Keynote speaker
Dave Coplin | Chief Envisioning Officer | The Envisioners

Changing Retail Landscape. Now, Near, Next

Defining the new role of technology

Technology is constraining the way people live and work rather than being a force for good that liberates everybody, which has to be changed if the myriad benefits of technology are to be ultimately enjoyed.

This was the warning delivered by Dave Coplin, chief envisioning officer at The Envisioners, at the K3 Retail 'Make Happy' conference in London recently, who suggests: "Technology is supposed to be a force for good. This is the purpose of technology. But I do not see it as a liberating force. Instead it is something that is constraining us. We therefore need to reconfigure our relationship with technology especially with the oncoming storm of Artificial Intelligence (AI) and big data."

This thinking is based on the belief of Coplin that technology is simply enabling us to continue to perform our Victorian ways of working but in a faster way. This method of operating needs to be fundamentally changed and for there to be a re-imagining the way we think about organisations and customers.

He argues that many of these old ways of operating are unnecessary today: "When people say 'we've always done it that way' then you know that there are probably other ways of doing it." This involves harnessing technology - especially the data that is increasingly being created.

Smother yourself in data

"Data is the fuel of the future. We tend to see data as a by-product [of business] but it should be seen as the fuel. If it is seen as a strategic asset to the business then you know you are going in the right direction," he suggests.

The benefits of using data to make better decisions from the insights gained means retailers should "smother themselves in data". But he warns that care should be taken in order that genuine insights are generated as opposed to spurious correlations. "Companies can have lots of data and think it's giving insight on their customers but it could involve mistakes and this will be costly," says Coplin.

Where he sees major benefits being derived from data is when it is used in predictive ways - and he points to Microsoft, IBM and Google as making progress in this area. "They are making the power of algorithms available. You can simply pull them down from the cloud. We are in the first generation of 'ambient intelligence' from the likes of Siri, Alexa and Cortana, which predict customers' needs."

They each use machine learning to predict people's needs based on statistical probability that is accrued from patterns seen in the data. Coplin says this is AI, which is all too often simply attached negatively to automation and robots. "We're not talking about automating manual tasks here, we're talking about automating cognitive tasks. Knowledge can be automated, although wisdom cannot, and this will change our lives," he says.
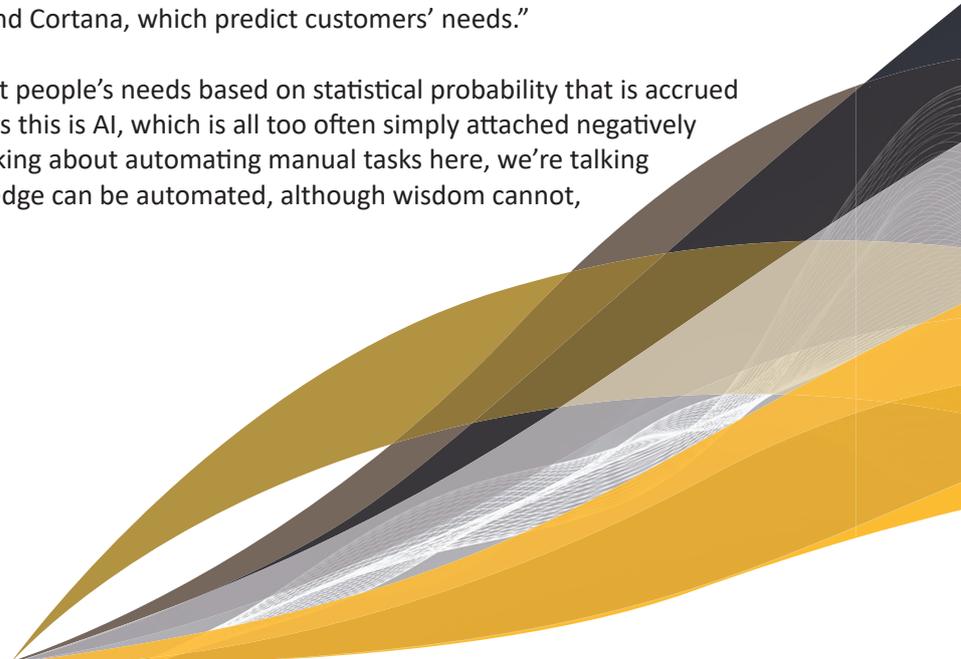
Third computer age

Such developments are leading to what he describes as the third computer age - which is all about probability. This follows the first two: physical computers, and digital microprocessors. The underlying theme of this new third age is that people will no longer be instructing computers what to do. "In a world of algorithms, the computer will learn. In computing to date, it's been 0 or 1 - black or white - but in the third generation it's about probability rather than binary."

The challenge for people is how they live in this developing environment of probability. This should involve embracing the technology, says Coplin: "When you read about algorithms it's always about robots versus humans but it should be about humans and robots. Algorithms can take account of actions but they do not have any empathy."

One early use of such technology in retail is the development of chatbots, which are something that customers have embraced because they offer empowerment. And if the demand is there for these sort of solutions then retailers must be ready to deliver them. This is because Coplin believes empowerment of customers is what now drives loyalty. "Price does not make retail special. It's engagement and service. This is what dictates success. Customers want more from us. They look for systems that empower them and organisations need to anticipate these customer demands. This is vital because the services retailers are building today are not what will be needed tomorrow," he says.

Work in transformational ways to drive change

For change to happen in companies it is essential that they let people work in "transformational ways" he suggests, which involves digitising businesses and "lighting up the invisible data" within their organisations. There are tools around today that make this possible and enable data to be accessed by many people not just a select few.

"Retailers need a data culture and to make information not just available to data scientists. Employees therefore need to understand the basics of data. They need to be taught this," says Coplin.

Retailers need to understand the role technology plays in this changing environment. "It's at the bottom of the pile. Computers are important but we need to recognise the role they play. Companies need to work out what questions they need to ask and then the technology will be able to provide them with the answers. You need to think about the outcomes to be effective."

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