

May 2005

"To be an American is a complex fate."—Henry James

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Signals in the Static: Director **Steven Soderbergh** will direct six films that will debut simultaneously in theaters and on DVD, pay-per-view cable, and satellite television. Illusionist **David Blaine** will perform a high-wire stunt in NYC on Halloween. The **Chrysler Building** turns 75.

Impart Technology introduces a scented video mirror (\$1,500) for department stores. Whenever a customer walks within three feet of the mirror, it expels a puff of perfume and shows a video clip of the product. **Coca-Cola** promotes its new sour green-apple Hi-C flavor by distributing 2 million edible tattoos attached to ads in *Teen People* magazine. Vending machines selling **iPods** appear in San Francisco and Atlanta airports. **Disney** and **Time Warner** are developing "mobi-toons," animated short films for kids to be distributed on cell phone screens. **ESPN** will offer a branded mobile phone offering sports data and eventually game-ticket sales. Santa Monica **ECO-LIMO** offers professionally chauffeured hybrid **Toyota Prius** sedans with dark-tinted windows for environmentally-conscious celebrities. **Hyundai** and **Kia** will offer U.S. hybrids next year. **BMW** launches a series of comic books that spin off stories from BMWFilms.com. **Ford** licenses its **Mustang** brand for a line of nail polish that matches the paint colors of its 2005 models. The 20 year-old **Ford Taurus** will end production next March. **Yahoo** and **Google's** total ad revenues this year could exceed the combined prime-time revenues of ABC, CBS, and NBC television networks.

NYC's **Pussycat Lounge** hosts *Aireoke* nights, a new form of *karaoke* which involves getting up on stage and playing air guitar to a pre-recorded track. **Everglo** is a new "alcoholic energy drink," a lime-green blend of vodka and tequila infused with caffeine and ginseng

that comes in a glow-in-the-dark bottle. **Kabbalah Energy Drink** appears in convenience stores in West LA (16oz./\$2), a mix of trendy medieval Jewish mysticism, caffeine, and carbonated water with fruit flavorings. **Playboy** will offer nude and non-nude photo galleries formatted for viewing on **Sony's Portable Play Station**.

Celebrity Chef Endorsements: **Nobu Matsuhisa** for Callaway golf clubs, **Emeril Lagasse** for Crest toothpaste, and **Mario Batali** for plastic wrap and off-track betting. *Wall St. Journal*.

The Death of Beer? U.S. beer sales fell nearly 3% in 2004 compared to 1999, replaced by spirits sales which rose by the same amount. Spirits have become the most popular drink choice among 21-27-year-olds, the brewers' target market. Overall, bar-going has declined. In Chicago, the number of taverns have dropped by about 60% between 1990 and 2004 to 1,320. In 1947, there were nearly 7,000 bars in Chicago. *Ad Age*.

More Podcasting News: **General Motors** begins podcasting internal and external business communications. **Adam Curry**, a former MTV host, launches a four-hour podcast program every weekday on Sirius satellite radio. **KYCY-AM** in San Francisco converts its programming primarily to podcasts.

Women's Changing Shoe Fashions: During July-December 2003, women's shoes with block heels received 30% of sales, with medium (23%), thin (20%), stiletto (8%), and narrow-and-low "kitten" heels (3%) splitting the rest. During the same period in 2004, heel fashion shifted quickly. Thin heels (19%) and stilettos (18%) had the biggest market share, while block heels (19%) and medium heels (14%) lost ground. "Kitten" heels tripled their share to 9%. *Adweek/NPD Group*.

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A JOHO Summer Reading List:

These five books are at the intersection of technology, marketing, psychology, business, culture, and communications—the territory that JOHO explores each month. All are in print and available from amazon.com or bookstores.

The Paradox of Choice: Why More is Less by Barry Schwartz (Harper Collins). Today Americans must deal with an abundance of choice—whether picking a cell phone company or choosing a doctor. Schwartz synthesizes new research in the social sciences to deliver some counterintuitive insights into how human beings make decisions. In many cases, limiting the number of choices available actually increases the likelihood of making a more satisfying decision. I think the information in this very readable book will be valuable to a marketer contemplating line extensions, a creative director wondering how many alternate campaigns to present to a client, or even a shopper trying to pick a salad dressing in a supermarket. The best book I’ve read in the past few years!

The World is Flat: A Brief History of the Twenty-First Century by Thomas Friedman (Farrar, Straus and Giroux). During the past four years, while America’s attention was focused on terrorism and the Iraq war, technology and political change has caused the world to become *flattened*. For example, by using excess fiber optic capacity from the telecom bubble, millions of people in the developing world have become super-empowered. In India and China, highly trained engineers, accountants, and other knowledge workers now compete daily with those in the U.S. and Western Europe, creating huge wealth and a powerful middle class. This book is a fascinating look at our world as it is becoming, as distance, borders, and nations become irrelevant. Written by

the well-traveled *NY Times* columnist, it’s filled with fascinating anecdotes. It makes you see the world in a different way. Highly recommended.

Blink: The Power of Thinking Without Thinking by Malcolm Gladwell. The author of the groundbreaking *The Tipping Point*, Gladwell now turns his attention to the way people make “snap” decisions. He investigates how emergency room physicians can make life-and-death diagnoses quickly, and how a tennis coach knows when a player will double-fault before the ball is hit. Why are some instant decisions brilliant, while others are disastrous? The answer is “thin slicing,” the intuitive filtering of variables based on extensive personal experience. I believe his insights have applications to branding and advertising, politics, media delivery, and education, as well as to daily life.

The Wisdom of Crowds by James Surowiecki (Doubleday). Why are masses of people smarter, in their collective wisdom, than an elite few, even if those few are trained experts? Why are large groups better at solving problems and even predicting the future? This book is filled with entertaining and insightful answers to everyday questions, like “Why are there traffic jams?” as well as the big questions like how the U.S. tax system really works. Thought provoking, fascinating, fun.

Trading Up: The New American Luxury by Michael Silverstein and Neil Fiske (Portfolio). The authors have updated their 2003 book on “best-in-class” business strategies inside companies like Starbucks, Lexus, Coach, Samuel Adams, Victoria’s Secret, Callaway Golf, and others who have been successful creating premium, “New Luxury” brands for the middle-market consumer in the U.S. A must-read, in my opinion, for any consumer marketer.

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