

Pinterest CEO on using Al to make shopping a more curated, joyful experience

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As AI has evolved over the past few years, Pinterest has leaned heavily into the tech to create a more curated, relevant user experience.

 "Previously you could post a picture of a person, but Pinterest didn't know why you posted it," said Bill Ready, CEO of Pinterest at a recent press event. "Now, people can post a picture of



Beyonce and the platform will recognize the user is interested in Beyonce's black boots, and those can be paired with this skirt or this top."

- The evolution of large language models (LLMs) has also helped increase search relevancy, said Ready.
- "95% of searches on our platform are unbranded," he said. "So that means people are coming to the platform looking for something like 'super cool running shoes.' And we can serve them recommendations based on that."

Ready likens this experience to visiting a small boutique shop. "You walk in, you don't know what you're looking for, but they'll walk you through everything you need."

Ultimately, Pinterest aims to combine the efficiency of ecommerce with the fun of shopping in real life.

"The last 25 years of ecommerce solved for buying but it killed shopping," said Ready. "The part of the shopping journey that hasn't yet been digitized is the non-utilitarian part browsing, walking down the aisles, having a loose idea of what you want and being inspired."

From print to purchase: Another way Pinterest is blending physical and digital shopping is through its recent partnership with Real Simple.

- The magazine's Best & Brightest issue will be its first shoppable issue, with each section featuring QR codes that link to corresponding Pinterest boards where users can instantly buy featured items.
- The issue highlights over 120 items that have been tested by Real Simple editors, from kitchenware and home decor to beauty and pet products.

This complements Pinterest's strategy to build out the platform's <u>lower-funnel</u> capabilities, including ad formats like direct links—which take users to an advertiser's product page in just one click—and shopping ads.

- Pinterest has always been a place users go to for shopping inspiration, said Ready, but for a long time, the journey ended there.
- "The biggest user complaint on Pinterest for years was 'I found all these great things, but I can't buy them," he said.

Because users are already on Pinterest looking for recommendations, they're more likely to pay attention to and click on ads.

- Pinterest has more than doubled the number of clicks sent to advertisers year-on-year.
- "Users don't like ads when it disrupts a show or video," said Ready. "But when they're looking for what to wear to Coachella, and they get an ad with a great recommendation, they'll click to buy it. They don't care that an advertiser paid to be there."
- The "leaned-in" mentality of users is what will help Pinterest grow its ad revenues 17.2% to reach \$2.66 billion this year, per our forecast.



