



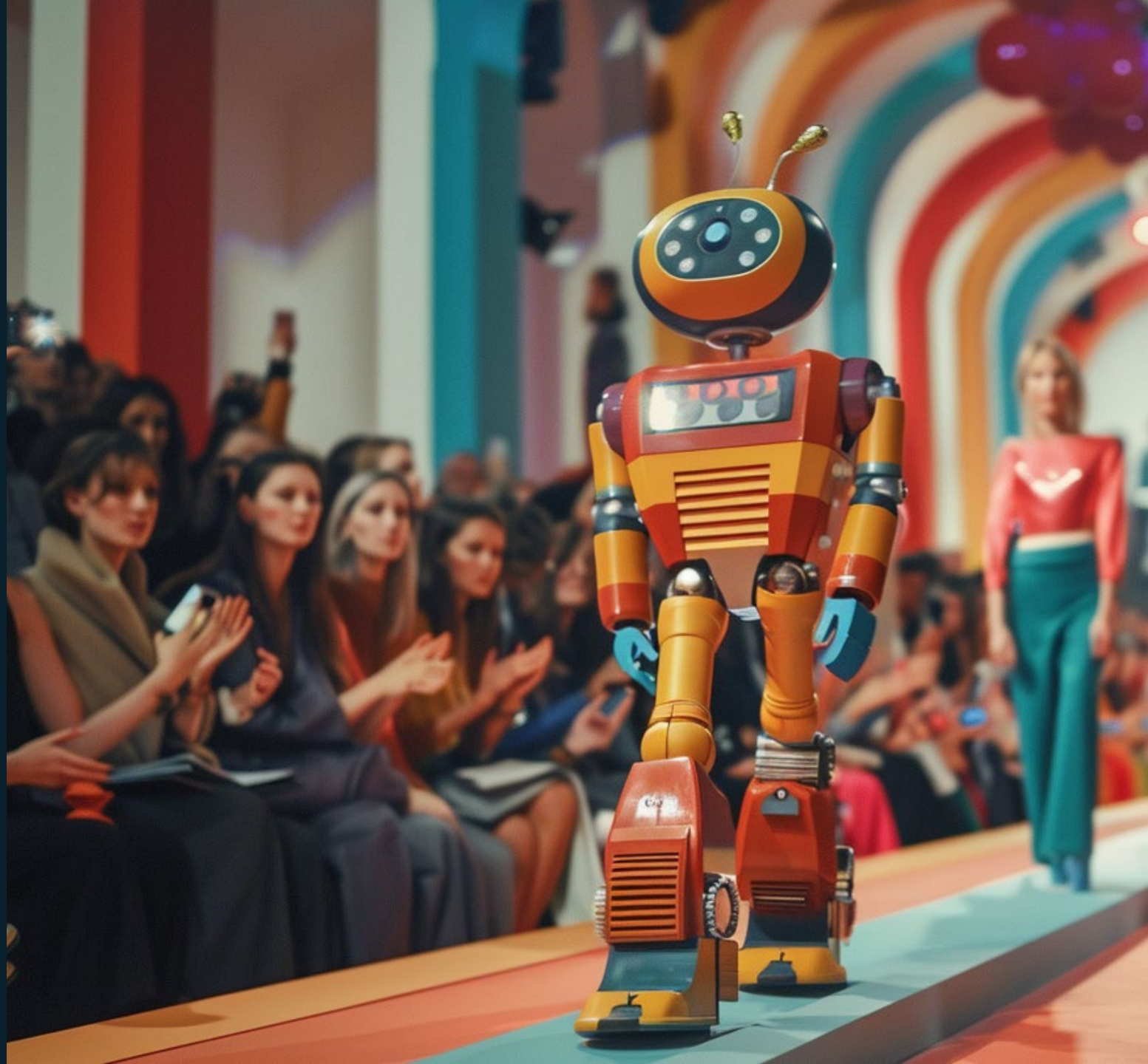
Innovation on the Catwalk: How GenAI Transforms Fashion & Retail



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AI is rapidly
changing the
world around us

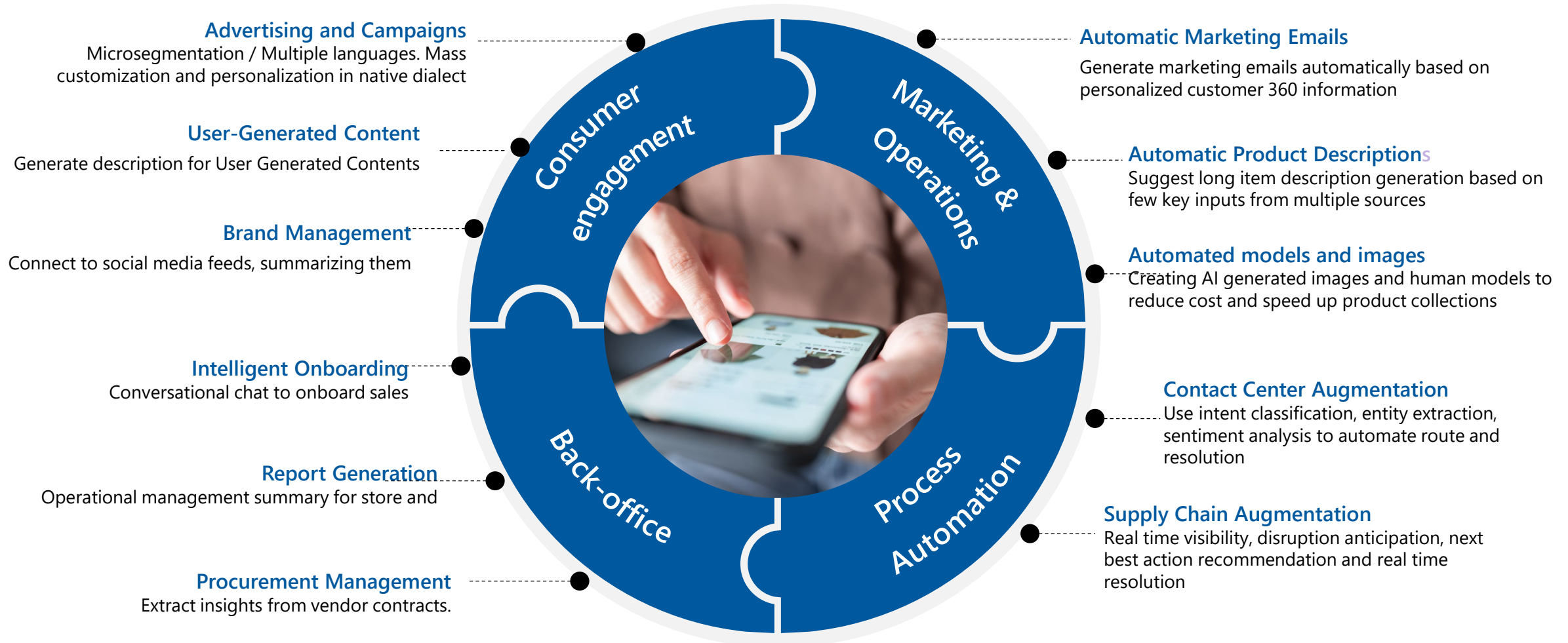


Many use cases in Consumer Products and Retail

Hyper-personalization

Innovative Marketing and Campaigning

Customer Service



AI in Fashion: No longer Niche Code

Forbes

INNOVATION • AI

The Fashion Industry Is Getting More Intelligent With AI

Ron Schmelzer Contributor
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AI
IN
THE
FASHION
INDUSTRY

Image: Created using Canva

Artificial Intelligence is Restyling the Fashion Industry

Do robots dream of Prada? How artificial intelligence is reprogramming fashion

From 3D avatars to wardrobe advisers, artificial intelligence is shaping the way we get dressed. But can there really be an algorithm for style?

● Read more from the autumn/winter 2018 edition of *The Fashion*, our biannual

How AI is 'amplifying creativity' in the fashion world

Ahead of London fashion week, optimists believe new tools can open up an industry that can be elitist - and costly to enter



2024

2018

2019

2020

What changed?

Intuitive

Rapidly
evolving!

Versatile



Raising
Expectations

Embracing AI can mean a lot of things

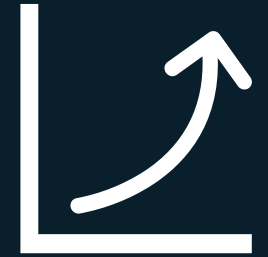
A Heinz campaign went viral when they asked AI to 'draw ketchup'



BALENCIAGA



Large Language Models (LLMs) mark a new Era of Intelligence in Retail & Fashion



Examples

2012 > Machine Learning

Chatbots

Recommenders

Supply Chain
Optimization

2018 Deep Learning
(e.g., BERT)

More natural conversations,
Often below expectations

Better recommendations on
more complex content

Advanced predictive models
with better accuracy

2021 LLMs

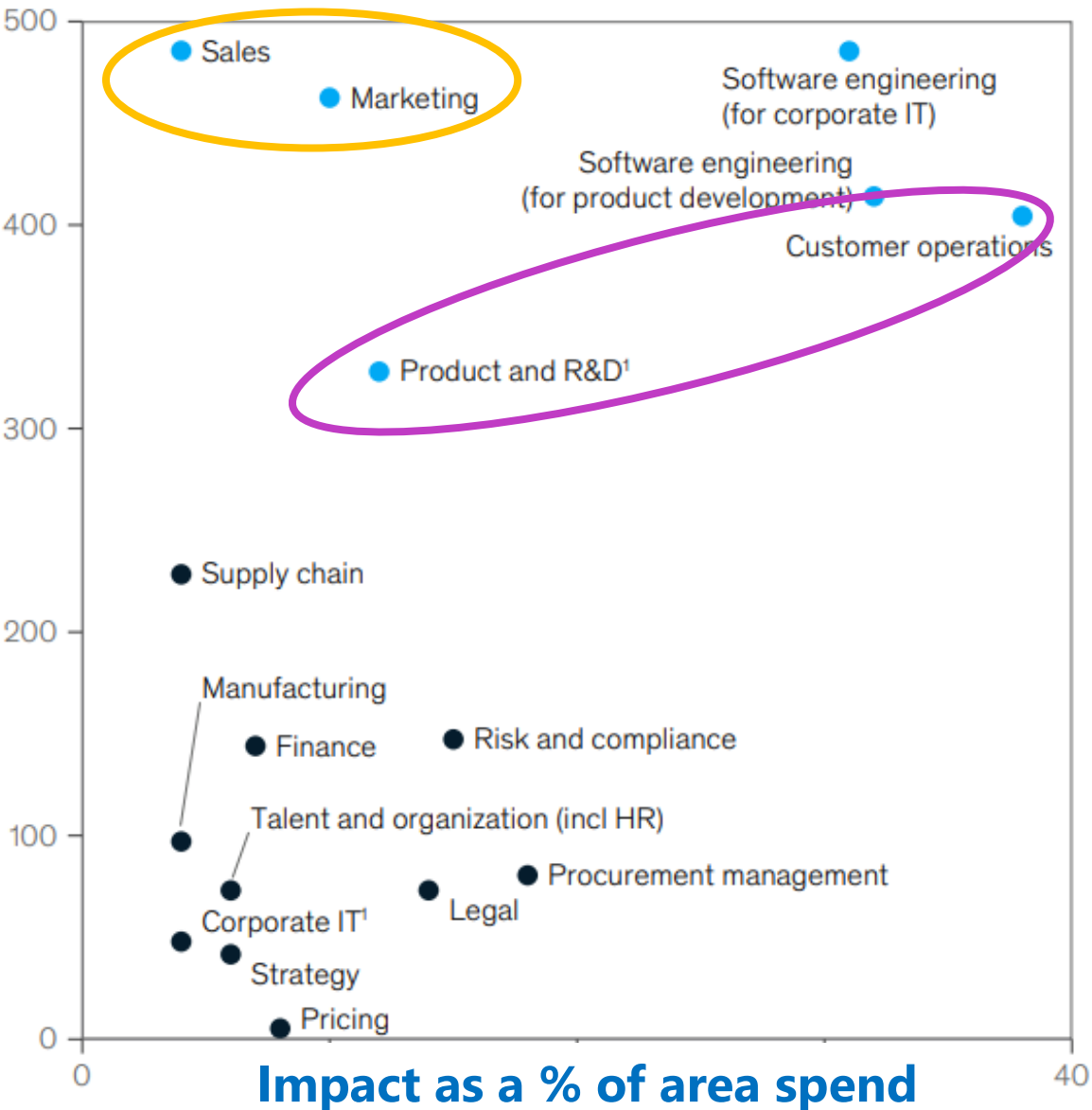
AI Assistants
Multi-turn human-like
engagement

Full outfit curation
with multi-modal context, event
& mood aware

Agents (autonomous)
process unstructured content in
real-time

Sales, Marketing & Customer Service is where Gen AI shows biggest potential

Impact (\$billion)

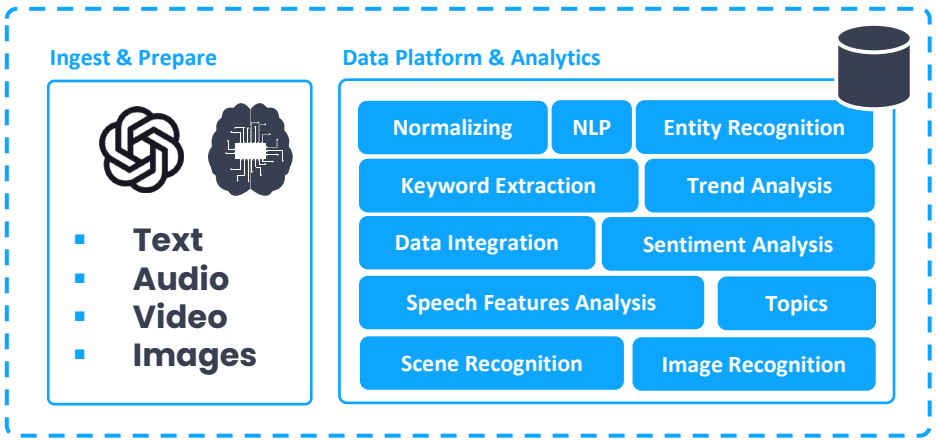
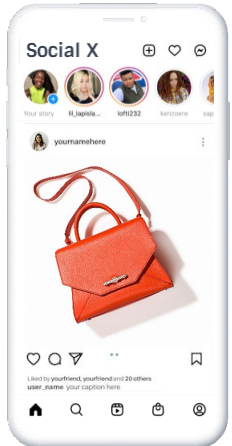


● Representing 3/4 of total annual impact



Source: McKinsey, The economic value of GAI, June 2023

Social Media Synthesis with Azure OpenAI



Your Weekly Report

	Facebook	Instagram	Pinterest
Followers	10'000	5'000	7'000
Engagement	30%	80%	50%
Top Mentions			
Sentiment	80% Positive		
Top Posts	 Campaign XY		
Improvement Opportunities	Customers are disappointed with the quality of the <u>high-waist skinny Jeans from brand XY</u> . Several customers negatively mentioned your store in Alt-Kreuzbach – Go to detailed report .		

Infusing AI into Design & Ideation Workflows



Developing design variants with AI

Fashable is empowering fashion brands to quickly generate or update designs with input from sources including social media, sales, etc. and only produce garments that cross a certain demand threshold



Presenting designs with AI generated models

Reducing costs and dramatically accelerating time to market

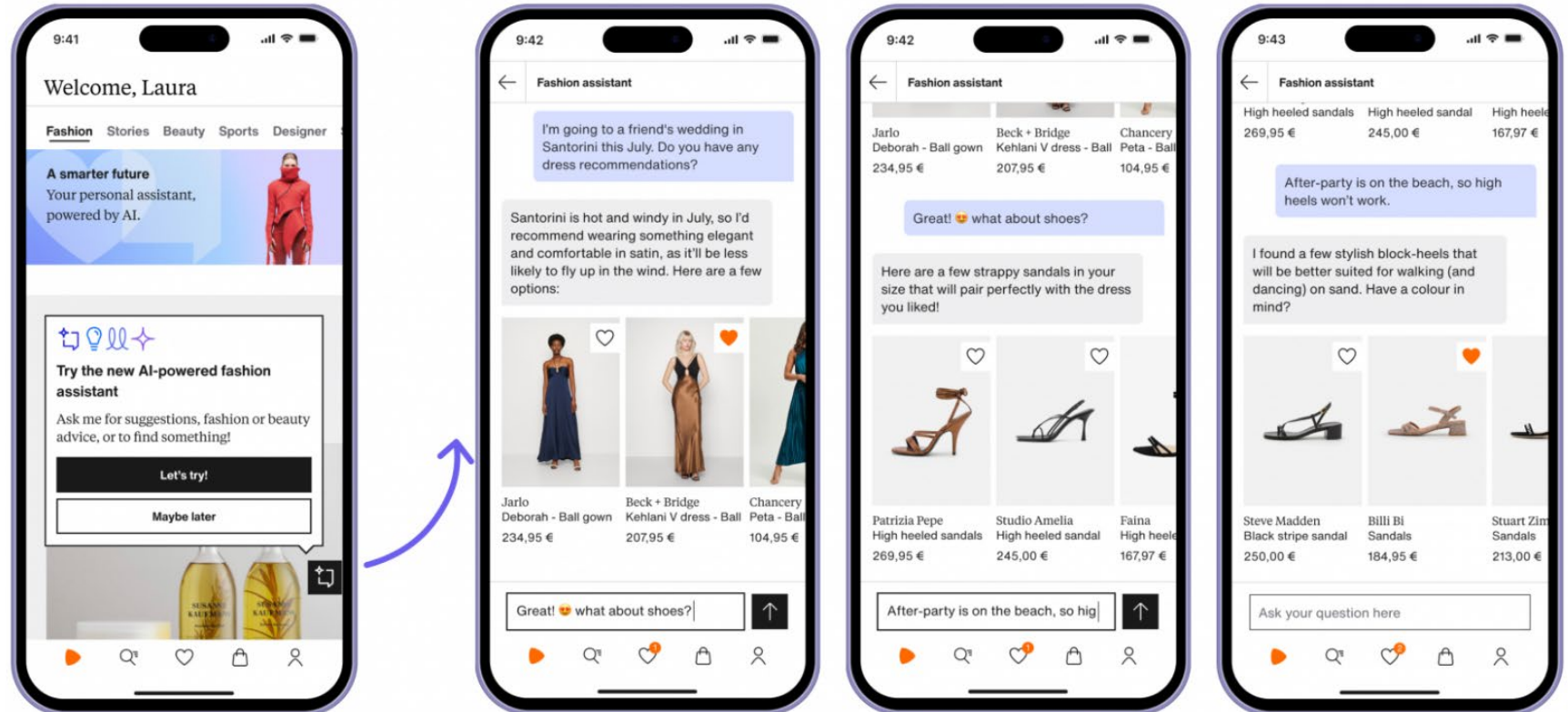


Amplifying brand and shopping engagement



Personalized marketing campaigns and visual content

Zalando is tailoring marketing messaging and offers to customers based not only upon preferences but also on intent and occasion whilst also using GAI to create appealing, personalized views of product, in the context of the individual consumer



Copilots increase time spent on value added activities across the value chain

Example: Copilot for Supply Chain Management in Dynamics 365

Adjust to procurement changes

- Summarize purchase order changes as they arrive
- Identify low vs high impact order changes
- Help agents understand the downstream impact of order updates





GPT-3.5 / GPT-4 with Vision

Text

Whisper

Audio

DALL·E

Image

Chat Completions

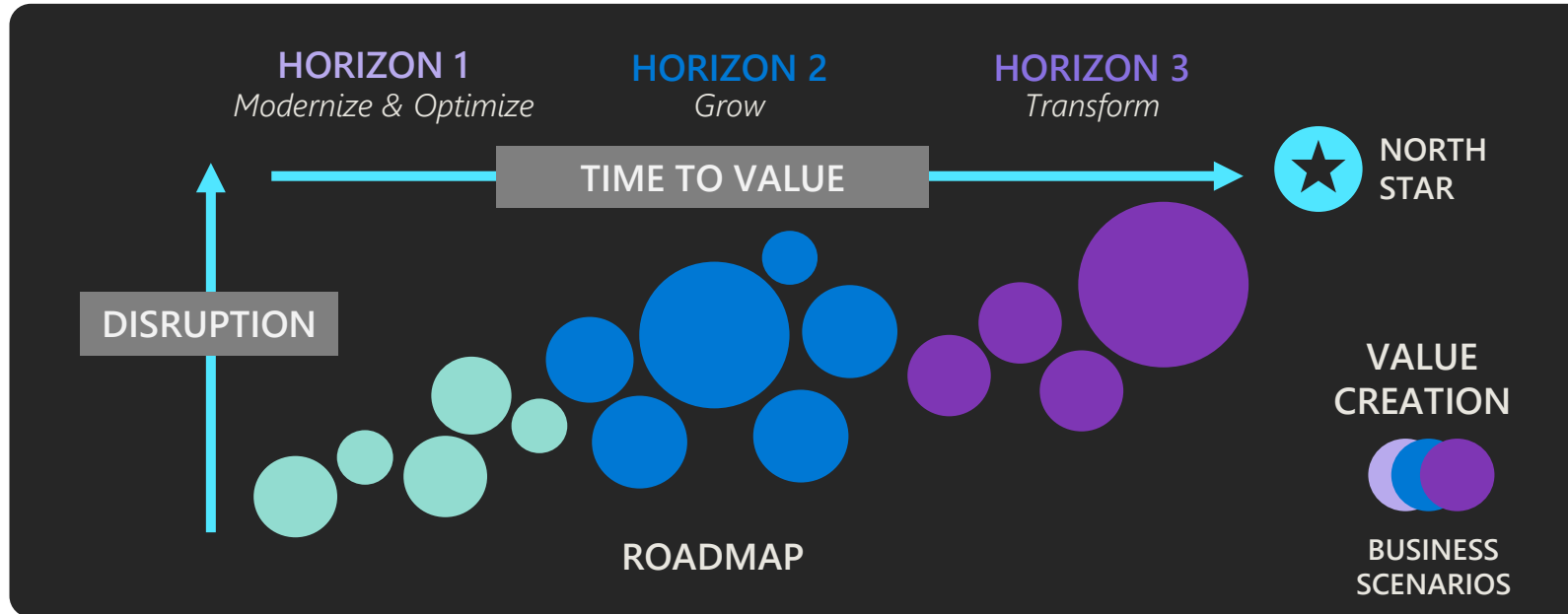
Conversation

Azure OpenAI

- Enterprise-grade security with RBAC and private networks
- Deployed in your Azure subscription
- Built-in Responsible AI
- Cost Analysis and Diagnostics
- Customer Managed Key (CMK) Encryption
- Regulatory Compliance (SOC2, HIPPA, ISO27001)
- 99.9% SLA
- and more

Where do you start with AI transformation?

3-Horizons Framework



H1: Automation

- **Get data estate AI-ready**
- Tactical ways to reduce costs and improve efficiency.
- Automate simple, high applicability tasks and optimize manual processes (e.g. in marketing, customer service, merchandising & IT).
- Begin mapping points of synergy with ongoing AI initiatives
- Investments in Gen AI should be profitable

H2: Reimagined CX

- Target generative AI for higher-value opportunities.
- Focus on customer-centric experiences, e.g.:
 - Hyper-personalized recommendations
 - Chatbots and virtual assistants
 - New insights from customer data
 - Sales enablement
- Begin integration efforts with adjacent AI technologies and use cases.

H3: Autonomous Operations

- Create pathways towards fully autonomous operations
- Integrate and capture synergies from ML, DRL, and Gen AI together to automate complex tasks, e.g.
 - Product Development
 - Supply Chain Management
 - Demand Sensing & Forecasting
 - Marketing & Sales Operations
- Develop new products.



Thank you
Let's stay connected!



Andrew Reid
Microsoft Switzerland



Florian Follonier
Sr. CSA Data & AI



Q&A



There are only two ways to react to exponential change, too late or too early



Ray Kurzweil
American Inventor and futurist

Empower every part of your organization with AI

Out-of-the-box AI

Just activate
Unlock productivity
Persona-based Copilots

Users Business Units SOC IT

Copilot

M365 Copilots

Dynamics 365 Copilots

GitHub Copilot

Security Copilot

Composable AI

Deploy in days
No code to Pro code
Democratize innovation

Makers

Copilot Studio

Power Platform Copilot
Fabric Copilot

AI Builder

Dataverse

Developers

Semantic Kernel SDK
Azure Open AI service
GitHub Copilot

Azure Application Platform

Model-as-a-Service

Cognitive Services

Pretrained Models

Build-your-own AI

Tailored models
Develop monetizable IP
Maximize data science skills

Data Scientists

Azure Machine Learning
Azure DataBricks
Azure Prompt Flow

Microsoft Fabric

Model Catalog

Fine Tuning

Best in Class Foundation Models

Unified Data Platform

Azure AI Infrastructure

Differentiation

Time to Value

AI USE CASES

Mit voller Fahrt voraus in eine digitale Zukunft - mit Azure OpenAI Services

Individuell und massgeschneidert: Der Chatbot „Flurina“ über Azure OpenAI Services

 **Rhätische Bahn**
Ferrovia retica Viafier retica

 ParetoLabs

Read the
Success Story



The Challenge

- Increased customer inquiries
- General labor shortage impacting service
- Need for modernization in customer service

The Solution

- "Flurina": AI chatbot powered by Azure OpenAI Services
- 24/7 customer assistance in multiple languages
- Reduction in employee workload
- Continuous improvement and optimization

ASOS

Creating Natural Language Experiences with Azure OpenAI

Read the Success Story



The Challenge

- Enhancing the ability for customers **to find personalized fashion selections** amidst a vast catalog.
- Elevating the ASOS shopping experience for a tech-savvy, trend-focused young audience.

Solution & Outcome

- Creating a natural language shopping experience with **Azure OpenAI Service** and **Azure Prompt Flow**
- **AI-driven recommendations** aligning with individual tastes and the latest fashion trends.
- **Speedy prototyping** through **LLMOps in AI Studio**