

How will innovation change society after this current crisis?

In the face of one of the worst healthcare and economic crises of a lifetime, businesses and industries are being forced to come up with new, innovative solutions to a colossal problem. The old adage ‘innovate or die’, in every sense, has never felt more vital.

The word ‘unprecedented’ has been on everyone’s lips these past few weeks—but it scarcely sums up the global scale of the coronavirus outbreak. As the weeks and months unfold, the COVID-19 pandemic has evolved as much into an economic problem as a healthcare challenge. Small businesses, freelancers, and startups will be hit hardest, as demand for certain products falls to zero.

But large companies are by no means immune either: UK airline Flybe has announced it is going into administration; global hotel chain Marriott that it is temporarily laying off its staff; even McDonald’s has closed its doors for the foreseeable future.

Businesses are faced with a simple decision to make—innovate or die. But even bigger than that, it’s clear that our current technology and infrastructure isn’t pandemic-proof. It requires serious innovation to prepare itself for future COVID-style outbreaks.

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Black swans and innovation

To examine the precedent of how societies have responded in crisis, many have pointed to black swan theory. Black swan theory is an economic theory about unexpected, disruptive events in history – like global pandemics, financial crises, and wars – that unsettle, uproot, and change governments and economies.

Black swan events have typically aroused and driven innovation and entrepreneurship in ways that have caused great changes to economies.

The First World War is a strong example. Wristwatches were designed and mass-produced for soldiers to ensure they could coordinate their manoeuvres.

Blood banks were invented to store blood for transfusions needed by wounded soldiers.

Economic crises have also seen groundbreaking inventions. The Long Depression in the US in the late 19th century heralded the invention of the light bulb, the steam turbine, and the radio. The Great Depression, in the 1930s, saw the rise of the ballpoint pen, tape recording, and even the first helicopter.

More recently, the period following the early 00s SARS pandemic in China saw a mass growth in the technology market as people became more anxious around human contact and travel, contributing to the growth of companies like Alibaba.

Similarly, the 2008 financial crash had a huge impact on the general wealth of millennials and Gen Z and has subsequently seen the growth of collaboration and joint ownership of resources through sharing economy platforms like Airbnb and Uber.

And now, the COVID-19 has been described as a 'black swan' phenomenon too, demonstrating not only the scale of the crisis, but the nature of the challenge for businesses to take on also.

What advances can we expect to see?

Medicine and healthcare technology are the biggest areas where innovation is in dire need.

While pharmaceutical companies are racing to develop and test a vaccine for COVID-19, startups and entrepreneurs are contributing to the way that society can detect and track the virus.

The Covid Symptom Tracker app, as the name would suggest, has been developed for people to easily use, free of charge. Users who think they might have the virus must input their daily symptoms to see how they are changing and whether they might be infected.

This is a technology that could become part of the norm in tracking populations' health statistics. Innovations could see it incorporated into wearable technology like smartwatches, which can already be used to check your physical activity and heart rate.

Artificial intelligence chatbots, once the domain of online sales or customer service are being rolled out by healthcare providers. The NHS is using a Babylon chatbot for those who have suspected symptoms, reducing both the burden and risk of human resources on their medical facilities.

We've also seen in recent years how social media gathers data depending on what we are talking about and sharing—but what if this were put to good use? Facebook has already issued maps based on its data, giving researchers information on demographics and population density to inform where they are sending emergency supplies.

Conventional companies are also adapting to respond to demand for hygiene products. UK brewery BrewDog has started production of hand sanitiser gel—dubbed Punk Sanitiser, after their iconic beer—which they are distributing for free to hospitals.

Which industries are being forced to change?

The shake-up caused by the virus may also tip the balance from certain dominant industries to rising industries. Changing priorities and needs will see shifting demands from customers.

Food and drink will no doubt see significant changes to an industry which has already been shifting for several years now. The rise of apps like Deliveroo and UberEats demonstrates the growing desire for high-quality food delivered to your doorstep. Even before the crisis, food delivery was expected to be worth \$200B by 2025. COVID-19 has brought this to the fore. Restaurants, forced to close, are having to adapt to takeaway and delivery businesses. Michelin-starred eateries are switching waiting lists for waiting times, and the table cloth for the delivery bag. Takeaways overall have already increased by 11.5% for the comparable period last year.

Entertainment is also being forced to alter its approach. With many cinemas closing, dozens of new releases are being made instantly available to stream, feeding the demand for streaming platforms like Netflix and Amazon Prime which have been hot on the heels of cinemas for years. Demand for online streaming is so great during the lockdown that Netflix even announced last week that they would be downgrading the streaming quality of their content.

Sports will similarly have to take notice of its immediate competitors. eSports, streamed online through platforms like Twitch, having already stolen viewers from traditional sports, will likely see more prominence in an era where live sports are in decline. The eSports audience is already expected to increase by 100M in the next three years, overtaking basketball league, the NBA.

There is no avoiding these facts: the economy will likely be decimated for months, even years after COVID-19 subsides, and businesses who once closed their shutters will never pull them open again.

But this at least presents a remarkable opportunity to drive forward innovation in a way that could permanently change our economy. It will be the businesses and industries who embrace this that will be rewarded.

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