

# IBM Watson Group to transform the consumer shopping experience

23 April 2014, by John Natale

Imagine having access to your own personal shopping assistant anytime, anywhere. Thanks to a partnership between IBM and Fluid Inc., the ultimate shopping advisor, powered by Watson, is poised to transform the consumer shopping experience.

Michael Rhodin, Senior Vice President, IBM Watson Group explores the Fluid Expert Shopper (XPS) app made with IBM Watson, with Brooke Aguilar, VP, Global Business Development, Fluid. IBM and Fluid are embarking on a mission to transform the way consumers shop, through personalized, digital experiences with a personal shopping concierge that understands and advises its users on key [purchase decisions](#).

Together, IBM and Fluid Inc., are working to redefine today's e-commerce experience by evolving it beyond the traditional criteria of price, convenience and selection, and adding a transformational new factor: the expertise and personalized advice of an in-store sales representative.

The consumer shopping experience is ripe for Watson's ability to interact naturally with people, while serving as an advisor that thinks, learns and empowers its users with insights unlocked from data. A recent study from the IBM Institute for Business Value of more than 30,000 global consumers shows that 40 percent of shoppers use social, location and mobile technologies for information gathering, and yet are not likely to use them to purchase products.

So what is hindering that sizable share of the consumer market from making purchase decisions from their devices? To start, the current state of online and mobile shopping yields a time-consuming, inefficient experience, as consumers comb through websites for information, link by link, or enter keywords into search engines and hope for the best. Today, 50 percent of consumers

spend 75 percent or more of their total shopping time conducting online research, according to data from the e-tailing group and PowerReviews.

Something crucial is missing from the typical online and mobile experience: the thoughtful help of an expert sales representative, who is knowledgeable, relatable and ready to advise you on important purchase decisions.

All of that is about the change. IBM and Fluid Inc., are embarking on a new mission to transform the way consumers shop, through personalized, digital experiences with a personal shopping concierge that understands and advises its users on key purchase decisions. IBM and Fluid's collaboration aims to spark an "industry first," as together they remove the pain points of digital commerce, and replace them with the best of what in-store retail shopping has always offered.

The solution: the Fluid Expert Shopper (XPS) made with IBM Watson, an app that gives consumers the power to ask the app highly specific questions, as they would a sales associate in a store, and receive personalized advice that truly satisfies their needs.

In partnership with The North Face and other consumer brands, Fluid XPS will take advantage of Watson's ability to answer consumers' questions and learn from their responses, engage in real-time conversations and then tailor suggestions for products in a rich and relevant manner. Watson will understand the context of its users' questions, and continuously learn about their needs based on the information they share.

As an example, one could ask Watson for advice on what outdoor gear is best-suited for a five-day, June hiking adventure in Phoenix. Fluid XPS would call upon Watson's understanding of natural language to identify clues from the user's question suggesting particular needs around weather, terrain and trail conditions.

When complete, Fluid XPS will draw on data, including the brand's product information, user reviews and online expert publications through IBM Watson, to provide consumers with informed recommendations according to their needs and desires. Consumers will receive valuable insights in making smart, satisfying purchases and be able to interact with Watson on desktops, tablets and smartphones for the first time.

To further advance this new e-commerce dynamic, the Watson Group is today announcing a new milestone in its collaboration with Fluid, to ensure they can go to market faster and bring their vision to life in a range of markets. Drawing from \$100 million that IBM has earmarked for direct investments to fuel a new class of cognitive apps, the Watson Group is making an investment in Fluid, Inc., to help deliver the first-ever cognitive assistant for online shoppers into the marketplace.

In creating an app that interacts naturally with users, understands the context within their needs and learns to improve how it provides assistance from a user's mobile device, IBM and Fluid are tapping into a crucial, yet unmet marketplace need.

"By tapping into IBM Watson's cognitive intelligence, Fluid is infusing the personalized, interactive feel of an in-store conversation into every digital shopping interaction," said Mike Rhodin, Senior Vice President, IBM Watson Group. "This is what positive market disruption looks like, and it's a key example of how a new era of cognitive applications will revolutionize how decisions are made by consumers and businesses alike."

With a vision to forever transform the online and mobile commerce space, IBM and Fluid aim to bring back the era of personalized customer service, by accelerating the consumer shopping experience into a new era of cognitive computing.

"Fluid and IBM are purposely involving consumers in this new era of computing. An era in which people no longer type best-guess keywords into a retail website's search box and hope for meaningful results; instead people ask specific questions

based on explicit needs and get expert, personalized, information-driven responses to guide buying decisions. This is the same experience we have in real-world stores with great sales reps every day and is what's missing from digital retail." said Kent Deverell, CEO, Fluid, Inc.

Fluid was one of the first organizations to join IBM's ecosystem of developers, entrepreneurs and growth companies of all sizes that are building apps and services infused with Watson's cognitive computing intelligence. As a Watson Ecosystem partner, Fluid is creating its cognitive technology in the Watson Developer Cloud, which provides a toolkit and sandbox for building cognitive apps, as well as access to Watson's Application Programming Interface (API).

### **Pioneering a New Era of Computing and Spurring Innovation**

IBM Watson represents a new era of computing, in which apps and systems interact with human users more naturally, augment our knowledge with Big Data insights, and learn to improve how they assist us.

Fueled by innovation from a mission to transform industries and professions, Watson is uniquely positioned at the forefront of the new era of computing, evidenced by an unmatched demonstration of what cognitive systems can bring to transform decision-making. IBM is delivering a range of cloud-based products and services to clients in industries such as banking, healthcare, insurance and retail.

In January, 2014, IBM launched the IBM Watson Group, a new business unit dedicated to the development and commercialization of cloud-delivered cognitive advisors. The move signifies a strategic shift by IBM to accelerate into the marketplace a new class of software, services and apps that think, improve by learning, and discover insights from massive amounts of Big Data.

IBM is investing more than \$1 billion into the Watson Group, focusing on research, development and bringing cloud-delivered cognitive applications and services to market. This includes \$100 million

earmarked for direct investment to support IBM's ecosystem of start-ups and businesses building cognitive apps made with Watson. Currently more than 1,900 organizations and entrepreneurial individuals have shared their ideas for creating cognitive apps that redefine how businesses and consumers make decisions.

Provided by IBM

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