

Pixyle AI raises €1M as it boosts fashion retailer sales by improving product discovery using AI



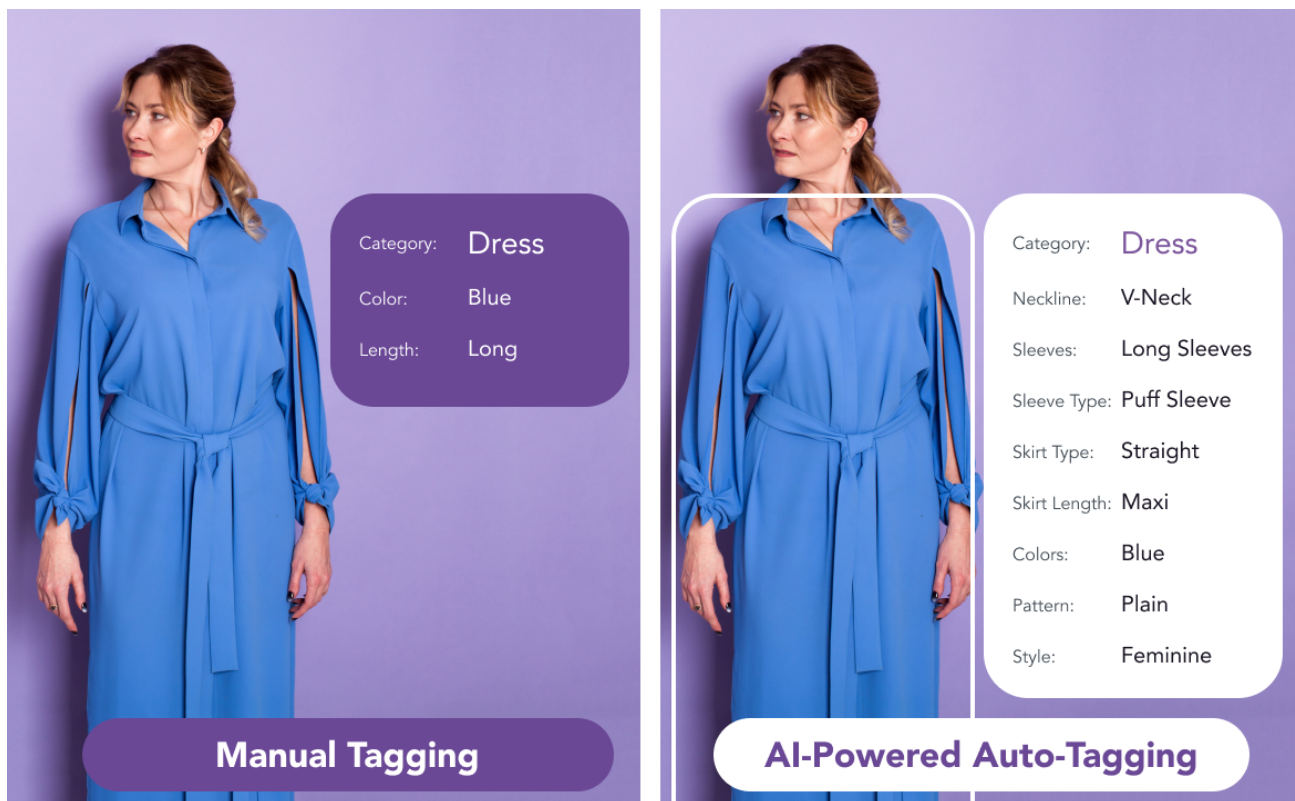
Pixyle AI helps fashion ecommerce deliver better search experiences by generating detailed and accurate product attributes, so consumers can get to their desired items faster.

NEWS RELEASE BY PIXYLE

Amsterdam, Netherlands | December 08, 2022 07:00 AM Eastern Standard Time

The poor product discovery experience of consumers is costing online sellers and ecommerce companies billions in lost sales as they fail to live up to user expectations. Helping them address this problem, visual AI startup for e-commerce, [Pixyle AI](#), is today announcing a €1M seed funding round from South Central Ventures with a mission to connect retailer's online audience with the products they are *really* looking to buy.

Founded in 2018 by Svetlana Kordumova, a PhD in AI and Computer vision from the University of Amsterdam, Pixyle AI helps fashion retailers with image recognition solutions, enabling them to deliver a better online shopping experience, boost e-commerce sales, and improve efficiency in catalogue management with smart product data entry.



Pixyle AI enables automatic product tagging for fashion ecommerce items

Pixyle's visual AI finds the location of fashion items in images, determines the category of the item i.e dress, sneaker etc and then Pixyle AI digs deeper into the image to classify attributes i.e. colour, pattern etc in language that shoppers use. This enhances the product data and improves the relevancy in search results for product discoverability, leading to higher conversion rates. The tags generated by Pixyle AI can be easily absorbed into a retailer's existing e-commerce stack, making their search and discovery platform run seamlessly and faster.

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Svetlana Kordumova, founder and CEO of Pixyle AI commented: "In search, understanding customers' shopping intent is vital. We are laser focused on this using neural networks that train Pixyle's AI algorithms to see and interpret images exactly how humans would. For example, in ecommerce when site visitors are looking for a specific product to buy and type "short summer dress with flower print in purple and pink" in order for these kinds of dresses to be shown to the customers, in the catalogue they need to be tagged with length "short", occasion "summer", with "floral" pattern, and "purple" and "pink" colours. It starts with building the right taxonomy. Having the right metadata associated with product images helps retailers capture everyday popular search queries as well as long-tail searches. We're trying to make online shopping as frictionless as possible, and hopefully a bit more fun and enjoyable by letting people easily find what they are really looking for."

The premise behind Pixyle AI is that search engines and site search are failing shoppers owing to inconsistent, incomplete and inaccurate data quality linked to products that isn't helping them find what they are looking for. Research shows that 94% of searches deliver irrelevant results and 72%

of sites completely fall short of search expectations. As a result, the majority of shoppers abandon their search and they're not coming back. Google has estimated (in the US alone) the cost of such bad search experiences is \$300B in lost revenue each year ([source](#)).

Svetlana Kordumova added: "Retail footfall has increased post pandemic but online shopping for clothes will continue to grow. We are also encouraged by the growth of the fast-growing fashion resale market, which presents a significant first-mover opportunity for Pixyle AI to help the circular economy take off. We have built algorithms specifically for user-generated images, allowing the AI to detect and recognize fashion items even in blurry, homemade selfies."

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Pixyle AI, with offices in Amsterdam and North-Macedonia, helps brands and retailers all over the world including Tendam (Spain), Otrium (Netherlands) and Miinto (Denmark). Since going live in 2019, Pixyle AI has worked with retailers having tagged over 250M images, improving the relevance and accuracy of product attributes with 95% accuracy and increasing conversions by 10% on average.

Pixyle AI will use the seed funding round to further expand our geographic reach, enhance the product offering, and move into new verticals.

Jan Kobler, Managing Partner at **South Central Ventures** commented: "Ecommerce has gone from strength to strength in recent years with several innovations to help the channel become second

nature for consumers. A pivotal part of engaging online shoppers is product search, being able to find what you want easily and quickly. However, search has been hugely underserved and remains an unmet need for retailers and shoppers until now. Pixyle AI is laser focused on this opportunity and is already moving the dial with more sales for retailers. They have built a robust tech stack, which has been tried and tested in the market and is ready to scale. We are very much looking forward to working together with the founders and helping them grow their business in years to come.”

About Pixyle AI

Pixyle AI is on a mission to transform the way people discover products online by helping retailers build better search with visual AI. Pixyle AI provides image recognition solutions for fashion retailers, enabling them to improve efficiency in catalogue management, deliver a better online shopping experience and boost e-commerce sales. The team is based between offices in Amsterdam and North-Macedonia and works with retailers all over the world including Tendam (Spain), Otrium (Netherlands) and Miinto (Denmark). For more information please visit <https://www.pixyle.ai/>

About South Central Ventures

South Central Ventures is a VC firm with a long and continuous presence in the Balkans. Operating out of four offices - Ljubljana, Zagreb, Belgrade and Skopje - the team has invested in over 40 early-stage tech companies and has been an integral part of the regional startup community. With a strong base of international LPs and network of reputable co-investors, South Central Ventures is the go-to-investor for regional tech companies with global ambitions. SCV's portfolio companies include Cognism, AdScanner, Agrivi, Orgnostic, among others. For more information please visit: <https://sc-ventures.com/>

Contact Details

Bilal Mahmood

+44 7714 007257

b.mahmood@stockwoodstrategy.com

Company Website

<https://www.pixyle.ai/>

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