy (JM)**, ex CEO of adam&eveDDB & serial entrepreneur

Julie Cohen (JC), CEO & Founder, Across the Pond

Kevin Young (KY), Head of Creative Technology, The Mill

Hector Macleod (HM), Founder, Glassworks

Dr Sue Wright (SW), Co-Founder, HeartWorks

Lou Fawcett (LF), CEO, Playmob

Takeaways:

- Each company presented on how they developed and used Creattech within their work.
- A broad range of Creattech applications was discussed.
- These applications included a 3D model of a functioning heart, which is medically approved for use in hospital training.
- Another example, the Mill's Blackbird, is designed to transform car advertising. It is an adjustable car rig that can alter its chassis to match the exact length and width of almost any car, and replicate typical driving characteristics. The Blackbird enables auto ads to be shot even when the advertised model is not available for filming.
- Another cited use of Creattech was to create interchangeable assets to develop YouTube ads for Monster.

Panellists' quotes:

JC, Across the Pond: *"We are at the intersection of creativity and tech. We use creativity to humanise tech. If you don't tell your story, someone else will."*

KY, The Mill: *"Creative tech is two things: real time and interactive. Once you have an asset in real time it can easily be re-purposed. AR will permeate through all our lives, every day."*

LF, Playmob: *"We believe in gaming for a better world - bringing together data and an understanding of players to create meaningful relationships and actions."*

KY, The Mill: *"Art, Design, Code, and UX. We believe that those four things make up Creative Tech."*

HM, The Glassworks: *"It's the magic of tech. We brought together two completely different worlds and it enabled us to move forward."*

How did this session increase understanding of Createtech?

It underscored the breadth of applications using Createtech that are developing new revenue streams, and drew attention to how assets can be re-purposed.

Session 5: Valuing and protecting IP & enabling Createtech

This session outlines key questions for Createtech businesses to protect their IP.

Participants:

(Chair) **Pippa Hall (PH)**, Director of Innovation and Chief Economist, UK Intellectual Property Office

Martin Brassell (MB), Co-Founder & CEO, Inngot

Adam Whyte (AW), CEO & Co-Founder, Edge

Takeaways:

- You need to start with IP from the beginning – it cannot be an afterthought.
- Some banks take IP into account when lending. The IP often provides comfort for lenders.
- There is a lot of funding available through competitions. When you put in applications to these competitions, ask yourself – how protectable are these ideas?
- Share your IP to do bigger things than your resources would otherwise allow, and to extend your influence and income.
- Use your IP to underpin growth forecasts and provide comfort/security.
- Reversibility is important. In any transaction, are you giving IP rights away in perpetuity?

Panellists' quotes:

PH, UKIPO: *"When you are setting up your business, you should be thinking about it (IP) from the start".*

MB, Inngot: *"Good IP assets are usually too important to sell...Investors care about IP."*

PH, UKIPO: *In an ideal world "we can get to a place where you bring your IP plan to the bank and they give you a loan."*

AW, Edge: *"Young start-ups tend to think it (IP protection) is a 'nice to have' rather than a 'need to have'."*

How did this session increase understanding of Createtech?

It underlined that IP considerations are part of any business from the start, and reminded the audience that the IPO has a toolkit designed to help all types of start-ups.

Session 6: Immersive Entertainment: If we knew what we know today

This session looked at the future development of Virtual Reality.

Participants

(Chair) **Daniel Colaianni (DC)**, CEO & Founder, AIXR

Mary Matheson (MM), Co-Founder, Macondo Films,

Andy Hood (AH), Head of Emerging Technologies, AKQA,

Tom Burton (TB), Head of Interactive, BBC Studios,

Sarah Steed (SS), Director of Innovation and Engagement,
Norwich University of the Arts

Takeaways:

- VR provides a safe space which could be used for practising challenging tasks. The tech could help encourage social mobility by given people experience – virtually – of worlds they have not been exposed to in real life.
- Everyone on the panel wished they had become involved in VR earlier in their careers, and saw it as multi-disciplinary.
- Future VR implementations may develop into more social and less isolating experiences.
- The panellists' wish list included a common industry grammar around VR, more agreement on preferred formats/categories, and a more sustainable business model for VR.

Panellists' quotes:

SS, University of Norwich: *"We have no plans to introduce a degree in VR. We are more interested in what it means for existing courses and how it cuts across all disciplines. "Fashion, design, architecture...They are all massively affected."*

AH, AKQA: *'Now that the novelty factor is wearing off, people are assessing the actual value and quality of the content. Now it is not just 'Wow' because of VR. Now it's being looked at as good or bad VR.*

"We have reached a point where people can properly evaluate what they are experiencing – the authenticity of the experience is important, not just how stylised it is.'

MM, Macondo Films: *"I'm learning to direct in a (VR) headset which is very exciting."*

SS, University of Norwich: *"I would like to see massive change in social mobility thanks to this technology. As we get better at it, we should utilise it for (encouraging) better human behaviour.*

"Through it, young people may be able to see what different futures may look like. Unlike anything they have been exposed to in their own lives, it will allow them to dream big."

AH, AKQA: *"A lot of these experiences will be socially led... They will change with time and allow for longevity. You should see the way children react with Oculus Quest – they are in it together. "*

How did this session increase understanding of Createch?

The panel of experts discussed how Virtual and Augmented Reality are constantly evolving. The discussion highlighted the role tech can play in supporting better diversity and inclusion in an increasingly multi-cultural society.

ENDS



Createatech 2019

Createch 2019 was supported by Facebook, Imagination, and Kingston Smith.

More information at

www.thecreativeindustries/industries/createch