

Gen AI in Retail

Empowering teams, accelerating workflows and unlocking value across functions – that's the power of Generative AI in today's retail landscape. But realizing its full potential requires a strategic approach — one that builds upon iterative implementation, efficiency gains, competitive advantages and value creation opportunities.

Bringing more engaging shopping interactions with Generative AI

Instead of

People will

Complex and difficult filtering and searching for products



Conveniently and simply ask for what they want

Hours spent researching to find the best goods and services for their needs



Quickly receive highly **personalized suggestions**

Adding items to a shopping cart one by one



Make high level requests, like “I need ingredients for Fajitas tonight”

Struggling through the checkout



Let AI chatbots guide you through checkout, **answering questions and resolving issues**

Key Stats

36.8%

Year-on-Year growth in Gen AI market within retail

81%

of retail decision makers feel urgency to adopt generative AI in their business

75%

of retail decision makers say, Gen AI is a key-way for retailers to reinvent themselves

GenAI's role across the retail value chain



Front Funnel

Mid Funnel

Back Funnel

Back Funnel

Focus on fulfilling customer orders and delivering products or services

GenAI allows retailers to:

- Streamline supplier management and procurement
- Optimize delivery routes and schedules
- Ensure timely availability of products through demand-based procurement
- Automate decision-making in reverse logistics
- Enable better post-purchase experience through chatbots

Mid Funnel

Focus on encouraging customer interest and guiding them towards purchase decisions

GenAI helps present relevant offerings through:

- Automating the creation of personalized product catalogues
- Optimizing pricing strategies
- Tailoring offers based on customer segmentation, purchase history, and real-time market dynamics
- Maximizing revenue potential

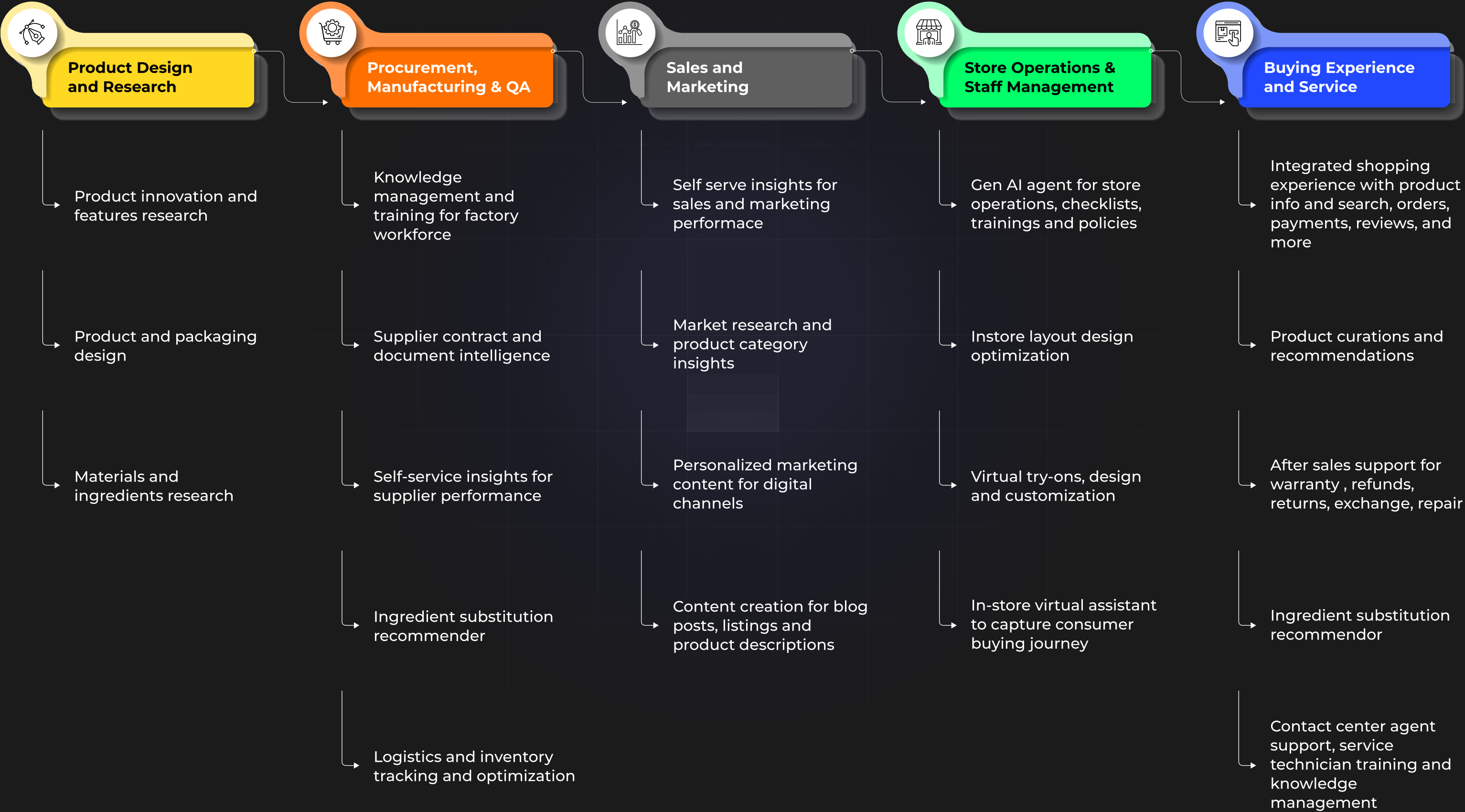
Front Funnel

Focus on customers and raise awareness through marketing campaigns, ads, and promotions

GenAI adds value by enabling conversational AI in retail that:

- Offers guidance
- Answer queries & provide recommendations tailored to retailers' requirements
- Build lasting relationships with users

Generative AI's Impact on Retail Industry Functions



Key Complexities that Retailers come across

- ✓ Supply Chain Disruptions
- ✓ Changing Consumer Behavior
- ✓ Technology Integration
- ✓ Inventory Management
- ✓ Customer Experience
- ✓ Data Security and Privacy
- ✓ Economic Uncertainty
- ✓ Pricing Strategies
- ✓ Customer Loyalty

Major Benefits of Integrating Gen AI

- ✓ Enhanced product recommendations
- ✓ Efficient content generation
- ✓ Enhanced supply chain efficiency
- ✓ Accelerated product design
- ✓ Automated routine tasks
- ✓ Real-time data analysis
- ✓ Enhanced brand loyalty
- ✓ Improved fraud detection and prevention

Next Steps for Retailers

Retailers and brands that want to harness the power of generative AI to curate a competitive advantage should take three actions simultaneously:



Build a strong foundation

Implement a robust customer data platform (CDP). Prioritize a 360-degree view of the customer and cross-enterprise data sharing. Doing so will ensure the full potential of generative AI.



Experiment and scale with POCs and pilots

Explore multiple proofs of concept and prototypes quickly to gain a competitive advantage. Moreover, running pilots across marketing, commerce, and service will be recommended concurrently through a common connected strategy.



Build partnerships to overcome skill gaps and enable change

Partner with organizations that not only possess the technical capabilities needed to advance these programs but also have the industry expertise, data capabilities, regulatory awareness, and access to a robust partner ecosystem to ensure a cohesive, comprehensive program.

Polestar's AI-Powered Ecosystem to Streamline your Operational Excellence Across Retail Chain

