AI COMMERCE COLLECTIVE

The AI Playbook for Digital Commerce

How to adopt and incorporate AI capabilities into your content lifecycle

VIZIT   accenture   SALSIFY   Profitero   MikMak   firstmovr   gen.video

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64%

of **Fortune 500** retail executives say they have already conducted gen AI pilots

Source: **McKinsey 2024**

Some Must-Know Definitions

AI: Artificial intelligence allows machines to perform cognitive functions we typically associate with humans.

Machine Learning: AI can learn from data it is given and draw conclusions, make decisions, or in cases of deep learning respond intelligently. For nearly two decades, functionality like spam filters, autocorrect, and driving navigation have used elements of AI machine learning to analyze data and make predictions we use in daily life.

AI NNs: Artificial neural networks are used to process data and make decisions. Networks consist of artificial neurons that are trained with machine learning.

LLM: Large Language Models are AI that can understand, process, and generate human language. The concept of LLMs was first introduced in 1960, but it was not until 2010 that researchers began building substantially large networks. Other LLMs were being trained and operating but the release of ChatGPT in 2022 made the technology available and accessible to non-technical users.

Generative AI: Generative AI is the ability to create new text, images, or video built off of other data systems, using LLMs to interact and interpret commands from humans.

ChatGPT is the fastest growing consumer application in history.

How quickly did ChatGPT's user base grow?

It only took 5 days after launch to reach 1M active users.

**2 months after, Chat GPT reached 100M monthly active users.**

1

A New Era of Retailer Performance

Brands, retailers, and third-party analytics organizations have collected performance data for decades. Until recently, the outcome was merely to understand the past or optimize a few priority SKUs or PDPs. Data analysis was done in siloes, and applying analytics with any real-time speed was a sophisticated and costly endeavor.

With AI it is now possible to scale and address every SKU in your catalog and gain granular insights to predict how buyer segments will behave, which content will outperform, and which channels have the best potential before campaigns are ever flighted. With the right systems in place, you can deliver dynamic shopper experiences that adjust to shopper behavior, market changes, and analytical insights.

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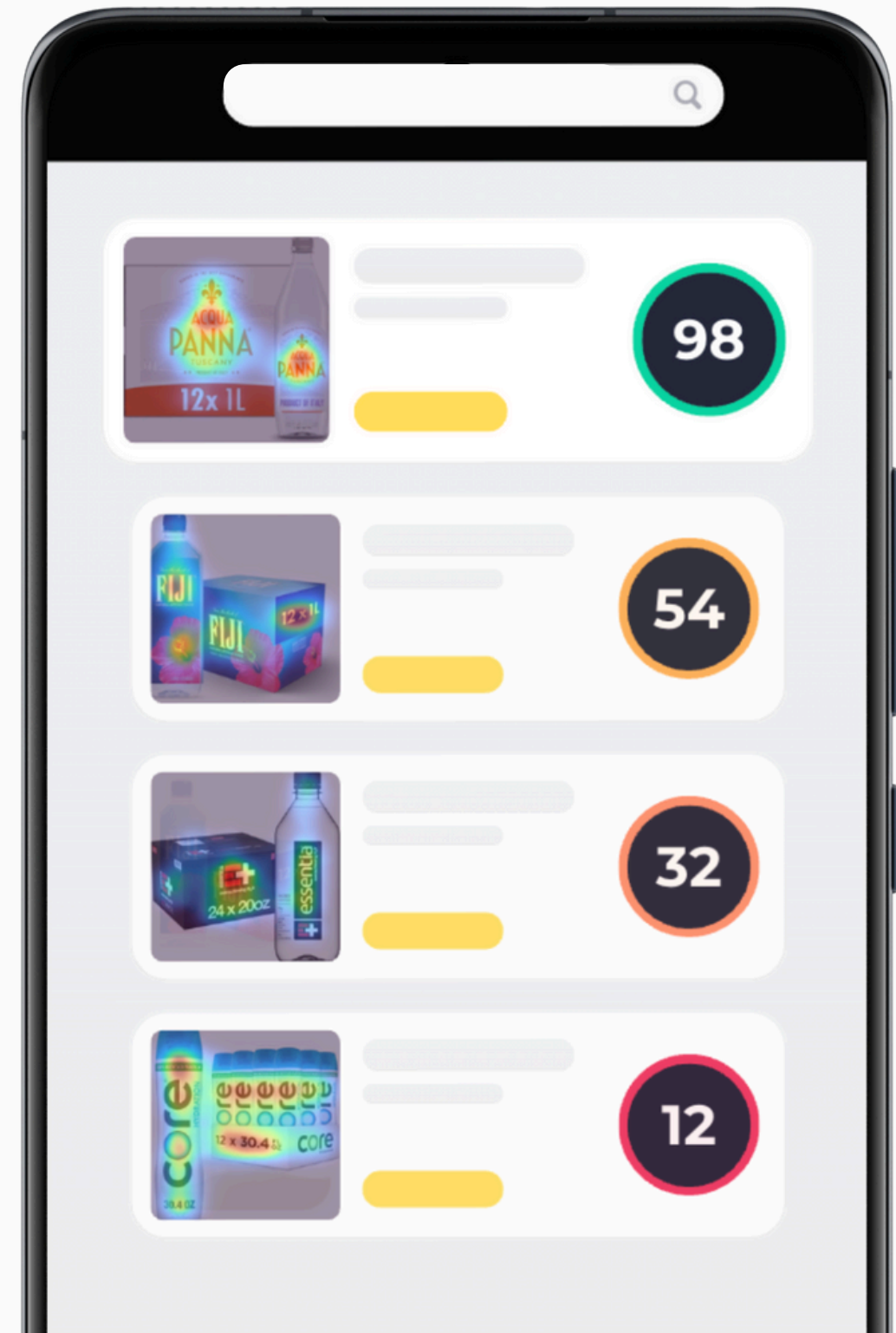
2 Integrate AI into Your Digital Shelf Operations

AI is transforming work and showing broad potential to reinvent operations. It can be integrated into all parts of a go-to-market strategy. Many retailers and brands are implementing AI to create better customer experiences, but there are other tools that can streamline things from the backend. As more retailers adopt AI, brands will need AI to keep pace, and vice versa.

Get started in a way that allows you to build a repeatable, scalable process of integrating and implementing AI in key areas of your organization.

1. Strategize & Scope
Identify how AI can help your organization and build a business case.

2. Test & Select
Capture baseline metrics, set goals, and thoroughly evaluate technology partners.

3. Operationalize & Scale
Engage key stakeholders and build off of the momentum of incremental wins at every stage.

Next, learn how to incorporate AI into your product discovery, visual content, product experience, and omnichannel intelligence.
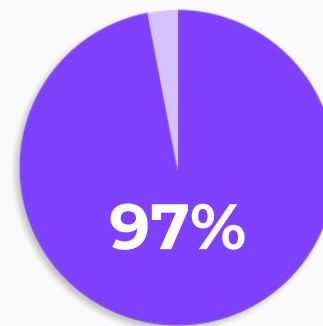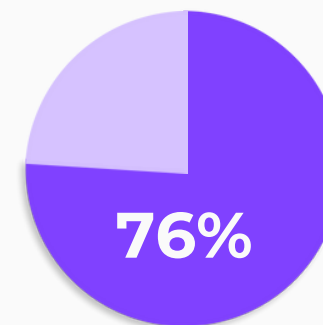
97% of CxOs believe gen AI will be transformative for their company

$10.3 trillion in additional economic value can be unlocked by 2038 if organizations take a people-centric approach to adopting gen AI responsibly and at scale

76% of CxOs see gen AI as being more beneficial to revenue growth than to cost reduction in their organization

Source: **Accenture Song**

Strategize & Scope

First, establish the readiness of your organization and develop a strong business case for your AI strategy. **Here are some questions you can ask:**

Data Readiness

High-quality, well-structured data is essential for successful implementation.

Is our data centralized?
Fragmented data can hinder AI models from accessing necessary information. A centralized data repository is ideal.

What is the quality of our data?
Clean, accurate data is crucial. Organizations should regularly check for duplicates, inconsistencies, and missing values.

Is our data structured?
Structured data formats (like databases) facilitate easier processing by AI. If most data is unstructured (e.g., emails or documents), investing in data structuring solutions is advisable.

Cultural Readiness

Employees must feel confident that AI will enhance their roles rather than replace them.

Does the team understand AI's benefits?
Education about AI's potential can reduce resistance.

Is there openness to adopting new technologies?
Identifying any cultural barriers early on is important.

Are there internal champions for AI?
Support from influential team members can facilitate a smoother transition.

Process Readiness

AI must be integrated into existing workflows to add value.

Are our workflows digitized?
The digitization of processes is crucial for seamless AI integration.

Do we have standardized procedures for key functions?
Consistent processes enable AI to operate effectively.

Can our systems integrate with AI tools?
Assessing the technology infrastructure is critical for understanding compatibility with AI solutions.

Building a Business Case for AI

Next, you need a well-structured business case for AI, which is essential for securing buy-in from stakeholders. This involves:

1. Identify Business Opportunity:
Pinpoint the specific challenges that AI can address. Common pain points often include inefficiencies in processes or time-consuming manual tasks. AI can often have the greatest impact in areas of your business that require lots of manual work or have repetitive tasks.

2. Communicate Benefits:
When presenting the business case, avoid technical jargon. Instead, focus on how AI will improve operations in clear, relatable terms. For instance, say, "AI will help our marketing team select the best product images quickly, leading to increased sales," rather than delving into the technicalities of machine learning.

3. Address Compliance and Governance:
Proactively engage legal and governance teams early in the process. Address concerns related to compliance, data privacy, and risk management. Framing AI as a solution that mitigates risks and delivers measurable value will help in gaining the necessary approvals.

Successfully building a business case for AI involves a thorough assessment of readiness across data, processes, and culture, alongside a clear articulation of pain points and benefits. By strategically planning and communicating the value of AI, organizations can secure stakeholder support and lay the groundwork for effective AI implementation. With thoughtful execution, AI can be a transformative force in driving efficiency and innovation within businesses.

Business Case

Test & Select

Selecting the right vendor is a critical step in ensuring the success of AI initiatives. This process begins with your organization assessing your own needs and then requires a robust set of questions for each vendor.

Assess Your Technology Infrastructure: Ensure that your existing technology stack can support AI implementations. Key considerations include:

- **Cloud Storage and Computing Power:** AI models often require substantial resources to process large datasets. Evaluate whether your infrastructure can handle these demands.

- **Software Integrations:** The AI tools must integrate seamlessly with existing systems. For instance, if you plan to implement AI-driven product recommendations, ensure your ecommerce platform can effectively connect with the chosen AI solution.

Set Clear, Measurable SMART Goals: Establish clear, measurable goals that align with broader business strategies and focus on quantifiable outcomes.

- **Specific:** Clearly define what you want to achieve (e.g., "Reduce cart abandonment by 15%").

- **Measurable:** Set Key Performance Indicators (KPIs) to track progress.

- **Achievable:** Ensure goals are realistic based on current capabilities.

- **Relevant:** Align AI goals with overall business objectives.

- **Time-bound:** Set a timeline for reaching these goals (e.g., "Achieve a 10% reduction in support costs within 6 months").
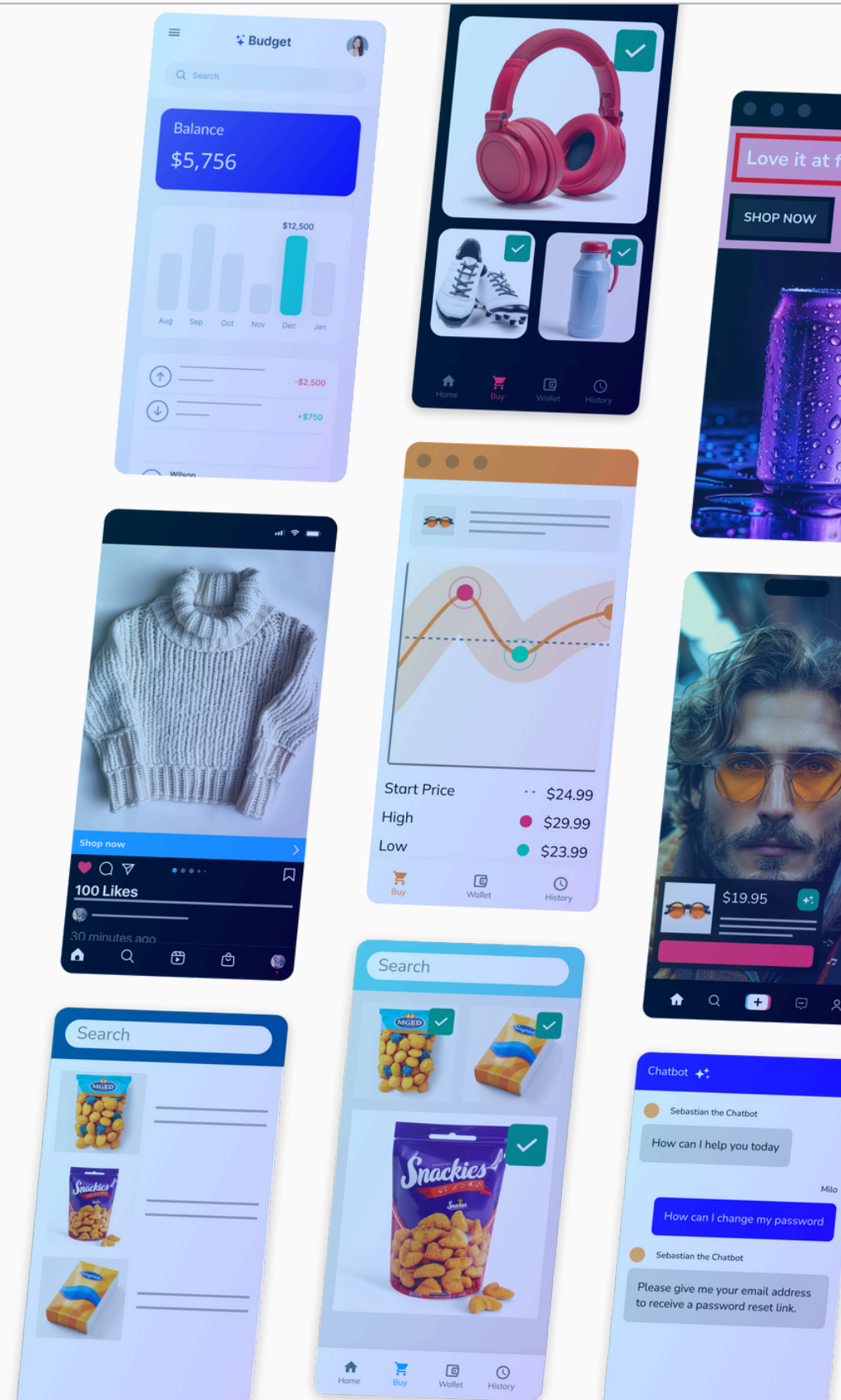
Operationalize & Scale

Businesses that first test AI in controlled pilots, demonstrate clear, measurable results, can go on to build momentum for broader initiatives.

- **Select a Manageable Area:** Choose a specific area of your business to focus on, such as optimizing content for a single product line or implementing AI-driven customer service in one region.

- **Set Clear Objectives:** Establish measurable goals for the pilot. For instance, aim to reduce cart abandonment by 10% within three months.

- **Run the Pilot:** Execute the pilot for a designated period, typically three to six months. This timeframe allows for adequate data collection and performance assessment.

- **Evaluate Results:** Did the AI solution meet the expected objectives? Identify what worked and what didn't, using these insights to refine the AI system.

How to justify the continued investment in AI

Calculate Your AI ROI

Costs
AI software, cloud infrastructure, data acquisition, training for employees

Payback Period
Determine how long it will take for the AI initiative to pay for itself through cost savings or revenue growth

Benefits
Increased sales, improved customer retention, operational cost savings

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Questions to Ask Potential AI Vendors

Choosing the right vendor is essential for your AI initiatives. A good vendor can guide you through AI complexities and provide necessary tools and support. In addition to the questions below, work with your legal team to develop a checklist of compliance features for the AI solutions you're considering, covering data privacy, consent, encryption, and security measures.

Expertise

- Is their experience and use cases relevant to your industry?

- Can they provide case studies demonstrating successful implementations?

- How experienced is the vendor in managing large-scale AI projects?

Implementation

- Does the AI solution easily integrate with our current technology stack?

- How straightforward is the implementation process?

Scalability

- Can the AI solution handle increasing data volumes?

- Is the platform flexible enough for new applications (e.g., adding algorithms)?

- Does the vendor offer resources, like cloud infrastructure, for large-scale deployments?

Support

- Does the vendor offer ongoing support and training for your team?

- Are there clear processes in place for updating the AI system as needed?

- What kind of customer service can you expect during the implementation phase and beyond?

Integrating AI into Your Business Infrastructure

As you scale AI, it should become an integral part of your business infrastructure. This involves embedding AI into your data management systems, technology stack, and core business processes.

AI implementation is not a one-time project; it's an ongoing journey.

As your business evolves, your AI systems must adapt to new data and changing conditions. Regular updates and re-training of AI models are crucial to maintain accuracy and alignment with business goals.

Retrain AI Models: Regularly update AI models with fresh data to ensure they remain relevant and effective.

Optimize Algorithms: Continuously refine algorithms to enhance speed, accuracy, and efficiency.

Test New Features: Explore and experiment with new AI features or techniques to enhance performance and deliver additional value.
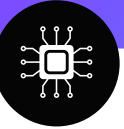
Key integration steps include:

Data Integration:
Ensure AI systems are connected to your data management platforms for real-time data.

Technology Integration:
Incorporate AI into your technology stack, allowing it to work harmoniously with other tools and systems across your organization.

Process Integration:
Embed AI within core business processes, from decision-making to customer interactions, ensuring it adds value throughout the organization.
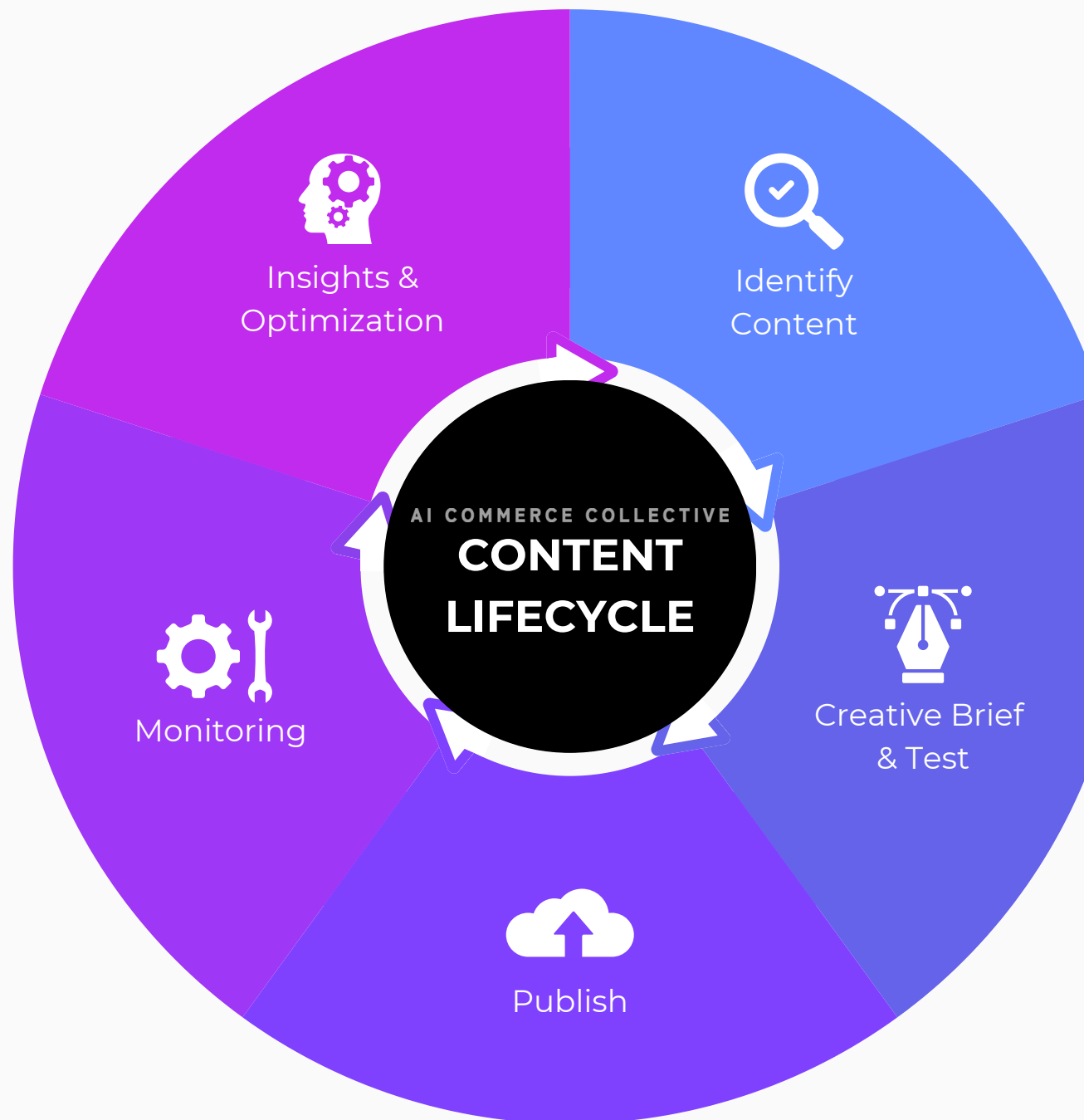
3 Incorporate AI into Your Content Lifecycle

AI is versatile, and its applications in digital commerce are vast. An evolving ecosystem of retailers, capability partners, and tech companies are developing AI solutions that brands can use to gain a competitive advantage.

From optimizing visual content and delivering powerful product experiences to streamlining omnichannel operations and improving customer experiences, AI has the potential to transform every aspect of your business.

Insights & Optimization

Identify Content

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CONTENT LIFECYCLE

Creative Brief & Test

Monitoring

Publish

Applying AI to Marketing Strategy

Education and change management consultancy Firstmvr developed
a set of use cases for AI and common challenges that brands face.

	Platform (Retailers, Devices, Portals)	Proposition (Portfolio, Positioning, Pricing, Availability)	Presence (Content, Search)	Promotion (Demand Generation)	Performance (Measurement)	People, Process & Partnership (Enablement)
Current Use Cases	• AI-Assisted Search • Early-Stage Wearables, New Devices and Augmented Reality, • Early-Stage Autonomous Vehicles	• Product Development and Innovation Insights based on Customer Ratings and Reviews Analysis • In-Market Price Analysis, Recommendations and Optimization • Availability Tracking & Demand Redirection	• Content Creation • Content Editing • Content / SEO Optimization • Content Effectiveness Measurement	• Advertising • Campaign Optimization • Ad Creative Effectiveness Measurement	• Diagnostic and Descriptive Analysis • Metrics	• Personalized Search Support • Administrative Task and Communication Support • Ideation and Optimization
Common Challenges	• Consumer Experience Consistency • AI Hype • Smartphone Addiction • New Device Adoption and Behavior Change • Government Intervention and Regulation • Consumer / Passenger Safety + Privacy	• Velocity of CPG Change Management • Internal Silos, Legacy Ways of Working and Supply Chain Agility • SKU Proliferation • SKU Component • Inventory Management • Data Limits / Token Size • Insight Collection	• Intellectual Property Protection • Legal Approval Process • Content Consistency • 3D Object Inclusion • Scene Object Relevance • Holistic Content and Experience Measurement	• Consumer Trust • Brand Protection • Early-Stage Development of AI Agents • Threat of AI-Assisted Search to Paid Search and Other Media • Data Input and Analysis • Availability, Methodology and Consistency	• Prompt Literacy • Data Limits / Token Size Required for Daily Analysis • Data Input and Analysis • Availability and Consistency	• AI Hype • Real and Perceived Task and Job Elimination • Role of Higher Education • Upskilling and Retraining • AI Evolution Timeline

AI-Driven Product Discovery

Ensure more consumers find and buy your products, faster

The expectation for relevant and meaningful personalization is higher than ever. Yet shoppers use a wide range of channels to discover and shop—from social media, online video, traditional media, direct brand sites, and hundreds of retailers—that are not all easy to trace or measure.

AI makes it possible to assign performance metrics against shoppable media experiences so behaviors and preferences are understood—even when user cookies are not in use. **MikMak** uses AI to catalog data across product catalogs, retailers, inventory, and pricing in near real time, and draw conclusions.

The ability to clean and parse thousands of data points across hundreds of sites to understand a complicated buyer's journey can transform your product discovery strategies. Understand buyers in a context of behaviors so that future campaigns can feel more authentic to that shopper persona.

MikMak

Learn More

MikMak AI closes the loop on the customer journey; so the Toy Brand knows how to best market to and convert John.

Toy Brand knows John clicked through Instagram to Target, and optimizes future Social Platform budget allocation

Toy Brand knows that John also bought diet soda on his shopping trip, and can consider co-marketing with diet soda in the future

Toy Brand knows John prefers Target, and serves him future promotions at the retailer

AI-Optimized Visual Content

Capture attention by bringing the view of the consumer into content creation and syndication

95% of purchasing decisions happen when the subconscious brain is processing visual information. Yet ineffective images often sit unproductive on PDPs because access to real consumer insights is expensive to obtain and difficult to apply in time.

AI can measure, monitor, and optimize the effectiveness of visual content at scale. **Vizit** has replicated a consumer's visual preferences with AI to understand what will influence them. This arms designers with data and allows a team to apply insights across each stage of design, producing and launching campaigns with confidence.

Brands and retailers can access analysis and predictions of performance at scale across the entire creative catalog. This allows them to run target creative campaigns at specific buyer types or product categories or both. Using the same technology on competitors' content can determine whether new market entries will influence existing sales.

AI-Powered Product Experiences

Achieve speed, scale, and quality in your PXM ops with AI-propelled content creation and validation

Brands that are able to control their product content and enrich their PDPs are going to get the highest return. The North Star of Product Experience Management (PXM) is to optimize every digital touchpoint by ensuring complete, consistent, and current product content across the digital shelf. AI has the potential to increase the speed and scale with which brands can manage and accelerate product experiences online and in store.

PXM includes well-governed workflow capabilities that allow a customer to generate, modify, or flag content using AI, then review the work just as rigorously as they would human-created content. Workflow and governance is beginning to allow people to scale this optimization across their entire product catalog across far more of their retailers.

AI is accelerating existing processes within the current PXM paradigm. Going much further, we will likely see AI transforming PXM in the future as PDPs evolve to become hyper-personalized on the fly, both for humans shopping or agents shopping on behalf of people.

SALSIFY

Uma Home Decor introduces one to four thousand new products a year. Content creation for that many products was a serious impediment to getting to market. **With generative AI connected directly to their Salsify workflows**, they were able to reduce their production of content from six months to six weeks.

Profitero
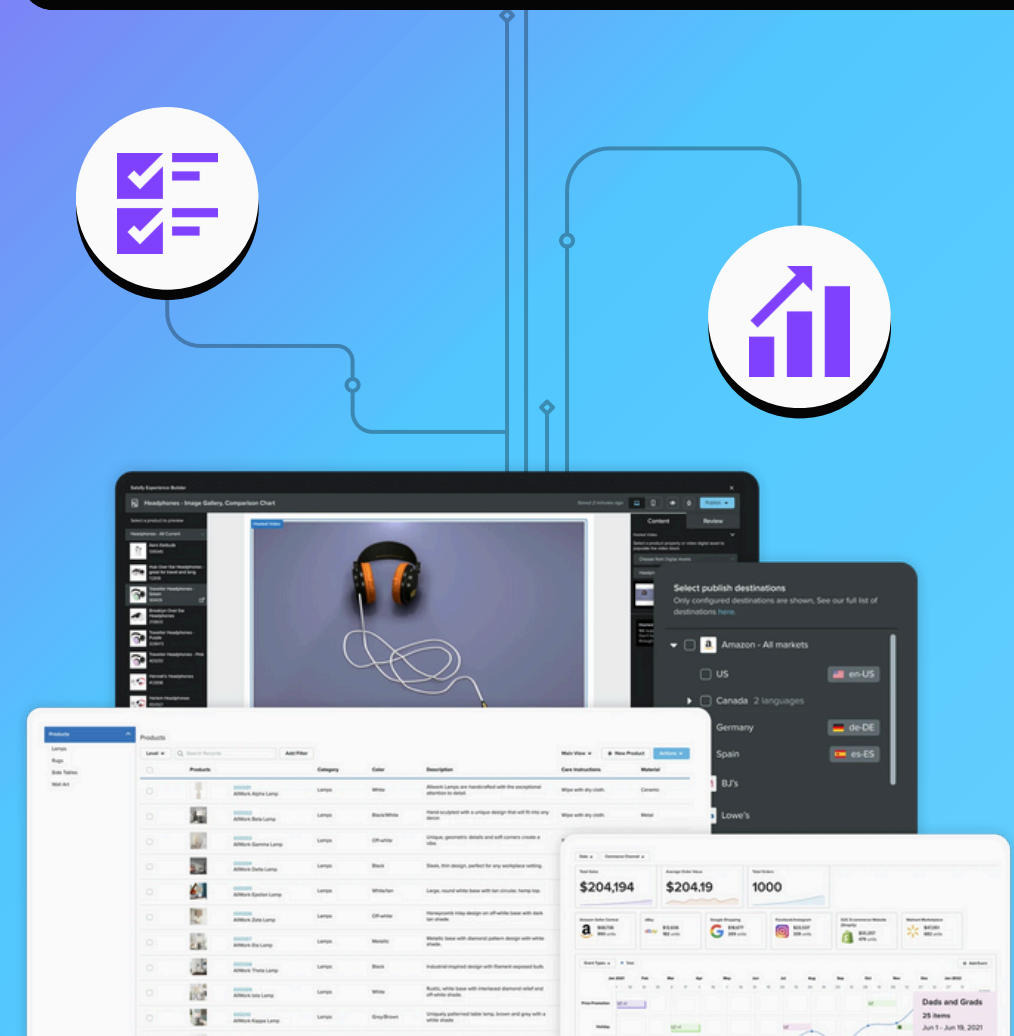
AI-Powered Omnichannel Insights

Democratizing ecommerce insights for success

Ecommerce roles are often dispersed throughout an organization and managed by a center of excellence. These siloes can lead to added time or missed insights that would otherwise help departments make changes or share important information quickly.

AI can surface and democratize omnichannel insights to drive success in digital commerce. **Ask Profitero** is a chat-based AI assistant that enables Profitero users to generate brand-specific insights from their market share or digital shelf data with simple, conversational prompts.

AI helps to empower teams to easily analyze product data for sales reports or customer or partner support information, and pricing trends. Additionally, Ask Profitero quickly creates tables and data visualizations that are presentation-ready.
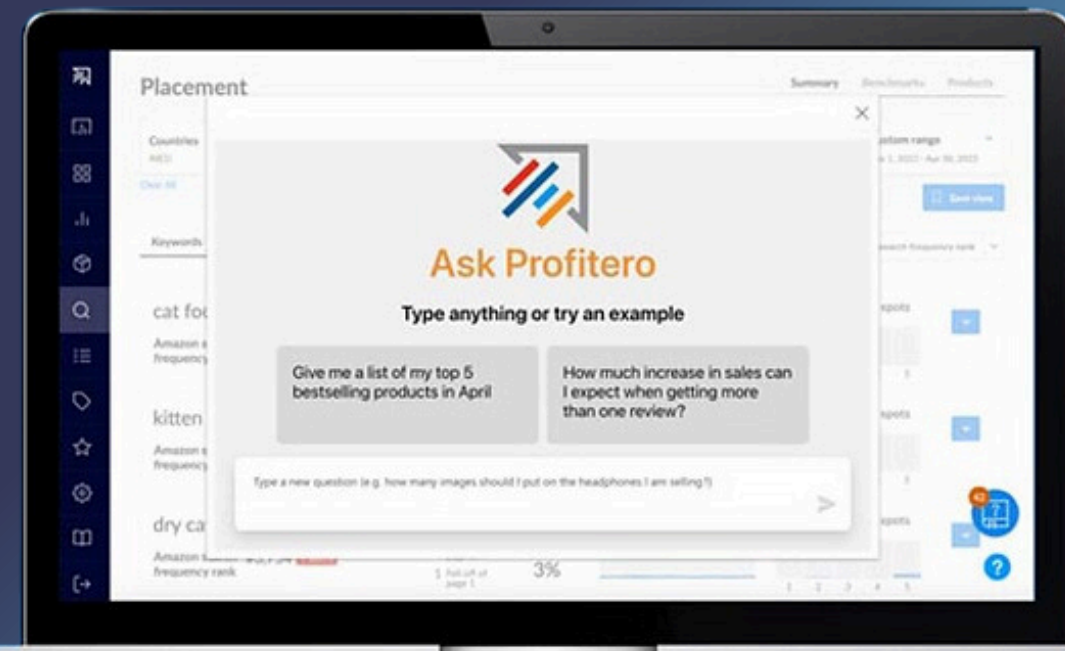
*"We can now just use Ask **Profitero** and get a market share pie chart, which is so much faster! It was amazing to get to this point so we can just ask [the AI] and we get [a designed chart] out of it without manually crunching numbers in Excel and creating PowerPoint slides. This was a huge win for us."*

Elena Gies
E-Commerce Marketing Manager
WD-40

4 Democratizing Data Across the Organization

AI has the power to put data into the hands of more people across your organization. With more access to the same information you can collaborate on decisions faster and share knowledge by enabling team members to find data that is relevant to the task at hand.
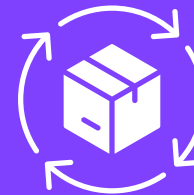
Sales managers
Identify where and why you might be losing share, such as search rank or negative reviews.

Marketers
Focus on identifying top keywords in your category and address compliance issues to maintain brand consistency.

Innovation teams
Analyze category trends and consumer reviews to surface new product ideas.

Supply chain analysts
Ensure SKUs are available across all online retailers and monitor drivers such as out-of-stock.

Finance leaders
Compare and track pricing against competitors to streamline your regular reporting process.

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Responding to a clear surge in demand for education and knowledge-sharing around AI, Vizit has founded The AI Commerce Collective.

The AI Commerce Collective is a community that focuses on immersive education around best practices for selecting, testing, operationalizing and measuring AI capabilities.

The Collective shares knowledge and expertise with the digital commerce community through virtual and in-person events, ebook and video content, community meetups, and more.

Members are committed to elevating consumer experience at scale through new AI technologies.

Sign up for updates
at learnaicommerce.org