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IN EVERY BLANCPAIN
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Ladybird
Colors



A Ladybird is for eternity.

Crafted with the finest mechanical movements, the Ladybird reflects our trailblazing role in the history of feminine watches. It embodies our passion for the extraordinary.

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SPEEDMASTER MOONWATCH
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OFFICIAL TIMEKEEPER

At the Olympic and Paralympic Games Paris 2024, focus will be on the athletes striving for gold. Marcel Hug is a six-time Paralympic champion in Wheelchair Racing, and will be hoping to extend his legacy on the greatest sporting stage. OMEGA is proud to support Marcel and all the athletes as they pursue their dreams. Since 1992, our role as Official Timekeeper of the Paralympic Games has ensured precision and expert performance at the critical moments that count.





MILLE MIGLIA CLASSIC CHRONOGRAPH

Since 1988, Chopard has been World Sponsor and Official Timekeeper of the legendary *1000 Miglia*, the world's most beautiful car race. As the ultimate embodiment of our passion for endurance rallies and the competitive spirit, the 40.5 mm-diameter Mille Miglia Classic Chronograph combines a sporty design with chronometer-certified precision. Proudly developed and handcrafted by our Artisans, this exceptional timepiece showcases the finest expertise and innovation cultivated within our Manufacture.

Chopard

THE ARTISAN OF EMOTIONS – SINCE 1860

“Advertising is the art of convincing people to spend money they don't have for something they don't need.” Dating back to the early 20th century, this quote from the American actor Will Rogers might still seem relevant. But advertising is so much more than that. Through creativity, daring and humour, some ads have played their part in changing society or giving new technology a foothold.

The “United Colors of Benetton” campaign, created by the photographer Oliviero Toscani, is a perfect example. By daring to illustrate its campaigns with shock photos (boats full of refugees, an AIDS patient, mixed-race couples and the like), the Italian brand was, regardless of your own view, one of the first to ask questions about corporate social responsibility – a concept that everyone's talking about 30 years on. And Apple's “Think different” slogan helped to save Steve Job's group when it was in serious crisis in the late 1990s. A decade later, the brand would revolutionise the mobile phone world with the launch of the first iPhone in 2007.

Far from being superfluous, a well-made ad is a work of art through which companies can make a name for themselves, develop their business



Happy reading!

BY MARC BÜRKI,
CEO OF SWISSQUOTE

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AI, art and advertising

and, sometimes, have an impact on the world. There's a reason why businesses all over the world spend almost \$1 trillion every year on advertising, a figure that's set to grow by almost 5% annually in the years to come.

Nevertheless, the advertising industry, like many others, is currently going through a revolution: the emergence of generative artificial intelligence. At the height of summer, the ready-to-wear fashion brand Mango, for example, revealed a fully AI-generated campaign. Does this mean an end to *Mad Men*-style creative genius? For more conventional ads like Mango's, which isn't exactly ground-breaking, it might well be. But for more ambitious ads – those that have a claim to being considered works of art in their own right – human creativity remains as important as ever. What else?

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by Marc Bürki



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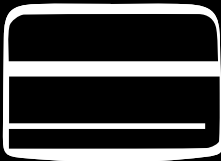
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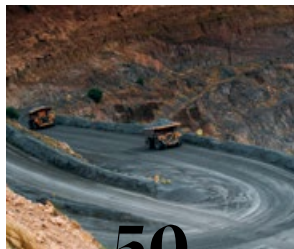
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a story
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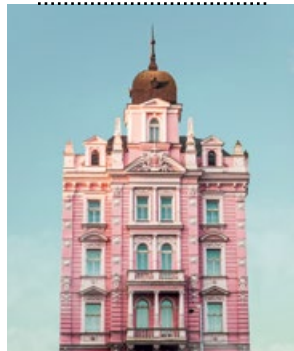


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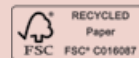
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“No plane arrives on time”

Lufthansa CEO **Carsten Spohr** on delivery delays for aircraft ordered from Boeing and Airbus, which cost him €500 million a year.

41%

Share of recorded music revenue generated by CD sales in Japan, where almost a third of the population is over 65 and record labels have long resisted digitising their artists. In contrast, the worldwide figure is just 10%.



An advertisement for Wegovy, an anti-obesity drug whose active ingredient is semaglutide, on the streets of New York in June 2024.

FOOD

Nestlé creates foods for Ozempic patients

The high demand for semaglutide, the active ingredient in new anti-obesity drugs made popular by Novo Nordisk's Ozempic, continues to grow. By 2030, the number of users could reach 30 million in the United States, or 9% of the country's population. That gave Nestlé the idea of launching Vital Pursuit, a food

line designed for people who take semaglutide-based drugs. Comprising pizzas, pastas and sandwiches, the meals are made up of protein-rich foods to compensate for the loss of muscle mass caused by semaglutide. Portions are also smaller as people taking these treatments tend to lose their appetite as well. → NESN

RANKING

The five largest semiconductor companies (based on 2023 revenue)

1. SAMSUNG ELECTRONICS
\$200.2 BN
2. NVIDIA
\$79.8 BN
3. TAIWAN SEMICONDUCTOR
MANUFACTURING (TSMC)
\$71.5 BN
4. INTEL CORP
\$55.2 BN
5. BROADCOM
\$42.6 BN

Sources: Investopedia

Top five countries with the highest organic food consumption

(per capita in absolute figures for 2022)

1. SWITZERLAND
€ 437
2. DENMARK
€ 365
3. AUSTRIA
€ 274
4. LUXEMBOURG
€ 259
5. SWEDEN
€ 248

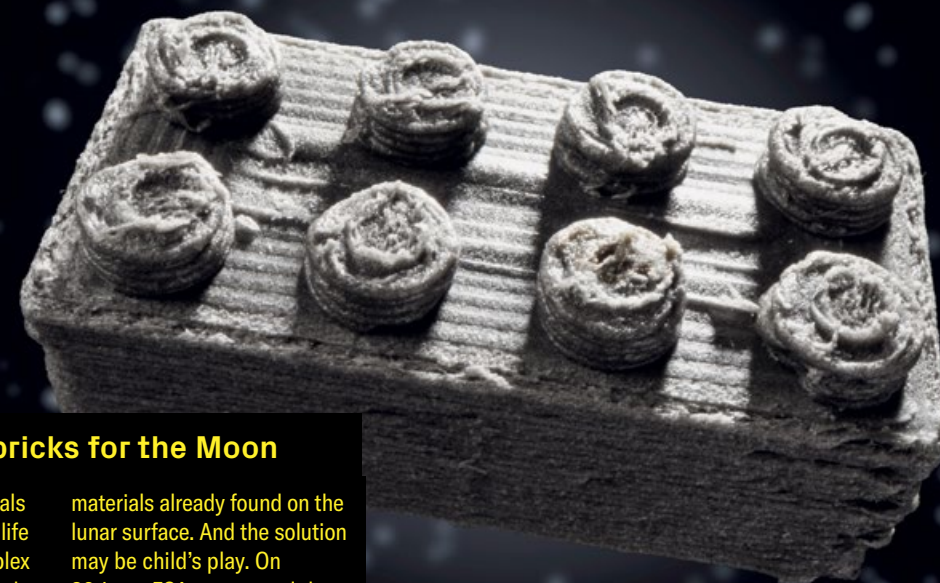
Source: Statista

THE IMAGE

LEGO: building bricks for the Moon

Taking construction materials to the Moon to establish a life base would be a very complex and expensive feat. That's why scientists at the European Space Agency (ESA) are looking for ways to build using

materials already found on the lunar surface. And the solution may be child's play. On 26 June, ESA announced that it had succeeded in making LEGO-like bricks from meteorite dust using a 3D printer.



AGRICULTURE

Precision pesticides

Every year, some 3 million tonnes of pesticides are sprayed on crops worldwide. Yet only a fraction of these chemicals is actually needed. This has prompted a number of agricultural machinery manufacturers, such as John Deere and Dyson Farming, to develop new solutions that draw on artificial intelligence. The systems work with cameras mount-

ed along the width of the booms that spray pesticides on crops. The ground is analysed using image recognition software trained to detect weeds. Spraying is then automatically adjusted to target the weeds that need it. The two companies claim to have cut the amount of chemicals used by between 70% and 90%.

→ DE



“There are a lot of players that are losing a lot of money”

David Zaslav, the boss of Warner Bros. Discovery, on consolidation in the streaming sector.



**A John Deere
tractor-mounted
sprayer.**



Alcon innovates against glaucoma

Glaucoma is an eye disease that can lead to blindness, and it is usually treated with drops that lower intraocular pressure. But a new study has shown that laser treatment could be more effective, especially over the long term. The problem is that the procedure is complex and requires an experienced surgeon. This is a challenge that the Swiss-American group Alcon intends to solve by acquiring the Israeli company Belkin Vision for \$81 million upfront plus potential milestone payments totalling up to \$385 million. The company has developed a device that simplifies the procedure and reduces risks for the patient, in particular by eliminating the need for a gonio lens. The new machine, already available in Europe, will launch to market in the United States next year. → ALC

+20%

Growth of intra-African trade since 2018, reaching \$192 billion.



“Americans just work harder. We are not very ambitious”

Nicolai Tangen, who runs the Norwegian fund to manage revenue from the country's oil and gas exploration in the North Sea.

OFFSHORING

Chinese firms head south

After moving their factories to Vietnam to take advantage of cheap labour, Chinese entrepreneurs have started to invest in the rest of Southeast Asia. Indonesia is their top destination. Online private tutoring company PalFish and distribution specialist J&T Express have set up shop there, while Tsingshan dominates nickel production in the country. In addition to benefiting from lower costs,

they sidestep tariffs imposed by the United States on products made in China, the unpredictable decisions of the Chinese Communist Party – which, for example, has waged a merciless battle against online tutoring – and a slowing domestic economy. Chinese direct investment in Indonesia, Malaysia and Vietnam reached \$8 billion in 2022, four times more than a decade ago.



Andrew Sim, CEO of the Chinese logistics company J&T Express, has decided to set up operations in Indonesia.

© LIM YAOHUI, AFP / COLIN MATTHEW ALAMY / STARRAGTORNOS



Aerial view of the largest lithium deposit in the world, in the Antofagasta region of Chile.

ENERGY

Black gold giants go white

Big oil is beginning to take an interest in lithium, a material whose demand is set to soar over the next few years to power electric vehicle batteries. ExxonMobil began drilling for the metal, dubbed “white gold”, in Arkansas last November and recently signed an agreement to supply the South Korean battery manufacturer SK On. Occidental Petroleum has set up a lithium joint venture with Berkshire Hathaway subsidiary BHE Renewables, while the Norwegian firm Equinor has entered into an agreement with US mining company Standard Lithium. Even Gulf giants Saudi Aramco and ADNOC are looking into the sector. As the process of extracting, obtaining permits and refining lithium is similar to that of oil, unlike the development of solar and wind power, they could find synergies.

→XOM

\$300 BN

Market capitalisation lost by Chinese liquor manufacturer Kweichow Moutai since its peak in February 2021. The decrease in value is due to the crunch on the Chinese property market. Construction barons are big consumers of this spirit, which sells for more than 350 Swiss francs a bottle and is often offered as part of business transactions.

MACHINE TOOLS

Low order intake at StarragTornos

The merger at the end of 2023 between Tornos, based in Moutier, and Starrag, based in St. Gallen, was intended to enable the new machine-making giant StarragTornos to grow in its target markets of Europe, North America and Asia. However, the company has been hard hit by the slowdown in luxury goods. Starrag serves this market by producing high-precision machine tools used in watchmaking. At the start of the year, StarragTornos announced that orders were falling in this



segment, as well as in the med-tech and energy sectors. This situation has forced the company to issue a profit warning for 2024, forecasting a fall in sales and a sharp decline in operating profit. → STGN

THE QUESTION

Growth in electric vehicle sales has begun to taper in several markets. What is causing this slowdown?

First of all, it's important to remember that while sales growth is flat in many countries, the underlying trend is upwards. Electric vehicles are expected to account for around 20% of global sales in 2024. Sales also vary widely from country to country. In Norway, 95% of new cars are electric, while in France and the United Kingdom the share is 25%. That said, the EV market has been affected by the phase-out of government subsidies for car buyers, especially in Germany and the UK. In the United States, sales have been impacted by production problems at Tesla, which holds half the market. Europe, the United States and India have also blocked or introduced taxes on imports of Chinese electric vehicles, even though they are often the cheapest models. We shouldn't forget the rapid development of the used electric vehicle market. As they are generally less expensive, they are taking market share from new vehicles.

Liana Cipcigan, professor at Cardiff University, expert in transport electrification.



“1 million USD per Bitcoin is reasonable, not impossible”

Jack Mallers, CEO of the cryptocurrency exchange platform Strike.

\$243 M

Amount of the fine that Boeing will have to pay following the two air crashes in Indonesia and in Ethiopia that killed 346 people.



Aerial photo taken in January 2024 showing an abandoned Evergrande shopping centre in Hangzhou, China.



THE IPO

Marc Puig, CEO of the Spanish Puig group, takes a look at the price of his company just after its IPO on 3 May, 2024 in Barcelona.

Puig in the big leagues

Catalan group Puig raised €2.6 billion in its initial public offering on the Madrid stock exchange. This has been the largest IPO of 2024 in Europe and sets the company's value at €13.9 billion. Operating in 32 countries with 17 brands, including Paco Rabanne, Jean Paul Gaultier, Carolina Herrera and Charlotte Tilbury, Puig posted record sales of €4.3 billion in 2023, up 19%. The family-owned

group owes this success to its diversified portfolio of brands and its focus on fragrances and make-up, two sectors less impacted by the slowdown in the luxury goods sector due to inflation. A stock market listing should add capacity to finance acquisitions, reduce its debt and compete more effectively with its main rival, L'Oréal. However, the Puig family will retain 92% of the firm's voting rights. → PUIG

CONSTRUCTION

China's property crisis: a new victim in sight

China has been mired in a property crisis for the past four years. After Evergrande in 2021 and Country Garden in 2023, Vanke could become the next group to go bust. Until now, the property developer has been spared, mostly because one of its investors is state-owned Shenzhen Metro, providing access to public funds. But it lost 362 million yuan in the first quarter of 2024, with debt levels reaching 320 billion yuan (39 billion Swiss francs), and losses could reach 9 billion yuan (1.1 billion Swiss francs) in the first half of the year. The situation is not going to improve any time soon. The value of its land assets is plummeting, even in major cities such as Shenzhen. → 000002

© JOSEPI LAGO, AFP / NURPHOTO, AFP / ROBERTO MONALDO, ALAMY



BANKS

Fast growth of alternative payment systems

In 2022, following the invasion of Ukraine, some Western powers cut access for several Russian banks to its SWIFT interbank payment system. China has also been frequently ostracised by the international financial system. The result is the emergence of parallel systems such as the Russian SPFS, Chinese CIPS and Indian UPI. They are growing fast: CIPS is used by 1,536 financial institutions (May 2024), a figure that has almost doubled since 2018. UPI accounts for more than three-quarters of all retail-related financial transactions carried out on the Indian subcontinent.

\$47 BN

Amount the Chinese government is going to invest in a new fund to boost its semiconductor industry.



AVIATION

A feel of oligopoly in European skies

Consolidation continues unabated in Europe's airline industry. Lufthansa is preparing to buy 41% of Italy's ITA for €325 million, while Sweden's SAS will become a member of SkyTeam in September after Air France-KLM acquired a minority stake (maximum 19.9%) in its capital. This acquisition frenzy will only increase concentration in the air travel sector, already 71% owned by six airline groupings (Air France-KLM, EasyJet, IAG,

Lufthansa, Ryanair and Wizz Air). The European Commission has begun to express concern about the lack of competition, forcing some carriers to sell part of their routes ahead of a takeover. Fearing Brussels' demands, IAG, the owner of British Airways and Iberia, announced on 1 August that it was abandoning its bid to buy Spanish Airline Air Europa after five years of negotiations.

→ LHA → IAG → AF



“We have a good brand, recognised all over the world. But is it iconic, like Apple, Chanel or Starbucks? Not really”

In an interview with *Le Temps* newspaper, Logitech CEO **Hanneke Faber**, confirms her ambition to make the Swiss group an iconic brand.

BUST

Not so augmented reality

Unveiled in June 2023, Vision Pro, Apple's augmented reality headset, was supposed to revolutionise the way we interact with our environment. But many users, after an outlay of \$3,500 apiece, feel that the results have been disappointing. The headset is heavy and gives many users headaches. It also lacks concrete applications. According to CNBC, UBS expects the Californian group to sell 400,000 units this year, compared with initial sales forecasts of 1 million units. After its US release in February, the Vision Pro began selling in Asia and Europe this summer. Apple has already announced that the launch of a low-cost version will be postponed until after 2025. → AAPL

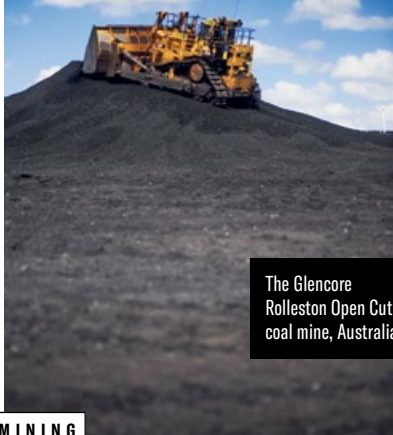


A customer tries out the Vision Pro headset at an Apple Store in New York, during the product's launch in February 2024.

“It will be incredibly expensive for the world to completely stamp out, or do without internal combustion engines. [...] I do think they will be around for a very, very long time”



Yasser Mufti, executive vice president of Saudi Aramco.



The Glencore Rolleston Open Cut coal mine, Australia.

MINING

Glencore holds on to coal

A backpedalling of sorts. After the takeover of the Canadian group Teck Resources at the end of 2023, Glencore announced its intention to split in two. On one side, the polluting coal mining and export activities inherited from the two groups would be grouped together in a new company listed in New York and called “CoalCo”. On the other side, Glencore would refocus on metals driven by the energy and ecological transition. This split was to take place within two years of the completion of the takeover. However, this was not to be. At the beginning of August, more than 95% of the group's shareholders voted in favour of maintaining the coal business within Glencore. According to the company's statement, shareholders were motivated by the fact that the coal-related business should “improve Glencore's ability to generate cash” and “optimise the return of cash flow to shareholders”. With the acquisition of Teck Resources, the Zug-based company will increase its production of the black ore by 20 million tonnes a year to 130 million tonnes.

→ GLEN

\$2,000
BN

Amazon's market capitalisation at end-June, breaking a new record as the company prepares to celebrate its 30th anniversary.

© ANIELA WEISS: AFP / GLENCORE

Upgrade to Audi's business class



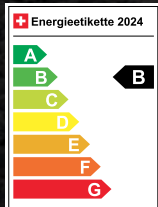
As an SME, you can benefit from special conditions on a range of models.

Audi Q6 SUV e-tron Performance from CHF 469.– / month

including 14,3% SME discount

Audi Q6 SUV e-tron Performance

Gross price	79 900.–
3,3% compensation	– 2 630.–
11% EnterprisePlus*	– 8 780.–
Your special price	68 490.–
Your discount	11 410.–
Annual interest for leasing	2,99%
Leasing rate per month	469.–



Audi Q6 e-tron performance, 225 kW, 16.7 kWh/100 km, 0 g CO₂/km, category A. Leasing offer: see table above for price calculations, down payment: CHF 17 125. 48 months, 10 000 km/year, annual percentage rate for leasing 3,03%, excluding compulsory comprehensive insurance. Displayed model: Audi Q6 e-tron performance, 225 kW, 18.7 kWh/100 km, 0 g CO₂/km, category B. Plasma Blue metallic finish, full paint, exterior S line, black exterior package, Audi Sport wheels, 5-Y-spoke dynamics, black metallic finish, high-gloss turned finish, 9.0 J | 10.0 J x 21, 255/45 | 285/40 R21 tyres, panoramic glass roof, regular price CHF 90 310, premium bonus CHF 2980, EnterprisePlus discount CHF 9930, cash purchase price CHF 77 400, down payment CHF 19 350. Leasing rate CHF 529/month. Lending is prohibited if it leads to over-indebtedness of the consumer. Financing provided by AMAG Leasing AG. Offer valid for contracts concluded from 1 July to 30 September 2024 or until further notice. Subject to change. Applies to all vehicles imported by AMAG Import AG. Suggested list prices of importer AMAG Import AG. *EnterprisePlus: commercial offer, only available for vehicles registered to companies with an entry in the commercial register.

Further attractive offers for SMEs



Fatigue on the crypto market

This August, the Crypto Fear and Greed index – a measure of cryptocurrency market sentiment – reached its lowest point since the FTX exchange went bankrupt in autumn 2022. Is this one last bout of melancholy before a revival? BY LUDOVIC CHAPPEX

A long, sloping decline, punctuated by a couple of sudden hiccups. As is often the case, cryptocurrencies didn't really get people excited this summer. At the time of writing, Bitcoin seems to be distancing itself from the \$60,000 mark, a threshold that it hasn't been able to remain above since early August.

Doubt had set in at the height of summer, made plain by the Crypto Fear and Greed index published by Alternative (see image opposite). The index uses various sources to measure the general sentiment of the crypto market, highlighting periods of anxiety and excess. The index has fluctuated around 30 or even 25 since mid-August,

suggesting a high level of fear on the market, particularly against the backdrop of concerns about recession in the United States.

The Fear and Greed index dropped to 17, a low it hadn't reached since FTX went bankrupt

It's true that late July saw Bitcoin's price suddenly soar to almost \$70,000, and Alternative's index leaped above 70 – but things soon came crashing down to earth. Not long afterwards, the mini stock market crash of 5 August saw BTC fall below

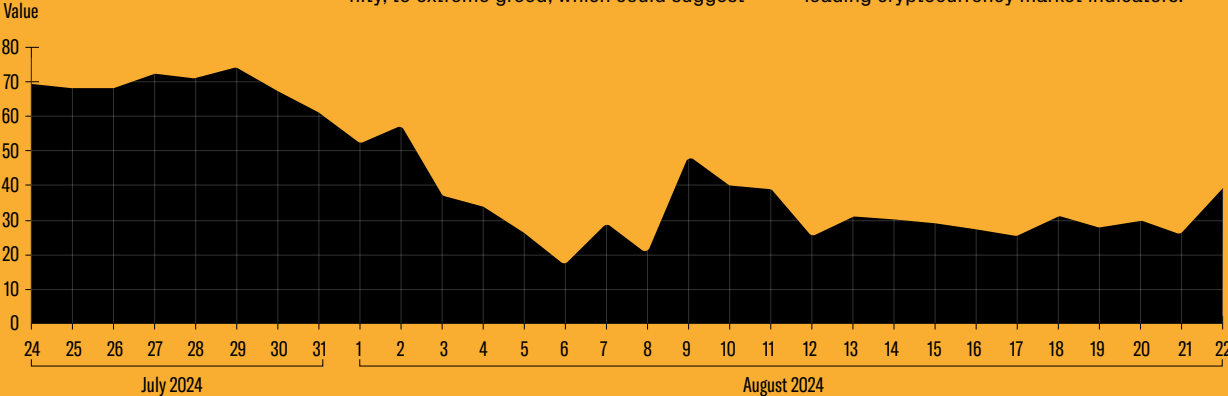
\$50,000. At that time, the Fear and Greed index dropped to 17, a low it hadn't reached since the exchange platform FTX went bankrupt, when Bitcoin was trading at under \$16,000.

Since then, the social media sites and forums frequented by crypto enthusiasts have been awash with

a sense of fatigue. The market is known for its cycles, which means many are biding their time until a supposed end-of-year bull run, four years after a rally that remains etched in people's memories. There is also hope that altcoins – many of which appear paralysed – will follow the trend as well.

Crypto investors know that a long period of gloom often heralds a turning point. But the fact remains that statistically, September has been one of the worst months of the year for Bitcoin's performance ever since it was created, with an average drop of 5%. But the crypto market is nothing if not mischievous. See you in two months? ▲

CRYPTO FEAR & GREED INDEX
A summer of gentle slopes



The Crypto Fear and Greed index is produced by Alternative. It measures cryptocurrency market sentiment, ranging from extreme fear, which could indicate a purchasing opportunity, to extreme greed, which could suggest

an imminent price correction. The index uses a variety of data sources to assess sentiment, including market volatility, transaction volumes, social media trends, surveys and other leading cryptocurrency market indicators.

crypto express

Bitcoin ETFs: Goldman Sachs joins in

Bitcoin is gradually gaining acceptance among the most well-established financial institutions. Goldman Sachs has now begun investing in spot Bitcoin ETFs to the tune of \$420 million, it was revealed in the American bank's Q2 results. Bitcoin ETFs were approved by the US Securities and Exchange Commission (SEC) in January and have already generated

over \$300 billion in volume. ETFs mean investors can buy products that represent the value of BTC without having to own the crypto directly.

The iPhone opens up to crypto-payments

Apple is expanding the iPhone's contactless payment

options. The feature should be on the menu for the upcoming iOS 18.1 update. In essence, Apple has unlocked its NFC (Near Field Communication) chip – the technology that allows smartphones and payment terminals to transfer data when in close proximity – so it can be used by third parties. In a message shared on X on 14 August, Jeremy Allaire, CEO of Circle – the company that issues USDC, a stablecoin pegged to the dollar – wel-

comed the development and added some clarifications. With this feature opened up to third-party developers, Apple Wallet alternatives such as crypto wallets could use NFC for transactions, as long as they comply with current regulations. Allaire explained that this makes contactless USDC payments and transactions technically possible on the iPhone using one or more apps – a mini-revolution because until now, only Apple Wallet

and Apple Pay could use the iPhone's NFC capabilities. The Circle CEO also added that his company had no relationship with Apple and no plans relating to Apple Pay.

Donald Trump Jr turns to DeFi

"We're about to shake up the crypto world with something

HUGE. Decentralized finance is the future – don't get left behind." The message, posted on X by Donald Trump Jr this August, was emphatic. Dubbed "The DeFiAnt Ones", the project, which he is developing with his brother Eric, aims to rival the traditional banking world.

No date has been given for the launch of the platform, described as "digital real estate".

INTERVIEW

“The more insecurity there is, the more attractive Swiss stocks become”

The mini stock market crash in early August sent a shiver down the spines of business owners and investors. The experts at Zurich Cantonal Bank think that taking a conservative approach through defensive Swiss stocks could be a wise decision.

BY BLANDINE GUIGNIER

In January, Zurich Cantonal Bank (ZKB) opened the year by naming 10 Swiss stocks worth investing in in 2024. Eight months later, its chief economist for Switzerland, David Marmet, and its head of research, Omar Brem, reiterate their confidence in Switzerland's stock market. Despite the early August stock crash, or rather because of this volatility in international stock markets, they take a positive view of the defensive nature of Switzerland's large caps. Find out more in this interview.

Following the stock market crash on 5 August, during which the Nikkei lost 12% of its value and American indices fell by between 2% and 3.4%, what consequences have we seen on the Swiss exchange?

David Marmet: The mini-crash had almost zero impact. The Swiss exchange did see a significant drop in early August, bringing uncertainty to investors and businesses alike in terms of their planning, but in the space of a few days, it returned to pre-crash levels. However, at the start of the summer, we were prepared for a market correction and began exercising caution. We decided to reduce our shareholding in

wealth management. The latest cyclical developments showed signs of a slowdown, particularly in the United States and in the eurozone, whereas corporate profit expectations were set very high.

Following the crash, the Swiss franc reached its highest level against the euro since 2015 at 0.92. How will this situation develop? What impact do you think the strong currency will have on international investors' appetite for Swiss stocks?

David Marmet: The Swiss franc serves as a safe-haven investment in troubled geopolitical

times. The situation will likely continue. What's more, if several central banks cut their policy rates more sharply than the SNB – which the Fed and the ECB will likely do in September, according to our forecasts – then the Swiss currency will appreciate further.



“A lot of Swiss companies aren't particularly sensitive to economic trends, such as pharmaceutical companies”

David Marmet, chief economist for Switzerland at the Zurich Cantonal Bank (ZKB)

Omar Brem: The Swiss franc lost value for the first time this year in March following the SNB's announcement of its first rate cut, but the impact was short-lived. Nonetheless, the decision gave some breathing space to Swiss listed companies, many of which are export-focused. Since 2015, Swiss businesses have often had to cope with headwinds in the form of a strong franc. It encourages them to constantly improve their positioning, move into niche markets and seek out segments where there are bigger margins. This constant search for competitiveness also

improves the quality of Swiss stocks and makes them more attractive in the long-term to foreign investors.

Could the SNB decide to follow other central banks and cut its policy rate? What would the consequences be?

David Marmet: If you look at Switzerland's latest inflation measures and the SECO's quarterly GDP calculations, the situation is positive and doesn't necessarily require a cut in the policy rate. However, because reducing the rate by 0.25 points to 1% wouldn't have a major impact on the Swiss economy as a whole, the SNB could decide to do it anyway to weaken the franc.

Omar Brem: Cutting the SNB's policy rate could have positive impacts on the stock market. Firstly, Swiss companies would be able to finance any investments and acquisitions more cheaply. Secondly, businesses that operate internationally wouldn't suffer so much from the strong franc.

You previously mentioned signs of a slowdown in the eurozone and in the USA. How has the SMI performed recently compared to other indices, such as those in the US, France or Germany, for example?

Omar Brem: If you look at the SMI compared to the DAX, the CAC 40 and the S&P 500, all in Swiss francs, over the past two years, you see that the Swiss market hasn't performed as well. This is down to the fact that two of the three mega caps (Roche and Nestlé) have recorded poor results over the period, more because of internal

problems within those companies than a drop in demand, as it happens. But if you look at the figures since the beginning of the year, the SMI is more or less aligned with the American and German indices, and outperforms the French. This is mainly because Roche's performance has improved (+19.5% since early 2024) and Novartis is maintaining its momentum (+21.7%).

In this specific economic context, are Swiss stocks likely to become more or less attractive?

David Marmet: The Swiss stock market is more of a defensive market. We have a lot of companies that aren't particularly sensitive to economic trends, such as pharmaceutical companies. So if growth in the United States or the eurozone trends towards disappointing, which is what we've seen recently, it favours defensive indices like the SMI.

Omar Brem: Yes, in general, the more insecurity there is on the financial markets, the more attractive the Swiss stock market becomes. The three mega caps mentioned earlier, two in pharmaceuticals and one in food and drink, normally represent an element of stability – something that should be even truer this year because of Roche's improved results.

You listed Roche among the 10 Swiss stocks with the highest potential in 2024. How will it develop? And what about the other large caps identified at the beginning of the year?

Omar Brem: Roche's strong performance since early 2024 →

looks set to continue. The capital investment firm Partners Group has been flat in terms of performance (+0.9%), which is poor compared to the SPI as a whole (+7.9%), but we're continuing to count on an increased volume of deals (with more IPOs and sales) over the next 12 months. As for Kuehne+Nagel, the trends have been disappointing so far (-7.9%). The logistics group has struggled in the current global context, but we think that there's still potential for the second half of the year. Cement manufacturer Holcim has the wind in its sails – its share price is up 22.2% and it should continue to perform. The same goes for the chemical and pharmaceutical group Lonza, whose share price has risen by 50%.

tip issued in January is the insurance group Helvetia, which is up 19.4%.

However, two companies turned out to be very disappointing: Tecan (-16.3%) and AMS-Osram (-49.3%). The first, a supplier of laboratory instruments and solutions, suffered a violent market backlash. The day it published its results, its share price fell 17%. This was because of certain weaknesses, particularly in China, the source of 20% of the group's activity. We're expecting a positive trend in this market, but it will require a little more patience. The second company, AMS-Osram, which specialises in semi-conductor sensors, significantly increased its capital in autumn to end its debt burden. The operational recovery is taking shape under the new management team, but the company recently had to announce it was abandoning a major micro-LED project. We think the sector and the company are still attractive, but its share price will likely remain volatile.

For those investors who are focused on dividends, which Swiss companies currently represent the best opportunities?

Omar Brem: Both the temporary staffing giant Adecco and Zurich Insurance pay high dividends. Currently, their yields are 8.8% and 5.4% respectively. Our forecasts indicate Adecco's dividends will remain stable while Zurich's will continue to increase. There's also the advertising group APG|SGA, which currently pays 5.5%, and Helvetia, whose yield is at 4.8%. We think that these rates should

remain stable or even increase over the coming months.

What major international events in the next few months could shake up the Swiss stock market? And how can investors prepare themselves?

David Marmet: The expected policy rate cuts in the euro-zone and in the United States are, as we've already said, a key element. Geopolitics could also affect the stock market in the short term, in particular developments to the conflicts in the Middle East and Ukraine. The US elections will probably also have an impact. A victory for Kamala Harris or for Donald Trump could give certain sectors a boost over others depending on the winning candidate's election platform.

Omar Brem: For Swiss exporters, it's worth monitoring developments in both the Chinese market, particularly its property market, and the situation in Europe. We don't expect a recession either in Europe or in the US. Across the Atlantic, the consumer climate doesn't seem to be doing so badly given the results published by the retail giant Walmart in mid-August, despite high inflation and unemployment. However, markets will remain very volatile. A similar correction to the one we saw in early August could happen again and, for investors, adopting a defensive positioning could prove prudent in the next few months. If you've invested in companies that have performed very well, you could easily take out a little profit and, when the market once again responds a little nervously, rebuild your positions. ▲



“Markets will remain very volatile”

Omar Brem, head of research at the Zurich Cantonal Bank (ZKB)

And what about smaller companies – mid-caps?

Omar Brem: The situation varies greatly from sector to sector, from company to company, but we've seen excellent results from Accelleron Industries, a specialist in high-power turbochargers, whose share price is up 68%. The pick-up in air traffic has benefited Flughafen Zürich, which has risen 16.3% year to date. Another excellent



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ADVERTISING PAYS OFF!

In 2025, the global advertising market is expected to exceed the symbolic threshold of \$1,000 billion generated in one year. But this incredible sum does hide some significant disparities.

BY BERTRAND BEAUTÉ

The Paris Olympic Games, European Football Championship, and the US presidential election... Before 2024 even began, it was easy to predict that this would be a bumper year for the global advertising market. It will certainly reach record heights. This year, revenue in the sector is expected to climb by 7.8% to reach \$989.8 billion in 2024 (excluding political adverts in the United States), according to the latest numbers from GroupM (WPP), published in June 2024. And that's not all. Despite the lack of big sporting events, the advertising industry will continue to grow in 2025 (+6.8%), exceeding the symbolic threshold of \$1,000 billion (1,057 billion). These forecasts are corroborated by Statista, according to which the global advertising market is expected to grow by 4.81% per year between 2024 and 2029 to reach \$1,361 billion by then (see infographic on p. 27). →

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← In August 2023, a giant advertisement for Samsung's Galaxy S23 covered the scaffolding of the restoration work at the Opéra Garnier in Paris.

“Despite an overall tense environment, both geopolitically and economically, advertising investments and the advertising market in general are doing quite well,” says Olivier Lenne, media, culture, tourism and leisure partner at Parisian firm Bartle. This is a surprising phenomenon, as periods of uncertainly typically result in corporations cutting their marketing budgets. “Previously, the advertising industry grew at the

same rate as global GDP,” says Ludovic Labal, portfolio manager at Banque Eric Sturdza. “But that is not the case today. Over the past three or four years, advertising is growing faster than GDP.”

There are several reasons for this robust growth, particularly the increased digitalisation of society. “Before, in order to have customers, all you needed was a shop on a good street, offer-

ing quality products at a good price,” says Humberto Nardiello, equity fund manager at DPAM. “But with e-commerce, everything changed. You could have the best app, sell the best products at the best prices, but without advertising, your shop simply doesn’t exist. In the digital sphere, companies devote around 15% to 20% of their earnings to advertising, compared to approximately 5% historically for traditional shops. As our

© J-F ROLLINGER, AFP

society becomes more digital, advertising revenue continues to grow.”

This idea is shared by Alan Mudie, chief investment officer at Woodman Asset Management: “Companies are required to invest in advertising. It’s absolutely necessary to get their name out there and once they do, they must continue advertising in order to not lose market share.”

Furthermore, the advertising sector has been hit by a continuous onslaught of technological advances. “These innovations carry the market upwards,” says Jean Meneveau, associate director at Columbus Consulting Suisse, a current example of which is the integration of generative AI (see also p. 28).

“You could have the best app, sell the best products at the best prices, but without advertising, your shop simply doesn’t exist”

Humberto Nardiello, equity fund manager at DPAM

“In the medium term, we’re expecting moderate but respectable growth in the advertising market, at an average annual rate of 5% to 6% until 2026,” says Olivier Lenne from Bartle.

Given this context, is now the right time to invest in the industry? “Overall, the advertising market is doing well, but not everything is perfect,” says Jean Meneveau. That’s because advertising is not a homogeneous sector. It’s a large pie, similar to the size of Switzerland’s GDP, and it is shared among very different players. So while some segments are booming, others are sluggish.

At a macro level, the advertising market can be divided into two categories: digital, which represents 70% of revenue and is experiencing high growth, and non-digital (paper media, analogue television, radio, public signs, cinema), which has been declining since the 2000s. As a result, for example, revenue from the paper advertising

market is expected to drop 3% in 2024, according to the report “This year, next year 2024”, published in June by GroupM, while the digital market is expected to grow by 10% (see infographic on p. 27).

“Non-digital advertising will never completely disappear. Certain advertisers will maintain their channels,” believes Alan Mudie of Woodman Asset Management. “But non-digital will increasingly become a niche market.” Especially as the traditional players are moving more and more towards digital marketing. Nearly 30% of out-of-home

advertising (OOH) is now on digital screens, which has led to expected growth in this specific segment of 11.5% in 2024. Television is also becoming more and more digital.

“Advertising is a very shifting landscape, where some segments are slowing down while others are picking up speed,” says Ludovic Labal of Banque Eric Sturdza. “Linear television, for example, is dying. It isn’t bringing in new viewers, and its current audience is slowly declining. Children these days don’t even know how to turn on a television! With less of an audience comes less advertising revenue. At the same time, digital television, which allows for very targeted advertising, is growing rapidly.”

And for Jean Meneveau of Columbus Consulting Suisse, that’s the challenge: “Non-digital advertising is declining but it also has to reinvent itself at the same time. Everything is moving from offline, where →

“Half the money I spend on advertising is wasted. The trouble is, I don’t know which half”

Famous quote attributed to businessman John Wanamaker

Advertising is anonymous, to online where it can be targeted and personalised. Non-digital isn’t quite there yet, but it’s heading in that direction.”

Compared to analogue, digital has significant advantages for advertisers. “In the 19th century, the businessman John Wanamaker said: ‘Half the money I spend on advertising is wasted. The trouble is, I don’t know which half’. With digital technology, data and artificial intelligence, this quote is becoming less and less true.

Advertisers increasingly know how effective their campaigns are.” Olivier Lenne continues: “With the ability to follow performance, update in real time, target ads and offer a wide variety of options, advertising can be considered a good investment for advertisers, now more than ever.”

Of course, the companies that are best able to benefit from this are digital giants such as Alphabet (Google), Meta (Facebook, Instagram), Amazon, Douyin (TikTok) and Baidu (read company profiles on pp. 36 to 43). “Big tech owns the advertising market and is growing it accordingly,” says Ludovic Labal. But the story remains the same: there is a wide range of growth for these companies based on

the segment in which they operate. In 2024 for example, search advertising grew by only 5.3% whereas retail media advertising was up 17.5%. “Right now everyone’s excited about retail media,” says Labal. “It’s very effective.” The numbers don’t lie: in 2016, Amazon generated more than \$1 billion in advertising revenue. In 2023, it generated a staggering \$46.91 billion.

But the future of advertising agencies, which create campaigns for advertisers, seems uncertain. Some people believe that companies such as French group Publicis, US-based Omnicom and UK firm WPP are doomed to disappear as artificial intelligence takes over their work, particularly in creative pursuits (see p. 28). Others believe these agencies aren’t going anywhere. Whatever happens, advertising is here to stay and pays off in a big way. ▲



← Advertising campaign for Chinese e-commerce site Temu. Due to its advertising barrage, Temu has become Switzerland’s most downloaded app in just a few months (see also *Swissquote Magazine* from July 2024).

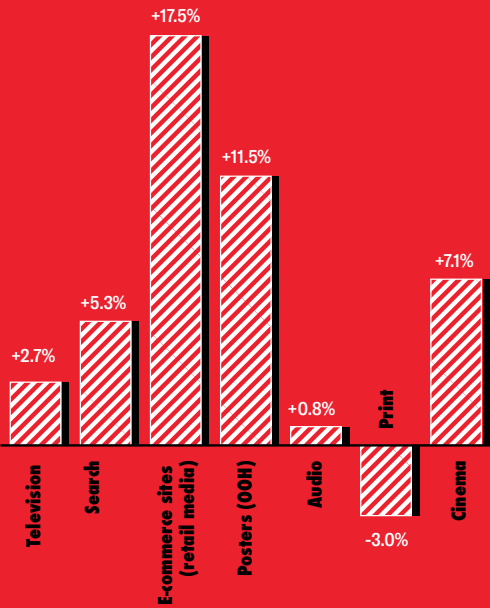
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ASTOUNDING ADLAND FIGURES

The advertising market is prospering, cornered by a handful of big players.

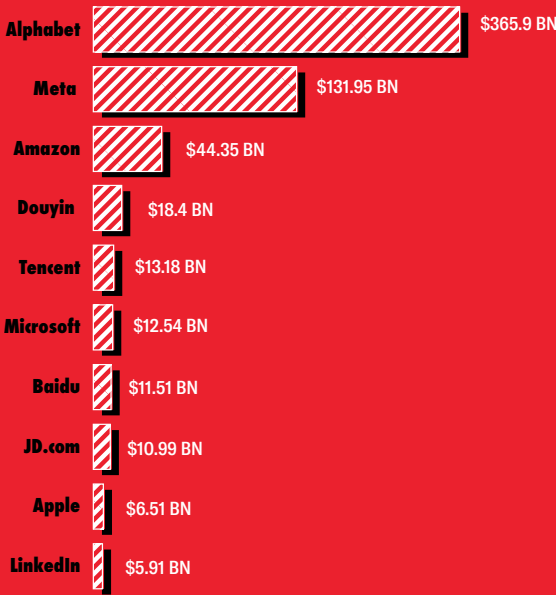
Digital boom

Projected ad revenue growth by sector in 2024 vs 2023.



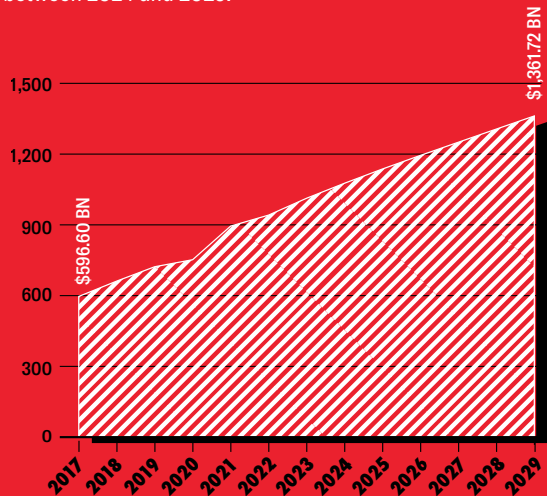
Google, the king of ads

Alphabet, Meta and Amazon account for 60% of global advertising income. Here are the top 10 companies by ad revenue in 2023.



A trillion and counting

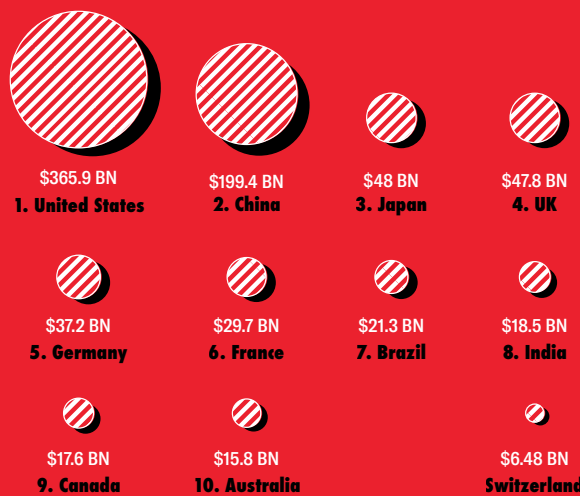
According to the latest projections from Statista, the global advertising market will grow by 4.81% per year between 2024 and 2029.



SOURCE: STATISTA MARKET INSIGHTS / GROUPM

Top 10 countries where advertising reigns supreme

The United States is by far the largest advertising market.



HOW AI IS DISRUPTING ADVERTISING

Generative artificial intelligence has made a dramatic entrance into the world of marketing and advertising. And it's continuing to raise concerns. We take a closer look... BY BERTRAND BEAUTÉ

In the height of summer, while all eyes were on the Olympics, the Spanish ready-to-wear fashion giant Mango found a way to make headlines with a new kind of advert. The image shows a dark-haired young woman with a souk in the background to promote Mango's new Sunset Dream collection for teens. At first glance, there's nothing out of the ordinary about the model. She's the embodiment of the ideals of women's fashion. Except that neither the woman nor the souk exists. In a press release published on 10 July, Mango celebrated the launch of the first "campaign generated entirely by generative AI".

In actual fact, Mango isn't the first company to use AI to make an advert. In 2022, for example, advertising agency Ogilvy Paris used AI to extend Johannes Vermeer's painting "The Milkmaid" in an ad for Nestlé's La Laitière brand.

"We're seeing more and more adverts made entirely using AI"

Alexandre Zilliox, portfolio manager at Thematics Asset Management

"Generative AI has a real impact on content creation. We're seeing more and more adverts made en-

tirely using AI," says Alexandre Zilliox, portfolio manager at Thematics Asset Management. Figures show that AI is becoming more prevalent in the sector. For example, in 2021, just 29.7% of marketing experts surveyed used AI in their work, but by 2023, this fig-

→ This girl doesn't exist, and neither does the background. Nothing is real in this advert for the clothing brand Mango, designed entirely using AI.



ure had already risen to 40.6%, according to "How Artificial Intelligence Is Revolutionising Content Marketing", a study carried out for the fourth time in 2023 by SRH Berlin University of Applied Sciences on behalf of Statista.

Mango's experiment was intended to encourage young people to think of the company as a passionate adopter of new

technology, but AI offers many other benefits. Advertisers can make substantial savings because they no longer need to pay models, photographers and graphic designers or organise photoshoots on the other side of the world. Let's look at an example. If a car manufacturer wants to promote its newest model, very soon, it won't need to send an entire crew to film it driving in the middle of the

desert. "AI can also be used to automatically generate several visuals for a single campaign, or create a video version of a print advert," explains Jean Meneveau, director at Columbus Consulting's Swiss office.

The big web players have understood AI's huge potential in the advertising sphere. In October 2023, Amazon launched a tool that allows →

The generative revolution

Using AI in advertising is nothing new. “For years, people have been using analytic AI, which identifies trends by analysing vast quantities of data, to make campaigns more efficient and automate campaign scheduling,” says Alexandre Zilliox from Thematics Asset Management. “What’s truly new is the arrival of generative AI.” GenAI technology, such as OpenAI’s ChatGPT, can generate text, images, videos and other media based on prompts. “Using generative AI will make producing ads significantly cheaper,” says

Jack Neele, portfolio manager at Robeco. “But it will also have other impacts on the advertising sector that no one can predict right now.” Lower costs will also make it possible to produce multiple iterations of the same ad, each one personalised to the target customer. But that brings risks: “If a company uses AI for mass personalisation, they’ll also have to check that none of those millions of versions are problematic,” warns Zilliox. And if they fail, they’ll face a storm of criticism and negative coverage.

sellers to create advertising visuals using artificial intelligence. The Seattle-based company had previously used AI to generate product descriptions and provide customer service. Meta and Google are following the same trend. In May 2023, Meta – the parent company of Facebook, Instagram and WhatsApp – revealed its AI Sandbox, which allows advertisers to automatically generate ad images and text with AI. Google made the leap a few days later with its own tool for automatically generated adverts.

“Historically, Google wasn’t focused on creativity. That was the preserve of advertising agencies,” says Zilliox. “But with AI, that could well change.” Could this push major agencies such as Publicis, Omnicom, WPP and the like into bankruptcy by robbing them of some of their

business? It’s a question that divides the experts we spoke to. “At the moment, agencies are still key players, but perhaps advertisers will use AI tools directly one day,” says Humberto Nardiello of DPAM.

“Big tech companies are ideally placed to benefit from it while, on the other hand, agencies are at risk of losing their work”

Ben James, from Baillie Gifford

He continues: “The risk for traditional ad agencies is that ultimately, AI could allow advertisers to bring part of their work

back in-house. That’s one possible scenario.” Ben James from Baillie Gifford agrees: “AI is a gamechanger in advertising. Big tech companies are ideally placed to benefit from it while, on the other hand, agencies are at risk of losing their work.”

Ludovic Labal from Banque Eric Sturdza is more moderate. “I don’t think AI’s going to kill creativity. Look back 30 years when Excel arrived on the scene. At the time, everyone said that accountants were going to disappear. But in the end, there were actually even more accountants than before. Why? Because when the price of something collapses, people use it much more. We’re going to see more advertising because AI’s going to make it cheaper. And that’s actually pretty good news for agencies.”

HYPER-PERSONALISATION

Although AI threatens to disrupt creativity in advertising, it will have a huge impact on other elements in the sector. According to “How Artificial Intelligence Is Revolutionising Content Marketing”, AI is affecting six marketing aspects: content creation, personalisation, customer action forecasts, sentiment analysis, better use of data and search engine optimisation.

“The real revolution lies in using AI to create hyper-personalisation,” says Jean Meneveau. Rather than showing the same ad to everyone, the idea is that every consumer sees a version that’s personalised to them. “Extreme personalisation is one of the things AI is promising. It’s a dream for advertisers and a nightmare for consumers,” says Labal.

Imagine if tomorrow, instead of seeing a model wearing the outfit you’re thinking of buying,

it was your own face and body in the ad. “Personalisation is one of the aims of AI, but it’s also a risk,” James warns. “If an ad is tailored too closely to an individual, what impact will that have on a consumer’s free will?” We’re not there yet, but there have been several attempts to move in that direction. For example, in 2023, the American cruise line Virgin Voyages launched an ad campaign in which web users could send their friends and family a video of Jennifer Lopez inviting them to book a cruise. And they could even personalise JLo’s message with AI – a kind of deepfake with a Virgin twist. “AI is particularly useful for creating multiple iterations for a single campaign,” adds Alan Mudie from Woodman Asset Management.

In 2019, the American bank JPMorgan Chase signed a partnership with Persado to use AI to design more effective, more personalised marketing messages aimed at its customers based on their banking activity. And America’s biggest bank isn’t stopping there. In early 2024, it announced it would become an ad agency. The bank promises brands the ability to target its millions of customers with extreme precision through its credit card spending data. As a bank, it knows exactly where, when and at what store its customers usually shop. It’s a treasure trove for advertisers, meaning that they can target the right ad at the right time via the best channel.

CUSTOMER DATA: THE HOLY GRAIL

It’s an example that shows just how important it is to have a large customer base. “Data is fundamental in the world of advertising, and big companies have a clear advantage because you need a lot of data to be →



← Nestlé has reappropriated the 17th-century painting by artist Johannes Vermeer, “The Milkmaid”, by imagining a scene that extends well beyond the original frame. This ad was produced using AI by the Ogilvy Paris agency in 2022.

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← In this Virgin Voyages advert, the message delivered by Jennifer Lopez - or rather her alter ego JenAI - is personalised on a case-by-case basis for each customer... a performance made possible by AI.

its ethical issues. After launching its campaign, Mango came under criticism from many, who condemned the brand for using AI to reinforce clichés and set increasingly unrealistic beauty standards. What’s more, “Als can present biases based on the data they use, which can lead to certain demographic groups getting preferential treatment while others are discriminated against, and this poses a problem in terms of marketing and advertising,” says Ben James from Baillie Gifford. But in an

attempt to avoid this pitfall, Google went too far the other way. In early 2024, its AI tool Gemini was criticised for generating images of Black and Asian Nazi soldiers. And automatic content generation isn’t the only problem. “AI works to optimise campaigns,” James points out. “In the health-care sector, would an AI-led campaign target the people who need a particular medication the most, or those who can afford to pay for it?” ▲

Cookies’ expiry date postponed (yet again)

There’s been yet another twist in the ongoing tale of cookies. After initially announcing in January 2020 that it would eliminate cookies from its Chrome browser, Google ended up U-turning this summer. In July, the company announced that it would be keeping cookies – the small files used to track web users’ activity to target ads effectively and measure their impact. It was a relief for many advertisers. “Third-party cookies are very effective for advertisers,” says Alexandre Zilliox of Thematics AM. “But they also bring problems in terms of protecting people’s privacy.” Plus, people are becoming less and less willing to have their online behaviour spied on.

In 2017, Apple decided to remove cookies from its Safari browser. And Google? The company had planned to replace them with a solution called Privacy Sandbox. But tests carried out this year were inconclusive. In early 2024, Google started

removing cookies from 1% of Chrome users’ browsers. The results were unexpected. According to an analysis by French firm Criteo published in June, publishers would lose 60% of their revenue on average if third-party cookies were abandoned now and Privacy Sandbox was fully implemented. Google had predicted that the loss would be no more than 5%. Advertisers weren’t happy, and the company backtracked. “Rather than completely eliminating third-party cookies, Chrome has chosen to offer a new experience,” says Yves Mäder from Google Switzerland (read the interview on p. 34). “But rest assured that our advice to our advertiser partners remains the same: adopt innovations that protect confidentiality, continue to take advantage of AI-based solutions and create stronger links with your customers through proprietary data. Third-party cookies are an outdated technology with a limited future!”

relevant,” says Labal. And the result is that, in addition to advertising giants like Google and Meta, other companies are increasingly processing their data using AI to benefit advertisers.

“Agencies are going to keep on buying digital companies”

Ludovic Labal, portfolio manager at Banque Eric Sturdza

Alongside JPMorgan, there are e-commerce sites (Amazon,

Walmart, Alibaba), food delivery companies (Uber, Deliveroo) and streaming sites (Netflix, Spotify). Ad agencies haven’t stood idly by in the face of this phenomenon, but have increased their data-related acquisitions. For example, in 2019, Publicis spent \$4.4 billion on the American firm Epsilon, the second-largest digital marketing and customer relationship management (CRM) company in the world. “Agencies are going to keep on buying digital companies,” Labal predicts. And for now, it’s working. Far from experiencing a crisis, Publicis is posting record results. Its share price is also soaring: up 34% year-on-

year, with the leading French ad agency breaking the symbolic €100 threshold for the first time in its history at the end of March before dropping to around €95 in mid-August.

This robust performance comes as no surprise to Jean Meneveau: “The big agencies have always excelled in terms of innovation. In recent years, they’ve also bought a lot of data players. It’s 2024, and they definitely know how to process data.” But although they have the data, agencies don’t have big tech’s raw power when it comes to AI. “I’m not convinced

that ad agencies have the resources to compete with big platforms in the long term when it comes to generative AI. They’ll have to use tools from big tech, and maybe they won’t be able to charge as much for their services as before,” says Alexandre Zilliox of Thematics Asset Management. Especially because campaign planning is another aspect that’s increasingly assisted by AI, which determines where and when to display an advert and boosts campaigns’ click rates, engagement rates and conversion rates. The fact remains that the rise of AI in advertising isn’t without

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"80% OF OUR ADVERTISERS USE AI-ASSISTED SOLUTIONS"

Yves Mäder, a specialist in the use of artificial intelligence in online advertising at Google Switzerland, helps major advertisers use AI more effectively in their advertising campaigns.

Find out more in this interview. BY BERTRAND BEAUTÉ

In Q2 2024, Alphabet – Google's parent company – posted turnover of \$85 billion. Almost 80% of this (\$66 billion) was from ad revenue, making the Mountain

View firm the leading player in online advertising, ahead of Meta and Amazon. But to retain its throne, Google is incorporating more and more AI into its advertising products. *Swissquote Magazine* caught up with Yves Mäder, Industry Leader Retail & Agency at Google Switzerland, to ask a few questions via videoconference.

The whole world's talking about generative AI at the moment. Is it really shaking up the advertising market?

This year has been a real turning point. When OpenAI launched the public version of ChatGPT in November 2022, it introduced a huge audience to AI. To such an extent that in 2023, everyone was asking, "What is artificial intelligence?"

But today, people want to know, "What can I do with artificial intelligence?" In other words, they're truly starting to use the range of possibilities that the technology offers.

This trend, which can be seen across all economic sectors, is particularly prevalent in marketing. In May this year, McKinsey published a report entitled "The state of AI in early 2024", which notes that companies' Marketing & Sales departments are the biggest adopters of AI for everyday use. Personally, I think that AI is a new wave in the advertising world, comparable to the invention of the internet or the switch to mobile. It will have a huge impact on the advertising sector in the coming years.

But what's interesting is that AI is nothing new to Google. In 2016, our CEO Sundar Pichai

said that Google was an "AI-first company", meaning that AI technology was a priority for the group. And now, 80% of advertisers are using AI-assisted products in one way or another when they advertise on Google platforms. This trend isn't going anywhere, because we're regularly launching new tools to help advertisers improve their ad campaigns.

Doesn't AI risk killing off human creativity, which has long been the biggest advantage of ad agencies such as Publicis and WPP?

No – in fact, the opposite. Of course, AI means that ad content can now be automatically generated. But it won't take the place of humans in terms of creativity, which remains the most important aspect of an ad campaign. However, AI will help creatives in a world that has become increasingly complex. In the past, businesses needed to make one ad in image format for paper magazines and another in video format for TV. But today, there are so many different ad distribution channels given all the social media sites and other platforms. Google alone

has several different services with more than a billion active visitors every month (the Google search engine, YouTube, Gmail and Google Maps). And this means it's hard for advertisers to display the right ad in the right format at the right time. AI will help them overcome this problem by instantly adapting each ad to its distribution platform, automatically choosing the right place and the right time.

AI also promises ultra-personalised campaigns.

I remember when I worked for Ricardo and we were clients of Google Ads. For our ad campaigns, we used to have to buy keywords, such as "tennis", for example, if we wanted to sell tennis shoes, with the ability to target categories, such as men aged 35 to 45. The question was how much we'd have to pay for each keyword (the keyword cost per click) to determine the return on investment. With the development of AI, ad targeting is being completely redefined. Now when you say what you're going to sell, for example tennis shoes, the AI automatically determines the most profitable way of selling them by targeting your ad at the right people.

Can you give us some concrete examples of how your clients use AI?

In the telecoms sector, Sunrise used our "Enhanced Conversions" product. This system is fed data to optimise the performance of AI-assisted campaigns. With Enhanced Conversions, Sunrise was able to increase its search conversion rate by 8.2% and by 3.5% for tCPA (target cost per acquisition) campaign conversions compared to traditional campaigns. These figures might seem small, but it's actually a really significant impact for

Sunrise, and one that will improve all future campaigns.

AI's use in advertising raises a number of ethical questions. What's Google's position on this?

All major changes bring risks, and AI is no exception. For example, recently we've seen how generative AI can give answers that are inaccurate or problematic. And yet, it can be used to generate ads. At Google, we're aware that it's a huge challenge, and that we need to do things in the best possible way. But AI is a new technology. People are experimenting and sometimes, of course, that leads to mistakes, including at Google. I think that what's important is that we're transparent and that when we make a mistake, we acknowledge it. That's why, back in 2018, Google published its principles for ethical AI – the Google AI principles – to create total transparency around our approach to the technology. But it's a work in progress, and things change quickly as AI offers new possibilities. ▲

→ Currently Industry Leader Retail & Agency at Google Switzerland, Yves Mäder has held a range of management positions at Google over the last eight years, all of which are linked to how data and technology are used in digital marketing. Before joining Google in Zurich in 2016, his previous roles included positions at eBay International in Bern in 2004, at Tamedia as managing director of Jobup and at Ricardo, where he was also managing director.

"AI is a new wave in the advertising world, comparable to the invention of the internet or the switch to mobile"



11 COMPANIES IN THE SPOTLIGHT

The companies that make up the global advertising market are highly diverse. We've picked a selection.

BY BERTRAND BEAUTÉ



META The social media king

97.81%. While the Californian giant Meta (Facebook, Instagram, WhatsApp, Messenger) likes to talk about its Oculus headsets and virtual reality, artificial intelligence and the Metaverse, there's no getting away from the fact that the group is primarily an ad agency that earns almost all of its income from selling adverts. In 2023, advertising brought in \$131.9 billion dollars for Meta out of total revenue of \$134.9 billion.

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“Over the long term, advertisers will basically just be able to tell us a business objective and a budget, and we’re going to go do the rest for them”
Mark Zuckerberg, CEO of Meta

After going through a few difficulties, Meta posted a record year in 2023, boosted by the rebound in online advertising, with profits of \$39.1 billion – up 69% on 2022. And 2024 seems to be following

↑ Mark Zuckerberg, Meta's CEO, during the Meta Connect event on 27 September, 2023.

suit. According to results posted this summer, Meta's Q2 net profits soared by 73% year-on-year to \$13.5 billion.

Its ad revenue means Meta can make huge investments in AI, which is its priority focus. In 2024, the company's capital expenses will total between \$37 billion and \$40 billion. Why? To better target ads. “Eventually we got to the point where our ads system could better predict who would be interested than the advertis-

ers could themselves,” said Mark Zuckerberg during the Q2 2024 earnings call, adding: “Over the long term, advertisers will basically just be able to tell us a business objective and a budget, and we’re going to go do the rest for them.” Most analysts approve of the strategy and recommend buying Meta shares, which have already risen by more than 50% since the start of the year.

FOUNDED: 2004 **HEADQUARTERS:** MENLO PARK (US)
EMPLOYEES: 67,000 **2023 REVENUE:** \$134.9 BN
→ META

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Amazon

The ad seller

People used to know Amazon for its e-commerce site, its cloud business (AWS) and its streaming services (Prime Video). But over the last few years, the Seattle-based company has also become an advertising giant – the third-largest in the sector after Alphabet and Meta. In 2023, Amazon’s ad revenue jumped by 27% on 2022 to \$46.9 billion (equivalent to 8% of the company’s revenue), while at the same time, online sales rose just 9% and cloud revenue by 13%. It’s so profitable for Amazon that the company is constantly expanding its scope.

Originally, Amazon Ads – the company’s dedicated advertising subsidiary – only operated

An advert for Amazon Ads, the Amazon subsidiary dedicated to advertising, in Time Square, New York (in 2021).
↓

in the retail media sector, selling ad space on its e-commerce site. “Retail media is very effective and highly prized by advertisers because they can use extremely detailed behavioural data on customers’ purchases and, what’s more, those customers are already engaged in the buying process,” explains Ludovic Labal, from Banque Eric Sturdza. “When someone goes onto Amazon to look for a screwdriver and they see an ad for one, it’s quite likely that they’ll buy it.”

“Retail media is very effective and highly prized by advertisers because they can use extremely detailed behavioural data on customers”

Ludovic Labal, from Banque Eric Sturdza

As well as sponsored products, Amazon has a whole range of advertising offerings available, including keyword sales, banner ads and videos. Its work in this area has inspired other sector players (Walmart, Deliveroo and Uber), which have now followed suit.

On top of retail media, Amazon is also developing advertising on Twitch, its live-streaming platform, as well as on Prime Video, which first showed ads in early 2024 (which users can avoid by paying extra). It’s a development that puts Amazon in line with its competitors’ models: Netflix kicked off hostilities in November 2022, followed by Disney+ a year later. Most analysts recommend buying Amazon shares.

FOUNDED: 1994 HEADQUARTERS: SEATTLE (US)
EMPLOYEES: 1,520,000 2023 REVENUE: \$574.8 BN
→ AMZN



© AMAZON ADS / ALAIN JOCARD, AFP

Alphabet

Advertising’s uncontested leader

“It took Google more than 15 years to reach \$100 billion in annual revenue. In just the last six years, we’ve gone from \$100 billion to more than \$300 billion in annual revenue.” In April, Alphabet CEO Sundar Pichai welcomed the group’s incredible revenue growth in a call with analysts. That success is due to one thing: advertising. In 2023, more than two thirds of Alphabet’s revenue (\$206 billion) came from ads shown across all of the group’s sites, and in particular its search engine (Google), its video platform (YouTube) and its map service (Google Maps). With results like this, Google is by far the biggest advertising player, ahead of

↑ Sundar Pichai, Alphabet’s CEO (centre), inaugurates the Google Artificial Intelligence hub, in Paris, in the presence of Bruno Le Maire, French Minister of Economy (February 2024).

Meta (Facebook and Instagram). To maintain its position, Google is investing heavily in generative AI, which it is now incorporating into its search engine.

“Our AI infrastructure and generative AI solutions for cloud customers have already generated billions in revenues”

Sundar Pichai, CEO of Alphabet

But some shareholders, concerned about huge spending on artificial intelligence, are starting to worry about the ROI, particular-

ly after the failures experienced by Gemini, Google’s AI tool designed to rival ChatGPT. Following criticism, Pichai sought to reassure investors in July: “Our AI infrastructure and generative AI solutions for cloud customers have already generated billions in revenues and are being used by more than 2 million developers,” he said in a call with analysts. And they seem to endorse that view, with the majority recommending buying shares, which have risen by over 25% year to date, but have fallen by 10% since the start of July (as at 20 August).

FOUNDED: 1998 HEADQUARTERS: MOUNTAIN VIEW (US)
EMPLOYEES: 180,000 2023 REVENUE: \$307.4 BN
→ GOOG



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The Trade Desk
The pride of the adtech world

As society has gone digital, the advertising market has become incredibly fragmented. An ad can now be present on multiple channels, including social media, search engines, e-commerce sites, smart TVs, digital outdoor displays, and more – the list is almost endless. This boom in the number of channels has become something of a conundrum for advertisers: how can they put the right ad in the right place at the right time? That’s where The Trade Desk (TTD), the jewel in adtech’s

↑
Founder and CEO of The Trade Desk, Jeff Green, during the presentation of the Kokai platform powered by AI in 2023.

crown, comes in. This company, founded in 2009, specialises in automating real-time programmatic marketing. Its platform allows advertisers to schedule a multichannel advertising strategy with surgical precision thanks to Koa AI, its artificial in-

© THE TRADE DESK

Between 2016 and 2023, its revenue increased by an average of 38% per year while in Q1 2024, it exceeded forecasts

telligence-powered algorithm. It’s a major asset for the company. According to The Trade Desk’s figures, an advertising campaign’s return on investment increases by 33% when it’s shown on three channels instead of just one and by 77% when it’s shown on five. The group monetises its services by charging fees based on a percentage of its clients’ total advertising spend on the platform. And it’s working: TTD is growing at a tremendous pace. Between 2016 and 2023, its revenue increased by an average of 38% per year while in Q1 2024, it exceeded forecasts with year-on-year revenue growth of 28%, much higher than the 25% analysts had expected.

The Trade Desk has become the world’s leading independent player in its field, known as the demand-side platform (DSP) sector, ahead of others such as French company Criteo and American firm Magnite. But these pure players have to face up to competition from web giants such as Adobe Advertising Cloud (formerly Adobe Media Optimizer) and Google Ads. Most analysts recommend buying shares, which have already shot up by 45% since 1 January.

FOUNDED: 2009 **HEADQUARTERS:** VENTURA (US)
EMPLOYEES: 3,000 **2023 REVENUE:** \$1.95 BN
→ TTD

Omnicom
The American agency

“Ad agencies are more essential than ever, acting as a bridge between advertisers, budget providers and the recent plethora of advertising spaces,” says Olivier Lenne, media, culture, tourism & leisure partner at Bartle. The recent results from American ad specialist Omnicom seem to prove him right. In the first six months of the year, the company posted revenue of \$7.484 billion dollars, an increase of more than 6% compared to the same period one year earlier.

The New York company announced it was launching its own artificial intelligence platform, ArtBotAI

Locked in battle with Publicis and WPP for the title of the world’s largest ad agency, Omnicom is implementing the same strategy as its competitors. On 10 July, the New York company announced it was launching its own artificial intelligence platform, ArtBotAI. A year earlier, in June 2023, it became the first agency to have access to the latest versions of OpenAI’s GPT AI after signing a partnership with Microsoft. “Their expertise in the sector means advertising groups can benefit from Big Tech’s AI advances, partnering with them to offer new products,” says Lenne. And the three ad agencies aren’t holding back. Omnicom has signed an agreement with Microsoft, while Publicis and WPP partnered with Google in January and April 2024 respectively. Most analysts recommend buying Omnicom shares, which have already risen by more than 20% year to date.

FOUNDED: 1986 **HEADQUARTERS:** NEW YORK (US)
EMPLOYEES: 75,000 **2023 REVENUE:** \$14.7 BN → OMC

CRITEO
The retargeting specialist

Google’s surprise announcement that it would not eliminate third-party cookies from its Chrome browser

this summer wasn’t universally unwelcome – Criteo’s stock price jumped 10% in the wake of the news. It

makes sense given that the French retargeting specialist’s platform uses cookies to improve targeting by advertisers.

Most analysts recommend buying shares, which have shot up nearly 100% since January.

FOUNDED: 2005
HEADQUARTERS: PARIS (FR)
EMPLOYEES: 3,500
2023 REVENUE: \$1.95 BN
→ CRTD

APG|SGA
Switzerland’s outdoor advertiser

The leading player in the Swiss outdoor advertising market, APG|SGA has reported solid results, with 2023 revenue up

4.7% compared to the previous year. But far from settling for mere paper billboards, the company is innovating. In

March 2024, for example, APG|SGA launched its in-house generative AI tool for creating ads, “APG|SGA easy”, which is

currently only available in German. Analysts are split on whether to buy or hold shares, which are up 8% year to date.

FOUNDED: 1900
HEADQUARTERS: GENEVA (CH)
EMPLOYEES: 500
2023 REVENUE: CHF 328.7 M
→ APGN



Publicis
The French lion

Last January, each of Publicis’s 100,000 employees received a New Year video message tailored to their specific interests. The French ad giant wanted to show off its ability to offer large-scale personalisation through AI. Alongside this, the group presented a strategic plan to put AI at the heart of its business model. Publicis has been investing heavily in technology for years in an effort to remain cutting-edge. This transformation has taken place through strategic acquisitions, including the American targeted marketing specialist Epsilon for \$4.4 billion in 2019 and an-

other American firm, Sapient, a digital communications specialist, which Publicis bought for \$3.7 billion in 2014.

Publicis currently has almost 2.3 billion global customer profiles

And that’s not all: over the next three years, Publicis plans to invest €300 million in AI. The aim is to make good use of the huge proprietary database that the almost century-old group has built up over time – Publicis current-

↑ **Publicis CEO Arthur Sadoun faces his double (made using artificial intelligence) in the greeting card sent to the company’s employees in January 2024.**

ly has almost 2.3 billion global customer profiles. The strategy is paying off. The French company, which posted record results in 2023 with over €13 billion in revenue, upgraded its 2024 forecasts in July and now expects growth of 5-6% this year, despite an extremely uncertain geopolitical and economic backdrop. Most analysts recommend buying shares, which have already shot up by nearly 35% year to date (between August 2023 and August 2024).

FOUNDED: 1926 **HEADQUARTERS:** PARIS (FR)
EMPLOYEES: 103,000 **2023 REVENUE:** €13.099 BN
→ PUB

© PUBLICIS / WPP

WPP
The British ad firm

It seems like in 2024, all the big ad agencies have compared notes and are saying the same thing: AI is now at the core of their business. In January, a few days after Publicis, the British giant WPP announced a major strategic AI plan with the aim of investing £250 million in developing the technology in 2024. “AI is transforming our industry and we see it as an opportunity, not a threat,” said Mark Read, WPP’s CEO, in a press release published on 30 January. “We firmly believe that AI will enhance, not replace, human creativity.”

The company now predicts its revenue growth will be flat or even fall (by up to -1%)

But for now, the London firm is going through a difficult period. In August, WPP lowered its growth forecasts for 2024. The company now predicts its revenue growth will be flat or even fall (by up to -1%) this year. The situation is all the more ironic given that two months before, in June, GroupM (a subsidiary of WPP) raised its growth forecast for the global adver-

Mark Read, CEO of WPP, in front of the company logo in London.
↓

tising market. The sector is set to grow by 7.8% in 2024, compared to the 5.3% the company had previously predicted. What this means is that WPP will perform considerably less well than both the market and its two main competitors, Publicis and Omnicom. Investors are punish-

ing the company as a result – WPP’s share price has fallen by almost 5% since the beginning of the year. Most analysts recommend holding shares.

FOUNDED: 1971 **HEADQUARTERS:** LONDON (UK)
EMPLOYEES: 114,000 **2023 REVENUE:** £14.845 BN
→ WPP



MAGNITE
The American adtech firm

Magnite, a programmatic advertising specialist, allows advertisers to buy ad space on all

types of screens for multi-channel campaigns. Most analysts who follow Magnite rec-

ommend buying shares, which have risen by 50% (as of late August) year to date.

FOUNDED: 2007 **HEADQUARTERS:** LOS ANGELES (US)
EMPLOYEES: 1,000 **2023 REVENUE:** \$619.7 M
→ MGNI

LIVERAMP
The data specialist

Like Criteo, LiveRamp uses cookies to track web users’ clicks, better understand their be-

haviour and serve them more relevant ads. Most analysts recommend buying shares, which

have lost 30% of their value since January.

FOUNDED: 1969 **HEADQUARTERS:** SAN FRANCISCO (US)
EMPLOYEES: 3,400 **2023 REVENUE:** \$660 M
→ RAMP

AD CULTURE

While ads are often seen as trivial, designed solely to sell as many products as possible, some have had a huge impact on society and are now considered works of art. We've picked a selection. BY BERTRAND BEAUTÉ



18 New York University students have gotten into a sun-roof VW; a tight fit. The Volkswagen is sensibly sized for a family. Mother, father, and three growing kids suit it nicely.

In economy runs, the VW averages close to 50 miles per gallon. You won't do near that, after all, professional drivers have money trade secrets. (Want to know some? Write VW.

Box \$45, Englewood, N. J. Use regular gas and forget about oil between changes.

The VW is 4 feet shorter than a conventional car yet has as much leg room up front.

While other cars are doomed to roam the crowded streets, you park in tiny places.

VW spare parts are inexpensive. A new front fender for an authorized VW dealer is

\$21.75.* A cylinder head, \$19.95.* The nice thing is, they're seldom needed.

A new Volkswagen sedan is \$1,565.* Other than a radio and side view mirror, that includes everything you'll really need.

In 1959 about 120,000 Americans thought small and bought VW's. Think about it.

Think small.

REPRODUCED FROM THE ORIGINAL ADVERTISING CAMPAIGN. © 1960 VOLKSWAGEN

VOLKSWAGEN “Think small.”

The American magazine *Ad Age* sees Volkswagen's “Think small” ad as nothing less than the best campaign of the 20th century. It was an ad revolution. To understand why, let's go back to the late 1950s. Ads at the time were very serious, often featuring a long text singing the product's praises. In 1959, Doyle Dane Bernbach (DDB) created a campaign to sell the Beetle in the USA – a small

German car in a country that's big on size and on patriotism. The result was “Think small”, which emphasised the Beetle's image through self-deprecating humour. It was a paradigm shift that would lead to the 1960s ad revolution made famous by *Mad Men*.

© VOLKSWAGEN / COCA-COLA / NESPRESSO, ALAMY

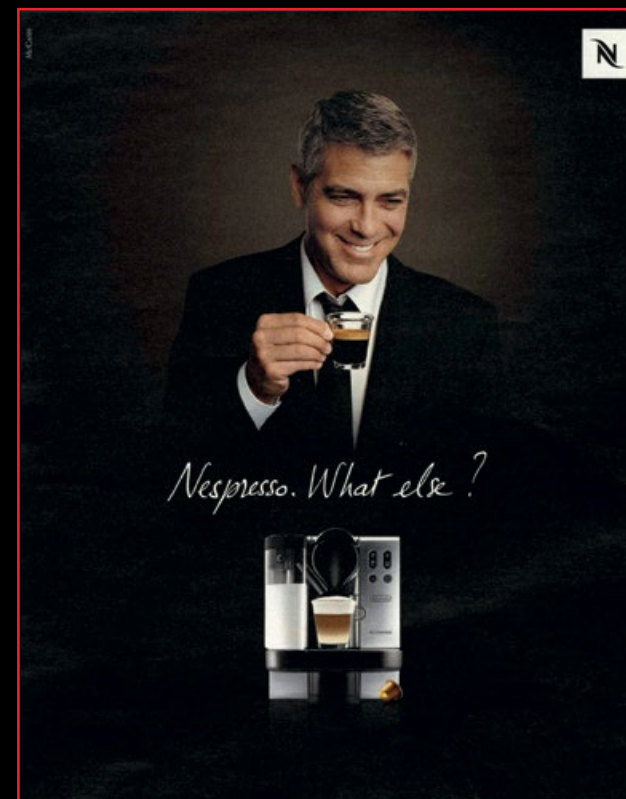
Drink
Coca-Cola
Delicious and Refreshing



“Thanks for *the pause that refreshes*”

COCA-COLA “Delicious and refreshing”

No, Coca-Cola didn't invent Santa and it didn't dress him in red. But the soda brand did shape the image of the Father Christmas we're all so familiar with. Before the 1930s, he was depicted in multiple ways, sometimes tall and thin, other times elf-like. In 1931, D'Arcy Advertising Agency, which worked for Coca-Cola, asked the illustrator Haddon Sundblom to create advertising images featuring the “real” Father Christmas. And Sundblom drew the friendly, jolly and rotund figure we all know today. Sundblom's Santa made his first appearance in 1931 in a Coca-Cola ad printed in the *Saturday Evening Post*. Ever since, the drink has been closely associated with him.



Nespresso. What else?

Available from Nespresso Boutiques, department stores & kitchenware specialists. Discover more at www.nespresso-whatelse.com

NESPRESSO
Coffee, body and soul

NESPRESSO “What else?”

Sometimes, it takes just two words and a question mark to build a success story. So the legend goes, it was George Clooney himself who suggested “What else?” to promote the Nespresso brand. A stroke of genius. While other coffee brands were extolling their products' virtues, the slogan “What else?” immediately positioned Nespresso as the benchmark for the market. The campaign also combined self-effacing humour with plush and stylish luxury surroundings – the perfect match for Clooney. Between 2006 and 2017, the “What else?” campaign would lead to global success and multiple versions with other stars including John Malkovich, Jean Dujardin, Matt Damon and Danny DeVito.



REGARDEZ-MOI
DANS
LES YEUX...
...J'AI DIT
LES YEUX.

wonderbra
AUTHENTIQUE

SOUTIEN-GORGE CORBEILLE • TAILLES 85-100 A/B/C.

WONDERBRA “Look me in the eye”

The fashion in the late 1980s was for small busts and androgynous profiles, like the star models of the time: Carla Bruni, Naomi Campbell and Kate Moss. This was the backdrop against which lingerie brand Wonderbra made its sensational advertising debut in 1994, highlighting the ample bosom of top model Eva Herzigová – who asked passers-by to look her in the eye. Initially launched in French, the campaign would later be translated into a host of other languages, making Wonderbra a mass cultural phenomenon. The “Hello boys” version of the ad is the most iconic advertising image of all time, according to the *Daily Mail*.

In an article published in 2011, the British newspaper reports that Wonderbra ads were accused of causing traffic accidents because drivers slowed down to look at... Eva’s eyes, naturally.

© WONDERBRA / NIKE / MARLBORO, ALAMY / DE BEERS



MARLBORO “Come to Marlboro country”

Even today, it’s still considered a model of advertising excellence. Designed in 1954 by American ad exec Leo Burnett, the “Marlboro Man” campaign had an enormous impact on modern culture – and on health. At the time, only women bought and smoked filtered cigarettes. With its solitary cowboy, Marlboro would create a manlier image for its product while linking its cigarettes with ideas of independence and freedom. And as a result, in the second half of the 1950s, Marlboro would become the world’s best-selling cigarette brand. Sadly, at least five of the 12 actors who have portrayed the Marlboro Man over the years have died following tobacco-related illnesses.

NIKE “Just do it.”

It won’t have escaped your notice that on the cover of the very magazine you’re holding right now, we took inspiration from Nike’s famous slogan: “Just do it”. This slogan has become symbolic of the American brand. At the time, adverts for sports clothing focused on global stars like Michael Jordan. But not everyone is like His Airness. In 1988, the ad agency Wieden+Kennedy created the “Just do it” slogan for Nike, encouraging consumers to try even if success isn’t guaranteed. It was a worldwide hit that would help to increase the brand’s shoe sales market share in the US from 18% to 43% between 1988 and 1998. But “Just do it” hides a surprising secret. Wieden+Kennedy found inspiration in the last words spoken by Gary Gilmore – “Let’s do it!” – before he was executed for murdering two people.



DE BEERS “A diamond is forever”

In the wake of the Second World War, diamond sales were drying up and the industry’s leading player, De Beers, was looking for a way to get them going again. The solution would come from a simple slogan. In 1947, ad executive Mary Frances Gerety scribbled “A Diamond is Forever” on a scrap of paper. This simple sentence would help De Beers associate diamonds with eternal love, making them a symbol of marriage. In 1999, “A Diamond is Forever” was named the best slogan of the 20th century by American magazine *Ad Age*.





BENETTON

“United colors of Benetton”

Scandal as an art form. Founded in 1965, Benetton was still relatively unknown in the early 1980s. And then the photographer Oliviero Toscani changed everything, turning the aesthetic codes of advertising upside down with the launch of the first “United colors of Benetton” campaign in 1984. Rather than beautiful pictures featuring the company’s clothing, Toscani instead created images showing global sociopolitical events, including boats full of refugees, a patient dying of AIDS and

a white baby feeding from a Black woman. Others tackled themes including racism, war, religion and capital punishment. The campaigns shocked the whole world in the 90s, while also helping to make Benetton a global brand, but they seem even more relevant today at a time when corporate social responsibility is on everyone’s lips.

APPLE

“Think different.”

The 1990s saw Apple experience a serious crisis, racking up losses before eventually bringing back Steve Jobs in 1996. To reboot sales, in 1997, the ad agency BBDO proposed the slogan “We’re back”. But Jobs thought it was a stupid idea because the brand had nothing new to offer. And so another agency, Chiat\Day, came up with “Think different”. And because Apple didn’t have any new products to show, the decision was made that the campaign would either feature just the company logo, or photos of visionaries such as Yoko Ono and John Lennon, Thomas Edison, Gandhi and Pablo Picasso. It was a success. “Think different” established Apple as an innovative company for avant-gardists, artists and intellectuals. And it still maintains that image today.



© BENETTON / APPLE

ANTI-AD SENTIMENTS ON FULL DISPLAY

Anti-advertising groups regularly make their voices heard, particularly when it comes to street advertising. Online, the debate is focused on protecting people’s privacy. BY BERTRAND BEAUTÉ

Street ads are a thing of

the past for residents of Vernier in the Canton of Geneva. In July 2024, the Federal Supreme Court rejected appeals against the regulation banning commercial advertising visible from public spaces, which Vernier’s municipal council adopted in September 2022. The decision could spill over into the rest of Switzerland: already, the cities of Lancy (Geneva) and Lausanne (Vaud) are working on similar measures.

Those in favour of a ban see advertising as visual pollution that encourages overconsumption

But it’s a divisive issue. In March 2023, the people of Geneva were asked to vote for or against a “Zero ads” initiative to remove all commercial street advertising. The outcome? Voters rejected the measure, but

only by a slim margin (51.93%). Several cities around the world, including São Paulo in Brazil and Grenoble in France, have banned ads in public places.

The debate pits two visions of society against each other. Those in favour of a ban see advertising as visual pollution that encourages overconsump-

tion. “The idea isn’t to impose some kind of austere environment on people, but we urgently need to tackle overconsumption to reduce the greenhouse gas emissions it produces,” explained

Franziska Meinherz of the Ensemble à Gauche coalition, defending her postulate entitled “No commercial advertising in Lausanne” before the local council in March 2023. But those who are in favour of ads

see the ban as censorship and a threat to economic freedom.

“Citizens are increasingly opposed to the visual pollution of advertising. For example, it would upset a vegan to see ads for meat products. Advertisers are going to have to rethink their strategies to avoid this pitfall,” says Jean Meneveau, director of Columbus Consulting’s Swiss office. “Targeted digital ads are more accepted in that regard.”

But that doesn’t change the fact that online advertising is itself controversial, especially when it comes to people’s privacy. Regulatory policies like the General Data Protection Regulation (GDPR) in the European Union weren’t enough to rattle the sector, but there’s another threat looming: young people are tired of the onslaught of online ads. According to a 2023 Statista study in the United Kingdom, 41% of young people (aged 15-25) use adblocker software, compared to just 33% of people aged 46 and over. ▲

PORTRAIT

Anglo American: a new era focused on copper

The mining giant headquartered in London has launched a large-scale restructuring programme, after narrowly escaping a takeover bid from its rival BHP. The company should emerge from the ordeal leaner and refocused on the very high potential market of copper. Here we present our assessment of the situation. BY JULIE ZAUGG IN LONDON



↑ After reaching a historic record in mid-May, at nearly \$11,000 per tonne, the price of copper fell below \$9,000 on the London Metal Exchange (LME) at the beginning of August. Here, a piece of raw copper.

© ANGLO AMERICAN

NUMBERS

\$800 M

Savings that Anglo American's restructuring can deliver each year, starting at the end of 2025.

35%

Share of the diamond market dominated by De Beers, a division that Anglo American wants to divest, down from more than 80% 30 years ago.

40.9 M TONNES

Forecast demand for copper worldwide between now and 2040, compared with 28.3 million tonnes in 2020.

The phone call came on 16 April. The chairman of the Australian mining group BHP, Ken MacKenzie, was on the other end of the line. He wanted to speak to his counterpart at Anglo American to announce his intention to buy the firm. Six weeks of tense negotiations ensued.

Twice, BHP sweetened its offer, first from £31.1 billion to £34 billion, then to £38.6 billion. "BHP wanted to get its hands on Anglo American's valuable copper resources," says Jon Mills, an analyst covering the firm at Morningstar.

At the same time, Anglo American – listed in both the United Kingdom and South Africa – was in a muddle with its shareholders. Some of them, such as the activist fund Elliott and the asset manager BlackRock, were fervently pushing for the sale. Dubbed "Project Badger" by BHP, the deal ended up falling through in late May, however, when Anglo American CEO Duncan Wanblad refused to extend negotiations by two weeks. "The disagreement was not so much over the amount of the takeover, which was actually a decent

offer," as about BHP's demands for restructuring," says Ben Davis, a mining analyst at Panmure Liberum.

Ahead of the takeover, the Australian group was requiring a demerger by Anglo American of two South African assets, its platinum division and the Kumba iron ore mine. "This would have put all the risk on Anglo American, while the benefits of the reorganisation would have gone to BHP," the expert says. He explains that this is due to Pretoria's laws that can obligate the buyer to freeze redundancies for five years or to invest in the local economy.

Jewish German émigré Ernest Oppenheimer founded Anglo American in South Africa in 1917 to exploit gold mines. Today, it has become the target of its rival BHP because business is not going well. After building up a diversified empire of coal, platinum, diamond, iron, nickel and manganese mines across five continents throughout the 20th century, "it has failed to restructure its portfolio as most of its peers did during the crisis that hit the metals sector in 2015," says James Whiteside, head of Corporate, Metals & Mining at Wood Mackenzie. All it did was divest a handful of holdings in coal, niobium and phosphate. →

Copper plates stored in the Anglo American refinery in Rustenburg, South Africa.
↓



These days, Jon Mills believes that Anglo American is oversized and spreading itself too thin. Ben Davis points out that there are few potential synergies between the group's various divisions. "Diamonds, platinum and coal are mined, processed and sold differently," he explains. Last December, the group's shares plummeted following a profit warning due to disappointing production forecasts.

But the mining giant will not go down without a fight. In the wake of BHP's aborted takeover attempt, it has announced a counter-offensive, "Project Jupiter". "It's an extensive restructuring plan in which the group will shed 46% of its business to focus on a handful of high-growth areas," James Whiteside says. Anglo American has set a timeline of 18 months to achieve its goals.

Plummeting demand for platinum

Anglo American plans to divest its platinum division Amplats through an independent stock market listing. Not an easy task. Amplats is the world's largest platinum producer, accounting for around 30% of global output. But demand has been falling in re-

The natural diamond industry as a whole is in upheaval

Anglo American has four copper mines in South America: three in Chile (Collahuasi, Los Bronces and El Soldado) and one in Peru. Here, the Quellaveco mine in Peru.

cent years. "Platinum is mainly used to make catalytic converters for combustion engines," says Dawid Heyl, a commodities specialist at fund manager Ninety One. But the rapid deployment of electric vehicles, particularly in China, has shaken up the automotive industry.

"Demand for platinum is now estimated at 7.6 million ounces a year, down from 8.4 million ounces in 2019," says Nicky Shiels, precious metals expert at MKS PAMP. "Its price has also fallen, and around half of producers are now operating at a loss." On top of that, infrastructure, especially the electricity grid, has been stretched to the end of its tether in South Africa, where Anglo American's mines are located. Last year, Amplats' revenue fell by 71%, forcing the company to cut 3,700 jobs.

However, most analysts believe that the

Duncan Wanblad, CEO of Anglo American, pictured here at the Africa Mining Indaba forum in 2024 in Cape Town, South Africa.

© ANGLO AMERICAN

firm has a future as an independent company, at least in the medium term. "Sales of electric cars have slowed, especially in Europe and the United States, while sales of hybrid vehicles, which have a combustion engine, have risen sharply," Jon Mills says. "Plus, platinum supply is shrinking because no new mines are being commissioned."

Once released from the yoke of Anglo American, Amplats will, Nicky Shiels believes, also be free to come up with new applications for long-term survival. She cites jewellery, glass, petroleum refining and green hydrogen production, all of which use metals from the platinum family.

Diamonds in the rough

Anglo American is also planning to scrap its diamond division by selling its 85% stake in De Beers, where it has been a shareholder since 1926. But the timing is off. Last year, De Beers, the world's largest diamond producer, made a loss, crippled by a fall in demand and in the price of its gems. Earlier this year, Anglo American announced a \$1.6 billion impairment charge on De Beers.

The natural diamond industry as a whole is in upheaval. "Many consumers have run into hardship due to the cost-of-living crisis and have had to give up buying luxury goods," Jon Mills says. The strong growth in synthetic diamonds, whose prices have tumbled, has also hurt De Beers. "Consumers are finding a visually identical but cheaper alternative," says Robert Wake-Walker of WWW International Diamond Consultants. The difference in the wholesale price can be as high as 85% between a natural and a lab-grown 1-carat diamond.

Given these obstacles, it will not be easy to find a buyer for De Beers, which was founded in 1888. "The most productive and profitable mines are in Botswana, a country that owns 15% of the company and with which Anglo American is currently negotiating a new partnership agreement," Robert Wake-Walker says. "Entering into such an arrangement will not be simple for a buyer that is not used to partnering with a government." He believes that Anglo American could ultimately opt for an independent stock market listing. →

Aerial view of the Collahuasi copper mine in Chile.



The burning coal mine

The first stage of the restructuring was supposed to be the sale of coal mines in Australia. But those hopes went up in smoke when a fire broke out at the Grosvenor mine in Queensland at the end of June. “It’s an underground fire, so very difficult to put out,”

Dawid Heyl explains. “To extinguish the fire, the oxygen supply will have to be cut off. That will take time and the damage will be significant.”

Grosvenor accounted for around one-fifth of Anglo American’s coal division revenue. The sale will still go ahead, but, he believes, it is likely to be delayed and at a lower price. Demand for this type of coal will nevertheless remain high in the medium term. “It will take several decades for green steel production to become economically viable,” Jon Mills says. “In the meantime, they’ll continue to use coal.”

Anglo American wants to develop a polyhalite mine in the north of England. This fertiliser could be a valuable replacement for current agricultural products.

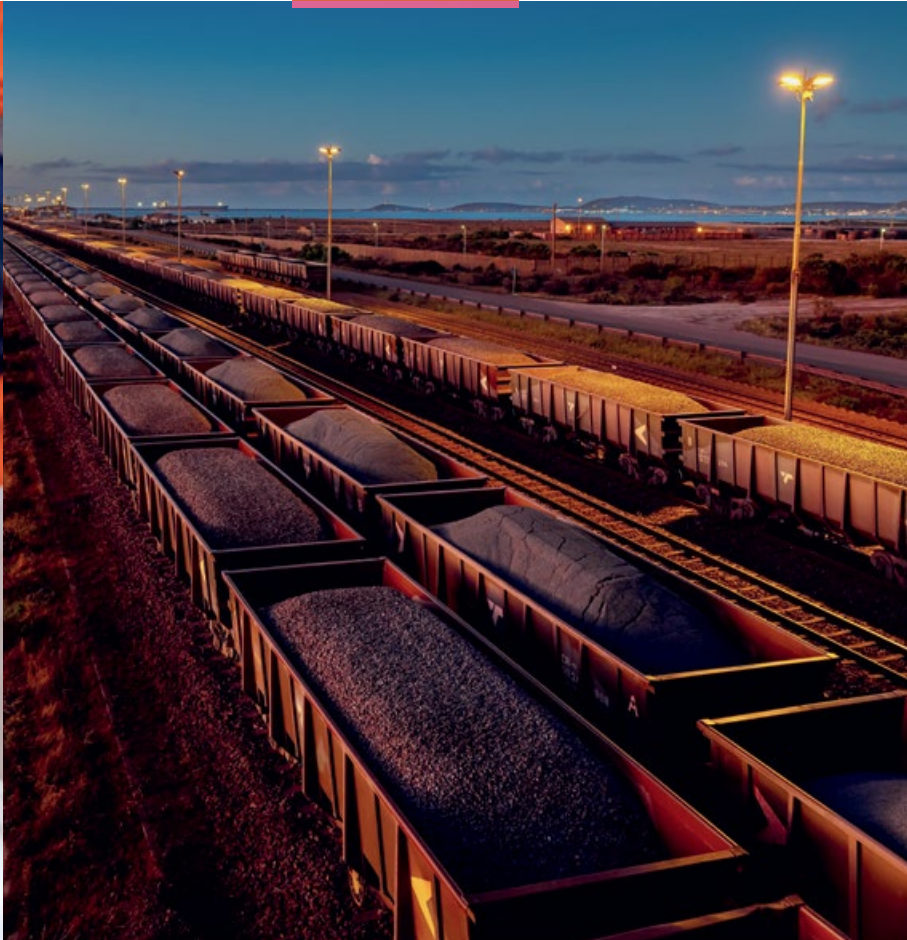


Anglo American will also be looking to dispose of two other smaller divisions operating in nickel and manganese. For nickel, “prices are at rock bottom, due to surplus production from Indonesia,” James Whiteside says. And for manganese, he explains that some buyers are interested, but Anglo American’s mines have experienced “operational challenges”, including a cyclone that destroyed a port used to export ore to northern Australia.

Copper: driving growth

Once the restructuring is complete, Anglo American will be more of a pure player in copper, which will account for around 50% of its revenue, Jon Mills estimates. “Its three mines – two in Chile and one in Peru – produce vast amounts of the metal with a competitive cost base and have the potential to be expanded,” Ben Davis says. Combined, they could eventually generate more than 1 million tonnes of copper a year. As it is used in electric vehicles and the electricity grid, copper, a.k.a. red gold, plays a central role in the energy transition. Its price has hit record levels in 2024

The port of Saldanha Bay in South Africa is used by Anglo American to export iron ore.



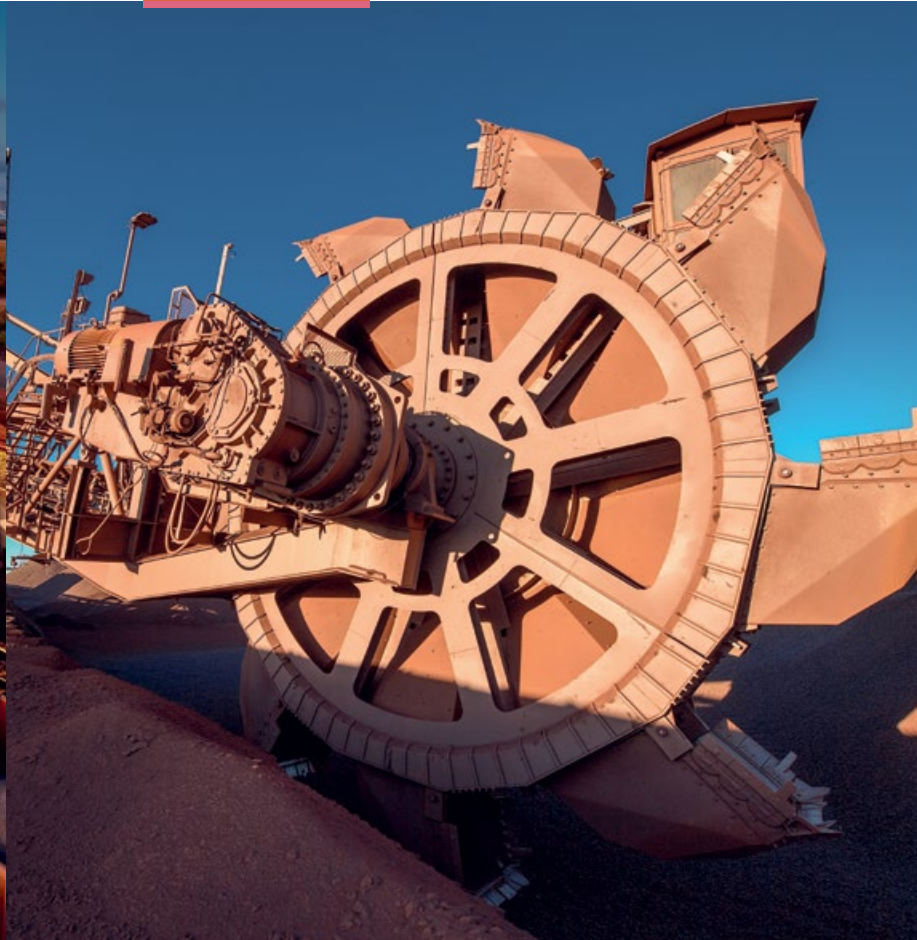
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and is set to continue rising in the face of a predicted shortage by the end of the decade. “Opening new mines is getting more expensive,” Jon Mills says. “Local resistance, particularly from residents who fear contamination of their water supply, has also increased.” As its mines are already up and running, Anglo American is in a good position to benefit from this market pressure.

The group’s iron ore mines in South Africa and Brazil are other pockets of growth. “They produce ore with a high iron content, which sells at a higher price,” Jon Mills says. “Demand for it will grow because it reduces the CO₂ emitted to produce steel.” An agreement with Vale to extend the Brazilian project is also expected to minimise Anglo American’s financial risk.

A £7 billion polyhalite fertiliser mine being developed in the north of England rounds out the portfolio. “Anglo American has put this project on hold and reduced the investment it has

At the Kolomela mine in South Africa, this excavator operates round the clock to recover iron ore.



made, while waiting to find a partner willing to co-finance it,” James Whiteside explains. Production, which was due to start in 2027, will probably be delayed by two years.

The analyst believes that the long-term prospects are good, but polyhalite will first have to find its market. “For now, sales are low,” he says. “Anglo American will have the onerous task of convincing farmers to replace the fertilisers they know with a product they don’t.”

One last problem remains. If Anglo American’s gamble pays off and the restructuring is a success, BHP will in all likelihood come back with a new takeover bid. And it won’t be the only one. “Once all these divisions have been stripped away, the group will be lighter, making it a target for other potential buyers,” says Dawid Heyl. And names are circulating – the likes of Australian-British company Rio Tinto and Swiss firm Glencore. ▲

ANALYST OPINION

“Markets don’t like conglomerates that are too diversified”

Anglo American’s share price is lagging behind that of its mining peers. “The market doesn’t like conglomerates that are too diversified, because they tend to trade at a discount,” says James Whiteside, an analyst at Wood Mackenzie. But this means that the group is undervalued and that its share price is expected to climb back up once it has refocused on copper. Citigroup believes that Anglo American’s valuation could double if it sheds some of its excess weight. “The price of copper is expected to rise, which will accelerate the process and make it an attractive investment,” adds Jon Mills, an analyst at Morningstar. However, we will have to wait about two years. “Until then, the company has to go through with a costly restructuring, the outcome of which is uncertain and which entails significant risks,” James Whiteside says. Most analysts have issued a hold recommendation. → AAL

Cartier

A BRAND
A STORY

The jewel in the crown

The family-run jewellery company, a favourite of crowned heads and 20th-century Hollywood stars, has come under Richemont's Jewellery Maison. It accounted for 67% of group sales in 2023.

BY BLANDINE GUIGNIER

The signature fine gold garland motif and vibrant red colour make Cartier's jewellery boxes instantly recognisable. They are sold the world over, from Qatar to Japan, and from China to Mexico. Inside, they hold the iconic jewellery pieces created by the French house in the 20th century and re-issued today for the delight of luxury lovers. The latest repolishing is the Trinity ring, which turns 100 this year, with its three rings of white, yellow and rose gold. Back in the day, the poet and painter Jean Cocteau made it famous by wearing it on his pinkie finger.

"Cartier has many recognisable objects from very diverse eras," says Delphine Chabert. The Genève Enchères gemmologist encounters recent pieces, produced in large numbers, and sometimes Art Deco or 1950s jewellery, which is rarer and more expensive. Among the 177-year-old jeweller's icons is the Santos watch, designed in 1904 for the aviator Alberto Santos-Dumont. It is reputed to be the first modern wristwatch. The Tank is also regularly reissued. The Love and Juste un clou bracelets, designed by the Italian designer Aldo Cipullo in 1969 and 1971, respectively, are now available with or without precious stones, as earrings, pendants, rings, etc. As Delphine Chabert points out, "Cartier pieces are special. We almost always sell them above the estimated price, which is a sign of the company's current popularity."

Three brothers in the service of kings

When it comes to storytelling, the brand has endless anecdotes to share. Most of them come from the Cartier family's commercial and artistic golden age, which began in 1899. The jeweller opened his boutique at 13 Rue de la Paix in Paris and the founder's three grandsons (Louis, Pierre and Jacques Cartier) joined the business. The trio decided to introduce wealthy families from around the world to the French "Guirlande Style", used to set precious stones on a platinum mesh for greater flexibility and lightness. The brothers travelled to India to meet maharajas and to Russia to meet the tsar. More importantly, they opened a boutique in London in 1902. Edward VII ordered 27 tiaras and in 1904 made the company an official

Today, the company sells its products across five continents through more than 270 boutiques, including around 50 in China



↑ Born in 1924, Trinity, Cartier's legendary ring with three gold rings, has been enriched with several new variations for its centenary.

KEY DATES

1847

Parisian jewellery house Cartier is founded by Louis-François Cartier. The company remained under the family's control until 1964.

1933

Jeanne Toussaint, nicknamed "the panther", takes over as artistic director of the Parisian jewellery house. She is at the origin of the Cartier bestiary: dragonflies, snakes and especially the panther which still remains one of the most evocative symbols of the Cartier house today.

1964

When Louis-François Cartier's grandson, Pierre, died in 1964, the remaining family members decide to sell the business.

supplier to the British crown. The monarch sealed Cartier's fate by referring to him as "the jeweller of kings and the king of jewellers".

Hardly resting on its diamond laurels, the luxury house sensed that society was swinging in a new direction. It predicted the influence of cubism and abstraction, infusing geometric lines that were more minimalist than those of its counterparts. The Maison also brought innovations to the objects it designed. Tiaras became headbands, and long necklaces replaced the imposing necklaces attached to corsets. Cigarette holders and beauty kits were added as accessories to be flaunted by the woman of the Roaring Twenties. In addition to mastering the Art Deco style, the result of the work of Louis Cartier and his artistic director Jeanne Toussaint in Paris, the company anticipated the wave of exoticism. Drawing inspiration from Persia, the Far East and Egypt, it adapted to the tastes of the inter-war period.

The glamour of the 1950s to the 1970s marked the history of Cartier, with creations for actresses such as Liz Taylor and Grace Kelly. This was also the era of extravagant bestiary motifs. In 1948, Cartier created a panther, the company's emblem since 1910, enthroned on an emerald for the Duchess of Windsor. A series of reptiles was designed for the Mexican actress Maria Felix.

The gem of Richemont group

Based respectively in London, Paris and New York, the Cartier grandsons worked in synergy to serve prestigious customers in the best way possible. But after two brothers died and the third retired in 1947, things became more complicated. The three branches became separate entities operating independently and were sold by the heirs in 1964 when Pierre died. It was not until the 1970s that French businessman Robert

Hocq, backed by a group of entrepreneurs led by Joseph Kanoui, bought up the three entities one by one to recreate Cartier Monde. With his Executive Director Alain Dominique Perrin, the new president launched limited series of the brand's products: the "Les Must de Cartier" concept that the upper middle class could afford. Sales took off.

Little by little, South African businessman Johann Rupert increased his stake in the company, which became part of the new Richemont group that he founded in Geneva in 1988. Other big names in luxury jewellery and watchmaking joined the group, including Baume & Mercier, Piaget, Van Cleef & Arpels and Jaeger-LeCoultre.

Today, the company sells its products across five continents through more than 270 boutiques, including around 50 in China. Cartier also develops its high jewellery activities for the extremely wealthy. Exceptional jewellery, often with unique pieces, continues to be crafted by master jewellers at 13 Rue de la Paix in Paris. Bank Vontobel estimates that this continuum – from affordable luxury to prestige jewellery – accounts for half of the group's sales, or around 11 billion francs in the last financial year. Demand in the jewellery sector is so strong that the company opened a new factory in Italy last year and has tripled its jewellery workforce in the space of 10 years. The business press regularly report that the other two luxury giants, Kering and LVMH, are keen to take over the company. Rumours of efforts to get their hands on Richemont returned to the headlines in June, following Bloomberg's announcement that Bernard Arnault had taken a "small stake" in the group. However, Chairman Johann Rupert has repeatedly made it clear that he has no wish to sell his shares, and even less so his crown jewel, Cartier. ➡ ➔ CFR

BEVERAGE

Bubble tea takes the West by storm

© VALCIN SONAT, ALAMY / MONCHIEH

→
Bubble tea from
the English
franchise,
Bubbleology,
seen here in
Soho.

The hype around the drink with tapioca pearls has invaded Europe. Big Asian chains are popping up everywhere. Even local brands are beginning to emerge. BY JULIE ZAUGG IN LONDON



O

long, passion fruit, matcha and chocolate are just some of the iced tea flavours sold at Chatime, a shop with neon lighting and walls covered with artificial grass on a busy street in Islington, north London. You can add a flavoured mousse, as well as your choice of coconut, aloe vera or herbal jelly. Or a ladleful of tapioca pearls, made from starch extracted from the tubers of the cassava plant.

The bubble tea market is booming with annual growth of 10.5%, as estimated by BCC Research

Two teenagers come in with their mother. “I’ll have a mango tea with rainbow jelly and brown sugar pearls,” says the first. The waitress gets down to work, filling a transparent plastic cup from a copper tea dispenser, before adding the multicoloured toppings and a large straw to help the “boba” sink in. Bubble tea came to us from Asia and has since invaded the streets of European capitals.

The UK market has acted as a bridgehead into Europe, with the first houses cropping up around 2012. “But it wasn’t until 2020 that the drink exploded in popularity,” says Rachel Choi, a consumer behaviour specialist at the marketing company Canvas8.

Bubble tea originated in Taiwan in the 1980s, when a tea room owner had the idea of mixing iced tea with a dessert made from tapioca pearls. The concept quickly spread, first in Taiwan and China, where tea culture →



has been around for over 5,000 years, and then to the rest of Asia, including Japan, South Korea, Singapore, Thailand, Malaysia and Indonesia.

“In the late 1990s, bubble tea began to appear in large cities on the west coast of the United States and Canada, where there is a large Asian diaspora,” says Kristin McCoy-Ward, a beverage consultant. The Asian market was becoming saturated and new avenues of growth had to be found.

Today, the bubble tea market is booming. In 2022, it was worth \$3 billion, a figure that is set to rise to \$5.4 billion by 2028, with annual growth of 10.5%, as estimated by BCC Research. While Asia accounts for 59%,

“Europe and the United States now represent 41% of new shop openings,” says Tan Heng Hong, an analyst at Mintel.

“The drink can be made in two minutes at home by mixing tea with tapioca pearls, syrup, water and ice cubes”

Assad Khan, founder of Bubbleology

Most of these are big Asian chains operating franchises.

“They have their own tea plantations, their own factories to produce the ingredients and their own distribution networks, which means they can generate attractive margins,” Kristin McCoy-Ward says. She gives the example of Gong Cha, a chain set up in Taiwan in 1996 that now has 2,200 locations. It is expanding massively in the West.

“We opened our first European store in the UK in 2019,” says Paul Reynish, CEO of Gong Cha. “We now have 30 locations across the continent.” Headquartered in London since 2020, the Asian chain plans to open a further 500 stores in the UK and

← Customers queue in front of a Gong Cha bubble tea shop in Sham Shui, a district of Hong Kong, in 2022.

200 in France by the end of the decade. Gong Cha first moved into France in 2023 and has launched stores in Belgium and Portugal.

Its rival CoCo Fresh Tea & Juice, which operates more than 5,000 stores worldwide, arrived in the UK 10 years ago and is expected to be operating around 30 shops in Europe by the end of the year, mostly in France, Italy, Spain and Germany. “We’ve had incredible reception in Europe,” says Kody Wong, director of Business Development for the chain founded in Taiwan in 1997.

Then there is the Taiwanese chain Chatime – owned by the listed company La Kaffa International – which has 1,500 teahouses, including a handful in the UK, Ireland, France and the Netherlands, and the Chinese group Hey Tea, which opened its first store outside Asia in London’s Chinatown in August 2023.

Bubble tea at home

Local franchises have also emerged in several European countries, such as Bubbleology in the UK, Boba Guys and Kung Fu Tea in the United States and Crazy Bubble in Eastern Europe. “We operate 42 shops, mainly in the UK but also in France,

Turkey and the United States,” says Assad Khan, who founded Bubbleology in 2011.

“Some creations go viral, like that bubble tea with layers of green matcha and pink strawberry milk invented by Californians”

Kristin McCoy-Ward, a specialist beverage consultant

The brand also sells bubble tea home kits at British supermarkets. “This product is doing very well,” the CEO says. “The drink can be made in two minutes at home by mixing tea with tapioca pearls, syrup, water and ice cubes.”

The trend has even reached mainstream chains. Costa Coffee recently launched three bubble frappés. Starbucks has also launched an iced coffee with pearls.

While these colourful beverages were originally popular with the large Asian diaspora living in European cities, they have now reached a wider audience. Bubble tea fans, most of whom are Generation Z consumers, appreciate the drink’s photogenic aspect, ideal for posting photos on Instagram. “Some creations go viral, like that bubble tea with layers of green matcha and pink strawberry milk invented by Californians,” Kristin McCoy-Ward says.

Bubble tea’s popularity is also linked to the large Muslim communities in European capitals, which do not consume alcohol. “Even in the general population, a growing number of young people don’t drink alcohol, or not as often, for health reasons or to cultivate more meaningful social relationships,” says Rachel Choi. “Bubble tea is an alternative way of spending time with friends.”

Plus, the drink is riding on the Asian culture trend. “People associate bubble tea with K-Pop, especially as some brands have hired Korean pop music stars to promote their products,” Rachel Choi adds. Gong Cha has signed a promotion deal with Japan’s Studio Ghibli, the production company behind Hayao Miyazaki’s films, and Chatime with Pokémon and Line Friends, iconic Japanese and Korean characters respectively. →

With its shimmering colours, the Strawberry Matcha bubble tea from the Gong Cha brand is all the rage on social media. ↓



“We see incredible opportunities in the Middle East, Brazil, India and Africa”

Paul Reynish, CEO of Gong Cha

Setting up a bubble tea shop is also extremely easy. “All you need is a space of around nine square metres and an investment of between £10,000 and £40,000,” explains Tim Lai, who runs Taipec, a company that supplies the ingredients used to make the tea. Unlike a café or food store, there is no need to invest in an expensive espresso machine or ventilation system, or to set up a cold chain. All you need is a rice cooker to heat the tapioca pearls, a kettle for the tea and an ice maker.

Bubble tea ice creams are also available. Below, the Mixue boutique in Bangkok, in 2023.
↓

To perpetuate the success of bubble tea, the drink has even been adapted to suit Western tastes. Bubbleology offers bubble tea in Nutella or Oreo flavours, as well as carbonated or cocktail variants. “We’ve just created a drink made with Red Bull,” says CEO Assad Khan.

European consumers tend to prefer pearls that burst in the mouth, releasing fruit juice, Tim Lai says. In the United States, they like drinks made with taro, a root vegetable that turns purple when cooked, he adds. Conversely, certain flavours that are popular in Asia, such as salted cheese foam or red bean purée, are less popular in the West.

Bubble tea’s expansion, although already fast, has only just begun. “We see incredible opportunities in the Middle East, Brazil,

India and Africa,” says Paul Reynish of Gong Cha. The brand has just opened its first stores in Saudi Arabia and Morocco. There is also room for growth in the United States and Europe. “In Switzerland, demand is high enough to maintain 10 to 15 locations,” the CEO says. ▲

The special case of China

Bubble tea is also very popular in China. But the market has its own brands that operate on an entirely different scale. The largest chain, Mixue Bingcheng, has 36,000 stores and has announced its intention to list on the Hong Kong stock exchange, as has its rival Guming, which operates 9,000 locations. The third chain, Cha Panda (or Chabaidao), completed its IPO in April and operates 8,000 stores. In 2023, the China Chain Store & Franchise Association estimated the industry to be worth 145 billion yuan (17.9 billion Swiss francs at the beginning of August).

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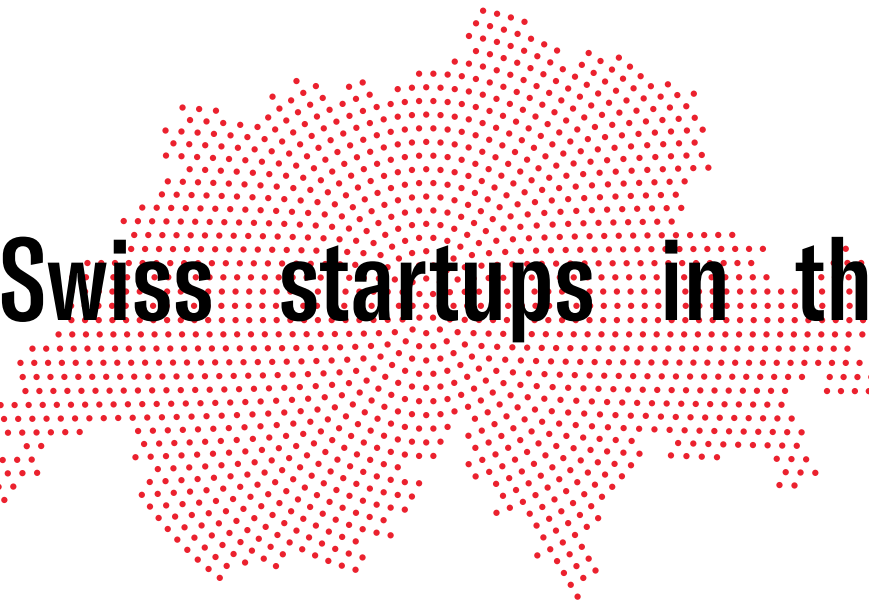
FOUNDED
2018

This telemedicine startup wants to make remote medical assessments easier through smart sensors. Its first remote diagnostic service, Cardioflex, aims to detect cardiac rhythm disorders. A sealed 18-gram sensor is placed on the patient's body in

their GP's office, while the data recorded is continuously uploaded to a digital platform. The data is then analysed remotely by a team of Swiss cardiologists and the diagnosis is shared with the GP in digital form.

The Zurich-based company has already raised 2.5 million Swiss francs and is currently in a Series A funding round. Its co-CEO and co-founder Alexander Panos is upbeat, noting that sever-

al projects are already under way: "Over 15,000 outpatients have already benefited from our service in more than 200 GPs' offices, and we've just added stress and sleep apnoea assessments to our offering." With the additional funds raised, evismo's aim is to add even more assessment types and expand beyond Switzerland. It is also planning to develop an artificial intelligence that will help doctors in their diagnoses.



Swiss startups in this edition

BY GRÉGOIRE NICOLET



csky.ai

AI in confidential mode

NUMBER
OF EMPLOYEES
6

HEAD OFFICE
PRILLY

FOUNDED
2023

Just a year after being founded, this startup is already marketing its solution, named ClearMind: an offline artificial intelligence that ensures sensitive data remains private. Unlike traditional AI that processes data by sending it to the cloud, the edge AI system developed by csky.ai locally processes, encrypts and stores data from conversations during

meetings. The AI can then use this data to produce transcripts and reports or fill out forms. The company uses a rental model for its black boxes, which are fitted with a microphone and a small AI-equipped computer that can identify up to 10 different people in the room. Based both on open-source technologies and proprietary algorithms, csky.ai's AI can also be integrated into a company's server.

The company, which is located on the Unlimitrust campus in Prilly (VD), formerly EPFL Inno-

vation Park, has already raised just over a million Swiss francs and presented its device at CES 2024, the technology show in Las Vegas. Its CEO and co-founder Hugo Flayak explains that this on-device AI solution requires much less energy than a network-based transcription service such as Microsoft's: "Recently, we've also begun offering a dedicated service for healthcare professionals, where our solution can be used, for example, to accurately and completely confidentially document doctor-patient discussions."

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R E A D

The Shortest History of Economics

BY ANDREW LEIGH
OLD STREET PUBLISHING, 2024

In just a couple of hundred pages, this book provides a readily understandable overview of how economic thought has impacted human society. The author is a former professor of economics and currently serves as Assistant Minister for Competition, Charities, Treasury and Employment in Australia. Retracing the evolution of economics from Neolithic times to the modern era, he highlights key ideas and people. Leigh covers a broad range of subjects, from the agricultural revolution to contemporary economic challenges, showing how economic theories and practices influence day-to-day life. He also zeroes in on the economic forces at work behind significant historic events, such as wars and social transformation. Claudia Goldin, winner of the 2023 Nobel Prize in Economics, recommended it as the book to read for anyone looking to understand today's world of economics.

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L I S T E N

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F O L L O W

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Writing a data-driven newsletter about economics
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Joey (Joseph) Politano, a financial management analyst at the Bureau of Labor Statistics in Virginia, United States, has forged a strong reputation in the world of finance. His blog – *Apricitas Economics* – goes heavy on data and graphs to provide clear insights on topics such as economic growth and inflation. With posts of the key graphs from his blog, his X feed takes its followers on a deep dive into the world of macroeconomic analysis, making it easier to understand with plenty of visuals.



D O W N L O A D

JustWatch

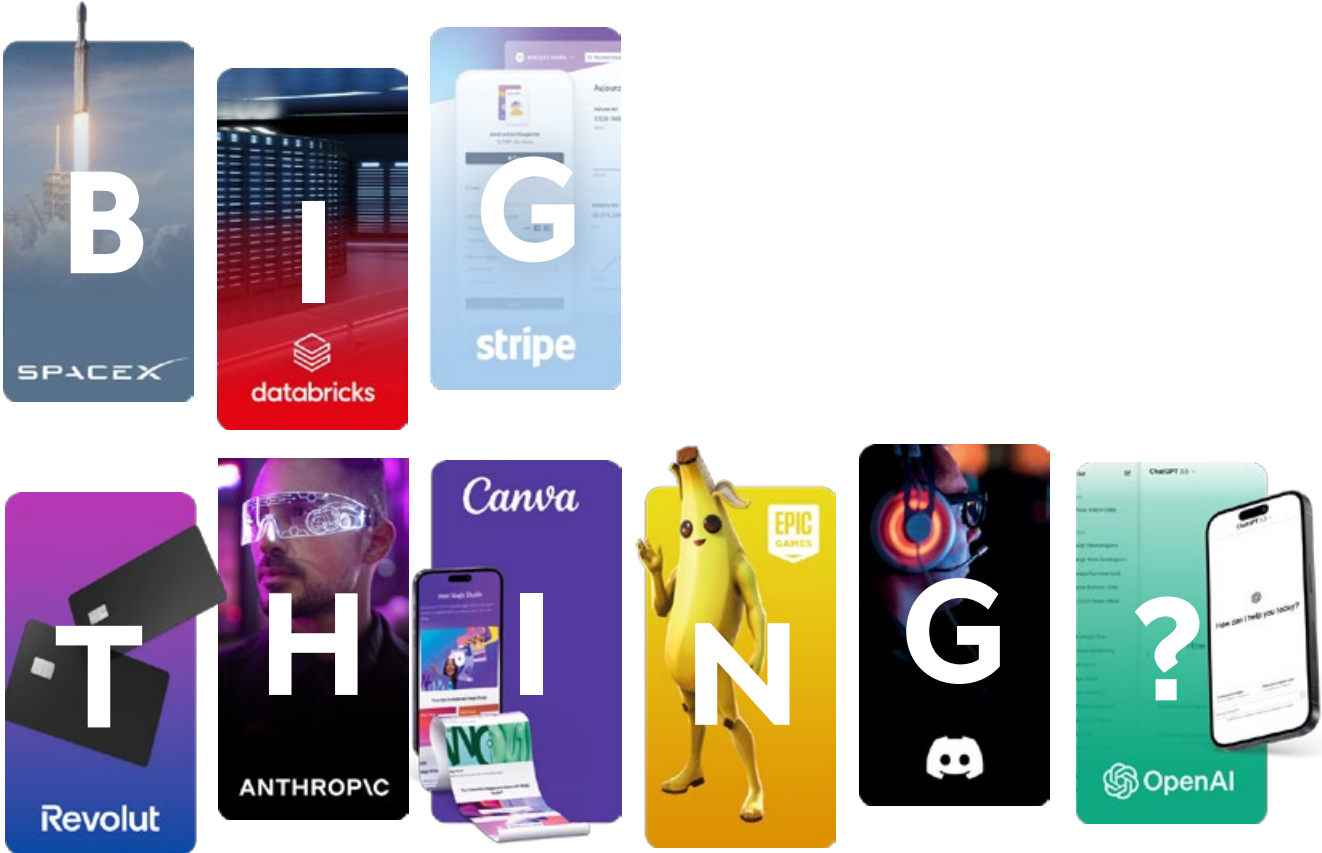
Streaming guide

The ultimate TV guide

This app simplifies the search for content available on various streaming platforms, such as Netflix, Amazon Prime Video, Disney+ and HBO Max, from a single clear and easy-to-use interface. Users can narrow down search results using a number of filters, such as genre, release date and IMDb (Internet Movie Database) rating. With regular updates featuring new releases and upcoming shows and films, the app also provides personalised recommendations based on users' viewing habits and preferences. This feature improves over time, as the app learns to match the user's tastes. Last but not least, it compares rental and purchase prices of some content to find the best offer.

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SECURITIES LENDING

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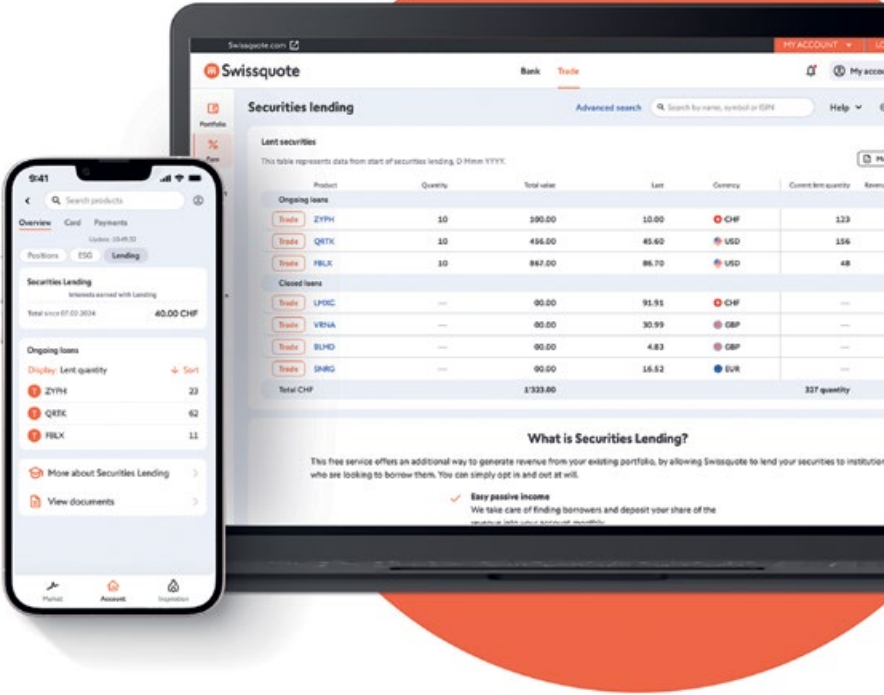
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important financial institutions. In the extremely unlikely event of a borrower defaulting, Swissquote would compensate clients with the collateral.

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The market now exceeds \$12 billion annually. Between January and May 2024, according to an S&P Global report, the market generated \$4.85 billion. The practice is now becoming widespread, offering significant returns. For example, in Q1 2024, Visa paid \$26 million to company shareholders who agreed to lend their securities. But lending isn't just for speculative securities. The top 10 European securities include several Swiss companies, such as Roche, Novartis, Idorsia and Meyer Burger. ▲

 Nestor Verrier
Chief Operating Officer
Swissquote Bank



How to register

To access this service, simply go to the Securities Trading section of our eTrading web platform, then follow the instructions and read the contract before signing it electronically. The service will then be activated on your account in the coming working days.

swissquote.com/securities-lending

A plug-in estate car

The quintessential tourer, the BMW 5 Series goes all-electric with this i5 version. Its enhanced comfort and estate body design make it a winner. BY RAPHAËL LEUBA

Gone are the days of the lightweight, clever i3, designed around electric propulsion. BMW is all about multi-energy platforms now, producing formats that are hardly compact. The eighth-generation 5 Series (G60 model), unveiled a year ago, sports a voluptuous physique and is a stylistic departure, like most of the recent lines from the Bavarian car maker. But while the saloon's sloping boot may not be to everyone's liking, the same cannot be said of the Touring estate, launched this spring. Its proportions are very well balanced. However, its long bonnet is misleading. Measured to fit the inline six-cylinder diesel (540d), the four-cylinder petrol hybrid (530e) and the V8 of the imminent M5, the length on the all-electric i5 is only there for looks. And for aerodynamics of course, with an excellent Cx of 0.26. So what's the point of opening it? It merely holds technical peripherals that you can't even see, without the tiniest storage compartment. Fortunately, the boot has plenty of room (570 to 1,700 litres), including a spacious double-floor and a long load area lined with thick carpeting.

The flexible CLAR (Cluster Architecture) platform seems to be a success, with the ground-up design placing the batteries under the floor. They go completely unnoticed, both in terms of interior cabin volume and position of the seats, which is low enough for active driving fans. Speaking of which, the i5 doesn't quite deliver on this aspect. The electron reserve is heavy (around 550 kg more than the most basic 520d model), but its mass is spread out in such a way, close to the ground, that makes the car stoic. But the i5 won't settle for sticking to the road and is actually agile for a car that is 5.06 m long and weighs 2.2 tonnes. This nimbleness comes from the powerful rear-wheel drive and the Adaptive M Suspension Professional option offering rear-wheel steering with electronically controlled dampers. This added luxury is also appreciable when manoeuvring.

Despite being an entry-level eDrive40 version – the i5 M60 has four-wheel drive – our test vehicle packs performance. But nothing too boorish. Everything here is smooth and quiet, with surprisingly effective suspension filtering, despite the optional small-size tyres (275/40 R19 at the rear). Add to that the soothing interior ambience and luxurious features, many of which can be found in the list of extras, make for the ultimate traveller in terms of comfort. However, the range, which is decent thanks to its efficient adaptive recuperation system, is still less than half that of a diesel. The factory settings say 529 km, but it is closer to 450 km in real conditions on a variety of routes (test average of 18 kWh per 100 km).

What's more, driving the i5 is not a completely stress-free experience. To start with, the three large interactive screens (including the overhead display) and controls of all kinds – touch, rotary, voice and even gesture – are not the best remedy for freeing your mind and concentrating on the road. In addition, some innovative assistants are not always very intuitive. Like the time when our test model came to a screeching

halt on a downhill stretch of hairpin bends between Prêles and La Neuveville in the canton of Bern. The anti-collision system was undoubtedly a bit over-zealous, but it was all the more surprising given that, until then, braking had been perfectly handled by the eco mode, which is supposed to anticipate the route and terrain of the journey. Let's hope that after spending a few dozen hours behind the wheel, the lucky owners will have assimilated all of the vehicle's subtleties. They will then be free to converse about the sophisticated ambient lighting, the temporary boost feature and the picturesque illuminated radiator grille. However, they may be harsher critics of certain finishings, such as the synthetic leather on the steering wheel and the bare plastic of the window controls and glove box. Especially if they come from a previous-generation 5 Series with impeccable detailing.

Having wholly embraced digital technology and coming in an unparalleled number of rear-wheel drive variants, the 5 Series remains the embodiment of premium standards, despite minor compromises on perceived quality. The i5 Touring is also one of the rare battery-only estate cars on the market. The model still puts practicality first, right down to the electrically retractable tow hitch. ▲

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400 V LITHIUM-ION BATTERY, NET CAPACITY 81.2 KWH MAX. CHARGING POWER: 205 KW
PERFORMANCE
0-100 KM/H IN 6.1 SECONDS, TOP SPEED 193 KM/H
PRICE
CHF 82,300 (TEST CAR WITH OPTIONS CHF 108,350)

B M W I 5 E D R I V E 4 0



T O U R I N G

T R A V E L

WES ANDERSON'S Mitteleuropa

The American director's characteristic style, all in pastel tones and symmetry, can be found in the grand hotels that sprang up across the continent during the Belle Epoque. But you can also find it in more unexpected places. Here's an overview. BY JULIE ZAUGG

The films by American director Wes Anderson feature a distinctive aesthetic: pastel colours, simple geometric shapes, old-fashioned furniture and, most importantly, an ensemble cast of irresistible, quirky characters. This inspired Wally and Amanda Koval, an American couple, to launch the Accidentally Wes Anderson Instagram account in 2017, listing hotels, funiculars, swimming pools and a few telephone booths reminiscent of his films. Now with more than two million followers, they have set up a travelling exhibition and published several photography books. We present a selection of the most beautiful hotels spotted by these photographer-adventurers.

© DR / STEFFEN LEMMERZAHN

An iconic scene from *Moonrise Kingdom*, Wes Anderson's seventh feature film released in 2012. The film was shot on Prudence Island, located in Narragansett Bay (northeast United States).



LAKE COMO, ITALY

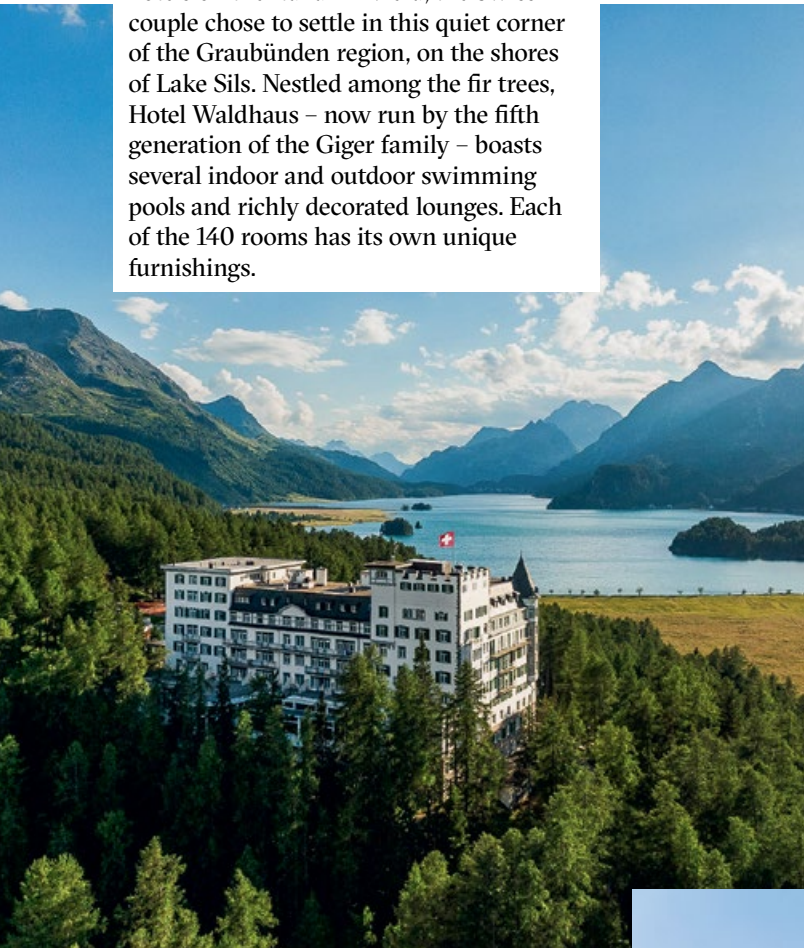
Grand Hotel Tremezzo

With a swimming pool right on Lake Como, vividly coloured parasols and a golden yellow Belle Epoque façade, the Grand Hotel Tremezzo perfectly symbolises Italian *dolce vita*. We almost expect to see Steve Zissou, the hero of *Life Aquatic*, walking around. Founded in 1910, the hotel became the go-to for the European elite, before suffering the impact of the two world wars. Taken over by new owners in 1975, it has been restored to its original splendour, its ceilings covered with multi-coloured frescoes.

SILS IM ENGADIN/SEGL, SWITZERLAND

Hotel Waldhaus

The Hotel Waldhaus was founded in 1908 by Josef and Amalie Giger. After spending years managing hotels on the Italian Riviera, the Swiss couple chose to settle in this quiet corner of the Graubünden region, on the shores of Lake Sils. Nestled among the fir trees, Hotel Waldhaus – now run by the fifth generation of the Giger family – boasts several indoor and outdoor swimming pools and richly decorated lounges. Each of the 140 rooms has its own unique furnishings.



CESENATICO, ITALY

Grand Hotel Cesenatico

Located on the Adriatic coast, this favourite with Italian holidaymakers was built in 1928 by Luigi Gaetano Ceschina. During World War I, the entrepreneur became wealthy with a life-saving invention: the first sterile bandage. Today, the Grand Hotel Cesenatico boasts a private beach and a gourmet restaurant. The rooms decorated in pastel shades contrasting with bright red carpets would not look out of place in a Wes Anderson film.



AMSTERDAM, NETHERLANDS

Amstel Hotel

The idea for this prestigious hotel came from 19th-century physician and public health expert Samuel Sarphati. Originally, he wanted to create a U-shaped building with two wings but had to settle for the central part due to lack of funding. His vision for the hotel, built by architect Cornelis Outshoorn on the banks of the Amstel River, included lion statues posted on the corners of the building, but they later disappeared. During extensive renovations in 1992, they were reinstated.

© WALDHAUS SILS / K I PHOTOGRAPHY, ALAMY / SHUTTERSTOCK
VALENTINA JACKS (INSTAGRAM: VALENTINA JACKS) / ANNE KOZAR

HERRSCHING, GERMANY

Seehof Herrsching

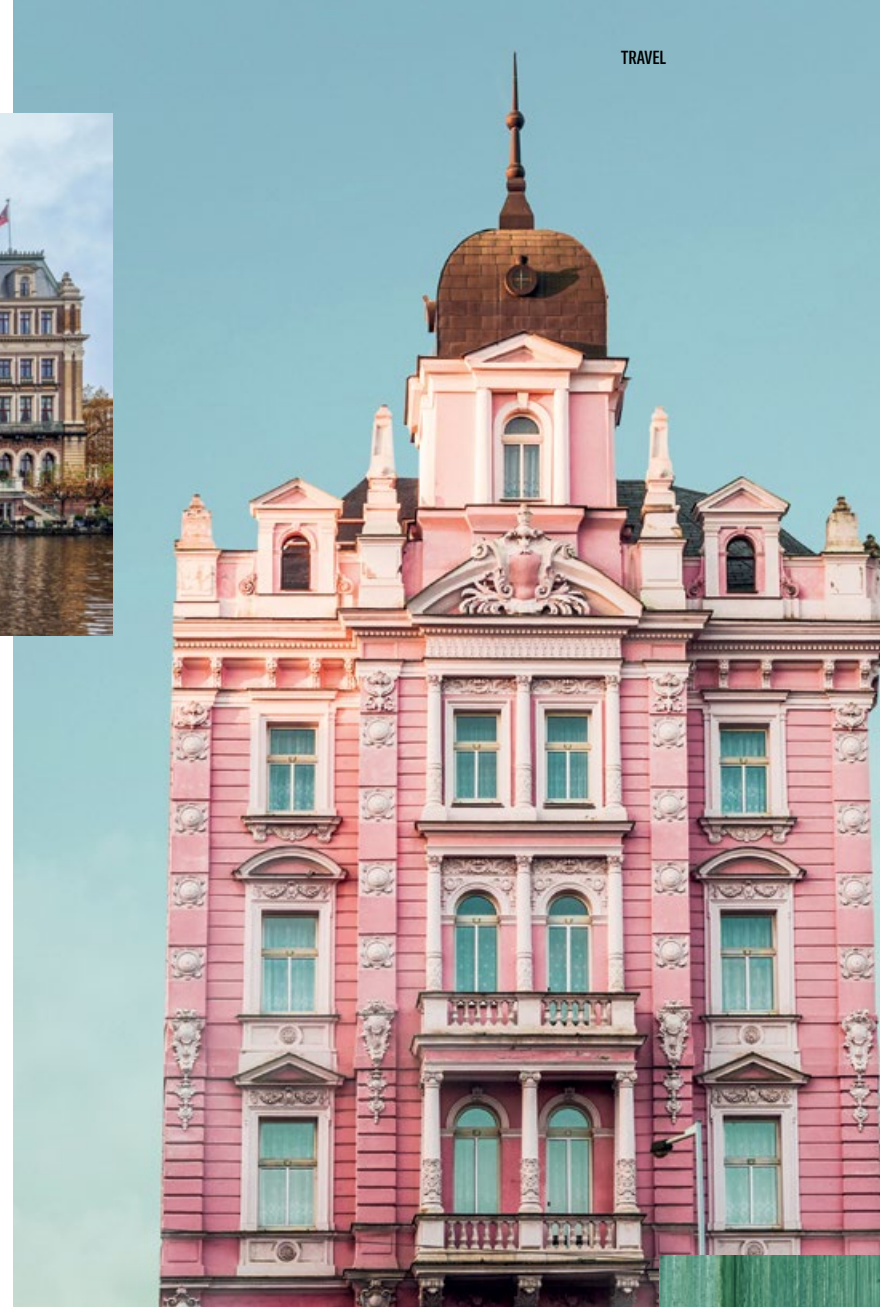
On the shores of Lake Ammersee, in the heart of Bavaria, is a stunning lime green building with a beer garden shaded by chestnut trees, where you can enjoy large, beer-filled mugs – or champagne – paired with sausage

salad and spaetzle. Founded in the mid-18th century as an inn for monks summering at nearby Mühlfeld Castle, it had become a popular hotel by the end of the 19th century, with guidebooks praising its rooms available for 1 Deutsche mark.

PRAGUE, CZECH REPUBLIC

Hotel Opera

Located in the heart of the Czech capital, not far from Wenceslas Square, stands Hotel Opera, with its bubble gum pink Bohemian Neo-Renaissance façade that makes it look somewhat like a cream cake. The establishment was first acquired in 1918 by Karel Češka but, once nationalised in 1959, lay unused for decades. After the fall of the Iron Curtain, the edifice was restored to its former glory following extensive renovation, and returned to the Češka family. It could have easily been the setting for the film *The Grand Budapest Hotel*.



FARO, PORTUGAL

Palacio de Estoi

This sparkling pink palace is perched on a hill in the heart of a picturesque village, a short distance from the Algarve coast. Featuring neatly groomed gardens and a swimming pool, the place was in ruins a decade ago before being restored by the Portuguese Tourism Office. It has already lived several lives. Construction began in 1840 but was then abandoned, only partially complete, in 1893. It wasn't until 1909 that José Francisco da Silva, a local farmer who later earned the title of Visconde, finished it.



PONTRESINA, SWITZERLAND

Grand Hotel Kronenhof

In Engadin, the Grand Hotel Kronenhof was considered one of the most luxurious hotels in Switzerland when it opened in 1848. It featured an ice rink, a tennis court and a “grand restaurant” with a breathtaking view of the surrounding peaks. But the outbreak of World War I almost wiped out its existence. The Belle Epoque hotel, resplendent with its cream white façade, only survived by setting up a wine shop in its cellar, where it supplied fine wines to the rest of the region.

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A telescope for your smartphone

French startup Vaonis and Hestia are working together to create a mini telescope that pairs with a smartphone to observe and photograph the moon, the sun and the depths of the cosmos thanks to a 25x zoom capacity. No complicated adjustments or astronomy knowledge required: the app offers modes including Deep Sky and Planets so that users can easily find what they're looking for in the sky.

vaonis.com
From CHF 260.–



Rings for athletes

Smart rings are here. Amazfit, a Chinese manufacturer of smartwatches, announced its Helio Ring earlier this year at CES 2024. Designed for athletes, the ring tracks its wearer's physical activity, sleep and stress levels and provides a recovery score to optimise their training schedule. The design combines a matte grey titanium alloy with small textured dots.

fr.amazfit.com
CHF 290.–

Elegant fitness

Out-fit is a vintage-styled outdoor gym designed by Italian company Ethimo and Studio Adolini, with an aesthetic that's reminiscent of sports clubs of the past. The leather punching bag and bench are specifically designed to be used outside, much like the wooden gymnastic rings and the rust-finished metal and teak structure. The design is so elegant that it almost wouldn't be out of place in your living room.

ethimo.com
CHF 17,990.–



100% offline

Belgian startup Stolp has designed a box to help people detox from their smartphones. Similar to a Faraday cage, the box is equipped with an electromagnetic layer that blocks all signal to the mobile phones inside. No more calls, notifications or radiation – once closed, the box keeps users free from any and all digital pings.

stolp.com
CHF 75.–

A travelling pearl

The new smart speaker from Cabasse, The Pearl Myuki, has a battery life of 12 hours and up to 103 dB of powerful sound. This portable model is ideal for travelling at just 17 cm in diameter and around 2 kilos in weight. It can also be integrated into a multi-room system. A custom carrying case makes travelling with the speaker a breeze.

cabasse.com
CHF 949.–



A sustainable toothbrush

Sustainability is at the core of the Berninox toothbrush, with its stainless steel handle and recycled plastic heads. Developed and manufactured in Switzerland, the whole thing can be cleaned in the dishwasher and uses 8 times less plastic than a traditional toothbrush. Designed for one year of use, the starter pack includes one brush and three additional heads.

berninox.com
CHF 39.90



b o u t i q u e

A LOOK
INSIDE
THE
LAB

Robots: learning by imitation

Stanford researchers have developed a solution that enables robotic arms to replicate human movements. BY JULIE ZAUGG

Using controls, the researcher activates two robotic arms to polish the mirror, clean the sink or sweep the bathroom floor. Like a puppeteer, he guides the complex movements that the machine is supposed to perform. “Robots have a lot of trouble carrying out most simple everyday movements,” especially when they are not given set spatial limits, says Zipeng Fu, a computer modelling specialist who is working on this project, called Mobile ALOHA, alongside Tony Zhao and Chelsea Finn, at Stanford’s artificial intelligence laboratory.

The data collected from the human-controlled robot teleoperation system feeds a machine-based imitation learning model. The AI algorithm winds up with a “user manual” for the task at hand. It includes visual data and instructions for manipulations that the robot learns to replicate autonomously.

This is what sets the Stanford researchers apart from the conventional approach of programming each robot task individually. The advantage of this process is that it can be applied outside the specific context. “With the same algorithm, the robot can perform various activities in changing contexts,” Zipeng Fu says. The system even works when objects change position or lighting varies, obstacles that would normally be impossible for the machine to overcome.

Through co-training, the Stanford researchers have taught their robotic arms how to crack an egg, do the washing, wipe up a spilt glass of wine, call a lift and press the button to go to the second floor. These tasks require the use of both hands, adapt-

ability to handle unexpected challenges, and considerable dexterity.

But it’s not all perfect yet. By collecting around 160 data points on a particular task, the robot achieves a success rate of between 90% and 92%. “To improve this rate, we need to feed the machine learning model with more data, but the effectiveness of this additional data decreases exponentially, meaning that you need more and more to achieve an ever smaller improvement,” the researcher explains.

Added to this is a challenge relating to the machine itself. “The robot’s batteries currently last around five to six hours,” he says. “That’s not long enough. We’d eventually like it to locate a socket and recharge itself autonomously.”

Once these obstacles have been overcome, Zipeng Fu foresees applications in fields as diverse as home care services for the elderly and people with reduced mobility, and assistance in a restaurant kitchen. Robots co-trained with Mobile ALOHA could also be deployed in an office environment, to deliver objects or clean premises, or in a factory, to lift heavy objects or take part in an assembly line.

“All our software is available as open source, and several startups are already using it to develop their own applications,” he says. Using Mobile ALOHA, Shenzhen-based AgileX Robotics has designed a mobile platform capable of performing collaborative tasks with two robotic arms. Another Chinese company, Elephant Robotics, has also developed two robotic arms that can carry out joint operations with great precision and speed. ▲

↑
The Mobile
ALOHA robotic
system.

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