

Robot Pets Expected to Reap Record Returns

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There are hundreds of millions of pets around the world. Pet owners typically tend to exercise more – and enjoy lower stress and better mental health. However, animals require expensive food and veterinary care. Additionally, accommodation rules, and commuter lives, make pet care impossible for many. One alternative is a robot pet.

But does anyone really want a robotic companion? The craze for Tamagotchi showed that this surprising market may have real potential. The coming artificial intelligence revolution means that such experiences are likely to become far more rewarding in future.

Today, we'll meet two people who think that robotics could be a future alternative to pet ownership. What's more, their empathic technology approach could provide a new type of user experience – in fields as diverse as toys, and business computing.

Konpanion is founded by Alexandre Colle and Swen Gaudl. It's a very new project, specialising in emotional and life robotics. The team has a radical vision – to change the way we view consumer robotics and home entertainment.

AL: It's an unusual field. Can you tell me about your vision?

AC: The industry's goal is to blur the lines between material and immaterial. Groundbreaking applications like Pokémon Go demonstrate the undeniable success of augmented reality. This has shown consumer appetite, as well as rare approval by health group advocates. All major entertainment companies are investing massively in the field, from Nintendo to Disney. They are looking for a holistic experience.

AL: What do you mean by holistic?

SG: By holistic we mean that the brand should not try to fulfill only one need for the consumer, but try to give more value to the user by addressing different needs at the same time. Digital platforms immerse the consumer in branded content. A couple of good examples are Hello Barbie and Barbie Hologram or the Skylanders brand. This gives the consumer a real impression of interaction with the brand and benefits the larger range of related products. This is what we call holistic.

AC: If brands become meaningful content providers may not need advertising anymore. Consumers happily digest the brand storytelling, making them loyal and engaged. Disney and Star Wars are good examples.

AL: Why did you focus on this? Did you notice a change in people's tastes?

SG: If you look at the video game industry and the prime-time show business model, both have been proving for the last ten years that originality and brand sell more than anything. However, the indie game model demonstrates a more sensible approach to gaming and design, which is flourishing in the UK. The major companies are still incredibly successful. However, the small indie video game studios – and project-based, kickstarted companies – have proven the need for a creative platform for more curious and demanding players. These are the ones which require a novel approach – and who are open to new and innovative products.

AL: Let's talk about your immediate market. What is happening in the consumer robotics world?

AC: Recently the public was presented with a lot of new concepts. These include Jibo, a minimalist non-humanoid, stationary assistant; Pepper, a humanoid roaming information system and robot; and Buddy, a humanoid toy robot.

These are the main social robots released (or about to be released) in the market. They have the most media coverage – especially Pepper, whose parent company Aldebaran was acquired by SoftBank a few years back. But if you look at all of them you can see that it has proven very difficult to transform a robotic appliance into a life product. Jibo, with its move away from a humanoid shape and its distinctive minimalist, has probably been better at that than the other two – but there's loads of untapped potential.

A home or social robot is not just an electronic appliance: it's a pleasing artifact, a service provider, and a proper autonomous companion. In our belief, meeting this challenge is the main hurdle for the non-toy home robotics industry.

AL: What are these robots actually useful for? Can I check my emails on my robot dog?

AC: Redundancy is a product killer. Why would you need another appliance to show you email or video – when a phone does that equally well? Furthermore, there's strong competition from Amazon Echo. It's difficult for companion products to compete technically, and stay relevant. Currently, the really successful products are a union of form and function. If you look at successful home robots, you see the vacuum cleaners and lawn mowers. Automating vacuum cleaners only replaces a tool. The resulting products are decent, but they are non-ambiguous engineered machines. If you want more, we are back to idea of the holistic robot.

We need to create an entire brand ecosystem around the robots – in the same as we create life brands. We put too much focus on the technical aspects of the robot, when what we need to deliver at the end of the day is a social home companion. Most companies seem to miss the companion part entirely while focusing on the novelty of the robotic appliance. Brands are able to create a compelling story, a vision of the home of tomorrow, and a sense of what is wellbeing for people. What do they truly need to make their life better? We believe in autonomous robots with a heart, and simple but meaningful functionalities – all powered by our revolutionary emotional AI system.

AL: How big is the domestic robotic market?

AC: The service robot field is booming – but the social market is still in its infancy. We think that consumer robots, and their market and role, are not properly understood, yet. Social robots are life appliances existing in a human-ed ecosystem. They must earn their own place, next to the TV, your favorite sofa, and also house your pets.

AL: Do you see home robots competing directly with pets?

AC: We don't want to create a competition with pets, as they can provide great value. But sometimes it is not possible or desirable to have a real pet – due to allergies, age, space, free time, etc. Our products are meant to be integrated into people's lives in a meaningful way, and offer a holistic experience. We aim to add value beyond simple convenience – such as checking your email. The competition – such as Pepper, Jibo, and Amazon's Alexa assistant – look like a series of utilitarian personal assistants. They are mere tools, without any added value. This is something we want to change.

AL: What is the main challenge for the industry?

SG: As life products, social robots should be created by designers and marketers, rather than by engineers. They should be inspired by fashion trends. We do not want to create a brand of products that each solves a specific problem, such as cleaning your home. We want to fill people's lives with a new entity, whose role is to be a companion – an independent entity, which people like to engage with.

AC: People like pets, not because they are useful: because they give unconditional love, require care and enjoy our presence. This is what Konpanion is aiming for.

AL: Can you tell us more about your project?

AC: We are in the process of building a life luxury brand, with a new species of artificial creatures. Our approach is dedicated to modern homes, complete with a creative brand identity and a strong story behind each product. As for our ultimate goal – we believe in robotic autonomy and the impact artificial emotions can have on the consumer. Our robots are to be more independent than previous robots. They are also intended to show more natural and emotional responses – but they are ultimately still machines and are designed by us.

SG: Our proprietary artificial intelligence gives us the opportunity to create unique characters. They will not behave like repetitive machines, but be more life-like and independent, with their own artificial feelings and emotional responses. In some sense they will be the same as your cat or dog. However, they are still machines, so there is a way of resetting them. Their responses are constructed out of a rich set of basic responses. These combine to create a more lifelike impression, making them feel more natural.

AL: What about your vision of the future of robotics?

AC: As robotics becomes more and more publicly accepted and discussed, it raises very important ethical and political questions. Now, more than ever, it's time improve the industry's image.

SG: People are getting afraid of robotics, and this threatens progress. There is so much to do to change the perception of the public towards futuristic tech, such as AI. A lot of players in the industry don't even seem to care – ie, Boston Dynamics with their robots for example.

AC: We are inventing a radically new approach to robotic design, where not only the function is celebrated, but also the image. We think that it will enrich people's lives. How we perceive this very intimate – and soon-to-be intelligent – collaborator will shape the future of mankind.

That's one of the more unusual visions for the future, which we've heard at *Exponential Investor*. Do you fancy interacting with a robot dog? Let us know at: andrew@southbankresearch.com.

Best,

Andrew Lockley
Exponential Investor