MEDIA CONTACTS:

Avanade:

Jennifer Grimes Douglas +1 (503) 330-6499 Jennifer.c.grimes@avanade.com

Golin on behalf of Avanade:

Michelle Weisz +1 415-318-4326 Avanadena@golin.com

Three Trends That Will Revolutionize Organizations in North America in 2018

Avanade Technology Predictions Build on Evolving Trends from 2017

Dec. 4, 2017 – Augmented reality in retail, a technology-infused employee experience and virtual assistants in the workplace are among the leading innovations expected to drive organizational change around the world in 2018, according to leading digital innovator <u>Avanade</u>.

Avanade's new predictions build on the trends forecasted for 2017. This year the company accurately predicted augmented reality (AR) would accelerate beyond video games and become a new enterprise reality, innovation would be led by design thinking and augment the human experience, and digital ethics would become prevalent with the explosive rise of digital devices that track consumer and employee data. For 2018, Avanade believes the following three innovations are poised to drive new opportunity for organizations:

Trend 1: Rich digital experiences in-store and online will become the norm, and augmented and virtual reality (AR/VR) will be retailers' best friends. It's no secret the retail experience is changing. While stores have evolved, consumers are trading in-store shopping excursions in favor of rich, digital experiences. Analyst firm IDC predicts that by the year 2020, 40% of leading brands will offer customers digital experiences – in store and beyond – enhancing retailers' physical offering with augmented digital properties that are visible to mobile technology users.

In 2018, retailers in North America should embrace and experiment with new digital technologies to complement in-person experiences. These include AR/VR experiences for trying on clothes to virtual assistants providing customer service via chatbots to <u>interactive merchandise tables in stores and supermarkets</u>. Avanade <u>recently conducted research</u> to understand whether consumers perceived virtual assistants are able to do a better job with holiday tasks than they could.

"More than half of <u>retailers we surveyed</u> plan to use AR/VR and robotics in their stores in the next one to two years, and it's important to understand the impact of those technologies on the workforce," said Matt Joe, global innovation lead at Avanade. "Digital tools that help train staff and provide personalized employee experiences are as important as those that engage the customer."

MEDIA ALERT

Trend 2: Automation and technology will reinvent the employee experience, giving organizations an opportunity to reinvigorate how employees work. Human resources or the people departments within organizations have typically been tasked with employee engagement and work satisfaction, among other things. As new innovations emerge, the future of work is born. In 2018, technology leadership will be called on as consultants to help drive engagement, productivity and business value related to digital adoption from employees across organizations.

The Massachusetts Institute of Technology (MIT) Center for Information Systems Research (CISR) shows that large companies in the top quartile of employee experience are twice as innovative and 25% more profitable than those in the bottom quartile.* These findings validate that the prevailing digital transformation focus on customer experience needs to shift to equally prioritize the employee experience. In addition, there is an immediate imperative for companies to place digital worker enablement at the center of their growth strategies.

"Organizations need to create a digital adoption strategy with personalized productivity and communications tools to support and augment how the employee works," said Matt Joe, global innovation lead at Avanade. "This can lead to a more productive and social way of working, a more engaging user experience, an improved ability to attract and retain top talent and more – all pointing to improved employee engagement and efficiency."

Trend 3: Voice and virtual assistants will move into the workplace, opening up exciting opportunities for organizations. 2018 will be the year of the voice, especially outside the personal, consumer realm. Analyst firm <u>Gartner</u> predicts that by 2021, early adopters who redesign their websites to support visual and voice search could increase digital commerce revenue by 30%. Initially, this consumer technology will impact organizations and change the way they work by increasing productivity and helping with time management. For example, personal assistants and office managers will more easily be able to find and book travel while multi-tasking. Computer programmers will be able to voice search for pieces of open source code for projects.

"Virtual assistants allow the potential for countless businesses and organizations to incorporate them into daily work for increased efficiency and productivity," said Matt Joe, global innovation lead at Avanade. "These virtual voice assistants like Cortana, Alexa, Siri and Google Home are the leading assistant platforms at the moment, but with the expansion into the workplace, this list will likely grow, adding new entrants, possibly ones for business, and de facto standards will also emerge."

*Source: MIT CISR Research Briefing, Vol. XVII, No. 6, June 2017, http://cisr.mit.edu/blog/documents/2017/06/15/2017 0601 employeeexperience derysebastian.pdf/

###

About Avanade

Avanade is the leading provider of innovative digital and cloud services, business solutions and design-led experiences delivered through the power of people and the Microsoft ecosystem. Our professionals bring bold, fresh thinking combined with technology, business and industry expertise to help fuel transformation and growth for our clients and their customers. Avanade has 30,000 digitally connected people across 24 countries, bringing clients the best thinking through a collaborative culture that honors diversity and reflects the communities in which we operate. Majority owned by Accenture, Avanade was founded in 2000 by Accenture LLP and Microsoft Corporation. Learn more at www.avanade.com

© 2018 Avanade Inc. All Rights Reserved.