



**Visual Commerce & Retail Automation**

**Why Retail is embracing A.I**

**Ashwini Asokan | Vue.ai**



# How will you stand out?

It is estimated that there are about **2M fashion brands** in the world - and growing. The retail industry is growing at an incredible pace and customers are finding themselves increasingly spoiled for choice. The flip side - **brand loyalty** and **recall** is **dropping** fast.

Customers are increasingly paring down their shopping to brands that **connect** with them, that offer them **personalized experiences**, and talk to them on the channels that they are using.

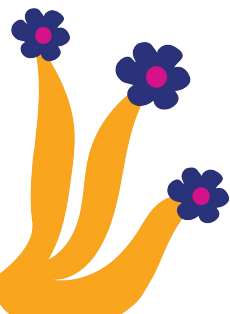
*Research shows that when shopping experience is highly personalized, customers indicated that they were 110% more like to add additional items to their baskets & 40% more likely to spend more than they had planned.*

There has also been a clear movement towards more and better **experiential retail** and content. Shoppers are no longer satisfied with simple click and purchase models. They look for **stories** of the brand, **information** on the item being purchased. They want to consume consciously and have what they consume be specific to their choices and needs.


# Latin America: The Rocketship

*In the Latin American region alone it is estimated that e-commerce will grow from 5% of overall retail sales in 2018 to 12% by 2023; online buyers will increase from 56 million in 2018 to 87 million in 2023 — well over one-third of the total population. And 71% of all online sales will happen via mobile.\**

\*Source - eCommerce In Latin America: The Six Growing Markets Retailers Must Know  
[Forrester](#)



*Is your online experience  
exciting ?*



It is also increasingly clear that while retail is exactly dead, it is undergoing a **metamorphosis**. There is still value in the offline. In fact Doug Stephens of the retail prophet points out that stores need to see themselves as an extension of their media platform.

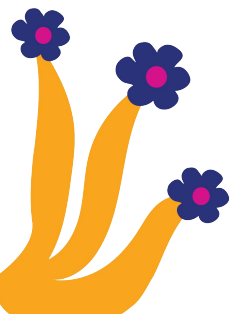
The use case for the store is now to deliver a **high level** of **experience** - **sensory** and **emotional** in a way that is memorable and trust building. But, **online** is where sales are moving.

*In 2023, shoppers in Argentina, Brazil, Chile, Colombia, Mexico, and Peru will spend \$129 billion online.\**

# Social shopping

*Latin American consumers enthusiastically use social networks to interact with brands: At least weekly, more than 51% of online adults in metropolitan Argentina, Brazil, and Mexico share content that brands or companies originally posted on social media, compared with 32% of EU-5 online adults and 26% of US online adults"*

Source - [eCommerce In Latin America: The Six Growing Markets Retailers Must Know](#)  
[Forrester](#)



*Are you on  
the right channel,  
at the right time?*



*Approximately \$5T of the \$28T retail market is now online.*

Online is also the space where retailers are finding their biggest competitors. **Social media** platforms like Netflix, Instagram, Snapchat and the likes have achieved the level of **individualization** and **experiential content** needed for a platform to become **habit-forming** - something that retail has fallen behind on. Shopping too is moving to these platforms.

And a large amount of this **shopping** is being driven by **millenials** and the Gen Z.

It is easy to spot an item of interest on a platform, get recommendations, and opinions from friends and family, purchase the item of choice all within the **same app**, and have the entire **experience** be **tailored** to the individual.



# The data challenge

A presence online is not going to solve retailers' problem completely. Retailers' **bigger issue** is the **lack** of **accurate data**. Even the data that is available ends up being used ineffectively or in a way that doesn't provide a singular view into the customer across channels.

*Consider this - bad data has cost US businesses \$3.1T every year & data workers waste 50% of their time finding and correcting errors.*

The **challenge** for brands in this atmosphere is two-fold:

1. Know the customer well.
2. Use the customer data and build operational efficiency into their systems.

**Accurate data** can bring **optimization**, **automation** and **competence**. And the **best way** to use data to bring about this hyper-personalized experience is through **Artificial Intelligence**.

# AI is retail's superpower

Retail is in fact one of the few industries where adoption of **Artificial Intelligence** is being seen in a **meaningful** and **actionable** manner. Every step of the retail process has the ability to be **automated** in a way that would increase accuracy, efficiency and scaling of operations. From customer acquisition using reliable data to catalog and inventory management to post-purchase experience - **AI has the ability to impact retail in a holistic end-to-end manner.**

## CUSTOMER ACQUISITION



Where to find new customers

## CUSTOMER RETENTION



How to inspire and bring customers to my site, to merchandize for maximum engagement & conversion

## OPERATIONAL EFFICIENCY



How to onboard products more efficiently & at lower cost

## INVENTORY & ASSORTMENT



How to make effective buying & planning decisions



# From business operations through customer lifecycle management





# Catalog Automation

One critical area where the use of AI has a big impact - **Catalog automation**. Vue.ai uses machine learning to understand the taxonomy of an outfit, train the machine using our neural networks which it then uses to generate tags.

**Automated tagging** makes it easier for catalog managers to **curate inventory**, which helps in understanding **merchandise better**, and pushing it out **faster**. It gives more **accurate** attributes for products, and helps in better search results.

Customers are far more likely to find exact matches, and are less likely to abandon carts. Result?

Image recognition driven product digitization produces an above 90% accuracy and a more than 20% conversion through better search, browse and SEO's.

**START WITH THE CATALOG**  
*Let the AI create accurate, rich data*



# Frequently Faced Challenges With Catalog Management



## Working With Excel

**Excel sheets** don't provide a singular overview of the catalog and increases chances of incorrect data flowing into the system.



## Inaccurate vendor data

**Third-party/vendor data** is often directly displayed on the product page **with little to no QA**, leading to inaccurate data on the website.



## Manual PIM entry

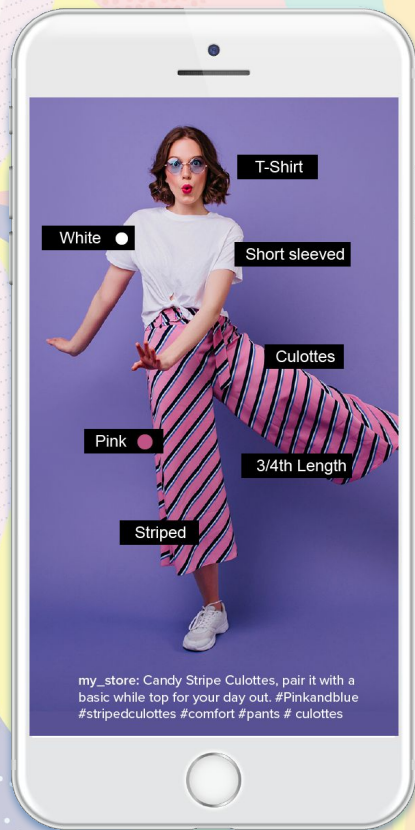
PIM systems ordinarily **don't automate metadata generation/** correction leading to poor data quality across retail functions.



## Poor inventory insights

**Lack of insight on inventory data** on both macro and micro levels resulting in poor merchandising and warehousing decisions.

# Catalog Automation through AI



**1**  
Upload your  
product images  
and generate  
tags instantly



**2**  
Explore and  
review the  
predicted tags

**3**  
Download  
SEO-friendly ready  
to plug in tags for  
your website and  
social media  
channels

REDUCE  
TIME TO MARKET

HELP CUSTOMERS  
VISUALIZE A RANGE  
OF SIZES

SAVE COST

# Visual Merchandising

Size visualization is another sector where retailers can benefit by using AI.

Retailers across the globe spend approximately \$100 - \$1000 per product on photography and digitization.

The high cost of the visual merchandising manually also means merchandise is more likely to be non-inclusive and fails to give an accurate picture of the product. The time-to-market is also prohibitively slow and expensive.

**Vue.ai's Human Model Generator** helps retailers by enabling them to show the same product in a more **inclusive** manner. An **image** of a dress or bag can be shown on various sizes, ethnicities, and ways to ensure the customer gets a more comprehensive view of the outfit.

# AUTOMATED HUMAN MODEL IMAGE GENERATION



The human model image generator automates the process of product digitization by creating AI generated images of human models. Brands can merchandise with models in different poses, body type, skin tones and accessories and go-to-market faster than ever before.

Photoshoot quality  
on-model fashion  
imagery at  
**1/4th the cost**  
of traditional  
photography

## WE CAN CHANGE THE MODEL'S...



**POSE**



**SKIN COLOR**



**SHOES**

# Visual Merchandising with Vue.ai

The Human Model Generator  
gives customers an accurate  
idea of how the product looks  
on someone like them

## Retailers can see:

- 30% conversion improvement with on model imagery
- 2X conversion from size visualization
- 4X bags sold and lower returns



# How Artificial Intelligence helps

Every aspect of the retail journey can be **automated** in a way that benefits both the retailer and the customer. From **personalization** to **style recommendations** to **real-time dynamic email personalization**, AI can be applied across channels.

*Automate  
processes  
with AI*

*Reduce  
manual  
intervention  
with AI*

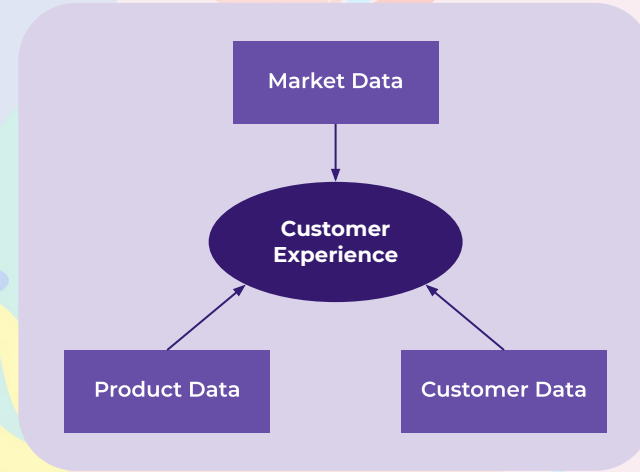
*Save costs  
with AI*

*Create data  
with AI*

*Make data  
accessible  
with AI*

# The human intent

The goal ultimately is to be able to understand and respond to human intent. Data helps to bring together user behaviour and product in a way that can ensure customers see what they want to see.



# Dynamic Personalization

## of the Shopper Journey in real time

No two shoppers have the same journey. With dynamic personalization, understand shopper intent with each click and serve up personalized product recommendations with highest likelihood of engagement. Enable visual style, brand, price and category personalization with every click and keep your shoppers hooked across their journey.



# End-to-end retail automation WITH VUE.AI

Vue.ai uses artificial intelligence for **end-to-end retail automation** to understand and unlock shoppers' intent.

With Vue.ai you can

*Create Catalog Data*

*Understand shoppers  
style preference*

*Enable real-time  
personalization*

## Advanced merchandising, and clear, measurable ROI with AI

Fast integration time

Advanced  
merchandising tools  
with predefined  
themes

Higher user visit  
rates

Higher revenue w/  
Style Profile-based  
personalization  
over competitors

**1 day**

Integration

**+150%**

AOV

**+35%**

Repeat visits

**+65%**

RPV



