

How Shopify, eBay, and Etsy use AI to strengthen seller relationships, customer experience

Article

The initial wave of excitement over generative AI is fading, leaving many retailers asking, “Now what?” But three online marketplaces are implementing AI to strengthen seller

relationships and enhance the customer experience across their platforms.

Shopify's seller's market: In April, Shopify rolled out **Shopify Magic**, AI-enabled technology designed to save merchants time while setting up their storefronts. At first, the tool could only **generate product descriptions**, but Shopify has expanded its capabilities to include the generation of blog posts, email subject lines, and headings for online stores.

- **Shopify has introduced Sidekick**, an AI-enabled commerce assistant that can help small business owners start and scale their businesses.
- “With Sidekick ... you can analyze sales and you can ideate on store design or you can even give instructions on how to run promotions,” said Harley Finkelstein, president of Shopify, in a recent earnings call.

By embedding AI across the entire Shopify product, merchants will be able to be able to build and scale their businesses more quickly and efficiently, said Finkelstein.

“By integrating AI directly into Shopify, we are providing businesses with the most modern tools that will enable them to make data-driven decisions, optimize their operations, and ultimately achieve greater success from first sale to full scale in today’s competitive market,” he said.

eBay talks shop: eBay is also using generative AI to help sellers generate product descriptions. With **Magical Listing**, sellers can choose to have detailed product information instantly populated based on a product’s title, category, or features. In its next iteration, Magical Listing will also let users upload a product photo and then generate the title, category, description, and item specifics from that photo, according to Jamie Iannone, CEO of eBay.

“The advent of generative AI has sparked an explosion of creativity at eBay among our product and engineering teams who have conceptualized new and innovative shopping experiences that can be rapidly deployed onto the site,” he said in a recent earnings call, citing two new AI-driven features launched within the eBay Motors app.

- Shop by Upgrade uses generative AI to help customers discover the most relevant fitment-enabled (or vehicle-compatible) upgrade options, personalized based on a specific user’s preferences.

- Engine code lookup offers specific parts and accessories available on eBay that can address the root of hard-to-decipher error codes.

Etsy's search party: Etsy, meanwhile, is using AI and machine learning to make its marketplace more organized, curated, and reliable.

- To make its search results more relevant, Etsy has integrated multiple search engine technologies to incorporate relational (interactions between buyers, listings, and shops) and semantic (the understanding of what is being searched for even if customers don't know how to describe it) data as well as the actual text of what is being searched.
- It also used machine learning to more than double the scale of its Best of Etsy library, which is curated by merchandisers based on an item's visual appeal, uniqueness, and apparent craftsmanship, according to Josh Silverman, CEO of Etsy, at a recent earnings call.
- Machine learning has also helped Etsy detect listings that violate its handmade policy, removing 29% more in H1 2023 than H2 2022.

Historically, Etsy's machine learning models were created by a team of specialized data scientists and could take up to four months to develop, from cleaning and organizing the data to training and testing.

To speed up the process and democratize the technology, Etsy began an initiative about a year ago to make it so that "virtually any Etsy engineer can deploy their own machine learning models in a matter of days instead of months," said Silverman.

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