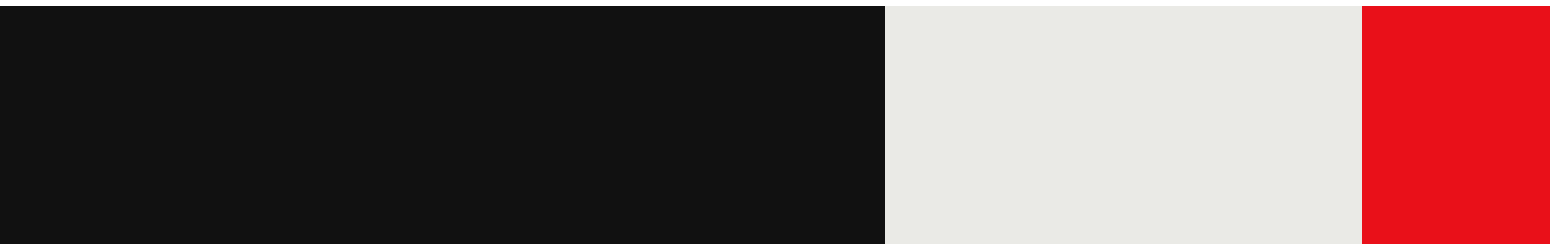



Exclusive: Two-thirds of retailers expect to implement genAI in 2024

Article



The stat: Roughly two-thirds (65%) of retailers plan to implement generative AI (genAI) in a consumer-facing capacity within the next six to 12 months, [according to](#) a survey by First Insight provided exclusively to EMARKETER.

- An additional 29% plan to do so in the next one to two years.

Zoom out: Overall, companies are bullish on AI's potential—but CEOs and the rank-and-file are divided on the best way to implement the technology within the organization.

- More than half (52%) of CEOs rated the implementation of genAI for design as one of their top three use cases, compared with just 27% of their management teams.
- Both groups were aligned about genAI's potential for building personalized marketing and recommendation engines, but managers and employees were significantly more enthusiastic about AI's potential to enhance predictive analytics (63%) than their leaders (39%).

The difference of opinion is likely due to the two groups' different vantage points.

- CEOs were concerned about the big picture: the risk of costly AI-based recommendations and actions, business case and ROI justifications, and the potential workforce impacts.
- Management teams, on the other hand, appear to be more focused on the day-to-day challenges of implementation. Over half (53%) rated data security and privacy as one of the top barriers to AI adoption in their company, followed by lack of awareness, understanding, and/or expertise (43%), and the cost in time, money, and skills (34%).

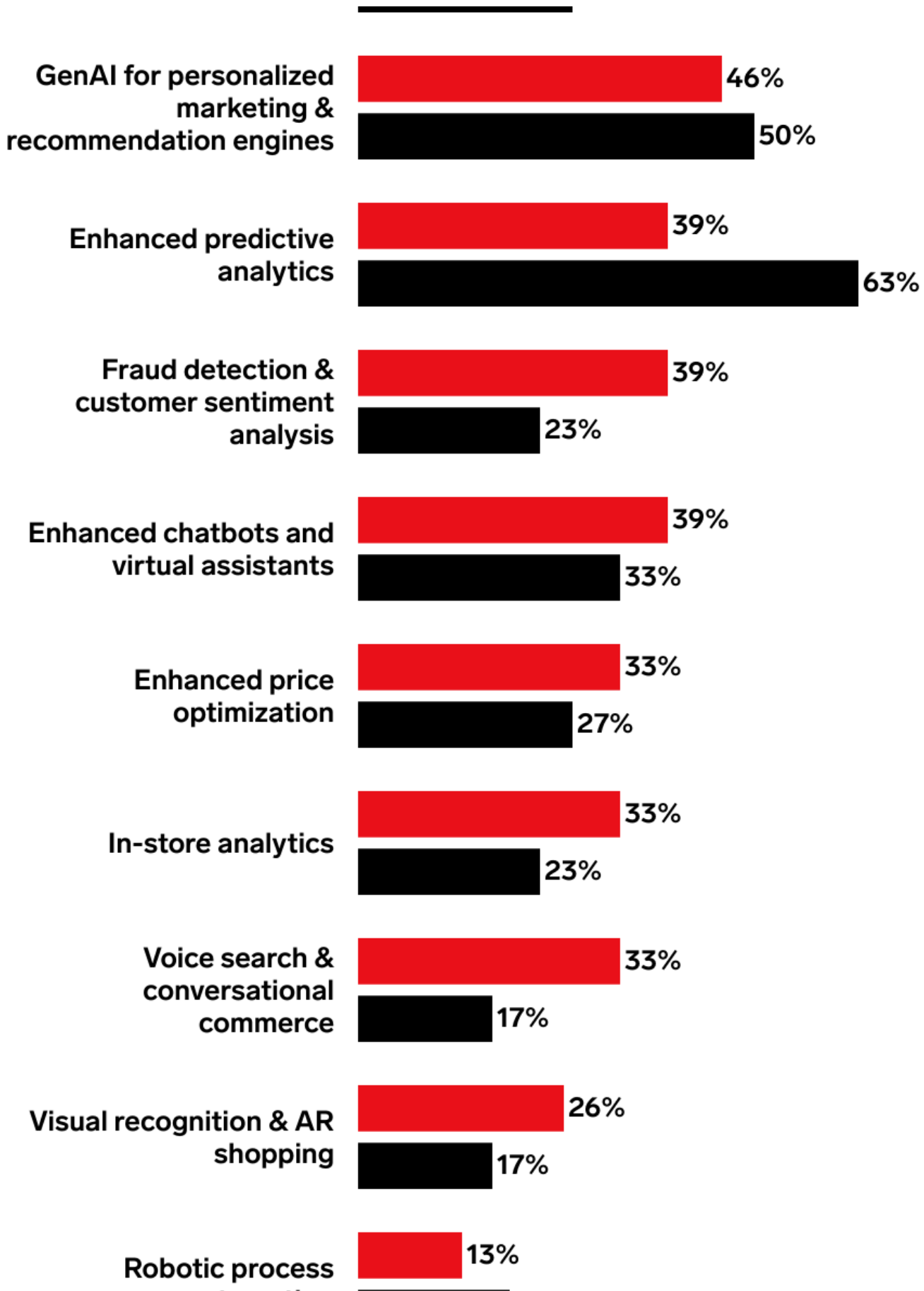
The big takeaway: It's clear that AI—and genAI in particular—is at the [top of retailers' to-do lists](#) in 2024. But companies are rightly concerned about moving too quickly, given repeated [controversies involving genAI](#) as well as yet-unresolved issues regarding data privacy and hallucinations.

- Even so, CEOs need to make sure they're on the same page as the rest of their organizations to ensure they uncover the AI uses that can best address their pain points and facilitate deeper connections with shoppers.

AI Applications that Hold the Most Promise According to US Retailers, Dec 2023

% of respondents





automation  19%

 CEOs  Management teams

Note: n=165

Source: First Insight, "AI Strategy Divide: Bridging the Perception Gap in Retail Leadership," Mar 5, 2024

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