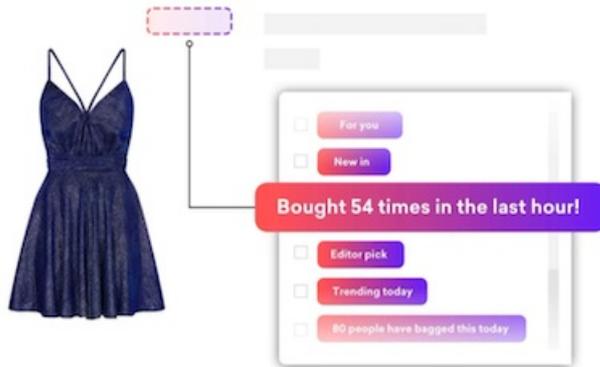


RETAIL

How deep learning can give luxury brands a competitive advantage

July 22, 2021



Qubit CommerceAI uses AI to glean consumer data and improve personalized experiences. Image credit: Qubit

By KATIE TAMOLA

With consumers' ecommerce habits continuing to surge, more luxury brands are turning to software platforms and artificial intelligence to better inform decisions about merchandise, inventory, campaigns and more.

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Personalization software platform Qubit which counts Diane von Furstenberg and Kurt Geiger among its many luxury and high-end clients recently unveiled a new engine that uses artificial intelligence, deep learning and machine learning to help brands improve one-to-one personalization techniques. **Qubit CommerceAI** helps boost brand loyalty and conversion rates through several different strategies, or modules, including product recommendations, personalized content and replenishment.

"Qubit CommerceAI pulls together the latest and greatest technologies available to give retailers access to cutting edge AI," said Sergio Iacobucci, director of marketing and sponsorships at **Qubit**, London.

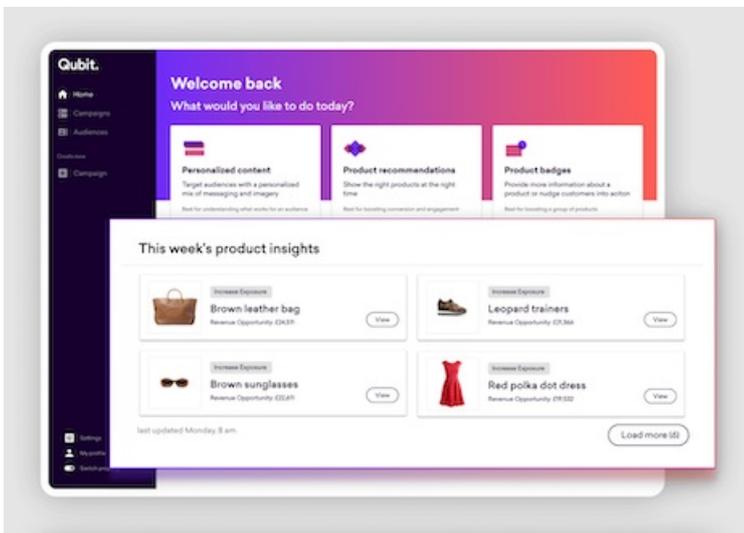
"Helping brands learn about their customers and their shopping preferences is only possible with lots of clean ecommerce behavioral data, of which we have about 2 petabytes," he said. "This data is fed into the latest deep learning technologies, such as Google Recommendations AI, to enable the system to constantly learn about the product set and the individual customers.

"It's the only recommender' system that is truly one-to-one and personalized."

AI insights

Qubit CommerceAI uses deep learning, a subset of artificial intelligence in which algorithms inspired by the human brain's neural networks learn from large amounts of data. This helps brands learn more about their customers and adapt their ecommerce strategies.

The engine can identify thousands of products and is designed to understand and react instantly to the customer context, which is advantageous for both the brand and buyer.



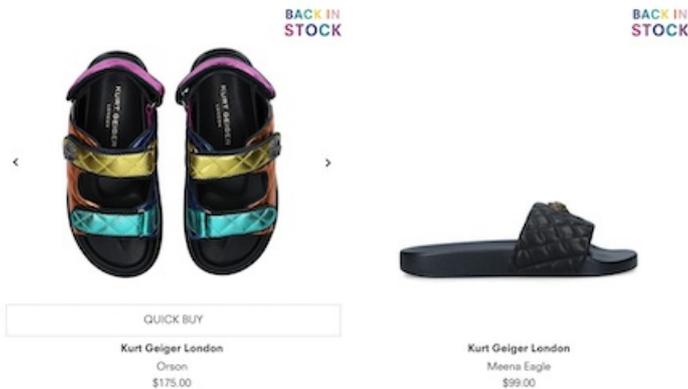
Automated product insights can help brands and retailers prioritize. Image credit: Qubit

CommerceAI can process and understand massive amounts of data in real time, creating a more innovative and effective ecommerce experience. The data is then leveraged so that brands may use insights to make future decisions about stock, pricing and more.

Recognizing that brands' needs vary, Qubit offers disparate modules so brands can select which areas to focus on to improve customer engagement and ecommerce performance.

For instance, one-to-one product recommendations use deep learning and real-time visitor data to guide shoppers to the most appropriate products from a brand's entire catalog.

The product badging module allows brands to create custom badges or use pre-built badging templates to quickly launch campaigns, influencing product discovery and conversions. Dynamic decisioning helps retailer teams manage audience prioritization and more for improved targeting.



Kurt Geiger uses Qubit CommerceAI to add badges to product pages. Image credit: Kurt Geiger

Other modules include personalized content, which provides the ability to set up and manage personalized content campaigns.

Abandonment recovery uses consists of real-time systems monitoring customer behavior when a customer leaves a site. Hesitant shoppers can then be reached through email, text message alerts and more.

The visitor pulse module prompts consumers to share their preferences, interests or intent to help personalize the online shopping experience.

Replenishment uses Qubit's CommerceAI engine to predicts when customers will need to reorder items and provides replacement prompts at the right time for each visitor.

It's a personal matter

Amid the exponential growth of ecommerce resulting from the COVID-19 pandemic, consumers are increasingly valuing digitalization and personal customer experiences.

According to a recent survey from information software company OpenText, the COVID-19 pandemic has

irrevocably affected consumers' digital expectations. Nearly two-thirds of U.S. consumers, 62 percent, said the pandemic has changed their expectations of what a brand's digital offering should be.

More than half, 53 percent, of U.S. consumers report only buying from brands that make them feel as though their preferences are understood. Twenty-four percent of U.S. consumers noted being likely to return to brands that personalize the digital experience ([see story](#)).

Retailers are actively working on tailoring their ecommerce offerings so as to provide the personalization consumers have come to revere and require.

In 2020, U.S. department store Saks Fifth Avenue progressed the standard of luxury ecommerce with its new site.

This was the first comprehensive website replatforming and redesign from Saks in five years. Using Salesforce Commerce Cloud, saks.com now emphasizes fashion, convenience and personalization while ensuring flexibility for future enhancements ([see story](#)).

Brands' needs will continue to differ, but consumers' desire for personalization is constant.

"Businesses should always build a roadmap to personalized experiences and we suggest ecommerce teams should not try to 'boil the ocean,'" Mr. Iacobucci said. "We have personalized tactics we call the brilliant basics' and these are where all of our clients start.

"These use Qubit CommerceAI to power personalized recommendations, badging and content," he said. "From there we then help bring businesses up the personalization maturity ladder."

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