

RETAIL

AI continues to prove itself as fruitful tool for retailers

November 10, 2021



Bloomingdale's worked with LilyAI to improve site search conversions. Image credit: LilyAI

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As the share of ecommerce sales continues to climb, luxury brands and retailers are increasingly using artificial intelligence to better understand consumers.

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Customer intent platform Lily AI has worked with brands and retailers including U.S. department store chain Bloomingdale's, resale platform ThredUp and premium sustainable apparel brand Everlane to identify what unique shoppers want. The solution is now available globally, assisting brands and retailers in improving on-site search, personalized product discovery, recommendations and demand prediction.

"We want to solve the perennial problem the retailers have in understanding the why behind what their shoppers are looking for, and we do that by investing in our platform and in AI algorithms that turn qualitative product attributes into a universal mathematical language that can then be easily tied into unique customer preferences," said Jay Hinman, vice president of marketing at **Lily AI**, San Francisco.

"Retailers using Lily AI are already seeing 8-9 digit lifts in top- and bottom-line impact. This shows up in key retailer metrics such as product sell-through rate, improved conversions and overall increases in revenues."

New levels of personalization

Artificial intelligence is building its reputation as an attractive tool for retailers.

In a report from September, **Statista** found that the global market for the use of AI in retail was valued at about \$3 billion in 2019. Over the next eight-year period, the market for AI in retail is estimated grow to a mammoth proportion, reaching \$23.3 billion by 2027.



Retailers continue to use AI and analytics to better understand customers. Image credit: WWD/ American Express

Lily AI, formed by a team of retail industry and technology experts with several years of retail and fashion experience, is actively aiming to help present every unique shopper with exactly what they are looking for in real time.

The solution achieves this by implementing robust product attribution data and unique customer intent into the ecommerce sphere, providing retailers with immense depth for personalization.

The platform turns qualitative product attributes into a universal mathematical language.

By using AI-powered image recognition to identify product attributes, Lily AI allows retailers to configure 10 times more features for each product including fit, style, outfit occasion and more.

The platform helps retailers consider shoppers' histories while also predicting what a customer may want in the future.

Practicalities like historical habits of the consumer are considered, but more emotional aspects are also taken into consideration a sizable feat for AI software.

Lily AI's Customer Intent Platform uses AI to auto-tag products with the richest set of attributes possible; extract and predict the emotional context of each shopper, using existing anonymized customer data; deliver highly relevant and individualized experiences on ecommerce sites and in outbound communications.

AI in the luxury space

Several brands and retailers recognize how the use of AI and additional technology can assist them in reaching consumers and showing them they prioritize personalization, ultimately helping them to reach more customers and make more sales.

In June, French luxury goods conglomerate LVMH Mot Hennessy Louis Vuitton partnered with the Google Cloud platform in a push for innovation.

The partnership aims to assist those who work for the brands with AI support and machine learning technologies, improving business operations by demand forecasting and inventory optimization. The technology also aims to elevate consumer experiences through personalization ([see story](#)).

In February, resale platform Rebag launched an artificial intelligence tool to empower consumers to learn the value of their handbags in seconds.

Now available for download on iOS and Android devices, Clair AI is an extension of the platform's pricing tool. The mobile application also allows users to scan virtual representations of a handbag, giving consumers the ability to learn about an item's resale value before purchase ([see story](#)).

In July, Rebag added to its technology-powered services and streamlining its customer experience with Claire Trade.

The software-powered, "instant trade-in" program allows shoppers to buy and sell items in a single, combined transaction. It serves an extension of Claire AI, Rebag's pricing tool ([see story](#)).

AI continues to position itself as an impressive tool for retailers and brands.

"We have found that when retailers consistently invest in understanding customer context and intent, they set themselves up for increased conversion, larger order sizes and a future in which consumers return to their ecommerce sites time and again," Mr. Hinman said.

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