

Retailers are bullish on generative AI's potential

Article

The news: Several retail companies are running tests to gauge how and where generative AI may help improve their front- and back-end operations.

- **Instacart** is experimenting with a generative AI-powered “[Ask Instacart](#)” tool, which aims to help users create and refine shopping lists. The delivery firm aims to see whether the tool improves the buying experience and increases transactions per customer.
- **Walmart** is using generative AI for a range of functions, including to improve the natural language processing tools it leverages for features such as Text to Shop, which allows

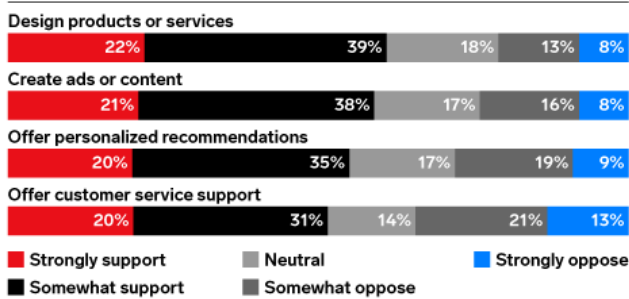
consumers to add Walmart products to their cart by texting or speaking the names of the items that they need, [per](#) VentureBeat.

- **Levi Strauss** is planning a pilot that uses AI-generated models on its ecommerce channels to increase the diversity of bodies shoppers see wearing its products, [per](#) The Business of Fashion.
- It isn't all large companies exploring the technology. For example, streetwear company **Snipes** is using AI tools to draft [product descriptions](#).

While it is still early days for the technology, the majority of consumers “somewhat” or “strongly” support brands using the technology to handle a variety of tasks, including customer service inquiries and product recommendations, per Dentsu. That suggests that, at the very least, there's little risk in experimenting with the technology.

Attitudes Towards Brand Uses of Generative AI Among US Adults, Mar 2023

% of respondents



Note: n=1,000

Source: Dentsu, "Dentsu Consumer Navigator: Generative AI 2023," March 31, 2023

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Building a better business: Amazon has been using machine learning over the past quarter century for everything from developing personalized ecommerce recommendations to optimizing fulfillment center pick paths to navigating drones for Prime Air, noted the company's CEO, **Andy Jassy**, in his [annual letter](#) to shareholders. But generative AI promises to “transform and improve virtually every customer experience,” he wrote.

While there is a wide array of potential use cases for retailers, we believe that some of the most viable and valuable ones include:

- **Chatbots:** Generative AI can help retailers provide faster, personalized, and engaging responses to customer inquiries.

- **Product descriptions:** The technology can automate new product descriptions and product categorization. For example, **Shopify** recently rolled out [Shopify Magic](#), which can create product descriptions based on the keywords merchants wish to target in search results and their desired tone (such as “expert” or “sophisticated”).
- **Personalization:** Generative AI can tailor the shopping experience to consumers based on their purchase history, preferences, and behavior.

The big takeaway: Generative AI has a ways to go before it delivers on its promise as it currently requires significant supervision.

- But given that it has strong momentum, retailers should experiment with how and where they can test the tool to avoid getting left behind.

Go further: Read our [ChatGPT and Retail](#) report to dive deeper into generative AI’s growing role within the industry.

*This article originally appeared in Insider Intelligence’s **Retail & Ecommerce Briefing**—a daily recap of top stories reshaping the retail industry. Subscribe to have more hard-hitting takeaways delivered to your inbox daily.*

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