

RETAIL

Digital platform merges artificial, emotional intelligence for luxury brands

December 31, 2019



Powerfront's Inside platform turns online shopper data into personalized avatars. Image credit: Powerfront

By SARAH RAMIREZ

Luxury leaders, including Italian fashion label Gucci and department store chain Neiman Marcus, are turning to artificial intelligence and avatars to enhance the omnichannel customer experience.

Subscribe to **Luxury Daily**
Plus: Just released
State of Luxury 2019 **Save \$246 ▶**

Powerfront is a software company that counts Gucci, Neiman Marcus, Balenciaga and Valentino among its luxury clientele. The company's goal is to help brands better understand ecommerce shoppers and deliver in-store quality customer service online with its Inside customer engagement platform.

"The real question is How do you practice luxury retailing online when most Web sites, luxury or mainstream, look the same?" said Hadar Paz, cofounder and CEO of **Powerpoint**, Los Angeles.

"What Inside, and thus its AI-driven technology, provides luxury brands is a methodology that displays various cues that help the agent in an online scenario deliver a more sensitive and caring engagement," he said. "Inside presents a visual view of the customer journey including memory of the customer's actions and interests in comparison with other engagement tools."

Inside online shoppers

Powerfront empowers online service representatives by transforming traditional customer analytics into individual onscreen avatars essentially humanizing Web traffic for retailers.

The color-coded avatars also allow agents to view their online shopping bags or previous purchase history.

Neiman Marcus is one of Powerfront's clients

Sentiment analysis and behavioral targeting technology help retail associates understand shoppers' moods based on visual cues. For instance, happy customers are denoted with heart icons while frustrated-looking avatars represent unsatisfied shoppers.

This is meant to mimic a bricks-and-mortar retail experience, where sales associates can physically identify customers' moods or view shopping carts.

By more easily recognizing a customer's feelings through visual cue, online representatives can use live chat to provide better service and reduce friction points. For instance, they may offer shopping recommendations or proactively address any other problems.

Agents can also reach luxury online shoppers through Facebook Messenger, text messages, email and more, further personalizing the ecommerce experience.



Gucci's virtual sales force. Image courtesy of Powerfront

"The combination of chatbots with AI and avatars creates an exceptional customer experience by targeting the right customer, at the right time, with the right message and meets the customers' needs faster and better," Mr. Paz said.

"The customer appears as they should, which is a human with emotions, history and interests.

"This allows the agent to immediately understand the customer journey without reading text," he said. "That in turn enrolls the agent in her or his job and produces not only a better outcome, such as higher conversion, but a better experience for the end customer."

AI meets EI

Powerfront's 3D visualization technology allows representatives to better assist customers, ultimately shaping consumers' perception of a brand's emotional intelligence.

Emotional intelligence, as well as data, is essential to shaping the customer experience, especially in the luxury space.

During a presentation at LuxeCX/AMCX 2019 on Sept. 25, a principal from IBM shared examples of how luxury brands have changed their ecommerce strategies based on customer data. The evolving retail environment has led to a wealth of data, but brands often need guidance and the right tools to best interpret the data and implement their findings ([see story](#)).

Meanwhile, companies are not keeping up with consumers' growing appetite for artificially intelligent customer service, with a new report from the Capgemini Research Institute finding that less than half of the top firms in retail, banking and automotive offer voice assistants or chatbots.

Seventy percent of consumers can see a future in the next three years in which they will replace visits to a physical store or bank with voice assistant interaction, indicating a growing preference for technology over human service. While AIs are taking over some customer service experiences, companies will need to deploy a combination of human and bot assistant to meet consumers' needs ([see story](#)).

"I think that in 2020, retailers will leverage AI and other tools to get much closer to the customer," Powerfront's Mr. Paz said. In 2020, for example, we'll be able to get increasingly sophisticated views of the customer as well as a brand's overall business.

"Luxury brands will also shift from using customer service representatives' to online sales associates," he said. "The agent's role will evolve to become increasingly specialized and require more extensive product knowledge and emotional intelligence in order to deliver more bespoke and elevated customer service.

"AI will continue to be integrated into the chat operator's role in order to aid in both efficiency and smarter, more personalized engagements. Bots will be utilized to assist agents rather than customers, or to resolve minute and rote customer service issues while humans will assist in personal shopping and more complex or escalated customer service inquiries."

© 2020 Napean LLC. All rights reserved.

Luxury Daily is published each business day. Thank you for reading us. Your **feedback** is welcome.