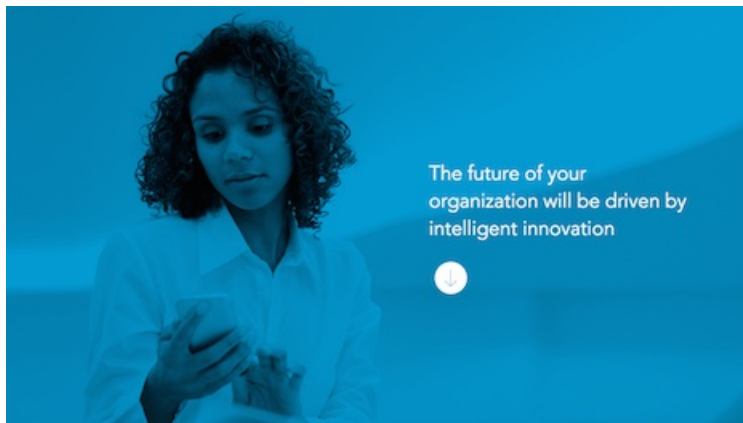


COLUMNS

## Intelligent disruption in luxury is trend to watch

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*Disruption is the name of the game. Image credit: Consumers in Motion*

By **Daniel Hodges**

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As we conclude 2017 and begin another year, is there a phrase or thought that can focus our attention for the luxury business as we enter 2018? I submit to you two words: intelligent and disruption.

According to the Merriam-Webster dictionary, disrupt is "to break apart, to throw into disorder, to interrupt the normal course of unity."

Range of change

Clayton Christensen, author of "Innovator's Dilemma," wrote that "disruption is a process, not an event, and innovations can only be disruption relative to something else."

The rise of Bitcoin (intelligent currency), 5 billion people connected via mobile phones (with intelligent sensor packed phones), computational intelligence in smart products, and the Internet of Things (IoT) and services produced are evidence of the process of intelligent disruption.

I believe that the process of intelligent disruption for luxury will accelerate into the next decade. Those unprepared will be left behind as they will not see intelligent disruption, are not prepared for it, and by the time they understand what has happened it will be too late.

Disruption is a part of natural evolution, as Charles Darwin wrote in the "Origins of the Species."

Darwin's words apply to business today. He said, "It is not the strongest of the species that survives, nor the most intelligent that survives. It is the one that is most adaptable to change."

Media baron Rupert Murdoch, summing up his business philosophy, recently said "The world is changing very fast. Big will not beat small anymore. It will be the fast beating the slow."

How we got there

The telegraph, telephone, transcontinental railroad, wars, economic booms and busts, the automobile, electrification, satellite, air travel, communications, Internet, smartphone, space travel and computers all had their

roles in disrupting the ways of people and business.

One of the greatest commercial inventors of the 20<sup>th</sup> century was Thomas Edison. Edison's approach to rapid change and intelligent disruption applies to today.

Edison would take a needs-first approach to intelligent disruption versus an ideas first approach. He would ask what was the practical application for his intelligent disruption efforts.

History shows us that industries that adapted grew. New industries and companies were created, while others faded.

The last decade (2007-2017) was the smart decade. It was a period of unprecedented rapid growth.

Mobile phone users grew from 2 billion in 2007 to 5 billion, according to a 2017 report from the [GSMA](#).

Smartphone connections increased rapidly over the last decade to 5 billion in 2017, from 179 million in 2007, according to the GSMA.

Each year for the past decade, smartphones have gotten smarter with the increasing addition of smart sensors.

Ray Kurzweil, head of engineering for Google, explained that the rate of change today is exponential. He said this "translates to us experiencing 20,000 years of change in the 21st century."

What can you do?

How you can harness the power of intelligent disruption for growth today?

Luxury brands need to understand technology and its resultant impact on these organizations, products, customers, user interface design, service and their employees.

There are five "THINK" actions that luxury brands can take to stay on the cutting edge of intelligent disruption.

Think differently about participation in [industry events](#) outside of the luxury business such as CES, World Economic Forum, Mobile World Congress and National Retail Federation's Big Show. They are excellent venues and opportunities to keep up with the pace of change.

Careful pre-event curation yields highly productive insights, business and connections. It can move organizational mountains and provide the needs insights and view of the world.

Help companies facing similar business challenges where knowledge and know-how can be shared.

Innovate with pilots in the marketplace to trial products and services to gather feedback.

Non-industry partners can aid research, such as academic organization and think-tanks.

Keep close with customers, partners and competitors, and understand their challenges.

WHILE THE PACE of change is accelerating so is the ability to capitalize on these trends and to rapidly expand your business and profitability.



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