



Industrial Revolution 4.0

The transformation of our industry

Steve Collinge - Insight Retail Group Ltd

Our Mission

'Delivering a competitive advantage through
Insight, Intelligence & Ideas
for the Home Improvement Industry'

The Insight DIY Website



Insightdiy

Latest breaking news for the Home Improvement Industry, covering the UK, International and Digital Retail sectors.

Insightdiy

Intelligence and Insight for the DIY Industry

Industrial Revolution 4.0

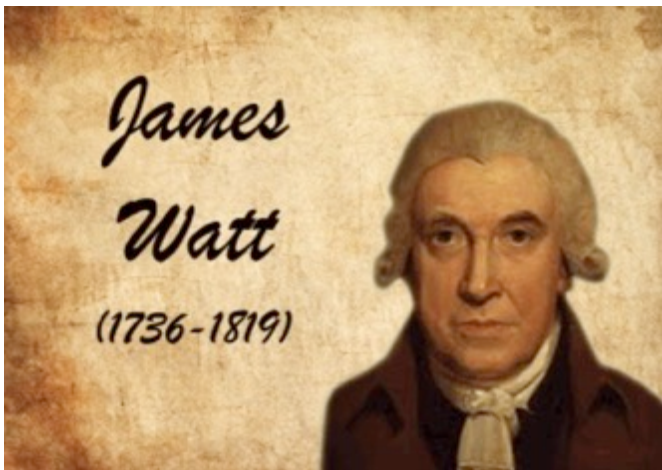
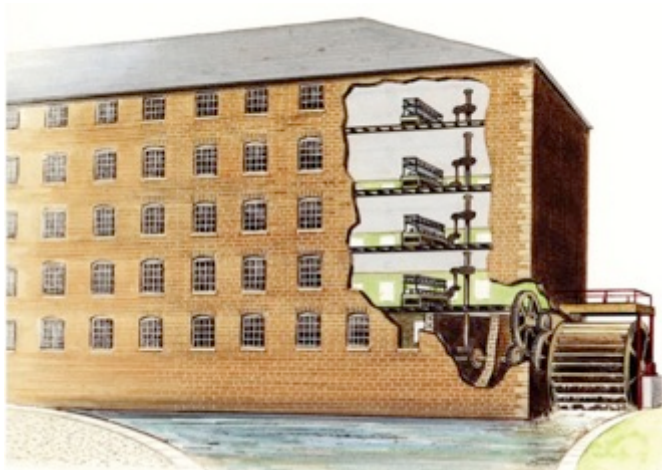
The background is a dark blue, abstract digital landscape. It features several glowing, translucent blue geometric shapes, primarily squares and rectangles, some of which are tilted. These shapes are interconnected by a network of fine, glowing blue lines and dots, suggesting a data or network structure. A prominent, large, curved arc of bright blue light sweeps across the upper right portion of the image, adding a sense of motion and energy. The overall aesthetic is futuristic and high-tech.

IR 4.0 a definition

“Unprecedented technological and economic development that causes a rapid, major change in an economy, marked by the general introduction of new and innovative technology or by an important change in the prevailing types and methods of manufacture or supply”.

Industrial Revolutions No.1 to No.3

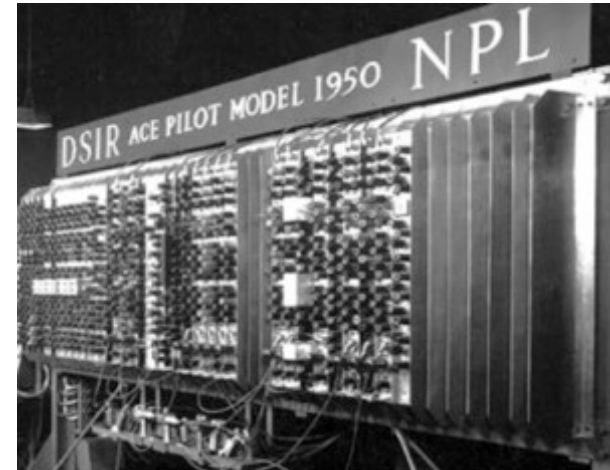
Steam & Mechanisation



Electricity & Mass Production



Digital & the Internet



Industrial Revolution 4.0

Professor Klaus Schwab

German engineer and economist, founder and Executive Chairman of the World Economic Forum.

At the Forum in January 2016 Klaus coined the phrase 'Industrial Revolution 4.0'



Industrial Revolution 4.0

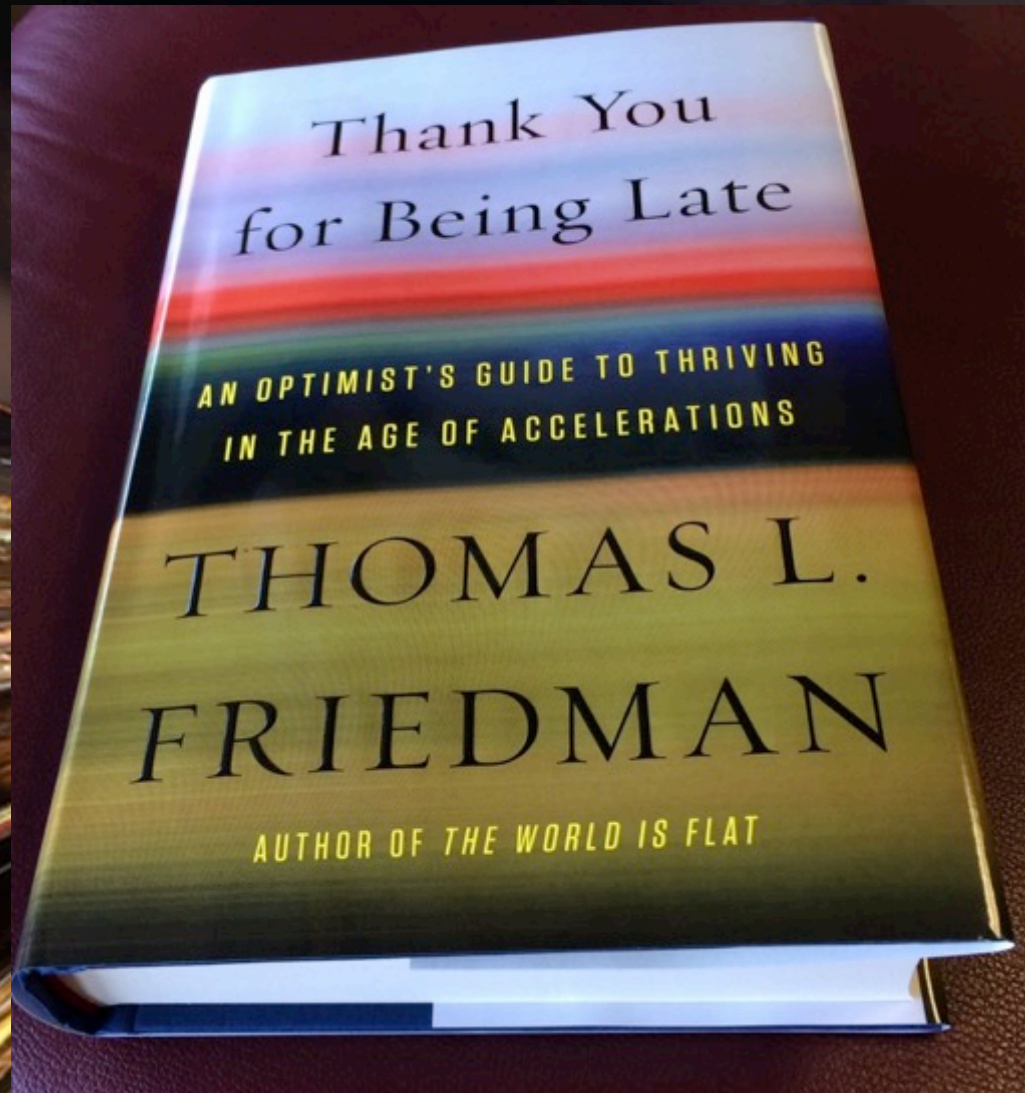
“We are at the beginning of a revolution that is fundamentally changing the way we live, work, and relate to one another. In its scale, scope and complexity, the fourth industrial revolution is unlike anything humankind has experienced before.

We are witnessing profound shifts across all industries, marked by the emergence of new business models, the disruption of incumbents and the reshaping of production, consumption, transportation and delivery systems.

The changes are so profound that, from the perspective of human history, there has never been a time of greater promise or potential peril.

Professor Klaus Schwab 2016

The 'Age of accelerations'



Turbulence ahead for large organisations



- Of the 500 US companies featured on the Fortune index in 1955, 440 firms or 88% have now disappeared.
- Of the 500 featured in 2000, 52% have gone.
- These companies have either gone bankrupt, been acquired, merged with others or have contracted.

Out innovated

Unable to simplify

Unable to adapt their business models

Turbulence ahead for large organisations



- Stock market index based on the performance of the largest 500 US companies.
- 1965 - average length of time on index - 33 years.
- 1990 - the average tenure was 20 years.
- 2012 - this had reduced to 18 years.
- By 2026 – forecast to be 14 years.

Source: Innosight.com 'Corporate longevity: turbulence ahead for large organisations.'

Radio Shack press advert 1991

- Everything from this 1991 Radio Shack advert you can now do with your smart phone.



- March 2017 – Radio Shack filed for bankruptcy for the second time in 2 years and has since closed 1,000 stores.

Radio Shack
AMERICA'S TECHNOLOGY STORE

PRESIDENTS' BIRTHDAY SALE!
DON'T DELAY! 3-DAY SPECIALS ABOVE GOOD SATURDAY THRU MONDAY ONLY!

0% INTEREST!
NO PAYMENTS UNTIL MAY!
NO DOWN PAYMENT!
HURRY! OFFER ENDS TUESDAY FEBRUARY 19

COME IN AND TAKE ADVANTAGE OF THESE OTHER FANTASTIC VALUES!

INTRODUCTORY SPECIAL! Save \$670 \$1599 Tandy 1000 TL/3 Computer System 1MB-Based PC Computer Color Monitor 20MB SmartDrive Hard Drive Easy-to-Use 10-in-1 DiskMate Software BONUS PACKAGE Lotus Spreadsheet For DeskMate DeskMate O&A Writer Quickset 2-Button Mouse	Mobile Cellular Telephone Save \$100 \$199 Like An \$20 Per Month... Reg. 299.00	Deluxe Portable CD Player Save \$40 \$159.95 Like An \$10 Per Month... Reg. 199.95
Tiny Dual-Superhet Radar Detector Save \$60 \$79.95 Reg. 139.95 Read Patrol 88" detector lets you drive with confidence. Detects 1 and 4-band radar. 100 mph.	Compact 10-Channel Desktop Scanner Save \$30 \$99.95 Reg. 129.95 Realistic PRO-57 lets you catch the news as it happens! Four police, fire, and military VHS tapes. 100 mph.	Our Easiest-to-Use Phone Answerer Cut 17% \$49.95 Reg. 59.95 DISCOUNT! 200-201 answerer is ready to use—just plug it in. Hap built-in announcement. 100 calls.
VHS Camcorder Save \$100 \$799 Reg. 899.95 Realistic Model 162 includes video light, 10-minute charging, 2 1/2 inch editing, 1000 pictures, 100 sec.	3-Way Speaker With Massive 15" Woofer Save \$110 \$149.95 Reg. 259.95 Optimus Match Realistic 3-way speaker and woofer. 15" woofer, 2" tweeter, 1" midrange. 100 watts.	20-Memory Speed-Dial Phone Cut 33% \$29.95 Reg. 44.95 Realistic 675-200 Speed-Dial is a 20-line speed-dial phone for office, home, or travel. 100 calls.
Handheld Voice-Activated Cassette Tape Recorder 40% Off \$29.95 Reg. 49.95 Realistic 675-200 is a 20-line speed-dial phone for office, home, or travel. 100 calls.	<p>Check Your Phone Book for the Radio Shack Store or Dealer Nearest You</p> <p>Most Major Credit Cards Welcome</p>	



Retail Wreck? Over 1,000 Stores Close in a Single Week

by MICHAEL CAPPETTA and STEPHANIE RUHLE

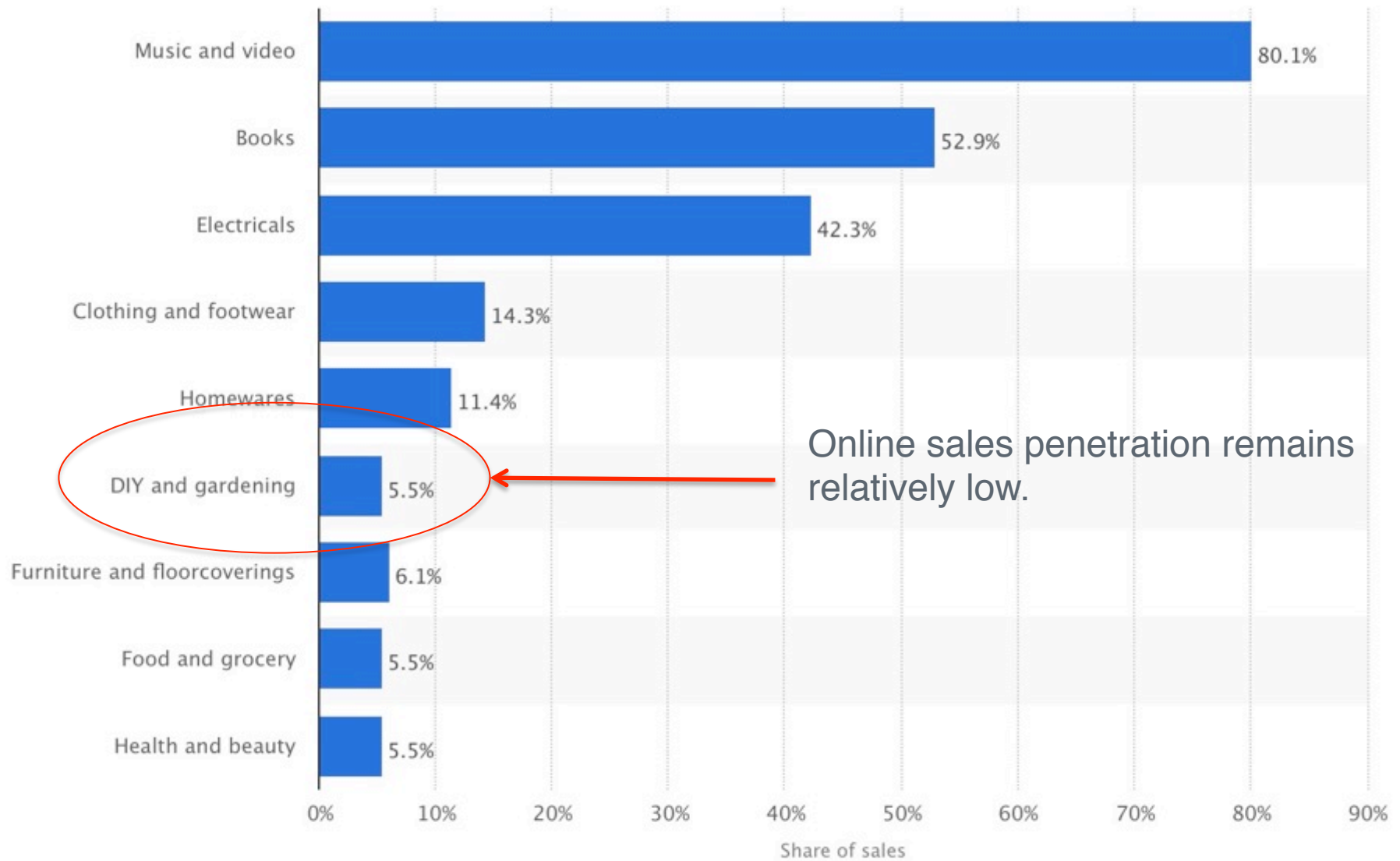
It's been a tough week for the retail industry, with more than 1,000 stores closing their doors for good. Luxury retailer Michael Kors announced it would be closing over 100 locations, and electronics giant Radio Shack closed 1,000 locations across America.

The retail industry, which represents \$5 trillion in economic impact, has changed significantly over the past several years. More than 100,000 retail workers have lost their jobs since October 2016.

advertisement



UK online penetration by category



WHAT'S NEXT?



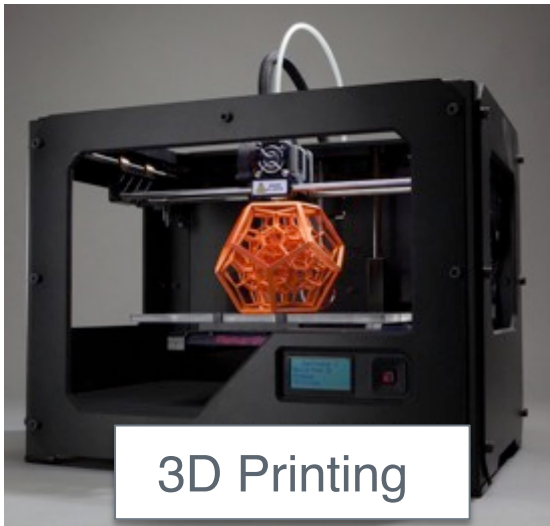
Characteristics of 4.0



Artificial Intelligence



Driverless Vehicles



3D Printing



Cloud Computing

Artificial Intelligence

Product Inventory

- Sharper forecasting tools and better management decisions.
- Improved stock availability and increased sales.
- Reduction in returns rate.



Online Customer Service

- Chatbots replacing humans in online interactions, predicting and anticipating customer needs.

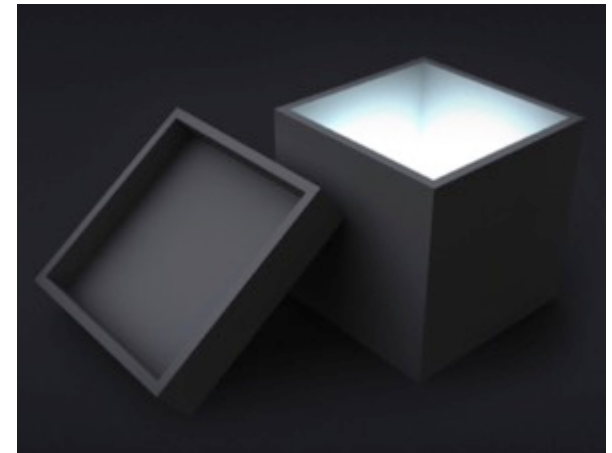
Bank of England has stated that they believe 15 million UK jobs will be replaced with software in the next decade.



The O'Reilly Artificial Intelligence Conference



“What is produced by machine learning is not code, but more or less a black box – you can peek in a little bit, we have some idea of what’s going on, but not a complete idea”.



Driverless vehicles & deliveries

Robocado: Supermarket trials driverless delivery van which doesn't need an Ocado man



ROBOSHOP Tesco makes UK's first delivery by ROBOT in trial that could change shopping forever

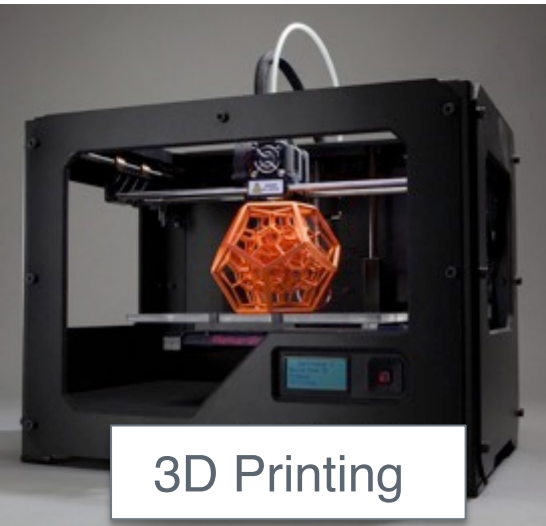
Characteristics of 4.0



Artificial Intelligence



Driverless Vehicles



3D Printing



Cloud Computing

The DIY Consumer



Buying power has shifted

Brand
Power



Retailer
Power



Consumer
Power



The brands decided which retailers stocked their products.



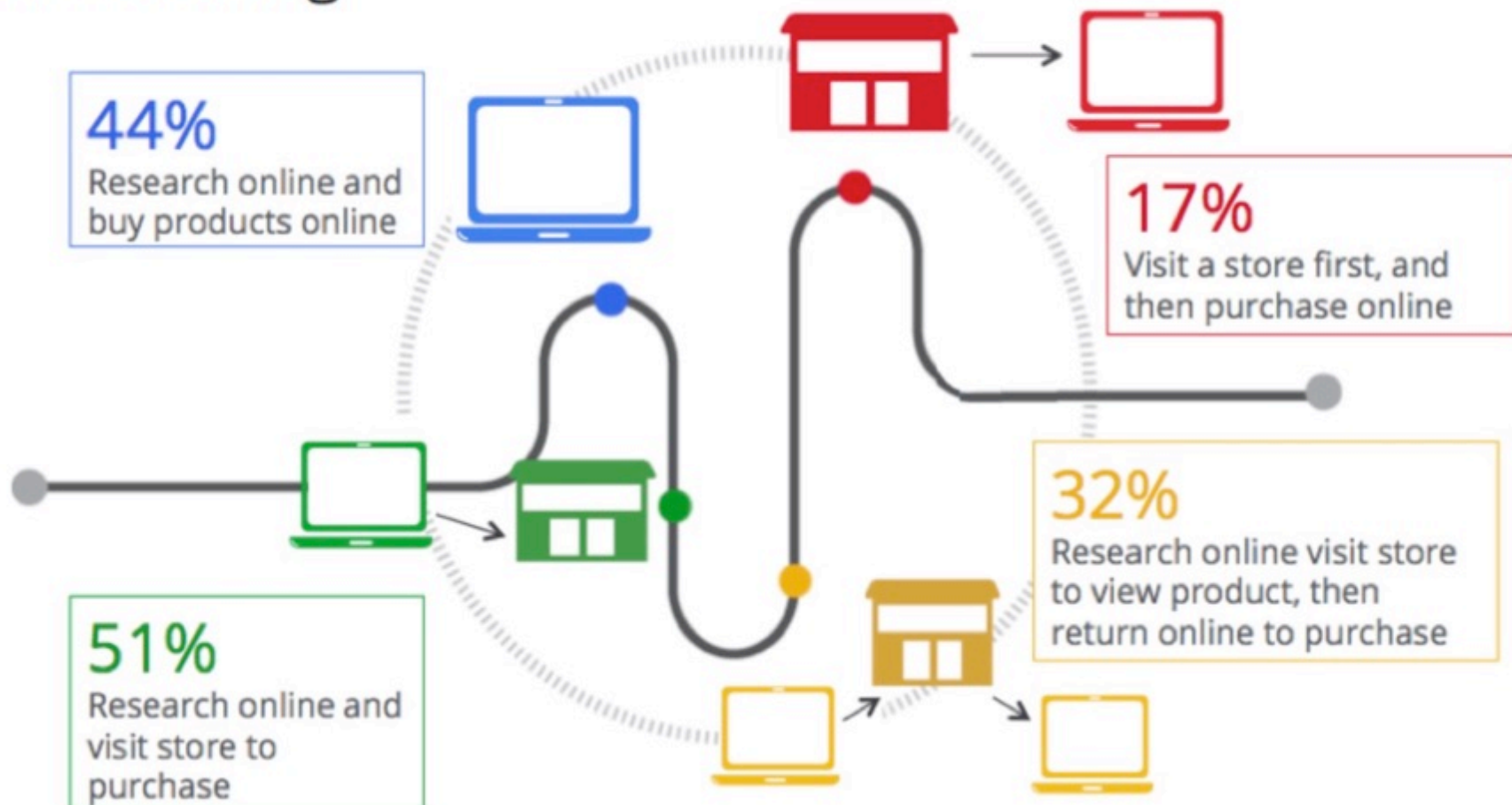
The retailers decided which products and brands to range in their stores.



The consumer decides where they want to purchase products.

The channels are blurring

Lines between offline and online shopping experiences are blurring



The journey is becoming more complicated



Some uncomfortable truths



What do we really want?



We want inspiration and ideas



Pinterest



houzz



We don't want this



Or this



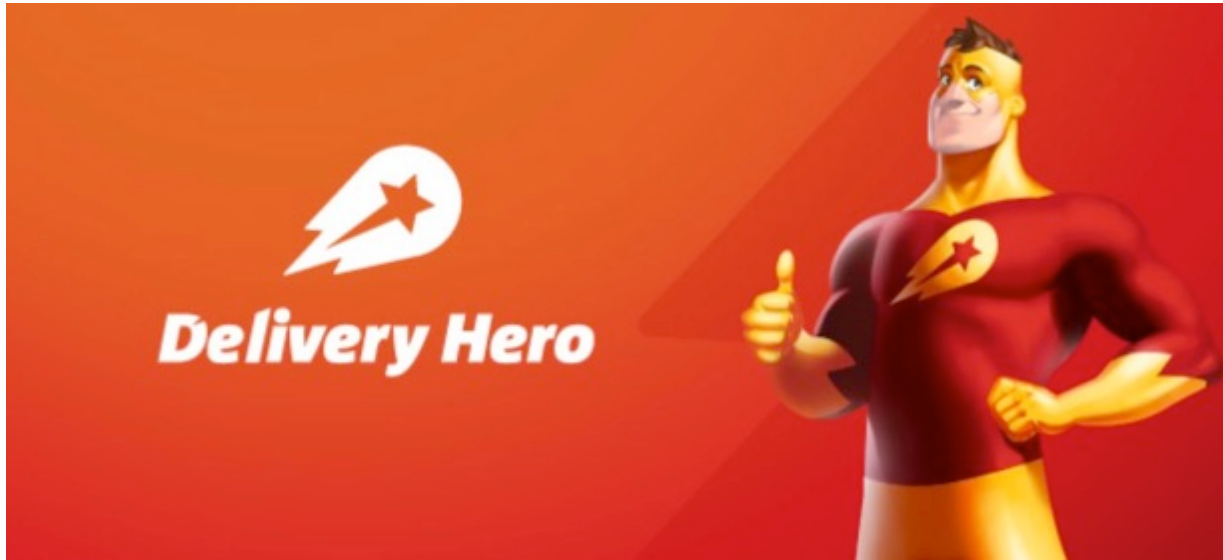
Amazon



Customer First?



New business models



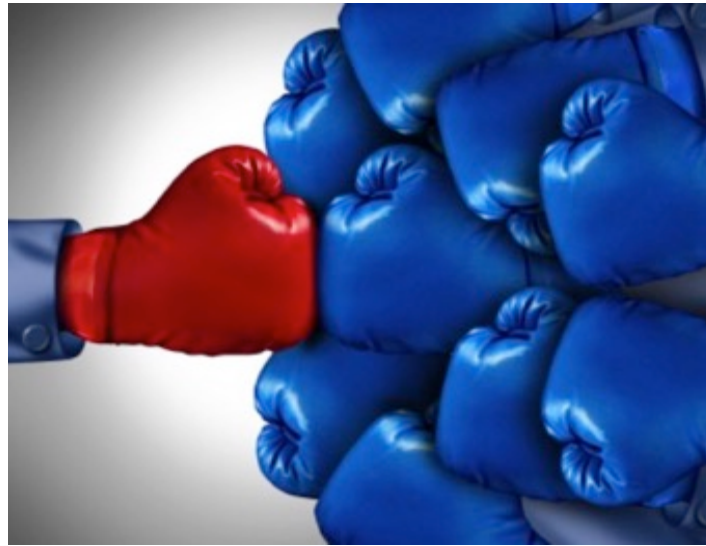
The background is a deep blue with a complex, abstract pattern of glowing, translucent geometric shapes, primarily squares and rectangles, some of which are tilted. A bright, curved light streak, resembling a comet or a high-speed trajectory, sweeps across the upper right portion of the frame. The overall effect is one of high-tech, digital, or futuristic energy.

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The transformation of our industry

Thank you

How can we help you?



- Idea generation workshops
- Competitor intelligence, research & analysis
- Inspirational conferences & presentations
- Website: www.InsightDIY.co.uk
- Contact: Steve Collinge at steve@irg.co.uk

Follow us



Delivering the very latest, breaking news, market intelligence, jobs, data, insight and commentary on the UK and global Home Improvement Industry.

Website

<http://www.insightdiy.co.uk>

Industry

Retail



Insightdiy

Intelligence and Insight for the DIY Industry