

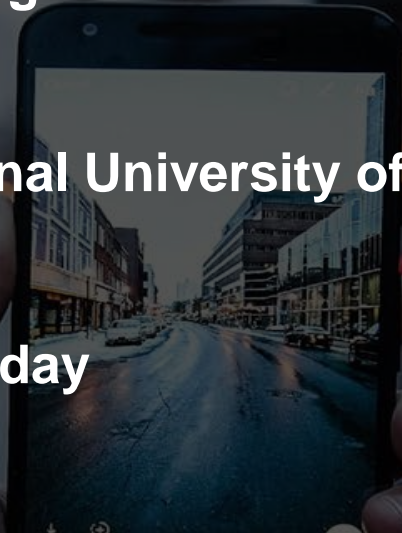
A hand holding a smartphone displaying a street scene, with a semi-transparent dark overlay containing text.

# The Future of Shopping with A.I

Vasanth Raju  
Head of Platform  
ViSense

# About ViSenze

- Powering Visual Search for leading retailers and brands
- Deep learning spin-off from National University of Singapore & Tsinghua University
- Reaching 300 million shoppers today













T-shirt

Pants



Bra



Shoe



Dress









**Shop what you see.**

# The Visual Web

2.5 Trillion

*Photos shared in 2017: Deloitte*

3 Billion

*Photos shared per day on Facebook and  
Snapchat alone: KPMG*

- 80% of Big Data is images and videos
- 95% of the Digital Universe is not searchable via keywords
- Manual tagging is labor intensive, time consuming, and unscalable
- Volume of images and videos shared online will double every three years

*Source: IDC Whitepaper*



***Retailers Are Fast Turning To A.I.***

**Deep learning lets ecommerce sites interpret and group images, which makes for better product recommendations and search.**

*e-Marketer Visual Commerce Report 2017*



Pin it

Apartment Therapy  
**Starting Out in Style: A Look Inside 10 Fantastic First Homes — House Tour Roundup**



Visually similar results  
pendant pendant lights light lamp pendant lamps

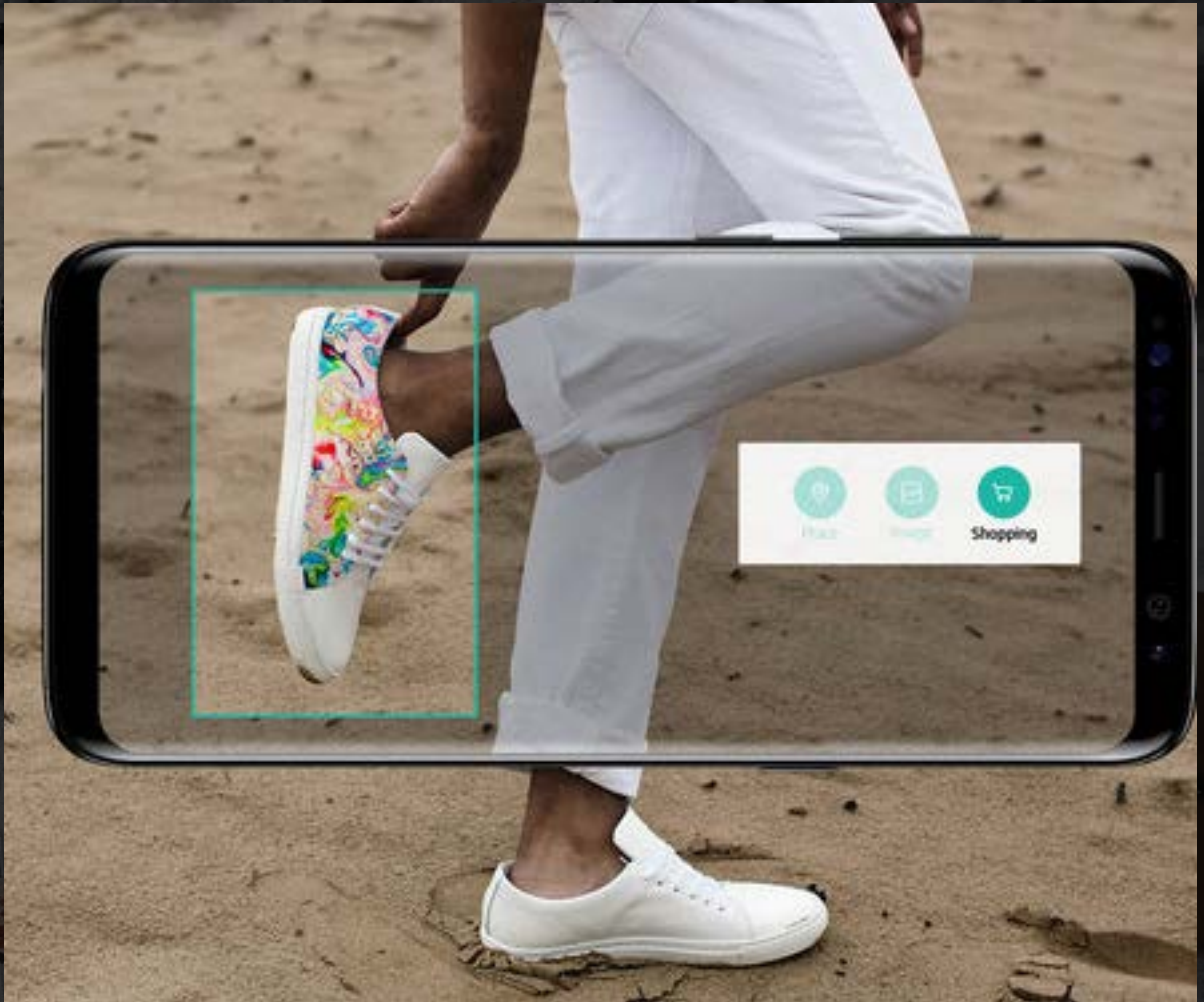


Antiqued Metal Funnel Pendant - Vintage Bronze from Restoration Hardware

#3 ♥ 1



Kitchen light





## Capturing Shopping Interest Anytime, Anywhere for Anyone

**ASOS and Nike have just**



**changed the game**

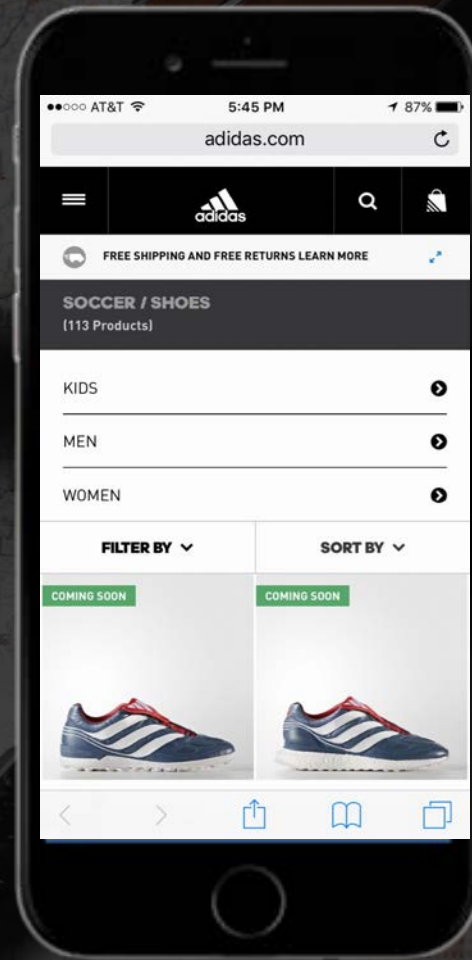
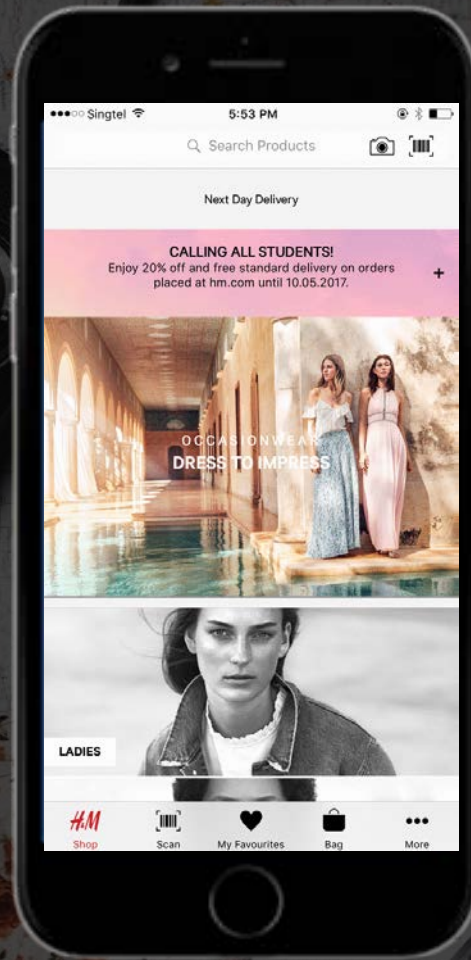
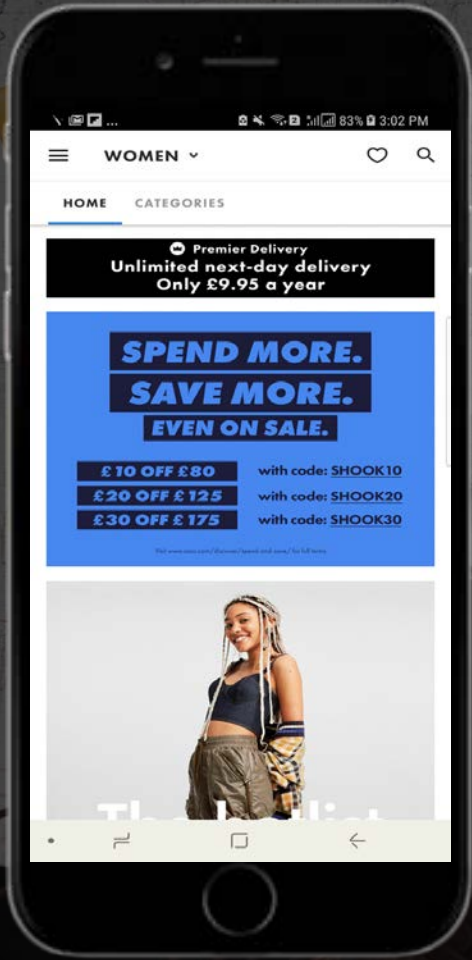
*“Asos has seen great engagement from visual search. The feature could eventually become the way many shoppers discover outfits in its app.”*

*Richard Jones  
Director, Product Management, ASOS  
Sept 2017*

*Asos sees potential in visual search to drive sales*

*Digiday, October 16, 2017*

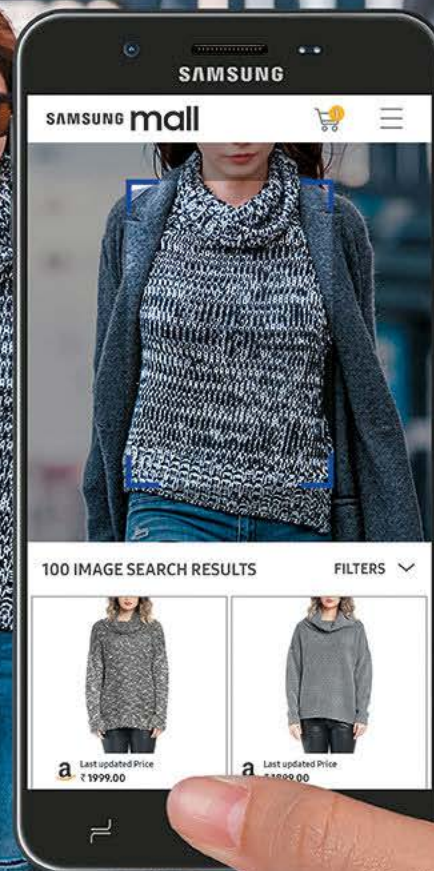






Shoot it. Shop it.

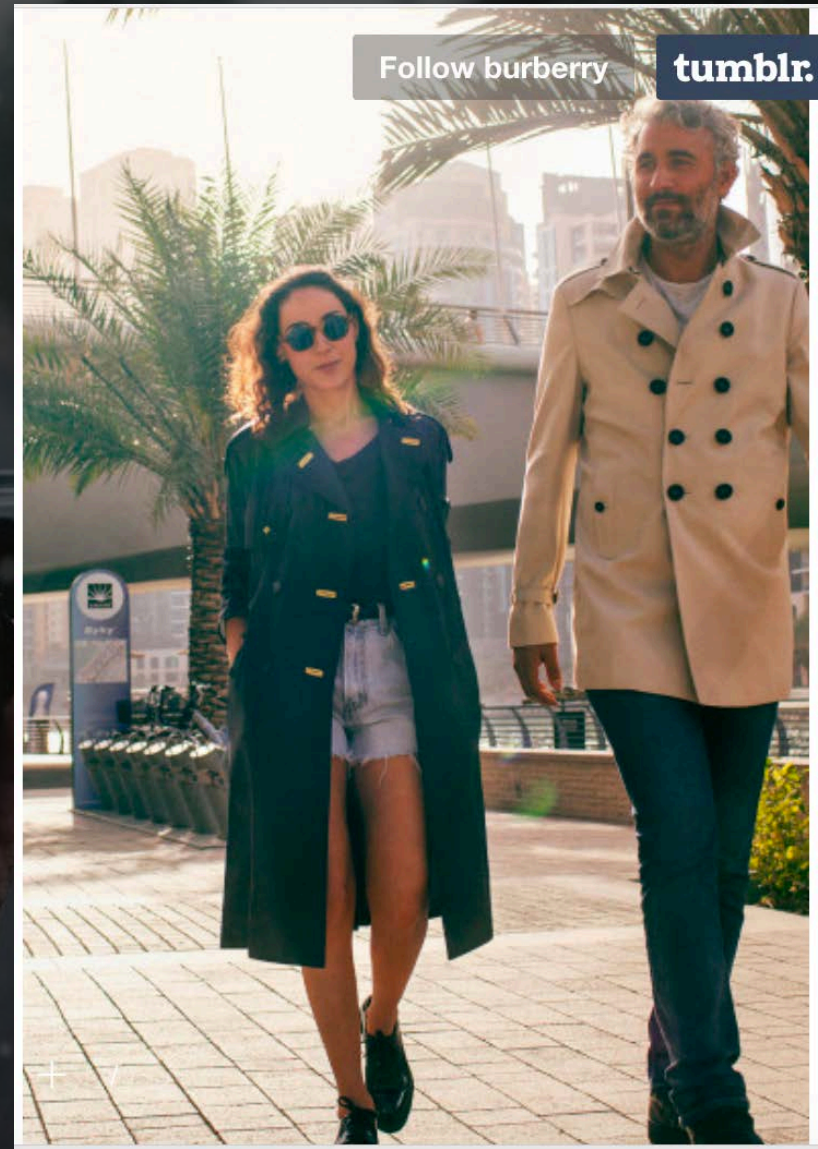
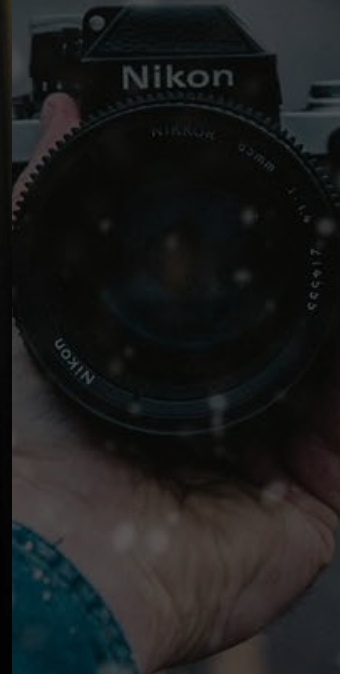
Introducing  
**SAMSUNG mall**





# **The Mobile Storefront**









Women

Men

## #TheOne 活动指南

如何寻找专属你的唯一？

### Step1

请选择男女分区，进入五个都市情景  
挑选你的“件”钟情

### Step2

选满5件单品生成专属 Lookbook 并保存图片

### Step3

将你的搭配图片发至 Farfetch 微信后台  
或发布微博加上 #TheOne# 并 @Farfetch  
即有机会赢取价值 \$500 的 #TheOne 基金



# The importance of Shoppable UGC



# #ZALORASStyleEdit

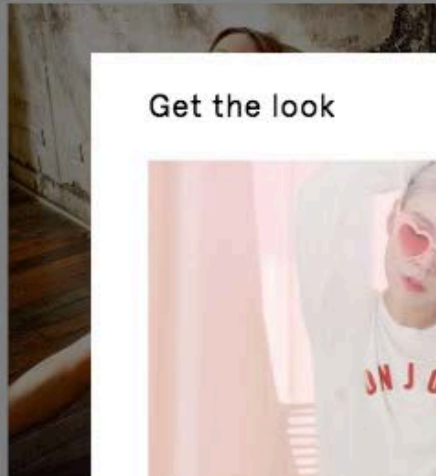
There's no better day to wear it your way

CLICK ON EACH LOOK TO FIND YOUR PERSONAL STYLE



kimcroaz

Follow



View Mo



3,368 lik

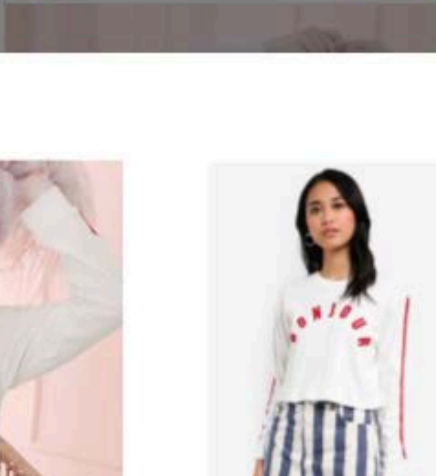
3 WEEKS AGO



cinddie

Jakarta, Indonesia

Follow



## Get the look



@cinddie

05 Jun 2018



TOPSHOP

Petite Bonjour Long Sleeve...

₹ 43.90  
NOW ₹ 21.90



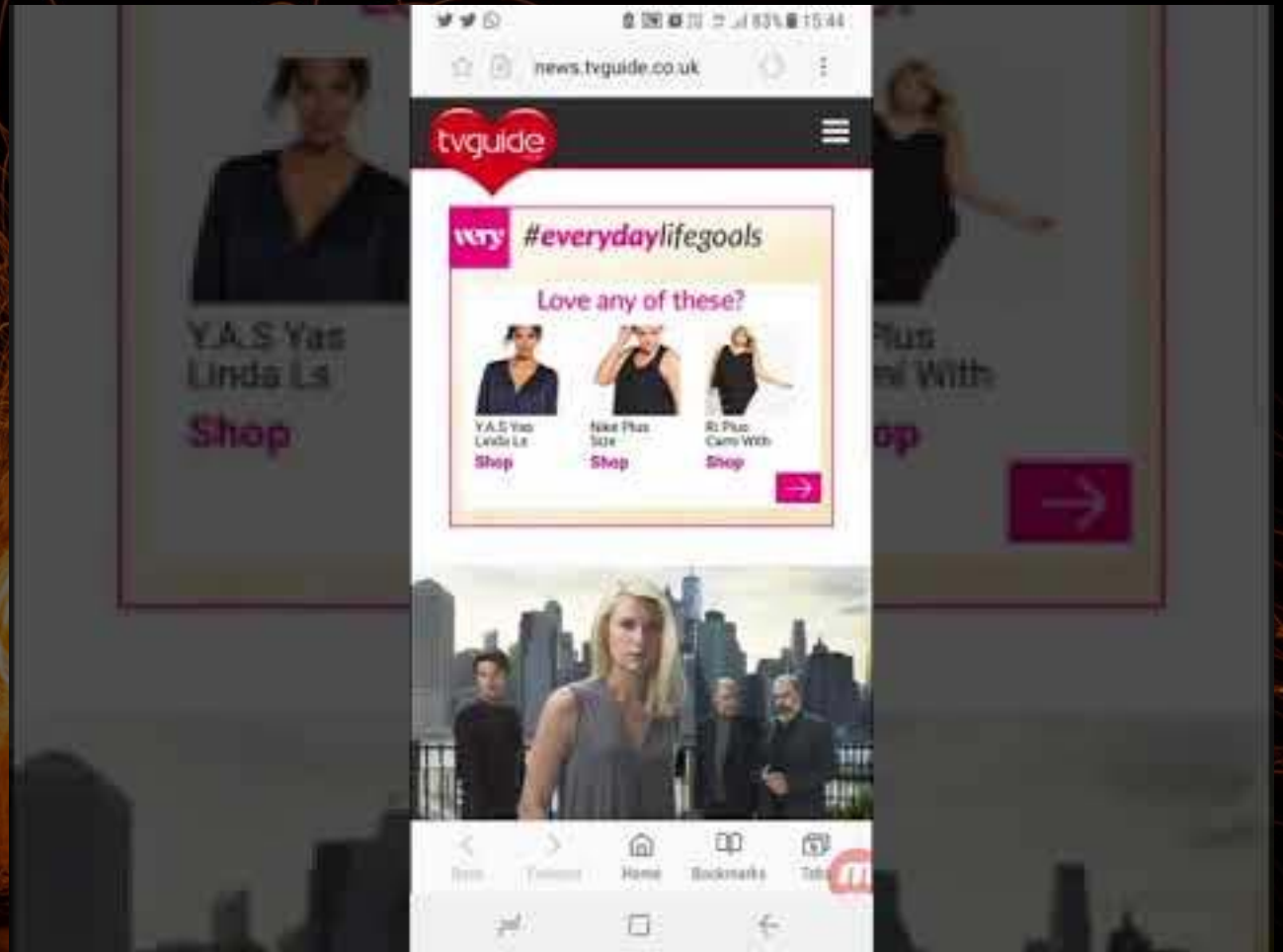
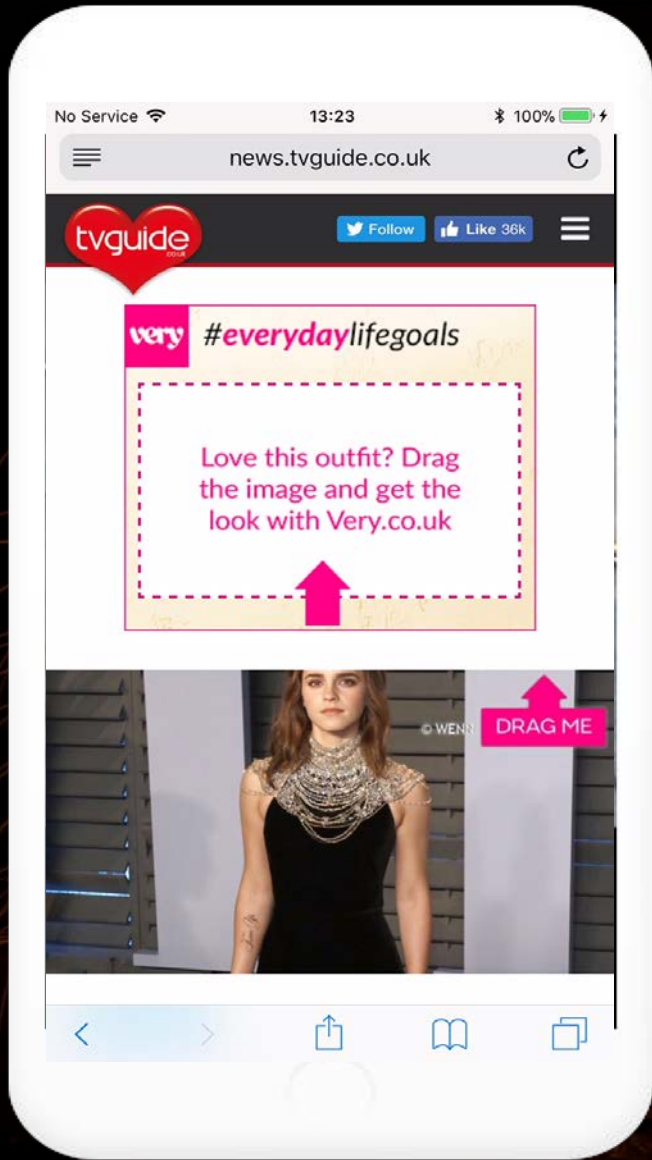
Mango

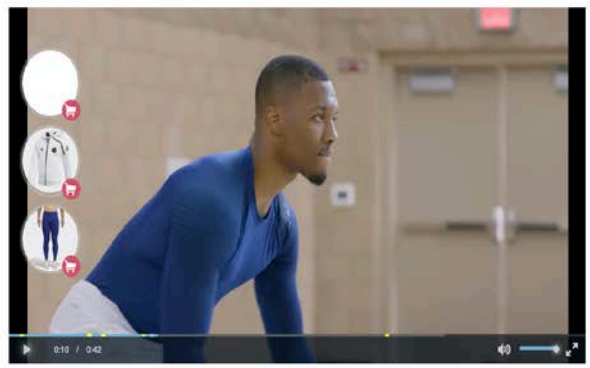
Printed Message T-Shirt

₹ 19.90  
NOW ₹ 9.90









Detection details (?)

IAB-tags: [Sports](#)

General Detection: [Person](#)

Product: [Bottom](#) [Shoe](#)

More Product details (?)

**Planet Details**

- Skinny Pant Fit Type
- Long Pant Length
- Navy Product Color
- Solid Clothes Pattern

**Finer Details**

- Oxford Shoes Shoes Subcategory
- Wedge Heels Type
- Navy Product Color
- Flat Heel Height
- Lace Shoe Closure

Video Summary

General Detection

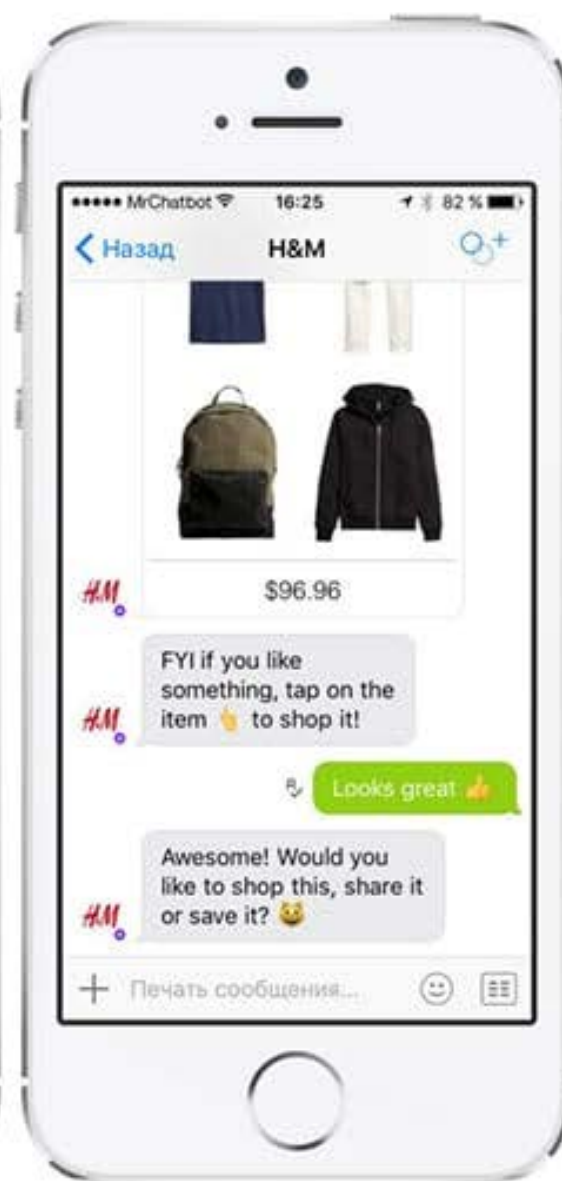
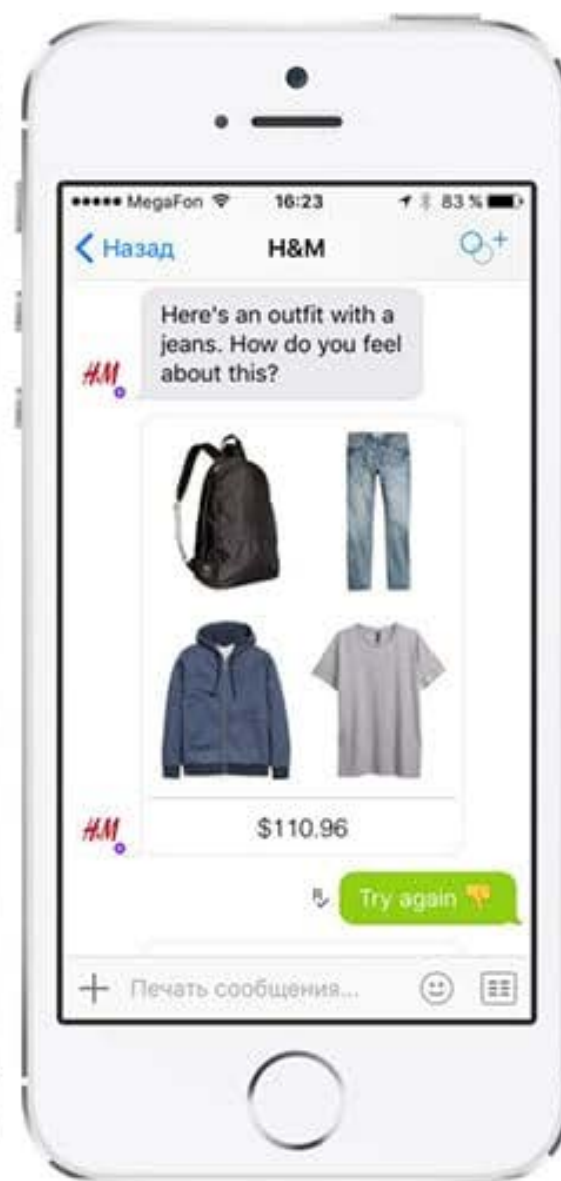
General\_Detection

Person

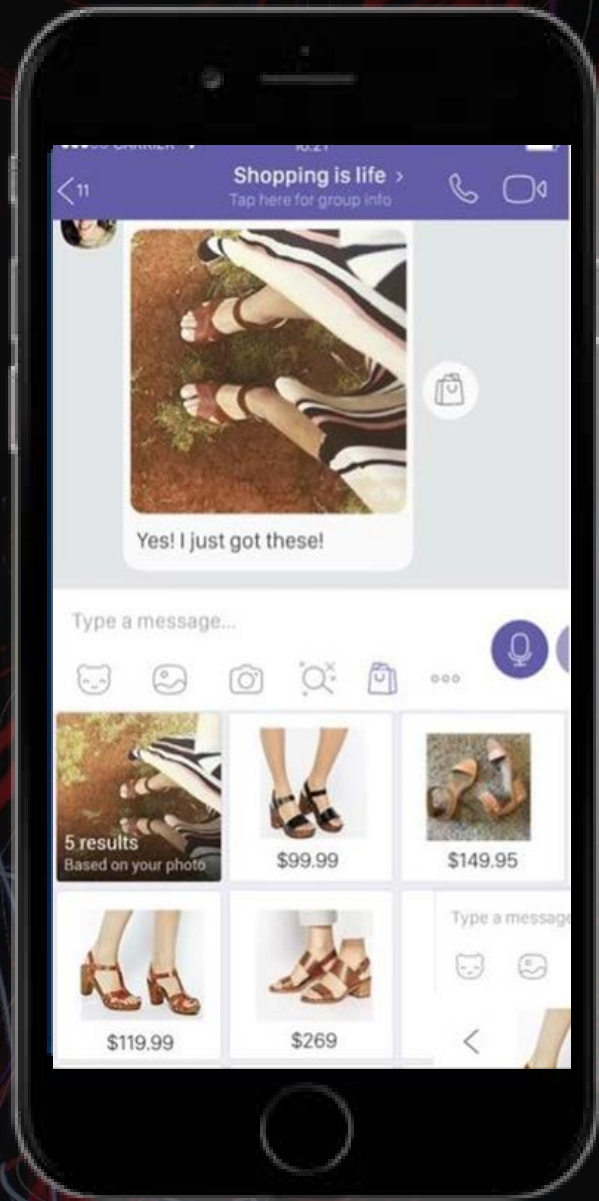





**Your new store assistants.**









**Your new checkout counter.**





amazon Prime

Camera & Photo - digital camera

Shop by Department - Russell's Amazon.com Today's Deals Gift Cards Sell Help

Camera & Photo Deals Best Sellers Digital SLRs Mirrorless Cameras Lenses Point-and-Shoots Sports & Action Cameras Camcorders Photography Drones

Back to search results for "digital camera"

### Nikon Coolpix L330 Digital Camera (Black)

by Nikon

★★★★☆ 416 customer reviews | 240 answered questions




List Price: \$499.96  
 Price: **\$159.89** Prime  
 You Save: \$40.08 (20%)

**In Stock.**  
 Sold by Brother Electronics and Fulfilled by Amazon. Gift-wrap available.  
 Want it Friday, Aug. 21? Order within **21 hrs 34 mins** and choose Two-Day Shipping at checkout. [Details](#)

---

**Frequently Bought Together**

Price for all three: **\$184.87**

[Show availability and shipping details](#)

- This Item: Nikon Coolpix L330 Digital Camera (Black) \$159.89
- Transcend 32 GB Class 10 SDHC Flash Memory Card (TS32GSDR10E) \$13.99



세상에서 가장 편안한 신발

호주산 천연메리노 울 100%

Suggest style through image search

POWERED BY  
VISENZE™



JACK&JILL

털안감

Jack & Jill / JACK & NI  
CE Two kinds of dome...  
18,710 KRW



Kuru / Kuru 3cm moder  
n mesh style sneaker ...  
45,120 KRW



0289 4.0cm Women's s  
neakers Women's fas...  
62,710 KRW







**Your new trial room.**

# SEPHORA VIRTUAL ARTIST





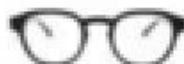
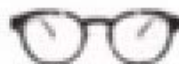


PHOTO



MEN'S EYEWEAR

WOMEN'S EYEWEAR



# Recap

- **The future of Shopping is inside your pocket**
- **A.I makes it possible to replicate the mall experience**
- **Visual Search to Buy what you see**
- **UGC is the new storefront to inspire consumers**
- **Chat bots are your new store assistants**
- **Personalized recommendations to make you buy more**
- **Virtual Try-ons replace your Trial room experience**





# Questions?

*vasanth@visenze.com*





# Over USD27 Billion invested in Retail Technology

- Real-time product targeting
- Visual Search & Image Recognition
- Conversational Commerce
- Sizing & Styling
- O2O Analytics
- Location-based Marketing & Analytics
- Predictive Merchandizing
- Natural language
- Self-Analytics
- Multi-channel marketing



# How big is the market for Artificial Intelligence in Retail ?

Artificial Intelligence in Retail Market is Worth ~ USD 5 billion by 2022

Growing at CAGR 38.3% from 2017 (approx ~ USD1 billion in 2017)

Machine Learning technology has largest market share of growth

Fastest CAGR growth in the visual search segment

Source:  
*Artificial Intelligence in Retail Market by Type MarketsandMarkets™*,  
Oct 2017

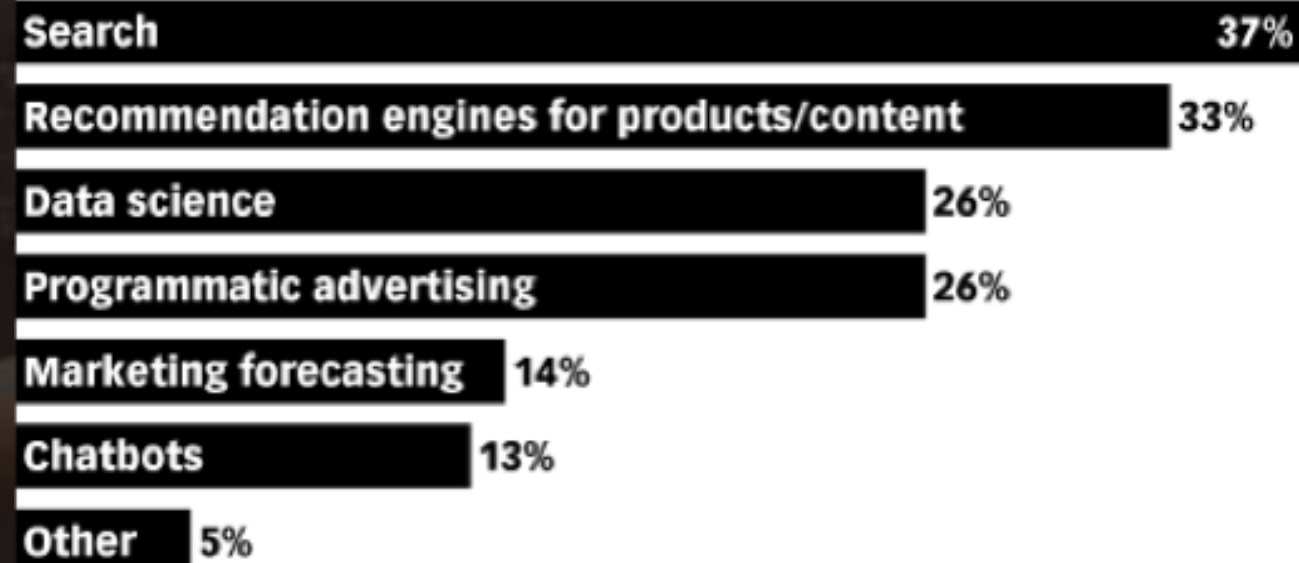
\* *ViSenze profiled as the leading independent  
AI visual search provider in report.*



# AI is heavily used by Retail Marketers today

## Ways in Which Retail Marketers in North America and the UK Currently Use Artificial Intelligence (AI) to Accomplish Their Goals, Jan 2017

% of respondents



Note: among respondents who use AI for marketing purposes

Source: Sailthru, "2017 Digital Retail Innovation Report," Feb 22, 2017

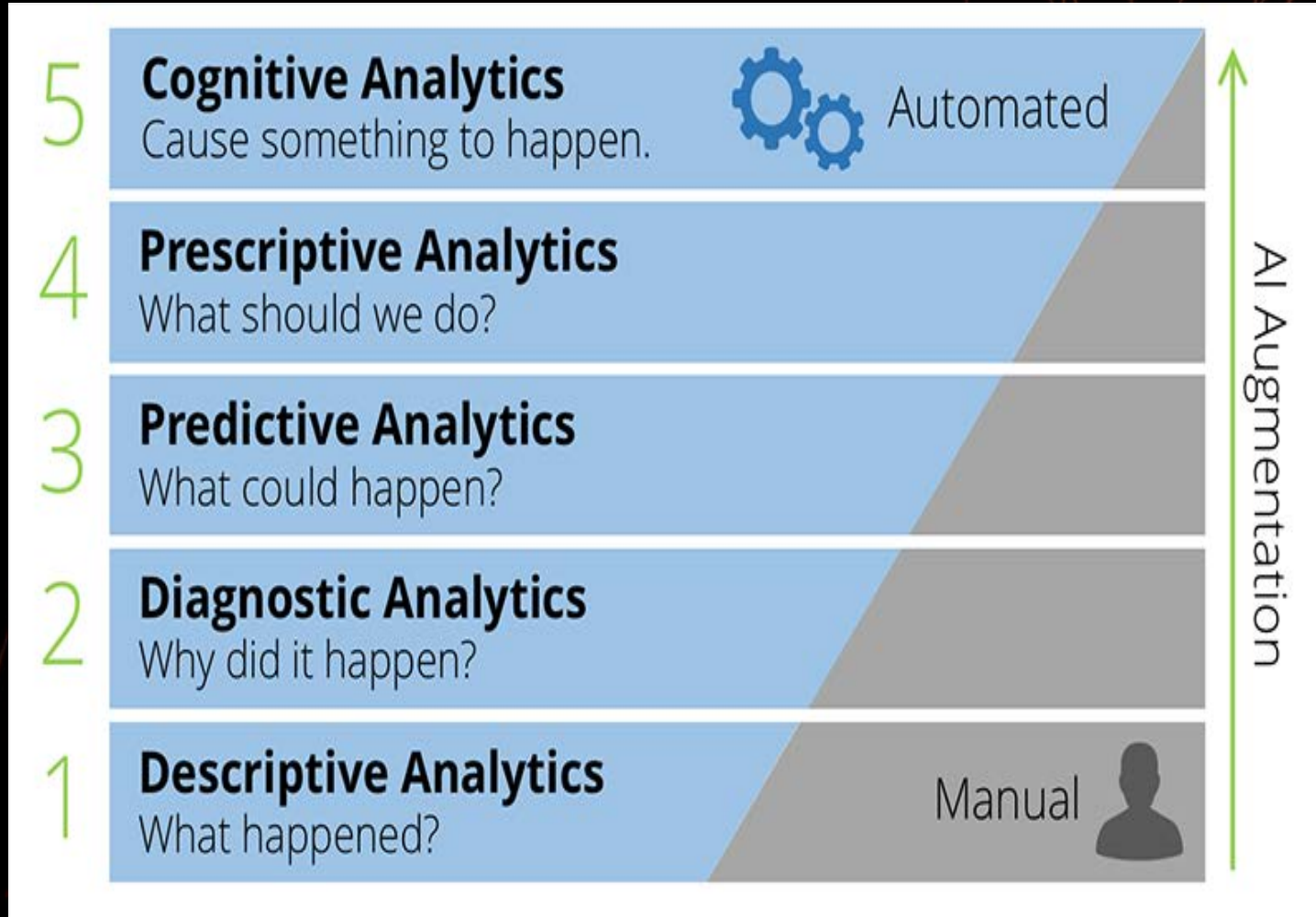
223666

www.eMarketer.com

- Over 70% of retailers use A.I. to solve problems in Search, Personalization and Recommendation.
- 1 in 4 retailers are using A.I. to process and understand data, including visual data.

# The Race for Machine Intelligence

# Some Challenges



- **Data vs Privacy**
- **Data bias**
- **Converged world**
- **Consumer Experience**
- **Supply Chain monitoring**
- **Legacy systems**
- **Return-on-Investment**



# Outline

- **Artificial Intelligence in Retail**
- **Rise of Visual Content**
- **Innovations powered by Image Recognition**
- **Some challenges today**

## Client ROI Metrics

**50%**

*higher conversions  
on image search  
over text based  
search*

**50%**

*higher CTR of  
shoppers who click  
on visually similar  
products*

**5x**

*higher conversion  
rates for shoppers  
clicking on visually  
similar products*

**160%**

*increase in  
engagement for  
shoppers who used  
find similar*

**using A.I. powered visual search and recognition  
solutions to improve engagement and conversions**

*\* All metrics are averaged*





CONTENT



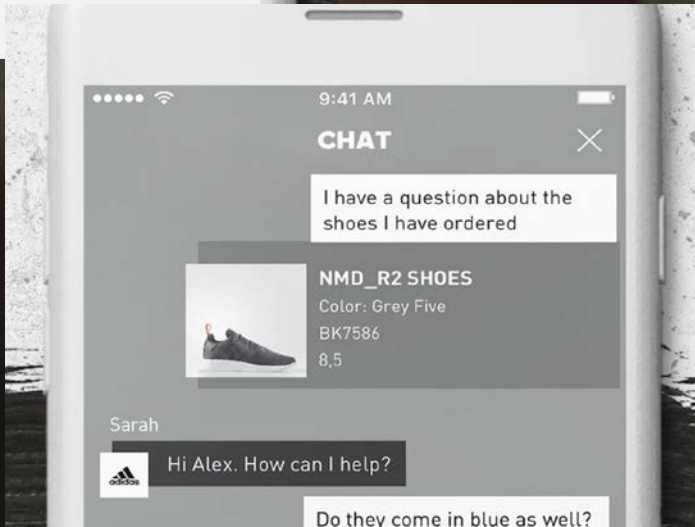
DATA



TECHNOLOGY

**COMMERCE**

# Adidas just launched a new shopping app that learns what you like



- **New app focused on personalization**
- **Personalized digital interaction:**
  - **Learns product preferences and offer suggestions**
  - **A personalized newsfeed**
  - **AI chatbot to field customer enquiries**
- **Over 60% of traffic from mobile**

A screenshot from the chat function of the app. Adidas



## The Visual Web

2.5 Trillion

*Photos shared in 2016: Deloitte*

3 Billion

*Photos shared per day on Facebook and  
Snapchat alone: KPMG*

**80% of Big Data is images and videos**

**95% is not searchable via keywords**

**Manual tagging is labor intensive, time consuming, un-scalable**

**Volume of images and videos will double every three years**

*IDC White Paper*

V I S E N Z E™

# **Image Recognition AI Applied in Retail Today**

## **Search by Image**

**A Snap to Buy experience; user uploads an image to an App/site to search through a product catalogue without keywords**

## **Shoppable UGC & Visual Analytics**

**A UGC Moderation tool and analytics for publishers, brands and retailers through real-time moderation, tagging, visual search, and intelligence**

## **Visually Similar Recommendations**

**A Visual Browse experience; upsell and cross-sell on PLP and PDP with “You may also like” or “Out of Stock Alternatives”**

## **Shopping Lens**

**An embedded visual search engine; interactive visual commerce experiences on smartphone cameras, chat IMs and content lifestyle apps**



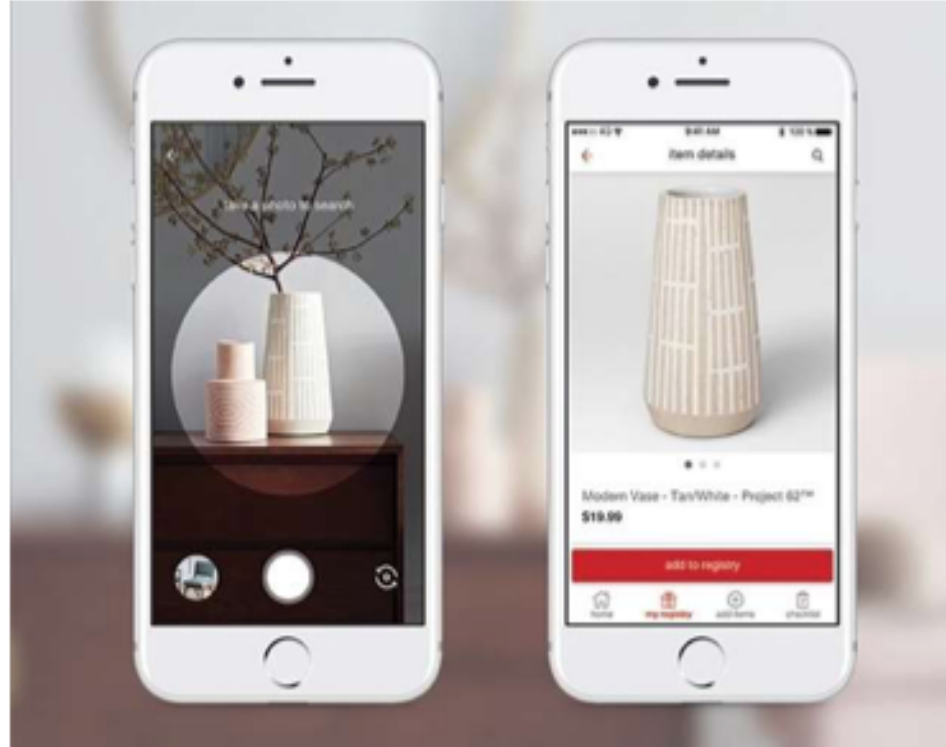
# AI powered Visual Search moving into mainstream ecommerce

## BIG CORPORATIONS

- Pinterest
- Google
- Amazon
- eBay

## SMALLER BRANDS + RETAILERS

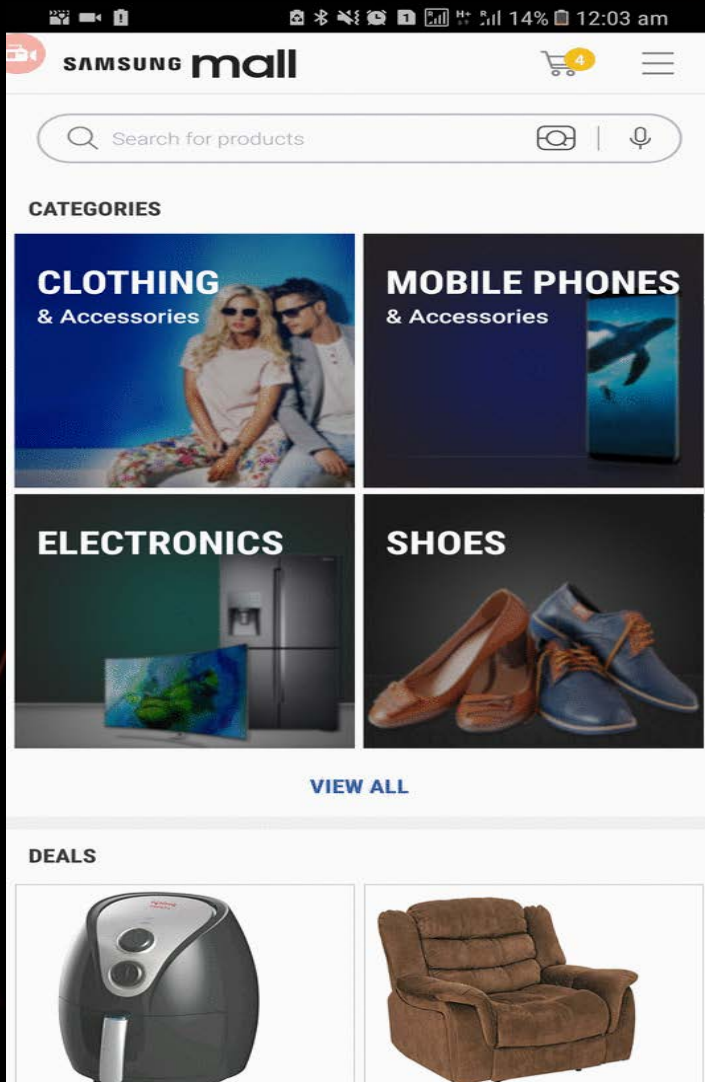
- Zalando
- Tommy Hilfiger
- Neiman Marcus
- Macy's
- ASOS
- Target
- Wayfair



## Using ViSenze':

- Rakuten
- Uniqlo
- ASOS
- H&M
- LaRedoute
- Adidas
- Zalora
- Dafiti
- Flipkart/Myntra
- Mitsui
- Media24/Naspers
- JD.com (ID)
- Secoo
- AI Tayer

# Samsung Mall - Capturing Shopping Interest Anytime, Anywhere for Anyone



- **Samsung Mall available on Samsung smartphones in India**
- **AI Powered Image Search for Products**
- **Shop direct from the Camera or Photo Gallery**

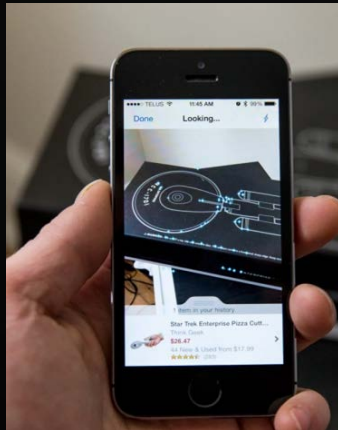
***The intent of Bixby Vision is that you can point your camera at any object – but it has got nothing to do with shopping,”***

***.... when it comes to actually finding you the best deal, Bixby can and will leave you asking for more. This is because Bixby lacks the granular control, vis-à-vis shopping, that Samsung Mall brings to the table.***

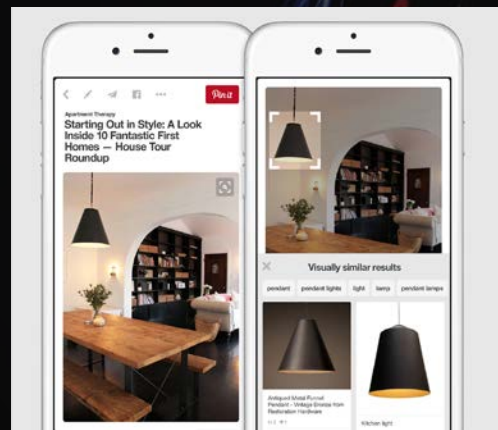
***Sanjay Razdan, director, Samsung India***



# Major players are also driving this shift



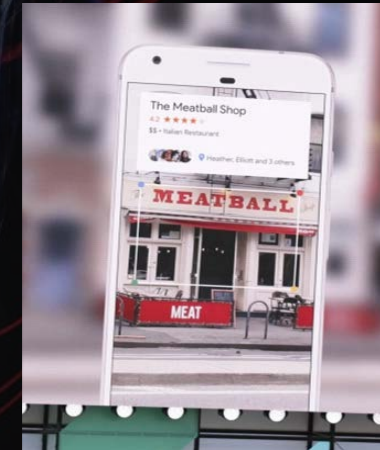
**Amazon Visual Search**



**Pinterest Lens**

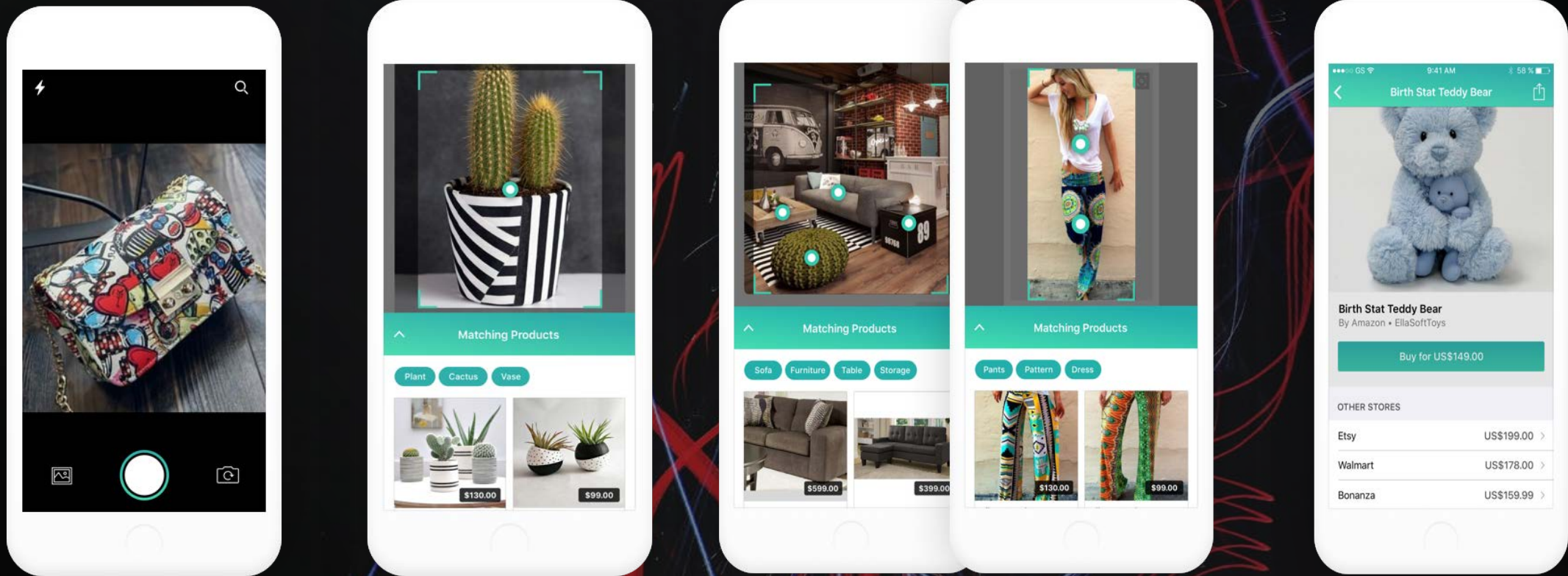


**Samsung Bixby Vision**



**Google Lens**

# Transforming the camera lens into Product Shopping Lens



**Using computer vision and trained on deep neural networks**





**CONTENT**



**DATA**



**TECHNOLOGY**

**COMMERCE**

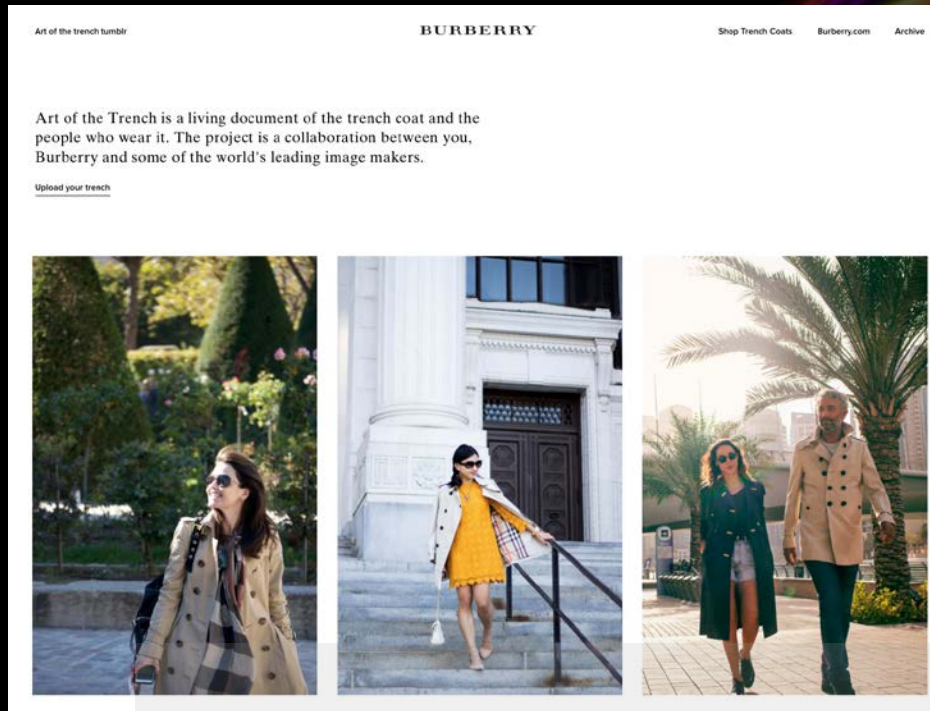
# Original User Generated Content is Driving More Engagement



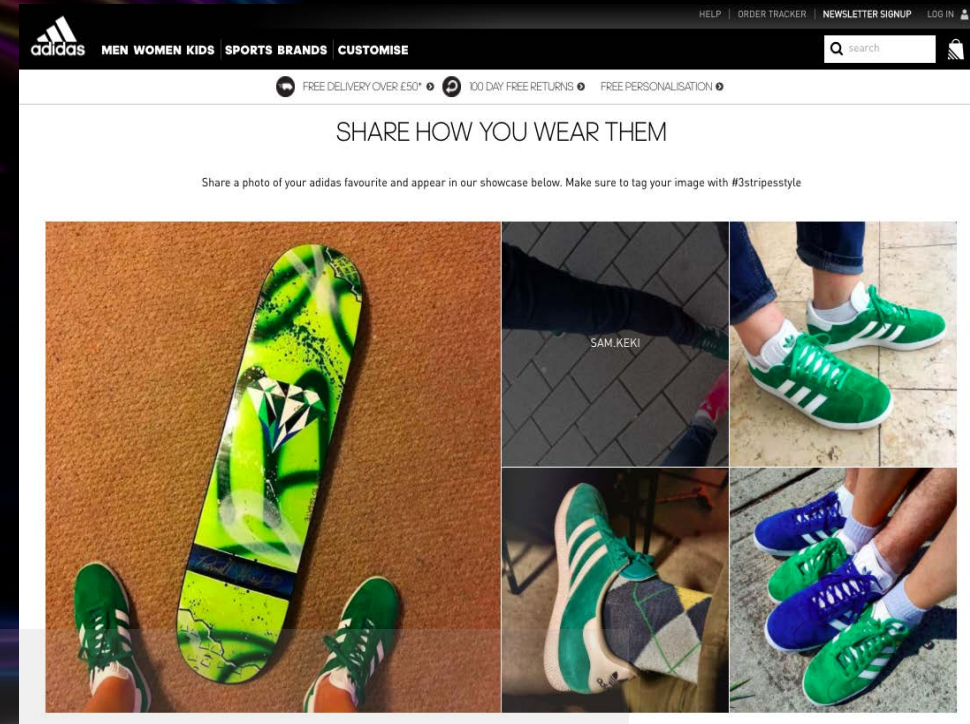
- **51% of US shoppers trust UGC than website content**
- **84% of Millennials and 70% of Baby Boomers admit that UGC influences what they buy.**



# Brands using UGC to Drive Interest and Engagement

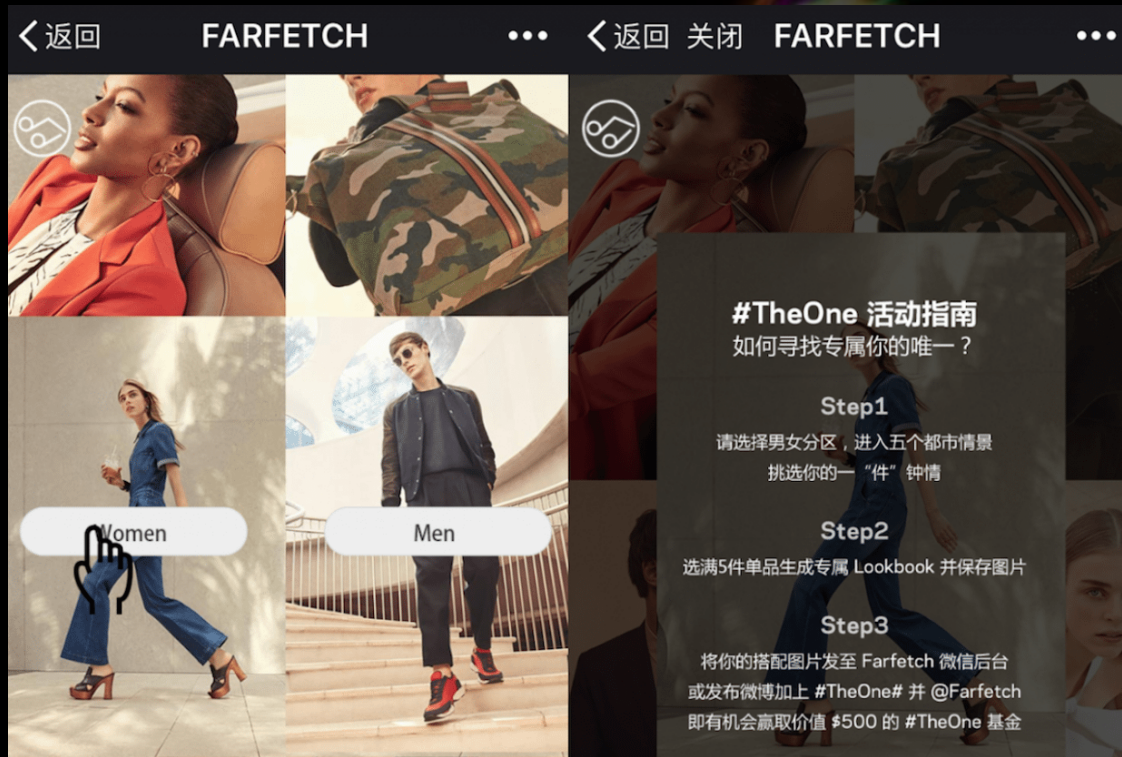


**Art of the Trench @ Burberry**



**#3stripesstyle @ Adidas**

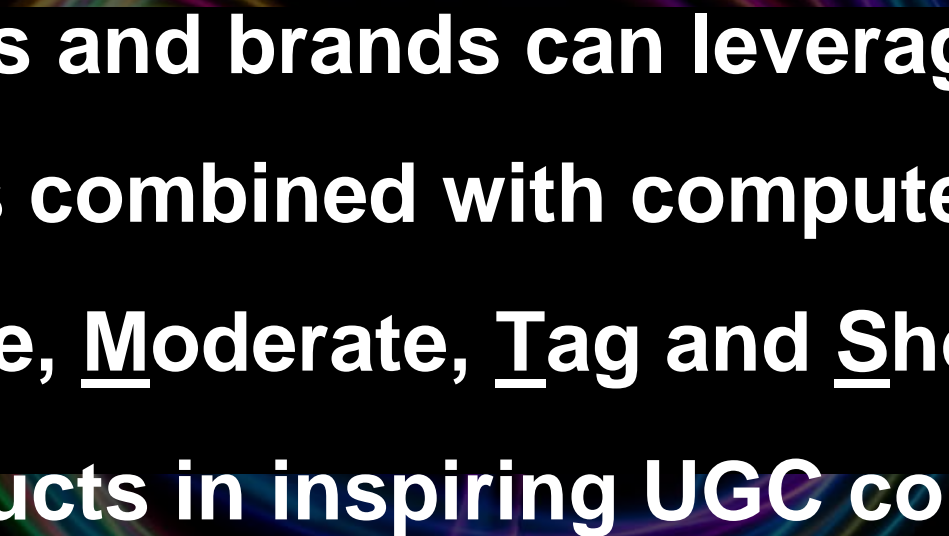
# China ecommerce is already BIG on social media content



## FARFETCH:

- UGC campaign on WeChat
- Mix-and-match clothes to create looks.
- Over 8,000 clicks to purchase in 1<sup>st</sup> week alone





**How can retailers and brands can leverage powerful neural networks combined with computer vision to Curate, Moderate, Tag and Showcase Products in inspiring UGC content ?**

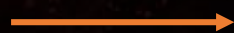
# ATTRIBUTE BASED NEURAL NET FOR RETAIL

## AI powered image recognition for product and image tagging

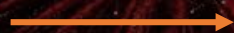


www

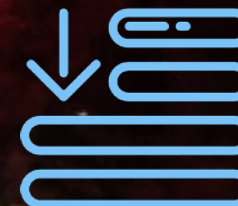
**Image URL**



**Call ViSenze  
API**



**ViSenze  
identifies  
attributes**

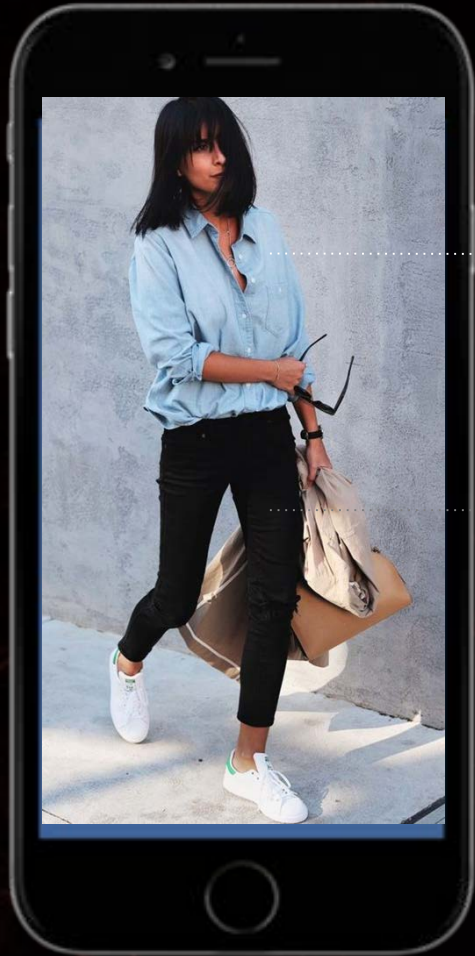


**Returns  
identified  
attributes**



# Custom neural networks training specifically for Fashion Wear

## Identifying and tagging product images with searchable terms



**Category: Blouse**  
**Neckline: Shirt collar**  
**Color: Blue**  
**Pattern: Solid**  
**Sleeve length: three quarter**

**Category: pants**  
**Fit: skinny**  
**Color: black**  
**Pattern: solid**



**Category: coat**  
**Closure type: button**  
**Length: long**  
**Style: straight**  
**Color: green**  
**Pattern: solid**

**Category: jeans**  
**Fit: straight**  
**Color: blue**  
**Pattern: solid**