

The state of smart commerce

AI's impact on buying
and selling



CONTENT

- **An intro on AI, according to AI** 03
- **Spot the bots: Where in the world of commerce is AI?** 05
- **Generative AI: A new generation of smart product content tools** 08
- **Top use cases for smart product content tools** 10
- **AI after 2030: What can we expect?** 11



An intro on AI, according to AI

05

Welcome to the cutting-edge world of AI-driven commerce! In this guide, we'll embark on a journey through the transformative landscape where artificial intelligence intersects with the age-old practices of buying and selling.

08

10

11

Write a short introduction for a guide about how AI is transforming the way we buy and sell products.



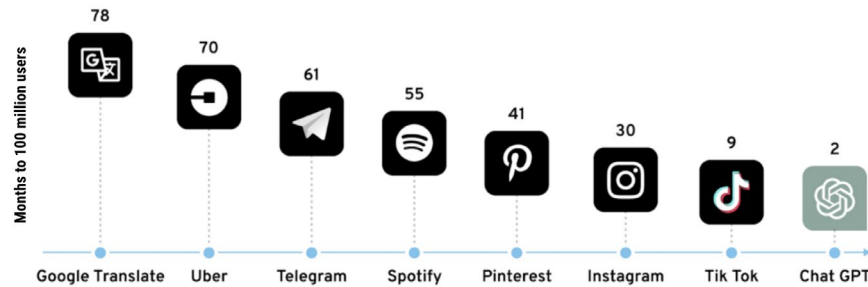
An intro on AI, according to AI

In the time it takes you to have a sip of your coffee, ChatGPT drafted the first 30 words of this guide. Self-described as “cutting edge,” the robots aren’t the most humble bunch, but they’re also not wrong — artificial intelligence has changed the way we do business and will continue to weave its way through every facet of commerce.

Depending on who you ask, you’ll get different origins of AI in the business world. If you ask the bots directly, they say their technology was first used in the 1950s to prove mathematical theorems.

While we’ve been talking about AI for nearly 70 years now, the technology has matured drastically in the last decade. Today, we’re seeing staggering rates of adoption – it only took two months for ChatGPT to reach [100 million users](#).

As the world digitizes and more datasets become available, AI will only get smarter, accelerating adoption even further. In fact, we can assume most of today’s commerce operations involve some touch of AI.



What was the first form of AI used in business?

One of the earliest forms of AI used in business dates back to the 1950s with the development of expert systems.

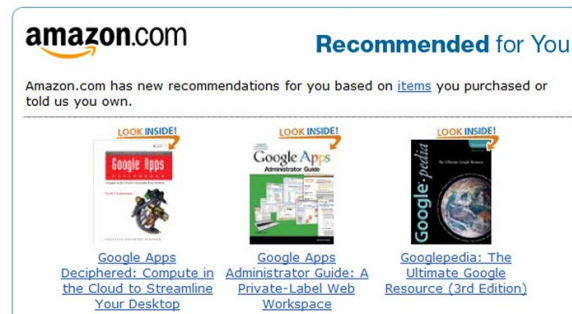


Spot the bots: Where in the world of commerce is AI?

AI is like a mosquito – we can't always see it, but we know it's there once we feel its impact. Spread out across both internal processes and external customer experiences, AI has a wide range of commerce use cases.

1. Product recommendations

Personalized product recommendations leverage AI algorithms to analyze user data and behavior to provide tailored suggestions to consumers. For example, Amazon utilizes collaborative filtering algorithms to recommend products based on a user's browsing and purchase history. These recommendations enhance the shopping experience by presenting relevant items.



Value for brands, retailers, and manufacturers:

- **Increased sales:** Showcasing products that align with individual preferences leads to higher conversion rates.
- **Enhanced customer engagement:** Offering relevant suggestions can lead to longer browsing sessions.
- **Improved customer retention:** Providing personalized recommendations ensures customers feel understood and catered to, encouraging repeat purchases and long-term relationships.

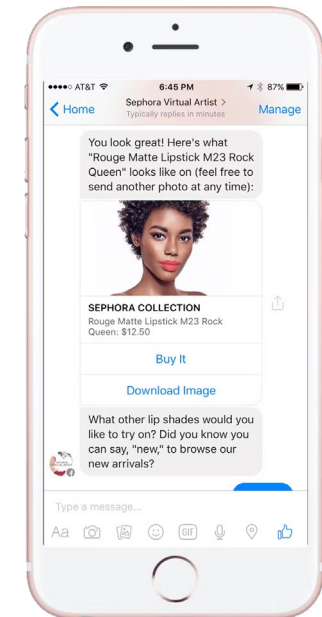
2. Chatbots

Chatbots utilize AI to simulate human-like conversations with users, providing assistance and resolving queries in real-time. For instance, businesses like Sephora employ chatbots on their websites and social media platforms to offer personalized beauty advice and product recommendations to customers. We're seeing big advancements in conversational AI as major tech players like Google experiment with more realistic features, [such as using your camera to provide chatbots with more context](#).



Value for brands, retailers, and manufacturers:

- **24/7 availability:** Chatbots enable round-the-clock customer support, ensuring that queries are addressed promptly, even outside of business hours.
- **Scalability:** Chatbots can handle multiple conversations simultaneously, scaling customer service operations efficiently to accommodate growing demand.
- **Lower costs:** By automating routine inquiries, chatbots reduce the need for human intervention, cutting down on operational costs while maintaining service quality.



Spot the bots: Where in the world of commerce is AI?

3. Forecasting

AI-powered forecasting models analyze historical data and market trends to predict future demand for products accurately. Retailers like Walmart utilize forecasting algorithms to optimize inventory management, ensuring that the right products are stocked in the right quantities at the right time.



Value for brands, retailers, and manufacturers:

- **Optimized inventory management:** Accurate forecasts enable retailers to minimize stockouts and overstocking, reducing carrying costs and maximizing revenue.
- **Improved planning:** Forecasting helps retailers anticipate demand fluctuations, enabling them to plan marketing strategies, promotions, and procurement activities effectively.
- **Enhanced customer satisfaction:** By ensuring product availability, retailers can meet customer demand promptly, enhancing the shopping experience and fostering customer loyalty.

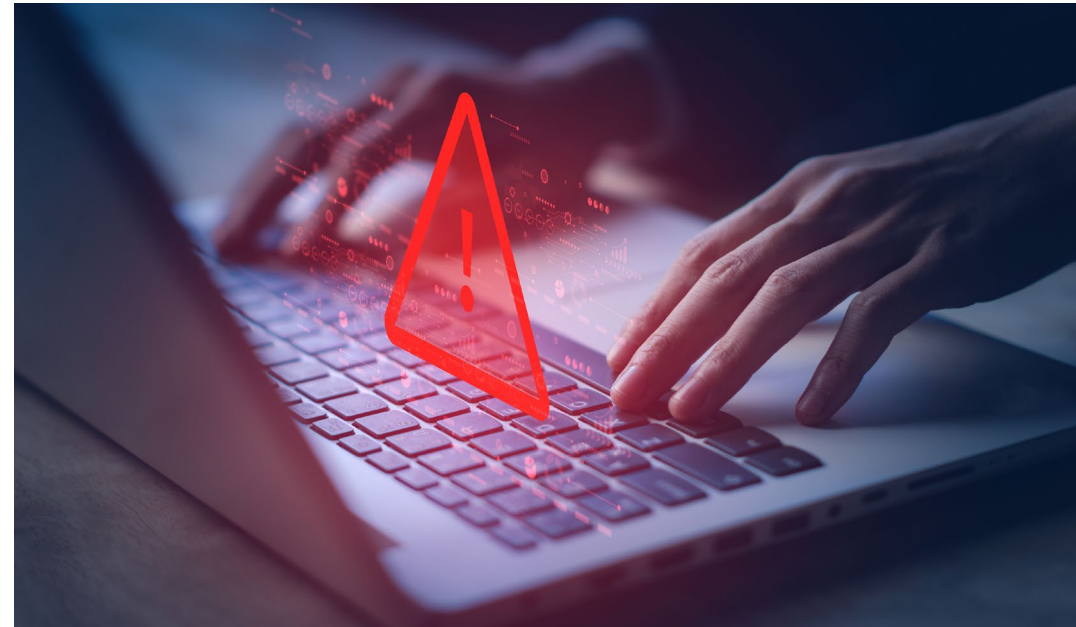
4. Fraud detection

AI algorithms can identify unusual patterns and behaviors that may indicate fraud in a broad range of commerce activities, from analyzing payments to ad clicks. On average, [21% of onsite traffic](#) is invalid.



Value for brands, retailers, and manufacturers:

- **Reduced losses:** AI's ability to detect and prevent fraudulent transactions in real-time helps mitigate financial losses.
- **Improved brand reputation:** Enhancing online security fosters customer trust and protects sensitive information, improving overall brand reputation.
- **Operational efficiency:** Automating fraud detection allows companies to allocate resources more effectively, focusing on genuine threats rather than false positives.





5. Augmented reality

AI makes AR shopping experiences more scalable by generating realistic 3D models, environments, and interactive elements automatically. For instance, [IKEA's "IKEA Place" app](#) enables users to preview how furniture would look in their homes using AR.



Value for brands, retailers, and manufacturers:

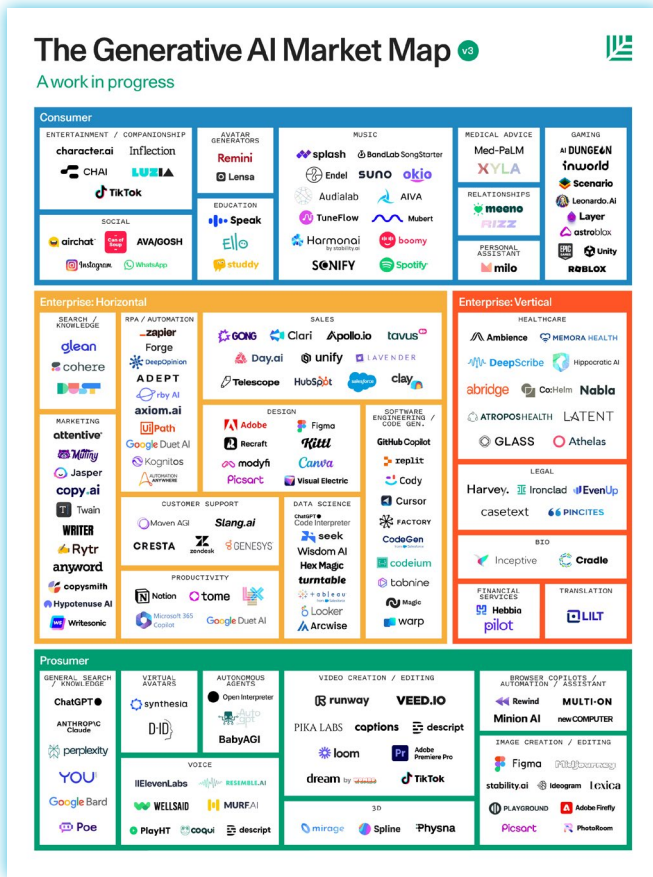
- **Reduced returns:** AI can analyze vast amounts of data to create detailed and accurate representations of real-world objects and environments for AR experiences, so customers can make more informed purchasing decisions.
- **Enhanced engagement:** AI can recognize and map physical spaces to create precise AR filters that captivate customers and prolong time spent interacting with products, which can lead to increased sales.
- **Differentiation:** By using AI models to adapt AR content to individual user preferences and behaviors, brands can offer hyper-personalized shopping experiences that stand out from competitors.

With more AR hardware coming to market, like Apple's Vision Pro headset, we'll see new opportunities for mixed reality experiences in commerce. Stepping beyond the typical product visualizations, [Don Julio](#) recently launched a Vision Pro experience that invites users to travel virtually to Mexico, where the brand was founded, and explore the process of making tequila.



Generative AI: A new generation of smart product content tools

It's impossible to talk about AI use cases without addressing the buzziest application of all: generative AI. Since ChatGPT's public debut in November 2022, the gen AI market has witnessed a frenzy of activity. According to [Sequoia](#), the market map has grown to 92 companies that are already leveraging gen AI to solve human problems end-to-end, including Salesforce, Hubspot, Instagram, and TikTok.



Using AI-generated product content to fill the digital shelf

The power of generative AI lies in its ability to produce content at mass, so it's no surprise that its most valuable use case for commerce businesses is in creating high-quality product content. Marketers and commerce professionals can use the technology to turn raw product data into enriching ads and listings that are contextualized for individual channels and target audiences.

For instance, they can plug simple product attributes like color, texture, and size, into a generative AI tool, and ask it to produce multiple descriptions of the same product optimized for a 5-year-old, 30-year-old, and 55-year-old. Without AI, teams don't have the writing capacity to go into this level of detail. The technology enables companies with huge product catalogs and an international presence to deliver a hyper-personalized shopping journey.

M Explain this product to a 5 year old:

Everyone's skin needs a little extra care, and NIVEA® Creme provides that and more. Enriched with Provitamin B5, the rich, creamy formula intensively moisturizes, nourishes and protects the skin from that rough, dry, feel. Apply to face, smooth skin. For a little extra care, apply to the rougher elbows. Caring for your skin just got easier!

G Imagine your skin is like a delicate flower that needs wa...

NIVEA Creme is like a magical lotion that gives your skin soft and smooth. It's like a special cream that you can make your skin happy and protected. It's also really good for your knees, feet, and elbows. Using NIVEA Creme is like making it feel nice and cared for. It's like a special treat.

Generate scene

STEP 1 Select a product image
 (Items: Honey & Peach Exfoliating Scrub)

STEP 2 Enter a description of the scene
 A tube of exfoliating scrub on a stone platform, surrounded by peaches, with tropical plants in the background.

Generate

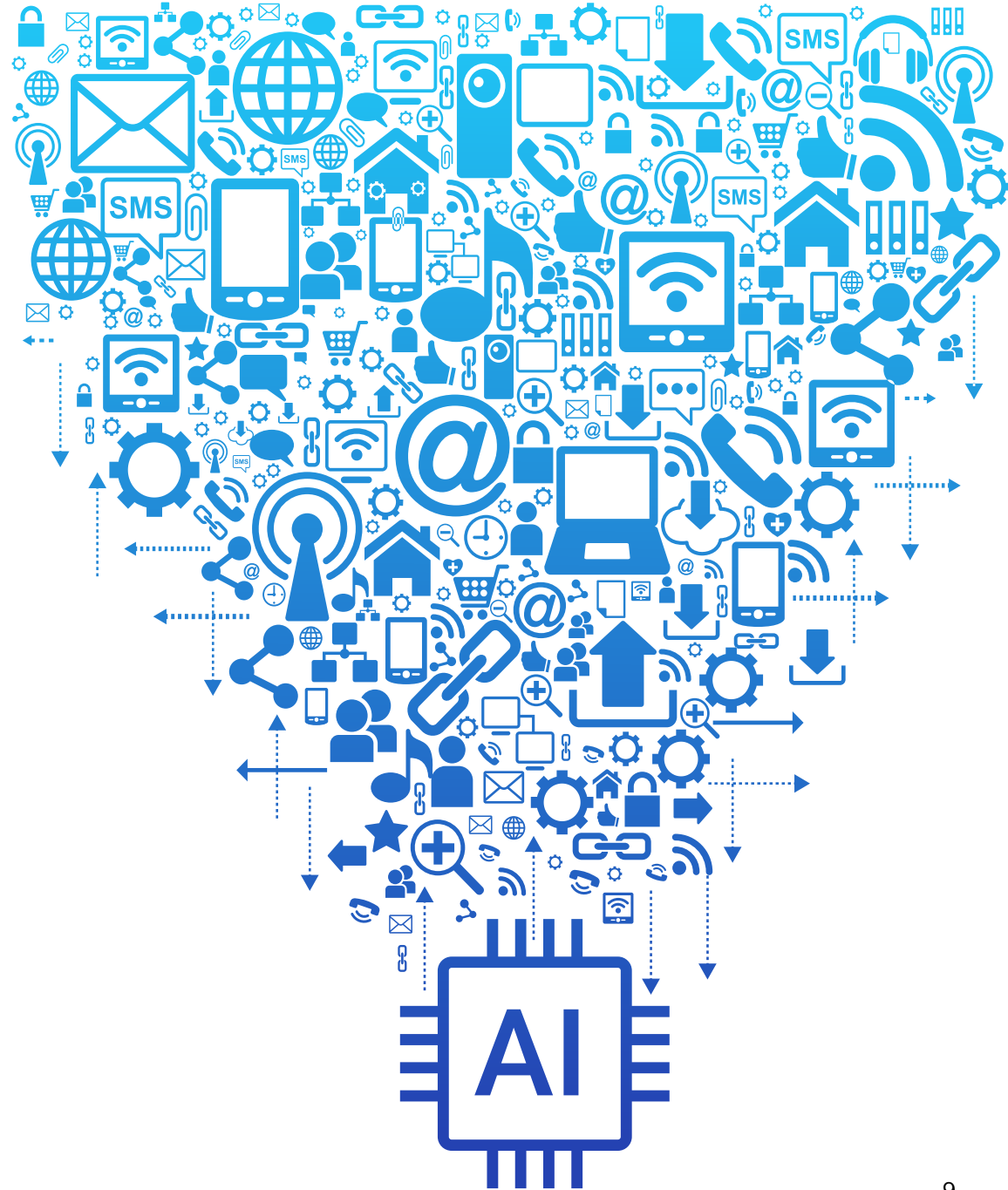
This feature is experimental, and results may vary.

Generative AI: A new generation of smart product content tools



Value for brands, retailers, and manufacturers:

- **Operational efficiency:** Gen AI automates the creation of product content, reducing manual labor and ensuring consistency and quality across listings.
- **Accelerated time-to-market:** By generating all necessary content for new products quickly, gen AI enables faster market entry and quick adaptation to market trends.
- **Higher conversion rates:** AI-generated content tailored to specific audience segments enhances the shopping experience and boosts conversion rates.
- **Profitable customer acquisitions:** With better targeting, companies can optimize their marketing spend and ensure they're attracting profitable customers.



Top use cases for smart product content tools

Unsupervised AI can create real damage if implemented for the wrong use case, such as categorizing product attributes where 100% precision is required. Even a 5% error margin can have catastrophic consequences – if your catalog has 1 million SKUs, that's 50,000 SKUs wrongly categorized and at risk of not showing up on channels like Google or Amazon.

Before introducing new AI-powered tools, businesses need to ensure that the solutions improve their content quality – not just churn out more of the bad. Here are some of the top use cases for AI product content tools with a high ROI:

- **Generate from product attributes:** By plugging in raw product attributes, like color, size, or texture, straight from product feeds, AI can generate engaging, ready-to-use product descriptions from scratch.
- **Tailor messaging:** AI can rewrite simple product descriptions to ensure the content resonates with varying age groups, genders, geographies, lifestyles, etc. Companies can create multiple versions of their product content tailored for specific target audiences or seasonal promotions.
- **Translate to other languages:** Companies with a global presence, or ones looking to expand internationally, can use AI to translate product content to other languages automatically. They can localize their content based on the target market.
- **Adjust for different specs:** To fit varying character limits, AI can shorten copy without losing the key message or lengthen it by adding supporting phrases. Companies can adjust their product copy length effortlessly to meet all formatting requirements of retailers and channels like Google, Meta, Pinterest, TikTok, and more.
- **Optimize for SEO:** By plugging in keywords, AI can generate product titles and descriptions with higher SEO value.

- **Search and extract patterns:** Sorting through product data to analyze and manipulate items is difficult without programming skills. Instead of requiring technical expertise for regular expressions, AI can create the code automatically, enabling teams to search through lines of text to extract the information needed to optimize product content.
- **Manage dynamic content:** Making small tweaks to product content for variables, like price, inventory, or seasonal promotions, is difficult to keep up with as the data constantly changes. Without any coding required, AI can be used to create highly-customized templates that apply changes to product content in bulk automatically.
- **Capture data from labels:** Sourcing all of the necessary product attributes is a major undertaking in itself. Companies can use AI to capture text and visual elements from product labels and images automatically. Some of the more advanced AI tools can even ensure the data is captured according to [GS1](#), the most widely used standard in the world for supply chain visibility and efficiency.

The [Productsup Product-to-Consumer \(P2C\) platform](#) offers sophisticated AI tools for all use cases listed on this page. Learn more about Productsup's full suite of AI capabilities (ie. AI Data Services, Regex and Twig Generator, etc.) that enable companies managing millions of SKUs to scale globally. Trusted by the top Fortune 500's, Productsup processes over two trillion products per month.

[Learn more](#)

03

05

08

10

AI after 2030: What can we expect?



AI after 2030: What can we expect?

As AI technology continues to evolve, its impact on commerce is expected to grow exponentially. The global AI market is expected to reach [over \\$1,800 billion by 2030](#).

What's to come later this year? Next year? In five years? In 10 years? New use cases will emerge, such as advanced predictive analytics that can foresee market trends with unprecedented accuracy, enabling brands to adjust their strategies proactively. AI-driven personalization will reach new heights, offering consumers fully customized shopping experiences based on real-time data and behavior analysis. Further integration of AI with emerging technologies like quantum computing and blockchain will enhance security, transparency, and efficiency in supply chains.

These advancements will not only optimize operational processes but also revolutionize customer engagement, making AI an indispensable tool for businesses aiming to thrive in the competitive landscape of the future. By leveraging AI's capabilities, brands, retailers, and manufacturers can expect to deliver more value, foster deeper customer relationships, and maintain a competitive edge in the rapidly evolving world of commerce.

Can't wait for 2030? Reach out to the Productsup team today.

[Book a demo](#)

[Contact us](#)

Productsup³

Empowering commerce

Get in touch today!

hello@productsup.com

www.productsup.com

