



# SHOPTALK EUROPE

October 8–11, 2017 • Copenhagen



## Countdown to Shoptalk Europe 2017: Startup Pitch Series, Part 8— Sensei

- 1) At the inaugural Shoptalk Europe conference, which will be held in Copenhagen October 8–11, FGRT Managing Director Deborah Weinswig will emcee a startup pitch competition between 15 innovative early-stage companies.
- 2) In this report, our eighth in a series of daily *Countdown to Shoptalk Europe 2017* reports, we profile Sensei, which provides an artificial intelligence (AI)-based, real-time video-recognition solution that captures in-store data by combining sensor technology with computer vision algorithms.
- 3) Sensei integrates its software-as-a-service (SaaS) solution with retailers' existing in-store cameras to provide relevant, real-time analytics on stores, staff, customers and campaigns.
- 4) Unlike online retailers, offline retailers often lack insight into what is happening in their stores, leading to over/understaffing, stocking of the wrong inventory and missed sales opportunities. Sensei's solution helps provide retailers with the business insights they need to avoid these situations.

### Deborah Weinswig

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### Shoptalk Europe 2017

Shoptalk Europe, the inaugural European edition of the Shoptalk next-gen retail and e-commerce conference, is taking place in Copenhagen, Denmark, October 8–11 this year. The conference is expected to bring together 2,000 attendees and more than 220 speakers from across Europe and the rest of the world.

FGRT is partnering with Shoptalk Europe to host the startup pitch competition at the conference, having already hosted the competition at the US version of Shoptalk twice before. On October 11, FGRT Managing Director Deborah Weinswig will emcee the competition between 15 innovative early-stage companies, all of which have a significant presence in Europe. Each company will present its business to a panel of judges from the investment community to vie for two cash prizes. One winner will be selected by the panel of judges and the other through audience voting.

Shoptalk Europe has carefully curated the participating startups, which have created solutions to some of the most pressing challenges facing retailers today. As we discuss in our [17 Retail Trends for 2017](#) report, the retail industry is undergoing a revolution, and only those companies that embrace the new wave of retail opportunities will survive. These include executing **retail as a platform**, making use of **connected technology**, engaging in **experiential retail** and providing **product curation**. In response to these trends and strategic opportunities, retailers in all channels are changing to accommodate shoppers' shifting preferences. Below, we profile Sensei, one of the companies that will participate in the startup pitch competition at Shoptalk Europe.



### Sensei

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#### Market Overview

Sensei sells products in the retail analytics market, which research firm MarketsandMarkets estimates will be worth \$3.52 billion this year and will grow at a 19.7% CAGR, to \$8.64 billion, by 2022.

#### Company Description

Sensei sells an AI-powered video recognition solution that provides real-time in-store analytics on metrics such as traffic flow, store benchmarking, product performance and out-of-stock items.

Sensei installs its software within retailers' existing video cameras. The software captures in-store data by combining sensor technology with computer vision algorithms. Sensei's computer vision technology can capture 500 products on one shelf in one image.

The data enable retailers to easily analyze, manage and benchmark their in-store business. They can combine the information from Sensei's solution with information from other sales channels (such e-commerce sites and social networks) and third-party data (such as weather, logistics and human resources data). Through A/B testing in a store, Sensei can combine customer shopping data with SKU recognition to offer insights on the impact of promotional areas and product pricing.

The company currently serves grocery chains and apparel retailers. Sensei tested its solution with European hypermarket chain Real (which is owned by Metro Group) and with men’s fashion retail chain Dielmar.

**Headquarters**

Lisbon, Portugal

**What Problem Is Sensei Solving?**

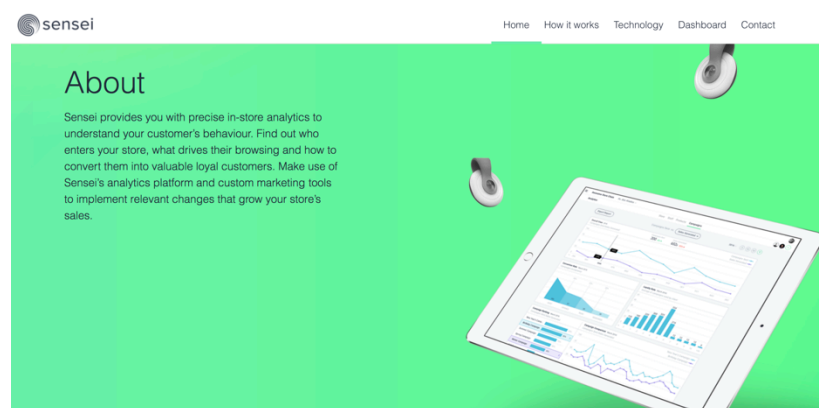
More than 90% of US retail sales still take place in a physical store, according to the US Census Bureau. Yet brick-and-mortar retailers often lack store-level insights and the tools needed to cost-effectively track in-store execution and optimize merchandising and pricing. This can cause over/understaffing, stocking of the wrong inventory and missed sales opportunities due to out-of-stocks and incorrect product placement.

The retail industry faces an average out-of-stock rate of 8%, according to a study by Procter & Gamble. Sensei estimates that out-of-shelf and out-of-stock situations result in \$1.5 trillion in lost sales annually for retailers worldwide. In addition to lost sales, retailers face other costs when items are out of stock, as they must allocate resources to deal with extra ordering and auditing activities.

By providing real-time SKU recognition and shopper insights, Sensei can give store managers the information they need in order to ensure on-shelf availability, reduce out-of-stock incidents, and maximize product promotion and performance.

**Revenue Model**

Retailers pay a monthly fee to use Sensei’s SaaS solution, based on the size of the store. The company offers packages for specialty apparel retailers that range from €350 to €600 (US\$411 to US\$705) per month and for supermarkets that range from €3,000–€7,500 (US\$3,523 to US\$8,808) per month.



Source: Sensei.tech

**Competitive Landscape**

Sensei competes with companies that provide in-store inventory management and shopper analytics, such as providers of RFID-based solutions and robotics that scan on-shelf products using computer vision.



**Management Team**

Sensei Cofounder and CEO Vasco Portugal has a PhD in engineering systems and has worked extensively on electric mobility and Internet of Things products. COO and Cofounder Joana Rafael worked in retail manufacturing for several clothing brands and spent three years at META Innovation Consulting Group as Chief Innovation Officer. CTO and Cofounder Paulo Carreira has a background in engineering and is a lecturer on software engineering and database systems at the Instituto Superior Técnico.

**Industry and Company Outlook**

The company aims to use data analytics to improve brick-and-mortar retail clients' bottom lines. It looks to expand in the European and US markets in early 2018.



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