

Y2K84

By Tim Love 28/02/08

In 1948, author George Orwell wrote a dystopian tale about what the world might look like thirty-six years to the future. His book, "*1984*" captured many an imagination.

Here's the way some people thought "the future" might look, with the influx of new communications technologies affecting the world.

(Show video: 1984)

I. The Future Through the Rear View Mirror

It is hard to believe that vision of the future is already 24 years old. Incidentally, that advertising actually only officially aired once. It had such a revolutionary impact that it was played over and over again, for free, in the news media—well before YouTube. There is no denying the effect new technologies have on us and the advertising industry. Fortunately, it hasn't been quite as Orwell predicted.

(Slide: Binoculars)



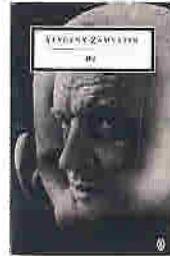
What might the future look like in the next 1984--- in Y2K84? Y2K84 will be greatly influenced by how we seize the dramatic opportunities unfolding with advances in communications technologies. No one can really predict what the future will look like. Probably all we can say is that, Y2K84 lies somewhere between Utopia and Dystopia.

(Slide: Globe/Man)



The future will be guided by our imagination. Utopia is an imagined place or state where everything is perfect. Dystopia is typically a totalitarian and environmentally degraded place.

(Slide: "We" cover)



Orwell's imagination was preceded by other attempts at seeing into the future of technology. Russian author Yevgeny Zamyatin set the stage before Orwell in 1921, with a ground-breaking book called "We".

It was a look at the future set in the 26th century. Both "We" and "1984" remind us to be wary of surrendering our individual selves, or our freedom, to the collective dream of technology.

About 200 years prior to Orwell and Zamyatin, in 1776, Scottish political economist Adam Smith offered his perspective on the role of the individual self in "Wealth of Nations."

(Slide: Adam Smith)

Smith argued that common interests or sympathy to others were not antithetical to self-interest in a free market economy. He said that charity alone could not suffice and that self-interest is an essential mechanism for economic and social development.

What is our choice, today, self-interest or collective interest, "Me" or "We"? This indeed seems to be a key issue, as I reviewed some of the reading material Professor Scott has recommended this semester here at Oxford's Said School of Business. We are learning about ideas like microfinancing,

Rug Mark or the International Cocoa Initiative, which are discussed in the readings.

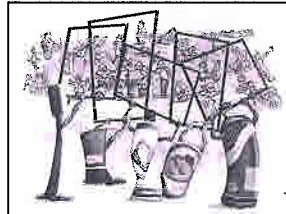
(Slide: Ideas)



I would like to offer some additional ideas that might be of value to you in looking at the emerging world-- of technology and choice. My intention is to help you, as future leaders in business and society, consider advertising and marketing communications as an important influence that can help make the world a better place.

While creating advertising and marketing programs for brands like toothpaste, laundry powders, diapers and feminine pads may not sound exciting,

(Show: Frame-of-Reference visual)



it gave me a remarkably interesting window from which to observe and learn about people from different cultures. You simply cannot take culture lightly and expect to be acceptable to diverse peoples, or commercially successful, either.

The frame-of-reference one assumes is one of the most important factors in considering how to address consumer needs. Frame-of-reference is also incredibly important in attempting to address the social and economic issues facing the world today.

II. THE CHANGING LANDSCAPE FOR IDEAS

It is a privilege to be invited back to Oxford. I will build on last year's lecture by focusing on how the collision of culture and information access are changing the landscape for ideas. The business of advertising depends on the creation of ideas.

There is a difference between creativity and innovation. Creativity is when ideas are new and potentially valuable. Innovation is when creative ideas are realized.

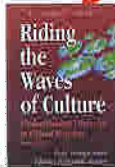
Research at Harvard Business School on creativity indicates creativity occurs when people act in concert with their environment, when ideas are measured against some broader social context. Innovation is about thinking different, together.

By looking at the "networks effects" of communications technologies on individuals and communities, from alternative perspectives, we can assess how these technologies might shift our social and economic context and culture.

(Show: Chart from "Natural Capital")

For example, might we be seeing a shift in the character of capitalism? Hawken and the Lovins', in their text, "Natural Capitalism", indicate that an economy needs four types of capital to function properly: human capital, financial capital, manufactured capital and natural capital.

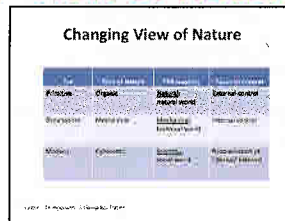
(Slide: Cover of Riding Waves of Culture)



The evolution in the character and relationship between these four types of capital cuts across cultures. In "Riding the Waves of Culture", Fons Trompenaars and Charles

Hamden Turner use a description of stages of cultural evolution.

(Show: View of Nature Chart)



They highlight the evolution from a first stage, "Primitive", organic nature, to, second, Renaissance or the mechanical nature of the Industrial Revolution to a third stage, modern times which they call "Cybernetic Nature".

We are seeing greater interdependence emerging between human capital and natural capital, between the scientific and social world. This requires new business strategies. It makes the communications industry a more consequential endeavor than ever before in history.

A Critique

Before I expand on this further, I want to acknowledge, my thoughts have already received some criticism.

I asked English journalist and friend, David Kilburn, to review my lecture in an earlier draft. David lives in Japan where he is Asia Editor for "The Internationalist" magazine and contributing journalist for Campaign Magazine here in the UK.

Here are Mr. Kilburn's remarks: Quote:

"I don't know your audience, but you might acknowledge that you represent a disreputable profession – not as criminal as second hand cars, or double glazing, but still a profession that has persuaded children to grow obese on junk foods and their parents to betroth with blood diamonds, and later to invest in insurance and pension arrangements guaranteed to leave them high and dry. All quite legally."

Mr. Kilburn went on to add this challenge . . .

“It is clear you – the industry – Omnicom – are abreast with technological, social and lifestyle changes. But one question seems answered less successfully: Does the advertising industry have a moral conscience? You are talking at Oxford, not the Confederation of British Industries.”

Let’s see if I can address David’s question. You will be the judge if my thoughts can help with the challenges of social and economic development we are encountering today and onward to Y2K84.

One must acknowledge the advertising industry’s visible social and economic presence attracts much commentary. Its critics question its value, focusing on its seemingly pervasive intrusion into the general consciousness of everyday public perception. They remind us that an average person is bombarded by over 3,000, advertising messages of one kind or another, every day.

Yet, it’s also reasonably well-acknowledged that advertising has been a fulcrum point of economic development and a mirror of societal change. It has been called an “engine for economic progress” but also a stultifying drain on intellectual acuity. Worse perhaps, advertising is perceived by some as a Machiavellian tool with abuses ranging from false claims, shoddy political campaigns, or simply an invasion of privacy.

(Slide: Global Map on man’s back)



The dramatic changes that are occurring in the field of advertising today are releasing significant social, political and economic constraints, as never before in human history. The changes represented by this new age are every bit as

important as the Renaissance, the Industrial Revolution, the Reformation or the age of Post World War II Globalization which it has replaced.

If advertising is linked to economic development, like the engine metaphor it has been called, then how might it play a role, if any, in eliminating the “unfreedoms” that leaves people with little choice and little opportunity for their status in life? This is to paraphrase

(Slide: Development As Freedom book cover)



the question in the context of Nobel Prize-winning economist Amartya Sen’s, “Development As Freedom”. Is advertising a by-product of run-away economic elitism? Or, is it a valuable tool to help move us towards “The End of Poverty”.

(Show: The End of Poverty cover)



The end of poverty is what Jeffrey Sachs, former Director of The United Nations Millennium Project, has suggested is possible in the next 25 years. How must advertising change in order to better address this, before Y2K84?

Sen’s book outlined the need for integrated analysis of economic, social and political activities involving a variety of institutions. It is appropriate to consider advertising as one of these institutions. This requires an integrated analysis of some of the economic, social, cultural, political and, even, scientific aspects of communications.

We are clearly seeing communications technologies release greater individual freedom of information. Today more people are able to communicate with each other than at any

time in the history of mankind and, the electronic extensions we now have available for communicating with one another, are rapidly becoming more compatible. Universal Compatibility is defined as --

(Slide: Definition of Universal Compatibility)

"compatibility between disparate services in a communications or information processing network used by a plurality of participants."

(Slide: People around globe)



Importantly, the compatibility we are seeing develop in information processing is now allowing different cultures to engage without losing their identity. This releases greater comparisons between the social and economic dimensions of individual interactions with ideas and values.

Consider whether advertising is one of the freedoms Sen refers to as being necessary "to promote freedoms of other kinds." If so, advertisers have an inseparable responsibility in creating freedom from problems of poverty, violations of political freedoms, in encouraging gender equality, to help off-set a deteriorating environment and even to help eliminate slavery. Modern day slavery is one of the issues presented in the reading material for this semester at Oxford.

(Slide: Bales "Disposable People")

Kevin Bales' "Disposable People" illuminates that slavery is increasingly present across the planet. Today, slavery looks different than the slavery of earlier times. It seems hidden in our unthinkable, unconscious fear of what is possible to do to each other. Nonetheless, modern-day slavery's brutal effect on a person is as apparent, once seen and acknowledged, as vivid as revelations of slave ships or

concentration camps were to previous “unaware.” Slavery is about controlling another human being with fear and/or violence.

In sort of a play on Descartes’—“I think, therefore I am”, our denying the presence of slavery’s existence, today, seems to protect us. But, this curtain of protection is being dissolved by the proliferation of information exposure. Perhaps, like previous, other threats to mankind, once we are made aware, once slavery goes from inconvenient truth to undeniable truth---We will conclude—“I know, therefore I must get involved in stopping it.”

There are some ways to get involved through organizations

(Slide: FTS’s, Amnesty Internatinoal,URFC logos)



like Free The Slaves, Amnesty International and the Underground Railroad Freedom Center. They are a catalyst for freedom from human slavery.

III. McLuhan’s MESSAGE GALAXY

After starting college as an art student,

(Slide: Picture of McLuhan)

I became focused on the effects communications technologies have on society. I read and absorbed most of Marshall McLuhan’s writings.

(Slide: McLuhan titles)

McLuhan studied how changes in media throughout history have an effect on people, economies, politics and society.

(Slide: Understand Media/Understand Man)

He said, by understanding the effects of media technology, we can better understand people and how to communicate with them.

McLuhan predicted that, right about now, there would be massive social and economic change, due to what he forecast from the "collision of the electronic media" of TV, radio, telephone and the computer. With the rapid expansion of the web, something that did not yet exist at the time of McLuhan's death in 1980, we can now look back through a sort of rear-view mirror of time and gauge whether some of his explorations help us look forward to our own future, and Y2K84.

IV. Our Fishbowl Has Changed

(Slide: Fish Bowl)



On the issue of who discovered water, we're pretty sure it wasn't the fish.

It is sometimes hard to see the changes new communications technologies are having on us. It can be hard to see the effects, when you are fixed in one geographic location, physically or mentally.

(Slide: Media is globally dispersed)

The media is now truly globally dispersed. Our fishbowl has changed. The global village is here. Developments in new communications technologies are supercharging perception

(Slide: Control of Information/Individualized)

We have seen how control of information is more

individualized, more individually controlled than ever before. We can store it, replay it, revise and redirect it and, we can opt out of it, too. It's not static. It's more mobile and so are we.

(Slide: New Intercultural Society)

It is creating an intercultural global society. The process of globalization, as we knew it, has ended. It has been hard for some of us to adjust to.

(Slide: Globalization Demonstrators)

This is a world of business where Borders...

(Slide: Borders and Nations less Relevant)

and Nations are less relevant... rendered less dominant by open trade, consolidation of industries and, the ubiquity of media, increasingly, directly connecting us into a global community. Importantly, of the world's 100 largest economic entities today, 51 are now corporations and 49 are countries. This means that more people are being touched, by corporations and brands than any single nation's government.

(Slide: Gaps in Understanding)

We can witness huge gaps in cultural understanding and development. These gaps in understanding are the tensions that can cause some complex problems.

I observe the gaps and complexity from my area of expertise. That is, understanding how ideas effect people's perceptions. This is in large part, what we do in advertising. We have learned that perception is based on beliefs and beliefs lead to action.

V. ORGANIZING CONCEPTS: Context, Culture & Network

There are three overall, organizing concepts that are shaping our future.

*(Slide: 1) Influences of Context
2) Dynamics of Culture
3) Network Effects)*

1. Influences of Context
2. Dynamics of Culture
3. Network Effects

These are Influences of Context the Dynamics of Culture and Network Effects. Let's consider Context first.

1) INFLUENCES OF CONTEXT

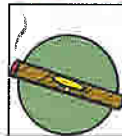
(Slide: New Media Technologies are creating..)

New media technologies are creating a global economy of inclusion, not exclusion.

(Slide: Technologies changed the context...)

These communications technologies have changed the context brands, or any other organizing concept functions. This includes how a corporation or a nation behaves. Actions, ideas and behaviors can no longer remain isolated from being perceived.

(Slide: smoke break)



Excuse me a second for a little break, before I go on to the next point...

(Pause and Obviously Light Cigar)

Does my cigar smoke bother anyone? (put it out in glass of water).

That's the point. You see, we've come to understand the concept of second-hand smoke. But this has evolved in this interconnected media world to the context of...

(Slide: Second-Hand Culture)

second-hand culture.

Twenty years ago, we would have been here with more than half of the room smoking away. We'd be on a plane with people next to us or ourselves smoking and we just didn't think anything about it. If this happened on a plane today, the person would be tossed out in mid-air. In just a little over 20 years, the effects of second-hand smoke, went from an inconvenient truth to an undeniable truth and it is, socially and legally, not acceptable behavior in this room today.

This is a new context for content creators and communications specialists of all media. Our conversations and messaging are accessible in a far more transparent world. Like the concept of second-hand smoke, we need to become more sensitive with our communications. Just like my cigar smoke, communications can go where we don't intend it to go, get seen and heard by people it is not intended for and, sometimes, like smoke, our messages can leave a bad smell.

Context matters. Let's look at an idea the TBWA agency created about context and second-hand communication.

(Show video: Amora Ketchup)

(Slide: Unobjective Frame of Reference)

One of the key issues of context is the relatively unobjective frame-of-reference that exists in some areas of the world.

I am not referring to places like the developing markets. I am referring to places like the United States, or here in the UK.

(Slide: 20% have passport)

For example, according to the Bureau of Transportation Services, only approximately 20% of Americans have a passport.

Thomas Friedman says this world is "flat." I understand that "flattening" may make sense from a literal engineering standpoint, as information access and compatibility expand. However, I believe Friedman's flat perspective is flat. The world is round and so are the dimensions of human understanding. I am afraid "flat" still looks like this New Yorker magazine illustration, to some of my friends and colleagues in the U.S.

(Slide: New Yorker Magazine Cover -- View of The World)



McLuhan suggested the alphabet is the key architecture of perception, because it draws from the spoken word. I wonder how flat the effect of connections can be, when they are accessing diversely literate peoples. People whose alphabets are conceived from entirely different underpinnings. Diverse connections are adding content that reshapes or unflatens the contextual playing field for ideas.

Throughout history, changes in media technology have had profound effects on societies and economies. Some people embrace change and others try to control or resist it.

(Slide: Portrait of Sir Thomas Moore)



Sir Thomas Moore wrote about this in 1516 in his book Utopia. It was written against the backdrop of a historic collision of information technologies at that time.

(Slide: Canal/Press/Boat)



These were the development of the canal system across Europe, the invention of the Gutenberg printing press and the development of two technologies that transformed the speed of information transfer. That was the development of the stern rudder for sailing vessels along with the shift in sailing technology from 3 masts and 3 sails, to 4 masts and 8 sails.

What this collision of technologies did, was to make the world a smaller place. It accelerated the speed of idea transfer. It led to an advancement of learning, "The Renaissance", and the "Voyages of Discovery" that opened up consciousness to other places and cultures. This collision also led to the "Reformation".

The canals of commerce, in the early part of the 16th Century, opened up villages and towns to a flow of new ideas, beliefs, foods, styles, stories and culture from other towns and places. It was a kind of internet, in a way, back then. And, the increase in context of information transference due to books, newspapers, leaflets and "high speed" sailing travel, dramatically changed control and authority over ideas. Some people back in 1516 got nervous about the new ideas and wanted to retrench to resist modernization. Groups formed, like the French Huguenots and others, who wanted more control. They sought perfectionism and set up controlled communities. This eventually evolved into the Shaker societies that developed in the new world.

Interesting concept, some of these “controlled” communities were. Several attempted to regulate their way of life so much, they even advocated celibacy as a means to control the community. It was a fear-based manifestation, of human nature’s reaction to a rapidly changing world of new information and ideas.

Isolate or integrate? “Me” or “We”? This is not new. As our emerging global society strains to adjust to the economic and social possibilities of new communications technologies, we see some of these same tendencies today. It is interesting to consider current tensions in the new information context with the aforementioned collision of ideas from Sir Thomas Moore’s time.

For example, Reza Aslan, an acclaimed scholar and author on religions explains that certain parallels between the Christian and Islamic Reformation may seem strained. Nonetheless, in his book “No god but God”, Aslan suggests that “similarities should not be dismissed, because they reflect universal conflicts in all religious traditions. Chief among these is the conflict over who has authority to define faith: the individual, or the institution.”

With the acceleration in speed and penetration of information processing, it is no wonder conflicts in learning authority and control over message content cause significant reactions.

Some people question whether these technologies are good or bad for us?

(Show videos: AOL “Bad/Good”)

Martin Luther King had an interesting perspective related to the changing business and social landscape, created with a similar explosion of communications technologies of TV and radio in the 1960's,

(Slide: MLK Quote)

He said: "There is nothing more dangerous than to build a society with a large segment of people in that society who feel that they have no stake in it, who feel that they have nothing to lose. People who have a stake in their society protect that society, but when they don't have it, they unconsciously want to destroy it."

Differences in economic development are a key cause of the context gap that stimulates cultural backlash. It is a more transparent global environment that we live in, one where the subject of compatibility of systems integration will increasingly be encountered in a broader sociological and political context. Extreme nationalism and religious extremism cataracts our eyes and clouds our vision.

(Slide: looking at earth)



Seeing our way into this future will be our generational challenge. It requires a new frame-of-reference from the past definition of borders and nations.

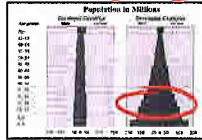
(Slide: Developing Markets are Youth Culture)

Another aspect of context is that the developing markets are predominantly a youth culture, where word-of-mouth, the most persuasive media ever, is being fueled by new technologies.

There is a huge emerging youth culture, globally. This new generation embraces the exciting new world of advertising. They are happy to create advertising content themselves.

This new generation understands how the world looks. They get the numbers and scale difference between the developed and the developing markets of the world.

(Slide: Developing Markets)

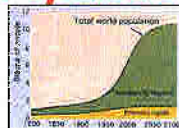


This chart shows the gap between the "developed" and the "developing" world. It is a side-by-side comparison of population distribution by age. The developed world are the usual ten markets of the US, Japan, Germany, France, Scanda, UK, Spain, Italy, Australia/New Zealand and Canada where there are approximately 1 billion people. The "developing" world is where the bulk of the planet's population exists (5.5 billion people). They are forming brand perceptions and they are acquiring more leverage economically, and with their opinions.

In the developed world, the mean age is about 36 years old, whereas in the developing markets the mean age is about 24. This is a significant generation gap.

The increase of rising overall population is a huge issue. Projections, at current rates, are that we will hit upwards of 9-billion people by Y2K84. Look at the trends and projection between the development and the developed world.

(Slide: Population Trend)



There are some alarming imbalances in context which, also present enormous economic and social opportunity. This has been very well documented by many, including CK Pralahad, who focused on the differences that exist between the top and bottom tiers of the world's economic pyramid.

(Slide: Economic Pyramid)



He refers to the bottom tier, where 4 billion people exist as "The Fortune at the Bottom of the Pyramid". In 1960 the top tier had approximately 70% of the world's total wealth. By 2002, the gap had widened, as this small tier of people had approximately 80% of the world's wealth. This inequity of wealth distribution reinforces the view that the poor cannot participate in the global economy. They are being invited to participate by the information proliferation, but they do not have the economic means to access. Again, I believe it is an important responsibility of those who advertise to engage this important market opportunity. Micro-financing is one proven answer. Another answer is to create ideas, products and brands that meet the needs of this market at values they can afford.

Stepping back, out of our fishbowl, what does the global village really look like?

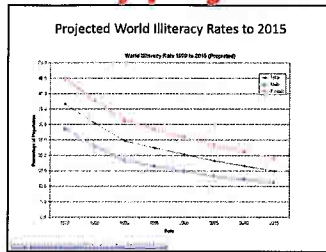
If the global village were a community of 100 people, this is how it looks.

(Slide: 100 People in the World- Chart)

The composition of the global village is about 60% Asians, 12% Europeans and only 5% Americans. In the village, Mandarin is the predominant language, over English.

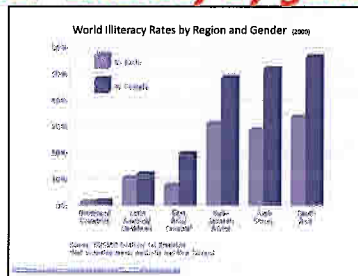
Of real concern is the poor rate of literacy development especially among women. 14% of the village cannot read and of all the worlds illiterate adults 15 years or older, 2/3's are women. This global village is much different than what it looks like walking into this auditorium in Oxford tonight.

(Slide: Literacy projection to 2015)



It makes sense that literacy would be positively impacted by the information access that is occurring in communications systems. This chart from UNESCO shows the projected world decrease in illiteracy from 1970 to 2015. However, there is a significant gap between male illiteracy on the blue line and female illiteracy on the red line.

(Slide: Literacy by gender)



Illiteracy by region clearly reflects the disparity between the developed markets and the developing world. Gender inequality is dramatically exposed. It causes us to consider the very different fishbowl that women experience. This gap in literacy is a millstone around the world's neck, economically and socially, that cannot be ignored.

(Slide: Consequence of literacy)

The consequences of illiteracy are profound. It has been said, "educate a boy and you educate a man, educate a girl and you educate a generation." Literate women average 2 children, while illiterate women have 6-8 children. A UN study in 46 countries shows that a 1 percent rise in women's literacy is 3 times more likely to reduce deaths in children than a 1% rise in the number of doctors. This same study showed, among women who have had 4-6 years of

education, there is a 20% drop in infant mortality. So, the net of this is, where women are educated and participate in an economy, the economy is stronger, more secure and children grow up healthier.

I can find no more compelling and attractive opportunity from my observations of global context than the benefits of gender equality. This inequality is a carryover from the evolution of nature we saw earlier, from the period when organic and mechanistic nature depended on physicality of species. This may have been an excuse in the past, for inequality. The modern cybernetic nature that is evolving presents a context of greater opportunity for gender equality.

Another feature of the context change is the growth in importance of Word-of-Mouth.

(Slide: Word-of-Mouth Chart)

From the standpoint of advertising, the most persuasive and powerful medium ever is "Word-of-Mouth." Personal testimony.

It has always been the way people check ideas, through other people's first-hand experience. People trust someone else's experience and witness, especially a friend or family-member's, far more than someone they don't know, either telling or selling them on an idea.

Today, word-of-mouth is carried by a much faster and more pervasive means. It is mobile and wireless technologies converging. More than ever before in human history, an idea, is more transmittable, more broadly perceivable, more able to be compared with other opinion/word-of-mouth, or imitated. The Mobile phone is a word- of-mouth-medium. Internet is a word of mouth catalyst for all media. The first media today is people.

This is creating a blogosphere that is streaming, full of information and misinformation. Finding the truth, requires greater dependence on word-of-mouth and patience. Here's an example of finding the truth, created by one of our agencies in Argentina.

(Show: "Truth" video)

Yahoo and Omnicom Media Group recently joined forces to better understand the emerging global youth culture and to anticipate the changes that are happening.

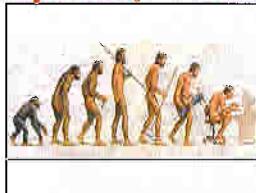
Our research looked at 13-24 year olds in 11 countries. It showed the use of interactive and wireless technologies has created a global generation highly accustomed to personalizing their experiences with interactive media.

(Slide: New media visuals)



While expanding the range of personal contacts, the new technologies are fundamentally changing the nature of interpersonal communications. As we go forward, we may be changed by our new methods of social interaction.

(Slide: Computer/"Ascent of Man")

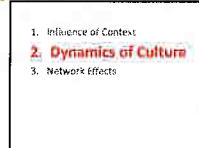


This can have some pretty sobering consequences on the concept of freedom that Sen talked about. Here's an example from another one of our agencies. It exposes the consequence on privacy when one chooses to post their personal information on the internet.

(Show video: Teen Internet – Merkle Partners)

Contextual influences effect our perceptions and our behaviors. Now let's look at a the second organizing concept, the dynamics of culture.

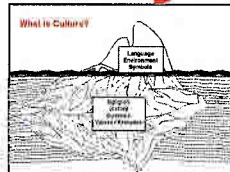
(Slide: Dynamics of Culture)



2) DYNAMICS OF CULTURE

How to better understand culture is critically important for marketers attempting to build brands with innovative ideas. What is Culture?

(Slide: Iceberg Graphic)



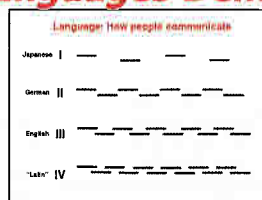
Culture is comprised of many factors—Language, Religion, History, environment, etc. Some of these factors are very obvious, while some, like the iceberg graphic, here, are more subtle and lie beneath the surface. They are not so easy to see and address.

Language

Let's take a look at one of the most obvious differences between cultures—Language. McLuhan said the alphabet is the architecture of perception, because it draws from the spoken word. Language is a very important factor.

Here is a diagram of the typical conversation pattern between two people in four different languages. Can you guess which languages these conversation patterns represent?

(Slide: 4 Languages Demonstration)



The key reason for these differences in conversation rhythm is the importance of the verb in any language. The verb gives direction, action and context to the nouns, subjects, adjectives and participles people use to communicate. In any culture, we tend to wait for the verb, to decipher and consider the meaning of content.

The first is Japanese, the second is German, the third one is English and the last one is Latin languages, like Spanish, Italian and French. In Japanese, the verb is at the end of the sentence. Much of German, in past tense, also has the verb at the end of the sentence. In English, the verb tends to be in the middle and in Latin languages, the verb is often at the beginning of the sentence. No wonder, cultures can sometimes clash. It helps explain why there is so much room for misunderstanding in the world.

Language differences play a significant role in understanding cultures. While you may be talking with someone in English, one has to stop and consider what language the other person --- IS THINKING IN?

For example if I ask a Japanese business person—"How's your business? Is it up or down? I mean, just generally is it good?" I have actually asked them three separate questions and they have not had the time to absorb, or retrofit the questions, in the language they think in and to respond.

You know what happens to most human beings when they are bombarded by questions? They either shut down and get quiet, or they get angry. Language is a huge issue for cultural understanding and for communicating ideas globally. Considering what language someone THINKS in, is just one factor of many in translating ideas into understanding.

(Slide: Attention Economy)



There has been a shift from The Knowledge Economy of the first 20 years of the internet, to The Attention Economy. Going forward, getting attention will be even more challenging.

Advertising is no longer a manufacturing plant or process for producing press ads or TV commercials. My industry must be more about seeking insight and understanding, connecting/engaging, indeed cultural compatibility between ideas and people.

(Slide: Race For Ideas visual)



It is a race for ideas. The rapidly increasing connections of this attention economy depend on our personal means of information processing-- our language. It is estimated that there are approximately, 2,700 languages with upwards of 6,700 dialects in the world today. The vice-president of the Chinese Academy of Social Sciences, Li Shenming, predicts this will be cut in half by 2050 with another 2,000 languages potentially endangered by Y2K84.

The English language is growing with the acculturation of communications technology. Language experts estimate that there were 50-60,000 words in Old English back in Shakespeare's time. Today, there are ten times that, 650,000 words, in the Oxford English Dictionary. By comparison the French language has about 100,000 words, Russian has 130,000 words and German has 185,000. 80%

of the entries in English are borrowed from other languages, mainly Latin.

The rise of China, since it opened its doors to foreign trade thirty years ago, and India since it began allowing foreign investment in 1991, are creating an undeniable shift in world culture. An examination of the top eleven languages in terms of their web usage is worth looking at for the cultural impact.

(Slide: Top 11 Languages-GeoWeb)

The point of it is that the web is a cultural collision of language and ideas. The growth in the Web has already enabled half of the world's population, 3-billion people, to use search. And, we know that more than half of all web access today is made by mobile devices versus PC. I don't see this slowing. It most certainly will expand the use of English. Countries like India have a large English speaking population (100 million people, double the size of the UK). Mobile and internet access is increasing rapidly in developing markets, leapfrogging them from no phone to mobile phone.

(Slide: The Elephant and The Dragon)

In "The Elephant and the Dragon," journalist, Robyn Meredith, proposes that the internet is a "catalyst for competitiveness." She emphasizes that this will place an even greater premium on education. I believe there is a connection between what Nelson Mandela said about education and the field of advertising. He said: "Education is the most powerful weapon you can use to change the world." Advertising is a form of education. It is inherently competitive and it can effect how things change.

Cultural Sensitivity

Advertisers are rapidly learning that greater sensitivity to culture is critically important in communicating. The arrogant, singular point of view of a centrally-driven communications plan can have huge negative business

consequences. Trompenaars and Hampden-Turner elevate our sensitivity

(Slide: Culture spectrum)

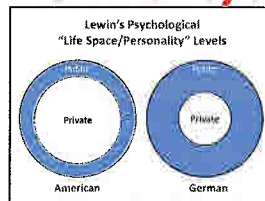


by suggesting there is a spectrum of culture, by relative dependence on context. It makes sense to me that the US culture is on the low side of context because of its geographic isolation and its position on the world stage over the last 60 years. The other side of the spectrum shows Japan, China and the Arab World being high-context cultures. History, access, language, all impact on culture. The usefulness of this spectrum is that it reminds us that differences between cultures exist and are apparent. It also suggests that, as these cultures connect in a new context it is wise to look for similarities as well as differences between them.

Cultural Personality

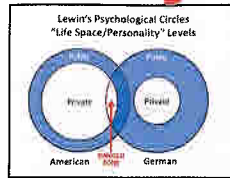
Another sensitivity of culture is general differences in personality. Lewin's psychological characterization of personality indicates that different cultures have a different balance between their private and public persona.

(Slide: Lewin's Psychology)



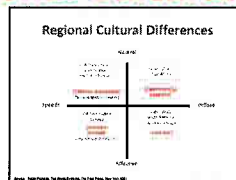
For example, Lewin suggests that some cultures, like German, protect a more private life space, while American culture tends to exhibit a more out-in-the-open or more public expression of personal life space.

(Slide: Lewin's Danger Zone slide)



When collisions of culture occur, as Lewin illustrated, the dissonance between personality spaces can signal danger to one's own sense of psychological privacy. This can create fear or misunderstanding.

(Slide: Regional Cultural Differences)



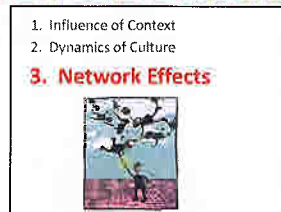
Cultural differences can also be seen in an emotional quadrant, plotted way back in 1951 by sociologist Talcott Parsons. His characterizations of social relationships reflected on tendencies like love and hate, respect, approval around specific causes, or sympathy around specific causes. He developed his ideas in the early days of systems theory before the internet. It seems we can see some accuracies in his emotional quadrant of culture, today.

Ideas are the building blocks of culture and it is for this reason that advertising has such an intensely interdependent relationship with culture.

3) NETWORK EFFECTS

Let's now look at the third organizing concept Network Effects.

(Slide: Network Effects Illustration/Animation)



Network Effects refer to how ideas evolve and propagate.

(Slide: Bioscience of Ideas)

The bio-science of ideas is called "memetics." Memes are tunes, catch phrases, smells, fashions or the ideas that represent cultural information. Memetics is the study of memes and their social, cultural network effects. In his book "The Selfish Gene" (1976), ethologist Richard Dawkins used the term "meme" to describe a unit of human cultural evolution analogous to the gene. He argued that, like genes, replication also happens in culture, by imitation. The foundation of memetics originates in the publication in 1996, of two books "Virus of the Mind: The New Science of the Meme", by a former Microsoft executive Richard Brodie and "Thought Contagion: How Belief Spreads Through Society" by Aaron Lynch, who worked for many years as an engineer.

Genes consist of a sequence of DNA that determine a particular characteristic in organisms.

(Slide: DNA Chupa Chups)



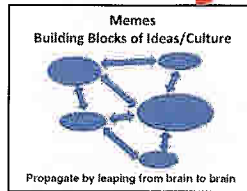
I just love using this advertising for Chupa Chups created by our DDB agency in Spain to help illustrate what a gene looks like and how it relates to the subject of ideas.

(Slide: Meme Pool)



A meme pool is a collection of cultural ideas. Memes reproduce by being transmitted verbally or by repeated action from one mind to another.

(Slide: Connecting Memes)



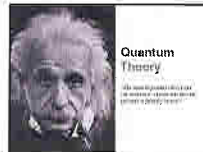
They propagate from brain to brain.

(Slide: Chupa Chups)



Again, I prefer the Chupa Chups illustration better for the idea of propagating from brain-to-brain, don't you? The point is, a diversity of connecting memes, or cultural ideas, reproduces from brain to brain, and this is what is happening with the increased access of new communications technologies.

(Slide: Quantum Theory/Einstein)

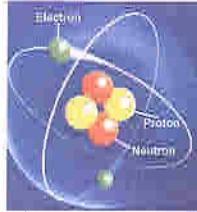


I wondered, would quantum theory have an application for helping us look at network effects? Quantum Theory was created to explain the radiation of energy and is now used to account for a wide range of phenomena. Consider how Quantum theory and memetics, help us describe properties of a physical system like people or communities of people, that are increasingly connected by new information systems.

Quantum mechanics is the study of relationships between energy and matter. It assumes that everything is made of atoms, perhaps even ideas, as they travel from brain-to-brain.

Like the atom,

(Slide: Atom illustration)



ideas or bits of perception have a nucleus, surrounded by a cloud, comprised of electrons which have a negative electrical charge. As ideas connect and reproduce, there is an energy effect that can be experienced which, appears to be perceptible, even measurable.

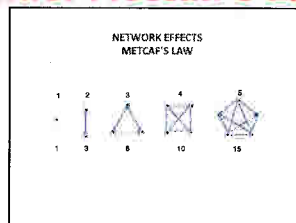
(Slide: Web)

One feels like this is the case when we let our minds enter into the chasm of “Googling” things. We dive in deeper and deeper, and come back to the surface, hours later, having experienced the expenditure of mental exercise, or energy.

This is currently being confirmed by neuroscientific research that is taking place. This includes some early work at Brown University with brain implants that demonstrate how thoughts, or brain waves, can be turned into action in real time.

Network effects is a subject that has found much application for the communication industry. There has been considerable attention put on the value of communities that are connected by information technology. Bob Metcalf, the co-inventor of the ethernet networking standard that was a key feature of dot.com growth, indicated that a network of people has increasing value as the connections increase.

(Slide: Metcalf's Law)



This illustrates what has become known as Metcalf's Law.

This is a network of one. It has a network effect value of one.
(Slide build)

This is a network of two. As they are connected, it actually has a network effect of 3, the connection adds value.

(Slide build)

This is a network of three. It has a network effect value of 6.

(Slide build)

This is a network of four. It has a network effect value of 10.

(Slide build)

This is a network of five people. According to Metcalf's Law, it will have value of 15.

(Slide build)

Metcalf's Law assumes that each potential connection is worth as much as any other.

This scaling law, and Moores Law about information chip capacity, are often credited with driving the growth of the internet.

Reed's Law builds on this and says that a network has a value that accelerates beyond the simple linear number of connections. This is where value comes from the communities of many people. Some other folks (Dunbar's Law) observed that the value of a community can decrease as the network reaches a certain point where the community attracts unwanted information, like spam or is otherwise weighed down by its accumulated information access.

The philosophical implications of quantum mechanics are underscored by an uncertainty principle. This says that there is a limit to the precision with which nature can be observed. Our senses tell us there exists compassion in the nature of rational human beings, as well as a capacity for compassion fatigue.

The so called “laws of community-building” suggest there are other dimensions network effects may have on ideas and culture. There are the emotions that exist, in the inherent psychological relationship between humans.

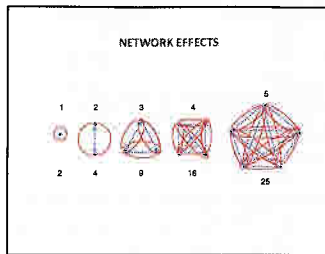
It is appropriate to include the emotional/intuitive information that are conveyed and interpreted in ideas. Emotions are like the electrons that have a relationship with the nucleus of information, ideas and culture.

The emotional content, as illustrated in Talcott's quadrant could be incorporated into an effects model as a quadradical flow of potential value in a network. This would then allow us to see the potential, greater value of the information connection and its consequences more broadly. These emotional factors can be measured by both perceptual and behavioral analytics and as discussed earlier our neuroscientist friends are exploring ways to measure thought into action.

Assuming the presence of emotional streams and their interdependence in the connection of relationships, promises a deeper understanding and appreciation of network effects. This will be enhanced as we discover ways to measure them. Like the variable frequency of light waves observable through a prism, new communications technologies are enabling us to more readily observe the impact of emotional values on individuals and communities.

So, where Metcalf Law has a linear increase in value, this would suggest there is an even greater potential consequence of value for each relationship. This graphically illustrates the potential value or emotions, like fear or love.

(Slide: 2nd Network Effects – Love’s Law)



Incorporating the emotional dimensions of love or fear is a choice. Psychology tells us this choice is no more important than in consideration of self. If these factors of emotion are less present in a network of one, the cumulative value in the network effect on a community are less, as well. Perhaps this leads to another kind of law? How about Love’s Law? Or, Fear’s Law? Certainly there are many theories of network effects being entertained. This is to simply acknowledge the inherent dynamcis between humans and the values of fear and love in their relationships. As humans connect more readily than at any time in history, it seems to me, both of these emotions are also more readily apparent and, potentially, more likely to propagate.

The Lesson of India

The lesson of India provides some perspective. India's environmental as well as historical factors favored the coexistence of populations distinct in race, language and cultural level. The result is an ethnic and linguistic pattern of complexity.

From the time India was “discovered” by Portuguese sailors in 1498, it became a target for European commercial exploitation and ordering. This was a result of the aforementioned Age of Discovery and communications technologies of the 16th through 19th centuries, especially from Britain's dominance of these technologies. In the 1920’s voices like Gandhi's emerged over access to proliferating technologies--like radio. He labeled India’s poverty "the worst form of violence" and helped expose this

to the world. Some attempted to fight Britain's control with the age old reaction of terrorism. Gandhi said terrorism dignifies violence. He redefined civil disobedience as the emotions of love and respect in relationships. Non-violent dissent was a more powerful response to control or slavery. It helped make injustice more visible and ultimately rendered it less powerful. The lesson of India, one that took hundreds of years, is a lesson that is still evolving today.

I appreciate this lesson more as I consider the challenges that are being exposed to us by new information technologies and access. Gandhi said the only devils in the world are the ones running around in our own hearts. We must confront these fears within ourselves--before we can expose them in others.

VI. INDICATED ACTIONS FOR ADVERTISTERS

There are three indicated actions for advertisers I recommend.

First, adopt a frame of reference, broader than your own

(Build #1 "Adopt a New Frame of Reference.")



We need a New Frame of Reference for operating in this emerging world that is leading us to Y2K84.

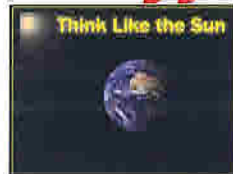
(Slide: What We've Been Doing)

"Think Global/Act Local was a stage in the evolution of the marketing process. It helped global marketers address newly opened trade borders created by the expansion of communications technologies and the socio-political and economic differences in markets like Russia, the Middle East, India and China.

However, this frame-of-reference has become obsolete. It assumes marketing communication borders that no longer exist. I have found it to be less helpful strategically today than when I started out on the road to global brand-building in the late 1970's, before the internet, before mobile.

(Slide: Think Like The Sun)

Moving globe



Now we know, the Sun actually does not rise and set. It is we here on earth that revolve. In this increasingly smaller, interconnected communications marketplace, consumer perceptions are more borderless. The result is a word-of-mouth community. To anticipate the needs of a world of consumers who are more in touch with each other, "Think Like The Sun" offers a more objective frame-of-reference.

(Slide: Why Think Like The Sun)

Why think like the Sun? Again, because of the effect media is having on brands globally, because it requires us to focus on brands, markets and act as global citizens and because multiculturalism is where ideas are headed. It is a DIFFERENT way to THINK, than the advertising and marketing model of the past 20 years.

It is a frame-of-reference that allows you to take notice of the possibility of "second-hand culture." Be aware, there has been an evolution in transparency for products, for companies and for you, individually.

The second recommendation is, consider how ...

(Slide: 2) Symbols, Sounds and Visuals will have more value)



the rapid explosion of communications technologies has rendered the creation of symbols, sounds and visual ideas to be more valuable, than ever before. That means advertising might be more valuable, too. Here's a few good examples:

(Slide: iPod Graphic)

(Slide: Adidas)

(Slide: Adidas)

(Slide: Adidas)

(Slide: iPhone)

And recommendation #3— adopt a strategy of collaboration.

(Slide: 3) Collaboration)



It is a race for ideas. Winning the race for ideas will increasingly depend on partnering and collaboration. It means harnessing the power of multinational capabilities locally with global best practices to generate wealth at each tier of the economic pyramid. Partnering with the communication technologies that are emerging. Collaboration, among marketing disciplines, talents and locations to bring objectivity, diversity of understanding and insight about consumers.

This certainly has become more relevant to us in 2008. I see the debate over the disparity in the economic pyramid and issues like sustainability or slavery giving way to individual actions of leadership from more communities, institutions and multinational corporations.

Here are a few examples of our work:

(Show Video Examples –

- *Nissan: Japan*
- *Sony*
- *Adidas*
- *Amnesty Signature*
- *Whales*
- *GE Eco-Imagination*

(Slide: Title Slide)



VII. CONCLUSION

Mr. Kilburn asked a difficult question – “Does the advertising industry have a moral conscience?”

For sure, the advertising industry is at the forefront of seeking a deeper understanding of humanity. The citizens of the world expect this from institutions that effect development of their freedoms. Anticipating and understanding the dynamics of information processing networks, will release ideas that will promote freedoms of other kinds. Advertising plays an essential role in this process.

Advertising exists as an essential influence on the world’s economy. It is about having choices. Existentialism is characterized as a protest against policies and actions in which individual human beings are regarded as dependent on natural processes. The idea is that individuals are free to make choices within time, and, that time is short. We are increasingly free to make choices, but the thought of how much depends on our decisions, can make our freedom of choice difficult. Nonetheless, we can see from history there is a fine line between freedom of choice and not having any choice at all.

(Video: Think Different)

Think Different. Keep thinking different.

(Slide: Think Like The Sun)



Think Like The Sun. There has never been a better time to be in the advertising business. This industry has tremendous potential for growth, as long as we remain vigilant how we connect with each other. In the stream of information technology which is advancing, all things flow into and out from individuals. A current of misunderstanding cuts through it. Yet, we know, only dead fish swim with the stream.

I am optimistic about Y2K84.

All we need is some good advertising.

(Slide: Thank You)



SOME INFLUENCING IDEAS

On Truth:

*"We see, feel and sense the truth. We do not reason ourselves into it."
WB Yeats*

*"The seeker of truth
Should be humbler than the dust.
The world crushes dust under its feet.
But the seeker of truth should so humble himself That even the dust could
crush him.
Only then, and not until then, will he have a glimpse of the truth."
Gandhi*

FEAR:

*"Fears are educated into us, and can be educated out."
Karl Menninger*

*"The most important choice one can make is to choose whether to believe the
universe is friendly."
Albert Einstein*

HEART:

*"The best and most beautiful things in the world cannot be seen or even touched;
they must be felt in the heart."
Helen Keller*

*"Whatever America hopes to come to pass in the world...
Must first happen in the heart of America."
Eisenhower*

*"A people that values its privileges above its principles soon loses both."
Eisenhower*

*"Ethics are aesthetics of the inside"
Heidinger*

*"Don't let the noise of other's opinions drown out your own inner voice."
Steven Jobs*

*The most effective way to fight hate is with love.
Tim Love*

*The only way for evil to triumph
Is for good people to do nothing.
Bill Hallamandaris
Heart of America Foundation*