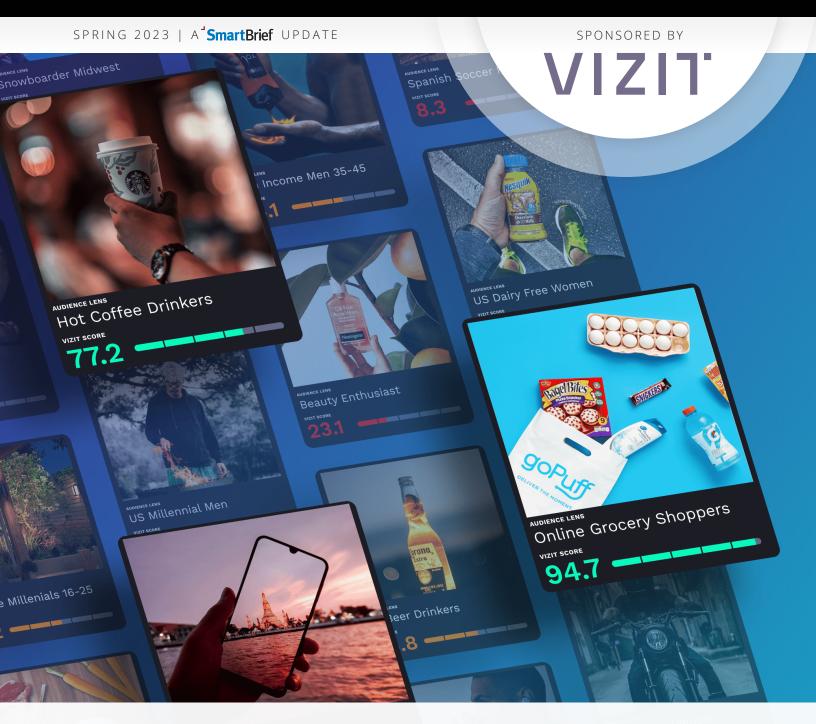
SmartFocus on Al-powered image analytics



The Visual AI Opportunity for Retailers and Brands

37.6

HOW RETAILERS AND BRANDS CAN IMPROVE ONLINE PERFORMANCE WITH AI-POWERED E-COMMERCE IMAGE TESTING, MEASUREMENT AND EFFECTIVENESS MONITORING. s visual content dominates our lives, customers demand more. Research from Salsify shows that <u>30%</u> of consumers won't buy if a product detail page has poor or missing imagery, and when customers don't find product images visually appealing and relevant to their lives, they look elsewhere.

\$7.4 trillion

global e-commerce retail sales expected to reach \$7.4 trillion by 2025.



of consumers spend 3 to 5 hours or more every day watching videos or looking at images on social media platforms. With global e-commerce retail sales expected to reach \$7.4 trillion by 2025, enhanced visual content is the top area of opportunity for optimization on the digital shelf, beating out options such as retail media, pricing and promotions, and search-optimized content, according to the <u>State of Digital Shelf Imagery</u>. <u>2022</u> report from Vizit, Path to Purchase Institute and Retail Leader.

This paper will explore the importance of understanding today's digitally influenced shoppers' heightened visual preferences, and how artificial intelligence enables retailers and brands to ensure their digital shelf imagery is designed to meet those preferences.

SUPERCHARGE YOUR DIGITAL SHELF OPTIMIZATION STRATEGY

A <u>Vizit survey</u> found that 55% of consumers spend 3 to 5 hours or more every day watching videos or looking at images on social media platforms.

"When you couple that with the fact that algorithms and machine learning have made consumers accustomed to personalized experiences when they stream content, scroll their social media feed and visit online marketplaces such as Amazon, their expectations around visual content and personalized experiences are higher than ever," reports Vizit founder and CEO Jehan Hamedi.

When asked what commands their attention and motivates clicks when the price isn't an issue, survey respondents ranked images ahead of search rank, sponsored listing badging and brand loyalty. The big win for digital shelf optimization strategy is enhanced visual content, representing a \$2 billion opportunity for brands and retailers.

"Even if a consumer is accustomed to buying a particular product or shopping on a particular website, when a more visually appealing experience is offered by competitors, there's a big chance that will be enough to motivate that shopper to switch," Hamedi notes.

YOUR CURRENT IMAGE SOLUTION ISN'T ENOUGH

Retailers and brands can't be competitive in this highly visual environment with conventional visual optimization methods because they:

 Gather data too slowly: Getting feedback on visual content takes time and resources and the resulting insights usually need to be updated by the time they get to your team, hampering your ability to respond to and capitalize on trends and influence ROI.

- Deliver incomplete data: There's no easy way to capture insights from dozens of audiences of different socioeconomic backgrounds, genders and ethnicities to understand what makes different imagery appealing to them.
- Lack context: Performance is more than how one product does versus another, yet most traditional methods don't take the greater industry landscape into account.
- Require time and talent: Audience research is time-consuming and analyzing it to mine actionable insights and surface visual preferences requires skills your team may not have.
- Are not cost-efficient: Traditional research has a significant price tag that further reduces ROI, from the amount of time employees devoted to the cost of compensations for focus groups – testing a small set of imagery can incur a hefty cost.

<u>Check out more about the downside of</u> <u>traditional methods</u>.

Even if a consumer is accustomed to buying a particular product or shopping on a particular website, when a more visually appealing experience is offered by competitors, there's a big chance that will be enough to motivate that shopper to switch.

— Jehan Hamedi, vizit founder and ceo



1 Audience Data

Vizit collects data on your target audience.



2 AI Analysis

Vizit analyzes aspects of content your audience is exposed to online, and their behavior patterns.



Image Scoring

Vizit scores & compares new content for predicted effectiveness with your audience.



4 Optimization

Evaluate owned content in PIM/ DAM, as well as new content with real-time testing to generate optimized assets.

HOW TO ELEVATE VISUAL EXPERIENCES ON THE DIGITAL SHELF

Al-powered imagery is the new competitive advantage for retailers and brands. This advanced technology analyzes thousands of images faster than your best staff member. It enables teams to use images that best motivate audiences to view, click and buy products quickly, with confidence, and without the opportunity cost of lost sales that comes from traditional tactics like A/B testing.

Modern image analytics technology powers the systematic, streamlined process of creating and maintaining optimized visual content. The right solution allows you to:

- Test every idea quickly and comprehensively.
- Iterate ideas rapidly at every step in the creative process.
- Get immediate insights on how each change — including colors, backgrounds, treatments and angles — influences the audience rather than waiting for audience insights.
- Choose the most competitively advantaged and optimized ideas based on data.

- Get optimized content into the marketplace faster.
- Track and monitor performance relative to competitor content.

Let's look at two advantages of Al-powered image optimization solutions.

Accurate testing and compliance

More than half of the pros responding to the Vizit survey said they are investing more in visual content creation, but only slightly more than a quarter also invest in more pre-flight analytics. The majority of visual content professionals said they use subjective visual optimization strategies, including team consensus, manual review of competitive imagery and review of previous content performance.

These retailers and brands are missing out on a critical opportunity for risk reduction, Vizit asserts.

By harnessing the power of AI, marketers can test images to inform design with data, allow on-the-fly optimization, and more accurately measure and predict performance.

Consider Vizit's patented predictive analytics technology. It stores audience visual



"

"Our customers are seeing significant, quantifiable results after implementing Vizit into their workflows"



Adam Colasanto
HEAD OF CLIENT SERVICES, VIZIT

preference data and metrics from more than 200,000 brands and 100 million images — and indexes more every day. The solution gathers visual preference data from hundreds of audiences across the globe. This vast store of continuously updated data generates real-time image scoring, insights, and recommendations so your e-commerce imagery generates more traffic, conversion, and sales.

"Our customers are seeing significant, quantifiable results after implementing Vizit into their workflows," explains Adam Colasanto, Vizit's head of client services.

<u>Get more details on Vizit's Visual Brand</u> <u>Performance platform.</u>

STRATEGIC CREATIVITY AND EFFECTIVE COLLABORATION

When you deploy AI for image optimization, "you're putting power back in the hands of your creative teams by allowing them to access audience insights in real time instead of waiting weeks or months for focus group feedback," Colasanto notes. For example, instead of telling your creative team a product isn't performing well and sharing focus group data, you can show that a particular portion or aspect of an image isn't engaging to the target audience and provide relevant competitor images that AI indicates are appealing. AI also allows them to test images as they update, saving time during the design process and ensuring visuals are optimized before hitting the public eye.

An Al solution also addresses one of the biggest barriers to better visual content: collaboration. About 4 in 10 visual content professionals surveyed said the lack of useful collaboration with their partners is a significant barrier. Al image analytics support teamwork by providing a single, shared understanding of the effectiveness of visual content surfacing the imagery with the best potential to

SIDEBAR

Master Lock discovers that optimized imagery drives results on the digital shelf



Master Lock, the leading manufacturer of home security products in the US, was searching for a way to measure how effective its product content was at promoting sales. It also wanted to see how its imagery compared to others in their category, and what trends competitors were using to influence conversions. Master Lock turned to Vizit's Visual Brand Performance platform to analyze its own visuals as well as those from the competition, examining details such as product rotation, contrast, shadows, positioning and props. Uncovering visually appealing trends allowed the company to improve image effectiveness across the board.

Working with Vizit, Master Lock realized:

- 30% increase in average sales.
- 25% increase in glance views.
- 23% increase in conversion rate.

"The Vizit platform told us exactly what content would perform best, helping us increase product conversion rates and sales by double digits," said Stacy Hanks, the company's director of e-commerce. resonate. Working from a single source of truth, your team can funnel its creativity into the best content to market and sell products.

"Quantitative results from optimized e-commerce images give brands and retailers a lot of power," Hamedi says. "If you're able to walk into a meeting with a retailer and say, 'We boosted sales on your site by this percentage by optimizing images with AI', suddenly you are in a position to be a partner instead of just a user."

All this makes AI a pivotal lever to increase productivity, improve ROI and positively impact the bottom line.

"In terms of saving time, money and effort, AI blows traditional research and testing out of the water," Colasanto asserts. Clients using Vizit's AIbased image analytics report:

- 90% cost savings over traditional testing methods.
- 45% or more increases in conversion rates.
- 30% or more increases in sales.
- 25% more traffic.

AI IS A DIFFERENCE-MAKER

In response to the pandemic, Mars Petcare aimed to reduce brand dilution via digital touch points, which had accelerated during the e-commerce Great Acceleration. A lack of disciplined design decision-making caused unbalanced digital and e-commerce content at Mars Inc., says Roman Vorobiev, worldwide director of design and artwork management. Often, this led teams to make choices based on their personal preferences rather than by analyzing data.

Vizit's Al-powered image analytics platform enabled Mars to scale its retail content assessment approach. By using the Vizit platform, Mars can pinpoint issues with an image and see how it might work with a specific store before designing it, thereby identifying opportunities and potential stumbling blocks. "Vizit scores give us an anchor point to understand how relevant our images are to our audience," Vorobiev explains.

A company's image effectiveness is linked to its conversion rate.

Before Vizit, Mars lacked a method for determining conversion-boosting graphics and design. Vorobiev states that in key retailers, higher Vizit Scores lead to 30% more units sold across retailers. Mars has grown more confident due to competition analysis and an increased awareness of its own "blind spots."

"Try to understand why AI is judging certain things this way, because it may be the opportunity to learn something new that you missed in your bias and noise," concludes Vorobiev.

Read more about Mars' Al journey.

авоит Vizit

One of the fastest-growing new AI startups in the US, Vizit helps the world's largest brands and retailers win the race for consumer attention by enabling teams anywhere in the world to measure, manage and optimize their image effectiveness at every step of the consumer journey.

LEARN MORE

SPONSORED BY

A SmartBrief UPDATE | SPRING 2023