

THE FUTURE

100

TRENDS AND CHANGE TO WATCH IN 2016



**INNOVATION
GROUP**

J. WALTER
THOMPSON
INTELLIGENCE

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Introduction

2016 is around the corner. Already. How has time gone by so fast? Trends and innovation are also moving at breakneck speed, powered by an engaged, sophisticated, curious global consumer. As forecasters, we're watching the rapid metabolism of trends from food to beauty to tech as they move in a heartbeat from new to nearly new to over.

The path of trends is also changing. Trends can spring from anywhere, from the streets of Cairo to the boutiques of South Korea, and achieve rapid global adoption. Technology is also propelling the rise and rapid upscale of companies that might previously have remained niche for several years, meaning that bigger businesses and brands need to keep on their toes.

What key emerging themes are we seeing? Food and drink have become central to many aspects of consumers' lives, and we did a deep-dive report into the segment this year to explore this in greater detail. Chefs are becoming thought leaders. Major innovation, design and tech conferences are zeroing in on food and how we will feed ourselves as the Earth's population balloons.

We're seeing adventurous consumers adopt new, novel, sometimes challenging flavors much faster than they might have before, immersing themselves in foodie culture and attending food festivals akin to music festivals. We're also seeing food as a political subject—how can low-income families eat healthily? How can we slow the obesity epidemic? How can we limit the damage that our food chain is doing to the environment?

Experiences from travel to theater remain a key focus for consumers seeking to enrich their lives. The interesting thread we've seen emerge in many sectors is social good being wrapped in to this—examples include visiting a developing nation and helping a charity or taking part in local volunteer work.

Wellbeing and future-proofing our bodies is also becoming nothing short of a global movement. As consumers, we're investing in wearable tech, athleisure wear, wellness pursuits, mindfulness, buying farm-to-table, bean-to-bar, seed-to-skin, organic, fermented, probiotic, cold-pressed everything to ensure our continued good health. "Natural" is becoming the watchword for all of this. As we saw in our New Natural report earlier this year, consumers are exchanging previously trusted products and brands for New Natural alternatives, from feminine care to fertility.

Alongside this we're seeing a rising appreciation for bacteria—no longer something to be cleaned away, but recognized as healthy and essential to our daily lives.

One thing that's becoming clear across the board is that consumers are joining the dots in multiple areas of their consumption patterns and lifestyles. Food decisions are no longer simply based around service and price—they are made holistically, as food is assessed for its environmental impact, health benefits, the purity of its ingredients, and the creator brand's treatment of livestock and employees. Health isn't viewed in a silo either.

Diet, beauty, wellbeing, mind, body, fitness: all are viewed by the consumer as one big ecosystem to maintain. Brands, once judged on their desirability and products, are now being judged on their value systems, on whether they are innovators, on whether they are promising to change the world. Interestingly, this has become a talent retention issue, as companies instill value systems and culture to attract demanding millennials in a competitive job market. Across all sectors, consumers are differentiating between brands based on concern for the environment.

Technology, of course, continues to be the thread running through everything we do. Of all the retailers, innovators and brands we spoke to, most were excited about the prospect of Oculus Rift, which launches in 2016. We're increasingly comfortable with technology that knows us,

is cognitive, intuitive and adaptive to our needs. Vast data pools—more to follow—are creating highly nuanced, granular profiles of consumer behavior. But alongside that comes a rising thread of consumer anxiety and irritation at highly targeted advertising (we'll see how this plays out with Apple's ad-blocking software).

"Privacy and trust will be a big part of 2016 for brands," says Chuck Phillips, chief technology officer at Mirum, J. Walter Thompson's global digital agency. "Brands have abused consumer trust through outright abuse of consumer data entrusted to companies and services, and lax engineering and security practices. Consumers will start to react."

According to PageFair, ad blocking has grown globally by 41% in the past year and 48% in the United States. There are now 198 million active ad blockers. As a result, says Phillips, brands will have to work much harder, and be more transparent, to earn consumer trust.

There's no doubt that ad-blocking technology could provide major challenges in 2016. "Users have taken control and are blocking advertising after years of abuse by brands. Is it too late? I think not. Will it become too late soon? I think so. Brands can follow Apple's lead and start taking steps to protect their consumers instead of using their data as though they owned it."

Watch, and wait. Here's to 2016 and beyond.

CULTURE

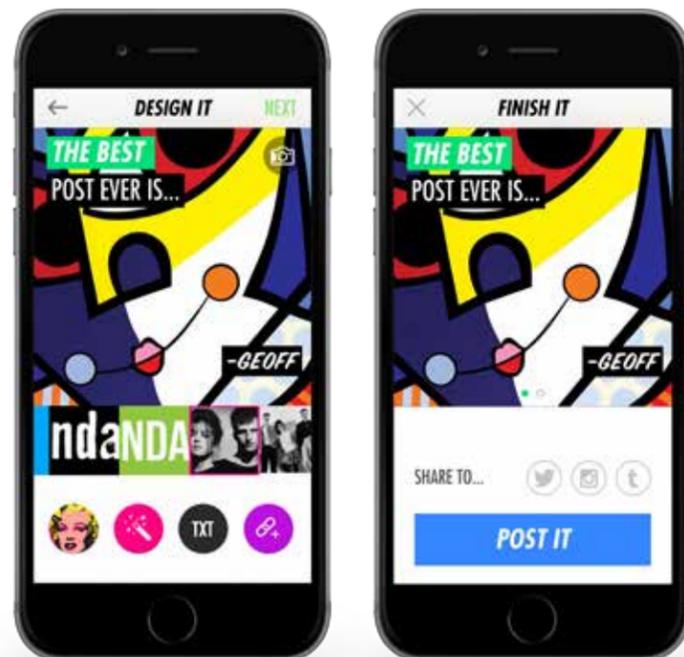
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New buzzword: empathy

From computer games designed to promote empathy to new empathy-based social networks such as Biz Stone's Super and a string of 2015 think pieces, empathy—its importance, benefits and virtues—is the new buzzword in thought leadership.



There's even been speculation that Facebook's forthcoming "dislike" button will actually be closer to an empathy button, so people can express support for friends who may post distressing status updates without appearing to "like" them.

"I've been observing us—the media and advertising industry—as we debate how we got here, wring our hands over what to do, point fingers at perceived villains, and speculate outcomes," writes Jay Lauf in a *Medium* opinion piece, "It's the Empathy, Stupid." "Most of the discourse is about data, technology, or the quality of ads," he continues. "Almost none of it seems to consider the actual consumer of our products. The discussion needs to move back to a more elemental level—it seems to me we have a design problem here. Or, more precisely, an empathy problem."

Why it's interesting: As technology, in particular, becomes more embedded in our lives, brand creators, innovators and consumers are starting to question their relationship with new apps and devices. The successful ones, in the current flooded landscape, will be those who understand human behavior and emotion.

● 2

Chimerican entertainment

China is becoming more dominant in Hollywood as a source of investors and customers. Most recently, *Mission: Impossible – Rogue Nation* was funded by Chinese e-commerce behemoth Alibaba. For the first time, audiences saw Chinese company logos in the opening credits of a major US blockbuster in US movie theaters.

“China is one of the biggest challenges for Hollywood studios. It is the fastest growing movie market in the world, while US box-office attendance stagnates,” explains Anousha Sakoui, entertainment reporter at *Bloomberg Business*. “One estimate is that China overtakes the US as the biggest box office by 2020. But it is not a free market—China limits the number of foreign films imported and decides release dates. Hollywood has been trying to find ways to crack that market.”

“This past year has seen a much closer relationship between Chinese companies, some state backed, and Hollywood, with them taking direct stakes in films. That means they have an interest in the movie doing well in their home country,” adds Sakoui. Chinese companies have also funded new US film producers such as STX Entertainment.





China Film Group, the government-run distributor of all foreign movies, took around a 10% stake in Universal Studio's car-heist movie *Furious 7*, which is currently the highest grossing US film in China.

Why it's interesting: As emerging markets mature, they are gaining cultural power in addition to economic clout. The next question is whether big US movies will be filmed in China. Wanda is building the world's biggest studio-plus-theme park, at Qingdao Oriental Movie Metropolis on China's eastern coast. The company invited A-list Hollywood stars including Leonardo DiCaprio and Nicole Kidman to its 2013 ceremony to mark the beginning of the project.

● 5

Plastic montage

Forget un-made-up ultra-realism. “Even the biggest brands are trying to create campaigns which have that ultra-real, user-generated feel. That aesthetic has become ubiquitous and difficult to differentiate between,” says Pam Grossman, director of visual trends at Getty Images.

Cue new fashion and beauty influencers creating surrealist, cartoonish, hyper-plasticized images where lips are glossily painted, gloss is lacquered on, and plastic can be applied to the skin.

“The reaction to this will inevitably be a resurrection of the imagination,” says Grossman. “Images that have a sheen of the fantastical, the surreal, or the speculative are already starting to surface, and are a welcome antidote to amateur selfie-style.”

A recent fashion shoot featuring Ali Michael photographed by Lorenzo Vitturi for *Dazed & Confused* magazine adopted this aesthetic, using highly glossed red lips and exaggerated blue eye make-up with an overlay of clear plastic. “Tagline Here,” MTV’s recent branded advertisement, uses surrealist and fantastical video footage.

Why it’s interesting: User-generated content is dominating the visual imagery being adopted by brands, but influencers in fashion and influential style bibles have already moved on, embracing a high-gloss, fantastical style with surreal and sometimes mythical cues. “They engage our sense of playful wonder, and allow us a bit of escape from our over-shared day-to-day,” says Grossman. “Brands that put artistry and vision at the forefront again will be the ones that capture the most attention.”



Tagline Here by MTV. Image courtesy of MTV

04

New frontiers of diversity

The boundaries of diversity in fashion and marketing imagery are being pushed to new limits, or perhaps even broken down entirely. Recent campaigns have included models with amputated limbs and genetic conditions, part of a general movement toward celebrating the triumph of the individual spirit over a society that often shuns those who are different.



A recent feature in *i-D* magazine on disabled model Jillian Mercado says it all. The tagline read: “I am 27 years old, live in New York City, I am in a wheelchair and I am fucking beautiful.” Meanwhile, Winnie Harlow, she of *America’s Next Top Model*, whose vitiligo might once have barred her from modeling, continues her ascent in the fashion world, starring in campaigns for Diesel and other brands.

In the UK, pop star Viktoria Modesta is making prosthetic limbs cool. In New York, model Melanie Gaydos has charged ahead in her career despite suffering from the genetic disorder ectodermal dysplasia, which affects the growth of hair and teeth. In fact, she realized after having teeth specially made that she prefers to do without. “People are more comfortable when I have teeth in my mouth,” she told the *Daily Mail*. “But I’m not.”

Why it’s interesting: Social media has unlocked increased awareness of a broad range of diversity among engaged teenagers and millennials, creating an appetite for positive individualism and celebration of multiple visions of beauty. Long may it continue.



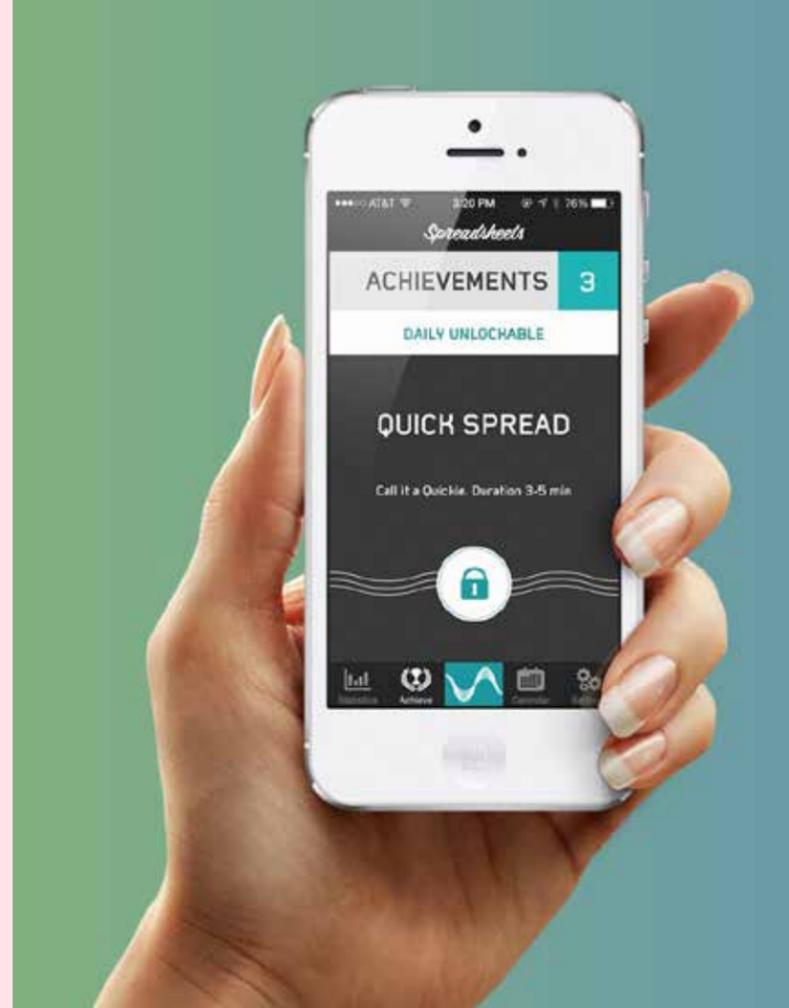
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Un-tabooing womanhood

Menstruation, leg and underarm hair, underwear hygiene, and various other previously taboo aspects of femininity are being unearthed and brought to the forefront by fourth-wave feminism, new women's interest media, and a fresh string of outspoken heroes and blogs.

Comedians Amy Schumer and Jenny Slate have recently been joking about the reality of women's underwear on a day-to-day basis. Periods are center stage. In summer 2015, artist Rupri Kaur fought Instagram and won when the company tried to censor her photo of a woman with menstrual blood showing through her sweatpants. On Twitter, women have been using the hashtag #LiveTweetYourPeriod to de-stigmatize menstruation. Writing in the *New York Times Magazine*, journalist Jenna Wortham commented, "Social media is saturated with images of hypersexualized women, but these are rarely considered as scandalous as content that dares to reveal how a woman's body actually functions."

Health problems related to sexual function or bladder control are now being discussed openly and even addressed with sleek new technology. Elvie, described by its creators as "your most personal trainer," is an egg-shaped device that measures Kegel exercises and tracks them in a paired smartphone app.



Top: Elvie by Chiaro, founded by Tania Boler and Alexander Asseily
Bottom: Spreadsheets sex life improvement app

After hitting the headlines 10 years ago, orgasmic meditation is being rediscovered by a new female millennial audience. Meanwhile, Vice Media's *i-D* has launched a new TV show on its Amuse lifestyle channel called *Pleasure Seekers*, in which "we meet the real people who will do anything for a thrill, in this brand-new show about sex, love, and everything in between."

Underarm hair is being celebrated. Young women have been dyeing their underarm hair a rainbow of colors and posting photos on social media channels from Instagram to YouTube.

"This is part of an overall trend toward a more sex-positive attitude among women and even men," explains Jane Helpern, women's interest opinion writer for *i-D* and *Nasty Gal*, among others. As she points out, not only are body hair and menstruation being openly discussed, so are the female orgasm and female sexuality in general. "Sex columnists Slutever and Stoya have really paved the way, and many others have followed suit," says Helpern.

Why it's interesting: A new wave of feminist sentiment is brewing on social media; one that celebrates supposedly taboo facets of womanhood, raises consciousness, and prioritizes issues such as equal pay and body image.





ThinX, period-proof underwear



Gen Z's responsible icons

While millennial celebrities were predominately from reality TV, generation Z is demanding a new influencer type. Meet the generation Z icons, who combine making music, acting and modeling with a social, political or professional message.



Our Generation Z report spotlighted Nobel Peace Prize winner Malala Yousafzai (who, in our research, rated higher than Beyoncé as a gen Z icon), as well as 14-year-old Jazz Jennings, transgender activist, children's book author, and YouTube star.

Last year Bella Thorne published her first young adult novel—about dyslexia, which mirrors her own life. The 18-year-old has 7.4 million Instagram followers and works with a number of charities, including Thirst Project, a youth activism mission to bring safe drinking water to Africa. Lorde, just 19, writes songs that deal with friendship and alienation, mocking the lavish lifestyle presented in rap music that has no significance for a girl growing up in New Zealand. She uses Twitter to talk to her four million followers about body image and social issues.

Why it's interesting: As we found in our report, generation Z is highly conscientious, progressive and empathetic. Generation Z has grown up in an era when it's normal to have a black president, and gay marriage is a right, not something to be fought for. Overwhelmingly, the teens we surveyed say they have friends of different ethnicities and sexualities. They are also active players in social media. They expect their heroes to have the same ideals that they do.

See The Real Me campaign featuring Jazz Jennings by Clean and Clear, Johnson and Johnson, 2015

●7

Post-hipster visual irony

The rustic and artisanal visual cues associated with the hipster culture of the 2000s are giving way to a playful aesthetic and tone among up-and-coming social media influencers.

In food, it's manifesting in Instagram accounts such as @thisismold, and in Marta Grossi's @bananagraffiti—in which food is no longer precious, but carved into surreal sculptures or painted in cartoons. In cocktails it's manifesting in a new wave of ironic retro creations. Genuine Liqueur in New York's Little Italy exemplifies the aesthetic with its Cha-Chunker, which perforates cans of mixers to accommodate upturned small-scale bottles of booze, featuring loud logos and playful brand juxtapositions.

At 151 on New York's Lower East Side, which calls its new menu "trailer tiki," drinkers can order the inebriation-equality tray, a "tray of rainbow-colored shooter tubez." The Flower, available at comedy club The Standing Room in Long Island City, Queens, is a gin and cranberry juice concoction served in a lightbulb resting on a bed of crushed ice.

Why it's interesting: While quality food, sophisticated environments and slick imagery are still a given, the cues associated with this are evolving.





Immersive art gaming

Virtual reality, art and gaming are converging to offer a new canvas for surreal, immersive visuals. In October 2015 the makers of the popular tablet game Monument Valley, in which players navigate a hypnotic maze of Escher-like impossible architecture, released Land's End for the Samsung Gear VR.

The game immerses players in a “large-scale sculpture” that is navigated and manipulated solely through the direction of the player’s gaze. Spring 2015 saw the appearance of VR headsets at fine art exhibitions across New York: a forest environment by Daniel Steegman Mangrané at the New Museum's Triennial, a 360-degree video for Björk’s single “Stonemilker” at MoMA PS1, and a dreamscape that Jeremy Couillard integrated into the physical environment of a show at Louis B. James Gallery in the Lower East Side.





“Now that the Oculus Rift developer kit is open source, and artists have access to existing 3D files and the engines to generate new ones, I expect to see a lot more of this,” says Brian Droitcour, art critic and associate editor at *Art in America*. “Most galleries want to show something more than a headset in an empty room, which gives artists a push to explore VR’s resonance with painting, sound art, immersive installation and other kinds of media and space that designers focused on the gaming experience might overlook.”

Going forward, artist Jacolby Satterwhite is reimagining his film *EPA: Music of Objective Romance* as an interactive online experience and Oculus Rift game, part of the fall 2015 program of new media arts organization Rhizome. And artist Rachel Rossin explored what VR painting might look like in a recent show at New York gallery Zieher Smith & Horton.

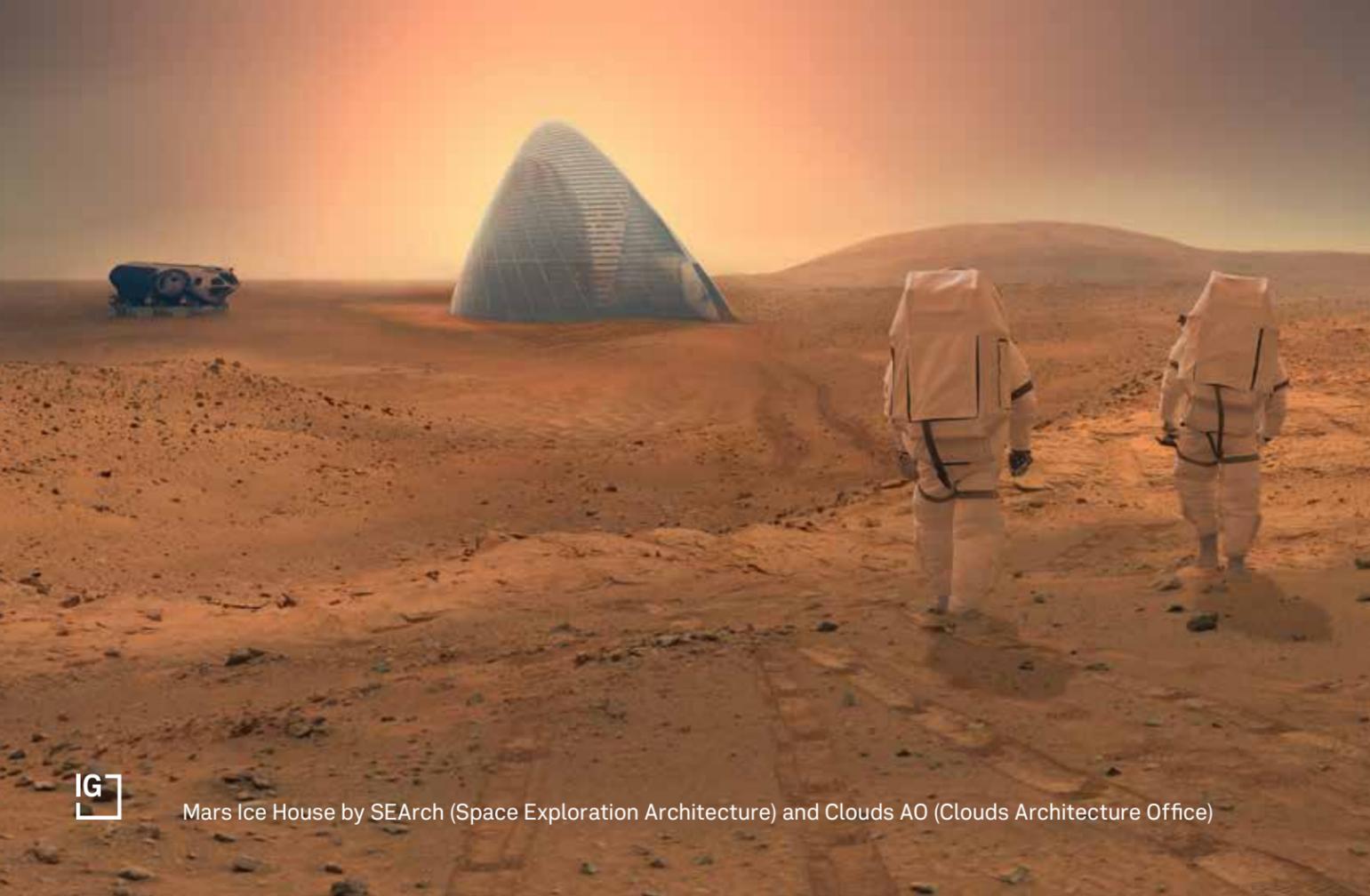
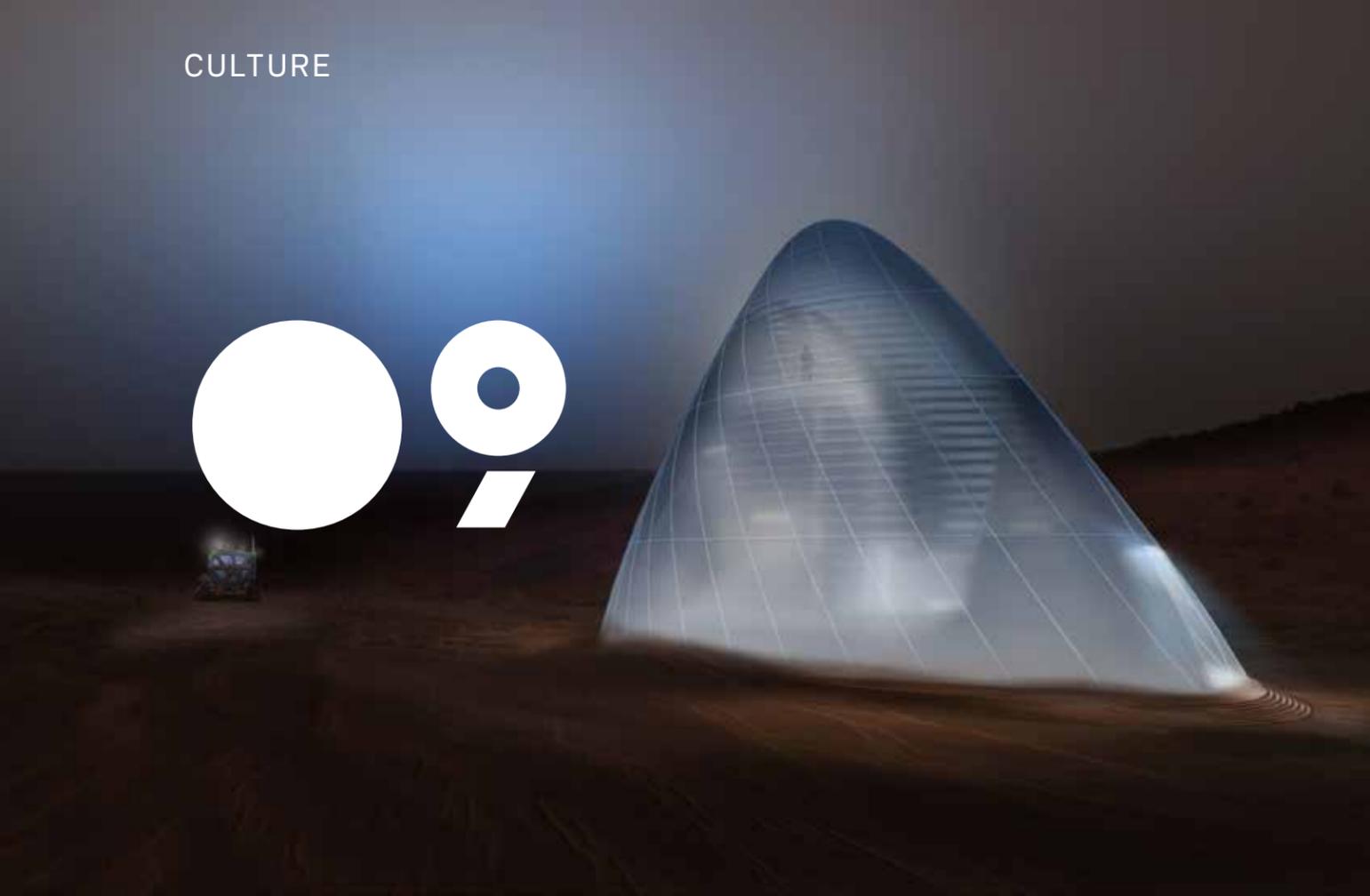
Why it’s interesting: Those expecting virtual reality to be simply a 3D extension of the shoot-em-up gaming titles popular on home consoles should take note of the broader possibilities suggested by these projects.



New Space Age design

In July 2015, NASA's New Horizons probe created renewed excitement over space exploration when it flew past Pluto and sent back a detailed portrait of this previously unexplored world. Add to that the discovery of liquid water on the surface of Mars, and it feels as if a new Space Age could be here.





Interest in space is rising in popular culture. The Matt Damon-fronted film *The Martian*, which opened in October 2015, has raked in \$460 million at the global box office at the time of writing. In the first half of 2016, the Fox Innovation Lab will release a virtual reality experience that lets viewers see Mars from the point of view of *The Martian*'s protagonist.

The nascent field of virtual reality is also engaging with space travel. A new Google VR tool for schools also allows students to take virtual field trips to Mars. Jacki Ford Morie, founder and chief scientist at The Augmented Traveler, has partnered with Nasa to explore VR as a tool to help future astronauts remain mentally healthy on long journeys to Mars, or perhaps beyond.

As in the previous Space Age, designers are drawing inspiration from science. NASA's 3D Printed Habitat Challenge called for ideas for building livable habitats on Mars. The results, announced in September 2015, featured concepts from some of the world's leading design practices, including a Foster + Partners proposal to construct a settlement using regolith, the loose soil and rocks found on the surface of the planet. The winning proposal, from New York studios SEArch and Clouds AO, used 3D printing to construct a dome-shaped dwelling out of ice.

Why it's interesting: Projects such as the NASA competition show the growing links between the scientific and design communities, and tap into optimism about the future. Watch for more space-centric design in 2016.

Culture wars

Tech companies, scaling at a rapid pace, have led the focus on building, defining and maintaining company culture as a key priority. This has been a continuing theme at recent Web Summit conferences, voiced by industry leaders such as Brendan Iribe, CEO of rapidly growing Oculus Rift.

The challenge moving from 50 to more than 200 employees, Iribe said at Web Summit in 2014, was “managing the culture and the structure along the way to make sure we don’t break and that we don’t have any problems.”

Jet.com recently announced the appointment of a “chief people officer,” and Bonobos recently followed suit. “We started to realize that there was a lot to scaling that kind of a culture, preserving it as you pass 120 to 150 people. You can no longer hold it together through the force of personal relationships and basic systems. You’ve got to start actually thinking, how do we scale this?” Bonobos CEO Andy Dunn told *Fast Company*.

Why it’s interesting: Millennials are becoming more discriminating about the companies they work for. As employment shifts towards temporary contracts and self-employment, they are adopting a short-termist attitude. Companies now have to think of themselves as employment brands if they hope to attract and retain talent.

TECH + INNOVATION

11-20

|| Silicon Valley's next frontier: Infrastructure

In 2014, we saw tech giants beginning to tackle “cures” for aging. This year, Silicon Valley's latest grand utopian ambition seems to be in public infrastructure.

The Hyperloop Transportation Technologies project, inspired by Elon Musk's vision laid out in 2013, envisions a high-speed vacuum-tube transit system straight out of science fiction. The company is forging ahead with commercial partnerships and aims to begin construction of a full-scale, passenger-ready version sometime in 2016.

A more near-term innovation could come from what is perhaps the urban environment's most outmoded structure: the pay phone. New York City has planned for several years to turn its pay phones into free wifi access points, and in June 2015 Google announced it had purchased two entities involved in the plan to form the new company Sidewalk Labs. “We hope that Sidewalk will play a major role in developing technology products, platforms and advanced infrastructure that can be implemented at scale in cities around the world,” said Sidewalk Labs CEO Dan Doctoroff in a note announcing the creation of the company.

Why it's interesting: Silicon Valley companies are stepping in where government now seems unable to tread, charting a grand vision for public works not heard from Washington in decades. Their role in public policy is only set to grow.



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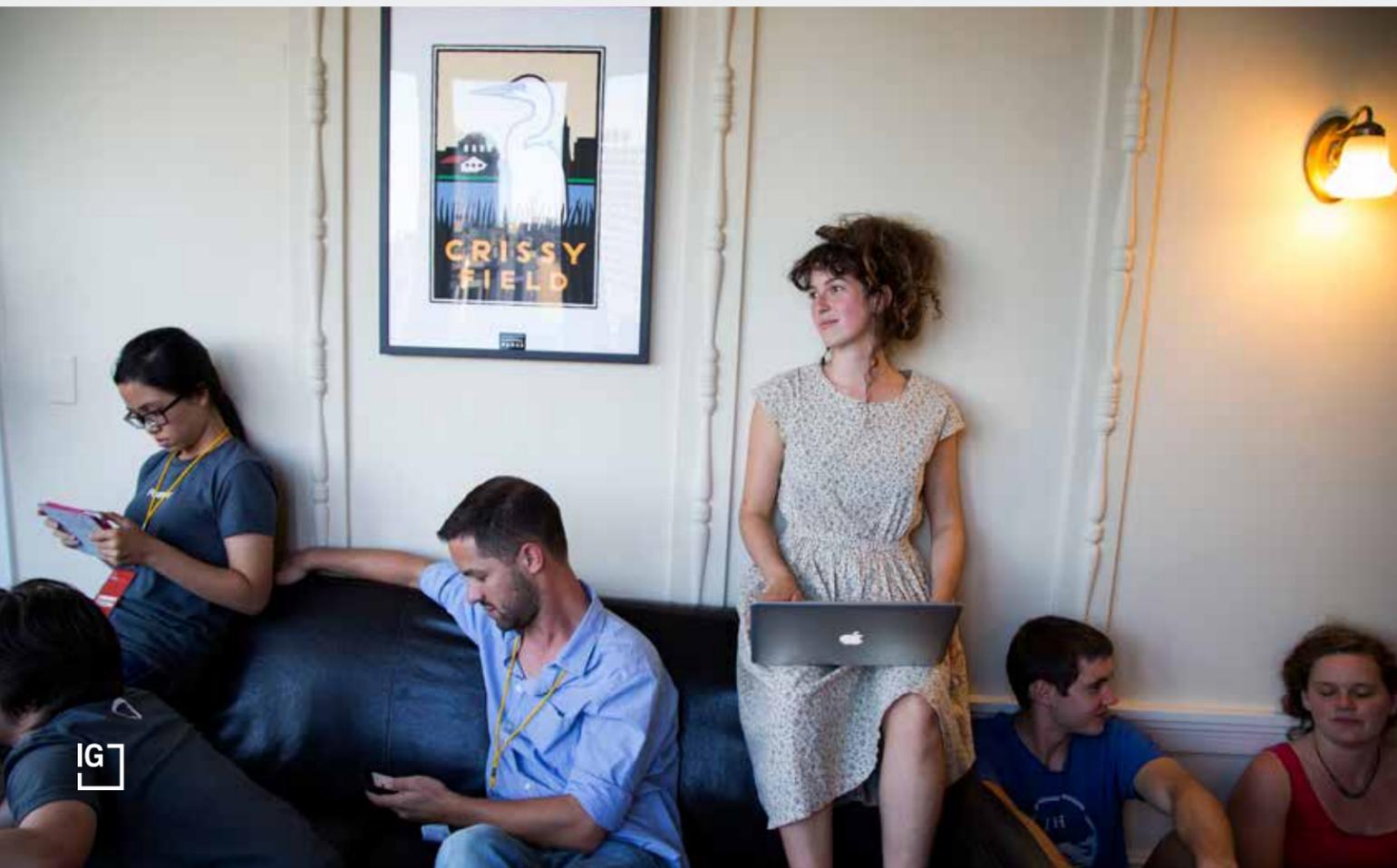
Online universities

Online universities are on the rise as education costs soar, and the traditional university system comes under fire from leading Silicon Valley voices. PayPal founder Peter Thiel, for example, compared elite education to “a Studio 54 nightclub that’s got an incredibly long line outside and a very small number of people let inside.”

But today’s ambitious distance-learning projects are not the massive open online courses (MOOCs) and scattershot efforts of a decade ago. The four-year undergraduate institution Minerva Schools, which founder Ben Nelson calls “the first elite American university to be launched in a century,” combines an online education delivery platform called the Active Learning Forum with a rigorous global experience that will see students spend time in seven major global cities on four continents before graduation.

“More and more students, especially at the elite end, are realizing, ‘I can get my basic learning on the internet and then have this collection of experiences around the globe that enhances who I am as a person,’” as Michael Horn, a co-founder of the Clayton Christensen Institute, put it to the *New York Times*.

Why it’s interesting: The Minerva approach allows students to allocate limited financial resources toward experiences that cannot be reproduced online, and reflects an attitude that has led younger generations to prioritize spending on experiences over high-end goods.



15

Tech naturalism

A major theme of our October 2015 New Natural trend report was an emerging consensus among consumers that technology and nature are not at odds with each other. Technology, in fact, is helping consumers “naturalize” their lives.

We see examples of this in personal care, where a new toothbrush enabled by nanotechnology helps people avoid using toothpaste. Shown at Milan Design Week, the toothbrush by Japanese designer Kosho Ueshima has bristles coated in nano-sized mineral ions that are activated by water. Makers say that the ions remove stains and create a protective coating for tooth enamel. Women are also turning to technology to prevent pregnancy without the use of pharmaceuticals. A series of apps that monitor fertility, including Kindara, Glow and Ovuline, help women calculate their fertility levels based on daily measurements of temperature and other biological indicators.

Why it's interesting: Consumers do not see a contradiction between a preference for “natural” choices and a pick-and-choose approach to technology. Successful brands help them navigate these boundaries.



14.

3D landscape scanning

Creative technologists are now using 3D scanning to create ghostly, uncanny digital replicas of real-world environments.

Creative studio ScanLAB specializes in digitizing “real world events or places,” producing 3D scans of environments using advanced laser technology that measures a million points of data per second. This allows ScanLAB to build a model of any space using millions of little dots that are precise to within a millimeter.

In 2015, the company worked with the BBC on the show Rome’s Invisible City, creating a detailed rendering of Rome’s subterranean architecture of tunnels, chambers and passageways, helping to illuminate the role of infrastructure in the ancient Roman metropolis. The technology company Velodyne is making similar scanning technology that could help vehicles navigate the surface of the moon or Mars, and a puck-sized device that can add the capability to drones for under \$8,000.

Why it’s interesting: With far-ranging applications for research and design, 3D-scanning technology is also falling in cost, and could soon become accessible to creatives and media artists.

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Self-healing materials

The prospect of self-healing technology speaks to anyone who's made do with a cracked smartphone screen. More researchers are taking the possibility seriously and prototyping a new wave of self-healing material innovations.

A team at the University of Bristol, UK, announced in June 2015 that it had created airplane wings that could repair themselves in mid-air, and was even contacted by L'Oréal, which registered interest in developing self-healing nail polish. Researchers at Queen Mary University of London are creating self-healing protein scaffolds for growing tissue, while at TU Delft in the Netherlands, scientists have created bio-concrete that heals itself using bacteria.

Why it's interesting: Drawing inspiration from the self-healing properties of the body, researchers imagine that the materials of the future will resemble living tissue more than static objects, offering a new and inspiring way to look at technology.

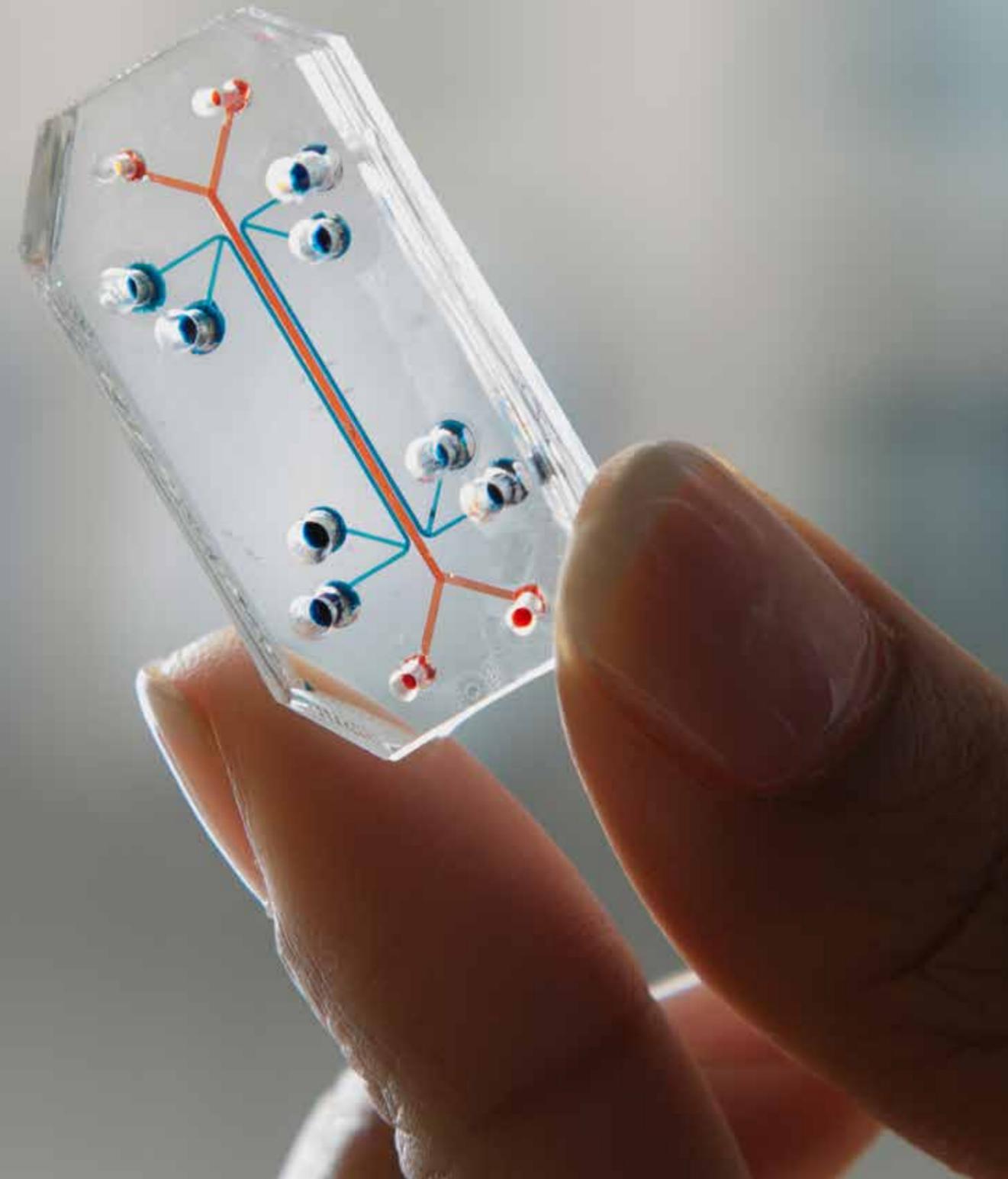
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Organs-on-chips

While our capacity to analyze information about health and our bodies has raced ahead, the process of testing and bringing drugs to market remains agonizingly slow. But a new category of device called “organs-on-chips” could speed up the process significantly.

The tiny devices, produced by the Wyss Institute for Biologically Inspired Engineering at Harvard University, mimic the structure and function of different human organs, allowing the effects of drugs to be tested rapidly and monitored easily through microscopes. Chips can also be joined together to simulate the larger human body. While the technology is at an early stage, it is already inspiring people beyond the pharmaceutical field, winning the 2015 Design of the Year award from London’s Design Museum.

Why it’s interesting: Innovations in pharmaceutical testing rarely capture the public imagination, but organs-on-chips are an elegant and potentially game-changing development in the field.



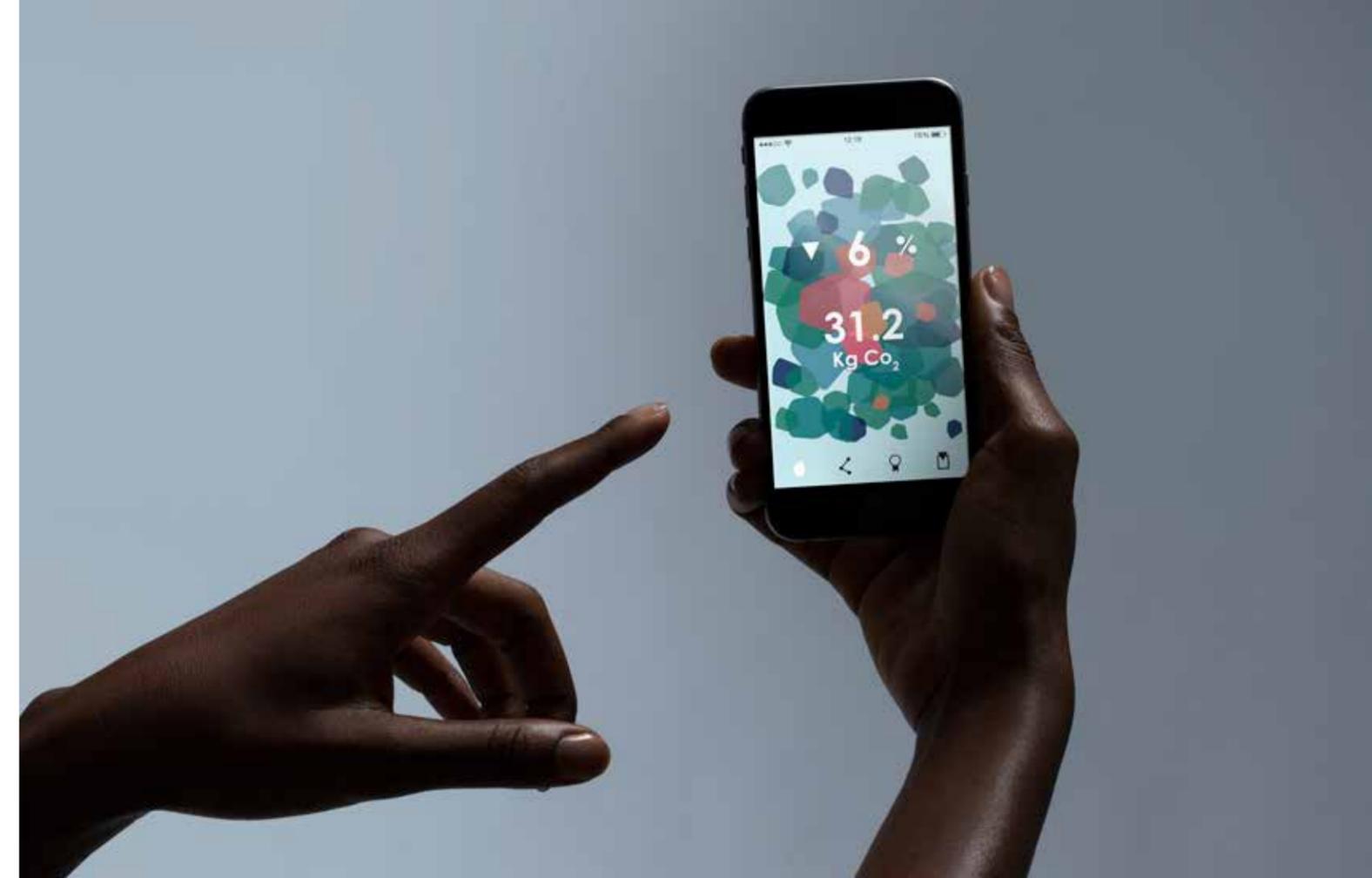
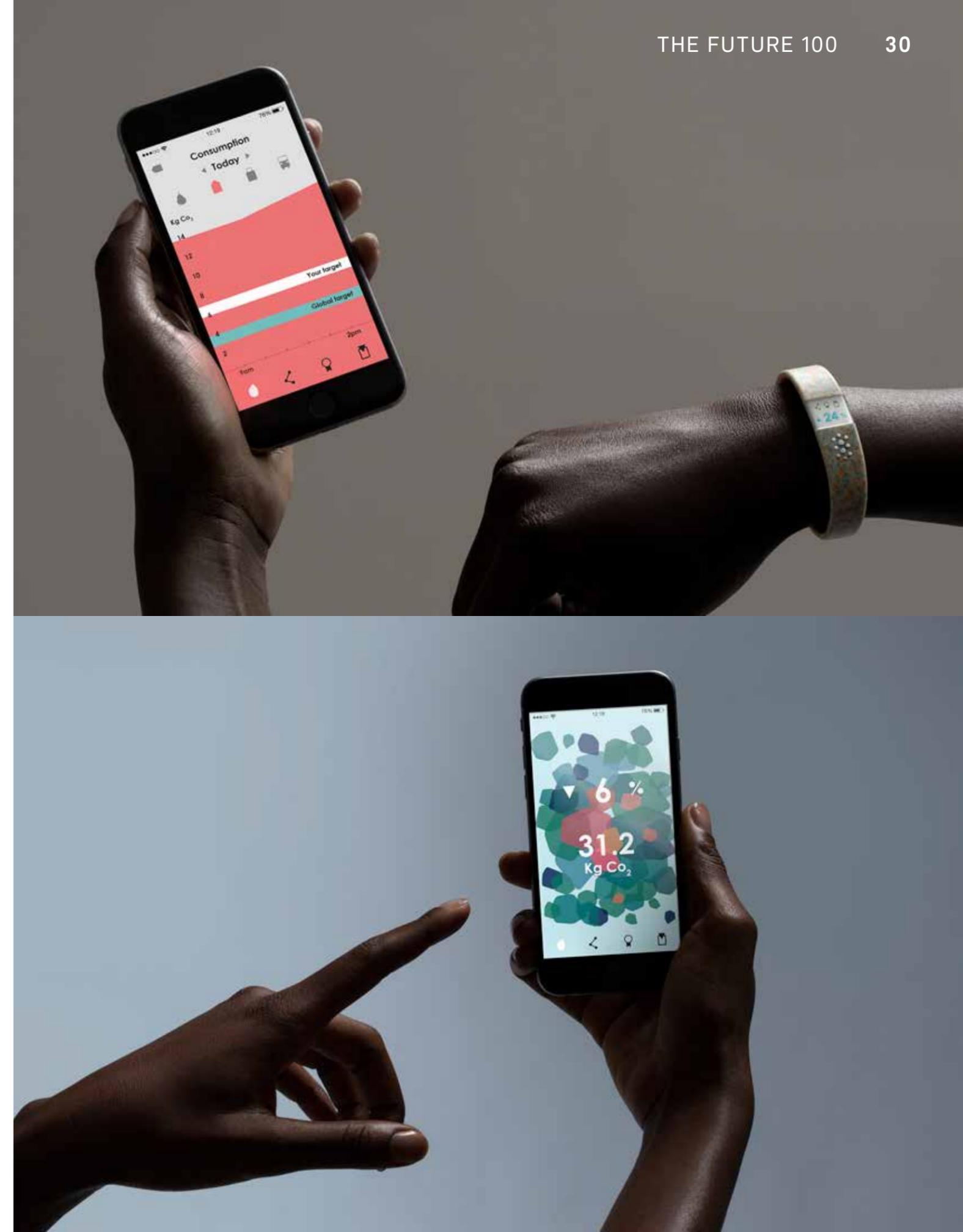
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Sustainability nagging

It started with fitness, then it was stress, diabetes, and a whole manner of health concerns. Now the latest wearable tech concept is a band that keeps track of carbon emissions.

Worldbeing is an app and wearable wristband, made of recycled electrical components, that helps consumers stick to daily carbon-footprint targets. “In the same way that fitness bands are an inward look at how you’re doing, a band is an outward look at how you’re doing,” designer Benjamin Hubert, whose studio Layer is behind the concept, told the *New Statesman*. “It’s really flipping that idea that health isn’t just about you, it’s about everyone around you.” The wristband already connects to smart home hubs to monitor home electricity usage, and would eventually integrate with a larger array of devices.

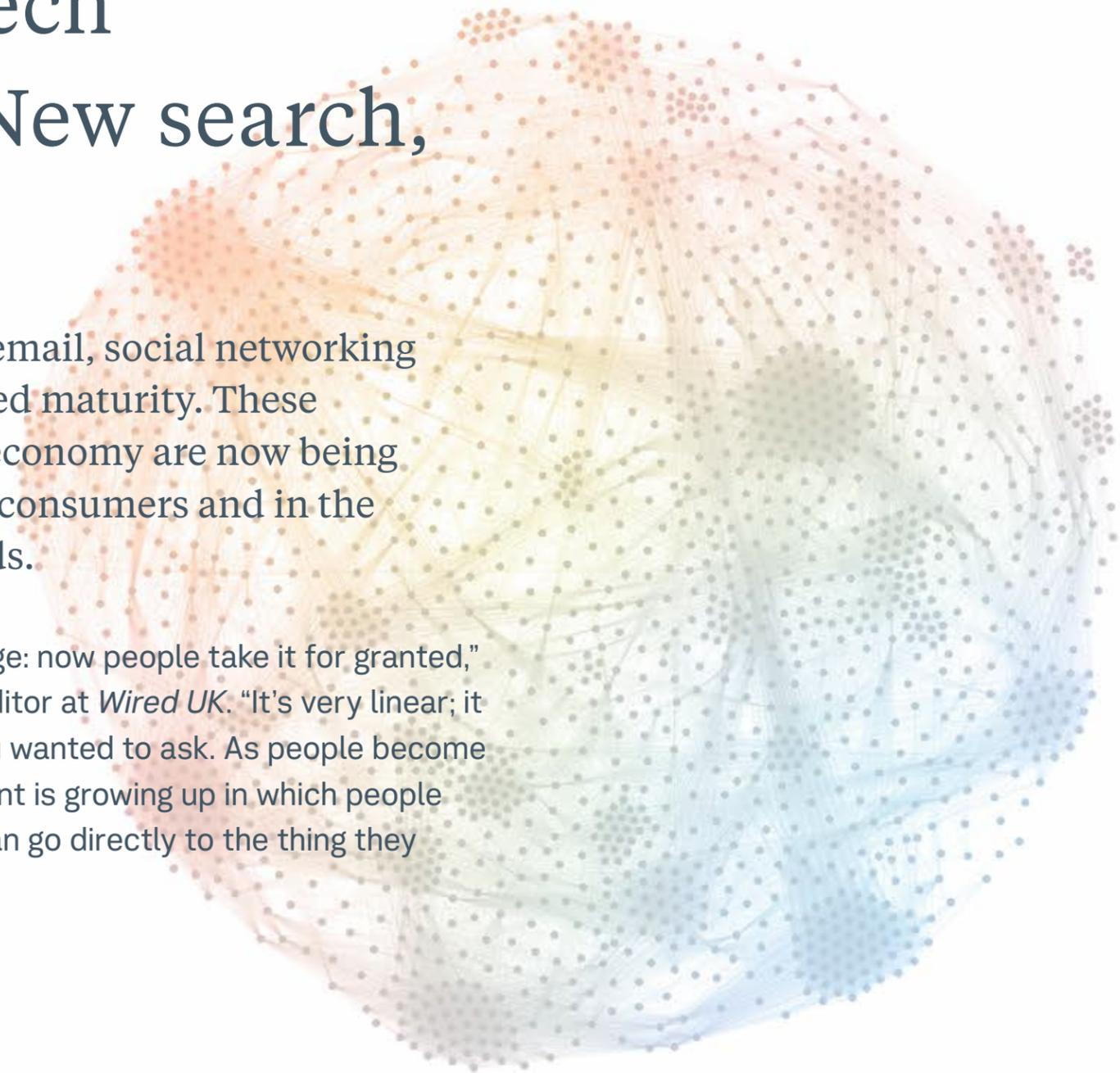
Why it’s interesting: While this particular design is unlikely to achieve mass adoption, it points toward a future in which wearable technology will measure not just health, but other behaviors as well.



10

Questioning tech conventions: New search, end of email

- After years of frenetic growth, email, social networking and search engines have reached maturity. These backbones of the information economy are now being reconsidered for digital-native consumers and in the context of broader human needs.
- “Google was once the miracle of the age: now people take it for granted,” says Rowland Manthorpe, associate editor at *Wired UK*. “It’s very linear; it can’t tell you what you didn’t know you wanted to ask. As people become more aware of this, a cultural movement is growing up in which people look to wander and discover rather than go directly to the thing they already knew about.”



Metadrift, a project by Royal College of Art student Wai-Cheun Cheung, exemplifies this shift in thinking. It imagines information not as a list of topics in decreasing order of relevancy, but as a 3D forest of sortable structures, with bookmarks existing not as items on a list but as “spatial locations in the landscape.” The design helps reintroduce serendipity into the internet experience.

Email, too, is falling by the wayside as people turn to more informal mediums, even for business communications. Consumers are increasingly bypassing email, search and web altogether, going directly to apps for everything from hailing a car to getting a restaurant recommendation. Services such as SupportKit now allow businesses to integrate messaging directly within their own apps, so they can communicate more directly with customers and avoid sending them into another messaging app or email program.

Email is also becoming less prevalent in business settings. The group messaging platform Slack, which boasts that it can help teams cut email by 48.6%, has recently grown more than 10% per month and now has 1.7 million daily active users. Email “will be less relevant” by 2020, said KPCB partner Mood Rowghani at Web Summit 2015. “It will exist as a particular format of communication, but messaging will be more fragmented.”

Why it’s interesting: People are looking for more serendipity from interactions with technology and a more direct connection with brands and services.

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New directions for fashion and technology

Moving beyond wearable tech, an exploration of the creative possibilities of fusing fashion, innovation and technology will happen throughout 2016.

First stop is the *Manus x Machina* exhibition, sponsored by Apple, at the Metropolitan Museum of Art's Costume Institute. Launching in May 2016, it will focus on technology's impact on fashion and "how designers are reconciling the handmade and the machine-made in the creation of haute couture and avant-garde ready-to-wear."

"Fashion and technology are inextricably connected, more so now than ever before," says Thomas P Campbell, director and CEO of the Metropolitan Museum of Art. "It is therefore timely to examine the roles that the handmade and the machine-made have played in the creative process. Often presented as oppositional, this exhibition proposes a new view in which the hand and the machine are mutual and equal protagonists."



Dress, silicon feather structure and moldings of bird heads on cotton base, Iris van Herpen.
Image courtesy of The Metropolitan Museum of Art, photo by Jean-Baptiste Mondino





As part of the exhibition, the Anna Wintour Costume Center galleries will present a series of “in process” workshops, including a 3D-printing workshop where visitors will witness the creation of 3D-printed garments during the course of the exhibition. It will include works from designers such as technical visionaries Hussein Chalayan and Iris van Herpen.

Why it’s interesting: Tech conferences, blogs and magazines continue to focus on wearable tech from a functional aspect, but from a creative aspect we are just beginning.

Already Google and Levi’s are collaborating on connected fabrication, stepping beyond bracelets and bands to wrap technical functions into everyday clothing. Increasingly technology and science will be used to push the boundaries of creativity in clothing, and technical functions will be integrated into our tailoring and normal accessories.

20

The automation paradox

The growth of artificial intelligence is raising profound questions about the future of the labor force. Some of the latest authors to explore this are Richard and Daniel Susskind, who examine the growing influence of automation in our society in their August 2015 book *The Future of the Professions*. The book argues that even skilled professions such as law, accounting, architecture and medicine will be profoundly changed in the 21st century by advancing levels of automation.



Even quite sober-minded observers are spooked. As a November 2015 report from Bank of America Merrill Lynch noted, “Stakeholders are also raising legitimate, longer-term questions as to when robots/AI reaches a point that machines are truly intelligent or smarter than humans, and around the development of fully autonomous weapons.”

The “automation paradox,” a phenomenon described by systems engineers, notes an interesting aspect of our shift toward automated systems. The more we implement them, the easier everyday tasks become. At the same time, however, the number of people with the knowledge and skills to solve problems if and when they arise diminishes over time. How many corner mechanics know how to fix corrupt software in a self-driving car?

Why it’s interesting: As artificial intelligence, big data and cognitive technology advance, more people are pondering what this will mean for consumer behavior and society at large. Control Shift, a forthcoming trend report from The Innovation Group Europe, explores these complex dynamics in detail.

TRAVEL + HOSPITALITY

21-30



21

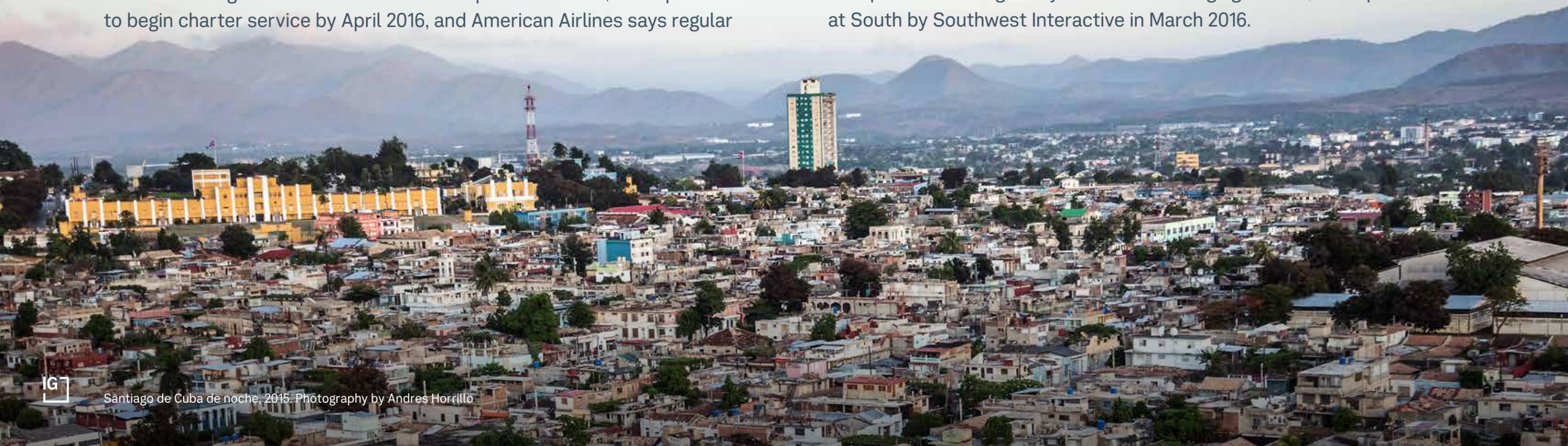
Cuba

Since the December 2014 announcement that the United States and Cuba had agreed to restore diplomatic ties, travelers have been rushing to see the last of the old Cuba even as brands are competing to be the first in.

Airbnb announced in February 2015 that it would move into Cuba and has since begun offering thousands of listings in the country, working around the fact that few Cubans have internet access. JetBlue now operates two charter flights from New York's JFK airport to Havana, Delta plans to begin charter service by April 2016, and American Airlines says regular

commercial service between Miami and Havana could begin in the first half of 2016. Even luxury brands are jumping on the Cuba bandwagon, with Chanel planning to show its cruise 2017 collection in Havana in May, in the first major fashion production in the country since the restoration of diplomatic relations.

Why it's interesting: Cuba's tourism market is set to take off, and a full repeal of the US economic embargo—an idea that seems to be gaining steam—would have far-reaching effects. Watch out for the Innovation Group's forthcoming study on this hot emerging market, to be presented at South by Southwest Interactive in March 2016.



22

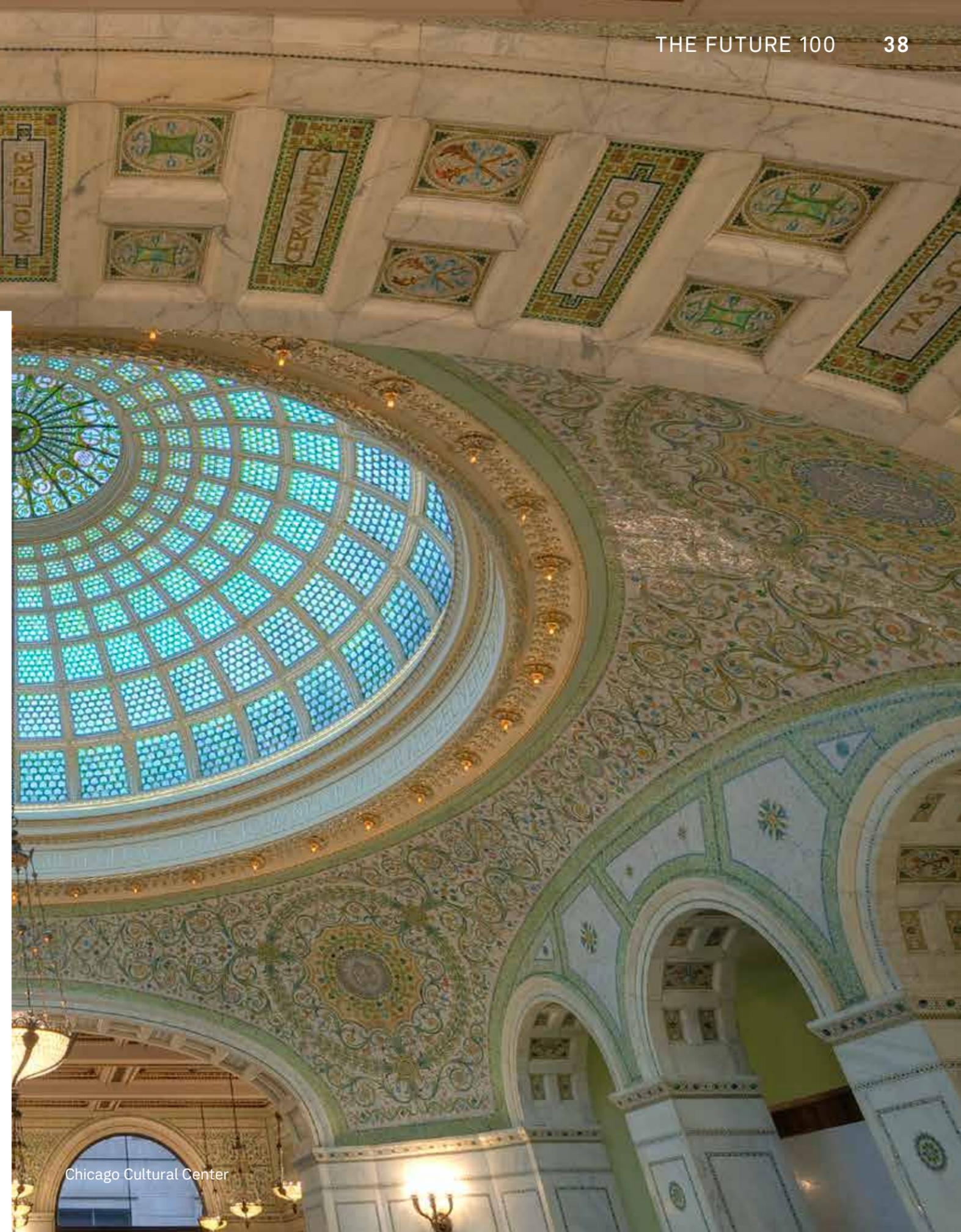
Chicago

The windy city is getting a cool new makeover as hip new hotels and lifestyle destinations open.

Soho House recently launched one of its biggest clubs to date, with 40 guest rooms, a 60-foot swimming pool and a 17,000-square-foot gym. Groovy hotel-meets-hostel brand Freehand built on its success at its Miami location by branching into Chicago in June 2015.

The Chicago Athletic Association is a hot new hotel launch based in the city's restored historic athletic institution. The association, founded in the 1890s by a collection of prominent sporting families, used to be Chicago's foremost athletics club. Today it features—alongside sumptuous original oak paneling and restored features—a rooftop bar with views overlooking Millennium Park and a full restoration of the Cherry Circle Room restaurant. Chicago has long been known for its towering structures and the city is currently hosting its first ever Architecture Biennial, suggesting that a cultural renaissance is afoot.

Why it's interesting: America's "second city" has lately been overshadowed by coastal rivals, but is due for a second look as a tourism destination and cultural hub.



Chicago Cultural Center

22



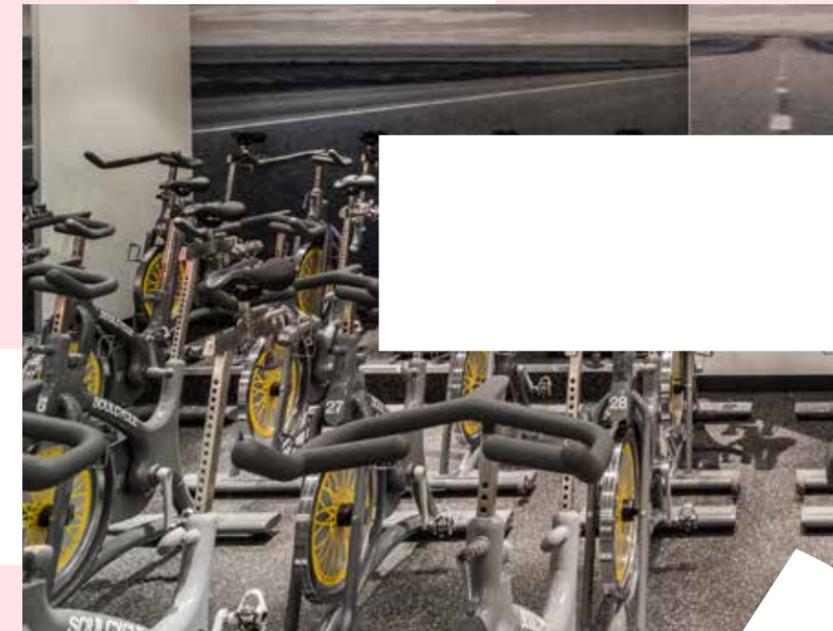
25

Sportspitality

Cult boutique gym brands are rapidly building lifestyle ecosystems around their product offers, with the latest direction being hospitality.

Equinox is launching a high-end hotel brand for travelers who want to keep their fitness regimen in place while away. The first location will open in 2018 in New York's Hudson Yards and will feature the largest Equinox gym ever. A Los Angeles location is expected for 2019 and as many as 75 hotels could follow worldwide. SoulCycle is also integrating with the hospitality industry, opening a large facility in the Miami South Beach location of the Starwood brand 1 Hotels.

Why it's interesting: Hotels can no longer treat gyms as peripheral additions, and need to integrate them fully with their luxury hospitality offering to reach fitness-focused consumers.



24

Clever connected luggage

Few travel experiences are as frustrating as losing a bag, but Silicon Valley start-up Bluesmart thinks its new connected luggage will help travelers stay sane when bags go missing.

The company takes an Internet of Things approach to the suitcase, integrating sensors that allow travelers to track their bag's location on a map. While the instant relief of knowing items have at least made it to the right city is valuable in itself, the Bluesmart device also has a smart handle that can instantly calculate the bag's weight, and an integrated app with information about itineraries.

"In the Internet of Things, there are a lot of solutions looking for problems," says Bluesmart co-founder and CEO Diego Saez-Gil. "But in our case the idea came from an actual experience of losing my bags, seeing that nothing was out there, and seeing that this opportunity of putting sensors and chips inside of things can actually enhance products." The company begins taking orders in December 2015.

Why it's interesting: Travelers pass through many environments on their journeys, making an integrated approach to smart devices challenging. But, Saez-Gil says, the Internet of Things and travel are starting to join up. "In the connected home, everything will converge, so we will see the same thing happen in the travel space," he says.



25

Millennial cruises

Travel marketers are trying to reinvent the seemingly outmoded cruise package vacation to entice millennials.

For a generation that wants travel to be meaningful, cruises and their all-day buffets smack of indulgence for the sake of indulgence. But with its new brand Fathom, Carnival cruises is combining the sun-and-sand beach holiday with “social-impact travel” that includes opportunities to volunteer ashore in local communities in the northern part of Dominican Republic.

In 2016, the company plans to expand itineraries to Havana, Cienfuegos and Santiago in Cuba. “You can’t change the world in seven days,” Fathom president Tara Russell told Bloomberg, but a “systematic, long-term-partner approach to the country” can make a real difference.





Other cruise brands are appealing to millennials' obsession with the perfect selfie, emphasizing onshore experiences. "Maturing millennials in their late 20s and early 30s are looking for great experiences they can brag about on social media," Royal Caribbean Cruises chief marketing officer Jim Berra told travel intelligence company Skift. "We want to give a preview of what you can look forward to posting on Facebook or Instagram." To this end, Royal Caribbean is live-streaming video to billboards in New York City using the app Periscope.

Why it's interesting: Maturing millennials will want the authenticity of self-organized travel combined with family-friendly conveniences, and we can expect to see more brands striking this balance.



Top: Local cacao nursery visited on Fathom cruise

Bottom: Local chocolate factory visited on Fathom cruise

26

Social-good hospitality

A new wave of hotels is incorporating social-good activities, community outreach and charity into business models.

Good Hotel Amsterdam is a pop-up housed in a converted pontoon building that until recently was used as a detention center for undocumented migrants. The floating structure received a makeover from art director Remko Verhaagen and designer Sikko Valk before opening to guests as a boutique hotel in June 2015.

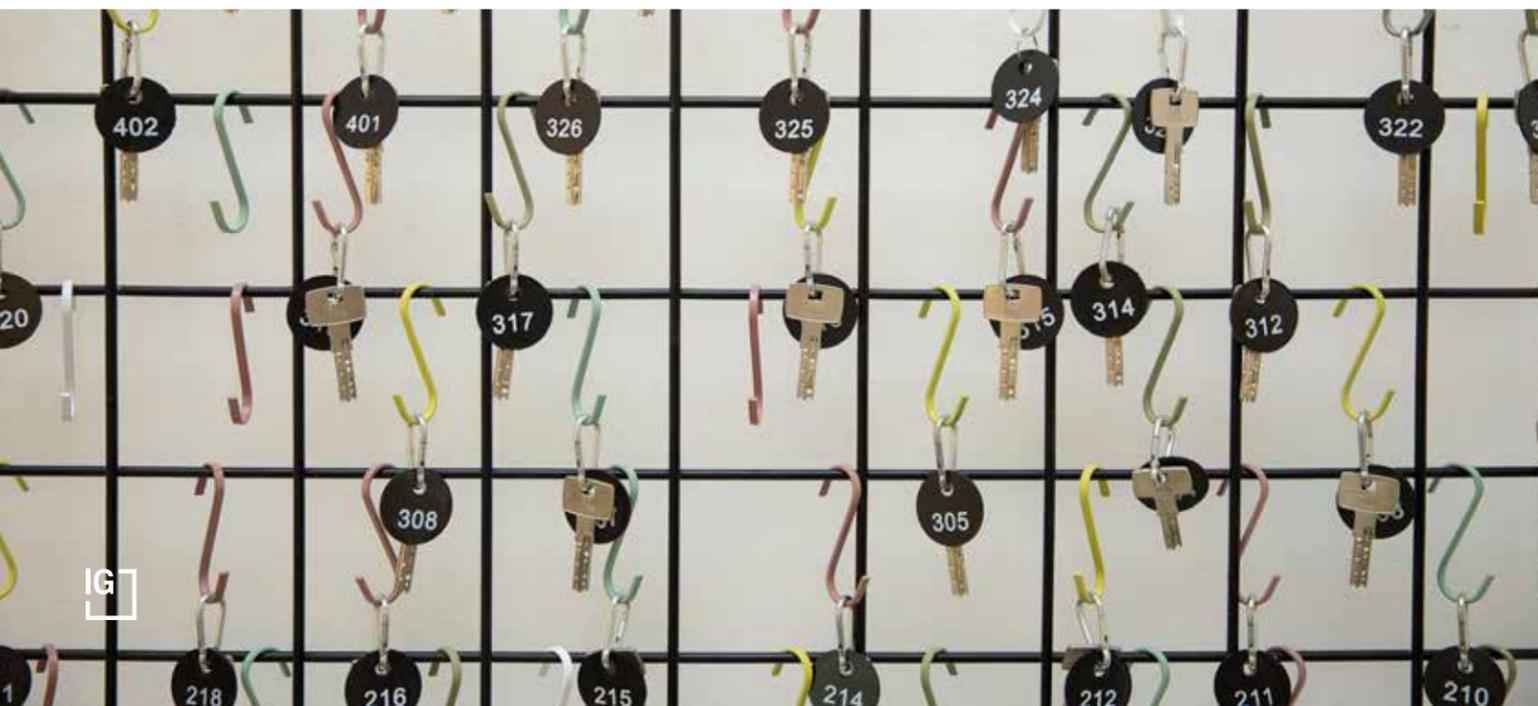
The hotel is currently staffed by 100 long-term unemployed locals, who are receiving training in the hospitality sector. In 2016 it will relocate to Rio de Janeiro, arriving in time for the Olympics.



Vancouver's Skwachàys Lodge and Residence takes a different approach, using art to help visitors connect with the culture of local aboriginal groups. Developers paired six interior designers with six native artists to create original works for the rooms. Together with a ground-floor gallery, this gives the property the feel of an upscale boutique hotel. In addition to supporting artists directly, the hotel also uses its profits to subsidize attached apartments, which are rented to disadvantaged native residents.

Why it's interesting: Travelers accustomed to Airbnb are looking for authentic connections to locals, and social-good hotels offer an interesting model that larger brands could emulate.

Images: Magdas Hotel, Vienna. Photography by Paul Kranz



27

New connected hotels

The hospitality industry has been flirting with technology integration for years, and hotels are now taking further steps towards devising a seamless and personalized stay.

Starwood and Hilton both have digital key programs that allow guests to use an app on their phone or Apple Watch to select their room in advance and unlock their room doors. At the Aloft Manhattan Downtown hotel, guests can order room service using emojis.

The new connected hotel will be able to hyper-customize every detail of the guest's stay. The December 2015 launch of Mar Adentro hotel in Los Cabos, Mexico includes specially programmed tablets in every room. Guests can use the tablet for everything from making food requests to controlling the brightness and colors of their room's lighting. Hotel staff members are therefore less intrusive and able to spend more time responding to queries that require a human touch.

In Palm Springs, former Facebook employee Ezra Callahan is “building the hotel of the future” according to *Condé Nast Traveler*. Due to open at the

end of 2015, Arrive Hotels replaces traditional hotel staples such as the front desk and room phones with technology. Even the traditional staff setup will change: employees at Arrive will be “cross-trained” so anyone can help a guest at any point of their stay. Unlike other hotels, Arrive doesn't force guests to download its app—instead it communicates using tools guests already have, such as text messaging.

Why it's interesting: The rulebook for hospitality is changing with the digitally connected guest. Hotels are rethinking how to improve a guest's stay with technology, giving them a personalized and seamless journey.



26

The Faroe Islands

The island chain that *T Magazine* calls “the next great Scandinavian destination” and a “sort of spectacular Nordic version of Hawaii” has taken a long time to achieve such praise.

But by virtue of its isolation and the rising cultural cachet of all things Scandinavian, it’s now recognized as one of the more unspoiled destinations accessible to European and American travelers. In the capital, Tórshavn, diners can feast on some of the world’s freshest catches at the sushi bar Etika or dine on filets of sea-diving birds at locavore restaurant Koks, while enjoying the unparalleled natural beauty of the Arctic region, one of the fastest-changing on earth.

Why it’s interesting: Travelers are seeking ever more off-beat destinations, but preferably with luxury amenities, and places such as the Faroe Islands balance these desires perfectly.

29

Concierge 2.0

After years of overhyped recommendation algorithms, technology companies are rediscovering the value of knowledgeable humans, and travel apps are no exception.

Last-minute travel service Hotel Tonight recently added an in-app concierge service called Aces to its offering. The service allows travelers to consult local food and culture experts for advice, which is delivered in relaxed and friendly language. Broader concierge services such as GoButler and Magic allow users to text with delivery requests that could range from food orders to a “life-size cutout of Diplo,” as a GoButler representative told StyleCaster media group.

“This shift is a reaction to the dehumanization of shopping we’ve seen over the last 10 years,” says Rowland Manthorpe, associate editor at *Wired UK*. “It’s primarily being driven by mobile, and, above all, the realization that people don’t browse the mobile web, but instead use apps, mainly messaging apps.”

Why it’s interesting: As Airbnb and similar services convert residential space into hospitality space, services such as Aces will increasingly be used as a kind of virtual front desk.



30 Eco-tourist tech

New digital tools are providing would-be travelers with a more immediate view into the natural world.

Google Street View is offering enhanced, navigable images of Yosemite National Park captured by a backpack-mounted camera, including 360-degree views of landmarks such as El Capitan Meadow and Bridalveil Fall.

The website [explore.org](https://www.explore.org) maintains 100 live video feeds of animals—up from just one four years ago—that have been viewed more than 500 million times. And aerial photography apps such as HerdTracker help tourists find African wildebeest in mid-migration.

Why it's interesting: This is just the beginning of technology offering armchair travelers a more immersive view of nature. Applied to emerging platforms such as virtual reality, it could prove a powerful marketing tool for nature-centric destinations.



BRANDS + MARKETING

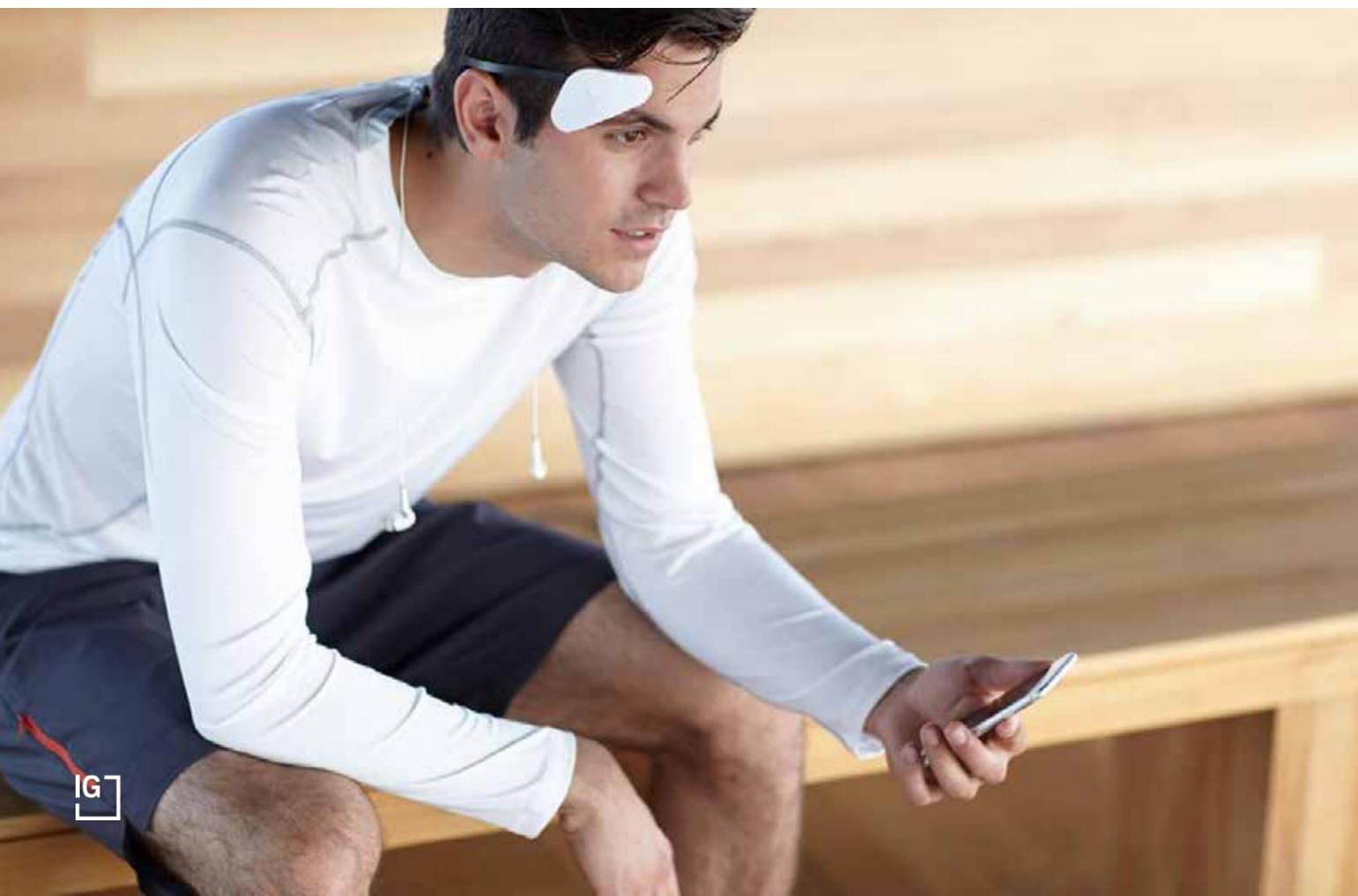
31-40



31

Neuromarketing

Neuromarketing—a buzzword for years now in the agency world—is finally moving into the realm of serious science and real applications.



A study published in the September 2015 edition of the journal *Social Cognitive and Affective Neuroscience* found that researchers were able to predict accurately the large-scale outcomes of an anti-smoking campaign by measuring brain responses using an fMRI machine. Compared to traditional methods, the brain data more than doubled the researchers' ability to predict responses to the anti-smoking campaign—a hugely significant and largely unprecedented result for such a study.

More boutique neuromarketing firms have also emerged in recent years. New York-based firm Neuro-Insight has partnered with AdNews to study how the brain responds to nominated ads using a technique called steady-state topography, and Nielsen bought the Boston-based neuroscience firm Innerscope Research in May.

Why it's interesting: If peering directly into the brain continues to yield better predictive results, it could quickly become a standard technique for agencies and brands.

32

Social good on steroids

Having a social mission is like free wifi—no longer a bonus but a core expectation among consumers, particularly millennials. A recent survey of consumer attitudes to brands by SONAR™, J. Walter Thompson's proprietary research unit, found that 88% of UK and US millennials and generation Xers believe brands need to do more good, not just “less bad.”

We've already seen a proliferation of new brands baking social good into their business model. Now companies are taking social good to epic proportions.

Kering has turned its attention to climate change with a feature-length film celebrating the life and work of French glaciologist Claude Lorius. Lego, aware of the ever-growing number of plastic toys in landfill, has invested \$150 million into research on sustainable materials. Meanwhile, Ikea is dwarfing most governments in its investment in sustainability. The Swedish home retailer has vowed to spend €1 billion on renewable energy.

Why it's interesting: As tech luminary Biz Stone said during South by Southwest Interactive 2015, “The future of marketing is philanthropy.” The Innovation Group has been charting this shift for some time. In our recent SONAR™ data survey, we found that 86% of US and UK millennials believe that brands are more important to society today and that they should be accountable for public services and education. Also, 75% believe brands should act as cultural benefactors.



33

Branded content futures

With the latest version of Apple's iOS mobile operating system including support for adblocking software, the future of conventional display advertising on mobile phones seems to be in doubt.

As a result, spending on native ads, which are relatively impervious to blocking attempts, is rising: BI Intelligence estimates spending on native ads will reach \$7.9 billion in 2015, and grow to \$21 billion by 2018. Are we nearing a time when native advertising becomes the new norm, on mobile and elsewhere? Increasingly, this looks to be the case. The *New York Times* is expanding its native content shop, T Brand Studio, "into an agency in its own right," according to an October 2015 company memo.

Vice Media is showing signs that it may be considering wrapping native advertising content into the core of its new suite of TV channels, which will include *Viceland* in the US and 12 channels across Europe. "We were the first people to do native advertising and we're going to move that over to TV," co-founder and chief executive Shane Smith told *The Drum*. "We're going to change the way TV is monetized."

Why it's interesting: As adblocking becomes the new norm, agencies and brands will have to redirect their attention toward channels where viewers' interest must be earned. It's time for agencies to take the truism "content is king" seriously.



Welcome to Viceland,
a new TV channel by Vice

34

New face of Islamic marketing

H&M's use of hijab-wearing model Mariah Idrissi in one of this year's adverts is emblematic of a shift in the way Islam is portrayed in mainstream marketing, entertainment and society.

This follows on from the launch of Ramadan capsule collections by the likes of DKNY, Tommy Hilfiger, Zara and Mango, and Chanel's decision to stage a whole cruise 2014/15 show in Dubai. A new wave of lifestyle brands, platforms and bloggers is launching a flood of "hijabista" fashion blogs in which Islamic fashion lovers celebrate their style online. New York artist Meriem Bennani is putting her own postmodern spin on the hijab, creating Fardous Funjab, mockumentary-style videos about a fictional hijab designer played by the artist.

Why it's interesting: Muslims spent \$266 billion on clothing and footwear in 2013, more than the total fashion spending of Japan and Italy combined, according to a recent report from Thomson Reuters. The report also notes that spending is expected to balloon to \$484 billion by 2019.



35

Fan-spitality

Marketers often create physical pop-ups to promote upcoming films and television projects, but in the past year more independent hospitality projects are paying tribute to cult series.

In London's Hackney Wick neighborhood, the pop-up cocktail bar ABQ is meticulously modeled on the trailer used to cook methamphetamine in the series *Breaking Bad*. Also in London, pop-up restaurant *The Owls Are Not What They Seem* created multi-course dining experiences based on the cult series *Twin Peaks*, which is returning to television in 2017. The new Lower East Side bar *Stay Classy New York* is a tribute to Will Ferrell characters and jokes. None of the above has commercial relationships with the series in question, but they all channel fans' obsessive energy into a memorable hospitality experience.

Why it's interesting: Like a physical manifestation of fan fiction, these pop-up venues are labors of love as well as commercial ventures. Content marketers can work with fans to create authentic pop-ups for their projects.



36

Instagram stories

Instagram's user base reached 400 million in September 2015, and the number of US companies with more than 100 employees using the service as a marketing tool is set to reach 48.8% in 2016, according to eMarketer. As more brands pile in, Instagram is evolving from its origins and featuring more diverse forms of content.

Dazed magazine has taken advantage of the high character limit on Instagram captions to publish "instastories," bite-sized articles that feature a strong visual lead and still convey the publication's distinct written voice. Literary magazine *Virginia Quarterly Review* commissions one writer each week to create three to five stories to be published on Instagram. These, and other examples, are proving that high-minded journalism and short-form, visual-first content can coexist.

Why it's interesting: Brands are only beginning to advertise on Instagram, but haven't yet thought about how to create native content for the platform that relies on text as much as images. These examples offer a way forward.



37

Global ageless society

We've heard a lot about the retiring boomers and how they are changing attitudes toward retirement, but the graying of the population is a global phenomenon that deserves to be treated as such.

The Innovation Group MENA's Generation BOLD report charts this phenomenon in the Middle East and North Africa region, where a predominantly young population will soon reach a demographic tipping point, with consumers over the age of 50 becoming more numerous and accounting for a growing share of spending. It's not just the Middle East: China has recently lifted its longstanding one-child policy in recognition of the challenges posed by its aging labor force, signaling a growing older cohort in the country. And in the United States, Nielsen calls Latinos over 50 the "new American vanguard," noting their growth in numbers and influential position as consumers.

Why it's interesting: As they reinvent aging, 50+ consumers need to be segmented as thoroughly and with as much thought as younger consumers—they are at least as diverse, if not more so.



36

Anti-authenticity marketing

Hipster clichés aside, over-labored notions of “authenticity,” with their emphasis on craft, artisanal processes and timeless values, no longer resonate with jaded urban consumers who’ve come to associate the notion with insincerity and cash grabbing.

In a sign of the times, many observers applauded in June 2015 when a Brooklyn deli owner whose rent was more than doubled began selling “artisanal roach bombs” for several times the normal price in an ironic fund-raising gesture.

Words such as artisanal “have lost all sense of meaning, value, truth and descriptive weight,” says Martin Raymond, editor-in-chief at London lifestyle and consumer insight consultancy The Future Laboratory, which elaborated on anti-authenticity marketing at a recent trend briefing event in London. “We no longer believe that artisanal means what it says—recently I was privileged to use ‘artisanal’ toilet paper—nor do we trust the stories, claims or narratives behind them. How, for example, can a large multinational mass-produce artisanal ice cream?”

Instead of claiming to be authentic and artisanal, Raymond says, brands should make simple, realistic claims. The anti-authenticity backlash “does not mean that products cannot be authentic, artisanal or crafted,” he continues, but “like true luxury, such benefits need to be apparent, manifest and implicit, rather than explicit, overt and requiring description.”

Why it’s interesting: As hip urban centers turn away from authenticity marketing, will consumers who’ve only just begun buying artisanal products follow suit? Stay tuned.

30



39

Employ-vertising

Brands are starting to use forward-thinking employee benefits and policies as a marketing and recruitment tool. Starbucks is offering employees full tuition at Arizona State University's online program, giving them the chance to earn a bachelor's degree.

Gravity Payments' CEO Dan Price announced a personal salary cut to deliver each employee a \$70,000 annual salary. Richard Branson recently announced a fully paid 12-month paternity leave policy at Virgin. Airbnb, Evernote, Afar Media, G Adventures, and Think Parallax are among a wave of employers putting up from \$1,000 to \$4,000 for some or all of their workers to get out of town. Two days a year, each of REI's 11,000 employees are given a paid vacation day to go on outdoor adventures.

"It's increasingly important for brands to find their 'mission,'" explains Robert Safian, managing director of *Fast Company*. "It's a business imperative to settle on what their purpose really is, aside from making money. There are too many brands and this will become a key way in which people filter the ones they buy into."

Why it's interesting: As the economy rebounds, the job market is more competitive than ever. Simultaneously, attitudes among millennials toward employers are changing. According to a recent SONAR™ survey, millennials now expect the companies they work for to have value systems and be innovative. Our survey found that 43% of millennials want to work for companies that have a reputation for innovation above all else.



40

Women's interest redefined

Say goodbye to the classic women's interest clichés that defined yesterday's magazines and their corresponding branding and marketing messages.

A new wave of magazines and platforms—particularly women-focused ones—is expanding the view of women's media to reflect the new, multifaceted, empowered reality.

Meet Lena Dunham's Lenny, Thalia Mavros's The Front, Vice Media's Amuse and Broadly, and other new titles such as The Debrief and The Pool.

Mavros's inspiration speaks to the general drive behind these platforms: "Usually when you hear 'by women,' the next thing you hear is 'for women,' and that frustrates me," says the former executive creative director of Vice Media. Mavros, who describes The Front as "media by women, for the world," adds: "In my mind, it felt like female media was one of two things: either fashion and style based—as I like to say, 259 ways to braid your hair is probably 258 ways too many—or about women's issues. Which, of course, are also really important in the world, but it wasn't necessarily what I felt expressed me as a female."

Why it's interesting: Unlike the previous wave of women's online media, these new titles aim for a more general-interest scope, rather than sticking to received norms about women-specific topics and content. They also, in many cases, feature content questioning the definition of femininity and including a broader range of sexual and gender identities. They represent a new way of thinking about femininity that has far-reaching implications for marketers.



FOOD + DRINK

41-50



4.1

Natural junk

At a time when consumers are becoming distrustful of major food companies, brands are taking the bold step of reimagining junk food with a focus on natural ingredients. This summer PepsiCo announced the launch of a naturally flavored line of sodas, to be called Stubborn.

We're also seeing a wave of new confectionery brands that champion natural ingredients. The Marshmallowist, based in London, uses them to create imaginative marshmallow flavors, which include raspberry and champagne, and spiced pumpkin and maple sugar seeds. Boston-based Unreal Candy uses natural, sustainably sourced ingredients in all its products. The startup launched in 2012, and its products are now stocked in more than 2,000 stores.

Why it's interesting: With Hershey announcing its milk chocolate bars and Kisses will be GMO-free by the end of 2015, other big confectionery brands will need to reassess their strategies. Consumers will still expect the same taste and satisfaction, but are demanding healthier substitutes.



4.2

New omnivores

Consumers are rethinking their relationship with meat, eating less of it and familiarizing themselves with other options—more than 60% of millennials consume meat alternatives, according to a study by 210 Analytics.



The Herbivorous Butcher, whose permanent store is currently under construction in Minneapolis, sells “a wide variety of plant-based meats and cheeses,” thereby dispensing with veggie-centric messaging.

Amid these cultural shifts, a startup called Impossible Foods hopes to upend the meat industry with a product that CEO and founder Pat Brown calls a “shock and awe” plant-based burger indistinguishable in taste from real beef. Currently in beta testing and expected to reach the market in 2016, the product is made from proteins and nutrients extracted from greens, seeds and grains, recomposed to replicate the flavor and texture of beef—patties even “bleed” like meat.

The company raised \$108 million from high-profile backers including Bill Gates and Li Ka-shing in October 2015. “Our target market is not vegetarians. It’s not vegans. It’s not fringy health nuts,” Brown told *New York* magazine. “It’s mainstream, mass-market, uncompromising, meat-loving carnivores.”

Why it’s interesting: Between scientific innovation and evolving public attitudes, tomorrow’s conscious eaters will fall somewhere in the “flexitarian” spectrum. Companies should help them balance concerns about health and sustainability with indulgence.

4.3

Byproduct brands

Restaurants such as Silo in Brighton, UK, have already championed the idea of closed-loop living as not just responsible, but aspirational. Now some innovators are using formerly discarded byproducts to create entirely new products.

The White Moustache, a Brooklyn-based yogurt company, uses excess whey from its production process to create a probiotic health drink. New Zealand beer brand DB Export recently created a biofuel from a byproduct of the brewing process. And Madhouse Vinegar Company near Cincinnati uses upcycled beer wort from local craft breweries to make its artisanal, small-batch malt vinegars.

Why it's interesting: Conscious consumerism is reaching new levels as people start to become educated about responsible reuse. Simultaneously, brands are finding ways to use this behavior to create desirable products.





4.4

Swavory foods

Mirroring changes in the consumer palate, which is moving increasingly away from sugary sweetness, a new wave of foods is straddling the sweet and savory worlds.

This year Dan Barber, founder of the iconic Blue Hill restaurant in Greenwich Village, New York, launched a range of savory yogurts including beetroot, squash, carrot, and sweet-potato flavors. As we saw in our 2015 “Future of Food and Drink” report, culinary cocktails paired with savory dishes are also becoming popular. New products such as Soupologie’s latest range of soups feature “swavory” flavor combinations including strawberry and tarragon, spinach and mango, and watermelon and chili.

Why it’s interesting: As consumers become more adventurous, overly sweet and sugary foods are falling out of favor, and new influences grow. Nordic cuisine, for instance, champions a sharper palate, so food trends are evolving away from strict sweet or savory binaries.

45

Inhalable flavors

The breathable cocktail recently became the latest exotic trend to hit the London bar scene. Perennial food and drink innovators Bompas & Parr created a pop-up called Alcoholic Architecture that allowed guests to immerse themselves in a cloud of gin and tonic, supposedly absorbed via the eyes and respiratory system.

Meanwhile, at Café ArtScience in Cambridge, Massachusetts, a device called Le Whaf turns spirits into flavorful fogs that provide an interesting *amuse-bouche* but don't get drinkers intoxicated. "I believe it is going to be a big hit in bars," says cofounder Todd Maul. "It allows you to create a starting point for the idea on the palate. This translates perfectly to food and how a chef would want to 'prep' the palate before the course."

Why it's interesting: Inhalable flavors are one of many small signs that cocktail culture, long obsessed with excavating the past, is now turning toward a more innovative, modern outlook.

46 Algae

While headlines herald seaweed as the next superfood, few have yet realized the game-changing potential of algae. Thrive, the first culinary algae oil to hit the US market, made its debut at an upscale California grocery store in October 2015, and could soon become the next everyday cooking staple.

The product has a high smoke point and very low levels of saturated fat, and can be grown in tanks without the large agricultural footprint necessary to produce other cooking oils, making it sustainable as well. Moreover, it tastes good. “The algal ingredients don’t have any of the flavor ‘baggage’ you’d expect,” Barb Stuckey, chief innovation officer at Silicon Valley food development firm Mattson, told *Fortune*. Solazyme, the company that makes Thrive, also markets an algae-derived protein powder as AlgaVia, which, unlike many protein powders, does not add viscosity or grittiness to a mixture.

Why it’s interesting: Algae ticks all the health, sustainability and price boxes to make it a big hit with consumers and brands—watch to see whether it can overcome the “ick” factor of the algae label in 2016.



47

Microbe-based cocktails

Alcohol depends on fermentation for its existence, but fermented food ingredients have rarely made their way into cocktails—until recently.

At London's Dandelyan, bartender Ryan Chetiyawardana adds fermented peach and fermented Peychaud's Bitters to his ice-free concoctions. In Paris, Little Red Door uses fermented fruit syrups, while London's Jinjuu infuses its take on the Bloody Mary with kimchi.

Why it's interesting: Heightened interest in process and provenance also means drinkers are more interested in the biological processes that go into a drink. Extra fermentation adds another layer of intrigue.





4.0

Ancient ingredients

Ancient superfoods steeped in a history of superhealth benefits and mystic promise are the hot new ingredients in chocolate, cereal and more, promising healing, metabolism-boosting, enriching properties.

Oppo's ice cream flavors include Madagascan vanilla with baobab, and salted caramel with lucuma—hailed as “gold of the Incas.” Lucuma also features in Raw Gorilla's snacks and cereals, along with maca, described by the company as “an ancient Peruvian root used by the Incas for its mood and endurance enhancing properties... rich in thiamin, riboflavin and Vitamin B6.” Beauty is following suit and also including more ancient superfood ingredients.

Why it's interesting: Curiosity around superfoods and a willingness to try new ingredients is increasing among consumers who are taking a holistic approach to their health.

49

Chefs as thought leaders

As food and issues relating to feeding the planet sustainably take center stage, chefs are taking on the role of thought leaders.

UK chef Jamie Oliver is promoting a sugar tax and has launched a global Food Revolution Day campaign to help children access healthy food in schools. New York chef Dan Barber, founder of Blue Hill, launched WastED in March 2015, a pop-up highlighting the issue of food waste and serving as a thought leadership platform for his ideas about the future of food. Chefs Roy Choi and Daniel Patterson have created the new affordable healthy fast-food chain experiment LocoL—which has René Redzepi of Noma on its advisory board—to campaign for access to healthy food for low-income families and create alternatives to fast-food giants.

Why it's interesting: Food is becoming increasingly central to culture, consumer spending habits, and popular discourse. It's also an increasingly hot political point, as we debate how to feed 9.6 billion people by 2050, while also addressing rising obesity in established markets. No longer a satellite subject, food is becoming a central topic at thought leadership conferences.



50 ● Cachaça

Once seen as a cheap drink for the masses, Brazil's national spirit is going global amid rising Olympic-fueled interest in the country.

Cachaça, the main ingredient in the caipirinha cocktail, is distilled from sugarcane and ubiquitous in Brazil, where it has more than 2,000 colloquial nicknames, but has been little known outside the country until now. "The low rate of the Brazilian real compared to the euro and dollar has only helped exports, and at home the spirit has become increasingly valued with high premium versions appearing and big drinks companies investing," says Rio de Janeiro-based journalist Beth McLoughlin.

Why it's interesting: While the economic picture is currently bleak in Brazil, food and drink exports could be a bright spot. Watch Brazil in 2016 to see whether Olympic buzz translates into greater interest in Brazilian culinary culture.

BEAUTY

41-50



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Mystic beauty

Reflecting a rising emphasis on spiritualism among consumers, a new wave of beauty products is tapping into crystals, gemology and the language of magic.

Newly launched brand Prismologie uses powdered gemstones such as ruby, sapphire, rose quartz and diamonds in its beauty products. The brand says that its products channel the “energies” of the stones, as well as providing the conventional benefits such as exfoliation and shimmer. Victoria Beckham is said to keep crystals in her pockets.

“It’s not at all a hippie approach. Most previous incarnations of gemstones used in beauty have tended towards the spiritual, but in this instance I think the approach is modern and technical,” says beauty retailer and editor Anna-Marie Solowij.

Continuing this thread, Selfridges in London has launched Astrolounge, a Christmas grotto complete with a suspended light installation that lends a magical look. Astrolounge was created by journalist Ruby Warrington, founder of the spiritual/fashion lifestyle platform The Numinous. Astro-themed accessories, jewelry and “mind-expanding books” are available in the Astrolounge, and visitors can order custom birth charts printed onto t-shirts. The language of magic is also being wrapped into beauty products. Charlotte Tilbury’s range features Charlotte’s Magic Cream—with zero irony attached.

Why it’s interesting: Magic, spiritualism and astrology are undergoing a renaissance as consumers shift away from mainstream religions. New brands are repackaging the cues of mysticism and gems, connecting them to wellbeing products for a hip millennial audience.



52

Beauty foods

The lines between beauty and food continue to blur. New boutique brands are turning to ingredients that are usually eaten as superfoods, and using them to create beauty products and recipes—a trend that sits within the holistic way consumers now see wellbeing.

The Body Deli, for example, specializes in beauty products that use only cold-pressed superfoods and which must be stored in a refrigerator. The Beauty Chef, an Australian superfood beauty brand, has a range of ingestible Inner Beauty powders, and offers a recipe platform that includes desserts that incorporate its products, such as a cheesecake. New York-based Loli sends packages of ingredients to clients along with recipes so that recipients can make their own batches of treatments.

This trend sits within the holistic way consumers now see wellbeing—our data found that 60% of US millennials say they use food ingredients to make homemade beauty treatments because they are more natural than the products they find in stores, while 82% of UK and US consumers say that what you put into your body has a greater effect on beauty than what you put on your skin.

Why it's interesting: Consumers are recognizing the connection between what they eat and how they look. Food trends continue to influence the beauty sector, from ingredients to terminology.

Loli by Tina Hedges, NYC



55

Single ingredients

Beauty brands are taking the concept of purity to extremes, using a single ingredient in many products.

South Carolina label RMS Beauty's "Un" Powder consists of 100% pure silica. Australian brand Kloris Botanical launched Australian Damask Rose Water in October 2015. The limited-edition skin tonic only contains rose water and is distilled once to retain the amount of botanical compounds in the water. "There's no processing after distillation and nothing else is added," says the brand's founder Suzanne Walker. "It is a truly pure, natural product."

Why it's interesting: The organic cosmetic market will be valued at \$66.1 billion by 2020, according to a 2015 report from research company Future Market Insights. Consumers are choosing natural products over those that are chemically enhanced. Brands are going the extra step by stripping down to a single active and natural ingredient that will provide the same beauty benefits as a product containing multiple ingredients.



54.

New Natural beauty

New Natural, the Innovation Group's October 2015 trend report, described a growing interest in natural products and messaging among consumers. They are seeking out product information online and are becoming increasingly skeptical about mainstream brands. Concern about toxins is particularly reflected in the beauty landscape and has seen new boutique brands tapping into naturalism.

UK brand Liha makes beauty products based on African recipes in small batches. Haeckels, based in the UK seaside town of Margate, makes products with local and natural ingredients such as seaweed, using pre-industrial techniques. Brands such as Yüli employ advanced skin technology and botanic research to ensure products can compete in terms of efficacy as well as ethics. Mother Dirt is a range of cleansers, shampoos and mists that contain beneficial bacteria.

“Nearly every one of these brands is able to lay claim to the majority of the following: superfood ingredients, cold-pressed or raw processing, small-batch manufacturing, preservative-free or bacteria-rich formulas and traceability from seed to skin—with science helping to do all of this better,” says Anna-Marie Solowij, beauty editor and co-founder of the London-based beauty chain BeautyMART.

Why it's interesting: This shift in attitude points to a self-confident, engaged and sophisticated consumer who is questioning the norm and scrutinizing the messaging presented by mainstream brands. Consumers' holistic view of beauty products is telling—New Natural is as linked to 360-degree wellbeing as it is to an awareness of the environment.





55

Metabolism boosters

Superfood companies are launching new ranges of ingestible products that promise to simultaneously boost metabolism, wellness, vitality—and thus beauty from within.



Seaweed tea by
Haeckels of Margate

Botanic Lab in London delivers plant-based tonics to customers' doors, including Plantmilk made from “high-functioning, protein-rich, 100% organic plant sources.” As well as producing natural beauty products, Haeckels from Margate in the UK has introduced a caffeine-free tea that blends seaweed with nettle, lemon balm and elderflower. “It has a high content of iodine, which is necessary for the proper functioning of the thyroid glands which in turn is necessary to keep the cells and metabolic rate healthy,” says the brand.

Elle Macpherson has added Super Elixir Nourishing Protein to her WelleCo stable of beauty products. This vegan, gluten-free superfood supplement contains organic brown rice, pea protein and Peruvian cacao, plus dandelion, psyllium husks and pomegranate to “kick-start the metabolism.”

Why it's interesting: New Natural food products are crossing into the beauty and medicinal territories, optimizing the function, health and appearance of the body.

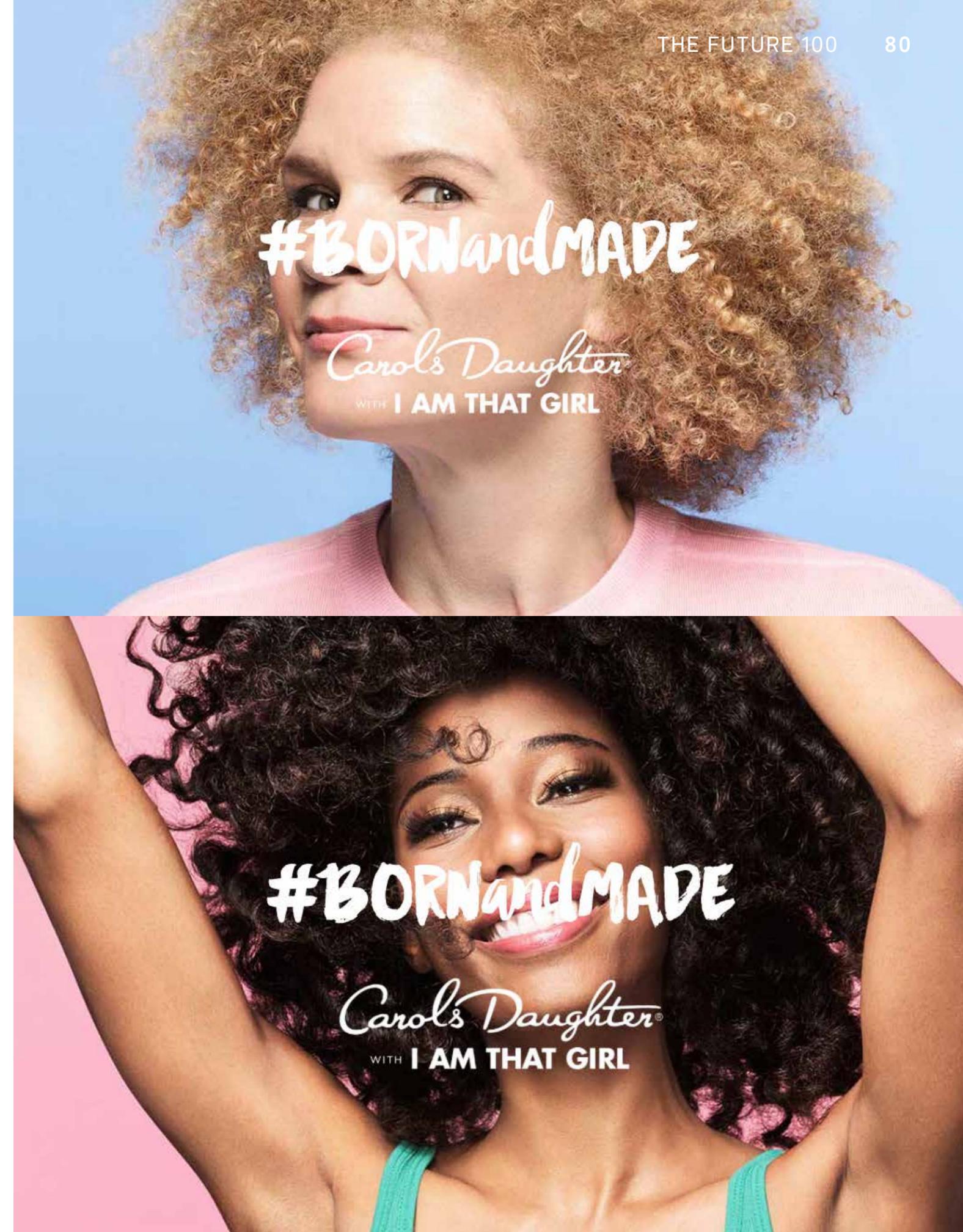
56

Full-spectrum beauty

After years of separating products into “general” and “ethnic” categories, beauty brands and retailers are adapting to a new reality in which such divisions no longer make sense.

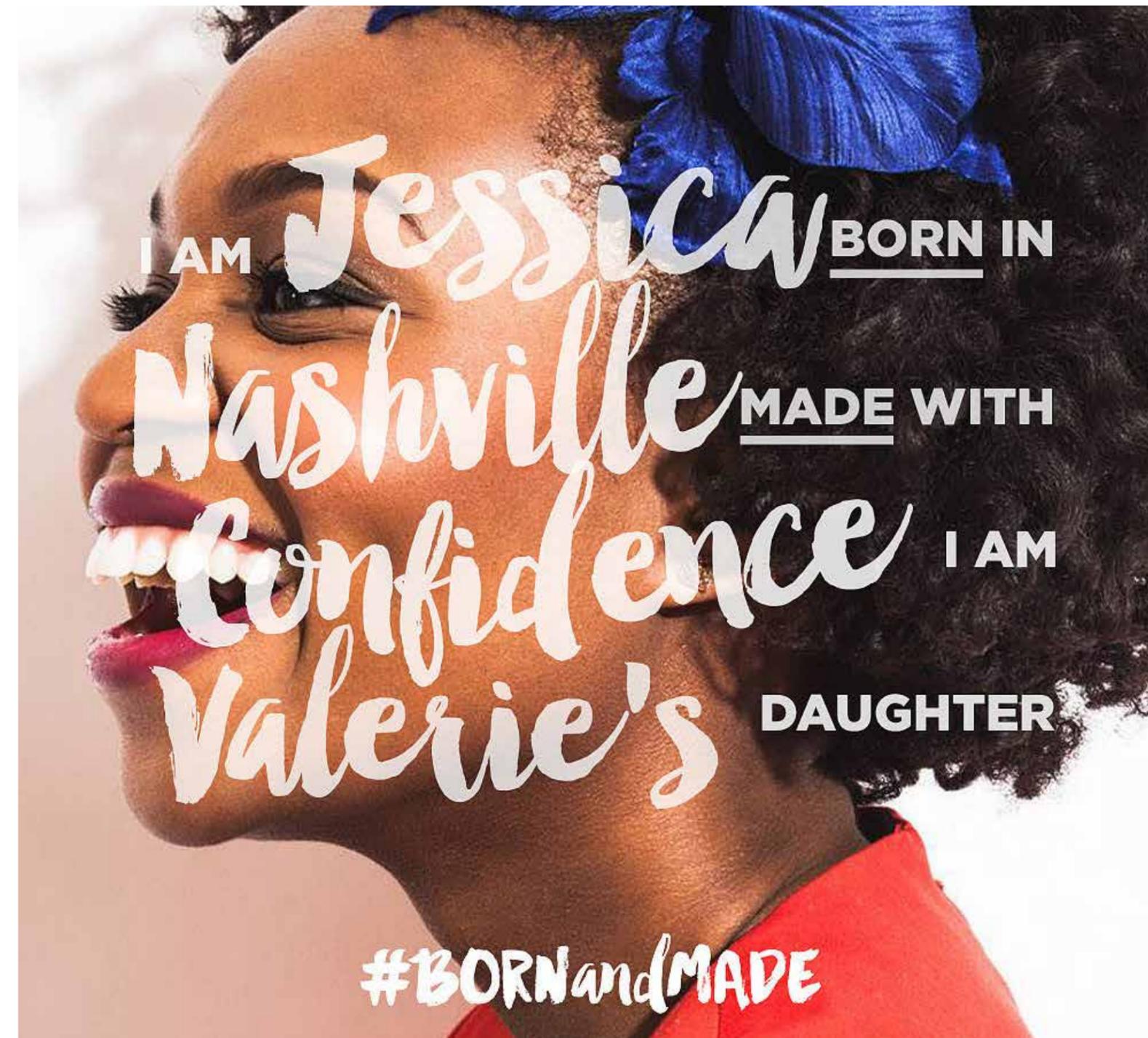
“We think about it as the new general market that is inclusive of all consumers who make up this shift in population that we are seeing today,” Richelieu Dennis, CEO of haircare and beauty company Sundial Brands, tells *WWD*.

As consumers increasingly shop more by hair type than by ethnicity, new brands are positioning themselves with this behavior in mind. L'Oréal has set up a Multicultural Beauty Division, which includes the haircare brands Carol's Daughter and SoftSheen-Carson. It recently launched #bornandmade, a campaign celebrating individualism and heritage, whose ambassadors include YouTuber Whitney White and CNN's Michaela Angela Davis.



In August 2015, Target added the Andre Walker brand to its existing multiethnic lineup, which includes Carol's Daughter and SheaMoisture. Estée Lauder's Double Wear Makeup To Go compact is now available in 18 shades and Laura Mercier's Smooth Finish Flawless Fluide can now be bought in 24 shades. The founders of DooBop.com, a multicultural online beauty retailer, were motivated by a desire to create a site that "mirrored the ethnic diversity spotted daily on the streets of New York City."

Why it's interesting: The US beauty market is increasingly diverse and this trend will continue to grow. Ethnic minorities, including Hispanics, African-Americans, and Asian-Americans, will become the majority in the United States by 2050, according to the US Census Bureau. Research from Mintel shows that the black haircare market is expected to reach \$876 million by 2019. In 1990, 32% of Americans under the age of 20 were from an ethnic minority. By 2012, the figure had risen to 47%, according to the Carsey Institute at the University of New Hampshire. The institute reported, "Diversity is increasing because the minority child population is growing, while the non-Hispanic white child population dwindles. There are 7.7 million more minority young people now than in 2000, but 5.7 million fewer white children."





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Freckles

Part of fashion's general celebration of all things redheaded, freckles are a must-have and can be added if they don't appear naturally.

Photographer Brock Elbank, whose recent solo exhibition at London's Somerset House focused on beards, is now turning his attention to freckles, with gallery shows featuring close-up pictures of models in full-freckled glory planned for 2017 in Sydney and Berlin.

In the London Fashion Week spring/summer 2015 shows, Preen and fast-fashion giant Topshop featured freckles applied by renowned make-up artist Val Garland. For Rag & Bone and Edun's SS 2016 fashion shows, make-up artists Gucci Westman and Charlotte Tilbury added freckles to models' faces. Topshop Beauty's freckle pencil was a 2015 best-seller, and famed tanning artist James Read is bringing out a freckle pen for spring/summer 2016—it's much like a felt-tip pen, but the instant color also includes self-tanning ingredients so that the freckles last for days.

Why it's interesting: User-generated content, Tumblr and social media are empowering young consumers to celebrate their individualism.

50

Solid beauty

A wave of solid beauty items and waterless products is appearing on the market. Solid products provide convenience, when traveling for example, and waterless products economize on water, too.



“This has evolved from last year when nearly everything you used on your face came from a stick format,” explains Anna-Marie Solowij, beauty editor and co-founder of the London-based beauty chain BeautyMART. “It ties into the waterless trend, which appeared with waterless shampoos. This is about convenience, as many of these products provide multiple functions in one streamlined product. They’re also quite playful—like crayons. There’s a kidult feeling to them.”

Indeed: Newly launched New York brand Trèstique has a range of two-in-one products, including a Correct & Cover Concealer Crayon, a Color & Contour Blush Stick, and Lip Crayons. New York-based Stiks Cosmetiks lipsticks are presented in a stick format while Toronto company Nudestix has launched with stick products for eyes, face and lips. It’s happening in skincare too. Korean beauty brand Su:m37° has introduced its Miracle Rose Cleansing Stick, a solid cleansing stick which includes fermented damask rose extract and natural oils.

Why it’s interesting: From haircare products and make-up to clothing care, consumers are increasingly moving away from water-based products. This is partly for convenience—but consumers are also mindful of the environmental impact of excessive use of water.

59

Small-batch beauty

Batch-made beauty products, formulated in small runs and with limited shelf life, are on the rise. The companies behind them are celebrating the variation between collections, tapping into consumer desire to move away from mass production.



Skin & Tonic, London

AS Apothecary emphasizes the importance of provenance. Each face or body product bears an edition number and also comes with a “small-batch report,” inspired by coffee producers’ explanations of the origin and roasting of their beans. “It’s a way for customers to get to know what the harvests have been like, and to get to know our plants almost as well as we do,” says founder and apothecary Amanda Saurin.

British organic brand Skin & Tonic sources its ingredients from diverse locations including Sussex in the UK, the south of France and Sri Lanka. Its products are crafted in Hackney, east London, in numbered batches of 50 to 100. “No two production batches are identical because each ingredient differs on a molecular level depending on that year’s harvest, the soil, the air quality and the weather. These all have an effect,” says founder Sarah Hancock. Toronto-based Leaves of Trees creates small-batch products such as Charcoal Anise soap.

Why it’s interesting: The beauty sector is echoing many consumers’ preference for food and drink that is fresh and natural, and produced on a small scale. “In all other industries, from fashion to food, low output and handmade are deemed desirable,” says Imelda Burke, who runs Content, a London beauty shop and website stocking small-batch beauty products.



Halal beauty

Muslim consumers are increasingly interested in halal beauty products (those that are acceptable under Islam). Currently dominated by niche players such as Halal Beauty Box, the category offers an opportunity for multinational brands.

Lan Vu, founder of Paris-based beauty trends consultancy Beautystreams, recently identified the halal beauty sector as a major new opportunity for brands and also as a significant driver in the global move towards natural and vegan products. “In Indonesia, a halal label has been required for every product marketed to the Muslim community since 2009. Local brands clearly communicate the level of halal certification to reassure the 90% of the population who are Muslim,” says Vu.

Sensing the growing opportunity, Cosmoprof, a major international beauty trade exhibition, will introduce its first dedicated halal cosmetics platform at its 2016 show in Bologna, Italy. “Halal cosmetics are mainly requested from South Asian and Middle Eastern consumers, but influence Italian and European companies also,” Dino Tavazzi, CEO of Cosmoprof, told WWD. According to Tavazzi, 80% of the beauty products sold in Gulf Cooperation Council countries are produced in Europe.

Why it’s interesting: The buying power of the Islamic consumer continues to grow worldwide, and beauty brands are waking up to the opportunities. In 2014, Muslim tourists spent \$36 billion while shopping globally, according to the MasterCard-CrescentRating Muslim Shopping Index 2015.

RETAIL

61-70

01 Celebrity retail havens

Lifestyle doyennes Jessica Alba, Reese Witherspoon and Gwyneth Paltrow are taking their empires offline with new physical stores and pop-ups, and bringing their personal brands along with them.

In Nashville, Witherspoon has unveiled the first flagship for her Southern-inspired lifestyle brand Draper James, imagined as a traditional Southern home with design details such as front windows modeled after a front porch, and cupcakes and sweet tea on offer for guests.

Not to be outdone, Jessica Alba, founder of natural personal care and beauty empire Honest Company (recently valued at \$1.7 billion), has launched a pop-up for Honest Beauty, her beauty line, in the Grove mall in Los Angeles. Designed in “bohemian chic” style, it features interactive iPads, terrarium displays, rustic rope props, and Hollywood-lit mirrors. Both follow the example of Gwyneth Paltrow, who has launched a series of sleek Goop pop-ups.

Why it's interesting: More celebrities are successfully converting their public personas into full lifestyle brands, using social media to convey a sense of intimacy to their audience and enhance the sense of personal recommendation for the goods they curate and retail. These physical stores take immersion to the next level.





Goop pop-up store in Chicago

62

Food temples

The latest retail buzz isn't based around malls crammed with fashion boutiques, but around food. Anthony Bourdain is set to open a hotly anticipated mega food market on Pier 57 in New York in 2017.

Dubbed the Bourdain Market, it will feature an epic selection of 100 food vendors from New York, and will also house a Singapore-style hawker market with street food stands and communal eating spaces.

A new foodie theme park at Newark Airport is upping the airport retail game in the New York area, with 55 dining venues that convert into new concepts depending on the time of day. In Portland, Oregon, architecture and design studio Snohetta has recently unveiled plans to build the state's first year-round fixed market. The James Beard Public Market, named after the influential 20th-century Portland food writer, will be a hub for the city's foodie scene.

In the UK, London Union, a new joint venture from Henry Dimbleby, founder of healthy fast-food chain Leon, and Jonathan Downey, founder of Street Feast, plans to open as many as 20 local markets tailored to different neighborhoods throughout the city, with a permanent street food market planned for 2017.

Rotterdam is also enjoying the harvests from a new food market. The colorfully lit Markthal Rotterdam by Dutch architects MVRDV houses over 100 food stalls and retail units under its giant arch.

Why it's interesting: As we discovered in our recent Food + Drink trend report, eating is increasingly seen as a full-scale cultural experience akin to a concert or the theater—one to be shared with friends on Instagram and other social platforms. "Food is becoming more important in people's lives and their sense of identity," says Sam Bompas of food experience duo Bompas & Parr.

62



65

The world is a shopping interface

As the Internet of Things becomes a reality, everyday objects in our homes are becoming an interface for retail. Gartner estimates that by 2020 connected devices will drive \$263 billion in spending on services.

Amazon's Dash Replenishment Service program already allows consumers to reorder goods such as laundry detergent without even needing to press a button; sensors in devices such as washing machines automatically re-order when supplies are low. The program has recently expanded into partnerships with brands such as General Electric and Samsung, as well as startups including CleverPet and Thync, which join Brother, Whirlpool and Brita on the project's roster of collaborators.





The crude button is becoming passé elsewhere—new devices will be totally intuitive and connected to smartphones, to monitor anything from pet food to printer ink levels, and order when supplies at home or in the office run low. Target’s new Open House outlet, a celebration of the Internet of Things, invites visitors to experience a world of connected devices, from lightbulbs and sprinklers to baby monitors that automatically generate soothing sounds when the baby cries.

“The Internet of Things has huge potential for retailers like us—end-to-end retailers who offer electrical goods, supermarket goods, and services like the internet,” says John Vary, innovation manager at John Lewis in the UK. “There’s a huge opportunity to connect products with service.”

Why it’s interesting: Connected devices are already becoming a revenue driver for technology companies—Intel made more than half a billion dollars from connected devices in the first quarter of 2015. Retailers are realizing the opportunity in making devices cognitive, intuitive, and seamlessly linked to transactions based on consumer behavior, anticipating their needs.



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Startup stores

Brands are dedicating space in their stores to new startups with worker hubs, in a bid to both connect to innovation and attract new visitors.

Westfield this year launched Bespoke at Westfield San Francisco. The 37,000-square-foot 24/7 space for startup retail-tech companies features co-working space alongside a bevy of services including 14 conference rooms, ball courts for recreation, sleep nooks, and a bouldering wall. The curated community of users can run consumer-facing pop-up shops and testing in the mall, and also stage events in an AV-equipped 18,000-square-foot event space.

The Andaz Liverpool Street hotel in London has opened its doors to startups with a dedicated offer called SpacetoStartup (echoing nearby Ace Hotel, where the lobby is already packed with startups and freelancers). Andaz goes a step further, offering mentors and networking events, and SpacetoStartup will become a community for London's entrepreneurs and investors, the brand says.





Why it's interesting: Consumers of all ages are moving into self-improvement and entrepreneurialism. In the UK, 4.5 million individuals are self-employed, according to the Institute for Public Policy Research. 2016 will be a record-breaking year for UK startups, according to the Centre for Entrepreneurs, which predicts that over 600,000 new businesses will launch—rising from 440,600 in 2011.

The Prince's Trust has dubbed millennials in UK the Start-Up Generation, and has found that one in four under-30s plans to be self-employed by 2017. In the US, people aged over 55 comprised 25.8% of new entrepreneurs in 2014, up from 14.8% in 1996, according to the Kauffman Foundation, which also found that self-employment is on the rise. Between February 2015 and June 2015, nearly a million US workers became self-employed, according to the US Department of Labor.

65

Reuse retail

Online retailers focusing on fashion resale have raked in investors' cash in the past year, with one company alone, San Francisco's ThredUp, closing an \$81 million round of financing in September 2015.

While Amazon struggles to break into the category and eBay offers an eclectic but uneven experience, new companies in the space promise curation and quality control, as well as a more editorial e-commerce feel. Search-and-listing websites such as eBay and Amazon, investment analyst Josh Goldman told *Bloomberg*, are "just not the right place to browse and purchase fashion."

Why it's interesting: PrivCo estimates that the secondhand clothing market is growing by 6% each year, a figure that could expand as more consumers discover online options.





Satellite retail

Retailers may soon be making important decisions based on images from outer space.

“The plummeting price-performance curve in satellite technology means that entrepreneurs are launching cubesats into orbit to beam images back in very high resolution,” says Sophie Hackford, director of Wired Consulting in London. “The more satellites there are in orbit, the cheaper access to the network will be.”

The Orbital Insight startup combines photos of retailers’ parking lots with deep-learning image analysis to track traffic to stores in real time. Working in partnership with big data platform DigitalGlobe, the company converted data on 700 million cars collected over 48 hours into insights on national shopping behavior for its Wall Street clients.

Why it’s interesting: Unable to shield their business data from the eyes in the sky, retailers will have to adapt to a more transparent reality.



67

The human address

For years, online retailers have lamented the state of shipping, but startups are now responding by radically rethinking logistics.

Jennifer Hyman, CEO of Rent the Runway, believes a disruptive approach is the answer. “The delivery network needs to be completely ripped up and re-created,” she said at this year’s South by Southwest Interactive. “We need to put UPS and FedEx out of business... The only way for e-commerce growth to be economically viable is if the delivery network changes.”

The startup Shyp announced “address-free shipping” in October 2015; customers have usernames synced to physical addresses and delivery preferences. Just as apps such as Venmo replace bank details with a simple username, people sending packages now only need to remember who they’re sending an item to. The address lists we now store digitally may soon seem as obsolete as the Rolodexes of decades past.

Why it’s interesting: Even un-sexy industries like logistics that have long seemed immune to change are now getting the slick Silicon Valley treatment, with huge implications for delivery and e-commerce.





Next-level geo-targeting

Google is pulling ahead in the retail insights game to deliver fine-grained geo-targeting abilities to retailers.

At the technology conference WSJDLive in October 2015, the company revealed a new service that expands access to its search data for retailers, allowing them to build geographic heat maps based on product searches across the US. The initial version of this Shopping Insights tool includes data about more than 5,000 products available through Google Shopping, targeted to 16,000 US cities and towns, updated monthly.

The Shopping Insights data reveals surprising geographical patterns—the example presented at the conference was that demand for Minion outfits was three times as high as demand for Star Wars costumes in Madison, Wisconsin, while the ratio was reversed in Berkeley, California.

Google also continues to develop its Local Inventory Ads program, which allows mobile advertising to be targeted to consumers based on whether a given product is in stock at nearby retail outlets, and even includes information on how far away a consumer is from a given store. “Retailers’ mistake number one is that they are simply not there at the consumer’s moment,” Jonathan Alferness, global vice president of product management and shopping at Google, said at World Retail Congress 2015 in Rome. “We see ourselves as a connector, we connect consumers with the retailer they need.”

Why it’s interesting: Google is finding new ways to build complex, nuanced data pools on consumer behavior and harness these insights for advertising. The increased desire of consumers for real-time, location-sensitive information also speaks to the growing importance of mobile in driving retail.

69

Virtual reality retail

2016 is the year Oculus Rift and Sony Corp's Morpheus finally hit the stores, and retailers are already flirting with virtual reality (VR) experiences.

Outdoor sportswear company The North Face has experimented with Google Cardboard; luxury boutique The Apartment has used Samsung Gear VR to create a remote shopping experience; and Tommy Hilfiger's Fifth Avenue flagship store has installed Samsung Gear VR headsets, allowing shoppers to view and shop the label's fall fashion show virtually.

"For me, this is the year virtual reality is going to explode," says John Vary, innovation manager at UK department store chain John Lewis. "It has massive potential for retailers. You can bring the catalogue and rooms to life. Putting people in the center of environments makes e-commerce more immersive, and will have a big impact on selling bigger items like furniture, as it will give them the confidence to purchase."

Why it's interesting: The number of active VR users is forecast to reach 171 million by 2018, according to a 2015 Statista survey. Retailers are seeking direct sales opportunities as well as enriching the consumer's experience of the brand using virtual reality.



In-store virtual reality catwalk experience at Tommy Hilfiger flagship store, NYC

70

Community stores

More global brands are opening physical stores that aim not only to drive sales, but also to provide a social benefit to the surrounding community.

Nike continues to expand its Community Store program, opening its first East Coast location in Brooklyn in May 2015 and a Los Angeles store in October 2015. The initiative's mission is to "build and empower a healthy local community through the unifying power of sport and to serve as a catalyst for positive change."

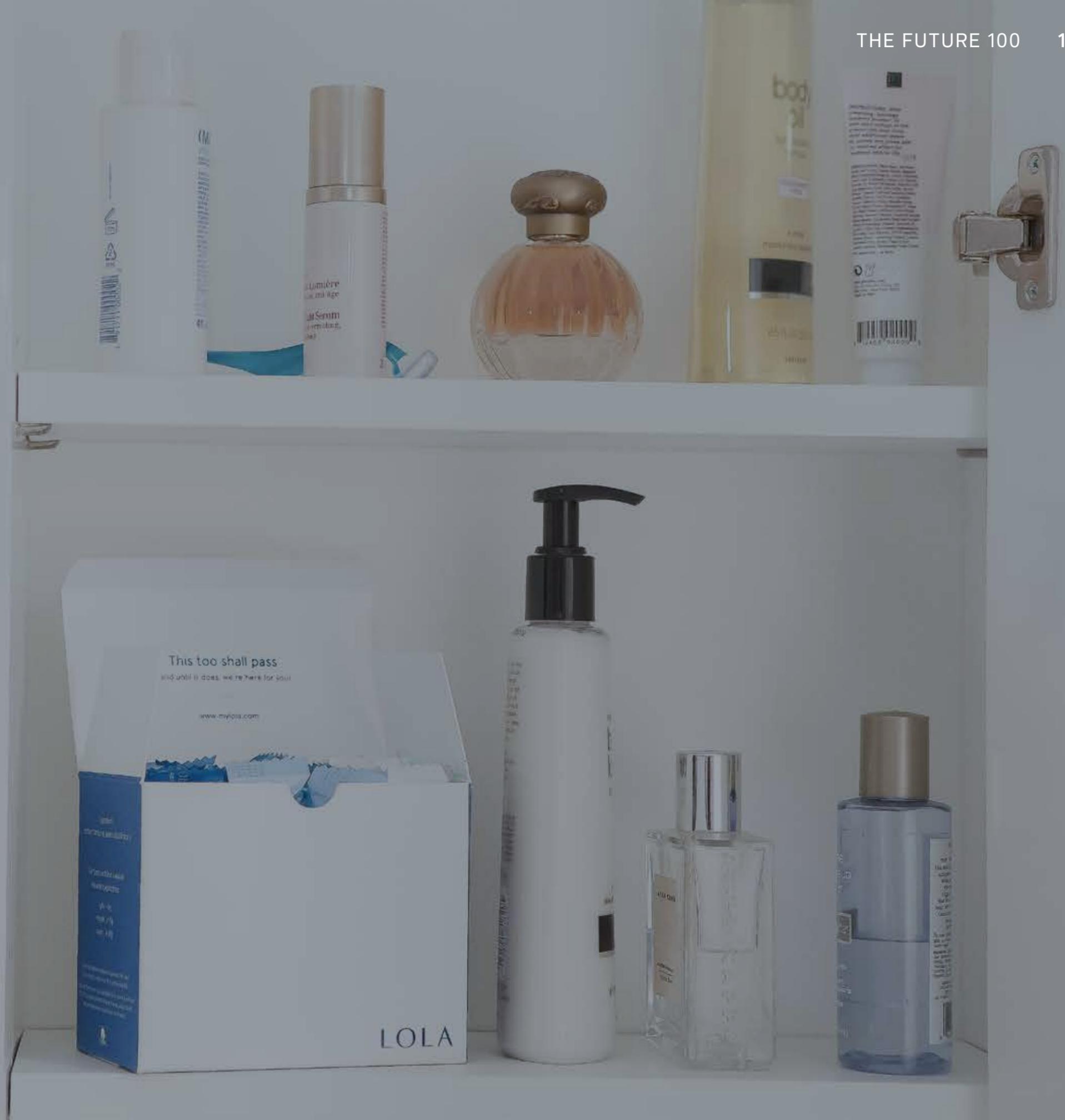
"Here, we have the opportunity to make an immediate, meaningful impact and amplify the values of the Nike brand through sport and community activity," says LA-based Nike representative Blanca Gonzalez. "We've built great partnerships with the local Boys and Girls Club, the Eastmont Community Center, and nearby high schools, and are excited about the future we'll build together."

"On a smaller scale, the H&M brand & Other Stories is also integrating a social mission into its storefronts. The brand opened its second US store on New York's Fifth Avenue in October 2015, including a "free library" with books about plants and flowers, a core part of the brand's identity. The books can be returned after reading, or another volume can be swapped in. & Other Stories also offers 10% discounts to customers who bring used beauty packaging or textiles back to the store for recycling.

Why it's interesting: Although e-commerce has supplanted many functions of the traditional bricks-and-mortar store, physical retail spaces still offer a better opportunity to demonstrate a brand's social mission in an authentic way that will resonate with consumers.

HEALTH

71-80



71

Stool banking

Consumers are now storing samples of their personal bacterial ecosystems in case they need them for treatment.

Every human body is home to a unique mixture of bacteria that help maintain health, a fact that has received increasing media coverage in the past year. But antibiotics and other treatments can disrupt this balance, with potential adverse effects. Conditions like the intestinal infection *Clostridium difficile*, which is sometimes fatal, often resist conventional medicines but respond well to “fecal transplantation” that contains infusions of gut-friendly bacteria.

“Should We Bank Our Own Stool?” wondered a *New York Times* article in October 2015, offering some compelling arguments in favor of the procedure. The OpenBiome company offers personalized “microbial restoration services” that include screening, profiling, processing, encapsulation and cryopreservation.

Why it’s interesting: When it comes to health, consumers are looking for natural solutions rather than techno-fixes, and disregarding cultural taboos as they search for the best fit.



72

Sound healing

In New York and Los Angeles, people are gathering for “sound baths,” group experiences where participants focus on the vibrations of tuning forks and singing bowls.

Young people, accustomed to constant stimulation, are sometimes intimidated by the total silence that is common in meditation, but find sound baths more approachable.

Wellness expert Debbie Attias recently began hosting sonic meditation sessions in Brooklyn’s Greenpoint neighborhood. “I’m interested in sound healing through listening as well as through expressing and making sound,” she says. “Both bring you fully and completely into the present moment, and when you are in tune, the world becomes synchronistic and your path is made clearer.” Sound baths are popping up at Twisted Trunk Yoga and Studio Anya, both in Manhattan; at the Wythe Hotel, Maha Rose Center for Healing, and the Brooklyn Zen Center, all in Brooklyn; and at House of Intuition in the Silver Lake neighborhood of Los Angeles.

Why it’s interesting: Stressed consumers are seeking novel forms of therapy, meditation and mindfulness practice to counteract always-on lifestyles.



73

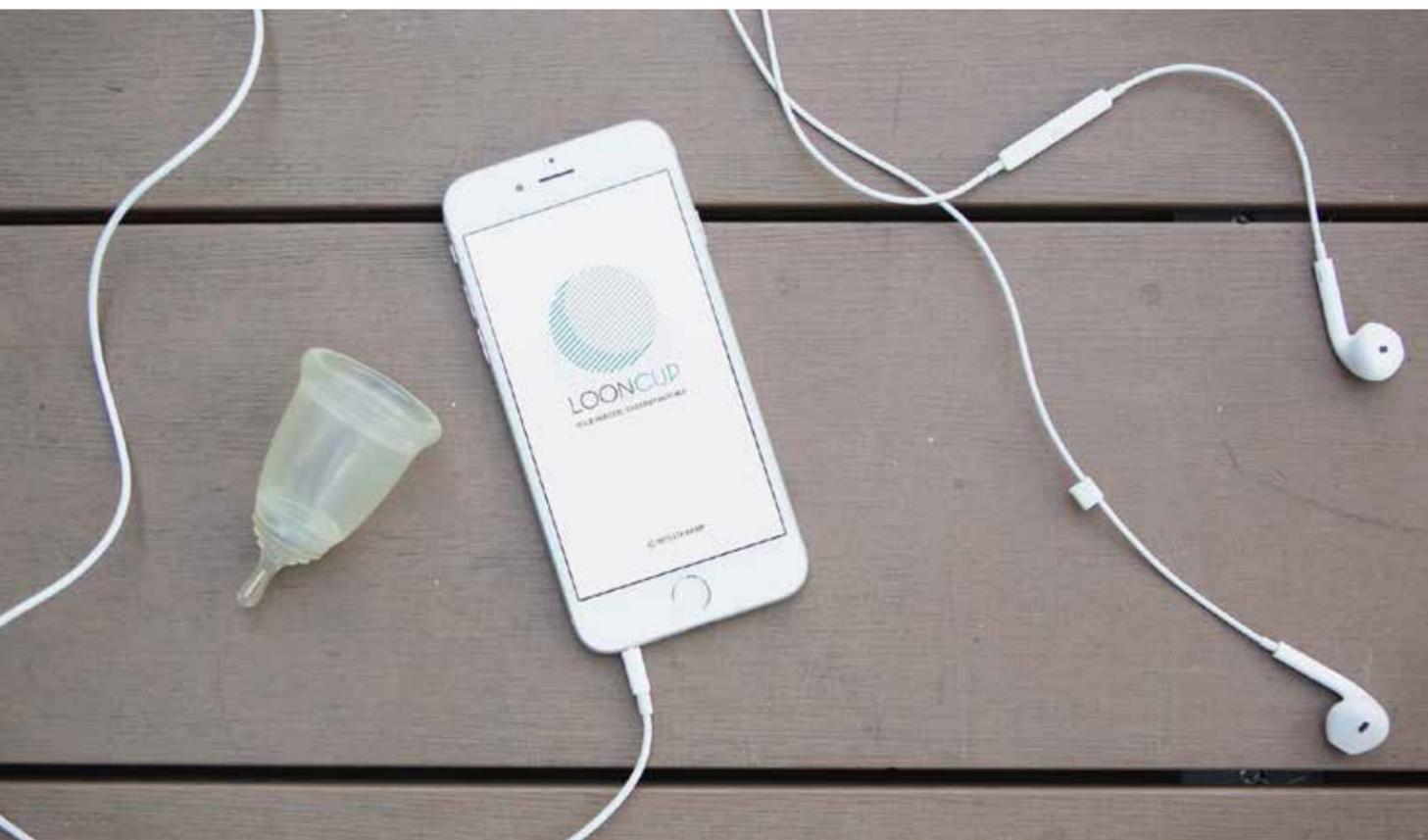
Feminine care revolution

Tampons are getting a makeover, moving from unmentionable necessity to celebrated cool-girl staple.

While mega-brands Tampax, Kotex and Playtex have long dominated the industry, direct-to-consumer newcomer Lola, founded by Dartmouth grads Jordana Kier and Alex Friedman, represents a new approach. Lola manufactures its own hypoallergenic cotton tampons, which are free of additives, synthetics, chemicals and dyes, and, unlike mainstream brands, contain no artificial fibers such as polyester and rayon. Lola is committed to transparency and convenience. Other features include minimalist branding and an intuitive subscription model with options for delivery customization.

New alternatives to traditional pads and tampons are also emerging. Looncup is a “smart” menstrual cup that aims to “redefine menstruation”—it communicates with an app to track and analyze menstrual patterns. The company’s Kickstarter campaign raised over three times its original goal of \$50,000.





The politics of feminine care have also been in the news recently. Social media has erupted with outrage over tax regulations that designate feminine care products as a “luxury” in the EU. As of this writing, women in London are protesting the tax rules outside Parliament, openly bleeding in white clothing to show the absurdity of a “luxury” designation for such items.

Meanwhile, across the board women are starting to view feminine hygiene products with a critical eye. In response to consumer demands to know more about what is in their products, Procter & Gamble, maker of the popular Always and Tampax brands, and Kimberly-Clark, maker of U by Kotex, have posted details online and on packaging.

Why it's interesting: Women are actively seeking alternatives to conventional tampons, and intelligent branding, sophisticated aesthetics and relatable language are among their considerations. This is all part of a wider cultural embrace of natural products and messaging, which we explore further in our New Natural trend report.

74.

Healthonism

Health-conscious millennials are offsetting alcohol with antioxidants and healthy mixers, mashing up exercise with hedonism, and flocking to a growing number of exercise-meets-drinking events.

Earlier this year, London's House of Voga, which combines yoga with the expressive voguing dance style of the 80s, co-hosted a party with Mayfair nightclub Bonbonniere. Voga Bonbonniere began with a one-hour voga class before proceeding to drinks and dancing into the early hours. Fitness club Equinox's London Kensington location hosts quarterly After Dark events for members and their guests, who are treated to a range of different yoga classes, guest instructors, DJ sets and cocktails courtesy of Mahiki.

The trend is also expressed in new beverage products, with nutritious cold-pressed juices becoming a popular vehicle for healthier cocktails. Cold-pressed, non-alcoholic juices by US brand CleanDrinking are all-natural, low-calorie cocktail mixers designed to "support a balanced lifestyle of mindful drinking." Flavors include Hotamelon Tequila Cleanse and RaspberryAddict Vodka Cleanse.

Why it's interesting: Consumers are engaging in health and wellbeing in a contradictory, divergent, have-it-all way, putting healthy habits alongside fun.



75

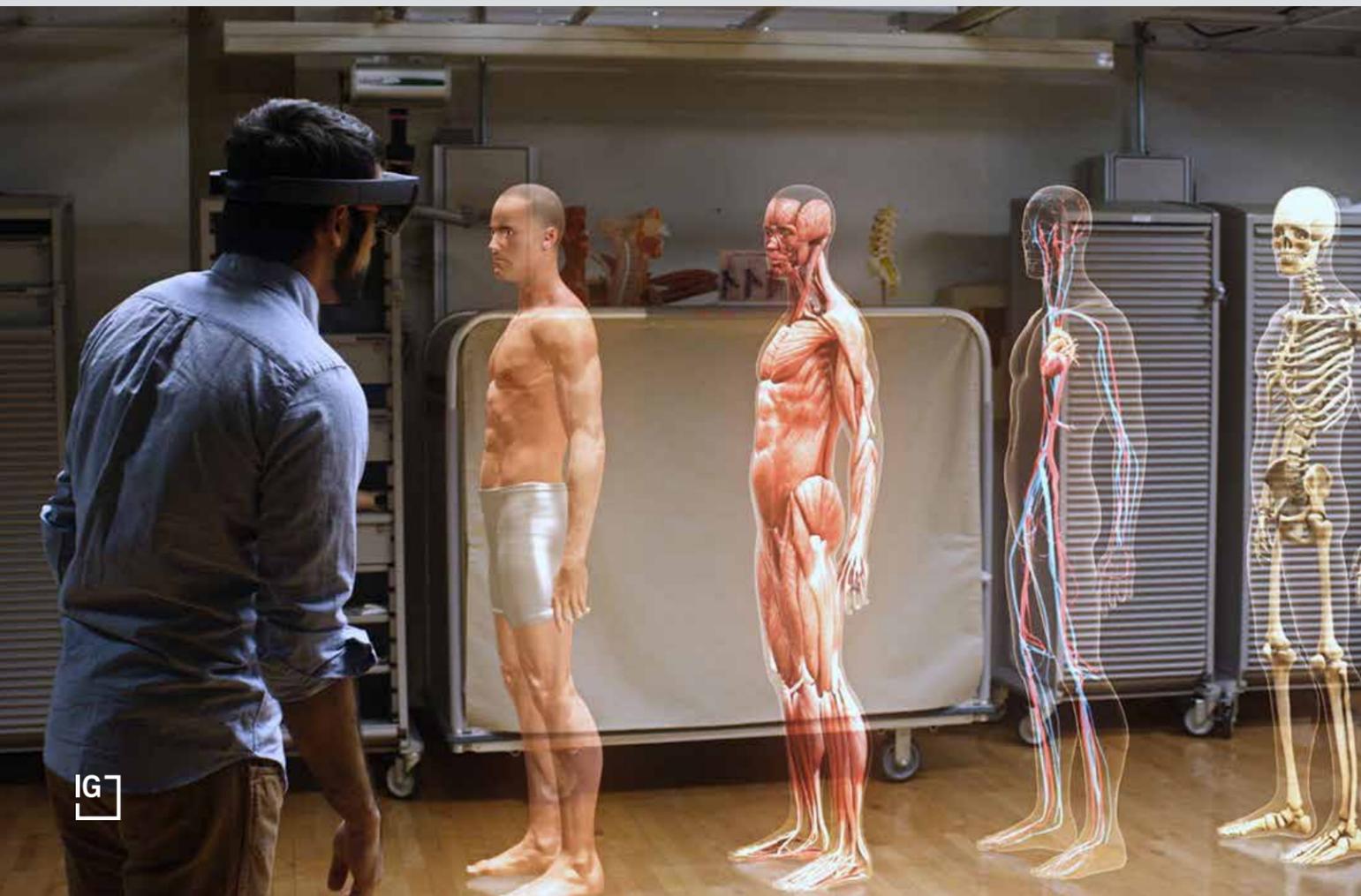
Holographic healthcare

This year, Microsoft announced that it was developing a new augmented reality headset, HoloLens. Medical students at Case Western Reserve University are already using the product to learn about human anatomy with 3D holographic images of the inside of the human body.

HoloLens is also able to generate surgery simulations and could prove a powerful teaching tool for the next generation of doctors.

The next stage in at-home digital personalized healthcare is also being enhanced by holograms. Dr Leslie Saxon, founder of the University of Southern California (USC) Center for Body Computing, demonstrated “hologram house calls” at the USC Body Computing Conference in October. Hologram house calls allow doctors to visit patients anywhere in the world, at any time. “This is the moment to transform traditional health care,” says Saxon. “We can provide patients around the globe with healthcare where there’s never been any. And we can provide patients with the type of data they need and the information they need to be in command of their healthcare story.”

Why it’s interesting: A step beyond telemedicine, holographic projection enhances long-distance interactions between patient and doctor, suggesting a more mobile and immersive future for healthcare.



76

Work wellness

Companies are competing for talent by offering increasingly innovative wellness packages.

Italy's Technogym has created an idealized blueprint for corporate health facilities at its Wellness Campus in Emilia Romagna, with a two-story gym, a running track, free classes, lengthy lunches, chairless meeting spaces and local foods. In addition to making exercise equipment, the company offers consulting services, and Google, Merrill Lynch and Michelle Obama have all expressed interest.

Why it's interesting: Corporate wellness programs boost both morale and the bottom line. "Research from the World Economic Forum shows that \$1 invested in corporate wellness leads to a \$4 return in increased productivity," Technogym founder Nerio Alessandri told *i-D* magazine.



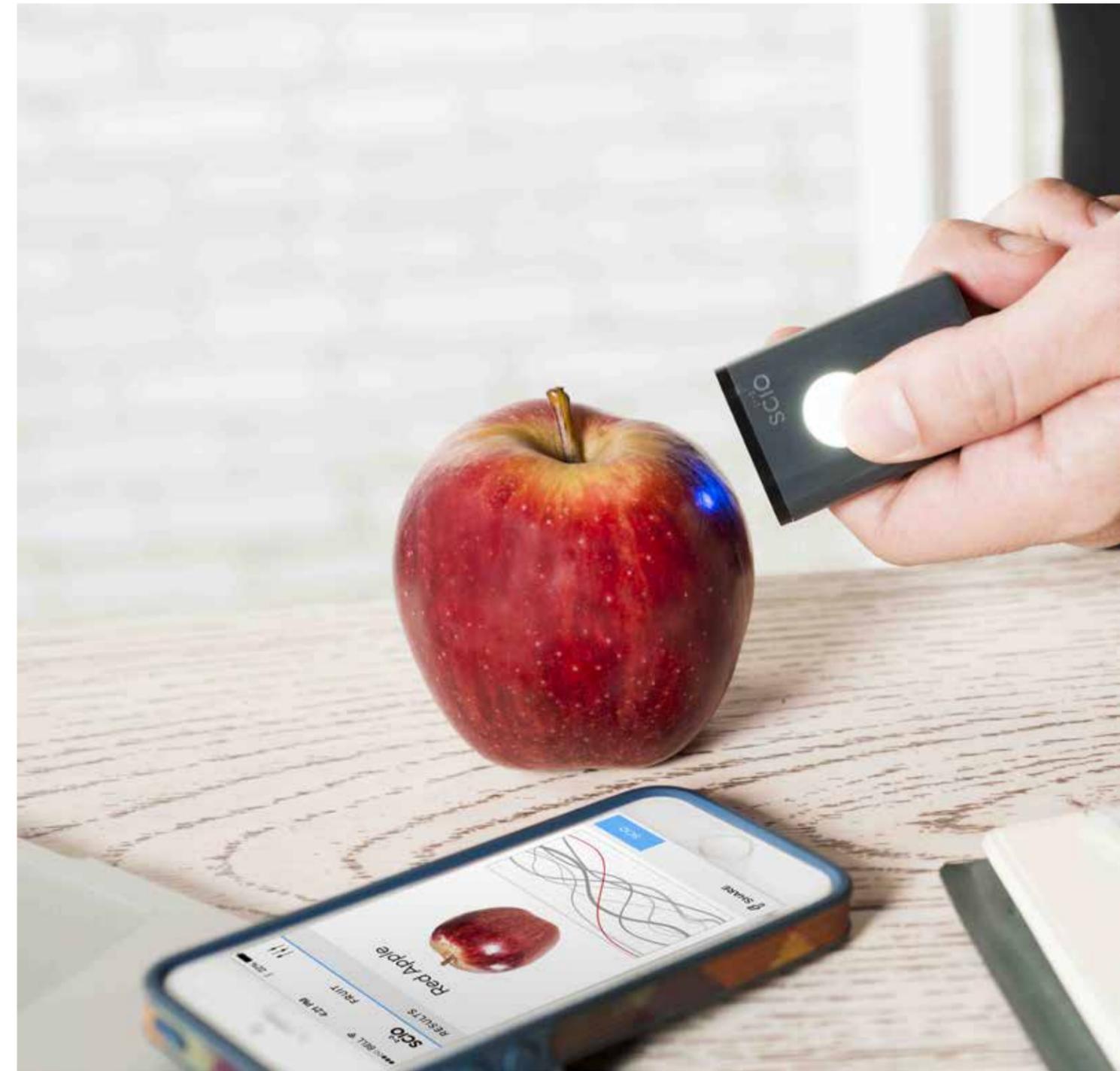
77

Molecular environment sensors

New devices are helping consumers directly monitor chemical compounds, revealing hidden information about products and environments.

The Scio pocket sensor, which raised over \$2.7 million on Kickstarter and will begin shipping to backers in the coming months, is a handheld spectrometer that helps identify the chemical makeup of foods, plants or drugs, also taking measurements on nutritional values and freshness. The TZOA, another Kickstarter-funded device, which ships in spring 2016, is a portable environmental monitor that tracks PM10 and PM2.5 particles in the air, helping people avoid allergens and pollutants.

Why it's interesting: These devices will empower consumers with even more information about their surroundings. Air quality monitors could also help consumers tailor their skincare regimens to prevailing conditions.



70 Superhuman supernutrition

Move over, diet shakes—Silicon Valley has created a new wave of supershakes for superhumans, stripping away the bother of cooking and giving consumers 100% optimal nutrition in a glass, all the better to fuel 24-hour coding binges or study sessions.

Silicon Valley company Soylent offers a liquid food product that provides maximum nutrition per serving with minimal effort. In January 2015, the company was valued at \$100 million, according to Re/code. Other companies have not been slow to enter the field. KetoSoy founder Ted Tieken calls his product the “future food.” KetoSoy launched December 2014 and made well over \$100,000 in sales in its first six months, according to *Forbes*.

Why it’s interesting: Fast food consumption just got faster and comes in liquid form. In our cash-strapped, time-poor society, consumers are looking for economically viable solutions to gain maximum nutrition with minimal effort.



79

Fitness: “It ain’t about the ass”

Millennial feminist icon Lena Dunham, creator of hit series *Girls* and newly launched women’s media platform Lenny, recently espoused the benefits of her regular trips to New York’s Tracy Anderson Method studio.

The objective was not weight loss, she said, but alleviating anxiety. “To those struggling with anxiety, OCD, depression: I know it’s mad annoying when people tell you to exercise, and it took me about 16 medicated years to listen. I’m glad I did. It ain’t about the ass, it’s about the brain.”

Why it’s interesting: Consumers are taking a holistic approach to mind, body, diet and fitness, recognizing them as interconnected. We’ve already seen a shift in the language of exercise, which has moved from talking about being thin to talking about being fit, and now influencers are also championing mental strength as a further benefit.



Ingredients under the microscope

Growing unease about food additives is manifesting in new visual treatments that show what's really in our food.

The Violating Velveeta project by New York designers John Pate Hamilton and Josef Abboud separates the cheese product's ingredients into blister packs. The result renders a familiar product into a strangely clinical form, but perhaps more honestly reflects its composition. The book *Ingredients* by Dwight Eschliman and Steve Ettlinger, published in September 2015, deconstructs well-known products like Twinkies, Doritos and ketchup into powdery mounds worthy of a mad scientist. "If food ingredient labels make your eyes glaze over, we hope that this book will open them again," Ettlinger writes.

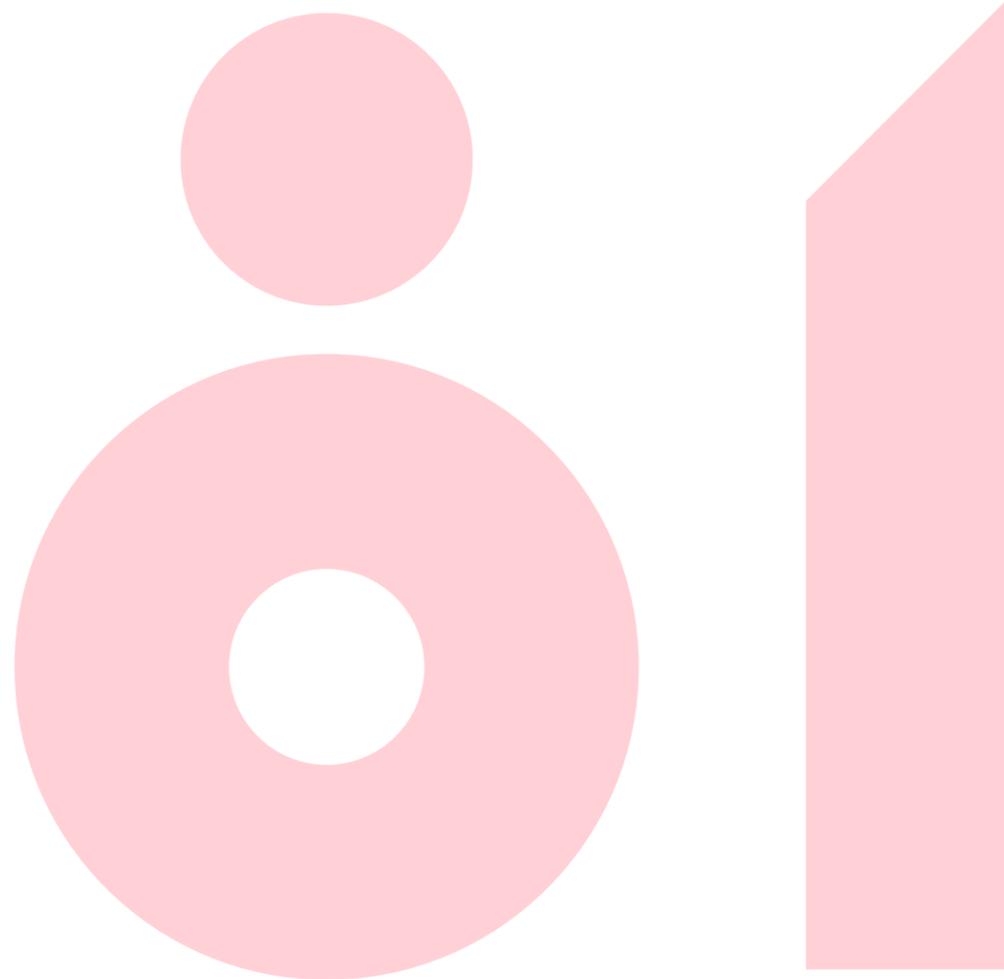
Why it's interesting: As consumers learn what's in their food, they're not liking what they see. Brands have to be transparent about ingredients to win their trust.



LIFESTYLE



WORLDS 2015



DNA personalization

Brands are using DNA testing to create hyper-personalized products and experiences. In beauty, UK-based GeneU offers DNA testing from its store in London's Mayfair, creating personalized skincare regimes.

UK-based fitness consultancy DNAFit uses cheek swabs to offer detailed analysis of whether an individual should focus on cutting fat, sugar, dairy or other food groups from their diet. "By analyzing the relationship between genes, nutrition and lifestyle our gene tests provide a valuable tool for you to manage your health and wellness," says British personal trainer Matt Roberts, who has introduced DNAFit for his clients.

"The time for personalized health is now," says Avi Lasarow, CEO of DNAFit. "A foreseeable development would be personalized food products targeted to genetic flavor biases. For example Coca-Cola would have a DNA version that is targeted to individual tastes," with different versions for people whose genes influence perceptions of sweet and bitter flavors differently.

LIFESTYLE

To explore how DNA personalization might shape experiences in the future, Bompas & Parr created PharmaCafé, an installation at the Museum of Future of Government Services project in Dubai. Food artists Sam Bompas and Harry Parr treated visitors to neutraceutical ayurvedic-inspired drinks, peppermint and ginger mists, and herbal drinks based on their DNA, analyzed by a scan at the entrance to PharmaCafé. While the DNA-based elements were conceptual, many observers agree that future healthcare will be more informed by the DNA of each individual.

Why it's interesting: With the rise of services such as 23andMe, which was recently approved by the US Food and Drug Administration to offer personalized DNA testing for certain health conditions, consumers are being presented with more tools to explore their personal genetic make-up and biology. Consumer expectations are rising as DNA tailoring takes personalization to the next level.



02

New modular living

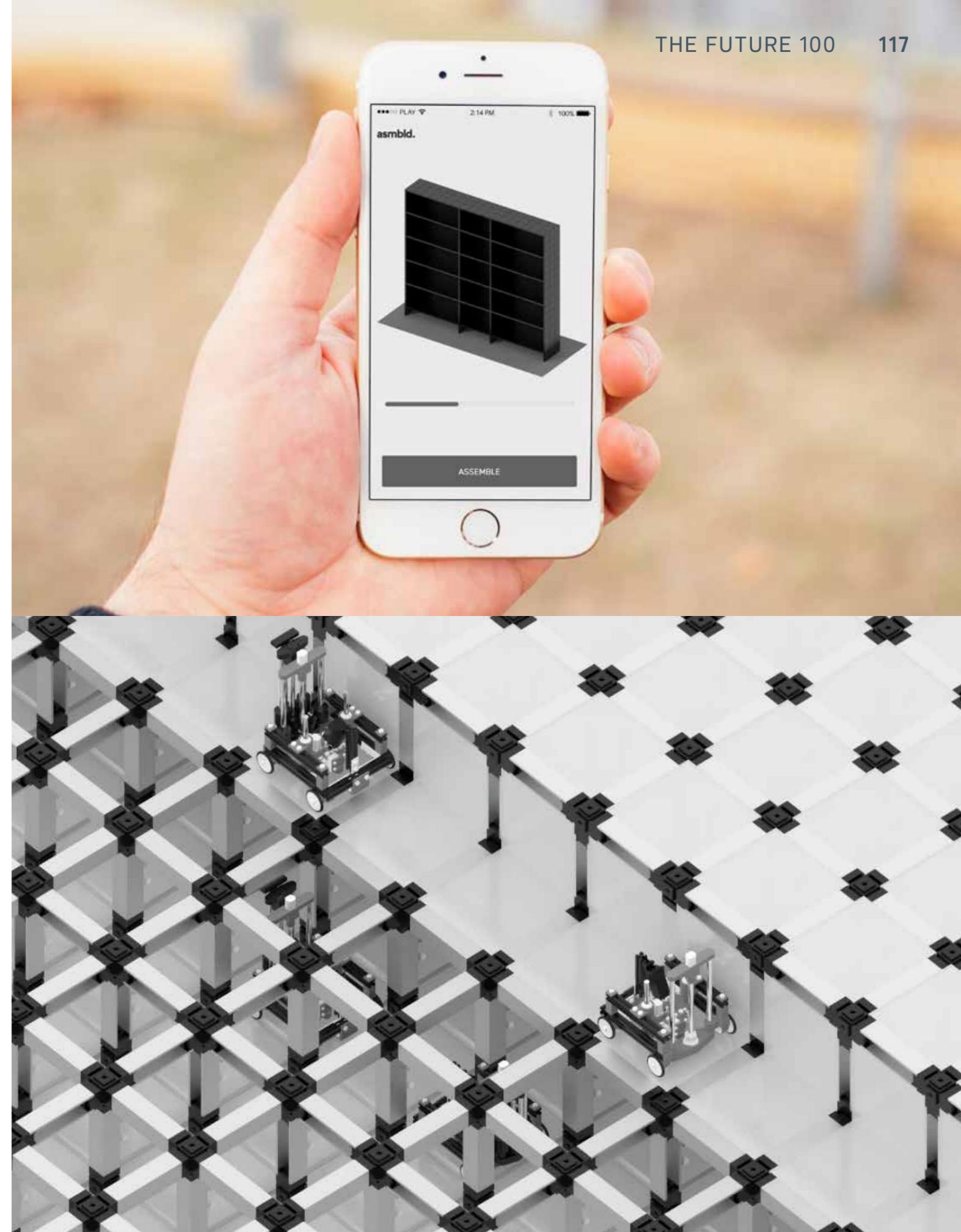
Increasing pressure on urban space and the rise of single-person living mean that urban planners are turning to modular constructions to solve housing demand. According to recent research from the Furman Center, 33% of households in New York City are single-person dwellings, as are 37% in Chicago, and 45% in Washington, DC.

The end of 2015 sees the completion of My Micro NY, New York City's first prefabricated modular micro apartment complex, located in Manhattan. UK-based Hivehaus sells hexagonal modular living units that customers can assemble and customize for as little as \$75,000 for three units. The units currently require a specialist to install them but Hivehaus is developing a way for customers to have full installation control. The trend is even reaching hospitality: accommodations on the remote Norwegian island of Manshausen have multifunctional features, such as walls that can be transformed into tables.



New York-based construction robotics company asmbld. has revealed its latest research project, Dom Indoors. The project allows clients to customize a room on their phone; dedicated robots can configure and reconfigure the room within minutes using modular elements. The process is similar to the Minecraft game, except this is for real-life, 3D environments. For example, a space used as a meeting room could be transformed into a living room within minutes.

Why it's interesting: Living is becoming much more flexible, even in the smallest of spaces. Urban dwellers are seeking spaces that can be adjusted to their personal needs, rather than having to adjust their needs to a given space. Realtors and urban planners will soon need to match the modular approach for homes and businesses in order to meet expectations.



05

Grow-with-you toys

In November 2015, Mattel began selling Hello Barbie, described by the company as the “first fashion doll that can have a two-way conversation with girls.” Featuring speech-recognition technology and a wifi connection, the doll is programmed with more than 8,000 dialogue lines and 20 interactive games.

The CogniToys startup has gone even further, creating a dinosaur that uses speech recognition to carry on conversations with kids, tapping into IBM’s Watson machine-learning service. The toy can respond to a child’s vocabulary, interest and other traits, evolving along with the child.

Why it’s interesting: As artificial intelligence becomes cheaper and more sophisticated, it’s reaching into a growing array of internet-connected devices. Not all consumers are comfortable with this, but attitudes are evolving quickly.



04

Cannabis culture

Public opinion on cannabis is reaching a tipping point: 74% of US millennials surveyed by SONAR™, J. Walter Thompson's proprietary research unit, say they believe that within a decade, marijuana will be as socially acceptable as alcohol. The drug is already legal for recreational use in US four states, and full legalization for medical use seems inevitable.

"Cannabis is the only product that we put into our bodies that isn't branded or professionally packaged," said Brendan Kennedy, CEO of investment company Privateer Holdings, at Web Summit 2015. "It will eventually be more of a branded landscape." Arcview Market Research reports that the legal cannabis business grew 74% from 2013 to 2014, reaching an estimated \$2.7 billion, and could reach \$36.8 billion if marijuana were to be legalized nationwide.

Pot is also in the midst of a visual rebranding. Marijuana startups such as Dixie Elixirs are taking cues from specialty food and prestige beauty products, designing sleek and childproof bottles for beverages infused with THC, the active chemical found in cannabis. The House of Smart, a new drugs boutique in The Netherlands, breaks with the stoner aesthetic entirely with its futuristic, minimalist design inspired by the neural pathways of the brain.

Why it's interesting: Cannabis represents a growing market that is not only legal in many cases, but also no longer subject to social taboos.



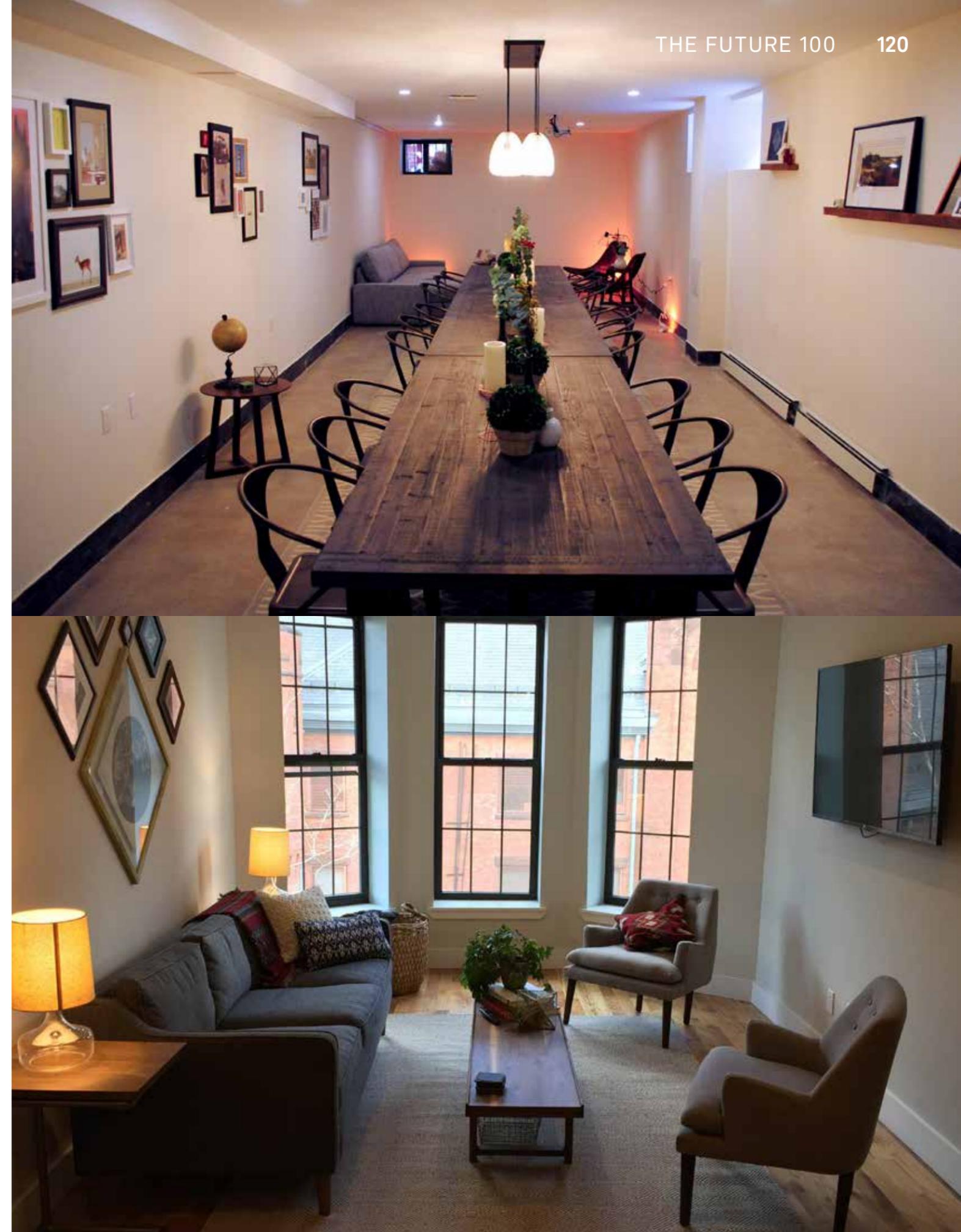
05

Co-living convergence

Co-working spaces have multiplied across the world in the past decade as self-employment, entrepreneurialism and flexible contract working have grown. Residential housing, however, has failed to adapt to more flexible working lives. This is now changing, with the arrival of co-living.

Common is a co-living space that opened in the Crown Heights neighborhood of Brooklyn in October 2015, offering furnished bedrooms, shared common space such as a co-working area and dining hall, and a sense of community often lacking among new arrivals to New York. Co-working behemoth WeWork is introducing a co-living concept, unsurprisingly called WeLive, and expects it to produce more than \$600 million in revenue in just three years.

Why it's interesting: As rents become unsustainable for the young and striving in many major cities, co-living spaces could offer an alternative to lengthy commutes and cramped micro-apartments.





Gamethletes

The phenomenal rise of online gaming is giving rise to a new career path: professional virtual gamer, with virtual gamethletes commanding celebrity salaries. As we charted in our Generation Z study in 2015, virtual eSports gaming as an industry has become a global phenomenon among 12- to 19-year-olds.

One of the most popular games is League of Legends, a multi-player online battle arena game. The world championship final was played in South Korea last year, in the stadium built for the 2002 FIFA World Cup. While 40,000 people watched live in the stadium, 27 million people around the world tuned into the event via live-streaming sites. To put that in perspective, an average of just 14 million Americans watched last year's baseball World Series.



James Luo, 17, from Blackpool in the UK, plays Hearthstone, a card-based strategy game set in the Warcraft universe. Luo, who is known as Greensheep and is one of the best players in the world, compares it to poker or chess. “You need really analytical thinking and a logical brain,” he says. Last year he signed with Team Dignitas. Like a traditional sports club, the team pays him a salary, covers his costs and arranges sponsorship deals (including one with Intel). In six months of play, he has already traveled to California to compete in front of thousands of people, and has earned \$10,000. Future earnings could be 10 times that.

Why it’s interesting: Generation Z and the user-generated content revolution are creating lucrative new landscapes for reaching consumers, and with that come new celebrities, professions and ambassadors.

Brands are already recognizing the power of YouTubers—hit video bloggers such as Michelle Phan and, in the UK, Zoella—as a means to reach young consumers. Now, online gaming is becoming a lucrative channel.

07 Responsibility redux

Blame it on the global financial crisis. A gap has been identified in the behavior of children, teenagers and millennials: The ability to behave with financial responsibility. A new wave of initiatives aims to educate millennials in responsible finance management, from saving to credit management.

Aiming at freewheeling millennials in the US, MassMutual Financial Group, in collaboration with design consultancy Ideo, has created the Society of Grownups, a “masters program for adulthood” where young people can gather for wine, coffee and financial advice. The Boston space hosts regular expert talks on money, careers and debt management.

The Dollarmites Club, a new initiative by the Commonwealth Bank in Australia, teaches children about saving and payment systems in the digital age, building on the bank's 50-year heritage of providing children's savings passbook accounts. A New Zealand-based initiative by ASB similarly encourages children to save. Geared for the digital age, it features an elephant-shaped cashless money box called Clever Kash.

Why it's interesting: The combination of student debt growth, the global economic crisis, and a system of banking and payments which is increasingly digital, have left younger generations out of touch with financial management. Now banks and consultancies are seeing both a need to educate them, and an opportunity in doing so.





Simulated adulthood

Children are being given more opportunities to simulate adult life early, whether in the form of early CV-building camps or just-for-fun excursions. In the UK, kids are being offered training in TV presenting at locations including Pinewood Studios and Dreamcatcher Media.

The theme park KidZania, which allows kids to try out adult jobs and earn credits that can be spent on items in the park, is expanding in India, China, Russia and the United States. In Dubai, KidZania challenges kids to a simulated reality show competition called Zurvivor, featuring a series of physical and mental problem-solving challenges.

Why it's interesting: If generation Z is showing its ambition early, the next generation appears even more precocious. Say goodbye to the rustic cabins of yesteryear, as the summer camps of the future feature more career-oriented experiences at earlier and earlier ages.





Lifestyle beers

Tapping into the changing desires of young male consumers, beer brands are softening their images and diversifying into lifestyle categories, from premium grooming collections to clothing.

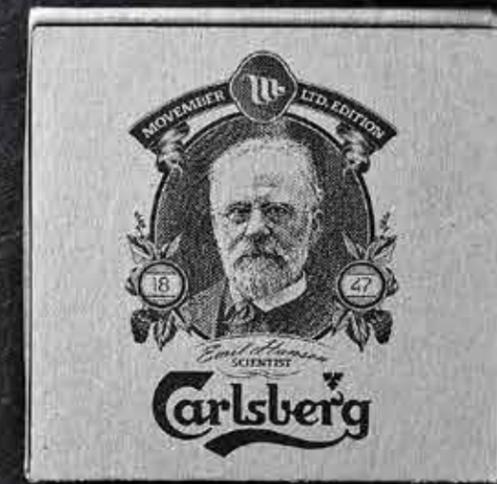
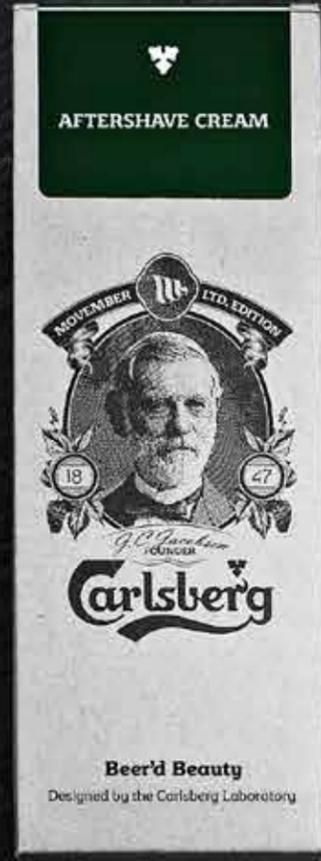
Carlsberg of Denmark, the world's fourth largest brewer, has recently launched a new grooming range which, resonating with its well-known beer tagline, it describes as "probably the best men's grooming in the world."

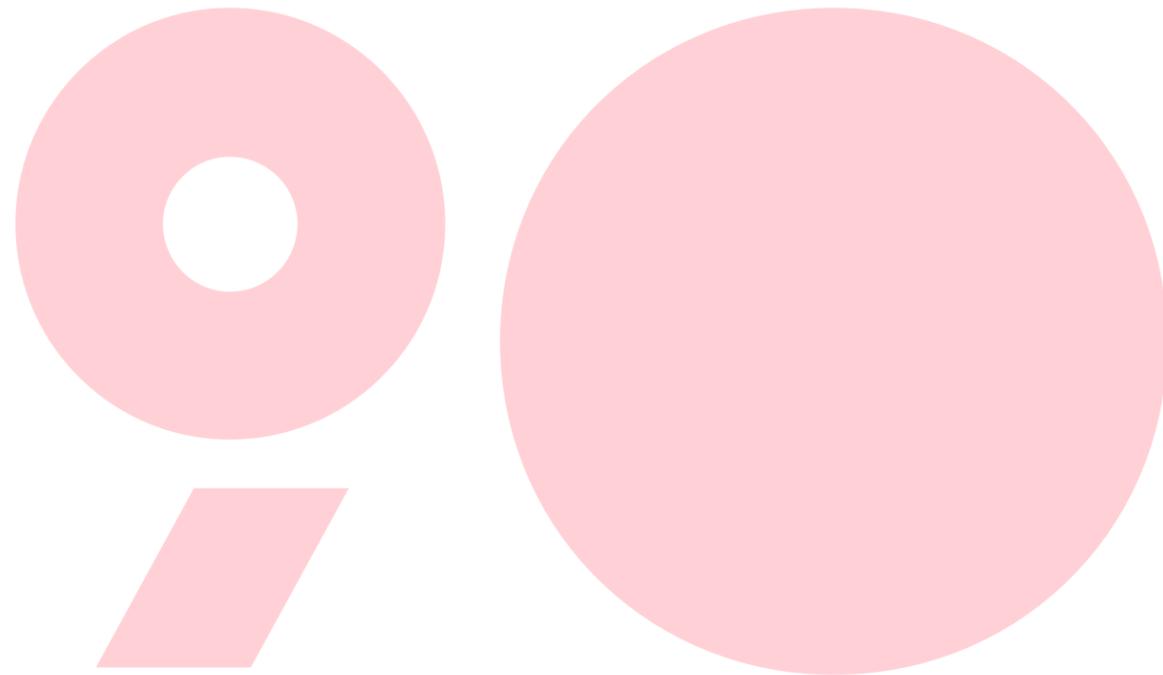
The range includes body lotion and shower gel in green packaging, again reflecting the brand's existing packaging for its beer. The move might seem unusual but in interviews Carlsberg has said the range was based on insight: 67% of Carlsberg drinkers in the UK told the brand they were prepared to buy grooming products containing beer, and 62% of men who use hand and body lotion use their girlfriend's or wife's.

At around the same time, Dutch brewer Heineken collaborated with hip sports brand Kith NYC on a capsule streetwear line of hoodies, t-shirts, and jogger pants, produced as part of its #Heineken100 program. Miller High Life is also jumping in, with a capsule collection of menswear made up of six pieces inspired by its vintage advertisements, including pocket t-shirts, riding pants, denim trucker jackets and shooting blazers.

Why it's interesting: Whether these endeavors succeed or not, they indicate a general broadening of male consumer interests. They reflect a landscape in which grooming, hip street fashion, and love of beer can co-exist.

This is also the latest example of how beer and mass-market soda brands are taking a braver approach to product pivots, moving into sectors they might not have previously considered. Pepsi, for example, has recently invested in Project Cobalt, a new under-the-radar fashion line with minimal Pepsi branding, and has invested in other fashion collections.





Pink and blue for all

When Target announced in August 2015 that it would remove gender-based signs in its stores for toys, home and entertainment products, the retailer said in a statement that it didn't want shoppers to feel "frustrated or limited by the way things were presented."

In 2015 the Disney Store similarly removed gender designations on Halloween costumes. Activist groups such as the UK campaign Let Toys Be Toys have been pointing out the potential harm of gender-designated toys for years, but the message finally seems to have sunk in for retailers. We'll wait to see whether this message begins to apply across the board; not just to retail layouts and design but also to products themselves. As UC Davis sociology lecturer Elizabeth V. Sweet told the *New York Times*, "the pink aisle is still really pink, because the products in the pink aisle are still really pink."

Why it's interesting: Generation Z holds progressive views on gender—the Innovation Group's survey of 12- to 19-year-olds found 81% say it doesn't define a person as much as it used to. If much of present-day gendered product messaging seems antiquated to this group, it will seem even more so to their younger siblings.

LUXURY 91-100

91

Extreme dining

The latest dining experiences to entice luxury consumers are extreme and about accessing remote, rare and theatrical settings amid the wonders of nature.



The popular Netflix documentary series Chef's Table recently introduced viewers to the far-flung kitchen of Francis Mallmann, who cooks for much of the year on an island in a Patagonian lake.

His cooking style, featuring pristine local ingredients that are scorched just so, is the perfect pairing for the area's rugged scenery. Earlier this year, pop-up restaurant Raw:Almond was built over a frozen river in Winnipeg, Canada, claiming to be the first ever outdoor fine-dining restaurant on a frozen body of water. And in June 2015, architecture firm Herzog & de Meuron completed a restaurant on top of Switzerland's Chäserrugg mountain.

In the same month, Maldives luxury resort Per Aquum Niyama revealed Nest, a multilevel treehouse restaurant. Diners are whisked into the heart of the Dhaalu Atoll jungle, then asked to climb spiral staircases 20 feet up into the banyan trees to reach open-air dining pods. The clamber is worth it when dishes such as Australian wagyu, Hokkaido scallops, and Maldivian coral lobster await your arrival.

Why it's interesting: These remote settings emphasize the unique journey to the venue, inspiring diners by immersing them in a memorable experience that requires intense participation.

02

Hyper-personalized dining experiences

As luxury experiences become more elaborate, chefs are upping their game, adding personalized details to create more memorable dining experiences.

Honolulu-based restaurant-within-a-restaurant Table One has chef Vikram Garg call his guest a week in advance to discuss and prepare their personalized meal. Garg recalls one guest recounting an oyster po'boy eaten at an Irish bar in Portland. Garg then used all the information to reinterpret that experience.

UK chef Heston Blumenthal's newly reopened Fat Duck restaurant takes personalization to the next level. Diners are asked to submit information about themselves during the booking, allowing The Fat Duck to build diner profiles and tailor the meal to individual experiences. The menu is a map of the diner's journey, which revolves around childhood feelings of adventure, discovery and curiosity. This may be the reason why the diner will not know what dish awaits them until they begin the journey.

Why it's interesting: "Eating is a multisensory experience: what you touch, what you hear, what you smell and what you feel, who you are with all have an effect," says Blumenthal. He triggers nostalgia to create a memorable dining journey and adds a personalized touch so the diner will walk away with lifelong memories of an experience tailored for them.

95

Masstige lifestyle apps

Luxury services previously available only to the wealthy are becoming accessible to a broader base of professional consumers thanks to a proliferation of apps that make them affordable.

As more and more investors put their tech dollars into on-demand services, the butlers, maids, cooks and drivers that in a previous era staffed the Downton Abbeys of the world can now be summoned at the touch of a button to serve the needs of the urban upper-middle classes.

In San Francisco, where this movement has made the greatest inroads, on-demand valet parking assistants now roam the streets in either blue jackets (signifying they work for the Luxe app) or yellow jackets (Zirx). Luxe, which has raised over \$25 million in venture-capital funding, now operates in nine major US cities, while rival Zirx is in seven. Additional expansion is likely in 2016.

Why it's interesting: With a growing proportion of consumers at the upper end of the income spectrum now accustomed to being waited on hand and foot, brands need to navigate a world in which expectations of service and convenience are higher than ever.



94 Professional FOMO enhancers

Ubiquitous smartphone cameras and all those endless Facebook albums were supposed to put professional vacation photographers out of business. But as people go to ever more extreme lengths to optimize their vacations for social media sharing, the professional travel photographer is back.

The Flytographer app connects travelers with professional photographers in dozens of destinations throughout the world. These photographers go beyond taking memorable images by also offering insider tips about the destination, and maybe even directing tourists to the most stunning backdrops. Fairmont Hotels & Resorts has partnered with Flytographer at more than 35 of its properties to offer guests special access to the service.

“Hiring a professional photographer for a shoot while traveling doesn't mean guests won't continue to take photos with their phones, it just means that they will be able to take home stunning photos of their time with us in addition to what they might capture themselves,” FRHI Hotels & Resorts representative Kaitlynn Furse told Luxury Daily.

Why it's interesting: Visually sophisticated consumers see high-end lifestyle imagery every day on social channels, and want a chance to replicate it when they're in luxury settings. Brands should make this easier for them.



95

Scents of discovery

The world of fragrance is undergoing a creative revolution aimed at enticing luxury fragrance connoisseurs. Offers include multisensory experiences; conceptual films and installations; unusual, confrontational and storytelling scents; and ultra-luxury varieties. Meanwhile, fragrance is increasingly being used as an artistic canvas to convey emotion and moments in time.

Hermès launched its first standalone perfumery in Manhattan in 2015, offering its full range of fragrances and toiletries in an environment designed like a sleek, opulent home with a sculptural garden area and different rooms to “zone” the product ranges. There’s also a fragrance library stocking all collections, which offers customizing services such as monograms.



London-based perfumer Lyn Harris has launched Perfumer H, a perfumery with an on-site fragrance laboratory. Displayed in an interior designed by architectural designer and salvager Retrouvius, Perfumer H fragrances come in hand-blown colored glass bottles, which can be personalized with the customer's initials. There's also a bespoke service for customers requiring something tailored to their own preferences.

Fragrance is being aligned with time, space, philosophy, fleeting moments and emotion: Los Angeles-based fragrance brand Régime des Fleurs claims to translate classical mythology and postmodernism into scent. It also references contemporary art, 1980s Memphis and baroque interiors. Icelandic artist and perfumer Andrea Maack tries to visualize the raw landscape of her homeland as fragrance, creating scents with names such as Ion, Coal and Birch.

Fashion photographer Nick Knight recently completed a conceptual art film for Comme des Garçons, designed to evoke the brand's new fragrance, Floriental. Andrew Cinnamon and Charlie Stackhouse, the partners behind the Manhattan-based creative agency Cinnamon Projects, have also recently pushed the boundaries further, creating an exploration of fragrance, time and memory in a range of scents. "Our scents reflect our attempt to distill and translate image into an ephemeral, sensorial format," Cinnamon told *Wallpaper** magazine. "We discovered different hours had incredibly distinct patterns of color, texture and, especially, subject matter."

Why it's interesting: Fragrance is being elevated in the eyes of consumers to become more than a treat for gift-giving season. It's becoming a credible, intellectual, luxury investment and one in which creators are pushing the boundaries. The artisanal perfume market share rose by 35% for the year ending December 2014, according to NPD Group. Meanwhile, luxury groups are focusing on elevating their fragrance offering as a credible indulgence, and one that goes beyond the celebrity endorsements of recent years.



96 Consolidated Luxury

After adding countless secondary lines and sub-brands, luxury fashion brands are consolidating their output into streamlined, single-brand collections.



Burberry has announced it is bringing all its sub-brands—Prorsum, Brit, and London—under a single umbrella. Marc Jacobs recently announced that the brand is bringing Marc by Marc Jacobs into its main line, and Victoria Beckham has also recently combined her VVB and denim brands.

“The behavior of the luxury customer is evolving, their style is more fluid and this is reflected in the way they shop,” Burberry CEO Christopher Bailey said in a press statement. “The changes we are making allow us to serve this new behavior more intuitively. By unifying our three lines under one label we can also offer a much more consistent experience of Burberry’s collections.”

Why it’s interesting: Accessibly priced collections by luxury brands grew rapidly during the boom years of the 2000s, allowing aspirational luxury customers to buy into the labels they loved. But as tastes have become more sophisticated, attempts to separate these sub-brands from designer mainlines have tarnished overall perceptions of quality. Meanwhile, consumers have become more confident with mixing designer and mass-market styles, as shoppers combine discount t-shirts with premium denim, designer one-off handbags, and diamond encrusted watches. By bringing all their collections under one roof, brands can capture this impulse, while also controlling the experience.

97

Culinary brands

Leading brands are investing in pastry stores, restaurants and private members clubs, tapping into the growing appetite among luxury consumers for gourmet experiences.



Ralph Lauren launched a branded coffee shop in its New York flagship towards the end of 2014, and has since opened a restaurant next door and, more recently, a lavish members-only club in Milan. Prada bought Milan's venerable Pasticceria Marchesi in 2014, and has recently expanded the business by opening a glossy new outpost among the high-end fashion stores on Via Montenapoleone.

Caffè Cova, another of the city's leading pastry shops, was bought by LVMH in 2014, and iconic coffeehouse Sant Ambroeus—around the corner on Corso Matteotti—has been called out by the *New York Times* as the next possible luxury-brand target. Andrea Guerra, Luxottica's former chief executive, took on the role of executive president of the Italian food emporium Eataly in October 2015.

Why it's interesting: Experiential luxury remains a hot source of growth within the luxury world. While sales of bags and shoes slow down, spending on exotic travel, spas and fine dining continues to grow. Experiential luxury accounts for 55% of the luxury market and is growing 50% faster than spending on goods, according to Boston Consulting Group.



98 Experiential thought leadership

Amid a landscape of predictable conferences, a new clutch of high-end thought-leadership events is incorporating elements of luxury travel, including far-flung destinations, high-energy experiences and curated itineraries that invite guests to sit back and enjoy the ride without worrying about the details.

They also tend to be extremely selective, a strategy that creates an aura of luxury around them. These new events focus on experiences and the insightful conversations and serendipitous insights they inspire. Surf Summit, part of Web Summit, takes a select group of executives to locations on the coast of Ireland with an experiential program designed to drive a meeting of minds and revelations.

Futuro, an experiential, invitation-only summit to be held in Ibiza in 2016, is organized not around specific talks or panels, but around themes such as “energize (body),” “enlighten (mind),” and “elevate (soul).” In June 2015, Startup Extreme brought tech founders and investors together to mingle in Voss, the “extreme sports capital of Norway,” where they engaged in intensive outdoor activities such as skydiving and glacier skiing, as well as a program of thought leadership talks. Watch this space.

Why it’s interesting: Thought leadership is taking on more varied forms as people seek to improve themselves and to integrate networking into their leisure activities. With that in mind, innovators are trying to differentiate, moving beyond standard formats to methods and platforms that will provide talking points and stimulate innovation.

Surf Summit 2015





Luxury hackathons

Although “geek chic” has become a buzz phrase, luxury brands haven’t typically directed public attention to the nitty-gritty, back-end technology that powers their businesses in e-commerce and so much else.

But as the tech-savvy outsider becomes an almost romantic cultural figure (see actor Rami Malek’s recent performance in the acclaimed USA Network drama *Mr Robot*), the time is ripe for disruption in the relationship between luxury brands and developers.

September 2015 saw the first hackathon to be sponsored by a major luxury brand. Louis Vuitton brought together 58 developers from a pool of 400 applicants at its headquarters in Asnières, France, giving them the opportunity to analyze 1,000 gigabytes of information and use their knowhow to solve problems for the organization. The winners were given €8,000 and a trip to San Francisco, while the luxury house acquired a new perspective on its internal challenges and a PR boost to its innovation credentials.

Why it’s interesting: While annual events such as the Rhizome Seven on Seven conference already bring together artists and tech developers, the relationship between luxury brands and developers has rarely been explored. With the cultural status of the technology industry higher than ever, expect to see more events and one-off collaborations between technologists and luxury brands.



The hot 10

The BRIC nations—Brazil, Russia, India and China—have provided the luxury market with ample growth over the past years, but are starting to cool, making way for a new wave of rapidly ascending markets with fresh millionaire and billionaire fodder. Economists are getting excited about 10 new places, predicting that the next growth spurt will happen in Peru, Colombia, Ethiopia, Zambia, Kenya, Tanzania, Bangladesh, the Philippines, Sri Lanka and Indonesia.

Why it's interesting: These markets are growing rapidly from small bases, creating fresh pockets of wealth around their capital cities. They'll provide new challenges in the post-BRIC era as brands try to understand cultural nuances in this wide array of destinations.



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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New Google Headquarters designed by Heatherwick Studio and Bjarke Ingels Group

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