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#SeekReinvention



2022

TRENDS REPORT

How innovative technologies drive business reinvention, create exceptional experiences, and enhance high-performing workplaces

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Remaining human-centric amid technological advances in AI and machine learning will be critical.

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Adaptability, flexibility, and sustainability are key drivers to maintaining a high-performing workplace.



Introduction

The pace of change in the tech field has increased exponentially over the last several decades. As we begin 2022, it has never been more critical for businesses to reinvent themselves as they adjust to shifting priorities and demands from their customers and employees.

Over the last two years, what was made clear is that no one can get away from increased digitalization. According to Forrester Research (Predictions 2022 Guide), approximately 80% of consumers see the world as all digital, with no divide. Companies and governments alike were faced with an unprecedented need to enhance their digital presence, making it easier for both their customers and their employees to engage with them from wherever they are seamlessly.

And expectations remain high. As we begin 2022, combining an intense focus on being

customer-centric while leveraging new and emerging technologies to create exceptional experiences will be what sets businesses apart from their competitors. This same focus allows them also to be an attractive employer, keeping their employees at the heart of their decision-making.

So what will 2022 have in store? Thought leaders at Globant weigh in with their predictions for the next 12 months and beyond. We hope these predictions will provide you with insights and ideas to build the foundation for long-term success.

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of consumers see the world as all digital, with no divide.



2022 Trend:

The metaverse will create new spaces for companies to extend their presence, offering, and creativity, maximizing engagement with customers and employees

The metaverse has long been associated with the gaming industry, but in 2022, we will see it expand into other industries. Cathy Hackl, CEO at Futures Intelligence Group, described the metaverse as “the successor of today’s mobile internet. It is a convergence of physical and digital. It is about shared experiences and persistent content.”

Kevin Janzen, Globant’s Managing Director of Gaming, Media, and Metaverse, explained that “the game space has been an accelerator of technology because it’s a fun way for companies to engage with the tech and profit quickly. 3D graphics, augmented reality, and virtual reality started as gaming technologies and quickly became much more than that. The same is happening with the metaverse.”

Organizations will be pushed to start modifying their business model as they consider the impact the metaverse could have on commerce, market trends, client and employee relationships, and how it can grant them a competitive edge. IDC reports that by 2025, driven by volatile global conditions, 75% of business leaders will leverage digital platforms

Bloomberg estimating there to be a nearly

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– billion –

market opportunity in the

metaverse

and ecosystem capabilities to adapt their value chains to new markets, industries, and ecosystems (IDC FutureScape: Worldwide Digital Transformation 2021 Predictions. Oct 2020, #US46880818). There's a substantial financial incentive to get involved regarding the metaverse, with **Bloomberg** estimating there to be a nearly \$800 billion market opportunity in the metaverse. It will present more possibilities for customers to interact and engage with a brand or product, new ways to build the customer experience, and new tools for enterprises to strengthen their long-term relationships with customers.

A metaverse environment will drive businesses to take advantage of new possibilities, including sponsorship of events and concerts, digital-only products, and immersive experiences. It will also impact how they can improve business processes and employee engagement.

To become part of the metaverse, specific technologies will be crucial. **Extended reality**, a fusion of augmented, virtual, and mixed reality, 3D environments that are accessible and interactive in real-time, virtual reality (VR), and augmented reality (AR) can all be leveraged in metaverse experiences. **AR presents a particular advantage for retailers** who wish to provide a more interactive, personalized shopping experience. While the metaverse is still being created, it's expected to have a strong connection with the real-world economy in the future through the use of elements such as **non-fungible tokens** (NFTs).

Pixelynx is transforming the music industry by creating a virtual world platform where artists can create their own interactive environment and monetize it through NFTs, playable experiences, and virtual performances. Epic Games has already hosted virtual concerts in its Fortnite



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Kevin Janzen, Globant's Managing Director of Gaming, Media and Metaverse

game and has **created luxury clothing items** with designer Balenciaga for purchase in-game. They continue to enhance their **partnerships with artists** by launching additional outfits and exclusive experiences.

Nike is preparing for the metaverse, recently purchasing a virtual shoe company called RTFKT Studios. The digital design studio creates NFTs and sneakers that can be used and worn in different online spaces. President and CEO of NIKE, Inc. **John Donahoe** claimed that it is "... another step that accelerates Nike's digital transformation and allows us to serve athletes and creators at the intersection of sport, creativity, gaming, and culture." This example illustrates how different industries are beginning to explore new commercial opportunities as they understand the possibilities that the metaverse presents for brands and businesses.

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of business leaders will leverage digital platforms and ecosystem capabilities to adapt their value chains to new markets, industries, and ecosystems

As businesses seek to integrate themselves into this new technology, they will want to make the most of its opportunities. They will depend on organizations that already have a head start in the metaverse world to obtain the infrastructure, expertise, and guidance required to become part of this new realm. Building, developing, and implementing will be, without a doubt, one of the biggest challenges.



2022 Trend:

Remaining human-centric amid technological advances in AI and machine learning will be critical

Prioritizing the customer will continue to be how organizations create new and better digital experiences in 2022. Artificial intelligence (AI) and machine learning (ML) are helping organizations create more personalized experiences, focusing on tailor-made offers and opportunities. At the same time, AI and ML are aiding in automating processes to increase efficiency, optimize data collection, and simplify decision-making. Maintaining a human-centric approach to these technological enhancements will be imperative, bringing people and technology together.

For the end consumer, this means enjoying a product or service that feels like they are interacting with another human. For the employee, this means investing their time in other tasks, such as defining their strategies and ideating new ways to bring customized experiences to their customers, strengthening the relationship with the brand.

As consumer behavior will continue to evolve along with a post-pandemic reality, these

personalized experiences will become the norm, along with expectations for digital safety and responsible AI practices. According to Forrester (Predictions 2022: Artificial Intelligence), “the market for responsible AI solutions will double in 2022.” Organizations must ensure that their AI practices are ethical and transparent as they discover new ways to leverage new technologies in their customer and employee solutions. The use of customer journey mapping, user testing, and leveraging direct feedback from customers will also be imperative to ensure AI processes are meeting and exceeding expectations, with optimizations

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and revisions made with the customer in mind. This human-centric approach includes how organizations engage with their employees and equip them to create and develop new and exciting products. According to Forrester (Predictions 2022 Guide), the attention will be on customer experience (CX) and employee experience (EX), which will deliver a 3% to 5% net gain in productivity. Also noted is the priority for businesses to provide their workforce with intelligent technologies such as AI, ML, automation, and prediction engines that focus on the outcomes, not just on financial results.

According to Gartner, "Generally, organizations will be focused on flexibility and adaptability over stability in order to counter market volatility." Organizations that implement these efforts will become resilient in the face of an ever-changing digital audience. Working towards disruption and innovation to reinvent digital journeys that combine emerging and exponential technologies will become crucial for businesses.



The adoption rate of AI solutions increases when businesses are close to their consumers. If they interact more through instant messaging solutions, maybe they need to think about a conversational interface. If their main tool during work hours is a spreadsheet, we think about connecting AI to it. Communication is an essential human skill, and we need to think on how we will make the human-AI communication frictionless, and that's achieved through a human-centric approach.

Agustin Huerta, SVP Studios, Globant.



2022 Trend:

Blockchain and decentralization will drive business reinvention

Blockchain is a technology that can make radical changes across multiple industries. While providing decentralized financial transactions is known, blockchain can also offer secure and decentralized ways to store and share information. It's expected that spending on blockchain solutions will continue growing in the next few years, reaching almost **\$19 billion by 2024**.

Decentralization refers to transferring control and decision-making from a centralized entity to a distributed network. Decentralized finance (DeFi) is a term for blockchain applications geared towards disrupting financial intermediaries. They require no access rights for easy lending, borrowing, or trading of financial tools.

As applications and platforms become decentralized, organizations will start to transform their business model to create strategic alliances and collaborative technology such as blockchain that will enable them to have

cross-industry connections, establishing a fully integrated interconnection and functionality for each other and their users through the use of APIs.

Businesses will interact with investors and donors through different channels, platforms, and mechanisms like crowdfunding, tokenization, and special purpose acquisition companies (SPACs). Many of these new methods will be **driven by decentralized finance**.

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Part of decentralization will include Web 3.0, the next phase of the internet. Although Web 3.0 is not yet defined and is still in its early stages, it will consist of a blockchain-based layer where users will collectively manage and control their data through a single personalized account that includes social networks, search engines, and marketplaces, returning the ownership of their data to the users.

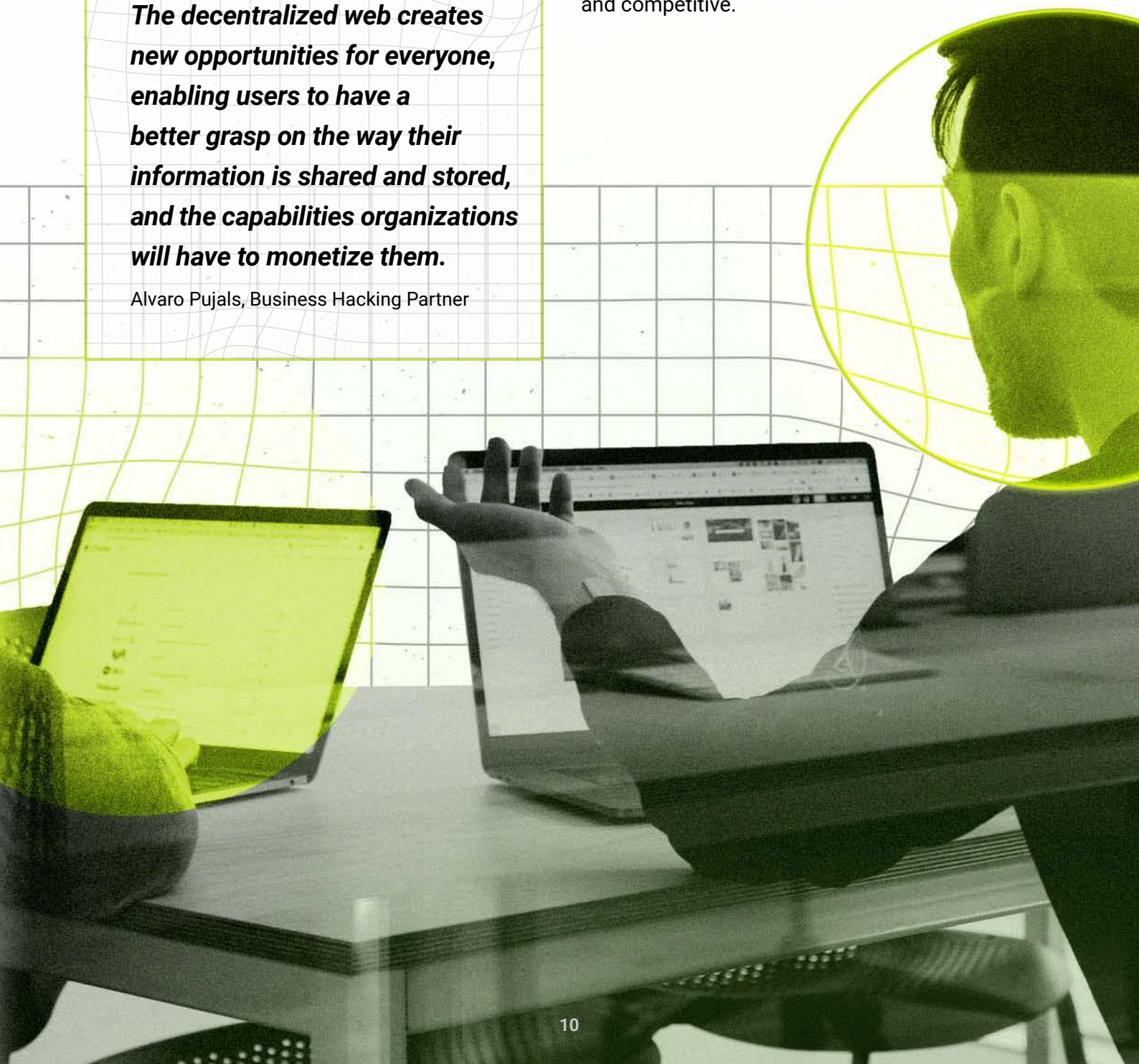
Web 3.0 could present new opportunities that enable entrepreneurs and small businesses to suffer less constraint for their ideas and innovation, as well as apply new business models, eliminating the “middlemen”. It will also offer new possibilities and applications for semantic web, AI, and machine learning that build on a more personalized experience and search of information for users.



The decentralized web creates new opportunities for everyone, enabling users to have a better grasp on the way their information is shared and stored, and the capabilities organizations will have to monetize them.

Alvaro Pujals, Business Hacking Partner

Big tech companies are already organizing specialized teams focused on Web 3.0. This trend will continue and lead Web 2.0 companies to think of new ways to adapt to remain current and competitive.

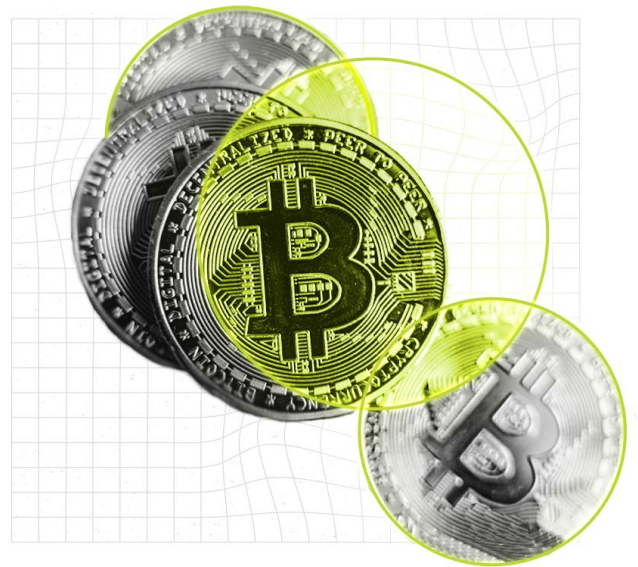




2021 has settled NFTs as a new way to let people interact and engage in different activities. Starting from collectibles back in CryptoKitties time (and even before then) to gaming and metaverse tradable assets and intellectual properties. We hope all these use cases will settle during 2022, leading to more mature and easy to reason business opportunities, removing the hype from the ones that actually can create new revenue streams for brands and companies.

Alan Verbner, Co-founder of Atix Labs,
a Globant Division.

There is also optimism about the future of networks themselves by proving layer 2 is a solid path to scale, providing cheaper and more efficient public infrastructure from which to build. Hopefully, this will confirm what we have seen during the last year - that we will be living in a multi-chain world connected through bridges.



2022 Trend:

Reinvention of business models will focus on ensuring resilience through multi-industry strategic alliances and a new customer relationship

Transformation will continue to be essential for almost all industry business models in 2022 and beyond. The average business model lifespan has declined significantly, falling “**from about 15 years to less than five.**” Organizations must take proactive steps to identify new business opportunities and detect places for optimization and efficiencies to continue driving growth.

As industry boundaries begin to fade, the need for collaboration and new and innovative business alliances will continue to emerge. Increasing joint efforts across industries will reinvent business models in 2022. “In practice, this means **greater supply chain integration** and sharing of data between organizations, and even cooperation between competitors.” This cooperation is necessary to solve some of our biggest societal and climate challenges. It will help organizations remain competitive, as cross-industry collaboration allows accessing the capabilities needed to thrive in the marketplace. Some notable examples of such alliances are **Tesla and Panasonic** and **Pfizer and BioNTech**. As one company partners with another to

attain the capabilities it requires, others, such as **Volkswagen and Ford**, are uniting to share their Research & Development costs for self-driving cars. New business models will take on a flexible, adaptable, and resilient shape, as strategic partnerships will be necessary to enter new markets.

Additionally, businesses must focus on integrating the necessary technology and advanced analytics implementation into their business models to satisfy customer expectations and adjust to their constantly changing behavior.

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We are entering an era where technology is either enabling or blocking new business models. Just look at the impact Blockchain has had in the way companies organize themselves, make decisions, share information, and create value for all the stakeholders that are part of their ecosystem. Technology is evolving from being a tool for transformation to being the originator of reinvention.

Nelly Ortiz, Business Hacking Director, Globant.



Beyond defining new business models, we must ask ourselves how organizations will respond to the new experiences and digital trends that consumers expect. The world is undoubtedly a more digital one, but digital fatigue contributes to a desire for customers and employees alike to have experiences that feel real.

New business models will include phygital (a combination of physical and digital) retail experiences and phygital marketing, creating a new relationship with their consumers and delivering a unique value proposition that combines the physical and the digital worlds. According to IDC, by this year, 70% of all organizations will have accelerated the use of digital technologies, transforming existing business processes to drive customer engagement, employee productivity, and business resiliency (IDC FutureScape: Worldwide Digital Transformation 2021 Predictions. Oct 2020, #US46880818).



We can remove the barriers and limitations of physical space -- whether it be retail, hospitals, sporting arenas, or other venues. Through digitalization, we can revolutionize how companies interact with their consumers, patrons, patients, employees, and fans in physical locations and online to allow them to create new blended experiences.

Martin Nanni, VP of Technology, Globant.



2022 Trend:

Adaptability, flexibility, and sustainability are key drivers to maintaining a high-performing workplace

The new talent strategies in 2022 will be to invest in digitizing employee experience while transforming the relationship between employers and employees. As most workers will remain remote through this year, in this context, it's essential to engage diverse talent pools and create new work processes that go beyond the pandemic and are sustainable over time.

Sustainability also refers to an organization's efforts to develop and execute a strategy that promotes cultural and economic change. Businesses can use technology to create sustainable purposes and goals with a planet-centric approach, making them part of the climate solution while attracting like-minded employees.

Developing a well-established technological infrastructure will enable organizations to offer

the necessary elements that drive productivity and collaboration to a hybrid workforce: versatile guidelines, flexible work dynamic, direct and kind leadership communication, automating processes, efficient remote management, clear sustainability goals, as well as implementing policies that support employees.



An 'always in beta' culture is going to be the key for employers to adapt to new ways of working.

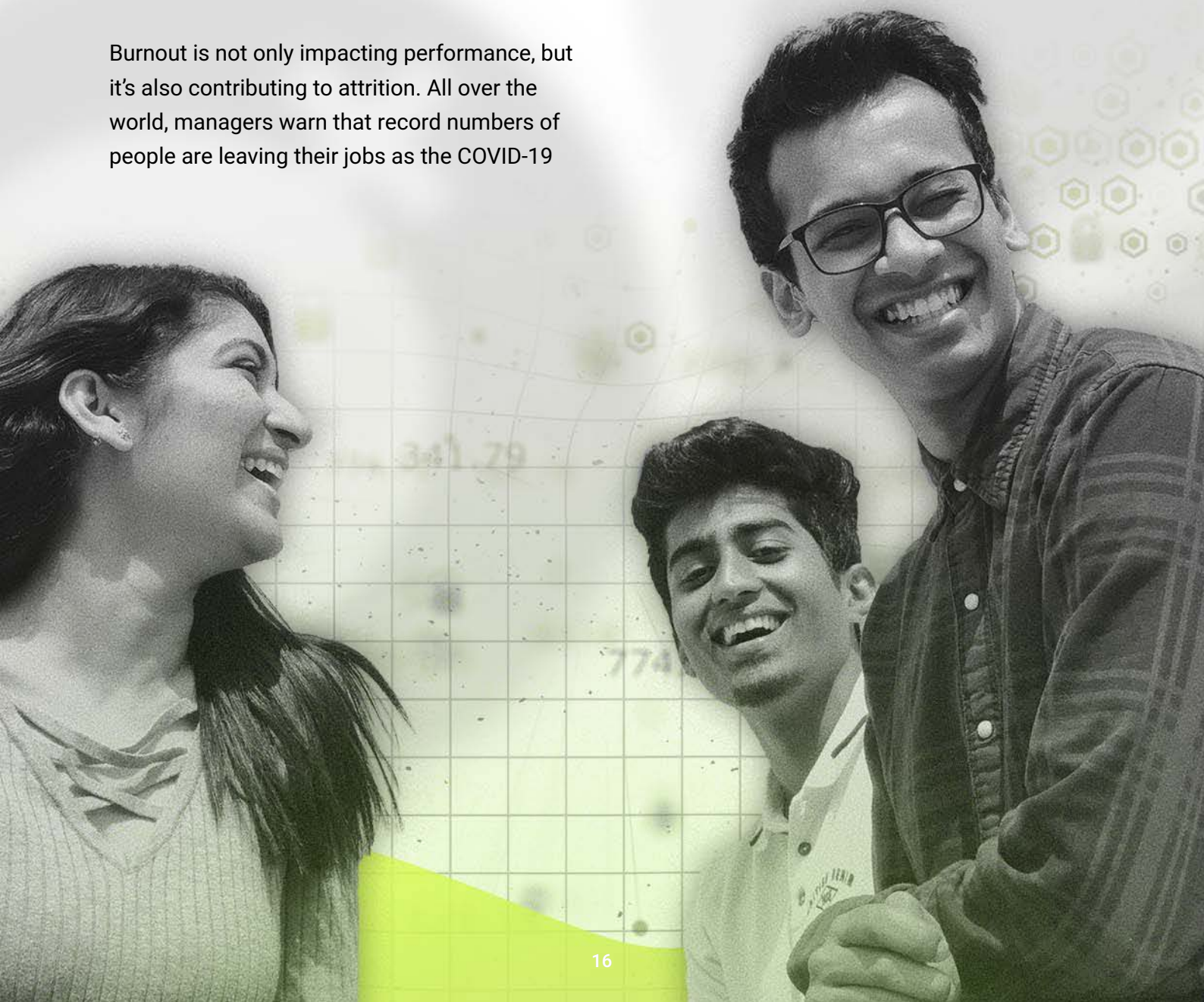
Adriana Sclar, Head of Cultural Hacking

Maintaining work-life balance has shown to be a challenge in hybrid work models, and this will become a more significant point of emphasis in recruiting, talent management, and employee engagement over the next few years. Leaders must understand the connection between **employee burnout** and employee wellness to find the right way forward. We have already seen some organizations focusing on the wellbeing of their workforce, but we will see a fundamental shift towards prioritizing physical and mental wellness. To reduce employee stress requires leadership capabilities and knowledge about these topics with no stigmatization. Innovation and data-driven solutions will help companies move to a safety-first approach to health and wellbeing, keeping these top of mind for their employees.

Burnout is not only impacting performance, but it's also contributing to attrition. All over the world, managers warn that record numbers of people are leaving their jobs as the COVID-19

pandemic starts to wind down. In the US, for example, workers who voluntarily left their jobs **hit a new record of 3%** in September 2021. **20.2 million workers quit their employers from May 2021 through September 2021.** This phenomenon, called the "great resignation," forces companies to reframe how they manage and engage their workers.

Employees expect their talent journey to be more personalized and efficient from day one. With this knowledge, organizations should be designing working experiences to acknowledge each employee as an individual and make them feel supported, with a goal of increased engagement and a desire to give their best.



Data and AI will be the critical enablers for engaging workplace experiences. In this new context, many companies will invest in updating their data ecosystems and building a data-driven digital culture. Although this is becoming a must for companies, not all of them are ready to leap into the digital world. It is essential to understand the organization's current situation to assess its maturity level. This will determine whether the first stage of the process must be designing a data-driven strategy, evolving its data maturity, developing new products, or training its staff to use data tools.

Every personalized experience requires data for its development. Knowing your employees, how they interact, the goals they achieve, and the feedback they give you are all key elements that can help you create a work culture in line with

the new digital hybrid organization. Promoting a data-driven culture can help generate this personalized support at each stage of the process. And as this mindset continues to consolidate, the results become visible: the staff becomes more committed, there's a boost in performance, better decisions are made, and innovation is enabled through artificial intelligence.

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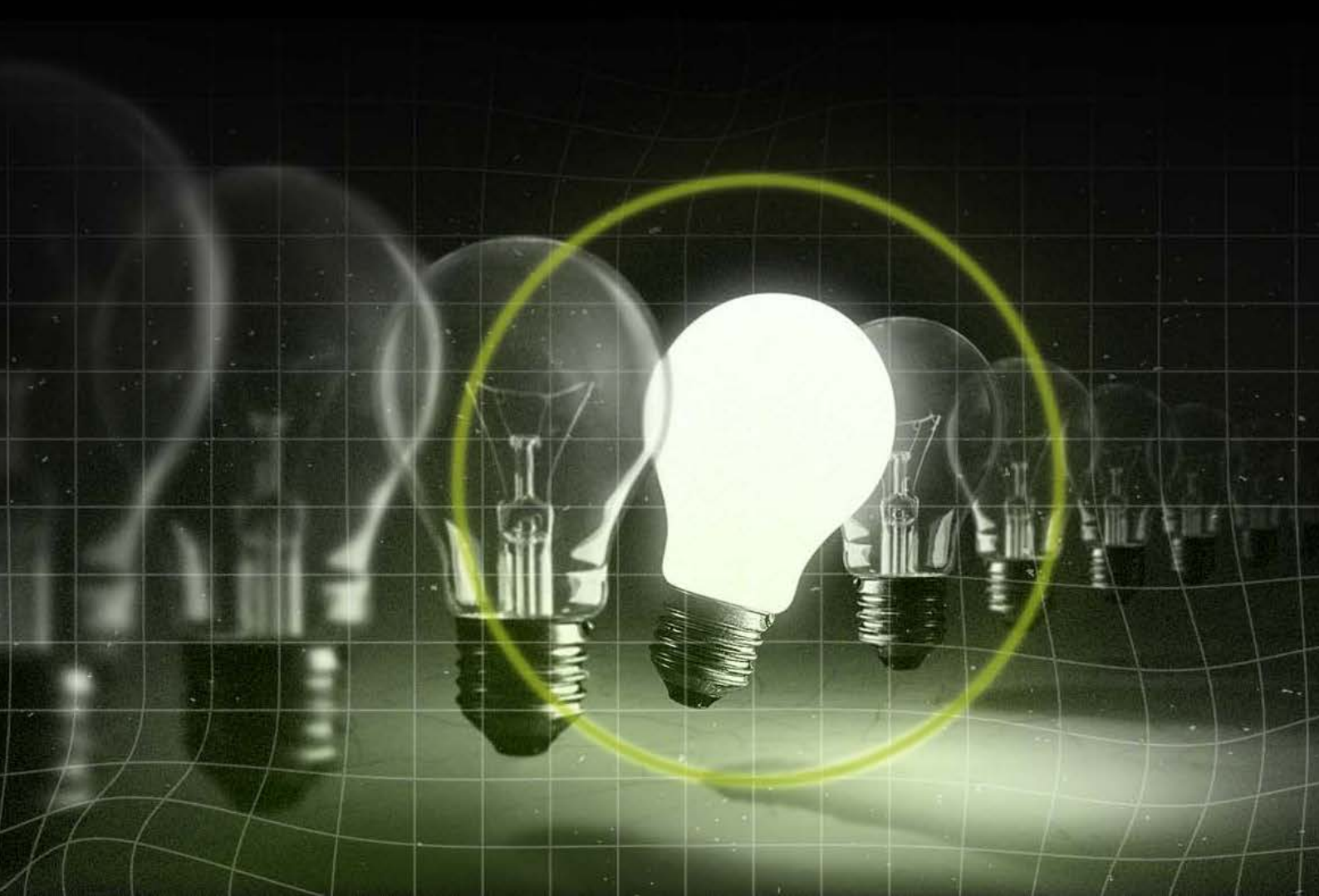
Conclusion

As industries face societal, climate, and financial challenges, businesses will need to invest in and focus on their reinvention strategy to stay competitive in a rapidly changing world. Reinvention looks different across organizations, but it is rooted in a necessity to remain innovative and continue delivering exceptional experiences for their customers and employees alike.

It will be crucial to ask questions about the changing needs of both your customers and employees and consider how your organization can use technology to meet and exceed their expectations. This could look like an interactive

offering in the metaverse as an alternative to the traditional office tour, decentralized finance, a digital retail experience that augments the experience of physically shopping in a store, or a new cross-industry partnership that results in a higher-quality product or service.

Maintaining a customer-centric mindset will be the key to reaping the benefits of new and emerging technologies. The organizations that thrive will use technology to enhance their business models and outcomes and foster an adaptable, flexible, and sustainable internal culture that retains key talent in 2022 and beyond.



About **Globant**

We are a digitally native company that helps organizations reinvent themselves to create a way forward and unleash their potential. We are the place where innovation, design and engineering meet scale.

- We have more than 21,800 employees and we are present in 18 countries working for companies like Google, Rockwell Automation, Electronic Arts and Santander, among others.
- We were named a Worldwide Leader in CX Improvement Services by IDC MarketScape report.
- We were also featured as a business case study at Harvard, MIT, and Stanford.
- We are a member of The Green Software Foundation (GSF) and the Cybersecurity Tech Accord

For more information, visit

www.globant.com

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*Gartner, "You'll Be Breaking Up With Bad Customers – and 9 Other Predictions for 2022 and Beyond" Oct 19, 2021. [Link: <https://www.gartner.com/en/articles/you-ll-be-breaking-up-with-bad-customers-and-9-other-predictions-for-2022-and-beyond>]

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