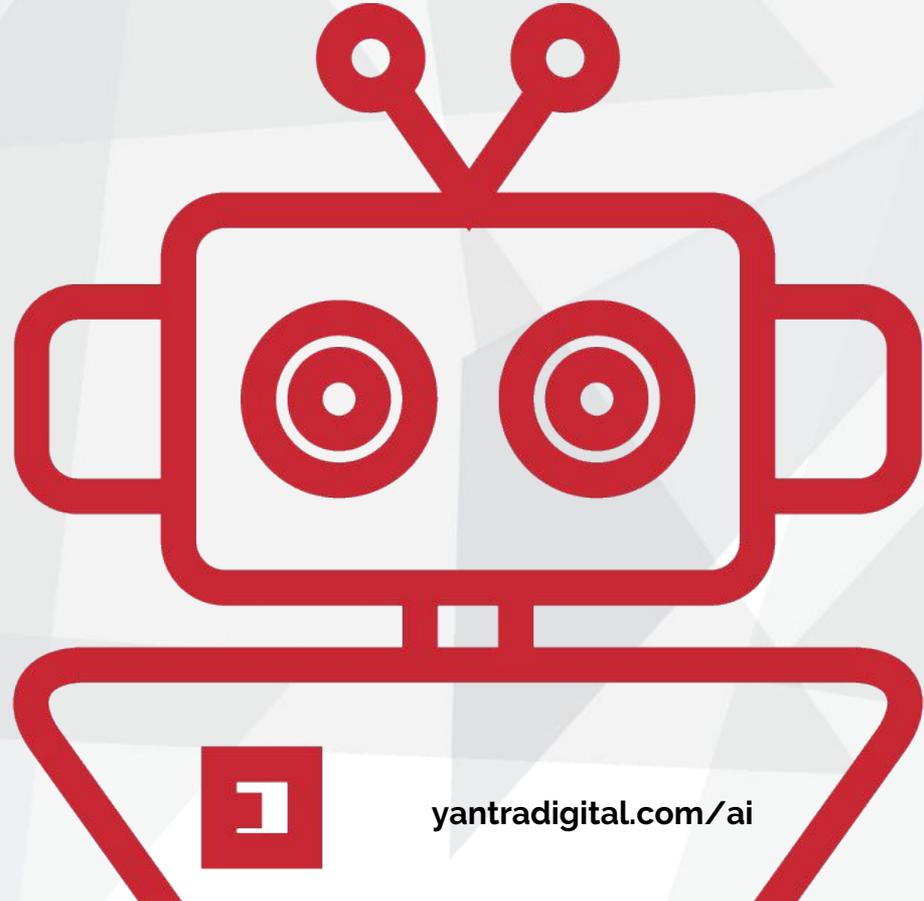


Leveraging **AI** in Retail

26/02/18 V1.0



yantradigital.com/ai

Artificial Intelligence is here.

If the digitisation of our lives defined the past twenty years of technological advancement, the next twenty years will be defined by the use of this data and powerful cloud computing by artificial intelligence (AI).

Businesses are already adapting to these new technologies. As you'd expect, those who move the fastest to integrate AI into their business plans will reap the biggest rewards.

There are 4 basic kinds of AI.

HUMAN & MACHINE

HARDWIRED

Assisted Intelligence

Systems that assist humans in making decisions or taking actions. Hard-wired systems, do not learn from interactions.

MACHINE ONLY

Automated Intelligence

Automation of tasks that are either routine or non-routine. Does not involve new ways of doing things - automates existing tasks.

ADAPTIVE

Augmented Intelligence

Systems that augment human decision making and continuously learn from their interactions with humans and the environment.

Autonomous Intelligence

Systems that can adapt to different situations and act autonomously without human input.

Productivity and demand.

AI is expected to contribute up to **\$15.7 trillion** to the global economy in 2030, more than the current output of China and India combined (adding 15% to the UK's GDP in the process).

Much of this will come from productivity gains with businesses **automating** processes (including use of robots and autonomous vehicles) and **augmenting** their existing human intelligence with AI technologies.

Another key source will be increased consumer demand driven by new **personalised, higher-quality** AI-enhanced products and services.

It's happening already in Retail.

AI will drive **faster business decisions** in marketing, e-commerce, product management and other areas of the business by helping **close the gap from insights to action** (*Forrester*)

Customers increasingly want retailers to offer convenient, responsive and personalised services. A recent IBM study revealed 48% of customers believe it is important for retailers to provide on-demand personalised promotions when online, while **45% want the same options in store** (*IBM*)

By 2019, 40 percent of retailers will have developed a customer experience architecture supported by an AI layer (*IDC*)

For example: The North Face

In 2016, outdoor clothing retailer **The North Face** began using AI to power a personalised shopping experience for customers on its website. It uses **natural language processing** to help consumers discover and refine product selections based on their responses to a series of questions.

Other brands seem to be in agreement, with 80% apparently wanting chatbots by the year 2020 (*Localytics*). And whilst this may not be a natural way to purchase, consumers are already adapting, with **33% of UK residents saying they would buy clothes via a chatbot** (*myclever Agency*), and **48% of millennials saying they are open to recommendations** (*DigitasLBi*).

For example: JD Sports

- Recommendation engines first introduced by Amazon in early 2000s - now attributed to 35% of product sales on their platform.
- **JD Sports** launched a recommendation engine for their outdoor brand, Millets. As a result, their conversion rates increased by 332%, and the proportion of site revenue from product recommendations is now almost a fifth of all sales.
- “Looking at the Return-on-investment for the project as a whole, **for every pound spent on the personalisation technology, JD Sports’ revenue from recommendations was £291.70**” (*SmartInsights*)

Unblocking growth.

The problem-solving potential of AI isn't just limited to existing problems.

In fact **the beauty of AI is that it can help you solve problems that you didn't know you had.**

How did AirBnB explode?

The Problem

AirBnB was struggling to expand its listings as well as gain customer traction.

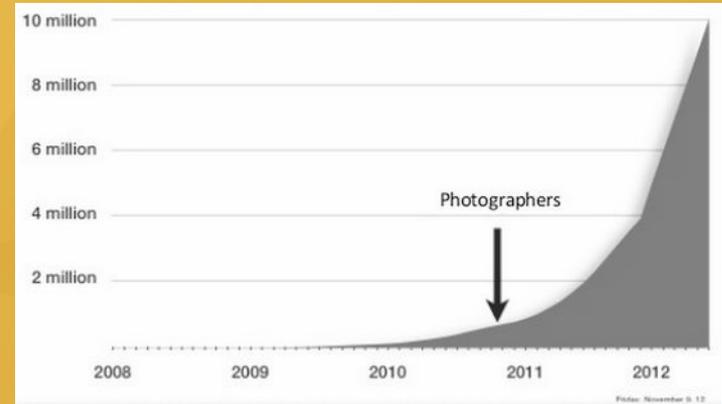
The hypothesis

They realized that places with professionally made photographs tended to get 2-3 times more bookings.

Outcome

All their listings were since done by professional photographers. Just this 1 change has resulted in their "hockey-stick" growth. The rest, as they say, is history!

With today's data deluge, it is virtually impossible to find "growth hacks" like this without the use of AI.



What's hot in AI in Retail?

Chatbots

Leaders: Burberry, Tommy Hilfiger, The North Face

Key Benefits: Conversational commerce can reduce friction of mobile purchasing – driving efficiency and conversion.

Visual Search and Visual Listen

Leaders: John Lewis, AEO, Neiman Marcus

Key Benefits: Perfectly placed to drive and aid sales via mobile

Recommendation Engines

Leaders: Amazon, ASOS, Netflix, Facebook,

Key Benefits: Shoppers get a unique, personalised shopping experience that improves over time – driving loyalty and sales.

In Store AI

Leaders: Macy's, Nordstrom

Key Benefits: Enhanced, personalised in-store customer service and empowered staff

Design Options

Leaders: Cosabella, Shop Direct, Marchesa

Key Benefits: Customers get a highly personalised experience, retailers can forecast successful designs

Consumer Insights

Leaders: Amazon, Shop Direct

Key Benefits: Rich, detailed consumer data, enabling advanced personalisation

Store Optimisation

Leaders: BlueYonder, Celect (providers)

Key Benefits: Increased sales due to optimised store location and store layout.

Sales Forecasting

Leaders: Amazon, Morrisons, Rue La La

Key Benefits: Significantly improved accuracy in forecasting (with the proven potential to save retailers a lot of money), and better quality of data.

Proof of Concept

- Analysis of your data set
- Development of 3 test hypotheses
- Design, develop
- Feel outcomes into business processes

Campaign

- Define of business goal
- Refine into AI goal
- Design, develop
- Go live
- Feel outcomes into business logic

Next Stage

- Refine and revisit

Stage 1



Stage 2



Stage 3



Intelligent Recruitment

With over 40 years' experience in industrial, commercial and professional recruitment, **Field Recruitment** knew it was time to digitise its services.

Scene

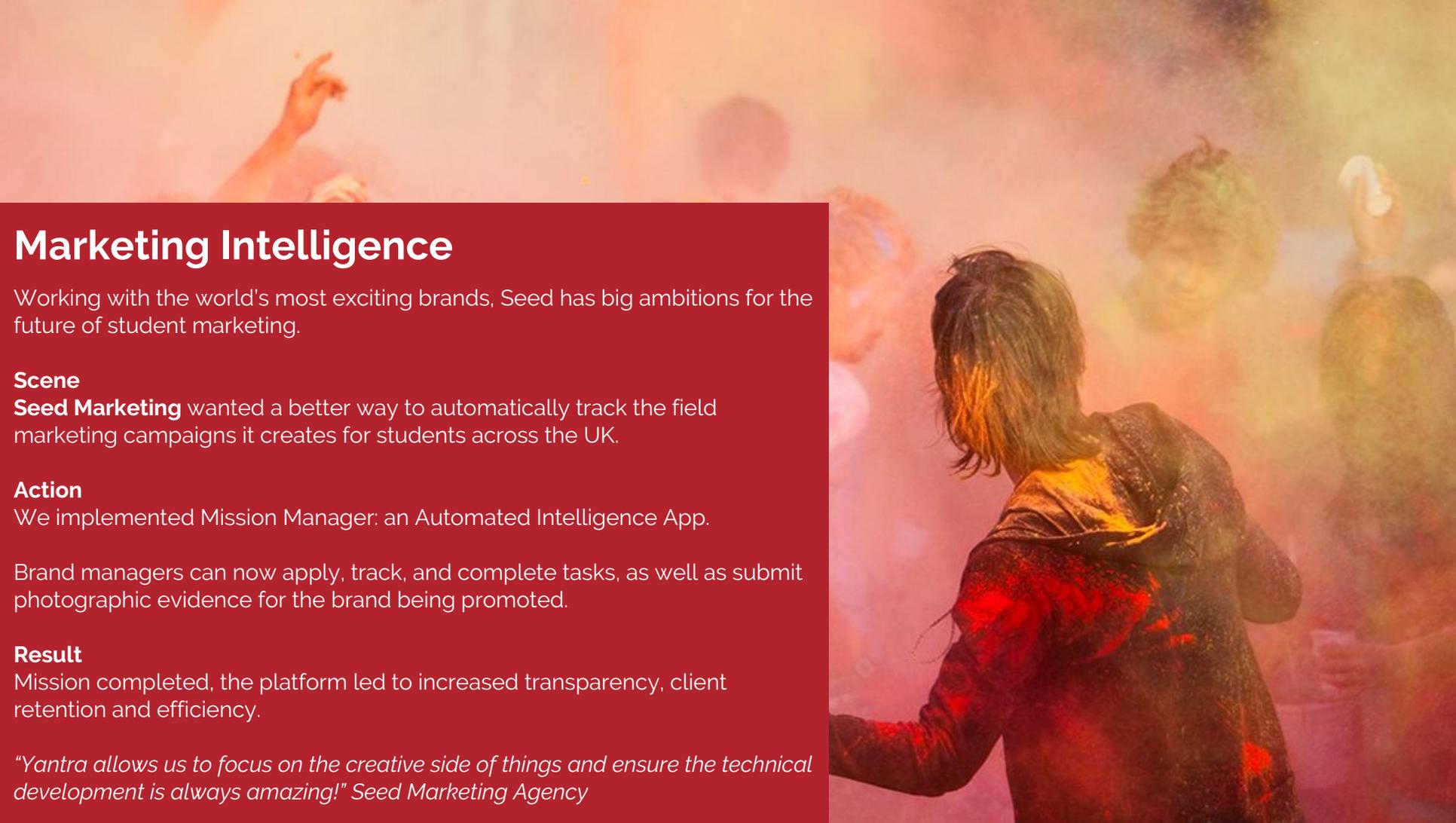
Field Recruitment wanted a platform that would improve the team's efficiency and aid candidates and clients through the recruitment process.

Action

We built an Automated Intelligence application.

Field Recruitment can now post jobs across all social platforms in a single click, distribute CVs to custom lists, pre-interview applicants using an online skills test, and communicate directly with applicants.

"From server set ups to delivering complex web apps, Yantra never fails us – even when we need something worked on urgently". Field Recruitment



Marketing Intelligence

Working with the world's most exciting brands, Seed has big ambitions for the future of student marketing.

Scene

Seed Marketing wanted a better way to automatically track the field marketing campaigns it creates for students across the UK.

Action

We implemented Mission Manager: an Automated Intelligence App.

Brand managers can now apply, track, and complete tasks, as well as submit photographic evidence for the brand being promoted.

Result

Mission completed, the platform led to increased transparency, client retention and efficiency.

"Yantra allows us to focus on the creative side of things and ensure the technical development is always amazing!" Seed Marketing Agency

Data Intelligence

Scene

Smart Studio Software, a voice artist company, wanted to make better use of their collection of hundreds of thousands of completed and ongoing projects, voice assets and resources, clients and artists.

Action

We built an Automated Intelligence application, allowing them to automate their business processes.

Results

Prioritisation of business goals, with greater efficiency and throughput; delivery requirements met and exceeded; highly flexible reporting; unlocking business opportunities.

"Yantra work in a way which really allows us to focus on our business and have digital expertise at hand involved at every stage of our development, ensuring we get the best possible outcome with our budget and always on time!" Chester Hull Smart Studio Software



Like what you see?

We're always here to help, and would always love to hear from you. Please contact us, and one of our experts will be in touch.

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