

Report On
Impact of Implementing Generative AI Tool in Luxury Interior
Retail on Customer Satisfaction and Sales Funnel

By
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An internship report submitted to the BRAC Business School in partial fulfillment of the
requirements for the degree of
Master of Business Administration

BRAC Business School
BRAC University
May 2024

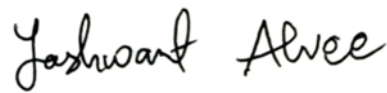
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Declaration

It is hereby declared that

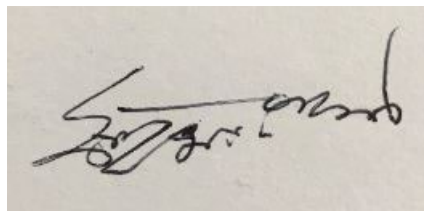
1. The internship report submitted is my/our own original work while completing degree at Brac University.
2. The report does not contain material previously published or written by a third party, except where this is appropriately cited through full and accurate referencing.
3. The report does not contain material which has been accepted, or submitted, for any other degree or diploma at a university or other institution.
4. I/We have acknowledged all main sources of help.

Student's Full Name & Signature:



Yashwant Alvee
22164018

Supervisor's Full Name & Signature:



Mohammad Mohibur Rahman
Assistant Professor, BRAC Business School
BRAC University

Letter of Transmittal

Mohammad Mohibur Rahman

Assistant Professor,

BRAC Business School

BRAC University

Kha 224 Bir Uttam Rafiqul Islam Avenue, Merul Badda, Dhaka-1212

Subject: Letter of Transmittal for Internship Report Submission

Dear Sir,

This is my pleasure to present my internship experience with Shanta Lifestyle in the form of a report on “Impact of Implementing Generative Tool in Luxury Interior Retail on Customer Satisfaction and Sales Funnel” under your supervision for completing the BUS699 course. Generative AI is a new and exciting field and it was very exciting for me to work on an emerging field that has a measurable effect on the luxury interior retail industry, especially in Bangladesh. I am most grateful for your persistent support and guidance during the internship tenure. I have strived hard to ensure the very best of my abilities and resources were deployed to complete the report with relevant datasets and recommended propositions in a significant concise and comprehensive manner as possible.

I trust that the report shall be of immense value and meet the desired results.

Sincerely yours,

Yashwant Alvee

22164018

BRAC Business School

BRAC University

Date: 24th June, 2024

Non-Disclosure Agreement

[This page is for Non-Disclosure Agreement between the Company and The Student]

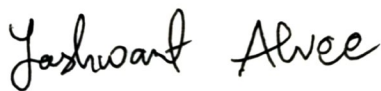
This agreement is made and entered into by and between Shanta Lifestyle Limited and the undersigned student Yashwant Alvee at BRAC University. As I am currently employed at the organization, I have access to the company and confidential information. I agree that I will keep all this information strictly confidential and I will not share it with anyone outside the organization



.....
Md. Aminul Islam

Head of Operations

Shanta Lifestyle Ltd.



.....
Yashwant Alvee

Student ID: 22164018

BRAC Business School

BRAC University

Acknowledgment

At the very beginning of my report, I would like to express my immense gratitude to the Almighty Allah for His Blessing in completing this report. This internship report is a culmination of many individuals' efforts. I am obliged to mention two esteemed individuals who helped me to organize this report with their wise and kind opinions, instructions, suggestions, and persistent support. I would like to avail the opportunity to thank them all through this medium.

First and foremost, I would like to thank my Internship Supervisor Mohammad Mohibur Rahman, Assistant Professor and Co-Supervisor Dr. Nusrat Hafiz, Assistant Professor, BRAC University for their persistent guidance and assistance in the preparation of this report. Their wisdom and significant advice have contributed me plenty in writing this report. I am immensely thankful to them for the support they have provided during my internship tenure.

I would also like to project my heartfelt gratitude to my organizational supervisor at Shanta Lifestyle, Md. Aminul Islam (Head of Operations). He helped me organize the relevant data with sources and regularly reviewed my progress in the preparation of this report.

Their valuable contribution has facilitated the successful completion of this report to a great extent.

Executive Summary

This report investigates the impact of implementing a generative AI tool, Collov AI, in Shanta Lifestyle, a luxury interior retail company in Bangladesh, on customer satisfaction and sales funnel stage conversion. The report details the implementation process, stakeholder involvement, and blockers faced during the AI tool's adoption. The analysis reveals that the AI tool has significantly improved the timeline conversion rate from the contact-to-prospect and prospect-to-lead stages of the sales funnel, with a 53% and 45% increase respectively, as it enables prospective clients to visualize their desired interior designs promptly. However, tying the AI's impact directly to revenue numbers was tricky since the tool can't yet incorporate Shanta's proprietary product lines into the renderings. To take fuller advantage, the report recommends upgrading to a package that allows for this. It also suggests adding the AI tool to Shanta's website so clients can use it directly. The report recommends subscribing to an upgraded package allowing the AI to render Shanta's products and embedding the tool on the company's website for external client usage.

Keywords: Generative AI; Luxury Interior Retail; Customer Satisfaction; Sales Funnel; Tech Adoption; Bangladesh.

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List of Acronyms

AI	Artificial Intelligence
CRM	Customer Relationship Management
ERP	Enterprise Relationship Management
SKU	Stock Keeping Unit
B2B	Business to Business
Q4	Quarter 4
Q1	Quarter 1
LC	Letter of Credit

Chapter 1

Introduction

1.1 Origin of the Report

I have worked as a Digital Business Analyst at Shanta Lifestyle since December 2022 under the Operations Department. As a partial requirement for the Master of Business Administration degree from BRAC University, I had to submit an internship report from a credible organization. As I already have a full-time job with Shanta Lifestyle, upon discussion with my supervisor I decided to work on an interesting topic titled “Impact of Implementing Generative AI Tool in Luxury Interior Retail on Customer Satisfaction and Sales Funnel”. I am immensely grateful to my academic supervisor Mohammad Mohibur Rahman, Assistant Professor, at BRAC Business School for helping me take on a new and emerging field for my internship project. Collov AI, a generative ai tool was subscribed to help the sales advisors instantly help clients to visualize their home décor solutions. The main purpose of this report is to investigate how adopting and implementing AI software in a luxury interior retail business like Shanta Lifestyle impacts its customer satisfaction and sales funnel conversion rate. I have worked for four months contemplating the implementation process, and tech adoption across the organization and measured the post-deployment dataset to understand the impact the software had on customer satisfaction and sales deal closing. Hence this report includes the implementation and functional process of the software, the stakeholders involved, and the blockers faced during the internship tenure.

1.2 Objective of the Report

The primary objective of this report is to measure the impact of Generative AI tool implementation on customer satisfaction and sales funnel stage conversions, optimizing the operational process.

The secondary objectives for the preparation of the report are specified as:

- Understanding Generative AI in the context of Luxury Interior Retail
- Understanding the implementation process of the AI tool and Stakeholder involvement
- Identification of major blockers during AI tool usage
- Contemplation on the holistic impact of the Generative AI tool deployment

1.3 Scope of the Report

The report is based on the usage of Collov AI, an AI tool purchased by Shanta Lifestyle on subscription and operated under the Operations Department. Its main users are the Interior Retail Sales Advisors from Shanta Lifestyle who use the tool to provide quick retail design experience to their prospective clientele. This report explores the tool usage and how the AI tool helps to enhance the customer experience. Its working methodology, training documents and use cases are thoroughly discussed in the report.

1.4 Methodology

Methodology refers to the systematic approach and specific steps followed to solve a problem or conduct research. It involves various components like phases, tasks, methods, techniques, and tools used in an organized manner. The methodology also describes how data from different sources is gathered and organized to complete a study.

For this report, explanatory research was carried out to gain deeper insights into the data loss prevention (DLP) process. Both firsthand (primary) and preexisting (secondary) data collection methods were utilized. Information was obtained from direct job experiences, as I occupied a key role in the Operations department as a Digital Business Analyst with access to necessary data for the study. Additionally, relevant information about the AI tool was compiled from the product dashboard, Organizational CRM, and Google Forms. To ensure data security and organizational compliance throughout the research, data minimization practices were followed, collecting only relevant information. Anonymization techniques were applied to any sensitive data, and access controls restricted data to authorized personnel. Formal requests were submitted for data access from relevant sources, and informed consent was secured from key stakeholders involved in the working process. Key Stakeholders involved in the process were always consulted. Subsequently, the collected data was analyzed and presented as information to draw necessary conclusions.

1.5 Research Questions

The research questions addressed in this report are:

- What is Collov AI and what is its organizational usage?
- What roles do the key stakeholders play in the process?
- What are the blockers for deploying and using a Generative AI tool like Collov in an interior retail company?
- How does Collov AI impact the company, its internal customers, and external customers?

1.6 Problem Statement

In Shanta Lifestyle, sales advisors and interior designers work hand in hand to design home décor solutions for customers. A big-ticket sale comprises different rooms with a diverse range of products like lighting, indoor furniture, outdoor furniture, closets, kitchen cabinets, tiles, and sanitary. The deal-closing timeline is long and requires persistent nurturing. During this process, identifying the right client is a tough call for any organization and its resources. Also, an interior designer takes at least 3 working days to create moodboard for the client which churns out a lot of prospects who look for quick solution offerings. Luxury retail clients rank topmost in adhering to the visual experience of what they seek and for them, monetary value comes second if anything captivates them in the first place. To solve these issues, the Management decided to test and deploy a Generative AI tool. Generative AI is a new technological medium worldwide, especially in an emerging economy like Bangladesh. The interior retail experience in Bangladesh is still traditional with minimal digital touchpoints towards a final purchase decision making. The Generative AI tool deployed named Collov had to be customized to serve the Bangladesh Market as per the company's business use case and this process faced some blockers on its way to finding the correct product market fit. Also, technological adoption in Bangladesh is low compared to many emerging economies hence changing employee usage behavior requires repeated training to ensure the appropriate usage of the tool.

1.7 Limitations of the Report

Despite the best efforts to produce a thorough and organized report on the Generative AI tool usage impact, there were some limitations faced as stated below:

- The company does not disclose information, making it challenging to gather data.
- Generative AI is a new and emerging field. Its use case is very niche and still being tested. Its direct impact on sales deal closing was difficult to correlate with financial numbers.
- The timeline to test the hypothesis is only four months. From a statistical point of view, larger timeframes could provide stronger data correlation for the case study.

Chapter 2

Organization Part

2.1 Organizational Background

Shanta Lifestyle was established in 2022 to meet the growing demand for luxury and exclusive interior design and home decor products among Bangladeshi consumers. With Shanta's expanding presence in the real estate industry, the company recognized the perfect opportunity to provide customers with access to the highest quality international brands for selecting their preferred interior products to build their dream homes. Through strategic partnerships with award-winning global brands like Molteni & C, Cattelan Italia, and Natuzzi for home furniture, Armani-DADA for kitchen solutions, DelightFull for lighting, Lutron for home automation, and the renowned Lixil Group for bathroom solutions, Shanta Lifestyle is committed to fulfilling the increasingly sophisticated interior design needs of its customers.

The company's vision is to develop collaborative partnerships and help meet the various design requirements of clients, enriching their lifestyles. Shanta Lifestyle's mission is to become the primary destination of choice for leading local architects, interior designers, homeowners, and commercial proprietors by offering a portfolio of world-renowned brands, unique solutions, and unparalleled customer service. With its focus on providing exclusive global brands and personalized interior solutions, Shanta Lifestyle aims to cater to the luxury home decor segment in Bangladesh, leveraging its parent company's expertise in the real estate domain.

Shanta Lifestyle is part of Shanta Holdings, a renowned corporate house in Bangladesh with industry-leading establishments across multiple sectors including Real Estate, Healthcare, Education, Banking & Financial Services, Insurance, Food & Beverage, and Luxury Retail. Shanta Holdings has an extensive portfolio of the country's most distinctive and selective developments, upholding an excellent reputation in the market. Through its enviable global

partnerships, Shanta provides clients exclusive access to truly world-class products and services in Bangladesh. Shanta Holdings prides itself on "setting standards" in Real Estate and beyond.

2.2 Company Vision & Mission

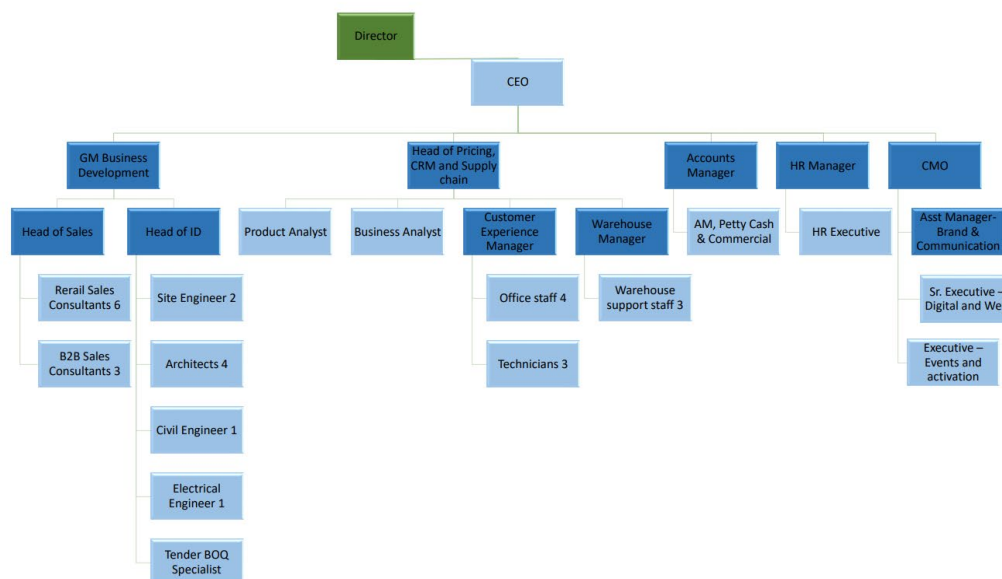
Vision: “Bringing Luxury to Your Home from Around the Globe”

Shanta Lifestyle is committed to fulfilling the increasingly sophisticated interior design needs of customers with its multi-brand showroom, located right in the heart of the city.

Mission:

As a lifestyle brand, Shanta Lifestyle strives to earn the respect and trust of its customers by giving them access to the lifestyle they crave. Their organizational aim is to constantly anticipate what the target customers want to achieve and tailor their brand to the experiences they crave, along with the people, things, and ideas that inspire them.

2.3 Organizational Layout



The organizational layout is presented as a hierarchical structure.

Here's a breakdown of the layout:

At the top of the hierarchy is the Chief Executive Officer (CEO).

Directly under the CEO, there are four main branches:

1. Finance & Accounts
2. Operations
3. Business Development
4. HR
5. Marketing

Each of these main branches has its sub-divisions:

1. Finance & Accounts

- Procurement
- FP&A

2. Operations:

- Supply Chain
- Customer Experience
- Marketing
- Logistics
- Inventory

3. Business Development:

- This is further divided into two main categories:

a) B2B Tribe:

- Government Squad

- Corporate Squad
- Kale Squad

b) Retail Tribe:

- Real Estate Development Squad
- Villa Squad
- Renovation Squad
- Consumer Sales Squad

4. Marketing

5. Human Resource

2.4 Management Practices

The organization's adoption of the Tribe and Squad model takes a lean approach toward a more participative or democratic leadership style rather than autocratic. This model typically empowers teams and encourages collaboration, which aligns with participative leadership approaches. It has helped the company to attain:

- **Flexibility:** The Tribe and Squad model allows for quick adaptation to market changes, potentially helping the company to stay competitive in the luxury retail market.
- **Innovation:** Empowered teams may be more likely to generate creative solutions for client needs.
- **Employee Engagement:** Participative leadership often leads to higher employee satisfaction and retention, which could be crucial in maintaining expertise in luxury interior design.

- **Customer Focus:** Autonomous squads may be better positioned to respond quickly to customer needs, aligning with Shanta Lifestyle's mission to be the primary destination for luxury interior solutions.

Marketing strategy:

The company focuses on a premium marketing strategy, positioning itself as a luxury interior retail brand. They leverage partnerships with renowned global brands to appeal to high-end consumers in Bangladesh.

Target customers, targeting and positioning strategy -

- **Target customers:** High-income individuals, architects, interior designers, homeowners, and commercial proprietors seeking luxury interior solutions.
- **Positioning:** Shanta Lifestyle positions itself as the primary destination for leading local architects, interior designers, and high-end consumers, offering a portfolio of world-renowned brands and unique solutions.

Marketing channels:

- **Experience Center:** A physical showroom for product demonstrations
- **Website:** Planned integration of Collov AI for customer interaction
- **Social media pages** (LinkedIn, META Channels)
- **Experiential events**
- **WhatsApp Business Channel:** Used for client communication

Advertising and promotion strategies:

- Use of AI-generated visuals to showcase potential designs
- Experiential marketing through their Experience Center
- Digital marketing through their website and planned AI integration
- Personalized communication via WhatsApp Business Channel

Finance and Operations Department data and processes were not accessible and subject to sharing due to organizational policies and maintaining confidentiality.

Chapter 3

Generative AI for Luxury Interior Retail

3.1 What is Generative AI

Generative AI refers to artificial intelligence systems that can generate new content, such as text, images, audio, or code, based on the training data they have ingested. These systems use machine learning models, particularly deep learning techniques like neural networks, to understand patterns in the training data and then generate novel outputs that resemble the data they were trained on. Examples of Generative AI are shared below:

- Text generation models like GPT-3 that can produce human-like text on almost any topic.
- Image generation models like DALL-E that can create realistic images from text descriptions.
- Audio generation models that can synthesize human-like speech or create music.
- Code generation models that can assist in writing software programs.

In the furniture and luxury interior retail industry, generative AI can be utilized in several powerful ways. AI models trained on existing furniture designs can generate new product concepts or variations, aiding designers in rapidly exploring creative ideas and providing visualizations to help customers envision how pieces would look in their spaces. For interior design, AI can analyze a customer's space, preferences, and current decor to automatically generate complete design plans and ultra-realistic 3D renderings, streamlining the process for retailers. By leveraging customer data, purchase histories, and style preferences, generative AI enables highly personalized furniture and decor recommendations tailored to each individual's taste. Combined with 3D modeling, AI can create ultra-realistic digital showrooms where

customers can visualize products in a virtual space before purchase, as well as enable virtual try-on experiences for configuring furniture layouts. Additionally, language models can automate the generation of detailed, on-brand product descriptions, marketing materials, and even catalogs for furniture retailers at scale. While an emerging technology, generative AI holds immense potential to augment design capabilities, elevate customer experiences, and automate numerous manual tasks within the luxury furniture retail space.

3.2 Collov AI

Shanta Lifestyle is one of its kind in the luxury interior retail industry in Bangladesh. The company stands out because of its unique proposition as it is the only one-stop interior solution retail business in Bangladesh – comprising seven different industries’ product offerings ranging from indoor furniture, outdoor furniture, lighting, kitchen cabinets, tiles, sanitary ware, and home automation solutions. Its revenue stream comes from retail purchases and interior design home décor consultancy.

The Customer Lifecycle of Shanta Lifestyle is stated below:

- The client journey begins as a contact, either through Experience Center Walk-In or referral action.
- **When a client has shown interest in products or services, the Sales Advisor enlists the client as a prospect in the organizational CRM.**
- During the prospect stage, two scenarios occur: either the client makes an immediate purchase from the existing stock or the client wants to envision how products from Shanta Lifestyle would look in their homes, keeping in mind the aerial and product dimensions.

- The second scenario, as stated earlier in the problem statement, requires the collaboration of an interior designer who creates mood boards for the client. Once the moodboard and price quotation are sent, the client is enlisted as a lead. After multiple improvisations, the negotiation may close, to being enlisted as a deal in the CRM.
- For creating a moodboard in the prospect stage, it requires at least 3 working days for completion as interior designers already have multiple projects in their hands.
- During this stage, many prospects churn out either due to a lack of interest to wait or find a more budget-friendly solution. **1 out of 3 clients churn out during the timeline the interior designer sends the mood board to the client via the sales advisor.**

Our Management took notice of this problem and during this timeline, Generative AI was on the rise with the release of Dall-E, ChatGPT, Midjourney, etc. They sought a Generative AI software that would fit the organization's use case.

The figure below illustrates the customer relationship management of Shanta Lifestyle:

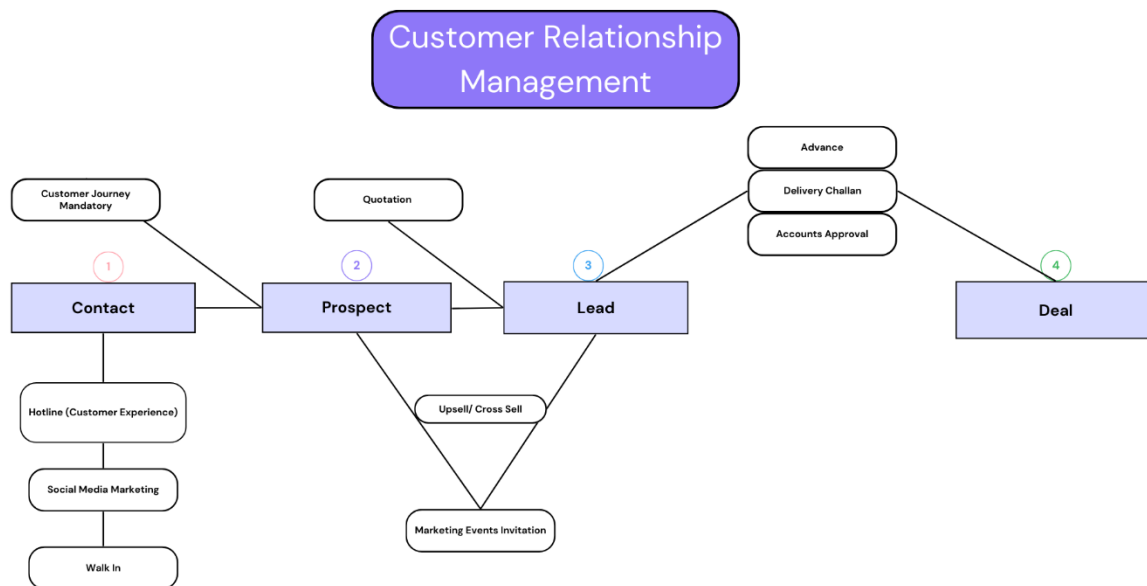


Figure 1: Customer Relationship Management

The company never subscribed to Software as a Service model before for any software purchase and the tech adoption rate was very low. The IT department of the parent company took software procurement decisions. **Collov.ai** is an online interior design platform striving to make the interior décor process easy, affordable, and personal with the customer's life as its main source of creative inspiration. With their online platform, clients can discover their style, see the furniture in their space, and transform their home with a custom, shoppable design. The whole idea is to focus on the heart of creating home happiness, without the overwhelming pain points of traditional moodboard design. Founded by a team of four - Xiao Zhang, Kaicheng Zhou, Nicole Wang, and Shi Yan - Collov AI uses AI to bridge the gap between design aspirations and the final product. It's essentially an AI-powered interior design assistant. The key features of Collov AI are:

- Upload a picture of your room and allows you to browse different design aesthetics, from modern to farmhouse to choose a design style, and Collov AI will generate realistic design options for you
- It can replace elements in your existing design, like flooring, paint, furniture, or just a section of the room
- Collov AI can also help you find furniture similar to what's included in the designs it generates

Overall, Collov AI is a tool that can help brainstorm ideas and visualize different design options for an individual's home. After two meetings with their Sales Team, Our CEO decided to enter a monthly subscription-based service agreement with them. I was tasked immediately to work with the tech adoption process, setting up the domain name, and customizing the software as per our business use case.

3.3 Key Internal Stakeholders

I started to plan the implementation process in October 2023, identifying our business use cases keeping the problem statement documented in this report, key internal and external users, and the set launch date for 1st December 2023. The domain name was decided to be **ai.shantalifestyle.com**, branding it as Shanta AI. Our subscription offering had the following features listed below:

- AI DESIGN
- Design Styles
- AI Detection
- Catalog Upload
- Mask Editing

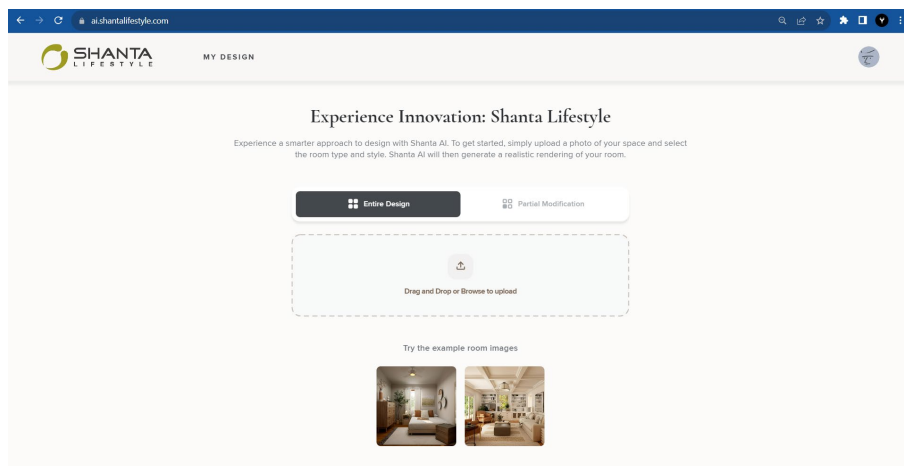
- 4K res Upscale
- CRM & Registration

Our Sales Team was the key internal stakeholder, comprising 5 Sales Advisors, the Head of Sales, and the General Manager.

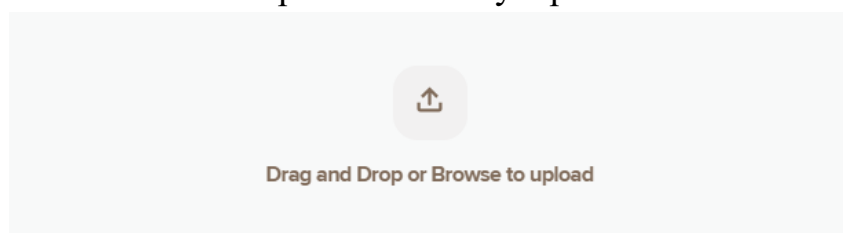
3.4 How the AI Works – User Journey Flow

The user journey was documented and sent to the Sales Team as stated below:

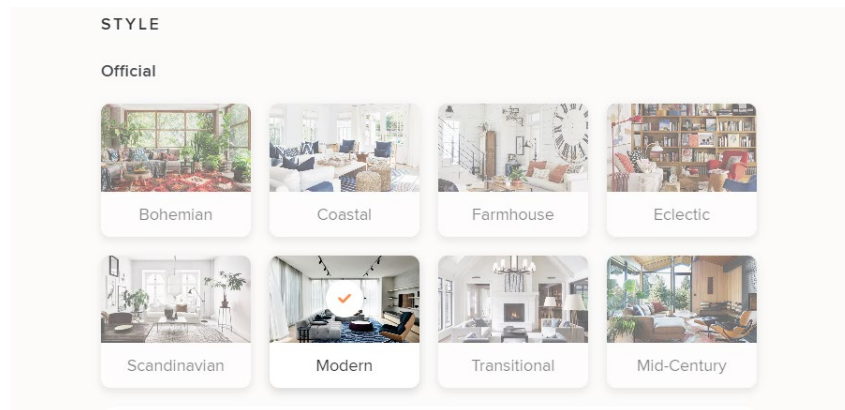
- **Step 1- Go to the AI Website and click on Entire Design Option.**



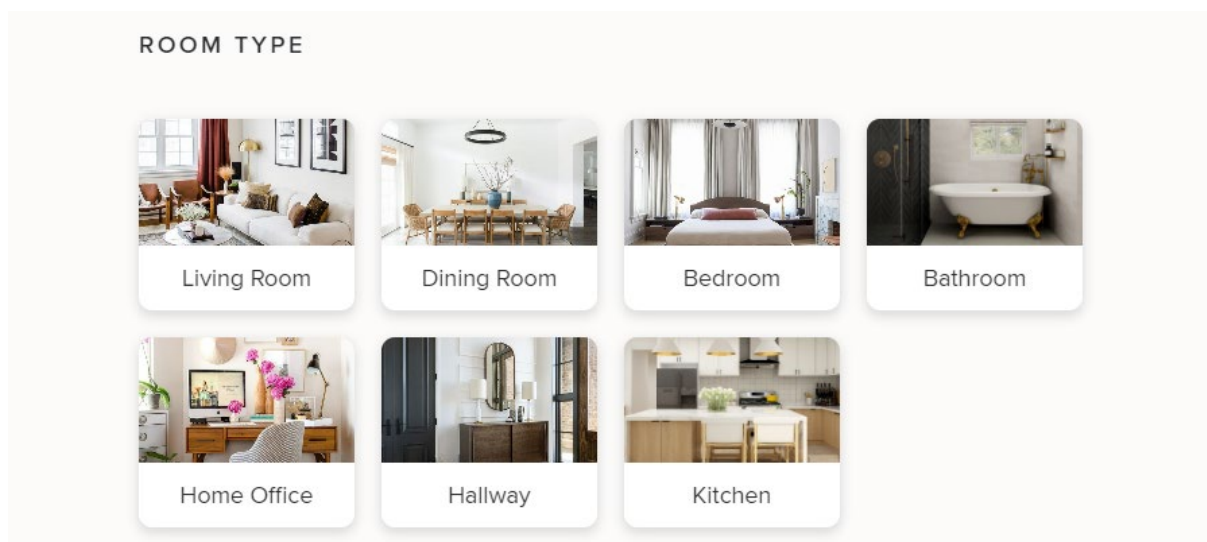
- **Step 2 - Upload your client's house image or space by clicking in Drag or Drop or Browse By Upload:**



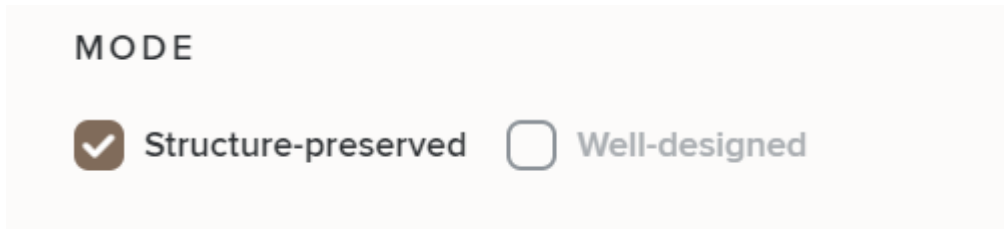
- **Step 3** - Select your preferred style out of the 9 Styles we have:



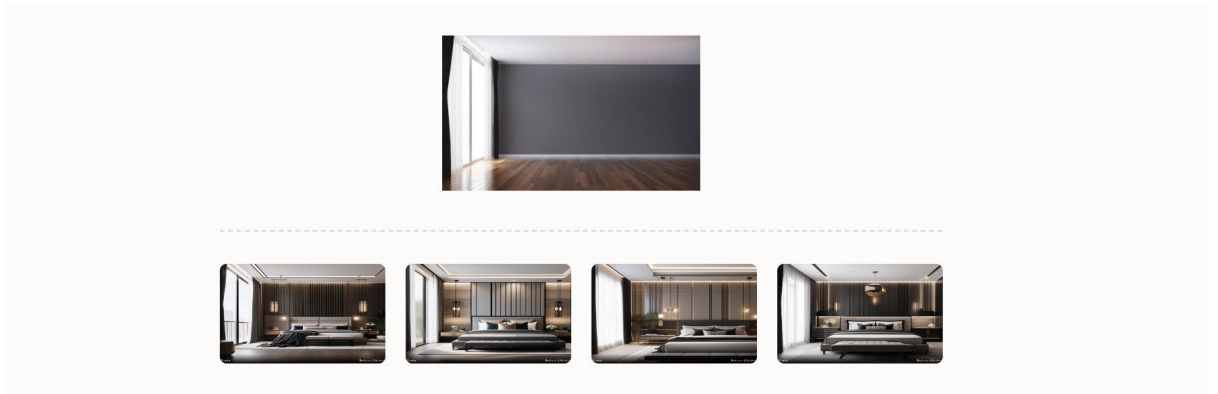
- **Step 4** - Select your client's room type:



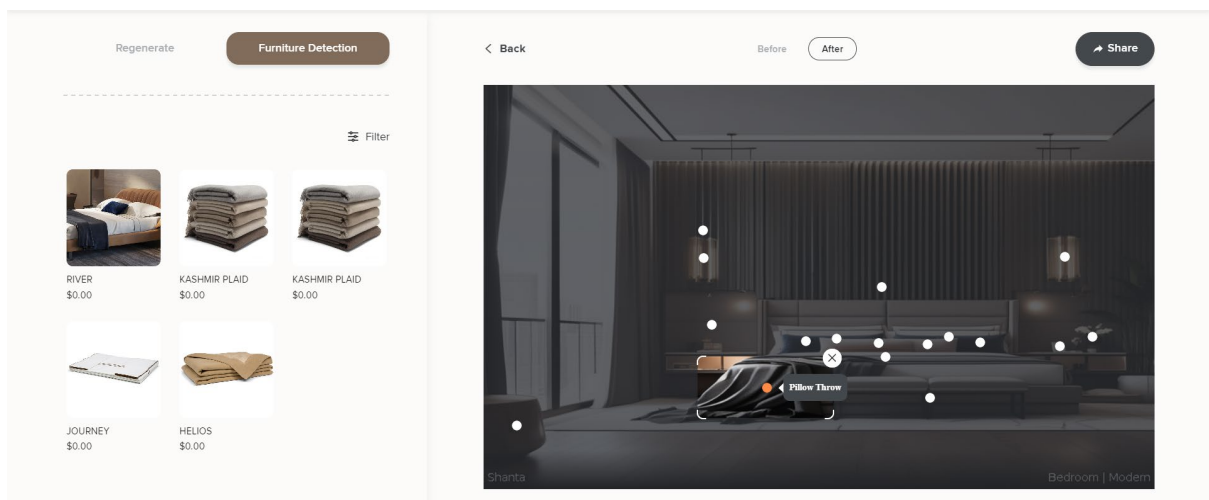
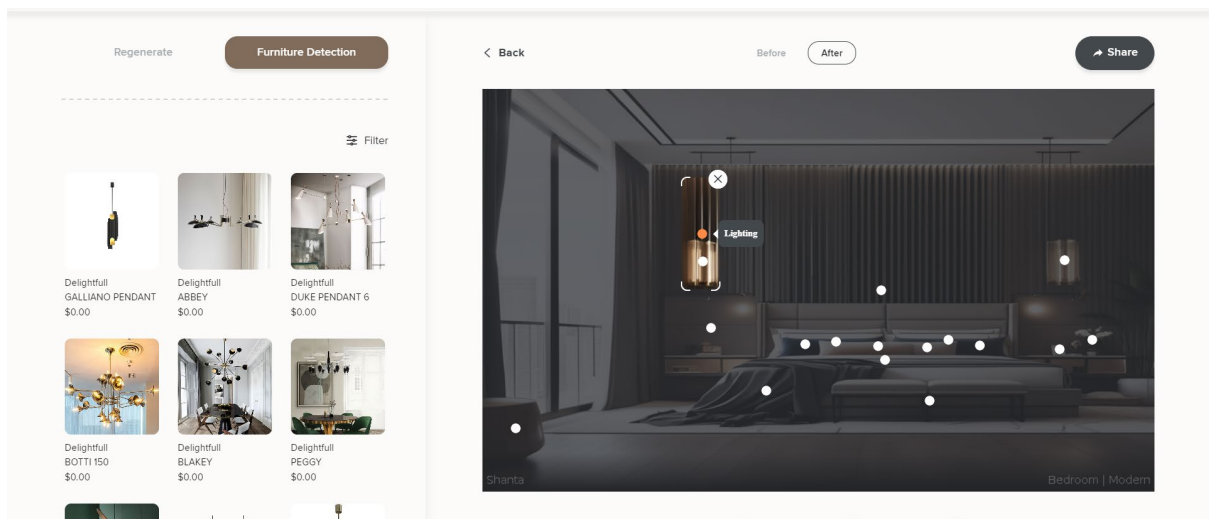
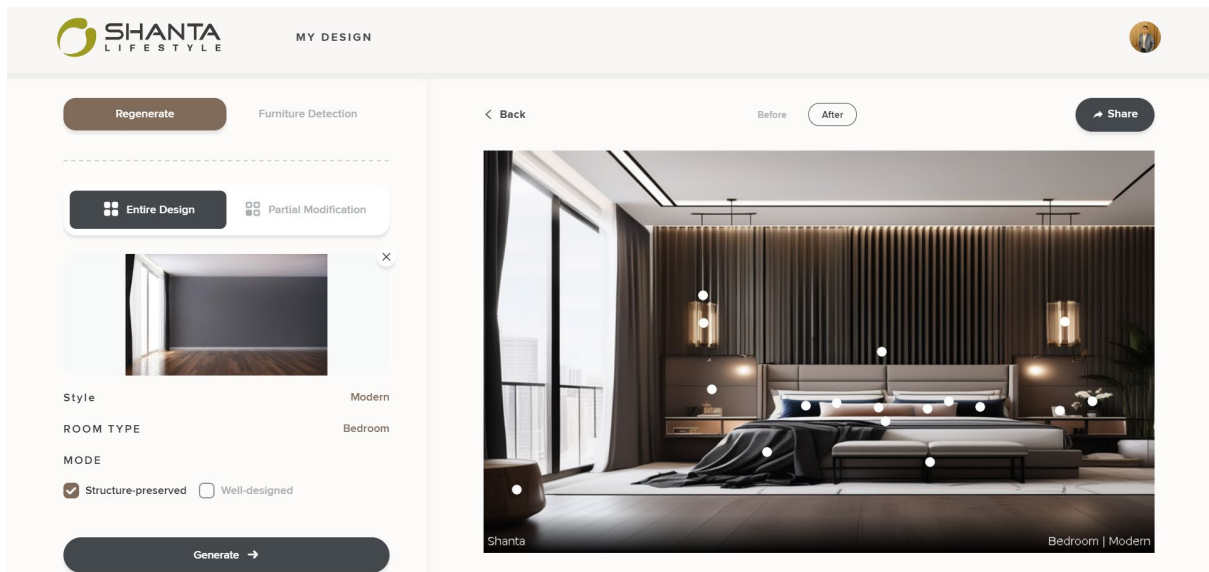
- **Step 5** - Select the **Well-Preserved Mode** to limit AI from deviating from the main structure of your client's space.

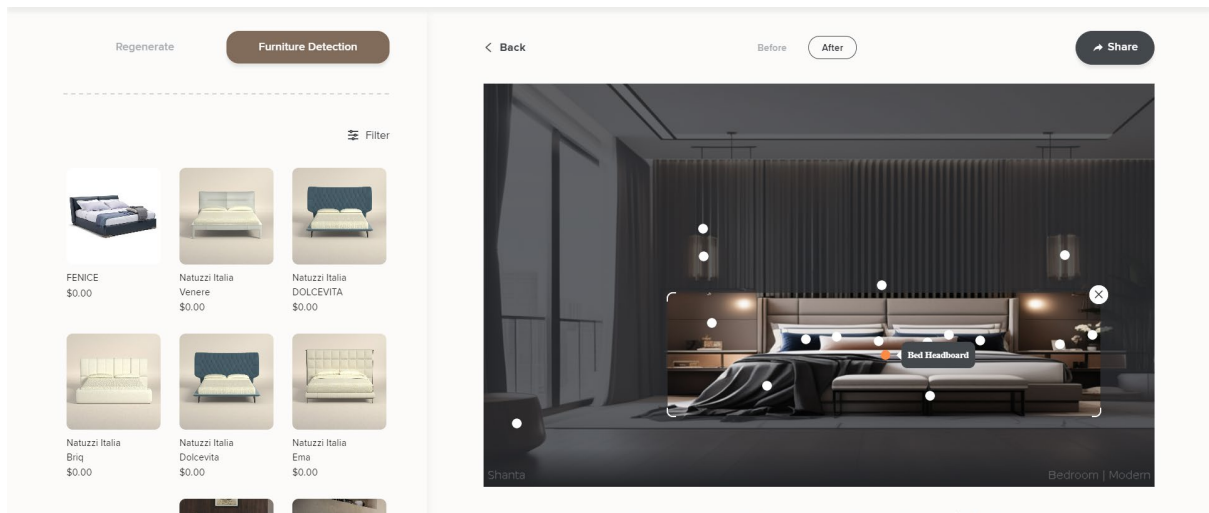


- **Step 6** - Wait for 30 - 45 seconds for 4 Generative AI Images to emerge. Click the closest image resembling your client's space.



- **Step 7** - White dots in our selected image shall emerge. Click on it to review suggestive Brand Products that can be placed in that space.



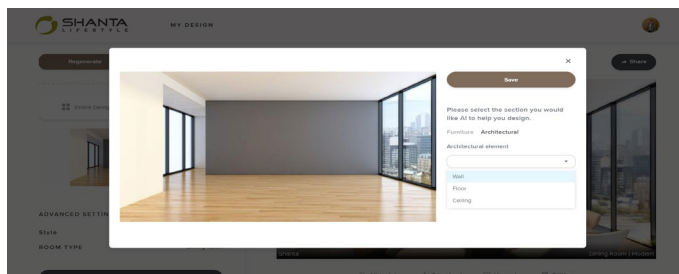


- **Step 8** - Once the white dot suggestions are reviewed, click the upscale option below to enhance the Image Quality generated.
- **Step 9** - Download the Image. This Image shall help you in Moodboard Creation highlighting our product placement area.



Step 10: If you want to rework the image, upload the generated image and start working again through partial modification.

FYI: If you want to preserve intact walls, ceilings, floors, etc. initiate the **Step 1** Process by clicking the Partial Modification Option and clicking on the Modify Mask Option for this emerge.



You only can select one option at a time.

Chapter 4

AI Usage Analysis

The company's AI tool went live on 1st December 2023. We started to track immediate usage data and this report consists of data from December, January, February, and March.

a. Usage Tracking Process

The organization has set two objectives for the AI tool:

- Provide demo to the walk-in clients in the experience center

- Collect clients' home space images and generate quick images catering to their vision
– mainly from contacts and prospects in the Sales Funnel.

Shanta Lifestyle maintains a Google Form for walk-in Clients. It's a quick survey to analyze visitors' feedback on our brands, products, and Experience Center's ambiance, the sales advisors' behavior and client journey, product pricing, and finally whether the AI tool's demo was given to them. Monthly usage data for the sales team was previously sent by Collov's Customer Success Manager. This data was then analyzed to understand the usage patterns of the sales team members.

Collov AI Live Announcement Date: 1st Dec, 2023.						
Data Analyst & Collov Staff Generated Images						21
Total Number of Images Generated in December						76
Average Time for Generation						35 Sec
Post Launch Usage Tracking						
User	Dates Used	Image Generation Count	Walk In Purpose %	Testing Purpose %	Moodboard Purpose %	% Used
Farhaz	7th December, 26th December	2	50%	0%	50%	3%
Rabbir	9th, 10th December	32	100%	0%	0%	42%
Fahad	11th, 18th December	7	100%	0%	0%	9%
Tariq	12th December	8	0%	0%	100%	11%
Shimul	7th, 10th, 18th, 19th, 31st December	6	100%	0%	0%	8%

Figure 2: The Usage Data

It is tracked through an Excel Sheet, which is shared monthly with Department Heads and CEO.

b. Usage Analysis

Total AI Images Generated	482
Average Images Generated Per Person	15

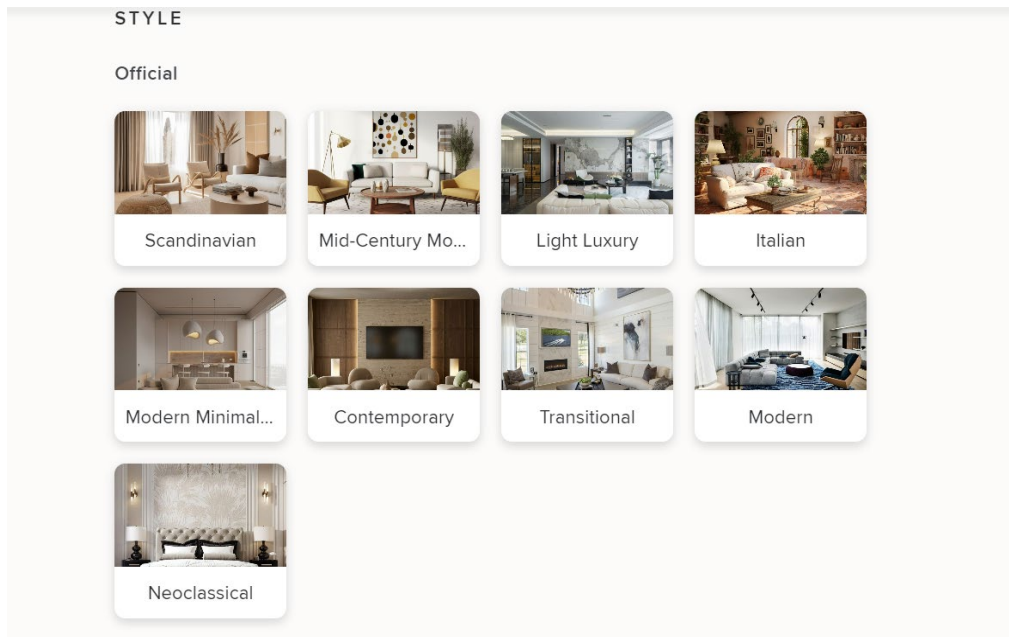


Figure: The Furniture Styles Options to Render

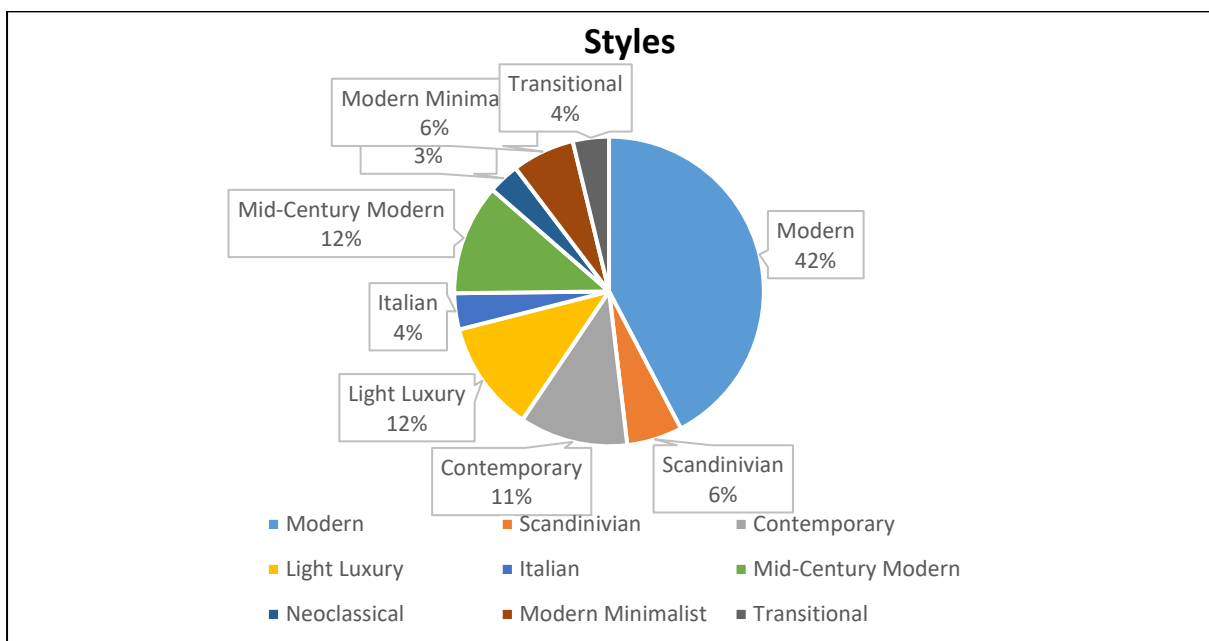


Figure 3 : Pie Chart denotes the style selection pattern in the 4-month dataset

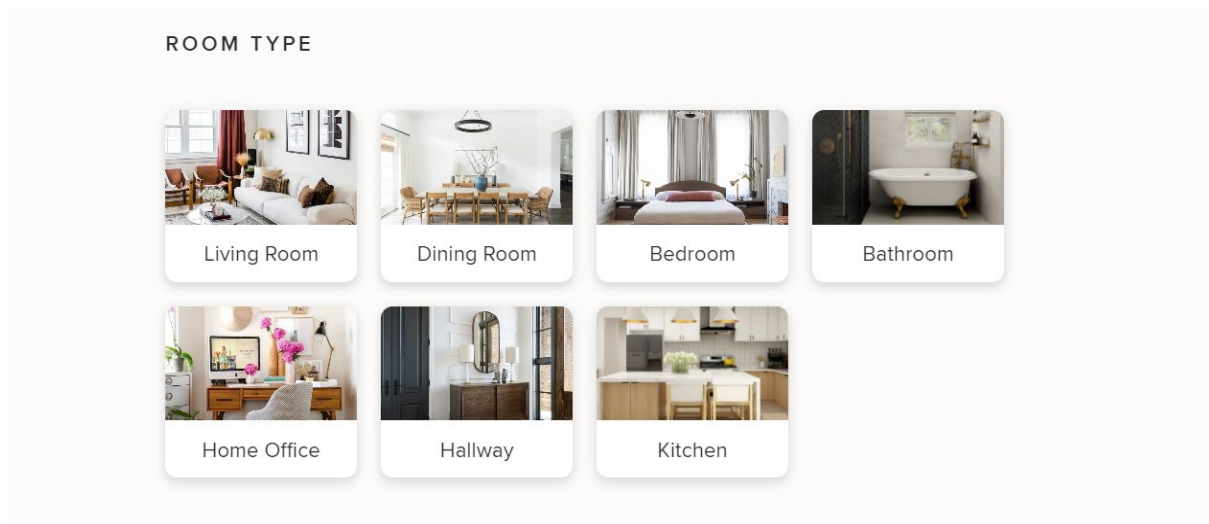


Figure 4: The Room Types Option in the AI Software

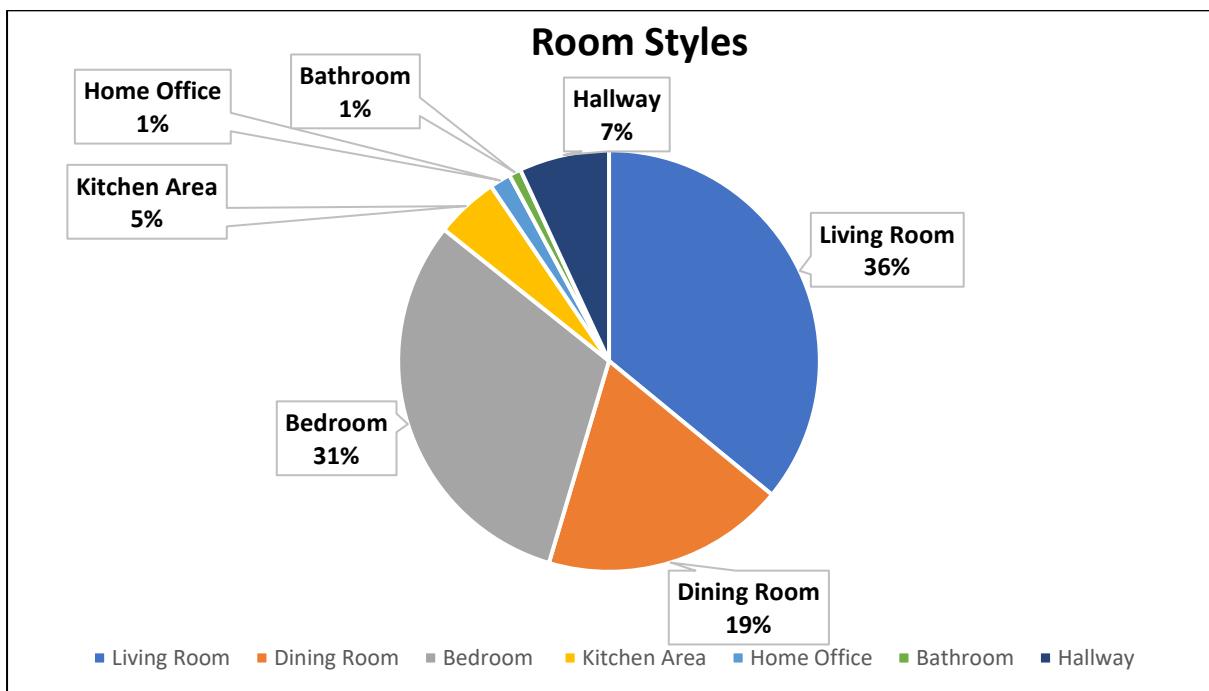


Figure 5: Pie Chart denotes the room selection pattern in the 4-month dataset

In the 4-month dataset, the sales team generated 482 AI Images, and the modern style emerged as the most popular one implemented mostly in the Living Room and Bedroom.

- The Walk-In Demo of Collov AI stood at 67%, meaning nearly 7 out of 10 prospective clients received the AI Demo.
- The Sales Team asked for the client's home space image and generated images at 48%, ensuring that nearly 1 out of 2 contacts and prospects in the Sales Funnel received prompt-generated images, helping them to envision what they sought.

Chapter 5

Blockers in the Tech Adoption and Usage

The journey towards embracing AI faces roadblocks in an emerging economy like Bangladesh at nearly every turn. The digital divide looms large, with a significant portion of the working population still unskilled in using basic software like Excel. This creates a fundamental obstacle – they can't even explore the possibilities that AI is offering in developed economies.

A similar situation occurred when we had to design a training program for the Sales Team. Six meetings were scheduled before the launch to familiarize the sales team with the product. These meetings focused on equipping the team with the knowledge and skills to generate AI images for various sales scenarios.

5.1 Key Internal Stakeholders

The business development team is divided into the Tribe and Squad models. This framework aligns with the company's mission to drive growth and excellence in the coming days. The Tribe and Squad model is an organizational structure inspired by successful companies in the global arena, designed to break down silos and empower teams to work more autonomously and collaboratively. It is based on the following key principles:

- **Tribes:** Tribes are groups of employees with similar expertise, skills, or focus areas. Each Tribe has a clear mission and a leader who will be responsible for aligning the Tribe's efforts with the company's overall goals.
- **Squads:** Squads are small, cross-functional teams within a Tribe. They will have a high degree of autonomy and ownership over specific projects or initiatives. Squad members will work closely together to achieve their objectives.
- **Chapters:** Chapters are groups of employees with similar roles or skills across different Squads and Tribes. Chapters provide a platform for knowledge sharing, skill development, and best practices. Chapters can easily be ascertained from the 1st slide of the organogram.

The Tribe and Squad model empowers Squads through autonomy, fostering innovation; aligns Tribes and Squads around a shared mission for seamless collaboration, breaking down departmental barriers; and leverages the agility of smaller teams for faster decision-making, allowing you to adapt to market changes and better serve customer needs.

5.2 Major Pain Point

Collov AI is widely successful across the North American Market for its renovation-based product market fit. However, for the company, most of its big-ticket sales occur in empty apartment spaces where the prospective client tries to envision how their newly furnished apartment would look like a luxury interior décor. To find a product use case fit, Collov AI's customer success team helped us to make a use case video optimizing the partial modification option. This helped us to mitigate the blockers faced in the product adoption.

Chapter 6

Impact on Customer Satisfaction and Sales Funnel

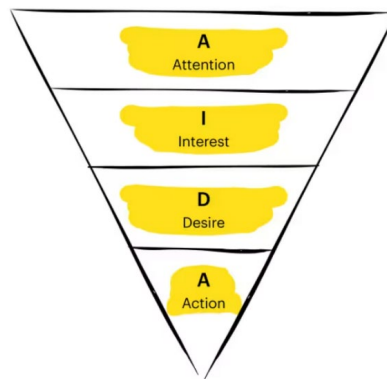
The sales numbers were documented in the organizational ERP. The ERP is a suite of open-source business apps that cover various company needs such as CRM, eCommerce, accounting, inventory, point of sale, project management, and more. It is a Belgian suite of business management software tools that include customer relationship management, e-commerce, billing, accounting, manufacturing, warehouse, and project management. The company uses the Customer Relationship Management tool and Inventory Management tool.

6.1 Measuring Impact on Marketing & Sales Funnel Conversion

One of our main targets while launching Collov AI for Shanta Lifestyle was to decrease the sales funnel stage conversions for contact and prospect stages. Recently luxury sales for interior products have taken long timelines for both stock and customized products in Bangladesh, due to supply chain constraints and Letter of Credit Crisis. Hence once the deal is closed after 50% advance payment, the delivery timeline usually takes 2 working days for Stock Products and on average 5 months for customized products.

Shanta Lifestyle also adheres to a marketing funnel that comprises a series of stages to guide contacts and prospects through their respective customer journey. The funnel helps marketing teams plan and measure efforts to attract, engage, and convert prospects through various marketing mediums like social media pages, websites and experiential events. In addition to that medium, Collov AI came as a great visual experience tool.

The AIDA Model



Shanta Lifestyle follows an AIDA Model which stands for:

- Awareness
- Interest
- Desire
- Action

We can easily simplify the funnel into a three-stage model:

- **Top of the funnel (TOFU):** awareness stage
- **Middle of the funnel (MOFU):** consideration stage
- **Bottom of the funnel (BOFU):** conversion stage

Collov AI acts as a medium in the top of the funnel (TOFU) and middle of the funnel (MOFU) where prospects become aware of Shanta Lifestyle's brand proposition and home décor solution provider by instantly creating visuals of furniture in their own space and engage with it. They might not know a lot about our product or service yet the tool promotes brand awareness. By using this tool, they have also engaged with our brand in a meaningful way. For example, the toy purchasing process is easier as it is not space-bound, same for cars. However, products like furniture need to space bound visualized, and also touch and feel is very important.

To compare, we took data from the **Quarter 4 Sales Funnel Stage Conversion Average Timeline** of Quarter 4 2023 and compared it with **Quarter 1 2024**. The Sales Funnel Stage Movements/ Conversions on average occurred in days. September, October, and November were months where Collov wasn't launched. In December, a soft launch took place. From January 2024, Collov AI went full live.

Figure 6: Quarter 4, 2023

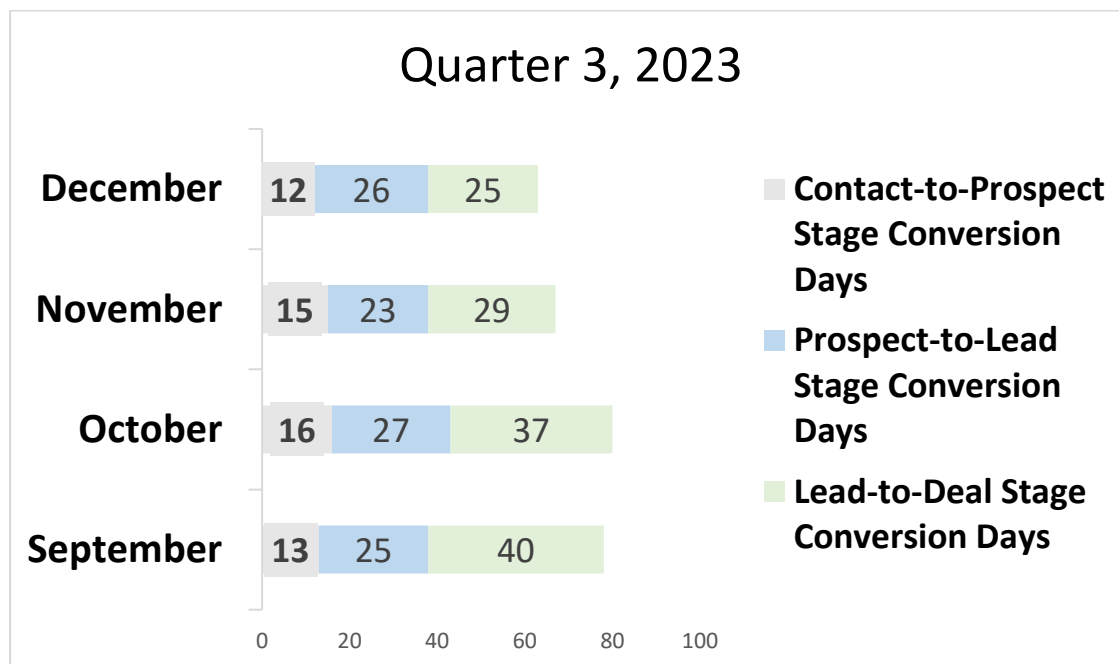
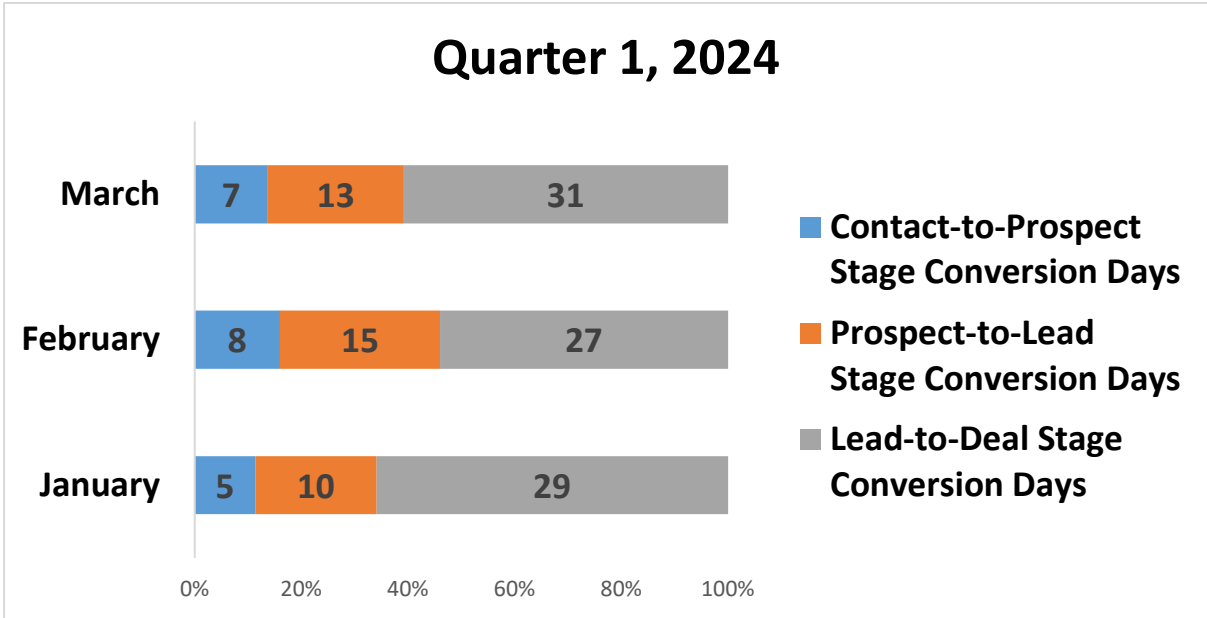


Figure 7: Quarter 1, 2024 Average Days to Conversion



It is observed that the **contact-to-prospect stage conversion timeline has become quicker by 53% while the prospect-to-lead stage also become quicker by 45%** due to prompt generated images by AI which interior designers usually take significant time. **The AI-generated images have been stated by clients to help them more informative decision making towards their ideal purchase choices.**

Figure 8: AI-generated image for empty house of the client. The Sales Advisor collects images from the client through the WhatsApp Business Channel and applies the Full Modification Option and Partial Modification Option. After that, the sales advisor reverts to the client.

Shanta AI for Interior Designing : Full Modification

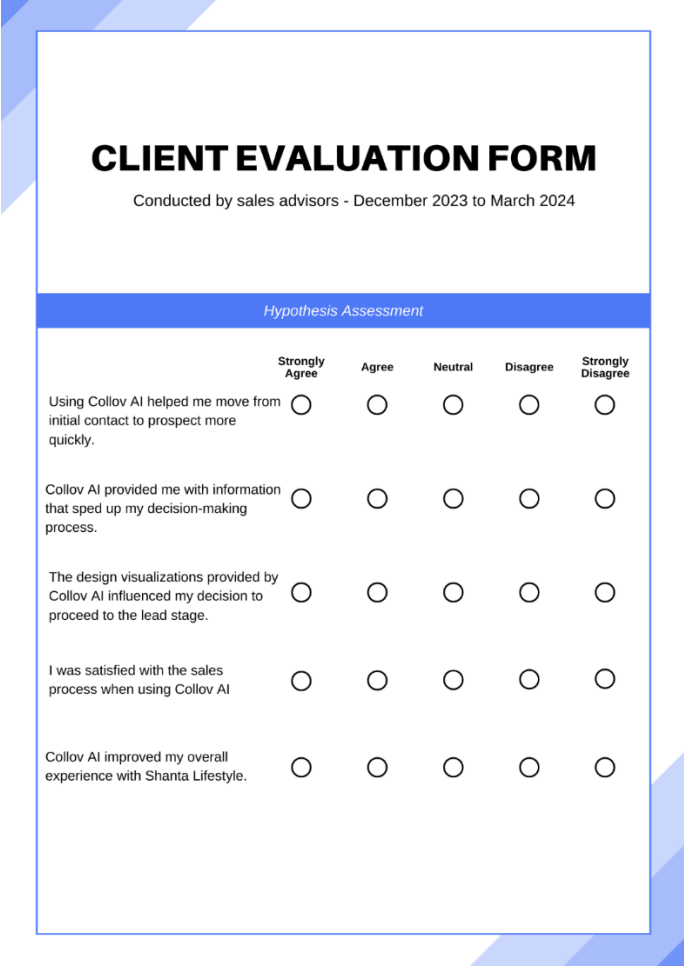


Shanta AI for Interior Designing: Partial Modification



6.2 Measuring revenue impact

In the Sales Funnel, it has been identified that Generative AI has a direct impact in quickly converting from **contact to prospect, and prospect to lead stages**. To assess the direct revenue impact of the Collov AI tool, a client evaluation form survey was conducted by the sales team on the closed deals during the evaluation period of December 2023 to March 2024 through email, telephone call, and WhatsApp medium. The names remained anonymous to ensure privacy of the high-end clients. Out of the total 37 deals won by the company, the usage of Collov AI across the customer journey was examined:



The image shows a 'CLIENT EVALUATION FORM' for Collov AI. The form is titled 'CLIENT EVALUATION FORM' and includes a subtitle 'Conducted by sales advisors - December 2023 to March 2024'. It features a 'Hypothesis Assessment' section with five statements and a five-point Likert scale (Strongly Agree, Agree, Neutral, Disagree, Strongly Disagree) for each statement. The statements are: 'Using Collov AI helped me move from initial contact to prospect more quickly.', 'Collov AI provided me with information that sped up my decision-making process.', 'The design visualizations provided by Collov AI influenced my decision to proceed to the lead stage.', 'I was satisfied with the sales process when using Collov AI', and 'Collov AI improved my overall experience with Shanta Lifestyle.'

	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
Using Collov AI helped me move from initial contact to prospect more quickly.	☐	☐	☐	☐	☐
Collov AI provided me with information that sped up my decision-making process.	☐	☐	☐	☐	☐
The design visualizations provided by Collov AI influenced my decision to proceed to the lead stage.	☐	☐	☐	☐	☐
I was satisfied with the sales process when using Collov AI	☐	☐	☐	☐	☐
Collov AI improved my overall experience with Shanta Lifestyle.	☐	☐	☐	☐	☐

- **14 customers used Collov AI throughout the sales process.**
- **13 customers used Collov AI during the initial prospect stage.**
- **9 customers made direct purchases without using Collov AI.**

While it is challenging to establish a direct correlation between Collov AI and revenue figures due to the tool's limitations in generating Shanta Lifestyle's proprietary product images, the usage data suggests that Collov AI played a role in nurturing and converting prospects for a considerable portion of the closed deals.

For the 14 customers who utilized Collov AI throughout the sales journey, the tool enabled a seamless visualization experience, allowing them to explore design concepts aligned with their preferences. This likely contributed to a more informed decision-making process and increased confidence in their purchases.

Additionally, the 13 customers who used Collov AI during the prospect stage benefited from an enhanced initial experience, potentially influencing their decision to progress further in the sales funnel and eventually convert into closed deals.

However, it is important to note that the revenue impact cannot be solely attributed to Collov AI, as other factors such as product quality, sales team efforts, and overall customer experience also played a significant role in the final purchase decisions.

Moving forward, Shanta Lifestyle plans to incorporate its proprietary product images into the Collov AI platform, enabling more accurate visualizations and potentially enhancing the tool's effectiveness in driving revenue growth.

Chapter 7

Recommendation

In April, an operations department meeting with key stakeholders identified a limitation in the Generative AI tool's capabilities. Specifically, the tool was unable to render products from Shanta Lifestyle.

Subscribe to Collov AI's Upgraded Package: To fully leverage the capabilities of the generative AI tool, Shanta Lifestyle decided to subscribe to Collov AI's upgraded package. This package allows for the integration of the company's proprietary product SKUs into AI-generated images, enabling more accurate visualizations and enhancing the tool's effectiveness in driving revenue growth.

Embed Collov AI on Shanta Lifestyle's Website: To provide a seamless experience for customers, The company has also decided to embed the Collov AI tool on its website. This approach would allow clients to directly generate AI images catering to their needs, without the need for sharing their home decor spatial areas with the sales team initially. By enabling self-service image generation, clients may feel more comfortable exploring design options at their convenience.

Chapter 8

Conclusion

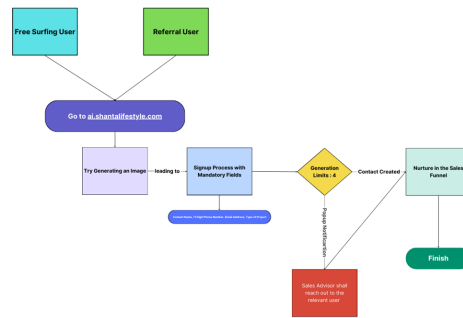
The implementation of Collov AI, a generative AI tool, has demonstrated a positive impact on the company's customer satisfaction and sales funnel conversion rates. The analysis reveals a significant improvement in the conversion timeline from the contact-to-prospect and prospect-to-lead stages, with a 53% and 45% reduction in time, respectively. This can be attributed to the tool's ability to instantly generate visualizations of potential interior designs, enabling prospective clients to make more informed decisions and progress through the sales funnel more efficiently.

However, to further enhance the tool's capabilities and potential revenue impact, the company has subscribed to Collov AI's upgraded package, which allows for the integration of the company's proprietary product lines into the AI-generated images. This feature would provide clients with a more accurate representation of how the products would look in their spaces, potentially increasing confidence in their purchase decisions.

Additionally, embedding the Collov AI tool on the company's website would enable clients to generate AI images directly, catering to their needs without the initial requirement of sharing their home decor spatial areas with the sales team. This self-service approach could further improve the customer experience and potentially lead to increased adoption and usage of the tool.

By addressing these recommendations, the luxury retail experience can fully leverage the potential of generative AI technology, enhancing customer satisfaction, streamlining the sales process, and potentially driving revenue growth in the luxury interior retail market.

Figure 9: Plan for External Usage



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- [1] Sentance, R., & Sentance, R. (2024, April 26). Luxury and generative AI: is innovation worth the risks? Econsultancy. <https://econsultancy.com/luxury-generative-ai-innovation-risk/>
- [2] Berthiaume, D. (2024, May 9). Adore Me enhances customization with generative AI. Chain Store Age. <https://chainstoreage.com/adore-me-enhances-customization-generative-ai>
- [3] David, E. (2024, February 6). Ikea's AI assistant gives design inspiration — at least it tries to. The Verge. <https://www.theverge.com/2024/2/6/24063626/ikea-ai-assistant-gpt-chatbot-home-design>
- [4] Can home retailers make AI work for them? (n.d.). Business of Home. <https://businessofhome.com/articles/can-home-retailers-make-ai-work-for-them>

Appendix A.

User	Dates Used	Image Generation Count	Walk In Purpose %	Testing Purpose %	Moodboard Purpose %	% Used
Person 1	7th December, 26th December	2	50%	0%	50%	3%
Person 2	9th, 10th December	32	100%	0%	0%	42%
Person 3	11th, 18th December	7	100%	0%	0%	9%
Person 4	12th December	8	0%	0%	100%	11%
Person 5	7th, 10th, 18th, 19th, 31st December	6	100%	0%	0%	8%

Table: Usage Data for December 2023

User	Dates Used	Image Generation Count	Walk In Purpose %	Testing Purpose %	Moodboard Purpose %	% Usage Share
Person 1	4th, 20th, 22nd January	7	25%		75%	8.54%
Person 2	2nd,3rd, 4th,22nd January	16	20%		80%	19.51%
Person 3	10th, 21st, 27th January	10	0%		100%	12.19%
Person 4	1st, 4th, 8th, 11th,29th, 30th January	19	75%		25%	23.17%
Person 5	4th January	5	0%		100%	6.09%
Person 6	15th, 31st January	5	100%			6.09%
Person 7	1st, 17th January	20			100%	24.40%

Table: Usage Data for January 2024

User	Dates Used	Image Generation Count	Walk In Purpose %	Moodboard Purpose %	Testing Purpose %	% Usage Share
Person 1	27th	4	100			
Person 2	5th,7th, 14th,27th	17			100	
Person 3	1st,4th,7th,13th,27th	10	50		50	
Person 4	4th,7th,8th,13th,27th,29th	10	100			
Person 5	12th,17th,27th	3	100			

Table: Usage Data for February 2024

User	Dates Used	Image Generation Count	Walk In Purpose %	Moodboard Purpose %	Prospect Testing Purpose %	% Usage Share
Person 1	5th,9th	4	100%			8%
Person 2		17			100%	26%
Person 3		18			100%	32%
Person 4	4th,6th and 19th	21	29%		71%	34%

Table: Usage Data for March 2024

