

THE FUTURE 100

TRENDS AND CHANGE TO WATCH IN 2017

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J. WALTER
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INTELLIGENCE

Introduction

What a difference a year makes. As we look ahead to 2017, markets are confident, even though assumptions have been shaken and narratives overturned. Amid the massive shifts that are sure to follow, there's never been a more important time for brands to keep tabs on forecasts and emerging consumer behaviors.

The technology industry still continues to exercise enormous cultural and economic power, but finds itself entering unknown territory on multiple fronts. In "Silicon Soup" (#17), we look at how Silicon Valley brand perceptions are blurring as companies encroach on each other's territory. Airbnb is fighting for hearts and minds amid regulatory crackdowns in "Travel Action" (#28). Responding to cultural criticism, tech brands are investing in novel ways to prevent online abuse, as seen in "Tech vs the Trolls" (#14), while also helping families carve out tech-free time with "Wifi Disruptors" (#13). Even in the beauty sector, we see consumers worried about how light from screens affects skin (#60).

Markets that have long been overlooked or misunderstood are about to get their due. Brands are finally addressing the large and growing disabled population with "(Dis)ability Advertising" (#39), and US Latinos are being targeted as the polycultural, influential and diverse group they are (#38). Marketers lavish attention on millennials and boomers, but what about generation X? "Xers: The Forgotten Generation" (#35) reveals why this influential group deserves another look. In "Plus Size is a Plus" (#70), brands are finally spotlighting images of women who look like their customers. And "Halal Tourism" (#21) sees global destinations embracing the Muslim travel market as incomes grow.

Introduction

Last year saw society embracing topics that were previously taboo, and next year will bring entirely new industries centered around aspects of life that have been firmly reclaimed by consumers. “Vagina-nomics” (#05) examines how female sexuality—once euphemized or ignored—is now taking center stage across multiple industries. Women are choosing to unwind with the (increasingly legal) cannabis industry in “Marijuana: The New Rosé?” (#44). In beauty, makeup-wearing men are spearheading a shift to “Gender-neutral Beauty” (#51), while consumers of color are embracing ethnic hair products in “Natural Curls” (#54).

Harried consumers are seeking new forms of escapism, fantasy and insight—an extension of the Unreality trend we identified earlier in 2016. “New Witches” (#09) looks at young people adopting a knowing perspective on occult aesthetics, while “Trippy Travel” (#24) asks why millennials are participating in an ancient Amazonian ritual. “New Explorers” (#90) finds unprecedented numbers of urbanites turning to the great outdoors for respite, while elsewhere, developers are creating bubbles of “Artificial Nature” (#92). Innovators are even turning their attention to the most universal form of escape in “Sleep Renaissance” (#84).

Instagram, and now live-streaming culture, permeates all sectors. “Elemental Hospitality” (#25) looks at raw, exposed yet visually stunning places to stay the night. In “New Nails” (#57), beauty trends move away from the practical toward the socially sharable, as salons retool around experience culture. “Double-take Packaging” (#34) sees products mutating into surprising new shapes and configurations.

If there’s anything to be learned from this year, it’s that change comes rapidly, and often from unexpected places. While trends like “Brexitery” (#62) and “Political Consumers” (#37) reflect a world inevitably shaped by political storms, trends such as “Civic Data” (#12) or “Generation Z Arts Platforms” (#06) point to a future that’s propelled by immense creativity and the power of consumers. As more sectors embrace the unknown, it’s these forces that will drive industry forward.

Enjoy!

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Culture



01

The new experiential rock stars

At a time when consumers are spending more time and money on experiences than on material goods, brands are turning up the tempo by hiring experiential technologists to engage with their audience.

“Time is finally catching up to experience technologists,” says Justin Bolognino, founder and CEO of experience production company META.is. “There is a demand for technology-driven experiences because finally brands understand that they are the only thing that leaves an authentic impression on the audience.” Bolognino identified the gap in the market and started representing experiential directors through his company META.is. “AR [augmented reality] and VR [virtual reality] are becoming a common part of our lexicon, which is the first step towards recognizing the creators of these experiences as the true artists and future rock stars that they are.”

Brands are no longer simply a sponsor at a show or festival—they are experience facilitators. This summer HP collaborated with META.is and created The Lab, which ran during the three-day Panorama music festival. The Lab invited festival goers to engage in seven different interactive digital art installations and express themselves or leave a mark with the help of technology. Experiential technologists involved included Dave & Gabe, Gabriel Pulecio and Zachary Lieberman.

Volvox Labs is a “new media design studio” that uses technology to create experiences that can heighten or trigger emotions. During South by Southwest (SXSW) 2016 they collaborated with Spotify and SoulCycle to create a visual installation that responded to the cyclists to heighten their workout experience. Also for SXSW, Kodak Alaris collaborated with artist Marcos Luytens for The Memory Observatory, an installation that kaleidoscopically projected images and memories shared by visitors and then augmented them with sounds and smells to provoke memories and emotions captured at that specific photographic moment.

Why it's interesting: Consumers are flocking to technology-driven experiences that inspire, delight and emotionally resonate with them. Stand out from the crowd and hire a leading experiential technologist to take your audience on a digital trip they will never forget.

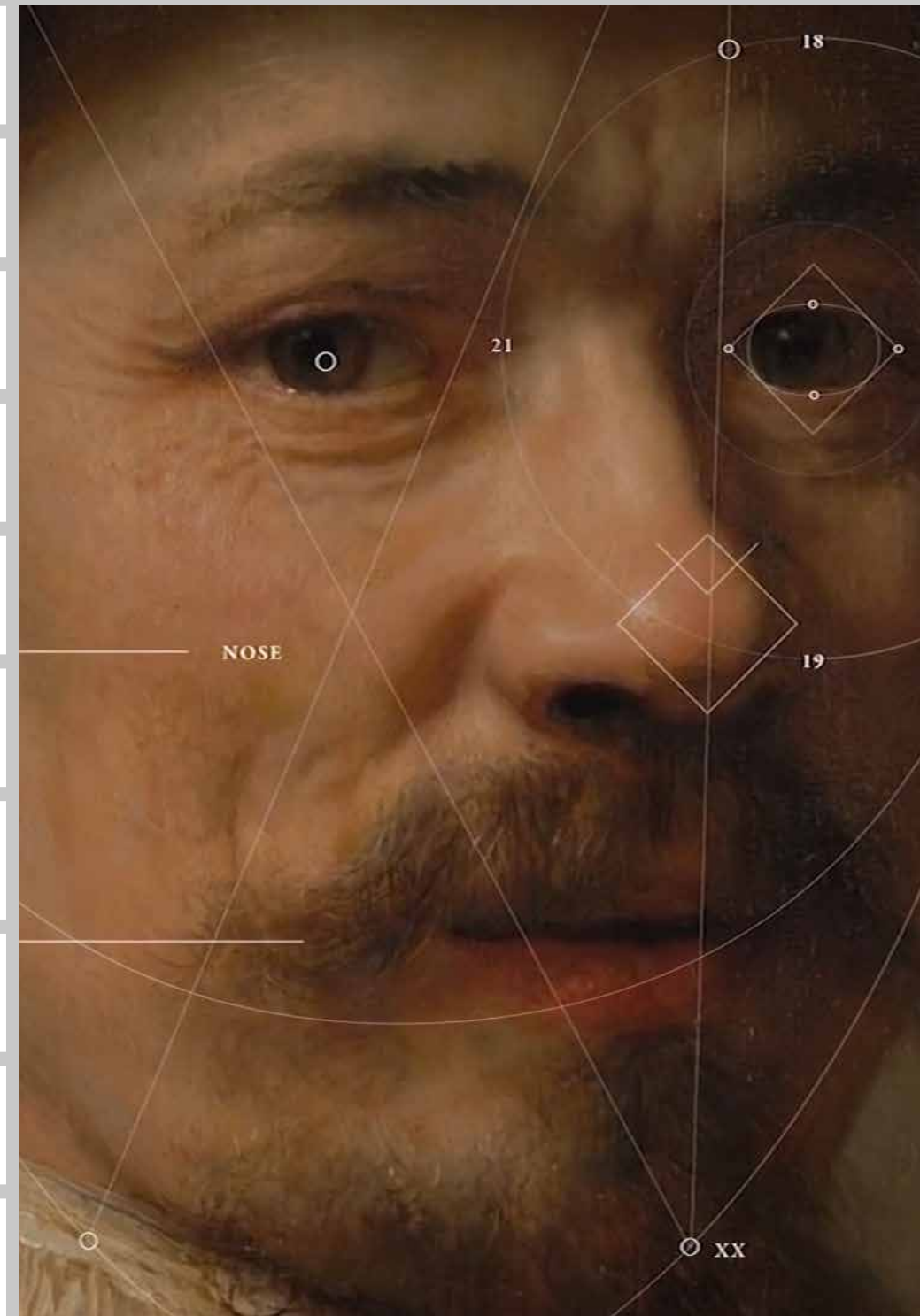
02

AI art

There's been plenty of talk of artificial intelligence replacing taxi drivers through self-driving cars, and even making white-collar professionals redundant—but will AI also replace artists?

Not any time soon. But today's artists are using emerging AI technologies to remarkable effect. For example, J. Walter Thompson Amsterdam (no bias here, we assure you) won accolades at the Cannes Lions Festival this year for "The Next Rembrandt," a project that scanned the artist's existing work and used AI and 3D printing to create an entirely new "Rembrandt" painting in the spirit of the artist's work.

In June 2016, Google announced Magenta, a "research project to advance the state of the art in machine intelligence for the music and art generation" that also aims to build a community of artists around the technology. Tate Britain chose AI as the 2016 theme for its IK Prize. The winning entry, "Recognition" by Fabrica, matched paintings in the museum's collection with daily news photographs supplied by Reuters, drawing revealing connections between past and present that human curators would likely have missed.



02

Other AI artists are using neural nets—computer programs that draw inspiration from the architecture of the human brain. Artists Sam Kronick and Tara Shi taught a program to recognize rocks, and then generate its own, raising the question: what is a rock, anyway? NYU researcher Ross Goodwin recently collaborated with film director Oscar Sharp to create a sci-fi screenplay written by AI, which was then turned into the short film “Sunspring.”

Why it's interesting: The possibilities and parameters of AI in art are only beginning to be defined. As Google and others work to expand the community of artists using these tools, we can expect surprises in 2017 and beyond—but don't settle for a standard solution that only uses AI as a buzzword.



03

Un-tabooing womanhood: Global edition

In last year's Future 100, we discussed how “previously taboo aspects of femininity are being unearthed and bought to the forefront” of cultural discourse. Today, open discussion of menstruation, body hair and more are going global, with even relatively conservative societies like China and India getting in on the discussion.

One of the clearest examples reached an audience of millions: at the Rio Olympics in August, the Chinese swimmer Fu Yuanhui broke a taboo, raising a subject rarely discussed in public even among Western athletes, when she told an interviewer that her failure to take home a medal was in part “because I just got my period yesterday, so I'm still a bit weak and really tired.”

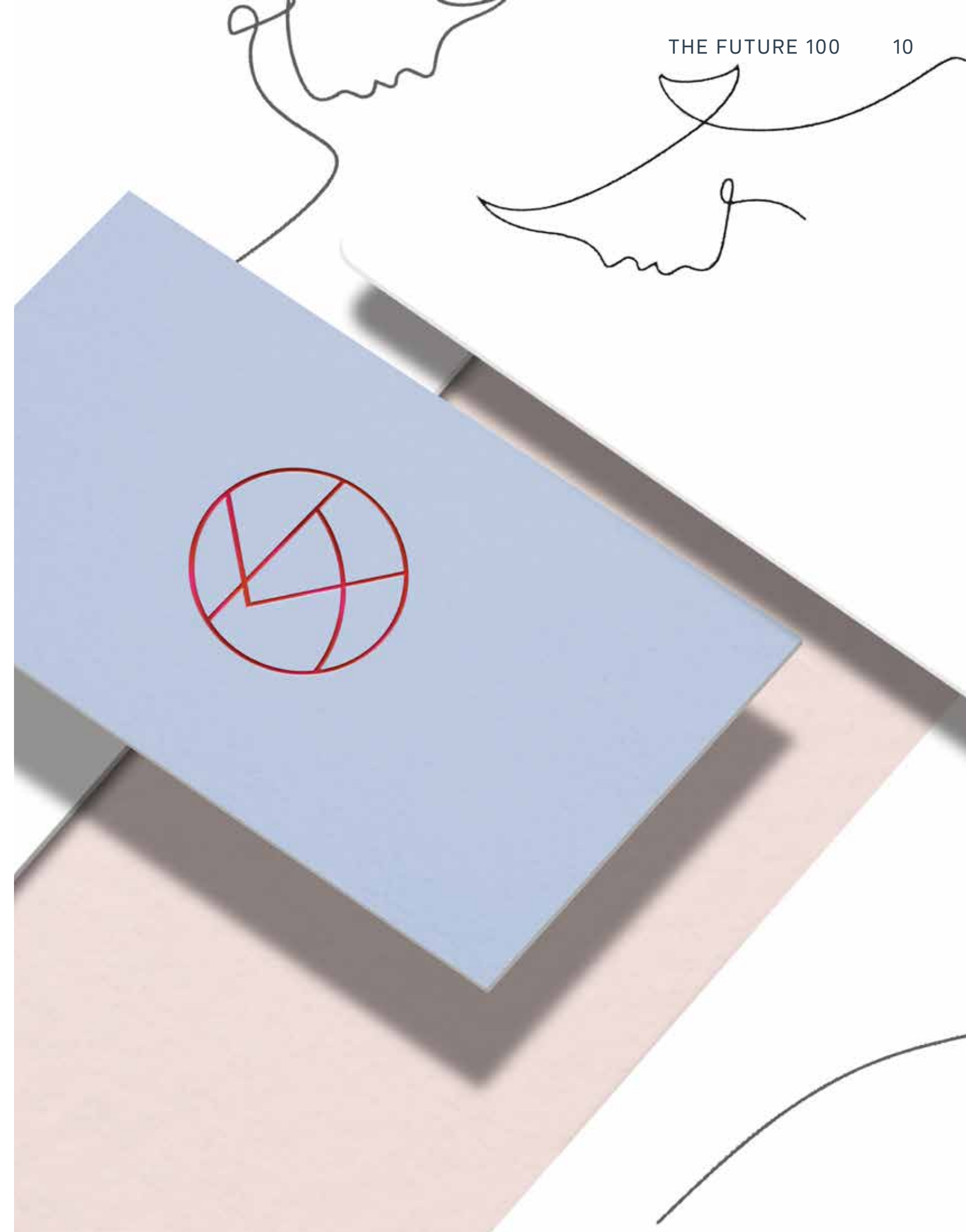
In China, regulators still ban ads for feminine hygiene products during peak viewing hours. But the country this year saw the launch of its first domestic tampon brand, Danbishuang, and another new brand, Fémme, hopes to “shift perceptions of menstruation from patronizing to positive and from conservatively traditional to symbolic of contemporary female identity,” according to Yoai, the company behind Fémme. Branding by Pearlfisher positions the item as a premium product, and aims to dispel the stigma around tampon usage.



03

In India, where one in five girls drop out of school after they start menstruating, according to Nielsen and Plan India, student activists are trying to lift the shame and stigma surrounding open discussion of the issue. At Calicut Medical College in Kerala, students launched a menstruation-themed haiku and poetry contest in celebration of International Women's Day. Social media publicity resulted in entries coming in from around the country. "We're budding doctors, so if we don't talk about this, who will?" activist Kavya Menon told *The Guardian*. "It only takes a small number of people willing to break a taboo, and then the others will follow."

Why it's interesting: As activist movements cross international borders more easily than ever thanks to social media, no market is protected from the wave of online feminism that has inspired millennials and generation Z. Don't assume that traditional attitudes prevail.



04

Post women's-interest media

The notion of “women’s interest” media appears dated in an age when individuals are taking control of what gender identity and expression mean to them. But what is rising up to take its place?

Some of the most radical work is being done in print. *Ladybeard*, a UK print title launched in 2015, has the high-quality production values of the standard glossy but aims for revolutionized content. “*Ladybeard* is a feminist publication but it is not just for women; we are trying to play with gender, rather than dictate its terms,” say co-editors Kitty Drake, Madeleine Dunnigan and Sadhbh O’Sullivan.

Ladybeard's second issue takes the mind as its starting point, examining the idea of the gendered nature of the brain, exploring racial discrimination in mental health, looking at how emotions have changed across centuries, and investigating the therapeutic potential of LSD. By looking at “a multitude of perspectives, from different ages, races, genders, and sexualities, we hope to offer a more holistic, organic and radical perspective,” say the editors.

Other outlets embrace an even broader conception of gender, and how identity shapes interests. *Posture* is a New York–based arts and fashion magazine that was born out of founding editor Winter Mendelson's frustration

at the lack of media specifically spotlighting queer visual culture. Focused on the “creative exploration of identity,” *Posture* recently joined forces with media incubator Wayward Wild to reimagine its visual identity and create an event series and podcast to connect with queer communities around the world.

Why it's interesting: As young people radically re-examine the meaning of femininity, the many companies whose products and services rely on some version of “feminine” messaging and branding should be watching these new media outlets closely, or risk failing to keep pace with changing norms.



05

Vagina-nomics

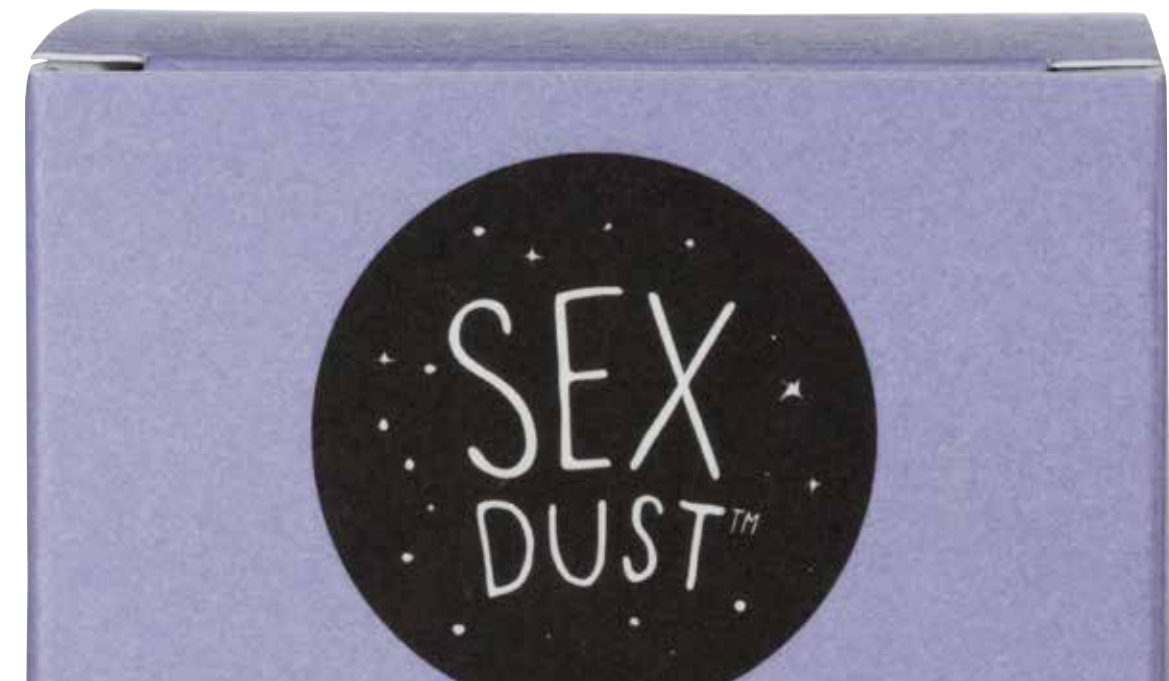
The female genitalia—often euphemized or not discussed at all—are taking center stage as part of the ongoing un-tabooing of womanhood.

Arts platform Club Clitoris regularly posts illustrations on Instagram “encouraging others to love their natural bodies—vaginas, labia, body hair, and periods included.” (You can purchase prints for your apartment.) Then there’s ongoing work by artist Sophie Wallace, who made headlines in 2012 for her “Clitoracy” art project, more recently staging “Over and Over and Over,” an installation on a similar theme. “I think more women of all ages, and particularly young women, are beginning to increase their sense of sexual entitlement,” she explains.

OMGYes is a revolutionary website that provides paid subscribers with hands-on instructional content to give and receive better orgasms. Recently endorsed by noted feminist actor Emma Watson, OMGYes features vivid, touchable tutorials that display real and responsive vulvas. The anti-aging market is making room for wellness and beauty products for female genitalia. Products are marketed as “intimate skincare,” with design, packaging and language codes borrowed from premium skincare brands—familiar and comfortable territory for generation X and millennial consumers.

Gynecological health is also coming to the forefront. The Lady Garden Campaign, fronted by Cara Delevingne, aims to increase awareness of gynecological cancers and is an example of the increased visibility of gynecological wellbeing. The campaign, launched in 2015, urges women to talk more openly about gynae health, without stigma or embarrassment. Topshop is supporting the cause with its Lady Garden collection, giving 30% of sales proceeds to the Gynecological Cancer Fund.

Why it’s interesting: Taboos are breaking down as women demand not only empowerment but also education and understanding of their bodies and health. Meanwhile, the culture of connected modern feminism is creating new platforms and forums for exploring women’s sexual fulfillment and celebrating all aspects of their bodies.





06

♀ Generation Z arts platforms

The teenage girls of generation Z are showing remarkable creative prowess. New platforms are springing up that give voice to young and marginalized creators, challenging the traditional power structures of the art world.

“We realized that the work of people of color has been institutionally excluded, and so we felt like we wanted to have this space where, like, kids felt safe sharing their artwork,” said actress and activist Amandla Stenberg in a video for Tate Modern. “It’s kind of become this movement about self-acceptance and self-love as artwork.”

Along with fellow gen Z icon Willow Smith, Stenberg is a member of the Art Hoe Collective, a movement for young creatives of color. Posts tagged with #arthoe are curated and shared on the group’s Instagram and Tumblr accounts. Art Hoe also features work by transgender and gender nonconforming teens, giving a wide range of traditionally marginalized voices a safe space and a broader audience.

School of Doodle, launched in April 2016, is an online platform exclusively for girls aged 13 to 19. The Kickstarter-backed community features online tutorials alongside original artwork, creativity challenges and career advice from partners like Anna Sui and Arianna Huffington. According to its manifesto, School of Doodle gives users the tools to address the “confidence gap,” encouraging teenage girls to “demand to be seen and heard.”

Why it’s interesting: Rather than getting girls to conform, new online platforms flip the narrative, giving teenage creatives tools to succeed on their own terms.



07

Civic Silicon Valley

Jeff Bezos is creating his own shipping infrastructure, Mark Zuckerberg is building a school, Google is trying to solve urban problems through its city planning startup Sidewalk Labs—then there's Hyperloop, the high-speed levitating pod transport system set to surpass trains and move at near the speed of sound.

Oh, and SpaceX founder Elon Musk is planning to colonize Mars. Silicon Valley's companies, and its luminaries, are taking their ambitions to a grand scale and turning their attention to civic sectors from education to health, transport systems and beyond.

Why it's interesting: As Silicon Valley matures it is progressing from consumer-facing platforms and gadgets in to innovation on a grand scale, approaching sectors with a new disruptive lens—much like the industrialists of the twentieth century. Where next?



08

The attention economy

“It’s the attention economy, stupid,” wrote Rowland Manthorpe, associate editor at *Wired UK* in November 2016. He was describing the new media landscape where “attention is worth more than money.”

There is a growing focus on attention as a qualitative measure of success and as a commodity in itself. Tim Wu’s new book *The Attention Merchants: The Epic Scramble to Get Inside Our Heads* traces the rise of the “attention merchants” who capture our attention for resale to advertisers.

At Web Summit 2016, Gary Vaynerchuk, best-selling author and CEO of VaynerMedia digital media agency, discussed “day trading attention.” He suggests that, while people absorb TV as background, their real attention is on mobile: “TV is the new radio.” He also talked about abuse of attention: “It’s about time. If I spend seven seconds shutting down a pop-up mobile ad, it’s seven seconds of my life gone.” Vaynerchuk argues that marketers who simply seek a click-through, whether or not it is relevant to the user, will in fact alienate the consumers they are seeking to attract.

In this overly saturated landscape, says Manthorpe, “attention is a scarce resource. Today, tech and media companies compete for attention, in the form of time spent on their apps and websites. The business model is simple:

capture attention, then monetize it through advertising.” This has continued, says Manthorpe, with push notifications and click-bait journalism, tweets and social media posts. “From the perspective of the tech firm, it doesn’t matter what you do when you’re on the app. A gif of a cat falling off a table; a photo of your new-born daughter; a long read on the refugee crisis: all just content, grist for the attention mill.”

Time is also something to be “hacked” to create space for more attention opportunities. Driverless cars and timesaving one-click purchases will free up precious hours for other attention-grabbing messaging. However, there’s also a chance of a backlash as consumers become overly saturated. Artist Keiichi Matsuda’s latest film *Hyper-Reality* paints a dystopian landscape where the world is flooded with attention-grabbing, personalized ads.

Why it’s interesting: Distraction will only increase as our interactions gain an extra layer of information—chatbots and voice-controlled devices such as Amazon Echo, as well as smartphones, iPads, TVs and screens. Securing that precious attention will be harder than ever. But the problem, says Manthorpe, is that unlike other commodities, attention is fixed. “We only have so much. We’re at a tipping point because it can only go so far—it’s difficult to grow.” Companies are going to have to use AI to take choice away from you, he points out, so fewer things are competing for attention.



09

New witches

Centuries after witches were burned at the stake in Salem, witchcraft has once again become a celestial symbol of female empowerment and divine energy.

In a *Dazed* report on the resurgence of the female witch as an allegory for feminism, *Rookie*'s Tavi Gevinson cites teen horror film *The Craft* as one of her early influences: "There's something attractive to me about embracing these stereotypically feminine qualities that can sometimes be thought of as very negative, like being too sensitive or emotional, and using that intuition to make something change in your life with your friends."



09

In recent years, we've again been bewitched. On TV, we're binge-watching *Salem* and *American Horror Story: Coven*. In art, there's Brooklyn-based creative collective Witches of Bushwick. Wearing matching black Yeezy-esque jerseys emblazoned with "unlucky" number 13, these urban witches sage their apartments, listen to Kanye, and identify with their namesake group's rejection of the patriarchy and the corporate world.

NYC-based design duo Material Lust's primitive sculptures draw on pagan and alchemical symbolism. On Instagram, self-proclaimed "modern mystic" the Hoodwitch shares her meme-culture inspired brand of sorcery with her followers, who numbered over 108,000 at the last count.

Maja D'Aoust, also known as the White Witch of Los Angeles, holds a bachelor's degree in biochemistry and a master's degree in transformational psychology, with a focus on shamanism, from the University of Philosophical Research.

Why it's interesting: "Women's spirituality is increasing because we are getting wise," says D'Aoust. "Women are starting to figure out there is no knight in shining armor that will come and rescue them. A witch is the one who saves herself. We do not need your protection because we teach ourselves kung fu ... Women know we have power, because all things innately have their own power, and if no one gives it to us, we will give it to ourselves."



10

Diverse Hollywood

It's no secret that Hollywood has a diversity problem. New films suggest that the industry may finally be taking steps to address its shortcomings and become more relevant to the women and minority groups that also buy tickets.

This year, 2016, brought critical acclaim for a line-up of minority-directed movies including *Moonlight*, a coming-of-age story about a young African-American man, and *Fences*, starring Denzel Washington. In January, *Birth of a Nation*, the story of the Nat Turner rebellion, smashed Sundance records when it was bought by Fox Searchlight for \$17.5 million.

The year also led to advances for women in lead roles. There was a female-led *Ghostbusters* reboot and women fronted the *Ocean's 11* remake, while 2017's *Wonder Woman* and 2019's *Captain Marvel* with Brie Larson will bring much-needed female leads to the superhero blockbuster genre.

According to industry data, minority moviegoers buy more tickets per capita than the average consumer. Statistical analytics blog FiveThirtyEight found that films that passed the feminist Bechdel test had a higher return on investment than the median (a film passes if it contains dialogue between two women about something other than a man). The same trends play out at



10

the box office: The female-fronted *Star Wars: The Force Awakens* was 2015's highest-grossing movie, taking in more than \$2 billion worldwide. Rap biopic *Straight Outta Compton* made almost \$200 million, becoming the highest-grossing biopic of all time.

"If you try to be diverse for the sake of being diverse, it's going to fail," Jeff Shell, chairman of Universal, the studio behind *Straight Outta Compton*, told *Variety*. "The real reason to do it is that it's good business. Our audience is diverse."

Hollywood's new diversity reflects an industry under renewed pressure. Last year, WikiLeaks made public thousands of leaked emails from Sony Pictures, revealing industry-wide sexism that kicked off a new wave of celebrity activism. Consumers are also continuing to use the internet to bring diversity to the foreground: a September petition demanding that Disney cast a Chinese actor in its upcoming live-action *Mulan* garnered more than 100,000 signatures.

Why it's interesting: Upcoming releases show an industry that may not be able to afford another year of #OscarsSoWhite controversy, and one that is waking up to the power of its increasingly diverse and vocal consumers.



11-20 Tech+Innovation



11

Baby tech

2016's CES, the consumer electronics trade show that sets the tone for the industry each year in January, saw technology for babies emerge as a new niche market.



Smarter monitoring devices, tech to assist with conception, and even a one-piece baby food maker that looks like a coffee machine are all grouped under this emerging niche market. The second year of the event's BabyTech Summit, to be presented in 2017 by Living in Digital Times, will feature new products that help quantify a baby's life, the better to assist parents. "The growth in the Internet of Baby Things is taking the parenting world by storm," Jill Gilbert, producer of the BabyTech Summit, says in a release. "Technology is enabling things that moms of yesteryear could have only dreamed. Every challenge is being tackled."

Even star designer Yves Béhar, beloved by Silicon Valley, is turning his attention to the needs of the youngest consumers (and their exhausted parents) with a smart crib called Snoo. The crib rocks agitated babies back to sleep, while its mesh design allows for free flow of air. The baby's sleep patterns and motion can be monitored by parents via a paired app.

Why it's interesting: With digital-native millennials now becoming parents, they're seeking child-rearing solutions from the tech industry, where they look for most other solutions as well.

12

Civic data

Municipal services like water and traffic management rarely provoke flights of passion, unless your name happens to be Leslie Knope. But now, cities are taking a page from the Wikipedia playbook and open-sourcing data for curious hackers who just might discover the next innovation in urbanism. City planning is gaining some of the sheen and cool factor of high tech.

Los Angeles is a case in point. Early in 2016 the city launched GeoHub, a map-based portal for city data. One application developed with GeoHub is Street Wize, which helps make sure roadwork and upkeep projects are scheduled in the most efficient way, and coordinated across departments. “GeoHub serves as a foundation to do the work of making smarter cities. It pulls data from many different places and weaves various perspectives to create the most compelling maps and apps,” Lilian Coral, chief data officer of Los Angeles, told the Data-Smart City Solutions site.

A version of this idea is happening in many cities, large and small. In fall 2016, Syracuse, New York hosted a “civic data hackathon” aimed at using data to discover solutions to improve the city’s roads. “It’s a way of bringing new resources and new ideas to a very traditional problem,” mayor Stephanie

Miner told digital news operation Route Fifty, adding that the hackathon helped to “make people feel like they have a role in their government.” In Mississippi, the Open Jackson Data Portal launched in early 2016, helping to find ways to increase city revenues and decrease duplicate 311 tickets.

The concept has also reached Pune, India where an open data portal launched in late 2016. “Anyone—citizen, business owner, researcher or developer—can access data relating to the city,” Pune’s municipal commissioner Kunal Kumar tells the *Indian Express*.

Why it’s interesting: What uses could brands and retailers find for open city data? Perhaps a better understanding of footfall and the patterns that drive shopping behavior, or maybe a sponsorship opportunity to show their investment in local communities?

13

Wifi disruptors

While omnipresent wifi has been a boon for public spaces and individuals alike, one group that's less than thrilled by the trend is parents.

In 2015, pasta sauce brand Dolmio surveyed Australian households and found that 38% of them felt they had no way to limit tech use during family dinners, and a whopping 63% of arguments at the table were found to be related to technology. In response, Dolmio proposed the Pepper Hacker, a pepper grinder with a disguised wifi blocker. After what the company called “unprecedented feedback,” the grinder went on sale in 2016.

Mainstream companies also began to offer a wifi switch for families looking to unplug. Google Wifi, launched in October 2016, offers a “family pause” switch that suspends wifi access at dinner or bedtime. And Eero, a similar home wifi system, launched its Family Profiles system in June 2016, allowing parents to adjust wifi access for younger or older children on different devices.

“The options on the market today feel a bit punitive by design and over-complicate device management,” wrote Nick Weaver, Eero CEO, in a company blog post. “We’re taking a different approach—simplifying the process by focusing on what’s most important: time together.”

Why it's interesting: Research suggests that too much screen time affects children's sleep and emotional management, among other effects. Despite the push for seamless and constant connection, some consumers are equally interested in the occasional tech-aided unplug.



14

Tech vs the trolls

Online abuse is more visible than ever. Aware of their role in distributing these messages (and the potential damage to public perceptions of their brands), tech companies are creating tools to consistently crack down on abusive speech.

In summer 2016, Twitter trolls subjected comedian Leslie Jones to so much racist and sexist abuse that she quit the platform, and later went offline altogether, for several months. Parents of young children are aware that digital taunts can quickly get dangerously ugly. And in the United States and the United Kingdom, the most divisive political year in recent memory was marked by harsh recriminations on all sides, and, not infrequently, hate speech.

Yahoo has created an abuse-detecting algorithm that the company says can accurately identify whether online comments contain hate speech in 90% of test cases. Through a division called Jigsaw, Google is releasing Conversation AI, which aims to use machine learning to more accurately filter out abusive speech. "I want to use the best technology we have at our disposal to begin to take on trolling and other nefarious tactics that give hostile voices disproportionate weight," Jigsaw founder and president Jared Cohen told *Wired*.

Such efforts are not without their critics. Technology news network The Verge calls Conversation AI "ensorious overreach," warning that the effort could backfire and block important information on, for example, sexual health. But in a vitriolic online world, it may be a first step toward restoring civility.

Why it's interesting: Consumers are looking for comfort and reassurance in divided times, and looking to brands to help reduce their anxieties. How could AI help achieve this in your industry?

15

Augmented reality evolves

In January 2016, the BBC heralded the new year as the one where “VR goes from virtual to reality.” But it’s another technology, often discussed in the same breath, that has truly gone viral: the surprise success of Pokémon Go has put augmented reality (AR) in the pockets of millions.

Apple is rumored to be planning a major AR push. The company’s new iPhone 7 Plus has two cameras, which would allow the device to intelligently sense depth and vastly improve its capacity for AR applications. Without announcing specific plans, CEO Tim Cook gushed about AR in a July earnings call: “We are high on AR for the long run, we think there’s great things for customers and a great commercial opportunity.” Meanwhile, Alibaba created a location-based AR mobile game to promote its Singles’ Day shopping event.

“The geolocative technology has been around since 2010, but people haven’t really found a use case for it until Pokémon Go,” says new-media artist Tamiko Thiel. “The question is, what will they find that really makes use of it?”

Brands are trying to use AR to enhance online commerce. For 2016’s September London Fashion Week, online retail platform Lyst created “Humannequins,” a window installation featuring scantily clad models who could be “clothed” with the help of an AR app.

Why it’s interesting: AR is more accessible than VR and offers a less totalizing sensory experience. By definition, it blends with the real world. Now that consumers have a sense of what it’s like, brands can explore new ways to use AR at scale in retail and beyond.



16

Digital India

In 2015, the Government of India launched Digital India, a nationwide project to connect rural areas with broadband internet. The plan has received the backing of Silicon Valley bigwigs including Mark Zuckerberg, who changed his Facebook profile picture in support. Microsoft, meanwhile, pledged to provide broadband connectivity to 500,000 villages in the country.

With access to reliable connections for the first time, these millions of Indian people represent a huge potential growth market for online retail, and in 2017 the competition is expected to become intense. Amazon has pledged to invest \$3 billion in the country, while home-grown e-commerce company Flipkart is determined not to cede territory to the global behemoth. (In a move reminiscent of Amazon's physical bookstores in the United States, Flipkart is building physical stores to offer "assisted commerce," though specifics are unclear at the time of writing.)

On the B2B side, there's Amazon and another claimant to the coming gold-rush: Alibaba is signing up Indian partners including Kotak Mahindra Bank, IDFC Bank, DHL and Aditya Birla Finance, according to a report from Quartz. Stakes are high: India's potentially lucrative B2B e-commerce market is expected to grow by 2.5 times through 2020.

Why it's interesting: With its geographic, logistical and regulatory hurdles, India is a tough nut to crack for e-commerce. Whether an American, Chinese or Indian company ultimately corners the market, the winners in the next year may have a broad impact.

17

Silicon soup

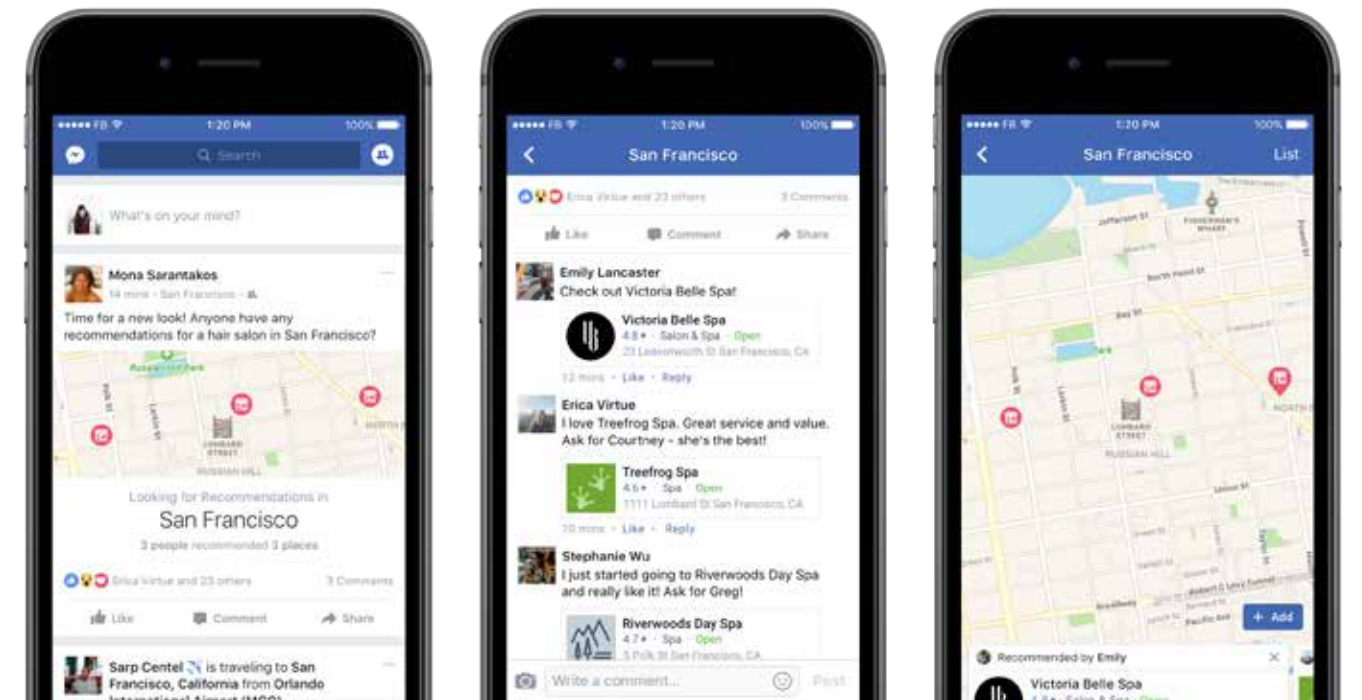
Technology companies at the top of the Silicon Valley hierarchy are looking outside their original mission as they strive for innovation and growth, often borrowing from their neighbor's playbook, collapsing the lines between brands.

Consider the red-hot delivery sector. In October 2016, Facebook added an option to order food from a business page. UberEats, which evolved from the company's Santa Monica based delivery service UberFresh, launched in 2015 and has expanded steadily since. Once ruled by dedicated delivery platforms like GrubHub or Seamless, food delivery is now facing challenges from a social media platform and a ride-sharing app.

Facebook's Facebook at Work is a LinkedIn-like service that represents its expansion into professional tools. And Google looks suspiciously like Apple with its first phone, the Pixel, a major step for the company into hardware production. Google and Amazon are both angling to control the home Internet of Things, with Google's new Home smart speaker, and Amazon's Echo. And of course, nearly every giant company in the Valley is trying to develop a self-driving car.

The relaunch of Facebook's Marketplace feature and Instagram's upgraded click-to-shop ads position both as potentially significant players in e-commerce. Google's Express delivery service debuted in 2013 and by the end of 2016, the same-day delivery service was expected to cover the entire United States, encroaching into the territory of Amazon Prime.

Why it's interesting: It's no surprise that tech companies want to compete in profitable markets. What is surprising is the degree to which all technology companies seem to be encroaching on each other's area of specialization. As consumers get used to Silicon Valley brands blurring their own lines, tech companies will be left to sort out the competition—provided they haven't already been cannibalized.



18

Social virtual reality

At the 2014 Web Summit, Oculus Rift CEO Brendan Iribe pointed to revolutionized communication as the biggest opportunity in VR. Next, Facebook promised to enable teleporting by 2025.

VR has thus far been a relatively isolated experience, enjoyed in a personal headset, but this needs to change for it to reach mass adoption, says Rowland Manthorpe, associate editor at *Wired UK*. “The thing about virtual reality currently is that it is not very social or limited to gaming, and that, ultimately, will stop it from reaching mass adoption. Until you make it social, it won’t have as big an impact.”

Gaming companies such as The Void have sought to socialize it with interactive multiplayer games. Augmented reality has also demonstrated the benefits of combining digital landscapes with physical and social surrounds. But this is just the beginning. Companies such as High Fidelity, founded by Philip Rosedale, who also founded virtual world Second Life, is experimenting with VR to create limitless 3D social landscapes. And with giants such as Facebook, Google, Apple, Amazon and Alibaba investing heavily in VR, making the technology more social is a logical way forward.

Why it's interesting: Social networks have had a transformative impact on how consumers interact, network, and discover content and new experiences. As VR emerges, providing rich landscapes for storytelling and immersion, it could further be enhanced by allowing consumers to interact in virtual worlds, fictional or real.



19

Security in the IoT

In October 2016, a massive national cyberattack took down popular sites for nearly an entire day. Hackers used home devices such as routers, security cameras and DVRs connected to the Internet of Things.

For consumers, the attack was one of the greatest security fears around new technology brought to life. More than 20 billion devices are expected to be connected to the Internet of Things by 2020, according to technology research firm Gartner, meaning that more than five million devices will be brought online *per day*. This deluge of smart appliances means that, without proper security measures, hackers could have more access points to a consumer's home network than ever.

"If we want to put networked technologies into more and more things, we also have to find a way to make them safer," Michael Walker, a computer security expert at DARPA, the Pentagon's advanced research arm, tells the *New York Times*. "It's a challenge for civilization."

The results can be far more nefarious than a frozen web. In 2015, a pair of hackers carrying out car-jacking research successfully hijacked a Jeep's digital system, cutting the brakes and causing the car to come to a standstill in the middle of the highway.

The experiment prompted an extensive security review (and a 1.4 million vehicle recall) from Chrysler. And in November 2016, researchers at Israel's Weizmann Institute of Science and Canada's Dalhousie University hacked a set of Philips smart lightbulbs through a drone, proving the feasibility of remote attacks. And with the Internet of Things encroaching everywhere from the office to the nursery, consumer privacy is also in play.

Why it's interesting: In the United States and the United Kingdom, consumers care more about brands' management of their personal data than about price, according to a survey conducted by J. Walter Thompson's SONAR™ division. Future Internet of Things companies will have to work much harder than their predecessors to convince consumers that products are safe.

20

Techucation

In October 2016, tech giants Apple and IBM partnered to introduce IBM Watson Element for Educators, an app that intuitively measures a student's interests, learning experiences and behavior.

The app helps teachers gain a deeper understanding of individual needs and personalize their teaching styles from the data aggregated. For example, if a student has difficulties with a specific subject, educators are able to personalize content by integrating the student's hobbies to engage him or her, which, according to IBM, has previously proved an effective technique.

Coppell Independent School District in Texas, the first school district to introduce the app, has nearly 12,300 students and over 750 teachers. "For decades, IBM has been committed to providing the best capabilities, talent and resources to spur innovation for the system of education and learning for today's students—our future leaders," said Harriet Green, general manager, IBM Watson Internet of Things, Commerce & Education in a press release. "IBM and Apple are launching Watson Element to help teachers gain insights into each student's skills, preferences and interests to transform personalized learning experiences that are unique to all."

Why it's interesting: The style and quality of education is changing, and tech brands are stepping in to engage with young students by assisting, teaching and evolving with them. The 2015 Gallup Student Poll survey revealed that only 50% of students in grades five through 12 feel engaged during school. The IBM Watson Element for Educators app aims to instill confidence and enthusiasm for school in students, and gather individual information for educators to further improve students' learning quality.



21-30

Travel+Hospitality



21

Halal tourism

The tourism industry is waking up to the growing spending power of the Muslim traveler, particularly in Europe and Asia, which account for 87% of the market.

Muslim business travel is expected to be a \$22 billion market by 2020, while Muslim travel overall will be worth \$220 billion, according to an October 2016 report by Mastercard and CrescentRating. More than half of Muslim business travelers spent in excess of \$2,000 per trip, according to the report.

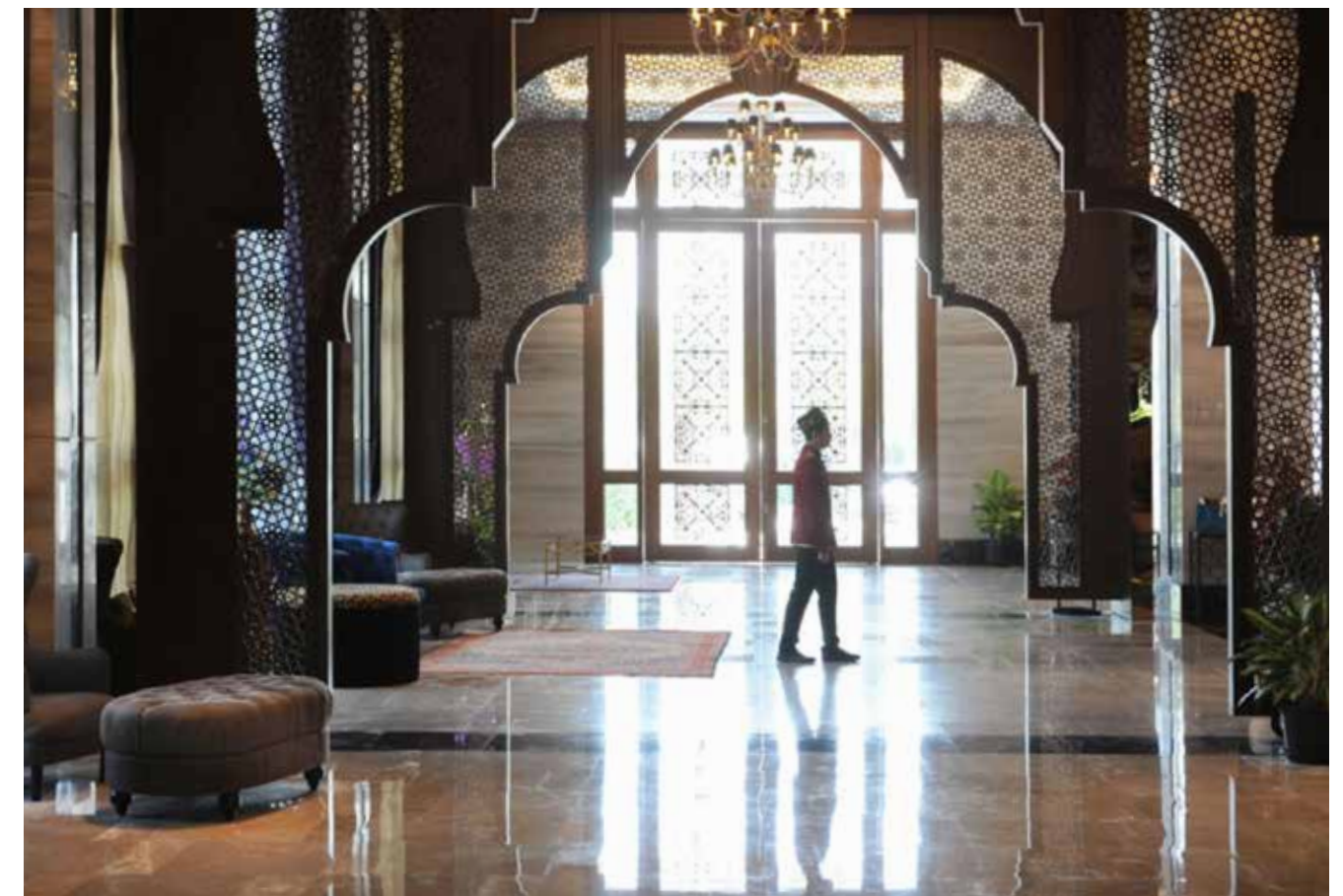
“The Muslim business travel market is expected to continue to expand over the next couple of years, alongside the growth of emerging economies such as Indonesia and Malaysia,” Aisha Islam, Mastercard vice president for consumer products, Southeast Asia, said in a release announcing the report.

Asian destinations in particular are reaching out to Muslim travelers. Thailand’s first halal hotel, the four-star Al Meroz, opened recently to cater to Thailand’s growing numbers of Middle Eastern visitors, including United Arab Emirates citizens who come for medical treatments. In 2015, Thailand launched an app to help Muslim travelers find halal-friendly restaurants.

Taiwan’s capital Taipei has provided prayer rooms at the city’s main train station, while seven new halal restaurants opened in the city during 2016,

city tourism commissioner Yu-Yen Chien told Malay Mail Online. In Japan, Muslim-friendly tour operators report rising business, and the Syariah Hotel Fujisan opened in July 2016 to host Muslim tourists visiting the area near Mount Fuji.

Why it’s interesting: Tourism is the most recent sector to align itself with the needs of Muslim consumers, following recent interest in Muslim-friendly fashion and cosmetics. Hospitality brands should make sure their offerings suit this group, or risk losing out on the market.



AL MEROZ
الميراث
BANGKOK
◆ ◆ ◆ ◆
The Leading Halal Hotel



22

Gen Z hotels

The first members of generation Z turn 21 in 2017, marking their transition from society's teenagers to fully fledged consumers. Hotel chains are preparing for this next wave of travelers with souped-up technology and unique initiatives.

Marriott created an innovation lab at its Charlotte property to explore features for the next generation of travelers, with "beta buttons" for customers to give feedback at any point during their stay. The property's rotating concepts include a "market" of local small businesses, curbside check-in and on-demand workouts in the high-tech fitness center. Successful initiatives will eventually roll out to all Marriott properties.

"The demographic of our guests is changing, and it's very important to stay in dialogue with them," managing director Mike Dearing told *Fast Company*. Generation Z are discerning consumers, but travel is extremely important to this global-minded and diverse demographic, 42% of whom say they travel to make their lives more complete, according to the Cassandra Report.

Why it's interesting: While marketers have recently focused extensively on millennials, generation Z is large enough to make a serious mark on consumer behavior. Well-prepared travel chains stand to reap the benefits when the gen Z credit cards come out.



23

Polar travel

Crystal Serenity became the first large-scale cruise liner to traverse the Northwest Passage from Alaska to the Atlantic Ocean in September—a major Arctic milestone.

In the remote Norwegian territory of Svalbard, revenue from tourism is outstripping revenue from coal mining, previously the region's mainstay. As summer ice in the Arctic reaches historic lows, more ships are expected to join. Tourists hope to see the region before climate change alters it forever, even as environmental groups warn that large-scale tourism could spell disaster for the fragile Arctic.

At the opposite end of the planet, the White Desert camp in the interior of Antarctica has been fitted with new luxurious amenities, such as “bamboo headboards, Saarinen chairs, fur throws, and en suite bathrooms stocked with sustainable Lost Explorer-brand toiletries,” according to Bloomberg. Guests will be able to sail to the Antarctic aboard the Crystal Endeavor, a new luxury megayacht debuting in August 2018.

Why it's interesting: As the urge to post the perfect travel shot on social media pushes people ever further into the wild, travel and hospitality brands are under increasing pressure to provide novel experiences.







White Desert camp, Antarctica



24

Trippy travel

In past decades, countercultural types flocked to the coffee shops of Amsterdam to sample legal marijuana, but today's aspiring psychonauts are traveling farther afield. Ayahuasca tourism has exploded in the past few years.

Participants at the 2016 World Ayahuasca Conference in Rio Branco, Brazil, heard that an estimated 40 therapeutic retreats around the world now specialize in ayahuasca, a potent psychoactive brew of vines and leaves used as traditional spiritual medicine among the indigenous residents of Amazonia.

Perhaps it was only a matter of time after Chelsea Handler indulged on camera from Peru for her Netflix show, but the backlash has already begun: "Millennials on spirit quests are ruining everything about ayahuasca," proclaimed Vice. Indeed, channeling demand for ayahuasca into benefits for indigenous people has proven difficult, and efforts in this area are ongoing.

But demand is only going up. With the potential therapeutic benefits of psychedelics increasingly studied and reported on, and young people interested in "mindfulness" as an escape from cyber-states of mind, ayahuasca may be to the 2010s what LSD was to the 1960s—a shortcut to the enlightenment du jour.

Why it's interesting: Ayahuasca tourism represents an extreme example of the spiritual seeking that is becoming more common among young people disillusioned by economic and political systems that appear to be failing them. Brands may find these mindsets are more widespread than they imagine.

25

Elemental hospitality

The latest hospitality experience opens the doors (and walls) to guests desiring a closer connection with Mother Nature.

Null Stern Hotel invites guests to an open-air double bed in the Swiss Alps, 6,463 feet above sea level. The hotel provides a butler to deliver food to guests, and a public restroom is only 10 minutes away. The hotel concept launched in July 2016 and is already booked through the end of 2017, according to co-founder Daniel Charbonnier. There are already plans to launch more of the same hotel concept across the Swiss countryside. "We wish to bring back guests to the center of the creative process while pushing the boundaries of the hospitality industry," says Charbonnier. "In the last 10 to 15 years, guests have shifted their focus from tangible to intangible aspects of hospitality, such as guest service, emotional experience, guest recognition, and anticipation of needs."

A similar wall-less hotel concept called Memu Earth Hotel launched this summer in Hokkaido, Japan. Guests are whisked away into the heart of the Japanese countryside with the stars as their blanket. For those needing some boundaries, the hotel also offers a premium plan which includes a fully kitted yurt-like tent.

Why it's interesting:

The popularity of Null Stern Hotel's open-air concept has shown that consumers are demanding new and novel ways of disconnecting and being fully immersed in nature. The "room," which costs roughly \$300 a night, strips back to hospitality basics and redefines the "hotel" experience.





The Only Star is You by Null Stern Hotel, Switzerland, 2016. Photography by Atelier für Sonderaufgaben

26

Homeware hospitality

Home goods chains are expanding into the hospitality sector, hoping to cash in on consumers' desires for lifestyle brands that offer more than just towels.

Restoration Hardware kicked off the trend last year by announcing plans for a hotel in New York City's meatpacking district. (The hotel has yet to set an opening date.) This fall, West Elm announced that its first hotels would open in Detroit and Savannah in 2018. All rooms will be designed and furnished entirely by West Elm. If they like the furniture, guests can purchase pieces either through the chain's app or via the West Elm website.

The extension of homeware to hospitality means hotel rooms function more like showcases. Rather than static display rooms, an overnight stay lets potential customers try the brand in real time. As consumers increasingly come to value experience over possessions, hotels are a way to offer home goods customers an experience and an ecosystem beyond just furniture. Parachute Home, the bedding retailer that's a fashion blogger favorite, opened a one-room "hotel" in Venice Beach in October. Although more of an Airbnb than a true hotel, the loft also functions as an extension of the brand, with chic, curated furniture and hip and healthy nearby surroundings. "When I think about Parachute and what that looks like, it's more than products—it's lifestyle," Parachute Home's founder Ariel Kaye told *Condé Nast Traveler*.

Boutique hotels with an established lifestyle component to their brand are also hoping the idea works in reverse. London's Artist Residence hotel recently launched an online store, where guests can purchase trendy furniture and artwork straight from the hotel's rooms.

Why it's interesting: As The Innovation Group noted in the Frontier(less) Retail report, the boundaries between retail and other sectors are breaking down. The hospitality sector is the latest industry that stands to benefit from becoming "shoppable."



27

DNA tourism

For generations, Americans of European descent have journeyed back to Ireland, Germany and elsewhere seeking a connection to their ancestors. But for obvious and tragic reasons, most black Americans have had little idea of their specific origins—until recently.

DNA testing services such as 23andMe and AncestryDNA are now able to identify specific countries in Africa likely to have been home to an individual's ancestors. The Nomadness Travel Tribe, an interest group whose 14,000 members are mostly black women, conducted a survey and found that 30% of members had used a DNA kit to determine their ancestry, and 6% were actively planning a trip based on the findings. These trips aren't your typical Kenyan safari.

Genetic heritage tourism may be in its infancy, but it has already caught the imagination of the wider public: Travel search engine Momondo caused a social media stir with a campaign that offered people DNA tests to determine which parts of the world their ancestors came from, and then offered to take them to those places. People often ended up journeying far from where they expected. The resulting video ad has been viewed over 175 million times, according to Momondo—comparable to music videos from leading pop stars.

Why it's interesting: As more people become aware of DNA testing and the science behind it improves, we're likely to gain an even more precise picture of our origins, and genetic heritage tourism is likely to grow. Which sector will be the next to see products personalized by DNA?



28

Travel action

More travel and hospitality brands are putting their ethical credentials front and center, as discerning travelers demand transparency.

Airbnb, which is under increasing regulatory scrutiny around the world, is particularly at pains to burnish its good-guy image. During Hurricane Matthew in October 2016, the company helped people seek emergency shelter through its Disaster Response Tool, and it has recently partnered with the City of Seattle in a plan to help house residents during a potential future disaster. (Perhaps not coincidentally, the Seattle City Council had previously proposed restrictions on home sharing.)

Helping shore up its green credentials, Airbnb also recently partnered with energy services provider SolarCity, which will offer Airbnb hosts up to \$1,000 in rebates on home solar panels. SolarCity customers can also receive a \$100 credit toward travel with Airbnb.

TripAdvisor also recently took a prominent ethical stance, refusing to sell tickets to most wildlife attractions. “TripAdvisor’s new booking policy and education effort is designed as a means to do our part in helping improve the health and safety standards of animals, especially in markets with limited regulatory protections,” TripAdvisor CEO Stephen Kaufer said in a statement.

Why it’s interesting: Expect more travel platforms to leverage their existing networks for social responsibility initiatives—and more ethical stances from hospitality providers in general—as the impact of travel becomes more widely known.



29

New Orleans

An increasingly cosmopolitan New Orleans is emerging as a prime tourist destination after more than a decade of rebuilding from Hurricane Katrina.

Next year, New Orleans will expand its events cachet with Collision, a rapidly growing tech conference. Last year, New Orleans had the biggest growth rate for international travelers of any US city, and seems ready for more.

Next spring, British Airways will add nonstop flights from London to New Orleans in what local business leaders called a “game-changer.” Condor Airlines will also add seasonal flights to Germany in 2017. The city also plans to open a tourism bureau in China next year, laying the groundwork for drawing more Asian tourists to the region.

As interest in the city grows, the hip Ace Hotels group has opened its first New Orleans outpost. Launched in March, the Ace Hotel New Orleans has turned a 1928 art deco building on the outskirts of the French Quarter into a hip high-rise with a rooftop pool and its own music venue.

Why it's interesting: The Big Easy hasn't had it easy in recent years. But after a decade of rebuilding, New Orleans' vibrant arts sector and growing hospitality scene mean that it's open for business.





Ace Hotel New Orleans, opened in spring 2016. Located in downtown New Orleans

30

Three travel spots

The Middle East may grab headlines more for its geopolitical conflicts than its luxury resorts, but that hasn't stopped adventurous travelers from exploring the region's hidden gems. The following countries are poised for a tourism boom in 2017:

Oman

Oman has a reputation as one of the most open and beautiful Arab nations. Visitors to the country increased by 17.7% in 2015, and the tourism sector seems ready for more. In November, Thailand's Anantara Group opened a five-star resort in the country's mountains, featuring clifftop yoga and bushwalking to lure adventurous travelers.

W Hotel has scheduled a 2019 opening in Muscat, the country's stunning coastal capital, with a Louis Vuitton property also rumored.

Iran

Iran is on the verge of what Euromonitor calls a "golden age" of tourism, after January's historic nuclear agreement ended a decade of economic sanctions. Next year, Spanish hotel group Meliá Hotels International will open the country's first foreign-branded luxury development in decades, a five-star beachfront resort on the Caspian Sea. Accor Hotels opened the country's first international hotel in 2016, while other hoteliers are eyeing Iran's ancient religious tourism sites and snow-capped mountains for future development.

Georgia

At the foot of the Caucasus Mountains, one of the world's oldest winemaking regions has opened its doors to oenophiles as a Burgundy of the Black Sea. But it's not just the wine buzz that makes Georgia notable. The country's attractions range from coastal resorts to the historic capital of Tbilisi, where Sheraton and InterContinental are both slated to open five-star resorts next year.

Why it's interesting: Travelers continue to seek the latest in unique and authentic destinations, even in proximity to conflict or in its historic centers.

31-40
Brands+Marketing



31

Gamevertising

For many marketers, the idea that, at this moment, more than half a million people are streaming their own video gameplay or watching other people play on the media platform Twitch does not quite compute—is this really entertaining? But for a generation of digital-native gamers—mostly, but not all, male—it’s intuitive.

Now, following Twitch’s 2014 acquisition by Amazon, advertising dollars are finally going where the eyeballs are. Most ads on Twitch have been gaming-related up to now, but the *Wall Street Journal* reports that Coke, Pepsi, Bud Light, Pizza Hut, Old Spice, Totino’s and Red Bull have recently signed on.

While the above campaigns are mostly traditional TV-style commercials, others have involved custom integrations with the platform. To promote the show *Stranger Things*, Netflix gathered well-known Twitch community members in a 1980s-style basement to play and stream video games. For the USA Network show *Mr Robot*, digital and physical experience agency ISL created a three-day live-streamed event on Twitch. One of the show’s central plot points, the deletion of debt, was re-enacted in real life, as \$100,000 of viewers’ debt was paid off during the activation.



31

The Carl's Jr brand, which aspires to reach “young, hungry guys,” sponsored a Twitch rollout of the gaming-focused Waypoint platform, Vice Media's newest vertical. “This audience appreciates the rawness that these live ads presented, and they roll with it,” Brad Haley, CMO of Carl's Jr owner CKE Restaurants, told *Adweek*.

Why it's interesting: Although an abundance of new media platforms aimed at women have recently launched, there's been no equivalent shift for men. But brands that want to reach them can go directly to Twitch—while keeping in mind that girls love gaming, too.



32

VR ads

This year, it finally seemed that consumers were ready for virtual reality (VR). Are brands?



VR is still in the early stages of adoption. But with headsets like Google's \$79 Daydream View or the \$29 Xiaomi Mi VR making VR more accessible than ever, mass adoption of VR suddenly seems much closer than it used to. As more consumers embrace VR, the question arises: Will it one day be common for users to see advertisements in VR, sponsoring games or video clips? In fact, the future for VR ads is already here. In October 2016, publisher Gannett ran ads in VR on a new virtual reality talk show called VRtually There. Users were transported to a cube-shaped room, where a 15-second Toyota Camry video ad played from each wall.

Virtual reality requires rethinking many of the basic tenets of advertising. While studies have shown that VR ads garner 27% higher emotional engagement than 2D ads, according to a joint study by YuMe and Nielsen, questions remain. How do brands maximize the 3D space and create a valuable experience for consumers? Companies that are already experimenting with creating branded content for VR, including North Face and BMW, will come out ahead of the pack.

Why it's interesting: Virtual reality may be a fringe content platform now, but by 2026 the industry is projected to bring in \$38 billion in revenues, says Greenlight Insights. Brands should experiment in the sector sooner rather than later.

33

Age of the single lady

Over the past several decades, independent female adulthood has become the norm in the West. In 1960, more than 70% of all US adults aged 18 and over were married. Today, it's dropped to slightly more than half, according to Pew analysis of US Census data. Women often experience single adulthood for years before marrying: The average age of a first marriage is now 27 for women, up from 20 in 1960.

Single women are a powerful consumer force. But do brands know how to reach them? "The challenge for marketers will be communicating with single women as if they were people, rather than defining them by their unmarried status," Rebecca Traister, author of 2016's *All the Single Ladies*, told the Innovation Group. "You still tend to see marketing reach out to women based on the fact that they are single."

Some brands are trying to reframe the narrative around singledom. SinglesSwag, launched in 2016, is a subscription box that celebrates singlehood. For \$40 a month, "beautiful, fabulous single women" can receive curated beauty products, books and accessories.



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In China, where young unmarried women are still called “leftover women,” skincare brand SK-II launched a documentary-style ad in April 2016 that challenged perceptions of singledom through the voices of three young women and their parents. The campaign touched a nerve and spread rapidly, earning more than 2.7 million views on Chinese social media within just a few days.

Aside from singledom, women are redrawing the map in other important ways. In the United States, nearly half of women of childbearing age are childless, says census data. Online communities like SavvyAuntie show the rising strength of this demographic, which spends an average of 35% more per person on groceries and twice as much on hair and beauty products, according to a DeVries report. Womanhood Redefined, an innovative 2014 promotion at the Westin New York Grand Central, was aimed exclusively at this “Otherhood” group.

The Age of the Single Lady stands to shift how marketers think about women overall. “I think, ultimately, it’s about acknowledging that women are motivated by all kinds of things, including romance, sex, work, a desire for travel, and familial comfort,” Traister said. “It’s about acknowledging women as full human consumers.”

Why it’s interesting: As consumers, women are too often placed in boxes like “mom” or “wife.” Not only do these boxes not speak to women’s experience, they also leave out certain consumer groups entirely. It’s up to the next generation of advertising to move past that.



34

Double-take packaging

What is this? A fragrance or a detergent? In late 2015, Moschino Fresh took a very familiar, everyday household cleaning bottle as its latest fragrance container. At a glance it looks as though product designers are deliberately confusing consumers, but they are actually responding to consumers who are increasingly adopting a holistic approach to wellbeing.



Designers are borrowing forms from other categories and bidding farewell to packaging stereotypes. The Beauty Chef's food products are packaged and marketed for beauty, as is Super Elixir by WelleCo—a supplement stocked in retail stores under both beauty and food.

In autumn 2016, organic garment-care specialist Tangent GC moved into personal care with the launch of perfumed soaps. The bottle aesthetic remains the same as the company's garment and shoe care products, despite the new product's purpose being very different.

Apa Beauty, an oral-care brand launched early 2016, crosses into the beauty sector and adopts a clean, minimalist cosmetic design approach. Ila's kitchen ingredients are delivered in sleek black bottles and containers reminiscent of beauty packaging. The scent of luxury laundry detergent L'Eaundry was inspired by high-end perfume.

Why it's interesting: Reconsider where your product can sit on the retail shelf by rethinking the packaging first. Food brands can be marketed for beauty, beauty products can adopt the form of cleaning products—this is about maximizing the retail floor by breaking the packaging norms.



Left: Apa Beauty. Images courtesy of Apa Beauty
Right: L'Eaundry

35

Xers: the forgotten generation

Remember generation X? The so-called “slacker” generation, now aged 35 to 55, seems to have slunk off into obscurity as far as marketers are concerned (at least compared to millennials, boomers and, increasingly, generation Z). But now, the overlooked gen Xers are now set to have their moment (again).

Karen Grant of NPD group characterizes gen X as “highly engaged users” when it comes to beauty products. “In the 35- to 54-year-old group, more women are using five or more makeup products, which is more than the 18- to 24-year-olds and as many as 25- to 34-year-olds,” she told Racked.

Media industry veteran Emilie McMeekan cofounded The Midult, a media platform aimed at women in this age group, after noticing a gap in the market. “The conversations we were having with our friends and our colleagues in our age group just weren’t chiming with what was aimed at us in the media,” she says. “We want to be the Lad Bible for middle-aged women.”

Tiffanie Darke, author of the forthcoming book *Now We Are 40*, thinks brands are making a mistake to overlook this group. “We were basically the generation that invented the term middle youth, and we hung on to the mantle

of youthfulness and cool for as long as we possibly could,” she said. “Now, generation X for the first time in its history finds itself quite uncomfortably sandwiched in the middle. It’s not young and cool any more, and it doesn’t have the sort of economic or power of time that the boomers have above them.”

Nonetheless, Darke says, gen X is a potent influencer group. “We are in a position where we are influencing our elders, our elderly parents, specifically in things like digital, helping them to get online, helping them to navigate this new fast culture. And of course we’re bringing up the generation Z underneath as well so we are influencing them. I would say that we are profoundly important for brands to talk to.”

Why it’s interesting: We’re used to hearing about millennials as the first digital natives, but what about gen Xers’ status as a bridge between the digital and analog worlds? Watch as marketers take a new look at this cohort.

36

Unexpected platform tie-ups

“Go where your audience is,” they say, and Hood By Air hit the headlines at New York Fashion Week in September 2016 by collaborating with Pornhub, the online porn streaming platform.

Models walked the catwalk in garments emblazoned with phrases such as “Never Trust a Church Girl,” “Do You Know Where Your Children Are” and “Hustler.”

The tie-up is the latest in a string of unconventional, intentionally provocative brand partnerships with dating and hook-up sites. The Happn dating app has been working with Fiat, and also with charities Equality Now, Plan UK and the Art Fund on social-good campaigns.

Grindr, the “world’s largest gay social app,” recently created its first capsule fashion collection to raise awareness and funds for LGBT athletes. In January 2016, Grindr also teamed up with London designer JW Anderson and streamed the designer’s AW16 show. Campaigns for Calvin Klein, Budweiser and other lifestyle brands have worked with Tinder.

Why it’s interesting: Tinder has an estimated 50 million users. In 2015, over four million hours of porn were streamed on Pornhub. Grindr has 10 million-plus users. Dating and porn hubs aren’t just a provocative, headline-grabbing tie-up opportunity; they also boast large audiences and frequent daily engagement. Location-based apps such as Happn also have the added benefit of potential contextual data. Watch this space.



37

Political consumers

More than ever, today's consumers are immersed in politics. While 2016 began with a groundswell of social activism widely celebrated online, election victories for Brexit and Donald Trump shocked much of the world and exposed social tensions roiling the United States, the United Kingdom and beyond.

For brands, it's becoming more difficult to avoid taking a stand—those that sit on the sidelines risk missing out on important conversations, or even alienating consumers who seek a better alignment with their values. Americans are overwhelmingly supportive of brands that take stances on issues, according to SONAR™: 78% agree that companies should take action to address the important issues facing society, while 88% agree that corporations have the power to influence social change.

Why it's interesting: Consumers will increasingly look to brands to stand up for certain values. While this may still be a step too far for mainstream brands, for others it's simply the logical extension of the often-discussed strategy of targeting “psychographics” over “demographics”—in other words, aligning the brand with customers who share a belief system.



38

Three key trends: The Hispanic consumer

Hispanic-first approach

US Hispanics have become trendsetters in the digital, food, music, beauty and fashion sectors, helping the entire nation to stretch its limits and experiment with new brands, ideas and products. “From Hispanics traditionally being an afterthought in siloed marketing plans, marketers are transitioning into a ‘Total Market’ targeting approach: Latino insights informing the overall marketing strategy from inception,” says Antonio Nuñez, head of planning at the *SCPF agency. “Why? Because Latinos are the ultimate influence machines.”

This escalating role of the Latino community influence can be explained because Hispanics are digitally savvy, early adopters and vocal when sharing their discoveries. Hispanic Americans over-index the general market considerably when it comes to social media use. According to eMarketer, 76.6% of US Hispanic internet users accessed social networks at least monthly in 2015, versus 69.4% of all US internet users. Kantar Media finds that 59% of Hispanics Tweet, Facebook and text about a TV show while that show is live, versus 37% of non-Hispanic whites.

Why it's interesting: As the Hispanic market delivers superior return on investment per marketing dollar than the general market, brands might consider investing in Hispanics first, not as an afterthought.

The new polycultural America

The combination of a more vocal and proud Latino community and the polycultural nature of US millennials and generation Z are resulting in more Hispanic values and brands crossing over to reshape the mainstream culture.

Growing numbers of Americans are polycultural, embracing cultural experiences beyond their own heritage while also maintaining strong attachments to their heritage: 65% of US millennials say their preferences in food and cooking have been shaped by their interactions with people of other races and ethnicities, 59% say the same of music, 53% of movies and 53% of fashion and clothing, according to Kantar Futures.

Among Hispanics, 55% consider themselves bicultural, according to GfK's KnowledgePanel Latino, up from 43% in 2009. The cultural shift towards retro-acculturation (Hispanics going back to their roots and being proud of their origins) combined with the fact that they are the most digitally savvy group, means that young Latinos are expressing their cultural pride online more than ever.

Why it's interesting: Hispanic brands have an opportunity to go from niche to mainstream, and this is already happening—Corona beer, Carolina Herrera, Zara and Manolo Blahnik are just a few examples.

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Lavish Latino living

The rise of US Latinos' purchasing power, the retro-acculturation phenomenon and their yearning to share and celebrate their achievements are creating the opportunity for the rise of truly Hispanic luxury brands.

The US Hispanic market is projected to reach \$1.7 trillion by 2020 according to the Selig Center for Economic Growth. If this market were a standalone country today, its GDP would make it the 10th-largest economy in the world, according to IMF projections for 2016. Upscale Latinos—those whose households make over \$50,000 per year—account for 43% of this growing market as of 2014, according to Nielsen.

The Urban Institute forecasts that Latinos will account for 55.5% of new homeowners between 2010 and 2020. They are also enthusiastic entrepreneurs; 47% of Hispanic millennials perceive owning their own business as a strong indicator of success and 48% view it as a future goal, according to the Sensis marketing agency.

Upscale Latinos are young, tech-savvy, big users of mobile, have large families, and are likely to be dual income earners, which makes them a very attractive untapped segment. And they are highly concentrated in five cosmopolitan US cities (LA, Houston, Miami, New York and Chicago).

Why it's interesting:

While African Americans have found their luxury icons in cars, spirits, retail and so on, the Hispanic luxury segment in many categories is up for grabs. Brands have the opportunity to create truly iconic luxury brands for Latinos by culturally connecting with them.

39

(Dis)ability advertising

In the age of *Transparent*, *Orange is the New Black*, and other groundbreaking television, viewers have seen many characters belonging to groups that haven't been portrayed previously, but there has been little representation of disabled people in either television or advertising. That is now changing.

Speechless, a new ABC show, has a central character named JJ who has cerebral palsy, but is, crucially, three-dimensional and not defined by his disability. *The New York Times* Disability series features personal essays on topics from deaf rights to the importance of "facial equality" to reproductive decisions for disabled people. The Paralympics also offered an opportunity for brands to celebrate the achievements of athletes.

Still, it's very early days for visibility for the disabled, including in the ad industry. "While pockets within advertising are championing and advancing greater inclusion of people with disabilities, large opportunities still exist for many segments of the industry to make better strides," says Josh Loebner, director of strategy at Tennessee-based agency Designsensory and a member of the advisory board of the Global Alliance for Disability in Media and Entertainment. "Nearly one in five adults, or over 53 million

people, in the United States have a disability, and that ratio is expected to grow substantially over the next several years, yet for the most part, few are represented in ads and many are challenged to find representation in the industry," Loebner continues. Advertising plays a role in shifting understanding and attitudes, Loebner says. "The inclusion of disability in advertising is imperative to better educate, interpret, and accept people with disabilities as a viable part of our economy, community and culture."

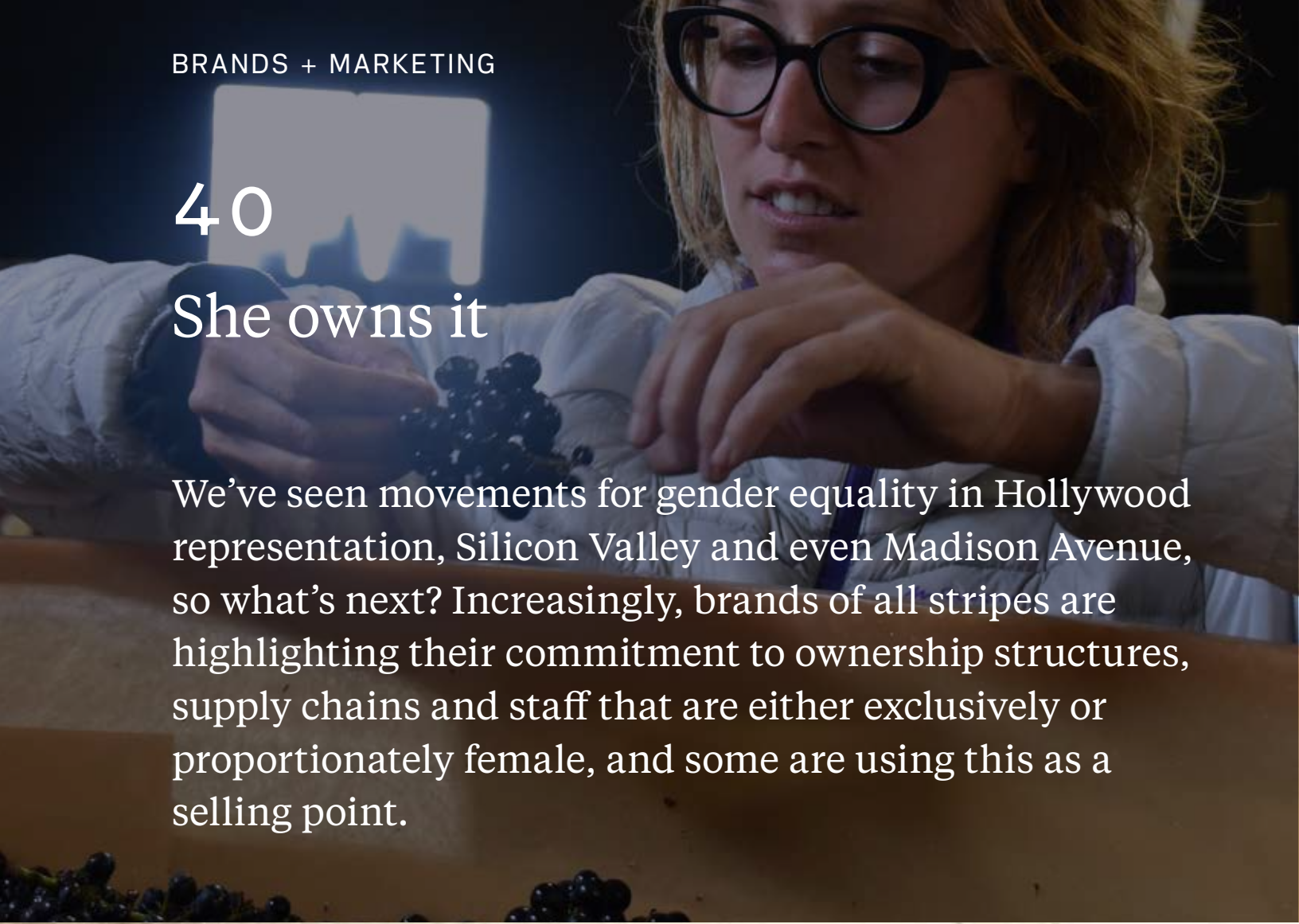
Why it's interesting: As mentioned above, the disabled population is much larger than many of us believe. Add to this the many people caring for disabled people, and there is a huge opportunity for brands to promote empathy toward the disabled. As this group becomes more conscious of a shared identity, it will also become a larger market.



40

She owns it

We've seen movements for gender equality in Hollywood representation, Silicon Valley and even Madison Avenue, so what's next? Increasingly, brands of all stripes are highlighting their commitment to ownership structures, supply chains and staff that are either exclusively or proportionately female, and some are using this as a selling point.



Anne Sophie
Dubois



Thalia Mavros, founder of media platform The Front, places female ownership at the core of her business model. “Even though we see a huge disparity in ownership, we still had a few potential investors aggressively challenge the importance of investing in female media entrepreneurs,” says Mavros. “A few heated arguments and door slams later, I am proud to say we are founded and run by women, our investor has a female chief executive at the helm, and even our board of directors is all-female.”

Manufactory, the latest project from San Francisco's Tartine Bakery, offers a wine list with at least half of selections sourced from vineyards that have women owners. In a male-dominated industry, it's not the easiest quota to meet. “When we had this conversation not long ago about the wine list, I was mortified with myself that it was not even on my radar, the aspect of having female producers on there,” Tartine co-owner Elisabeth Prueitt told online drinks magazine *Punch*. “Over 50% of my staff are female, and it's important to mirror those qualities in every aspect of the operation.”

Why it's interesting: Women are looking for brands to pay more than just lip service to feminism—even a hyper-inclusive H&M ad campaign was criticized by some in light of the brand's reliance on low-paid female labor in developing countries. Build in feminism throughout your supply chain to stand out.

41-50
Food+Drink



41

Spiked seltzer

As consumers have come to seek natural, wholesome alternatives at every turn, the alcohol industry wants to be next in line to provide low-calorie, healthy options.

Craft brewers and major labels alike are lining up to offer these new wellness-branded products. In March, the Wachusett Brewing Company rolled out Nauti Seltzer, an attempt to diversify its brand in the crowded craft beer market. Anheuser-Busch InBev acquired SpikedSeltzer in September, while the Boston Beer Company launched Truly Spiked & Sparkling in April.

“There’s a reason you see people in yoga pants all over New York City—not because they’re working out,” Valerie Toothman, vice president for marketing innovation at Anheuser-Busch InBev told Bloomberg in August. “It’s this idea that a kind of health and wellbeing is the new premium.”

The alcohol sector is playing off the meteoric rise in interest in flavored sparkling waters. Flavored sparkling water brand LaCroix has become an unlikely cult hit, with sales exploding from \$65 million in 2010 to \$226 million in 2015.

Why it’s interesting: Although arguably the least likely to be thought of as a “healthy” sector, alcohol’s foray into health-conscious branding shows just how thoroughly consumers have adopted the wellness lifestyle.



42

Three hot spirits

Distilled fog

Fog Point, a new vodka by small-batch distillery Hangar 1, announces itself as “a true expression of California, distilled.” The spirit is created using vodka distilled from premium wine, blended with water gathered from fog catchers that harvest San Francisco’s well-known haze. The result, the brand says, “yields an extraordinarily crisp, pure, and gluten-free sipping vodka with elegant hints of pear, citrus, and honeysuckle.”

Baijiu

Producers of baijiu, China’s staple grain alcohol, are eyeing overseas markets for expansion as government corruption crackdowns have dented the local market. Experimentation with the drink, often considered an acquired taste, has caught on particularly in the US and Europe. “If you looked at the US five years ago, you would find less than five bars that were working with baijiu, and now there’s probably dozens, if not hundreds, that are working with it,” Derek Sandhaus, author of *Baijiu: The Essential Guide to Chinese Spirits*, told the *South China Morning Post*.

Whisper whiskey

Not quite the white whiskey that rode moonshine fever to success a few years back, nor the stronger spirit typically associated with whiskey connoisseurship, a new in-between category of lighter whiskey is catching on with younger drinkers. Still packing a flavorful punch, but not overpowering, these “whisper whiskeys,” as christened by *Bloomberg Businessweek*, are ideal for summer sipping. They include High West Valley Tan with its “bright, grassy aromatics,” and Compass Box Enlightenment Scotch, which “mingles a gentle waft of smoke with fresh apple and vanilla.”

Why they’re interesting: “Small-batch” and craft no longer impress—today’s cocktail trends are emerging from fine flavor distinctions, novel production techniques, and spirits of remote origin.



43

Ayurvedic eating

“When diet is wrong, medicine is of no use; when diet is correct, medicine is of no need,” says an ancient Ayurvedic proverb that may help explain why this diet is catching on among today’s health-conscious consumers.

Ayurvedic eating is an ancient Indian medical practice that uses natural ingredients such as ginger and ghee to promote balance and happiness. It involves practices already in vogue among the health-conscious, including juice cleanses and oil pulling. It can even be customized to address the balance of energies, called “doshas,” in a person’s body.

In fall 2016, New York City’s first Ayurvedic restaurant, Divya’s Kitchen, opened in the East Village. If the explosion in popularity of turmeric is any indication, there’s sure to be more to follow. Turmeric, a bright-orange spice used in the Ayurvedic system to fight disease, is one of today’s trendiest superfoods thanks to its powerful anti-inflammatory powers. It was ranked as one of the year’s top food trends by Google, and can be found in lattes and juices at hip eateries including Los Angeles’ Sqirl, where chef Jessica Koslow ranks it among her favorite ingredients.

Why it’s interesting: Ayurvedic eating aligns with the next-gen wellness consumers, who are looking to foods with a function.



44

Marijuana: the new rosé?

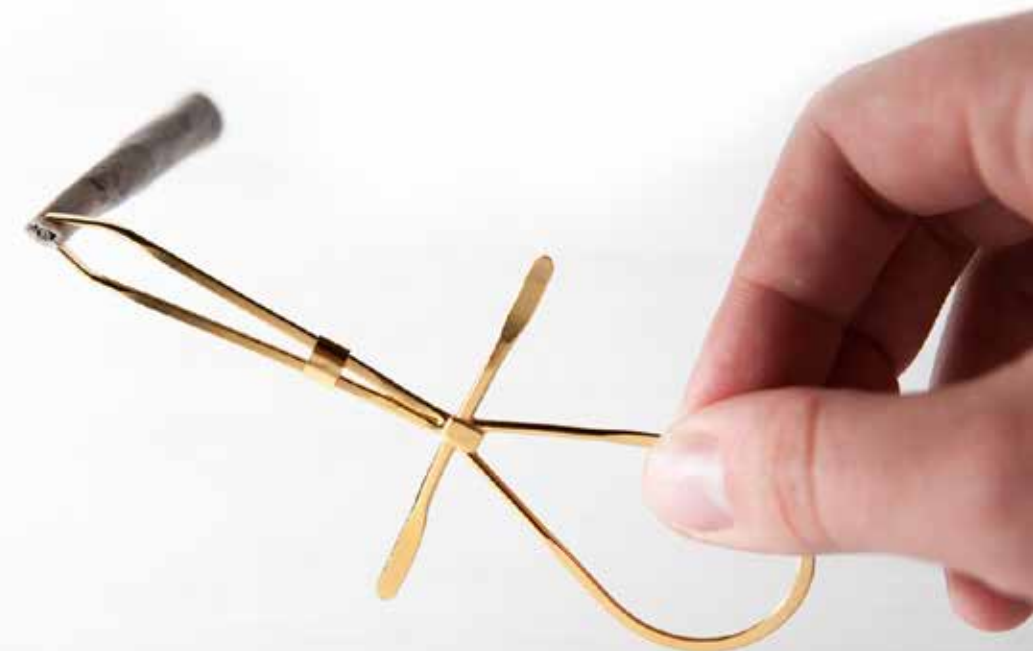
In a *Vanity Fair* interview in March, newly minted ganjapreneur Whoopi Goldberg expressed frustration that women were still considered a niche market in the medical marijuana industry. “This niche is half the population on the earth,” she laughed.

Whoopi & Maya, a collaboration between Goldberg and Maya Elisabeth, launched in April 2016 with a line of cannabis-infused edibles designed to treat menstrual cramps. Foria, a company perhaps best known for its cannabis-based lube Foria Pleasure, also launched a cannabis suppository this year to treat cramps. Today, however, women in the marijuana market are looking beyond remedies for menstrual pain.

In fact, marijuana may be on its way to overtaking wine as the hip indulgence of choice. In West Hollywood, White Rabbit High Tea hosts a chic tea party for women, with a focus on vaporizers rather than hot drinks. Gourmet edibles, including Défoncé dark chocolate bars and Angel Haus cannabis ice cream, mean you can also bring the party home. Marijuana accessories are even getting a high-end feminine makeover from brands such as AnnaBís, who designed a chic handbag with concealed pockets for lighters or vapes.

Women are also angling to play a key role in cannabusiness. In LA, Cheryl Shuman, founder of the Beverly Hills Cannabis Club, has been dubbed the “Martha Stewart of Marijuana” for her work with groups including Moms for Marijuana. In Colorado, Jane West runs Edible Events, one of the state’s premiere pot catering companies; she’s also the founder of Women Grow, a networking group that aims to make female leadership a key component of the growing cannabis industry.

Why it’s interesting: The perception of female weed smokers is changing radically: TV shows, such as 2014’s *Broad City* or this year’s *Mary + Jane*, illustrate that women can be smart and stylish, and still unwind with a joint. With recreational marijuana newly legalized in California, Maine, Nevada and Massachusetts, it’s clear that the drug doesn’t suffer the same stigma it used to.



45

Smart kitchens

Moley has created the world's first robotic kitchen, which is set to launch for consumer purchase in 2017 and claims to include an “iTunes-style library of recipes.” Kitchens and their appliances are becoming smarter, making cooking more intuitive and complex meals more accessible.

Samsung launched a collection of smart kitchen appliances in November 2016, including wall ovens and cookers, adding to its SmartThings Hub portfolio. Earlier this year, the brand launched its Family Hub refrigerator, which is integrated with a touchscreen service called Groceries by MasterCard, allowing users to shop for food directly from the fridge.

Silicon Valley–based SmartyPans launched in January 2016 and uses apps to guide the user through recipes—the smart part being that the pan also tracks the nutritional information of what it's cooking. Other smart appliances on the market include the June Intelligent Oven, with “precision sensors” that allow for controlled cooking, and the SmartHub by Oliso, a portable cooker that “brings the capabilities of the professional kitchen to the home,” according to the company.

Why it's interesting: The smart appliances market is forecast to grow at a compound annual growth rate (CAGR) of 15.4% between 2015 and 2020, according to research company Research and Markets. Whether it is simply a pan or an entire robotic kitchen, companies are investing in the smart kitchen, giving consumers the tools to serve up the perfect, healthy menu.



46

New vegan

Amid a wave of interest in natural ingredients and transparency from food companies, even vegan cuisine is evolving beyond soy products to more natural and unprocessed alternatives.

Jackfruit, a spiny-shelled Asian fruit that's closely related to the fig, has been popping up on menus around the country as the fruit's texture makes a convincing, all-natural alternative to pork. Brooklyn pop-up Chickpea & Olive makes its barbecue jackfruit sandwich southern style, with pickles and fried shallots. In London, Club Mexicana makes jackfruit tacos, while Seattle's No Bones Beach Club has the fruit in flautas form. It has even appeared on the menu at authentic barbecue spots, including Sneaky's BBQ in San Francisco.

Why it's interesting: New natural vegan alternatives don't stop at jackfruit. Try coconut jerky, cauliflower nuggets, or any of the nut milks currently sweeping the country. As even vegan foodies seek more natural, unprocessed options, "plant butchers" will finally have the chance to shine.





47

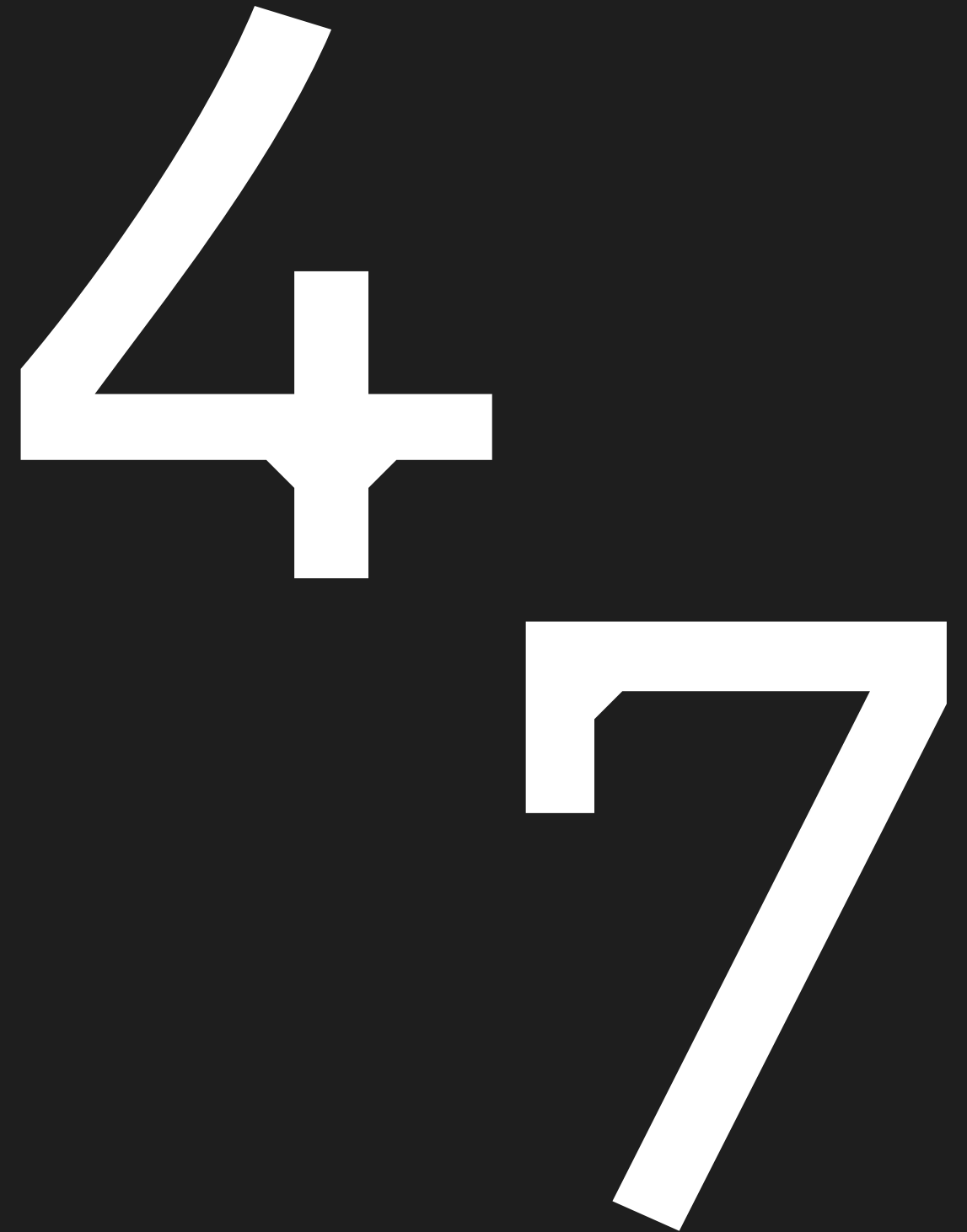
Drive-up grocery wars

Not content to dominate e-commerce, Amazon is building “small bricks-and-mortar stores that would sell produce, milk, meats and other perishable items that customers can take home,” according to the *Wall Street Journal*.

A Seattle-area location is in the works, and reports suggest the service will be available to AmazonFresh subscribers, who currently pay \$15 per month for the company’s grocery delivery service. Walmart, meanwhile, began testing curbside grocery pickup last year, and has recently rolled out the service in Portland, Oregon and other markets.

The stage is set for increasingly pitched battles between the two retail giants. While Amazon possesses the stronger e-commerce delivery network, Walmart has the advantage in terms of store footprint, with its 3,500 US supercenters ready for conversion into pickup points (70% of Americans are said to live within five miles of a Walmart). At this point, it could go either way.

Why it’s interesting: As click-and-collect has become a more common model for e-commerce, consumers have become familiar with the concept and will use it if it can be shown to add to convenience at little cost. The victor in the drive-up wars could rapidly disrupt traditional supermarket shopping.



48

Nootropics

Blame Silicon Valley. Following the optimized nutrition trend (embodied by brands such as Soylent, featured in last year's Future 100 report), startups are using so-called “bio hacking” to engineer products that offer brain-boosting properties without negative side effects.

The Nootrobox startup, fresh from a \$2 million seed investment by Andreessen Horowitz, has launched Go Cubes, a new chewable coffee gummy candy product. Packaged in cartoonish, candy-like wrapping, Nootrobox Go Cubes are made with L-theanine, B6, and methylated B12 that “improve caffeine for enhanced focus & clarity.” Two cubes are equal to an entire cup of coffee, according to the brand.

Nootrobox describes Go Cubes as “coffee for astronauts.” Branding appeals to the work hard, play hard ethos of the tech set: “Looking to ace your midterms? Push 10,000 lines of code? Stay extra crispy for poker night? Fight spreadsheets in your office? Climb Mt. Everest? Be the first human on Mars? Go Cubes have your back.”

Hacker's Brew, a nootropic coffee, is another recent addition. The coffee claims to help drinkers reach peak cognitive performance and enjoy

cumulative long-term benefits. “Hacker's Brew starts with the highest-quality ingredients, including organic coffee, coconut cream and cacao. We then added a good dose of adaptogens, and extended the half-life of caffeine so that it lasts longer. Full-day performance, with the same amount of caffeine as a normal cup of coffee—this is not your ordinary coffee experience!” promises the company.

Why it's interesting: Self optimization is the watch word of the wellbeing movement, which is now moving beyond natural enhancement to body “hacking,” and rising comfort. With the desire to both chemically stimulate and self-improve while still emphasizing natural, consumers continue to want it all.



49

Three new proteins

In last year's Future 100 report, we looked at algae, a protein substitute with game-changing potential. As the market for plant-based protein alternatives remains strong, these three under-the-radar protein sources could be the next to break into the mainstream.



Pea

Pea protein is sustainable and non-allergenic. It's made from ground dried yellow peas with no added preservatives—exactly what the name implies. In 2016, health brands such as Bolthouse Farms and Bob's Red Mill began to feature peas. The real story, however, is the Beyond Burger, the much-hyped burger alternative that even bleeds like real meat. It's made from pea protein isolates and recently became available in the meat section at Whole Foods Market.

Duckweed

Move over, seaweed, there's a new floating superfood in town. Duckweed is frequently cited by scientists as a potentially key food source of the future: it's protein rich and boasts more amino acids than other plant-based proteins (including soy). Consumer awareness of duckweed is low, but Florida-based Parabel hopes to change this with the launch of Lentein, a duckweed-based protein powder that won the 2015 Innovations award at the Institute of Food Technology. It should hit the shelves by 2017.

Shiitake mushrooms

Shiitake mushrooms are already popular worldwide, so why not explore their full potential? That's the thinking behind MycoTechnology, a Colorado-based food tech company that has engineered a strain of the fungus which produces an above-average protein load. The resulting shiitake powder, called PureTaste, has a neutral flavor that works in everything from breads and tortillas to sauces. Bonus: the powder has a lower carbon footprint than plant crops and contains 79% protein.

Why they're interesting: By 2050, the United Nations projects a global population of nearly 10 billion, which would push our current agricultural system to its limits. These companies are on the cutting edge of the battle for the sustainable protein of the future.

50

Bygone fast-food revival

The past two years have been defined by a backlash against fast-food giants offering cheap food laden with chemicals, sugar and soy—not to mention sodas.

Once heralded as wonders of food standardization and affordable quality, this side of the industry has been replaced by a message that emphasizes the “artisanal” and handmade, as companies seek to reassure consumers that goods are healthy.

A new crop of restaurants is now seeking to revive fast food by revisiting its roots. “There was a time when fast food was house-made and nutritious, when the ingredients used were unadulterated and understandable. We’ve turned that past into the present,” reads the website of Starbird, a recently launched California chicken restaurant. “Our positively delicious food, served from morning ’til night, is the result of a few essential elements: purposefully sourced, quality ingredients, an unwavering commitment to cook in house, and never sacrificing flavor and ultimate craveability.”

Menu items include Chicken and the Egg, a sandwich made with crispy chicken, egg, organic American cheese, bacon and a house-baked roll. The Chicken Feed breakfast dish features Greek yogurt, local fruit preserves and “small batch granola.” Starbird is one of a few recent additions to the

fast-food market, mainly coming from California: Loco’l, launched by Daniel Patterson and Roy Choi, brings healthy locally sourced fast food at an affordable price point to California residents.

Amy’s Drive Thru, a vegetarian fast-food restaurant, follows similar principles: “Amy’s Drive Thru is returning to the roots of American fast food, serving lovingly handcrafted food to nourish hard-working citizens, busy families and road-weary travelers.” The aesthetic of early American fast-food restaurants is also being revisited. Torchy’s Tacos, launched in Austin, Texas in 2006, references mid-century American roadside buildings and signage. A new Austin branch that opened in 2016 on the site of a 1970s burger joint features a distinctive zigzag profile supported by red-painted structural columns.

Why it’s interesting: It’s the latest sign that we’re entering a “post-artisan” era where an apron and a mustache no longer necessarily denote quality. These restaurant concepts also share more than a hint of Americana, celebrating early fast food restaurants where affordable quality was the mission. They formed a key part of American culture in the 1950s and 1960s and were a source of national pride because standardization allowed them to produce cheaply at scale. As many businesses place social good at the core of their DNA, embracing this early stage in American fast food is a creative way to offer quality at accessible prices for consumers of all incomes.

51-60 Beauty



51

Gender-neutral beauty

Legions of makeup-wearing men on YouTube, Instagram and other platforms are adding a new twist to the long-standing debate about beauty and feminism. Rather than framing their work as a way to conceal perceived flaws, these men are using their faces as a canvas for creative expression, and reminding consumers of the transformative power of beauty products in a fresh way.

It's not that women aren't also doing this. But male MUAs (short for "makeup artists") are breaking the strong social taboo against men wearing makeup, and getting a lot of attention for it. The most obvious sign of this shift was CoverGirl's decision in October 2016 to feature a "Cover Boy" in its advertisements for the first time—the teenage Instagram star James Charles. Other popular male makeup wearers on Instagram include Skelotim, whose looks are often inspired by his favorite snack foods, and Angel Merino, whose glam style has netted him 1.2 million Instagram followers.

The change is leading to a shift in beauty branding and packaging as it becomes less overtly feminine. The all-gender skincare and cosmetic collection Context launched in 2015, as did Make's unisex skincare line Naxos. New York socialites Harry and Peter Brant recently released a unisex makeup collection for MAC. "Most makeup is packaged for women, which is why men feel embarrassed about owning it. There's no difference between makeup for men or women—it's all packaging," Peter Brant told *Allure*.

Why it's interesting: While the market for men's makeup is likely to remain small, the widespread appeal of male makeup-wearing personalities on social media suggests that all consumers, including women, are hungry for an approach to beauty that focuses on creative enhancement. Repositioning makeup as a creative tool rather than a "feminine" product could boost sales.



52

Beauty tech

Although technology has revolutionized many industries, the beauty business has been relatively immune to its effects. But that's about to change, thanks to a wave of innovative connected products that promise to deliver unparalleled personalization, among other benefits.

In 2015, French company Feeligreen launched the i-feel Beauty, a set of face and body creams with an electronic device to apply them via micro-currents and LED light therapy. The device is steered by a smartphone or tablet app which can make personalized application recommendations. In 2016, Wired Beauty used Kickstarter to launch Mapo, a connected face mask that links with the user's phone and analyzes the wearer's skin to suggest the optimal beauty routine. WAY, a compact-sized device from South Korea that began shipping in the spring, can monitor a user's skin as well as the environment, making product recommendations based on weather and pollution levels.



52

By tracking a user's skin conditions, connected beauty devices provide the ultimate in personalized experience. And companies are just beginning to scratch the surface. Research firm Gartner predicts almost 21 billion devices will be connected to the Internet of Things by 2020. Mintel suggests that future implementations could include conductive makeup with sensors or cameras, antiperspirants that report on sweat levels and composition, and hair grips that measure hair hydration.

Is it possible that makeup brands will even begin launching Silicon Valley-style technology hubs? In fact, one already has. In January 2015, L'Oréal's Technology Incubator unveiled the ultra-thin patch My UV Patch which adheres to the skin and analyzes the amount of UV exposure a user receives, connecting to an app that tracks a user's exposure over time and recommends treatment.

Why it's interesting: "Connected technologies have the potential to completely disrupt how we monitor the skin's exposure to various external factors," said Guive Balooch, global vice-president of L'Oréal's Technology Incubator, in a press release. Looking forward, it's a safe bet that technology has the potential to disrupt other aspects of the beauty industry as well.



53

The new nude

As beauty brands diversify their “nude” offerings, there will be increasing demands for higher standards from consumers from a wide range of ethnicities. Simply being included is no longer enough.

As The Innovation Group has previously reported, beauty markets are responding to changing consumer demographics by breaking down the walls between “general” and “ethnic” categories. One industry holdout was makeup, where “nude” foundations failed to reflect the full range of skin tones in the population.

In 2016, mainstream brands finally began incorporating a more inclusive range of “nude” into their makeup lines. Neutrogena added Honey, Caramel, Chestnut and Cocoa shades in April, in partnership with spokeswoman Kerry Washington. The “new nude” is also playing out in clothing, as designers including Christian Louboutin expand nude shoe and underwear lines to include darker skin tones.



and
you.

BECAUSE ONE
NUDE DOESN'T
FIT ALL.

#NUDEFORALL
NAJA.CO

53

But as more brands join the diversity bandwagon, discerning consumers are not afraid to call out companies that don't take their demands seriously. In June, mineral foundation brand BareMinerals was criticized for touting the diversity of its Complexion Rescue cream foundation line, most of which appeared to be designed for light-skinned women.

Milk Makeup, an offshoot of creative agency Milk that launched in February, experienced similar pushback on Instagram, with one comment reading: "Two dark colors aren't versatile at all," and another stating: "So tired of the makeup industry catering to lighter skin."

Why it's interesting: Although many brands are now beginning to incorporate deeper shades as part of their "nude" lines, it's not enough to pay lip service. Instead, look to the brands that are getting it right. L'Oréal's Women of Color Lab employs chemists to create shades that blend with darker skin, while Bobbi Brown, already popular among women of color, this year added five new, deeper shades to its 24-strong Skin Foundation Stick line.



54

Natural curls

Many young consumers of color are turning their back on hair relaxers, opting instead to embrace and celebrate their natural hair.

At the forefront of the trend, celebrities like Lupita Nyong'o are keeping it natural, showcasing a range of styles on the red carpet and in music videos. Consumers are lining up behind them: According to Mintel research, sales of styling products now make up 35% of the black haircare market, while relaxers are on track to fall from the second-largest segment to the smallest by 2020.

The movement is starting a wave of new products. New apps like Trest, launched in November 2016, connect women with textured hair to suitable stylists, based on recommendations from friends and social networks. Recently launched product lines include Pure-Fro from Vernon François, celebrity hairstylist. *Crwn* magazine launched in August and is all about natural hair, while Brooklyn's CurlFest 2016 beauty festival staged an all-day celebration of natural curls.

"I think that we are finally able to really see ourselves, and to see the gains that we've made, the contributions we've made to this country and to culture, and we can stand back and say, 'Hey, yeah, we did that,'" says Nikia Phoenix, founder of the Black Girl Beautiful movement. "And we deserve to celebrate us."

Why it's interesting: Minority groups continue to assert their power as consumers, challenging industry norms and upending industry perceptions. The beauty industry would do well to keep its finger on the pulse of this shift.



55

Second skin

Much of the visible appearance of aging skin can be attributed to loss of elasticity. Researchers are uncovering new materials that create a “second skin” to restore natural tautness. Scientists at MIT and Harvard have created an invisible layer of polymers that produces dramatic results in initial tests.

“What they have done is design a clever biomaterial that recapitulates the properties of young and healthy skin. They can use it as sort of a Band-Aid over old and aging skin and get very significant results,” Gordana Vunjak-Novakovic, professor of biomedical engineering at Columbia, told the *New York Times*.

Currently under development by Olivo Laboratories and funded by biotech company Living Proof, the product can also be used to moisturize skin and help increase absorption of topical products. Watch and wait for this “second skin” to reach the market.

Why it's interesting: Anti-aging may not be the message 50+ consumers want to hear, as the Innovation Group has previously reported, but solutions that help support the skin and reduce the appearance of under-eye bags will remain popular. This one could be a game changer.



56

Three hot beauty ingredients

Avocado oil

Mega-doses of avocado oil are the selling point for Laqa & Co's new AvoLip lipstick, with every tube containing 12% of the ingredient. The idea is to make lipstick more moisturizing, without sacrificing its rich hues.

By-product beauty

Ingredients made from manufacturing by-products are getting another look as brands seek to make skincare more sustainable. The online publication Cosmetics Design presented a "best ingredient made from recycled materials" award in September with nominees including Alban Muller for Borealine Expert, an anti-aging ingredient made from the bark of red maple trees; Lipotec for Actiguard, a skin soother extracted from sorghum bran; and Active Concepts for AMTicide, a preservative made from fermented coconut oil. Expect to see these and other recycled ingredients hitting store shelves soon.

Turmeric

The traditional Indian spice turmeric is known for its anti-inflammatory properties by the holistic nutrition community. Now beauty mavens are recommending it in facemasks and creams, to combat acne and skin flare-ups (a yellow turmeric mask also makes for a strong selfie, which has helped the trend go viral).

Why they're interesting: All of the above are trends that started first in food and drink. Avocado toast, turmeric as a food ingredient, coconut oil and foods made from by-products have all caught on in recent years. Food and drink innovation remains a powerful predictor of upcoming beauty trends.



57

New nails

The nail industry has a new lease of life. Cult nail artists on Instagram have given way to innovative retail concepts, while health-focused and increasingly surreal nail art concepts point toward plenty of room for this \$2 billion industry to evolve.

Sharmadean Reid, founder of Wah nails, is largely responsible for kicking off the nail art craze. She opened Wah's permanent flagship salon in London's Soho district in November 2016. Part salon and part club, the space upgrades the traditional nail experience with immersive virtual-reality experiences, a product testing zone and even a cocktail bar.

Elsewhere, nail art is taking on increasingly artistic and even mystical dimensions. In Australia, artist Roz Borg designed a special glue for attaching plants to nails, creating a living succulent garden on a model's thumb. Images of the whimsical nail art were widely circulated on Instagram, testimony to its design rather than functionality. In LA, Nail Swag salon pairs a tarot card reading and a crystal consultation with a luxury manicure designed to enhance the wearer's aura.

Although gel polish has dominated the salon recent years, the buzzy Base Coat Salon in Denver, Colorado points to a growing interest in natural nail care. Base Coat is proudly non-toxic, using vegan-friendly products with no additives. Base Coat even launched its own nail polish collection this year, a testament to consumers' steady interest in all things natural.

Why it's interesting: The nail-care market is poised for an upswing through 2020, according to research firm Mintel, and new initiatives show that consumers are ready to think outside the nail box.



58

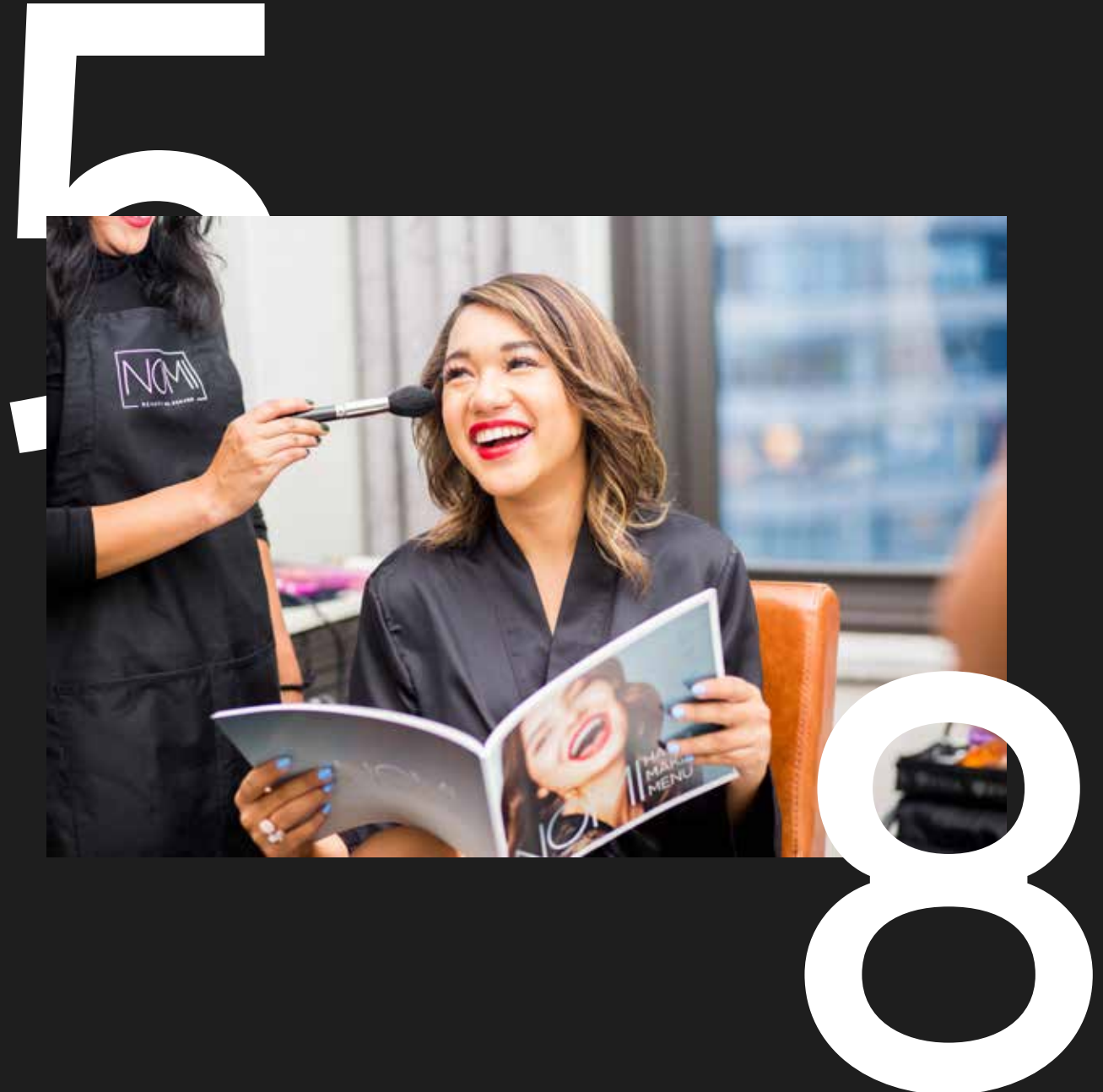
On-demand spa

Uber, Seamless, Amazon Prime Now, Handy—instant, on-demand services are bringing a new mobile-first seamlessness to the beauty industry.

Soothe, an on-demand massage service operating in 22 cities across the US, recently launched in London. The service allows consumers to order massages from a network of professionals and have them come to their home as quickly as a takeaway. The company recently achieved \$35 million in series B funding to expand.

Following the likes of GlamSquad (an in-home beauty service app), the recently launched Nomi app offers hotel guests on-demand hair and makeup services that are billed straight to their hotel account. It is available in New York at the Quin Hotel and WestHouse, and recently partnered with InterContinental and the Refinery Hotel. The Ritualist, an at-home, on-demand facial and massage service has also recently launched, allowing consumers to book facials whenever they please.

Why it's interesting: On-demand is becoming nothing short of a consumer movement as new challenger brands offer unlimited convenience, and consumers expect lightning-fast, at-home, flexible service in all categories.



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Private-label beauty renaissance

For years, beauty advertising has been aspirational, defined by brand, mystique and perhaps a celebrity endorsement. But these factors are less important with today's savvy millennials who seek value and quality without the need for bells, whistles and a Hollywood star.

Millennials and gen Zers are increasingly non-aligned to brand names, and this is blurring the boundaries between retailers and brands, as many of the largest retailers have begun producing more private-label products to achieve growth. With younger shoppers looking more at product quality than branding, retailers can cut out wholesalers and pocket more of the proceeds.

Retailers are coming up with a wave of private-label lines that boast sophisticated designs and affordable prices, transforming the humble connotations that the "private label" term used to carry. Old Navy has developed its first private-label personal-care line, Kindred Goods, a series of fragranced beauty products including Sea Salt & Fig, Sweet Cream & Honey and Orange Blossom & Tea ranges of hair-and- body mist, hand cream, foaming body scrub and body lotion.

"We wanted the products to smell and feel great, but also embrace who we are as a brand with our 'playfully optimistic' point of view. This shows up in the colorful packaging and little story behind each product. Everything is sized for our customer's on-the-go lifestyle," says Andres Dorronsoro, vice-president and general manager of Old Navy Kids.

Amazon has also announced an expansion of its private-label goods and Target has recently invested in private-label offerings, putting out Defy & Inspire, the company's first private-label nail polish range, as well as three Target-only bath and body lines. It also has a beauty incubator developing private-label beauty brands.

The private label trend isn't limited to fashion—in supermarkets, private-label brands reached sales in the US of \$118.4 billion in 2015, an all-time high, according to an April 2016 report by the Private Label Manufacturers Association.

Why it's interesting: Online subscription service Dollar Shave Club with its "anti-brand" basics message was perhaps the bellwether. Millennials are showing indifference to traditional brand cues and the mystique of brand names, and sophisticated new private-label offerings are bolstering the effect.



60

Three beauty “worry spots”

Pollution

Air pollution is bad for health and bad for skin too. Chanel's La Solution 10 was tested during the peak of pollution in Beijing and shown to reduce sensitivity in 79% of users after a month of use. Other brands defending against air pollution include Ren's Flash Defence Anti-Pollution Mist and Decl or's Hydra Floral Anti-Pollution Hydrating Active Lotion.

Why it's interesting: Pollution-fighting products ranging from air purifiers to clothing are widely available and beauty products are a logical addition, protecting the skin from an everyday problem which city dwellers are particularly prone to.



Left: Ren's Flash Defence Anti-Pollution Mist
Right: Make Tech Survival



The screen

Light emitting from the digital screen you're likely reading now is aging your skin, say some beauty brands. But fear not, because they're already creating products to solve the problem. The light, called HEV (high-energy visible) light, can cause degradation of the skin, according to Nava Dayan from Lipo Chemicals, but beauty brand Make has created a line of products called Tech Survival which includes Moonlight Primer—a unisex primer designed to protect the skin from the aging effects of HEV light. Skin by Marywynn's new Total Age Corrector contains Liposhield, an ingredient proven to protect against HEV light, according to the company.

Why it's interesting: Statista forecasts the number of smartphone users worldwide to exceed two billion by next year, suggesting that face-time with the screen will increase even more in years to come. Keep an eye out for brands that start advertising screen-protecting qualities.

D colletage

This summer, *Vogue* highlighted “the new wrinkle”: wrinkles found on women's faces and necks, otherwise known as the d colletage. Skin specialist Dr Philippa Lowe from the UK's Cranley Clinic claims the skin around the neck and chest is thin, and therefore prone to damage from UV rays. Beauty brands are releasing products to target this region, including Est e Lauder's New Dimension Tighten + Tone Neck/Chest Treatment, Lancer's Contour D collet , and Meaningful Beauty's Skin Brightening D collet  and Neck Treatment.

Why it's interesting: Celebrities such as Cindy Crawford, Gwyneth Paltrow and Victoria Beckham have been vocal about paying special attention to the d colletage, and some women are using micro-needling to smoothe this area of the body.

61-70 Retail



61

Retail naturalism

Technology brands are evolving retail concepts away from cold and minimal shops toward something friendlier and more natural.

Apple's store on central London's Regent Street received a major facelift in fall 2016 that features the company's new "town square" layout, with a central space, the Forum, that hosts daily entertainment. The store showcases the brand's new design philosophy, which is interactive and community-oriented. A central hall lined with trees, an open layout flooded with daylight, and other natural touches like wooden fixtures and plant walls mark a departure from Apple's classic, bordering on clinical, aesthetic.

Google's Manhattan pop-up store, which also opened in October, features similar touches. A massive wooden "fountain of light" takes center stage in the store, anchoring it in a unique architectural feature. There's also a whimsical play area to experiment with Google's Daydream View virtual reality headset, and a homey kitchen setup to try Google's Home line in action.

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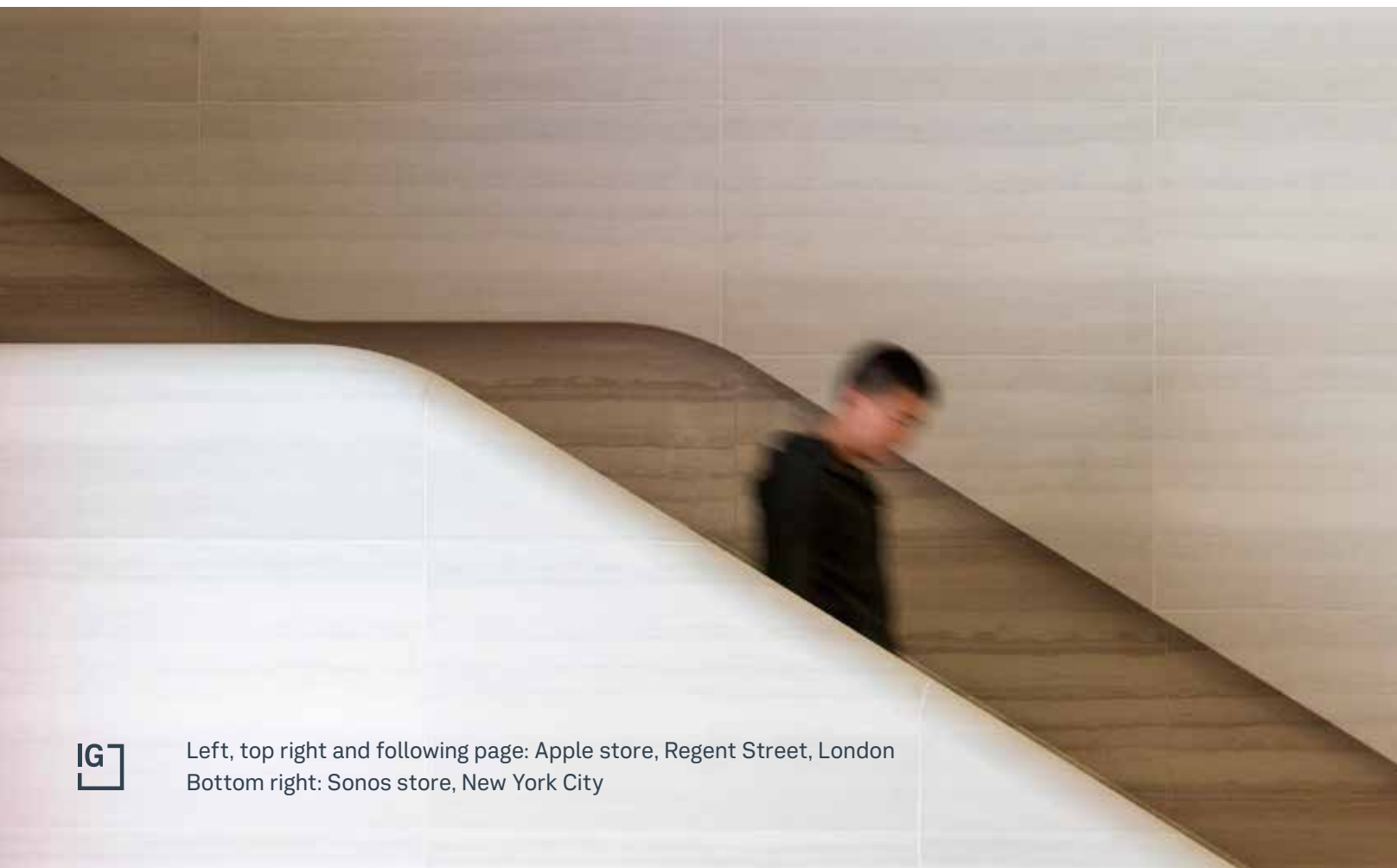


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Increasingly, Apple is working to preserve the architecture of historical buildings, rather than impose contemporary layouts. In February 2016, the New York Landmarks Conservancy gave the company an award for its work protecting New York's rich architectural history at its locations, including Grand Central Terminal and a Beaux Arts bank on the Upper East Side, where architects preserved the vault.

Why it's interesting: Consumers expect more out of bricks-and-mortar retail—whether it's an experience, or a space worth visiting even when they're not in the market for a specific product. Apple and Google are admitting that varying their well-honed aesthetic can keep retail spaces fresh.





62

Brexit

First it was the Marmite scare. A price dispute between Tesco and Unilever over the polarizing breakfast spread grabbed viral headlines in October 2016, worrying devoted fans that it might disappear from British supermarket shelves.

Ultimately, Marmite remained in stock, but in the long term, consumer prices in a Britain with a weakened pound suggest future declines in buying power. Unilever's chief financial officer Graeme Pitkethly told investors on an earnings call that "prices should start to increase to cover the cost of imported goods due to weaker sterling."

In November 2016, Toblerone began shrinking the size of its famous triangular chocolate bars in the UK to cover lost revenue caused by higher prices of imported chocolate. The cost to print books jumped from £1.50 (\$1.86) per unit to over £3 (\$3.72) per unit between June and November, Sam Jordison, codirector of Norwich-based publishing company Galley Beggar Press, told CNBC, adding that the company had been in danger of folding as a result.

Apple raised UK retail prices 20% at the end of October 2016, making MacBooks in the United Kingdom about \$275 more expensive than in the United States. Microsoft has announced a similar plan to "harmonize prices" with the EU. The likely implication is that, absent salary increases, British consumers' buying power will decline next year and onwards, especially as talk of a "hard Brexit" continues to spook traders.

Why it's interesting: Globalization has delivered small but incremental increases in buying power to consumers across the board in recent decades. Watch to see whether this trend is fully reversed along with the rising tide of economic nationalism. And double down on delivering more value for less.

63

Productless flagships

When tech giant Samsung opened its new branded space in Manhattan's Meatpacking District in February 2016, it also set a new precedent for what a flagship store should represent.



Samsung 837 is a space that purposely does not stock any products and is not focused on sales. Instead the 40,000-square-foot space is an “immersive culture center” that allows visitors to experience the Samsung products. “With Samsung 837, we are creating the flagship of the future,” Zach Overton, vice president and general manager of Samsung 837, said in a news release. “Reimagining the traditional store experience, 837 is a fully immersive cultural center, featuring programming which will tap into people’s passions such art, music, entertainment, sports, wellness, culinary, technology and fashion, all powered and enriched by technology.”

Alex Mustonen, cofounder of architecture practice Snarkitecture, agrees: “Retail is leaning more heavily into a cross-discipline or multi-programmed space, in ways that are unexpected and forward-thinking. The way the space works is against the traditional program of a store; instead we used two-thirds of the space as an unknown reflected showroom and only a third was dedicated to the sales selection.”

Why it's interesting: In our Frontier(less) Retail report we found that experiences built in a physical retail store are a big draw for consumers. Samsung 837 offers consumers and fans a space to immerse themselves in the Samsung brand experience, without any hard sell. Is the future of flagship stores productless?



64

Co-working as a retail destination

“We’re into those who take charge, make noise, and drop-kick the glass ceiling.” This is the mission statement of Argent, a new women’s workwear brand that makes stylish, functional clothes for professional women. The San Francisco-based brand launched in June 2016, and, rather than selling its first collection in a traditional retail store, the founders chose to sell at co-working space WeWork.

Selling their collection at WeWork in San Francisco directly reaches Argent’s ideal audience—independent female freelancers, entrepreneurs and startup employees. In addition, the brand values of WeWork and Argent are aligned; they both want to build a sense of community, empower women and create change. The venue also allows Argent to host networking and career coaching events to enhance the brand’s values and outreach.

Why it’s interesting: It’s time to “drop-kick the glass ceiling” and reconsider the next retail destination. Think beyond the obvious boutique or department store and reach out organically to your target audience in spaces where you’ll be seen alongside likeminded brands.



65

Convergence payments

Sure, we've all heard of one-click retail and autofilled online payment fields. It's old news. So why do we still find ourselves typing in credit card information all the time?

Finally, the World Wide Web Consortium, which sets the international standards for the World Wide Web, has convened the world's most prominent tech companies to work out a new solution for online payments, according to the *New York Times*. It promises to be much smoother and more automatic than existing payment methods.

"There's a convergence going on," retail consultant Dave Birch told the *New York Times*. "In the future you will have one experience—it won't matter if you are at the store or on the phone. It will pop up on your phone, you will put your thumb on it and you will be done."

Why it's interesting: Online shopping, and mobile commerce especially, can be clunky from a user experience perspective, and final purchases often don't get made because of the sheer hassle involved. It might seem like a minor tweak, but one-touch online payments could seriously help to grease the wheels of e-commerce.

66

Gesture payments

While some brands work to streamline present-day online payment systems, others are already thinking about how payment will work on retail platforms that haven't yet emerged.

Virtual reality offers a potential new platform for retail that could infuse some of the best features of bricks-and-mortar into the online shopping experience. Alibaba is one company looking ahead; its VR Pay system, which could launch as early as the end of 2016, allows shoppers to purchase items in VR stores simply by nodding their heads.

"It is very boring to have to take off your goggles for payment," Lin Feng, who has worked to help develop the technology, told Reuters. "With this, you will never need to take out your phone." There's already an interested market. A SONAR™ study for our Frontier(less) Retail report found that 59% of Chinese millennials would be interested in trying out clothing in VR, while 57% would be interested in exploring a travel destination.

Why it's interesting: Emerging platforms like AR and VR are already being used in a retail context. Start thinking about how to process payments on these platforms now, so your brand will be ready when the technologies hit mass adoption.

67

Test-drive culinary retail

Food culture and culinary pursuits remain a key focus for consumers—and now a new wave of retail concept stores is bringing luxury and professional cookware to life. The high-end Pirch kitchen-and-bathroom retailer opened a New York flagship temple to cookware in 2016 which offers kitchen demos with chefs and allows visitors to experiment with ovens and equipment installed as though in a real home.

The store is designed to “ignite inspiration and fuel discovery,” says CEO and cofounder Jeffery R Sears, and contains 30 interactive kitchen and bathroom displays in a three-story, 32,000-square-foot space. Bloomberg describes it as “theme park” retail: Take your dog along to try out the pet spa and enjoy a coffee or a glass of wine as you browse.

Zwilling, the German specialist in knives, cookware and cutlery, has launched a new culinary concept store in Shanghai, set in a groovy industrial-style space with atmospheric lighting and exposed brick walls. Chefs demonstrate the items, preparing food on long marble counters in the center of the store. Visitors can also use the equipment, testing their knife skills in the polished concrete kitchens. Guest celebrity chef appearances add to the buzz.

Why it's interesting: As experience culture becomes pervasive, retail stores are trying to make their physical stores more immersive, on the grounds that the longer a customer spends with the company, the more likely they are to buy something. The events at these culinary temples also provide convivial reasons to visit. These stores are entertaining weekend destinations; and if you buy a bathtub or refrigerator afterwards, all the better.



68

Shipping wars

Technology companies are ratcheting up the competition in a sector of retail that was, until recently, left mostly to its own devices: Shipping.

On the West Coast, Amazon is experimenting with an in-house delivery service, building the capability to pose a challenge to its long-time partners like the postal service, FedEx and UPS. Although the company does not plan to replace traditional delivery, but rather to “supplement it heavily,” according to Jeff Bezos, a more efficient delivery model could allow Amazon to cut costs below rising UPS rates. Amazon’s shipping costs now consume close to 12% of its revenue, according to the *Wall Street Journal*, up from 6% in 2010.

Uber is also eyeing the shipping industry with its August 2016 purchase of Otto, a startup that makes self-driving trucks. In fall 2016, the company made its first successful delivery, a 120-mile shipment of cases of Budweiser. While the service pairs nicely with Uber’s other ambitions to develop self-driving cars, autonomous trucking is potentially more practical, as highway driving eliminating variables like pedestrians and stop lights. It may also be more lucrative. Trucking revenue topped \$700 billion in 2015, 81.5% of the entire US freight industry, according to American Trucking Associations figures.

Why it’s interesting: Shipping may not be the sexiest aspect of retail, but control of the shipping supply chain could give companies a serious edge in a hyper-competitive delivery market. Consumers are turning up the heat on delivery: According to a survey conducted as part of the Innovation Group’s Frontier(less) Retail trend report, 29% of US millennials and 35% of gen Zers expect items ordered online to arrive in two days or less, while more than 80% of all generations expect shipping to be free.

69

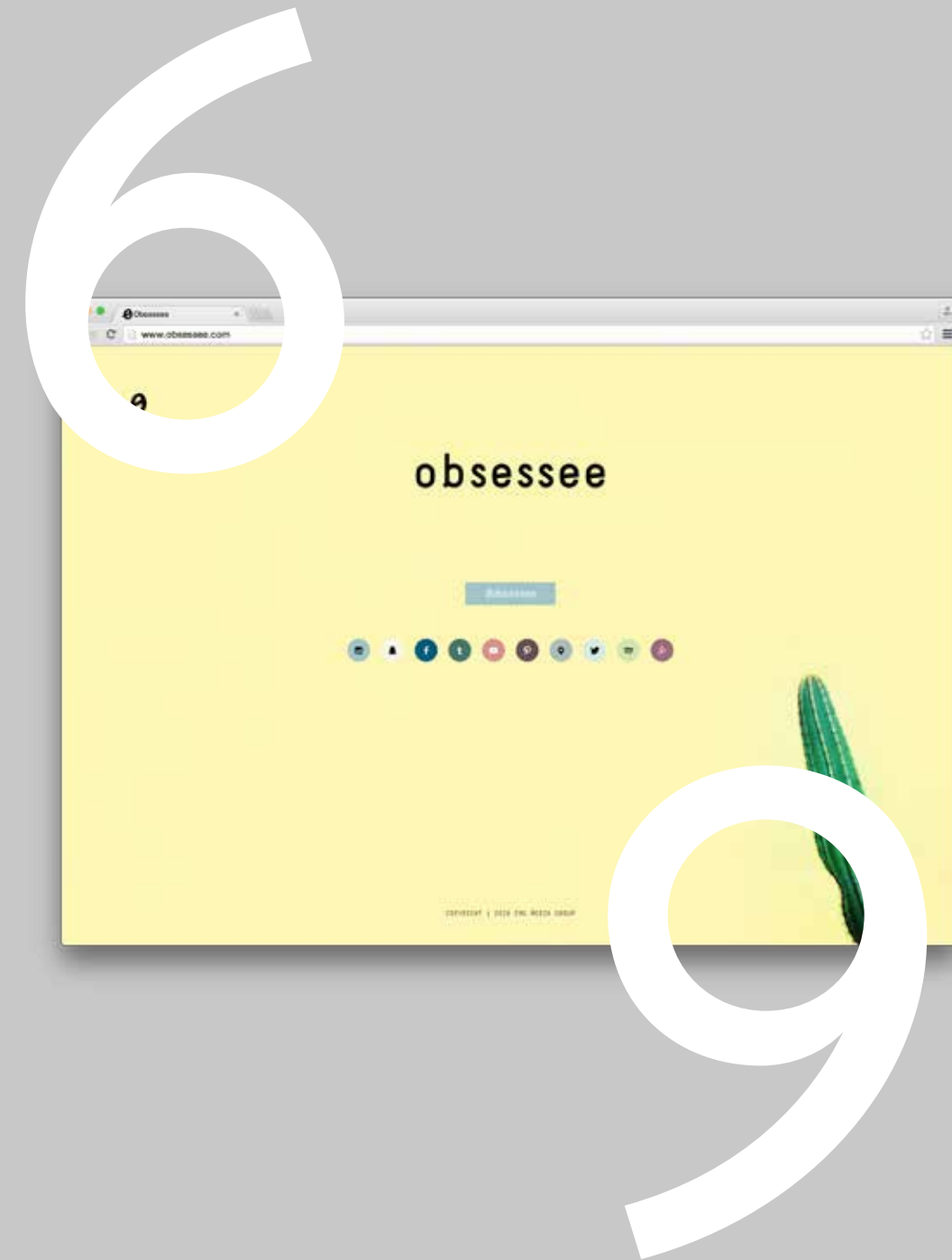
Platformless retail

Generation Z poses a unique challenge for retailers. As the generation to follow millennials, they will play a huge role in shaping fashion and trends over the years to come. But these young digital natives are proving difficult for retailers. They are brand-agnostic, innately aware of advertising, and demand authenticity at every turn.

Could a platform-agnostic approach help retailers connect? In March, Clique Media Group (publisher of Who What Wear and Byrdie) launched Obsessee, a bold experiment in social media-only publishing. The lifestyle brand, which targets girls ages 14 to 22, has no website, but operates across 10 different social media platforms including Snapchat, Tumblr and Periscope.

“Our brand is not tethered down to Snapchat or a dot com or Instagram,” Clique VP of digital strategy and content Alex Taylor told Fashionista. “She might start focusing her time on Kik and we need to be there.”

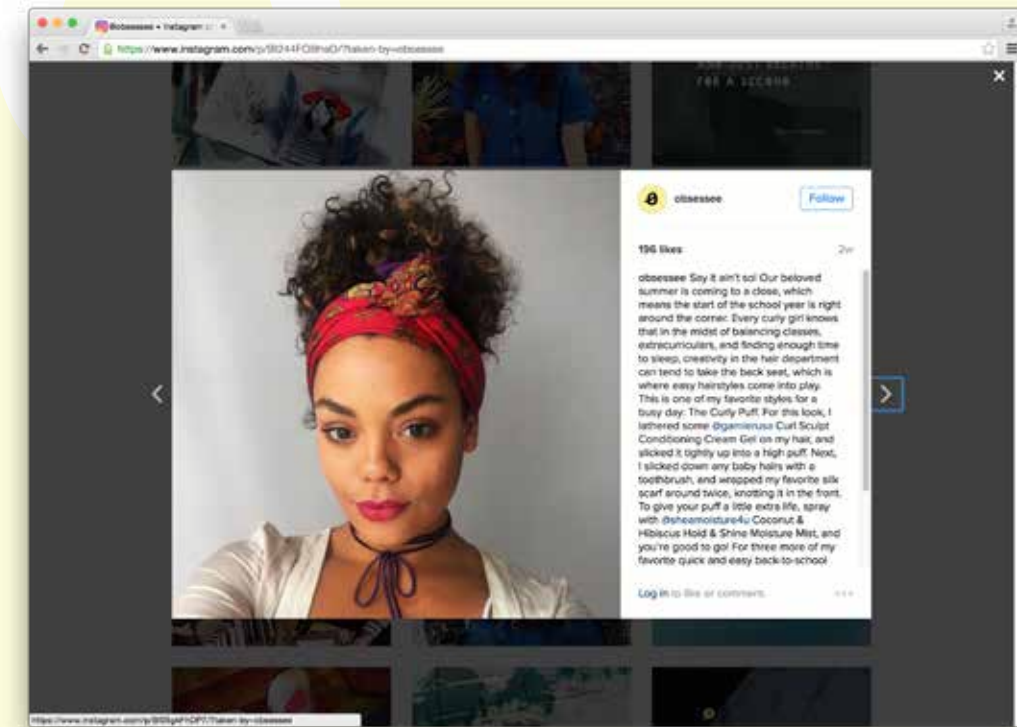
Although Obsessee is an editorial experiment, the brand's focus on a range of social platforms could provide a framework for retail brands seeking to reach always-on generation Z. According to Pew, 71% of American teens use more than one social networking site. While Facebook reigns supreme, a third or more of teens also use Instagram, Snapchat, Twitter and Google Plus.



69

Brands are experimenting with creating more content designed exclusively for social media. At New York Fashion Week in fall 2016, designer Misha Nonoo opted to stream her latest line as a “live lookbook” on Snapchat, a 24-hour experience in partnership with Refinery29. As more social platforms integrate e-commerce, strategies are becoming more sophisticated: Instagram is now testing shoppable photo ads, while Snapchat ran its first shoppable campaigns from Target and Lancôme in April 2016.

Why it's interesting: Pew research shows that 92% of teens go online every day, including nearly a quarter who are online “almost constantly.” Social media platforms are clearly key to winning this demographic. But as teens become increasingly platform-agnostic, retail brands have a chance to expand their scope.



70

Plus size is a plus

Call it the Ashley Graham effect—or the full force of new-wave feminism. Plus-size retail, once on the fringes, is coming to the fore as empowered consumers seek sophisticated clothing, inclusive imagery, and recognition of their shape.

The average women's clothing size in the United States is now 16, so there's a market imperative, too. Women's media platform Refinery29 has already dived in, launching #seethe67%, a new photography collection in partnership with Getty Images; #seethe67% acknowledges that, while 67% of women in the United States are over size 14, they appear in less than 2% of imagery. The platform seeks to normalize images of larger women.

JC Penney added its first-ever plus-size collection for millennial women, Boutique+, in 2016, while Target launched Ava & Viv, a similar initiative, in 2015. The industry is responding to cues from the market, where annual sales of women's plus-size apparel grew by 17% between 2013 and 2016, compared to just 7% for overall apparel sales, according to NPD Group. Seven7, an exciting size-inclusive line from comedian Melissa McCarthy, comes in a range of sizes from 4 to 28 and has shoppers lining up.



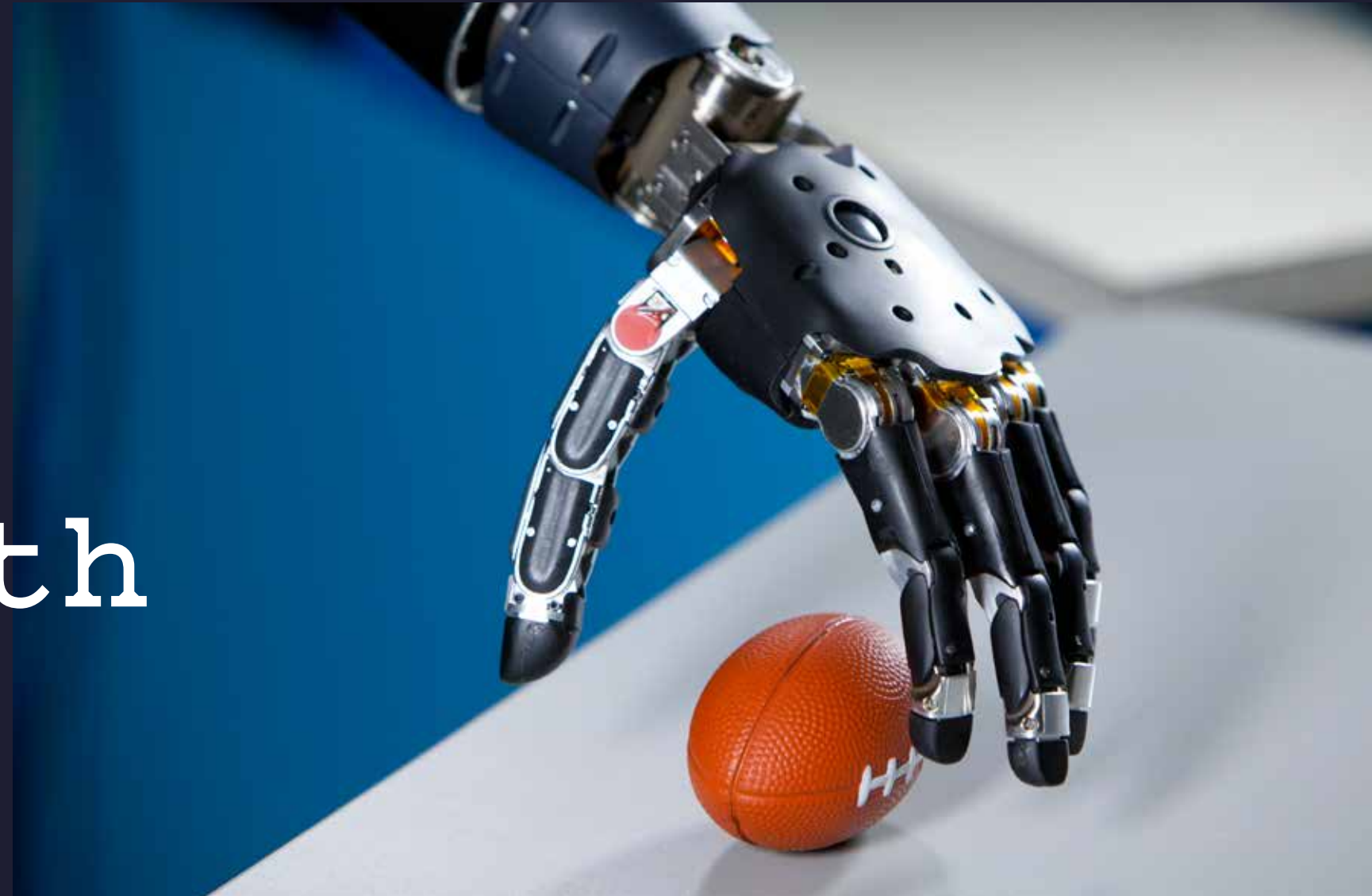
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Teens also seem to be more accepting of their own bodies than in the past, and less swayed by unrealistic societal standards than other cohorts at a similar age. NPD found that in 2015, 34% of 13-17-year-old girls had bought plus-size clothing, more than double the 16% who did so in 2010. In part, this is a response to brands such as Torrid, which are finally bringing a fashionable aesthetic to the formerly neglected plus-size category. A standout example is Aerie, American Eagle's lingerie outlet geared toward the 15- to 25-year-old set.

Why it's interesting: Brands have been missing out on a huge market, tailoring their imagery and advertising to a constructed ideal instead of reality. In an age of user-generated content, portraying women as they are goes a long way toward convincing them your brand is on their side.



71-80 Health



71

Quantified blood

Forget the Fitbit—the rise of at-home blood testing is bringing entirely new dimensions to the tracking of personal health. Once the preserve of elite athletes, custom blood panels have received a wellness-themed makeover rooted in taking control of one’s own health and longevity.

InsideTracker, one of today’s most popular options, analyzes up to 30 different biomarkers, including vitamin levels and cholesterol, from a vial of blood. The InsideTracker platform offers users specific sleep and diet advice to address any deficiencies. Some of the kits even provide an “InnerAge” metric, which tracks the markers most linked to aging. Home kits start at \$199, though other options such as the Ultimate package at \$499 require a visit to a Quest Diagnostics center.

The company’s user base is expanding. “Most of our users are in their thirties, forties and fifties, because at that age you see you are not immortal,” cofounder Gil Blander, biology PhD and former MIT research scientist, told *Elle*. “But some just want to lose weight; some want to sleep better.”



71

By cutting out the doctor's visit, at-home blood tests allow consumers to track custom measures of their own health more precisely, with less expense and shorter wait times. It also makes it easier to test regularly enough to track progress over time.

InsideTracker's biggest competitor, WellnessFX, runs a similar service. The company's Premium package, which includes a consultation with a certified physician, sells for \$925. In November 2016, WellnessFX launched its first at-home testing kit, the \$111 Lifelong Vitality package, which monitors key markers of women's health.

The global market for diagnostic testing stands to reach \$63 billion by 2024. Although much of that still takes place in hospitals, at-home kits are a rapidly-growing slice of the pie. The direct-to-consumer lab test market was worth \$131 million in 2015, up from just over \$15 million in 2010, according to research firm Kalorama Information.

Why it's interesting: In the era of the quantified self, no health metric is off-limits for consumers wanting to take control of their health and better understand their own physical makeup.



72

Gene editing

“Any idiot can do it.’ Genome editor CRISPR could put mutant mice in everyone’s reach.” This surprising claim in a November 2016 *Science* headline reflects both the promises and the fears stirred up in 2016 by the gene-editing technology, otherwise known as “clustered regularly interspaced short palindromic repeats.”

Often described as a pair of molecular scissors, CRISPR promises to make it much easier to selectively edit bits of DNA, potentially leading to miracle cures and manmade mutants, or elements of both.

Commercialization of CRISPR discoveries is not far off. In China, researchers have already used CRISPR to create cashmere goats with more abundant fur. Biotech companies such as Juno Therapeutics, Intellia Therapeutics and CRISPR Therapeutics are working to bring gene editing-based immunotherapies to market.

Lest this all seem too esoteric, pop culture has already caught on and is spinning out sci-fi scenarios around the technology. NBC is developing a near-future procedural starring Jennifer Lopez as a CDC scientist trying to save humanity from a deranged former boss. “The drama will see mentor

and protégé battle for control over the human genome in a game of cat and mouse in which the future of our species may rest and all disease could one day be eradicated,” wrote the *Hollywood Observer*. The show, naturally, will be called *C.R.I.S.P.R.*

Why it’s interesting: CRISPR is adding heat to bioethics debates and, if headline-grabbing treatments emerge, the technology could even prompt a shift in public perceptions of GMOs. “As scientists try out new ways of using CRISPR, the effects will likely ripple outward, touching more species, more markets, and perhaps even more items on your Christmas list,” commented the *Atlantic*.

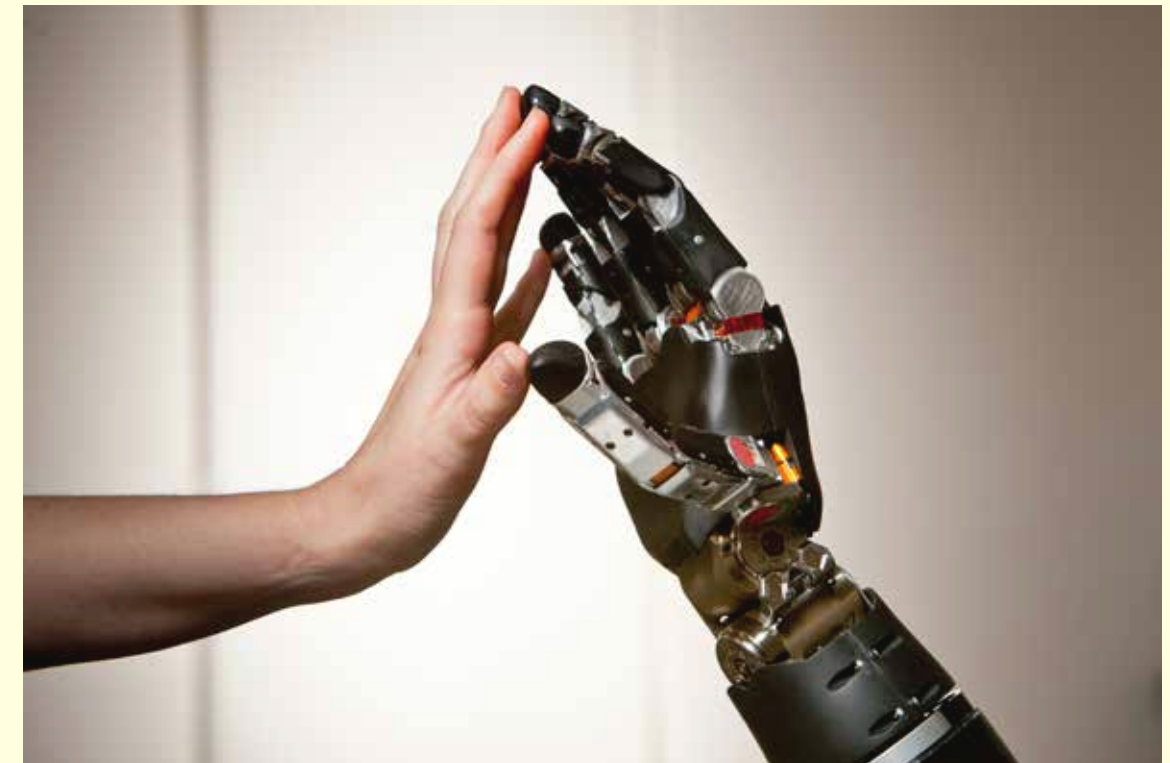
73

Human cyborgs

Imagine swiping your hand at a credit-card reader and paying for lunch with an embedded chip. It's not science fiction: Technology has already begun to expand the capabilities of the human body.

In October 2016, the world watched as disabled athletes competed using assistive technologies in the first-ever Cybathlon championships in Switzerland. Full-body powered exoskeletons, advanced prosthetic limbs and brain-controlled computer programs were all on display throughout the competition. Although the event was a testimony to the abilities of disabled individuals, many also saw potential for consumer application.

"If a device can control a wheelchair, then it should be able to help me drive a car," Aldo Faisal, associate professor of neurotechnology at Imperial College London, told *Wired*. "Researchers are working on prosthetics that give you a sense of touch, but why should that be limited to the form of an arm? You could be an airplane and feel the wind on the wings ... You could shrug on a rucksack and become like Shiva with six arms. It would make childcare a lot easier."



73

Today, a new wave of “biohackers” is exploring the possibilities of high-tech body modification. Seattle-based company Dangerous Things, which sells implantable biomagnets and RFID chips, has seen sales of its products grow 700% over two years. In a 2013 TED Talk, founder Amal Graafstra called biohacking “a new kind of human evolution.”

Some of biohacking’s possibilities are undeniably practical. Take embedded payments: A set of false nails created by a design student at London arts college Central Saint Martins contains a chip from the payment card used on the city’s public transportation network, allowing for seamless swiping. Other applications are more fantastical, like artist Moon Ribas’s embedded sensor that allows her to feel earthquakes anywhere in the world.

Ribas is a member of Cyborg Nest, a biohacking startup that is using technology to extend the senses. The company’s first product, an external sensor that vibrates when the wearer faces north, is now available for pre-order. As bionic technology improves, it stands to give credence to the company’s motto: “This isn’t just an idea anymore. It’s a choice.”

Why it’s interesting: Cyborg technology has substantial implications for forward-thinking wearables companies. According to the Innovation Group’s Control Shift report, 74% of US and UK consumers like the idea that humans will use technology in the future to further boost their physical and mental capabilities.



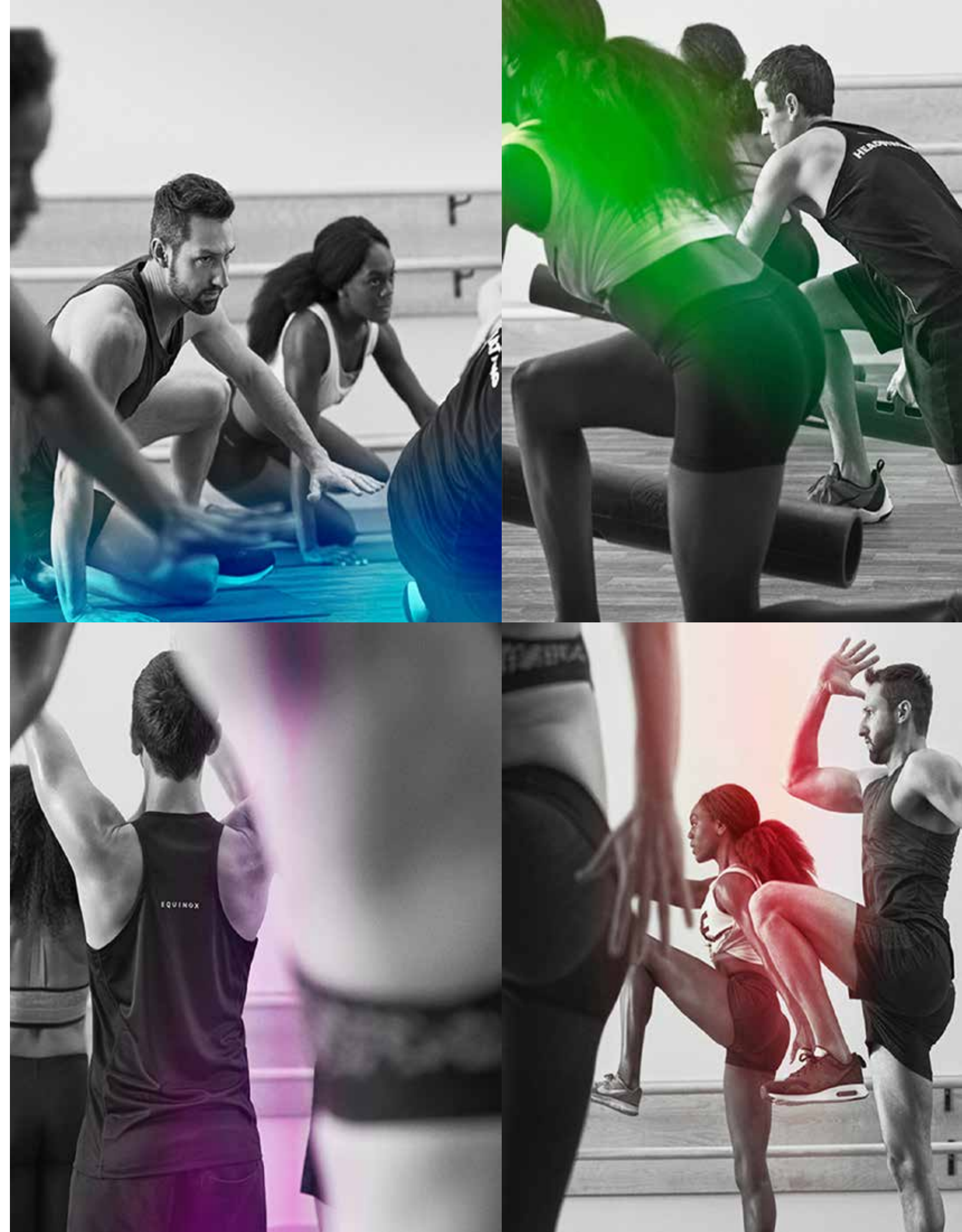
74

Brain-body training

Science is offering more evidence of the connection between physical exercise and brain health, and organizations are taking note. A July 2016 AARP report found that “people who participate in purposeful exercise show beneficial changes in brain structure and function” and that “people who lead a physically active lifestyle have lower risk of cognitive decline.”

Along with this, we’re seeing a greater focus on mental wellbeing among gyms and fitness brands. HeadStrong, a new workout class from luxury fitness chain Equinox, harnesses insights from brain science for physical wellbeing, with exercises that promote mindfulness and neuroplasticity. Each of four stages—focus, adapt, willpower and reboot—comes with its own colored lighting to reflect changing physical and mental challenges.

Why it’s interesting: As boomers retire and seek to stave off the effects of aging, we expect to see a more holistic concept of exercise that includes both physical and mental wellbeing. Fitness brands would do well to tailor their products and marketing with this in mind.



75

Sexual healing

“Sex Dust™ is a lusty edible formula alchemized to ignite and excite your sexy energy in and out of the bedroom,” reads the blurb on Moon Juice’s site about its hot product (hot since it was featured on Gwyneth Paltrow’s lifestyle site Goop).



It continues: “A holistic approach to deeply nourished sexual vigor, this warming elixir sends waves of sensitivity and power to all the right places.” Sex, sensuality and sexual pleasure are increasingly being converged with wellbeing in the packaging of new products and lifestyle platforms.

BeautyWorksWest, exhibited at Cosmoprof 2016, is a luxury range of food supplements—called Youth, Sex and Energy—created by Dr Daniel Sister, one of the UK’s leading anti-aging physicians. Smile Makers describes itself as a “wellbeing brand that supports sexual empowerment” with a mission to “normalize sexual wellbeing products and reframe them as a natural and healthy part of life and beauty care.” Its D&AD Award-winning sex toys are referred to as “massagers” and its range of three pastel-packaged, pH-balanced lubricants could easily be mistaken for skin serums. Aphrodisiac perfume oils from Good Clean Love are scientifically formulated to activate the arousal mechanism in the brain through scent.

Why it’s interesting: Women’s sexual fulfillment has become another focus of attention as feminism reaches beyond an activist base. Within that, sensuality is being aligned to overall health. This also sits with the increasingly holistic view consumers have of health in general, seeing their bodies, minds and beauty as one ecosystem.

76

Fitness festivals

With big-name Instagram fitness trainers selling out rock star-sized arenas around the country, could the next extension of the rock-star model be a fitness Coachella? One of the biggest names in athletics is exploring ways to meld the fitness zeitgeist with today's demand for experience culture.

In August, Nike held a three-day immersive fitness event in London with all the trappings of a music festival. As part of the brand's Unlimited You Olympics promotions, Nike guests could participate in high-intensity workouts from company trainers or guest celebrity fitness gurus. A background of flashing lights and video installations from Artisan, the creative studio from the United Visual Artists, and a custom soundtrack from electronic duo Hot Chip pulsated throughout the event—all designed to enhance the workout experience.

Why it's interesting: Events like the Wanderlust festivals, which place yoga and music side by side, or Croatia's Obonjan festival, a month-long wellbeing retreat that opened August 2016 as a twist on the European festival scene, have laid the groundwork for combining fitness and fun. Nike's Olympic-sized spectacle shows there is plenty of room for fitness brands to get creative with the festival treatment.



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77

Caregiver economy

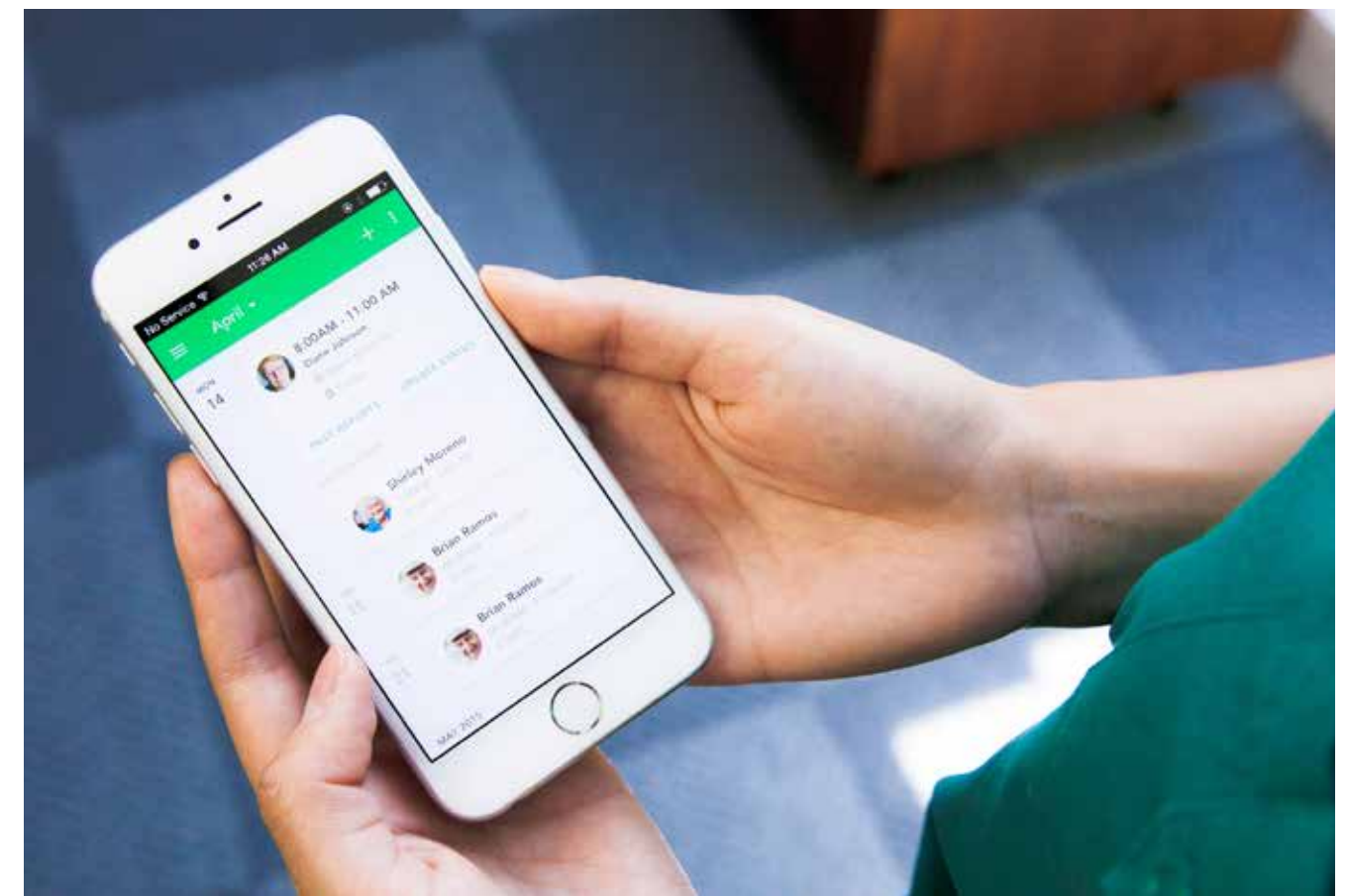
The global population is aging rapidly. By 2050, senior citizens are expected to make up 17% of the world's population, compared to just 8.5% today. The shift is revolutionizing the \$88 billion at-home healthcare market, as America's baby boomers continue to age. New platforms are springing up to address adults thrust into caring for aging family members.

Wellthy provides access to care coordinators who can tackle everything from insurance paperwork to locating support groups, while Kindly Care matches families to professionals through a sleek mobile interface.

In another sign of the changing times, paid leave for caregivers is becoming the newest corporate perk. At Deloitte, a policy launched in September 2016 gives the company's 78,000 employees access to 16 weeks of paid "family leave" per year, which covers anything from elder care to paternity leave. By placing caregiving in the same bucket as other family responsibilities, the policy also stands to normalize caregiver leave.

Other companies introduced similar benefits this year, though none quite as comprehensive. Nike employees now receive eight weeks of paid family care leave, while Vanguard Group offers two.

Why it's interesting: In recent years, companies have expanded maternity and parental leave to woo candidates. But the needs of an aging population are set to play a pressing role in society. In 2015, 43 million American adults provided unpaid care for an aging family member, a figure that is only set to increase.



78

New mental health

The stigmas surrounding mental health are breaking down, thanks in part to new publications such as *Anxy*, launching in January 2017, which allow individuals to share their own stories.

“Every day millions of seemingly ‘normal people’ suffer in silence,” writes designer Indhira Rojas, *Anxy*’s founder. “Whether they are hurting in response to tragic events similar to mine, or other equally impactful experiences, these seemingly ‘normal people’ are riddled with so much pain and shame that, like me, they work hard to make sure no one ever notices.”

The conversation around mental health is evolving from stigma to support, buoyed by a younger generation that is not ashamed to seek treatment. A recent survey of college-age adults found that 60% consider it a sign of strength to seek professional mental health services, compared to just 35% of older adults.

Companies are now partnering with national organizations to offer users support. At the end of 2016, Instagram rolled out its new mental health support feature. Alongside “like” and “comment,” users can now anonymously report posts that may indicate a need for help. Flagged users receive a

message that offers resources, such as a local support helpline or talking to a friend. Parent company Facebook has a similar tool, which was expanded in June for users of all languages it covers.

Why it's interesting: Nearly half of American adults will develop at least one mental illness during their lifetime, and anxiety rates for generation Z are already through the roof. In stressed-out times, consumers are beginning to consider mental health alongside physical health as one of the many components that comprise wellbeing.



79

Healthtopias

The 20th century had its Levittowns—hastily built suburbs promising comfort and convenience for cramped urbanites. Will the 21st century have Lake Nonas?

Lake Nona, on the edge of Orlando, Florida, has been designed with its residents' health and wellness in mind. A cluster of medical and research facilities known as Medical City provides employment to many of the town's 11,000 residents, expected to grow to 25,000 before long. The medical centers will soon be joined by a 63-acre home to the United States Tennis Association, with 100 courts on site.

Residents of Lake Nona participate in health studies, have access to free activities including tai chi, bike races and yoga, and can stroll along a network of trails that will eventually total 44 miles. Residents should consider themselves part of a "living laboratory," as James Zboril, president of Tavistock Development Company, put it to the *New York Times*.

Why it's interesting: If Levittown was about convenience and insularity, Lake Nona represents a new utopian ambition—perfecting one's life through the right balance of healthy activities. We expect to see more communities organized around this principle.



80

Augmented gyms

Gyms are becoming technology playgrounds as they add new layers of interactivity to typical workout routines, boosting novelty and motivation for patrons.

New York gym Asphalt Green has installed an entire room covered with LED lights, which provide visual cues for movement during group classes. The system behind it is Prama by Pavigym, already in use at gyms in Europe. Participants in AG6, the 45-minute high-intensity workout that uses the technology, are pushed to their limits. “The system’s visual cues train reaction time in a way conventional training methods cannot,” says a spokesperson.

Augmented Climbing Wall is described as “the world’s first global gaming platform for climbing walls.” Light projections layered over traditional climbing walls allow users to compete against each other in life-size games of Pong, or navigate “electrified” mazes, with the goal of extending endurance and reach. The technology, spun off from Aalto University Game Research, has been installed at two locations in Finland, with more planned at locations across Europe, Asia, Australia and North America.

Why it’s interesting: These new tech setups suggest that augmented reality could soon have practical and widespread applications in health and fitness—in gyms today, maybe throughout cities tomorrow.



81-90 Lifestyle



81

Drone racing

Buoyed by a consumer drone market expected to hit \$4.6 billion by 2025, sports marketers are betting that drone racing will be the latest sport to make it to the big leagues.

In September, ESPN signed the Drone Racing League to a 10-episode run, a huge shift for a sport that was developed by hobbyists just several years ago. Advances in drone and camera technology now allow the league to capture the energy of the race as pilots fly high-speed drones around LED-lit obstacles courses set in abandoned warehouses, football arenas or even iconic locations such as London's Alexandra Palace. The resulting competition is "an exciting, real-life experience mixed with video-game like dynamics," league founder Nicholas Horbaczewski told the *New York Times*.

Why it's interesting: The rise of e-sports has demonstrated that a substantial market exists for new and increasingly niche sporting events. Today's niche technology could easily become tomorrow's moneymaker.





82

Future Hollywood

“Technology isn’t at odds with craftsmanship, it’s just a new tool for filmmaking and storytelling,” said filmmaker Jon Favreau at TEDxHollywood. Speaking on VR, AR, AI and beyond, he outlined his vision for how these new technologies could add rich new landscapes to entertainment, rather than devour the industry.

Favreau unveiled his latest project *Gnomes & Goblins*, an interactive VR experience set in an enchanted forest. It launched September 8 on HTC Vive as a preview, and is still being refined. In *Gnomes & Goblins* there is no object except to wander the landscape, which features hidden miniature cottages, floating fireflies and glowing candles.

Players are encouraged to engage with small gnome and goblin characters, forming virtual relationships with them by earning their trust and giving them snacks. “It’s quite emotive,” Favreau said. The project is in beta but could be just the beginning for the likes of Disney and fantasy storytelling movie franchises. Will VR gaming theme parks be next?

Why it’s interesting: “People are becoming more sophisticated in their understanding of experiences but also increasingly frustrated by frames around things,” says Frank Rose, author of *The Art of Immersion*. “They want things to be non-linear, to leap into them. There’s no distinction between screens and the person, or digital worlds and people.” Increasingly we’ll see more and more convergence between rich immersive technologies, artificial intelligence, storytelling and gaming.

83

The second screen comes first

Until recently, apps and social networks were delegated to a background role during major televised events. Today, these “second screen” platforms are increasingly opting to host live TV themselves, blurring the lines between the first and second screens.

In 2016, Twitter inked deals with the MLB, NHL and NFL to bring live streams of select professional sporting events to its users. Twitter’s already active sports community had a running feed beneath the live stream, creating a one-stop shop for games and conversation. For the NBA’s 2016-2017 season, Twitter will also stream exclusive ESPN-type commentary shows, drawing even more first-screen eyeballs.

The network even live streamed its first awards show, The Game Awards, in December. “The Game Awards conversation already unfolds on Twitter,” said the show’s founder Geoff Keighley. “This unique partnership brings that commentary and the full live show broadcast together in one place on Twitter around the world.” As social media chatter around the US election cycle became ever more heated in 2016, both Twitter and Facebook also opted to live stream the presidential debates, at no cost to users.

Why it’s interesting: Consumers are turning their attention from TV to mobile at a rapid clip. Last year, consumers spent 25% of their media time on mobile devices—not far from TV’s 36%. Millennials already stream more than half of the TV they watch, making the shift to mobile intuitive. As consumers become increasingly relaxed about how they access content, expect more blending of the first and second screens.

84

Sleep renaissance

We're in the midst of a soporific renaissance as innovators respond to our culture's chronic undervaluation of sleep. The "sleep space" has been given the Silicon Valley makeover in recent years, with the rise of hip online startups including Casper, Tuft & Needle and Yogabed.

These direct-to-consumer brands aren't just shaking up the old-school bedding business by making mattresses more compact, affordable, and easier to transport; they're also turning the pro-sleep lifestyle into an art form, with bedroom design hacks, napping tours and more.

Casper, poised to become the "Amazon of sleep," has already added pillows and sheets to its product line, hosted a sleep symposium in New York with Arianna Huffington as a keynote speaker, published a trend report on sleep in partnership with Sean Monahan of trend forecasting agency K-Hole, and hosted free sleep-themed pop-up shops across the United States, complete with waffle stations and pillowcase screen printers.

Artists are staging experiences for people to experience sleeplike states together. Composer Max Richter partnered with a neurologist on *Sleep*, an eight-hour sedative opus that lulled 400 pajama-wearing audience members

to rest overnight at the Sydney Opera House in June 2016. At the National Sawdust arts space in Brooklyn, artist Theo Bleckmann performed a "musical meditation" in the dark to an audience reclining on cushions and pillows. "If people fall asleep, it's completely fine," he told the *Guardian*.

Why it's interesting: We never realized our eight hours were so precious until technology and life demands began to take them away. Consumers are now reclaiming the value of shut-eye through pro-sleep lifestyles and sleep-friendly group experiences.



85

Smart clothing

In 2016, a wave of new seamlessly “smart” clothing hinted that the long-promised wearable technology revolution might be closer to functional integration in our everyday garments.

In March, Emil + Aris launched the Smart Coat, a collection of sleek, battery-powered coats that heat themselves to adapt to changing weather. They are available in cotton or cashmere and wool, and start at £1,195 (\$1,480). “When talking wearable tech, there is a fine line between geeky and tasteful,” founder Rana Nakhal Solset told *Vogue*. Emil + Aris, like other new launches, errs on the side of tasteful.

At the 2016 Cannes Lions festival, the Grand Prix in product design went to Google’s Project Jacquard, launched in collaboration with Levi’s, which weaves touch interface directly into textiles, allowing for touch-sensitive grids to be woven discreetly into any part of a garment. The first garment to get the Jacquard touch looks like a normal Levi’s Commuter Trucker jacket, but responds to taps and gestures, and can even be paired with a smartphone for hands-free control. The jacket is expected to be available in early spring 2017 in selected Levi’s stores and online, according to the company.

“Technology is seamlessly integrated into our lives, so we don’t talk about analog and digital, we just talk about solutions,” says Amina Horozic, product design jury president at Cannes. “This is something that could change every aspect of our lives.”

Why it’s interesting: As consumers have become accustomed to “smart” health-tracking accessories, the next wave of wearable clothing will be expected to provide real benefits without sacrificing style.





86

Platonic dating apps

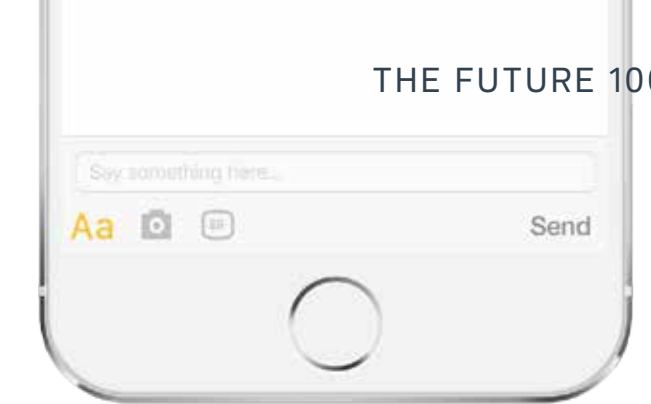
Dating apps are pushing their own boundaries, betting that a generation of users who grew up building friendships online is interested in swiping for more than just dates.

In July, Tinder added a Social mode, which allows groups of users to team up and make “crew” connections for a night out. A few months before, Bumble added BumbleBFF, a separate mode that lets users swipe left or right on potential friends. Over the winter, the company also plans to roll out BumbleBizz, a networking platform that operates like a hyper-mobile LinkedIn.

For established dating apps, the shift to platonic swiping means they can expand their profitable user base beyond just singles. (According to Apptopia, Tinder pulled in \$3 million in October alone.) “We have an incredible user base, and so many of them were using this app to find friends,” Bumble founder Whitney Wolfe told *CBS*. “And they’ve been requesting a feature for—‘Hey, I’m in a relationship, but I love Bumble. I still want to be able to use it.’”

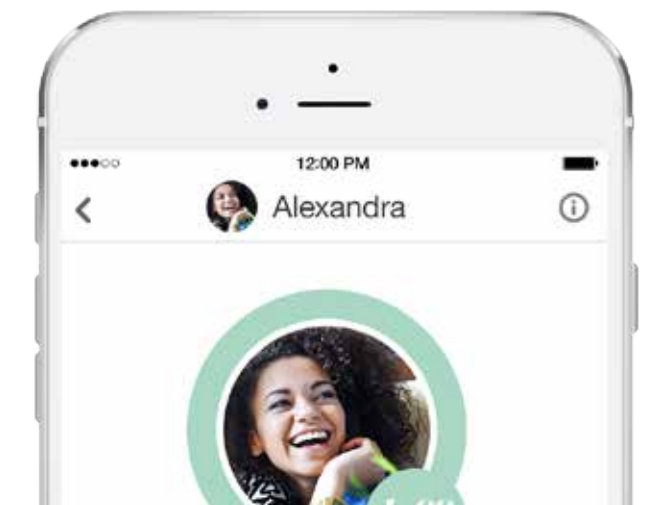


Bumble BFF app



A handful of other apps have sprung up exclusively for friend-swiping. Squad is for groups of friends to meet, while Vina uses platonic connections to empower women (and was also the beneficiary of a recent investment by Tinder). Patook, the newest entry, uses an AI-based algorithm to suggest potential friends.

Why it's interesting: While the longevity of any of these platforms remains to be seen, they show that users are becoming more comfortable with the mission creep of dating apps. Dating apps have already disrupted one important form of human connection; for the smartphone generation, there could be more to come.



87

Cashless labs



“We would like to be a catalyst for taking cash out of the system,” Apple CEO Tim Cook told Japanese news service Nikkei in an October 2016 interview. “We don’t think the consumer particularly likes cash.”

Cook was speaking of the company’s plans for Apple Pay, but recently a few corners of the world have gone nearly cashless without Apple’s help—perhaps offering a preview of cashless societies to come. In Sweden, only a fifth of retail transactions were being conducted in cash as of 2014. Cafés, banks, and other establishments routinely refuse cash, and charities have even distributed card-readers to the homeless to allow them to accept donations. Proponents say the shift eases transactions and reduces fraud.

Meanwhile in Zimbabwe, a near-cashless society has emerged in the past year for entirely different reasons. The country is running low on paper money, with its own currency beset by problems and the US dollars that replaced them increasingly being shipped out of the country. The *New York Times* reports that “debit card machines are proliferating in Zimbabwe’s cities—not only in churches but also in supermarkets, betting parlors, nightclubs, parking areas and every other business happy to accept paper cash but unable to dispense it.” When cards aren’t available, mobile phones are often used in their place.

Why it’s interesting: In different ways, Sweden and Zimbabwe offer a glimpse of a cashless future that has long been predicted. They offer a natural laboratory for observing cashless societies in action.

88

Social media credit scores

Big banks have tightened up on lending since the recession, making room for alternative lenders that increasingly use nontraditional metrics like social media presence to evaluate customers.

Lenders taking a “big data” approach to qualifications are including Facebook and Twitter feeds in their constellation of data points. This year, JP Morgan Chase launched a partnership with OnDeck Capital, which includes social media presence in its analysis of small business owners. Kabbage uses a similar process to offer small business loans. And German startup Kreditech has raised more than \$100 million to lend to individuals with no credit history, using information from Facebook and LinkedIn in its algorithms.

In emerging markets, where traditional lending is complicated and unorganized, social media is coming into play in a big way. In India, numerous platforms like InstaPaisa and CashCare use social media to rate borrowers and match them to lenders. Nigeria's Social Lender, which recently expanded to South Africa, makes social reputation a cornerstone of its lending process.

Advocates argue that by providing an intimate look into a user's day-to-day life, social media helps lenders take a more complete look into a user's personality, as opposed to using a narrow range of financial metrics.

“Social media tells you a lot about the person,” Rene Griemens, chief financial officer of Kreditech, told the *Financial Times*. “We may be able to see whether he has friends who have already repaid a loan to us—that usually is a good indicator.”

Not everyone is sold on the idea, however. Detractors worry about consumer privacy and banks that monitor social profiles. China's proposed “social credit system,” which assigns every user an official “credit” score based on comprehensive monitoring of online activity, shows the potentially invasive extent to which the concept may be taken. But for now, social media may help small businesses and new borrowers stand out in a difficult lending economy.

Why it's interesting: As alternative lending flourishes, consumers looking to the sector may start to think twice before posting that selfie.

89

See now, buy now

The fashion industry's flirtation with the “see now, buy now” model—which allows consumers to purchase items as soon as a collection hits the runway, instead of six months later—was one of the clearest trends at the New York and London fashion weeks in September 2016.



While developed markets wait to see whether the model translates into sales, many developing markets are embracing it without reservations. At the 42nd São Paulo Fashion Week, which took place in October 2016, founder Paulo Borges encouraged designers to do away with seasonal restrictions and show clothes that were ready for market. Considering Brazil's mostly tropical climate, the seasonal system never made complete sense for the local customer, and it makes even less sense now. Animale, a major womenswear brand in the country, made its collection available in stores immediate after showing on the runway, with minor modifications.

In China, Alibaba streamed an eight-hour luxury fashion show live on Tmall, Youku and Mobile Taobao. Viewers could click on items in the show and purchase them immediately. Organizers described the event as “shortening the fashion consumption chain.”

Why it's interesting: With many major fashion and luxury brands dependent on demand from developing markets to drive sales, the success of “see now, buy now” in China and Brazil may suggest larger trends in store for the industry.

90

The new explorers

For a new breed of explorer, the “great outdoors” is no longer something to be tamed, but its own rich source of culture to be experienced.

In *Wildside: The Enchanted Life of Hunters and Gatherers*, a forthcoming book from design publisher Gestalten, the shift is encapsulated in photographs of the modern adventurers who are discovering their own possibilities in outdoor landscapes. Foragers, wood carvers and log-cabin dwellers alike have found inspiration in nature, putting a modern spin on traditional wilderness pursuits.

Buoyed by the new explorer culture, popular outdoor retailer REI saw its revenues increase by 9.3% last year. The company is also expanding, with new locations in New York, Florida and Washington. Other retailers are hoping to cash in on the trend with a style-first approach to the outdoor market. Wild Rye, launched this year, makes contemporary designs for the modern outdoor woman. Ottawa retailer Stomping Ground offers a curated selection of menswear-meets-rugged functionality.

It's no surprise that adventure travel is also on the rise. Adventure tourism is expected to grow 46% per year through 2020, as beachside vacations slowly lose ground to skydiving, mountain climbing and deep sea diving. It's not all about the adrenaline rush, either: Visitors to America's National Parks hit an all-time high of 305 million visitors in 2015.

Why it's interesting: Move over, Prada: Patagonia is in the spotlight as consumers integrate nature into a modern lifestyle.

91-100 Luxury



91

Luxury redefined

Ethically motivated consumers are turning their attention and wallets to premium and luxury brands that place emphasis on inclusivity, sustainability and product quality.

Luxury shoppers are moving away from opulence and big names, opting instead for a modern approach to luxury which includes being discreet. “Today, it’s really about understated luxury,” said luxury retail consultant June Haynes in an article for the *Washington Post*.

Traditional luxury brands have faced a tough year, with report after report showing a decline in sales. Ralph Lauren reported a profit of \$45 million for the year to October 1, 2016, significantly down from the previous year’s \$160 million. The Federation of the Swiss Watch Industry revealed that export sales were 14.2% lower this July compared with the previous year, and Tiffany & Co saw a 7% decline in the first half of 2016. Emerging luxury brands have mastered the high-quality, pared-down design language and the brand values that resonate with consumers, and are taking a slice of the luxury market.

In fall 2016 London department store John Lewis launched its first luxury womenswear collection, Modern Rarity. An article in the *Telegraph* likened the fashion design aesthetic to Céline. At the same time London-based curators Mariah Nielson and Fanny Singer launched Permanent Collection, a line of



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luxury womenswear and accessories. The duo highlights the sustainable factor in its aptly named company name, emphasizing that pieces are designed to “survive for decades in the homes and wardrobes of collectors.”

Luxury loungewear sales have been growing 30% year-on-year at British department store Selfridges and cashmere loungewear sales have doubled. London-based luxury loungewear designer Olivia von Halle founded her eponymous brand in 2011 and started selling on Net-a-Porter in 2015. Within two weeks of launching a cashmere tracksuit collection on the platform, the company had sold 85% of its stock.

Why it's interesting: The decline in traditional luxury is showing that the market needs shaking up, and the outlook for 2017 is that new brands will be leading the way for a new luxury direction. François-Henri Pinault, chief executive of Kering, says the company is increasingly making an effort to renew its product offering to give it a more “modern identity.” As more emerging brands enter the luxury market—inspired, perhaps, by the *Huffington Post*'s November 2016 piece on “How to Start a Luxury Brand with Just \$300”—traditional brands will increasingly need to speak to the modern consumer rather than *for* them in order to stay relevant.



92

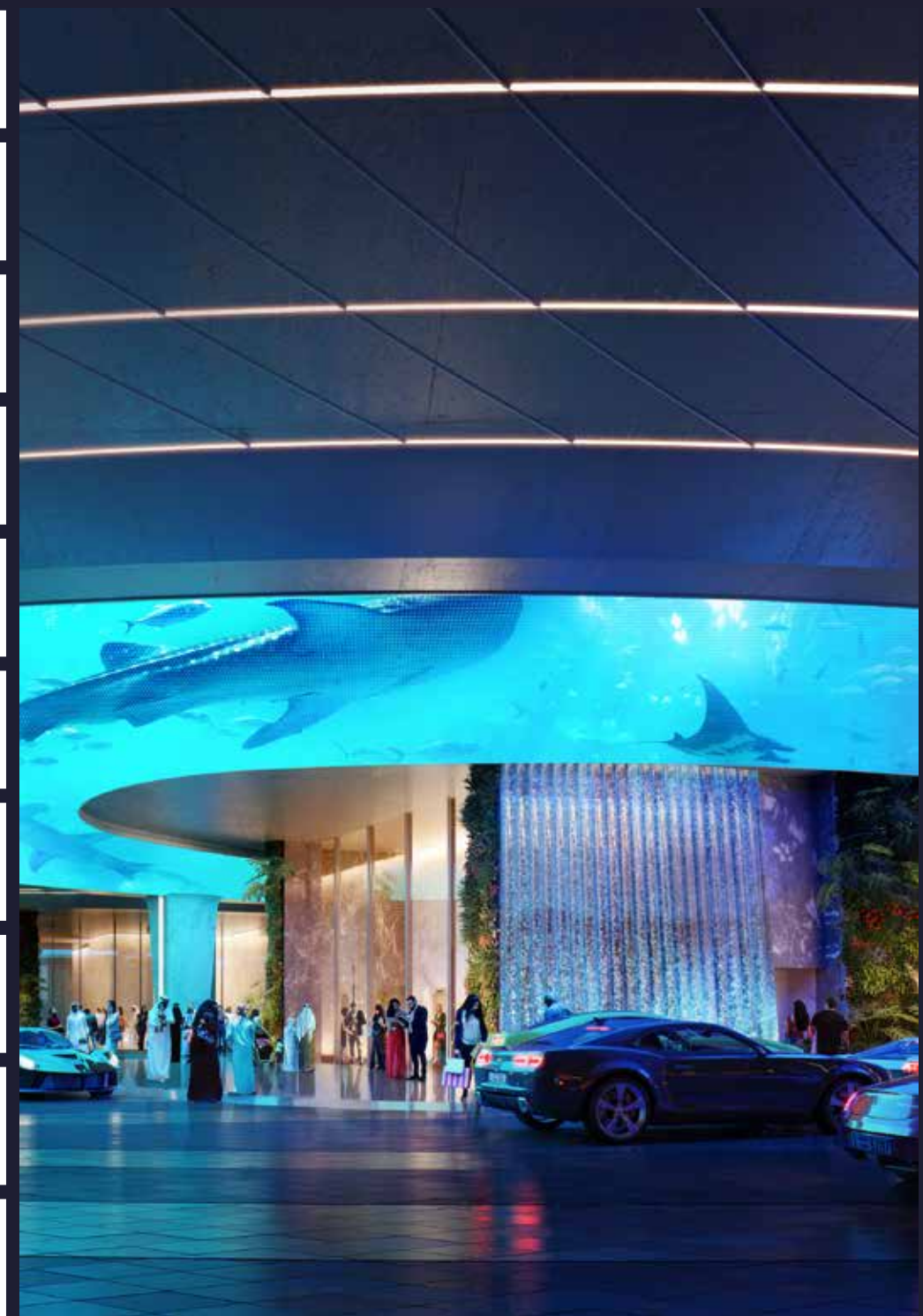
Artificial nature

The new Rosemont Hotel and Residences planned for Dubai will house the world's first artificial rainforest, complete with waterfalls, streams and a sensory rain system to mimic rainforest acoustics and climate.

Due to launch in 2018, the \$550 million project is setting the bar high for luxury hospitality by not only bringing the rainforest to the desert city, but also introducing robotic luggage handlers, a trampoline park and an aquarium. The ambitious project is setting a new standard for manmade nature in a city that already has artificial islands and ski slopes. Elsewhere, Singapore has Sentosa, an artificial beach created using imported sand from Indonesia and Malaysia.

In the Songjiang district of Shanghai, the InterContinental Shimao group is well underway with its five-star hotel located inside an abandoned quarry at the foot of the city's highest hill. The \$430 million development will have its own artificial lake and aquarium, and offer extreme sports such as rock climbing. The hotel, two of whose 19 floors are underwater, is due to complete in 2017.

Why it's interesting: Luxury hospitality brands are introducing sophisticated manmade nature to guests so they can not only experience a five-star service, but be part of a natural environment that would otherwise be unavailable.





93

Invisible tech

As the home becomes increasingly high-tech, consumers are pivoting toward home products that align with their décor, rendering the technology aspect all but invisible.

At the 2016 London Design Festival, the Electro Craft exhibition showcased new products that blend craft with technology. Turkish designer Bilge Nur Saltik's Loud Object series includes marble candleholders and serving plates that also function as Bluetooth-connected speakers. Saltik aims to integrate electronics with home decoration, imagining "surround sound with your chandelier, vase and centerpiece."

Panasonic's newest TV prototype could be the tech's ultimate endgame. When not in use, the television is completely transparent. With the screen mounted on a glass panel, the TV is effectively invisible when it is switched off, allowing objects or decorations to be displayed behind it.

Another inspiring prototype is the Making Weather speaker by designer Richard Clarkson. It comes in the shape of a cloud containing a Bluetooth speaker and sound-reactive LED lights, which hovers several centimeters above its base. (An earlier version of the project sold for \$3,360.)

Although these products have yet to hit the market, today's shoppers already have a growing choice of tech that fits into the home. Google's newly launched Home speaker even offers interchangeable bases to coordinate with different color schemes. Although far from "invisible," the speaker is a design-conscious upgrade from Amazon's uniformly black and cylindrical Echo.

Why it's interesting: The novelty of having a speaker in the kitchen has worn off. Tomorrow's Internet of Things devices will need to blend in with the décor around them, not just provide the soundtrack.



94

Hipster Boomers

Don't write baby boomers off just yet. Boomers are redefining retirement culture, creating demand for an older counterpart to "hipster" experiences—one that comes with more refined tastes and a higher price point.

Now boomers even have their own music festival. In October, the inaugural Desert Trip festival was held at the Coachella grounds, the venerated hipster hotspot in Indio, California. Attendees traded flowered headbands and glowsticks for gourmet food packages and pricey grandstand seats, while enjoying headliners including Paul McCartney, Bob Dylan and the Rolling Stones. The average age of ticket holders? 51.

Desert Trip was also a testament to the spending power of boomers. Weekend passes started at \$399 and were almost sold out within hours. The festival was projected to take in \$150 million over its two-weekend run, easily topping Coachella's record of \$84 million. Although conceived as a one-time event, the festival's mega success all but ensures a rerun.

Why it's interesting: As boomers continue to assert their cultural relevancy, look for more opportunities to market high-end interpretations of millennial pastimes to this increasingly hip demographic.



95

Year of the train

In many parts of the world, train travel appears poised for an upgrade in 2017 and beyond.

Two luxury trains are coming to Japan in 2017: Twilight Express Mizukaze, which will feature art deco design and food by Michelin-starred chef Yoshihiro Murata, and Train Suite Shiki-Shima, whose most expensive room will have a bath made of Japanese cypress.

Ireland has just welcomed the Belmond Grand Hibernian, which passed through Dublin, Cork, Killarney, Galway, Westport, Belfast and Waterford on an inaugural grand tour. It offers Irish cuisine made with local ingredients, well-appointed cabins and communal areas, and other luxury amenities.

For the ultimate in discreet luxury, a new concept is coming to Japan in 2018: Express trains with mirrored exteriors that reflect their surroundings, allowing them to glide “invisibly” across the countryside.

Why it's interesting: Luxury consumers are rediscovering the romance of earthbound travel, reflecting a growing appetite for nostalgic journeys infused with contemporary design and amenities.







96

Kidult Luxury

As parents continue to opt to lavish disposable income on their offspring, the luxury market is maturing, with options for children that don't feel childish.

While the average youth might not know their Eames from Ikea, a new generation of children will be anything but typical. Milan Design Week 2016 saw the launch of several high-end furniture lines aimed at children aged between three and eight, including Kartell Kids from Italian furniture company Kartell, which features minimalist designs from Japanese studio Nendo and French designer Philippe Starck. Another Italian design company, Magis, has expanded its Me Too range to include products such as the Little Big chair from Big-Game, an adjustable chair that "grows" with the child.

"As a first chair, it is definitely an object that creates emotional ties," says Augustin Scott de Martinville, co-founder of Big-Game. "We wanted it to have the qualities of an adult chair, but for children."

Leisure pursuits such as high-end dining are following along the same lines. At the five-star Connaught hotel in London, the hotel's youngest residents can take a cooking lesson from pastry chef H el ene Darroze, recently named the world's best female chef, followed by a meal at the hotel's Michelin-starred

restaurant. In spring 2016, New York restaurants including Blue Hill and Per Se opened their doors to diners aged seven to 14 through an initiative called Kids Table.

Why it's interesting: The rise of child chefs such as 14-year-old Logan Guleff, recently named one of *Time's* most influential teens, shows that the lines between childhood and adulthood are increasingly blurry. For luxury brands, there is an opportunity to create products to capture the next generation of consumers that are more than child's play.



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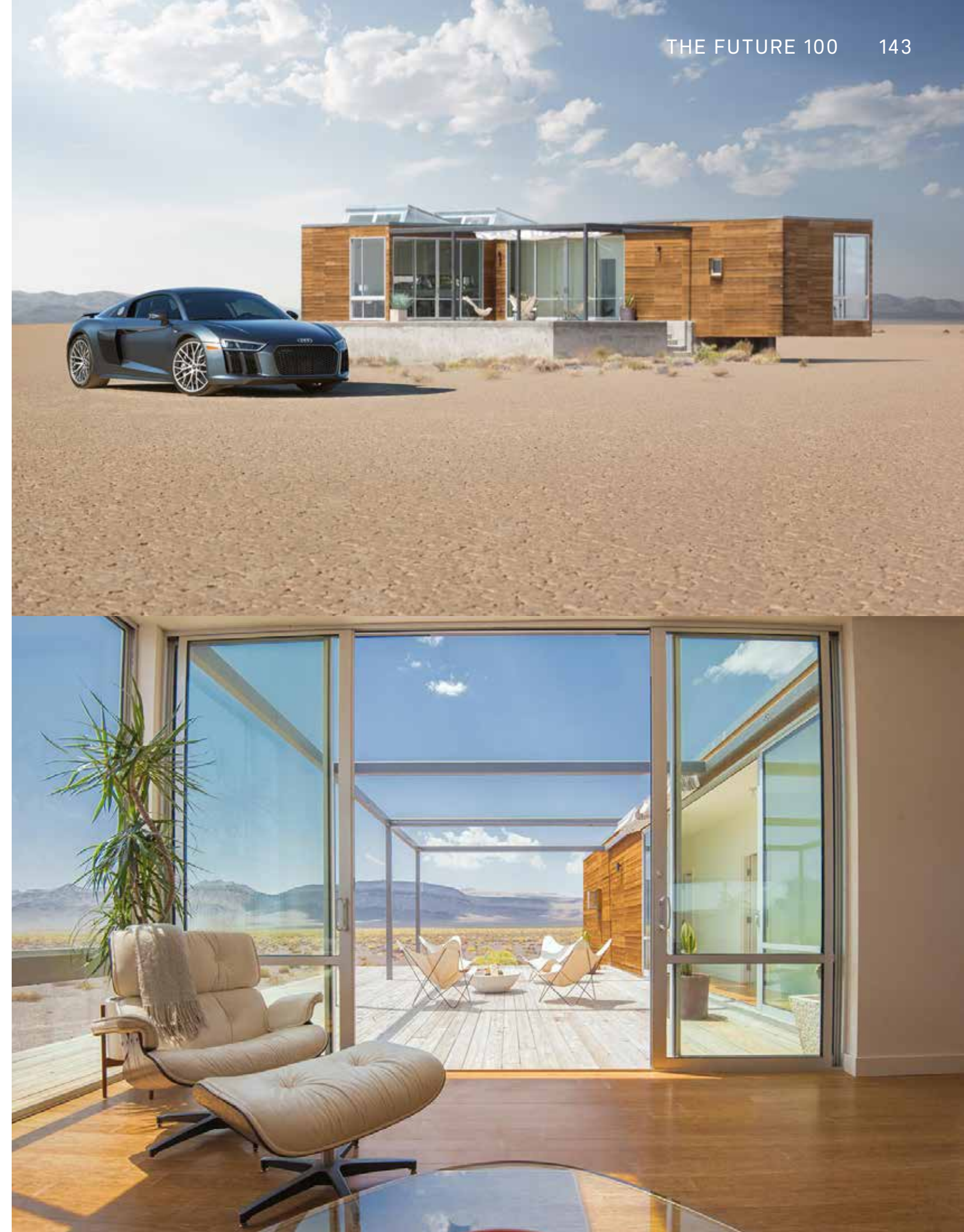
Extreme experiential marketing

Audi's latest campaign invites consumers to enjoy a three-day private stay in the middle of the desert to test drive the new R8, an example of an experiential marketing activation taken to extremes.

The collaboration between Audi and Airbnb offers adventurous guests a luxury adventure in an isolated, address-less location in Death Valley, Nevada. The partnership kickstarted this September with a teaser commercial called "Desolation" by creative agency Venables Bell & Partners. The commercial showed off the picturesque desert location, stunning Airbnb home, and the Audi R8 Coupe being driven around the sandy landscape.

The experience was limited to only seven guest stays in October, each stay lasting only two nights. The package included accommodation in the fully equipped three-bedroom house, meals prepared by a personal chef and, more importantly, the use of a high-performance 2017 Audi R8 Coupe to try out in the traffic-free desert.

Why it's interesting: In order to capture a modern audience's imagination, brands need to think beyond commercials for their next marketing campaign, and include a memorable experience, or at least the possibility of one.



98

Blockchain luxury

Fashion and luxury brands are just beginning to explore the possibilities of blockchain, the technology that underlies the bitcoin currency.

By creating a secure digital record of every transaction, blockchain is a novel anti-counterfeiting technology for luxury brands. Blockchains can also store additional information about a garment, providing a unique and personalized experience beyond the runway.

At Shanghai Fashion Week, Babyghost teamed up with blockchain company BitSE to embed a unique blockchain ID into each item on the runway, which could be identified with an app. Each chip also carried an interactive memory, like a video of who modeled the piece in New York, or a unique photo tied to a Babyghost location that represents the product's "soul."

"This event illustrates that fashion brands, especially high-fashion brands, need to keep the consumer in mind and give them more than a product," BitSE COO Sunny Lu told *Bitcoin Magazine*. "The customer wants to know that the connection between them and the brand is real, and that their products are real."

Why it's interesting: Blockchain's transaction ledger is nearly impossible to hack or forge, making it perhaps the best tool available to verify authenticity. According to a recent SONAR™ survey, 98% of Chinese millennials worry about whether their purchases may be counterfeit, showing the huge value to be unlocked by high-tech security measures.

99

The luxury of scent

Scent is emerging as the latest essential element of branding in high-end real estate. One Thousand Museum, a 62-story residential building in Miami currently under construction, will include no fewer than four separate custom scents, each designed for specific parts of the building—the aquatic center has notes of orange blossom intended to recall a seaside European vacation, and the fitness center offers “humid earth notes, clean wood notes and juicy citrus” designed to be invigorating and grounding.

The scents at One Thousand Museum are the work of 12.29, a New York-based fragrance branding company that has also designed Craft, a signature scent for the lobby of all buildings owned by the real-estate developer DDG. Elsewhere in New York, the new residential building 21 West End rotates between White Blossom Tea, Cranberry Apple, Ocean Mist and Season's Greetings.

Singapore Airlines, which has long positioned itself as a luxury carrier, has partnered with perfumer Miller Harris on a range of luxury washroom amenities, which included three separate scents that were rolled out over the course of 2016. Even the tech industry is getting in on the scent act, with the new Aera acting as a sort of Nespresso for room scent, with changeable scent pods operated from afar by app.

Why it's interesting: While fine scents have always been associated with luxury, brands are investing more effort in using scent to tell a story, and rotating between different scents to freshen up their offerings.

100

Luxury health-tail

In our Frontier(less) Retail trend report we found that consumers are increasingly interested in wellness retail—57% of US millennials and 45% of UK millennials would like a gym or athletic facility at a physical retail store. Luxury department stores are now implementing wellness components to entice these health-conscious consumers.

100

In October 2016, London-based department store Harrods' month-long Harrods (Super) Man event in collaboration with *Men's Health* magazine invited men to test their strength, improve their wellbeing and up their game on the fashion front. The initiative included activities such as the Under Armour Boxing Ring Challenge, which invited visitors to see how many punches they could throw in 30 seconds, along with personalized training sessions from Technogym. Other brands involved include Adidas, Balmain and Giorgio Armani.

In April 2016, Selfridges launched its Body Studio wellness retail concept, which offers sportswear, lingerie, loungewear and sleepwear. The department also includes a café by Hemsley + Hemsley (a sister duo with a strong focus on wellness and nutritional foods). The opening dovetailed with the store's EveryBody campaign, whose program included talks on beauty, wellness and spirituality, along with classes by London-based yoga studio Yung Club and Psyche, known for its high-intensity spin classes.

US department store Bloomingdale's hosted in-store fitness classes for a day in August 2016 to raise money for Fashionable Fundraiser. And this spring Hong Kong department store group Lane Crawford launched The Fit Room—tagline "Fit for Modern Living"—with a series of in-store fitness events to complement its edit of athleisure fashion, beauty and lifestyle accessories.

Why it's interesting: The worldwide athleticwear market is forecast to grow more than 30% by 2020, according to a Morgan Stanley report. No wonder luxury stores are swooping in to take a slice of this market, and boosting their retail offering with in-store fitness events and facilities.



About the Innovation Group

The Innovation Group is J. Walter Thompson's futurism, research and innovation unit. It charts emerging and future global trends, consumer change, and innovation patterns—translating these into insight for brands. It offers a suite of consultancy services, including bespoke research, presentations, co-branded reports and workshops. It is also active in innovation, partnering with brands to activate future trends within their framework and execute new products and concepts. It is led by Lucie Greene, Worldwide Director of the Innovation Group.

About J. Walter Thompson Intelligence

The Innovation Group is part of J. Walter Thompson Intelligence, a platform for global research, innovation and data analytics at J. Walter Thompson Company, housing three key in-house practices: SONAR™, Analytics and the Innovation Group. SONAR™ is J. Walter Thompson's research unit that develops and exploits new quantitative and qualitative research techniques to understand cultures, brands and consumer motivation around the world. It is led by Mark Truss, Worldwide Director of Brand Intelligence. Analytics focuses on the innovative application of data and technology to inform and inspire new marketing solutions. It offers a suite of bespoke analytics tools and is led by Amy Avery, Head of Analytics, North America.

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