RETAIL

Alibaba is piloting AI-enabled shopping experiences

July 6, 2018

Alibaba has opened an artificial intelligence-enabled concept store for a limited time. Image Credit: Alibaba

By SARAH RAMIREZ

Chinese ecommerce giant Alibaba has opened a concept store that offers shoppers and luxury retailers a look at a new frontier for fashion retail digitization.

Dubbed "FashionAI," the pilot boutique harnesses artificial intelligence capabilities for a stress-free shopping experience. While it is only open for a few days, the store will act as a temporary testing ground for innovative retail formats.

"AI-assisted shopping brings the compelling elements of online purchasing to the physical store, creating a truly unique, personalized customer experience," said Laura Sossong, consulting manager at Boston Retail Partners, Boston. "Consumers who desire a meaningful in-store experience but want the added benefits of styling tips, convenience and individualized customer service are sure to embrace this hybrid offering."

Ms. Sossong is not affiliated with Alibaba but agreed to comment as an industry expert. Alibaba was reached for comment.

Smart mirrors
Shoppers check into the pilot store using a mobile Taobao ID code. All of the apparel showcased in the concept store is by Guess Inc.

"Smart mirrors" are integral to the shopping experience at FashionAI. Located throughout the store, they display product information when nearby shoppers touch or pickup a garment.

Each item has an "intelligent lock" that is supported by radio-frequency identification, gyro-sensors and Bluetooth low-energy chips. The intelligent locks communicate with the smart mirrors to show product information for each garment, as well as offer other clothing recommendations.

Alibaba's FashionAI concept store uses artificial intelligence to streamline shopping experiences. Credit: Alibaba

Along with the product recommendations, store guests can find out where the suggested items are located. Shoppers can also use the smart mirror to add items to their virtual shopping carts, eliminating the need to carry merchandise

around the store.

Store staff can prepare fitting rooms with the garments and accessories picked out by each shopper. The fitting rooms also include smart mirrors so customers can request items in different colors or sizes without needing to speak to a sales associate.
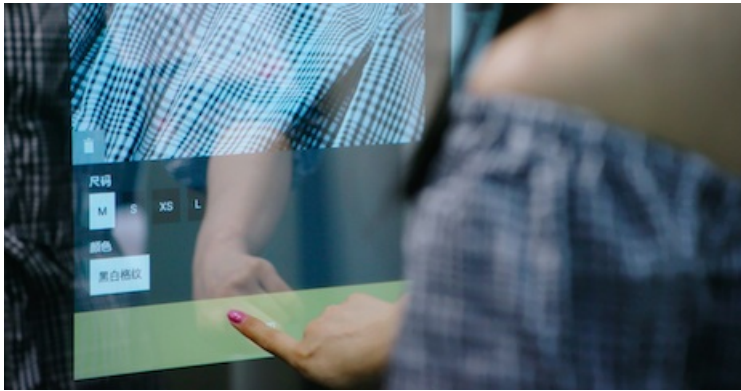
Smart mirrors assist shoppers at FashionAI. Image credit: Alibaba

Data collected by the smart mirrors can also help retailers learn about what items are popular among shoppers, as well as help track their movement around stores.

"Predicting fashion trends is imperative for the success of luxury retailers, and in-store AI technology will allow retailers to glean invaluable insight into marketplace preferences and trends," Ms. Sossong said. "By gathering rich reportable data on customer shopping choices, retailers can then predict trends, demand and inventory needs and shape assortment direction and strategy based on findings."

The concept store opened to the public on July 5, and will be up until July 7.

Retail technology
Known for its innovative retail practices, Alibaba has been working towards bridging the gap between online and offline shopping experiences.

Alibaba's Tmall gives luxury bricks-and-mortar stores the chance to enter into the digital realm through a partnership with iStaging to recreate spaces in virtual reality. A program allows brands who sell on the ecommerce site, among whom are a number of luxury labels, to create their own VR stores that allow shoppers to take the in-store shopping experience with them anywhere.

Brands need to incorporate some sort of digital aspect into their bricks-and-mortar experience and use the digital world to complement the in-store experience. The more brands and consumers become comfortable with technology such as this, the more important Tmall's VR push will become (see story).

FashionAI is the result of a joint program between Alibaba and Hong Kong Polytechnic University to create an artificial intelligence that will be able to be fed images of high fashion and learn to categorize them based on factors such as fit, color or type of apparel.

Artificial intelligence is a hot button issue in the luxury world. As more brands are seeking to modernize their strategies through the use of innovative digital tools such as virtual reality and in-store activations, artificial intelligence has emerged as one of the most sought-after technologies available (see story).

"The plethora of insights created by AI will enable luxury retailers to make smarter merchandise planning and assortment decisions," BRP's Ms. Sossong said. "We are bound to see elements of AI technology being incorporated into the luxury space, particularly in high end markets where implementing AI will bring ROI by inducing further purchases."