**Graded Assignment**

Denis Diderot, the famous French philosopher, had spent almost his whole life in poverty until 1765. Diderot’s daughter was about to be married, but Diderot couldn't afford a dowry. The philosopher’s name was well-known since he co-founded and produced Encyclopédie, one of the most comprehensive encyclopedias of the time. The Empress of Russia, Catherine the Great, learned of Diderot's financial woes and offered to buy his library from him for £1000. Diderot found himself with extra money.

As a result of this profitable trade, Diderot quickly purchased a new scarlet gown that was so exquisite that he promptly noticed how out of place it looked amid the rest of his everyday items. Diderot felt forced to purchase other goods to compliment the grandeur of his robe. Thus, purchasing a new item frequently starts a consumption cycle that leads to purchasing even more new things. These reactive purchases are referred to as the Diderot Effect.

To learn more about the Diderot effect, visit [this website.](https://think.ing.com/articles/what-is-the-diderot-effect/)

Explain in your own words what is Diderot effect. Conduct some research and explain how companies use AI to personalize the shopping experience and play on the Diderot effect with the help of examples of 2 companies.  
  
For example, Birchbox is a New York City-based online monthly subscription service that sends its subscribers a box of four to five selected samples of makeup, or other personalized beauty related products. The products include skincare items, perfumes, organic based products, and various other cosmetics. It uses AI to personalize the product recommendations for suggestions to its customers.  
  
The company's website allows customers, after subscription to take a survey called a “beauty profile” to identify their skin and hair type which Birchbox treats and uses as critical data as well as the customer's purchase history to make personalized product recommendations with the help of machine learning algorithms. Their aim is to help and customize customer’s future selections to better suit their preferences.  
  
**Please note: The above example is just for reference. You CANNOT use the same example in your submissions.**  
  
This assignment is of 50 marks. The evaluation criteria for this assignment are given below.

|  |  |
| --- | --- |
| **Elements** | **Weightage** |
| Introduction | 20% |
| Successfully explained the Diderot effect in your own words | 20% |
| Successfully described how the companies had leveraged AI to play on the Diderot effect | 40% (20% for each example) |
| Conclusion | 20% |

Please answer within 400 words. Please convert your document into PDF format and submit it below.