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WORK IN PROGRESS
10 TRENDS FOR 2010

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EXECUTIVE SUMMARY

The economy continues to be a common thread in our fifth annual year-end forecast of trends for the near future. As we approach a new decade, many of the trends we're seeing are consequences of the Great Recession.

10 Trends for 2010 at a Glance

SEARCHING FOR STABILITY
While many indicators point to the beginnings of an economic recovery, consumers will continue to exercise restraint until they see more clear, dependable and closer-to-home signs of stability. Unemployment lifting will be a key barometer for consumers. (Example: People are still delaying big-ticket purchases.)

READING THE FINE PRINT
Consumers will be working harder than ever, putting more time and energy into finding good values, reading the fine print and learning the ins and outs of nutrition, environmental impact and ethical business practices. (Example: As banks, airlines and other ailing service industries impose a complex raft of fees and conditions on customers, failure to pay close attention will be costly.)

MAXIMUM DISCLOSURE
While manufacturers and retailers have become increasingly transparent in recent years, legal requirements and competitive pressures will force fuller disclosure about everything from ingredients and calorie counts to carbon footprints and sourcing. (Example: Walmart is working with its suppliers to develop a sustainability index for all its products.)

THE DEVIL WEARS PACKAGING
As the eco spotlight focuses on the environmental costs of packaging, brands will increasingly switch to bottles, boxes and other solutions that reduce, reuse, recycle, remove and renew. (Example: Kenco Coffee in the U.K. recently launched Eco Refills, which it says use 97 percent less packaging than its glass jars.)

IT'S BIC, AND IT'S BIGGER THAN EVER
The vaunted BRIC emerging markets are now down to BIC—and while developed nations remain hobbled by the financial crisis, Brazil, India and China are emerging stronger than ever, both economically and politically. (Example: As the appetite for luxury in the developed world wanes, it's on the rise in China; in October, dozens of French luxury labels, including Christian Dior and Chanel, launched a Web site to promote their brands in the region.)

TRICKLE-UP INNOVATION
Products designed for emerging markets are increasingly filtering into the developed world, where consumers are welcoming them as cheaper and simpler alternatives to existing choices. (Example: India's Mahindra & Mahindra is gaining market share against John Deere, offering suburban lawn-owners in the U.S. a lower-horsepower tractor at lower prices.)

RETOOLING FOR AN AGING WORLD
As the world's population grows older than it's ever been, watch for a proliferation of products and services that cater to this demographic as they strive to live independently for as long as they can. (Example: Thermador has designed a glass cooktop that automatically shuts off when cooking is completed.)

10 Trends for 2010 at a Glance (continued)

LIFE IN REAL TIME
The Web is evolving into a constantly updating stream of real-time information, conversation, memes and images. This is creating an increasingly mass culture and shifting perceptions of "current," moving modern life into the "now." (Example: During the World Series, the Huffington Post created a real-time hub that collected the Twitter feeds of baseball writers, Yankees mavens and Phillies commenters.)

LOCATION-BASED EVERYTHING
With more location-based services and advanced mobile and mapping technologies hitting the market, the conversation will become as much about "where I am" as it is about "what I'm doing" and "what's on my mind." (Example: Foursquare, a gaming app, uses geo-tagging technology to help users find and share bars, restaurants and other venues with friends.)

VISUAL FLUENCY
The ongoing shift from words to images will accelerate, and we'll see increasingly innovative ways to explain and illuminate complex topics. (Example: The animated online short "The Crisis of Credit Visualized" blends storytelling, journalism and analysis to make a complex topic easier to grasp.)

As we entered the second half of 2009, glimmers of good news started peeking through the headlines. Global economists proclaimed a transition from recession to recovery—earnings started to improve, stock markets seemed to stabilize, real estate markets saw modest rises, and GDP numbers grew. And while overall anxiety levels remain generally high across multiple markets, they are starting to abate in the countries we regularly track through our seven-year-old AnxietyIndex.

Still, people are generally skittish—cautiously optimistic at best—as a projected jobless recovery increasingly appears to be a reality. As a result, expect consumers to search for closer-to-home, more sustainable signs of stability (e.g., an unemployed family member or friend finding work) before they ease up on their recessionary ways.

It's no surprise, then, that the economy continues to be a common thread in our fifth annual year-end forecast of trends for the near future. As we approach a new decade, you'll find that many of the trends we cite are consequences of the Great Recession.

The recession has created a broad class of consumers who are willing to put real time and energy into their purchases. In the next year, watch for this reading of the fine print, if you will, to extend beyond securing the best values to learning more about nutrition, environmental impact and ethical business practices. And brands will make it easier for consumers to do this by disclosing everything from calorie counts on menus to carbon emissions to sourcing details.

It's not just details on the packaging that will drive more scrutiny but what makes up the packaging itself. To keep up with consumer, retailer and financial demands, brands will strive to make packaging more environmentally friendly, with "cradle-to-cradle" as the ultimate goal.

The recession has also accelerated the economic and political power shift to the BIC nations (Brazil, India and China, with Russia falling behind these emerging-market front-runners). Companies will not only shift more resources to this new New World but look to these and other developing nations for low-priced, profitable products that can trickle up to developed markets.

In the near future, brands will also aim to capture one of the biggest emerging economies, one that spans multiple geographies—the over-65 set. Businesses will retool products and services to fit the needs of the world's rapidly aging population.

Interestingly, at a time when people have been rethinking instant gratification in the material sense ("I really don't need all these things"), they increasingly expect it in terms of information. This comes with the explosion of the real-time Web—which gives us constantly updating streams of information, conversation, memes and images—and location-based mobile services, allowing people to find something or someone right now based on latitude and longitude. As we become flooded with ever more information, expect to see a proliferation of innovative visuals that simplify and synthesize it.

This 10 Trends report is the result of quantitative, qualitative and desk research conducted throughout the year. It also pulls from the input of more than 50 trendscouts around the world.

Trends don't happen in isolation. They tend to intersect and work in tandem with each other, as you'll see here. And many are extensions or outgrowths of older trends; after all, trends with real significance can't be assigned to just one calendar year. The trends explored here, which we believe have significant weight and momentum, indicate shifts that are likely to be with us for a while.

1. SEARCHING FOR STABILITY

The Trend: While many indicators point to the beginnings of an economic recovery, consumers will continue to exercise restraint until they see more clear, dependable and closer-to-home signs of stability. (Unemployment lifting will be a key barometer for consumers.)

What It Means: The challenge for brands in what will likely be a slow, painful recovery will be to give consumers the confidence to open their wallets wider, starting with those who haven't been directly impacted by the downturn. It's not that people aren't spending, but brands will have to keep providing more reasons than ever—most of them economic—to rationalize their buy. And since consumer faith in many institutions has been shaken to the core, regaining trust through a show (not simply a tell) of increased transparency will help reassure the skeptics—at least a little.

In August, *Newsweek*'s cover proclaimed "The Recession Is Over," though it added the cheeky footnote, "Good luck surviving the recovery." Appropriate, considering that "many of the sources of today's growth are temporary and precarious," as *The Economist* pointed out in October, referring in part to short-term stimulus programs. Compounding fears is talk and the increasing reality of a jobless recovery.

According to *The Economist*, the Organisation for Economic Co-operation and Development "fears unemployment in its member countries will keep rising well into next year, by which time it will have risen by up to 25.5 million since the crisis struck." The damage is most severe in the U.S., the U.K., Ireland and Spain, *The Economist* reports, and the worst is yet to come in Sweden and Germany. It's no wonder unemployment is a key source of anxiety across a number of the countries we've surveyed through our AnxietyIndex, including the U.S., Brazil, Spain, Japan and India.

As a result of the uncertainty and joblessness punctuating the recovery, consumers will hold onto their recessionary mind-sets and behavior well into 2010. Rather than look to macro data for assurance, they will wait for closer-to-home and longer-term proof of stability before easing up on their recessionary ways. Unemployment lifting will be a key barometer for consumers (an unemployed friend or family member getting a job, their company hiring again, etc.).

The same can be said for those who haven't been directly impacted by the recession. As we've found in studying the effect of anxiety on consumer behavior, uncertainty about the future drives people to take precautions even if they haven't been personally affected. WPP's The Futures Company calls this consumer segment "the psychologically paralyzed," and they comprise a much larger portion of the population than the truly "financially strapped."

As a result, expect consumer behavior to look very much like it did in 2009, with anxious consumers still planning their purchases based on where and when they can get the best deals and exercising greater restraint. Some will continue to cut their transportation, energy and entertainment spending; some will keep trading down, clipping coupons, using products for longer and delaying big-ticket purchases.

Even when closer-to-home anxieties let up, expect consumer prudence to be a legacy of the Great Recession. The recession-weary and newly fiscally conservative consumer will be hesitant to return to the credit-fueled, spend-now-think-later habits that helped spark the crisis in the first place. Spending societies have turned into saving societies, and they won't revert anytime soon.

"Usually, saving recedes when recessions end," *The New York Times*' Roger Lowenstein observed in October. "Some economists think the current financial crisis was such a shock—on par, psychologically, with the Great Depression—that people will feel the need to save even after it is over."

The challenge for brands in what will likely be a slow, painful recovery will be to give consumers the confidence to open their wallets wider, starting with those who haven't been directly impacted by the downturn. Brands need to understand that the recovery consumer looks very different from the pre-recession one: Expectations and norms have changed. Cheap has become chic, value is in vogue, paying full price is seen as foolhardy.

People have become accustomed to getting much more for less, with packaged goods manufacturers and retailers adjusting prices downward for everyday low prices that extend well beyond the Walmarts of the world. The recession has also thrust store brands and their improved quality into the spotlight: According to a September AnxietyIndex survey, 82 percent of American adults said that in general, "store brands are good enough for me"; 73 percent said the quality of store brands has improved to the point where "it's sometimes hard to tell the difference in quality between store brands and name brands"; and 72 percent said they're "surprised by how good store brands are these days." Look for the high-sensory categories to recover more quickly from both cutbacks and trading down.

Consumers will also continue to prioritize purchases; deciding that they don't need it all at once, consumers are choosing not just brand over brand (a Sony or a Samsung flat screen?) but category over category (a vacation or a flat-screen TV?).

It's not that people aren't spending, but brands will have to keep giving them more reasons than ever to rationalize their purchases—whether by promoting a product or service as an investment, a too-good-to-pass-up deal or an "I deserve it" treat after an arduous year.

Consumer faith in many institutions has been shaken to the core, so regaining trust through increased transparency will help to reassure the skeptics—at least a little, and as long as the transparency is convincingly demonstrated. Consumers are going to trust only what they can see and sense themselves (i.e., a real recovery).

2. READING THE FINE PRINT

The Trend: Consumers will be working harder than ever, putting more time and energy into finding good values, reading the fine print and learning the ins and outs of nutrition, environmental impact and ethical business practices.

What It Means: Consumers will seek out experts (established media, blogs, brands, etc.) that can help educate them and curators that can do the legwork. They will also increasingly appreciate simplicity—e.g., fewer ingredients to parse and less fine print to scan. Brands will need to walk the fine line between overwhelming customers and explaining why they offer superior value and/or credentials. And these claims must be solid: Consumers will see through greenwashing and similar practices.

Today's well-informed shoppers are on alert: To varying degrees, they're seeking value, nutrition, sustainability, local provenance, chemical-free ingredients, etc. And they've grown more skeptical and distrustful in an era when big institutions from Wall Street to China's dairy producers have failed them; they're growing more apt to question claims and read the fine print. The result is that purchases will increasingly be preceded by scrutiny of labels, online research and consultations with friends.

Several other trends we're projecting intersect here. Maximum Disclosure, which we discuss in the next section, means there is a growing pile of data that consumers will need to understand and weigh. And with consumers' Search for Stability, the savvy bargain-hunter that the recession gave rise to is here to stay in 2010, with shoppers continuing to research the best deals.

The modern consumer's job is more complex than ever:

- There's more to buy—according to *The New York Times*, about 25 consumer electronic products fill the average American household, vs. only three in 1980—and myriad new variations on each product.
- Banks, airlines and other ailing service industries are imposing a complex raft of fees and conditions on customers; failure to pay close attention can be costly.
- Advocacy groups are urging consumers to avoid an array of offending products or ingredients: The Seafood Watch program promotes the purchase of sustainable seafood; the Rainforest Action Network advocates against products with palm oil; Greenpeace is campaigning against genetically modified foods. These are just a few of many.
- Consumers are more overloaded with information than ever. Among myriad examples: Calorie disclosure is becoming more common in restaurants; in the U.S., household cleaning products will start listing ingredients on the label

and/or online next year; in Sweden, brands are displaying estimates of how much carbon dioxide was emitted in a product's production (e.g., ".87 kg CO2 per kg of product"). Concerned consumers will want to gain a sense of context (how does a burger's carbon footprint stack up against other menu choices?) and risks (which chemicals are best avoided?).

Consumers will seek out experts and resources that can simplify the issues for them. The GoodGuide, which carries the tagline "Find safe, healthy, and green products," is a two-year-old Web site that uses a staff of researchers (chemists, toxicologists, nutritionists, etc.) to rate products based on a range of criteria. According to *Ad Age*, "millions" have visited the site and upward of 100,000 people have downloaded the iPhone app. In 2010, GoodGuide will launch a portal where marketers can learn how to boost their ratings.

GoodGuide founder Dara O'Rourke, an environmental policy professor, recently told *Ad Age* that users are increasingly researching specific ingredients: "We have a lot of our users click down and look at, are there any parabens? Are there any chemicals of concern I've read about in my newspaper or e-mail list?"

Apps are an especially useful tool for shoppers. Two of the advocacy organizations cited above offer apps, with Seafood Watch recommending what fish is best to buy in each U.S. region and Greenpeace offering a Recycled Tissue and Toilet Paper Guide app that rates more than 100 brands.

Bloggers also fill a niche here, as curators for readers interested in specific categories (green products for kids, local foods, consumer-electronics bargains, etc.), and they will become even more powerful word-of-mouth sources. Brands can also act as curators. BeautyFix, for example, is a service that sends members "the season's must-have products selected by a panel of industry insiders" because "we always feel a little overwhelmed with all the choices that are out there."

Some brands are tapping into this trend by positioning themselves as the inevitable choice of diligent shoppers. In the U.S., Kohl's has been running a campaign called "The More You Know, the More You Kohl's," with smart shoppers discussing the deals they found for friends and family at the budget department store chain. A confident T-Mobile campaign that launched last spring informed Americans that "eight out of 10 people are unknowingly overpaying for their wireless service"; the wireless service provider directed people to a third-party Web site (BillShrink.com) that evaluates a person's calling needs against every national wireless plan.

Brands can also appeal to consumers' lazier impulses by offering simplicity, reducing the need to investigate ingredients or scour the fine print. *USA Today* cites a Datamonitor finding that new products with the words "simple" or "simply" in the product or brand name increased almost 65 percent from 2005 to 2008. Marketers are reducing ingredients in food products—e.g., Häagen-Dazs' Five brand, which launched last March, lists its five basic ingredients (milk, sugar, eggs, etc.) on the front of the carton.

For brands that have more complicated stories to tell, the challenge will be to convincingly explain to today's educated consumers why they're worthy of

3. MAXIMUM DISCLOSURE

purchase—whether because they offer good value, they're good for you and/or the environment, etc.—without crossing the line into greenwashing.

The Trend: While manufacturers and retailers have become increasingly transparent, legal requirements and competitive pressures will force fuller disclosure about everything from ingredients and calorie counts to carbon footprints and sourcing.

What It Means: As consumers learn all they ever wanted to know (and perhaps more) about what they're buying, brands will need to ensure that their credentials in several realms—nutrition, sustainability, etc.—can withstand scrutiny. Packaging will become cluttered with labeling data, a barrage of information that will confuse many consumers. But as the Reading the Fine Print trend ramps up, we'll see more-educated shoppers paying closer attention than ever.

The persistence of the green movement, the health and wellness movement, government anti-obesity efforts, the local movement, fears about food and product safety, and the transparency trend are coming together to create pressure on manufacturers and retailers to strip bare for consumers.

"Maximum disclosure" mostly concerns an array of green credentials and nutritional data, but also covers other corporate social responsibility issues (Fair Trade, etc.), provenance issues and chemical ingredients. Consider a slew of examples that show how this trend is currently manifesting and where it's going:

- In September, California became the first state to mandate calorie disclosure for restaurant chains (the labeling will go into effect in 2011); similar laws are already in effect in New York City and several other regions. Health care legislation under debate in the U.S. House of Representatives includes a provision that restaurants with more than 20 locations clearly disclose calories for every item.

- More corporations are not only disclosing their green track record but making detailed information easy to find and digest. Examples: Apple's Web site, which now reveals its greenhouse gas emissions and outlines the environmental footprint of all its products. Outdoor-gear brand Patagonia's "Footprint Chronicles" does the same for its products, listing "the good" and "the bad" for each (e.g., the Talus jacket's water-repellant finish contains a "synthetic chemical that is now persistent in the environment").

- In the U.K., retailers including Marks & Spencer and Asda have adopted a "traffic light" front-of-package labeling system that uses color codes to show whether foods have low, medium or high amounts of fat, saturates, sugar and salt. The country's Food Standards Agency is expected to recommend that this labeling system be required for all processed foods. In the U.S., the Food and Drug Administration's commissioner has cited this system as a potential model; the FDA plans to issue proposed standards for package-front labeling early next year.

- Walmart is working with vendors to develop a sustainability index for all its products. The retailer sells so many products and has such an extensive global presence that its initiative could be the tipping point for universal eco-labeling. U.K.-based retail giant Tesco already includes carbon emissions data on some of its products.

- In Japan, retailers and brands are adopting a labeling system to disclose carbon footprint based on a government-approved method of calculating emissions. Sweden is instituting a similar program, encouraging restaurants and manufacturers to use labels with estimates of how much carbon dioxide was emitted in a product's production (e.g., ".87 kg CO2 per kg of product").

- As consumers grow more aware of the potential effects of chemicals in household cleaning products, pressure on manufacturers to disclose ingredients is rising. In the U.S., a measure in Congress would require disclosure on all product labels. While manufacturers are reluctant—in part because they consider this proprietary information—next year the industry will start making most ingredients public through a toll-free number and a Web site, as well as product labels in some cases. But the voluntary plan exempts disclosure of preservatives, fragrances and dyes.

- SC Johnson is planning to list all ingredients on labels of its products (including Windex, Shout stain remover and Glade air fresheners), its Web site and through an 800 number. And the Clorox Company's natural line of Green Works products lists ingredients on the label and a Web site. "Increased transparency makes consumers more confident in choosing a Clorox product," company spokesman Dan Staublin told *The New York Times*.

There's conflicting evidence as to whether consumers want all this information or will alter their purchasing patterns once exposed to it. Some argue that the trend is growing faster among companies than among consumers who are actually interested in the information, but many brands say they are reacting to demand. In some cases, it's likely that the simple fact of disclosure will matter more to consumers than the specific information revealed.

"Consumers want all the details you can provide on ingredients," Kraft Foods marketing director Jim Low told *USA Today* in October. "They want us to be more transparent." Case in point is Kraft's Triscuit, made not with simply whole wheat but "soft white winter wheat."

A spokesman for Yum Brands—which owns fast food chains including KFC, Pizza Hut and Taco Bell—told *The New York Times* that its restaurants will voluntarily start adding calorie counts to menus later this year because of consumer demand.

Some studies have shown that while consumers say they want more calorie information in restaurants, they don't actually order much differently. Regardless, restaurants and food brands are making adjustments—Maximum Disclosure is one reason we'll be seeing smaller serving sizes, more "natural" ingredients, more lighter-fare options and simple substitutions that lower calorie counts, such as using low-fat mayonnaise or 2 percent milk.

Beyond the food category, Maximum Disclosure is also likely to force greater reliance on natural over chemical ingredients in consumer goods, from cleaning products to cosmetics. And while a majority of consumers may not yet make product decisions based on carbon data or even a wide range of CSR factors, brands that fall well behind competitors on these counts will have to be particularly compelling in other ways. And in some places, better green credentials may prove significant: In Sweden, the MAX burger chain has seen sales of smaller-footprint items increase by 20 percent since it started using carbon-emissions labels.

At the same time, as disclosure broadens and labeling becomes increasingly informative, consumers who once cared little about these details will start taking note and learning more. Brands with the cleanest credentials will also ramp up efforts to educate consumers about why they should care. Ultimately, brands that don't become healthier and more sustainable will lose ground.

4. THE DEVIL WEARS PACKAGING

The Trend: As the eco spotlight focuses on the environmental costs of packaging, brands will increasingly switch to bottles, boxes and other solutions that reduce, reuse, recycle, remove and renew.

What It Means: With green initiatives now a necessity rather than a competitive advantage, it's becoming imperative for brands in every category to retool their packaging according to a range of criteria. We'll see more tech innovations that help companies meet these criteria, as well as simple solutions that rethink the status quo (e.g., refillables). Consumers will increasingly notice, and appreciate, these changes.

In recent years, greener packaging has meant simply swaddling goods in fewer materials or reducing the weight of bottles, but today the emphasis is turning to a range of sustainability criteria. (Packaging should be manufactured using clean technologies, designed to optimize materials and energy, use as much renewable or recyclable material as possible, and so on.) Increasingly, the ultimate goal is packaging that's "cradle-to-cradle"—that is, sustainable from creation to disposal.

Technological innovations are making greener packaging more achievable and affordable. For example, scientists are findings ways to manufacture packaging out of bio-based materials (i.e., made from living matter). Startups such as Ecovative Design make packaging from agricultural waste; Ecovative's EcoCradle is a Styrofoam-like material that breaks down in landfills and can be added to compost piles. And according to company claims, it's competitive price-wise with bubble wrap or foam. Coca-Cola's new PlantBottle—which will see a limited launch later this year—is made in part from sugar cane and molasses.

Watch not only for more technologically driven advancements but for low-tech ideas that simply involve a rethink of the status quo. One such idea is refillables, which will become increasingly popular. Kenco coffee in the U.K. recently launched Eco Refills, which it says use 97 percent less packaging than its glass jars. Likewise, in Japan, where refills for household cleaning products are already common, Nestlé sells refill packs for Nescafé jars.

More brands will adopt similarly simple solutions that rely on customer interest in greener habits. Columbia Sportswear, for example, allows online shoppers to ask for their order to be shipped in a used box. (Customers can even learn about the life of their box on www.aboxlife.com.)

At the same time, industrial designers are putting a new focus on creative ways to make packaging smarter. Consider the packaging for Hasbro's Sigma 6 GI Joe action figures, which is also a carrying case for the figures and their various weapons. Look for more green solutions that stem from design innovation.

Pressures to improve packaging are coming from all corners. One is the CFO's office: Green packaging frequently reduces costs for manufacturers. In many instances, it promotes greater efficiencies in the supply chain and in the manufacturing process, and it lowers transportations costs because it's lighter. In late 2008, for example, Dell announced that it expected to save $8 million over four years with an initiative to use 40 percent more recyclable cushioning material and 10 percent less overall packaging for its computers.

Pressure is also coming from retailers, notably Walmart, which is aiming to reduce overall packaging in its global supply chain by 5 percent by 2013. It has created a Sustainable Packaging Scorecard, which is currently being used for all its North American suppliers and is set for a roll-out to most of Walmart's other regions next year. In the U.K., supermarket chain Asda recently announced a similar program, to be launched in early 2010.

Consumers, many of whom are now bringing their own bags on shopping trips, are also starting to clamor for more progress with packaging. A Datamonitor report published in April noted that while sustainable packaging is "not yet a primary motivator of purchases, it is becoming a consumer expectation." The study, conducted in the second half of 2008, found that as many as half of French consumers and close to half of German and Italian respondents said they would seek alternatives if the brand they were interested in had excessive packaging.

Influencers are helping to sway consumers. Last month, Tim Atkin, wine critic for the U.K.'s *Observer*, said he would stop recommending wines that come in heavyweight bottles. Among other advice, he encouraged drinkers to buy wines packaged in bag-in-box, plastic, Tetra Pak or lightweight glass.

Along with greener packaging, we will also see more companies start to take responsibility for what happens to their packaging after purchase. Coca-Cola has invested $80 million in six plastic-recycling plants worldwide (its bottle-to-bottle recycling plant in South Carolina, opened in January 2009, is the world's largest). It's also working with a partner to make fiber out of post-consumer bottles. In the U.K., where the company recently launched its first ad campaign to urge consumers to recycle, Coca-Cola plans to create 80 Recycling Zones by 2011 at theme parks, shopping centers and major travel hubs.

Market research firm Pike Research estimates that globally, almost one-third of packaging materials will be eco-friendly by 2014, up from 21 percent now. But for every green advance, there will be stumbles by brands. (Most recently, Starbucks was criticized for its new Via single-serving instant coffee, which comes in boxes of three or 12—a lot of packaging for a little bit of coffee.) Plus, today's innovations and improvements will soon be seen as not enough.

Expect the issue of packaging to rise up the radar and remain in the spotlight, at least until cradle-to-cradle becomes common practice.

5. IT'S BIC, AND IT'S BIGGER THAN EVER

The Trend: The vaunted BRIC emerging markets are now down to BIC—and while developed nations remain hobbled by the financial crisis, Brazil, India and China are emerging stronger than ever, both economically and politically.

What It Means: This is part of the wider Redistribution of Power trend we forecast last year, but we're seeing power shift faster than expected to the BIC nations in the wake of the recession. As their stars rise, these countries will come to radiate optimism and innovation as developed markets struggle to rediscover their bearings and keep pace. More marketers will shift more resources to the new New World.

When Brazil won its bid to host the 2016 Olympic Games, the ensuing weekend-long party showcased the nation's trademark ebullience. Sweaty flag-wavers consorted with samba players, beachgoers and irrepressible sports fans. Meanwhile, in the Northern Hemisphere, stunned Chicagoans mourned their loss. Everyone, it seemed, felt the Earth's poles reverse. Brazil, not the United States, was on top.

The victory seemed symbolic of a wider shift in economic power and influence. In the wake of the global financial and economic crisis, it is Brazil, India and China that are recovering fastest and most convincingly. Goldman Sachs predicts China's GDP will grow by about 9.4 percent in 2009 and 11.9 percent in 2010. India's GDP is expected to grow by 6.2 percent for the fiscal year that ends in March, according to Morgan Stanley. And the Brazilian Finance Minister forecasts that Brazil's economy will grow by 4.5 percent in 2010.

By contrast, the European Union is forecast to grow just 0.7 percent next year. In October, the International Monetary Fund projected a 1.5 percent growth rate for the U.S. economy in 2010.

Looking ahead, Brazil will enjoy the international spotlight as an Olympics host country, investment site and marketing opportunity. China, where consumer power is growing fast, will cease to be simply the world's supplier and increasingly make demands of its own. And India, awash in foreign investment, will expand its middle class and their expectations.

"It used to be that when the U.S. sneezes, Brazil catches pneumonia, but that is no longer the case," Marcelo Carvalho, chief economist of Morgan Stanley Brazil, told *The New York Times*. The same could be said for any export economy, but both Brazil and China are successfully uncoupling themselves from Western demand. In Brazil, reserves of raw materials—iron ore, soybeans, etc.—have found a new destination in China. And the recent discovery of 5-8 billion barrels of undersea oil, now in the hands of nationally owned Petrobras, could make Brazil as big an energy player as Saudi Arabia.

For its part, China need only look inward to replace waning Western demand. Retail spending in China was up 15.4 percent in August over 2008. The Chinese middle class is growing, and the wealthy, particularly those in the financial sector, have been largely insulated, thanks to heavy government market regulation. While the appetite for luxury in the developed world wanes, it's on the rise among China's wealthy. In October, dozens of French luxury labels, including Christian Dior and Chanel, launched a Web site dedicated to promoting their brands in the region. Chinese in the market for tangible assets like wine, art and diamonds are driving record auction prices at Sotheby's in Hong Kong. Once domestic demand is stimulated by middle-class shoppers, the lower classes employed in production will rise out of their funk.

India, also largely shielded by heavy banking regulations, is posting an impressive rebound. Foreign investment is back. The country's flagship industry, information technology, is hiring again. Industrial production was up 10.4 percent in August over last year, and car sales are booming. India's shoppers topped Nielsen's global consumer confidence index in October with a stunning 120 points. Eight in 10 Indians feel good about their job prospects in the coming year and feel positive about their personal finances, according to Nielsen; 44 percent say it's a good time to buy things they want.

Notably, all the BIC countries are optimistic ones. In analyzing 11 markets this year through our AnxietyIndex research, we found that Brazil, India and China are all hope-fueled markets; the remainder are fear-fueled. While people in the fear-fueled markets expect most things to get worse—from the national infrastructure to the budget deficit to the economy—BIC respondents feel that a preponderance of factors will improve.

While consumers in every BIC country have issues of concern—notably safety/security and food prices in India, crime in Brazil and food safety in China—they have been relatively insulated from the global downturn, allowing for a uniquely bullish outlook. Among the brands that recognize such optimism are Nokia, which has rightly positioned its devices in India as tools for personal and social progress. In China, domestic sports brand Ni Ling has introduced the line "Just run, and be happy."

By contrast, consumers in developed economies like the U.S. and EU have felt the crisis acutely, hit hard by high unemployment, sagging home prices, rising personal debt and the prospect of higher taxes. And these issues will continue to plague them in the year ahead.

Russia, which in past years has been grouped with Brazil, India and China as a fast-emerging economy, is also a fear-fueled market. Our AnxietyIndex found that Russia is not only anxious, it's also extremely pessimistic. Memories of the '98 financial crisis are still top-of-mind, and most Russians believe the crisis will be long-lasting. And Russians are seeing a reduction in household income even as the cost of living continues to climb—prices are two to three times higher in Moscow than in other European capitals. The global downturn has cut the wealth of its oil barons in half.

Russia is also the only BRIC country not moving toward the light. Brazil has solidified as a stable democracy, India's economy is lifting millions out of poverty, and China is becoming more environmentally responsible. But in the past decade, Russia has become more nationalistic and corrupt.

Of course, the weather is not always sunny for the BIC nations. Just days after Rio's victory over Chicago, criminals wielding large-caliber weapons shot down a police helicopter, prompting questions as to whether the city—whose murder rate is one of the world's highest—could cut its crime in time for the Olympics. India is struggling with malnutrition; about two-thirds of its children are malnourished by age 2, according to Purnima Menon, a research fellow for the International Food Policy Research Institute. Human rights abuses, government corruption and rural poverty remain sticky issues for China's authoritarian regime. And some economists question China's rebound, charging that the recovery is based on the globe's largest stimulus package, that its economic indicators are "massaged" and that the yuan is artificially fixed.

The challenges are hardly insurmountable. Consider that China's environmental record was a source of stinging criticism leading up to the 2008 Games, while today it is taking measures to reduce carbon emissions nationwide. As their profiles wax, Brazil, China and India, as well as the companies that invest there, will have tremendous opportunities to secure larger platforms on the world stage. They will also have the chance to improve their standings by improving their societies.

6. TRICKLE-UP INNOVATION

The Trend: Products designed for emerging markets are increasingly filtering into the developed world, where consumers are welcoming them as cheaper and simpler alternatives to existing choices.

What It Means: The 4 billion "bottom of the pyramid" consumers of developing nations are driving the development of products that fit their unique needs; at the same time, newly thrifty consumers in mature markets are embracing "good enough" products. As a result, innovative products from emerging markets will find global success.

While marketers have typically targeted the upper 10 percent of the emerging-markets pyramid, products will increasingly serve the other 90 percent (as many as 4 billion people), who today have more purchasing power than ever before. The so-called bottom of the pyramid wants basic products at lower price points; these two key characteristics are making products designed for the developing world strike a chord with recession-weary consumers.

This trend toward Trickle-Up Innovation—which has been covered by publications including *BusinessWeek* and *Fast Company* in the past year—only promises to become more predominant in the decade to come for a number of reasons.

More than a year into the downturn, consumers in the developed world have adopted the mind-set that they don't need products laden with every bell and whistle. Consumers are often happy with low-tech as long as it gets the job done, a phenomenon *Wired* magazine has termed "The Good Enough Revolution." People are embracing a new price-performance paradigm: Forget the high-cost bloat of high-end technology and replace it with ease of use, accessibility and affordability.

Even as gadgets grow increasingly sophisticated, some good-enough technology thrives. People use camera phones despite the poor quality of the images and shoot video with the Flip, a stripped-down camcorder; they've embraced the slightly inferior audio quality of MP3 files and are content to watch grainy amateur videos on YouTube and not-quite-high-def TV programming on Hulu.

The netbook is perhaps the prime example. These mini notebooks offer only basic computing power but are cheap and easy to tote—and they became a breakout new product category in 2009. The product originated from a project to create $100 laptops for children in developing countries; Taiwanese manufacturer Asustek commercialized it with the Eee PC netbook, targeting adults seeking a lower-cost alternative to a laptop. Launched in fall 2007, it became popular in Europe and Asia.

Two years later, nearly every major PC brand offers a netbook, and netbooks account for 20 percent of all laptops sold. ABI Research estimates that manufacturers will ship almost 35 million netbooks in 2009. "We started inventing for the bottom of the pyramid, but the top of the pyramid wants it too," Mary Lou Jepsen, founding chief technology officer of the One Laptop Per Child project, told *Wired* in February 2009.

As with the $100 laptop concept, when designing products for emerging markets, it's typical to set a price point first, then reverse-engineer the product within cost. The results can shatter previous price models: Take the $2,500 Nano car from India's Tata Motors. Designed as an ultra-affordable transportation option for India's masses, the Nano is expected to trickle up to Europe by 2011.

That price-point-driven approach is also trickling up to the developed world. When *Brandweek* recently asked Walgreens chief innovation officer Colin Watts whether the recession has caused packaged goods marketers to define innovation differently, he noted: "There used to be a tradition that if I introduced something new, I would always ask for a bigger premium from the consumer for it. What you're seeing now is innovation that goes in the other direction: I'm actually trying to find a way to reduce that opening price point."

Innovative new products for emerging markets will come from both homegrown entrepreneurs and global brands. China's "indigenous innovation" policy has resulted in new car companies, including BYD, which is making a competitively priced electric car scheduled to reach Europe in 2010 and the U.S. in 2011.

India is also harnessing its wealth of human capital to serve the market needs of its 1.1 billion people, particularly in the motor industries. Mahindra & Mahindra is gaining market share against John Deere, offering suburban lawn-owners in the U.S. a lower-horsepower tractor at lower prices. There's also Tata Motors, maker of the breakthrough Nano car, as well as Reva Electric Car Company, which has been manufacturing small, basic all-electric vehicles for eight years. The company is now partnering with General Motors on an electric version of the Chevrolet Spark.

Global brands, meanwhile, are reimagining their products for the developing world—and in doing so are coming up with products that have even wider appeal. GE, for example, developed an ultrasound machine for use in rural China that is simpler, smaller and 90 percent cheaper than similar machines. The machine trickled up to the German market in 2009. A handheld electrocardiogram device, a GE innovation developed for rural India, weighs half as much as similar machines and is 80 percent cheaper. It's now marketed to rural clinics and private physician practices in the U.S.

Microsoft's Unlimited Potential Group, which researches technology for the bottom of the pyramid, created a simpler version of Windows, based on its Starter Edition for Windows, that was originally available only in emerging markets. It turned out to be a good fit for netbooks, however, and is now available worldwide on netbooks.

Even philanthropic ideas are trickling up from the developing world. The concept of microfinance originated with the Grameen Bank in Bangladesh. In 2005, U.S.-based Kiva.org launched as a middleman between people willing to loan small amounts and entrepreneurs in emerging markets. In mid-2009, responding to American entrepreneurs' growing difficulty with securing credit, Kiva expanded to include small, struggling businesses on its home turf.

7 RETOOLING FOR AN AGING WORLD

The Trend: As the world's population grows older than it's ever been, watch for a proliferation of products and services that cater to this demographic as they strive to live independently for as long as they can.

What It Means: The demand for more senior-friendly products and services will only continue to grow, forcing businesses—traditionally so obsessed with youth—to retool in a bid for a bigger share of this burgeoning market. Makers of everything from homes to cars to consumer goods, along with retailers and service providers, will increasingly focus on innovative solutions for older consumers—in the process benefiting the general population as well.

The forecasts are startling, especially when you consider that so much of our culture is focused on youth and youthfulness: In less than 10 years, people over age 65 worldwide will outnumber children under age 5 for the first time in history. The global population is aging, and it's aging at an unprecedented rate. The 65-and-up segment of the world's population is growing by an average of 870,000 people a month, a number that will rise over the next decade.

This trend is most pronounced in industrialized countries. In the U.S., the first of the Baby Boomers hits the 65 mark next year. By 2020, nearly 22 percent of Western Europe's population is expected to be over age 65 and about 18 percent of Eastern Europe's population. By comparison, with 22 percent of its citizens over 65, Japan is currently the world's oldest country.

Not only is the population aging, but more older people will want or be forced to handle more tasks on their own. For instance, in China, the one-child policy that began in the late 1970s means fewer children to take care of aging parents. Lower birth rates in several European countries have resulted in the same situation.

This aging population presents both opportunities and challenges to marketers. Overall, this is a healthier, better-educated and higher-income cohort than preceding generations of seniors. In the U.S., this group is expected to spend more than $50 billion over the next decade on consumer products. But there are concerns that loss of pensions and the rising cost of health care will squeeze older consumers' spending.

One area of opportunity is helping seniors "age in place": to remain in their homes and communities, taking care of their own daily needs. With older cohorts increasingly living on their own, many by choice, they need an array of products and services to help them lead independent lives. Industrial designers are coming up with some relatively simple tweaks: Thermador has designed a glass cooktop that automatically shuts off when cooking is completed; Whirlpool offers pedestals for its washers and dryers that reduce the need to bend over, and chimes to indicate washing temperatures for people with limited eyesight.

In the U.S., seniors are increasingly moving to more densely populated communities so that services, shops and public transportation are readily available. In some cases, service providers are reaching out to offer help with grocery shopping, banking, health care and so on. Some suburban areas, including towns near Denver and across British Columbia, are being retrofitted to add more shops and services within walking distance of scaled-down housing in denser neighborhoods.

Retailers are investigating ways to better cater to seniors, who often grapple with limitations such as diminished eyesight and mobility but prefer to do things for themselves. Improvements include remaking spaces with wider aisles, using more manageable carts and installing nonslip floors. U.S. drugstore chain Walgreens will install call buttons near heavy containers and make aisle signs clearer. Rite Aid is putting bigger typefaces on its store-brand goods.

Older consumers will increasingly find more products designed just for them. British hardware chain B&Q sells a store brand designed for people with reduced strength and mobility. Many products in this category will be distinguished by their simplicity and ease of use, going against the tendency of manufacturers to keep adding bells and whistles; rather, they strip away bonus features. Samsung's Jitterbug mobile phone, sold in the U.S., has louder sound and a simplified keypad but doesn't include a camera. Users can add services such as a reminder call for taking medications.

Automobile design is also focusing on the older driver. MIT's AgeLab is working with the global auto industry, including partners Ford, Nissan, Toyota, Fiat and Volkswagen, to determine ways to make cars safer for seniors. It's developing systems that help keep drivers alert and focused, including a sensor that adjusts the temperature as the driver becomes more or less alert. Some Volvo and Mercedes-Benz cars already have "fatigue-management systems" that warn drivers when they cross the center line.

Innovative design is one way of boosting appeal to aging populations. Another is customer services tailored for a group that struggles with limited resources or mobility. For example, some banks are offering assistance that goes beyond wealth management; Wells Fargo Bank in the U.S. and Bank of Montreal in Canada help higher-end clients find outside professionals to assist with everything from pet care to home maintenance.

Especially helpful are services that allow older people to deal with myriad health issues on their own. CVS Pharmacy's Minute Clinics offer a low-cost alternative to doctor visits for people with common illnesses such as cold and flu. While these are available to all customers, the U.S. retailer is working to draw in older demographics with specialized programs such as one that helps people manage multiple medications.

Most of the innovations we will see in the years ahead will have wider appeal than just the aging population. Automobile safety is important across demographics, and easy-to-read packaging is as useful for older people as it is for busy moms. Easier-access appliances are helpful for people with disabilities as well. Smaller homes and denser populations lead to more congenial neighborhoods and use fewer resources.

While appealing to the aging population is a target for marketers—this is, after all one of the wealthiest segments of the population—creating products for an aging population will open up opportunities for brands across all cohorts.

8. LIFE IN REAL TIME

The Trend: The Web is evolving into a constantly updating stream of real-time information, conversation, memes and images. This is creating an increasingly mass culture and shifting perceptions of "current," moving modern life into the "now."

What It Means: Businesses and brands gain a real-time window into what consumers are thinking about and interested in. The challenge is to respond in real time and keep up with the hyperactive cycle, taking advantage of short-term opportunities and swatting away potential problems before they balloon. Increasingly, consumers will expect near-instant response, news and information—then will quickly turn their attention to the next thing.

The steady rise of social media—especially Facebook and Twitter—and the Web 2.0 culture of sharing, collaboration and conversation is creating what's being called the Now Web or the real-time Web. Characterized by constantly updating streams of information, conversation, memes and images, it's very different from the static pages that once defined the Web.

The Now Web is sites like FriendFeed, a continuous scroll showing what your contacts are doing on Twitter, Flickr, Facebook, Digg, etc.; it's Zappos' U.S. map showing where shoppers are currently buying what; it's "White House Live" on Facebook, which streams video of events and allows members to chat in a neighboring window; it's *The New York Times*' Times Wire, an automatically updating list of new posts.

An array of real-time search engines from startups including OneRiot (which is partnering with Yahoo!), Collecta and Scoopler focus on what's being Tweeted and shared around the Web. In October, both Google and Microsoft's Bing announced search deals with Twitter. "This is going to become mainstream very fast," Sean Suchter, general manager of Microsoft's search technology center, told *USA Today*. "Everybody in the world is going to expect that they can find out anything, anywhere, instantly."

The proliferation of smartphones is also driving the trend, enabling real-time connectivity and instant text, photo and video updates. Location-based or -aware mobile mapping services are helping people connect with friends on the go and interact with brands in real time.

This trend will spur the rise of a more mass global culture—people experiencing events together in real time. Barack Obama's inauguration was arguably the first such experience, with people around the world Tweeting and watching it together on Facebook. That was followed six months later by Michael Jackson's memorial, when global Web traffic reportedly surged to 33 percent above normal. During the World Series in November, the Huffington Post created a real-time hub that collected the Twitter feeds of baseball writers, Yankees mavens and Phillies commenters.

This real-time mass culture also means using the Web to rally likeminded people (as happened in the aftermath of Iran's presidential election) and spread Internet memes and sometimes rumors rapidly around the globe. Memes—cultural phenomena that travel quickly through the Web—now spread faster and further than ever. Before the Now Web, for example, it's unlikely the Susan Boyle video would have racked up millions of YouTube views in a matter of days; Boyle's moment became part of the mass Now.

"Life in Real Time" is also shifting perceptions of "current," already much different from the days when people relied on the evening news and the morning paper to keep up to date. "As the pace of the [real time] Stream quickens," longtime Web entrepreneur Nova Spivack has said, "what we think of as 'now' gets shorter. Instead of now being a day, it is an hour, or a few minutes. The unit of change is getting more granular."

This changes the game for the media. Citizen journalists are providing immediate reports from the scene, especially in the aftermath of disasters. Or they're bringing incidents to light—after a London Underground employee was filmed abusing a passenger, the footage was quickly blogged, reblogged, Tweeted and re-Tweeted, with the story hitting the national press in a matter of hours.

It certainly changes the game for marketers. Missteps and problematic products can come almost instantly to light. Last summer, after Dave Carroll failed to get compensation from United Airlines for damaging a guitar he'd checked, the Canadian musician posted a YouTube video of himself singing about the episode and scored a viral hit, generating mainstream media coverage. This "shows just how quickly the Internet can help a disgruntled customer turn the tables on a company and its effort to manage its public image," wrote *USA Today* aviation blogger Ben Mutzabaugh.

Brands now need a new set of quick-response skills. Consumers expect near-immediate brand response and an ongoing stream of dialogue with brands (what's sometimes called social CRM). So brands must make customer service more real-time and inject themselves into real-time conversations. Pepsi, for example, reacted quickly after Jackson's death, sending out a "Thank you, Michael" Tweet to acknowledge the King of Pop's 1980s commercials for the brand.

It's becoming increasingly more crucial for companies to truly listen to their customers, to turn on a dime without bureaucratic delays and to flatten hierarchies to make this possible.

The stream of information that people consume, produce and share online is flowing ever faster. It's no surprise that two tech launches in November were both named Pulse (a Novell software suite for Google Wave and a mobile-search app from social network operator Loopt). There's no stopping or even slowing the quick pulse of life, and people are searching for ways to keep up with it. Brands that can help will be highly valued.

9. LOCATION-BASED EVERYTHING

The Trend: With more location-based services and advanced mobile and mapping technologies hitting the market, the conversation will become as much about "where I am" as it is about "what I'm doing" and "what's on my mind."

What It Means: As smartphones become unique location guides, they will help users better connect with their surroundings, each other and relevant brands. Relevant real-time messaging and interactions based on location will become the new micro-targeting.

The adoption of advanced mobile and mapping technology and applications by consumers and businesses alike promises to drive the growth of location-based or -aware services that leverage data from a user's mobile phone. This trend goes hand in hand with the growing expectation of instant gratification: "I need to find something [food, entertainment, retail] or someone [a friend, family member] right now, based on where I am."

This is an outgrowth of one of our 10 forecast trends for 2009: The Mobile Device as the Everything Hub. We expected that the mobile device would become the preferred hub for digital activity as the availability of wireless broadband expanded and the cost of advanced mobile phones dropped.

Increasingly, the smartphone is not only a hub for a collection of digital capabilities that consumers can also get elsewhere (phone, MP3 player, camera, basic computer), it's a unique location-based device. It can tell people where exactly they are, what they can find around them, which friends or family are in the area, and how to get to their next destination. And in doing so, the smartphone will change how people interact with their surroundings, their social network and marketers.

In October, Google unveiled a free on-the-go navigation service that uses its Android operating system for mobile phones—users get turn-by-turn directions, live traffic updates, street-view images and voice recognition (just ask where the store/restaurant/etc. you're looking for is, and the application will guide you there). In the future, Google says, the service will be ad-supported.

Forrester predicts that by 2013, the mobile phone will be the most widely used tool for navigation—potentially upending the industry that sells dashboard navigation systems. But if smartphones are becoming as sophisticated as GPS devices, for some users they are equally useful as all-around guides or as social enablers.

A multitude of geo-targeted applications help people find everything from nearby restaurants (UrbanSpoon) to cash machines, gas stations and other useful services (AroundMe). Brand-sponsored apps include MasterCard's Priceless Picks (which helps people find deals and what other users have dubbed "priceless" experiences nearby) and Charmin's bathroom finder, SitOrSquat.

Mobile search—using a phone's GPS capabilities to help users find surrounding services, sights and events—looks to become a lucrative category. Startups in this realm include Pulse, which returns results from 20 sources (Zagat, DailyCandy, Citysearch, etc.).

Pulse is owned by Loopt, one of the players in the mobile social networking space, currently populated largely by the hyper-social and mobile-savvy Millennial generation (teens and twentysomethings). Social apps help people track friends' whereabouts. Loopt and Google's Latitude both display a user's location on a map that friends can access. Foursquare, one of the latest entrants to the social arena, is a gaming app that uses geo-tagging to help users find and share bars, restaurants and other venues with friends. Currently available for 53 cities worldwide, it will expand its reach and user base in 2010.

Mobile devices are also converging with social networks—syncing up with geo-location functions on Facebook, for example, so that users always have a sense of where they are in physical relation to one another, allowing the virtual to drive face-to-face interaction. Twitter is now adding geo-location capabilities on an opt-in basis, so that if the option is turned on, a Tweet will show where it originated from (this is already available through third-party apps like Tweetie 2.0, which also allows people to search for other Twitter users nearby).

The more people who sign on, the more appealing and useful these applications. This year, the number of worldwide subscribers to consumer location-based services will more than double, according to a July forecast from Gartner, from 41 million in 2008 to 95.7 million. And growth will zoom: ABI Research, which expects GPS to be included in nine out of 10 smartphones by 2014, predicts that total global revenue from location-based services will reach $14 billion by 2014, up from an estimated $515 million in 2007 and $2.6 billion this year.

In the near term, factors driving the increase include "higher availability of GPS-enabled phones, reduced prices and appearance of application stores," according to Gartner senior research analyst Annette Zimmermann.

Already one in three smartphone owners was using location-based tools in Q1 2009, according to data from Web-research firm Compete. And a Q1 Nielsen report showed that nearly three-quarters of iPhone users were doing so.

As GPS-enabled, 3G-and-beyond smartphones become increasingly ubiquitous, more people will be leading location-based lifestyles. (This trend is already well under way in Japan, always on the forefront of mobile, where GPS has been required by law on mobile phones since 2007.)

The opportunities for brands are significant: the ability to send relevant real-time and, most important, location-based messages. Unlike today's contextual advertising, which is based on what a person is searching, watching or reading, this type of advertising allows brands to target right down to a person's latitude and longitude. This has significant implications for industries that rely on impulse buying or decision-making close to point of purchase (food, retail, apparel, entertainment). Travel and leisure will also be prime beneficiaries, with travel companies creating ongoing dialogues with travelers throughout their trips.

There are privacy hurdles involved in location-based advertising, especially when it comes to sending messages to something as personal as a mobile phone. But brands will circumvent some of those with opt-in services.

What's next? Startups including Socialight, Brightkite and Graffito are betting on tagging, which *Wired's* Clive Thompson describes as "writing up notes, implanted in space, that describe something interesting about a particular location." Retailers and restaurants could build word-of-mouth by encouraging customers (via promotions, etc.) to tag a location. Collaborative-filtering tools—which provide recommendations based on an analysis of the data trail that a user's phone creates—will also rise up the radar.

10. VISUAL FLUENCY

The Trend: The ongoing shift from words to images will accelerate, and we'll see increasingly innovative ways to explain and illuminate complex topics.

What It Means: When it comes to complex issues, from the global economy to the health care crisis, people in today's scarce-attention economy prefer a graphic synthesis of information to an avalanche of reading material. Communicators across all sectors will need to find innovative visual ways to convey information. As a result of this trend, the roles and functions of people who work in communications—designers, writers, journalists, researchers, analysts, etc.—will continue to overlap and hybridize.

Visual fluency has been building for years, accelerated by the rise of image-heavy media and shorter attention spans. But as consumers become flooded with ever more information and data, expect to see a proliferation of engaging visuals that explain, enlighten and, in some cases, entertain as well.

Much of this trend revolves around explaining hot topics in the news. As *New York Times* design columnist Alice Rawsthorn has observed, "There's one simple reason why visualization is becoming so important, and that's our desire to understand what's happening in the world at a time when it's becoming harder and harder to do so."

The credit crisis, confusing to most people, is a perfect example. "The Crisis of Credit Visualized," an animated online short that blends storytelling, journalism and analysis, was a media-design student's thesis project that reached viral status by mid-2009. "The goal of giving form to a complex situation like the credit crisis is to quickly supply the essence of the situation to those unfamiliar and uninitiated," explains Jonathan Jarvis, the video's creator, who now runs a design practice specializing in "designed transparency."

Some big names in traditional print journalism are experimenting with initiatives in visual communication. Both online and in print, newspapers are showcasing "visual essays"—*The New York Times* hosts Maira Kalman's And the Pursuit of Happiness blog and Christoph Niemann's Abstract City, which routinely garner user comments (generally raves) in the hundreds. The *Times* also creates a range of infographics that add dimension to its stories.

Real-time analysis will increasingly help illustrate current events as they unfold. FluTracker, for example, was created by a biomedical researcher in Pittsburgh to show global progress of the H1N1 virus; it's updated multiple times a day.

Visual projects are also well-suited to advocacy: persuading people about a cause or a candidate. Al Gore set a precedent with *An Inconvenient Truth*, which revolved around his PowerPoint presentation on climate change. In 2006, Hans Rosling's part-performance, part-seminar deconstruction of real-time global poverty statistics was one of the first TED conference videos to go viral. This year, "The Story of Stuff," a 20-minute Web animation from activist Annie Leonard about consumerism, turned into a sleeper hit everywhere from American classrooms to Facebook.

The vast store of government data that's now available to the public online will also inspire greater visual fluency. In an effort to become more transparent, the U.S. government is making more information available on interactive Web sites like Data.gov, a hub for federal data that launched in May. The country's first chief information officer envisions people creating infographics based on this data, like the government's own graphics-driven Recovery.gov, which details Recovery Act spending.

This trend will ramp up as more government-generated information comes online. The U.K. is readying Data.gov.uk, modeled after the U.S. site.

As pressures to become transparent increase, brands will also have to become more graphically proficient, especially as it grows increasingly necessary to cram more information on packaging and Web sites (see our Maximum Disclosure trend).

Brands are increasingly in the business of information and education, and we'll see more visually based branded content online. Some of this will be focused on helping consumers better understand topics of interest. *GOOD* magazine recently partnered with Whole Foods on a series of animated videos about the resources it takes to produce the food we eat. GE's "Healthymagination" campaign (a commitment to spend $3 billion on health care innovation by 2015) includes online interactive visuals that use GE's proprietary database of health records; the Health Visualizer shows America's health conditions and their correlations with various risk factors.

The New York Times is trying to sell advertisers on its approach and recently launched Innovation Portfolio, a compilation of its best infographics, "to inspire conversations about how to apply immersive storytelling techniques to … the advertising process." Some examples on the site reveal the average user time spent with the infographic and the number of page views—making the argument that graphics drive user engagement.

Increasingly, information that was formerly relegated to the written or spoken word, at best accompanied by a talking head, B-roll or generic imagery, will need to be presented in a more easily digested graphic form. Communications workers will have to become more adept at thinking graphically, and people like Jonathan Jarvis who can synthesize information in a visual way will be in high demand. At the same time, with the development of easier-to-user tools and more data becoming public, amateurs will create their own visual contributions.

The old truism that a picture is worth a thousand words will become increasingly apt. "Our culture is quickly growing to accept the idea of a definitive infographic," wrote Cliff Kuang in *Fast Company* last September, "because infographics are better able to model an issue, in its sweep and complexity, than a mountain of words possibly can."

WHATEVER HAPPENED TO…

So whatever happened to our forecast from last year? How did our predictions pan out? Below are excerpts from our 10 Trends for 2009 and our observations on how they played out in the global marketplace.

Recessionary Living

What We Said: The threat of a global recession has spurred people to make adjustments in their standard of living, whether it be cutting back on spending, trading down, choosing quality over quantity or becoming adept at relying on their own resources.

What 2009 Brought: As consumers found themselves buffeted by events outside their control, they responded by exerting greater control over the world immediately around them in various ways. Uncertainty about the future drove even those not directly affected by the recession to take precautions.

The anxious planned their purchasing behavior around where and when they could get the best deals and exercised greater restraint. An average of 62 percent of adults across the U.S., U.K., Canada, Australia and Japan said they spent more time looking for bargains this year than before the recession, according to our AnxietyIndex research. Nearly two-thirds of American adults and 57 percent of Britons told us they had cut their dining-out budget from 2008; 84 percent and 82 percent, respectively, said they did so to save money.

Our AnxietyIndex research also found that nearly 55 percent of parents across the U.S., U.K., Canada, Australia and Brazil had to tell their children they couldn't afford a big purchase they wanted, 41 percent had to downsize vacation plans and 40 percent had to cut back their children's clothing allowance.

Grocery shoppers focused on getting more for less, clipping coupons and trading down. As of September, private-label sales in the U.S. were up $5.1 billion, or 6.2 percent vs. a year ago, according to Nielsen.

And as unemployment continues to rise, consumers' prudence and renewed interest in saving rather than spending will likely continue into 2010. For more on what to expect, see our Searching for Stability trend.

Simple Pleasures

What We Said: The reality or the risk of money running short is a real incentive for consumers to find new ways of enjoying what they have and what they can truly afford. Rather than splurging on extravagant treats and "retail therapy," consumers will look to simple pleasures as a more suitable and satisfying way to feel good.

What 2009 Brought: 2009 was the year of "The Joy of Less," as a popular NYTimes.com essay by Pico Iyer was headlined.

Consumers put the brakes on spending, buying mostly just what they needed instead of what they wanted and eating in rather than dining out. They enjoyed cheap treats like chocolate and candy (sales of both are expected to rise in the U.S. this year) and splurged on small pleasures like gourmet tea.

People also got back to basics, adopting low-tech pastimes such as sewing, cooking, gardening and playing board games in an age where video games and Facebook reign. And with people staying in more, more quality time was spent with family and entertaining friends.

Several brands positioned themselves as a simple pleasure, notably Coca-Cola. When its "Open Happiness" campaign launched in January, CMO Joe Tripodi said, "Even with the difficulties and stress of modern-day life, there still are opportunities, every day, to find a moment to recognize life's simple pleasures." Another example is Trident, which adopted the tagline "A little piece of happy."

The Energy Race

What We Said: Global capitalism's next entrepreneurial Holy Grail is shaping up to be energy-efficient technologies. The Energy Race doesn't just pit nation against nation; it necessitates both competition and cooperation, not only between countries but also among corporations and research institutions, as multiple sectors strive to find cheaper, renewable and more environmentally friendly energy sources. Whatever the current price of fossil fuels, there is a growing consensus that investment into alternative, clean energy needs to be a long-term goal—both for security and economic reasons.

What 2009 Brought: A global recession took some wind out of green energy's windmills. Companies lost value, new financial investments slackened, and some projects were shuttered.

At the same time, governments threw funds behind energy initiatives: Public financing for clean energy spiked by 45 percent to $4.5 billion this year. Worldwide, nations have pledged about $163 billion on stimulus programs to promote renewable energy. The U.S. alone put aside about $66 billion.

Governments also demonstrated real intent to spark change. Since its creation in January, the International Renewable Energy Agency (IRENA) has signed on 137 member states. In August, Australia pledged to generate 20 percent of its electricity via renewable sources by 2020. And governments are promoting smart meters, including Sweden, which was the first country to fully implement this energy measurement system, and the U.K., which announced plans to put them in all homes by 2020.

The auto industry is rapidly evolving toward cleaner energy. A slew of electric cars will come on the market next year, including GM's Chevy Volt and Nissan's Leaf. And more automakers are getting into the hybrid game, including Mercedes-Benz, BMW, Audi, Porsche and Hyundai.

The Small Movement

What We Said: Everything is getting smaller, from stores to cars to mobile technology to packaged goods. With businesses driven to achieve efficiencies (in terms of energy, expenses or both) from the top *and* the bottom, the small movement will increasingly benefit—and be driven by—the environmental movement. Smaller will come to signify better—not just for business, but for the consumer and potentially the environment, as well.

What 2009 Brought: With a global recession forcing people to live with less, consumers have backed off of big.

Nowhere has this been felt more strongly than the car market. "Cash for clunkers" programs in the U.S. and Germany saw buyers choosing smaller cars over SUVs and weighty gas guzzlers. While small cars made up 12.6 percent of the American market in 1998, this year it was 21.1 percent, according to Ward's AutoInfoBank. And almost all new cars planned for international markets are small, including Ford's Figo, GM's Agile and Nissan's Micra.

The real estate market also adjusted to this new reality. In the nation that once embraced McMansions, developers shrunk the American home's footprint for the first time in decades. "More often than not, builders say, post-crash buyers of new homes want smaller and simpler," reported *The Wall Street Journal* in November. One example: Five new floor plans from Maryland-based Winchester Homes are between 1,973 and 2,800 square feet, the company's smallest homes ever. Super-small abodes being built in Japan and India range from 250-465 square feet.

Meanwhile, petite gadgets powered up. With a multitude of apps transforming mobile devices, smartphones have become pocket lifestyle tools. Qualcomm announced plans for a pocket-sized gadget dedicated to streaming TV on the go. And consumers went nuts for netbooks: Sales of the small, light computers accounted for 11.7 percent of laptop revenues in Q2 2009. As of July, research firm DisplaySearch estimated that netbooks would make up 20 percent of the notebook market by the end of the year.

The Mobile Device as the Everything Hub

What We Said: As the availability of wireless broadband expands and the cost of advanced mobile phones drops, the mobile device will become the preferred hub for digital activity.

What 2009 Brought: Mobile phones evolved into increasingly versatile devices that people are relying on more and more.

Smartphones are hot and getting hotter. Gartner estimates that worldwide sales will grow 29 percent to reach 180 million units in 2009, overtaking notebooks in total units. And Nielsen projects that by mid-2011, half of U.S. cell phone subscribers will be using smartphones.

According to *USA Today*, a Forrester Research analyst "predicts that the next huge wave of Internet users—potentially billions of people in developing countries—will predominately use smartphones instead of PCs." Young, poor urban Americans are expected to do the same.

Already mobile-only social networks—MocoSpace, Mig33, Peperonity, etc.—are on the rise. This year many more people started using social networks from their smartphones (Nielsen reported a 187 percent year-over-year jump in the U.S. for July, to 18.3 million).

Life on the go is being revolutionized. Apple's App Store, launched in mid-2008, now offers more than 100,000 apps; these enable everything from booking hotels to tracking friends while mobile. iPhone rivals are jumping onto the app bandwagon. The new Droid from Verizon, among other features, can provide voice-assisted turn-by-turn GPS directions. And Juniper Research estimates that by 2013, consumers will buy $300 billion worth of goods and services via mobile devices.

Eight in 10 Americans age 18-34 say their mobile phone is their "lifeline" to others, according to a June survey from Sprint. Soon phones will be even more than that. In another two years, says *The New York Times'* Bob Tedeschi, mobile devices "might physically resemble the smartphones of today, but they will be much more computer than phone."

Career Reinvention and Extension

What We Said: More people will find themselves facing a career break (aka being laid off), and many will question whether they want to return to the same line of work—either because it wasn't fulfilling in the first place or because more lucrative opportunities now lie elsewhere. Others will postpone retirement as they see their savings shrink and will formulate new ideas for late-stage careers.

What 2009 Brought: As unemployment spiked, displaced workers pursued advanced degrees and retrained for positions in recession-proof industries; many retirement plans were scrapped.

Even as headlines proclaimed an economic recovery, unemployment refused to ease. It reached 10.2 percent in the U.S. in October and stood at 9.7 percent in the EU in September (but was as high as 13 percent in Ireland and 19.3 percent in Spain).

Interest rose in relatively secure fields such as health care and education, and in jobs that provide more personal fulfillment. The U.S.-based nonprofit New Teacher Project received 44 percent more applications for its teaching fellows program than in 2008. In October, 1.35 million Chinese applied to take the 2010 civil service exam, up by about a third from 2008. And 82 percent of U.S. government and public policy graduate schools reported a rise in applications for fall 2009.

Older workers saw their retirement plans stymied. Forty percent of Americans planned to delay retirement, according to a September survey from Bankrate.com; fewer than a third are following their original retirement plans.

Many workers are reinventing or extending a career by starting their own business or freelancing. In Canada, for example, the self-employed category grew by 104,000 year-over-year in November, while private sector employment lost 449,000 jobs.

Distraction as Entertainment

What We Said: Understanding that people do more than one thing at a time, content creators are turning what could be a negative (distraction) into a positive (an immersive experience). By layering a multitude of media into entertainment, they are creating content designed for simultaneous consumption and engagement.

What 2009 Brought: The most notable manifestation of the trend was the ways in which TV viewing became more integrated with online engagement. It's increasingly easy to watch TV while chatting remotely with other viewers, following a Twitter stream or viewing other online content. This will only increase as more people watch online video and as TV sets link to the Web.

During President Obama's inauguration, people watched together online and engaged in live chat; e.g., Facebook hosted a live CNN stream. Similar dual engagement happened during Michael Jackson's memorial.

Content producers are increasingly seeking ways to monopolize distractions—e.g., the rerun of the *Glee* pilot this fall was accompanied by live Tweets; other shows are trying this as well. Hulu now offers Facebook applications that allow viewers to discuss TV shows with friends or others as they watch. Fox is making DVDs more interactive with its new FoxPop offering: Users download a free application that provides (via a computer or mobile screen) facts, photos, games and trivia questions tied to scenes they're watching.

TV makers are integrating Web access into televisions. Widgets allow viewers to see online content, even follow Tweets related to their show. Customers of Verizon's FIOS TV simply press a remote control button to navigate between Twitter and TV mode. Twitter has been integrated into countless other platforms as well, including the mobile game Foursquare and music-streaming site blip.fm.

Authenticity Matters

What We Said: Authenticity will become paramount for brands as they look to regain credibility and trust in the wake of a financial crisis that has seen established institutions topple overnight and many others teeter on the brink. Consumers have lost a great deal of faith in brands once deemed unquestionably reliable, and they are searching for truth and clamoring for transparency.

What 2009 Brought: An array of brands explicitly emphasized authenticity in their communications. Many others played up longtime core values, heritage and trustworthiness.

"Companies must acknowledge and respond to consumers in an authentic and honest way, even if an immediate solution isn't available," MasterCard CMO Lawrence Flanagan told *Forbes* in October. "Doing this can go a long way to rebuild trust."

Barclays' "Bank on Substance" campaign tapped into consumers' anxiety about financial institutions: A commercial showed a businessman in a world where everything is revealed to be a fake; eventually, a real person steps out of a Barclays bank and asks if the man needs help. A Ford campaign showcases real customers in home-video-style testimonials that are intended to come across as "believable, honest and authentic," according to the client.

Today's consumers are skeptical about spokespeople. So a Burger King spot showed Nascar's Tony Stewart taking a lie detector test live via streaming online video to prove that he truly loves the Whopper—an authentic brand advocate.

Many brands took to social media as a way to forge trust with consumers and build a more authentic online presence and personality. Brands also increasingly embraced transparency, and we will be seeing even more of this, as discussed in our 2010 trend Maximum Disclosure.

Collective Consciousness

What We Said: With the increasing popularity of online technologies and a new global mind-set, people are thinking less about “me” and more about what “we” can do—collectively—to address the challenges of modern society.

What 2009 Brought: The year saw a rise in collaborative projects, community-centered initiatives and civic engagement, spurred in part by a “We’re all in this together” recessionary mind-set.

The notion of community became more powerful. In July, around 2 million Brits participated in the first Big Lunch, designed to help foster and celebrate community spirit. Some grassroots economic stimulus movements attempted to bolster independent local businesses (e.g., the 3/50 Project). And President Obama continues to advocate for community service, naming Sept. 11 a National Day of Service and Remembrance.

Brands tapped into the “we vs. me” spirit: Macy’s invited people across the U.S. to host a dinner party and help provide 10 million meals for America’s hungry families; it’s also rewarding “random acts of kindness” as part of a holiday campaign. And the Servus credit union in Alberta, Canada, built a campaign around the Feel Good Ripple, intended “to inspire everyone to make a positive impact in their community.”

Reflecting current ideas about collective action, the International Advertising Association’s initiative to support climate change carries the tagline “When people lead, leaders follow.” The Web site for this initiative, dubbed Hopenhagen, declares: “Hopenhagen is change—and that change will be powered by all of us.”

Corporations are also acting collectively for a cause: Nike and Best Buy are partnering with the Creative Commons on the GreenXchange, launching in early 2010, which will be one of several groups promoting open innovation as a way to drive sustainability.

Also important was the continued rise of social media and smartphones, which helped citizens organize and collaborate. In June, Iranian protesters used Twitter to help organize after the disputed presidential election.

Redistribution of Power

What We Said: The coming years will see a widespread redistribution of power in almost every major sphere: economic, social and political.

What 2009 Brought: “The great shift of power from males to females is likely to be dramatically accelerated by the economic crisis,” asserted Reihan Salam in a *Foreign Policy* essay, “The Death of Macho,” last summer. Indeed, women in the U.S. and European job market have fared better than men, so much so that the economic crisis has been dubbed the “mancession” or “he-cession.”

Whether this will be a long-term shift remains to be seen, but certainly women are making gains in positions of influence. “Rarely has D.C. wielded so much power over business, and never have so many women been calling the shots,” *Fortune* reported earlier this year. Among its 10 most powerful women in Washington: Speaker of the House Nancy Pelosi, Secretary of State Hillary Clinton, Chair of the White House Council of Economic Advisers Christina Romer and Senior Presidential Adviser Valerie Jarrett. Iceland, Lithuania and Croatia all gained their first female heads of state this year.

More generally in regard to power shifts in society, President Barack Obama’s administration has seen many firsts for minorities in the U.S., including the first African American attorney general (Eric Holder), Hispanic Supreme Court Justice (Sonia Sotomayor) and Hispanic woman in the U.S. Cabinet (Secretary of Labor Hilda Solis).

One of the biggest developments this year was the acceleration of the power shift to the emerging economies of Brazil, India and China. While developed markets remain hobbled by the financial crisis, these nations are emerging from it stronger than ever, both economically and politically. For more, see our 2010 trend It’s BIC, and It’s Bigger Than Ever.

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