

2014 Global Brand Letter

from SMoss

"Hic sunt leones." - lit. "Here there are only lions." Notations on Roman maps showing the limits of empire. No point in going any further.

"No regrets." -Tattoo being removed from woman's hip, Las Vegas

"Financial Crime and Compliance Made Simple" - seminar title of 3-day MBA session in London in December 2014

Forgive my tardiness: I couldn't breathe. Let us hope that the inflection point on financial markets, the biosphere, Moore's Law and Twerking has been reached. That net neutrality has been grossly understated. That the pandemic does not fall victim to predictive modeling. That I don't lose my mind to contextual computing. That IRM and the Internet of Objections doesn't lead to an excess of secular stagnation.

[update on last year's hot topics](#)

"Being in politics is like being a football coach. You have to be smart enough to understand the game, and dumb enough to think it's important." - Eugene McCarthy

Upstarts

If numbers alone constitute the measure of brand success, **China** beats everyone. The emerging middle class uses 600m smart phones to do every darn thing, buy plane tickets, pay bills, talk with clients, digest marketing. The world stared wide-eyed at the \$25bn Alibaba IPO. A 'Lyric Coke' online campaign coordinated to messages on bottles got 3 billion views, in an environment where companies spend more on digital advertising than television. Pundits claim China moves upmarket, even in an environment where FB, YouTube, Twitter and Gmail - favored American shopping portals- are all officially blocked. Tidy Laundry earned a hefty fine from the police after they ran a digital campaign where women stripped to their underwear on the Shanghai metro. The new monied class, set to become the largest market for space tourism, plans microgravity weddings at \$100k per ticket with *taikonauts* clad in interplanetary gowns created by a couture sector hamstrung only by klutzy earthbound supply chains and low R&D priorities. Yet the government's anti-extravagance campaign soured the ultra-premium beverage category, once the favoured province of your friendly neighbourhood bureaucrat. Diageo's deployment of David Beckham to tout their sweeter downmarket whiskey targets private dinners and large family occasions rather than the lavish state banquets of yore. Unilever and Nestlé report a slowdown at the checkout counter for products like packaged food, drink, household goods, Dove Soap and Ben & Jerry's ice cream. Margarine and spreads turn out to be a drag on growth. Those Yuan-denominated bonds Sri Lanka was about to sell- swept under the carpet after a swift change of government in the strategic port of Colombo; Beijing had spent lavishly, hoping for a stronghold. The environment, let's not go there. What may turn out to be the next imperialist transgressor: refrigeration. China is about to surpass the USA in refrigerated storage capacity, a scenario rapt with environmental consequence owing to the supergreenhouse gases emitted, thousands of times more warming than CO2.

It could be time to put your money on **India** as the next global powerhouse. A booming democracy whose internet content is driven by ABCD (astrology, Bollywood, cricket and divinity)

can't be all bad. A rapidly growing under-25 age group is about to seize the reins, shedding generations of conservatism, cutting back on corruption, perhaps already the most populous nation on earth, with 400m technocrats and the 3rd largest and fastest-growing smartphone market in the world.

Brazil managed to samba through the World Cup, largely ignoring the worst drought in 80 years, and the increase in deforestation under the recent President Roussel. São Paulo, South America's biggest and wealthiest urban center, may run out of water as key reservoirs have dried up, a result of stripping 80% of natural forests along the Serra da Cantareira watersheds, which formerly fed the six artificial reservoirs sustaining the city. There's always *caipirinhas*.

and the moribund

Despite disappointing Black Friday sales, down 11% from the prior year, the Dollar strengthened after Obama appeared on the Colbert television show. An ironic landscape where the digital divide prevails, the more shocking inequality in **America** is that web access is most present in prosperous communities and strongly correlated to race and income. The US ranks 30th in the top 33 nations for affordability of internet. Unlike other economies, television still dominates marketing-world.

"I have done little justice to the Great City of Paris." - Eugene Atget

Place branding alerts

Bulgaria's booming, but not in the way you want it to. A spate of blasts at plants decommissioning land mines near Gorni Lom, and a huge explosion at the privately-owned Midzhur plant dismantling Greek munitions left the country shell-shocked. Similar episodes have multiplied in recent years in family-held ammunition facilities that pay their workers on average 240 levs (\$154) per month. Most of the branded armaments date from the Communist era.

A former Joint Secretary of the Tourism Ministry wants to turn Kala Ghoda, an historic district of **Mumbai** into a 'cultural hub,' citing NYC's Times Square as his model. Despite the fact that the area seems to be regenerating on its own, the politico would like to ignore stringent building codes and place large video display screens, a huge Indian flag and costumed film and cartoon characters among the maze of century-old buildings to "communicate ambition."

No secrets

JPMorgan reported exposure of 76 million households and 8 million small businesses in a data breach, "but only one million were compromised." A year earlier about a half million prepaid cash card users suffered what the bank referred to as a smaller intrusion. The bank spent \$250m in 2014 to prevent such incidents. In June, **Spotify** asked 40 million users to re-enter log-in credentials, and urged all Android app users to upgrade in the next few days. In the same month, **EBay** told all users to change their passwords, since hackers had accessed everyone's home addresses. A hacker group called 4chan claimed they got 200,000 images from the ephemeral app **Snapchat**, who retorted that only 40,000 were taken. 4chan apologized by posting, "We're very sorry... we haven't profited from this," then announced they had discovered porn they eventually traced to Sweden and Norway, which in an episode of *digilantism* they promptly reported to child protective services. The *NYTimes* queried the hackers, who responded that in exchange for an interview they wished to be paid in **Bitcoins**, the non-

traceable blackmailer's cryptocurrency of choice. **Target's** CEO resigned after a data breach which cost the retail brand \$100m in related expenses compromising quarterly earnings. Venture capitalists in Silicon Valley identified **privacy protection start-ups** as a growth category for potential funding. The next frontier of digital bounty: **voiceprints**. Corporate and government databases begin to build vast libraries of utterances which can be used to pay pensions, collect taxes or track criminals, more reliable than fingerprints. As always, the downside will be the potential for surveillance.

"You can hide almost anything except the atmosphere." - Jean-Pierre Baratin

Small wonder they call it the web

IBM divested itself of its chip division, paying Globalfoundries Inc. \$1.5bn and throwing in access to its IP to take the unprofitable business unit off its hands. **Intel** passed the landmark of 100m chips shipped, looking ahead to the burgeoning wearables category; emerging markets like China and Latin America are proving weaker than established markets like the USA. **Instagram** passed 200m users, and offered easier, more sophisticated tools of curation, stoking the fires of jealousy among aficionados.

A paper from the National Academy of Sciences revealed that **Facebook** tweaked the newsfeeds of 700,000 users, in a study designed to investigate claims that emotions could be influenced by manipulating language. In a program of undetectable maneuvering, select negative stories went out to unwitting readers. The company then analyzed correspondence, surveying word choice to determine whether people were bummed out. No discussion of the ethics, or a hint that it might have been unacceptable experimenting on people over social media without their consent.

Marketers appear to have lost their appetite for **cookies**. Users now access the internet from a myriad of devices. Sophisticated blocking tools mean half of all machines can no longer be cooked. Behavior, leads and conversions now require more critical surveying across multiple devices, to identify particular individuals and browsers, patterns, or likely users.

The increasing popularity of instant messages (50bn IMs sent every day) heralds the slow demise of **SMS**. But marketers continue to love SMS, a medium which refuses to be ignored. 98% of SMS get opened, developing countries have fewer smartphones, and texts turn out to be an effective way to interact with customers.

A **fake Android app**, tracked back to Mainland China, circulated during the Occupy Central pro-democracy movement in Hong Kong. Those who opened the app secretly unpacked malware which allowed the Death Star to read and receive messages, record phone calls and geolocate. Thousands downloaded it before it was unmasked.

Netflix accounts for more than 35% of non-mobile bandwidth usage in US/Canada during peak hours; the rest gets eaten by gamers. Netflix streaming service boasts 50 million global subscribers. The growth of cable and satellite subscriptions has stalled, since you get a lot of stuff you don't want, and the internet allows more selectivity. Sony, DirecTV and Showtime now launching internet products. Sports are the one major component holding the cable bundle together.

Watch out, TV. We have seen the future and its name is **YouTube**. Every minute 100 hours of video and 300 hours of new content are uploaded; every day one billion people worldwide watch more than 300m hours of video; 83% of internet users in the US watch video on the site. Cable TV will be gone in a decade, and why not? YouTube, a global platform seen in 200 countries, offers more instantaneous data than TV. Today's media stars, *vloggers*, have evolved into floggers for product and corporate endorsements. They cost less, and appear to deliver seemingly honest and personal recommendations direct to target. Companies like Pepsi advertise more on digital platforms than on conventional media.

Bye-bye, **Freemium**. Angry Birds, once the most popular casual gaming app, has changed its business since disillusion has set in over upgrades costing as much as \$60. In the face of falling net profits, a 50% plunge in one year, Rovio's CEO was kicked out of the nest. The company now generates half its income from licensing: movies, animation, product, theme parks. Companies like King and Rovio valued in billions at IPO see declining interest. The only legacy Candy Crush may leave is a big cavity.

Technophile, commitment-phobic millennials unable to forge relationships IRL ("in real life") now meet, rendezvous and break up online. **Tinder**, a popular virtual dating app, allows perfunctory swiping left or right on the small screen to curate friendships. The New Velocity helps users to pump up their neurological responses in hyper-real time, altering hormonal states and promoting the release of dopamine without an old-fashioned physical hook-up. Young college men are less inclined to seek out a three-dimensional partner, and fill in the gaps with online porn.

"This is worse than being in love with a grasshopper." - Gun moll to gangster boyfriend in original version of *Scarface* (1932)

All a big game

In the late 1990s, the **South Korean** government focused on internet and telecommunications infrastructure development. Today the country is video game-crazy. Competitive gaming now forms a part of mainstream culture, with parlors called *PC bangs* equivalent to the neighbourhood basketball courts found in the West. Teens go to meet up with friends, and visits to such clubs are as common as dates for the movies. Huge tournaments now the norm, with 40K fans filling a stadium to watch top gamers compete. There's official concern about the cut-throat monomaniacal focus which has led to epidemic game-addiction. Reports of gamers dying of exhaustion, after days of uninterrupted play. The South Korea National Assembly advises, "The best way to avoid addiction is for families to play games together."

In the USA, a feminist cultural critic, Anita Sarkeesian, challenged how **women** are portrayed in video games. She was forced to cancel a talk at Utah State University after she became the target of harassment by enraged gamers who threatened violence. USU received email that a massacre would be carried out against attendees of the event. School police told Sarkeesian that under Utah law they could not prevent attendees from bringing concealed weapons to the speech.

The big game hunt is on for the vanishing species called **sports franchises**. The value of teams soars as cable companies battle to hold onto consumers' attention with premium content. A little known feature of the US tax code allows buyers to claim half of the purchase price of a team as a deduction over fifteen years, which may explain Steve Ballmer's recent grab of the LA Clippers. It translates into a \$1bn writeoff.

"We try to explicitly view ourselves as not editors." - Greg Marra, head engineer of team that designs FB NewsFeed algorithms

Information ecology

Keyword search sounds simplistic, but **social eclipsing search** could be the attractive new traffic driver for marketers. The algorithm considers word combinations and groupings to array search results, ignoring pages optimized for specific terms.

The incidence of **online incivility** rises. The phenomenon called trolling often follows episodes of impulse-control problems, exacerbated by the New Velocity. Compounding this, now that the internet has become central to the human experience, the distance between celebrities and critics has compressed. An embittered wire-head is suspected of being the hacker who exposed Sony's private emails to public scrutiny.

Kim Kardashian sits near the level of Albert Einstein, with her fluency across multiple platforms including TV and social media. She licensed her media-self as the main character of a video game which earned \$1.6bn in revenue in its first five days on the market, the fifth highest grossing game in Apple's app store. Lending more than her likeness and voice, she cross-promoted it on her Instagram and Twitter accounts, augmenting her posts with intermittent views of her nether region. The game is free for users to download, but offers a multitude of opportunities to make *in-app purchases*. No wonder she and Kanye could afford a \$20m wedding. Another reminder of the price paid for celebrity: the surrender of your privacy, the end of mystery.

Millennials consume the better part of their news digitally, largely through social media. **Facebook** has 1.3bn users, logging on monthly, and drives 20% of all traffic to news sites. FB's News Feed, the prime driver, is directed by a 26-year old engineer, who can choreograph the rise or fall of a news site depending on how it performs. Fragmentation is the new reality: publishers increasingly reach readers through single articles rather than complete editions. Content is created for *the way it is being consumed*. Other factors influencing the svengalis: how a user came to the article, which device they are on, and -if on a mobile phone- which way they are holding it, time of day, location.

Google News figures less in publisher's growth strategies, supplanted by FB, whose news traffic dominates. Axel Springer, Germany's biggest news publisher, imposed a 2-week blackout on Google's access to its content, and discovered a 40% drop in traffic from the info behemoth. Google likes you if you write in their particular heuristic-friendly voice: the language regular people use, the most important keywords at the beginning of a headline.

Continuing reports on the battering of **pulp news**. Heavy investment in trucks and presses has disappeared, and newsrooms downsize. Delivery of the *Orange County Register* print edition halted after the paper failed to pay the *LA Times* for the service. Reporters and employees were asked to field phone calls from irate subscribers. Incentivized staffers who handled 20 calls over 2 days became eligible to win four Maine lobsters, fresh steamers and New England Clam Chowder. Reporters asked to deliver copies were advised to bring along a companion to help toss papers and navigate the route.

Audiobooks, long regarded as the forgotten spinster of the publishing industry, reincarnate under a new name, **audio entertainment**. New titles won't be based on print at all, conceived and produced as digital fodder, along the same lines as what happened to HBO and Netflix when

they transformed into content creators. New titles in the product-hungry sector will resemble old-time radio dramas, integrating music and sound effects, and never see an analog page.

Proficiency on the keyboard may be a fast and efficient alternative to **handwriting**, but at the expense of greater neural activation in areas of the brain associated with working memory. Freehand scribing of letterforms evidences increased activity in the *left fusiform gyrus*, the *inferior frontal gyrus* and the *posterior parietal cortex*. In a study conducted, children who typed or traced the letter or shape showed no such effect. Indications are that only the actual effort which engages the brain's motor pathways delivers the learning benefits of handwriting, said to extend beyond childhood.

Baby talk, aka *Parentese*, the cloying simpering squeaky voice commonly imposed on innocent tots, turns out to be of little value, even when dispensed in quantity. Scientists at Temple University found quality interactions using rich terminology infinitely more valuable than goo-goo ga-ga. The total number of words has no correlation to future ability. Shared symbols, understanding of ritual and conversational fluency result from holding to a higher standard of erudition.

Putting down mobile devices

North Korea's first public mobile network was launched in 2008, and now over 2 million subscribe, mostly members of the elite class. A quarterly culture magazine published a list of phone etiquette guidelines for users. "Speaking loudly or arguing over the phone in public places... is thoughtless and impolite behaviour." The article advises that people should introduce themselves when accepting a call to avoid inquiries such as, "Hello? Is it you, comrade Yeong-cheoi?"

Apple, the most valuable company in the world at \$747bn, sold 10m iPhone6 and 6 Plus phones in the first 3 days on sale. This after 39 million units flew off the shelves the prior quarter. In the US, iPhones make up about 40% of smartphones in use, though Android phones are more popular elsewhere. Apple's mobiles account for a disproportionately large percentage of the company's profits, 60-70%, and for 18% of the entire rise and 3-5% of the weighting of the S&P index for 2014. It is estimated that iPhone sales add one-quarter to one-third of a percentage point to the annualized growth rate of the GNP. *The Economist* ought to discontinue the Big Mac Index and launch an iPhone iNdex. The iWatch made its debut to design raves, under a fashion accessory disguise - Apple dumped wellness/medical applications, confounded by privacy and software issues, but still ordered a hefty 5m initial production run in hopes that brand loyalty will drive sales. ApplePay had problems which could only be resolved by replacing the phone. Ouch! Weird speculations and ulterior motives hinted that Apple might buy Tesla in 18 months, but Musk denied it. China has 50 million iPhones in use, though the grey market for smuggled devices dried up. The government clamped down on illegal traffic, intercepting speedboats, seizing phones stashed in secret compartments and axles of trucks. Shanghai bureaucrats were instructed to use PRC-manufactured Huawei phones, and office workers in Beijing no longer bring Apple computers or tablets to work, since they represent a conspicuous display of wealth.

The Last Days of Advertising

Scientists survey raw brain data to unlock the mysteries of consumer choice. They aim to determine why we prefer some products and brands over others, using the tools of **neuromarketing**, monitoring signals located in the *nucleus accumbens*, tracking the intensity of

visceral responses such as anger, lust, disgust and excitement. It all comes down to significant changes in the blood flow in that part of the brain, capitalizing on the marketing value of subconscious cerebral data. Almost time to bring in the product designers.

Eye contact provides a cognitive jump start that humans crave. Those who avoid it are more likely to suffer from depression and feelings of isolation. Breaking it to consult the small screen degrades your social facility and emotional intelligence. Eye contact's magnetic and mesmeric effect plays an essential role in developing emotional stability and social fluency, and makes us more aware and empathetic. It's suspected *emoticons* may fulfil some of this unconscious need. Researchers at Cornell University manipulated the rabbit's eyes on a Trix cereal box and found that adult subjects were more likely to choose it over competing brands on the same shelf. Rembrandt had an intuitive inkling of this; his portrait subjects' eyes follow you around the room.

The 2014 **Cannes Golden Lions** purported to champion virtual humanity, but it was more a case of the leopard not changing its spots. One *digilante*-style ad posited a web site naming hurricanes after climate-change deniers, while a second imagined a digital child avatar designed to entrap sex offenders online; a favourite internet phone service told the weepy story of a sentimental friendship in documentary style, hankies optional; a particularly irksome message depicted people at an old-age home co-opted to chat with overseas kids, essentially training the next generation of telemarketers and call center drones; and a famous skin cream touted its extra special offer of an electronic bracelet that allowed digital tracking of your kids on the sinister Brazilian beach to counter the risk of child trafficking.

Five pharmaceutical companies were named in lawsuits in Illinois and California for the **aggressive marketing of painkillers**. An epidemic of opioid addiction has led to a serious increase in related ER visits in those states. Under the pretense of funding patient information groups, the companies paid an organization called American Pain Foundation \$10m to play down the addiction potential of specific drugs.

"War is discovery." - General Martin Dempsey, Chairman of Joint Chiefs of Staff, on campaign to defeat ISIS

The full-color English language magazine **Inspire** is funded by the proceeds from kidnappings, oil piracy, bank robbery and extortion. Editorial content aims at Muslims in the West: how-to articles about bomb-making; photos of Charlie Hebdo editors and cartoonists; informative statistical tables on cities taken over, decapitations [sic] committed by ISIS forces, checkpoints set up, apostates repented. Says Publisher Abu Bara al-Hindi, "The cure for depression is jihad."

Once the province of a small global network of private sellers, **Papal Blessings** will now be offered online by The Vatican. High-end parchment documents are hand-lettered, but most are computer-generated. Cost €13-25 each in various sizes, styles and colours. Sales up 50% from last year due to the new Pope's popularity.

"The cinema is an invention with no future." - Antoine Lumière, father of Louis and Auguste

"It's a whorehouse and people go mad." - Actor John Cusack on Hollywood

"Deserve's got nothing to do with it." - Clint Eastwood

Celebrity

Live for now or live forever? Dead celebrities earn substantially more than living ones. Consider the estate of Michael Jackson, who earned \$140m in 2014, eight years after his demise. In the same year Elvis brought in \$55m, and his heirs later sold rights to license his name to **Authentic Brands Group** for \$125m. Authentic also owns rights to Marilyn Monroe. Resurrection planned for many of the dear departed in the form of holographic Vegas extravaganzas.

As of November, **Lady Gaga** had 42.7m Twitter followers. **Barack Obama** has less than 25m.

An orange and red rainbow signifying the renewal and energy of a sunrise visually identified **Oprah Winfrey's** "The Life You Want Weekend" in Newark, Houston, Miami and Seattle. Basic registration for branded attachment to the broadcast magnate -also regarded as a spiritual guru- started at \$99. Pantene-sponsored head massage, Toyota-sponsored tent, Reinvention Tent, free yoga sessions, cooking demonstrations, fashion show, free travel size tube of Crest and a small bag of Tide capsules, \$15 pre-ordered Oprah box lunch (half a sandwich, apple, bag of chips, water), and the opportunity to join Oprah's Circle of Friends (\$199, included tiered magazine subscription + fan club + birthday card personally sent by Oprah). Add-ons at branded boutique: book \$25; soul library \$79; t-shirt \$38; hoodie \$60; phone cover \$20. Attendees say they go in search of what they have been missing. Oprah transparent on stage at conclusion, "Thank you for your money."

Maria Vanessa Perez promises that one day she will be President of the USA. To encourage her, former sports team owner Donald Sterling gave her a \$1.8m residence, a Ferrari, 2 Bentleys, a Range Rover and a security detail. Under the new persona **V. Stiviano** she appeared for a throng of reporters, speaking from behind a Daft Punk mask at LA's Farmer's Market and refused to give an interview.

Grey economics

A concerned citizen asks, "Why are there so few apps designed for **old people**?" Ironically, the senior sector represents the numerical majority, with the highest spending power. Yet the aging population is a drag on growth. Old eyes can't easily read small text; old hands can't manipulate the buttons; old people don't engage in casual gaming. A conspiracy suspected to exclude grey hairs from successfully operating mobile devices.

Luxury

Let's be honest, what with the warm embrace of internet-borne marketing, it's high time to split the luxury category into two distinct identifiable sectors. **Fast Moving Luxury Goods** (call them FMLGs) have adopted the techniques and platforms of mass production and consumer products, with their only distinction being brand association and price points. **Slow Moving Luxury Goods** (SMLGs) retain the quality of true uniqueness, hand crafting, high cost and you have to wait for them. The greatest differentiator: patience.

Arnault accepted a conciliation procedure after paying an €8m penalty for stealthy acquisition of fugitive **Hermès** shares. He had gathered a quarter of group's ownership by trawling disgruntled heirs and via shadow company transactions. Agreed not to buy any more shares for 5 years.

A used 2013 Hermès Birkin handbag, in dyed brown and beige croc was offered by **Heritage**, a NYC auction house, for \$115,000. The luxury accessories category is a recent addition to the auction business, and sales of handbags rank second behind timepieces. **Christie's** succumbs to the New Velocity with a Buy-It-Now feature online, designed to capture younger customers under the age of 45, half who register to bid - average price of items offered on their site \$11K. A yellow gold 2000 Patek Philippe watch went for \$195K after the seller posted an Instagram photo.

Space Tourism took a nosedive when **Virgin's** Spaceship Two *augured in* due to pilot error. Nobody cancelled their reservation and Branson vowed to forge ahead on delivery of the third spacecraft. A privately funded venture called **Aeroscraft** wants to launch a 770 foot long dirigible for long-haul freight. 250 ton capacity, 5870 mile range. Airships suffer a perception problem, no thanks to Led Zeppelin, though non-flammable helium fills today's leviathan gasbags.

Looking to appeal to the premium buyer, **Starbucks** launched The Reserve to meet the growing market for high-end coffees, some which sell for as much as \$45 a pound. Products don't carry the ubiquitous mermaid signature, only a star with an "R". An estate in Costa Rica was purchased to produce specialty beans exclusively for the company.

Science class

Aromatherapy the key to immortality? Researchers at the University of Chicago found that people with the poorest **sense of smell** were at the greatest risk for early demise. The bottom 39%, the least sensitive noses, sniffed no longer, 4 years after being tested. Scientists believe the sense of smell is intimately linked to health and wellbeing, but exactly how it correlates remains unclear. Olfactory brand gurus snorted at the news.

Official delivery of **nicotine** in transformation: call it *tabac noir*. Swedish **snus**, little pouches of shredded evil leaf you lodge between gum and inside cheek, present a significantly smaller risk of oral cancer. The anti-breath freshener does present an increase in the risk of pancreatic cancer and users expel a gruesome brown juice, besmirching the environment. **Vaping**, electronic delivery of tobacco distillate through largely unregulated fashion accessories experiences incendiary growth, kind of like smoking air freshener. Big cigarette brands have bought up competitors, but many concoctions manufactured in China considered suspiciously risky still sold on the high street. Vapers are also a favorite way to smoke the other kind of weed. Australia banned overt branding on **ciggie packaging**, and found that sales immediately dropped. Obama, a compulsive Nicorette gum-chewer, reopened diplomatic relations with Cuba, lighting up the hearts of American **Montecruz**, **Partagas** and **Cohiba** lovers, felons no more.

“The first billionaire in hip hop from the motherfucking West Coast,” - Dr. Dre, whose real name is Andre Young, in video about Apple purchase of Beats

Trends

Speed kills, they used to quip. Increasing accelerations every day driven by thought viruses - witness the price of crude, the value of the Swiss franc, the € and the \$ playing musical chairs; the surging rate of climate change, knee-bopping while waiting for the real-time web; click-here-to-buy-now; and the impatience with Moore’s Law. I call it **The New Velocity**.

“The greatest asset in the world is unavailability,” - Graydon Carter

Your personal privacy at risk every interaction, concealed under the barrage of high-tech noises audible 24/7. Time, silence and isolation - the ability to exercise free will over them - are all at a premium. The greatest social differentiator is the **headset**. The thicker the insulation the greater the privilege, the bigger the headset the more important the wearer. The semiotic differentiator: my capacity to screen out extraneous impulses.

The fallout may be coming in a decline of gadget-obsession. Ad-blocking is at an all-time high, people detest adverts on apps, and weekly visits to social networks in the US, China, Japan and the UK have dropped by half. British doctors voice concern over the number of people being treated for tech addiction. More than half of gadget owners internationally admit to suffering anxiety when they can’t use their mobile devices. An oversubscribed Kickstarter campaign successfully funded **NoPhone**, a fake handset which simulated the exact size, weight and dimensions of a mobile phone. Advertised as totally wireless, battery-free, doesn’t require software updates, shatterproof and waterproof.

The end of the production line collided with Detroit. It took only 44 hours to produce the world’s first 3D printed car. **The Strati**, made of carbon fibre reinforced plastic (ABS), costs a navigable \$18K-34K, engine optional.

The *Journal of the American Medical Association* performed a very small survey just before Google sent the **Google Glass** into exile. Three subjects helped determine that the device created a clinically meaningful visual field obstruction in the upper right quadrant.

The public is still the harshest critic. The Town Council of Clacton-on-Sea, UK, removed a graffiti mural by **Banksy**. Residents complained that anti-immigration banners carried by the painted pigeons were racist. The Council apologized, claiming they did not understand it was valuable art.

Had enough of trendy fitness centers filled with impossible infernal devices, exhibitionists and people looking to hook up? **Unplug**, a salon for meditation in LA (where else?) looks like a yoga or Pilates studio, but features Buddhist coaches to help you with inner workouts. Clean, modern, secular, effortless to attend, with a gift shop. \$20 per session, enlightenment included. Alternately, the over-50 crowd can hustle off to **Welcyon**, a new health club franchise for seniors. Easier machines, fewer mirrors and music programmed from the good old days.

“Environmentalism is an upper-middle-class, white movement aimed at absolution and preserving a lifestyle with a Volvo.” - Charles Bowden

Two incidents of airborne volatility made the skies even less friendly to the already beleaguered traveler. In September a passenger in the United Economy Plus section used **Knee Defender**, a product which prevents the seat in the row ahead to recline. The incensed victim threw water in the user's face, the flight was diverted, both passengers removed, 2 hour delay for the everyone else. In an episode which sounds more like a **Rage Nut**, Korean Air SVP Heather Cho performed an act of Brand Destruction when she delayed an Incheon-bound flight because of the way she was served macadamia nuts, forcing a senior flight attendant to kneel in front of her and apologize. If only it had been **Nutella** incorrectly served then some of the attention might have been diverted to the world's favorite nutty chocolate spread: Nutella uses up a quarter of the world's filbert supply (also known as hazel nuts), but its other key ingredient, palm oil, is a health hazard, the production of which correlates to the destruction of the rain forests of Indonesia.

Narcissism

"With the American accent, I've had far more success with women." - Stephen Hawking, explaining one of the advantages of his new speech synthesizer.

"10 Selfies Taken Moments Before Death" - morbid posts from various websites

On September 18, the cabin of JetBlue flight 1416 filled with smoke. A guy took a smiling **Selfie**, posted it online and it went viral with over 1 million views. The flight touched down safely. It's all fair game for content, rock concerts, presidential inaugurations, elementary school plays rich with *parentrazzi*, midair near-disasters. Birth of new genres: Selfies of My Divorce, Selfies at Funerals.

A **terminology survey** at San Diego State University studied 760,000 books published between 1960 and 2008. The use of "we" and "us" declined by 10%; instances of "I" and "me" increased by 42%.

Id-IOT-ic?

Apple's wristband, Nike's new generation of sensory footwear, Google's Glass, Microsoft's 3D specs mean we have crossed over the threshold into the era of **programmable objects** which sense, capture and exchange information. Developers say the most interesting contextual computing is happening with phones, so beware. Debate rages about who owns the information, whether the mysterious "they" have our best interests at heart. Fifteen years ago a panelist at the IHT Luxury Summit predicted a world where your sweater would be your best friend. Things which mimic the mythological tools of folklore and fantasy, like Excalibur, Snow White's mirror, or Woody Allen's Orgasmitron from *Sleeper* will populate the 26bn sensors forecast to be installed by 2020. As long as they don't pressure me to upgrade to the paid version, or track my YouTube visits I guess I am OK with the phenomenon. But when the sensors try to respond to my feelings by monitoring my facial expressions, the moment when algorithms decide to alter my emotions, uh-oh. A company called Affdex readies a suite of products which assess emotional connection with advertising, brands and media. When information about a package is as important as me, or the thing itself, perhaps it is time for the *thing* to rethink. Did you hear the one about The Jealous Toaster, which becomes agitated when it's not used enough? Its lever waggles anxiously. It may tell the Talking Trash Can to dispose of the muesli I wanted that morning, an unconscionable act of serial killing.

"When opponent likes fast game, Hashim plays slow; when opponent likes slow, Hashim plays fast. Against big man, Hashim makes him stoop to floor with low shots. Against tennis player used to open court, Hashim hits ball all the time very close to wall. Against player wearing glasses, Hashim gives many high shots, which he has difficulty seeing because of light overhead. When Hashim teaches, he emphasizes thinking."

- Hashim Khan (1913-2014), on squash strategy

Ci vediamo

Hasta la vista to **The Duchess of Alba**, holder of over 40 titles, scion of a venerable Spanish house, whose marriage after WWII was reputed to be the most expensive in the world. Her second marriage to her confessor, a defrocked Jesuit priest 11 years her junior, was followed by her third marriage to a civil servant 25 years younger, no doubt blinded by love and her multiple cosmetic surgeries, flowery dresses, hippy hatwear, huge estates, art collection and palaces, not to mention her \$4.4bn fortune. Actuarially speaking, Nobel Laureate economist **Gary Becker** totaled. His research on marriage, crime, addiction, racial discrimination and birthrates regarded all elements of society as rational economic agents. He viewed households as small factories that produce nonmarketable basics like leisure and sleeping; quantified what people are willing to pay to avoid one another's company; and rejected the assumption that individuals were motivated by the prospect of selfish material gain. Nancy Reagan's in-house astrologer **Joan Quigley** headed for the stars. On her private line thrice-daily to the First Lady to earn her monthly retainer of \$3000, she helped rule the Free World, drew horoscopes to insure the favorable alignment of planets for arms control treaties, profiled Gorbachev, and moved the time of day for the Presidential inauguration by 9 minutes. Virtually every major decision was cleared in advance with her. Ronnie's favorite question reputed to be: "What does Joan say?" **Alexander Shulgin** headed off on the ultimate trip. Following a 1960 experience with mescaline this dude went forth to create or patent almost 200 mind-altering chemicals, including Ecstasy and MDMA, stimulants, depressants, aphrodisiacs, 'empathogens,' convulsants, drugs that alter hearing, drugs that slow one's sense of time, drugs that speed it up, drugs that trigger violent outbursts, drugs that deaden emotion.

"Be regular and orderly in your life like a bourgeois, so that you may be violent and original in your work."

- Flaubert

[the following touchpoints to debate and discussion for the coming year](#)

Feasts of the epiphany

In 2012, **007** switched over to Heineken, shaken down by a \$45m payoff. Now Special Agent Bond has gone back on the hard stuff, in a stirring partnership with Belvedere Vodka for upcoming 'Spectre' film.

Originally packaged before the 1929 market crash under the name "Bib-Label Lithiated Lemon-Lime Soda", a beloved American soft drink kept its own dirty little secret until 1948, when the critical ingredient was banned by the FDA. These days Lithium is used to treat bipolar disorder and depression. A psychiatrist recommends adding low doses of the substance to drinking water in hopes of lowering rates of suicide, murder and rape. With drug prices so inflated, wouldn't it be cheaper to bring back the old formula and simply buy everybody a bottle of classic **7-Up**?

IP continued to confound regulators. The US Supreme Court ruled against **Aereo**, a startup which provided a dime-sized antenna allowing users to grab, stream and record from major broadcasters signals, challenging the economics of the tv business. At issue: retransmission

fees. Refunds issued to a half million subscribers. Said the Justices: “The spectrum that the broadcasters use...belongs to the American public.”

The largest conglomerate in the USA (value: \$350bn) now rebadges its family of utility companies as **Berkshire Hathaway Energy**. Also slated to rebrand its car dealership group under the same moniker, as well as licensing its name to real estate companies in Europe and Asia. Other opportunities in its portfolio: railways, insurance, manufacturing, retailing, but no plans for re-entry into textile sector, from which they took their name.

Advocates claim cannabis extends longevity. **Bob Marley**, who died in 1981, lives on as the fifth highest-earning dead celebrity in the 2013 Forbes List, scoring \$20m. A Seattle-based private equity firm raised \$22m in its first round financing, aimed at funding a global ganja enterprise. They hope to add another \$50m to the pot in 2015. The estate already licenses its name to headphones, audio accessories and coffee. Soon to follow under the Marley Natural name: heirloom Jamaican cannabis strains, marijuana-infused skin creams and lip balms, and paraphernalia such as vaporizers and pipes based on those preferred by Bob.

Intimations of the Bolivian Marching Powder from the aptly-named Droga5, a NYC ad agency who created the “You’re On” campaign for **Diet Coke** in the face of mounting competition from energy drinks like Red Bull. The uplift touted, aimed at aspiring millennials, earned skeptical sniffs from the marketplace, leading an editor at *Beverage Digest* to tout it was critical to market these beverages as delicious, refreshing and tasting good and worry less about brand image.

“Old men ought to be explorers.” -T.S. Eliot

Hollywood, clueless over the ironies of a brand name, suffered box-office disappointment and a half million pirated downloads with **Expendables 3**, a geriatric action sequel starring Stallone, Gibson and Schwarzenegger. The franchise refuses to die, and now plans a female-focused spinoff called The Expendables.

Greenpeace co-opted the 1500-year old Nazca geoglyphs in Peru, intending to raise awareness of global warming during the UN climate talks in Lima. Instead, the publicity stunt raised awareness of trespassing, while irreparably defiling a World Heritage site and eloquently demonstrating the concept of brand arrogance.

Dreamworks dogmatic about **Lassie**, part of a \$155m character library acquisition. The studio plans extensive merchandising, but no tv series or movies for the valiant pet first seen in a 1938 movie, later criticized for saccharine plots centered on childhood trauma and neuroses. Research shows the loyal, heroic and heartwarming canine has an 83% brand awareness rating. Look for product lines targeted mainly at adults. “Lassie, get Gramps!”

You wouldn’t know there were continuing woes in the global toy market by looking at **Lego**. In September 2014 the family-held Danish company took the lead as world’s biggest toymaker by revenue, \$2bn+, surpassing Mattel, whose sales of Barbie, Hot Wheels and Fisher-Price declined. Analysts had earlier concerns over strategic fumbles in sub-lines, but the brand was saved by the fan community, who influenced extensions into multimedia. This led to a hit movie, animated content, online games, a smartphone app, film tie-ins with Harry Potter and Star Wars, partnership with the Cartoon Network, double-digit growth in all three regions of the world. Despite huge potential in Asia, an IP risk looms, especially in competitive lines. But for the moment Lego seems to have the secret formula that transforms petrochemical compounds costing \$1/kg into product that sells for 75 times that figure.

Brand gymnastics for the **Mason Jar**, a 150-year old American institution. During frontier days the jars represented home preserving and canning, the metaphor for survival. During the Depression nearly every home used them. But refrigeration and mass-produced food, tv dinners and boxed mac and cheese saw the product transform into a glass container for stray pennies, or buried in the back yard filled with rolls of \$100 bills. The recession of 2008 signaled a return, with sales jumping as millennials learned to personalize their food. In a move to attract younger customers, big corps proffer plastic knockoffs filled with sugary fare, the most blatant example a replica from 7-Eleven, designed to hold Slurpees.

Brilliant idea: a user interface which employed software and invention to create a new market of underused assets. Venture capitalists romanced them, leading to a successful \$1.5bn IPO which valued the 2-year old startup at \$40bn. Then, banned or reviled in world capitals, accused of price-fixing, declared illegal in South Korea, discovered doing surge pricing during the Sydney hostage crisis, an unscrupulous competitor cancellation conspiracy in New York City, gouging on Valentine's Day, reprehensible conduct by drivers, and finally making a pact with the diabolical Amazon for last-mile delivery. Yet no matter what the bad news, **Uber** refuses to go *unter*.

"Thank you for your good and properly obscene letter." - Norman Mailer to Truman Capote, in a letter dated 1959

Terminology and concepts entering the mainstream in 2015:

Clickbait - Content trickery crafted to seduce unwitting website visitors

Climate refugees - humans displaced by rising sea levels, erosion or bio-fatigue.

Contextual computing - the terrain where your wearables form opinions about you in consultation with your smartphone

Digilantism - Self-appointed citizens or groups on the net who undertake to enforce their own ethical agenda, without legal authority, typically out of frustration with the status quo.

Flow - shorthand for a self-induced state of mindlessness resulting in unjustifiable complacency and self-satisfaction from activity often associated with consumerism

IRM - Influencer Relationship Marketing, touted as the new snake oil for any communications plan. [sic] "...can affect purchase decision and consideration, benefit reputation, employee retention and recruitment, and diffuse crisis."

Shuanggui - secretive extralegal process used on those citizens accused of political corruption in China

Sudden-wealth syndrome - an infirmity afflicting wealthy young people, symptoms of which include heightened ambition or a lack of motivation, feelings of shame, or the deleterious effects of inherited wealth. See also: *Affluenza*.

Underconsumptionist theory - an idea popularized by John Maynard Keynes that people inherently underspend once they become prosperous

Unicorns - fledgling tech startups valued at \$1 billion following IPO

Vax kooks - opponents of vaccines, as referred to by big pharma-funded special interest groups

What is a brand?

A brand is a signal for trust

A brand is a tool of transformation

A brand is a potential obfuscation which if unscrupulously employed can conceal an organization's true nature.

A brand balances idealism and commercialism.

A brand is the last defense of Romanticism.

Recently I have thought about brands as anchors of connection.

More on this in the coming year.

An outstanding 2015 to all!

A handwritten signature in dark grey ink, appearing to read "SMoss". The letters are cursive and fluid, with a long horizontal stroke at the end.

DiGanZi