Retailers are accelerating their AI deployments

More than one out of four retailers are deploying AI in their organization.

Almost three out of four AI use cases are deployed in customer-facing areas

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Apparel and footwear followed by Food & Grocery lead the pack among single-category retailers

Most retailers focus on customer-facing AI initiatives

Almost three out of four AI use cases are deployed in customer-facing areas (100% share) by broad function.

AI in operations is a $340 billion prize that cannot be ignored

But, retailers’ focus on customer-facing AI initiatives is masking a big opportunity in operations.

AI in operations is already reaping benefits

Walmart has used AI-driven image optimization to realize savings of $86 million with estimated savings of over $2 billion over the next 5 years.

Morrisons used AI for stock replenishment to reduce shelf gap by 30% during trial sessions.

How should retailers leverage AI to yield most benefit?

- Increase investments in AI
- Focus on the maturity of their enterprise data practices
- Look through the customer lens when deploying AI initiatives
- Treat AI as a strategic imperative
- Focus on quick wins

Source: CityAM, “Roboshop: How Morrisons is using artificial intelligence to stock its shops”, March 2017

Source: Business Insider, “Walmart is saving $2 billion with a machine called ‘Eden’ that inspects food and knows when it will spoil”, March 2018

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Share of retailers deploying AI

AI Penetration-By Subsector

Use cases share (%) by broad function

Retailers expect significant benefits in customer-facing areas

Proportion of benefits expected by retailers

Other
Speciality
Automotive
Retailers
Electronics
and Home
Appliances
Home
Improvement
Food and
Grocery
Apparel
and Footwear
Multi-
category

Increase in promotion efficiency
Enhanced customer satisfaction
Reduction in customer complaints
Reduction in customer churn

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