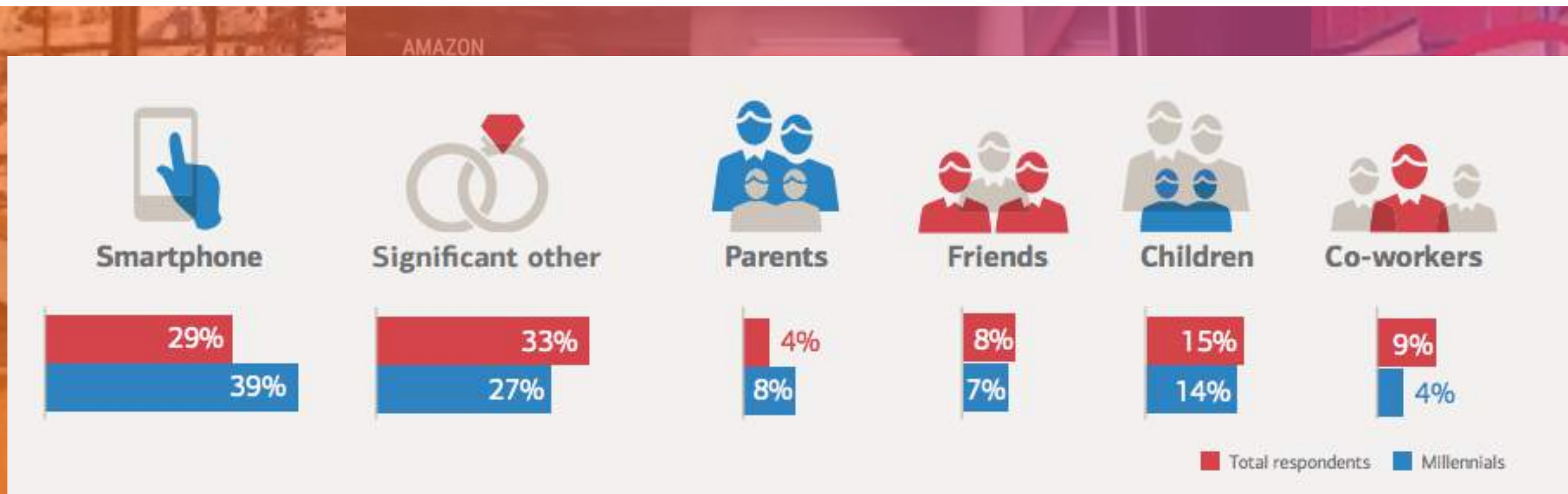


Trends Update: Retail's Secret Innovation Lab

How LP can be the modern-day heroes that future-proof your business

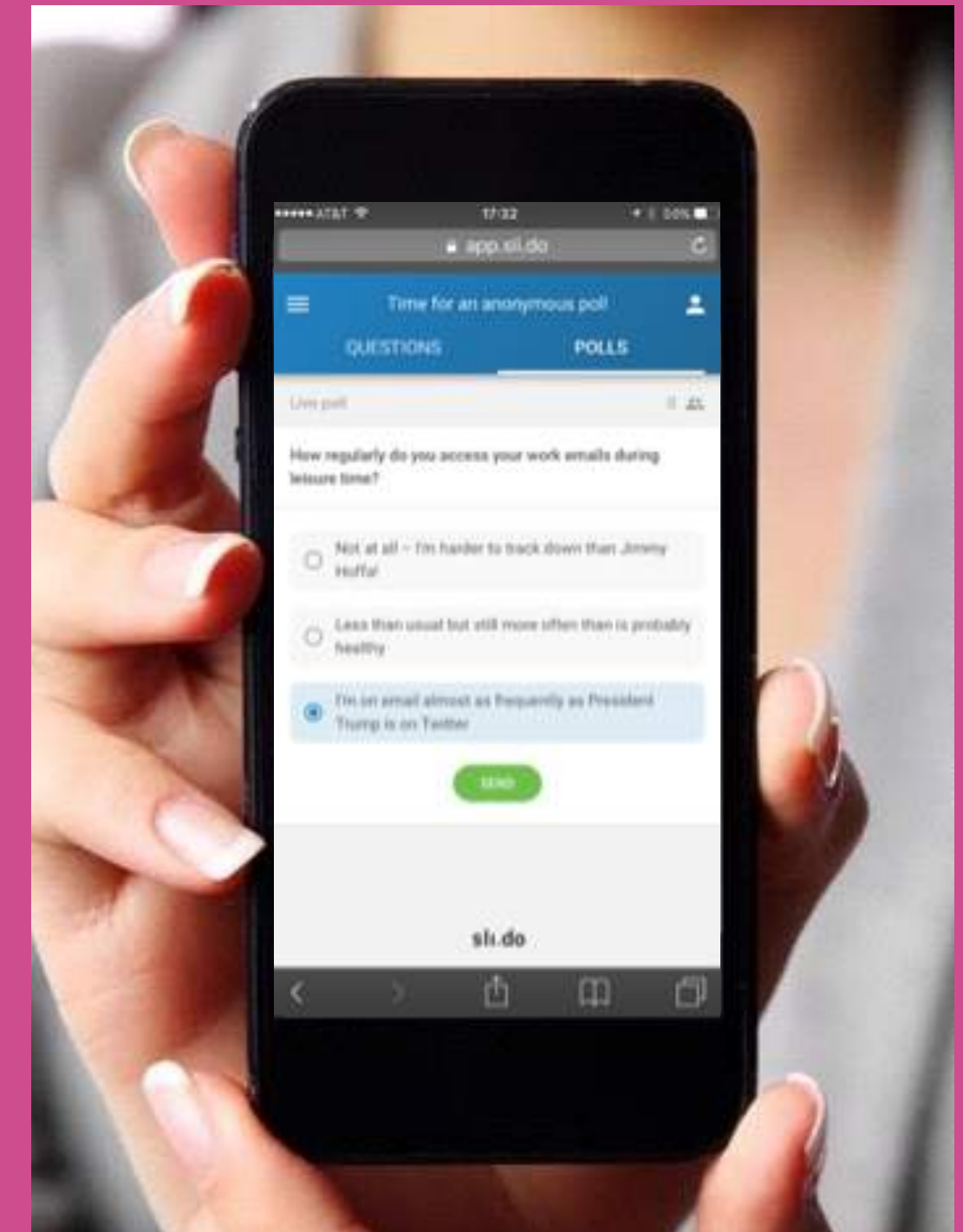


Time for an anonymous poll

Using your smartphones,
please visit [slido.com](https://www.slido.com)

slido

enter code here

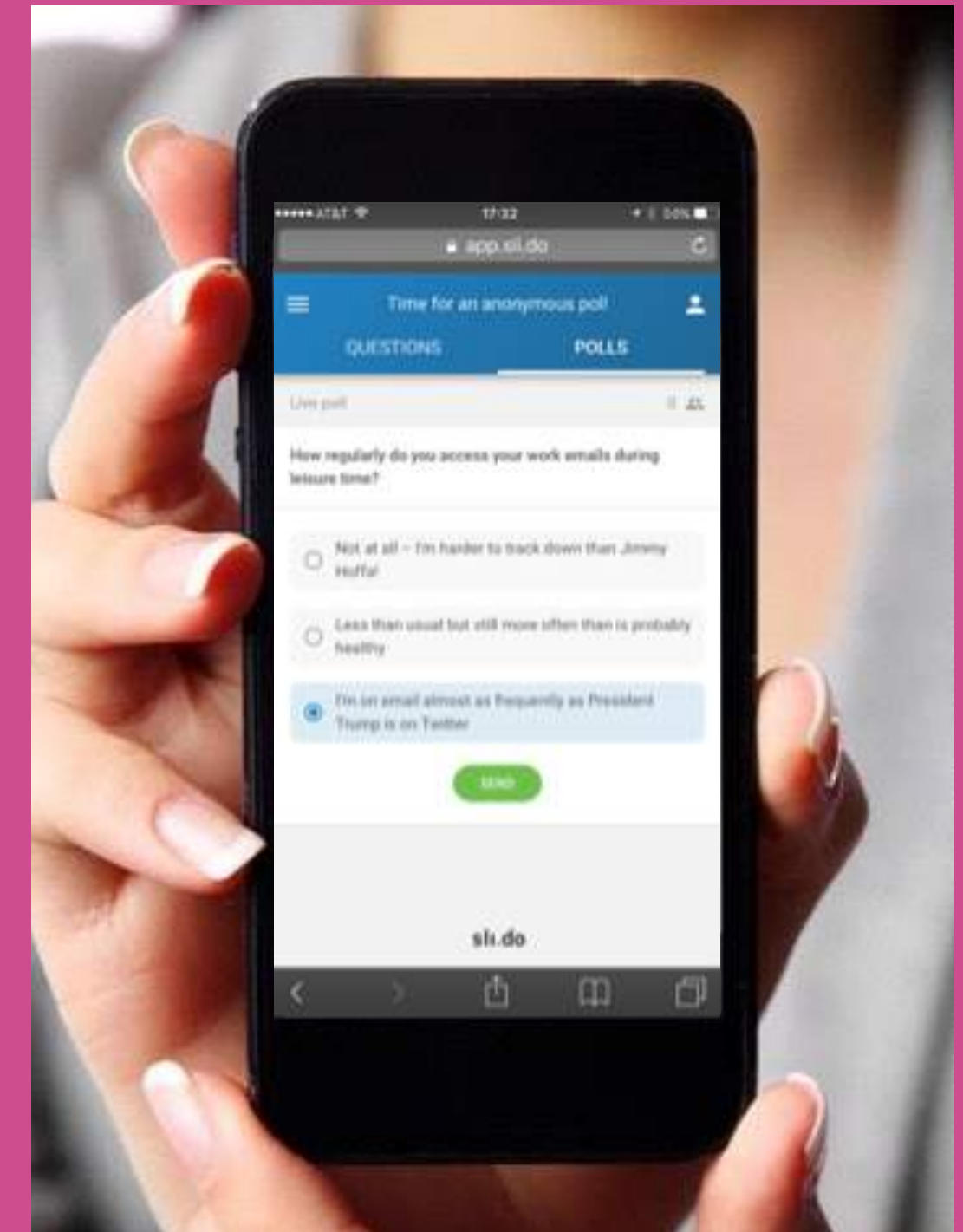


Time for an anonymous poll

Using your smartphones,
please visit [slido.com](https://www.slido.com)

slido

TexasHoldEm



Time for an anonymous poll

Who is your favourite
celebrity named Ryan?!

slido

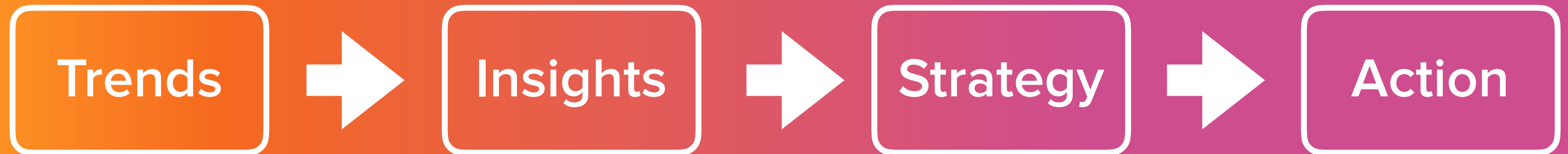
TexasHoldEm



GDR is a retail trend and strategy consultancy based in London and New York, empowering retailers and brands to innovate across all their consumer-facing touchpoints



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Time for an anonymous poll

You request \$20 at the ATM of a major US bank, but it spits out \$40.

What do you do?

TexasHoldEm



Time for an anonymous poll

You're due \$20 change at the checkout,
but a distracted employee gives you \$40.

What do you do?

TexasHoldEm



Return it



Pocket it



Donate it

Time for an anonymous poll

You're due \$20 change at the self-checkout machine of a rival retailer, but this time the robot returns you \$40.



What do you do?



Report it

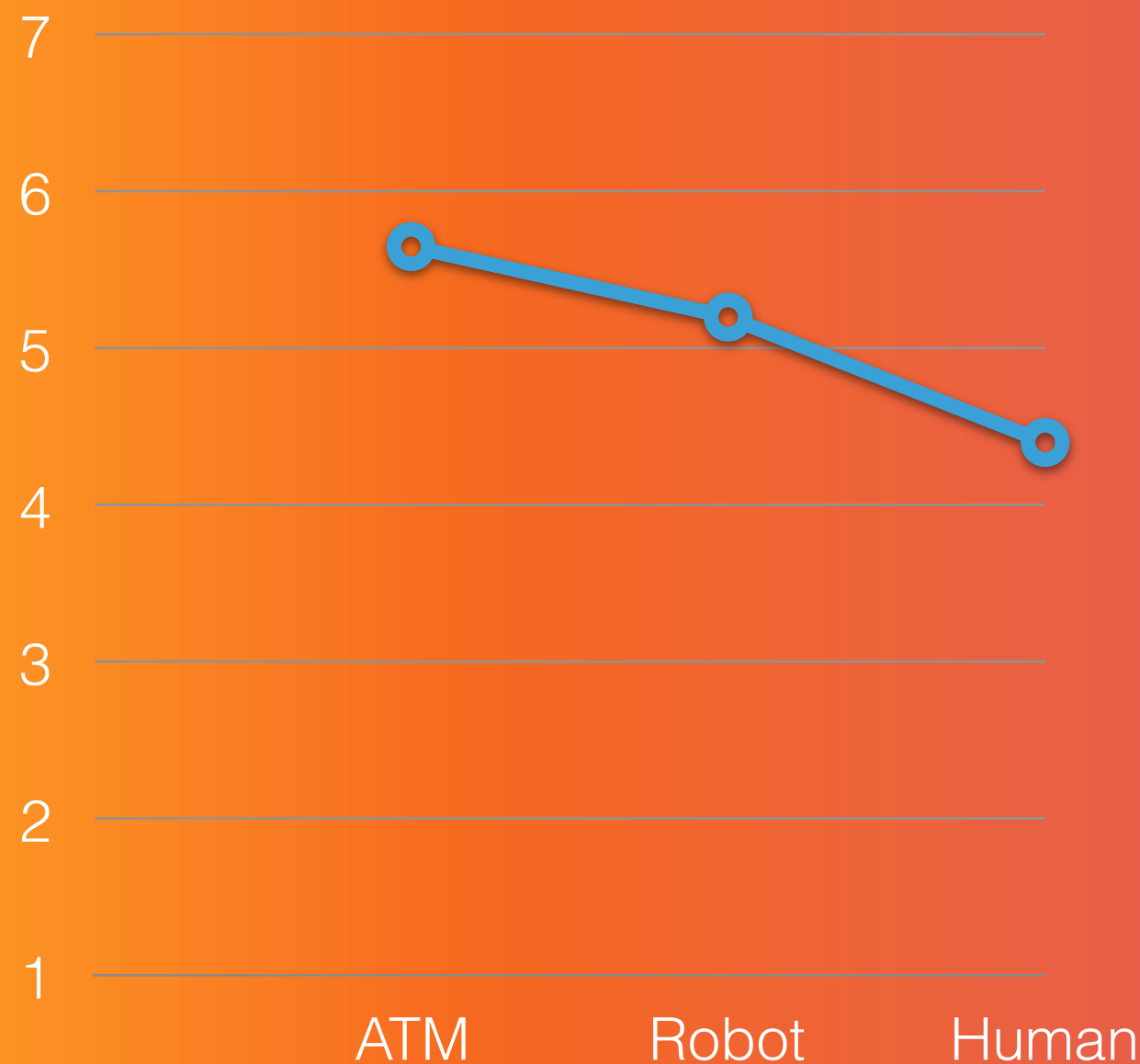


Pocket it



Donate it

Propensity to steal



18%

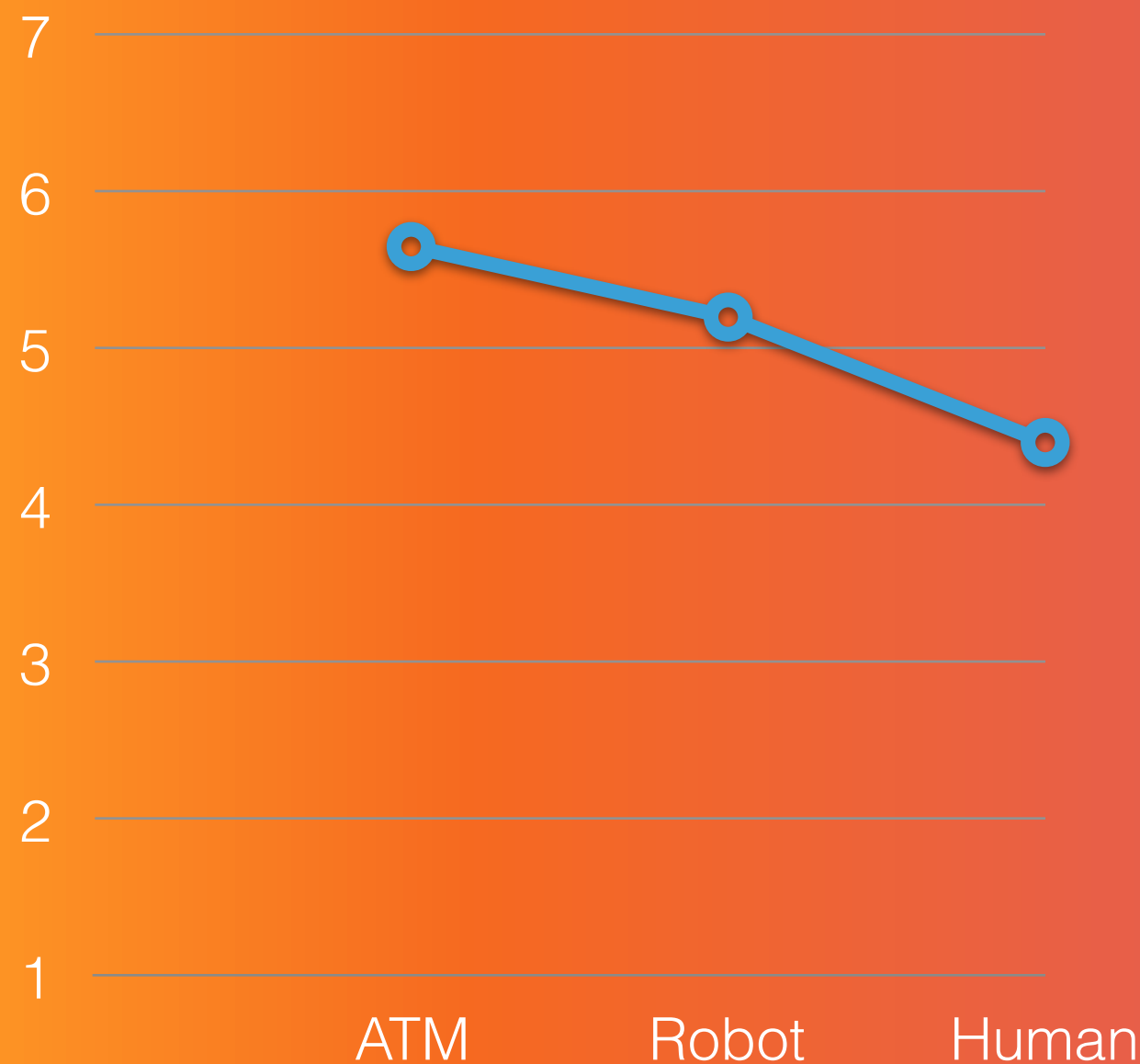
The increase in the likelihood of theft from:

an inanimate ATM (80.7% dishonesty)

VS

direct from a living, breathing human (62.5% dishonesty)

Propensity to steal



A study of 1 million transactions in the UK found losses incurred through self-service technology payment systems totalled 3.97% of stock, compared to just 1.47% otherwise.

Put simply, Brits are...

2.7x

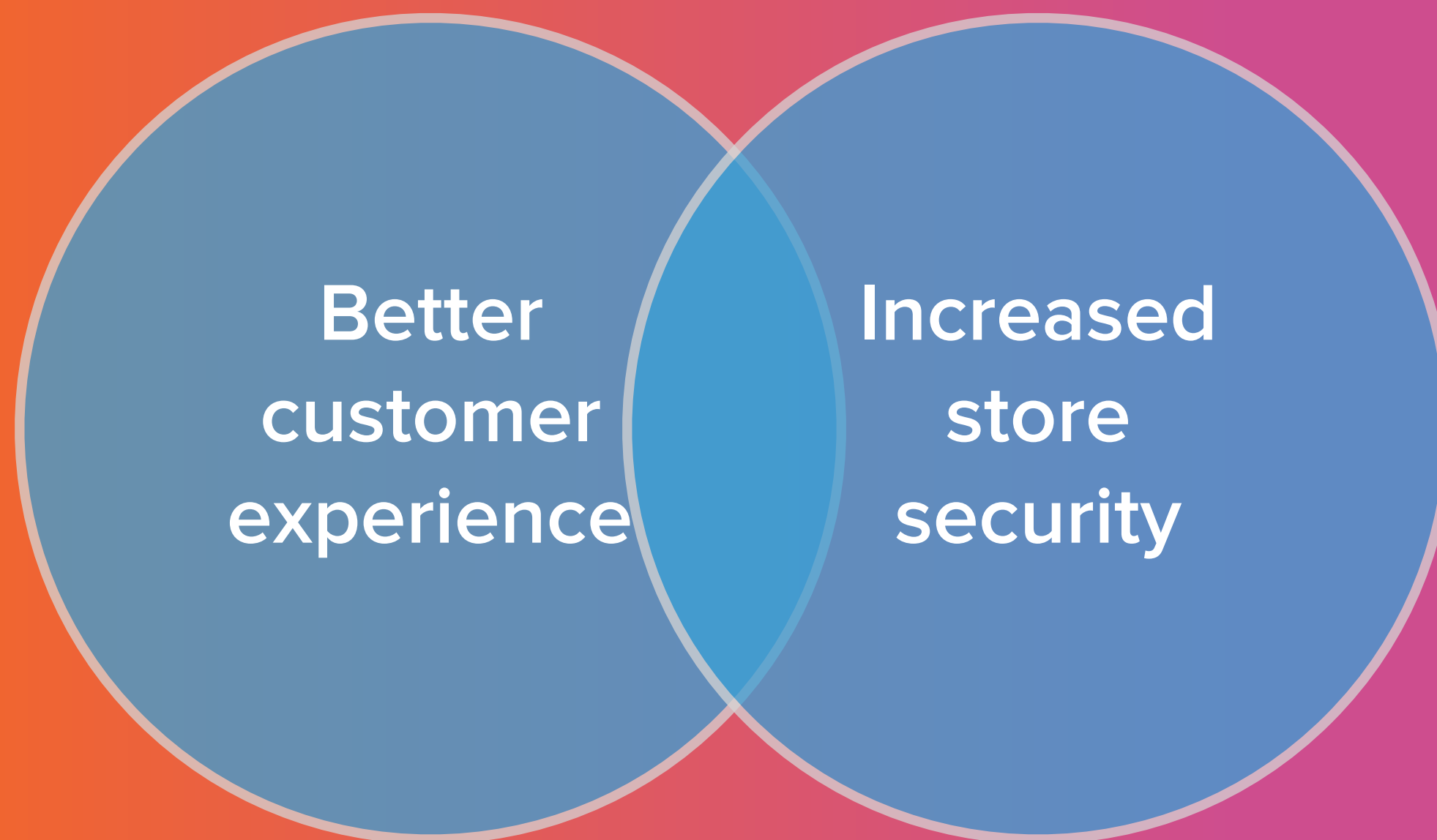
more likely to steal a machine than a person

Loss prevention has traditionally been seen as a trade-off

Better
customer
experience

Increased
store
security

Loss prevention has traditionally been seen as a trade-off



On today's menu

- **The trouble with innovation** (*spoiler alert: it's hard*)

On today's menu

- **The trouble with innovation (*spoiler alert: it's hard*)**
- **How LP teams have an enviable advantage**

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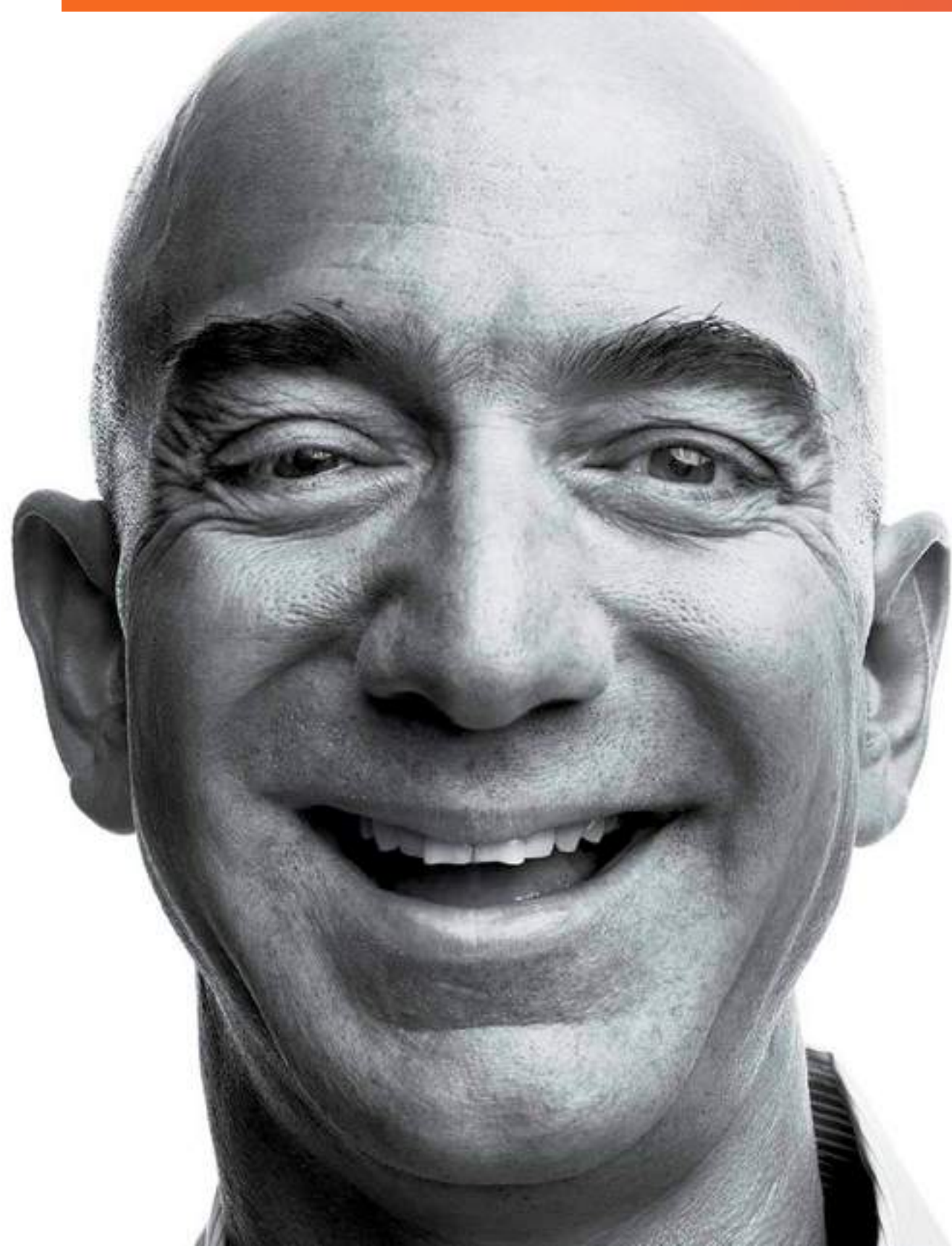
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True innovation means invention – which means risk



“

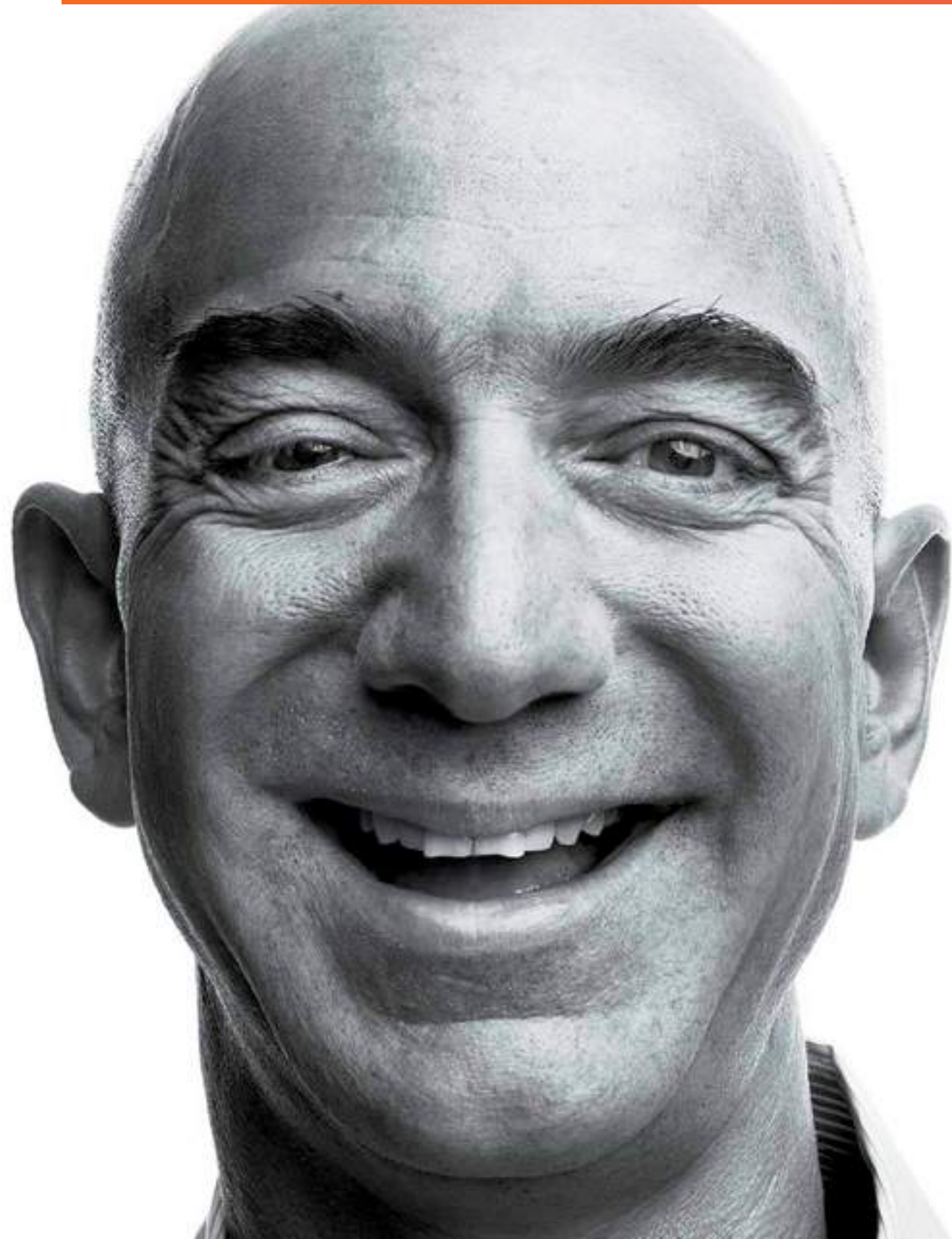
You cannot invent and pioneer, if you cannot accept failure.

To invent, you need to experiment.

If you know in advance that it's going to work, then it is not an experiment.

Jeff Bezos

Risk requires investment



recode

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FACEBOOK AMAZON CHARTS

Amazon spent nearly \$23 billion on R&D last year – more than any other U.S. company

Tech companies claimed the top five spots again this year.

By Rani Molla | @ranimolla | Apr 9, 2018, 11:36am EDT

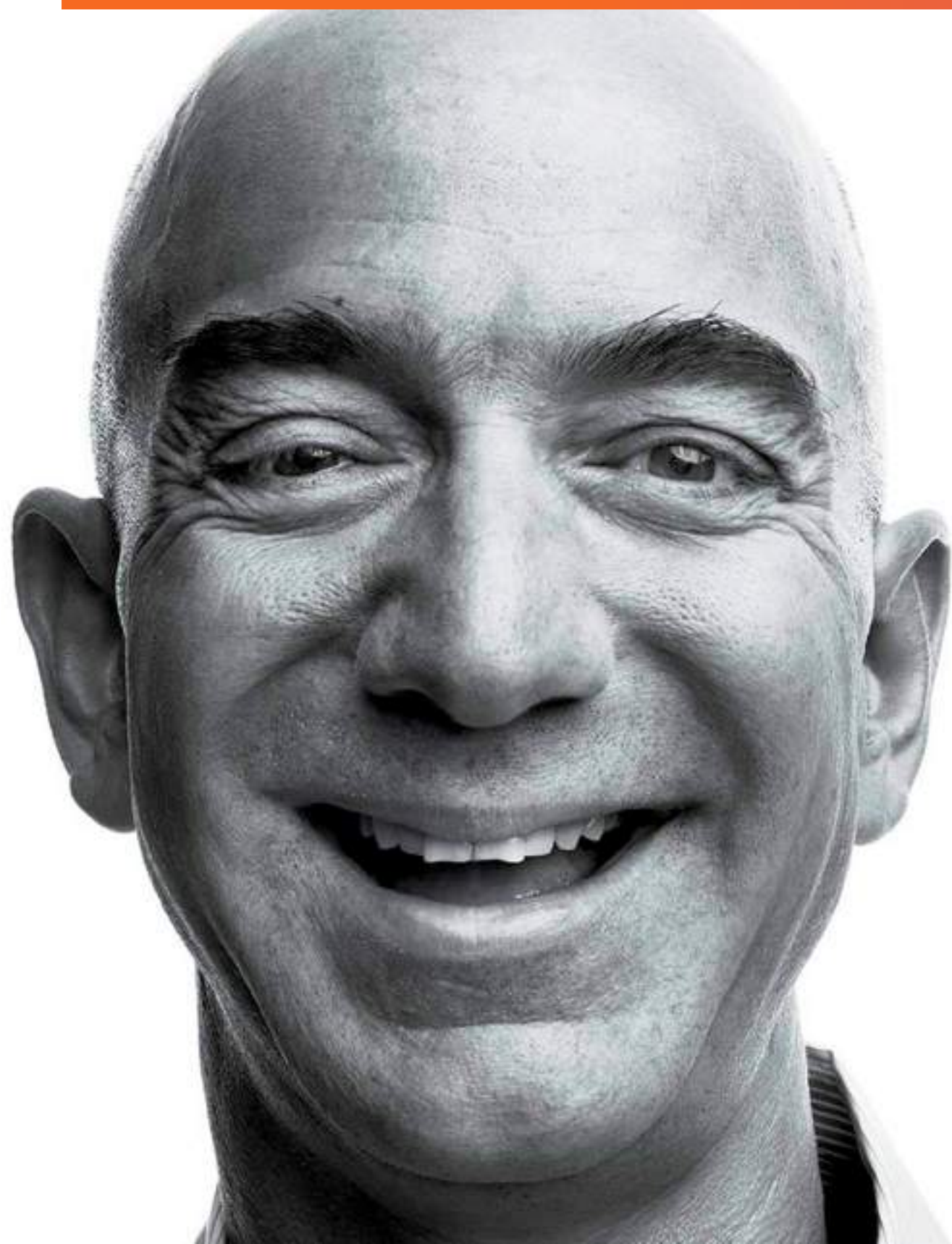
Cyprus



Afghanistan



Risk requires investment



recode

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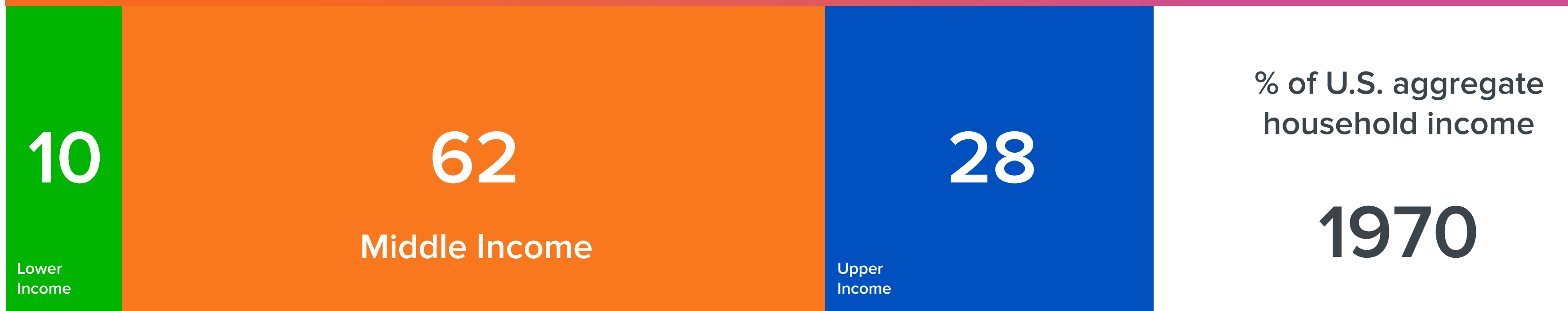
40%



And most retailers hate risk anyway



However, increasingly invention (or reinvention) is necessary



However, increasingly invention (or reinvention) is necessary



% of U.S. aggregate
household income

2014

However, increasingly invention (or reinvention) is necessary

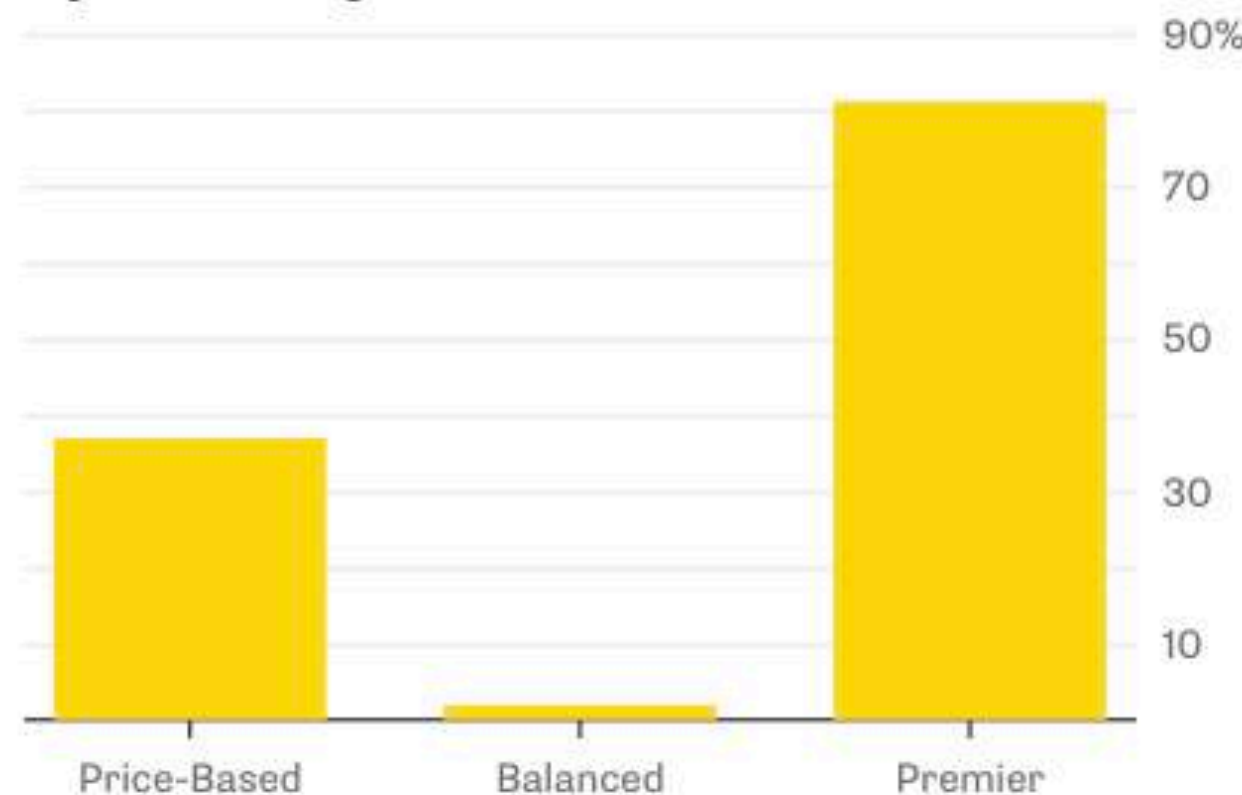


% of U.S. aggregate household income

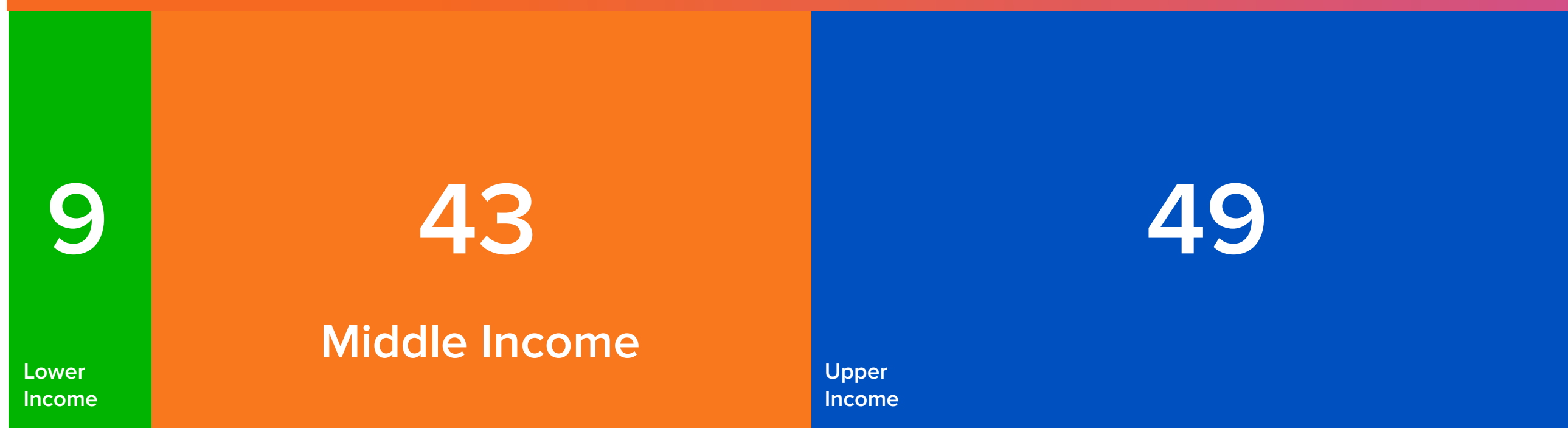
2014



5-year revenue growth



However, increasingly invention (or reinvention) is necessary

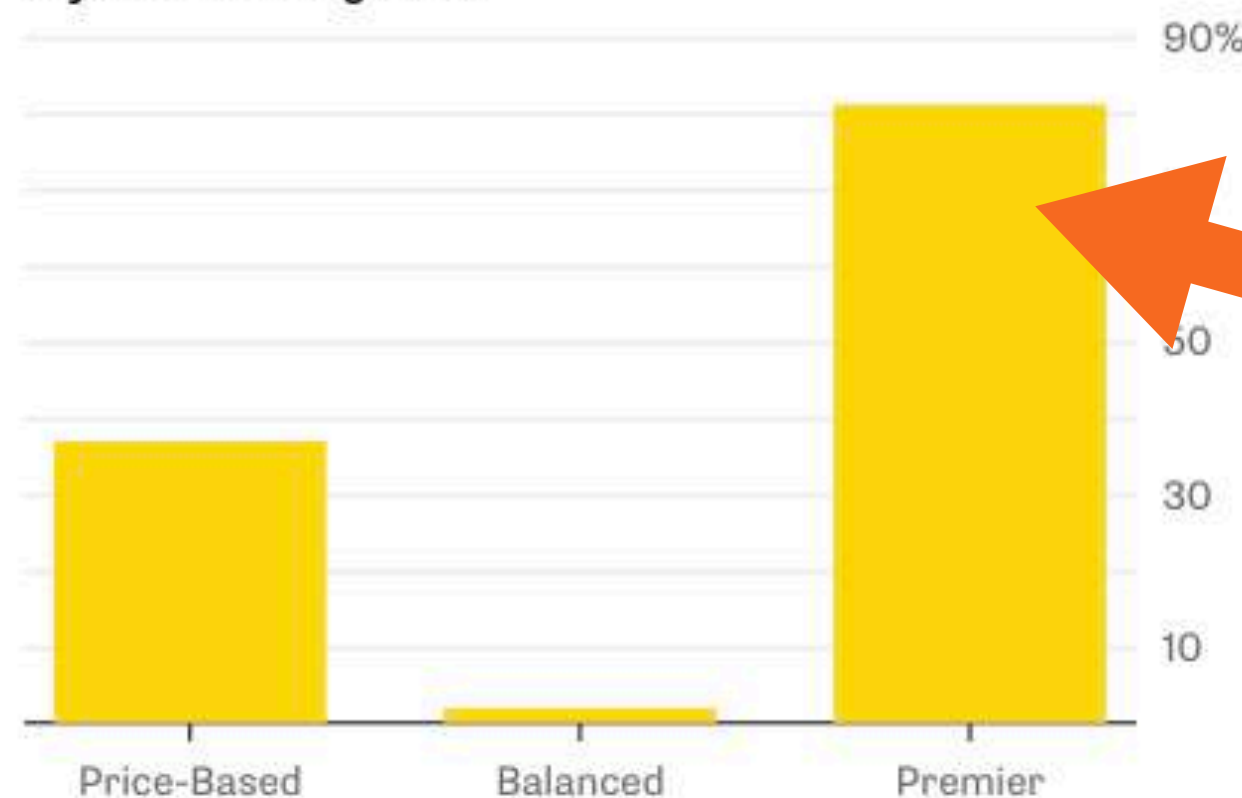


% of U.S. aggregate household income

2014



5-year revenue growth



Innovation is a key component of providing the truly differentiated proposition that your customers now demand

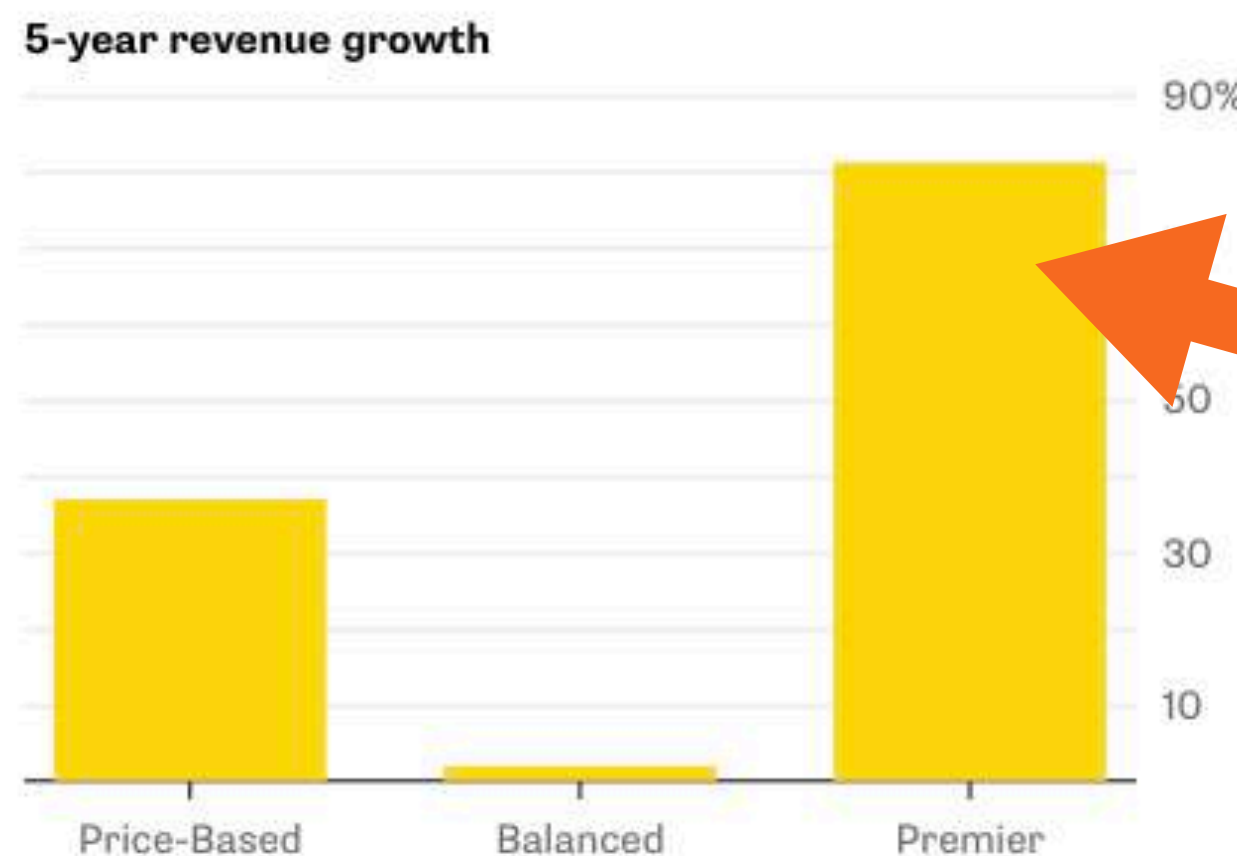
However, increasingly invention (or reinvention) is necessary



% of U.S. aggregate household income

2014

And yet, for all retailers – especially those positioned somewhere in the middle – it’s becoming harder and harder for innovation teams to make a clear business case with obvious ROI that secures them the funding they need from on high.



Innovation is a key component of providing the truly differentiated proposition that your customers now demand

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Profit & loss is your bread & butter



LP business cases are easy to quantify – in the shape of reduced shrinkage – and are fundamentally easy to understand

They save money, have lots of metrics, and reduce costs

Your work – done well – typically provides a clear return on investment that keeps CEOs, CFOs and shareholders happy

And technology has played a crucial role in improving LP



Yet technology – or, as it used to be known, IT – has traditionally been seen as a cost



And technology has played a crucial role in improving LP



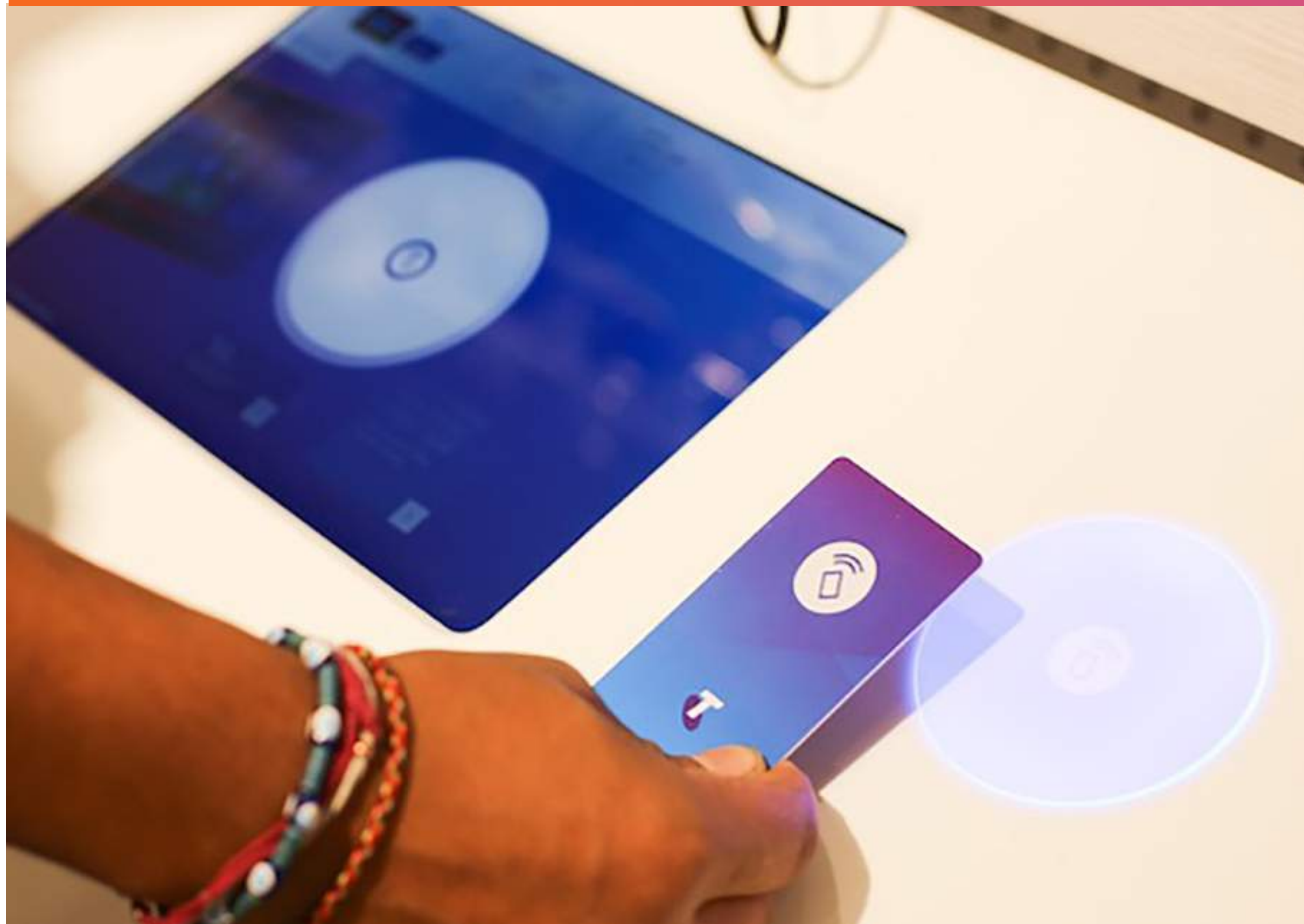
Yet technology – or,
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And technology has played a crucial role in improving LP



The emphasis has been on maintenance, rather than a core asset driving a business forward

As such, tech investment remains a conundrum



Getting technology rolled out to stores takes time, money and risk

Meaning retailers can often get stuck in a vicious cycle

Tech isn't adopted because it's not rolled out everywhere, but is considered not worth rolling out everywhere, because it's not being adopted

Which is why retail innovation needs a new hero



What should concern you as retailers is that, given the current rate of innovation, it seems more likely that big tech companies themselves will provide the solutions

Either by learning retail for themselves

Or by acquiring the expertise they need



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Loss Prevention can be the heroes

The same tech that works for loss prevention, can now also work for many more purposes



Innovation teams can take risks, making creative use of expensive technology that has largely already been paid for to try new things

And this is good news for all of us, because “payoff” investments can now be gauged by new metrics – as “infrastructure” investments

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EAS to RFID

HD Cameras to Real-Time Analytics

Card to Mobile to Face

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EAS to RFID

HD Cameras to Real-Time Analytics

Card to Mobile to Face



Location: UK & US
EAS to RFID



Retailers including Toyshop and Macy's are now able to leverage UHF RFID for smart tagging, a smoother checkout process and easier inventory management



Location: UK & US
EAS to RFID



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Improved display compliance by 6%



Retailers including Toyshop and Macy's are now able to leverage UHF RFID for smart tagging, a smoother checkout process and easier inventory management



Improved display compliance by 6%



Improved rate of locating and selling merchandise for omni-channel fulfilment requests by 6.1%



Location: UK & US
EAS to RFID

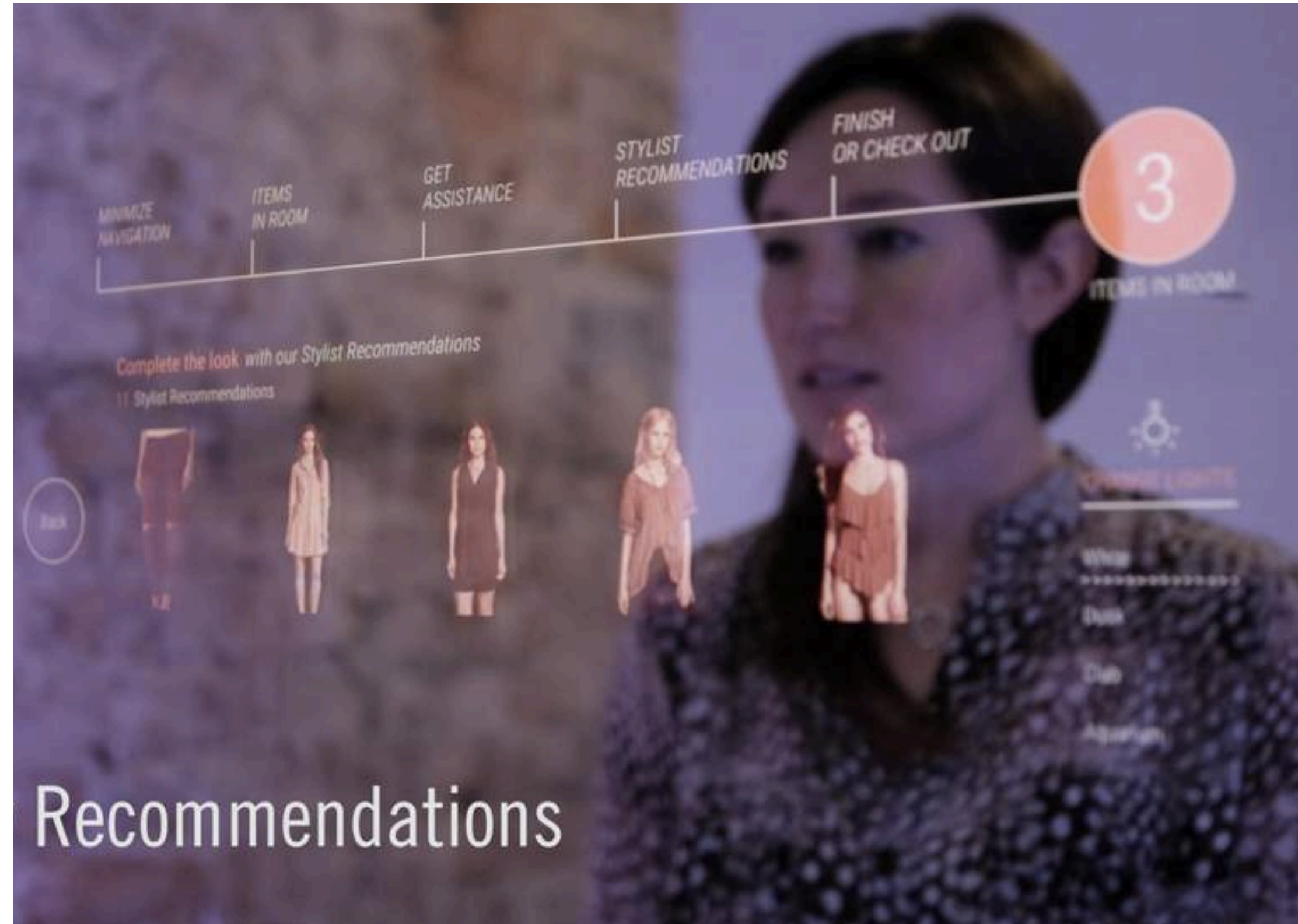
Retailers including Topshop and Macy's are now able to leverage UHF RFID for smart tagging, a smoother checkout process and easier inventory management

MediaMarktSaturn, Macy's & Zara



Location: Munich, Germany;
across the US; & London, UK
EAS to RFID: Self Checkout

Use of RFID is enabling self-checkout for shoppers at stores in multiple categories, who can scan and pay for items either by using their own mobile devices or at dedicated kiosks, both of which unlock the software that disables the RFID security tags



Location: Helsinki, Finland
& New York, US
EAS to RFID: Recognition

RFID dog collars act as loyalty cards that welcome pooches and their owners on their return to stores, and feeds relevant pet information to sales associates on the shop floor. At RL, connected fitting rooms supply stylist recommendations and access to alternative sizes and colours



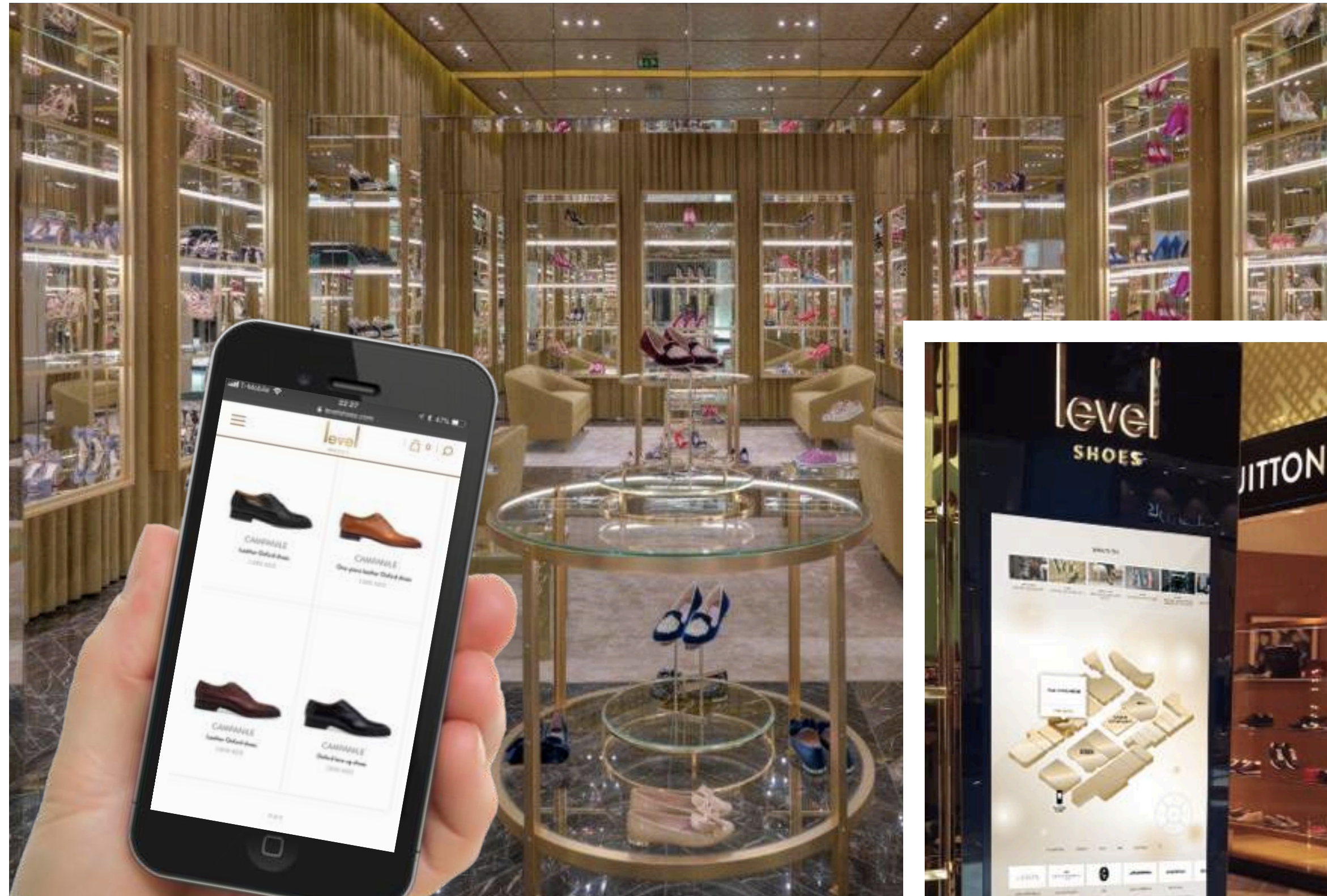
Location: Israel & Dubai
EAS to RFID: Self-Guidance &
Dynamic Decision-Making Support



“Internet of Groceries” start-up uses slim RFID tags to offer dynamic digital pricing according to each product’s freshness, while customers can locate specific items in this huge shoe store (the size of two football fields) using the technology



Location: Israel & Dubai
EAS to RFID: Self-Guidance &
Dynamic Decision-Making Support



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EAS to RFID

HD Cameras to Real-Time Analytics

Card to Mobile to Face



Location: Global
Security Cameras to Real-Time
HD Analytics



AI-powered software plug-ins from numerous tech companies are turning existing camera feeds into powerful tools for removing friction for shoppers, monitoring everything from the length of lines to some really sophisticated image recognition of SKUs on the shop floor

THE TIMES
FRIDAY JUNE 8 2018

LOGIN

Pay for a carrot, pack an avocado: self-checkout thieves looting stores

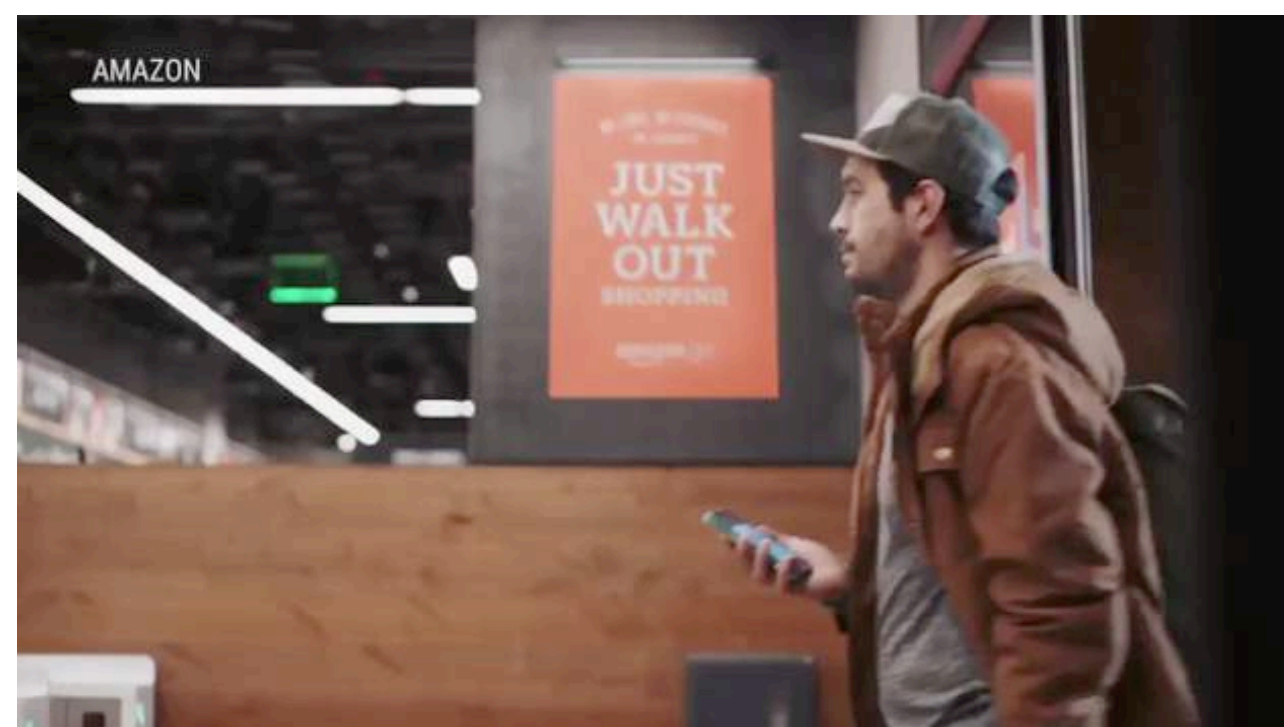
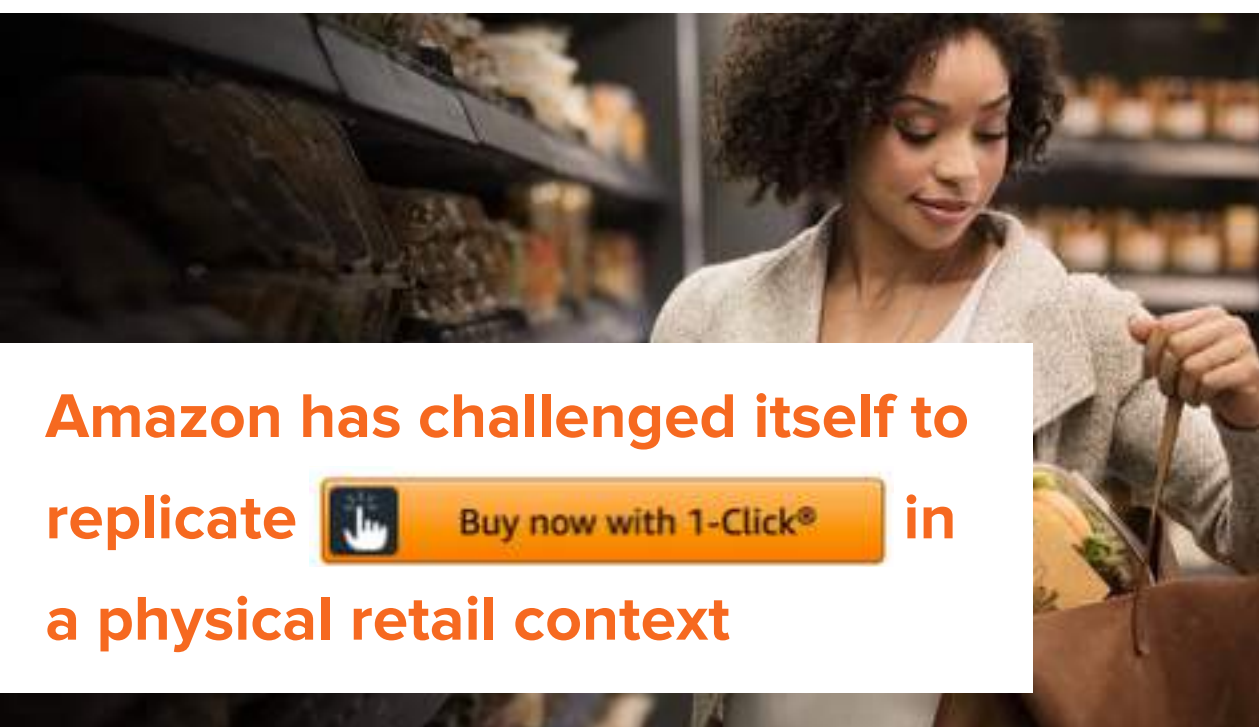
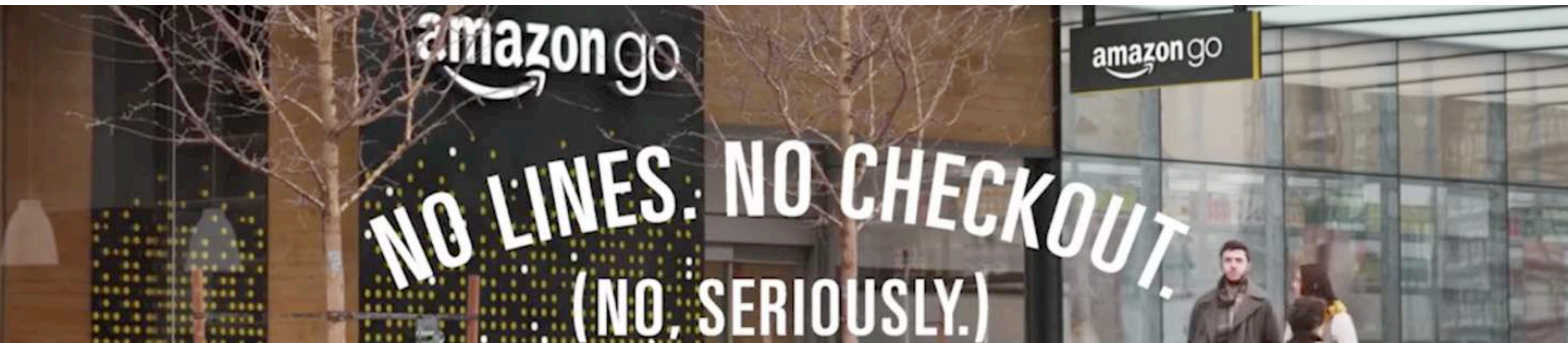
Andrew Ellson, Consumer Affairs Correspondent

May 26 2018, 12:01am, The Times



Location: Australia & UK
Security Cameras to Real-Time
HD Analytics

Rather than reflecting a shift to increased healthy eating, soaring sales of carrots across Australia and the UK (300 million more in 2018 than 2014) are instead signalling the birth of a sophisticated new kind of shoplifter – the hard-up Millennial hipster



Location: US
Security Cameras to Real-Time
HD Analytics

Checkout-free Amazon Go supermarket lets shoppers "Just Walk Out"



Location: Global
Security Cameras to Real-Time
HD Analytics

Amazon has recently made cutting-edge object detection, facial recognition, people tracking and facial analysis available to anyone via AWS

Facial Analysis



Location: Global
Security Cameras to Real-Time
HD Analytics

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EAS to RFID

HD Cameras to Real-Time Analytics

Card to Mobile to Face



Mobile payments in China rose by
40%
in 2017 – to a massive \$12.8 trillion

Location: China
Card Payments shifting to Mobile Pay
shifting to 'Smile to Pay' (by Face)

WeChat powers unstaffed convenience store – China's own version of Amazon Go – but one designed to be scaled fast across multiple locations



Location: China
Card Payments shifting to Mobile Pay
shifting to 'Smile to Pay' (by Face)

WeChat powers unstaffed convenience store – China's own version of Amazon Go – but one designed to be scaled fast across multiple locations



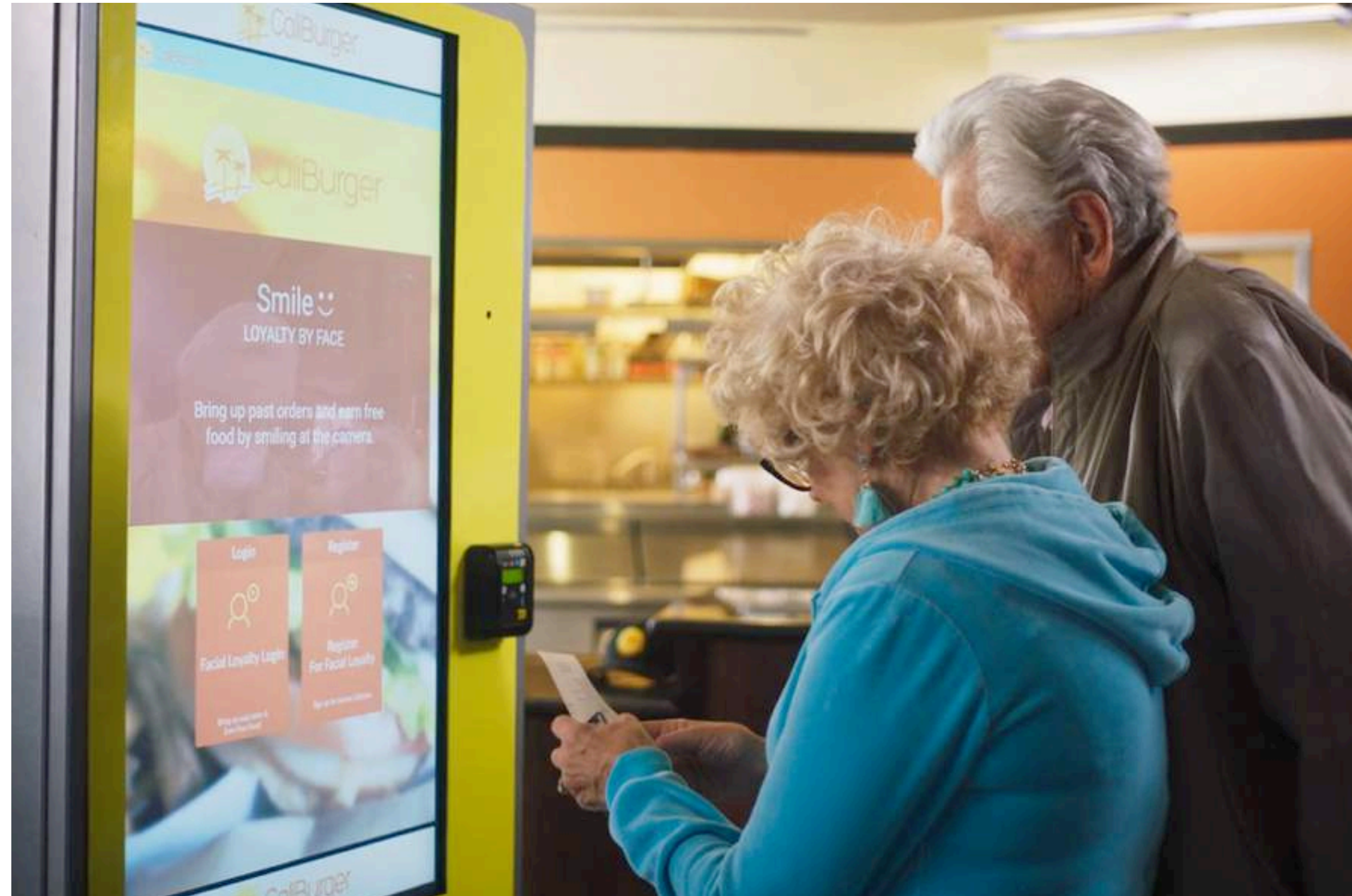
Location: Shanghai, China
Card Payments shifting to Mobile Pay
shifting to 'Smile to Pay' (by Face)

Customers summon Moby's autonomous store, enter, and pay for products 24 hours a day all by simply using their mobile device



Location: Pasadena, California
Card Payments shifting to Mobile Pay
shifting to 'Smile to Pay' (by Face)

US burger chain kiosks use facial recognition to recognise customers, remember favourite orders, and collect loyalty points



Location: Pasadena, California
Card Payments shifting to Mobile Pay
shifting to 'Smile to Pay' (by Face)

US burger chain kiosks use facial recognition to recognise customers, remember favourite orders, and collect loyalty points

BUSINESS

Ticketmaster's New Challenger: Your Face

Ticketing giant's former CEO Nathan Hubbard wants to disrupt the industry

By *Anne Steele*

Updated May 4, 2018 1:18 p.m. ET



LOS ANGELES—The ex-CEO of Ticketmaster wants to disrupt the ticketing business—starting with tickets.

Nathan Hubbard, who led the ticketing giant for four years after it merged with Live Nation Entertainment Inc., imagines a world where fans can walk up to a Beyoncé concert or a Super Bowl game and get in by showing nothing more than their faces. He has built what he hopes will be the first serious

Location: US

Card Payments shifting to Mobile Pay
shifting to 'Smile to Pay' (by Face)



The company name of ex-Ticketmaster-CEO Nathan Hubbard's new ticketing business is a blunt mission statement, Rival – and imagines a world where fans can get in to a Beyoncé concert or a Super Bowl game by showing nothing more than their faces

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Huangzhou City Brain

“

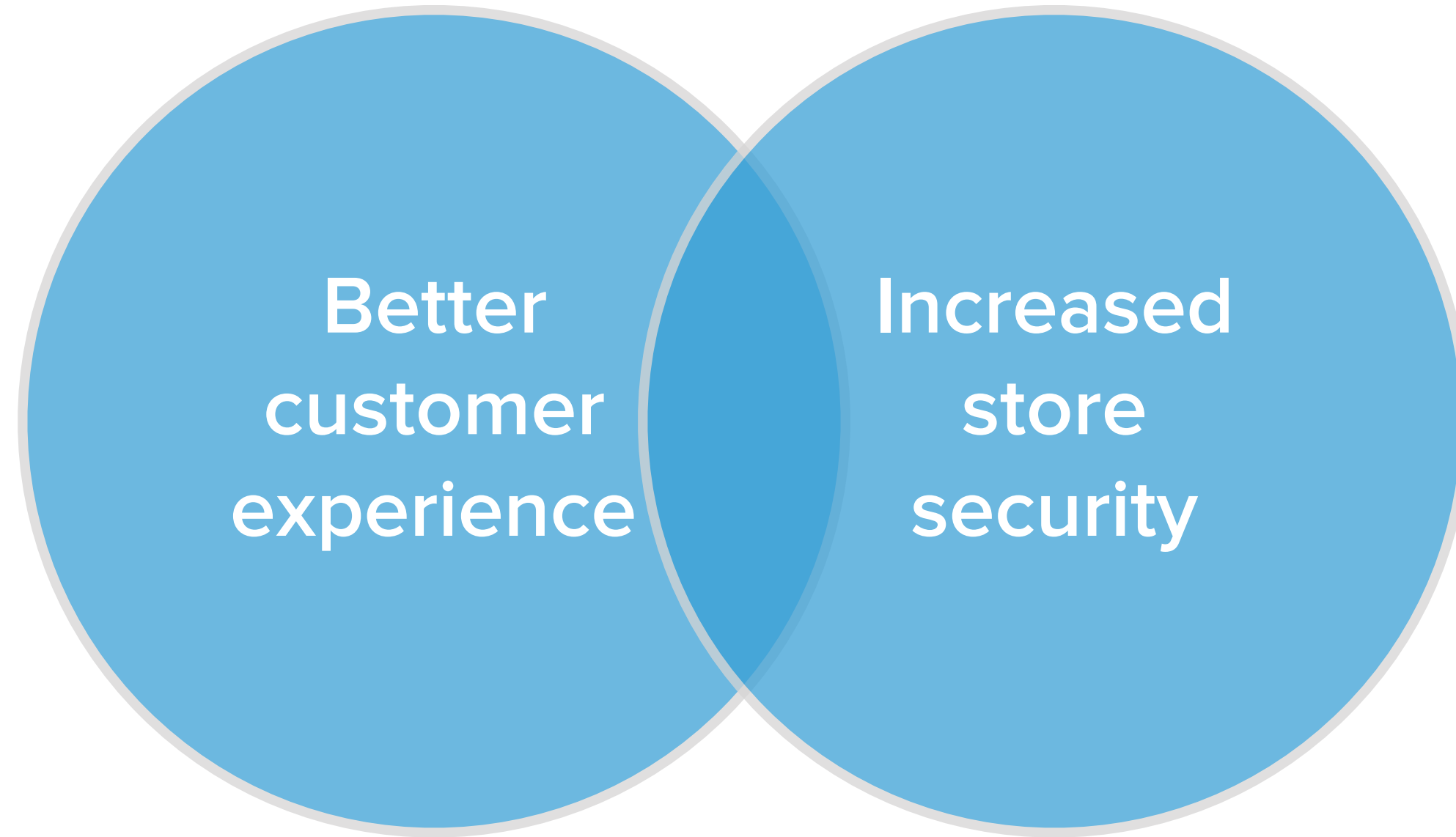
Big data and AI should be used in the prevention and prosecution of crime

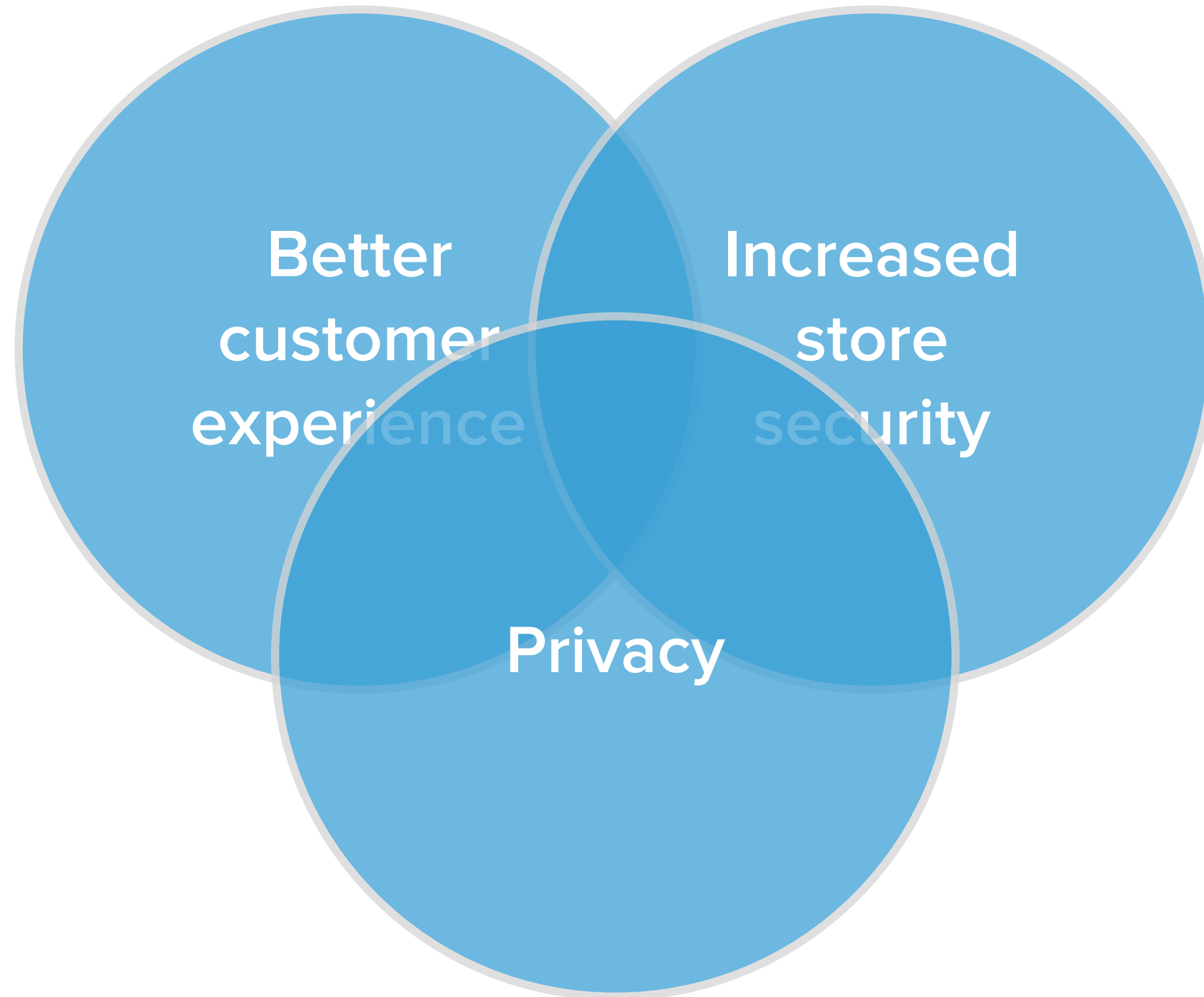


**Jack Ma, CEO & Founder
Alibaba, Alipay, T-Mall etc.**

Location: Huangzhou, China

Every single resident of Huangzhou (where Alibaba's HQ is located) is tracked by Alibaba's AI, which then optimises the urban environment in real time





Zhima Credit / Sesame Credit



Sesame Credit app

Location: China

Infractions in China's already-existing social credit system include bad driving, smoking, buying too many video games and negative social-media activity

Just 34 years late, George Orwell's Big Brother is here



T-Mobile 11:27 91%

Top Stories



Getty Images

The app would judge a person's drunkenness based on how they type, walk and hold their phone

Uber applies for patent to spot drunk passengers

6 hours ago | Technology

Taxi app company Uber has applied for a patent to use artificial intelligence to determine how drunk potential passengers might be.

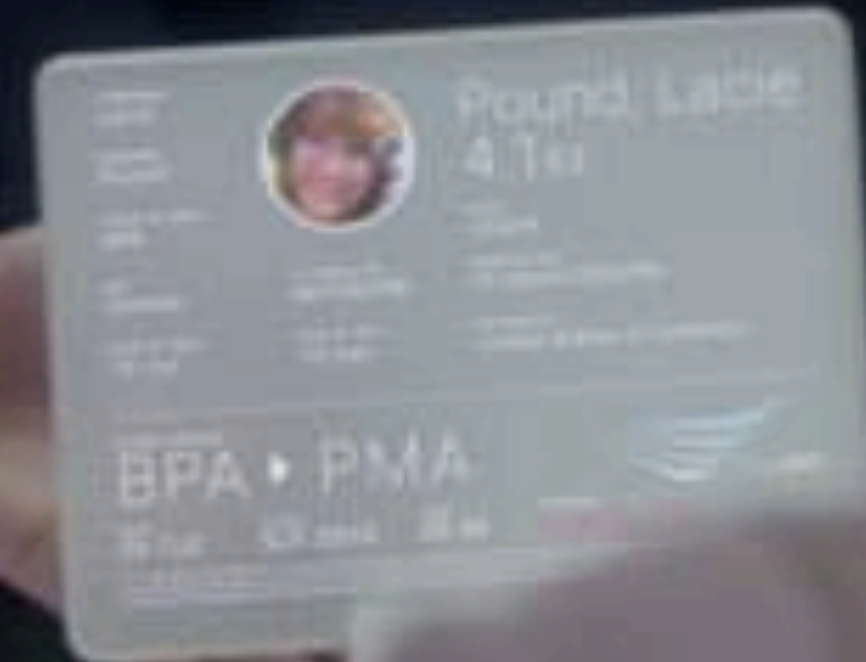
The app used to summon rides could also feed other information to the driver, including a passenger's location, how accurately they are typing and even the angle they are holding their phone at.

It could help drivers who do not want to pick up inebriated riders.

WORLD NEWS MARCH 16, 2018 / 9:23 AM / 2 MONTHS AGO

China to bar people with bad 'social credit' from planes, trains

Reuters Staff 2 MIN READ





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