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K-HOLE #2 PROLASTICITY

A REPORT ON PATIENCE

After releasing their mobile shopping app in 2011, Company A noticed a gradual decline in the sales of their signature California camping gear. They realized that the flood of mobile shopping options had the unintended result of exhausting consumer enthusiasm. The pressure to purchase, promoted by all-points checkout, left consumers with a bad case of buyer's remorse: they had bought the right thing, but at the wrong time.



Company A is entering 2012 with a proLASTinating approach for this prudent, but not frugal, demographic. They are partnering with eBay to promote the resale and refurbishment of their gently used tents, packs, and jackets. With the creation of a free geotagging app, they are rewarding customers just for checking in at national parks and their pop-up stores in New York, London, and Chiang Mai.



The app has also been licensed to many of Company A's high profile peers, including Company M, a motorcycle manufacturer, and Company R, a renters insurance agency. Consumers receive loyalty points for physically entering particular Company A, M, or R locations and snapping pics of specific items – but never for actually purchasing something.

Meanwhile, Company M has independently partnered with Craigslist to promote local peer-to-peer sharing of its custom motorcycles. And Company R is encouraging customers to share insurance policies with groups of friendly neighbors, driving down costs.



On Monday, November 28th 2011, K-HOLE received the following press release from Company A. The same text appeared in a fullpage ad in the New York Times, on the homepage of Style.com, and in a dedicated email to members of Amazon Prime. K-HOLE PROLASTICITY



"THE THE FOR NOW IS ALVAYS"

"Today is Cyber Monday. This day was created in 2005 by the National Retail Federation to focus consumer attention to online shopping. We here at Company A are taking a stand. No more consumer holidays! More people's holidays! We are protesting! We are telling you, 'Wait!' We are telling you, 'Breathe!' Do not buy our gear today! We are asking you to imagine a world in which disposable goods are indispensable! Company A is asking for your pledge. Recycle, reuse, and replenish the world! The time for now is always."

In short, Companies A, M, and R are rewarding customers for *not* buying their products. Potential consumers remain just that – potential. Smart companies know that one-time monumental purchases are less valuable than passive awareness of the brand 24/7, and that the real goal is to keep consumers continually in the brand flow. Aggressively avoiding sales was once a tactic reserved for the likes of Hermès, but now every brand can afford the luxury of unavailability.

K-HOLE terms these strategies proLASTination.

ProLASTination dissolves temporal delineation by establishing checkpoints that move with the consumer through time. These fluid strategies de-emphasize consumption and instead seek perpetual consumer engagement.

With their confident attitude toward indefinitely suspended purchases, K-HOLE sees proLASTinating brands on the rise. They know that by the time ready-to-wear clothes are ready to wear, they're already out of style. Rushing to the horizon line won't get you there any faster.

THE ITCH OF THE FUTURE

VW ART HEIST

No Drivers Wanted

In October 2011, Volkswagen Canada launched their 'ART HEIST' campaign that used these strategies to engage brand enthusiasts, thieves, and random passersby.



'Art Heist' featured limited edition, longexposure photographs of light trails made by the 2012 Jetta GLI, framed and installed as "wild postings" around Canadian cities. The goal was for people to discover the prints, take them home, and share their experiences using posted QR codes and the #VWArtHeist hashtag.



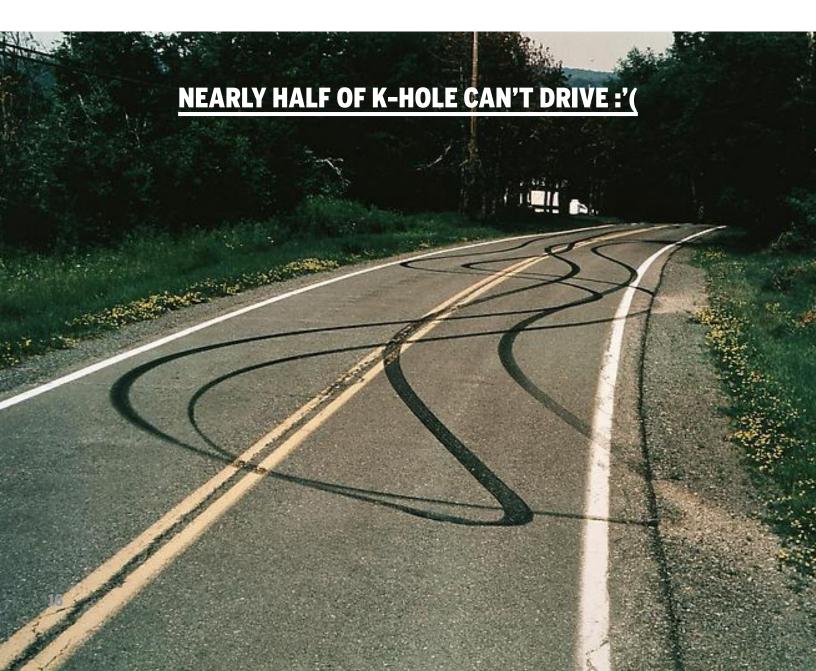
'Art Heist' was a social continuation of VW's television campaign, "Driving can be beautiful." The campaign extends the aesthetic dimension of Volkswagen ownership to the least likely Volkswagen customers: pedestrians. But, like picking up that new-ish lkea couch you saw sitting on the curb this morning, 'Art Heist' occupies the murky territory between permitted and embarrassing behavior. How many free condoms is it okay to take? When is it acceptable to use pepper spray in a Walmart?





Volkswagen doesn't actually want you to steal from them, but they would like to imbue these framed waiting room decorations with the thrill of a small social transgression. Once installed in your living room, they become ambient reminders of your unique Volkswagen experience. Plus, most people know that stealing is just illegal shopping.

In markets where products are increasingly shared, brand equity matters more than ever. Products are purchased by companies on the basis of projected collaborative use by their customers – not individuals following their gut. Providing consumers with an associative experience and reinforcing it with a free decorative object, Volkswagen reminds potential users that they might want the experience of the Jetta GLI more than the Jetta GLI itself.



PIRACETAM

PIRACETAM is a neuroenhancing drug that is believed to improve memory and learning functions without harming the brain. Available by prescription in Europe, piracetam is still unscheduled by the DEA in the US, which means that you can buy it in bulk on the Internet as easily as a tub of Muscle Milk.



While the drug has been used in small clinical trials on stroke sufferers and patients with Alzheimer's, most piracetam users tend to be lurkers on life-extension forums. If scientists know one thing about piracetam, it's that it has a prodigious number of anonymous online advocates.



Piracetam doesn't prepare you for a heavy-duty work sesh by making you more awake, focused, or likely to grind your teeth; its effects are subtle. Users have reported that the drug gently boosts their associative logic and enhances their ability to link sophisticated ideas. And unlike Adderall, Ritalin, or meth, there's no crash afterwards, making piracetam perfect for the green-juice swilling set that goes straight from yoga to the bottom of a baggie.

"WHY THINK ABOUT FIVE DIFFERENT THINGS WHEN YOU CAN THINK ABOUT FIFT?"

Let's call piracetam the multi-focus drug: it gives its users more options than they normally have, and promotes persistent engagement with all of them. Why think about five different things when you can think about fifty? Without a peak or a crash, piracetam disperses our attention and turns up our ambient awareness.



Yesterday's model of brand ambassadorship transformed eager consumers into obsessive junkies— addicts who repeatedly refresh a website until it crashes. This monovision just doesn't fly in our effortless reality. We simultaneously navigate stacks of Yelp reviews while triangulating our locations based on the relative distance of our closest friends.

Piracetam makes the world more available to us and vice-versa. It's the perfect drug for the true proLASTinator: on and always, everywhere at once, and nowhere.



JAWBONE UP

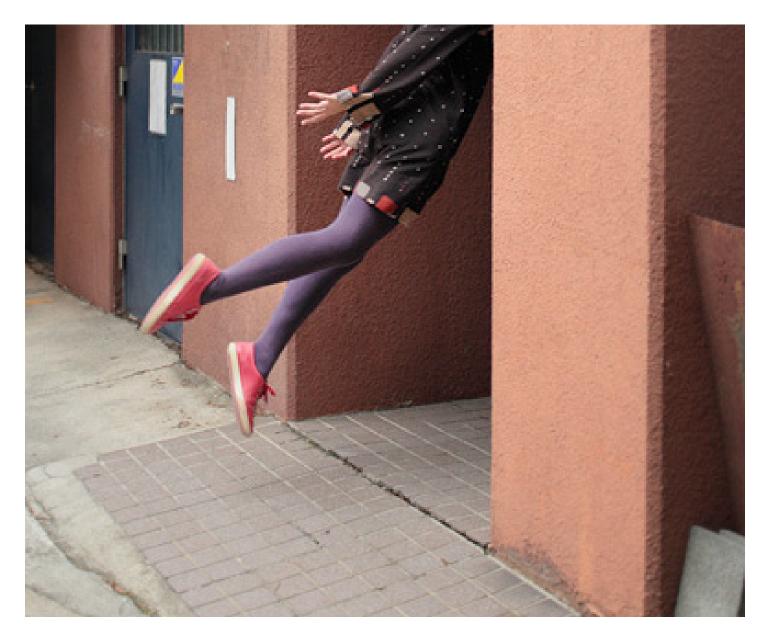
K-HOLE PROLASTICITY



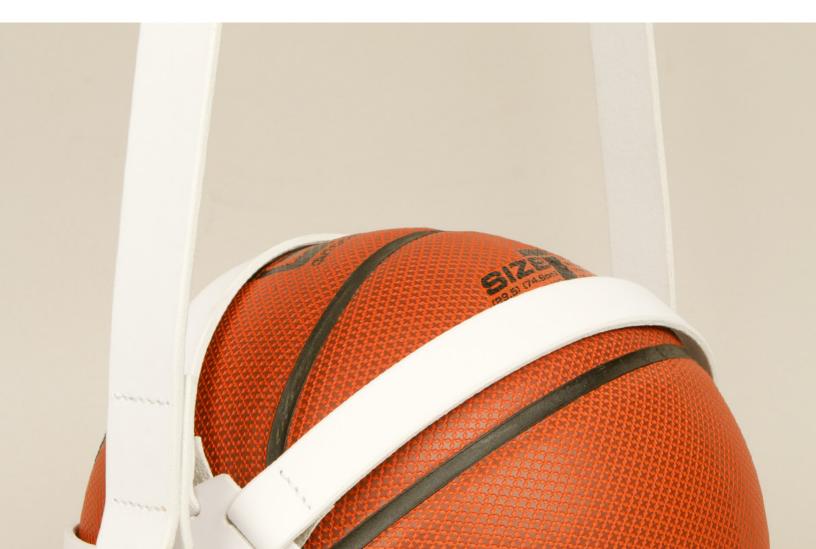
Y. Hatano popularized the pedometer in Japan with his 1965 manpo-kei. It looked like a beeper and you could hold it in your hand, slip it in your pocket, or click it to your pants as you walked the recommended 10,000 steps a day to balance a proper caloric intake with daily activity. 46 years later, Jawbone, the company most widely known for their Bluetooth earpieces, released their Yves Behar designed bracelet, the JAWBONE UP. The UP seeks to "Make Healthy Living Social and Fun," and when paired with an Apple device the interfaceless bracelet will monitor how many hours of motion you've had in a day, how long you've been sitting in your chair, and how many hours of deep sleep you had last night. You have to input the food you eat and how it's made you feel (Cobb Salad \bigcirc ; Tuscan Kale Salad \bigcirc). While it doesn't eject you from your Aeron, throw you out of bed, or smack that cheese plate out of your hand, it does remind you to be more active, get more sleep, and eat better, all with a gentle 'Zzzzzt.'

The infographics produced by your activity show patterns of lack and excess. They serve as a healthy reminder of your sedentary reality, coaxing you into a virtuous feedback loop. Eating something good means you can eat something bad. It's not about improvement, it's about maintenance; not what you buy, but when you buy it.

"IT'S NOT ABOUT IMPROVEMENT, IT'S ABOUT MAINTENANCE"



The UP is built around the logic of deferral. Even the most forward-thinking ergonomic work environments only succeed in circulating you between the stairs and your chair. Until the eight hour workday actually fades away as a distant vestige of the industrial age, we've got 5-Hour Energy. The UP has suffered systematic hardware failures, and too many functions of the bracelet have to be managed manually. Lark, a sleep monitoring competitor, launched an aggressive campaign where you could trade a dysfunctional UP for a Lark. The Nike Fuelband is sportier, has a slick display, and its very own Nike-brand unit of measurement, the Fuel. The Jawbone UP might not work, but that doesn't mean we won't wear it.



NEW SONGDO

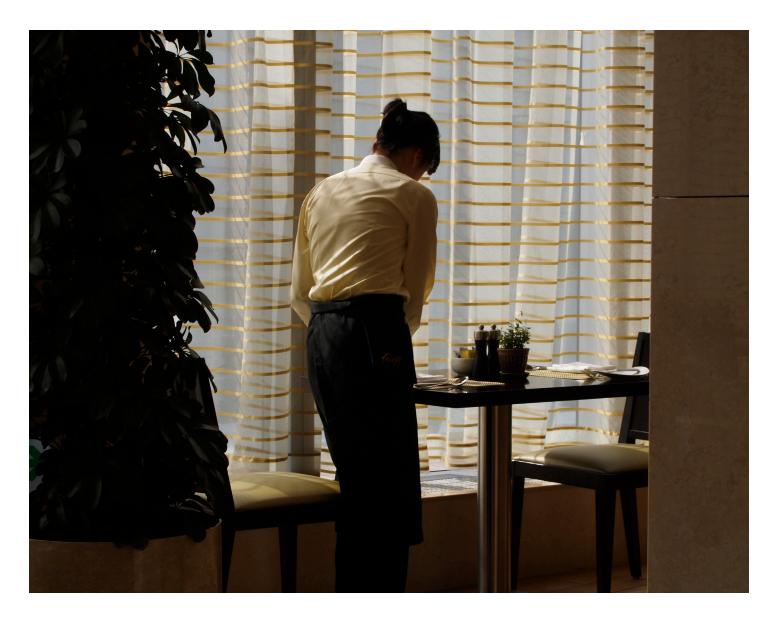
Best Apps for Your SmartCity

Travel 35 miles from Seoul, add \$35 billion dollars from Gale International and you'll find NEW SONGDO, Korea's first smart city. **Constructed on 1500 acres reclaimed from** tidal-flats along the Yellow Sea, New Songdo is currently the world's most expensive real estate investment. It's the most advanced in a new breed of cities that leverage the latest in digital technology to skip the problems of the industrial and postindustrial city altogether. Instead of a cyberpunk city built out of retrofitted bits of the past, New Songdo is a smart city bringing the Moore's Law mentality of acceleration to urban planning.





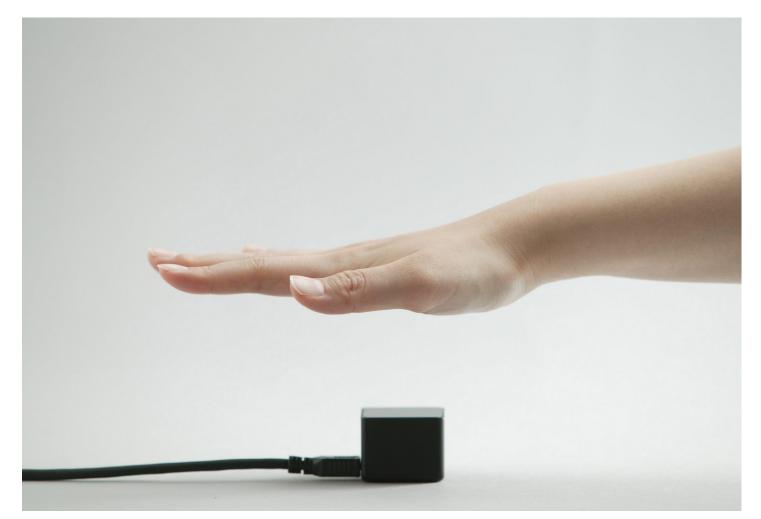
New Songdo has all the bells and whistles of a next-level ecotopia: wastewater recycled for irrigation, garbage collected through pressurized tubes, a smart power grid to temper energy usage, rooftop vegetation to absorb heat and reduce stormwater runoff, and most importantly, home touch panels to guilt everyone into curbing their utilities usage. But don't be confused: New Songdo isn't some crunchy commune. The developers are onto the fact that our future ecotopia will need seed money. That's why New Songdo features the prerequisite amenities of any competitive financial district: high-speed rail to the airport, super fast Internet connections, and a transitaccessible high-rise downtown.

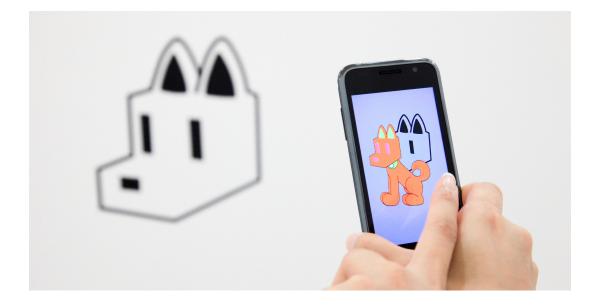


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New Songdo isn't just a real estate investment, it's a product-place. Along with the high-tech utility delivery systems and a branding strategy built around copying famous cities of yore (New Songdo features not one but TWO Central Parks!), the development is strewn with sensors constantly feeding data back into the city's central nervous system, reporting the usage of everything from parking spaces to hot water.





If the app-driven smartphone were a place, it would be New Songdo. The city is a platform rigged to capitalize on a hunger for bidirectional flows of data. Up until now, these flows hooked into exclusively digital content such as your email, your Facebook, your online banking. With wired smart cities like New Songdo sprouting up, apps can now be built to measure things like the amount of hot water available for your morning shower, where the closest open parking space is near your work, and when not to leave your windows open. Whereas social networks created the infrastructure behind the apps of your social life, smart cities like New Songdo will wire the world for the apps of your everyday life.

When everything is a connection point, it's more important to get your customers to check in, rather than to check out. Purchase points are about entry, not exit. 'BUY NOW' is a phrase that'll be left in our mall-centric past. Consumers don't have to be captured on the spot just because they're close to a cash register. In the AppVille of the future, banners will read: 'BUY WHENEVER.'



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K-HOLE IS A TREND FORECASTING **REPORT BY GREG FONG,** SEAN MONAHAN, EMILY SEGAL, **CHRIS SHERRON, AND DENA YAGO**

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