



# futurecommerce

Episode 50 - "Retail Tech Moves Fast, We're Moving Faster"

Hosts: Phillip Jackson and Brian Lange

<http://www.futurecommerce.fm/retail-tech-moves-fast-futurecommerce-is-moving-faster>

**Phillip:** Welcome to Future Commerce, the podcast about cutting-edge and next-generation commerce, rated as one of Forbes' top six podcasts worth your time. I'm Phillip.

**Brian:** And I'm Brian.

**Phillip:** And I am so excited because today, this is episode 50.

**Brian:** Fifty!

**Phillip:** The big five-oh! And it's a huge milestone for us and a huge milestone for you, our listeners, so thank you for listening. The best way that you can keep in touch with everything that happens after episode 50 is by signing up for FC Insiders.

**Brian:** Yes, please. You will not regret it.

**Phillip:** So, give me a little bit about what FC Insiders is about.

**Brian:** FC Insiders is the best place to hear about what's happening in commerce, in tech, and you're gonna get access to exclusive content before anyone else does. Phillip had an unbelievable article on the future of the internet that he did for FC Insiders that was the first episode of its kind that we've done. I'll be doing one this month. So, if you enjoyed Phillip's content, get ready, because I'll be doing something very similar, and we'll be doing one of those per month. So, subscribe. If you haven't heard the article that Phillip did, and it's something you can listen to or read, I highly recommend signing up for FC Insiders, because that is worth your time.

**Phillip:** Awesome. Yeah, thank you so much. We're really excited about it, so make sure you get on the Future Commerce Insiders list and get all that exclusive content. You can do that on futurecommerce.fm. Today is a day of days, in that we're going to take you on a little bit of a journey back over the last year and the last 50 episodes, and we're gonna talk about sort of the transformation over the last year. Some of the guests we've had on the show and some of the themes that have been repeated over and over over this last year.

**Brian:** I'm excited, because this is a really big episode.

**Phillip:** So, just ... What has happened? 50 episodes, one year, what are some of the main themes that have come over and over? Number one, we have assembled a crack team of thought leaders and retail futurists. Our guests over the last 50 episodes have been the best of the best, and the people that are cutting- No, they're at the bleeding edge of commerce.

**Brian:** Yeah, no doubt. I mean, it's a pretty eclectic group. You know, they all have a very unique view. I mean, if you start to pit some of our guests views against each other, they're pretty diverse. It's a pretty interesting set of visions of the future and, you know, if you take someone like Sucharita Mulpuru and if you juxtapose her against maybe Saku

Panditharatne or some of our other guests, it's quite an interesting contrast. So, we'll dive into that a little bit later.

**Phillip:** Yeah, and you'll get to hear from them as well. One of the things that we bring to you every single week on Future Commerce is a healthy dose of thought leadership, and it's not just coming from us. It's coming from the experts in our communities that are helping pushing retail forward. And part of that is helping us to hit some really amazing achievements. So, we wanted to kind of cover a few of those. We want to toot our own horn, because we're really excited that in just a year's time, you our listeners, and really this incredible base of support that we've received from the retail community has helped us sort of propel into an area of thought leadership. So, we're doing some great things right now, and I really feel like a lot of that started with our co-podcast, the cross podcast experiment that we did with Jason and Scot.

**Brian:** That was a great episode.

**Phillip:** You'd have to go back and check that out, but they had us on the show and we had them on our show, right, Brian?

**Brian:** Yeah, it was a two-part series, and it started on our show and then continued on their show. And we've kind of had them on as sort of retail analysts, and then they kind of had us on their show to talk about what's next and also a lot about Magento since they're both really involved in Magento.

**Phillip:** Yeah. We kind of got pigeon-holed on the Magento thing there. And then we've actually launched recently a series called FutureProof with our friends over at Software Advice, which is a Gartner company.

**Brian:** Really great series. Like, unbelievable information there. I really love that quote about augmented reality and SMB. What was it? 34%?

**Phillip:** 34% of small to medium sized businesses consider augmented reality as critical to their business in the immediate future.

**Brian:** That is a stat worth taking to the bank.

**Phillip:** Yeah.

**Brian:** If you're not in that 34%, you should really pay attention to it.

**Phillip:** And if you're thinking to yourself, "What does augmented reality have to do with commerce?" Then-

**Brian:** You need to listen to our show.

**Phillip:** Yeah. Listen to our show, number one. Number two, head on over to [softwareadvice.com](http://softwareadvice.com) and find the FutureProof series and dive in. So, part one is already live, by the time you listen to this I'm sure there will be some future installments. And again, one of the best ways to not miss that is to check out FC Insiders, which is a community that we launched just a little bit ago that's starting to really make some impact. Like Brian said, it's not just exclusive content, it's that we're doing deep and thoughtful analysis on the state of retail today, and then sort of unfolding what we feel like our version of the future looks like. So, yeah, you would've found out about the Software Advice partnership right there on FC Insiders, so we can't encourage you enough to sign up for that. But the whole thing started almost a year ago when we joined IBM as part of the IBM influencer team at NRF. Right, Brian?

**Brian:** That was a really key moment. You know, we collaborated with them, we had four of their influencers on, including Amber Armstrong in that group. That was a really big

moment for us. I think that sort of led to us being able to collaborate with NRF and come to the Shop.org conference, which was a really big moment, and that was just this past fall.

**Phillip:** Yeah, we did a live podcast. Live, in the middle of the showfloor with people walking all around and right in the middle of the expo-

**Brian:** So, you could sit down and listen to it while you were on the floor-

**Phillip:** Yeah, and we were attracting people. Like, people were coming up and like, "What is going on?" And just blowing their minds with our - well, not just the quality of the guests that we had, but I think also for people to hear a completely different take from new voices in sort of this retail pundit community that has spun up around these types of conferences. And that event was not the first, but the fourth live event that we did in 2017.

**Brian:** That's true.

**Phillip:** So, we started the year, Brian did a series of podcasts live at NRF. We joined with Magento and with a podcast called MageTalk and we did Future Commerce Live at the Magento Imagine show in Las Vegas in April, and then we did two live events in September timeframe. And that was IRCE, and we presented live in a meetup.

**Brian:** I can't say it was entirely unexpected, but it's very much ... it's been really exciting to be a part of this community and help be a voice in this community. I think we've been really able to kind of be a little bit of a new voice and talk about what's next, and that's been fun.

**Phillip:** So, it wouldn't be a podcast if we weren't trying to get out there and get some attention. So, we were not surprised but pleased to see that not once but twice in the past year we've earned some distinctions. So, it started off earlier in April when the Forbes Tech Council voted us as one of six tech podcasts that are worth your time, and that was a really awesome distinction.

**Brian:** That was an awesome distinction. We also were just rated one of the five best retail podcasts for consumer brands by Kiri Masters from Bobsled Marketing. That was also really exciting. That just happened this past week. And you know, I've seen us hit other top five, top 20 lists on Twitter, and really stood up next to podcasts that I really admire. Jason and Scot is definitely one of those, and there are others out there that aren't even related to retail that we've been paired up with. And I've just been honored that we were even on some of those lists.

**Phillip:** Yeah, so thank you. Thank you for helping make that a success. So, okay. We have been prognosticating. We've been foretelling the future for some time, and Brian takes the award for the most things predicted this year. With at least the top two on our list, Brian called both of them. So, Brian, I'll let you have the honor of tooting your own horn.

**Brian:** Oh man, no, I don't need to toot this horn.

**Phillip:** Okay, I'll do it for you. Brian himself, about 20 episodes before it happened, called the Whole Foods acquisition by Amazon, which was a bombshell of news that sort of rocked retail. And then we had Body Labs on the show, which was back at episode 29. Body Labs was a VC backed startup that was doing really interesting work in the realm of body data, and caught Brian's eye just a little while ago.

**Brian:** Episode 8, man, we were talking about it back then.

**Phillip:** Yeah, and I know that ... What I wanted to do for this show is go back and find every time that you said "body data," because you always say like, "Body dataaa," but I didn't get that done in time. However, we did have Body Labs on the show, and you called it just after that episode aired that they would be acquired by Amazon as well, and lo and behold just within the last month or two that's also happened.

**Brian:** Yeah, it's funny, because I actually met them at the first Shoptalk. That's where I met O'Farrell, and I was really surprised to run into him, too, because I had been thinking about what was ahead for body data in general earlier that year. So this would've been ... What year would this have been?

**Phillip:** 2015.

**Brian:** 2015, yeah. 2015 because I was talking about this at Imagine 2015. Yeah. Anyway, meeting Bill O'Farrell at the first Shoptalk was really a bit of a stroke of luck, just kind of bumped into him. He was talking to Magento about something, I don't even know why, when I ran into him right in front of the Magento booth. So, pretty cool stuff to run into people that, things you're already thinking about, and then to see it happen out there in the wild. And then really to be able to track and follow and really observe the success of Body Labs has been really exciting for me personally.

**Phillip:** Yeah, and we keep seeing all of these types of technologies, the ones that we covered for the first five or eight episodes, which was sort of us setting up your introduction into what we felt like were the coming wave of retail tech innovation. And that kicked off in 2016, and then we saw that all mature, and a good portion of that came to pass. Even with our partnership with Linc. So, Linc Global actually helped us for the first six months, partnered with us to help us bring the podcast to a larger audience, and they've made some amazing strides in application of artificial intelligence to conversational commerce.

**Brian:** Yeah, definitely. Also, right after we started recording this show, Pokemon Go came out.

**Phillip:** Wow, yeah.

**Brian:** And we recognized that - I think it was episode 4 or 5 - as a sea change moment for how people were gonna interact with the virtual world. And I can't remember how much we talked about augmented reality and virtual reality before then, but from there on out ...

**Phillip:** That was like the cornerstone of our show from there on. Absolutely. And I'll tell you, I was made a true believer. If you want to go back to the world that we lived in 50 episodes ago, there was no Snapchat Spectacles, right? Snap was not a public company, right? Whole Foods was still its own standalone company. Google's home device was not yet a public acquisition, or it wasn't a public product yet, it was only just announced. And Pokemon Go didn't even exist. That's the world that just a year ago existed. And that's the world we lived in.

**Brian:** And that's crazy. And I think this is why we started the show, because we recognized that a lot of technologies were coming together, and we were just about to experience the new wave of innovation and we were too excited not to talk about it. Like, we had to talk about it.

**Phillip:** Yeah. And it's not just that it's moving fast, it's moving faster than ever. And so, our new tagline that I'm liking to throw around is that retail tech moves fast, but Future Commerce is moving faster.

**Brian:** Yeah, I think we might have to start using that instead of "Keep looking towards the future."

**Phillip:** Yeah, I know. Maybe that's our new one for this year. But if you look at some of the ones that we've also spoken about, we're seeing huge strides as well. We introduced the concept of passive commerce to you in the early episodes, and wouldn't you know, there was a study that was released not even six months ago that said that passive commerce is the means of marketing consumer packaged goods, and getting people to try and experiment with other brands that they already have some brand affinity toward. So, we're seeing actual data starting to prove out the theories that we've had for many years, and it's exciting for us to sort of be at the forefront of that.

**Brian:** Yeah. And I also think that, you know, you mentioned Google Home, but we've also talked about Amazon quite a bit on this show.

**Phillip:** Oh gosh, yes.

**Brian:** I mean, talk about body data and then seeing it show up in a big company ... And well, first with the Echo Look, when that came out that was a really good indication that we were on the right track, and then to have Amazon go acquire Body Labs. I wonder if Jeff Bezos is listening to the show, because it feels like we've kind of ... I mean, we didn't start before the Amazon Echo was released, although I did subscribe within the first week to get one ...

**Phillip:** You're an early adopter if nothing else, that's for sure.

**Brian:** I am not an early adopter, but I saw that and I was like, "Dude, this is it." I think what we've been able to do with the show is really like, recognize that this is what's next and then really start to look ahead and explore all the different possibilities with voice commerce and conversational commerce. And now Starbucks has their own conversational app. I mean, they hired someone away from - you shouldn't quote me on this - but they hired someone away from Microsoft, I think it was, just so that they could build out conversational interfaces. That I think is just a really good indication that conversational commerce is going to continue to be something big.

**Phillip:** Yeah, for sure.

**Brian:** Whether that be post-purchase or pre-purchase, it's really still gaining traction. And I think it might be one of those technologies, you know, we've talked about how it kind of went dormant for a little while, and 2016 was supposed to be the year of conversational commerce. Really it was more the year of hype about conversational commerce.

**Phillip:** Yeah, I have to hand it to one of our first guests. When I broached the topic of conversational commerce for the first time, I did so sort of knowing that I was probably setting myself up. But we had the head of Neiman Marcus Retail Innovation Lab-

**Brian:** Scott Evans.

**Phillip:** We had him on, and I said, "What do you think of conversational?" And he said, "I think that it's this year's beacons." And wouldn't you know? He was 100% right in that it was a fad, and it's something that-

**Brian:** Let's talk about this for a second. I don't think that conversational is a fad.

**Phillip:** I don't think it is either, but it's so overhyped and it's-

**Brian:** It's kind of like VR had been for a while. Like, VR got super overhyped.

**Phillip:** Sure.

**Brian:** And then everyone realized, oh wait, there's still a ways to go. Like, we kind of have to sit on this and we put a lot of money into this. But it wasn't really quite ready, but it will be in like five years or so. And I feel like conversational kind of hit the same thing, where it was like this is definitely something that's happening and it's something that we should be involved in, but you know, we're gonna have to wait for it to develop a little bit more. I mean, when it first started, people were making all kinds of ridiculous bots, like Drake Bot. I don't know if you remember Drake Bot.

**Phillip:** How could I forget Drake Bot?

**Brian:** And so it was just like this explosion of content and experimentation and like, "Wow, this is so cool! Imagine all the possibilities!" And then they're like, "Oh wait, we have to work at this, that costs money."

**Phillip:** And one thing that we've done with this show in just reaching a broad audience is we've had guests from all walks of life, like you said, very diverse backgrounds. But our listeners are just as diverse. We have our second largest market in this show is in Japan, and we have listeners all over the world. We have people listening in Argentina, in Brazil, South Africa, Australia, in India, in Pakistan, Iran ...

**Brian:** U.K.

**Phillip:** Even Spain and all over the United Kingdom and in the Nordics and even in Iceland. And one lonely listener who listens all the time in Mongolia, so thank you for listening. But it's just an incredible worldwide audience who is very engaged in making very strategic decisions about the kinds of retail tech that they'll be employing in the very near future, and using Future Commerce to do it. You know what? Don't take our word for it. We have some of the brightest minds who have been on our show to help us bring that message to you. And so, let's actually take a second and hear from them. So, who are some of your favorite guests that we've had and what kind of things do you think ...?

**Brian:** Let's start with one of our most popular guests, actually, our most popular guest of all time.

**Phillip:** Yeah.

**Brian:** And honestly, for good reason, he did some amazing things at Adidas. Nick Vu took a massive organization like Adidas, which I mean - I don't know if you have seen Under Armour and Nike's recent news about how well they're performing; Under Armour's in real trouble. Nike, I mean obviously is still a very profitable organization. But they expected this growth, this insane growth, and there was just an article recently that I was reading and I wish I had it with me right now, where they actually ... You know, the past two years have not been what they expected, and it's largely due to what Adidas has done in North America. And Nick Vu was a big part of that movement, of bringing Adidas back into relevance. So, he unveiled some of his secrets. He really pulled back the curtain and let us look a little bit behind the scenes on how he did some of that, and so it was really intelligent, really kind of him to be so transparent as well. So, I don't know if you want to ...

**Phillip:** Yeah. Let's take a listen to Nick Vu as he tells us how you need to tailor your approach to bringing innovation into your organization based on culture and size.

**Phillip:** Honestly, how different is tailor-made to an Adidas retail experience, and what do you think is the difference, and how can that help merchants that are listening to the show or retailers listening to the show to forge their own strategies?

**Nick Vu:** Yeah, it's a very astute question. Here's my response, and I'm gonna give you an analogy that I was on another call and I think they'd like to steal this, and I welcome our audience and yourselves to steal this, too: I think each brand is different, and my

analogy would be if Adidas is the mature organization, we're probably more like - with respect to processes, systems, technology - more like a tugboat, a large freighter if you will. If you look at Reebok, similar situation, just maybe a smaller tugboat. But if you look at like a Mitchell & Ness, going to the other opposite end, I would consider that analogy to be a speedboat, right? And then here's the punchline. If you look at our ecom businesses in that industry, it's really like a jetski. So, as a potential driver-rider in this analogy, you really have to deploy strategies that fit the speed of which the businesses are moving. So, from my vantage point, when I look at the different brands, the lens I have to put on before I get on one of those ships or vehicles is wow, if I'm dealing with an ecom topic, depending on the brand I gotta know that I'm riding on a 70 mile an hour jet ski, you know what I mean? As opposed to implementing technologies on a mature business that may be much more like a big freighter tugboat, does that make sense?

**Phillip:** Yeah, and that was great advice. And not every organization is Adidas, right?

**Brian:** Yeah. Dude. I mean, my talk that I gave at Meet Magento New York just this past month is pretty much all about this exact topic. I really need to bring that quote in, because it's a great quote.

**Phillip:** Yeah, absolutely. You know, I think, too, if you sort of scale that up into what rapid innovation looks like, we had an incredible example of that from the Lowe's Innovation Lab.

**Brian:** And go.

**Phillip:** And here it is.

**Amanda Manna:** Yeah, you're exactly right. So, going back to the narrative where we started, this really came out of a story around how could we use technology to enable people with superpowers? And you look at things like Iron Man, of course, and you think, "Well, how do we make that possible?" And so, with the exo-suit, it's a soft robotic suit, which I think, you know, not a lot of people would look at that and immediately think robot. But it's helping our stock loader employees in the stores. We're doing this right now at one store that's near Virginia Tech, who is our development partner on the project. And these are employees who are doing things like lifting five-gallon buckets of paint or heavy bags of cement, and for hours on end at every shift, they're moving stuff around the store and it's really hard on your body. And so, with the exo-suit, it acts similar to a bow and arrow to absorb your energy, and so that essentially it feels like when you're lifting something, it's weightless. And so far, the employees have really been excited about it. I mean, you can put it on and try it and you will immediately notice how helpful it is. So, we're definitely excited to look at-

**Phillip:** Wow. Exo-suits.

**Brian:** So cool. That was really fun to hear about.

**Phillip:** Exo-suits. The thing about Exo-suits though - and that was Amanda Manna there from the Lowe's Innovation Lab speaking - is that it's not just enough to pilot it, it's that you have to be, she goes on to say, you have to be very smart when you do pilot something that you don't sort of drink your own Kool-Aid to say that it was successful, but you know, apply some really rigorous testing in a very small and targeted way, and slowly roll it out to the larger organization to see if your hypotheses are true. And I felt like that that was - even though we're talking about exo-suits - that was a really healthy bit of advice that we could all follow.

**Brian:** Yeah. When you've got stuff like that juxtaposing against someone like Sucharita Mulpuru, who is like, you know ... And I would say that Amanda would totally agree with this. It's probably not really a juxtaposition, but I think it's really tempered. Like, you get

really excited about exo-suits, and then you have Sucharita come along and say something like what she said in episode 41. Why don't you roll that.

**Sucharita Mulpuru:** So much of what I see is technology for technology's sake. Like for instance, I was talking to a retailer last week, and they were like, you know, kind of probing me on kind of, "Don't I need Apple Pay? Isn't it really, really important that I invest in Apple Pay?" And I'm like, "Nobody's using Apple Pay yet. It's just not necessary, and it's a pain for you to integrate, so why are you obsessed with Apple Pay? Why are you not obsessed, for instance, with getting a marketplace on your website?" And you know, those are the things that are baffling to me. Like, retailers want to compete with Amazon, and they do everything that ... They put all these reviews on their website, they try desperately to offer free shipping, you know, they're trying to get better at their fulfillment processes, and it's like, you're trying to run against Usain Bolt. I mean, it just is a little bit of a fool's errand. However, as I'd mentioned, there are like 500 million, 700 million - whatever the number is - there's hundreds of millions of products on Amazon.com, and the vast majority of them people never see. However, on your own website, there are a number of products that consumers are searching for that they never find. The number of null searches on any retailer's website is usually 20 to 30% of their searches, but what are retailers doing about that? And it's like, the easiest thing to do is put on a marketplace, which by the way, is the exact thing that is Amazon's success right now. And all it is is letting other sellers who do sell the products that people are searching for, putting them on your website and letting other people buy it on your website, and you send the order to somebody else so that they actually transact it. And it's baffling to me why retailers have not actually embraced something as basic as that. Or when they do, like in the cases of Walmart or Sears, they don't do it well. You know, I shared the example of Jet.com earlier where they sent me the wrong item.

**Phillip:** In that particular interview, she really rails on Jet and the user experience that she had there, which she felt like was substandard. But you can tell the passion in her voice of how convinced she is that even though we're telling people of what it is that we should be thinking about for the far future, there's people that are so focused on and over-leveraged on trying to do those types of things that they're forgetting to focus on what customers want today.

**Brian:** Yeah, that's so good. Although, if you compare what Sucharita was saying with what Saku Panditharatne said back in episode 16, that's almost a little bit at odds with each other as well. And I love how ... Well, go ahead and play that and we can talk about this a little bit more.

**Saku Panditharatne:** So, I guess to answer your question, it obviously depends a lot on who the merchant is. I can definitely see AR and VR being reserved for like the most personalized, customized niche industries, niche high-end industries, but I don't know. I think there's also the general, you know, Andreessen Horowitz's 'Software is Eating the World' theory, which means pretty much that technology is really important, and it's just eating into every industry. So, it might be that the answer is you have to go with all of them, like, tech is essential to a lot of businesses these days and you can't really skimp out on it. But I mean, it obviously depends on who you are.

**Brian:** So, you're saying that maybe if you don't have the budget to invest in different technologies, that really maybe you shouldn't be in business.

**Saku Panditharatne:** Well, not saying that explicitly, but ...

**Phillip:** I mean, technically you said that, Brian, she didn't.

**Brian:** I think that's an interesting point. Like, maybe you really need to have the funding and the budget to go invest in some of these technologies. It's not just technology for technology's sake, it's technology because you need it.

**Phillip:** Yeah, because fundamentally for you to operate a business, a digital business, you need money, you need capital, you need to invest in ... And what we're forgetting is ... I love this idea that we've been kicking around recently which is that five years ago we used to call responsive websites the mobile web, right? And now, because 90% of your visitors are coming from mobile, we just call it the web, right? It's just the web. And at the end of the day, that's really what we're talking about here is that all these technology things that we're doing, 10, 20 years ago were so futuristic, but it is commerce today. That is what commerce is. And so for you to be in commerce, you need to invest in tech. I think that's what Saku was saying.

**Brian:** Yeah, you've said this a couple times, but you're like ... You know, I think this is a good quote from you, and I can't remember if you stole this from someone else or not, but-

**Phillip:** No, this was entirely original, Brian.

**Brian:** This is good. Which is basically, in the future, we're not gonna call augmented reality augmented reality, we're just gonna call it using our phone or whatever the device it is that we're using it on. It's just gonna be using that device, and it's just gonna be a natural part of it. It's not gonna be like, "Oh, now we're using augmented reality, this technology that we know that people spent a lot of money to make."

**Phillip:** Right. No, that's just what my phone does. My phone is just this window into this other world. That's a duh, that's what a phone does. My daughter got ... she earned a dollar, and we went to the dollar store because she likes to go to the dollar store. And she was sitting there and she was very carefully considering a purchase. She was holding in one hand a snow globe, and in the other hand a calculator. And she had never seen a calculator before, and she could not believe that a device ... you could put four plus four and it would tell her the answers to her homework. And she could not believe that. And she's like, "I don't need this snow globe. I like it, it's cool. But it's not as amazing as the calculator." Which is blowing her six-year-old mind. And I think that we forget that these things, the calculator was the biggest breakthrough in business machines and business technology about 50 years ago. It changed the course of tech adoption in business.

**Brian:** Oh my gosh, that was only 50 years ago, man.

**Phillip:** Yeah, but that's where we are now. And now a calculator is this primitive device, it's a primitive tool. So, I find it really interesting-

**Brian:** That TI-85, though...

**Phillip:** Yeah, I know. Well, mine was the 83 I'll have you know. But what an interesting change, and it's all been in such a short period of time. And that's why, you know, you need Future Commerce to help you sort of make sense of it all. We also, you know, we've had some incredibly speakers and thinkers on the show, including Fang Cheng from the company Linc, who did provide us with amazing support for our first year. And she actually dove pretty deep into the way that they're attacking these futuristic technologies and making them into things that are useful and palatable for right now. Let's take a listen.

**Fang Cheng:** Where do we draw the line? What is the best user experience? Long story short of that is that it's very important to make it clear when it is a bot, you have to make it clear to the customer I am a bot, right? And I can assist you on a number of things. And when we build the bots, a lot of times the bot companies tend to kind of build to say, "Hey, here's what we can do, what our bots can do." What it doesn't necessarily address is that you can't control ... once you give a touch point to the consumer, you can't really limit how they interact with that touch point. You present to them. So there will be many scenarios, your bots either cannot really add value and cannot actually provide these immediate results in the automated service he or she is expecting. When

you build a platform with the bot's product, you have to consider how your bot's gonna respond or react. When you understand that this is outside of your automated service scope, right? So, whether you're telling your customer to say, "I can only help you on these things, and that's outside of my scope, but I'll give you some pointers to ways to get help." Or you have to find a unique way to bridge it to human, right? So, it will be unrealistic to expect that the bots from day one can cover all the service requests with immediate automated service results.

**Phillip:** And that is sort of a really level-headed and down to earth sort of take.

**Brian:** Dude, I totally agree. I was thinking the exact same thing. I was thinking, like, I love how Fang takes something that's so future, like future-focused, so next-gen, and makes it sound so, like, practical.

**Phillip:** Yeah. Like, of course we shouldn't expect that AI can do everything for us, and of course we should tell customers that they're interacting with a bot. Of course we should, because that's how they would expect the best customer service to be, is to just be open and transparent.

**Brian:** It's so no-nonsense and so, like, this is just how you use this. Like, you can leverage this really well, and here are the ground rules. Just follow these rules. It's so, like, usable here and now.

**Phillip:** Yeah, which is complete opposite to another guest of ours and his take on AI.

**Brian Roemmele:** I'm seeing that right now, in this moment, literally, next couple of years, we're in that moment where we're starting to make the decisions of in a sense our own destruction. Everybody who thinks they have job security today, I don't care who you are, wake up, you don't have job security. I don't care. You're a programmer? Sorry, AI is gonna replace you. I'm gonna train my computer just by training it like a kid. Your job is done, alright? So, don't think you have job security. Oh, you make electronics? No job security. Are you a lawyer? Sorry, Blockchain might replace you. Just the Blockchain. Just the Blockchain. Alright, you're a doctor? No, sorry, a computer's gonna do it better. A Watson. Just connect it to a laser. And I don't have to go down that road. Nobody has job security any longer. So stop being smug. Because everybody who hears this argument is like, oh yeah, a coal miner that voted for Trump, so he's pissed off. No, everybody is gonna be out of a job.

**Brian:** That is the best.

**Phillip:** Yeah. And if you want more of that, there's about two and a half hours of it from episodes 19 and 20.

**Brian:** I wish we could release the preshow. That preshow was like ace. That was even better than the episode. Like, the episode was good, the preshow was the best.

**Phillip:** Yeah. And Brian Roemmele actually, who has way too many things that he's good at and prolific for, but he is profound in the area of pushing what he calls voice first, which is this idea of voice being your gateway into a new realm of us understanding what computing is and how we interact with your voice as the interface. Which I just thought was just great.

**Brian:** He runs Multiplex, right? Multiplex.com or something like that?

**Phillip:** Yeah. It's incredible. And it's funny, because ... just kind of stringing that along, why do we use voice, you know? Why do we use voice as ... Why is that sort of a new frontier for us? It's a natural interface. You know, typing into a computer was just a means to an end, but voice is the next platform. And we actually spoke to Jason L. Baptiste about something very similar to that.

**Brian:** I would argue that actually voice interfaces are going to be a large part of how we interact with technology in the future. It's just, we're in an awkward phase right now because we're not used to it. It's not something we see every day and we don't feel it around us. It'll take another generation of users before that gets normal.

**Jason Baptiste:** Yeah, and I'll tell you. So, it's my wife's little brother, he is 10, 11 years old. He uses Siri all the time. He has a little iPhone and all he does is use Siri. And I think I've tried to ask why, his response is like, "It's fun." And that could be the world is going, and I think fun is a key thing. Like, the reason Snapchat is so successful is they're just fun. A big problem that I have with Silicon Valley is like, a lot of it is just dry and not fun, and I think Snapchat was smart to go into L.A., and they do stuff that's fun. And that's been missing from products for a bit.

**Phillip:** And that's kind of what it all comes down to, right, Brian? Is that products have to be fun and engaging and make our lives better for us to actually want to interact with them.

**Brian:** Yeah, that's so true. Fun, engaging, entertaining. I mean, I think there's whispers even now among retail that 2018 is going to be the year of entertainment. And that is to say that customers are going to purchase because they want to go enjoy an experience, be entertained by you as a retailer. Retailers are gonna use entertainment to draw customers in in new ways and dazzle them. So, yeah, we've talked about this quite a bit, actually back in the Amber Armstrong episode about Gen Z. They do like shopping in stores, but they expect a completely new paradigm when they go in the store. They want to be dazzled, they want to have the brand interact with them in totally new ways. And I think that we talked about this almost a year ago, this is gonna become a much bigger trend and a bigger topic for discussion this coming year.

**Phillip:** Yeah. 50 episodes we've been telling you, just make better products, and make your in-store experiences more entertaining and make them experiences. Not racks of clothes and accoutrement just piled high to the ceiling like a TJ Maxx going-out-of-business sale. What people want is to walk into a store and be, you know, jaw-agape at the experience that you've put in front of them.

**Brian:** Well, hold on here ... Don't knock TJ Maxx, man.

**Phillip:** Are you a Maxxinista?

**Brian:** No, I'm not a Maxxinista, but there is a whole group of shoppers out there that love the experience and the entertainment of the hunt.

**Phillip:** Ah, that is an experience. You're right.

**Brian:** It is an experience.

**Phillip:** That in and of itself is an experience. Okay, I stand corrected. I like it, I like it.

**Brian:** But Sears on the other hand, no hunt there. That is the death of retail. Just announced Sears and JCPenney's closing another round of stores. Oh, I'm sorry, Sears and Kmart, what am I saying?

**Phillip:** Yeah. Well, rest in pieces. And so, getting down to ... We're kind of winding down this retrospective and there's a couple stand out interviews for us that sort of are on opposite ends of the spectrum of extreme innovation and extreme ingenuity. And so, let's take a listen to some of the folks from Body Labs tell us a little bit about how they've approached using their products and applying their products into new and unexpected ways.

**Jon Cilley:** You know, when you look at online retail specifically, a lot of these other industries have been disrupted by ecommerce, but retail or clothing retail has had a harder time being able to get into that ecommerce space in a meaningful way. And part of the challenge has always been you really can't try anything on or validate that something's going to fit properly. So, if you could easily provide businesses with the 3D shape of that consumer, and you could do it in an efficient and easy manner from something like a web camera or an uploaded photo from an existing user profile, you could unlock this whole other realm of both shape-based analytics, size recommendations; in the future you could do things like virtual try on, and that's actually a combination of both recognizing pose, motion, and shape. So it's really taking kind of the three pillars and focus areas of our technology and uniting them together to be able to do something really special. And so, there's all these other verticals that can get easily disrupted.

**Phillip:** Yeah, and you take an existing piece of tech and there are limitless ways of applying that to retail.

**Brian:** Yeah, and Amazon's gonna be the one to do it.

**Phillip:** Spoiler alert.

**Brian:** They own that now. Oh man. I can't wait for our predictions show. No predictions this show, but I can't wait for our predictions show for 2018.

**Phillip:** Yeah. 2018 is gonna be wild. But we've somehow accidentally wound up with giving the last word to Caleb Light of Power Practical, who basically is making a career on Amazon right now, making a brand that takes new and interesting products into the market and brings them to consumers, and creating a brand around what would ... that sort of span the gamut, like what Body Labs was saying, which is finding new application for old tech, but also not everything has to be this super high-tech moonshot. Let's take a listen.

**Caleb Light:** You know, you're not taking a pot and making electricity, necessarily, with every product. And honestly, sometimes those super kind of innovative products don't sell that well, or the market isn't as big as something like an LED strip light that you put on the back of your television, for example, right?

**Phillip:** Right.

**Caleb Light:** So, even if you don't have necessarily like these super heavy tech products, you can still think of ways of kind of bundling it or packaging it so that you make a clean experience so that someone wants to come back to your brand to buy whatever's new.

**Phillip:** There it is.

**Brian:** Great way to end those clips. And honestly, like, Caleb Light ... If you haven't listened to that episode, go back and listen, because guys like that are the future. They're the future of retail.

**Phillip:** Yeah, they are the future of retail.

**Brian:** They're gonna be leading the big brands ahead, and if you want to hire somebody that's gonna do that, go hire that guy.

**Phillip:** Yeah, Caleb's interesting because he is the new Omnichannel, in that he's embraced Amazon as a strategic partner. He's doing it in very interesting ways as part of Amazon Exclusives. And he's kind of leading the charge. He was very successful on Kickstarter, he's done direct-to-consumer through a direct-to-consumer branded portal

for years, and created a successful brand selling interesting products. But, you know, he's hitting on every cylinder. In fact, Caleb is the kind of person that embodies what Future Commerce is all about.

**Brian:** Yeah, I agree with that.

**Phillip:** It's a person who is taking all of the tools available to him and maximizing them for his success in business.

**Brian:** Yeah, I think what he's doing also is he's being really resourceful. And I think that's something that's gonna be really important to retailers coming up, is when ... Things are moving so quickly, that things that used to work aren't gonna work anymore. Caleb tried to go that standard, you know, get our product into REI and you know, on physical shelves route initially, and he wasn't picking up traction. So he and his team got creative about how they were gonna go to market or go back to market or find new channels for selling. So, I think what you're gonna have to do, new retail, rebuilt retail, is going to constantly have to be poking and prodding at new things or new ways of doing things. They're gonna have to be experimenters and really people who understand how to interpret probably smaller sets of data in shorter time periods and be able to come away with meaningful insights that direct their business. So, look for those kinds of people that can do that kind of thing, like Caleb. Guys like Caleb, guys like Jacob Matson - I really wish we had a quote from him in here, that was one of my favorite interviews, no doubt - and others like them that are ready to adjust and to look to what's next and have ways of being able to tell whether or not they're doing well. And yeah, I don't know.

**Phillip:** Yeah. We didn't even have half of our guests on the show, and I'm really proud of the alumni of Future Commerce. And you know what I would say is don't even go look for people like Caleb Light, you can become Caleb Light.

**Brian:** Yes.

**Phillip:** And so, our little plug is hey, the best way to do that is to join FC Insiders, which is your way of getting what's new and what's next and sort of our detailed analysis and some of that behind-the-scenes-

**Brian:** Oh, I'm just realizing now, there's an episode we haven't even published yet as we're recording this, but the one with Daniel Sepulveda. He actually echoes this exact thing we were just talking about. About training entrepreneurs and have people really know how to take ownership and find new ways of doing things and really ... That's actually a main theme of what he talks about in that episode.

**Phillip:** Yeah, and if you're new around Future Commerce parts, you can expect more of the same in the future. We're gonna grow, we're gonna repackage it in a bunch of different ways, but you can expect more thoughtful insights, great interviews, some thought leadership, and together we're gonna build a community of retail futurists to help us bring tomorrow into today.

**Brian:** The future's moving fast ...

**Phillip:** But Future Commerce is moving faster. Thank you for listening to Future Commerce. We want to give you all the props for hangin' in for today's show, and we want your feedback about it. So, make sure to go to [futurecommerce.fm](http://futurecommerce.fm) and hit up that Disqus comment box on the website. If you're not subscribed, get subscribed today on Apple Podcasts, leave us a five-star review, and you can subscribe on anywhere that you can get podcasts, including Stitcher, iTunes, Apple Podcasts, Google Play, or from your Amazon Echo with the phrase, "Alexa, play Future Commerce podcast." Woo! Here's to 50 episodes, my friend.

**Brian:** 50 more!

**Phillip:** Alright, have a good one, and we'll see you in the future.