

# THE NEXT 5

Landor

# The future is closer than you think

In the next few years, we will see more innovations, breakthroughs, and disruptions than we have in the past 15.

Most of these won't come from traditional industry channels. They will cut across categories in dramatic and unexpected ways. Competitors will be both unseen and unpredictable. And the way we do business—and build brands—will change radically.

Five major cross-category shifts are headed our way. Here's what they mean for brands—and how we can stay one step ahead.

**SHIFT 1**

**THE DAWN  
OF THE  
CODED BRAND**

**Brands will hardwire behaviors into their actual coding in unprecedented ways. This will offer customers a consistent experience no matter when or where they meet a brand.**

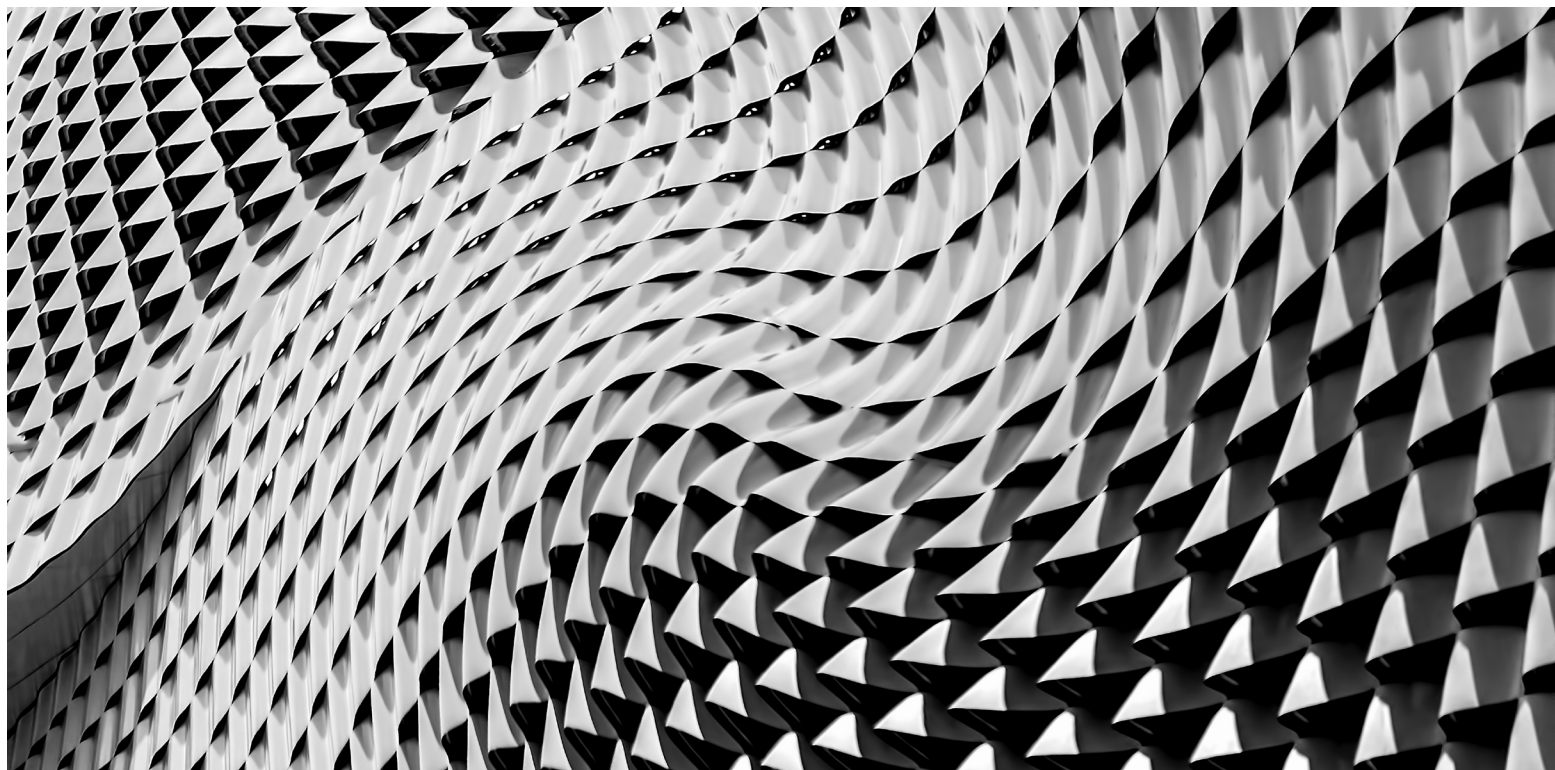
#### **BLOCKCHAIN CHANGES THE RULES**

An immutable coding technology, blockchain has fascinating implications for brands. It's most famous for underpinning Bitcoin, but it holds the potential to transform the way brands are managed since it cannot be overwritten. The result: new dynamics around trust and accountability. And completely new ways of verifying authenticity and provenance.

Imagine a company whose core promise to consumers is great customer service. It decides that all customers who have been with the brand for a year will not be charged shipping fees. Blockchain can

help the company deliver on this rule 100 percent of the time. It doesn't matter if an employee is unfamiliar with the policy or is having a bad day—the outcome is predetermined.

Following Canada's decision to legalize cannabis, IBM suggested a blockchain to monitor transactions, ensure consumer safety, and prevent fraud. From grower to supplier to consumer, blockchain acts as a digital ledger showing that cannabis is grown and sold legally.



#### **ALGORITHMS AT WORK**

Less extreme than blockchain, computerized algorithms can also set parameters to keep digital channels aligned with a brand's values. Algorithms can detect everything from hate-filled language to inappropriate imagery, preventing such things from flowing into the public domain.

Companies like Instagram and Twitter use algorithms to filter content and comments in hopes of maintaining their platforms as positive, community-driven spaces.





Order groceries? Play music? Answer questions? Alexa, the quirky but calm voice of Amazon, has it all under control.

## AI BECOMES MORE HUMAN

Tech that talks to us is on the rise—and with it, questions about how it can behave in more human ways. Chatbots interact through text, photo, and video content. They have the advantage of bypassing website and social media platforms to communicate directly with consumers through messaging apps. This makes them feel more like friends than machines and builds intimacy between brands and consumers.

The growth of AI has also led to new questions around brand voice. Brands have to consider everything from speech patterns to choice architecture in order to mimic human conversation. And they have to decide what their brand should sound like. Is it male or female? Casual or formal? Proactive or reactive? These decisions are vital to building rapport with consumers. As Microsoft's Tay showed, errant AI can have major PR implications.



**SHIFT 2**

**THE RISE OF  
THE MERCHANT  
TECHNOCRAT**

# Convenience, community, and creativity will change the retail landscape. The result? A new paradigm for consumption that brings the store to consumers.

## DEMANDING ON-DEMAND

Consumers want what they want, when and where they want it. And they will switch brands in order to get it. On-demand has become cost of entry, and retail brands will continue to find new ways to deliver fast, frictionless consumption. From food delivery (Grubhub, Deliveroo, Foodpanda) and banking (Tenpay, Barclays, Venmo) to in-page social purchasing (Facebook, Twitter, Pinterest), the race to innovate is on.

## AUGMENTED EXPERIENCES

Advances in virtual and augmented reality are enabling customers to have deeper, more interactive experiences with brands. Go for a VR test-drive to get a feel for the new Tesla. Try out a paint color on your living room walls without the mess of rollers and trays. New tech like WebVR lets customers examine products from all angles straight from their desktop browser—no headset needed. The catch? Now that thousands of experiences are available through VR, store-based brands will need to rethink what their spaces are used for.

The Ikea Place app lets people preview how pieces of furniture will look in their own homes. In the world of beauty, L'Oreal's MakeupGenius app allows consumers to “try on” its products virtually before buying.



## HYPER-PERSONALIZATION

Predictive analytics. 3-D printing. Real-time feedback. Machine learning. Even DNA profiling. These new technologies are helping brands personalize products and services like never before. Product features can be controlled in exacting detail, and sure-to-please recommendations can be made to prompt purchase.

Vans can now put a custom design on a pair of shoes in less than 15 minutes. Campbell Soup Company has upped the game by using customers' DNA profiles to tailor diet advice and flavor recommendations. Spotify and Pandora use machine learning and algorithms to deliver curated playlists based on listeners' music tastes.

# **SHIFT 3 THE SURGE OF SMART PRODUCTS AND PACKAGES**



# Packaging as we know it is on the way out. Breakthroughs in manufacturing and materials are dramatically altering how brands present and produce their wares.

## PACKAGING THAT THINKS FOR ITSELF

Packaging is going beyond functional containers. It now plays a role in quality of life. Pharmaceutical companies have developed drug containers that can monitor dosage, reminding patients to take their medication on time and alerting doctors when doses are missed. This constitutes an enormous boon to the health care industry—especially for patients suffering from illness, senility, or chronic pain.

In the food industry, packages are monitoring the freshness of the food inside, letting customers know just how long their lunch meat is safe to eat or when their cantaloupe is perfectly ripe. This enables brands to be active participants in considered consumption and waste avoidance, while providing consumers with peace of mind.

PhutureMed, an intelligent packaging concept by Palladio Group, uses electronic ink technology on its blister pill cases to alert a smart device every time a pill is taken. This fail-safe record of daily dosage can provide doctors and patients with valuable information—and save lives.



## THE ANTI-PACK

Sometimes no pack is the best pack of all. By skipping the packaging, brands can eliminate waste, make their products directly visible, and save money on materials and ink. In other words, it simultaneously benefits the environment, the consumer, and the brand.

Water blobs from Ooho use seaweed extract to create a tasteless, biodegradable, digestible membrane that holds water. Consumers eat the blobs to stay hydrated on the move—without the waste of plastic bottles.

Tomorrow Machine's revolutionary olive oil packaging is made of caramelized sugar coated in beeswax. Simply crack the package like an egg to release the oil. Meanwhile, the design firm's rice packages' biodegradable beeswax wrapping can be peeled away like the skin of an orange.





### PRODUCTS GET SMARTER

Advances in machine learning are enabling appliances and other gadgets to anticipate and address consumer needs. LG's SmartThinQ refrigerator communicates through Google Assistant, Amazon Alexa, or your mobile phone. It can make extra ice for your dinner party or alert you that the freezer door is open. And it can even reorder your family's favorite milk when you're running low.

Not only do Nest's home thermostats learn users' daily routines—allowing the devices to automatically enter Eco mode—they also calibrate their sensitivity according to how often a user changes the settings. The more frequently a Nest device is touched, the less sensitive it becomes—offsetting the compulsive fiddling of “crazy touchers,” as Nest has termed them.



# **SHIFT 4** THE MOBILITY REVOLUTION



# As radically innovative forms of mobility hit the mainstream, the way we move around will change forever.

## THE SHARING EXPLOSION

Uber is only the beginning of a transportation megatrend. Look for shared mobility to become standard, not only in cars, but also in bicycles, scooters, and even private airplanes.

Partnering with the government will be critical to keep things running smoothly. Municipalities in China recently cracked down on the chaos caused by haphazardly parked bicycles, banning shared bikes in many major cities.

New applications designed to optimize capacity and reduce inefficiency will make shared aviation a real possibility for corporate passengers.

## SUBSCRIPTION TRUMPS PURCHASE

As car ownership decreases and sharing skyrockets, getting long-term customer relationships right will be much more important than one-off sales for automotive brands. Car manufacturers will need to shift their mindsets, moving away from the romance of driving as the primary allure for purchase.

To be the brand of choice, car companies will need to focus on convenience, cost, availability—and even cleanliness. These factors can sway people from being one-time users to lifelong subscribers.



## THE DISRUPTION OF SELF-DRIVING

By the mid 2020s, autonomous vehicles will be an everyday reality. Expect this to impact all kinds of infrastructure. Governments will lose revenues from parking tickets and speeding fines. Financial services companies will invent new insurance models. Urban planners will need to account for fewer parking garages and more electric-vehicle charging stations. And airlines may lose short-haul passengers who opt for the comfort of a tech-chauffeured drive.



# **SHIFT 5 THE PRIMACY OF PURPOSE**

**Today's brands must be purposeful and provide the services customers want while fulfilling steep demands for accountability and transparency. The business model of the future will require giving back—to employees, to communities, and to the planet.**

#### **BEYOND CSR**

Brands can no longer engage in one-off corporate social responsibility (CSR) campaigns and then consider their community obligations fulfilled. Today's consumers want more than token efforts. Brands are building responsibility into their values, making it part and parcel of the services they offer.

Luxury goods brand Stella McCartney lives this model by refusing to use materials such as vinyl, polyester, and leather. Their negative environmental impact directly contradicts McCartney's steadfast dedication to being ecofriendly.

SpaceX is another company with responsibility at its core. It aims to put rockets and space shuttles into orbit that can be brought back to Earth and relaunched for future expeditions.



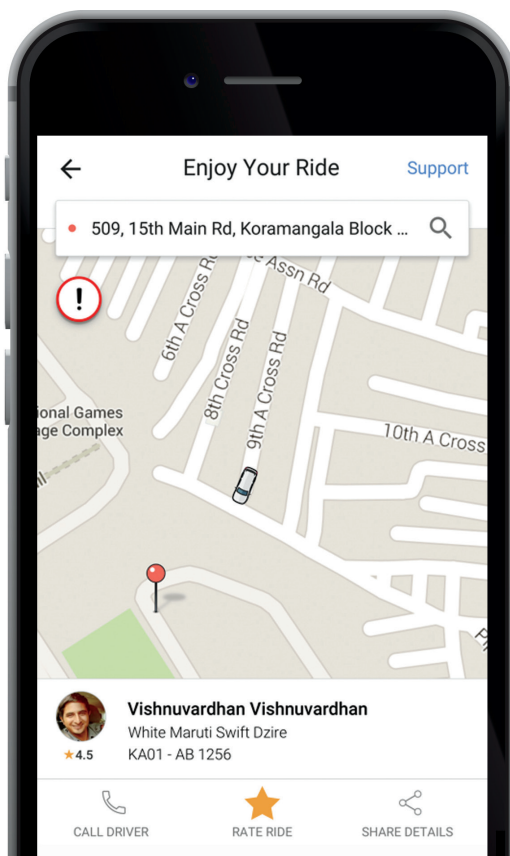


## TRANSPARENCY IN ACTION

Technology has made it easy to catch companies in the act—good or bad. Consumers want facts about everything from the ingredients in their food to the labor practices behind their laptops. People can now publicly voice real-time complaints through social channels at any time, and they expect an immediate reply from brands.

The ubiquity of online reviews is a direct response to this pressure for transparency. In some cases companies have adopted this as their primary business model (think Yelp and TripAdvisor), while others use it to establish trust, hone selections, or create feedback loops (Uber, Ola, Didi Chuxing, Amazon, Google Maps).

Transparency has also become a cornerstone for retail businesses like Weleda and Everlane. On its website, Everlane details exactly where a product is manufactured—complete with photos of the specific factory—and gives a cost breakdown of materials, hardware, transport, labor, and tariffs on every item it sells.



## MINDFUL PLAY

As brands become more conscious and responsible, so do individuals. Consumers are paying greater attention to their own well-being, from diet and exercise to stress reduction, sleep, and work-life balance. Millennials in particular value experiences over things. They are hungry for new adventures, self-expression, and joy.

Myriad companies are catering to this desire for discovery. One example is Under30Experiences, a millennial-focused travel group that provides adventure-based trips around the world. Another is ClassPass, a U.S.-based fitness company that encourages users to try a wide range of exercise classes, from meditative breathing to boxing. In the U.K., the Willoughby Book Club sends subscribers personalized reading recommendations based on other books they've liked.



# Get ready

These five major cross-category shifts promise to shape the next decade.

With change coming at us faster than ever before, agile brands aren't standing idle. They see disruption as the next growth opportunity and are pushing boundaries, breaking rules, and unapologetically shifting us into the future.

It's time to keep our eyes on the horizon—and our minds on [#TheNext5](#).





Ever wonder how our founder,  
Walter Landor, could see so far into  
the future? [#TheNext5](#)



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