

# Transformative Uses of AI in Retail Keep Businesses Ahead of the Curve



From optimizing business processes to improving quality control, proactive [businesses use AI](#) to gain competitive advantage. Just as AI drives innovation in medicine and reduces downtime in manufacturing, AI in retail has the power to drive efficiency and innovation while improving customer engagement.

## Trend Forecasting

For instance, AI can forecast buying trends by analyzing historical data, social media sentiment and market research. This critical analysis helps retailers predict the products, styles, colors, and sizes that will drive consumer spending moving forward. With these AI-driven insights, they can then make informed decisions about product development and marketing.

AI algorithms also help retailers ensure competitive pricing by analyzing market trends, consumer demand and competitor pricing. And because AI can track and analyze a wide range of data very quickly, companies can adjust pricing fast enough to improve customer retention.

## Improve Operations While Reducing Expenses

AI helps retailers automate and improve [omnichannel retail operations](#) while reducing operational expenses. Innovations such as cashier-less payment systems, smart shelves and virtual dressing rooms

enhance the customer experience. Generative AI algorithms also help retailers by detecting fraudulent activities like fake purchases or counterfeit products.

At the same time, AI plays a key role in automating tasks like the creation of accurate product descriptions and the management of product inventory. By eliminating human error and introducing significant time savings in these areas, AI promises a rich return on investment.



## Build Customer Satisfaction

In addition to improved product descriptions, AI also helps retailers provide better customer service with the use of chatbots and virtual assistants. These AI-powered tools can interact with customers in a human-like way through text or voice and provide critical assistance and recommendations.

With 80 percent of global brands already using or developing chatbots, customers have come to depend on the technology. Chatbots such as the one used by Tommy Hilfiger help customers explore the product catalog. Machine learning systems further improve sales by effectively classifying products and guiding customers to relevant content.

## Create Highly Personalized Offerings

Combing through thousands of products can weary even the most avid shopper. But when retailers know the type of products customers want and when they want them, loyalty and conversion rates increase. AI helps retailers personalize recommendations and promotions to individual customers based on preferences, behavior, purchase history, location, and context.

Innovative retailers take personalization a step further. For example, beauty retailer Sephora provides a Virtual Artist that allows customers to try on makeup products virtually. The chatbot even offers step-by-step, customized tutorials.



## Support Innovative Product Development

AI also helps retailers optimize the design process to match new products more closely to customer preferences. Using generative AI, design teams can combine insights from product reviews, market trends, and existing contracts to inform new designs.

AI also enables retailers to involve the customer directly in the design process. For example, AI-enabled Nike By You allows shoppers to customize the color and materials for every aspect of their sneakers.

## Leverage Superior Retail Technology Services to Support AI in Retail

Innovative technologies like AI have the potential to transform retail operations. But at the same time, they introduce additional regulatory and security concerns. And they depend on up-to-date systems to ensure sufficient computing power and protections.

Top-ranked technology services provider eMazzanti offers [end-to-end retail technology solutions](#). Services include comprehensive retail payment technologies, exceptional cloud services, full-featured network management and powerful security and compliance solutions. And as a Microsoft partner, eMazzanti can also help retailers leverage [Microsoft AI solutions](#).

