

WILL THE HUMAN TOUCH BECOME A FUTURE LUXURY?

By Kathryn Bishop

26 : 07 : 2017 Retail : Luxury : Automation



Fabled by Marie Claire and Ocado, UK

‘ The ease of ‘tap and go’ has become so normal for shoppers that even having to occasionally enter a PIN or dig around for change can feel inconvenient. ’

— Kathryn Bishop, senior writer, *The Future Laboratory*

In June 2017, the British Retail Consortium reported that contactless card payments in the UK now account for about a third of all card purchases, up from 10% in October 2015.

The ease of ‘tap and go’ has become so normal for shoppers that even having to occasionally enter a PIN or dig around for change can feel inconvenient. Combined with the increasingly worldwide ubiquity of self-checkouts – a market forecast to grow by **44% by 2021**, according to retail banking consultants RBR – shoppers today, from grocery to premium fashion, are more and more able to shop, pay and leave without a single human interaction.

Much of this reflects the public's modern sense of busyness. The average adult in Europe, Asia and the Americas works fewer hours per week than they did in 2000, according to the Organisation for Economic Co-operation and Development. But with constant notifications and digital platforms to check, consumers are conjuring their own **cult of busy**. Consequently, the everyday tasks that involved human conversation and interaction – grocery shopping, sending post, buying books – are reduced to a screen swipe, a card tap or a one-click payment. Even the **Church of England** is trialling contactless payments for its donations.

Yet for industries such as hospitality, luxury goods and beauty, which have long focused on the human touch as a defining aspect of their service, the rise of technology and automation risks having a moribund effect on their specialism. Take Ian Schrager's latest luxury hotel, aptly named Public, which relies on technology at all touchpoints, and has only 50 members of staff for the hotel's 370 rooms, two restaurants, three bars and a shop. A luxury hotel that is lacking in knowledgeable, friendly staff seems to contradict the reason that many people not only aspire to stay, but to return. Meanwhile, in New York, premium fashion brand Rebecca Minkoff has installed self-checkouts in its SoHo store for shoppers who want to make faster purchases without social friction – aka traditional retail service.

'When it comes to high-value, high-end products or experiences, could this digital future transform human service into the ultimate luxury?'

Are staff not the very USP that brands should want to protect – especially when, despite the rise of technology, **four out of five** consumers would prefer human customer service to remain part of their retail experience, according to Verint, and **90%** say they are more likely to make a purchase when they receive assistance from a knowledgeable store associate, according to research by TimeTrade?

The shift to automated systems is inevitable, however, particularly for convenience retail, where in the next decade there will be a comprehensive shift to **staffless, digital retailing**. In fashion – and fast fashion in particular – payment systems will move into fittings rooms to streamline the buying process.

When it comes to high-value, high-end products or experiences, could this digital future transform human service into the ultimate luxury? Will only the most affluent clients be eligible for human service, led by a brand's highly trained, well-paid and emotionally intelligent ambassadors? The majority of shoppers in 2025 will humbly deal with robots and AI systems in-store. Retail will have made a dramatic shift from the days of high street specialists such as butchers and bakers offering friendly personal service to high-end aspirational retail, where the superior, personalised experience of having human guidance, insight and care taken is one of the most desirable traits – but only for the few.

*For more on how to make your bricks-and-mortar experience future fit, read our **Retail Futures Report 2017**.*