

How generative AI is transforming e-commerce

retail with exciting capabilities, innovative companies and promising investment opportunities in e-commerce. Online retailers, top brands, and specialised vendors

Artificial intelligence (AI) is changing what's possible in online

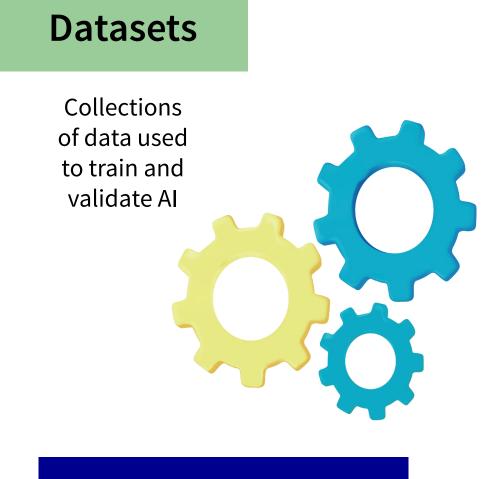
are quickly evolving to embrace AI, opening the door to investment opportunities. Today's leaders will be best positioned for tomorrow.

The future of e-commerce is here.



Generative AI is a specific type of AI, used to create something new based on a given set of training data.

What is generative AI for e-commerce?



Tech Enablers

Understanding and generation of language for chatbots, search functions, product recommendations

Capabilities

Natural language

processing (NLP)

Retailers can quickly generate high-quality imagery, showcase products and appeal to specific demographics'

Capabilities

Image generation

Human-like text creation trained on vast amounts of data

Tech Enablers

Large language models (LLMs)

Machine Learning (ML) Algorithmic data analysis with minimal human intervention

Capabilities

Capabilities **Computer vision**

> to interpret and make decisions on visual data

Teaching machines

Tech Enablers Graphic processing units (GPUs) Chips designed to handle

complex calculations and

parallel processing tasks

The consumer journey, personalised

Generative AI analyses customer data and behaviour patterns to enhance

and personalise the consumer experience, driving online sales and retention.

Conversational chatbots



deals in real time

Virtual sales

assistants, tailoring

product discovery,

recommendations and

consumers and rapid

prototype development

tools for designers

pricing and procurement

based on real-time

markets or consumer

behaviour, help manage

supplier relationships and

copy and imagery

Large volumes can

be rapidly generated by AI,

translated and

optimised for SEO

Generative AI improves profit margins by optimising logistics

purchasing and zero-party data to generate recommendations

AI tools can analyse

customer browsing,

through AI design tools

could help retailers avoid

costly over-stocking

Data collection

Poor data leads to inaccurate

or biased results. AI depends

on high-quality, accessible

data that is collected, cleaned

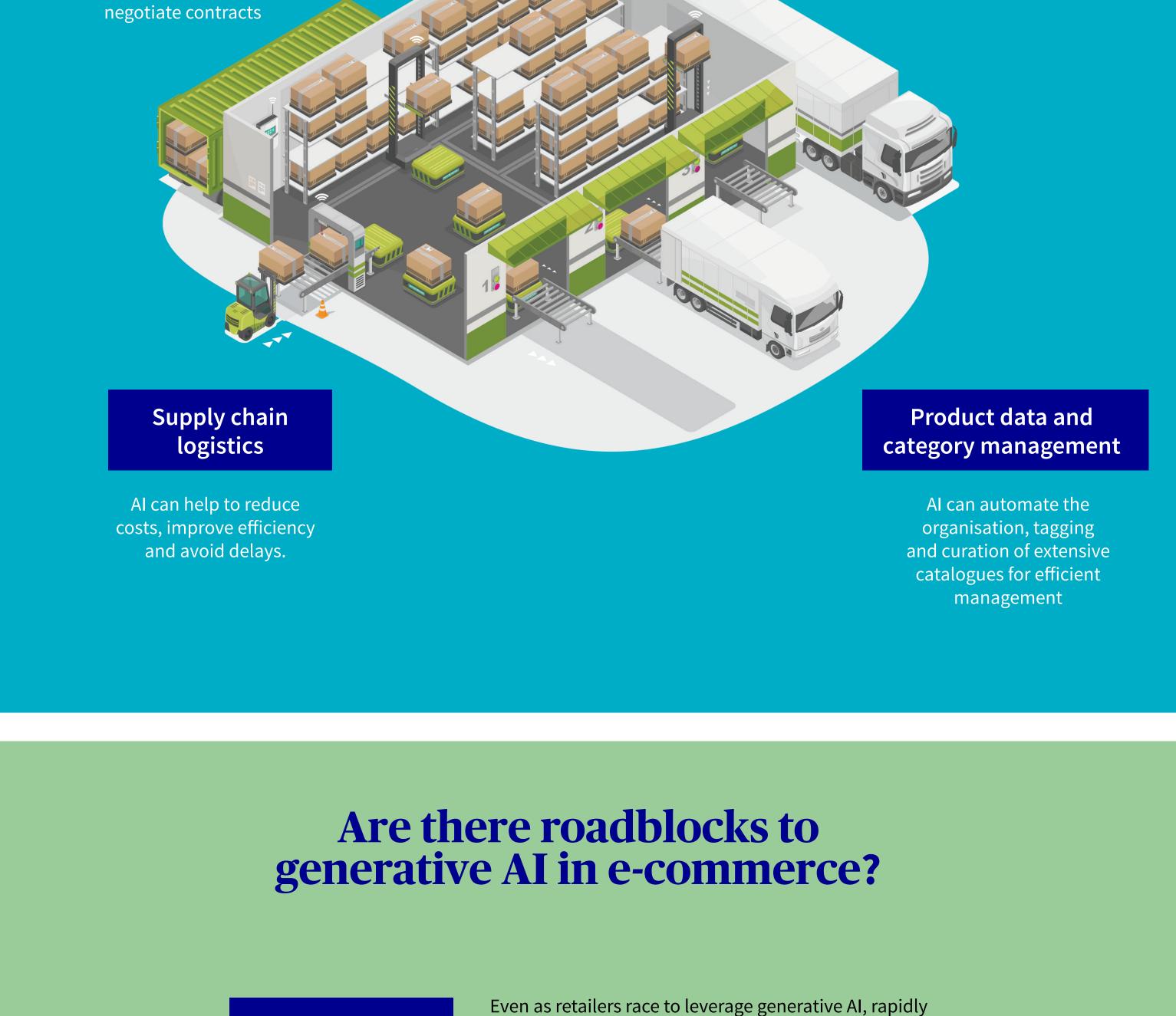
use cases.

Pricing and Inventory

To cope with supply chain disruptions and shrinking profit margins, e-commerce leverages

Al to streamline logistics across production, shipping, warehousing, inventory and pricing.

optimisation procurement AI helps retailers optimise Mass customisation



and engineered for specific behind outputs

Transparency

AI modelling can lack

transparency and retailers

will need a way to

understand the rationale

New technology

High costs

Al computing is costly,

driving up the cost of these

services. While investments

and venture capital are

evolving capabilities and a lack of industry expertise

could be barriers to effective implementation.



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streamline logistics across production, shipping, warehousing, inventory and pricing.

"Businesses that embrace AI should in turn provide investors the opportunity to benefit from higher profits and growing market share. In an economy which might be growing more quickly, AI can be a potential driver of better investment returns."

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Chair of the AXA IM Investment Institute

Chris Iggo

CIO of AXA IM Core

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