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CYB-ORG evolves the unmanned store concept

What do you do when a third of your employees call in sick? You sell your venture and invest in a solution that needs no employees. Erez Gur, founder and CEO of CYB-ORG, revolutionised the unmanned store concept.

How it all began
Erez Gur used to own twenty pet shops in Israel. In one week, 30% of his employees called in sick or absent, and he discovered that three workers had taken products with them without paying. He began to wonder whether it was possible to create a shop without employees, delivery personnel and managers. It would make it so much easier if absence could be reduced to 0%.
Reliable concept

First he looked into vending machines, but people want to ‘touch and feel’ a product before buying it and this is obviously not possible with vending machines. Thinking out of the box, Erez got in touch with two people in his network who have a lot of experience in algorithms and automation: Dr. Ofer Levi and Prof. Michael Saunders.

Having decided that imitating Amazon Go would not be a good idea – because of the system’s 8% risk of mistakes and a price tag of $100 million (€92.1) per shop – Erez thought about more acceptable solutions. The team went on to create technology with a 100% identification rate, using fingerprints and facial recognition. This system also eliminates ethical problems like discrimination.

Erez Gur sold his pet shops and invested all the money in concept development, avoiding the need for finding private investors or setting up an investment firm.

Who is the customer?

The first customers to go to an unmanned shop said they went there because of the prices and because they did not have to talk to people. It was clear that young people often did not want to be recognised when shopping. Customers go to a shop with staff to ask for advice, but after buying a product once, they know what they want. A shop without staff is obviously cheaper.

The price tag

Building an unmanned shop costs around $70,000 (€64,500). Working as a one-stop-shop for automated retail, CYB-ORG supplies the hardware and the software. A client pays $500 (€460.6) per month to get software updates, and the total monthly expense of running a shop like this is approximately $2,500 (€2,303).

Retail in car parks

The best location for building an unmanned shop is a shopping centre car park. Shopping centres – malls or retail parks in some countries – will put around $100,000 (€92,130) into building unmanned shops, which they then rent to retailers for approximately $2,000 (€1,843) per month. The malls rent out their parking area too, so customers can quickly make a purchase close to where they have parked their car.

Currently, there are fifteen unmanned shops of this kind – thirteen in Israel and two in Poland. A retailer in Israel plans to build another 100 unmanned shops in shopping mall car parks.

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