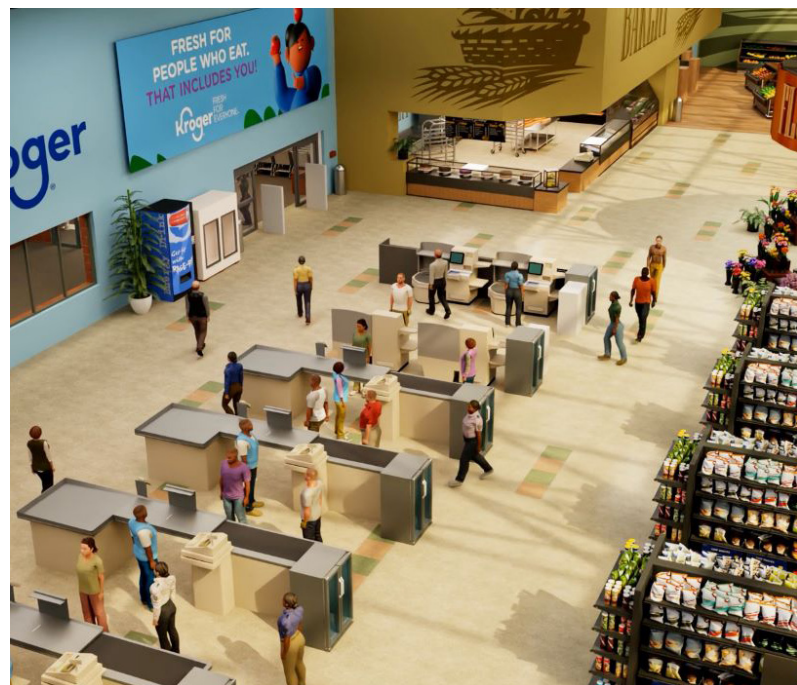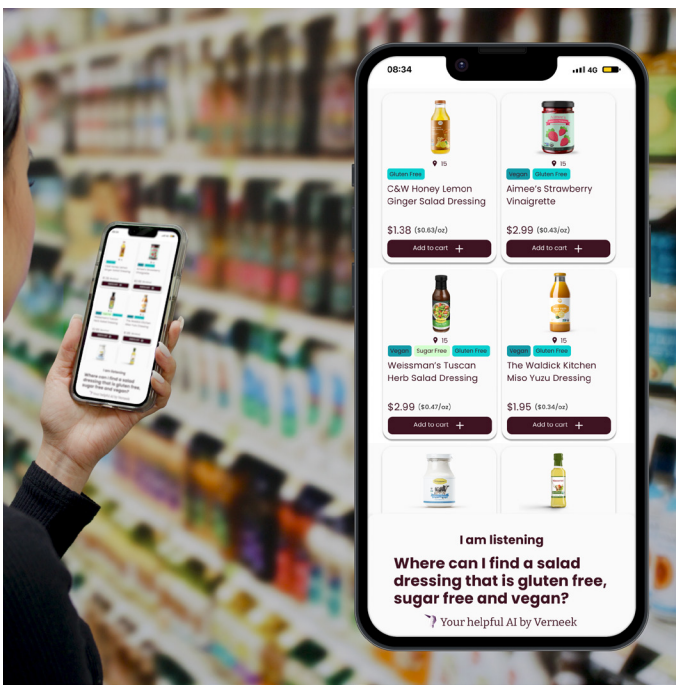# State of AI in Retail and CPG: 2024 Trends

Taking a Closer Look at AI in the Retail Industry

The **retail industry** is on the cusp of a transformation driven by artificial intelligence. With the highest potential for AI and analytics among all industries, the retail and consumer packaged goods (CPG) sectors are poised to harness the power of AI to enhance operational efficiency, elevate customer experiences, and drive growth.

To gain deeper insights into the current state of AI in retail, a survey was conducted from June to September 2023, gathering responses from over 400 professionals. The goal was to assess the industry's attitude toward adopting these technologies, quantify their impact and investments, and identify opportunities and challenges faced by early adopters.

The survey explores views on:

> **Overall AI usage in retail**, and it found AI has a positive impact on revenue and operating costs. Top use cases highlight industry trends and concerns like store analytics, personalized recommendations, and loss prevention.

> **Generative AI**, and it revealed that nearly 50 percent of retail respondents believe it will be a differentiator in the market, revolutionizing customer experiences and marketing and content generation.

> **Omnichannel AI**, and it highlighted ecommerce as the most-used channel, as well as the channel with the biggest opportunity for AI to drive revenue growth.

The survey also discovered a unanimous belief in the disruptive power of AI, with respondents representing a mix of retail segments and various business functions. However, it also highlighted how the industry is still in its early stages of adoption, facing challenges such as a lack of knowledge, robust technological infrastructure, and access to AI expertise. While AI investment levels were found to be relatively low compared to industry capital expenditures, retailers are committed to increasing AI infrastructure investments in the next 18 months.

Let's take a deeper dive into these key trends, and explore how they'll shape the AI strategies of retail companies in the upcoming year.

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Part I: AI in Retail

AI is revolutionizing the way businesses operate and interact with customers, from inventory management and supply chain optimization to personalized recommendations and virtual assistants. By harnessing the power of machine learning, natural language processing, and computer vision, retailers can gain valuable insights, make data-driven decisions, and automate processes, ultimately leading to increased revenue, more efficient operations, and enhanced customer satisfaction.

Let's discover the wide-ranging applications of AI in retail and delve into the significant business benefits it brings to the industry.

Key Insights on AI in Retail

Opportunities and Challenges

1. Results show a significant positive impact of AI on revenue and operating costs.

2. Improving operational efficiencies is retail's biggest AI opportunity.

3. Recruiting and retaining AI experts and data scientists are major challenges to achieving AI goals.

Investments in AI

4. Investment levels in AI are small in comparison to industry capex.

5. Over 60 percent of retail respondents plan to increase their AI infrastructure investment in the next 18 months.

6. Retailers are investing in multiple, diverse AI use cases spanning various business functions.

Implementation Approaches

7. Over 50 percent of retail respondents prefer to deploy a hybrid approach for their AI solution.

AI Adoption Advances, With Industry Leaders at the Helm

Retailers are embracing AI technologies, with 42 percent of surveyed retailers already using AI and an additional 34 percent assessing or piloting AI initiatives. Interestingly, 14 percent are unaware of AI technologies relevant to their business needs.

Delving deeper into larger retailers with annual revenues exceeding $500 million reveals a more pronounced trend, with 64 percent already using AI, 55 percent more than the total retail industry adoption rate. On top of that, 22 percent more are currently assessing or piloting it. Only 7 percent of these larger retailers remain unaware of AI technologies relevant to their business needs, which is 50 percent lower than the total retail industry.

This data highlights how larger retail organizations, often benefiting from greater financial resources and expertise, lead the way in AI integration within the industry.

Are you using AI?

| | Currently use AI | Currently assessing/piloting it, but haven't implemented it | Have looked at it, but decided not to use it | Unaware of AI technologies relevant to our business needs | Don't know |

Legend: ■ All retailers   ■ Retailers with $500M+ annual revenue

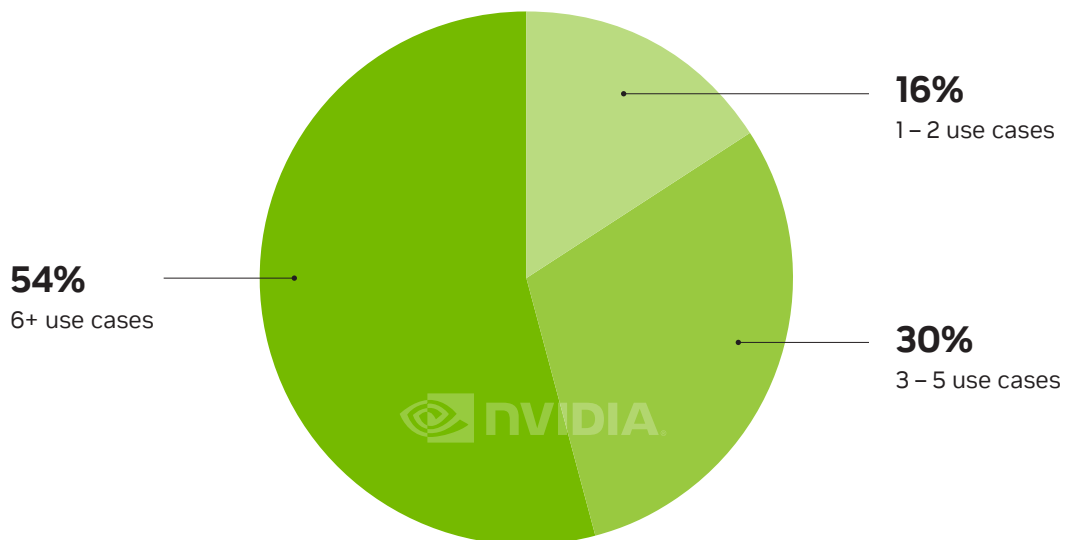## Number of Use Cases Being Adopted

Of the survey respondents who have already adopted AI, over 80 percent have deployed three or more of the use cases, and over half cited having six or more use cases in production.

- 1 – 2 use cases = 16%
- 3 – 5 use cases = 30%
- 6+ use cases = 54%

How many AI use cases have you adopted?

16%
1 – 2 use cases

30%
3 – 5 use cases

54%
6+ use cases

Key Use Cases Forecast an Emerging Generative AI Trend

When asked about the specific **AI-enabled applications** being used, respondents gave examples ranging from demand forecasting and prediction to conversational AI. Impressively, of the 30 different use cases analyzed by the survey, 14 are used by over 20 percent of respondents' companies, demonstrating the potential for numerous applications to make a difference in how retail companies operate. Interestingly, many of the most-voted-for use cases are closely linked to generative AI, pointing toward the technology's potential to enhance personalization and customization in retail.

What AI use cases is your company investing in today?

The results listed below demonstrate the top use cases selected and don't include all possible answers.

Intelligent Store (multiple selections possible)	
Store analytics and insights	**53%**
Adaptive advertising, promotions, and pricing	**40%**
Conversational AI	**39%**
Stockout and inventory management	**39%**
Loss prevention and asset protection	**35%**
Autonomous checkout	**21%**
Brand avatar for automated customer service	**21%**

Digital: Ecommerce, Mobile, and Metaverse (multiple selections possible)	
Personalized customer recommendations	**47%**
Conversational AI and natural language processing (NLP)	**36%**
Adaptive advertising, promotions, and pricing	**28%**
Augmented reality experiences	**28%**
Product tagging and cataloging	**25%**
Visual search	**24%**

Intelligent Supply Chain and CPG Manufacturing (multiple selections possible)	
Demand forecasting and prediction	**27%**
Product formulation, design, and development	**19%**
Pick-and-place robotics	**19%**
Intralogistics simulation and optimization	**15%**
Door-to-door and last-mile delivery	**15%**
Product waste, spoilage, and food safety	**15%**
Product quality inspection	**15%**

Personalization and Customization

Generative AI is featured prominently in retail's top AI use cases, extending past personalized recommendations to areas like conversational AI, adaptive advertising, promotions and pricing, product tagging and cataloging, and deployment of brand avatars. These findings underscore generative AI's potential to transform retail by enhancing customer engagement, optimizing marketing strategies, and streamlining operational processes.

Store Analytics and Insights

With a 53 percent adoption rate, retailers, particularly those with annual revenues exceeding $500 million, are using AI for store insights like queue analytics and heat mapping. Food and drink CPG companies, department stores, and grocery stores were the retail segments that embraced this use case the most.

Loss Prevention and Asset Protection

Retailers are using AI to tackle shrinkage, a $112 billion industry problem. In fact, 54 percent of C-suite executives rank it as one of their top AI applications, highlighting the critical need to enhance security and asset protection strategies.

Augmented Reality Experiences

Retail companies are exploring virtual world use cases for either consumer engagement or enterprise and product visualization. This engagement rises to 39 percent for retailers with over $500 million in annual revenues, with the cosmetics, beauty, and perfume store segment notably showing strong interest as they explore applications like virtual try-on to enhance customer experiences.

AI's Positive Impact on Revenue, Operating Costs, and Operational Efficiencies

The Impact on Annual Revenue and Operating Costs

Of respondents currently using AI, 69 percent believe AI has contributed to an increase in their annual revenue, with 28 percent reporting an increase between 5 and 15 percent and an additional 15 percent reporting an increase above 15 percent.

At the same time, of respondents currently using AI, 72 percent believe AI has led to a decrease in their operating costs, with 28 percent report seeing a decrease between 5 and 15 percent and an additional 23 percent reporting a reduction above 15 percent.

C-suite executives reported even stronger results, with 57 percent asserting that AI has driven both an annual revenue increase and an operating cost decrease above 15 percent.
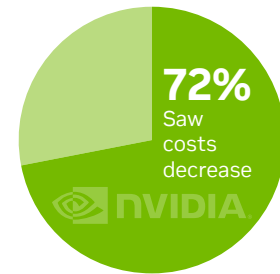
The Biggest Area of Opportunity? Business Operations.

AI hasn't just delivered financial benefits. It has also acted as a catalyst for significant improvements in business operations, most notably in boosting efficiency, enhancing customer experiences, and improving decision-making. Of these benefits, 57 percent of C-suite executives cited the importance of decision-making, making it the most popular benefit among that demographic.

How has AI impacted your annual revenue?

69% Saw revenue increase
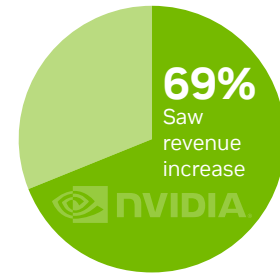
How has AI impacted your annual operating costs?

72% Saw costs decrease

How has AI improved your business operations? (all retail respondents)

Created operational efficiencies	53%
Improved the consumer experience	42%
Improved decision-making	37%
Created a competitive advantage	32%
Opened new business opportunities and/or revenues (new markets, segments, etc.)	24%
Yield more accurate demand forecasting	21%
Enhanced employee upskilling	13%
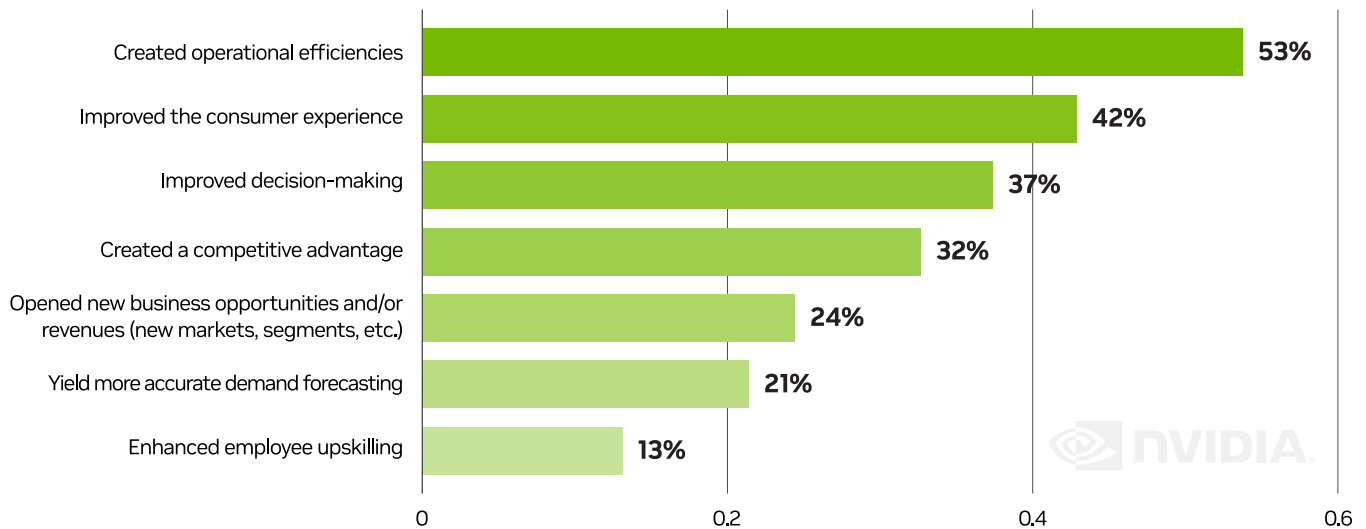
Investment in AI Is Low Compared to Industry Capex

A **recent study by NYU Stern** found that retailers have varying capital expenditures, ranging from $6 billion for grocery and food to $68 billion for online retail. Considering these numbers, AI investment levels seem relatively low. Among all retailers, 68 percent invested less than $5 million in AI infrastructure this year, while only 12 percent invested more than $50 million. Among retailers with annual revenues exceeding $500 million, however, results are more favorable. While 47 percent invested less than $5 million in AI infrastructure this year, another 27 percent invested more than $50 million.

How much did your company spend on AI infrastructure?

Legend:
- Less than $5M
- $5 – 15M
- $31 – 50M
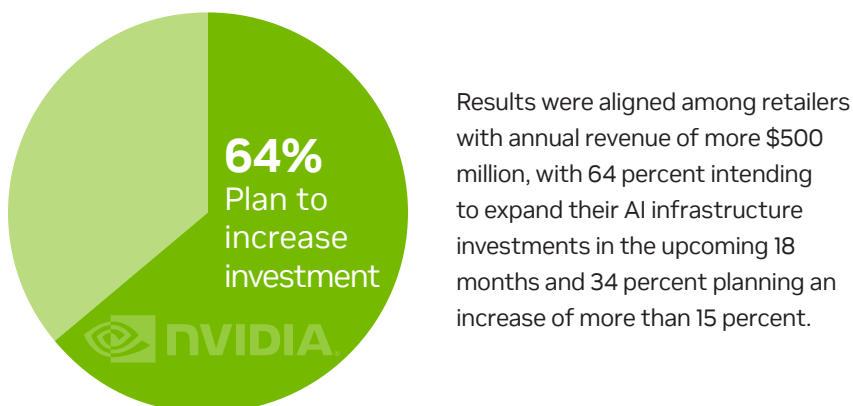- $51 – 100M
- $251 – 500M
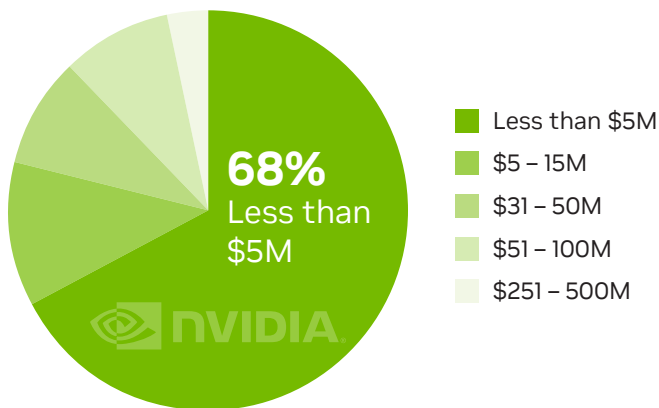
Despite retailers' optimism on the numerous benefits of AI, the survey's results indicate they're cautious to invest. Indeed, 50 percent of those who aren't using AI and 24 percent of those who are using AI cited lack of budget as a key AI challenge.

Retailers Plan to Invest More in AI Infrastructure

Findings indicate that 64 percent of retailers intend to expand their AI infrastructure investments in the upcoming 18 months. Among these retailers, one-third, or 34 percent, are planning to increase investments by more than 15 percent, reflecting a strong commitment to AI.

What are your investment plans for AI infrastructure next year?

Results were aligned among retailers with annual revenue of more $500 million, with 64 percent intending to expand their AI infrastructure investments in the upcoming 18 months and 34 percent planning an increase of more than 15 percent.

Top Challenges Include Inadequate Technology and a Lack of AI Talent

While there are many benefits to implementing AI, it can also come with challenges. Beyond financing AI infrastructure, retailers who adopted AI shared their three primary challenges: inadequate technology, recruiting and retaining AI experts and data scientists, and having sufficient data for best accuracy.

Inadequate technology highlights the importance of having the right infrastructure for AI transformation. Outdated or insufficient technology can prevent the seamless integration and scalability of AI systems, limiting retailers from fully realizing AI's benefits.

Recruiting and retaining AI experts and data scientists are also significant challenges due to the competitive demand for their specialized skills. Having their continued support is critical for driving AI initiatives, innovation, and system maintenance. This challenge was identified as the primary reason why some retailers chose not to adopt AI, further underscoring the problem.

Finally, having access to an adequate volume of high-quality data is essential. Fragmented data, siloed throughout the enterprise, is a fundamental challenge to leveraging AI for critical initiatives such as demand forecasting—the top use case for supply chain efficiency. Insufficient or low-quality data can lead to suboptimal model training, resulting in inadequate performance and insights.

Retailers Prefer Partnerships When Implementing AI

Retailers want to strike a balance between internal control and external expertise when implementing AI. Results show that 52 percent of all retailers opt for a hybrid approach. Results are even more pronounced among retailers with annual revenues exceeding $500 million, with a remarkable 63 percent leaning toward a hybrid approach. This strong inclination to partner can help mitigate some of the **key challenges of implementing AI**, including a lack of AI experts, working with inadequate technology, and budget constraints.

Most Retailers Prefer a Hybrid Approach to AI Implementation
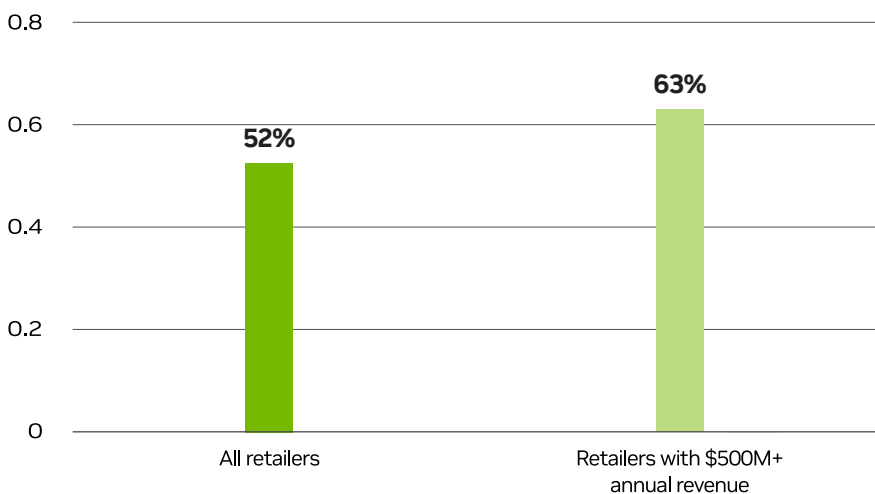
Part II: Generative AI

Generative AI is a subclass of AI that uses neural networks and machine learning algorithms to generate creative and contextually relevant content like text, images, video, and 3D assets. This technology can be used to address numerous needs across the retail enterprise. Popular examples include shopping advisors that provide personalized product recommendations to customers, dynamically generated product descriptions for ecommerce, imagery and video creation for marketing and advertising, and even code generation to optimize developer productivity. According to **one McKinsey study**, this generative AI opportunity represents a potential impact of $400–660 billion a year to the retail and CPG industries.

Let's look at how retail companies are approaching the adoption of generative AI.

Key Insights on Generative AI in Retail

Opportunities and Challenges

1. Nearly 50 percent of retail respondents believe generative AI is strategic and will be a differentiator in the market.

2. Transforming customer experiences is the biggest opportunity.

3. Data privacy is the biggest concern.

Investments in Generative AI

4. Investment levels in generative AI are small in comparison to industry capex.

5. Retailers are being conservative with investment levels in generative AI. Planned investments are smaller than planned investments in AI.

Implementation Approaches

6. Over 20 percent of retail respondents plan to use generative AI through software vendors that are creating solutions.

Retailers Are Embracing Generative AI at Different Paces

The survey's results indicate a mixed sentiment within the retail industry regarding the adoption of generative AI.

A significant proportion of retailers, 46 percent, see generative AI as a strategic tool that can differentiate them in the market. One segment in particular that recognizes its transformative potential is organizational leadership, with 23 percent of respondents stating that their company has a top-down mandate to evaluate how best to leverage the technology. In addition, 21 percent of retailers plan to use generative AI through specialized software vendors whose expertise and infrastructure can be leveraged to implement the technology both efficiently and effectively.

Conversely, a cautious "wait and watch" approach is being adopted by a substantial segment, 39 percent, potentially due to concerns about the technology's complexity, costs, or compatibility with existing systems.

These results suggest that, while many retailers are optimistic about the potential benefits of generative AI, the industry is in the early stages of exploring the technology, with varying levels of readiness. As generative AI continues to evolve and demonstrate its value, more retailers may begin to embrace it as a strategic tool to advance their business.

How does your company envision using generative AI? (multiple selections possible)	
The technology is strategic and will be a differentiator for us in the market.	**46%**
We're waiting and watching.	**39%**
There's a top-down mandate to evaluate how best to leverage the technology.	**23%**
We plan to use generative AI through software vendors that are creating solutions.	**21%**
We have blocked employee access to generative AI tools like ChatGPT.	**9%**
I don't know.	**9%**
We have no current plans to use.	**6%**

Number of Use Cases Being Adopted

For those respondents who have either adopted or plan to adopt generative AI, over 80 percent identified three or more of the use cases and over half cited having six or more use cases. These findings mirror those of AI, indicating that respondents perceive generative AI as equally versatile in functionality.

How many generative AI use cases are you considering or have already implemented?

18%
1 – 2 use cases

25%
3 – 5 use cases

57%
6+ use cases
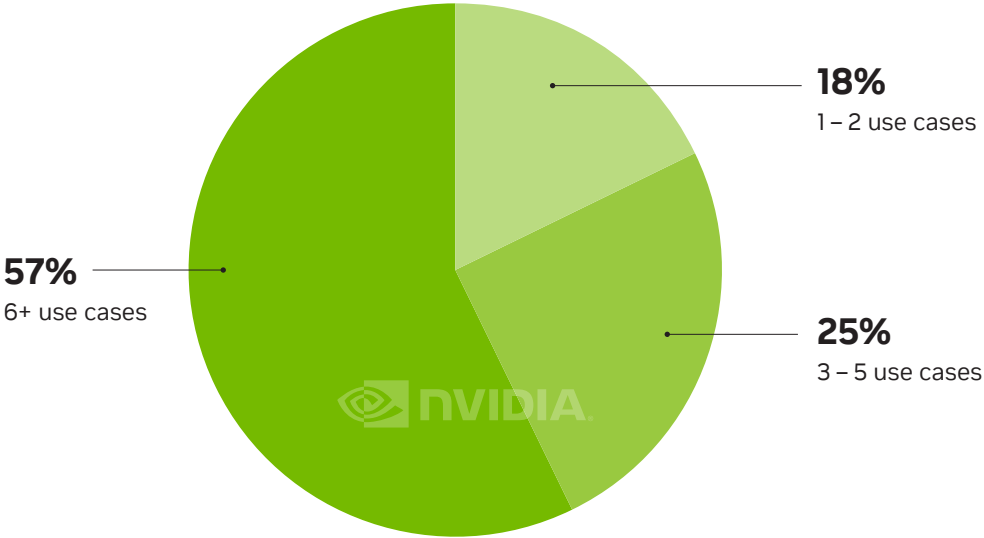
What Are Generative AI's Biggest Opportunities?

Generative AI is emerging as a powerful force in the retail sector, with retailers recognizing its potential to revolutionize various aspects of their operations. Among the most prominent areas of focus are customer experiences and marketing and content generation.
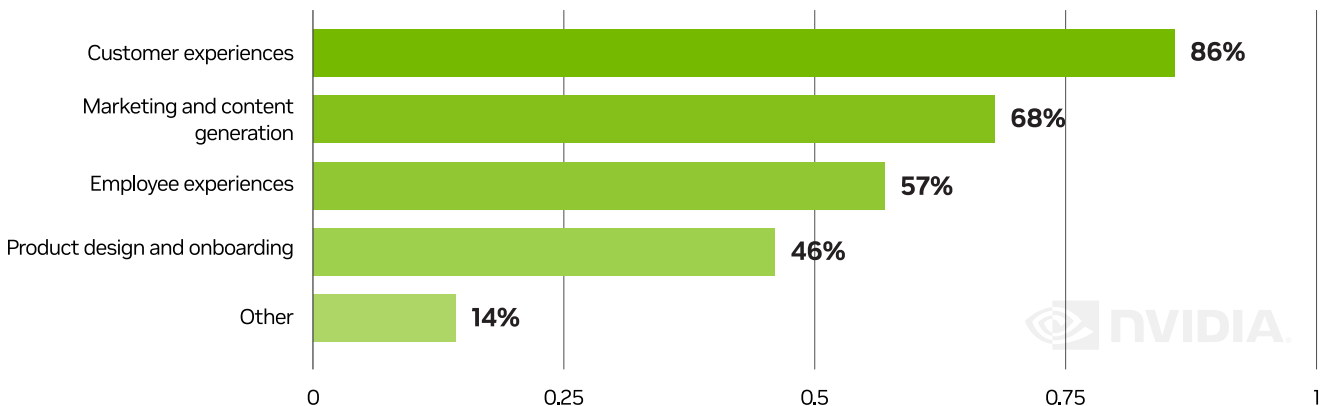
Enhancing Customer Experiences

Among all retailers surveyed, 86 percent want to use generative AI to enhance their customers' experiences. Among C-suite executives, this result jumps to 100 percent. This points to a shared vision of using generative AI to create more personalized, engaging, and efficient customer journeys, where AI-driven solutions assist in product recommendations, virtual shopping, and more.

Transforming Marketing and Content Generation

Among all retailers surveyed, 68 percent want to use generative AI to transform marketing and content generation. This underscores the belief that generative AI can offer innovative solutions for use cases like automating content generation (text, imagery, audio, video), tailoring campaigns, and delivering more personalized and compelling messaging to customers, ultimately driving business growth.

What are the areas you may use generative AI in to transform your business? (all retail respondents)

Area	Percentage
Customer experiences	86%
Marketing and content generation	68%
Employee experiences	57%
Product design and onboarding	46%
Other	14%

Retailers Prioritize Personalization With Generative AI Investments

When asked about the specific generative AI-enabled applications being targeted, examples ranged from advertising to synthetic data generation. Impressively, of the 15 different use cases analyzed by the survey, 13 are being considered or used by over 30 percent of respondents' companies, demonstrating the potential for numerous applications to make a difference in how retail companies operate. These findings correlate with AI's main use cases, highlighting that retailers recognize the synergy between traditional AI's capabilities and those of generative AI. By investing in both technologies, particularly to enhance customer experiences, retailers are establishing a streamlined AI ecosystem.

What generative AI use cases are being considered or implemented?

Customer Experiences (multiple selections possible)	
Personalized recommendations	**66%**
Branded virtual assistant for customers	**52%**
Customer analysis and segmentation	**50%**
Personalized marketing and advertising	**46%**
Multilingual chatbots for customer service	**41%**

Employee Experiences (multiple selections possible)	
Employee virtual assistant (answering multilingual FAQs via text, videos, and images)	**46%**
Warehouse virtual assistant	**14%**
Real-time metaverse translation	**14%**

Marketing and Content Generation (multiple selections possible)	
Marketing content generation (images, text, video, music, etc.)	**59%**
Advertising (generate ads leveraging images and content)	**52%**

Product Design and Onboarding (multiple selections possible)	
Product development	**34%**
Product onboarding (including creation of descriptions, 3D imagery for the metaverse, ecommerce content, etc.)	**32%**

Other (multiple selections possible)	
Predictive analytics	**50%**
Synthetic data generation	**46%**
Dynamic code and function generation	**41%**

Data Privacy Tops Concerns About Generative AI

At 39 percent, data privacy is the top concern for retailers thinking about employing generative AI. Notably, this concern is even more pronounced—at 59 percent—among larger retailers with annual revenues over $500 million, since they typically handle more data, attract greater regulatory scrutiny, and are more prone to cybersecurity threats. Retailers must prioritize stringent data protection measures to safeguard sensitive information and maintain consumer trust.

Personalized Recommendations

One Salesforce study found that 92 percent of retailers are increasing their investments in generative AI to enhance shopping experiences, particularly through hyperpersonalization and recommendations. This survey's results reaffirm this trend, with 66 percent of respondents choosing personalized recommendations as the top use case. Other leading use cases, such as product onboarding, personalized marketing and advertising, and predictive analytics, support the overarching objective of providing consumers with hyperpersonalized experiences.

Marketing Content Generation

Using generative AI to create new content (text, images, audio, video) for marketing initiatives can save businesses considerable time and resources while ensuring consistency and quality. With generative AI, marketers can deliver tailored experiences to their target audiences more effectively, enhancing engagement and brand visibility to drive better conversion rates.

Multilingual Chatbots for Customer Service and Branded Virtual Assistant for Customers

In an industry known for labor shortages, these results show retail's continued commitment to bettering the customer service experience. Generative AI's ability to understand and mimic human language and behavior allows virtual assistants such as shopping advisors to seamlessly interact with customers to address their needs.

Product Development

While this application was ranked lower, a striking 83 percent of C-suite executives expressed interest. It can let retailers create innovative, data-informed, and market-ready products more efficiently, reducing costs, development time, and material waste.

Interestingly, the survey results reveal that job displacement ranks as the lowest concern among retailers, garnering only 7 percent of the votes. This finding underscores retailers' growing belief that generative AI will complement, rather than replace, human workers. It also emphasizes the industry's need to focus on reskilling and upskilling employees to harness the full potential of generative AI while nurturing a harmonious collaboration between humans and AI technologies.

What are your concerns about generative AI? (two selections possible)
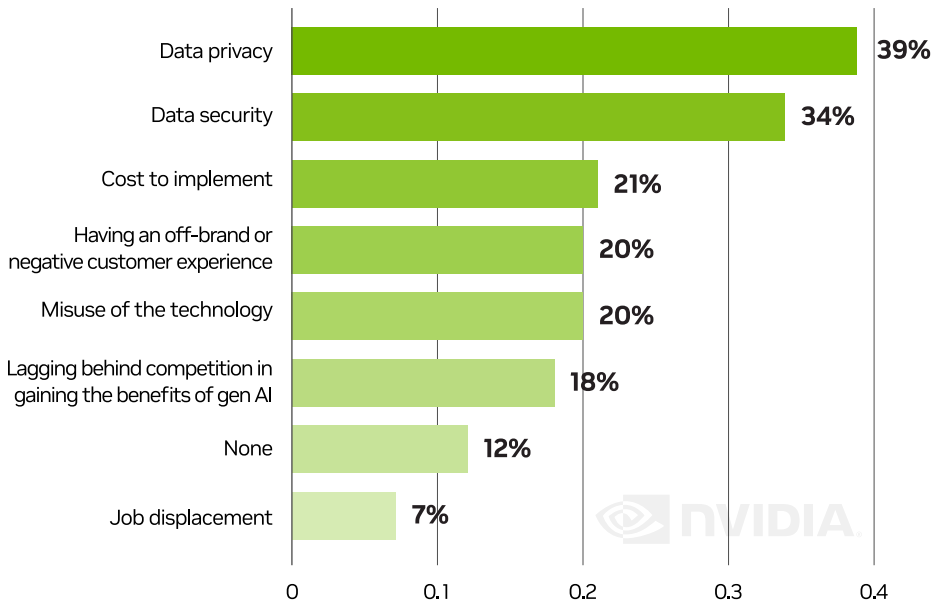

## Retailers Are Interested but Cautious About Generative AI

Findings show that 98 percent of respondents plan to invest in generative AI infrastructure in the next 18 months. However, they're exercising caution, with 77 percent indicating an investment of less than $5 million. This cautious approach is consistent among retailers with annual revenues of over $500 million—78 percent reported a similar investment range.

When analyzing spending over $5 million in the next 18 months, 44 percent boast annual revenues exceeding $1 billion, while another 44 percent operate with annual revenues below $100 million. This suggests that a significant portion of both large and smaller retailers recognize the importance of generative AI, with some smaller players demonstrating a remarkable financial commitment to its adoption. While respondents within this group came from diverse industry segments, one that was especially represented was supermarkets and other grocers, constituting over 40 percent of the group. It underscores this segment's ongoing effort to leverage technological innovation to establish a competitive edge, align with evolving consumer preferences, and safeguard narrow profit margins.

Do you plan on investing in generative AI?

98%
Yes
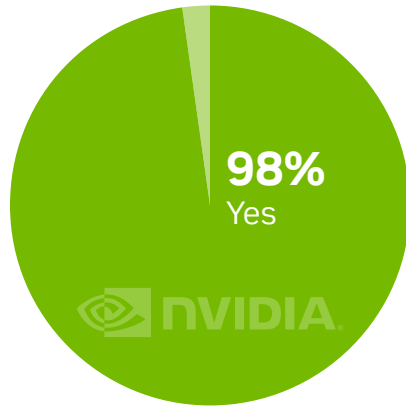
How much do you plan to invest in generative AI?

77%
Less than
$5M
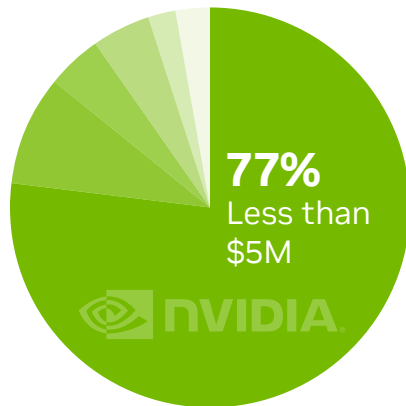
- Less than $5M: 77%
- $5 – 15M: 9%
- $16 – 30M: 5%
- $31 – 50M: 5%
- $51 – 100M: 2%
- $0: 3%

Among those planning to spend over $5 million on generative AI, the top two opportunities are in personalized marketing and advertising and personalized recommendations, each garnering 78 percent of votes. This aligns with their belief that the top area generative AI will transform is customer experiences, with 89 percent of votes. These generative AI investments also support their AI initiatives, where their main focuses include personalized customer recommendations, adaptive advertising, promotions and pricing, and conversational AI.

Part III: Omnichannel AI

A robust omnichannel strategy is crucial to remaining competitive in today's retail landscape. Consumers seamlessly navigate between numerous online and offline channels, and retailers must meet them at every touchpoint. Consumers expect retailers to provide consistent, personalized experiences across various platforms, which if done well, fosters customer loyalty and satisfaction. Leveraging AI is key in this strategy, as it enables retailers to collect and analyze data from multiple channels in real time and offers insights that can inform, for example, personalized marketing and inventory management. By doing so, retailers can maximize the effectiveness of their omnichannel approach, ultimately driving growth and staying competitive in a highly dynamic market.

Let's explore how retailers are strategizing their omnichannel approaches, including their current priorities and areas of opportunity.

Key Insights on Omnichannel Strategy in Retail

Opportunities and Challenges

1. Ecommerce is the most used channel.

2. Over 50 percent of retail respondents are using mobile applications to converge the digital and physical shopping experiences.

3. Retail's metaverse application shifted from consumer engagement to operational efficiency, but participation remains soft compared to other channels.
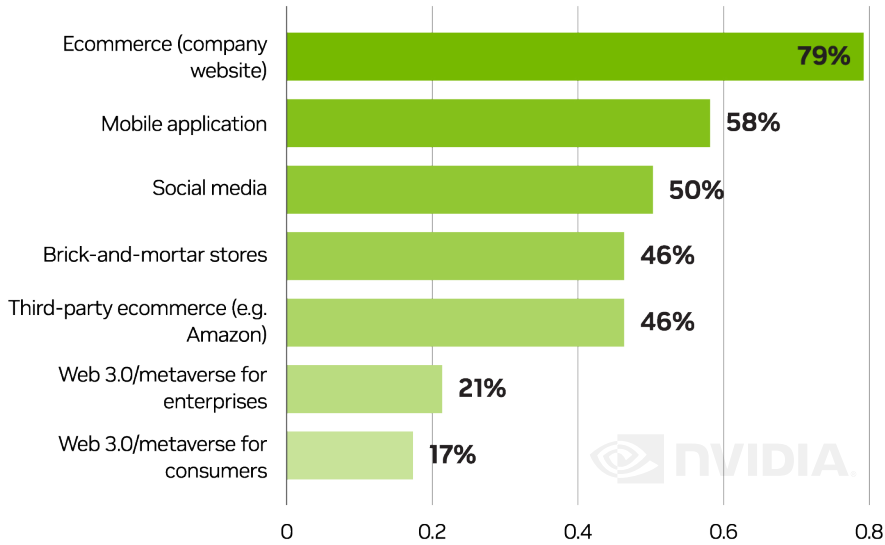
Investments in AI

4. Ecommerce is recognized as the biggest revenue growth opportunity.

5. Retail respondents still consider physical stores to be the second-biggest revenue growth opportunity, providing consumers with convenience and differentiated shopping experiences.

Ecommerce is Top Omnichannel Choice, Revealing Future Revenue Potential
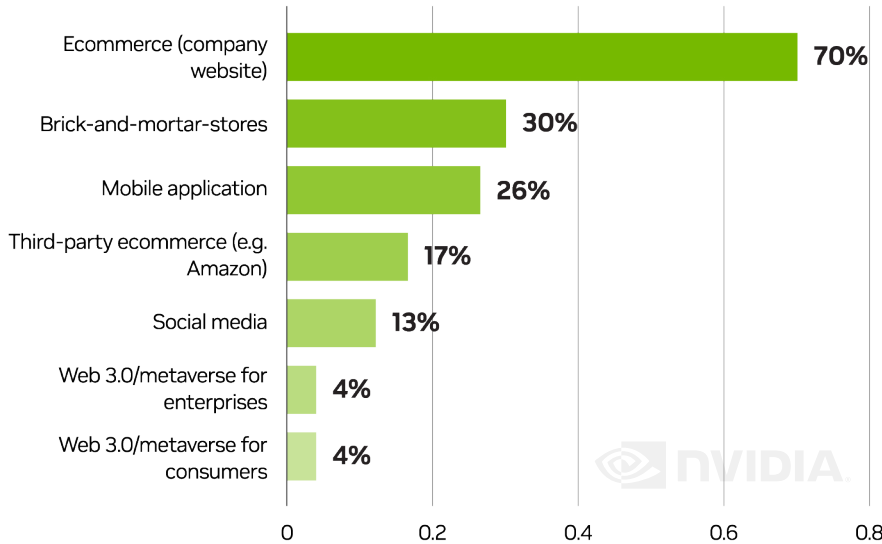
Ecommerce emerged as the top retail channel used among our respondents—79 percent of all retailers, and 86 percent of those with annual revenues exceeding $500 million, actively participate in the channel. Its dominance underscores the substantial shift toward online shopping and reflects changing consumer preferences and the ongoing digital transformation.

What is your top retail channel? (multiple selections possible)

Channel	Percentage
Ecommerce (company website)	79%
Mobile application	58%
Social media	50%
Brick-and-mortar stores	46%
Third-party ecommerce (e.g. Amazon)	46%
Web 3.0/metaverse for enterprises	21%
Web 3.0/metaverse for consumers	17%

In addition to usage, respondents also believe ecommerce is the channel with the most potential for substantial revenue growth. Seventy percent of all retailers, and an impressive 86 percent of those with annual revenues exceeding $500 million, identified it as their biggest opportunity. This strong positive correlation between engagement with and the perceived revenue potential of ecommerce emphasizes its importance as the retail industry evolves.

What channel provides the biggest opportunity for revenue growth? (two selections possible)

Channel	Percentage
Ecommerce (company website)	70%
Brick-and-mortar-stores	30%
Mobile application	26%
Third-party ecommerce (e.g. Amazon)	17%
Social media	13%
Web 3.0/metaverse for enterprises	4%
Web 3.0/metaverse for consumers	4%

These results also explain why retailers are strategically focusing their AI and generative AI use cases on personalization—encompassing marketing, advertising, promotions, and product recommendations—and virtual customer service. The end goal is to elevate the customer experience to new heights.

Other Notable Top Channels

Mobile Applications

Among retailers with annual revenues over $500 million, mobile was tied with ecommerce for #1 with 86 percent participation. This surge in popularity can be attributed to changing consumer preferences, the need for a competitive edge, and the opportunities for data-driven marketing and enhanced user experiences that apps offer.

Brick-and-Mortar Stores

Among retailers with annual revenues over $500 million, participation grew to 57 percent versus 46 percent across all respondents. In segments where customers touch, feel, smell, or try products—like grocery, apparel and footwear, and home centers and improvement—participation also ranked higher.

Other Revenue Growth Opportunities

Brick-and-Mortar Stores

Despite ranking fourth in participation, Brick-and-Mortar Stores still garnered the second-most votes—30 percent—among all retailers for the channel with the biggest revenue growth opportunity. This highlights physical stores as a critical touchpoint in an omnichannel strategy that complements the digital experience. Stores let customers interact with products, make in-store pickups, and receive in-person assistance, all contributing to the channel's appeal and revenue potential. This result explains why, despite the rise in digital shopping, physical stores remain the channel with the most—and most popular—AI use cases for retailers. With intelligent stores' central role in the omnichannel experience, use cases such as store analytics and loss prevention will continue to be critical investments.

Looking Forward

The AI opportunity for retail and CPG is clear, with the retailers currently leveraging AI seeing a measurable growth in revenue and decrease in operating costs. However, overall, retailers are still in the early stages, with noticeable interest and optimism about AI's benefits but varied levels of readiness to invest and implement. Larger retailers, benefitting from financial resources and expertise, are at the forefront of AI exploration and adoption, while others grapple with challenges like a lack of AI expertise or technological infrastructure and budget constraints. To offset these challenges, many retailers are turning to third-party software and development partners.

AI is emerging as a reliable solution to address a range of industry challenges, from needing to adapt to evolving customer preferences for digital convenience and address labor shortages to advancing sustainability efforts and combating shrinkage. Beyond problem solving, AI presents the potential for retailers to transform their business in unprecedented ways, enhancing operational efficiency and employee productivity, elevating customer engagement, improving data-driven decision-making, and providing the opportunity to create a competitive edge.

As knowledge and experience with newer technologies such as generative AI continue to prove their worth, we can expect their cautious approach to subside, making way for increased adoption and investment in line with what the industry is witnessing with AI and ecommerce. As the digital evolution and era of personalized customer experiences gain momentum, so too will AI continue its pivotal role in shaping the future of retail and CPG.

Ready to Learn More?

To learn more about how AI is reinventing retail, visit: **www.nvidia.com/retail**