

cue

QUARTERLY MAGAZINE FROM 1HQ



02

Tomorrow's world—a growing population...



7.6
billion
in 2018

8.6
billion
in 2030

9.8
billion
in 2050

11.2
billion
in 2100

Contributors



Guy Hepplewhite

**CREATIVE COMMUNICATIONS
PLANNING DIRECTOR**

An award-winning, integrated communications planner with over 25 years working across small, medium and large agencies including two that he either founded or co-founded. Guy's passion lies in showing how ideas, fuelled by genuine insight, should be allowed to flourish across a wide range of communications channels with absolute creative consistency, impact and relevance.

Carolina Barsa

CLIENT DIRECTOR - USA

Carolina is an accomplished marketing leader with a passion for consumer insights, innovation, and creative strategy. With 17 years of professional experience, she offers a unique blend of skills and perspective to the clients she services. Carolina's diverse background includes brand management, working client side for global CPGs such as Mars and Danone, as well as a previous career as an engineer. Holding an MBA from Duke University with concentrations in Marketing and Social Entrepreneurship, she poses robust business acumen and a rigor for creative problem solving.



David Harding-Brown

**TECHNICAL DIRECTOR & HEAD
OF SUSTAINABILITY**

Hugely experienced Brand & Packaging professional with a solid background in delivering brand implementation on a global scale. Over 40 years experience in FMCG packaging, advertising, 3D structural and product design, 2D branding & graphics, and all aspects of printing and production across multiple media. David is a Fellow of IOM3, an accredited Packaging and Sustainability professional, and currently sits on several industry bodies tackling recycling and plastics innovation.

Tash Kershaw

SENIOR STRATEGIST

After moving over from client-side 7 years ago, Tash has been part of the 1HQ Strategy team ever since, specialising in innovation, trends, brand positioning and strategic consumer insight. An all-round passion for creative and meaningful branding, combined with a personal love of food, travel and adventure, a desire to unearth trends, an enthusiasm for the creation of new ideas and the buzz that comes with problem solving is what drives Tash to continually ask why...what next?



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What's The Future?



Colleen Merwick
SENIOR BRAND STRATEGIST

“THE FUTURE MAY NOT BE SO FUTURISTIC & CONSUMERS WILL BE EVEN MORE NICHE”

What is the future? Back to the Future told us in 2015 it was going to be about how technology revolutionised our lives – changed the way we consumed food (hydrating pizza), the type of clothing we wear (self-drying clothes and self-tying shoes), and how we get from A to B (flying cars and hover boards).

However, the future is not all futuristic, or technologically advanced, and quite possibly it may not be better – just different. Climate change is one macro-trend that we can no longer debate – it's here and it's happening now and it is only going to get worse as industries keep pushing forward to make money at the expense of the planet and our natural resources. If brands and consumers alike don't start course correcting now, our future may instead be about technology allowing us to keep our current way of living, but tweaking it so that it is more natural resource efficient – like washing our clothes without warm water or laundry detergent.

There are other numerous global macro trends besides climate change, that are simultaneously occurring, and will forever change our physical and human landscape.

Urbanisation is happening as you read this. Today, more than half of the world's population lives in towns or cities and these city dwellers are set to increase by 65 million/year reaching 5 billion by 2030 (McKinsey). This matters to:

THE PLANET – because cities consume 75% of the world's natural resources and account for 80% of global greenhouse gas emissions (United Nations 2015) and this is only set to rise.

PEOPLE – because urbanisation, combined with shrinking households, means that people will be living in smaller confined spaces in closer proximity.

RETAILERS – because many people may have no access to a car so they will be even more reliant on delivery services.

BRANDS – because people will have less disposable income and will be looking for even more ways for brands to make their lives easier.

PRODUCTS – because people will have less physical space to store things and they must be able to carry your product home easily.

Collaborative Economy Honeycomb Version 1.0

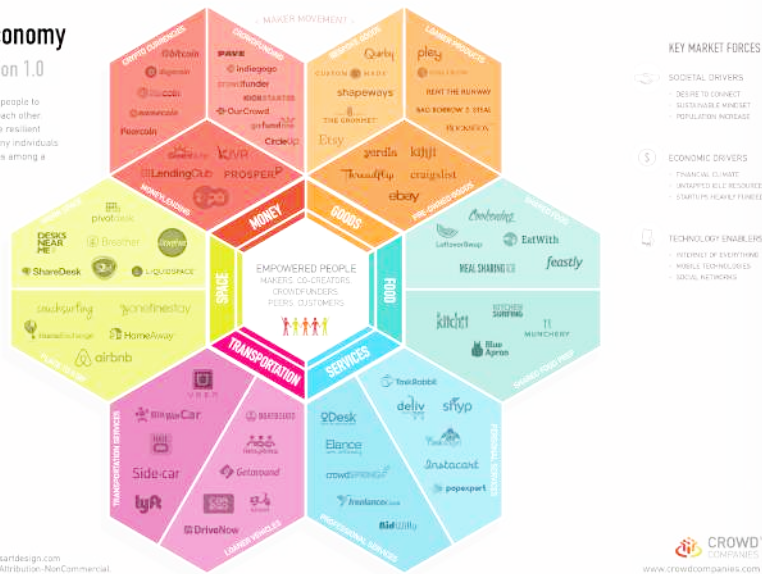
The Collaborative Economy enables people to efficiently get what they need from each other. Similarly, in nature, honeycombs are resilient structures that efficiently enable many individuals to access, share, and grow resources among a common group.

In this visual representation, this economy is organized into discrete families, sub-classes, and example companies. To access the full directory of 9000+ companies visit the Mesh Index at meshing.it/companies managed by Mesh Labs.

By Jeremiah Owyang
jeremiah@crowdcompanies.com
@Jowyang

With input from:
Nate Gorenflo (@ngorenflo),
Lisa Gansky (@lisinger),
Sharon Flishear (@sharonfl),
Mike Walsh (@mwalsh),
Brian Sato (@briansato),
Alexandra Samuel (@awsamuel),
and Victor Critical (@victorcritical)

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And this is exactly why the Share Economy is flourishing. Because it is built around the sharing of human and physical resources – both of which we need to utilise better for the greater good of mankind and the planet. The Share Economy, or Collaborative Economy, exists because it leverages big data and technology to bring people, stuff and resources together. And it isn't limited to Uber, Netflix and Air Bnb – it can be shared creation, production, distribution, trade or consumption of goods and services, across different categories: money, goods, food, services, transportation and space (see chart above).

The Share Economy is a product of many different drivers. Urbanisation and shrinking households are two examples driving the less is more lifestyle and causing many to rent and not own traditional stuff that many have grown accustomed to accumulating in the 80's and 90's like CD's and DVD's.

But there are other factors at play as well, catapulting the Share Economy like the importance of time. Time is the new luxury. As our lives become easier and more fluid with tech we feel busier than ever, constantly juggling work and family commitments leaving us less and less downtime to de-stress, relax, take a holiday or have a hobby. What this means is that when we do have to interact with a brand or a product our expectations of what that experience should deliver are changing. Brands and products that are in a higher involvement category need to make the time and cost worth the interaction via enhanced experiences and personalisation options. Those in low involvement categories need to make the interaction even simpler – to the point where thinking is almost taken out of the equation. For example, *Who Gives A Crap*, makes you feel good about buying their subscription toilet paper.

Consumers' expectations are changing regarding what is worth their time. This is paired with their increasing desire to buy brands and products that allow them to feel like they are part of the solution, not the problem, when it comes to climate change, natural resources, sustainability and social issues. However, consumers themselves are fragmenting further. No longer can we box people into neat demographics or consumer segmentation schemes. People's lives are increasingly blurred and messy. Millennials are extending parenting for their parents while simultaneously draining their savings. Many Millennials delay 'adulthood' till later in their 20's to early 30's, consequently forcing their parents to delay or eliminate their empty nest years. On top of these blurred life phases there are many of us who no longer operate with one modus operandi – instead we may have two.

Dad two weekends out of the month and bachelor the rest of the week, or vice versa. Additionally, traditional family roles are eroding as many more women are now the bread winners and men are stay at home Dad's.

These all may seem like trivial tweaks on the surface but they all have far greater reach and impact on brands and products as consumers will need to be even more specific about what, when and who they buy for. For example, a humble loaf of bread can even grow stale, as consumers of the future will need smaller formats to prevent food waste, have less money to spend, and will need smaller portion sizes to accommodate all their different family needs and preferences.

So, the future isn't all sleek and shiny. It will mainly be Darwinian survival for brands and products as shelf space will shrink, retailers may be obsolete and consumers want even more for themselves and the greater good.

OUR IMPACT TO DATE:

- 69,380 PEOPLE: Number of people we've provided sanitation access to through our subscription business.
- 12,071 TREES SAVED: The forests saved by our brand thanks to using our tree-free paper products.
- 29 MILLION LITRES: Amount of water we've saved by making our products using eco-friendly materials.
- 2,311 TONS: Greenhouse gas emissions reduced by making our products with recycled materials.

GOOD FOR YOUR BUM • GREAT FOR THE WORLD

who gives a crap

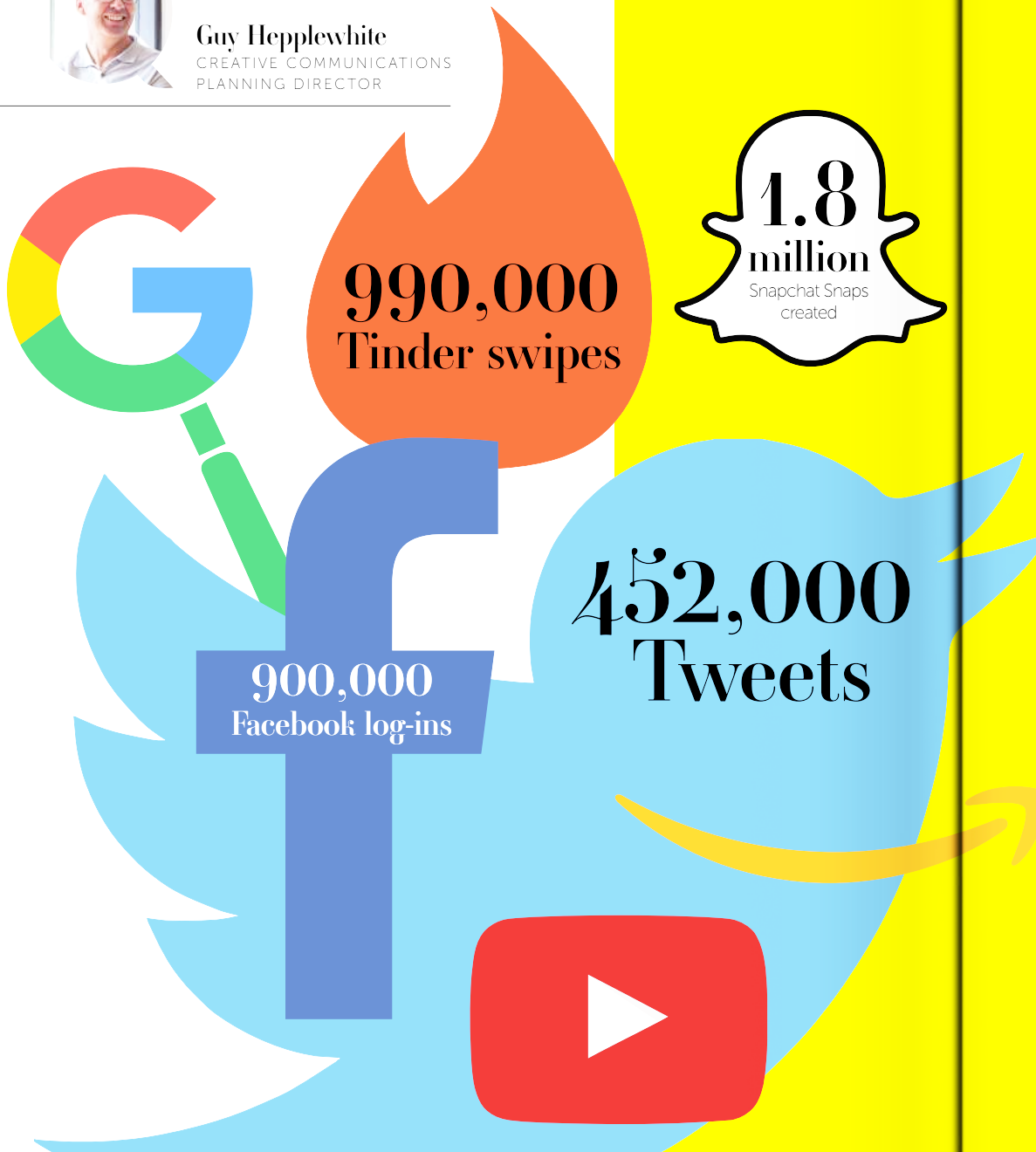
GOOD FOR PEOPLE
40% of the world's population doesn't have access to a toilet, and we think that's pretty crap. That's why we donate 30% of our profits to help build toilets for those in need.

GOOD FOR THE EARTH
Tree-free is the way to be. That's why we use only 100% recycled paper fibres, bamboo or sugarcane in our products. It's also better, carbon-negative and tree. These are better for hogging than they are for helping anyway.

GOOD FOR YOUR BUM...
And the rest of you. Super soft and super strong, our products are as good for you as they are for your toilet. We make all of our products without any dyes, chemicals, or scents, so worry not!



Guy Hepplewhite
CREATIVE COMMUNICATIONS
PLANNING DIRECTOR



Retail Wtf?

452,000 Tweets. 900,000 Facebook log-ins. 990,000 Tinder swipes. 1.8m Snapchat Snaps created. Over 70,000 hours watched on Netflix. 3.5m Google search queries. 4.1m YouTube videos viewed. 75 Amazon Echo voice-first devices shipped. And over £750k spent online. So what?

Well, all of the above have happened in the internet minute it's taken you to read to here. And they'll keep on happening, just faster and faster; more and more.

That's astonishing in its own right. Now consider the fact that none of the channels and brands I've detailed in that opening para existed at the start of this century just 17 years ago. And that's without mentioning the likes of Instagram, the Cloud, Uber, Skype, AirBnB, Deliveroo, JustEat, Tesla, Google Earth, NFC, the Human Genome Project, the seedless watermelon – the list goes on. The point I'm making is that predicting the future has never been easy – just ask Robert Zemeckis and Bob Gale, the writers of Back to the Future. And, if the speed of change is truly exponential, then predicting the future will only ever get harder to achieve.

Oh well, nothing like taking a jump out of today's frying pan and into the fire of the future...

What follows is a brief journey covering just four developments that I believe will impact the world of retail and the way we'll go about buying and shopping (they're fundamentally different but more of that later). It's not a definitive list. How could it be without reference to the rise of a cashless society, the inevitable growth of personalisation, curation and customisation and the replacement of Millennials with so-called Gen Z as the predominant retail buying force of the future? We'll save those for a next time. Instead, this looks briefly at:

- ▶ SMART WILL ONLY GET SMARTER
- ▶ A NEWCONOMY OF COLLABORATION
- ▶ THE IMPORTANCE OF NOW
- ▶ THE SEARCH FOR SOUL

Smart will only get smarter

Firstly, the world will get smarter, digitally.

Machines will increasingly be at our service. They've already evolved from passive objects that require being told what to do, to digital assistants that know our needs before we do. Thanks to analytics and big data, machines are already increasingly able to develop a very good idea of what the shopper wants, bringing us one step closer to Space Odyssey's all-seeing, all-knowing HAL 9000.

Predictive service will help consumers to navigate the sea of content they're presented with, whilst AI, VR and IoT all offer the opportunity to better anticipate shoppers' next purchases. Automation of cars, homes and work tasks will continue to lighten our load to allow time to focus on our lives. We've created robotic tools that can perform tasks large and small, cumbersome or repetitive, more precisely and efficiently than we ever can. Whoever knew that, somewhat frighteningly, 24% of all global tweets are created by... bots.

In Hong Kong, convenience store chain Lawson and Panasonic are working together to test a staff-less checkout. Meet Reji Robo. At the checkout, shoppers place their basket in a designated area of the cashier table. A 5-way barcode reader scans every product's barcode and almost immediately displays the total cost of the purchases. Following payment, the basket slides down through a hole in the cashier table and the machine packs the purchased items in a bag automatically,

all of which is designed to help alleviate staff shortages and reduce peak-time congestion.

Research published by WorldPay in June suggests that biometrics will inevitably play a big part in tomorrow's retail world with nearly half (49%) of shoppers saying they would like to pay for purchases in the future using fingerprint, palm, iris or facial scanners.

And, if further proof were needed, Alibaba – the fastest growing business within the world's most valuable companies (Forbes 2017) – have just committed to investing **£12bn** in their DAMO Academy (or 'Discovery, Adventure, Momentum & Outlook') and, in particular, in the creation of six R&D labs around the world over the next three years. The scope of research to be conducted in these facilities is broad, focusing on both "foundational and disruptive technology". This will include areas like the IoT and data analysis, as well as artificial intelligence, machine learning, security technologies and even quantum computing. And, just in case anyone was in any doubt as to the scale of Alibaba's ambitions, this research will be key for the company in reaching its goal of serving 2bn customers and creating 100 million new jobs – yes, 100 million new jobs – by 2036.

But, not everyone welcomes a smarter shopping world. Sure, just under 60% of US consumers indicated a positive attitude towards the idea of having their grocer suggest a shopping list for their approval based on their purchase history,



social and environmental data. But, for those thinking a smarter shopping world is a slam dunk, it's worth pointing out just over half of those same respondents felt that having a grocer automatically charge and ship items based on that data would be invasive...! No-one said you can always have your cake and eat it.

The retail world will also get **smarter, physically**. With consumers now expecting a seamless shopping experience across an increasing range of connected devices and outlets in which immediacy and convenience are table stakes, we'll see the traditional UK high street condense, converge and shrink. Take Habitat, for instance. Going back just five years, who would have thought that they'd co-exist with, and become an occupant within, of all things, Sainsbury's stores?

We'll see physical spaces shrink too. Big brands won't need the same kind of space they once had and online brands will invest in establishing physical presences to showcase branded and private - label products

Temporary pop-up stores, with retailers and manufacturers moving around to roadshow products, will be widespread and integral to the retail experience rather than an opportunistic use of vacant space.

In a world of crashing vertical sectors, desire for in-store experiences and destinations, the old rules are broken and new rules are being created at an unrivalled pace. The adoption of in-store AR and online catalogues for extended aisles are already blossoming phenomena. Online retailers such as Made.com, Amazon Books and The Idle Man are popping up on the high street to offer "experience" and "try before you buy". Brands such as Made by Google are delivering "experiences" in shopping centres and on the high street – it's becoming much more about blending digital and physical experiences into one and delivering omni-channel experiences at every opportunity and point of brand experience.

The world of retail will move from an online vs. physical distinction to one that's determined by the distinction between experience and fulfillment, between the digital buying experience (let's face it, no-one ever said that shopping on Amazon was a truly memorable and emotionally captivating experience) and the shopping experience that can be fulfilled by harnessing the senses in the physical world. It's the so-called bifurcation of retail.

We're in a world that's becoming increasingly phygital where only those brands that recognize the importance of embracing this bifurcation and seamlessly connecting both worlds will flourish. >>>



► A newconomy of collaboration

Retailers are, and will continue, to form business partnerships that support better shopper experience, by combining services that can leverage strengths to deliver more values and fulfil more of their shoppers' needs.

Companies may be able to deliver optimal experience to shoppers on their own, but they'll find that they can play even better with others.

These partnerships will contribute to building a larger service ecosystem in which businesses team up with players from across the consumer journey to create a truly flexible network able to serve both B2C and B2B markets.

It might even be a way to spark innovation. A collaborative economy is a trend that will continue to take over the market, creating a newconomy of collaboration through peer-based systems.

By combining services that may seem distinct, but which are somehow connected to form a larger system, shoppers and consumers will get to benefit from added value without having to go to multiple sources. In the US, Under Armour has partnered with Residence Inn to create custom,

two-mile runs at each of its locations across the globe. And in the UK, the days of standing in line to get your hands on your favourite burger and fries appear to be numbered with McDonalds having just recently partnered with UberEats to bring its own new home delivery service – aka the cunningly named McDelivery – to London, Leeds & Nottingham.

By creating an entirely new level of convenience and ease to perfectly reflect Millennial desires, Airbnb and Uber allow incredibly specific transactions focusing on arbitrary goods and services, and allow consumers to double as suppliers. Still White allows brides worldwide to pass on their dress they wore on their big day to soon-to-be brides-to-be. The same applies to B2B. As an example, Cargomatic is connecting shippers in the US with licensed carriers to revolutionise local trucking.

Sharing, rather than owning, is key in that it creates a collaborative economy that empowers consumers to take control. Tomorrow's good services will be verbs whilst the bad services will be nouns. The most compelling retailers will become a 'way' for consumers to buy instead of merely provide a destination for them to buy from. >>>



► The importance of NOW

We no longer function within the constraints of time and space. Shoppers can now get (and expect to be able to get) what they want, when and how they want it. The shopper's experience is no longer a linear narrative happening at specific touchpoints but a flexible journey, offering freedom and customisation. Value is now placed in buying time, rather than goods. Make time for your family? How about buying time for your family? The proliferation of on-demand services has brought the immediacy of now to the customers' experiences. Mastering space and time allows customers to choose what they want... and forget about the rest.

According to Euromonitor, 70% of affluent Indians aged 18-35 agree that luxury related to how much free time one enjoyed, rather than an individual's purchasing power.

Millennials' demand for instant gratification is driving/being driven by a 'one click, swipe or poke mentality'. Even when ordering online they crave immediacy. Millennials are twice as likely to pick up online groceries on the same day as purchase, whilst almost half of them will pay higher for same day delivery.

As the concept of waiting becomes a distant memory, attention spans will deteriorate. So, from a commercial perspective, goods and services will

increasingly need to be instantly available. We've moved from 5-day to 3- to 1- to same-day delivery, from charged to free. How could free, same-day delivery be improved upon? What might lie ahead?

Perhaps not for the first (or last time), it looks like it'll be Amazon that gets to that answer first. According to Future Laboratory's Victoria Buchanan:

"The idea of pre-emptive retail is gaining traction and Amazon is already planning for this. Anticipatory shopping using data and analytics could send something to you before you've ordered it – if they crack it, you could get your product before you knew you needed it."

And that's not all. If you don't need what they think you need, you'll be able to send it straight back (probably by return drone) and Amazon will then credit you with an online cash reward as their way of saying sorry for the inconvenience and, well, having got it wrong.

The connected shopper will shape the future of retail. >>>

70%

of affluent Indians aged 18-35 agree that luxury related to how much free time one enjoyed, rather than an individual's purchasing power.

Source: Euromonitor

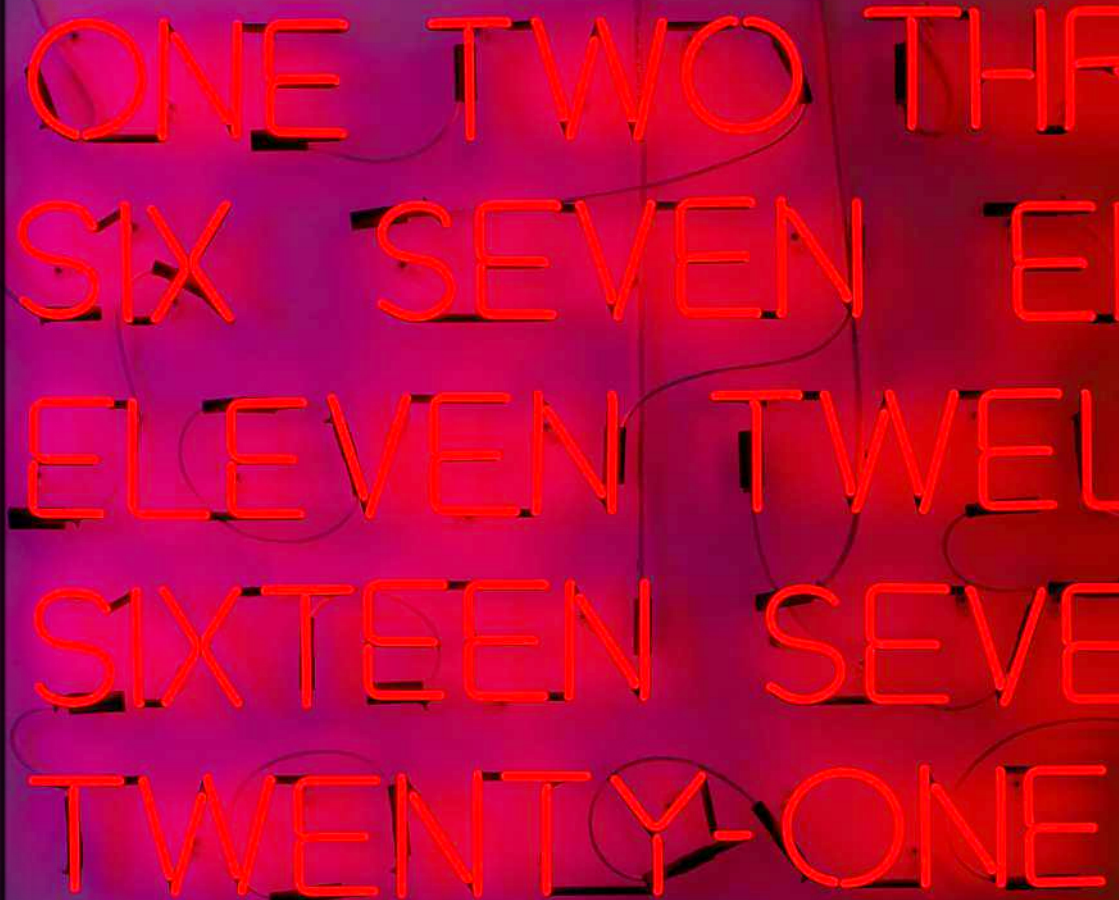


Photo by Karolina Szczur on Unsplash

► The search for soul

People don't buy what brands make; they buy what brands make happen for them and, increasingly for Millennials, what brands make happen around them. As a result, the rules of the marketing 'beauty pageant' have changed. Today, brands can no longer rely on good looks alone; they need depth and soul too. Above all, they're influenced by a higher-order 'purpose' that engages their hearts, as well as their heads.

Too many brands mistake novelty and distraction for differentiation. It's an approach that's very difficult to sustain. Sure, it may bring in the first sale, but novelty quickly wears off, and the brand must resort to increasingly impressive spectacle to keep people interested. There's an easy way around this though: by focusing on how your brand makes people's lives better, or how it makes the world a better place, you stand a much greater chance of keeping people coming back for more.

According to Unilever's CEO, Paul Polman:

"Our 'Sustainable Living' brands are becoming increasingly important to our business, with these brands growing more than 50% faster than the rest of the business and accounting for 60% of growth in 2016."

Brands will increasingly need to enable. The success of brands like Toms, Method, Deliciously Ella, Thinx, Rubies

and Bakeys and of retailers such as Warby Parker and Original Unipackit shows that the opportunity to weave local, social or environmental purpose into the fabric of a brand – sometimes quite literally – holds huge appeal. As does the ability to bring people together through common goals. Companies will increasingly become enabling platforms for groups of people dedicated to good causes. Because doing good feels good.

So, to conclude (at last, I hear you say), I believe that for those brands wishing to flourish in the future, they'll need to:

- RETHINK THE CUSTOMER JOURNEY
- SET THE MACHINES IN MOTION
- INNOVATE ALONG THE VALUE CHAIN
- COLLABORATE
- EXPLORE A NEW DEFINITION OF CURRENCY
- MOBILISE. EVERYTHING
- MAKE BETTER THINGS – AND MAKE THINGS BETTER
- GET PHYGITAL (SEAMLESSLY CONNECT THEIR DIGITAL AND PHYSICAL WORLDS)

In the words of Nina Simone, 'It's a new dawn, it's a new day'. But only those brands that recognize the value of, and that seamlessly connect, their digital and physical worlds will be left 'feeling good' about the exciting, scary, challenging, connected times that lie ahead.



TIME TO LET YOURSELF GROW



Carolina Barsa
CLIENT DIRECTOR

The future client/ agency model

As "the new norm" is redefined by the hour, the approach to brand marketing is in a constant state of transition. The catalyst of this change is the foundational shift in how consumers are engaging with brands. Consumers demand brands that have purpose, tell a compelling story, and take them on a journey. Brands must be able to establish relevance to reach, attract, and engage authentically.

Leading global brands are taking note and adjusting their corporate marketing strategy from the top. Recently Keith Weed, CMO at Unilever, unveiled plans to shift from their traditional approach to a new 5C framework (Consumers, Connect, Content, Community, and Commerce). In this fast-paced industry, we would be remiss to think that how "empowered consumers" interact with brands will not continue to evolve.

Consumers are demanding more from brands, and in turn marketers are demanding more from their agency partners. The reality of today's market is that brand managers have to deliver bigger and better with less time and smaller budgets. More importantly, they have to compete for share of mind in an increasingly complex and fragmented media and commerce environment.

Such pressure transcends to their partners, forcing agencies to get clever in how they can deliver value, maintain brilliant strategy, and develop beautiful creative. Marketers and their agency partners are already developing new ways of working to keep up, but as we plan for tomorrow, we need to consider One Hard Question – what does the client / agency relationship look like in the future?

TO REMAIN COMPETITIVE AND PERTINENT, AGENCIES MUST ACHIEVE THREE KEY CAPABILITIES:

no 1 BECOME CONSULTANTS OF VALUE THROUGH HYBRID MODELS, MERGING STRATEGY AND DESIGN TO DELIVER INSIGHT BASED SOLUTIONS.

no 2 REMAIN ABREAST TO WHAT IS RELEVANT FOR TODAY WHILE FUTURE PROOFING FOR TOMORROW.

no 3 BUILD A STRONG TEAM THAT CREATES PARTNERSHIPS FOUNDED ON INTEGRITY AND COLLABORATION.



Consultants of value

The hybrid trend is not just for cars. While the first rule of strategy is that you can't be all things to all people, agencies have to find the balance of using both sides of the brain! To win, they must deliver insight, business analytics, and data-driven strategy in parallel to the emotionally charged creativity that taps into the human subconscious.

This demand of "systems-empathy" convergence is evident in the recent trend of large consulting firms acquiring advertising agencies and building dedicated capabilities for creative services and content marketing. These consultancies are gaining a strong foothold in the marketing service industry, with the big four (Accenture, PwC, IBM

and Deloitte) accounting for over \$13.2B revenue¹. However, in today's economy, marketers have to be more resourceful with their budgets and are cognisant of the premium costs and hierarchy associated with these big-name firms.

Agencies of the future need to be nimble and entrepreneurial, with the flexibility to customise the strategy and creative services to a client's budget while remaining commercially viable. Successful creative agencies have long recognised this and continue to develop competencies that enable them to deliver across the breadth and depth of demands. This has been a key success driver for 1HQ.

¹: Ad Age Datacenter analysis of 2016 worldwide revenue.



Vision for future proofing

Business models are drastically changing to keep up with the new platforms and channels where consumers interact with brands. In addition to offering a blended approach of strategy and creative, agencies need to leverage the new technologies that are constantly emerging.

Media consumption is moving away from mass general messaging in traditional channels to customised real-time content in social and digital platforms. To future proof brands, it is critical to become immersed in what is culturally relevant and agile enough to develop marketing content that opens an ongoing dialogue with consumers to create a memorable experience.

All communication needs to have a consistent cohesive voice across all touchpoints. Agencies need the technical knowledge to navigate the ever-changing digital world and ensure SEO/E-commerce strategies are considered upfront, not as an afterthought.

By tapping into the metrics and data from this ongoing relationship, we can extrapolate the patterns, need states, and mindset that drives consumer choices. Agencies like 1HQ that actively listen to consumers can better leverage the study of semiotics and ethnography to ensure brands not only stay in tune with what consumers seek, but also project out those needs before they are realised.



World class client servicing

Just as authenticity is critical for brands to establish trust and build brand love, that same transparency is at the heart of building indispensable relationships between clients and agencies. Agencies must become integrated with their brand teams while showcasing true thought leadership and providing brand guardianship. This takes constant dedication, letting go of any ego, until the relationship transcends to unequivocal trust.

With content marketing in the driver's seat, many CPG / FMCG giants are bringing their marketing services in-house. This includes the likes of PepsiCo (launching Creators League) and Unilever (launching U-Studio and U-Entertainment). While these

in-house models serve a purpose, they are not the sole solution to support all marketing needs. To succeed, agency partners need to be immersed in the brand's DNA, ascertain the client's needs, and demonstrate innovative thinking to address business objectives.

With the lines blurring between what was traditionally "strategy" vs "creative", all agency partners need to be equipped with the experience and skills of both a generalist and specialist. Agencies that have both client service and creative teams able to translate between the strategic brief and design will be best set up to provide real-time guidance to win in the ever-changing saturated marketing environment. >>>

together we create

SO, WHAT DOES THE SUCCESSFUL
CLIENT/AGENCY RELATIONSHIP
OF THE FUTURE LOOK LIKE?

Global brands will continue to rely on agencies that can provide a unique perspective, diversity and breadth of knowledge, and strong collaboration. Agencies that can successfully balance all three capabilities to deliver holistic solutions will demonstrate that the value they bring to any relationship cannot be easily commoditized. The key to this is to curate the right expertise and knowledge within an agency that can prove day after day the indispensable value of inspiring strategic insight through a creative lens.





Time to cut out the plastic?



David Harding-Brown

TECHNICAL DIRECTOR & HEAD OF SUSTAINABILITY

Why have we got plastic in our oceans? How did it get there? Not me guv. I only bought the product - wrapped in plastic to keep it nice and fresh - then chucked the wrapper in the bin afterwards. 'Somebody' should have sorted it afterwards. My single wrapper can't have made that much difference? – not a big problem in isolation, but together with the waste from 7.6 billion others, the figures have become mind-boggling.

We produce almost 300m tonnes of plastic every year, half of which is for single use. More than 12.7m tonnes of plastic is dumped in our

oceans every year¹. The US & UK is responsible for throwing away 550m plastic straws every day². Worldwide, over 1 trillion plastic bags are discarded every year³. Over 2 billion disposable razors are thrown away in the US every year⁴. The 5 great ocean 'gyres', or plastic garbage patches, are reckoned to contain some 5 trillion pieces of plastic, of various types and sources. And so it goes on.

The One Hard Question here is simple - how can we change this? A good start would be to tackle the source of the littering – the consumer. Plastic doesn't throw itself away.

But if humans find it difficult to understand that plastic litter really isn't 'someone else's problem', then maybe we do have to stop the consumer using the plastic in the first place?

That's why the recent call for 'plastic-free aisles' in supermarkets makes such interesting reading. This initiative, led by the environmental activist organisation 'A Plastic Planet', is lobbying supermarkets to create plastic-free aisles in every store, and the indications are that the movement is gaining some traction. This organisation recently commissioned a survey from Populus⁵ that claims 91% of

British adults supported the concept of dedicated aisles free from plastic packaging. And according to recent newspaper reports⁹, even such highly regarded industry figures as Andy Clarke, ex-CEO of Asda, have concluded that banning plastic entirely from supermarket aisles – including Asda – is the only solution to solving the problem of plastic waste. Although many industry voices have distanced themselves from this radical approach, it certainly prompts debate. >>>

TOTAL MASSES FOR SAME FUNCTIONAL UNITS

PLASTICS 18.4
million
t / a

► x3.6

ALTERNATIVE MATERIALS

66
million
t / a

ENERGY CONSUMPTION IN TOTAL LIFE-CYCLE

PLASTICS 1010
million
GJ / a

► x2.2

ALTERNATIVE MATERIALS

2250
million
GJ / a

GHG EMISSIONS IN TOTAL LIFE-CYCLE

PLASTICS 36.6
million
t / a

► x2.7

ALTERNATIVE MATERIALS

97.4
million
t / a

However, let's first rewind back to the reason we use packaging in the first place. Every Packaging Technologist knows that it's there to 'protect, preserve and contain the product inside it'. Food waste is a significantly bigger environmental threat than packaging waste – around 15x the environmental impacts of used packaging – yet around 1.3m billion tonnes of food is thrown out every year, that's around **a third of all food produced**. And the greenhouse gas footprint of this waste is bigger than every single country, except China and the US⁶. Packaging is there to protect and avoid this waste as much as possible. In developing countries that don't have advanced packaging programs, this results in substantial amounts of food never even reaching it onto the plate, around 50%. Plastic can extend the shelf life of fresh vegetables by 3-4 times.

So rather than plastic packaging being chosen just to annoy and irritate the consumer, plastic does have a tangible value in a balanced approach to substrate choice. The call to develop 'plastic-free aisles' is admirable if it results in greater awareness of the issues facing littering and the desecration of our oceans, but this campaign offers no alternatives; delivering liquid products to the consumer in cardboard is going to be tricky. If we simply delete plastic as an option for most packaging, either we have to replace it with viable alternatives that tick all the environmental boxes, or we stop consumers buying too much food and wasting it.

And while the Populus survey was commissioned by 'A Plastic Planet', it's easy to find another survey outlined in Plastics Europe⁷ that calculates the impact on overall greenhouse gas emissions and energy waste caused by using available alternatives in a plastic-free packaging world – this suggests a figure of around 270% in the total life cycle.

Both studies were of course independent. But while we don't want to be kicking this particular 'GHG emissions' can into the Ocean, I suspect that the 2000 adults in the Populus survey may have been kept in the dark about just kicking this can down the road? A narrow focus survey about plastics in packaging has produced a very selective opinion where

consumers are tired of plastic, and want to live in a world that's plastic-free, especially in the oceans. And if it could be done, then it would certainly be an attractive idea deserving support from many people, me included. Banning plastics that provide a useful role in preventing food waste without introducing a sensible alternative is an easy win in PR terms, but in reality it solves one problem and creates another.

If part of this survey also asked whether those questioned were also ready to accept increased GHG emissions as part of the alternative, I suspect the responses would have told a different story. Plastic littering is just part of this 'buy, use, chuck' consumer model we've tolerated up to now, and until the Circular Economy model gains enough momentum to be fully adopted by mature and emerging economies alike, the problem will persist. Until materials innovation accelerates enough to provide us with viable alternatives to plastics, and in sufficient volumes – in either mineral-based materials or bioplastics – then whether we like it or not, we have to regard this substrate as a resource rather than a nuisance.

For the future, the desire for plastics innovation will inevitably be driven by the finances involved. Some 32% of plastic packaging escapes collection systems, with 95% of plastic packaging material value, or US 80–120 billion annually, being lost to the economy⁸. Recent initiatives have seen Ocean recovered plastics being used in varying amounts (20–50%) in combination with post-consumer recycle PET, but we simply haven't yet assembled the infrastructure to provide a regular quantity and supply of clean, graded plastics suitable for this use that will guarantee supply chain security for the brand owner in anything other than limited-edition events, around 200k bottles. Just to put that in context, Coca Cola alone produces some 100 billion single-use plastic bottles annually. However, the direction of travel is encouraging. Where manufacturers were committed to using only virgin plastic raw material, many are now promising to become fully-recycled only by 2020, despite virgin material currently being cheaper. >>>



The PR and emotional issues surrounding Ocean plastics is proving to hold enormous shock value for environmental and sustainability champions, and the revelations around microbeads, ocean gyres and wildlife deaths may well soon be recognised as the defining moment in consumer realisation of just how bad this problem has become. It's suddenly become personal, and very ugly. Although discarded plastic packaging is a substantial part of the issue, it only exists to satisfy consumer demand, and there lies the real power to drive change.

Manufacturers and packaging designers can only develop solutions from one end of the supply chain, and tangible innovation also needs to be driven by demand. Reducing GHG emissions, solving the horror of Ocean plastics, and slashing the amount of food wasted in every country will take a more concerted effort on a global scale than simply creating a plastic-free aisle in supermarkets in the most developed economies in the world – it requires a major change in consumer behaviour, respect for the planet and determination to succeed. We need to do good, rather than do less harm. Edible plastic, anyone?

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Sources:

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- 4: <https://groundswell.org>
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- 6: UNFAO
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What's going on?

Stay inspired and up to date...let's innovate

LONDON, ROTTERDAM, NEW YORK

London

no 1

THE FUTURE STARTS HERE

12 MAY-4 NOV - V&A, BROMPTON

Explore the power of design in shaping the world of tomorrow at the V&A museum. With a collection of over 100 objects, including ground breaking medical research, smart appliances and internet culture, this exhibition maps a future of possibilities.

no 2

OPEN INNOVATION SUMMIT

25-26 APR - ETC.VENUES ST PAUL'S

Sustaining disruptive innovation for an improved consumer experience. Best practices and applications in open innovation from Europe's leaders in innovation.

no 3

GLOBAL INNOVATION FORUM
2018: BE MORE HUMAN

14-15 NOV - ETC.VENUES FENCHURCH

A forum bringing together innovators, entrepreneurs and inventors to discuss the latest trends in innovation, design, creativity, R&D and new product development.

Rotterdam

no 4

VENTURE CAFÉ

EVERY THURSDAY 16:30 - 20:00

MAR - APR

Meet other innovators and entrepreneurs every Thursday at Venture Café, where a different theme every month ensures a diverse conversation. March is dedicated to #GotTalent, covering the future of 21st century skills whilst April's events are themed around #GetGrowing, helping to future-proof your business.

New York

no 5

TECHSPO

10-11 MAY - MARRIOTT HOTEL

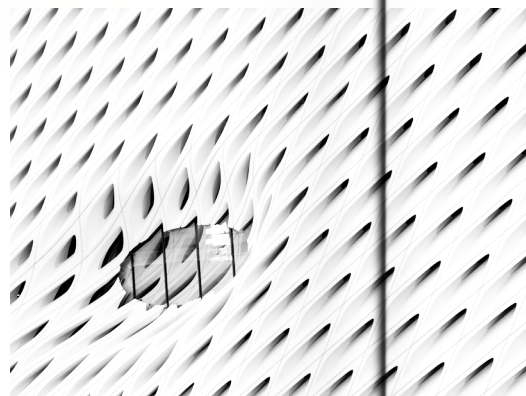
Join the designers, innovators and evangelists who are setting the pace in our advanced world of technology. This 2-day expo will showcase the next generation of innovation through inspiring events and product interaction.

no 6

FUTURE FESTIVAL

16-17 MAY - NEW YORK

This New York Business Conference combines the best of trend research with their proven innovation strategies. Join New York's top innovators as they unlock new trends & opportunities. 85% rate Future Festival as the "best business event they've ever attended".



If you remember just 3 things...



Tash Kershaw
SENIOR STRATEGIST

The 1HQ Strategy team have been busy touring the continent, bringing to life what we believe are the top insights that must be remembered when making any brand or business decision over the coming months (and years!). These are macro-trends and cultural shifts we have identified, and they are affecting the way our consumers think, behave and ultimately shop and consume.

This feature highlights 3 of our mega-trends but we are constantly discovering and exploring new megatrends and would love to collaborate to see how these can benefit your business. Get in touch with our strategy team or visit our website for more information.

- ▶ STORY-TELLING & PURPOSE
- ▶ INVOLVE ME
- ▶ HEALTH & WELLBEING – THE NEW STATUS SYMBOL

nº 1

STORY-TELLING & PURPOSE

Brands will increasingly require a sense of purpose: a reason for existing that is useful, meaningful and relevant. This purpose then needs to be lived, breathed and communicated across all brand touchpoints in order to be delivered with authenticity and conviction.

Stories are a powerful tool in human communication. Research indicates that the human brain responds to the descriptive power of stories in deeply affecting ways, influencing both the sensory and motor cortex. Alongside this, we see trust and transparency in product ingredients as being top factors when making a purchase decision. This combination of factors is proof why brands need to tell their story with conviction.

Why the shift? Consumers have been burned before by brands who over promised and under delivered. The standard marketing playbook (in which the goal is to separate the consumer and their money as quickly as possible) is no longer effective. This resistance is reflected in the palpable shift in popular storytelling over the last 25 years.

Sustainability does not necessarily have to be part of your story-telling or brand purpose,

but if it fits, it is definitely worth considering. With the US president openly discounting climate change, this highly visible U-turn in global leadership has left consumers looking to the corporate world for answers. 65% of consumers now believe that business is as responsible as government for driving social change and younger generations are increasingly keen to support brands that are socially conscious.

But remember to keep your story-telling concise and to the point. Research has shown that consumers have a shrinking attention span (from 12 seconds in the year 2000 to 8 seconds today – that's shorter than a goldfish which has 9 seconds!) Due to an expectation of instant gratification, Microsoft's CEO is quoted as saying "The true scarce commodity of the near future human attention." With this in mind, remember that images are increasingly impactful. We can only take in 30% of messages around us, so make it easy. Remember, the average reading age of a UK adult is 14, so short form comms & images are the norm. >>>

no 2 INVOLVE ME

People are buying product experiences that create deeper, more personal and more emotional engagement as research proves that experiences are more rewarding than buying physical things. But as we operate in an industry where we do still need to sell physical things, what does this mean for us?

We know that an enjoyable in-store experience directly translates into more items bought. Brands that can offer a more meaningful experience will go a long way. Experiences form an increasingly important part of enjoyment, self-expression and social currency. In the world of food, sharing your food experiences online has become a critical part of social media sharing. It's easier for high-engagement brands to earn the consumer time and headspace to deliver immersive experiences. In food, craft and storytelling are key.

Single-person households are the most common type of household in the UK, and

will grow at a faster rate until 2039 and beyond. As the world feels more polarised and fragmenting households make it harder for people to spend time together, they will seek more meaningful connections that give them a sense of belonging. These connections are both face-to-face interactions, and a wider sense of being part of something important and communal. The role that brands can play in bringing people together will be important for those seeking to connect.

There is currently a 'Loneliness Epidemic' in Britain. Evidence suggests that loneliness increases the risk of premature death by about a third, but as it is so often hidden from sight, it is too easy to ignore. It has been said that "*young or old, loneliness doesn't discriminate*" – we are all at risk. It affects us both mentally (anxiety, stress, insomnia, depression) and physically (high blood pressure, strokes, diabetes). Lonely people will visit GPs more often and when admitted to hospital will stay longer and find it harder to recover afterwards.

no 3 HEALTH & WELLBEING – THE NEW STATUS SYMBOL

Understanding of health and wellbeing continues to increase as people are better informed and opinionated about their lifestyle, health and food. Your physical, mental and social health are connected to your diet and to one another. Improving one element can have a positive impact on the others.

Consumers say their #1 health concern is sugar and 36% are checking the label for sugar content. Stats on the health of UK consumers is concerning and government action will increase. Celebrity health advocates such as Joe Wicks, Deliciously Ella and Davina McCall are all encouraging their fans to avoid refined white sugars and with a sugar tax on its way, shoppers are looking for ways to satisfy their sweet tooth without compromising their diet. While 'clean' eating movements are driving new narratives in food, this combination makes it a very interesting time for processed food brands, especially just as the cancer-causing 'ultra-processed' food revolution study hits the news.

Maybe it's just perfect timing, but along with the increasing sugar concern, our palates are actually changing from very sweet to savoury. A global study conducted by Mintel revealed an increase of 18% in new savoury snack innovations in 2014/15. Creating less sugary foods doesn't have to be about swapping sugar for sweeteners, a flavour boost can be added in other ways e.g. spices and hero ingredients. Rosemary, Turmeric and Tamarind are appearing in chocolate and other usually sweet dishes as a spicy/savoury flavour alternative. Veggie yoghurts are tipped to become a huge new health food craze as consumers demand more low-sugar sweet treats.

Health is becoming more important, not just because of the greater threat of disease, but the opportunity to feel more energised and vibrant, a chance to improve your wellbeing, naturally. 38% of the population say they "actively take steps to improve my health regardless of whether I feel ill or not". Consumers are taking a more proactive approach rather than the reactive approach of the past. The wellbeing movement has become an increasingly-dominant social movement, a powerful sign of status, and, for many, a key pillar of personal identity.

Top 5's

FUTURE TECH MARVELS

nº 1

SPACEX'S BFR MEGAROCKET

The plan: land two cargo ships on Mars in 2022, and four more ships in 2024 of which two will be taking the first people to Mars. Elon Musk's vision is for each spaceship to carry up to 100 passengers and for the spacecraft, without the booster, to be used for super-fast point-to-point travel around the Earth.

nº 2

PROJECT VAHANA

Airbus has pioneered the next technological breakthrough in urban air mobility, showcasing a self-piloted vertical take-off and landing passenger aircraft. Designed to follow predetermined routes, only deviating to avoid collisions, this single-seater battery-powered aircraft will shape the future of urban airways.

nº 3

BATTLE OF THE SENSES

Introducing Looxid, a VR headset that seamlessly integrates eye tracking and brainwave sensors to apply insane Type-A level of perfection to virtual reality. Are you excited by the image you're faced with, bored or scared? By incorporating brain activity, Looxid could help guide in an age of analytics that makes even today's impressive web analytics look primitive.

nº 4

ATLAS, THE DYNAMIC HUMANOID

Boston Dynamics have developed a humanoid robot, Atlas, with a control system that coordinates arm, torso, and leg motions, achieving whole-body mobile manipulation. Stereo vision, range sensing and other sensors give Atlas the ability to manipulate objects in its environment and to travel on rough terrain.

nº 5

HAIL A DUBAI 'VOLOCOPTER'

This smart city just got smarter by working towards a way for commuters to beat UAE's notorious traffic jams. The 'VoloCopter', an autonomous air taxi with 18 rotors and fully autonomous control system, is essentially a scaled-up drone with two seats and 30 minutes of flying time.

Building brilliant brands One Hard Question at a time.

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For further information please contact:

MEDIA ENQUIRIES

Email: cue@1hqglobal.com

Call: +44 1753 624242

NEW BUSINESS ENQUIRIES

Email: sajag.patel@1hqglobal.com

Call: + 44 7826 554095

1HQGLOBAL.COM

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