Remark's KanKan Continues Transformation of CP Lotus's Traditional Supermarkets Into Smart Stores with Xishan Market Opening

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Remark and CP Lotus Open New Xishan Smart Store Supermarket in Wuxi, in the Jiangsu Province of China

LAS VEGAS, Jan. 7, 2020 /PRNewswire/ -- Remark Holdings, Inc. (NASDAQ: MARK), a diversified global technology company with leading artificial intelligence ("AI") solutions and digital media properties, announced that following the successful openings of CP Lotus's Xuzhou University Road store and the Junsheng store in the Jiangsu Province, Remark's KanKan was once again chosen by CP Lotus to transform one of their traditional supermarkets into a "smart" store by applying their award winning AI technologies in facial recognition, object recognition, and behavior recognition.

"During the market opening, CP Lotus's Xishan store in Wuxi saw significant customer participation, with over 80% of the visitors entering the store accounted for by Remark KanKan virtual membership archives, while generating coupon distribution and redemption rates as high as 93%," noted Kai-Shing Tao, Chairman and Chief Executive Officer of Remark Holdings. "Registered loyalty members accounted for 17.6% of total transactions, increasing purchase rates and reducing the cost of membership conversion by approximately one-third and increasing the store's return on investment by four times when compared to the industry average, due to the accurate targeting of relevant coupons."

CP Lotus China opened its first store in Shanghai in 1997 and currently has more than 100 stores nationwide. The success of the "smart" store opening in Wuxi shows CP Lotus' continued commitment to transform all their stores into a "smart" store format, as the rollout continues first with the northern China geographies, and then nationwide.

Remark's KanKan applies its AI technology by digitizing the incoming store traffic and linking it to Lotus Supermarket's CRM data, providing the equivalent analytical tools that online retailers have enjoyed in understanding their customer's browsing and purchasing habits. The software allows a store manager to refine store operations to better serve their customers and enhance their shopping experiences while analyzing the customer flow via a traffic heat map.

Remark's KanKan has created a digital, user-friendly retail experience to encourage customer participation to capture essential shopping patterns and habits. Whereas previous data was often fragmented and did not provide meaningful insight, Remark's KanKan AI analytics identify customer needs and wants through understanding prior shopping habits, guiding staff to respond quickly to improve the shopping experience. Combined with personalized services, product recommendations, and the training of Lotus's CRM system, a better customer profile is created, which leads to a higher average purchase transaction and repurchase rate.

"Smart" interactive kiosks and digital signage are strategically placed throughout the store, and coupled with traffic counting devices, to facilitate the information for Remark's KanKan AI analytics to process. Fun games are included as part of the "smart" kiosks to encourage user participation and interaction, including selfie photo stations with special interactive filters, as well as casino games tied to product coupon rewards, which leads to more efficient and effective self-service membership registration, coupon distribution and redemption at the checkout POS terminal.

The "smart" retail management system combines in-store traffic flow data and user interaction data, to analyze customer purchase correlation data in real time, diagnose store operating conditions, and improve the response efficiency of the supply chain, replacing sold-out goods on a timely basis. Interactive behavioral data as well as coupon distribution and redemption records are analyzed to continuously optimize and improve the precision of the personalized shopping recommendation system, responding on a real time basis to customer needs, thus improving the customer experience.

About Remark Holdings, Inc.

Remark Holdings, Inc. (NASDAQ: MARK) delivers an integrated suite of AI solutions that enable businesses and organizations to solve problems, reduce risk and deliver positive outcomes. The company's easy-to-install AI products are being rolled out in a wide range of applications within the retail, financial, public safety and workplace arenas. The company also owns and operates digital media properties that deliver relevant, dynamic content and ecommerce solutions. The company is headquartered in Las Vegas, Nevada, with additional operations in Los Angeles, California and in Beijing, Shanghai, Chengdu and Hangzhou, China. For more information, please visit the company's website at www.remarkholdings.com.

Forward-Looking Statements

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