

# Retail reimaged: turning AI ambition into operational reality

Inside the strategies, structures,  
and real-world use cases helping  
retailers move from AI hype to  
measurable impact

Artificial intelligence has dominated retail conversations for years but, for many organizations, the journey from ambition to execution remains imbalanced. The challenge now is to determine how to deploy AI in ways that deliver tangible business outcomes without disrupting already complex operations.

That execution question was the central theme at a recent industry event, headlined by Capgemini leaders and featuring a series of cross-functional sessions spanning customer experience, operations and AI strategy. Capgemini speakers included Mark Ruston, Sahil Minocha, Priya Keshree, and Jennifer Marchand.

This group detailed three broad areas of deployment focus: customer experience, function integration, and better use of data to drive business outcomes.

## Delivering on customer expectations

The recent Capgemini Research Institute (CRI) report [\*What matters to today's consumers 2026\*](#) found approximately 40 percent of consumers in 12 surveyed countries are actively reducing spending by buying smaller quantities or trading down, even as seven in 10 still seek out small indulgences to cope with financial pressure.

Those reduced buying patterns make customer engagement even more important, said Minocha, Senior Director of Digital Customer Experience at Capgemini. “No retailer is investing in technology just to have it. They’re trying to solve specific problems, whether that’s improving customer experience, optimizing processes, or driving operational efficiency. Our role is to connect those objectives to the right technology and make sure it actually delivers.”

While the pressures facing retailers are global, the Canadian market has unique constraints, including slower population growth and a highly competitive landscape, limiting a retailer’s ability to rely on customer acquisition to drive growth.

“The reality in Canada is that population growth isn’t keeping pace,” Minocha said. “So one of the most important metrics becomes customer retention. If you’re losing customers, you’re not just missing growth, you’re actively shrinking your revenue base.”

That makes retention a business necessity. That same CRI report shows that 74 percent of consumers would switch brands for better pricing, while 71 percent would do so if they perceive shrinkflation or hidden value erosion.

Event speakers emphasized the importance of customer lifetime value, loyalty, and experience as foundational pillars of growth. From more responsive customer service to deeper personalization and more seamless omnichannel journeys, delivering on these expectations requires more than deploying new tools: it demands a fundamental rethink of how the organization operates.



## Integration across functions

If AI is the catalyst for transformation, organizational silos remain its biggest obstacle.

According to Ruston, Global Retail Lead at Capgemini, one of the most persistent barriers to progress is the disconnect between functions that should work in lockstep.

“Retailers have historically been organized in silos: marketing, supply chain, store operations, digital. But the customers don’t see those silos. They experience one brand, one journey. And increasingly, AI-driven experiences require those functions to operate as a single system.”

This theme was cited repeatedly across sessions in reference to connected enterprise models and end-to-end transformation. Whether discussing storefront innovation or back-end modernization, speakers consistently highlighted the need for integration of systems, teams, and decision-making processes.

“The technology is only part of the equation,” Ruston said. “The harder part is getting the organization to work differently.”

## Move beyond cost cutting

Another aspect of working differently has been using technology to cut costs, especially during the early days of AI adoption. And in a margin-constrained industry, that was an appealing proposition. But as implementations mature, the limitations of a cost-first approach become clear.

“Cost takeout alone is very difficult to achieve,” Ruston said. “You might automate a portion of a role, but you still need the person for the rest of it. You create efficiency but maybe not cost savings.”

More importantly, too much focus on cost can undermine the customer experience. Poorly implemented automation, such as chatbots that fail to resolve issues, can frustrate customers and impact brand loyalty. Ruston describes this as the “AI doom loop,” where organizations deploy automation without careful consideration.

“If the customer feels like you’re using AI purely to benefit yourself, not them, you’re going to lose trust.”

## Data should be the foundation

Personalization has long been a retail goal, but AI is raising both the ceiling and the stakes.

Today’s consumers expect experiences that are tailored but also contextual and somewhat predictive. In other words, they want retailers to anticipate their needs, simplify their decisions, and deliver value at every touchpoint.

But retailers often try to jump too far ahead without addressing foundational issues, including data quality. “Before you can do AI-driven personalization, you have to fix your data,” Minocha said. “If your data is fragmented across channels and systems, your customer experience will be fragmented as well.”

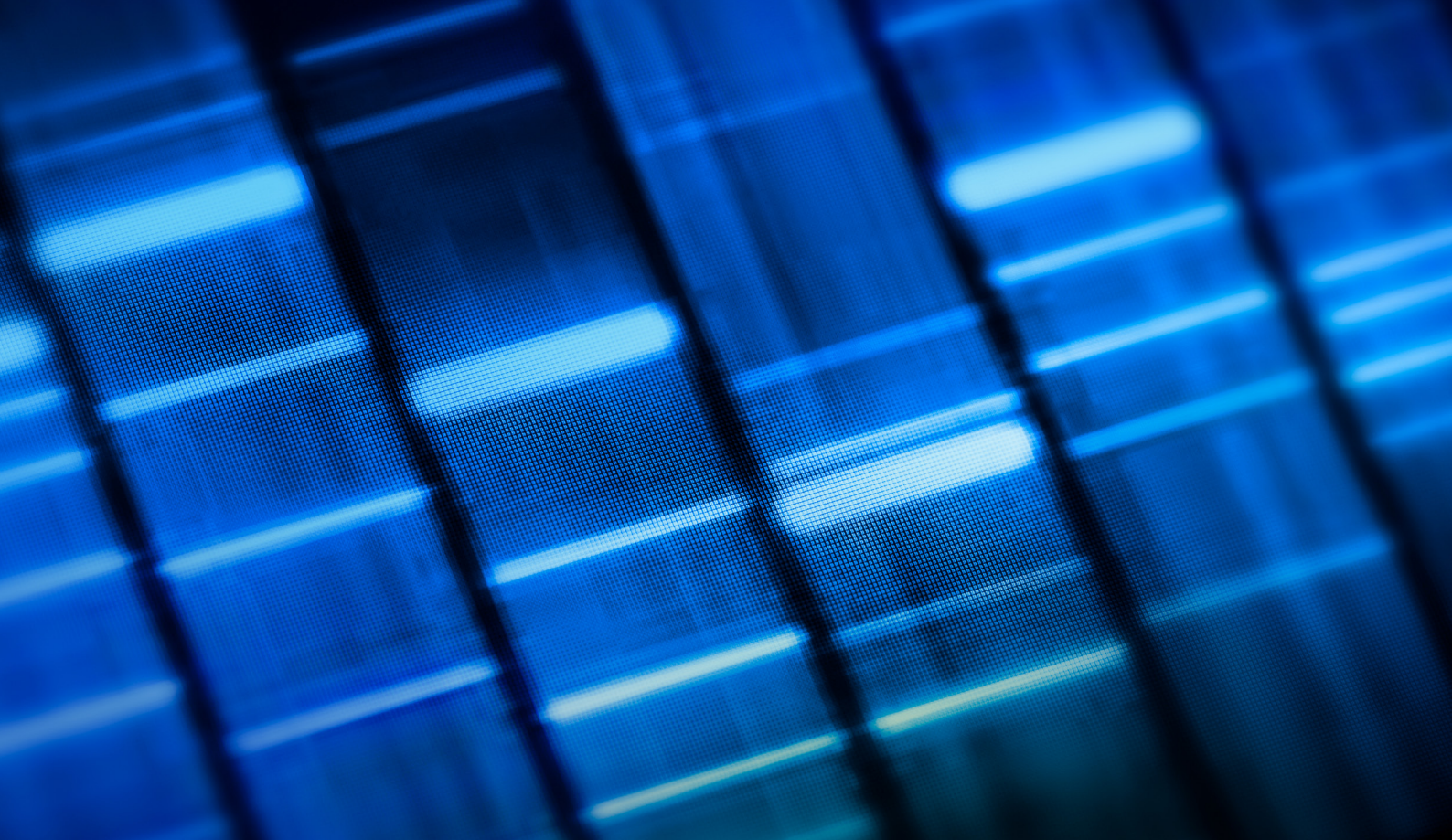
A solid data foundation will enable retailers to move beyond basic segmentation to deliver highly personalized recommendations, dynamic offers, and even proactive guidance to customers. Minocha said emerging use cases in grocery are an example.

“Imagine being able to suggest recipes on what a customer already has at home, while also recommending additional items to complete the meal. You’re increasing basket size, but you’re also providing real value.”

However, sophisticated personalization also raises new challenges, particularly around privacy and trust. It’s a tension that’s already visible in consumer sentiment. The CRI found that nearly two-thirds of shoppers want AI to provide hyper-personalized experiences but 71 percent are concerned about how it uses their personal data and 76 percent want clear boundaries on how AI assistants operate.

“There’s a fine line between helpful and intrusive,” Ruston said. “Retailers need to be very thoughtful about how they use data, and very transparent with customers about what they’re doing with it.”

Again, though, consumers are interested in these advancements. CRI research indicates that one in four shoppers have used generative AI shopping tools in 2025, with a further 31 percent planning to adopt them.



## Where AI is delivering value today

Despite the pace of innovation within the category, not all AI applications are created equal. Some are already delivering measurable ROI, sometimes through benefits that were never imagined in the first place, while others remain in the experimental or conceptual phase.

Among the most mature use cases is demand forecasting. Leveraging machine learning, retailers can analyze vast amounts of data and predict demand with greater accuracy, adjusting their operations accordingly.

“We have a forecast-modeling tool that some of our customers use to process millions of SKUs on a daily basis,” Ruston said. “That’s a proven capability with clear business impact.”

Another area of significant progress, highlighted by both

Ruston and Minocha, is frontline enablement. AI-powered copilots are helping store associates be more effective by assisting them in answering questions and providing guiding tasks and real-time support.

“Retail has always struggled with high turnover and varying skill levels,” Ruston said. “With AI, you can effectively make every associate as capable as your top performers.”

These tools also enhance the customer experience by ensuring more consistent service across locations. And more advanced applications, including agentic commerce and AI-driven search optimization, were highlighted as emerging frontiers that retailers should investigate.

## From batch to real-time retail

One of the most transformative shifts within the retail industry enabled by AI is the move from batch processing to real-time

operations. Most processes, such as inventory planning and replenishment, have operated on daily cycles. Data has been collected, analyzed, and acted upon in batches, creating a lag between insight and action. AI is changing that dynamic.

“With the right capabilities, you can move to intraday decision-making,” Ruston said. “If something changes – demand spikes, inventory runs low – you can respond immediately.”

That’s an example of the “store of the future” concept, in which AI is combined with connected systems and physical technologies to enable a more agile and responsive operation. However, Ruston warned this approach requires a high degree of coordination.

“For real-time decision-making to work, every part of the organization needs to be connected. Supply chain, transportation, store operations – they all need to be aligned.”

## Focus, discipline, and AI fluency

As AI evolves, one big risk is retailers attempting to do too much, too quickly.

“Bad strategy is trying to tackle everything at once,” Ruston said. “The organizations that are succeeding are the ones that are focusing on specific use cases, proving value, and then scaling.”

It’s a disciplined approach that was consistently reinforced throughout the event, with many speakers emphasizing the importance of prioritization, governance, and incremental progress. And a key component of that foundation is AI fluency: the ability of employees to understand and effectively use AI tools.

“It’s not just about having the technology,” Ruston said. “People need to understand what it can do, where it adds value, and how to use it responsibly.”

## Navigating risk in a rapidly evolving landscape

Even as the opportunities related to the use of AI within retail expand, so too do the risks. For

instance, the pace of innovation makes it difficult to predict which platforms and solutions to select.

“There are more solutions in the market than ever before,” Ruston said. “And it’s not always clear which ones will stand the test of time,” especially as issues including data privacy, security, and ethical use are becoming a competitive differentiator, with two-thirds of consumers saying they trust AI more when it explains its recommendations, while a similar proportion expect brands to clearly disclose when content or advertising is AI-generated.

“There’s a reputational risk if you get it wrong,” Ruston said. “But there’s also an opportunity. If you’re transparent and responsible, customers will be more willing to share their data with you.”

## Execution is the differentiator

The retail conversation is shifting from what’s possible to what’s practical. The retailers that succeed will not necessarily be those with the most advanced technology, but those that can integrate it most effectively, align it with their strategy, and scale it across the organization.

For Capgemini, that means staying focused on outcomes.

“It’s not about implementing AI for the sake of it,” Minocha says. “It’s about solving real problems, delivering real value, and making sure those solutions actually work in the real world.”

Capgemini’s long-standing partnership with Salesforce can play a critical role in enabling that vision at scale. With more than 19 years of collaboration, over 2,500 Salesforce projects delivered globally, and a network in excess of 36,000 certified professionals, Capgemini brings both the technical depth and industry expertise required to operationalize AI-driven transformation.

This scale is further reinforced by 22 Applied Innovation Exchange Centers and a presence across more than 50 countries, allowing solutions to be rapidly adapted to local market dynamics while maintaining global consistency.

More importantly, the partnership spans the full retail value chain, from marketing and commerce to service, analytics and quote-to-cash, enabling truly connected, end-to-end experiences.

“Salesforce brings powerful tools, from customer experience platforms to AI capabilities,” Minocha said. “Our role is to ensure those tools are integrated into the broader ecosystem and aligned with the retailer’s objectives.”



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