

# AI/ML: Breaking through the hype to deliver strong business outcomes

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**NRF<sup>®</sup>2020  
VISION**

RETAIL'S BIG SHOW

**EXHIBITOR BIG IDEAS**

**#NRF2020**

# CENTERPIECE FOR DIGITAL TRANSFORMATION

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Customer  
experience



Business  
operations



Decision  
making



Innovation



Competitive  
advantage

# 40%














of digital transformation initiatives  
supported by AI in 2019

—IDC 2018


# The AWS ML Stack

Broadest and most complete set of Machine Learning capabilities







## AI SERVICES

<b>VISION</b>  Amazon Rekognition	<b>SPEECH</b>  Amazon Polly  Amazon Transcribe <small>+Medical NEW</small>	<b>TEXT</b>  Amazon Comprehend <small>+Medical</small>  Amazon Translate  Amazon Textract	<small>NEW!</small> <b>SEARCH</b>  Amazon Kendra	<b>CHATBOTS</b>  Amazon Lex	<b>PERSONALIZATION</b>  Amazon Personalize	<b>FORECASTING</b>  Amazon Forecast	<small>NEW!</small> <b>FRAUD</b>  Amazon Fraud Detector	<small>NEW!</small> <b>DEVELOPMENT</b>  Amazon CodeGuru	<small>NEW!</small> <b>CONTACT CENTERS</b>  Contact Lens <small>For Amazon Connect</small>
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## ML SERVICES

 Amazon SageMaker	Ground Truth	Augmented AI	ML Marketplace	SageMaker Studio IDE <small>NEW!</small>								Neo
				Built-in algorithms	<small>NEW!</small> Notebooks	<small>NEW!</small> Experiments	Model training & tuning	<small>NEW!</small> Debugger	<small>NEW!</small> Autopilot	Model hosting	<small>NEW!</small> Model Monitor	

## ML FRAMEWORKS & INFRASTRUCTURE

 TensorFlow  mxnet  PYTORCH	 GLUON  Keras 	Deep Learning AMIs & Containers	GPUs & CPUs	Elastic Inference	Inferentia	FPGA
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# MACHINE LEARNING IS HAPPENING IN COMPANIES OF EVERY SIZE AND INDUSTRY

Tens of thousands customers have chosen AWS for their ML workloads | More than twice as many customers using ML than any other cloud provider



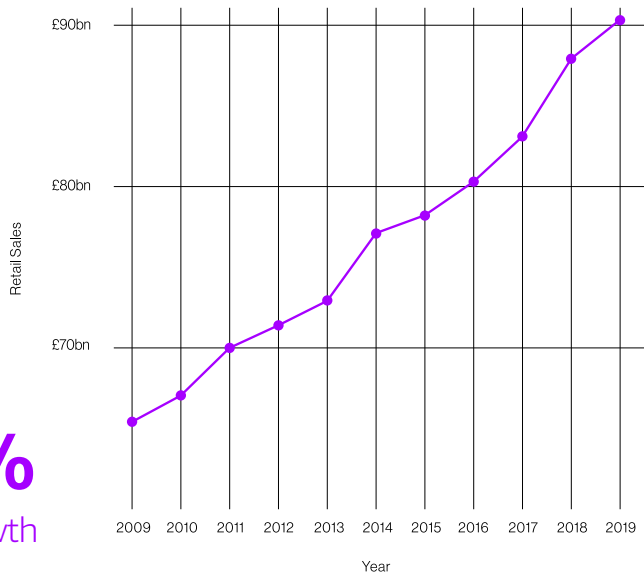
**CLOSING DOWN**

A large, rectangular sign with a black border and a light-colored wooden plank background is mounted on a glass railing. The sign features the words "CLOSING DOWN" in bold, blue, sans-serif capital letters. The sign is tilted slightly upwards from left to right. The background shows a multi-level shopping mall with glass railings, escalators, and various storefronts. A large number "3" is visible on a pillar in the upper right. The overall atmosphere is one of a modern, open shopping center.

# It's not all doom and gloom

## **UK** retail sales

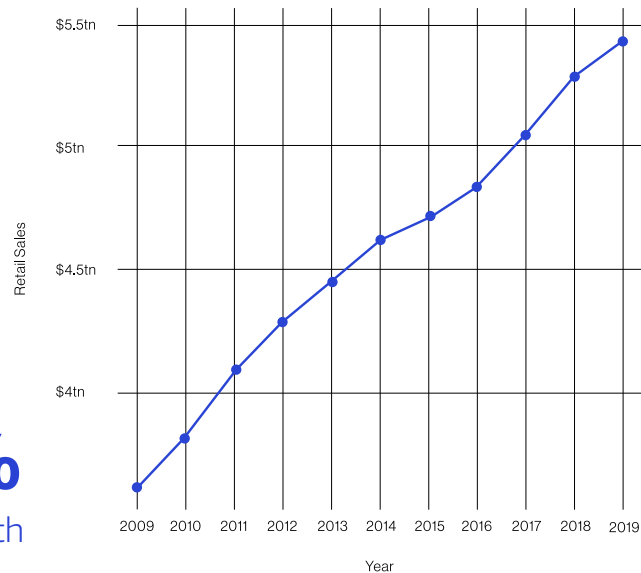
**+4%**  
YoY growth



\*Source: ONS


## **US** retail sales

**+3%**  
YoY growth



\*Source: Securities and Exchange Commission (SEC)





businesses  
are growing

**30 %**

faster, with

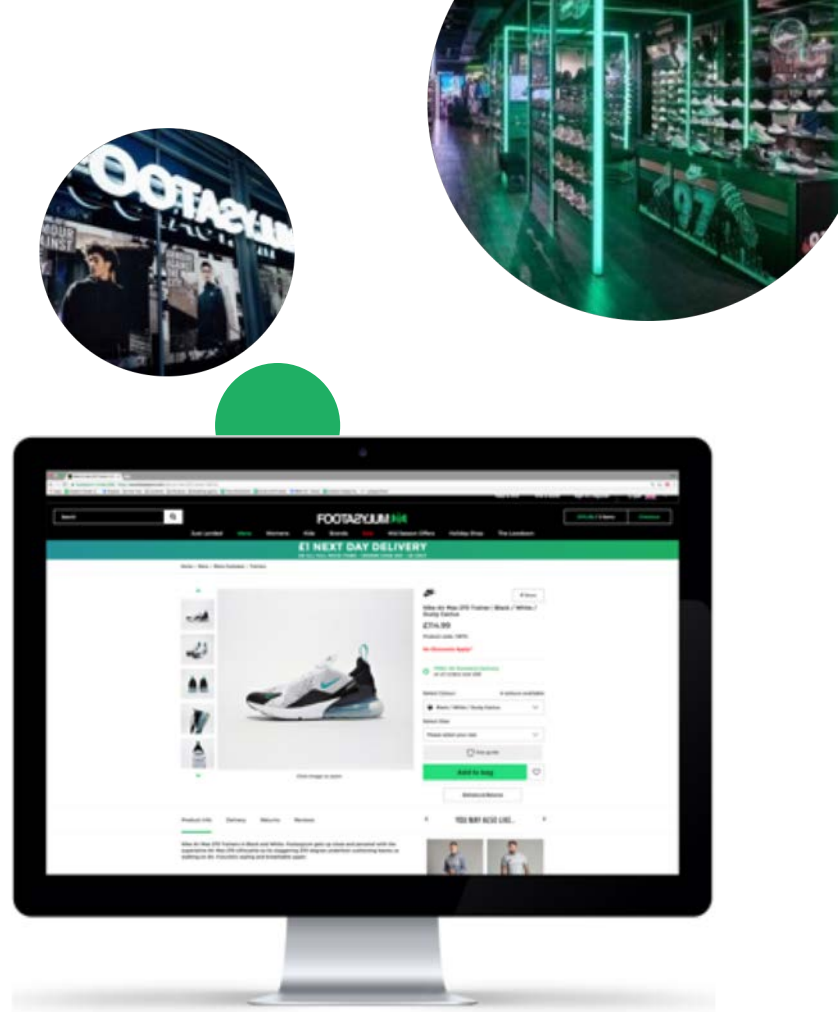
**50 %**

higher profit  
margins

# We are Footasylum

## Creativity connects our bricks, clicks and kicks.

- Through our stores, website and own brands, we're story tellers, intent on pushing boundaries.
- We became a part of our consumers' community: urban style leaders who drive trends and do things our own way.
- Endorsed by this community of tribes we're young and agile – never straight laced.





...more about us



**70**  
Stores

- 
- Digital commerce accounts for around 35% of overall revenue currently
  - Strategy of store openings has been changed with a stronger focus on digital side of business moving forward



# What we were looking to achieve



- 
1. **Halting bifurcation** of physical and digital retail
  2. Create a single consumer view
  3. Positively affecting EBITDA contribution with an omnichannel approach
  4. Personalisation, over everything
  5. **To be better connected...**

# Retailers need to be better connected

with customers



|  
Context



|  
Convenience



|  
Control

# Retailers need to be better connected

...and internally too.



Context  
**Marketing**



Convenience  
**Merchandising**



Control  
**Supply chain**



# Connected retail isn't easy



**Understand  
your consumer**

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1m+ consumers

60+ stores



**Understand  
product interactions**

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25k products

3x commerce channels



**Ensure  
efficient delivery**

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Omnichannel  
fulfillment



# AI?



# Think big, start small, act fast

1

## Ideas

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We came with a clear vision & explored all opportunities

2

## Workshop

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We mapped out data flows and systems and aligned to our business processes

3

## Test

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Agreed KPIs with defined ROIs alongside our wider business trading strategies

4

## Review & Refine

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Continually review and refine using machine learning and data science resource

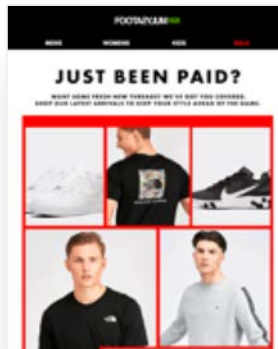
# Hyper-personalisation

With Customer AI



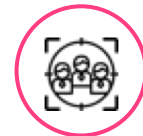
## AI System

Driven by predictors in  
Single Customer View



## Personalisation

Customers receive target  
content using **Message  
Personalisation**



**Increase purchase  
frequency**

Continual AI feedback loop...



## Social Advertising:

Target audience list and  
content deployed on social  
channels using **Customer  
Acquisition**



**Increase social  
engagement and  
acquisition for less  
spend.**

# Rapid time to value

## Hyper-personalisation

**28%**

increase in digital revenues

## Data-driven social campaign

**72%**

reduction in customer acquisition costs

## Facebook ad optimisation

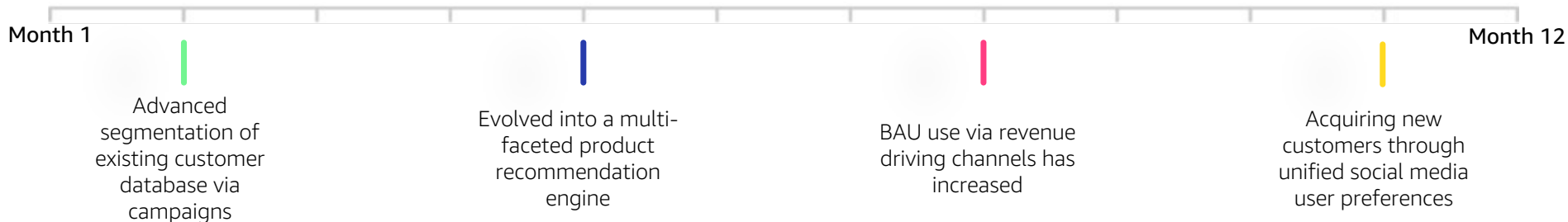
**84%**

increase in click-through rate on ads

## Customer acquisition

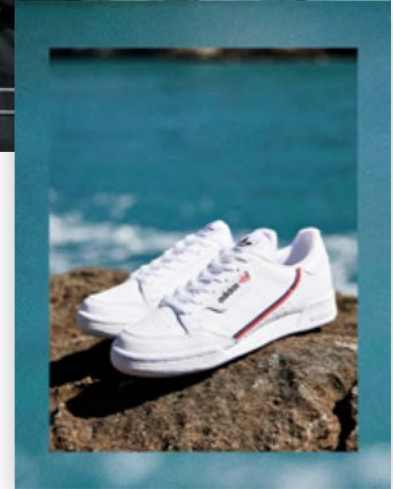
**10x**

return on ad spend (ROAS)



**More to come...**

# What's next?







# The AI stack for retail



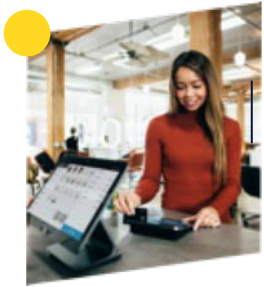
# AI supports connected retail



— Makes sense of data



— Connects data, workflows and functions

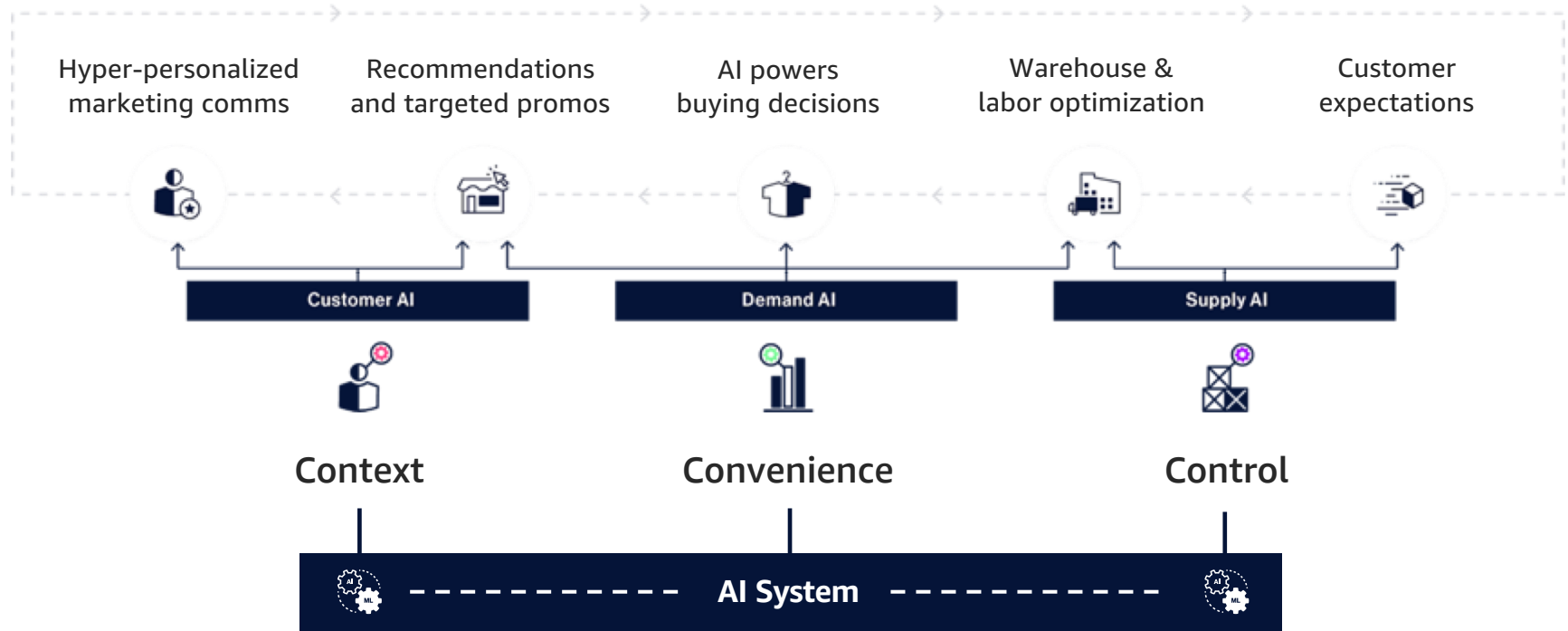


— Supports the three Cs and puts consumer first

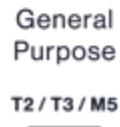
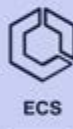


— Optimizes supply and demand

# From hype to reality



# Built to deliver outcomes



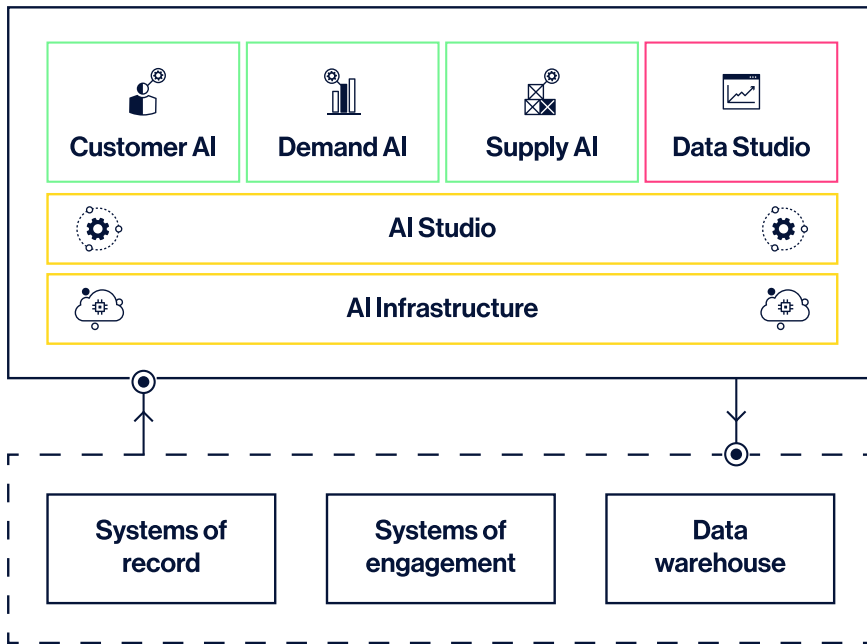
# The Peak AI System

An intelligence layer across the enterprise

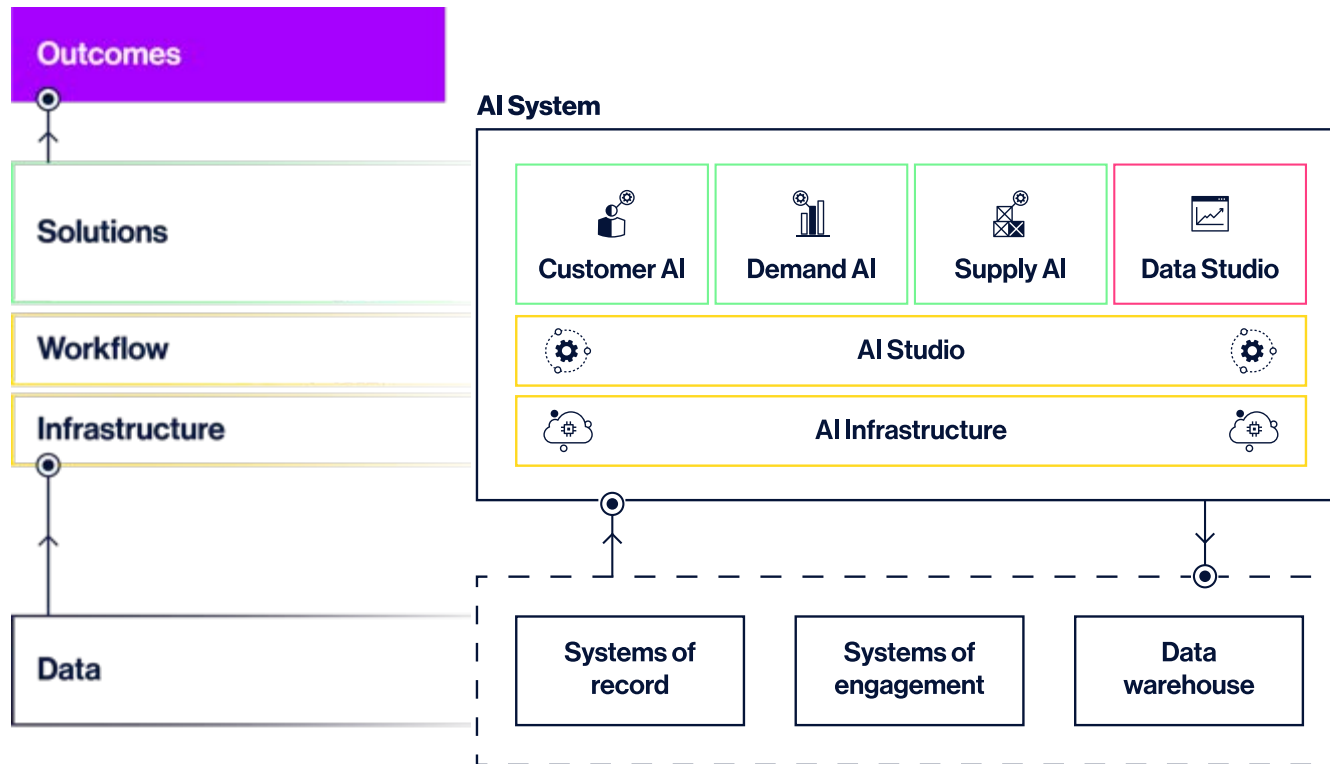


The full-stack AI System, built to deliver AI-driven outcomes across an enterprise.

## AI System









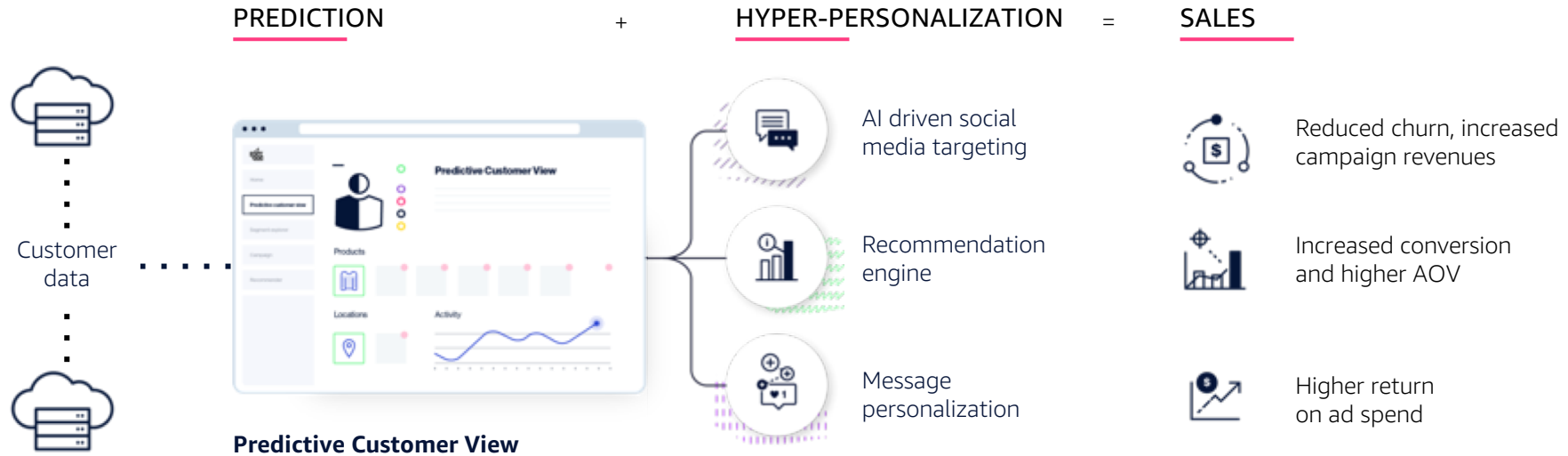
# Customer stories

Taking AI from hype to reality



# Customer AI

Get more from your marketing





ACCELERATING GROWTH

28%

Increase in digital revenues

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10x

Return on add spend (ROAS)

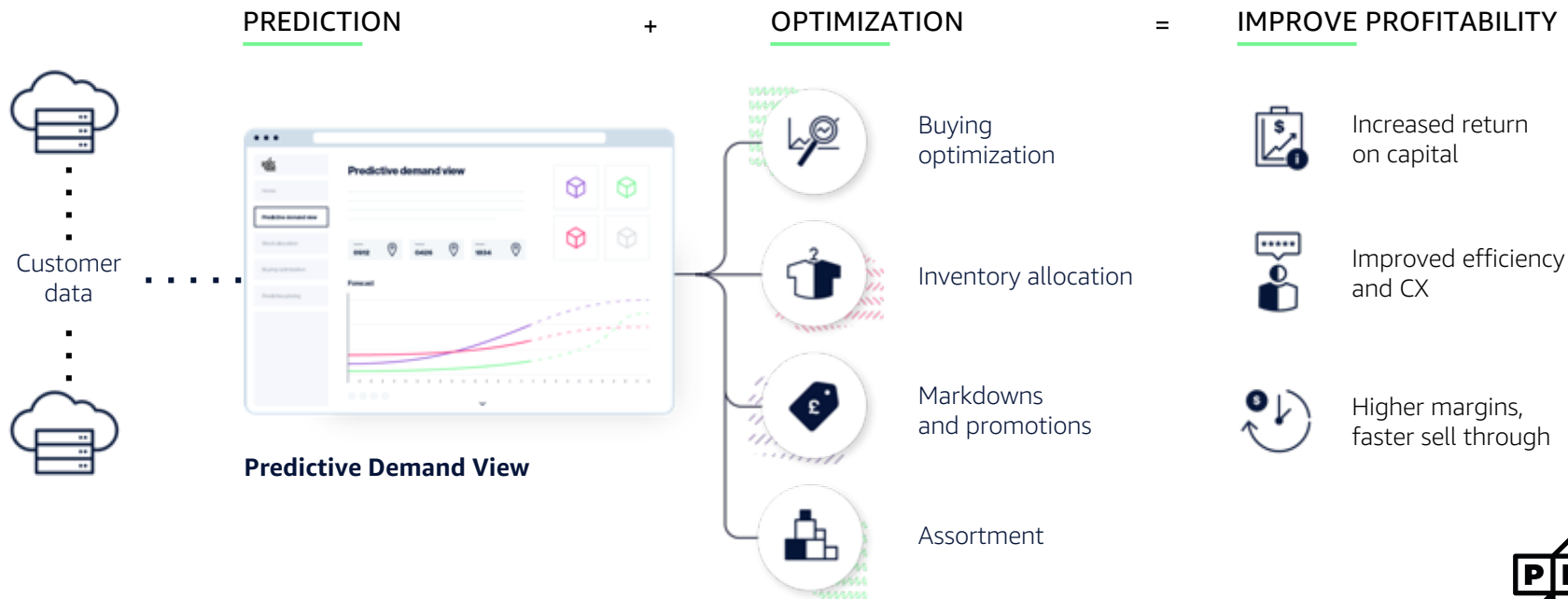
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CONTEXT



# Demand AI

## AI-driven demand planning and optimization







CONVENIENCE

MAJOR ASSET SAVINGS & REVENUE GROWTH

4x

Increase in return on  
capital employed (ROCE)

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18%

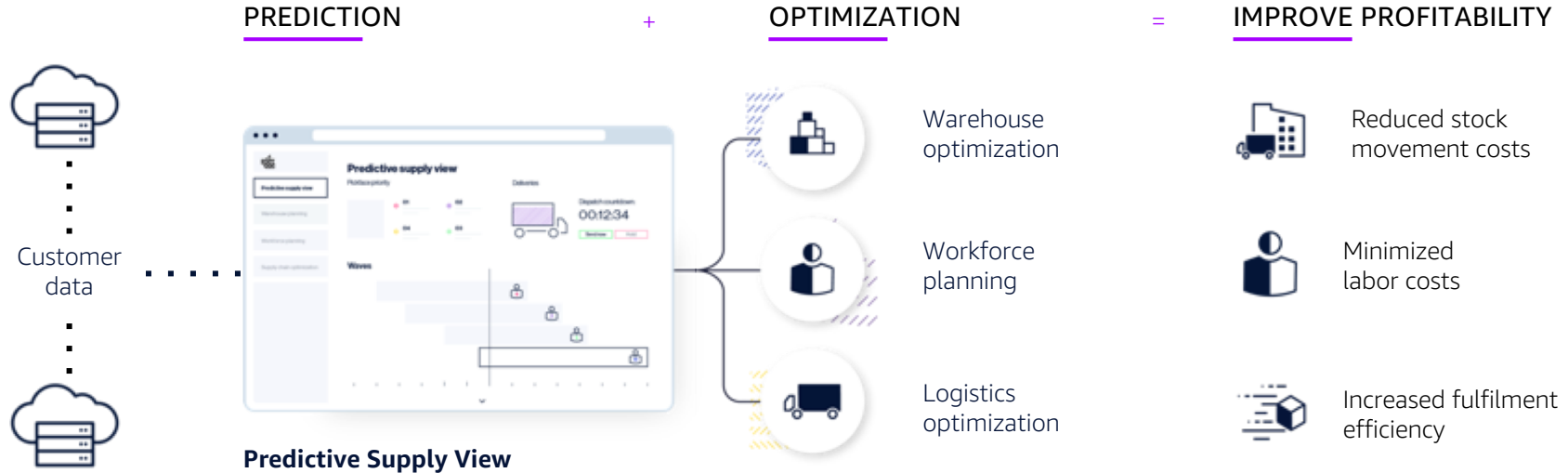
Reduction in stock levels

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# Supply AI

Fulfil demand at reduced costs



# Fast fashion retailer

5%

Improvement in efficiency

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CONTROL



# How big is your AI opportunity?

GET IN TOUCH

[richard.potter@peak.ai](mailto:richard.potter@peak.ai)

TO RECEIVE:

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## Your personalized report

Quantifying the value of  
your AI opportunity

Highlighting two areas  
where we can help

**Peak.ai**



# Thank You!

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