

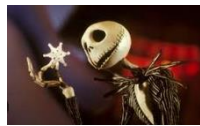
2024 Global Brand Letter January Edition



Oops. We went to the same vendor.



Jean-Michel turning over in his grave.



Well done, Tim Burton. Don't make a sequel.



Your fake diabetes is showing.



Fast food gets fashionable.



Russia loves your IP.



A very good mug shot, a lot of people have said so.



Hiya, boys and girls. I'm public domain now!



Truth in packaging.

2024 Global Brand Letter January Edition

"They went out through the revolving doors that made a faintly derisive whistling sound when you pushed them."
- James Thurber, *The Secret Life of Walter Mitty*

"What dost thou fear? Strike, man, strike!" - Sir Walter Raleigh, last words to executioner before his beheading

"Aderall shortage causing long-term problems for students with no end in sight" - internet headline

Know anyone who traded in their ESG for DEI? Maybe ChatGPT has an idea on which candidate to vote for in 2025. Or just write-in Lil Miquela for President. Or ask generative artificial intelligence to create effective strategies for keeping Mango-Mouth out of office. And let's rename November 4 *World Influencer Day*.

"If God exists, he needs to review his plan." - Marlene Dietrich

Advertising

- a shifting landscape in which performance marketing no longer dominates
- the classic goals remain: awareness, favourability and recall for the brand

A class action lawsuit alleges **Burger King** told a whopper. Meat appears 35% larger in photos on menus and ads, more than the quantity actually served. So, lawyers, I'm supposed to believe that in-store message boards misled customers to overestimate portion size?

Unilever made public admission that the company has been guilty of force fitting *purpose* in every one of its 400 brands, and had stretched its desire to be purposeful too broadly. Adios, *brand purpose marketing*. Henceforth, separate brand leaders will decide for themselves whether their brand needs an overt purpose. For some, purpose don't signify. Unilever is still high on social/environmental flavors, but won't force the issue across its entire portfolio. Plans underway to bump up brand and marketing spend, more digital engagement.

Dr. Seuss' How The Grinch Stole Christmas! iconic holiday branded shoes, t shirts, hoodies, pajamas, socks, homeware, health and beauty items. The Seuss estate declares itself a leading entertainment and global licensing company and leader in kid's and family entertainment. Says it focuses on literacy, education, self-confidence and the wonderful consumer possibilities of a child's imagination. And product. The heartwarming story about the effects of the Christmas spirit grows even the coldest and smallest of hearts as it empties wallets. Like mistletoe, candy canes, and caroling, the Grinch is a mainstay of the holiday buying season.

“No hugging, no learning.” - cardinal rule for *Seinfeld* television show episodes

AI

- a need to safeguard consumer data
- deliver responsible products and services
- provide transparency around data usage
- implement robust cyber security measures
- recognize it regurgitates from the vast amount of data it has consumed
- owners of AI will inevitably reap massive rates of return
- job categories most at risk of displacement: *highly skilled white-collar work*, accounting for a third of employment in the developed world
- talent gap, only 5% “ready to make best use of the technology”

Mullahs interested in the potential of AI regard technology as an avenue to development, while strengthening the Islamic character of **Iran**. Fields such as sociology, psychology, health and entertainment fall under religious ruling. This new Western gizmo will enable the clerical establishment to speed up their communication with the public. It's intended to accelerate the Islamic studies of senior clergy; to feed old scrolls and ancient data sources into algorithms; to parse lengthy Islamic texts in search of guidance for issuing religious edicts; to address public concerns and reconcile them more swiftly. The big hope is that fatwas can be issued in five hours, instead of the 50 days it can now take. Recently, following the death in police custody of a 22-year old woman held over a dress code violation, pressure increased to ease strict social and religious restrictions, especially on women.

Sir Jony Ive and SoftBank's **Masayoshi Son** were reported in talks to launch a new consumer product centered on OpenAI's technology. They hope to create a more natural user experience for interacting with AI. Any resulting hardware product is likely years from market. It will take time and the big bucks to create a rival to the smartphone, an established essential item for billions. One critical product upgrade: the ability to interact with computers less reliant on screens, rich with voice controls. Masayoshi, you might want to meditate on the \$11.5 bn you lost partnering with Adam Neumann on WeWork.

a haiku for AI

admit it, AI is a terrible artist
will the productivity ever be shared?
many humans already come across like robots.

“It’s as if Julius Caesar were stabbed to death in the Forum by the Marx Brothers.”
- Peggy Noonan, describing Kevin McCarthy’s fall as House speaker.

Epiphanies

- exile to a business model that embraced growth over profit and faced the consequences
- *experiential luxury*, such as travel and hospitality, expected to grow faster than luxury goods like handbags and watches.
- here comes a pivot from wholesale to physical retail
- warning: aspirational shoppers pulling back on spending

Following a difficult year, which included shuttering 130 retail cafes in Russia, **Starbucks** will accelerate its global footprint elsewhere, as it hopes to cut \$3bn in costs over the next 3 years. Their increasing store portfolio will become more global with 17K new locations planned. Drink orders have grown more complicated and time intensive, more people are ordering drinks through the company’s mobile app. Stores need to become more efficient. Finicky customers expect orders to arrive more quickly. They’ll try to simplify operations, improve quality and speed with new coffee-making equipment, store formats, more automation. Wage increases for baristas part of the plan.

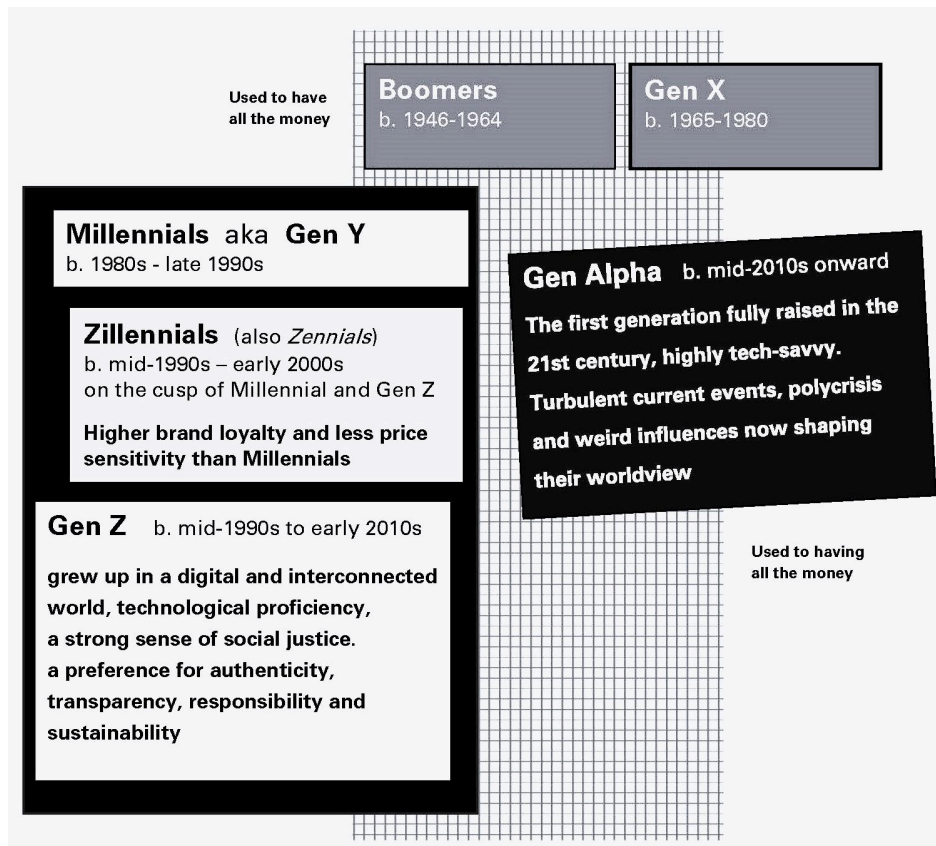
Overzealous underwriters killed **Birkenstock’s** IPO. A profitable company aligned with consumer trends around sustainability and work-from-anywhere, the broker dudes pumped up expectations, overvalued the offering. Buyers walked away, consumer confidence ebbed. Now they hope to drive sales through collaborations and influencer partnerships.

Fruit Stripe, the striped chewing gum known for its short burst of flavor followed by a long episode of utter tastelessness, has been discontinued after more than a half-century. Manufacturer Ferrara will continue to make Sweet Tarts, Nerds, Laffy Taffy and Fun Dip.

Uniqlo won over Gen-Z with a viral *cross-body bag*, mostly attributable to Tik Tok exposure.

One of the few programming categories to thrive during the pandemic and the Hollywood labor strike was the subgenre known as **adult animation**. It caters to both adults and adolescents, a younger and male-leaning audience. Demand has grown. It’s a genre increasingly valuable to entertainment companies and IP owners who demonstrate an increased appetite for cost-effective programming. Popular shows like *South Park*, and *Rick and Morty* help drive retention, lower churn, and reduce the cost of customer acquisition.

Confused by **demography**? A guide to keeping track.



Brand building is a relatively new concept for **firearms dealers** that have historically built their businesses around providing discounts for products from Winchester, Remington, Smith & Wesson, and Colt. IP owners need to form connections with new consumer demographics. 52,700 US dealers must think more like a boutique and less like a general store. Gun shops will try bundling products and brands, displaying firearms merchandised alongside accessories like holsters, carrying cases, and branded t-shirts. Membership programs are being designed to boost the store's brand value. A tactical apparel supplier will develop everyday apparel designed for the office. There's focus on building engagement through partnerships with big names. Kahr Firearms released a submachine gun inspired by the Orange Don that sells with a 50-round drum and 16.5-inch barrel for \$3,118. There is also a .45-caliber pistol bearing 45's signature. Both products are sold in limited editions of 1,000 units.

The wholesale business slaughtered **Levi's** in 2023. Fresh leadership wants the brand to have the majority of sales come from direct-to-consumer channels. Accordingly, in a flight from heritage, Levi's is pushing more *non-denim* items like tops and dresses, revamping its supply chain to produce those items quicker. Fast fashion comes between you and your Levi's.

Legendary fantasy graphic novel hero **Corto Maltese** is on board to inspire ultra-premium bespoke customization of Rigid Inflatable Boats. A literary myth from the pen of Hugo Pratt - and possibly the classiest graphic novel ever written - alliance with Olympic-branded product will celebrate passion for the sea, travel, freedom and speed at an entry-level price tag of \$255,936.58. Signature boats pick up the color scheme from Corto's famous cap. The deal was made by an Athens-based boutique strategy consulting firm.

Planet earth will soon play host to 8 billion souls. **Low-cost drones** have become a central feature on the battlefield in Ukraine, heralding the increasing role of autonomous technologies in modern warfare.

After years of relying on performance marketing, brand marketing may increasingly seek long term *emotional* connections to its customer base in the **fashion category**. The fast-fashion industry feels particularly pressured by new EU rules on sustainability. Then there's the generative AI talent gap in design and product development. The industry may need to look beyond automation as it struggles to use AI to augment the work of human creatives.

Mattel developed exclusive patterns and iconography for retail items related to the **Barbie** movie, which enjoyed a \$1.5bn worldwide box office. Added to the bottom line: 100+ totally consistent brand-faithful licensing *deals* across womenswear, menswear, accessories, beauty.

Lockheed Martin, the world's largest weapons manufacturer, now focuses on ruthless street style. The company will release a line of saber-rattling cargo pants, hoodies and t-shirts, designed to appeal to young adults in Asia, available at first in Korea.

Novo Nordisk reported over \$8bn sales in 2023, mostly from the active ingredient *semaglutide*. It's a diabetes drug which it turns out can be used for weight loss, with known common adverse reactions - nausea, vomiting, diarrhea, abdominal pain, constipation. The FDA warns of **counterfeit Ozempic**, distributed through legitimate drug sources.

The quantum realm has little regard for time's continuity. This could prove to be beneficial for marketers using **quantum entanglement** to stimulate a *closed timelike curve*, time travel in other words. You write your marketing plan, launch it, journey to the future to see how it's working, then go backwards to tweak the plan. Quantum particles interact in strange ways, enabling changing the behavior of events in the distant past. A hypothetical pathway back in time can be simulated probabilistically by quantum-teleportation circuits. Researchers believe they can produce a better result even though the operation already happened.

“The illegal we do immediately. The unconstitutional takes a little longer.” - Henry Kissinger

Influencers

Virtual influencers provide a predictable and infinitely customizable format for promotion. Content can be easily modified, revised or quickly shut down. A real person comes with potential controversy, their own demands, their own opinions. It can get expensive. In that sense, AI is performing a public service - making renegade influencers redundant.

Social media delivers endless amounts of content that influencers generate or inspire. *The combination of influencers and social-media algorithms* makes it perhaps the most powerful form of advertising yet invented.

In a bid to cultivate emotional connections with customers, brand marketers will seek influencers who are more **quirky, vulnerable and less-polished**.

Gen Z design their real-world selves to look like what they aspire to look like in the Metaverse. A quarter of Gen Zers say they care more about their **digital fashion** than they do their real-world wardrobes. 70% say digital avatars influence their outfits in real life.

In 2003 in Brazil, a synth named **Lu do Magalu** launched as the in-store voice of Magazine Luiza's eCommerce website. Six years later, Lu got a body and moved to YouTube as part of a promotion for iBlog TV. Since then, the virtual influencer - who has 6.6 million Instagram followers - gets paid \$33,000 for each sponsored post. Her business on Instagram in one month alone can generate \$2.66 million in fees.

“All you need for a movie is a gun and a girl.” - Jean-Luc Godard

IP

Rapacious tech companies routinely feed human wisdom into their for-profit AI systems. There's the necessity to rebalance the power between those whose data is being exploited and the companies poised to cash in on it. The use of copyrighted data for training AI systems is legal under the “fair use” provision of copyright law. At the same time, firms seek to protect their trademarks. Better protections are needed from the AI data overgrazers: it's pointless to even try to create in public. Especially busy: apparel, champagne, high end brands, defending their territories.

Maybe it's time for you to marry an IP lawyer.

The hunt for revivable brands is big business. Authentic Brands Group acquires the IP of brands, then sells licensing rights, earning royalties. They become sole owner of basically everything that makes a brand cool. They maintain an invisible inventory of brand assets for Elvis, Marilyn, Beckham, Shaquille O'Neal, *Sports Illustrated*. They ask, Can that brand live in other retail stores? Can it expand into other categories? Can the brand expand globally?

AI generated music is flooding streaming websites, translating into royalties for scammers.

Netflix maintains a dedicated division called Consumer Product and Experiences. They're in the process of adding brick-and-mortar Location Based Experience to their menu. The streaming Goliath plans permanent locations dishing up distractions based on the service's content and featuring food, beverage and merchandise. Try not to jump the line for your *Squid Game* branded calamari.

A British voice actor stumbled across an **AI-generated clone of his own voice**. It was based on a recording made for IBM in 2003, for which he had signed a session release form. It legally enabled IBM to sell the 20 year old sample to websites that are using it to build a synthetic voice that could say virtually anything. It raises the issue that contributions to a public space may be taken, monetized and potentially used to compete with the source artist. There's also the risk that untrustworthy content could be falsely attributed to the voice's original owner. An advocacy group calls for tighter controls on consent, control, and compensation.

"It's hard for me to stay silent when I keep hearing that peace is only attainable through war." - Tom Smothers

Obits

Jane Birkin, 76, cinema star and muse whose name is associated with pricey Hermès bag

George Cohon, 86, indefatigable bean-counting executive who brought Big Macs to Russia

Henry Kissinger, 100, power maniac and American placebrand-shaper

Charles T. Munger, 99, Warren Buffett's affable plutocrat sidekick

John Warnock, 82, inventor of the PDF, low-profile founder of Adobe Systems

“You're on Earth. There's no cure for that.” - Samuel Beckett

Place Branding

Two workers looking for a *shortcut* used heavy earth-moving equipment to excavate a big gap on an existing cavity of **China's** Great Wall. They did irreversible damage to a section of the fortification, built in the Ming era between the 14th and 17th centuries. A cougar relationship figured in the crime. The culprits were revealed as a 38-year old man and 55 year-old lady who worked near the affected area.

A video showing renovation work to reface **Egypt's** Menkaure pyramid in granite has triggered criticism of the project, with one expert decrying its *absurdity*. A video posted on Facebook showed workers setting blocks of granite on the base of the pyramid, which sits besides the Great Sphinx of Giza and the larger Khafre and Cheops pyramids. An official called it *the project of the century*. When originally built, the pyramid was encased in granite, but over time lost most of its covering. The renovation aims to restore a piece of the structure's original style.

Trekking in the fertile, swampy Antioquia region of **Colombia** is not advised. Efforts are under way to cull some of the 165 hippopotamuses, descended from a herd of 4 originally owned by drug overlord Pablo Escobar. Imported for his personal zoo, the hippos were left to roam after he was killed in a shootout with police in 1993. Efforts failed to contain the herd growth since adult males weigh up to 3 tons, are difficult to seize - and rank among the most dangerous of animals. With the lack of predators, and excellent conditions for the African natives to thrive, the population could reach 1000 by 2035 if nothing is done. Also released, but easier to capture: giraffes, camels and zebras.

Police in the **UK** have yet to reveal a motive for the screwball felling of the beloved Sycamore Gap tree on Hadrian's Wall in northern England in September. The tree was adroitly cut down in a suspected act of vandalism. The motive for a similar crime was clearer in a wealthy suburb of Sydney, **Australia**. Over 265 trees were cut down, some over a century old. The culprits extrajudicially removed the trees to create an unobstructed waterfront view. With the extraordinary scale of the culling, suspicion has fallen on developers of two houses on the street.

“A writer in the family is a tragedy in the making.” - Lee from Scarsdale

Vocabulary

autophagy - word now applied to AI false influence - *from: consumption of the body's own tissue, occurring in starvation and certain diseases*

bloatware - memory devouring apps pre installed on new cell phones

CTCs - *closed timelike curves*, quantum's hypothetical shortcut to the past or future

duplicative language - Harvard panel's characterization after a review found articles published by its president required additional citations, attribution

gorpcore - from *Good Old Raisins and Peanuts*, embedded technical elements in lifestyle brands like apparel, which confuse function and style

phytosanitary products - don't say “pesticides”

primitive instinct rehearsal - theory from Finnish neuroscientist Antti Revonsuo that catastrophic dreams are where you might be practicing how to survive.

rapid unscheduled disassembly - in the jargon of rocket engineers, a booster explosion

robotic imagination - what the judge called bogus citations in Michael Cohen's legal defense, apparent hallucinations created by the Bard chatbot employed to write the brief.

shallowfake - unconvincing or crude AI-generated product

“When in doubt, make a Western.” - John Ford

What Is A Brand?

A brand represents the highest evolution of arm-twisting.

A brand is the asset most beloved by the Marketing Department.

My brand is there to help me when I suffer an identity crisis.

A brand walks into a bar. The bartender says, “You again?”

Peace for all in 2024.

