

# **MOST CONTAGIOUS 2016**

Less truthful

Less unified

Less real

Less social

Fewer unicorns

# MOVEMENTS

Dear 2016,

I'm writing to let you know that you can go to hell. We were so hopeful of your potential, but you brought us nothing but calamity, division and despair. So, not to put too fine a point on it: get out, you obnoxious shit of a year.

We should have seen the signs early on when, just nine days after your arrival, you took David Bowie, then followed it up with 173 mass shootings in the US over the next 153 days.

And who were that country's citizens to look to for help? Faith in the police was strip-mined away in the wake of incident after incident of civilian shootings at the hands of those whose duty it was to serve and protect. And putting a truly modern twist on some of these horrific incidents, the fatal shooting by police of both Antonio Perkins in Chicago and Philando Castile in Minnesota were live streamed on Facebook, with the latter video rapidly amassing more than 5 million views.

The seemingly relentless shootings of black men and women by police sparked a series of Black Lives Matter protests – events that became deplorably common throughout the year: the first half of July alone saw 112 protests in 88 cities across the US. Meanwhile, the governor of North Carolina was forced to declare a state of emergency after two days of violent protests, instigated by the death of Keith Lamont Scott – the third black man killed by police in just one week.

Tragic loss of life wasn't confined to North America, however. Japan also saw its worst mass killing in decades in July, while Iraq suffered its worst bombing since the 2003 US-led invasion during the same month, leaving 250 dead at the hands of an Islamic State suicide bomber.

If such senseless loss of life left you with the impression that 2016 had dragged us to a level of Dante's Inferno, it was a sentiment shared by the police in Rio. A week before the 2016 Olympic Games, travellers arriving in the city's airport were greeted by off-duty officers with banners reading 'Welcome to Hell', as a protest against the late payment of salaries. During the previous month, Rio de Janeiro's governor, Francisco Dornelles, had warned that the state's 'public calamity' might lead to a 'total collapse' in public services.

Not that our Olympic hosts stood alone in a bleak economic climate. Their Latin American neighbour, Venezuela, faced a financial crisis that not only saw a 6,000% rise in petrol prices but also forced 35,000 Venezuelans to cross the border into Colombia over a 12-hour period in July simply to buy food. In the same month, Japan cut its GDP growth forecasts and introduced negative interest rates as a way to stimulate the economy while, in Europe, the IMF declared that Italy had 'two lost decades of growth'.

Meanwhile, Britain reeled in the wake of Brexit and its gloomy financial repercussions. Shortly after the result of the divisive vote was announced, Alex White, global research director at The Economist Intelligence Unit tweeted: 'We now expect the UK's public debt burden to reach 100% of GDP by 2018.' WPP's chairman, Sir Martin Sorrell, was equally bleak on the country's prospects, bluntly predicting: 'In the long term, Britain will suffer.'

Brexit itself – a vote to determine whether Britain should remain in the EU – was emblematic of a rising tide of separatist feeling across the globe. In March, European Council President Donald Tusk warned illegal immigrants, 'Do not come to Europe... Do not risk your lives and your money. It is all for nothing.' But 2016 produced no greater symbol of divisive thinking than Donald Trump – a man who took the Berlin Wall as a suggestion, rather than a warning, from history. His promise of a wall between the US and Mexico was his solution to Mexicans who were, in his view, 'bringing drugs. They're bringing crime. They're rapists.'

Such extreme xenophobia wasn't surprising from pussy-grabbin', body-shamin', violence-incitin', Gold-Star-family-attackin', Russian-hacker-encouragin', tax-return-retainin', Muslim-bannin', disabled-reporter-mockin', stand-in-Fifth-Avenue-and-shoot-someone-boastin' Donald. The president-elect of the 'United' States who told attendees at a February rally to 'knock the crap' out of any protesters. Not that Donald Trump ever made a claim he wasn't happy to deny. Independent fact-checker PolitiFact currently rates 70% of Trump's statements as either mostly false, false or 'pants on fire', while only a terrifyingly low 4% were

found to be true. Yet the unproven political amateur was miraculously chosen as the best person for the job – which makes some sense after a Pew Research Center report in October found 73% of Americans have 'not much' or 'no confidence' in elected officials.

The race for the White House saw a number of firsts, including leading Republicans publicly pledging to vote for the Democratic candidate, and brands such as Skittles and Tic Tac feeling compelled to release official statements distancing themselves from Trump. Even Donald's own brand smelled blood in the water, with the newest line of Trump Hotels rebranded Scion after bookings plunged during the year.

But bookings were one of the few things going down in 2016, with tempers and temperatures all on the rise. Eleven of the past 12 months set new monthly high-temperature records, causing the Arctic sea ice extent to drop to the fifth lowest level on record, according to NASA, and further causing sea levels to rise by a foot during 2016.

Tempting as it would be to blame rising temperatures on the overheated arrival of the Samsung Note 7, the real culprit was more traditional. Unlike Samsung's Q3 profits, which plummeted by 95%, global levels of CO<sub>2</sub> rose to a landmark 400ppm level for the first time in an estimated 3-5 million years, prompting the World Meteorological Organisation to state that we were unlikely to see levels drop again in our lifetimes.

And, although 2016 may be ending on a high, it's a record high of greenhouse gas concentrations that mark a new era of climate change.

So, taking all of that into account, dear 2016, I'd be grateful if you could charge up your new AirPods and take yourself off to play a nice long game of Pokémon Gofuckyourself. 🍷

Your sincerely,  
Alex Jenkins / Editor



# MACHINE LEARNING

## Moving AI into the mainstream

**H**e may only be 19 years old, but Joshua Browder has already built the world's first robot lawyer. His clever online tool, DoNotPay, allows anyone to appeal a parking ticket simply by entering some basic information and answering a series of questions. Already, the bot has overturned 160,000 fines, saving drivers more than \$4m.

Browder's invention – driven by the frustration of receiving 30 tickets in one year – is a good indication of just how democratised and pervasive artificial intelligence has now become. For years, tech companies have employed teams of data scientists and engineers to create advanced AI algorithms – like IBM's Watson, Google Search, Tesla's Autopilot system and Apple's voice assistant, Siri. But today these capabilities have become much more accessible. AI is now within reach of just about every person and company in the developed world – even an irate teenager with a backlog of parking fines.

### Picking up speed

Perhaps the most exciting area of development in 2016 has been machine learning. This is a subset of AI where algorithms create solutions by analysing past data and then 'learn' from it. It doesn't require companies to spend huge amounts of time and money on manual programming. Instead, algorithms teach themselves how to achieve complex tasks. No human knows how to program a self-driving car, for example, but huge leaps forward are being made by employing machine learning.



In Singapore, for instance, software company nuTonomy launched the world's first network of driverless taxis back in August. The public trial, which uses advanced machine learning algorithms to guide cars around the city's one-north business district, aims to stress-test capabilities before a full fleet hits the roads in 2018. The trial was closely followed by Uber, which piloted its machine learning-powered driverless car technology in Pittsburgh in September.

Most ambitious of all, perhaps, is Elon Musk's automotive brand, Tesla. The electric car manufacturer claimed in October that its machine learning algorithms are so advanced that – by the end of 2017 – one of its vehicles will drive itself from Los Angeles to New York with full autonomy (no driver whatsoever). The secret sauce behind this ambitious claim is, of course, data. The brand's Autopilot software has already clocked up 222 million miles, giving the machine learning algorithms a rich pool of information to analyse and then learn from.

### Money, meals & mayo

But while autonomous vehicles have stolen the headlines this year, machine learning has had a far more widespread impact. In the financial sector, an AI hedge fund called Aidyia launched in January. The system aims to predict how specific stocks will be priced many months in the future. 'The main criterion of success is a hedge fund that makes a huge amount of money,' Aidyia's founder Ben Goertzel told the BBC. 'But the AI will also be getting smarter and smarter, analysing more and more data and learning more and more, so a secondary measure of success is that our AI becomes even more brilliant.'

Miles away from the stock market, a small startup in Chile called The Not Company is using machine learning to reinvent what we eat. The five-person team has created an algorithm that can analyse any type of food on a molecular level to find and predict plant-based alternatives that taste the same, but are much healthier. So a perfectly concocted mixture of legumes, pumpkin seeds and pine flowers can actually be blended into a chocolate substitute. The company's first products – NotMayo, NotMilk, NotSausage and NotChocolate – rolled out to 140 stores earlier this year.

And in New York City, a delivery-only restaurant called Maple is using algorithms to effectively take over the running of its business. Machine learning now plots delivery routes, plans menus, forecasts how many ingredients to buy and tells the chefs what to cook and when. The system also knows exactly how long it takes to prepare each dish and which ones are likely to be popular at different times of the day, and during specific weather conditions. The company launched in April 2015, serving around 50 meals per hour at peak times. By February

2016, machine learning had helped increase that number to a record of 1,100.

Such is the ubiquity of this trend that even The White House is closely observing it. A sub-committee was established in May to 'monitor state-of-the-art advances in machine learning within the federal government, in the private sector and internationally'. And in October, the Executive Office of the President released a report – Preparing for the Future of Artificial Intelligence – in which the potential of machine learning to transform people's lives for the better was laid out.

'There is going to be a lot of progress in this area in the next few years because this, in

some ways, is the number one race that companies are in today,' said Pedro Domingos, the University of Washington's professor of computer science and engineering, in *Contagious* 48. 'I don't think it's an exaggeration to say that [machine learning] may be the greatest business opportunity of our time.'

In 2017, this technology will continue to move into the centre-ground, touching companies in all sectors rather than just being employed by the most innovative tech firms and startups in certain industries. Just as 'digital' moved from a siloed entity to an all-encompassing term, so too will machine learning start to have a sizeable impact on all parts of modern society. 

Patrick Jeffrey



## DeepMind's game-changer

In March this year, a supercomputer built by Google-owned DeepMind defeated a grandmaster at the ancient Chinese boardgame Go. The victory may seem like a trivial exhibition of the computer's power, but its significance sent shockwaves through the technology industry. Go is renowned as the world's most difficult game, with more possible permutations than atoms in the universe. Only two years earlier, *Wired* wrote that 'of all the world's deterministic perfect information games... Go is the only one in which computers don't stand a chance against humans'.

Since the victory, the computer program has turned its attention to more pressing issues – improving power efficiency by 15% in Google's data centres, for example. And DeepMind is also working with the UK's National Health Service to create an algorithm that can automatically differentiate between benign and cancerous tissues in the human body.

'The implications for this [Go] victory are, literally, game-changing, and the ultimate winner is humanity,' wrote Google's CEO, Sundar Pichai, in a letter to his staff. 'This is another important step toward creating artificial intelligence that can help us in everything from accomplishing our daily tasks and travels, to eventually tackling even bigger challenges like climate change and cancer diagnosis.'

In other words, it's just getting Go-ing.



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**W**hat do Pikachu, a bucket of Gatorade and the planet Mars have in common? This year, all of them helped to establish a new reality – one where artificially enhanced environments can be used to create relevant, shareable, innovative marketing. Increased adoption, awareness and expertise in the fields of augmented, virtual and mixed reality have opened up new creative possibilities – driving real results for the brands that use them.

### Augmenting the future

In July, Pokémon Go, a free augmented reality, location-based game, became a viral sensation, rocketing to the top of the App Store and netting 100 million downloads in less than a month. Brands clamoured to be a part of the AR-fuelled action – McDonald's announced it had partnered with the app to turn its 3,000 Japanese locations into PokeGyms (designated locations where users train or battle their Pokémon), resulting in a 27% sales spike.

2016 was also the year Snapchat announced it would abandon its lens store, instead letting users access the goofy augmented animations free of charge. As our addiction to rainbow vomit and computer-generated flower crowns escalated, brands started to experiment with sponsored AR lenses too (check out our boxout for more details about Taco Bell's Cinco de Mayo Snapchat celebration).

Brands also used AR to let people virtually sample their products. UK cosmetics brand Rimmel created Get the Look, an augmented reality app with which users scan any make-up look (from magazines, adverts or even from someone else's face) and superimpose that same look onto their own faces using their smartphone camera.

### Virtually together

Virtual reality continued to dominate the technology landscape in 2016. In March, Oculus Rift launched its highly anticipated headset to the public. In June, Google noted a 400% increase in global search interest in virtual reality compared with the previous year, and in July, a VR porn festival in Japan was shut down due to overcrowding.

Sex aside, brands found new ways to leverage the technology, taking it beyond the personal, insular experiences of 2015, instead designing virtual experiences that can be shared and enjoyed by several people simultaneously.

US engineering firm Lockheed Martin kitted out a yellow school bus with specially adapted windows that looked out onto a virtual Martian landscape to get children excited about space exploration. When the bus changed direction, the scenery shifted with the movement – so the kids felt as though they were driving on Mars without needing to don a headset.

Samsung, meanwhile, used its Gear VR headset to create a communal VR experience with Scottish rock group Biffy Clyro. The band created a temporary multi-storey structure called the Hypercube and used it as the backdrop for the video of the band's single *Flammable*. At selected UK music festivals, groups of up to 50 fans were able to enter the structure, strap on VR headsets and feel as though they were in the video right there with the band.

### Mixing it up

The release of Microsoft's HoloLens headset and the high-profile funding round of Florida-based startup Magic Leap focused industry attention on a new type of technology: mixed reality. Mixed reality overlays the real world with augmented reality content that is responsive to its environment, in real time.

Magic Leap has shrouded its future-facing technology in secrecy. The company (which counts *Lord of the Rings* director Peter Jackson and sci-fi novelist Neal Stephenson as members of its advisory board) is developing 'light field technology' that mimics the way sight works. This year, the enigmatic company raised \$793.5m in C-round financing, amounting to a whopping \$1.4bn in total funding from the likes of Alibaba, Google and Warner Bros.

Unlike Magic Leap, Microsoft has been quicker to bring mixed reality to market, unveiling the developer edition of its HoloLens headset in March. The computing giant partnered with brands to bring the tech to consumers – in May, US home improvement retailer Lowe's used the headset to let people visualise their remodel at scale. The brand also launched a digital storytelling platform, Actiongram, with which HoloLens owners can create mixed reality videos containing digital holograms. Users just pick characters (from zombies to dinosaurs and unicorns) and props from a gesture-controlled menu and drop them into their surroundings.

While mixed reality is still nascent, it has clear implications for the future of marketing – from the practical (remodelling advice) to the fanciful (user-generated content featuring a T-Rex, anyone?). As the tech trickles down from developers to consumers, we expect to see more brands adopting it, coming up with creative solutions for their customers.

### The new marketing reality

Rather than focusing only on the real world, marketers must now consider how they might use our artificially enhanced future for the benefit of their brands. Each of these technologies provides new avenues for creativity, which will only extend as they become ubiquitous. It's time to turn your sci-fi marketing fantasies into reality. ✨

Raakhi Chotai

**KEEPING  
IT REAL**

Boosting creativity  
with artificially  
enhanced  
environments



## Taco Bell Snapchat lens

To celebrate Cinco de Mayo in the US, Tex-Mex restaurant Taco Bell partnered with Snapchat to create a branded lens that let users turn their face into a giant taco shell. Ryan Rimsnider, Taco Bell's senior manager of social strategy, told us: 'The brief was about finding something that's contagious, something that drives playtime and makes people use it not just once, but multiple times. Ultimately, we were hoping this would be something they'd want to share and talk about... We didn't want it to feel like an ad because that wouldn't be right for the Snapchat community.'

The lens was viewed 224 million times in just one day, and is the top campaign in Snapchat's history.



# LESS SOCIAL, MORE MEDIA

## Tech companies make a splash in the media world

**E**arlier this year, Mark Zuckerberg felt compelled to deny that Facebook is more of a media company than a social one. 'We are a tech company, not a media company,' he declared at a university event in Rome, but the evidence points in the opposite direction.

Over the course of 2016, Facebook and, arguably, two of its biggest rivals, Twitter and Snapchat, have scooted into the territory usually reserved for media companies and TV channels, investing heavily in content curation, production and broadcast.

A 2016 Pew study found that 44% of Americans read or watch news on Facebook and, based on that single statistic, it's clear that Facebook is hosting a huge chunk of America's political conversation. This has led to a lot of scrutiny, especially regarding the platform's 'trending topics' feature, which displays need-to-know stories beside users' news feeds – and, until September this year, those stories were being picked by a human (definitely-not-at-all-editorial) team.

Even now that Facebook has replaced its human editors with algorithms, the content that appears on the platform is still being curated – much like, one could argue, a media company's output. As Mathew Ingram wrote in *Fortune*: 'In the wake of Facebook's recent changes to

its "trending topics" feature, the choices that are made via the algorithm are fundamentally editorial – what to show and what to hide... that's what news organisations used to do.'

And it's not just deciding what content gets featured, Facebook is also hiring content producers. According to *The Wall Street Journal*, Facebook is paying around 140 media outlets and celebrities to make bespoke video content for its platform, with all the contracts adding up to more than \$150m. On top of that, it's also paying others to livestream, pushing it further into media channel territory.

Twitter also upped its livestreaming game in 2016. It was an early adopter of the concept, purchasing Periscope in 2015, and this year Jack Dorsey's network broadcast both sport and news. In September, Twitter streamed its first of 10 NFL American football games. Viewing figures for the first game started at 2.35 million and rose throughout the season. By the third match, viewing numbers were up 32%, passing 3 million, and now that its sports-streaming partnerships with the MLB, NHL and NBA have been officially arranged, Twitter has the potential to acquire an even bigger audience.

Viewers are not required to have a Twitter account to watch NFL games on the platform,

so unlike TV – which requires a cable subscription – there is no barrier to entry. Those with login details, however, are able to join in with the accompanying conversation, which is broadcast beside the video feed – indicating that, while social channels are moving into media territory, they haven't totally left their roots behind.

'Twitter is what's happening, and what everyone is talking about (literally!). News and talk. We're the people's news network,' Dorsey wrote in an internal memo leaked by Bloomberg in October, recognising that the platform has become a real-time newspaper where breaking news can be found, shared and discussed.

A similar conversational viewing format was used in all four of the US presidential debates, which were also streamed on Twitter, thanks to a partnership the platform struck up with Bloomberg. Facebook streamed the debates as well, and while the millions who watched via social media initially paled in comparison to the record-breaking numbers who watched on TV, where people chose to watch changed rapidly.

TV viewing figures declined 20% from the first debate (84 million) to the second, but Twitter and Facebook's combined numbers rose – going from the millions to more than 10 million (3.2 million and 7.4 million respectively). As younger generations continue to move away



from watching TV on actual television sets, this shift will likely only become more pronounced.

While news and sport make up a large chunk of the media ecosystem, it's also important to consider the pop culture aspect of programming – and that's where Snapchat comes in. The millennial-centric app is also cutting distribution deals to air other creators' content.

*The Voice*, a televised singing competition, has already broadcast a five-episode, Snapchat-only series. Meanwhile, US comedy favourites *Saturday Night Live* and *Late Night with Jimmy Fallon* both have exclusive Snapchat series in the works.

Unlike Zuckerberg, Snapchat chief strategy officer Imran Khan has no qualms with the platform being considered a media outlet. In fact, at Advertising Week in September, Khan outlined the plans for *Late Night with Jimmy Fallon*'s Snapchat airdate, saying it would be 'just like television'.

As these social channels continue to battle through their respective identity crises, the number of their media partnerships only continues to rise. But we live in a time where Likes are more important than facts, and it's cooler to be a tech company than a media one.

**Sophia Epstein**

## NFL's Snapchat Stories

With livestreamed matches on Twitter not quite enough for the NFL, the sports brand has also signed a multi-year deal with Snapchat to create even more curated content. Snapchat Discover and NFL Media will produce official content and geo-tagged Live Stories for every game of the season, including the Super Bowl – turning Snapchat not only into a content broadcaster, but also a content creator.

**H**uman language is the new user interface, announced Microsoft chief executive Satya Nadella at the company's annual developer conference in March. 'Bots are the new apps,' he proclaimed. 'Digital assistants are like the new browsers, and intelligence is infused into all your interactions.'

His comments allude to the fact that 2016 has seen a monumental shift in the way we interact with computers. Rather than having to learn how to engage with machines, we're beginning to communicate with them as if they were people.

### Supercharged smarts

Over the past year, we've seen computers becoming better at understanding us and responding in ways that are much more human. Apple recently announced that it cut down the speech-recognition error rate of its virtual assistant Siri by a factor of two. And Microsoft said in October that its own system hit a word error rate of 5.9%, making its skill equal to that of professional transcriptionists.

It's not just that computers can recognise the individual words we say, but also what we mean. Improvements in natural language processing enable us to phrase our questions to a virtual assistant in the same way that we would ask a person. And because these systems learn more about us the more we use them, in time they get a clearer understanding of the intent of our words. Google's Assistant, unveiled in May 2016, even comprehends the context of a conversation. So, if you were to ask it 'What

is Adele's real name?', you could simply follow up by querying, 'How many Grammys has she won?', just as you would in a conversation with a real Adele super-fan, without reiterating that you're referring to the singer.

These kinds of developments can drastically improve the online search experience, bypassing the need for us to type in keywords or navigate category filters to find what we're looking for. This is having a big impact for brands in the retail space. Google revealed in March that it is developing 'conversational shopping', allowing shoppers to simply ask queries like, 'I want this to be X cheaper', or 'What shops are around me?'. These smarter technologies will make shopping online simpler, more personalised and more intuitive.

### Chatting it up

Beyond search and retail, another implication of computers being able to understand us better is that brands can now have real dialogues with their customers online. This year saw a slew of companies launching their own chatbots – software programs that can converse with customers on a brand's behalf. One of the biggest drivers of the chatbot movement was Facebook, which opened up its Messenger API in April. Within six months, more than 11,000 brands launched chatbots on the app, allowing users to do everything from order a bouquet from 1-800 Flowers to check in to their KLM flight.

Indeed, the scope of what a chatbot can do is wide-ranging, offering services, commerce or content. It can schedule your calendar

## HelloVote's chatbot

**Nonprofit Fight for the Future made registering to vote for the US election as easy as sending a message, thanks to its new chatbot. HelloVote works via Facebook Messenger or text message to guide Americans through the voter registration form for their state. Encouragingly, HelloVote reported completion rates of 70%, compared with 40% for standard online voter registration and only 8% for direct mail registration.**

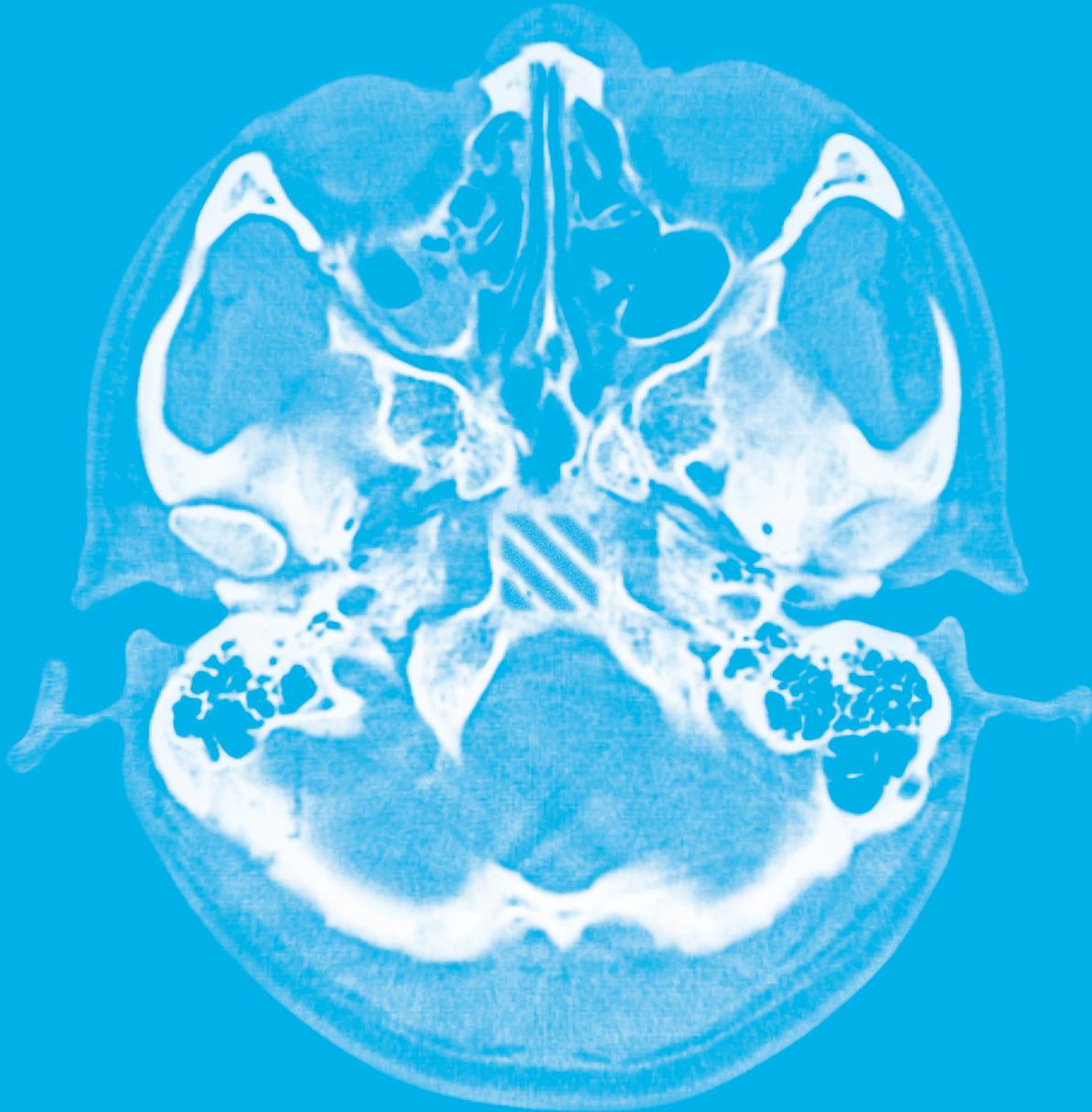
(see x.ai, page 56), help you buy make-up (as Sephora demonstrated in March) or even tell a personalised story to your kids so they brush their teeth (as oral care brand Signal Pepsodent illustrated in September, page 14).

Tech companies have made huge strides in giving human-like abilities to computer software, creating conversational services that are easy to use, but the goal is to make this technology more human still. As Danielle Frimer, of computer conversation startup Pullstring, told us: 'The more it feels like a human interaction, the more people will come to expect of the experience and enjoy it.'

**Chloe Markowicz**

# HUMANANISED COMPUTING

Intelligent tech is enabling personalised and natural online experiences



# Central Intelligence

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# SPARKLE AND FADE

## Highs and lows from the business and startup world

**T**he publication of Dan Lyons' *Disrupted* in April brought a damning condemnation of startup culture to the bestseller list this year, raining on the parade of the glamour and excesses of the predominantly young, white, male founders. Written following his experiences working at HubSpot, Lyons criticises startups that go after huge funding rounds and valuations, caring more about their IPO and latest entrance hall sculpture than their product or service. He outlines the business model du jour: 'Grow fast, lose money, go public... It's a simple racket... The losses pile up, but the revenue number rises... It doesn't matter, because mom-and-pop investors are only looking at the revenue growth rate.'

Twitter is one cautionary tale that has followed the path Lyons describes, and seems to be coming to the end of the road. Its share price this year looks like a mountain range, as one potential suitor after another – including

Salesforce, Google and Disney – expresses and subsequently withdraws its interest. Twitter is yet to post a profitable quarter since it went public three years ago, and its active user base is stagnating around 313 million.

### Cockroaches vs unicorns

Last year, startup discussions circled around unicorns and decacorns – private companies valued at more than \$1bn and \$10bn respectively. That kind of cash-happy attitude was still visible in 2016, with revenue from global tech mergers and acquisitions hitting \$1.9bn, the highest level since 2000. Coincidentally, the year before the dotcom crash...

Investors old enough to remember that bubble bursting shifted focus, searching for cockroaches rather than unicorns. Tim McSweeney, director at merchant bank Restoration Partners explained to Business Insider UK: 'Unicorn, it's a mythical beast, whereas a cockroach can

survive a nuclear war.' Now, companies such as MailChimp are being lauded for forgoing huge funding rounds and a move to San Francisco, and instead concentrating on being profitable from the outset.

### Success snapshots

The notable exception to this rule is Snap Inc. – the parent company of Snapchat – which is prepping for an IPO early next year that could value the company at up to \$35bn. This valuation is based on both the platform's increasing attractiveness to advertisers, developing sponsored lenses and stories, as well as its growing, highly engaged user base. Founder Evan Spiegel can feel smugly vindicated for his rejection of Facebook's \$3bn offer in November 2013.

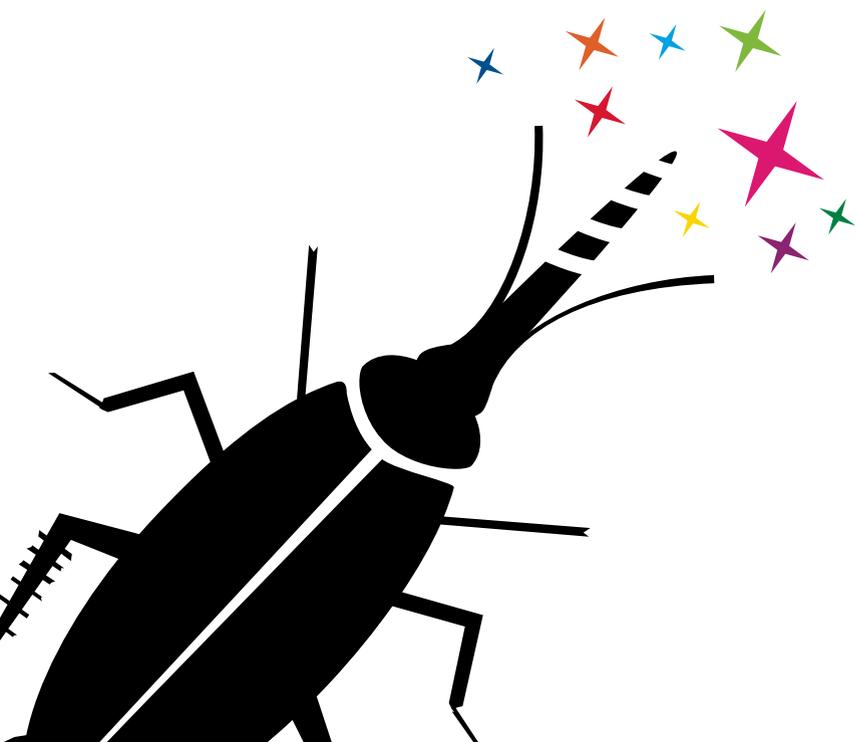
At the time of writing, another mobile messaging app, Line, claimed the year's biggest IPO in the US at \$1.14bn. The Japanese company derives revenue from users buying stickers, as well as games and advertising.

Brent Hoberman, investor and founder of made.com and lastminute.com, says of the IPO scene: 'Startup companies are going public later than they used to, holding the value in the private market longer. Great entrepreneurs realise they're able to attract a huge value in the private sector and they don't need to get into the short-termism of the public market.'

While VC funding has proved harder to come by, crowdfunding from sites such as Kickstarter and Indiegogo is set to overtake it in terms of total investment by the end of 2016, according to research from Massolution. The World Bank estimates that the crowdfunding industry could reach \$90bn a year by 2020.

This year's reappraisal of the startup scene should lead to more robust companies, with a more diverse workforce and realistic valuations. Snap Inc and Line's success shows that a clear appeal to both marketers and users can make for a pretty potent combination. And, ultimately, building a sustainable business is far more attractive than any entrance-hall showpiece.

Emily Hare



Most Contagious 2016 /

# EMERGING TRENDS



The cultural and creative fields set to evolve in 2017

## Computational creativity

As we explored in our machine learning trend, 2016 has already seen the technology revolutionise business. Soon, it could also have a sizeable impact on creativity.

This past year there have been baby steps forward, which indicate where things might be going. While an AI-created blockbuster has not yet hit cinema screens, a computer has made a movie trailer. In August, IBM Watson created an advert for 20th Century Fox sci-fi thriller *Morgan* by analysing the film and then selecting the 10 best scenes to include.

And while Beyoncé and Drake are still topping the charts, in September a Beatles-style pop song was created using AI. The program, by Sony Computer Science Laboratory, analysed a database of 13,000 tracks to create a new melody and harmony. Sony has announced that an entire AI-written album will be coming out in 2017.

Your creative department may seem reasonably human right now, but things may change. In March this year, McCann Japan announced that it had hired an AI creative director, which has so far created a fairly convincing ad for Clorets mints.

These examples of AI-generated creativity don't yet compare with their manmade counterparts, but as the tech improves, we would expect the work to also become more impressive.

Kate Hollowood

## Redefining masculinity

From basketball sensation LeBron James weeping on screen to James Charles becoming the first male CoverGirl, it seems the world is starting to embrace a more nuanced version of masculinity.

'There is a huge change afoot,' agrees Avivah Wittenberg-Cox, CEO of gender consultation firm 20-First. 'Women have changed the world beyond our imagination in a few generations. The 20th century tracked this change and I think during the 21st century, we're going to see exactly the same thing for men and masculinity.'

So far, just a handful of brands have leveraged the cultural shift, but we expect to see more do so in due course. For example, in January Unilever-owned Axe launched a film celebrating a diverse array of men and the qualities that make them unique, rather than treating them as a homogenous mass. Find Your Magic was created in response to global research conducted by the brand. 'The vast majority of guys are seeing that femininity has changed, however masculinity has stayed the same and they are really frustrated about that,' Axe's global VP, Rik Strubel, tells us.

Meanwhile in India, detergent brand Ariel has shone a light on a man's traditional role in the home. Launched in February, Dads #ShareTheLoad by BBDO India shows an elderly father apologising for inequality that his behaviour has helped perpetuate. Rajat Mendhi, BBDO India's EVP of planning, believes a new conversation about modern masculinity is just emerging. 'There are whispers right now but they will turn into roars in time,' he says. 'Show your sensitivity right at the very beginning and you can become part of the change.'

Laurence Blair, deputy editor of *The Economist's The World in 2017* magazine, makes his predictions for a turbulent year

# THE FIGHT FOR THE FUTURE

**T**he past year has been a bruising one for forecasters. *The World in 2016* confidently pictured David Cameron relaxing with a glass of wine after winning the EU referendum. We also expected that Hillary Clinton would narrowly defeat a moderate republican like Marco Rubio in America's presidential race (although we did signal the significant risks to a Clinton victory).

But in *The World in 2017*, *The Economist* pulls no punches in predicting the central battle that will define the year: between the defenders of globalisation – and the innovation, cultural exchange and global prosperity that go with it – and those who will seek to tear down bridges and build walls in their place.

A disappointing outlook for the world economy will provide a gloomy backdrop. Global GDP growth will muster a feeble 2.5% – the sixth consecutive year below 3%, which is considered a healthy clip – as weak demand and poor productivity growth dampen the performance of wealthy and developing economies.

America will reel from a toxic and divisive presidential punch-up. Donald Trump will face turbulence in financial and currency markets

until his policy agenda becomes clearer: most likely, tax cuts for the highest earners and a splurge on infrastructure spending, lifting the deficit. But the realities and constraints of office will mean his plans to repeal Obamacare, deport millions of undocumented immigrants, build a (bigger) border wall with Mexico and tear up NAFTA will be quietly dropped. Fewer regulations and greater government investment could boost growth, but not by much or for long.

Britain will perform still worse (we predict a contraction in real GDP of 0.5%) as the reality of Brexit bites, discouraging investment and spooking consumers. Watch to see how low Sterling plunges and for the departure of big foreign investors, both of which will lend ammunition to proponents of a soft Brexit (or no Brexit at all). But if elections in Europe produce hardline governments, tough negotiations could see Britain forced out of the single market wholesale. In a year that marks five centuries since Luther's split with Rome, and 100 years since Russia's revolution, the politics of revolt and rebellion may prove too great to contain.

For bright spots, look to the developing world. India's economic juggernaut will retain

momentum, outpacing China's growth for the third year running, and Indians will be able to splurge their growing purchasing power on flatpack furniture from the country's first Ikea.

Even as its president, Xi Jinping, tightens his grip in the quinquennial Communist Party Congress, China's firms will produce sparky management ideas and its students will flock abroad in record numbers, bringing liberal values back home. Barriers to trade and migration will come tumbling down in Latin America, and renewable energy, agriculture and booming digital services will help wean African economies off commodities.

Similarly, upstarts in business and finance will strike a happy contrast with sluggish traditional industries. Investor anxiety, anti-trust regulation and political populism will bring a five-year, \$18trn wave of worldwide mergers and acquisitions to a grinding halt. Life will get harder for steelmakers, and a potential IPO for Saudi Aramco (the world's biggest oil company) may prove less lucrative than hoped. But major advances in machine learning, personalised medicine, driverless vehicles and extraterrestrial exploration will proceed undeterred.

In many cases, these will be pioneered by entrepreneurs and visionaries (well) under the age of 35. They offer a defiantly optimistic view of an open and tolerant future. 2017 may be painful, but in the long run, demography will beat the demagogues. ❧

*The thing that puzzles me most is the persistence of 'differentiation'. Looking at the evidence, it just doesn't exist*

Jenni Romaniuk, Ehrenberg-Bass Institute for Marketing Science

**We want to send a message to young people in the industry: doing charity work is important – you can win some awards – but doing work for big brands that solves big problems using creativity, that will make you famous**

Rob Reilly, McCann Worldgroup

**People worry that computers will get too smart and take over the world, but the real problem is that they're too stupid and they've already taken over the world**

Pedro Domingos, University of Washington

# SOUNDBITES

**It doesn't matter how much the words 'innovation', 'disruption', 'reinvention', 'bravery', 'permission to fail' and 'diversity' get tossed around, 99% of businesses saying those things aren't doing them**

Cindy Gallop, Make Love Not Porn

*If the product doesn't behave in a certain way, nothing we can do in marketing can be good enough*

Pio Schunker, Samsung

**In the rush for the new we're forgetting how to communicate things that genuinely move people**

Sir John Hegarty, BBH

**We are in a business that's almost entirely about brain work. So we need to make sure that we're protecting our people's minds**

Iain Tait, Wieden + Kennedy

# Bring Most Contagious to your city

Our annual Most Contagious event in London makes sense of the biggest trends in marketing, technology and consumer culture from the past year and analyses what impact these ideas will have on the immediate future for brands and agencies.

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