

Transcript

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□ **Mariana Peneva | Institute for Real Growth** started transcription

M **Mariana Peneva | Institute for Real Growth** 0:03
Cream. Do you have any questions or shall I start with the questions?

HJ **Hallin, Johan** 0:08
Well, first of all, before we start yesterday to refresh, I'm remember we you know.
I'm. I'm not in the acting CMO.
Which I haven't been for for five years.
Yes, I'm I work more with strategies for blendec, so I'm more.

M **Mariana Peneva | Institute for Real Growth** 0:23
Yeah, no.

HJ **Hallin, Johan** 0:27
Linda, who will now join the IRG 100, is is more the CMO for index and director brand experience. So she's she's really.

M **Mariana Peneva | Institute for Real Growth** 0:31
Oh.

HJ **Hallin, Johan** 0:38
Working with that.
But having said that, I still of course involved in lots of things we do and have a have an understanding of what we do and so on.
So I just want to mention that in the beginning, so you know you know my where my where I am at so you know.

M **Mariana Peneva | Institute for Real Growth** 0:53
Yeah, yeah. And I'll be meeting Linda there in January in the kick off.

HJ Hallin, Johan 0:53
Hmm.

M Mariana Peneva | Institute for Real Growth 0:56
So then maybe I can also ask her for a follow up conversation from her perspective.

HJ Hallin, Johan 1:00
Yes. Yeah, perfect.

M Mariana Peneva | Institute for Real Growth 1:01
Yeah. Yeah. Perfect. OK.
But then, well, basically then, let's start very broad, which is more about how his marketing or the company in general, depending on you know what you prefer to talk about.
But how has Lindex been leveraging AI to drive growth?
So what are some of the case?

HJ Hallin, Johan 1:19
OK.
Yeah, it's, it's. Yeah, it's I. I think we are just.
I mean, we are in, in, in, in, in.
The beginning of something very big, I think for for our in, in many aspects and we have of course done some first trial in different areas and and actually been in some areas been one of the.
Well.
I I wouldn't say innovators, but one of the first first to try something new in in one area, which was.
It's in, in we call it the the Linux.
We have our own copilot for we have 54500 stores and.
Some sometimes they want information on. Well, it could be different things.
Look up how do we do? What was the what's the Linux way to do things?
And you know, can you find this information somewhere?
So we we have, we developed Linux copilot for the stores together with Microsoft.
Who then?

You know, would you know, giving the power of of?
Open AI. Wish I have acquired so we we could we we that was one of the first first we
were it will have been talking about this in certain.
Conferences and things like that.
So, so so that that's an area where we've been trying out.
AI.
And we also have some trials going on for design, how we work with design, can we
we we do for some we create we we design clothes.
Of course you can get the help of AI.
In designing.
Clothes. Not not the final design, but get get get ideas to design.
In AI, so, so and so there's some examples.
So how we've been trying AI internally for for for index?
Yeah, just some examples.

M Mariana Peneva | Institute for Real Growth 3:28

And on the first one, so the Linux copilot.
So what type of question can the people in the store ask when?

HJ Hallin, Johan 3:35

Well, it could be.
Let's let's see if it could be.
We have a.
We have a concept index concept and how do we if it could be anything from how
do we?
Then the information is there somewhere, but it's difficult to find some in in our
internal network you had to look into manuals and things, but you you could find the
right information like that if you ask a question you would get the answer.
So it could be, you know anything from.
Visual merchandising question how do I do when I when I visually present these
clothes this campaign?
How is this gonna be presented?
It could be.
Anything could be.
Relation to.

How? How we have certain things for?

Rules regarding the customer.

What's the policy for this?

Yeah, could could ask anything, anything regarding Linx.

M **Mariana Peneva | Institute for Real Growth** 4:33

Hello.

HJ **Hallin, Johan** 4:37

So, so, so then the the copilot will find information and and and give an answer to to the employee in the store.

M **Mariana Peneva | Institute for Real Growth** 4:46

Oh, sounds pretty cool.

HJ **Hallin, Johan** 4:47

Yeah, that's pretty cool.

M **Mariana Peneva | Institute for Real Growth** 4:50

And how did you develop it?

Have you been involved a little bit more in the development?

HJ **Hallin, Johan** 4:53

No, I haven't been involved myself. But but of course our tech tech and IT department, together with the sales.

Department has been working with this to to create.

To to to be be in the forefrf in someone area where we thought AI would would would have a lot of benefit and save time.

We're we're looking at things that consumes times consume time in, in the store and could we could we would use AI reduce this time and find something that.

And and there are of course other areas that that we can benefit from from AI as well. Customer service is one example where we have.

Customer service here internally for for for calls than if you you buy online you have of course a customer service and and also they that we haven't implemented that but that's also an area where we're looking into we could benefit from AI of course.

M Mariana Peneva | Institute for Real Growth 5:54

Yeah, yeah, yeah.

Let me go and tell me a little bit more about the second one. The design of the clothes.

HJ Hallin, Johan 6:00

Yeah, yeah.

M Mariana Peneva | Institute for Real Growth 6:01

That sounds also pretty cool.

HJ Hallin, Johan 6:02

Yeah, it's pretty cool.

It's it's, it's also with the user.

You can.

You can ask a question.

Prompt the question.

On I want ideas to on on I I would like a yellow dress or something.

M Mariana Peneva | Institute for Real Growth 6:21

Mm hmm.

HJ Hallin, Johan 6:22

You could.

You could get ideas on and you can prompt what do you want.

You have an idea?

Maybe as a designer or what you want to create, and then you can prompt different ideas out of.

If you prompt different things.

That you want to have in this dress. And then you get ideas and then you can start not from scratch, but you you can get good ideas that you can work on to to get the final assign.

M Mariana Peneva | Institute for Real Growth 6:49

Tell me a very slow sounds really cool. And then, so who in the organization is driving all of this?

HJ **Hallin, Johan** 6:51
Yeah.

M **Mariana Peneva | Institute for Real Growth** 6:56
So, for example, who's like the owner of AI and how does it work in terms of making it?

HJ **Hallin, Johan** 7:01
We we are.
It's it's a very good question because it's it.
It's a it's tricky 1.
I think that's that's that's not an easy answer. I mean, tech is there for business or business and tech should of course work closely together and we have we are starting to implement more this. I don't know if you having more of domain thinking when it comes to.
Tech and business working together.
And.
I I think this should in the future we we'll see.
That the business should always look for different.
Possible ideas on how to use AI but I don't.
I wouldn't say we are there today yet because I don't think business yet can see what AI can do.
So so you have we have.
Head of technology.
Very creative, very driving person there.
Who's who's been very much.
We we should thank him.
Ah, him a lot.
Because he's he's looking for things.
And asking and and driving these things internally.
As much time you know as much as we have possibility to prioritize because of course, when it comes to tech we have.

There's so many prioritizations all the time.

We are implementing new. We are right in the middle of implementing a new distribution center, which is the biggest investment we have done in history of index and and there's so much tech involved in that and it's it's also.

Of course, when it comes to digital store program point of sales, we have relaunched a new point of sale.

So big huge investments which takes up.

Tech capabilities, which also means that you always have a trick you want to how much?

How can I prioritize this in front of other things?

But still, knowing that this could save so much time.

And then then we of course should prioritize it even much more than we are. Maybe today, but it's.

It's really tricky because certain things you have to finish, you have to put them in place, which means that sometimes tech resources are not available as much as we would hope sometimes.

And that's a struggle and I think that's a struggle from a lot of companies that you have.

M **Mariana Peneva | Institute for Real Growth** 9:29

Yeah, yeah.

HJ **Hallin, Johan** 9:35

That, but I mean as time goes now, I would, I would say that AI becomes much more a part of a natural everyday and I think then then you don't need so much tech anymore to support this but but definitely when we worked with.

Like the copilot, there was a lot of of course, development or some development. Using the ChatGPT as a base.

And then if you develop something full index together with Microsoft.

So that that was, that was. But but I I I think.

As as more you know, each month we will see progress in this area and I think for marketing.

There's so much.

There's so many possibilities.

And and that that are that that will be available and we haven't.

Really get getting started as much as we maybe would would like to yet, but but there are possibilities.

M **Mariana Peneva | Institute for Real Growth** 10:46

Oh, if you think like five years from now, what are some of the possibilities that you see?

Like what would you?

HJ **Hallin, Johan** 10:50

Exactly, yes.

M **Mariana Peneva | Institute for Real Growth** 10:51

What would you love to see?

HJ **Hallin, Johan** 10:53

Well, you're probably smart, I I think.

I think we will see.

Creative work.

We we will have the I think we will have AI much more as a natural partner when we work with any creative work it could be.

Even even coming to the big ideas.

Helping out think as as I as we did with design.

Can you come up with some ideas?

Then if you come up with some ideas, usually how brainstorming works you sometimes you come up with different ideas and then you this one we can do something with it.

But I always I I think that a human, the human touch and human.

The creators of marketing still has to be involved, especially if you want to come up with a big ideas.

Otherwise you will not.

You will find all the time things that's already out there in a way you you have to be if you want to be really creative, you have to to add your own creativity on top of it.

But I think AI can help a lot in in the process of of making great.

Creative campaigns.

Communication.

And on the other hand, I also see huge possibilities for AI. And when it comes to scaling or or.

Let's say for us we work in.

Many countries.

And we could, we would.

We would create 11 master version of something and then we just.

Tell AI to help us to create versions for all countries for all different kind of media for different solutions.

And and you will get get that scaling which is not maybe high level. All you've added time for for humans is it's it's more something needs to be done. You see what I mean.

M **Mariana Peneva | Institute for Real Growth** 12:54

Yeah, yeah, yeah.

HJ **Hallin, Johan** 12:54

It's we need to scale it to different languages and different different versions and and I think that's that's that will be a tool. And also if you want to do.

M **Mariana Peneva | Institute for Real Growth** 12:58

Yeah, yeah.

HJ **Hallin, Johan** 13:06

In in when it comes to CRM.

You. You.

You can.

You can target different target groups, different needs.

And and and before when you worked with with CRM, it was always the difficulties on production cost of of producing different units for different needs and different targets. Tory groups, I think here AI can help a lot in in terms of that as well.

M **Mariana Peneva | Institute for Real Growth** 13:36

Mm hmm. Mm hmm. Mm hmm. Mm hmm. Yeah, that's right.

HJ **Hallin, Johan** 13:39

Then I'll just, but I'll but I but doing this, I think it's it's also.

You you have to take control over AI as a brand, you you there's.

I mean, it's so important. I think that you take control.

And what is this brand?

What are the brand values and? And that's about prompting in the right ways. You have to have you have your brand platform.

This is our brand.

This is the feelings.

We want to create this is.

You have all the keywords, usually in the brown cabin, and it should be so.

It's so important that you have have this in mind when you do. When you work with AI think and and having keeping the brand together.

M **Mariana Peneva | Institute for Real Growth** 14:27

And the distinctiveness of the brand.

Otherwise, everything is the same.

HJ **Hallin, Johan** 14:29

Exactly. Exactly.

M **Mariana Peneva | Institute for Real Growth** 14:31

Yeah. And it's a very good point.

HJ **Hallin, Johan** 14:32

And the codes you want to use to to to make sure your brand is clear and distinct as you said, yeah.

M **Mariana Peneva | Institute for Real Growth** 14:40

Yeah. Yeah. OK.

And then another question I have is about.

I mean, of course you have tech as the one, let's say, helping with all the technology and so on.

But how are the? How are you upscaling the employees?

So how are you training them on AI? So for example, with the Linux copilot, how did it go?

How do you make sure that people have the right skills and knowledge to prompting the right way to use the technology?

HJ Hallin, Johan 15:08

Yeah, it it it. It went quite fast that time. So we had we have had some some difficulties with that.

It's it's.

I would say it's more demanding than than coming back to prompting and asking the right questions.

It's it's of course.

A key issue.

And I think for us we have in, in the stressful situation we we'd have made, we we should have more time to to, to work on that because there are so many people.

We talk about when you talk all all our stores.

So it's and we don't have.

Maybe the right platforms for internal education in place.

So it's it's which means that we have to do a lot of.

Yeah, it's, it's, it's you had to.

You had to use your own.

Yeah.

There's not something you can do quite easily so so there are some challenges with that.

I think that's a very good question because I think that's definitely.

Will be an issue, especially keeping the brand together so everyone using AI should, should, should and must be.

100% know how to use the banner.

How do we control when we when we?

We work with AI that that we are.

We are within the brand brand limits and brand. This is This Is Us.

M Mariana Peneva | Institute for Real Growth 16:45

Mm hmm mm hmm.

HJ Hallin, Johan 16:45

But but I but I think.

As I said, we are in the beginning.

We are try.

We are trying things so I don't think we have a perfect.

We don't have a very good method for for learning internally, yet in place for that now.

M **Mariana Peneva | Institute for Real Growth** 17:07

How do you yourself how do you stay on top of all of this development, which are quite quite fast? Yeah.

HJ **Hallin, Johan** 17:12

I'm I'm I'm I'm so curious about things.

And I of course, in my role, I I work a lot with that.

That's part of my job to to look at what's happening out there.

M **Mariana Peneva | Institute for Real Growth** 17:21

Sorry, yeah.

HJ **Hallin, Johan** 17:22

So. So for me I I have more of that time to to look into these things and I'm very interested in in this area.

I think it's it's a really.

It's a few it's a future.

It's something for the future and I I you know, I think we should embrace AI but but have take control over it.

As a as a business, you have to. If you let go too easily, you will.

It will be difficult, so again.

Get control of it.

I think that's really important, but.

But the the magnitude of how much it could save in terms of time and efficiencies enormous, I think.

M **Mariana Peneva | Institute for Real Growth** 18:13

And do you see any concrete benefits when it also comes to humanized growth and you know by humanized growth, we mean all the stakeholder group including you

know the community, the planet so because now we spoke a lot about, yeah customers, how you are making it more and?
Also employees how you make it more efficient for them? Easier et cetera.
Do you see any potential also going beyond that in terms of Community and planet?

HJ **Hallin, Johan** 18:36

Yes. Yeah, I I I think so.

I think if if you have your purpose.

In in the center.

And and.

I'm sure I don't know exactly how, but I'm sure.

Going back to your purpose and your what you want to achieve as a brand, if and and we we talk a lot about this for stakeholders internally I can tell you we we really and and we have worked with our purpose since.

Can also.

Giving it more of an edge, we think we haven't.

We haven't launched a new a new formulation, but it, but it's yeah, but it's it's say it's there and we we all we talk about and it's it's a good way to organize your way working using these four stakeholders and I think it will definitely.

Be beneficial to use AI.

But but again, it's about how you frame it and how what what you put in front thing and what you want to help with. Let's say for example if we want to work with.

M **Mariana Peneva | Institute for Real Growth** 19:49

Mm hmm.

HJ **Hallin, Johan** 19:55

Full full index and when it comes to to community or society, we call it internal. Here it's it's.

It could be, for example, fighting period poverty.

What could be what ways we could we could?

Are there any ways we could we could engage in, in fighting we have on the table right now?

M Mariana Peneva | Institute for Real Growth 20:20

Mm hmm.

HJ Hallin, Johan 20:25

Or is there something we haven't thought of coming up with new ideas on on how to?

On ways to to.

Yeah.

Try meaningful change for women as as our new headline is is more about South. So I think that's.

M Mariana Peneva | Institute for Real Growth 20:43

Yeah.

HJ Hallin, Johan 20:48

Definitely possible, but we we haven't explored it yet.

So.

M Mariana Peneva | Institute for Real Growth 21:00

You mentioned that. So when we spoke about the the Linux copilot, you mentioned that you also talk about this in conferences, right?

So it's like publicly available.

HJ Hallin, Johan 21:10

Yes, we there was at.

Should be somewhere.

I.

I don't know if I you know, but it's been at the conference in New York, for example, we we spoke there or our the the our head of technology was speaking there about this together with Microsoft.

M Mariana Peneva | Institute for Real Growth 21:28

Yeah, yeah.

HJ Hallin, Johan 21:30
So there was Microsoft and index presenting together.

M Mariana Peneva | Institute for Real Growth 21:34
OK, sweetie.

HJ Hallin, Johan 21:35
That that was in.
I think it was in the retail big retail conference. I think it's it was in January last year.
Or this year, I think we we had this presentation.
It's been in some other places, but I think that's that was the biggest scene. We talked about it.

M Mariana Peneva | Institute for Real Growth 21:52
OK.
So then I can also look it up after the call, yeah.

HJ Hallin, Johan 21:54
Yeah, you could and and and if if you can't find it, please come back to me. And I I see if I can find something about it.

M Mariana Peneva | Institute for Real Growth 22:04
Is there anything else that you think it's important for us to discuss?
But I didn't ask you about yet.
When you think about AI and.
Very big topic.

HJ Hallin, Johan 22:15
Yeah, it's a very big topic and I I, I I you know I for me I think it's it's a big possibility in the future but but of course I see as anyone else also see a lot of risks with AI. But but as as with any Inno.
Or any new thing coming.
Before.
When we learn how to use this possibility, I think it could be very beneficial for us.

But but but again in business, it's about as you said, Mariana, about this differentiation and distinctiveness of your brand and and want to want to achieve, you have to make this is.

This will not change.

I think it will be even more important.

In in the in the age of AI that you that you because AI could actually be more.

We're using AI.

Everything might look the same. If you want to. If you ask someone, create the beautiful Voss or or.

A beautiful dress and and and then if what if? If they ask what most people think is attractive, they will come up with the same thing.

And then when everyone decides the same thing.

What's the distinctiveness then?

So I think it's.

It it's probably will be more important, even more important.

In the age of AI that you that you work with your brand and and.

Use AI within those limits.

I think that's that will help you because I I think it's it's not only about.

Be more efficient.

AI can help you be more distinct if, but if you use your own own human capability together with AI.

M **Mariana Peneva | Institute for Real Growth** 24:12

Alright, but yeah.

Yeah, yeah, yeah. Oh, it's interesting.

It's a bit of a paradox in a way like you have to given smarter than before even.

HJ **Hallin, Johan** 24:23

Yeah, isn't it?

Yeah, I I think the the Coca-Cola commercial is quite interesting.

Of course it's it's for them.

It was so they have all the brand assets in that commercial already done before.

Have you seen that the new one now?

M **Mariana Peneva | Institute for Real Growth** 24:41
Not yet, no, no.

HJ **Hallin, Johan** 24:43
I think you can.
You look it up on on YouTube because they they released a new commercial Coca-Cola this year.
They always have a Christmas commercial, you know, with a with a truck coming in and so on.

M **Mariana Peneva | Institute for Real Growth** 24:52
Yeah, yeah.
And the bear? Yeah.

HJ **Hallin, Johan** 24:55
Christmas are coming or something.
Yeah, and and and now this year they produce it with AI.
So. So they reduce cost and blah blah blah.
But I think since they have all the assets from before the truck, it's Santa Claus, everything, Coca-Cola logo and all those things.

M **Mariana Peneva | Institute for Real Growth** 25:17
Yeah.

HJ **Hallin, Johan** 25:18
They came up with a new idea on the same theme. That's they will have spent so much more time on doing and it's and and.
They have also tested it a very high rate thing by consumer. So in that case it was it was very good for them.
But but.
If they wanted to create something totally new.
Then maybe.

M **Mariana Peneva | Institute for Real Growth** 25:44
Exactly.

HJ **Hallin, Johan** 25:45
Different. I don't know. Yeah, but I think that was quite interesting. So.

M **Mariana Peneva | Institute for Real Growth** 25:49
Yeah, I'll check it out here.
I also read that they were trying to create.
I think they actually created sort of a limited edition about like.
A new drink they put on social media conversations or something, and they created a new recipe.
So I think they're really on top of it.

HJ **Hallin, Johan** 26:03
Yeah.
That's good.
Yeah, that's also.

M **Mariana Peneva | Institute for Real Growth** 26:06
Yeah.

HJ **Hallin, Johan** 26:07
I mean, I mean.
You could try things and then and then see how it works. But I think in the end you when you go up with a new drink, you might maybe want to test it yourself first before you but and and then a tip I I can send you a.
Link I listen to an interview with. I don't know if you're familiar with payment service clarana. Yeah, it's a Swedish.

M **Mariana Peneva | Institute for Real Growth** 26:33
Yeah, yeah.

HJ **Hallin, Johan** 26:35
Brand.

M **Mariana Peneva | Institute for Real Growth** 26:36
It's when you see.

HJ **Hallin, Johan** 26:37
And but but the the CMO of Corona, he's in interview with Adhi. Thought I was quite interesting for you in this research.

M **Mariana Peneva | Institute for Real Growth** 26:45
Mm hmm.

HJ **Hallin, Johan** 26:47
I think that that could be interesting to listen to that interview. It's it's.

M **Mariana Peneva | Institute for Real Growth** 26:51
Yeah, please. Yeah.

HJ **Hallin, Johan** 26:54
He talks about how Clara Nice using AI.
And they are really in the forefrf front of using AI.
So so that could be interesting as a, as a friend of financial tech company, yeah.

M **Mariana Peneva | Institute for Real Growth** 27:02
Oh, thank you. Yeah.
Thank you.
Yeah, yeah, yeah, definitely.

HJ **Hallin, Johan** 27:07
But I I can send you that link Mariana so you can see and and and then of course let me know if you don't find our presentation.
I don't if it's out there, but but we I know we I can look it up maybe if.

M **Mariana Peneva | Institute for Real Growth** 27:23

Thank you.

Yeah, I will.

I'll look for it then. If not, then I'll come back to you.

HJ **Hallin, Johan** 27:26

You.

Index Microsoft together, yeah.

M **Mariana Peneva | Institute for Real Growth** 27:28

Yeah. And then so you have one last question I have.

So now you know more or less what we are exploring in the study because of the questions I ask.

Is there anything else that you think will be like you would hope to get out of this study? For example, if we send you the report six months from now or you attend the presentation, is there something you're particularly curious about?

It's a bit of guidance for us.

HJ **Hallin, Johan** 27:51

Yeah, again, I think.

I think this issue about brand and and IAI is an interesting one and I would be interested to hear how other CMOS and other people in this study are reflecting on that. That part I think that's.

Because that's that will be for me.

That will be one of the biggest challenges and to keep tip your brand together. Or maybe it's an opportunity I don't know to to have your.

M **Mariana Peneva | Institute for Real Growth** 28:18

Mm hmm.

HJ **Hallin, Johan** 28:20

Brand more distinct and kept together.

Maybe it's maybe it's easier, I don't know.

But I think that's an that's an. That's a very interesting question.
I would like to hear what other say about as well.

M **Mariana Peneva | Institute for Real Growth** 28:31
Yeah. OK.

HJ **Hallin, Johan** 28:34
Because efficiency, I think everyone can see all the all the possibilities with efficiency
and it's just your own imagination that can stop there.
But I think how do you?
How do you create distinctiveness?
With AI.

M **Mariana Peneva | Institute for Real Growth** 28:50
OK.
Well, thank you so much for your time and it has been really, really nice.

HJ **Hallin, Johan** 28:51
Great. Thank you.
It's so it's so good to talk to you again, yeah.

M **Mariana Peneva | Institute for Real Growth** 28:56
Yeah, yeah, yeah.
It's very good to see you and I'm very much looking forward to meeting Linda as
well.

HJ **Hallin, Johan** 28:59
Yeah.
Yeah, she's a very nice person.

M **Mariana Peneva | Institute for Real Growth** 29:03
Did you recommend her on the program? Probably, yeah.

HJ **Hallin, Johan** 29:04
Yes, I did.

Yeah, I did.

Yeah, yeah, yeah, I did.

Now she's a very, you know, she's she's a very nice person.

I I'm I'm sure she will fit very well into this program.

M **Mariana Peneva | Institute for Real Growth** 29:16
Perfect. OK.

HJ **Hallin, Johan** 29:17
So yeah, great.

M **Mariana Peneva | Institute for Real Growth** 29:17
Well, thank you so much and we speak soon, Johan.

HJ **Hallin, Johan** 29:20
Say hi to Mark and Frank and everyone, Eva and everyone else.

M **Mariana Peneva | Institute for Real Growth** 29:24
You do.
Yeah. Thanks. Bye.

HJ **Hallin, Johan** 29:24
Yeah. Thank you.
Bye bye bye.

□ **Mariana Peneva | Institute for Real Growth** stopped transcription