

SOFTWARE AND TECHNOLOGY

Inevitability of automation necessitates adaptation: GDR Creative Intelligence CEO

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Panasonic teamed with IBM's cognitive computer Watson on concierge solutions

By SARAH JONES

NEW YORK The Fourth Industrial Revolution is bringing about rapid change, forcing both consumers and companies to adapt at a challenging pace, according to the CEO of GDR Creative Intelligence speaking at the National Retail Federation's Retail's Big Show on Jan. 17.

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Whereas innovations during previous industrial revolutions moved humans from manual labor to more cognitive tasks, the fourth includes disruptive technology such as artificial intelligence that threatens to take intellectual jobs away from humans. The "Retail Opportunity for the Fast Changing World and the Human Mind" session uncovered predictions as well as opportunities and challenges for retailers during this time of change.

"You must adapt. There is no option," said Kate Ancketill, CEO/founder of **GDR Creative Intelligence**.

"Automation is coming," she said. "It's a question of when and not if."

Robots rising

Digital innovation has become more affordable in the last couple of years, as computing power grows exponentially. For example, a plethora of brands have launched chatbots and Tesla is selling cars with autonomous features, while AI is an integral part of some of the largest businesses, such as Amazon.

According to Oxford University's Osborne & Frey, 47 percent of United States jobs are at risk due to automation. Robots can do many of the same jobs as people, and can accomplish the same objectives in a more cost effective way, creating a risk of technological unemployment.



McCann recently hired a robot creative director

For instance, some airports have launched robots that will escort passengers to their gate, while Amazon has prototyped a store that automatically charges a shopper's cell phone as they leave, removing the need for cashiers.

Looking specifically at retail jobs, the British Retail Consortium anticipates one third of jobs disappearing by 2025, which would have a large impact, as 3.5 million U.S. residents are employed as cashiers.

Technology does not have to mean bad news for economies, however. If tech is allowed to develop fully, governments might find themselves with a surplus and the ability to provide a basic income to their populations, making employment more of a choice than a necessity.

Last June, Switzerland held a referendum on instituting a basic income of about \$2,500 for adults. While it did not pass with only 23 percent voting yes, the ballot shows that the conversation is already beginning.

According to strategists from The Future Laboratory speaking at the consultancy's U.S. Futures Forum last fall, companies should be thinking beyond business' typical quarter-to-quarter benchmarks, strategizing instead for years or even decades into the future to ensure their sustainability.

At what is still the cusp of the 21st century, businesses and consumers alike are still struggling with out of date 20th century systems and processes that have not yet been entirely replaced with modern solutions. Among these is the consumption cycle, which needs to be reevaluated to future proof brands' viability ([see story](#)).

Innovations as service

A number of companies are leveraging technology to promote efficiency.

Personal assistants, such as Amazon's Alexa, are finding places outside of in-home devices. In a KFC concept store, a robot running Baidu's Duer assistant takes customer's orders, which are then charged to the diner's phone before they pick up their meal.

A microbrewer is also proving the potential of chatbots beyond customer service, using it to inform product development. The company prompts feedback from buyers on the beer's taste, with the AI able to differentiate and weight answers from those with more sophisticated palettes.

Deliveries are also getting an AI touch. Matternet's drones will complete the last mile delivery, rolling to a recipient's address. One there, the user can unlock the vehicle with a pin sent to their phone.

Mercedes-Benz is working with Matternet, developing a system in which eight drones sit in the back of one of the automaker's vans can be deployed to carry out these deliveries, resulting in twice as many packages arriving in a day.

Mercedes-Benz Vision VAN

In South Korea, beauty store AlpStories has a medical-grade robot that will blend personalized products that cater to consumers' needs. This accessibility of customization is also seen in sweater maker Unmade, which can knit a sweater to a shopper's specifications in only two hours.

Another concept for delivery comes from Sweden's ICA, which works with digital lock startup Glue to allow consumers to grant grocery delivery personnel access to their homes, ensuring that perishable items end up in the

refrigerator even if they are not home.

With technology, stores no longer have to look like stores to function as a space for commerce.

One example is Russia's Au Pont Rouge, which has transformed some of its floors into spaces that resemble a museum, allowing room for events such as fashion shows and workshops. Staff at the upscale department store act more like curators or dossiers, able to share in-depth knowledge on products.

Rather than the associate retrieving stock, a process that breaks up the interaction between shopper and sales personnel, orders are placed on an app and then retrieved by robot.



Inside Au Pont Rouge

This is evident of the projected future customer service associate, who will be highly qualified and armed with technology.

Consumers are also craving transparency and authenticity.

Everlane's direct model, which allows the company to be an open book on its pricing. While this extreme transparency may not work for everyone, Ms. Ancketill suggested that those with something to hide, such as unfounded margins, should be worried.

L'Oreal is among the companies that has integrated startup TokyWoky's peer-to-peer chat on its ecommerce site. This enables browsers to ask another customer a question about a product before purchasing, allowing for recommendations that are more trusted and boosting conversion by up to six times.

Another disruptor targeting the millennial generation is Scentbird, which repackages perfumes from labels such as Tom Ford and Dolce & Gabbana in unbranded sample sizes, playing into this target's preference for a scent wardrobe over one signature perfume ([see story](#)).

"I personally feel that the world will never be the same again," Ms. Ancketill said.