

## Burberry to Invest in Google Glass

Following the consulting advice of Google representatives, Burberry will invest in Google Glass technology for their headquarters and retail locations. As a brand that prides itself in innovation, Google Glass will be a perfect fit for the brand's culture, improve employee productivity, and provide a competitive edge.

Figure 1 shows how technology investment has increased over the past years. Companies have realized that technology investment increases productivity, which in turn increases business profits. We expect to increase Burberry's productivity by 5-6% and, through a three-year investment plan, increase its profits by at least \$200 million per year by 2017. The

investment plan consists of an initial investment of \$1.5 million in the first year and two subsequent investments of \$1.75 million in 2015 and 2016 in order to reach the 2017 projected profit increase target, at a total investment of \$5 million. The initial investment covers 30% of Burberry's workforce, and the following two investments would cover 100% of its workforce, integrating every Burberry employee to a Google Glass network. This plan minimizes the impact on Burberry's bottom line and increases confidence by spreading the investment over a three-year period, while still allowing the company to reach the projected profit target. A return on investment of 3900% or a return of \$39 per dollar invested is anticipated.

A primary selling point of Glass for Burberry was increasing the personal salesperson-to-customer experience. While the flagship Burberry stores had begun to use iPads, Glass will significantly improve the sales experience by allowing employees to maintain continuous eye contact with the customer. By transposing any needed product and stock information or transactions directly over the salesperson's view of reality, he will be better able to keep his attention directly on the customer. As a luxury

brand, Burberry's clients expect the very best in their sales experience; Glass can deliver it.

After a \$300 million renovation to their London flagship store and dynamic new headquarters in Horseferry House, Burberry's investment in Google Glass corresponds with the company's desire to be the "first luxury company that is fully digital end to end" (Angela Ahrendts, Burberry CEO). The implementation of Google Glass in HQ aims to increase efficiency and productivity among employees. Glass will improve Burberry's office workflow and allow for greater multitasking. Through hands-free access to real time information and data retrieval, Burberry's employees have a better platform to brainstorm and communicate. Essentially, the mobility that Google Glass offers provides Burberry with an advantage over competitors, who lose almost 20% of revenue due to unproductive employees.

We at Google have maintained a proactive approach regarding a few inherent risks including employee distraction and product protection. To ensure that Glass is not a distraction, we have implemented the capability to limit application marketplace access so that only supervisors have access. This will ensure that Burberry employees will not be distracted by applications such as Facebook and Twitter without micromanagement of valued employees. To protect Burberry's valuable investment, Google has added additional programming to Glass to make our product totally dependent on in-store network. If Glass loses connection with the store's network, it will automatically shut down, deterring employees from taking Glass outside the store and rendering a stolen product useless. If a unit is in fact stolen, we have added GPS-tracking capabilities for Glass, allowing the matter to be properly handled by authorities.

At Google, we believe Burberry's adoption of the technology is only the first of an across-the-board transition to Google Glass. Once other companies begin to see the benefits of Glass for those who have incorporated it, the question is not *if* they too will install it, but *when*.

