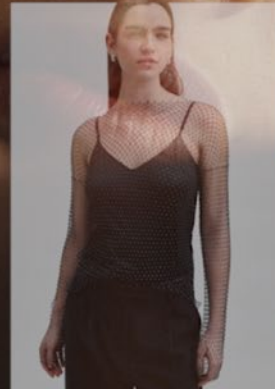




Here are some outfits for you:



## White Paper

# The Future of E-Commerce, Powered by Generative AI

By Sophie Soar and  
Annabel Bolton

April 2025

This white paper breaks down how the next generation technology is set to revolutionise the e-commerce value chain, from creative output through to customer experience, and examines the preparatory work and the legal and ethical frameworks required.

In partnership with

**zalando**

[businessoffashion.com](https://businessoffashion.com)

---

# Executive Summary

Generative artificial intelligence, or gen AI, has the potential to transform all corners of the e-commerce value chain, reinventing online customer experience and a retailer's capabilities in reaching the end-consumer.

With the increase of content and products available to consumers online, 74 percent of customers report walking away from e-commerce purchases due to the volume of choice, according to *The Business of Fashion* and management consultancy McKinsey & Company's The State of Fashion 2025 report. In tackling this challenge, 50 percent of fashion executives surveyed for The State of Fashion identified product discovery as the key use case for gen AI in 2025.

With its purpose of leveraging large data sets to generate new content across text, images, music and videos, gen AI can innovate customer interfaces like the search bar, virtual assistants and size-and-fit tools. It can also optimise product imagery, campaigns and item descriptions. In fact, McKinsey estimates that gen AI could add as much as \$275 billion to the operating profits of the fashion and luxury sectors in the next three to five years.

"Generative AI is pivotal because it allows [us] to completely reinvent the interaction with consumers," says Alexander Sukharevsky, senior partner at McKinsey and managing partner of QuantumBlack, AI by McKinsey.

However, the fashion industry's adoption of said technology has been slow: when McKinsey surveyed more than 50 global retail executives last year, while the majority confirmed they are piloting and scaling gen AI broadly, such as large language models (LLMs) like ChatGPT, only two executives said they had successfully implemented gen AI in their organisations. Meanwhile, a June 2024 survey by Bain & Company found that only 36 percent of executives from across 200 companies globally said their organisation has a definitive roadmap for AI deployments.

With gen AI's potential poised to transform the e-commerce value chain and reshape the fashion industry, this white paper explores how online retailers can embed this technology – from the customer experience and the creative output to the preparatory work needed and the legal and ethical frameworks required.

This paper is specifically focused on B2C applications of generative versus predictive AI, to distinguish the examples and insights given.

"Generative AI opens completely new doors for us as an industry," says Tian Su, vice president of personalisation and recommendation at Zalando. "Predictive AI can analyse data and make forecasts about future outcomes. It's already commonly used in our industry, such as for personalisation. Gen AI, however, is designed to create new content based on existing data and knowledge. It has the potential to revolutionise how we interact and engage with customers."

Published in partnership with Zalando, this paper spotlights gen AI use cases from the online retailer, as well as insights from expert consultants, gen AI specialists and retail executives, to offer advice on how to implement this technology to maximise customer value.

## Preliminary Work

# Building the Right Foundations for Gen AI

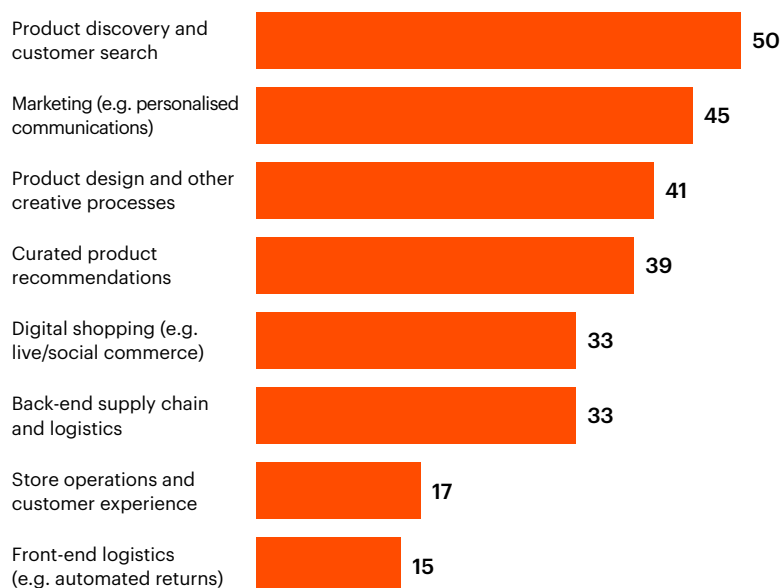


In order to effectively implement gen AI tools across the workplace, the leadership team must buy into and champion its potential. (Getty Images)

Exhibit 1

## Product discovery is the leading use case for generative AI in 2025, as identified by fashion executives

Gen AI use cases with the most potential in 2025, according to fashion executives  
%



Source: BoF-McKinsey State of Fashion 2025 Executive Survey

Before retailers look to implement gen AI tools and solutions across the e-commerce value chain, organisations and business leaders must first carefully evaluate how and where to integrate such tools. They must ensure the workplace and employee base are ready to embrace what will drive substantial organisational change.

Gen AI and other technologies have the potential to automate workplace activities that take up 60 to 70 percent of employees' time, according to estimates from McKinsey. For instance, the design tool Raspberry AI claims to save three to five hours on each design, which the company translates to around three months saved for creatives each year — freeing up substantial amounts of time.

“Gen AI is a great tool and advancement for our industry,” says Tian Su. “However, it needs to be used purposefully, respectfully and responsibly.”

Consequently, executives must effectively socialise the opportunities afforded to companies and their teams, while addressing how these tools can best support the workforce.

## Inform and Engage Employees on the Gen AI Opportunity

In 2025, working professionals are increasingly aware of how smart technologies like gen AI are entering their workplace and daily practices. For example, a 2024 [Deloitte survey](#) of gen AI use in the UK found 7 million people had used gen AI for work — up 66 percent from 4 million the year prior.

## “A technology implemented is only as good as the aptitude of people that can properly understand it and put it to work.”

— JESSICA COUCH, RETAIL TECH EXPERT AND FOUNDER, LOOKS.AI

However, a 2024 [Reuters Institute survey](#) of 12,200+ individuals across the UK, US, Argentina, Denmark, France and Japan found that, while there is widespread awareness of gen AI overall, a sizable minority of the public — between 20 and 30 percent of the online population — had not heard of any of the most popular tools like Open AI’s ChatGPT and Microsoft’s Copilot.

It is critical that employers do not assume that their workforce fully understands what gen AI is, its distinction from predictive AI, the tools available to use, and how it adds value to workflows and systems.

“It is the responsibility of the executives to not only properly educate themselves on fashion technology and how it can be used, but to trickle down that education to their employees,” says Jessica Couch, a retail tech expert and founder of

Looks.AI, an AI-powered peer-to-peer shopping platform. “Sometimes, the technology is implemented and less than 1 percent of people in a department can use it and that is a waste of money. A technology implemented is only as good as the aptitude of people that can properly understand it and put it to work.”

“Tech is going to constantly change fashion, and we can’t just rely on tech people only,” she adds. “We have to have people that know fashion, and that are comfortable with technology.”

Zalando offers knowledge-sharing sessions and hosts company-wide “hackathons,” where internal experts share how to implement new variations of a gen AI tool with their peers. This provides “the opportunity to get exposed to the technology and help teams ground their interest in their own domains,” says Zalando’s Su.

## Ensure Leadership Buy-In

In order to effectively implement gen AI tools across the workplace, the leadership team must buy into and champion its potential.

“You need to set the tone from the top,” says Jan Wittrodt, the director of privacy, AI and technology law at Zalando. “Management board members, senior vice presidents — they need to embrace it to be able to bring this into their teams.”

“If the chairman of the board and the CEO and the management team are not embracing gen AI, it’s never going to work,” adds Sukharevsky. “You shouldn’t even start.”

Once leaders are encouraging change and the use of these tools, Sukharevsky then recommends engaging employees from different departments — “the more creative, the most disruptive, maybe the

most skeptical [employees]” — and asking these employees to think about and share their views on how to reinvent the business.

Leaders must invest in informing, educating and upskilling employees in new technologies, according to the varying degrees of desired expertise, because no single team can be responsible for the implementation and regulation of gen AI. The scope is too large for one team to handle, and each team will have different use-cases for their specific needs.

“As the governance team at Zalando, we have the responsibility to make sure that all our gen AI efforts fit together naturally and make sense,” says Wittrodt. “But if you don’t understand this as a company effort, if you try to source this through one team or through a consultancy, you’re very likely about to fail.”

## Hackathons

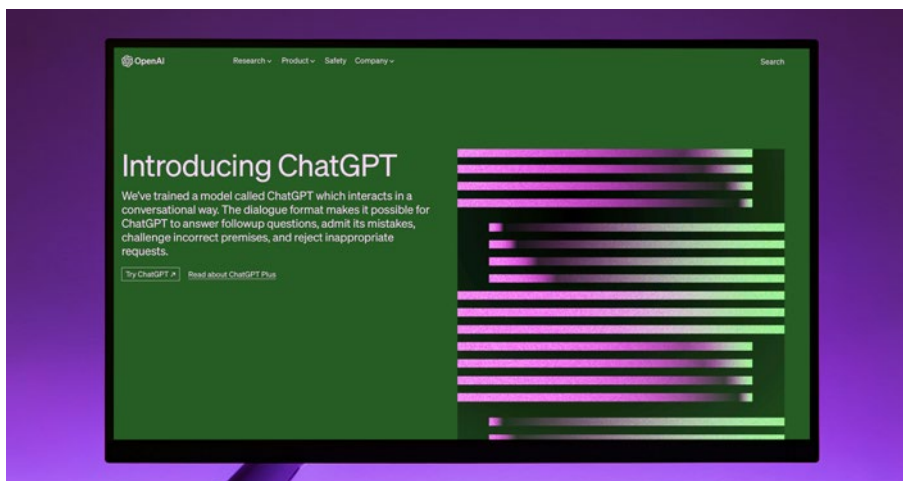
Zalando hosts “hackathons” to introduce employees to new technologies and how to implement them. The hosts of the hackathon — usually internal experts — share their knowledge with participants, who are encouraged to come up with the topics that they deem helpful for their own working domain.

“We help them explore the technology and they do a quick prototyping. Whether they are [able] to actually use it and roll it out to production is a different matter, but this gives them the opportunity to get exposed to the technology and helps them ground their interest in their own domains. So, [they] try to solve a relevant problem with a technology rather than just [starting with the] technology and trying to get a use case from it,” says Su.

## Identify the Pain Points to Solve

McKinsey’s AI Unwrapped 2024 report cites that 70 percent of top-performing digital companies globally cite data as a major obstacle to capturing value from AI.

“Each e-commerce [platform] has a different problem, [...] so your ability to properly identify your problems should come before you even consider any type of technological tool to use,” says Couch. “A proper identification of problems to solve consists of you, in real time, having a deep understanding of where and how data is being housed and where it’s being used, where is it going, which data will help to drive the most conversion.”



In 2024, between 20 and 30 percent of the online population had not heard of any of the most popular gen AI tools like Open AI’s ChatGPT and Microsoft’s Copilot, according to a Reuters Institute survey. (Unsplash)





Organisations and business leaders must ensure the workplace and employee base are ready to embrace a technology that will drive substantial organisational change. (Shutterstock)

Retailers need to locate where consumers need support in the conversion funnel — whether it is around poor search and discovery tools, uninformative product descriptions, or inaccurate size-and-fit recommendations which could result in higher return rates.

“You have to drive innovation with your end customers in mind. What customer problem can you solve with technology?” says Su.

Sukharevsky believes that the “bread and butter” of the fashion industry is to “reinvent certain concepts, visions and human perceptions,” noting: “What I’m not seeing is companies stepping back and saying, ‘Okay, which one of these needs should I ultimately satisfy across the geographies where I operate, especially if I’m a multinational company. How do I really reinvent the full interaction with the consumer, not in the old way, but in a very different way?’”

Only then should companies locate the tool that they can either “build, buy [or] partner” with an existing service provider, according to Sukharevsky.

## Balance Employee and Consumer Needs

While assessing the tools to implement to solve business needs, retailers must

ensure they are also solving the needs of the consumer.

At Zalando, this follows a guiding principle to “put yourself in your customers’ shoes” when looking to develop tools, which starts with a firm knowledge of the customer and their needs across 25 different markets.

One example offered by Couch was non-user-friendly product descriptions. While highly accurate and detailed to offer technical support, these are largely only useful for merchants with the lexicon to understand what “nylon spandex combination with viscose” is, for example. Industry-specific jargon does not necessarily help consumers to make a purchase, who would likely benefit more from a description like, “this product fits like spandex yoga pants,” as Couch suggests. She further explains that it is about translating “how this product relates to me”. Indeed, AI-powered product attribution should be leveraged to reflect the evolving, natural language of consumers.

Sukharevsky adds that human needs “will never change, irrespective of technology. What would change is [which] button your consumer will push to satisfy [their] needs. [...] So the question is, who will be the button to address this need, and [which] generative AI allows you [...] to get the positive unit economics?”

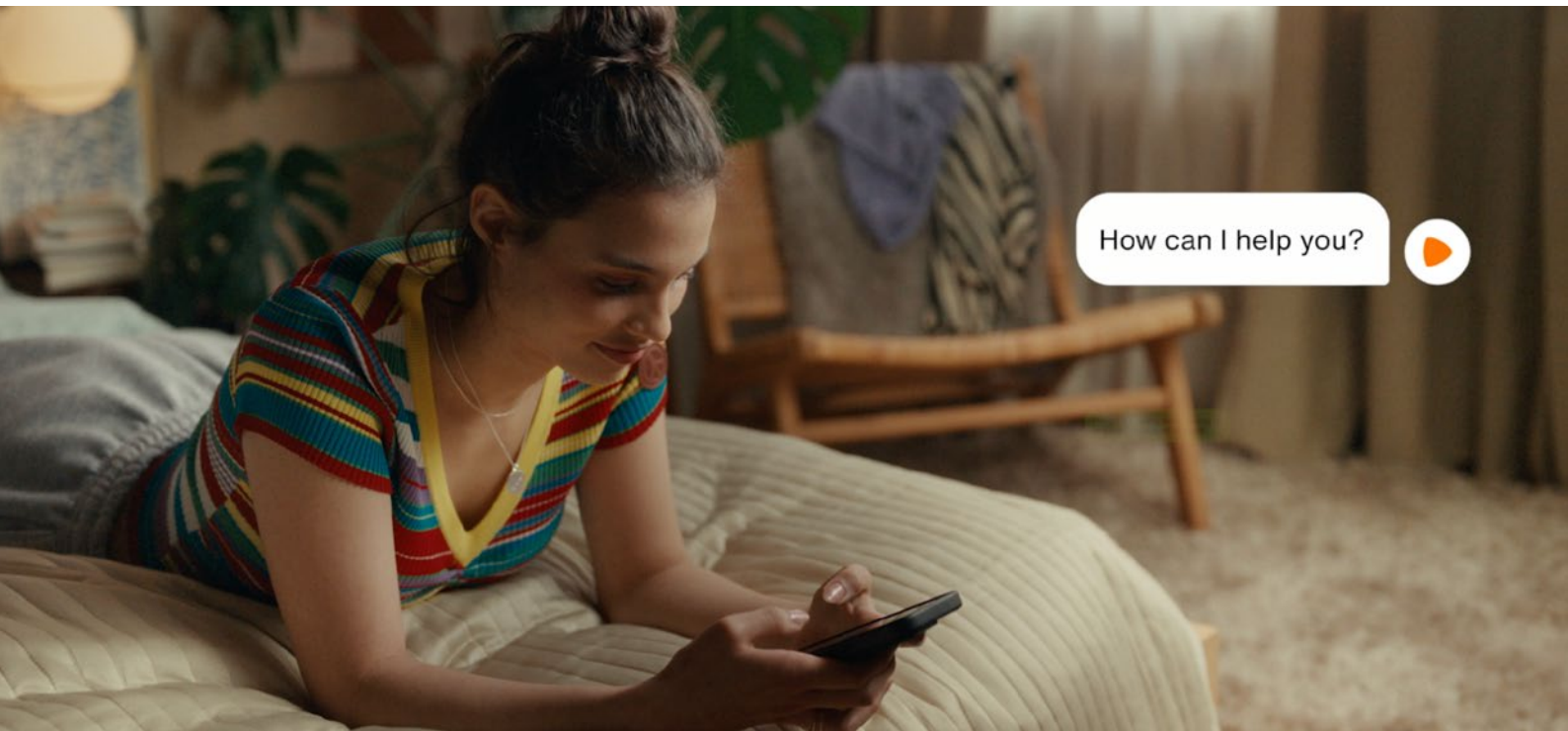
Ultimately, company leaders need to consider how they can foster the right workplace culture and technical support to optimise gen AI’s implementation, which gen AI tools are most applicable for their website’s needs, while appropriately directing and supporting consumers to use them in a way that benefits their shopping journey.

## Guiding Principles

At Zalando, one of the retailer’s guiding principles for all employees is to “put yourself in your customers’ shoes”. This principle is expected in all areas of business — including the development of new tools and technologies.

“Our customer-focused principles help because one of these is to put yourself in your customer’s shoes,” says Wittrodt. “Reflecting on how the customer would actually perceive this [tool] is all part of how Zalando approaches [building] products and experiences — [and how] these different pieces come together.”

# Evolving the Customer Experience and Product Discovery



Eighty-two percent of customers want AI to assist in reducing the time they spend researching what to buy. (Zalando)

Retailers today are jostling for consumers' decreased attention spans, which is fragmented across online behaviours. Technology firm Activate Consulting reports adults in the US spend between 13 to 18+ hours on media each day, with concurrent activities across second or third screens.

With this dilution of individuals' attention and engagement, retailers must increasingly innovate their touchpoints with consumers, particularly online. Fifty percent of fashion executives surveyed for The State of Fashion 2025 report identified the gen AI use case with the most potential in 2025 to be product discovery and customer search.

For consumers, an optimised product discovery function can help their choice paralysis. In fact, 82 percent of customers want AI to assist in reducing the time they spend researching what to buy, according to the same report. The 2024 Reuters Institute survey across the UK, US, Argentina, Denmark, France and Japan found that the public think gen

AI will make shopping better by net +22 percentage points.

For retailers, it can be a key differentiating factor, challenging the need to spend further on customer acquisition, for which costs rose 60 percent for e-commerce from 2017 to 2022, and are only expected to increase further this year.

This section breaks down how e-commerce companies can evolve their customer experience and product discovery to optimise consumer engagement, from hyper-personalised recommendations in the search bar to size-and-fit and virtual assistants.

### Translate Relevant Data Into Hyper-Personalisation

Consumers today are more accustomed than ever to personalised content. Social media platforms like Instagram and TikTok tailor relevant material for users through algorithms, while Netflix is similarly calibrated to offer subscribers

streaming options which match their preferences and taste.

However, in many cases, online shopping offers opportunities for growth when it comes to personalisation. Curated product recommendations are yet to become widespread — with 39 percent of executives surveyed for The State of Fashion report saying this had the most potential for gen AI use cases. The technology can learn from the end-users' search and purchase history, through questions asked to a chatbot, from their navigation around the website.

This all starts with collecting the right data in relevant fields — which consumers are more likely to share when there is a clear value exchange. Back in 2021, Zalando customer research around data privacy showed that customers who understand how their data is used to receive better size recommendations, for example, appreciate the offering more. These customers registered higher trust, which in turn translated into increased loyalty of customers.

“It’s important to understand which data is really needed to solve the customer problem you’re looking at,” says Wittrodt. “Offering customers a trustworthy experience in which they understand how the data they share improves their own experience is key.”

Some start-ups in the space are providing this hyper-personalised experience, such as gen AI-powered social experience start-up ChatLabs, which leverages customer data to identify how the user discovered the site. It combines this with real-time behavioural data to create a bespoke shopping journey where the consumer is shown items via shoppable images, information, advertising and other content, in a style that mimics the likes of Instagram or TikTok. The platform won LVMH’s Innovation Award for data and AI in 2023 and as of September last year was being tested on websites for Tiffany & Co. and Dior.

Sukharevsky adds that the data-driven recommendations can also be applied in-house — when the machine is able to prompt you. For example, gen AI might be prompted to offer recommendations on design ideas based on consumer behaviour on site, to inspire silhouettes or merchandising assortments.

## Spark Consumers’ Imagination

Gen AI-enhanced product recommendations can simplify the sometimes time-consuming path to product discoverability, especially if a customer has only a vague idea of what they are after.

“In traditional e-commerce, it can be very hard for a customer to even figure out where to start. Typically, they have to have a more tangible idea about what exactly to buy to start with [...] and how to find it on the particular e-commerce website,” says Su. “This is why we have launched our conversational interface, Zalando Assistant, which engages customers in a natural way in order to guide them — even when they’re unsure of what they’re looking for — to find exactly what they need on Zalando.”

For example, if a customer asks, “What should I wear for a wedding in Santorini in July?”, Zalando’s assistant is able to understand that this is a formal event, what the weather might be like in Santorini that month, and provide a written explanation with recommendations for clothing based on that input.

Enabling consumers to start their online product search with a broader prompt can leverage existing inventory and spark consumers’ imagination.

“If you wanted to have an idea of how to wear it and what items to wear it with, you’re no longer in the dark and that should be a part of product discovery — it’s really answering a lot of the questions around [...] how I style this in my wardrobe,” says Couch. After all, 60 percent of US consumers say making the right purchase decision requires more effort than it used to, according to Google.

To that end, Zalando developed their “Style It” pilot, which allows customers to choose among a set of avatars and style outfits from a selection of different products. The user can experiment with different item combinations on the avatar, placing the control back in the user’s hands.

“This pilot is about bringing [the customer] into the experience. Having plenty of great pieces in your wardrobe doesn’t guarantee they’ll always work together to create a great outfit, and figuring out the perfect combination can be both tiring and frustrating. With Style It, customers can explore and play and be inspired to understand what they want, what they need, and then make their own decisions,” says Su.

## Optimise the Search Bar Functionality

The search bar remains a critical starting point in the product discovery journey for online retailers — 69 percent of customers go directly to a retailer’s search bar when shopping online. However, 80 percent are dissatisfied with the search experience, as reported in The State of Fashion 2025, suggesting there is a gap between consumer and brand perceptions of the experience.

Deloitte Digital surveyed hundreds of brands last year and found 79 percent describe the search and discovery process on their websites as good or excellent — but only 63 percent of consumers think the same.

This disconnect is exacerbated by the rapid evolution of consumer behaviour online. From seamless omnichannel services to shoppable ads on Netflix shows or TikTok Shop, the path-to-purchase is changing — and improving — dramatically elsewhere.

Customers expect a seamless, one-platform solution. But at present, in traditional e-commerce, there remains a need to research via a search engine first what a dress code might entail and where to buy from before going to the e-commerce platform, which disrupts the user experience — and allows for increased opportunities for distraction, as others vie to capture the consumers’ attention.

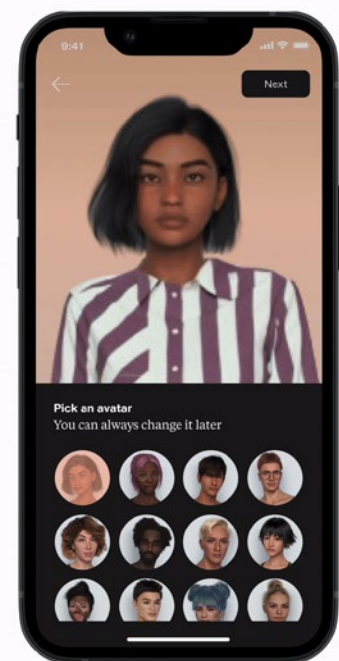
For Su, it’s about making this all happen on the e-commerce platform. “This is something people have been trying to solve for a long time: how to make a smooth, seamless experience in which customers really enjoy the process of discovery,” she says.

Zalando has taken on this challenge through optimising their search bar. The latest version is able to translate keyword searches into image pattern recognition, allowing it to visually spot matching results.

## Style It

The “Style It” tool allows Zalando’s customers to choose an avatar and style out looks from a selection of products. The user can experiment with different item combinations on the avatar.

“To assemble an outfit is actually not easy. You could have great pieces, but when you put them on, it doesn’t mean it becomes a great outfit,” says Su. “We developed a technology based on gen AI where you have an avatar, and then you can swap different pieces on the avatar — tops, bottoms, shoes, and then experiment yourself to see what fits together as an outfit.”



Zalando’s ‘Style It’ pilot features customisable avatars. (Zalando)



“With this capability, you can now enter queries like ‘black dress with dots’ into the search bar and find matching results — even if that specific phrase isn’t present in the product description — because our search engine not only ‘reads’ but also ‘sees’ and understands the underlying semantics,” says Su.

A plethora of start-ups have emerged in the space in response to this consumer behaviour: Constructor, Lily AI, Vantage Discovery and Nosto are all examples of search-as-a-service (SaaS) platforms which integrate gen AI into their systems to improve site search.

What’s more, while a traditional search system can find the right products, it requires labour-intensive product tagging and painstakingly accurate identifiers. AI tools could alternatively be trained to recognise similarities between what one brand might describe as “ecru”, another “beige”, another “wheat”, sidestepping the technicalities of which exact word was used.

## Deploy Conversational Chatbots and Virtual Assistants

Retailers have relied on virtual chatbots for years, to streamline and automate customer service touchpoints and care. However, most chatbots in their current format typically offer an ineffective and

rudimentary Q&A when working with predictive AI, typically regurgitating responses to an FAQ before needing to handover to a human operative. This can hinder the product discovery experience.

For many years, customers were limited to a search bar, a catalogue tree or a set of filters to navigate through extensive catalogues. “In the past, we had to adapt to the machine’s language — using precise keywords, jargon, or even Boolean operators like ‘and’, ‘or’, and ‘not’ to find what we were looking for,” explains Su. “With gen AI, we now have the ability to make machines adapt to the human language.”

Indeed, satisfying human needs will fall to technology recognising the intent of a customer’s message and generating responses to meet their needs — something that the technology is arguably still too nascent to react to yet.

In the meantime, however, retailers are looking to optimise their chatbots and virtual assistants with gen AI to offer consumers a tool that is one step closer to recognising their needs.

“Fashion is something that’s so personal, where you want to express yourself in your own words,” says Wittrodt. “You will never be able to express [yourself] in a search term, in a search bar — but in

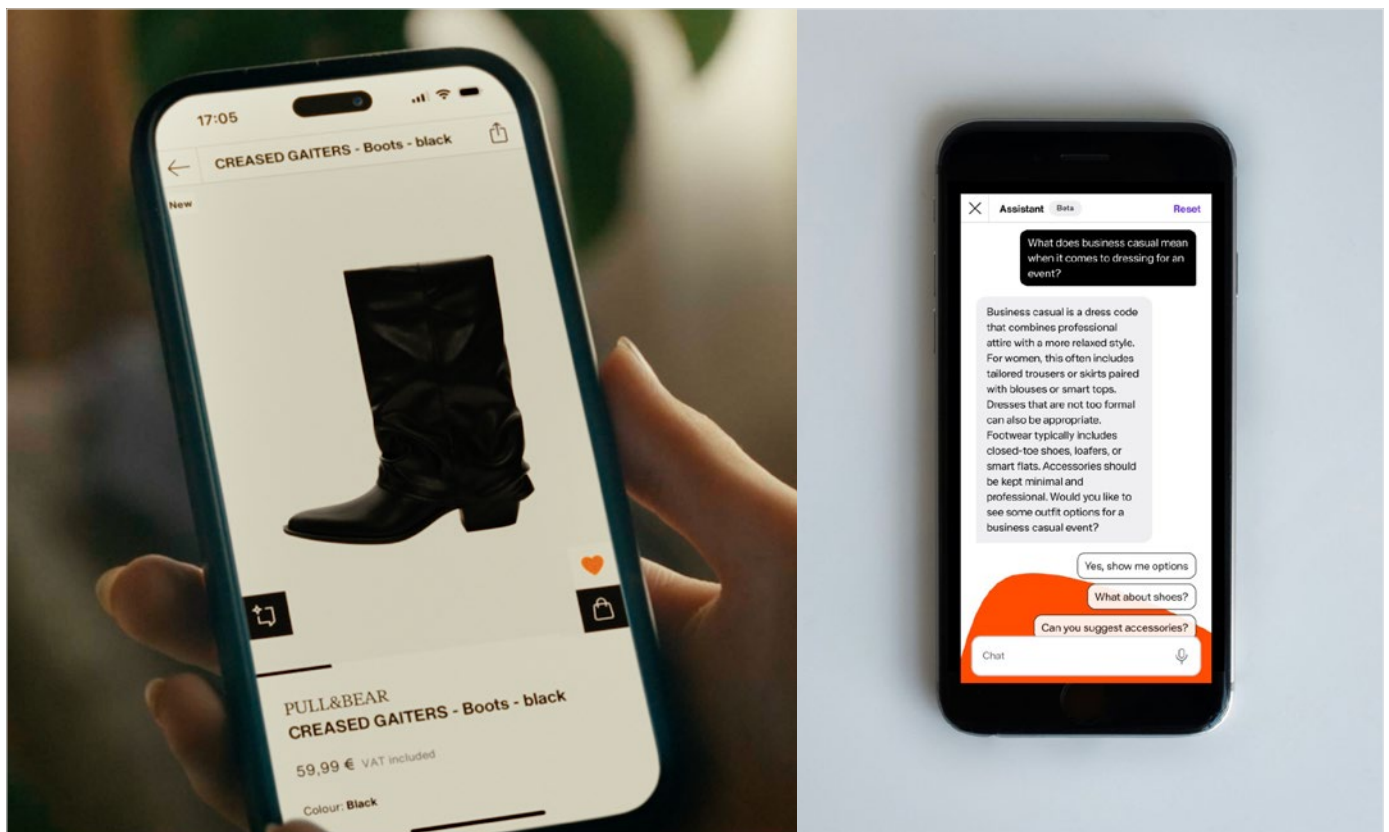
a conversation, with something like our Zalando Assistant, that’s possible.”

**“These tools must be built around how customers, rather than merchants or marketers, think about products.”**

— TIAN SU, VICE PRESIDENT OF PERSONALISATION AND RECOMMENDATION, ZALANDO

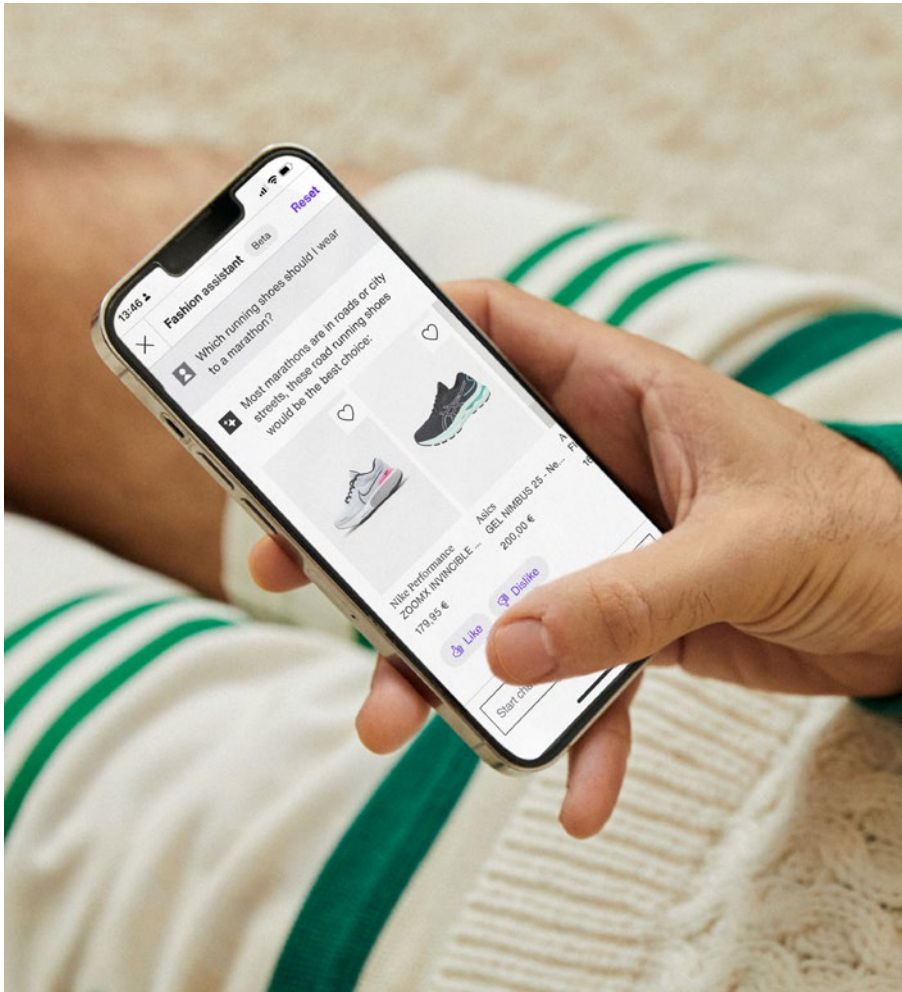
Indeed, Zalando has launched a conversational interface through its gen AI-optimised chatbot functionality, developed in partnership with ChatGPT-owner OpenAI. The large-language-model-powered shopping assistant, which launched in 2023, allows users to ask questions and receive answers, and offers customised product recommendations.

“We see that customers really appreciate the opportunity to express themselves freely,” says Su. “Over 2 million customers have already had conversations with our assistant [as of March 2025], many of them to find outfits for specific occasions that require contextual knowledge that goes beyond the capabilities of a search bar.”



Zalando’s large language model-powered chatbot functionality allows users to ask questions and receive bespoke product recommendations in a conversational tone. (Zalando)





New iterations of chatbots improve ROI for brands and retailers by reducing the time spent for customers to find what they are looking for. (Zalando)

## The Zalando Assistant

Zalando has adopted a gen AI-optimised conversational interface developed in partnership with ChatGPT-owner OpenAI. The LLM-powered shopping assistant, which launched in autumn 2023, allows users to have a back-and-forth discussion, and offers customised product recommendations.

“These tools must be built around how customers, rather than merchants or marketers, think about products,” says Su. “Let customers tell you — ‘No, this is not what I want’ or ‘Oh, this is exactly what I want’. That customer feedback allows you to adjust how you are serving them.”

For Couch, the opportunity lies in making the experience feel more human. “The less they feel like it is a chatbot and the more it feels like a conversation and the more [the consumer is] getting the information that they need, [...] the more blissful it is.”

Conversational tones are increasingly shaping how we interact online, largely driven by the more informal and playful approach of niche communities hosted by media platforms such as TikTok and Reddit. Employing a conversational tone that mirrors the language of the customer interacting with the chatbot enhances their experience and adds more potential for feedback loops.

“These tools must be built around how customers, rather than merchants or marketers, think about products,” adds Su. “Let customers tell you, ‘No, this is not what I want’ or ‘Oh, this is exactly what I want’. That customer feedback allows you to adjust how you are serving them.”

These new waves of chatbots also improve ROI for brands and retailers.

When comparing a traditional retailer app with the minimum viable product of a gen AI-enabled chatbot, the latter reduces the time spent to complete an order by 50 to 70 percent, according to a survey by McKinsey.

Data from the UK’s Institute of Customer Service, an independent professional body, also shows that over 30 percent of people would pay more for a product or service if they received exceptional customer care. This kind of care could be enhanced by a chatbot powered by an LLM, like ChatGPT, that has access to your customer data and might be able to tell you your order status, for example, rather than giving you directions on how to check it yourself.

While gen AI still cannot replicate the personal touches of human interaction, the scope of a gen AI-enhanced chatbot can boost productivity — but a critical element is that the customer feels comfortable.

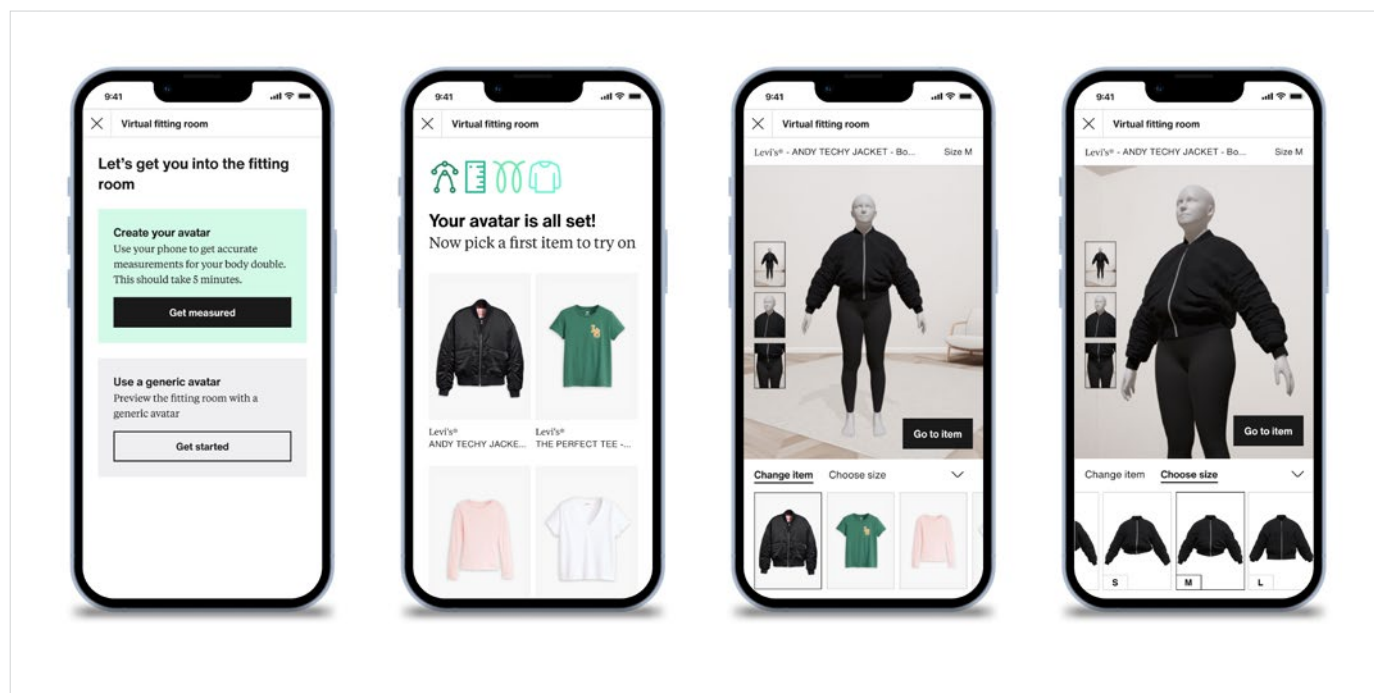
“This element of [it being a] safe space: ‘I know what’s going on here, I know what this is, I know I’m talking to a machine,

but it’s okay because it adapts to how I speak. I understand this. I feel safe here.’ For me, this is trust. This is what creates loyalty,” says Wittrodt.

## Optimising Size-and-Fit Technology

Last year, US shoppers sent back around \$218 billion in merchandise they bought online, up from \$100 billion in 2020, according to National Retail Federation data. Up to 70 percent of returns are due to a lack of “product clarity” — a term that refers to fit or style.

As well as the huge environmental cost, returns significantly impact the bottom line — globally, they represent a loss of \$550 billion for retailers. However, according to studies carried out by technology company Snap, 66 percent of e-tailers claim they have had fewer returns after implementing fit guidance technology. Zalando stated that they were able to reduce size-related returns by 10 percent already for items with size advice due to their work in this field.



Zalando's virtual fitting room allows customers to create a 3D image based on their body measurements to try on different sizes of an item, addressing one of the industry's biggest challenges. (Zalando)

## FitGAN

Zalando has developed a Generative Adversarial Network called "FitGAN," which enables visual similarity search and can recommend garments in similar fit and shape. Currently in a pilot phase, the FitGAN is trained on a large dataset of images and their corresponding fit and shape descriptions. The model learns to disentangle the different factors that contribute to the fit and shape of a garment, such as the tightness of the fit, the length of the sleeves, or the rise of the jeans.

This technology allows FitGAN to generate images of how clothes look in different sizes and shapes, designed to help customers find clothes that fit them well. The FitGAN technology can also be used to find similar items in terms of fit and shape, achieved by projecting existing garments into the latent space of the GAN and then searching for other items that are located nearby. This can be useful for customers who are looking for similar items to something they already own. Future work will also focus on improving the model's ability to capture intricate details of garments and disentangle other attributes such as colour and pattern.

"Some of the tools that we see produced are so matter-of-fact," says Couch. In reality, the size-and-fit challenge remains a major pain point for retailers to address — with an added layer of complexity especially considering "people have a preference of [how] they want to wear it," she adds.

The "fit" dimension, how a customer wants to style an item or outfit, regardless of their actual size, is something that virtual try-on experiences can solve. These allow users to see how different sizes of an item will look on them, helping them make more informed purchasing decisions.

Zalando's Virtual Fitting Room pilot, used by more than 150,000 customers, has seen reduced size-related returns by 40 percent. While this is not statistically significant due to its pilot nature, it shows the positive impact that this technology can have on the industry.

Gen AI is playing a key role in the development of such experiences. Zalando has also developed a GAN (Generative Adversarial Network) called "FitGAN". GANs are a type of machine learning model used for generating new, realistic data, such as images, videos or text. Zalando is leveraging the technology for a visual similarity search, so it can recommend garments in similar fit and shape to customers.

Currently in a pilot phase, the FitGAN model learns to disentangle the different

factors that contribute to the fit and shape of a garment, and can also be used to find similar items in terms of fit and shape. Future work will also focus on improving the model's ability to capture intricate details of garments and disentangle other attributes, such as colour and pattern.

Other size-and-fit opportunities can be found in superimposing items onto different skin tones and hair colouring or style, that relate to the individual.

"The community peer-to-peer aspect of fit [is just as important as] any type of technology, because it's really simple to identify someone who is similar to you," says Couch.

Taking it a step further, brands and retailers can soon enable consumers to create avatars that are not only similar to an individual consumer — but a virtual representative of them. Start-up Doji, for example, offers consumers the chance to create an avatar in their own likeness through gen AI, allowing users to try on products across different retailers online. Currently in a private beta phase, Doji is set to roll out as an app.

As consumer demands evolve in a digitally optimised day-to-day, high-quality and hyper-personalised online shopping services will become fundamental. Brands and retailers will need to prioritise innovating the e-commerce customer journey in order to get ahead.



# Enhancing Creative Output and Content Displays



Zalando uses gen AI tools to make alterations to product and campaign imagery, whether that is to create context-relevant backdrops in product shots or adjusting the season or city a campaign is set in. (Zalando)

This year, fashion executives surveyed for The State of Fashion 2025 report found product discovery has the most potential for gen AI use cases, with 50 percent stating as such. This was closely followed by marketing, including creating personalised communications, at 45 percent, and product design and other creative processes at 41 percent.

Image-generating tools like Midjourney, Llama, Dall-E and Stability AI, and text-generating tools like ChatGPT, Copilot and Gemini, are increasingly leveraged to accelerate content creation, such as copywriting product descriptions or ideating campaign photoshoots. These tools offer new ways of amplifying the creative output and content displays that support retailers' online presentation of products and services.

In this next section, BoF examines how gen AI can be leveraged for content creation to support e-commerce platforms.

## Create Consumer-Led Product Descriptions

LLMs like ChatGPT, Co-Pilot or Gemini AI all offer easy and accessible ways for retailers to quickly craft and refine product descriptions once teams have honed appropriate prompts for copy.

Brands using the technology to write product descriptions for their sites include Snipes, a sneaker and streetwear retailer, and Adore Me, the lingerie company recently acquired by Victoria's Secret. Shopify, meanwhile, has introduced a gen AI writing assistant for merchants.

While a starting point might be about refining current copy to “make the tone of this message more playful” or “rewrite this product description with SEO benefits,” the intelligence of gen AI can help connect with consumers on a deeper level.

“If you give a tool the profile of your customers, of your brand, help it to have a thorough description of a product and then ask it to rewrite your descriptions to either answer some of the questions they may have or in the tone of someone who wants to buy it, those simple changes can definitely give an — ironically — more human experience around shopping,” says Couch.

She also suggests using this technology to get more creative with their output, rather than providing a product description that



just tells you exactly what you see and no other information that would be helpful for the purchase. This feeds back into solving for the end consumer, rather than using a merchant’s lexicon.

What’s more, these product descriptions could, in theory, become more dynamic depending on the specific customer needs — and their movement about the site. For example, should someone spend more time reviewing the fit and size of products, a dynamic product description might prioritise sharing the information around product clarity first.

Wittrodt hopes that in the future, gen AI will also help consumers understand the quality and attributes of a garment, feeding into “richer product information” that will share details on how light reflects on a fabric, for example, leading into fashion becoming “much more personal.”

In the meantime, retailers must remember that prompts still require a human to input the ideas in order to generate good results, and it will take time and training for models to land

on the right tone of voice and output appropriate for your customer base.

Extend Use Cases of Product Imagery

LLMs for image creation, such as Midjourney, Stability AI, Llama, Dall-E and Adobe Sensei, are evolving at pace to provide new means of content creation. These programmes can be leveraged as a springboard for marketing campaigns and product imagery — or, even, as the final piece of content itself.

Contemporary luxury fashion house Casablanca, for one, produced its Spring-Summer 2023 campaign with Midjourney, set in a Mexican landscape and stylised to look like hyperrealistic paintings. Creative director Charaf Tajer said that while human talent and creativity were required to produce the campaign, the company was able to bypass all the planning and costs of on-location photo shoots, among other benefits.

Zalando is leveraging gen AI in content creation for these very benefits across its vast product categories —

shortening production timelines and reducing costs, as well as creating more dynamic and relevant backdrops for product shots or onsite teaser campaigns. It allows the team to jump on microtrends that emerge at short notice, enabling content production up to 80 percent faster than conventional content production methods.

This use case can positively affect advertising impact and click-through rates. For example, Amazon’s image generation tool offered to advertising partners improves ad click-through rates by up to 40 percent, according to McKinsey. LLMs could even be put to use writing microtargeted ads or copy personalised for each individual customer. Human oversight of this creative process is crucial — which we address in the next section of this white paper.

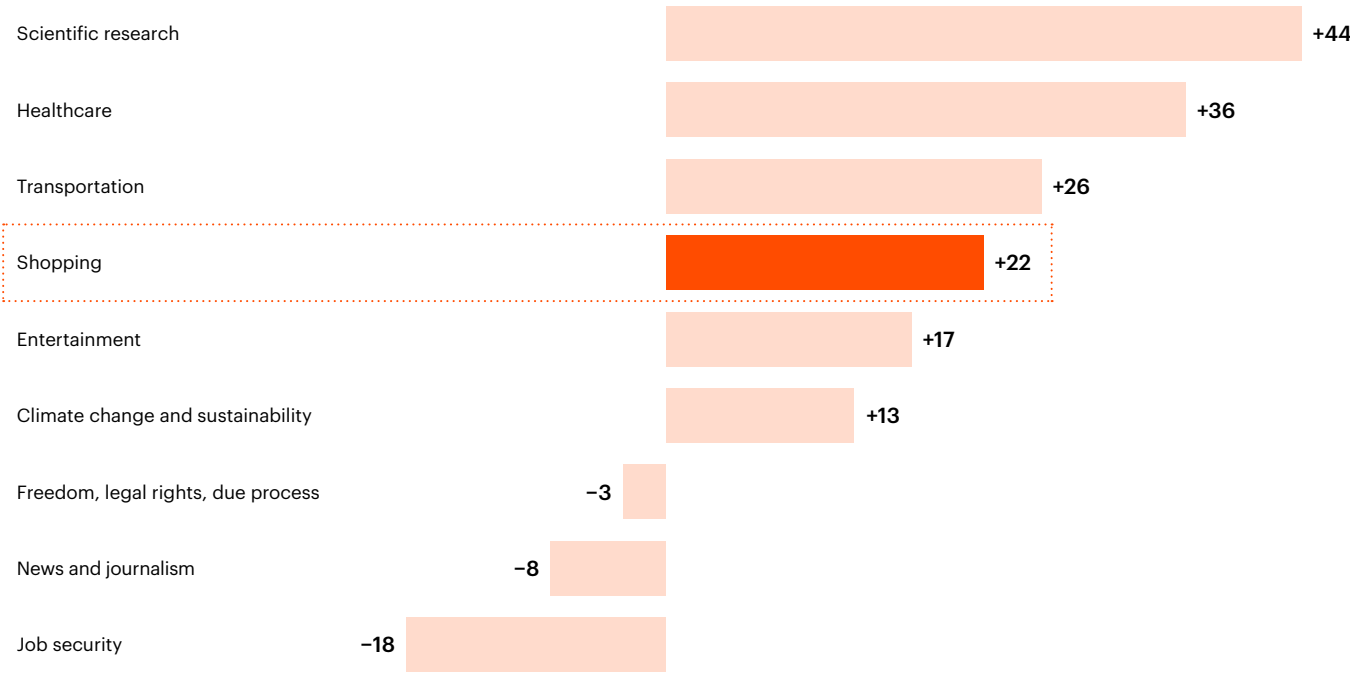
Notably, data-privacy measures are making it harder to track shoppers. As a result, microtargeted ads might only work with customers who are logged into an account or through a guest checkout service like Bolt.

Exhibit 2

Public opinion suggests Gen AI will make shopping better

Survey respondents across six countries said they think gen AI will make shopping better by net +22 percentage points.

Q: Do you think that the use of generative AI in each of the following areas will make them better or worse?  
% of respondents



Note: Survey consists of 12,217 respondents across the UK, US, France, Japan, Argentina and Denmark in May 2024.

Source: Reuters Institute x University of Oxford

## “You have to drive innovation with your end customers in mind. What customer problem can you solve with technology?”

— TIAN SU, VICE PRESIDENT OF PERSONALISATION AND RECOMMENDATION, ZALANDO

### Product and Campaign Imagery

Since 2024, Zalando has used gen AI as an addition to classic photo shoots to create background images for product photos. The technology is used to focus more on product details, aesthetics and innovation. For example, when you see a running shoe displayed in a fitting environment instead of a white background or a beauty product displayed in a background that visualises its product features. AI is used to generate background images at scale at a much lower cost.

AI-generated images are also being used to produce teaser campaigns and content for microtrends that emerge at short notice and are often local or market-specific. Gen AI enables content production that is 80 percent faster than conventional content production, making it possible to capture and visualise these trends.



Zalando is leveraging gen AI in content creation, such as for the backdrop of this Roxy product imagery featured on Zalando's website. (Zalando)

There are other limitations, as the technology can struggle with content outside of 2D visuals. But start-ups like Psykhe AI are working on 3D gen AI solutions that offer an interactive product view to enhance the consumer experience.

### Capture and Visualise Emerging Trends With Gen AI

The post-pandemic social media landscape has seen the rise of microtrends emerging from online subcultures, which drive aesthetics at pace. These trends can appear overnight, permeate the zeitgeist, and last for a couple weeks to a few months — for one, the release of Charli XCX's “Brat” album last year subsequently inspired a “Brat Summer” that influenced party themes and even presidential campaign strategies in the US.

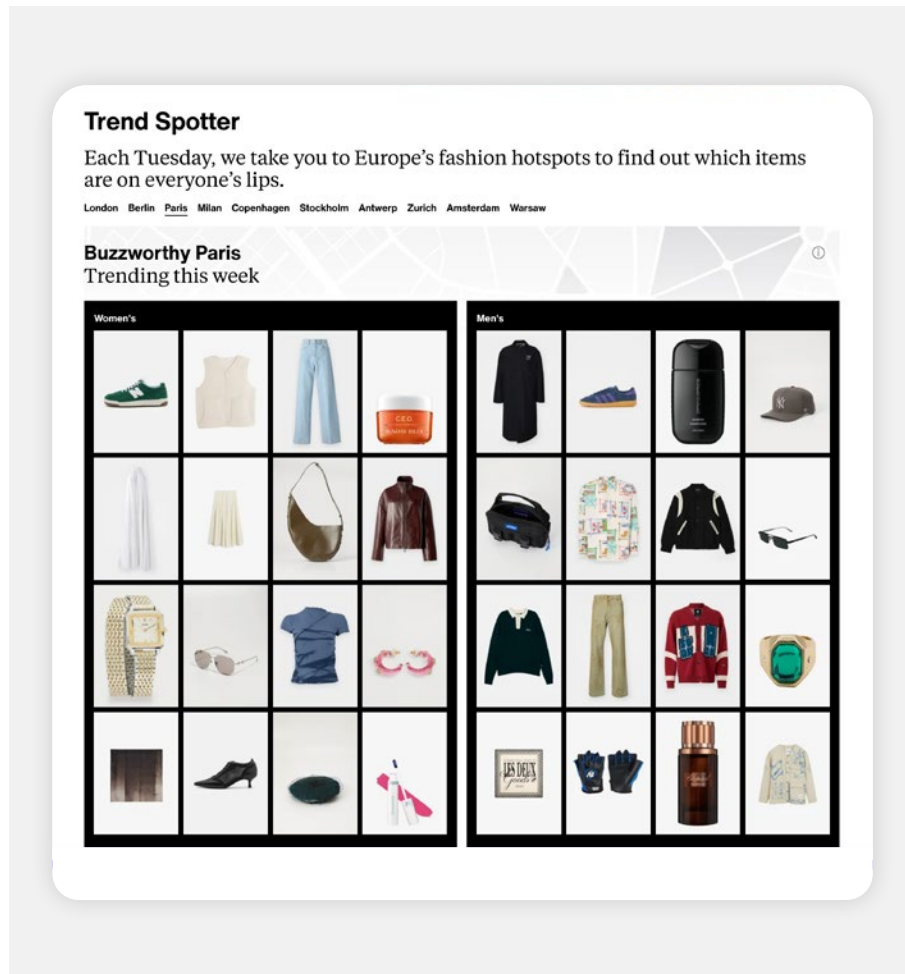
This practice feeds immediate product demand and has fuelled the rise of ultra-fast-fashion companies like Shein, which introduces around 2,000 to 10,000 new items daily. Shein uses real-time customer demand data to produce batches of 100 to 200 units, which cuts turnaround times to around 10 days compared to the 21-day norm.

Rather than attempting to compete on price or endless selection, retailers should instead prove they can offer shoppers an experience they can't get elsewhere — for which gen AI can move the needle. So instead of retailers racing to manually curate “Barbiecore” edits or “mobwife” moodboards, a technology that detects fast-rising trends can feed into a tool that pulls relevant products, brands or styles onsite.

For example, Zalando's Trend Spotter gives customers an overview of the emerging trends across 10 European fashion capitals based on the shopping behaviour of the platform's 50 million customers.

“Trend Spotter shows you what customers are aspiring to own each week. Gen AI can be a great tool to visualise these fast-moving trends, like we did in our 2024 ‘Trend Rewind’ and 2025 forecast. This is an interactive recap of the 30 hottest trends we saw in 2024 and the ones we predict will dominate fashion this year,” says Su.

The immediacy of this content feedback loop can prompt marketing and social media teams on which trends and products to push, staying ahead of rapidly moving online conversations driving the zeitgeist.



Zalando's Trend Spotter tool (above) showcasing products relating to Paris-specific trends. An annual 'Trend Rewind' report (right) reflects 30 of the year's most popular trends. (Zalando)

In providing a timely curation of products based on trends and consumer preferences, retailers can offer a point of difference in cutting through the noise and abundance of choice. This is a pertinent offering for younger generations especially, with 80 percent of Gen-Z consumers saying they feel overwhelmed by their exposure to brands, according to The State of Fashion 2025.

"Where I don't see as much adoption, but I do see interest, is in the styling piece where a gen AI can utilise the products on your website and put it together for people, according to their taste," says Couch.

"Here, you could expand it into [...] various lifestyle areas," adds Sukharevsky. "All of a sudden, an 18-year-old from London is able to understand how to look similar to her role models. [...] You could be much more of an advisor and supporter as opposed to just a transactional seller in the e-commerce space."

Couch argues that personalisation through content is key to "not only building trust with customers, but also

helping them to drive conversions and to stay loyal to a brand."

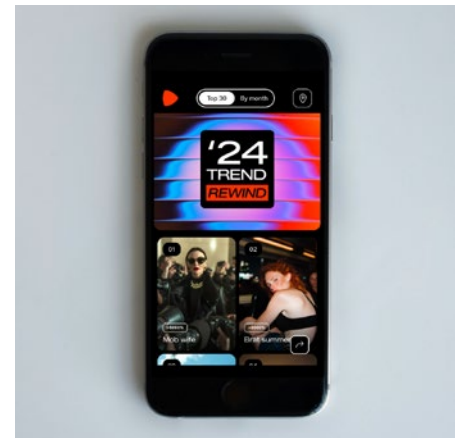
Indeed, when it comes to apparel, Gen-Z is the least loyal consumer cohort. Fifty percent of US Gen-Z consumers prefer to explore and shop new brands compared to 33 percent of those over the age of 50, according to McKinsey.

### Account for Gen AI Acclimatisation

Brands and retailers must consider the possible backlash from consumers when leveraging AI-generated content. For example, last year, the brand Selkie found itself in the midst of a revolt by its own customers after posting an image on Instagram created in part with gen AI.

One user wrote in response: "There are so many talented artists in addition to digital painting, AI isn't necessary. I definitely won't be buying anything more from Selkie." The comment received more than 400 likes.

Levi's also attracted criticism after it announced in March 2023 that it would use artificially generated models, created



### Trend Spotter

Zalando's Trend Spotter tool identifies emerging trends weekly across 10 European fashion capitals based on Zalando's own data. The first edition of their "Trend Rewind" report provides a reflection of the 30 most popular trends that the company identified in 2024 as an interactive report. Gen AI was used for the visualisation of those different trends.

Trend Spotter is also accessible through Zalando's AI Assistant. "It's about chaining all these experiences together seamlessly for our customers," says Su.

with the agency Lalaland.ai, to increase the diversity of models displaying clothes on its e-commerce site. Consumers and industry professionals took issue with the notion of cutting costs by deliberately removing the human model from the equation and superseding diverse models with technological solutions.

In a statement, Levi's said it is "physically impossible to shoot every single product at every single size at the SKU level" and noted the technology could allow it to offer "a more personal, relevant and potentially more engaging shopping experience."

As consumers become more accustomed to gen AI integrations into their daily lives and realise the benefits it can provide their shopping experience, perceptions around its usage may well shift. However, brands and retailers must carefully consider the way in which this technology is perceived and received by the end user — especially if its use case is not clearly signposted.



# Understanding the Business Ethics and Responsibility

The speed at which gen AI technology is developing has prompted widespread concern around how to effectively regulate the burgeoning space. Indeed, the 2024 Reuters Institute survey found that, while almost 50 percent of respondents believe gen AI will have a large impact on retail, almost 25 percent of them do not trust retailers to use the technology responsibly.

There are limited legal frameworks to help govern gen AI in the here and now. The US — generally considered the global leader in AI — has no federal regulations, but some states like California (home to Silicon Valley), Colorado and Illinois have their own laws. The UK has no legally binding framework. The European Union's AI Act — a comprehensive legal framework on AI — was passed in August 2024 and will be broadly applicable in early August 2026.

Countries are charging ahead to become the frontrunner in this space, and governing bodies are racing to put frameworks and legal parameters in

place. As a result, there is an emphasis on individual businesses to display an ethical and responsible use of the technology — with the knowledge that legal frameworks will eventually catch up.

“We should really use technology to solve customer problems while being responsible, it has to go hand-in-hand,” says Su. “We don’t want to shy away from it; the only way to fully embrace it is to also remain focused on using it responsibly.”

“As a technology platform, there are also security concerns,” adds Wittrodt. “We need to make sure that we are not being exploited, that we protect customers from attacks, and that we filter out certain abusive behaviours.” To that end, Zalando’s team of information security experts has created a security framework for the responsible and safe use of gen AI at Zalando, which is regularly reviewed.

This final section of the white paper examines what retailers must consider from a legal and ethical perspective,

to implement the technology in a responsible and safe way.

## Keep a Human in the Loop

In 2024, *FT Weekend Magazine* wrote about a Harvard Business School experiment in which recruiters were assisted by algorithms, some excellent and some less so, in their efforts to decide which applicants to invite for an interview. The results showed that “mediocre algorithms that were about 75 percent accurate delivered better results than good ones that had an accuracy of about 85 percent.”

This is because when recruiters were offered guidance from an algorithm that was known to be patchy, they stayed focused and added their own judgement and expertise. When recruiters were offered guidance from an algorithm they knew to be excellent, they sat back and let the computer make the decisions.

“It’s always about having a human in the loop,” says Sukharevsky. “I’m a big fan of hybrid intelligence where you bring the best of humans and machines working together [...]. A machine helps you to augment; a machine helps you to get the right data in front of you. But I think the ultimate decision in monitoring should be by human beings.”

“Similar to any customer care interaction, be it in the store, be it [in] a call centre, be it on the internet — this needs to be monitored. Sometimes mistakes happen, and sometimes really bad mistakes, almost fatal mistakes to the brand, and how do you ensure that you avoid this?” he adds. “Human beings should be accountable.”

“We are focusing on the human in the loop,” echoes Wittrodt. “AI by definition [...] is something that is artificial, by its very name. So how do you make sure that the human element is still in there? Where do you actually have human views?”

Without the ability to review every gen AI outcome at scale, Wittrodt recommends implementing human oversight at the design process. “Where is the good point in time to sit together and ask the



The European Union's AI Act — a comprehensive legal framework on AI — was passed in August 2024 and will be broadly applicable in early August 2026. (Getty Images)

question: are we sure that this is fair? Are we sure that this actually respects how diverse our customers are? Are we sure that this model always makes the right decisions? Do we have review processes to make sure that we can catch something if it goes wrong?”

Conveying the importance of the “human touch” is also crucial in engaging a workforce that is adjusting to this new technology as it enters their daily working practice. As McKinsey’s AI Unwrapped 2024 report explains: “It is not about simply automating processes and reducing the importance of the work that humans do, but rather inspiring them and focusing on their strengths and what they can uniquely do.”

A human being’s moral awareness will always be critical in assessing the output and application of gen AI, as with any aspect of running a business. “You need adults in the room from very different backgrounds, be it legal, be it risk, be it business, be it creative. Once we have reinvented our business, [...] we need to step back and ask ourselves, is it something that we would like to be applied to us, on our kids or on our nation?” adds Sukharevsky.

## Be Transparent to Build Trust

Another challenging component of gen AI is the need to disclose whether a piece of content was created or augmented by the technology.

Applicable in 2026, the EU’s AI Act, for example, will require disclosure of

AI-generated content in certain cases. Deepfakes and AI-manipulated media must be clearly labelled, and companies using AI chatbots or virtual assistants must disclose that they are not human.

With transparency comes enhanced trust. In September 2024, [MIT Sloan Management Review and Boston Consulting Group](#) formed a panel of 32 experts in AI strategy to discuss its responsible usage. Eighty-four percent of panellists were in favour of mandatory disclosures, which included H&M Group’s Linda Leopold who shared that transparency is “an ethical obligation toward customers, enabling informed decisions and enhancing trust.”

## “It’s always about having a human in the loop.”

— ALEXANDER SUKHAREVSKY, SENIOR PARTNER, MCKINSEY; MANAGING PARTNER, QUANTUMBLACK, AI BY MCKINSEY

“This is a business that’s about trust and if you get this wrong because you get your AI wrong, then you have a negative impact and you lose your customers, you lose your partners,” says Wittrodt. “You want to have certain controls: simple things like, ‘How do I actually make this AI-generated content visible?’ And how, if it’s the Zalando Assistant, say, do I make sure that this is a safe environment for the customer? It has to be a team effort across departments.”

As Sukharevsky explains, it is about helping the consumer “understand what’s going on here: where do we get the data? Who views what? What are the outcomes?”

He adds that transparency does not need to entail a full technical disclaimer on exactly “why the algorithm does A or B.” Instead, he suggests retailers explain “the input and the output,” to help them understand what they get out of sharing their personal information.

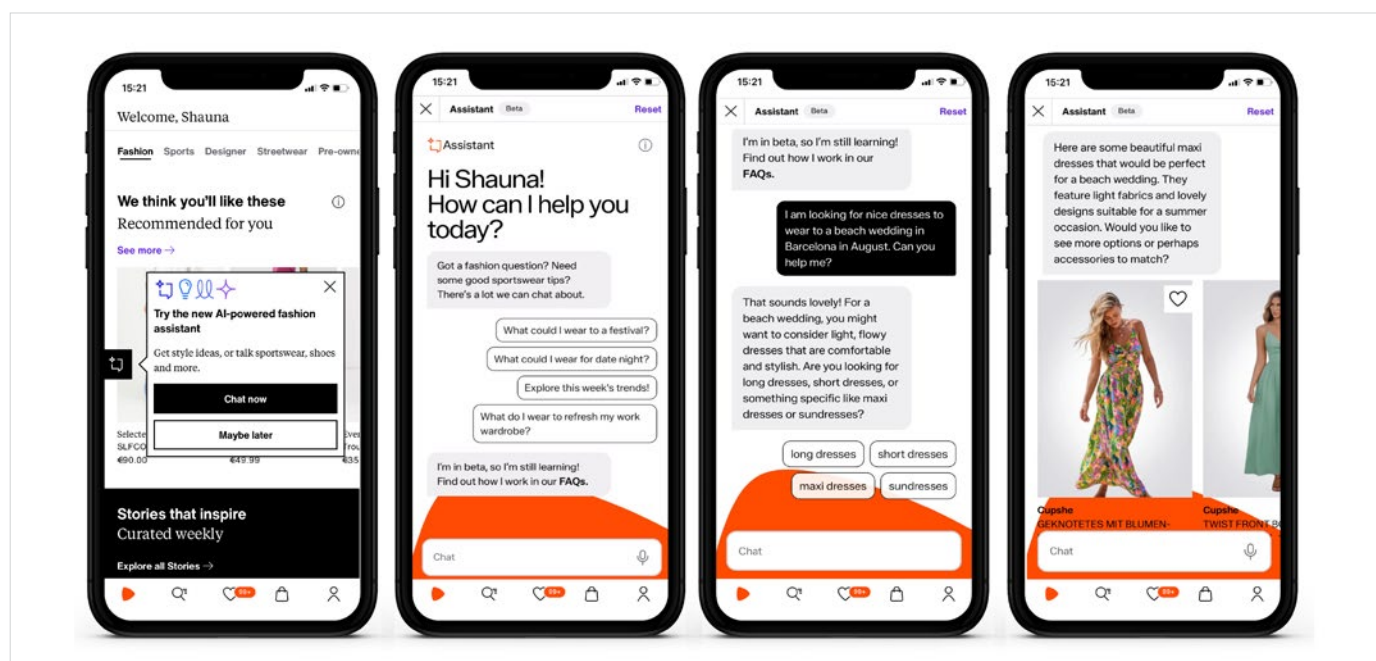
Wittrodt adds that long transparency disclaimers on every product page can be “overwhelming” and disrupt the customer experience. “It doesn’t mean that they don’t care, it doesn’t mean that they’re not interested, but [...] at some point it might become an information overload.”

At Zalando, the retailer will instead put “small pieces of information” at relevant locations and flag more information on an FAQ page — where they “explain in simple language, not in long legal terms,” what the AI assistant is and does, for example.

“For the Zalando Assistant, it’s visible in our user interface and it’s clear this is an AI that is talking to our customer. We are transparent that there is not a human behind it,” says Su.

Where the need for disclaimers is more complex is when images and media output are made or enhanced with gen AI. Watermarks are one solution, but the requirement is more convoluted (especially without limited legally enforceable requirements).

“Often, not everything is generated with AI — it’s a model shot, but then the background is artificially generated, or the setting is artificially refreshed,” says



An example of Zalando’s personalised content display with the Zalando Fashion Assistant. (Zalando)

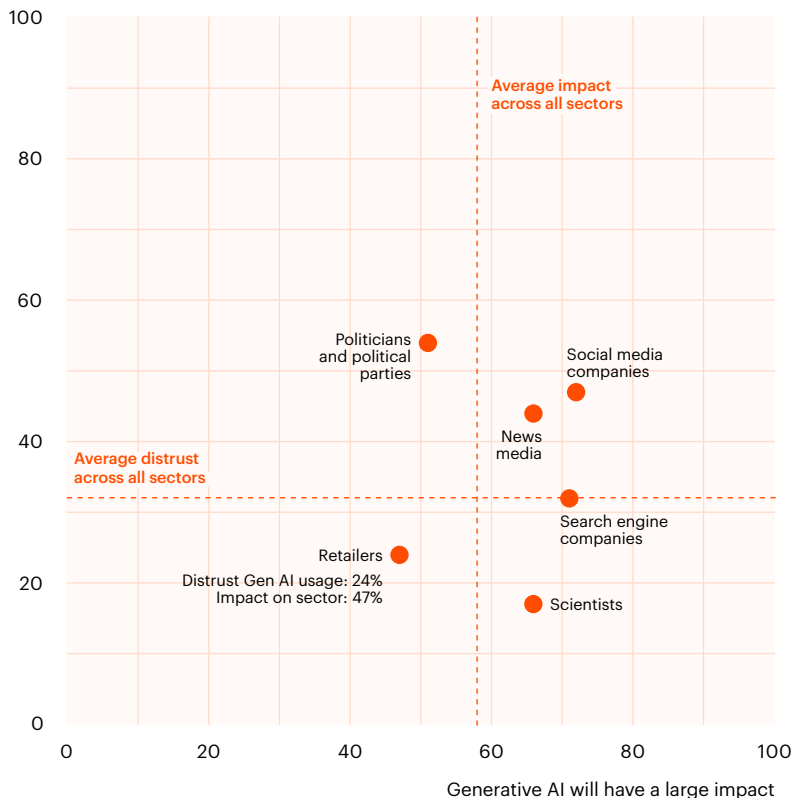
Exhibit 3

## A quarter of the general public do not trust retailers to use gen AI responsibly, but half think it will have a large impact on the sector

Q: 'How much do you trust or distrust each of the following to make responsible use of generative AI?' and 'How much impact, if any, do you think generative AI will have on the actions of each of the following in the next five years?'

% of respondents

Distrust to use generative AI responsibly



Note: Survey consists of 12,217 respondents across the UK, US, France, Japan, Argentina and Denmark in May 2024.

Source: Reuters Institute x University of Oxford

### AI Disclaimer

At Zalando, the retailer will use short disclaimers where relevant and lead consumers to read more information on an FAQ page — where they explain gen AI use cases in simple language, rather than in long legal terms.

“Not everything is generated with AI — it’s a model shot, but then the background is artificially generated or the setting is artificially refreshed,” says Wittrodt. “Once you go into these details you realise, it’s actually not that easy. So part of our AI governance is trying to understand how it actually works for customers. What do they appreciate, where is transparency necessary, or where is it actually perceived as distracting?”

Wittrodt. “Is that then something that we want to label? It’s with humans but the background is AI-generated.”

“Once you go into these details you realise, it’s actually not that easy,” he adds. “So part of our AI governance is trying to understand how it actually works best for customers. What do they appreciate, where is transparency necessary, or where is it actually perceived as distracting?”

Building trust is not just necessary among consumers but also employees. A [Harvard Business Review article](#) written by Deloitte staffers in January 2025 cites that “trust-leading companies significantly outperform laggards in terms of total market value — up to 4 times — and see stronger adoption of new technologies. Employees in these ‘high-trust’ companies are 2.6 times more likely to feel comfortable using AI tools offered by their employer than staff in companies with low trust scores.”

In order to enable trust, Sukharevsky emphasises the importance of providing consumers and employees alike with the option to opt out. “We should have the right to engage or disengage,” he says.

### Mitigate Bias by Human and Data-Led Diversification Strategies

Navigating business ethics and responsibility requires a firm understanding of data quality and privacy concerns, as well as an acknowledgment of gen AI’s bias issue, which is exacerbated by open-source LLMs.

For example, a 2023 analysis of more than 5,000 images created with Stable Diffusion found the programme simultaneously amplified both gender and racial stereotypes, according to an [MIT Sloan Teaching resource](#).

“We realise that the data is biased,” says Sukharevsky. “So how do we de-bias the data? How do we create teams to challenge that? Because unless you have the proper data, models are going to give you the wrong outcomes.”

Risks range from missing nuanced customer needs through to causing irreparable damage on a brand or retailer’s reputation. “The worst of the worst cases, it’s really offensive. But in a bad scenario, they feel like we put them in a shoe box, which is the opposite of the experience we want them to have,” says Wittrodt.

Diversifying data sets is important, such as combining open-source platforms like OpenAI with data collected from partners that champion greater diversity.





**prompt** stylish, dolce & gabbana, multiple people, photo, sunny, Influences Shot in the style of Slim Aarons, candid, Shot on a hasselblad medium format camera t\* 15 mm f/ 2. 8 ze, Ricoh r1

Employees must learn to refine prompts for LLMs, continuously test and refine the AI model to identify potential inaccuracies and, most importantly, ensure human oversight in image creation processes. (BoF on Midjourney)

Mørning FYI, a creative strategy studio and intelligence platform that works with Nike, Calvin Klein, Coty, Meta and more, previously told BoF that they combine a mix of open-source software and bespoke AI. Working with platforms like Hervisions, a femme-focused platform, and Indieverse Studio, a global community of Metaverse developers, allows them to better diversify their data sets for a customer-facing gen AI tool.

Brands and retailers also have access to their own large and diverse customer data, which — if leveraged correctly — can be integrated with open-source data sets to diversify reference points. This requires skilled data scientists and engineers within the business.

“[Fairness] seems to be a legal challenge, but it’s actually not. It’s an algorithmic challenge. It’s an applied science challenge, because it’s about how a model weighs parameters. So you need totally new skill sets and you need to talk to other people that actually understand this to get fairness right. And then, within that, you can get ethics right,” says Wittrodt, adding that his team works with Zalando’s diversity and inclusion teams to understand relevant issues.

Companies and their employees must also be conscious of gen AI’s propensity to “hallucinate”. IBM defines these

hallucinations as when an LLM “perceives patterns or objects that are non-existent or imperceptible to human observers, creating outputs that are nonsensical or altogether inaccurate.”

As the technology matures, hallucinations are less frequent but they can still cause issues by giving false information or rogue recommendations. To navigate these challenges, companies should consider implementing Retrieval Augmented Generation (RAG) techniques to access external knowledge sources (in respect of copyright requirements) as these typically give more accurate and contextually relevant responses. Employees must also work on refining prompts and data structures, continuously test and refine the AI model to identify potential inaccuracies and, most importantly, ensure human oversight.

### Ask the Right Questions — Internally and Externally

Feedback loops are critical to understanding how your external and internal stakeholders engage with new products and tools.

“Whenever we go out with new products, we have the approach that we [test] at a smaller scale, in a beta phase, in a market, for example,” says Wittrodt. “Then you always keep asking the customer for

feedback on the experience — not just for AI and for transparency, but overall, to understand does this product work for customers? Is there friction? Is there something missing?”

“You have to A/B test,” adds Couch. “You have to launch these products on a small scale with a certain group. Maybe you have a specialty group of shoppers that you do this with, so that they can get the experience and give you feedback.”

Sukharevsky recommends using AI to diversify feedback and test out ideas internally. He notes how more advanced organisations are asking “how a machine prompts us,” rather than humans also prompting the machines. For example, you can encourage a gen AI tool to ask probing questions like: Did you do X? Did you cater to segment Y? It might also feed learnings into product development and design recommendations for teams.

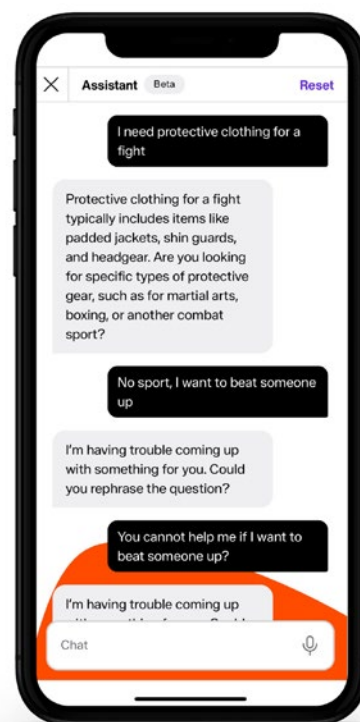
Zalando is working with other organisations, large and small, to understand how they are navigating new regulations and challenges on the horizon. “We try to learn from others, but we also try to share learnings and help others,” says Wittrodt.

Working towards the August 2026 deadline, when the EU AI Act will be fully applicable, Zalando is building out its

## Cybersecurity AI Framework

Zalando's AI cybersecurity framework played a key role in the development of the Zalando Assistant (as well as other AI applications). Before its launch, business and cybersecurity teams worked to identify risks, from privacy and security concerns to biases, inappropriate content and hallucinations (e.g. false terms and conditions).

For example, a "red teaming exercise" had teams identify prompts that were able to circumvent the guardrails of the assistant. They then fine-tuned the model using more than 80,000 prompts, classifying them as either malicious, business-related or business-unrelated. The outcome is used to filter and classify every customer prompt to prevent the assistant from providing wrong or harmful information.



Zalando's AI Assistant is trained to not engage with offensive questions, or those revealing malicious intentions. (Zalando)

AI principles, standards and guidelines, with templates that fit into the business's processes to help employees whenever they are working with AI.

## Understand Copyright and Compliance

Notably, as LLMs pull from different open-source data sets online to form responses in gen AI tools, copyright can be an issue. For example, pulling text and imagery that belongs to media organisations or image platforms to form answers or visuals can put companies at risk of potential plagiarism and in breach of copyright laws.

This relates back to ensuring the "human touch" in all gen AI-produced content — at present, only human-created works can be protected by copyright. As a result, most jurisdictions do not currently recognise AI-generated works as eligible for copyright protection unless there is human involvement, requiring additional creative work enacted by the human end user.

Outside of copyright laws, companies must also understand other rapidly evolving legal landscapes around emerging platforms. For instance, Chinese gen AI startup DeepSeek, which released its newest iteration this January, quickly shot to the top of the US app

chart and caused US tech stocks to sink dramatically.

A free-to-use service and sophisticated LLM uses less memory than its rivals and is a significantly more affordable tool to create. However, it is also being investigated by the European Parliament due to concerns over its violation of GDPR. While the chatbot function claims to rival Open AI's capabilities, its universality could be threatened if found to be uncompliant.

Retailers need to take steps to ensure that content being produced, inspired or enhanced by gen AI is not infringing intellectual property — and tools used are compliant with legal parameters like GDPR and other emerging laws and regulations in this space.

## (Try to) Keep Up With Changing Regulations

With global regulations changing at such a pace, trying to keep up is "a big effort," says Wittrodt. "Look at what's happening in other parts of the world — [other countries] are racing ahead. So if you want to be successful, you also need to be fast."

For smaller companies and individual needs, Couch recommends using ChatGPT to aggregate developments from

news sources across different countries. "You have to prompt it to give you factual information from available journals and news, but you can absolutely use your GPTs to funnel this information so that you can stay on top of it. Then, obviously, have your lawyers check it because things are definitely rapidly changing."

For larger companies like Zalando, Wittrodt emphasises the need to employ the right kind of people that are "really engaged and thrive with bringing this [information] into the company. [...] So find these people at the company who [...] have this motivation to proactively consume all of this and are very good at translating it and bringing it into the company."

The business must then have the right systems in place to enable and support these employees. "You need to think about how [to] operationalise this in a good way so that it actually scales," says Wittrodt. "You really have to try to look at this from a process and product perspective and with your customers' best interest in mind."

"There is not one single team that can do this," he adds. "This is truly a company effort."



To learn more about partnership opportunities at BoF:

**Johanna Layolle**

Chief Business Officer  
The Business of Fashion  
[johanna.layolle@businessoffashion.com](mailto:johanna.layolle@businessoffashion.com)

**Craig Bethell**

Associate Director of Brand Partnerships  
The Business of Fashion  
[craig.bethell@businessoffashion.com](mailto:craig.bethell@businessoffashion.com)

To learn more about Zalando and their use of Generative AI:

**Nathalie Kempf**

Senior Corporate Communications Manager Technology  
Zalando  
[nathalie.kempf@zalando.de](mailto:nathalie.kempf@zalando.de)

**Juan Casero**

Team Lead Global Corporate Communications  
Zalando  
[juan.casero@zalando.de](mailto:juan.casero@zalando.de)

Copyright © 2025, The Business of Fashion Ltd. All rights reserved.

All information contained herein is the sole property of The Business of Fashion Limited.  
The Business of Fashion Limited reserves all rights regarding the use of this information.  
Any unauthorised use, such as distributing, copying, modifying, or reprinting, is not permitted.

Design by Fred Galley, Amy Vien  
Front cover image: Zalando

To learn more about BoF partnership opportunities, please contact [brandpartnerships@businessoffashion.com](mailto:brandpartnerships@businessoffashion.com)  
and a dedicated member of the team will get in touch with you.

[info@businessoffashion.com](mailto:info@businessoffashion.com)