

3 ways retailers are using ChatGPT and generative AI

Article

Generative AI is the topic of the moment, and the dollars are following: Spending on AI-centric systems worldwide will jump to **\$154 billion this year** from \$121 billion last year, according to the International Data Corporation. If you're not already using the tech, it's time to get started. Here's how retailers are using the AI.

1. Content generation

This is one of the most promising use cases, our analyst Carina Perkins said on a recent episode of our [“Behind the Numbers: Reimagining Retail”](#) podcast. Perkins said retailers are “using it to create product descriptions, marketing copy, blogs, social media posts. You can even translate your website copy into a wide range of languages.”

Generative AI is a creative opportunity, according to Perkins. “You can drive big efficiencies by automating manual tasks and that will free up your human staff for potentially more creative tasks,” she said.

Case study: [Coca-Cola is already exploring the use of ChatGPT](#) and the DALL-E image generator to overhaul its marketing. “It's a really good example of a brand looking to drive efficiency and scale up. And what that will enable Coca-Cola to do in time is personalization,” said Perkins.

Watch out: AI use for content generation runs the risk of plagiarism or hallucination (making up information). “You really want to vet [outputs] and have clear guidelines on what is acceptable and what's not,” said our analyst Yoram Wurmser.

2. Chatbots and plugins

Personalized shopping assistants on retail websites are a likely future use case for generative AI. But similar tech is already here via ChatGPT plugins.

Case study: [Klarna, Instacart, and Expedia](#) are working with OpenAI to create plugins that allow users to ask open-ended questions about what to eat for dinner or where to go on vacation. The chatbot can then make a recommendation, linking to specific products.

Watch out: Customer-facing AI may not be as sensitive to the tone of queries as a human representative might be. Here again, Wurmser said brand guidelines for use are important.

3. Image rendering

AI can be used to turn 2D apparel images into 3D renderings. “Any way you can make [listings] more interactive or create a more enhanced image, that improves conversions and shopping,” said Wurmser.

Case study: [Google's Shop in 3D](#) aims to bring 3D models of shoes and other visuals to shoppers. Google reports users engage with 3D images 50% more than static ones.

Watch out: Google, Amazon, and others are continuing experimentation with this tech, but adoption is still fairly low. Eventually, 3D renderings and virtual try-ons may replace in-store shopping, but for now, 3D shouldn't be the biggest focus area for most brands.

What should brands and retailers do right now?

“Familiarize yourself with generative AI and its capabilities,” said Perkins. Brands experimenting with generative AI face an open playing field where most adopters are still new to the tech. “Find people who are really into it and willing to experiment and learn from it. And those are people you want to rely on,” said Wurmser

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