AI-Enabled Gift Recommendation System MVP



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Context

The company, a leader in fast fashion retail, has achieved rapid growth, with a 10x sales increase over three years. However, growth has slowed due to market saturation among U.S. teenage customers. To boost sales, the company plans to leverage its app's strong social engagement by introducing a gifting feature.

MVP goal

To build an Al-powered gift recommendation system that provides personalized and timely gift suggestions to increase sales and enhance the customer experience.

Target customer segment

- Existing teenage customers in the U.S.
- Highly social users with 2-3 close connections in the app.
- Frequent buyers, with 35% making multiple purchases annually.
- Engaged with the brand's fun and interactive shopping experience.

Timeframe

The MVP must be launched within six months to align with the holiday season and drive sales growth.

First 60-Day Success Metrics

Key Performance Indicator	Target
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Gifting frequency		
Total number of first-time gift purchases by existing customers	100,000	
Percentage of customers gifting for the first time	15%	
Gifting value		
Average Order Value (AOV) for gift purchases	\$50	
Total revenue from gift purchases	\$5M	
Overall marketplace value		
Increase in repeat customer purchases	10%	
Contribution to total revenue growth	8%	

Al Models and Data

Recommendations

Goal: Develop a recommendation system to suggest relevant gift options.

- Data Sources:
 - o Purchase history (self and gifts) to understand customer preferences.
 - Social network connections for potential recipient interests.
 - Popular gift products across the customer base.
 - o Demographic data, including location and language.

Forecasts

Goal: Forecast gifting trends and product demand to optimize inventory and marketing strategies.

- Data Sources:
 - o Historical purchase patterns during holiday seasons.
 - o Time-series data for peak gifting periods.
 - External factors like holidays and regional events.
 - o Demographics to refine forecasts by location and customer segment.

User Stories

Generate recommendations in the app

User story A: Display personalized gift suggestions

- As a user looking for gifts, I want relevant product recommendations so I can quickly find gifts for my friends and family.
 - Analyze my purchase history and social connections to personalize recommendations.
 - Highlight top-rated or trending gifts.
 - o Offer gift suggestions near significant occasions (e.g., birthdays).

User story B: Simplify the gifting process during checkout

- As a user making a purchase, I want an easy way to mark items as gifts so I can add personal touches like a message or delivery scheduling.
 - Add a "This is a gift" toggle at checkout.
 - o Collect recipient details (e.g., name, occasion, relationship).
 - o Enable users to schedule gift deliveries.

Forecast and display results for analysis

User story C: Provide a sales forecasting dashboard

- As a business analyst, I want a dashboard showing gifting trends so I can make informed inventory and marketing decisions.
 - Show charts of peak gifting periods.
 - Highlight high-demand products and peak shopping times.
 - o Include filters for demographic and regional insights.

User story D: Automate weekly performance updates

- As a stakeholder, I want automated email reports so I can stay informed about gifting metrics.
 - Summarize key metrics like gift purchases and AOV.
 - Highlight risks, such as low stock or declining trends.

Populate backlog

User story E: Collect gifting occasion data

- As a user completing a gift purchase, I want to specify the occasion so the system can make better future recommendations.
 - o Add an optional "Occasion" dropdown at checkout.
 - o Examples: Birthday, Anniversary, Holiday.

User story F: Leverage social connections for gifting

- As a user buying a gift, I want to see suggestions for my social network so I can easily choose gifts for friends and family.
 - o Use in-app friend lists or interactions to infer relationships.
 - o Recommend gifts that match their inferred preferences.