

Major role of AI in E-commerce

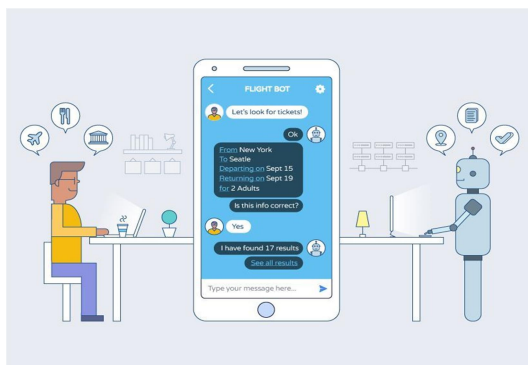
Artificial Intelligence, sometimes called machine intelligence, is demonstrated by machines, unlike natural intelligence displayed by humans.

AI enables an E-commerce website to recommend products uniquely suited to shoppers and enables people to look for products using conversational language or images, as if they were interacting with an individual. This has been one of the key missing ingredients for a larger E-commerce revenue share within the retail industry, i.e lack of the personalization that a brick-and-mortar store can offer. In that same vein, other opportunities emerging include using AI to personalize the customer journey. This alone could be a huge value-add to online retailers.

In this article we are going to discuss about a few major AI applications in e-commerce.

While there are multiple benefits of artificial intelligence in e-commerce, here are few major AI applications for Ecommerce that is dominating the industry today.

1. Chatbots and other virtual assistance

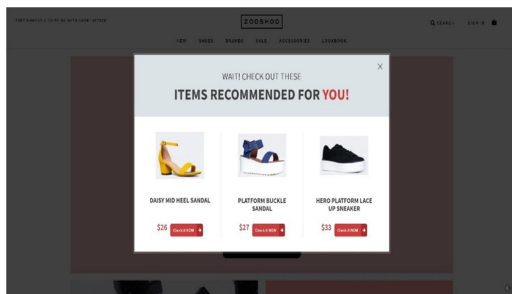


E-commerce retailers are increasingly turning towards chatbots or digital assistants to provide 24x7 support to their online shoppers. Built using AI technologies, chatbots are getting more intuitive and are enabling a better customer experience.

Apart from providing good customer support, chatbots are enhancing the impact of AI in Ecommerce through capabilities such:

- ❖ Natural language processing (or NLP) that can interpret voice-based interactions with consumers.
- ❖ Addressing consumer needs through deeper insights.
- ❖ Self-learning capabilities that help them improve over time.
- ❖ Provide personalized or targeted offers to customers.

2. Intelligent Product Recommendations



Among the major applications of artificial intelligence in Ecommerce, personalized product recommendations for online shoppers are increasing conversion rates and average order values. With the use of **big data**, AI in E-commerce is impacting customer choices with the knowledge of previous purchases, searched products, and online browsing habits.

Product recommendations provide multiple benefits for Ecommerce retailers including:

- ❖ Higher number of returning customers
- ❖ Improved customer retention and sales
- ❖ A personalized shopping experience to online shoppers
- ❖ Enable a personalized business email campaign.

3. AI Personalization in E-commerce



Personalization is at the core of AI in E-commerce marketing. Based on specific data gathered from each online user, AI and machine learning in E-commerce is deriving important user insights from the generated customer data.

For instance, the AI-enabled tools are ready to analyse customer data from multiple touch points including mobile apps, email campaigns, and websites to ascertain how they are performing online interactions. These insights enable e-commerce retailers to make suitable product recommendations and provide a consistent user experience across all devices.

4. Inventory Management



Efficient inventory management is all about maintaining the right level of inventory that can fulfil market demand without adding to idle stock.

While the conventional form of inventory management was restricted to current stock levels, AI-enabled inventory management is enabling how to maintain stocks based on data related to:

- ❖ Sales trends over the previous years
- ❖ Projected or anticipated changes in product demands
- ❖ Potential supply-related issues that would impact inventory levels

5. AI in the Fashion Ecommerce industry



AI within the Fashion Ecommerce industry is reducing the number of returned goods purchased through online sales. For instance, the fashion brands are deploying AI capabilities to suggest the right apparel size (based on the shopper's measurement) along with their style preferences (loose or tight clothing). This can help the fashion brand to scale back its product returns and improve repeat purchases. One of the significant examples for this is Lenskart providing to their customers an online 3D trial option of their spectacles.

Besides the above innovations, AI-powered solutions are transforming the E-commerce industry in the following areas:

❖ Email marketing



AI-enabled Email Marketing that sends out marketing emails for products or services that are of interest to the recipient. These email marketing tools make an intelligent user analysis based on their response and are more aligned to individual customer needs.

❖ Supply chain management



AI-enabled Supply Chain Automation that enable effective management of supply chains for e-commerce platforms. Other benefits include enabling business decisions related to vendors, delivery schedules, and market needs.

❖ Data Analytics



AI-based data analytics tools for the E-commerce sector that provide a number of advantages like business intelligence, customer profiles, and online sale analysis.

Conclusion

As highlighted in this article, artificial intelligence in E-commerce is playing a leading role in driving innovative solutions and customer experiences. Some the leading areas of artificial intelligence in e-commerce is in personalized shopping, product recommendations, inventory management, chatbots, efficient utilisation of big data, supply chain management and so on.

If anyone is engaged in or is intending to engage in an E-commerce business, they should consider how to implement a working model of artificial intelligence for their business in order to thrive through the competition.

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Sources: https://www.google.com/search?q=data+analytics&source=lmns&bih=576&biw=1366&rlz=1C1CHBF_enIN883IN883&hl=en&sa=X&ved=2ahUKEwir6fu83fvqAhXHeysKH3PD-cQ_AUoAHoECAEQAA73ae06836d35#:~:text=AI%2DEnabled%20Smart%20Solutions%20for%20the%20Ecommerce%20industry&text=For%20instance%2C%20AI%2Dbased%20technology.buying%20patterns%20and%20data%20insights.https://www.altexsoft.com/ai-solutions-for-ecommerce/