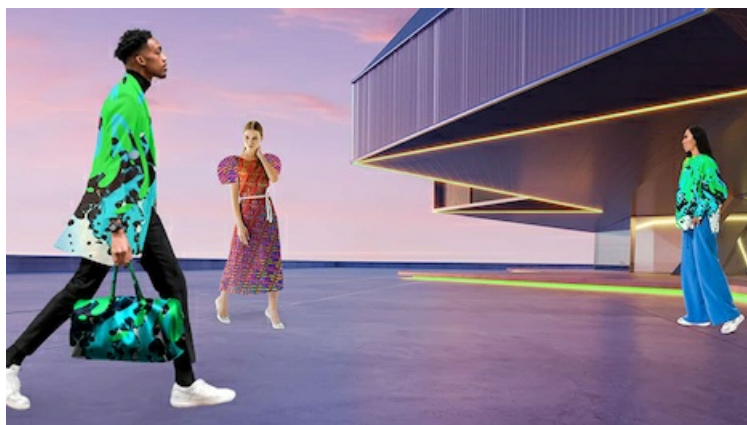


RETAIL

AI to play major role in shopper experience, internal brand decision-making

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Shoppers are increasingly looking for - and creating with their data - a more personalized retail experience. Image Credit: Dressipi

By MARYBETH CONNAUGHTON

Retailers with both online and bricks-and-mortar locations should focus on creating an individualized experience for shoppers, with artificial intelligence playing a major role.

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Per **recent findings** by fashion ecommerce personalization platform Dressipi, AI will play a major role not only in the shoppers' experience but also in brands' internal decisions. This will have an impact on several major issues in the current climate, not least of which is sustainability.

"The more you make a customer feel like you know them, the more loyal they will be to your brand," said Georgina Fisher, marketing manager at **Dressipi**, London.

Aye aye

Customer lifetime value will continue to take precedence over conversion rate and average order value as a crucial metric for retailers to consider.

Focusing on customer retention, one aspect that retailers should consider is the potential of their own websites to create customer personalization versus more broad searching methods such as Google shopping.

With the growing use of features such as avatars and voice search tools, consumers are building an increasingly specific profile of themselves in the online space. This gives brands the opportunity to provide shoppers with a more highly personalized experience, per Dressipi. Based in London, the company helps retailers understand customer buying habits.

This kind of personalization gives the customer the confidence to make larger online purchases.

In turn, the more consumers dress themselves according to their idealized digital self, the more fashion trends in the real world will reflect this.

First-party data provides yet another opportunity for customization as more data privacy regulations and harsher penalties for violators are implemented.

As many as 70 percent of users expect personalized recommendations, according to Dressipi.

When shoppers do step into real, live shops, they are looking to have an experience beyond just perusing the racks. Retailers are increasingly using their real-world sites as hubs of community and entertainment.

Dressipi cites the example of British fitness apparel brand Gymshark, which recently opened its first physical store in London. Beyond selling its merchandise, the store calls itself a gym and a community hub.

Another example was Sweden-based international retailer H&M's revolving store in the Williamsburg neighborhood of Brooklyn, New York, which hosts events and experiences for customers in collaboration with local businesses.

Adidas's London store provides a space where people can customize their sneakers.

Generate returns

The real world has some concerns of its own, which increased customer personalization will potentially help to address.

With a clearer picture of what customers want, and more use of predictive retail methods, brands and retailers will consume fewer unwanted goods at the source. This reduces a significant amount of waste.

Customers will be able to try things on in the metaverse, reducing the rate of returned items.

To further reduce returns, Dressipi predicts that more retailers will be charging a return fee in an effort to protect their profits during a time of inflation and growing cost of delivery amidst a supply chain crisis.

"There are many possibilities for 2023, but the retailers who look to the future will be the ones that strive ahead," Ms. Fisher said. "The best place to start is by looking at the data you hold."