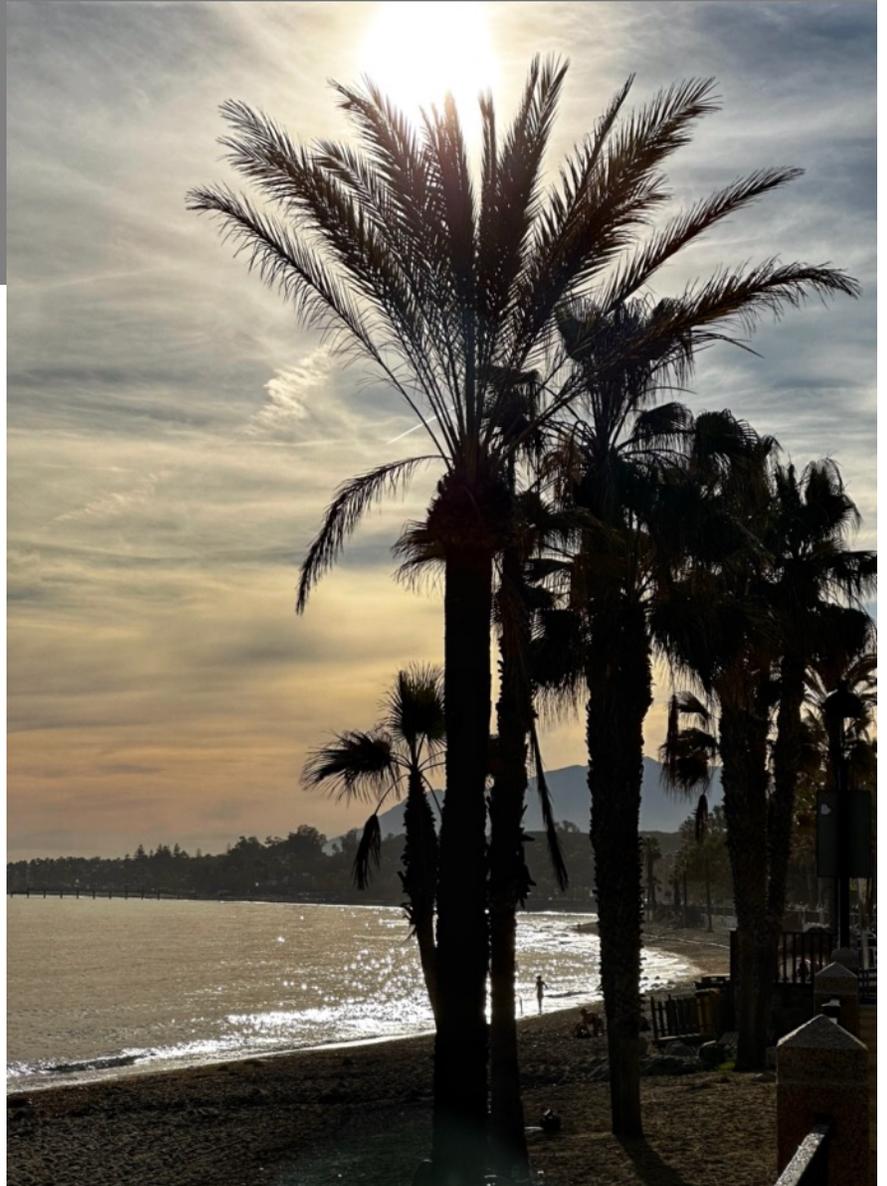
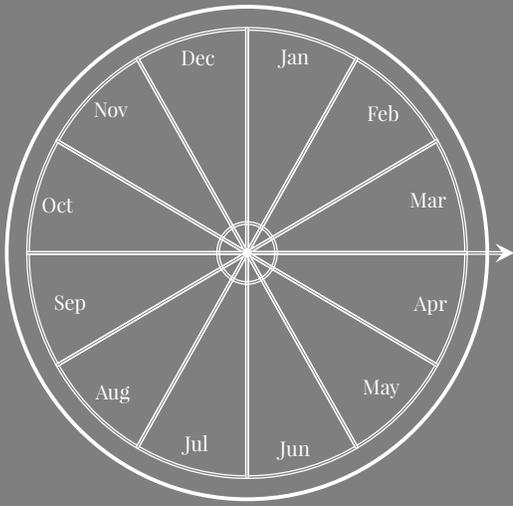


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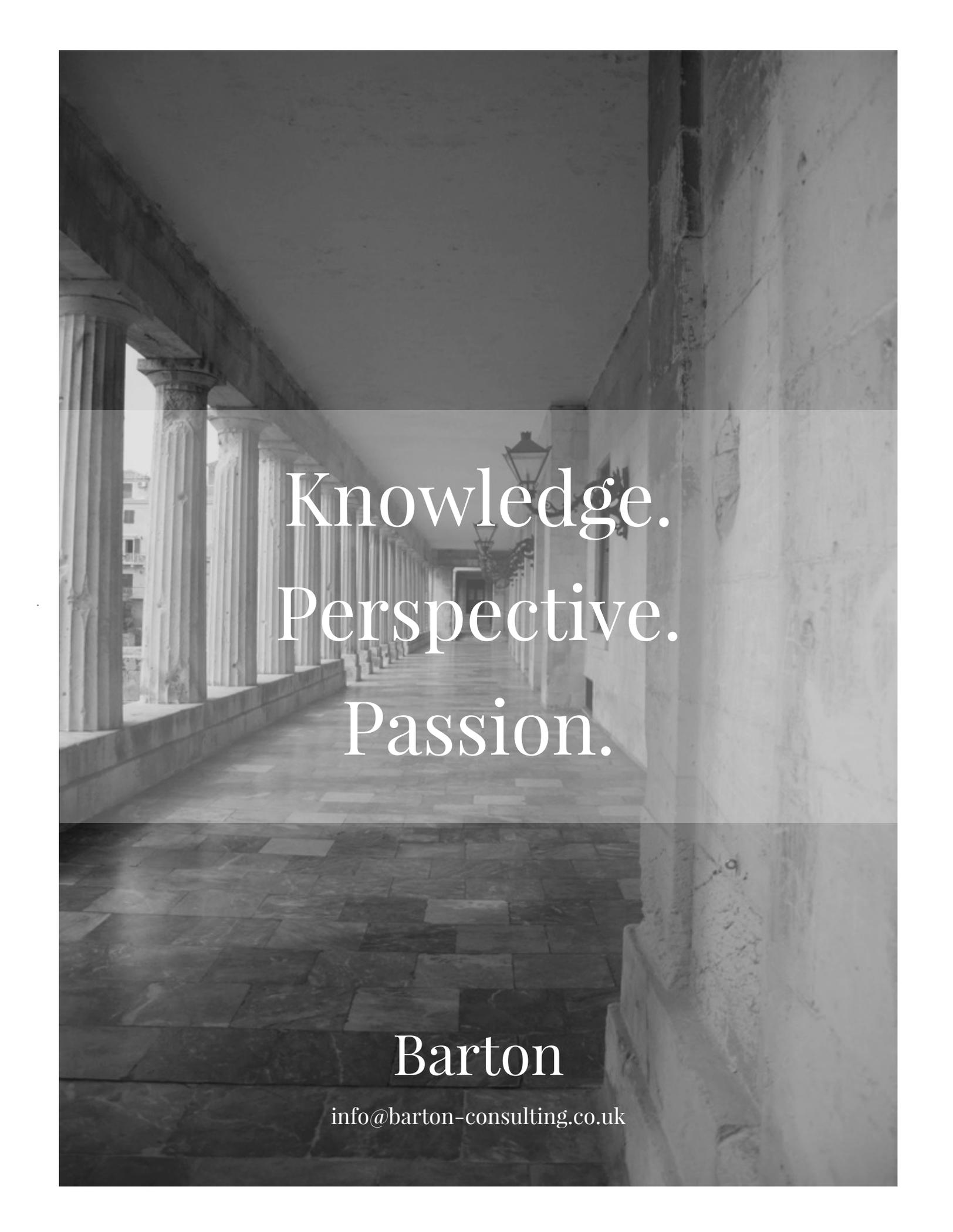
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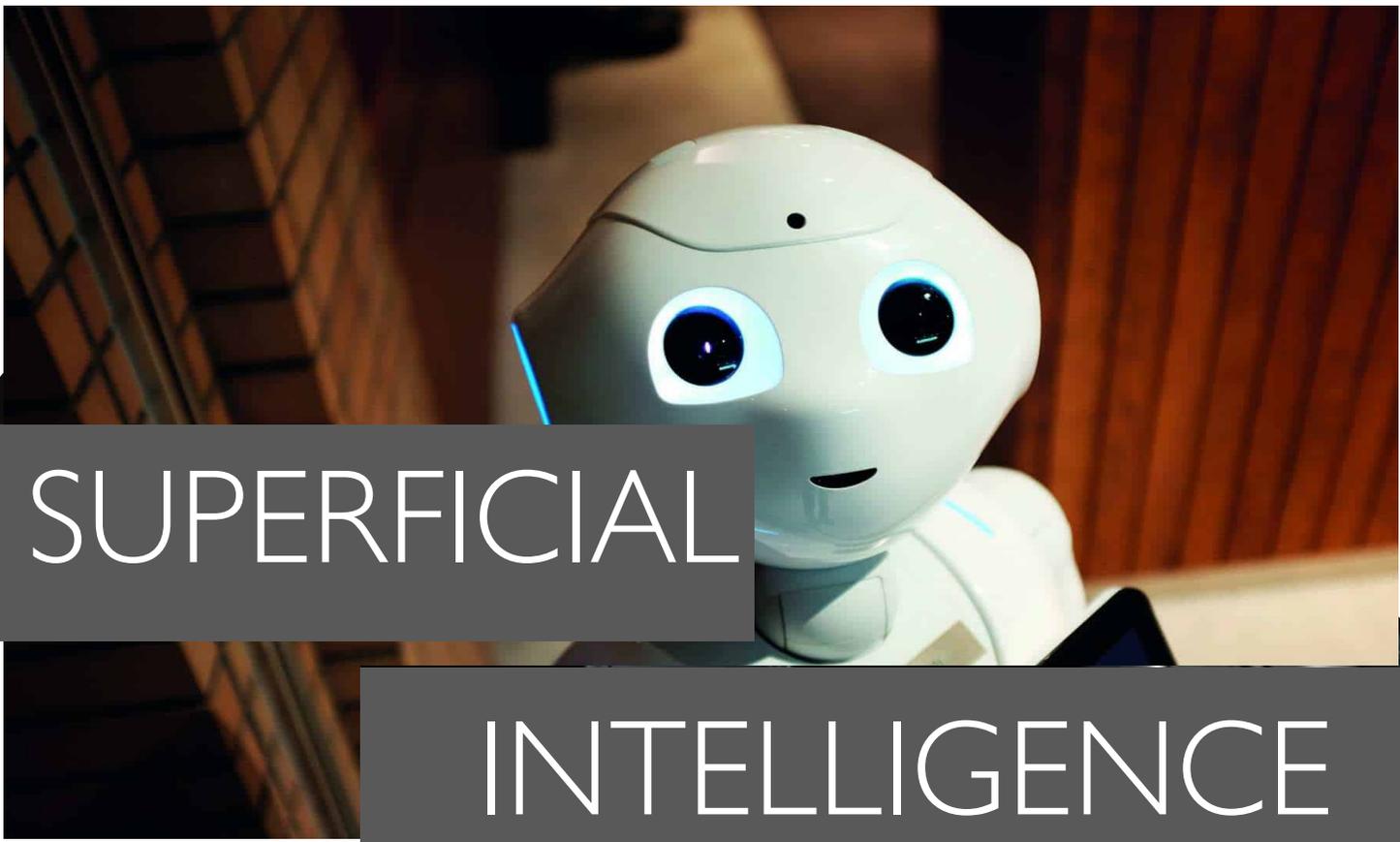
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SUPERFICIAL

INTELLIGENCE

Artificial intelligence is here, and we had better get used to it. That seems to be the message from leading opinion formers and futurists, who also predict that whilst AI will aid some existing human-driven processes, it will clearly replace others, resulting in entire wipeouts of industries and livelihoods.

In truth, we have been conditioned to fear AI for a long time. Hollywood movies nearly always present AI as having at least the potentiality – if not the destiny - for dominance over humankind, given its omniscience and superlative ability to process information, compared to our meagre brains. At the present time, the concept of a computer led army subjugating all humanity isn't really a realistic prospect, but there have been signs that we are buying into the awe-inspiring power of AI a little too hastily.

ChatGPT, developed by OpenAI, has been wowing much of the world with its ability to answer difficult questions, write school and college essays on English literature, philosophy and history and make interesting and often compelling arguments whilst doing so. It now has over 100m users worldwide; not bad for a chat application that launched less than six months ago, in November 2022. However, a good deal of what ChatGPT has achieved – in both fear and awe – is through shock. Weaker forms of AI, such as search engines or voice bots such as Siri or Alexa, were never anywhere near the complexity of delivery that ChatGPT has achieved. As the dust is settling, it is becoming clear that despite continued improvement

in its updated models, ChatGPT – at its heart – cannot compete with genuine human creativity. Yes, GPT-4 can take images as well as text as input, giving it the ability to describe unusual images or summarize screenshots of text or answer exam questions that contain diagrams. It's all very interesting and useful, but essentially it is still just the world's most downloaded plagiarist, no matter how spectacular it may appear.

Is this to say that no one should fear AI? Of course not. It renders some human tasks a waste of time and effort, in the same way that elevators and escalators render stairs a waste of energy. Summarizing will no longer be a skill of human beings, it will be left to AI. But AI will not make the decisions. AI can source information and present it but it lacks the ability to choose effectively, and it is up to human beings to provide the programming on topics that are less black and white. For example, ChatGPT's inability to be politically neutral is a clear sign of human input bias and AI's lack of decision-making power.

Another AI sensation, Midjourney, is a machine-learning image generation tool. It generates images from natural language descriptions, “prompts”, given by users. It does this by scraping information from billions of existing images, from photos to paintings and sculpture. Essentially, mass-cribbing from millions of human artists. Recently, some photographic images generated by Midjourney have gone viral due to their realism. One of Pope Francis wearing a long white puffer coat prompted both disbelief and admiration, which

“...The process of creating desire in luxury is complex but it is often idiosyncratic and unique: the reason why one brand is preferred to another in luxury is seldom logical.”

proved the ability of Midjourney to assimilate human creativity to produce a reaction. This could never effectively be achieved with Photoshop (no one would have the patience) but, again, it took a human being – the user themselves – to *choose* to publish this particular image, knowing that it would get a strong reaction. When the human artist paints, they paint not just what they see and how they feel, but they also paint knowing how others might react. AI does not have this ability. At least, not yet.

Some of those most concerned about AI are those who have first backed it and created it. Like John Hammond in *Jurassic Park*, they have turned from evangelists into doomsayers, almost overnight, which must be worthy of concern. Elon Musk, an OpenAI co-founder, was amongst a group of tech leaders, professors and researchers who recently signed a letter published by the Future of Life Institute calling for AI labs to stop training advanced black-box AI systems for six months, citing “*profound risks to society and humanity.*” Their worries are by no means insignificant: “*Should we let machines flood our information channels with propaganda and untruth? Should we automate away all the jobs...? Should we develop nonhuman minds that might eventually outnumber, outsmart, obsolete and replace us?*”

Admittedly, this does feel as if the authors have been brainwashed by science-fiction Hollywood, but the scaremongering is clearly deliberate and designed to shock government authorities and elected leaders into acting, to more closely regulate AI training and development, and provide governance frameworks. Again though, this power dynamic represents the reality of the limits of AI: human beings can choose to continue with its development, or not. It is not inevitable. It can be stunted or boosted by human thinking and decision-making.

The luxury industries may have less to fear from AI than a number of others. Luxury is an indulgent human choice, a whim. It is not needed, only desired. The process of creating desire in luxury is complex but it is often idiosyncratic and unique: the reason why one brand is preferred to another in luxury is seldom logical. In fact, it is often irrational. Machines, however sophisticated, are programmed to be logical. Current advanced AI systems such as GPT-4 seem to be capable of, say, building a luxury brand’s website from a sketch by drawing from (plagiarising) thousands and thousands of other examples. But can AI assemble a brand? Can it assemble a history where there isn’t one? Can it point to human input where there is none?

Luxury – whether a motor vehicle, a watch or a hotel – has always been able to trade on the input of the humans that make it work. This isn’t for reasons of efficiency: non-thinking machines have replaced many tasks that humans no longer need to perform. In luxury, it is the warmth that the association of humanity brings. The story of the master craftsman - his life journey, his family, his upbringing - imbue the products he makes with an unmistakably biological feeling. Imperfections, the very signs of human ‘handwork’, are not considered inferior but superior. The more humans are involved with a brand – in design, in storytelling, in delivery – the more meta-luxury that brand is.

The tech industry’s civil war over AI may well be founded on genuine concern that machine brains could become so advanced that they cease to serve the masters that created them. Before that point comes, it is reasonable to expect that the authorities will step in and control their training and development, or outlaw it entirely. Whatever happens, luxury will always rise above the merely mechanic and continue to attract us with its organic, imperfect, idiosyncratic and very human creativity.

Sector updates



Image: Belmond

After the phenomenal – and by no means expected – success of the six Grand suites aboard their iconic Venice-Simplon Orient Express train announced in 2019, **Belmond** revealed in 2022 that by 2023 another *eight* new suites would be available, in the now-favoured more luxurious format of a double-bed or twin bed with a separate lounge area and, crucially, a private ensuite bathroom. Before 2019, the undeniably luxurious train was still run as an early 20th century deluxe ‘express’ concept: more transatlantic liner than cruise ship. Bunk beds and shared bathrooms that, before the age of the plane, rattled the great and the good across the continent from east to west and back. Now Barton notes that Belmond are doubling down on the suite concept, adding two suites to another of their trains, the Royal Scotsman, which runs through the highlands of Scotland. Designed by Paris-based interior designer Tristan Auer, the suites are due to be introduced in May 2024. They come, natch, with a lounge and a private ensuite bathroom. In luxury travel, this truly is becoming the age of the train.

Swiss watchmaker **Rolex**, probably the best known and most collectible luxury timepiece brand in the world, announced the opening of three temporary production facilities for its products in the Swiss canton of Fribourg in western Switzerland. Rolex will begin building the facilities later this year, with production to begin in 2025. In addition, a new permanent facility – its fifth in Switzerland – will be built in Bulle. Rolex has long ‘suffered’ the problem of consumer demand outweighing supply. “Our current production” they state “cannot meet the existing demand in an exhaustive way, at least not without reducing the quality of our watches – something we refuse to do as the quality of our products must never be compromised.” Quite so. It does seem odd to Barton though that Rolex should have to get to the point where its stores have become merely museums in which you cannot buy anything before deciding to build greater capacity. Rolex has always strenuously denied that it artificially controls production and distribution to create market rarity. This new capacity building affords them some credibility in this.



Image: Rolex



Image: Cartier

Jewellery titans **Tiffany & Co** and **Cartier** have begun using augmented reality (AR) technology to upgrade the consumer shopping experience to make it more appealing to younger generations. Collaborating with Snapchat, Tiffany’s experience uses AR virtual try-on, whereby a consumer can see a realistic jewellery piece on his or her wrist using a Snap filter. Cartier’s version uses AR to transport the user to a Cartier Tank watch experience that journeys through the past. After being transported, in AR terms, to the Pont Alexandre III in Paris, you see four iterations of the watch from different periods over the past 106 years, surrounded by fellow pedestrians of each era. Barton notes that the jewellers are a little late to the AR party as fashion brands such as Dior, Gucci, Prada and Louis Vuitton have already waded into these waters. Whether such experiences actually lead to direct ‘there and then’ sales is uncertain. Cartier’s interactivity experience is considered by some to be more about storytelling and myth building. Luxury jewellers, for so long digital resistant – and arguably correctly so – are now embracing it freely.