

Competition in Virtual Worlds and Generative AI - Calls for contributions

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Forewords

Mirakl, a leading European innovator and provider of marketplace solutions, is proud to contribute its perspective and insights to the European Commission's call for contributions on Generative AI (GenAI) and Virtual Worlds. As a European company at the forefront of e-commerce technology, Mirakl recognizes the transformative potential of GenAI not just as a tool for technological advancement, but as a pivotal element in shaping the future of online marketplaces and the digital economy at large.

For Mirakl, GenAI represents more than an emerging trend; it is a cornerstone of our strategic vision to redefine the e-commerce landscape. Our commitment to leveraging GenAI extends beyond optimizing operational efficiencies or enhancing user experiences. It encompasses a broader ambition to harness the power of GenAI to foster innovation, inclusivity, and sustainability within the marketplace ecosystem.

Generative AI stands at the heart of Mirakl's mission to empower retailers, brands, and platforms to create more dynamic, personalized, and engaging shopping experiences. By participating in this call, Mirakl aims to underscore the importance of GenAI in driving growth, facilitating seamless integrations of diverse product offerings, and unlocking new possibilities for creativity and collaboration in the virtual domain.

As we submit our response, we look forward to contributing to a constructive dialogue with the European Commission and other stakeholders. Our goal is to ensure that the development and deployment of GenAI and Virtual Worlds are guided by principles that align with the European values of transparency, fairness, and respect for individual rights, while also propelling the digital economy towards a future marked by innovation and inclusivity.



Hugo Weber
Vice-President, Corporate Affairs & Impact



I. Mirakl: A Pioneer in AI for E-commerce

Mirakl has been at the forefront of artificial intelligence in e-commerce for a long time, designing and deploying its own algorithmic models to enhance consumer trust in online transactions and catalyze the growth of French and European retailers.

Without waiting for the advent of Generative AI, Mirakl has long relied on algorithmic techniques.

Our AI-powered technology has already made it possible to accelerate the integration of new product catalogs by a tenfold, reduce the time to resolve customer service incidents by 90%, and increase conversion rates by 15% with highly personalized product recommendations. Creating these proprietary algorithmic models provides a dual guarantee: positioning as a leader in terms of innovation and in terms of performance. Among the many features based on AI deployed by Mirakl, two can serve as examples: Mirakl Catalog Manager and Fast Track Onboarding:

- **Mirakl Catalog Manager (MCM):** MCM was designed to meet the specific requirements of marketplaces in terms of product information quality. MCM allows marketplace operators to more easily manage product data quality and helps sellers better participate in enriching this data. This enables customers to have trust and, therefore, loyalty. Additionally, MCM allows marketplace operators to comply more easily with the provisions of the DSA, requiring the marketplace operator to ensure the completeness of product listings.
- **Fast Track Onboarding** is a feature that streamlines the process of registering sellers on marketplaces supported by Mirakl's proprietary technology. This solution allows sellers on marketplaces to easily access hundreds of marketplaces and dropshipping platforms powered by Mirakl through a single integration.

The development of proprietary algorithms thus allows for a continuous improvement process and increased performance while simplifying legal compliance.

Use of Generative AI at Mirakl: Promoting Growth and Responsibility in E-commerce

In April 2023, Mirakl announced its first feature based on generative AI. By leveraging the APIs of OpenAI's GPT-3.5-turbo model, Mirakl assists e-merchants in maximizing their sales, increasing traffic and conversion, and operating more efficiently.

By leveraging a combination of Open AI's models and Mirakl's machine learning algorithms, **Mirakl users can improve the quality and completeness of product catalogs.** Thanks to AI, they can enhance **search engine ranking (SEO)** and increase conversions by automatically **optimizing titles, descriptions, and product attributes.**

Using AI-powered translations, they can also expand their business into new territories at scale, eliminating manual effort and cost.

These new features mean that merchants and marketplace operators can bring new products online more quickly, eliminating countless hours spent reviewing and completing incomplete product content, as Mirakl will automatically take care of it. Digital business leaders can increase sales with their existing customer base while reaching new customers, unlocking new paths to greater growth.

The new capabilities offered by generative AI are already changing the way businesses serve their customers, but this is just the beginning. With Mirakl leading the way, generative AI will play a pivotal role in the platform economy. Any organization that wishes to remain competitive must not only understand but also embrace generative AI technology – and only Mirakl offers e-commerce businesses the opportunity to deploy platforms powered by AI.

The screenshot displays a product page for a 'Visor protector'. The product image shows a pair of blue and black safety glasses. The product details include: Brand: 3M, VGC: 4475f90c-8b57-41, SKU: MKP10784265410368, and EAN: 0784265410368AZO.

Recategorize: Visor protector

Suggested categories

- Home/PPE/Glasses & Goggles
Relevance: Very high
- Home/PPE/Mask
Relevance: High
- Home/PPE/Visor
Relevance: High

Current category

- Home/PPE

Similar products

- Googles Anti-fog**
Home/PPE/Glasses & Goggles
- Smoked**
Home/PPE/Glasses & Goggles
- Comfort Silium**
Home/PPE/Glasses & Goggles
- Comfort red flashed**
Home/PPE/Glasses & Goggles
- Clear lens classic**
Home/PPE/Glasses & Goggles
- Protective mask**

Mirakl is investing to promote the development of a French and European AI ecosystem.

Mirakl is particularly committed to supporting the creation of an AI tech ecosystem in Europe. Supporting this ecosystem is not about favoring a single player but about fostering the emergence of European champions. As we are already somewhat behind the American and Asian giants, we need to enable our own companies to become leaders in order not to be overtaken and to prevent the imposition of societal models that do not align with ours in terms of values and societal objectives. Mirakl follows a non-exclusive approach with its LLM providers, integrating models from OpenAI as well as those from the French company Mistral AI. Mirakl also relies on many other technological partners like Databricks.

Through one of its co-founders, Mirakl has invested in Open AI and Mistral AI. These investments reflect a desire: to promote the emergence of major AI players in Europe. The healthy competition that can result from the emergence of new players helps to build the foundation of a strong and sustainable AI market in a healthy competitive environment. This investment challenge must be encouraged, especially in Europe, to build the AI of tomorrow and address our sovereignty challenges.

II. A regulation that promotes innovation across the entire AI value chain

Today, the development of generative AI is based on three essential pillars: a dataset, computing capacity, and technical expertise. It is also a particularly competitive sector where there is only partial vertical integration. Each company, at every level of the value chain, plays a crucial role in the development, deployment, and optimization of artificial intelligence systems, ensuring efficiency, transparency, and the consideration of ethical concerns throughout the process.

A competitive value chain at every level of the tech stack

By relying on language models created and deployed by other companies (OpenAI, Mistral, Microsoft, Google), Mirakl thus operates in a "downstream" position in the value chain and must rely on a partnership strategy to access the language models or computing power provided by the most suitable and efficient cloud operators for its activities.

To deploy the most relevant use cases for its clients, **Mirakl therefore needs a broad ecosystem of language model providers as well as clarity on the responsibility of each upstream actor in its activities.**

Given the complexity of this sector, only enhanced collaboration will catalyze technological innovation. Each actor brings unique elements - intellectual property, technologies, expertise - building a collective ecosystem that promotes innovation. In this context, the partnership strategies developed by Mirakl are clearly pro-competitive.

Mirakl advocates for the emergence of a tech ecosystem with diversified players

The intense competition in the field of Generative AI should now be seen as an opportunity for all economic actors, and proactive public policies can be implemented to foster this competition.

Indeed, the two main barriers for players like Mirakl lie in access to computing power and the cost of using models.

Today, the cost of access to computing power is governed by a "token" system. Each language model itself defines the cost of each token, and it is important for companies using these models to have access to different suppliers to compare the cost of using each model per use case (taking into account the desired level of performance). Obviously, the easier access to computing power is facilitated, the more the unit cost of a token should decrease, provided there are enough models available. A concentration of models in the hands of a few actors would hinder access to models and computing power for players like Mirakl due to a too slow decrease in token costs.

Public authorities must therefore ensure that their actions unleash the competitive potential of European and French players in AI.

Regulating while promoting the openness of the AI model

Mirakl strongly supports the recently adopted AI Act at the European level, which aims to regulate the development, experimentation, and use of AI to ensure safety and respect for fundamental rights.

The approach of the European Commission, based on the level of risk to govern the use of AI systems, leads to a balanced vision between protecting European citizens and innovation, based on assessed, known, and regulated risks.

However, we are concerned about certain aspects of the AI Act (AIA): a comprehensive approach could compromise current AI advancements and developments.

It is therefore necessary to formalize a "use case" approach that allows for proportionate regulation according to the actual risk level. Especially for a player like Mirakl, which faces regulations that hinder the use of online advertising or recommendation systems at the heart of its model.

Indeed, not all recommendation systems rely solely on personal data. For example, the algorithms of our Target2Sell solution primarily use product data. We rely on semantic data (product descriptions), visual data (color, shape of products), performance data (best sales, most viewed), or tracking data (products or groups of products bought together) to offer relevant recommendations to consumers.

In this context, promoting the emergence of diverse actors and contributing to the creation of an AI ecosystem is essential for enhancing performance.

Regulatory intervention that limits the capacity of European companies to enter into technological or commercial partnerships could stifle, and at best negatively affect competition in the field of Generative AI. Far from compromising the independence of start-ups and scale-ups like Mirakl, technological and commercial partnerships accelerate innovation and propel new entrants into the market, leading to more robust competition.

III. The need for a European Generative AI Ecosystem

Building European digital sovereignty extends beyond mere national or regional prestige; it concerns Europe's ability to **uphold its democratic values, protect its economic interests, and maintain its influence on the global stage in the digital era.** Proprietary language models enable Europe not to be entirely dependent on foreign technologies, which might not align their functionalities or development priorities with Europe's specific needs or could be affected by geopolitical tensions.

Furthermore, while the GDPR has set global standards for data protection, reflecting the European commitment to privacy respect, European companies, by designing language models, are inherently better positioned to integrate these values into their developments from the start. **This means not only regulatory compliance but also a competitive advantage in markets sensitive to privacy issues.**

Europe's linguistic diversity is unmatched, with dozens of official and regional languages. Locally developed language models have the potential to better understand and generate texts in these languages, recognizing their cultural nuances and idioms. This not only promotes inclusivity but also accuracy, offering more accessible services and interfaces to a diverse population. In the e-commerce sector and considering the use cases proposed by Mirakl, this represents an opportunity to access more efficient models that take into account the preferences of French and European consumers.

By developing key technologies like language models, **Europe can better control information flows, promote its AI standards and practices, and ensure that technological advancements benefit its population on its terms.**

About Mirakl

Mirakl is the global leader in platform business innovation. Mirakl's suite of solutions provides enterprises with a transformative way to drive significant growth and efficiency in their online business.

Since 2012, Mirakl has been pioneering the platform economy, empowering retail and b2b enterprises with the most advanced, secure and scalable technology to digitize and expand product assortment through marketplace and dropship, improve efficiency in supplier catalog management and payments, personalize shopping experiences, and boost profits through retail media.

Mirakl is trusted by 450+ industry-leading businesses worldwide including Macy's, Decathlon, Kroger, Airbus, Toyota Material Handling and Sonepar. For more information: www.mirakl.com

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