

SOFTWARE AND TECHNOLOGY

AI will supplement rather than supplant human craft, interaction

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Some aspects of luxury cannot be replaced by AI. Image credit: Cindy Chao

By SARAH JONES

HONG KONG Rather than being a case of man versus machine, technology is going to be used to enhance human-led operations from production to retail.

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During a panel at The New York Times International Luxury Conference on Nov. 13 moderated by Tokyo bureau chief Motoko Rich, speakers explained the ways that artificial intelligence can help workers facilitate productivity and service. Even though artificial intelligence is becoming more prevalent, there are certain aspects of luxury that cannot be achieved without humanity.

"It's not a question of robots versus the world," said Dee Poon, managing director of brands and distribution at **Esquel Group**. "The reality is we're still in a stage where AI helps the person make the final thing.

"In robotics, you have AI driving some intelligence but it doesn't actually go into the real world, so you still need the robotic function," she said. "The robotics are not good enough to do a lot of very small things.

"So the idea of hooking up one piece of fabric to be sewn, you have so many nerves in your fingers. A computer can't do that yet. So we can deploy robotic arms for very big things...but you really can't do it for the hand-based crafts."

Augmenting humanity

Rather than artificial intelligence, Fung Retailing Group's managing director Sabrina Fung prefers the term augmented intelligence, which takes the human part of AI into account.

For instance, AI can help frontline staff deliver more personalization as they offer the human touch that luxury relies on.

In bespoke tailoring, AI cannot take the place of workers for measuring or sewing, but it can be used to heighten the consultation, showing and visualizing available textile combinations.

For jeweler **Cindy Chao**, artificial intelligence allows her to prototype designs. While still centering its production on

hand craftsmanship, Ms. Chao sees the potential of AI to make artisans more productive.

Esquel's Ms. Poon also looks to technology for its productivity possibilities. The cotton producer, who supplies to brands including Ralph Lauren and Hugo Boss, leverages AI for tasks such as sensing defects.



Esquel Group uses AI to enhance cotton production. Image credit: Esquel Group

This has allowed the company to improve the rate of discovery of problems compared to human-driven processes.

Esquel is also using technology to help it improve sustainability. Machine-measured processes allow the company to know exactly how to treat waste or what amount of water is needed to properly rinse a garment, reducing water consumption and emissions.

Fung is working with JD on a store that is unmanned, which relies on facial recognition and mobile payments. This would shorten the checkout process to just about 4 seconds.

But while speed can offer convenience to shoppers in certain categories, luxury purchases revolve around emotion, and being fast is less important.

Panelists also agreed that the store will remain a part of the retail landscape, even though consumers can do almost everything online today. Per Ms. Fung, the social aspect of stores is a draw for customers.



From left, Dee Poon, Sandra Fung and Cindy Chao with moderator Motoko Rich

As companies roll out more technology into their processes, they should be aware of what it means for their workforce. Rather than displacing staff, Ms. Poon sees AI in Esquel helping the business stay in markets that are more expensive, rather than having to participate in the race to the bottom.

The roles in Esquel's workforce have also evolved, as more of its team is comprised of engineers.

Privacy pursuit

As technology becomes more prevalent, another concern for the panelists is data privacy. While facial recognition and data open up doors for easier and more engaging retail experiences, there is also the risk of breaches.

Growth in data availability has opened up doors for marketing and is driving economic growth, but the tradeoff has been the individual's loss of control over their own information, according to an executive from Identity Praxis.

As the number of connected devices and smart technology the typical consumer owns grows, so does their ability to be tracked, leading to big business for big data. During the "You Heard It Here First: Personal Data is the New Luxury Good" keynote at Luxury FirstLook 2018: Exclusivity Redefined, the executive predicted that in the future, privacy will be afforded only by the affluent class, turning it into a luxury ([see story](#)).

Now that the European Union's General Data Protection Regulation is in effect, marketers face more hurdles in

collecting and using consumers' information.

GDPR recognizes E.U. residents' rights to privacy, giving consumers more tools to oversee how their data is used by marketers. In a session at Forrester's CX NYC forum on June 19, an analyst from the research firm noted that customer experience professionals have the expertise to create human-focused appeals for opt-ins ([see story](#)).

"A big topic of debate these days is the security issue," Ms. Fung said. "It's good that [with] the ease of living, you don't have to bring out your wallet, but on the other hand do you want to be tracked where you go for your Starbucks every day, where you park your car every day?"

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