



# futurecommerce

Episode 46 - "Behind the Veneer"

Hosts: Phillip Jackson and Brian Lange

<http://www.futurecommerce.fm/episode-46-toys-r-us-shop-org-puerto-rico>

**Brian:** Welcome to Future Commerce, the podcast about what's next in commerce. I'm Brian Lange.

**Phillip:** And I'm Phillip Jackson.

**Brian:** Today, we are actually gonna be talking with each other. It's been a while.

**Phillip:** For once.

**Brian:** No guest today!

**Phillip:** Oh my word. It's been many, many, many episodes. How you been?

**Brian:** Good man, good. How have you been?

**Phillip:** I'm really good. You know, we started this podcast and I thought, "You know what the best way to make us look like thought leaders is? Let's have some really smart people on the show, so that when we talk by ourselves, then everyone will still think that we sound smart, because the smart people used to talk on the show." And then I never counted on the fact that, what if we never get a chance to actually talk? We just have smart people on all the time? But it's good. We had a whirlwind tour, we were just in L.A. for shop.org.

**Brian:** Yes we were. We did a little interview with Peter Sheldon, which probably is already released.

**Phillip:** Yup, Peter Sheldon, who's the VP of strategy for Magento. You've probably already heard it at this point, but if you haven't, go back and check it out. It's a really great interview, and what I really like about Shop is that we can meet people like Peter and bring them right onto the show, which was really great. So, thanks to Magento for sponsoring the podcast booth at shop.org, and for talking new stuff, new tech, new retail tech. What was your thoughts? Give me your unfiltered, unbiased thought about shop.org. In a way that won't cause you to lose your press credential for any other NRF event in the future.

**Brian:** You know, it was cool. I think they, you know, put a shine on it. They added that whole garden section, which was interesting.

**Phillip:** Explain what that was, for people that weren't there.

So, it was a section in the middle of the exhibit floor that was covered in picnic benches and had coffee stations and live music ...

**Phillip:** Yeah, that was weird. The live music.

**Brian:** It was like fake turf down and hanging lights over the whole area, garden lights.

**Phillip:** It's like, you're sitting there talking SOWs with a potential client, and you're going over a potential, you know, signing a partnership agreement with a new solutions partner, and in the background softly, you hear, "Cause this is thriller, thriller -" It's like, it's just really off-putting. But the garden was kind of cool, it's a really neat idea.

**Brian:** Yeah, it was a neat idea. And they got in some pretty key speakers, like Marc Lore, from Walmart and Jet and everything else he does, and then also Kobe Bryant was there. You know, I get the draw for some people-

**Phillip:** Sure, well, in L.A.

**Brian:** Yeah, it was in L.A., exactly.

**Phillip:** It was in Los Angeles, so. You said that you had a favorite talk. What was your favorite talk at shop.org?

**Brian:** Yeah, the TechStyle guy, his name is escaping me at the moment, but he was one of the founders of TechStyle, and they own Fabletics and ShoeDazzle and a couple of other fashion brands. That's TechStyle, like T-E-C-H-S-T-Y-L-E.

**Phillip:** Yeah, that's kind of cool.

**Brian:** Yeah, it was, it was really good. He talked about their strategy for how they built their brand online first, which I thought was really interesting. And they made a very strategic decision to do that; intentional, strategic decision to go online first and then eventually build out instore experiences and Omnichannel experiences. The interesting thing about it is they didn't use brick and mortar to move into new markets, they actually put brick and mortar in their strong markets, because they win with an Omnichannel strategy, they wanted to support their existing client base and give them opportunity to experience the brand further. Pretty interesting idea, and I think they've obviously executed really well, and they're continuing to look towards the future. They've got a lot ahead. So, I thought that it was a really good talk. He was very clear about their strategy and kind of let us see behind the veneer of the business, which I appreciated. I talked to them, and they might come on the show at some point, so, that would be pretty fun to have them. I think they've got quite a story to tell.

**Phillip:** Yeah, that's interesting. You actually made a mention sort of there, which is there was a whole hall of innovation at shop.org, which ... I thought I was sick of seeing people name talks "The Future of blank," and we're chief offenders, because we call ourselves Future Commerce.

**Brian:** The original.

**Phillip:** We're the original. The OG future blanks show title. So, there's a hall of innovation, and I'm actually ... I wonder how far into the ground we can drive innovation in these industry shows. But they did have some fairly innovative people. In fact, Augment was there, who we've mentioned many times on the show, and who I know that you've connected with in the past. But we saw some other really interesting ones, some that I actually wound up using once we left there, I haven't told you about it yet, which I-

**Brian:** Oh yeah, let's hear this. What'd you do?

**Phillip:** ... thought was really, really interesting. So, there was this, like, auto-writer, sort of a kitschy little thing called Bond, and they're based in Brooklyn. They had been shopping for some time, some time ago, for a Magento site to fulfil their ... as their order system. So, I was already familiar with them to some degree. But it is a platform ... Or it's like a direct-to-consumer model where you can have them sort of handwrite thank you notes. And they deliver them one-to-one, they'll mail them on your behalf and all the

rest. It's got a neat little customizer where you type into it and you can see a simulation of what the handwritten note will look like, and the handwriting is produced by a CNC-type machine robot that actually uses a real pen and signs the thing. What I thought was really interesting about them in the demo that they had at Shop, was that you can take a picture with your smartphone of your handwriting and it will extrapolate a typeface that looks like your handwriting. It's not perfect-

**Brian:** Yeah, that was cool, I remember seeing that.

**Phillip:** It's not perfect, but it's simulated and it's pretty close. So, I did that. I actually sent a thank you note to the person that we actually stayed in their guest house in San Diego when we went down to do a live podcast event in San Diego, Brian, you and I went down. It was great. And we stayed with this woman who opened up her guest house for us, which was beautiful, it's on this hillside in San Diego, like, in a grove, and like an orchard with a vineyard and it was just beautiful, and I can't say enough nice things. But I needed to send a thank you note, so I thought I'd use this company, and it's really cool. Certainly not disrupting any industry that I can think of. The thank you note writing industry is not going to be disrupted I don't think. But it was kind of an interesting thing, and I only would've remembered them or known about them from that hall of innovation, so if nothing else happened at shop.org, \$5 was generated in a sale to Bond.co, who are not paying for this advertisement right now. But that was pretty cool. Actually, someone I want to get on the show is VNTANA.

**Brian:** Yeah, VNTANA looked cool.

**Phillip:** VNTANA was neat. Explain what VNTANA is.

**Brian:** Yeah, that was essentially AI in a hologram.

**Phillip:** A legitimate hologram.

**Brian:** You could talk to the hologram, and it could talk back at you.

**Phillip:** Sometimes.

**Brian:** So, future. We're coming up ... I mean, we've talked about holograms on the show before. It appears that even though 2017 wasn't the year of the hologram, as maybe some very far-futurists may have said, 2017 is the year when I think we've started to get our first look at how we're gonna be able to use ... you know, really creative uses for holograms. And I think what's really cool - and I think I've said this on the show before - is that holograms are shared experiences. You don't have to have the same technology as anyone else, you just all see the same thing. And so, I think that there's gonna be a lot of use for holograms in the not-too-distant future. I mean, we're gonna start to see retail experiences probably in the next, what, three years, do you think?

**Phillip:** I'm scared to give a time frame. The fact that it was as far advanced, like way more advanced than I thought it would be ... They've done a really good job, and I don't want to blow it, because I think that we might be able to get them on the show at some point. So, I'd love to hear their conversation. But they do have some legitimate uses that might be an interesting part of bring this tech into real world experiences. I think you hit it on the head. A hologram is a shared experience where AR or VR may not be. I mean, shared in that we all share a sort of common point of view and a point of interest. I don't know. It's interesting. But in this case it was sort of like an Alexa-type service, where you can just ask it anything and it might give you answers back. In particular, you could load it with catalog product data for the type of store or something that you might have, and it would conceivably give you some information about it or assist you ordering it or something to that effect. I felt like it was interesting. So, you said three years. This week, Blade Runner 2048 just came out, and it's like, as Blade Runner is, it's a dystopian

look at what the somewhat near future might look like. And if you remember the original, Blade Runner was imagining what L.A. in 2019 would look like, which was this dystopian futuristic look. I'm reminded of a Los Angeles Chronicle magazine cover ... I can't remember what it was. It was like the Los Angeles Chronicle or something like that. A cover from 1986 of what people 30 years from now would look like in 2016, and, you know, it's all the same stuff. It's the flying cars, it's the cities that have no streets because everything is fly-

**Brian:** Yeah, where's our flying cars?

**Phillip:** Yeah. It's interesting because, I feel like in some ways, the future is right now. If you look at the Google Pixel Buds, which were just announced, that is BabelFish, that is the future, and that is today. And if you would've asked me a year ago, I would've told you that's 10 years out. Right?

**Brian:** Yeah.

**Phillip:** So, Pixel Buds. Talk about that a little bit.

**Brian:** I mean, first of all, one comment on the whole dystopian future thing. Despite not having as cool tech, I kind of prefer the future that we're in.

**Phillip:** I don't know, maybe not the exact future we're in, but one that looks very close to it. The threat of nuclear war all the time is not something I'm cherishing at the moment.

**Brian:** That's a good point, yes. But yeah, it's not quite as dark. These Pixel Buds, which for some reason that doesn't flow as well as Air Buds to me.

**Phillip:** AirPods, AirPods.

**Brian:** AirPods, even. Right. Pixel Buds. I mean, this could open up commerce in completely new ways that we haven't really thought of before, where, think about this: We spend a lot of money and time doing translation on sites. I think this could become something that's more of even like a do-it-yourself thing. Or also, if your site's accessible, then you could have it ... it could even connect potentially to the Pixel Buds and have it translate in real time. I mean, I'm obviously talking about things that would require an open API or something to that effect. But there's a lot of opportunity ahead, this is the first iteration, and it's going to transform the world. I mean, you look at history and people have been hoping to be able to do this for thousands of years.

**Phillip:** Right.

**Brian:** So, this is a next step in humanity, in some ways. So, I can't wait to try it. I haven't tried it yet, but I've heard it's pretty seamless. Have you heard similar?

**Phillip:** I mean, I haven't tried it, and I've not heard anything other than what Google's marketing has pumped out. You know what I'm excited about? Having a tether between them. That's what I'm excited about. It looks like it might be an optional tether. I'm looking at this, I can't really make it out. No, I don't know. I don't think it is. It looks like it's just like a little piece of rope. I don't know.

**Brian:** Yeah, it looks like rope, but I think it's actually a cable.

**Phillip:** Well, here's the deal, let me tell you the deal. So, I have a pair of AirPods now, which I don't think we've spoken since, but I have a pair of AirPods and I love them. I wear them all the time. They're freaking great. I think they sound good. People tell me they sound good. My voice sounds good in them. The audio quality's great. Battery life is okay. When I run, it's fine, they stay in. They don't feel like they're gonna stay in, but

they do stay in. But if I'm ... There's something with my beard, I've got this beard going on, but there's something with my beard, in that my beard doesn't allow them to hit as close to my face as they probably would, so they kind of hang out just a hair. And that's sort of off-putting. Whereas, I have a pair of Beats wireless headphones that have a tether between them, and even if they did fall out, they wouldn't fall on the ground and fly away from me, and I feel like that would feel better. But they do feel more secure. So, I like the tether on this. Not everything has to disappear into your ear canal for it to be seamless, but I think the experience would be nice. I do like the intra-aural sort of directionality into the ear canal instead of a bud that just blasts sounds into your skin in the side of your ear. So yeah, I have a lot of thoughts about this. At \$159, I don't think it matters. 159 bucks, like, anybody will try this.

**Brian:** The other thing, did you see? These can be used with pretty much any android phone, right?

**Phillip:** I don't know. I think so.

**Brian:** Yeah. I mean, I think that's pretty exciting. I think it's cool that Google's getting into this. Google is definitely in the down-market more, and usually when a down-market gets involved, there's more widespread adoption.

**Phillip:** I mean, their new phone is \$900. The Pixel 2 XL is a \$900 phone.

**Brian:** Well, the XL is, but the regular one is starting at \$649, which is cheaper than the iPhone X. Okay, maybe it's not down-market, but-

**Phillip:** I believe they're saying 10. iPhone 10 is how they're saying it nowadays. It's how the kids are saying it.

**Brian:** Yes, yes, 10.

**Phillip:** I don't know, I'm so bored with this conversation. It's like, I'm tired of covering Apple and Google. What I would like to talk about is Elon Musk promising to get anyone anywhere on planet earth within 30 to 60 minutes on the back of a rocket. That's pretty cool. Did you see this garbage?

**Brian:** Oh, I did. I did see that. The thing about Elon Musk, because he's proposing a lot of stuff right now, there's a lot of promise, there's a lot of ... I don't think this is what's next in commerce.

**Phillip:** No, it's not, but what I do think is next in commerce - and thank you for correcting me, because I think that you're right, we could riff on something that has nothing to do with anything - what I do think is next is that there are a lot of really interesting advancements that happened elsewhere in tech that we have covered in the past, like IoT, which see zero consumer adoption, but are transforming manufacturing, engineering, and construction. So, maybe it's not the rocket, and maybe it's not the hyperloop that has a direct commerce impact, but maybe the Tesla battery packs do. You know, we're seeing them deployed even in Puerto Rico for hurricane relief. There's a lot of really interesting opportunities, and if I could be an optimist for a second, bringing up-

**Brian:** Whoa.

**Phillip:** Yeah, I know. Let's not get too crazy now. But just bringing up Puerto Rico, Puerto Rico's not gonna look the same since Hurricane Maria, it's not. And we have an opportunity to see, potentially, the rebuilding of infrastructure from a first-world nation from the ground up for the first time in the 21st century, potentially at a rapid pace. And maybe some spark of innovation would happen there. I would really hope so. But, already seeing that, effectively, they've been lagging behind on infrastructure for so many decades already, seeing it kind of being rebuilt from scratch and brand new, maybe

that gives us an opportunity for us to rethink cities. Maybe like what you were talking about not just seven, eight episodes ago, but rethink the way that we're doing infrastructure, and with tech at the core. I don't know. I'm really interested in that. I don't think that we're gonna be flying around in rockets, but it's interesting how all these little businesses or this vision of the future that Elon Musk has really, I think, will impact us. I'm not sure when, but it will.

**Brian:** I would love to see a larger tech company get involved in helping rebuild Puerto Rico. That's a really insane point that you just made, which is this kind of is an opportunity to sort of build out the future. And leave Puerto Rico, for all this devastation that happened, maybe we can rebuild it into something that really leaves them in a better spot, from an infrastructure perspective.

**Phillip:** Yeah, and you see the philanthropy efforts that people like billionaires and other people, especially in retail, like even Mark Cuban himself, who have sent money and supplies and planes and things like that to Puerto Rico. I think it's one thing in the immediate rescue effort, but I think it's another thing for the long-term investment. If we see something like Tesla batteries find their way into Puerto Rico, not just in the rescue effort, but as part of the long-term infrastructure, I think that'll change everything, you know? It becomes the model of how we can rebuild communities, or bring third-world developing nations into a more stable grid, bring it into the new era. And possibly, yeah ... Gotta make some lemonade, I guess, out of the lemons. Anyway, it's just a thought I had. I think it's a really interesting topic. Oh, hey, we did bring up Magento, right? And Magento featured us.

**Brian:** They did, yeah, on their blog. There was an interview from their marketing team, which was fun, Erin Hansen McKnight sort of conducted that, and we had fun talking with them, didn't we?

**Phillip:** Yeah, we had a really good time. I love how they sort of distilled our conversation down into 12 paragraphs, which I don't know how anybody could do.

**Brian:** Yeah, they did a really good job with that. We talked with them for like an hour, or maybe longer.

**Phillip:** I don't know that we talked with them so much as at them, but it was really good. It was really, really good. It's really nice to see that some people are really picking up on Future Commerce. I keep having interesting conversations about how people find a lot of value in these conversations. So, doing this interview is hopefully introducing us to some new audiences, and I would like to even put out a little plug to our audience that's listening right now, that we want to be more engaged with you. And one of the ways that we can do that is, there's three ways, so here's a little mid-show pitch for you: We need you to sign up for FC Insiders, which is our email list. We're kicking that off in the next couple days, and it's gonna be frequent, and it's gonna keep you up to date on everything that's going on. Episode drops, yes, that's one thing. We're not just gonna email you when an episode comes out. But we're gonna keep you up to date on some of the things that are happening on all of our social feeds, and some of our sort of hot takes on things that are happening in retail in our industry. And if you want to keep up to date on a daily basis of what's going on, our Facebook is hoppin' right now, and a lot of people are subscribing to us on Facebook and over on Twitter, too. So, we're both engaged on social. And if you want to see that stuff, we have a very large sphere of influence across a bunch of different industries, and we talk about in this interview a little bit. But yeah, get involved over there. That's gonna help us, because the larger sphere of influence we have into your networks and into what you're thinking about in commerce, then that impacts what we see and what our take is on-

**Brian:** What we talk about it.

**Phillip:** Yeah, on the future of it.

**Brian:** Yeah, absolutely. That's one way. Sign up for FC Insiders, go over to the Facebook page, and then always, we'd love to hear from you directly, too, so post on Facebook, post on the Disqus comments box, hit us up on Twitter or LinkedIn or ... call us, email us.

**Phillip:** Yeah, Brian lives on LinkedIn. He lives and breathes LinkedIn.

**Brian:** Yup.

**Phillip:** Did we talk about this? I just popped it into our chat over on Skype. I don't know if you saw this or not. I wanted to know what your take was on this. Nike is experimenting with augmented reality right now.

**Brian:** Yeah, they've been for a little while.

**Phillip:** Yeah. Obviously, AR is getting better and better and better, and it's funny how ... I think I even told you this, and I'm interested to know your take. After having seen ARKit in action, even like AR from a year ago looks really bad by comparison.

**Brian:** Yeah, definitely, and I think that's a good sign, because what's going to show is that this technology has a long way to go. It's improving rapidly. And there's a lot of money and a lot of time and a lot of minds that are being applied to making it better. I mean, we've talked about this pretty much every episode recently. AR is coming, and it's going to change the way we interact with the world and do commerce and all of the above. Did we talk about that short video, Hyper Reality?

**Phillip:** Oh. Yeah, we did actually. We mentioned it. I think we mentioned it to Saku Panditharatne when she was on. Before we get off the topic real quick, just because we weren't at Code Commerce, which is Kara Swisher's event with Recode, it was in New York a few weeks ago-

**Brian:** Jason Del Rey, I think, really focuses on it.

**Phillip:** Oh okay, sorry. Well, Kara does some of the interviews, right?

**Brian:** Yes, she's involved.

**Phillip:** I see, thank you for the correction. They interviewed Heidi O'Neill of Nike, and what I thought was really interesting is the practicality - The only reason I'm even bringing this up is one, Nike, a big commerce brand, which is a big retail brand. But secondly, they found what might be, what I always call the hello world of proving out a consumer ... like, actually solving a consumer need with a new technology, which is a cool technology, but one that doesn't have any real world use yet. But they're using augmented reality. And they did it as sort of a game to prove a point, but they're battling sneaker bots. Apparently this is a thing in the sneaker world, is that when a new sneaker comes out, people go online and they go to buy it online, but they can't buy it because bots went and bought the whole stock of Yeezys, and then now nobody can buy it, the only people that can buy it are on eBay, selling them for \$150, \$200 over the retail price. So, this is a big problem.

**Brian:** By the way-

**Phillip:** The scalpers.

**Brian:** That must be what happens during Amazon Prime Day lightning deals, because no one can get those.

**Phillip:** It has to be. Well, maybe they could solve their problems, because apparently ... So, Nike has piloted - and she talked about this, check it out over on Recode, that's a great story - But Nike is using AR along with the website and in conjunction with some really interesting David Chang restaurant thing ... There was this whole thing. Doesn't really matter how they did. But they're using AR as a means of proving that you're there trying to purchase something as a person one-to-one, and that you're not some bot blazing through, trying to buy millions of sneakers. So, they're using their AR app in conjunction with the website to sort of prove out that you're a real person. Which I think is awesome, because that's actually what AR is going to ... That's the kind of application that will push the limits of AR and make it pervasive in everything we do.

**Brian:** That's big news. There's a lot of AR news, actually. Don't forget about IKEA's new app that's blowing up. It's just putting furniture in different places and looking at it. It's a pretty big deal. And I think it's been getting really positive reviews, people have been really excited about it.

**Phillip:** Yeah, and a lot of people have sort of poo-pooed it saying IKEA had an AR app some time ago. This is different. This one's different. This is built on ARKit, so first of all, again, it bridges a divide. It's almost uncanny valley territory, where you're looking through the phone and you could swear there's a couch there, you know? It's really good. So, there's that.

**Brian:** And not to switch gears, but ... Well, let's not switch gears, because we could with this one. Toys'R'Us-

**Phillip:** Oh God.

**Brian:** Rest in peace.

**Phillip:** You could say that their reality was augmented.

**Brian:** So, they've just declared bankruptcy. But they're not losing their brand, they're gonna reconsolidate. They've overexpanded and they've been kind of pushed out by their competition. But they're looking to make a play in the midst of this turmoil with AR, and do some really cool instore AR experiences for shoppers. Along with, like, playrooms and things like that. But, in short, some pretty key players are making plays in AR right now. And whether or not they're successful from a ROIs perspective, they could drive all kinds of other attention and traffic in just different ways, where attribution may or may not be ... Like, there may not be direct attribution to purchase. So, right now, I would say if you're not actively looking at what to do with AR, and you have a use case for it, then you're probably behind.

**Phillip:** Right. Oh, we just talked to somebody who is a textile manufacturer who also makes furniture. Storied brand, 110 years of history.

**Brian:** Yes, he tweeted this. This is good.

**Phillip:** Yeah, and they said to us, to you and me both, straight to our face with absolutely no sarcasm, "If we don't have AR in 18 months, we're done." Like, this is it. We have to have AR. Augmented Reality is the future of our brand. Mic drop.

**Brian:** So, in short, we've been talking about this for, what? A year now.

**Phillip:** Way too long already.

**Brian:** This is real now. This is not what's next in commerce, this is what's now in commerce. Like, get out there and do it.

**Phillip:** Yeah. Well, this is the classic problem with technology adoption, is the early adopters do some really interesting, creative stuff that borders on art and not on practical use. I'm still not convinced what AR looks like in commerce. I think it's closer to the Nike anti-piracy thing than it is ... No, hear me out, because what I think that we regard as augmented reality today will not be called augmented reality in the future, it'll just be your phone. "Oh, my phone does that. I look at this thing on my phone and I point it at something and it does a thing." It has a name right now, but the name and the technique will fade into the background, it'll be just an extension of technology. Just like we don't call movies "talkies," and we don't call cars "horseless carriages," our relation to what that thing does is no longer important, and it's now more about the means to the end. So, I do think AR will have a role in commerce, but I'm not really sure what the AR equivalent of commerce experiences look like, you follow me?

**Brian:** I totally get that. Like, it's gonna come out in different ways.

**Phillip:** Yeah. So, to tell a retailer that they need to know what to do right now is ... that's daunting, right?

**Brian:** No, I'm not saying they need to know what to do, I'm saying they need to look at it and start planning for it.

**Phillip:** Yeah. How can they do that? So, I'm the retailer, tell me how to do it.

**Brian:** Good question. So, first, figure out if you have a use case for it. So, if you feel like you have the ability to do that on your own, then do it on your own. But if you feel like you need help, go start looking for someone that understands how to use the technology. That might be your first step. Go find somebody that you trust that can actually help guide you towards understanding how your audience can interact with this technology.

**Phillip:** I mean, it's like the litmus test of whether you know how to do it or not, I guess, is probably like, do you already build and manage your own mobile apps? There's a very fine line there, right? I think the technology curve is gonna be insane to adopt to be able to build useful tools here, right?

**Brian:** Yes, definitely.

**Phillip:** I think most people are gonna need help.

**Brian:** I agree. That's sort of my point. So, the first step is find someone that can actually do this, and understand your audience well enough to do it. That's the other thing is this is a very use-case-based thing, this is not, "I should just spray this at my business. Oh, augmented reality, okay, I better put my products and be able to see them on the phone." Like, that's just not gonna cut it. You've got to figure out how your users are actually gonna benefit from using it. So, you know, you have to look at this like any other piece of technology. How will my customers best be able to utilize it? And from there, then maybe start to look at technologies to actually get that done. But if you don't have a good use case, or you don't understand how your customers might be able to leverage it, figure out if your customers actually can, whether that be bringing someone else in or doing some studies, and then figure out what technology you might want to use. Now, that might be having a developer directly interact with ARCore or ARKit, or that might be going out and using some technology platform like Augment, base technology like Augment, to do something very specific. What do you think, Phillip? Are you in alignment on this?

**Phillip:** Yeah, I am. If you think shooting your product with a camera in a photo studio on a quarterly basis is a big lift, not to make it sound daunting or arduous, but think about now having to model all of those same products in 3D to place them in 3D space. Because that's really what we're talking about. I think that the technology, like, being able to have something that windows the world into a camera and potentially places

things in a virtual space, that's all interesting, but if you don't have models and accurate, beautiful models of these devices, or maybe your furniture or textiles or whatever it is that you have, if you don't have that stuff, those assets, then none of this is useful, you know? It's interesting, but I do think ... I do want to be the voice of reason, saying that's the actual thing that you're gonna have to do. And it depends on the industry. If you just make t-shirts, it probably looks a little different. I don't know if you need 3D models of your t-shirts, but you're probably using a technology that sort of wraps what the t-shirt would look like on the person. So, it's interesting. It's gonna change for every single product type you sell. It's all ... I don't know. I guess I don't know, Brian.

**Brian:** That's why I said, go find someone that can help you, because I think that a lot of people ... they're not gonna be able to figure out how to do it on their own. A lot of merchants aren't.

**Phillip:** And it's obviously not me. Don't come to me asking me to help you. Hey, as another sort of aside, I ... and I just lost my train of thought, it was so good, too. We're gonna have to edit this part. I was just on this really great train of thought, that ever happen to you? Oh! I know what it is. I got it. Do you ever watch Black Mirror?

**Brian:** You know, I haven't yet. I really should have by now, but I haven't.

**Phillip:** There's an episode of Black Mirror - and it's funny because this just came up on Twitter maybe an hour ago, so I know that you and I haven't talked about it - there was an episode of Black Mirror of how interactions with everything you do and everyone you interact with in your daily life sort of aggregate to a rating of who you are as an individual.

**Brian:** Yeah, I've heard about this episode.

**Phillip:** Yeah, and it affects everything you do, like, from the ability to get a certain job to getting a bank account to whatever. Being friends with people, they don't want to be a friend with someone who has a certain rating.

**Brian:** Wait, didn't we talk to Jacob Matson about this exact episode?

**Phillip:** I think so. I think it's come up once or twice, because it is effectively what the real world really is like, or where we're heading anyway. So, I saw this come out on Twitter, and I think it's gonna go viral pretty soon, because I knew the person who posted it, but they got a text message from their Uber driver who says, "Sorry, for safety reasons, I don't pick up people with anything less than a 4.7, you are a 4.6. Please cancel and re-call someone else." And I thought, yeah, this is right. We are living in that episode of Black Mirror. This is the real life. I feel like AR will enable us to make those sort of objections, opinions about people and enable that future in a much faster way that I don't know that I'm terribly comfortable with.

**Brian:** Man, you just got future on me.

**Phillip:** Yeah, whoa, sorry.

**Brian:** No, it's true. I think you're right. I think that there's definitely that possibility, and as we do the same- we do this to business all the time, right? Like, there's a lot of aggregated data out there on businesses, and we won't do business with companies based on this aggregated rating. Like Google, Google's got seller-level reviews. Merchants. We're not too far off from this for individuals as well. And it is interesting, I mean, as individuals sort of take charge of their own employment destiny, if you will, more and more, we've got the gig economy going, we've got a lot more independent contractors. It kind of makes sense that this would happen, because business and personal are getting blended together very quickly.

**Phillip:** Yeah, it's true.

**Brian:** Yeah. Between Facebook ... I mean, we just got on Facebook. We're a podcast, and I've traditionally thought of Facebook as the place that I do stuff that I want to keep in my walled garden, you know? I want to keep my close network there, and I think that I've gotta change that point of view. Facebook is being used for more and more things, for purchasing. I mean, Magento is rolling out a feature where you can have a Facebook store as a part of you're connected to your Magento store out of the box.

**Phillip:** Well, yeah, that's part of it. Remember the whole thing that you and I had some time ago about Messenger? About Facebook Messenger being the platform, it's like the new web. It's a platform for democratized or standardized UI UX experiences for exchanging ideas and information. Some of that's commerce, but it doesn't always have to be. And we called that conversational commerce at one point, but I think it is just a new platform. Messenger itself is a new platform.

**Brian:** Yeah, I mean, look what Linc is doing, our sponsor. That's a great example. Post-purchase, customer service, taking care of customers all the way through where they're at, which is on Facebook. Even though everyone sort of complains about Facebook, everyone's still using it all the time.

**Phillip:** It's true. Yeah, you're right. Love that. That's good stuff. You know what? I had sort of opined about a federated digital identity type thing, where we have the ability to sort of control what goes out about us. So, you talked about what 30 years looks like, or what three years looks like, or 30 years. I think the web will evolve, and it will change, and it'll be really hard, and it's gonna leave a lot of people behind, but if we have another web, and it's not the same set of protocols and the same sort of decentralized thing that we have currently, then hopefully, maybe, we have the ability to control the kinds of information that goes out about us. And maybe we feel a little more compelled to want to control those sorts of information exchange about us when it's about us and our likeness and our image and our identity and our name, our reputation, but we don't have the same sort of feeling when it's just, you know, X corporation that we're mad at because they're doing something that we don't like. So, I don't know how that plays out, but I think it is woven into almost everything we talked about today, even down to responsive holograms. It kind of is.

**Brian:** Yeah, you're right. Absolutely. To switch gears for a minute - although everything's kind of woven into our previous conversation - you know what I found really interesting today is Amazon has started to even affect Costco.

**Phillip:** Oh gosh.

**Brian:** So, Costco just announced two-day shipping for groceries.

**Phillip:** Whaaat?

**Brian:** Right? With a \$75 minimum, which is pretty large, but it's Costco, so that doesn't take long. So, they said some pretty interesting things. Basically, I think that they are competing with Amazon with this move, but they're also feeling like they shouldn't compete with Amazon still. So, I think it'll be interesting to see. The market's definitely down on that.

**Phillip:** What is the market prize? If you're not Amazon, what is the market prize?

**Brian:** Market prize is the ...

**Phillip:** Like margin and profits, right? Like, any investment in any way whatsoever of Costco that deviates from its existing model, which is a very profitable one ... Anything that is heavy in tech or infrastructure investment is gonna be expensive and scary to the

markets. But I think, while Costco probably has a similar footprint in number of stores to Whole Foods, I'm gonna guess ... They probably serve larger metro areas.

**Brian:** Costco, yeah probably similar, maybe a little bigger.

**Phillip:** Right, they're likely much bigger, but they don't have millions of stores, or hundreds of thousands, or tens of thousands of stores, they have likely thousands of stores. So, we'll praise Whole Foods for doing something similar, and we'll pooh-pooh Costco. I think it has more to do with our perception of a brand and what perceived lane we prefer a brand to stay in. I think good on Costco. I think everybody's gonna be doing this pretty soon, either through a partnership or a service. They have to. You have to.

**Brian:** Yeah, they have to. I totally agree.

**Phillip:** Might as well do it now, you know? Get it out of the way. Let's learn and let's iterate and get better, by the time we need it ...

Yeah. Although, Costco's in an interesting position, because - this is insane - they released a hamburger in their food court not long ago, and the amount of traffic that releasing a hamburger in their food court drove was insane. People drove from like miles and miles away, like 50 miles away-

**Phillip:** There are some serious fanatics for Costco, it's crazy. \$1.50 hotdog and a drink. The thing I used to joke with my wife and kids about, because my kids love eating at Costco, I love paying for cheap food at Costco, so it's a great mix, but they have the four main food groups in the Costco food court. They have brown, light brown, tan, and salty, and that's it. The four main food groups are all covered at Costco, and I think the hamburger fits very nicely into that model.

**Brian:** It does fit very nicely in there. So, my point is, they've got stuff up their sleeve that I think that if they need to pull that card out of their sleeve, then they can.

**Phillip:** Then they can.

**Brian:** Yeah, I mean, it was a hamburger.

**Phillip:** I mean, I can't remember the last time I heard a hamburger being the trick up someone's sleeve, but you know, first time for everything.

**Brian:** First time for everything, yeah. Actually, I think that there are a lot of retailers out there that have similar tricks up their sleeve, and sometimes not even recognized. Like, certain things draw people to businesses that you wouldn't expect.

**Phillip:** Yeah, that's very true. That is very true.

**Brian:** So, be thinking about what your hamburger is.

**Phillip:** Yeah, it could be a hamburger menu on your website. It could be ... I'm trying to think of other hamburger things. It could be like a Hamburglar mascot for your business. There's so many things that you could do.

**Brian:** Oh yes.

**Phillip:** That's it. Is that it? Do we want to end on Hamburglar?

**Brian:** Oh my gosh. We didn't even talk about the new Amazon devices.

**Phillip:** That's fine. That's fine by me. I'm so over it. You know what the problem is about Amazon devices? Is that I have so many of them, and they keep coming out with

new ones, and like, what am I supposed to do with all these old Amazon devices? And I can't keep buying new Amazon devices. I just can't. There's nowhere for me to put them all. I have a whole room just for Echos. It's crazy.

**Brian:** Oh my gosh. You have like - It's like clocks, but they're Echos. You have the clock wall.

**Phillip:** It's like the old cuckoo clocks, it's my room of cuckoo clocks, but they're all ... The power goes out and they all come on and it's just a cacophony of "Hello. Hello. Hello."

**Brian:** When you get a package delivered, how many notifications do you get?

**Phillip:** Oh, it's all over the whole house. It resonates. There's like seven devices that all "blee-doop" all at the same time.

**Brian:** Oh my gosh. I know I mentioned this before, but that Ray Bradbury story coming true.

**Phillip:** It is. Oh, you're so right.

**Brian:** Well, maybe we can leave it there, I guess.

**Phillip:** I'm happy. Ray Bradbury's always a great place to end.

**Brian:** That's true. Better than hamburger, I think.

**Phillip:** Yeah, better than Hamburglar, better than hamburger: Ray Bradbury. Now we did it again, sorry. Alright, take us home, Brian.

**Brian:** Alright. With that, if you could head over to Apple Podcasts and give us a five-star review, or on Google Play, or wherever else you want to leave feedback, please do. We love it. We've already mentioned that in the middle of the show. We want to hear from you. We'd love to hear about what your hamburger is, your proverbial hamburger, or whatever else you want to tell us about. So, please do that. With that, I think that's a wrap.

**Phillip:** What do we say? I forget what we say at the end of the show.

**Brian:** No you don't. You don't forget, do you?

**Phillip:** Oh yeah, keep looking toward the future.

**Brian:** There it is.

**Phillip:** Bye.