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<u>PRESS RELEASE</u>

Finding the perfect match: In-store product recommendations just got a whole lot smarter

London, UK, 19/06/2019 — **Retail software specialists, Detego, have presented their ground-breaking methodology for in-store product recommendations, helping bring the same quality of cross-selling over from e-commerce and into the physical store. The new AI-based recommendation engine will enable retailers to provide personalized product suggestions utilizing data unique to store locations and point of sale information, without the need for identifying customer profiles.**

Cross-selling through related product recommendations has always been a huge strength of e-commerce, with 35% of Amazon's revenue generated by its recommendation engine ([source](#)). In recent years, innovations in RFID-based solutions such as smart fitting rooms and mobile chatbots have opened the doors to automated product recommendations within physical stores. Whilst the technology is now available, there is still one more hurdle between Brick and Mortar stores and effective cross-selling. This is namely the fact that the best recommender systems require vast amounts of both personal and aggregated data to provide effective suggestions, and whilst this is at a surplus in e-commerce, physical stores traditionally struggle with data being limited as well as sparse.

Speaking at the ACM UMAP 2019 in Cyprus in June, data scientists from Detego, who specialise in RFID-based software solutions for retailers, presented their proposed method of data-manipulation for in-store recommender systems with a paper titled: *'Beggars Can't Be Choosers: Augmenting Sparse Data for Embedding-Based Product Recommendations in Retail Stores'.* The approach involves an alternative algorithm that leverages shopping-baskets and common-item combinations combined with point of sale information. Detego says this allows retailers to provide targeted recommendations with a 6.9% increase in quality, aimed at individual stores, without having to maintain separate models for each location. When combined with the technology to deliver these product recommendations, retailers could see a substantial increase in sales in Brick and Mortar stores, whilst customers will see a more connected and engaging in-store experience, as Detego continues to bridge the gap between online and the physical store.

"Customers who bought this also bought..." is no longer a phrase reserved exclusively for customers of e-commerce platforms. Due to the adoption of RFID-based technologies, such as Detego's Smart Fitting Room, personalised recommendations can also be presented to customers of brick and mortar stores. Moreover, Detego's AI-based recommendation engine is tailored towards the specific requirements of fashion retail stores, such as fast-changing and varying product assortments.' says Matthias Wölbitsch, Detego data scientist.

With Detego now successfully rolling out the Smart Fitting Room application alongside their real-time inventory management software, this latest improvement is another opportunity for retailers to evolve their stores for the future.

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About Detego

Detego, a European retail software provider, was founded in 2011 and is headquartered in London, UK, with offices in Graz, Austria and sales representatives throughout Europe. The company develops and distributes a suite of software products that provide real-time analysis and article transparency which help prevent out-of-stock situations and ensure optimal product availability for fashion retailers. The use of the Detego product portfolio supports the omni-channel and digital strategies of many fashion retailers, enabling them to actively manage stores while providing customers with a consistently good shopping experience across all channels. Detego's software is complimented by managed services and software-as-a-service (SaaS), along with attractive financing models. Detego's customers include international fashion brands, retailers and department stores. Detego is already being used in over 1,500 stores. More information can be found at www.detego.com

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Press contact:
Detego Ltd
10-11 Park Place
London, SW1A 1LP
United Kingdom
Luke Sinclair – Marketing
Tel: +44 (0)203 507 1821
l.sinclair@detego.com