

thenetworkkone Cannes review 2016



“a wave of nostalgia, a wind of change”

I sat in the sun, in a small beach bar owned by the same family for decades, with a multicultural, multilingual group of agency friends. We ate grilled fish, and drank rose wine.

How little Cannes has changed, we thought. The streets, the shops, the yachts, the hotels.. the people, their clothes... the ads, the agencies, Palais des Festivals, the awards shows, the parties...if you stepped back ten years, perhaps thirty years, almost nothing would look different.

The Cannes Lions festival itself is more successful than ever: the jewel in the crown of Ascential plc, currently on the block for around \$1 billion. True, they still have bizarre relics like the “Cyber Lions” – and the latest innovation is an “entertainment” category, which is not exactly ground-breaking. But the money keeps flowing in: more delegates, more awards, more entries, more categories...and still the same impeccable organization.

And yet: underneath the façade of calm and prosperity, our business is becoming very different indeed.

The awards: who won?



At heart, Cannes is an awards show. Like the Oscars in the movie industry, it’s a reflection of how the communications industry sees the world – and wants to see itself.

The award ‘categories’ are somewhat arbitrary. Creative agencies won the Grand Prix for media and public relations. A newspaper won the Grand Prix for mobile. A media agency won the Grand Prix for gender neutrality (only 3% of

media agency CEO's are women). The Grand Prix for Direct Marketing went to a campaign which connected millions of people at random and the top prize of all, the Titanium Lion, went to an agency who sportingly admitted that their client had come up with the idea.

Basically, if you want to be top agency - or top network, or top holding company, or even top independent agency: the way is to enter your work into as many categories and sub-categories as possible. Even a very average piece of work, like [McCann's campaign for XBox](#), racked up 10 Gold Lions. Since each entry costs up to \$1500 just to submit, and only around one in thirty wins any Lions at all, this is good business for someone!

The awards that really matter, are the Grand Prix. The juries in each category, who are genuinely neutral, vote for the best work from whatever shows up in their pool.

Regarding the agencies: not much has changed. The 2016 Grand Prix winners entrants were a typical mix of traditional network agencies like Y&R and JWT; well-established independents like Forsman & Bodenfors and Venables Bell; and technology giants like Google.

What's more interesting, is which clients won. Presumably, the biggest advertisers? Well, no.

Here's a list of the top ten global advertisers (according to the latest available measured media data from Advertising Age):

1. P&G
2. Unilever
3. L'Oreal
4. Coca-Cola
5. Toyota
6. VW
7. Nestle
8. GM
9. Mars
10. McDonalds



No surprises there: six packaged goods brands, three car makers, one retailer.

Individual countries like the US show a similar pattern, though you'll also find local telcos like Verizon and financial services companies like Amex.

Now, let's compare the Grand Prix winners at Cannes in 2016:

- 15 are retailers and media platforms: sectors characterised by measurable, short term business results.
- 8 are Governments, NGO's and CSR campaigns
- 2 are makers of physical products
- 1 is a musician

Yes, that's right. No packaged goods brands. No cars. No telcos. No financial services.

If you have time, click the links to see the winning work:

- 8 retailers: [John Lewis](#), [Harvey Nichols](#), [Burger King](#) (x2), [Coop Sweden](#), [REI](#) (x2), [KFC](#)
- 7 media platforms: [Because](#), [Netflix](#), New York Times: [NYT VR](#) and [The Displaced](#), [Pearson](#), Google: [Jacquard](#) and [Deepmind AlphaGo](#)
- 5 corporate CSR campaigns, unrelated to the product or service provided by the advertisers: [ING's 'new Rembrandt'](#), [Hindustan Lever's campaign for transgender people](#), [Panasonic's paean to electricity](#) and [Heineken's Brewtroelum fuel](#)
- 3 for NGO's: [Swedish tourism](#), [Unicef](#) and the [Spanish Lottery](#)
- 1 for an electronics company: [Philips](#)
- 1 for apparel: [Under Armour](#)
- 1 for [Beyonce and her new music video](#)

Odd, isn't it: the traditional advertisers, who still spend the most, are not getting the best work.

So what's going on? Let's ask the marketers.

The Clients

A couple of years ago, the big-spending CMO's were setting the agenda. They were far ahead of agencies in recognizing the importance of Brand Purpose, CSR and corporate transparency. They were leading the way in demanding measurable business results and accountability.

Now, they are confused and uncertain. Forget what's being said on the main stages, where the contributions from marketers are increasingly safe and dull. (Bruce McColl of Mars, replaying five year old TV advertising campaigns in a mutual nostalgia-fest with BBDO, was a case in point.)

Instead, take a look at Economist's "[Wake up with the Economist](#)" conversations from the Cannes Lions beach.



(Left to right): Alexandra Suich, Ann Mukherjee, Raja Rajamannar & Osama Hirzalla

All the top CMO's were there - and talking without scripts. Here are some verbatims:

- “We hide between marketing KPI’s which nobody other than the marketing person cares about” (Raja Rajamannar, Chief Marketing and Communications Officer, Mastercard)
- “We need to get away from hippopotamus meetings where the person with the highest salary [and probably the least digital expertise] carries the vote” (Keith Weed, Unilever)
- “We do so many things in the same way because it used to work” (Lori Lee, Senior EVP and Global Marketing Officer, AT&T)
- “The way we measure marketing effectiveness has not changed in any meaningful way in the last 40 years” (Brad Jakeman, President Global Beverage Group, Pepsico)



Keith Weed



Brad Jakeman



Raja Rajamannar



Lori Lee

It’s not that Marketers don’t know what they want. They do, and we’ve heard it at every marketing conference in the last 12 months.

They want Outcomes, not Deliverables. Here’s what they said:

- “[we need] unpredictable marketing that delivers predictable results” (Ann Mukherjee, CMO, S C Johnson)
- “clicks are irrelevant, the key thing is, did the outcome happen the way we wanted it to be?” (Raja Rajamannar, Mastercard)
- “did the brand grow?” (Marc Pritchard, P&G)



Raja Rajamannar



Ann Mukherjee



Marc Pritchard

The problem is, no-one quite knows how to achieve these outcomes.

Are marketers analysts, or are they creative entrepreneurs? Does Data work for Marketing, or does Marketing work for Data?

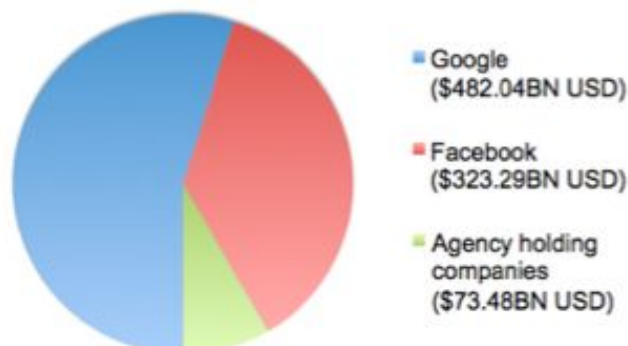
It looks like the answer is Data - and Data’s first cousin, Media.

P&G has cut its expenditure with creative agencies by 50%, while its media spend is cut by just 5%. Sir Martin Sorrell says, “75% of our revenue is now media, data and digital.”

Money talks. The war is over, and the data-driven media platforms have won.

Google has a market capitalization (company value) five times as large – and Facebook has a market cap three times as large - as the TOTAL value of WPP, Publicis, Omnicom, IPG and Havas combined.

Market Capitalization



OK, that's clear. But where does this leave creativity?

Here's where it gets interesting, because two winds of change are blowing.

The first wind of change: a social revolution

One of the most memorable images from Cannes 2016, was the high profile seminar addressed by Ban-Ki Moon, Secretary General of the United Nations.

Mr Moon, very properly, appealed for help from the agency community in addressing the UN's Sustainable Development Goals.

Step forward, The Establishment.



(Left to right): Yannick , Ban Ki-Moon, Jon Wren, Maurice Levy & Zeinab Badawi

The Heads of the Five Traditional Agency Holding Companies – WPP, Publicis, Omnicom, IPG and Havas were wheeled out all together, to be interviewed by Zeinab Badawi of the BBC, for their responses.

Their comments were statesmanlike and almost identical. Each one had picked a topic and promised to use his company's efforts to promote the issue. M Levy had food, Mr Roth had water, M Bollere had climate change, Mr Wren had education and Sir Martin, unluckily for him, had gender equality.

Ms Badawi, who had tossed them all the friendliest of questions, could not resist a sting in the tail – commenting that she was “single-handedly trying to address the gender balance on this stage.”

This was letting them off lightly! She might also have mentioned age balance (the average age of her interviewees was 64) and racial balance also.

As PR, it was a train wreck.



Zeinab Badawi

A little like the US car company chiefs up before Congress, begging for public money while confessing they had flown in to DC in their private jets.

Here is the problem. As a global society, we are looking at a serious and growing disconnect between ordinary people and the political establishment.

Beneath the surface at Cannes, this became very clear. There are four dimensions to this:

- **Political:** as Anatole Kaletsy recently outlined (at thenetworkone's recent Indie Summit in London), there are three major tests of popular acceptance of establishment views: Brexit; Donald Trump; and the electability of nationalist parties in Germany next year. Whatever the result (and the Brexit result was announced during Cannes), each one of these will seriously destabilize the global political economy.
- **Gender:** there is a growing insistence that women are treated equally and with respect. Madonna Badger's seminar on "Women not Objects" won the biggest ovation of the entire eight days, by far. Everybody is talking about it and everybody wants it. Did you know, there is no statutory right to maternity leave in the USA? I learned this at Cannes.



Anatole Kaletsy



Madonna Badger



- **Ethnicity:** as Jonathan Mildenhall, CMO of Air BnB put it on the Economist stage, "I look around me and see no black faces, except celebrities."
- **Youth:** Yes, Cannes has scholarship programs. But they are not enough. The cost of attendance for people under 28 was far higher this year. Youth unemployment is a huge social problem and a major factor in the appeal of IS and other terrorist organizations.



Jonathan Mildenhall



These are not new issues. What's new is that the democratization of the media means that they are front of mind for everyone. They can no longer be "managed:" they need to be engaged. Brands and corporates that don't will fade away and die.

On the other hand – brands that DO engage with social issues, will thrive. It was encouraging to see the continuing prominence of the Girls' Lounge at Cannes and the pioneering work of independent agencies like Livity and Exposure, in actively recruiting and involving young people from non-traditional backgrounds.



And it was wonderful to see the #OptOutside work from Venables Bell, for the outdoor gear retailer [REI](#), who closed their stores on Black Friday and sparked a huge anti-consumerist support. 170 other stores followed suit. A worthy winner of the Titanium Grand Prix!



The second wind of change: technology

Unsurprisingly, technology was a major theme of Cannes. But it was NOT a homogenous theme: it had two different angles. The first had more visibility, but the second has more significance.

First: 'creative technology.'

A quick look at the seminar schedule – and the awards shortlists - will tell you, that Virtual Reality was always going to be a major theme this year.

We saw some fascinating and wonderful examples. [The School Bus, which transforms into a "field trip to Mars."](#) The ["Dreams of Dali"](#). As well as a hilarious parody from Y&R and Jaguar cars: one of the best in the show, with or without a Grand Prix.



But VR is an evolution, not a revolution. Like going from silent movies to talkies – or black and white films to colour. And much more significant than the 3D technology which was being hyped a couple of years ago.

But VR is still *an experience on a screen*, disconnected from the 3D world, even if the screen moves around a bit.

Ultimately, we suspect VR will be less of a game-changer than the O2O (online to offline – redirecting online users to offline services) movement which the Chinese are focused on.



Talking of which: one of the best seminars was by Tencent, the Chinese company behind social media platforms like QQ and WeChat. Now that was interesting.

The Chinese version of WeChat links information gathering, sharing and mobile commerce, far more elegantly than any app from the West.

But Tencent also look at social trends and demographics, in very smart ways.



Davis Lin

Davis Lin, Corporate VP of Tencent, explained very clearly how the massive urban drift in China has led to high availability of cheap labour in close proximity, enabling a seamless link between online and offline, between screen and the physical world.

If you order a new pair of shoes in a Chinese city using your WeChat account, you won't get a pair of shoes in a box from a courier company. You'll get a real person visiting your office within two hours with the shoes you ordered, plus a size larger and a size smaller, maybe in a different colour option and almost certainly with some matching accessories.

We are reacting to social change. Tencent are anticipating and exploiting it. Does anyone still believe that the Chinese don't think creatively?

Second: 'social technology'

The real privilege of being at Cannes is not the champagne, nor the opportunity for corporate meetings. It's the chance to meet people who are really changing the world.

It's hard to think of a phrase to describe this, but perhaps "social technology" is as good as any.

This includes data analytics; machine learning; and artificial intelligence. One of the best seminars (tucked away in the Healthcare section which was sparsely attended, as you had to pay an extra 1000 Euros to attend this – luckily I got a free speaker pass!) was from Gorham Palmer, Creative Director at IBM Interactive Experience in Cambridge Massachusetts.



Gorham Palmer

IBM is piloting a program code-named Distiller, which links an individual patient's reported symptoms to his/her demographic, biometric and behavioural data; and cross-references this, via the Cloud, with millions of comparable cases, to provide an diagnosis with a probability score. "There is a 63% chance you have XYZ condition."

Then, it searches the Cloud for possible treatments, to which it also assigns a probability score – and a cost. "There is a 90% chance that treatment A will work, but it will cost \$83,000. On the other hand, there is a 75% chance that treatment B will work, and it only costs \$15,000."

As Mr Palmer explained, the problem is not the science – it's figuring out how much of what we know, we can tell the patients without totally spooking them! - and also, how

to avoid the technology being rejected by disenfranchised, disintermediated clinicians, whose role and importance will be greatly reduced. Well there's a creative challenge..

But here's where things get really interesting.

The major advance in Artificial Intelligence (AI) has been the replacement of deterministic learning systems, by probabilistic learning systems.

Simply put, 'Deep Blue' – which beat Garry Kasparov at chess – was a *deterministic* system. It analysed all the possible outcomes of each move and played the best one, which was enough to beat the world's best human chess player. But it couldn't play Go, which is much more complex.



[Google's AlphaGo project](#) – a Cannes Grand Prix winner in the Innovation category - uses *probabilistic* thinking (kind of like heuristics, which are shortcuts to conclusions and habit development.)

This is how humans think, and why humans are good at playing Go. But AlphaGo beats humans too. You don't even need to teach it how to play: it watches a game – any game - and figures out the rules for itself.

And it's not just games. Do you know how the FBI tracks terrorists these days? It looks at the pictures on your Facebook page and your Instagram feed. Don't worry, they're not interested in your friend eating ice cream on the Croisette. They're using facial recognition bots to check the features of that guy in the distance, who you never noticed - to check if he might be the terrorist suspect who crossed into France ten days ago. (Disclaimer: I was told this by another delegate and cannot verify whether it is true, but I am convinced it is possible.)

So what does this have to do with marketing communications and creativity?

Well, a lot. Although like the dis-intermediated clinician, you might wish to leave the conversation at this point.

What Data does, is transform communications into a science.

The good news is, it's not an *analytical* science; but an *empirical* science.

It will not, like the P&G researcher I met almost thirty years ago, tell you that the brand name should always be mentioned exactly 11 seconds into a 30 second TV commercial.

Empirical science means: trial and observation.

Try ten things and see which one works. Repeat the experiment often enough, to achieve a reasonable level of probability. Then dump the approach which isn't working, put your money on what is working and use that learning when experimenting further. You can play Go.

A real example

For example: someone showed up at our drinks party from a company called Picasso Labs (mostly, a group of ex-Googlers.. I was reassured to know that Google has breakaways, like big agencies do!)



Picasso Labs analyses the level of engagement of website visitors, according to the visual imagery they see on the site. For example: does a fashion photo showing the model's face, outperform a photo which does not?

It's relatively crude – engagement basically means like, comment or share. But it is at least behavioural data. As Josh Valman of RPD International, the British entrepreneur who left England for China aged 15, to set up a manufacturing company, said in another seminar: “Data does not come out of people's mouths”.



Josh Valman

And the fact that answers are *probabilistic*, rather than *deterministic*, is not a disadvantage. It's the window of opportunity, for all creative thinkers.

Try, fail, learn; try again, succeed; try again, succeed better.

So where does this leave agencies?

Agencies don't necessarily need to re-invent themselves: but they do need to re-define themselves, according to what they really are, or want to be.

There was a fine discussion on this topic, organized by Kwittken in the Haymarket cabana and moderated by Steve Barrett, Global Editorial Director of PR Week. Participants included Kwittken, a consumer PR agency; and 72andSunny, an advertising agency.



(Left to Right): Steve Barrett, PR Week; Aaron Kwittken, Kwittken and Matt Jarvis, 72andSunny

Asked to redefine themselves, Kwittken settled on 'a Brand Activation' agency: which much better defines the kind of newsworthy, shareable activities they create for their clients.

72andSunny settled on 'an Impact Business.' If I were a client, I'd get that right away: hire us when you want something new and dramatic, not an AOR in it for the long haul.

In other interviews, forums and seminars:

- Cutwater described their offering as "creativity with a performance mindset." If I were an e-commerce company, or a charity, or a retailer, I'd get that too.
- Taylor Herring believe that "all brands will be entertainers." That's a clear positioning.. and the life size Polar Bear scaring people in the Palais des Festivals brought it to life.
- Exposure advocate recapturing the creative randomness of a five year old: and walk the talk, by offering all their employees "unlimited holiday allowance." (I presume this is unpaid, but if not, please someone let me know!)
- Livity run a youth marketing agency, in which all the work is created by people under 30 – often from (very) non-traditional backgrounds, who they take



in off the streets of South London, based on talent and motivation - and ease them into a world of work, in a way that is still fun.

And so on...

A conclusion?

There is no formula. There is plenty of space for creativity, and all the more if you are willing to experiment and learn – and if your approach is inclusive, collaborative and non-hierarchical.

Curation is as much fun as origination. And you don't have to be a mathematician.

Ask Anna Wintour, the legendary editor-in-chief of American Vogue, who delivered possibly the most riveting seminar of the entire Festival.



Anna Wintour

Anna said, “Don't twist your content around Facebook algorithms: everyone is doing that.”

She has four rules for success:

- aim higher
- dare to be different
- make interesting friends
- collaborate

Stepping out of a darkened auditorium into the Mediterranean sunshine, it was nice to reflect. In a time of enormous change, how wonderful it is for the best lecture of the week to come from a woman who has run the same magazine for almost 30 years. The wind of change meets nostalgia, in the South of France. “Plus ca change, plus c'est la meme chose.”



Two footnotes: an anecdote, and an insight

The anecdote

An American friend, visiting the Cannes festival, arrived at Nice airport. Naturally, he did what any good American would do: opened his mobile to order an Uber.

Then he discovered that if you want to go from Nice airport to Cannes, it's faster to take.. yes.. an Ubercopter!



The new technology made him make three new friends, he spent only 50 euros more than taking a taxi on his own, and he arrived on the Croisette within ten minutes, in fine style.

The insight

Let's go back to the five heads of the holding companies, on stage together with Ban Ki-moon and Zeinab Badawi.

The stakes were high. How did each one make sure he said the right thing?

Michael Roth and John Wren referred to notes on pieces of paper.

Sir Martin Sorrell used an iPad.

Maurice Levy and Yannick Bolloré spoke from memory.

I make no judgments here, but this will tell you more about their respective corporate and national cultures, than a dozen business books. From little observations, come big insights.



(Left to right): Yannick Bolloré, Michael Roth &, Martin Sorrell

Julian Boulding is the Founder and President of [thenetworkone](http://thenetworkone.com). He can be reached at julian.boulding@thenetworkone.com or [@thenetworkone](https://www.instagram.com/thenetworkone)

Founded in 2003, **thenetworkone** is the world's largest independent marketing and communications agency network, representing more than 800 of the world's leading independent agencies in 106 countries, worldwide. They help corporate clients identify the best agencies for their individual needs, and engage with them effectively. For more information, visit <http://www.thenetworkone.com>