

COLUMNS

## Mobile black swans and turkeys

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On the return flight home for Thanksgiving this past week, I read Nassim Taleb's book, *The Black Swan*, and decided that 'tis the season to draw profound parallels between innovation and poultry.

And so while I was busy stuffing the family turkey I thought about how this all applied to my world of consumer engagement, retail sales and payment.

Here are my insights:

- **Chickens:** Bertrand Russell wrote an anecdote about the benevolent farmer in 1912. The fat and happy chicken thinks the farmer is a benevolent protector until it is hauled away to the slaughter house.
- **Turkeys:** Nassim Taleb, in his book, *The Black Swan*, says that the same holds true for the Thanksgiving turkey. However, he adds that the surprise for a turkey is not a surprise to its butcher.
- **Swans:** So the black-swan question for the marketing community is: How do we play the role of the butcher and not the turkey?

Moving your retail business from a step-by-step evolutionary growth to revolutionary, black swan transformation is not easy. In fact, it may be impossible.

## Charged-up

Corporations find it difficult to reinvent from within. However, to be aware of the nature of outliers and revolutionary, innovation is a good first step.

You can rename your CIO: Chief Innovation Office, your CTO: Chief Transformation Officer and your CDO: Chief Disruption Officer. However, this is all for nought if they cannot identify swans or, at least, the turkeys.

Look to social media. There is a succession of every faster black-swan innovations starting with email and ending in SnapChat's self-destructing messaging.

Microsoft did not anticipate Google search, Google did not anticipate Facebook communities, Facebook did not anticipate Twitter micro-blogging. The same holds true for Instagram's social picture publishing or SnapChat's peek-a-boo messaging. The same applies to retail as well as broadcast, payments, health and advertising, to name a few rudely disrupted verticals.

Retail payments is a classic chase-the-tail solution mash-up. But payment vendors have been more astute. The financial institutions ran a two-sided business to establish MasterCard and Visa credit services.

The financial institutions have fought to be a part of any POS and prepaid activity in retail.

With the emergence of digital payment, payment incumbents have aggressively invested and acquired companies in the mobile POS space (Visa/Square) and as well as in the cloud (Visa/Playspan).

Visa's purchase of PlaySpan was particularly forward thinking. PlaySpan allowed gamers to buy virtual swords and pumpkin seeds for their virtual battle grounds and farms without leaving the game. Frictionless commerce engineering: meet Visa's present day V.me.

But even leviathans such as Visa and MasterCard have been sidelined to commodity commerce rails. Amazon, iTunes, PayPal and Playstore and other consumer commerce portals have made the card credentials second fiddle. They discount the interchange and grab the CRM and big data.

## Carving share

Shopper marketing and shopper engagement all follow similar twists. But not always evolutionary.

SMS was a black-swan technology revolutionizing communication for the unsuspecting, but delighted wireless carriers. We all thought QR codes, mobile applications and NFC would supplant this messaging channel.

WhatsApp, Skype and Viber all have eaten away at the peer-to-peer traffic, but for brands SMS and for some successful apps the notification channel remains the main opt-in and content delivery channel of choice.

Black swan on the horizon? IBeacons, Wi-Fi direct or LTE Direct? Maybe.

Proximity engagement is essential for a brand or retailer to drive path into purchase.

Shopkick and Beacons are valuable but are ultimately broadcast solutions. Future solutions such as LTE Direct promise to extend the retail network and add more intelligence and peer-to-peer interactivity to this engagement.

However, in all the above cases, it is difficult, if not impossible, to identify one strategy, vendor or agency that will bring revolutionary black-swan ideas.

When attending events whether speaking or listening, it all seems so easy. Innovate, they all say.

Well, so my friends, the innovator's dilemma maybe just to avoid becoming the turkey.

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