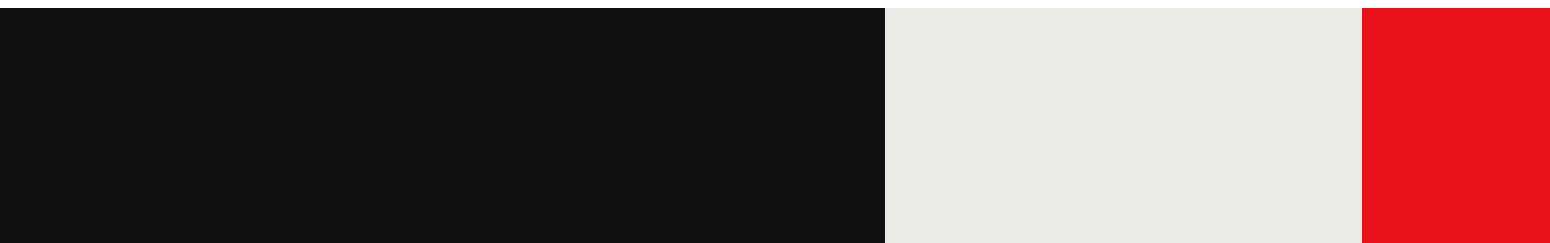



Why does genAI for retail personalization matter right now?

Article



Personalization is a priority for retailers. Almost 90% of business leaders worldwide believe personalization will be valuable to their success in the next three years, per a May 2024 survey by Method Research, Rep Data, and Twilio. Brands offering a high level of personalization are reporting improved conversion rates, customer engagement, customer satisfaction, average order value (AOV), and lifetime value, per a February 2024 survey by Deloitte.

GenAI has the potential to be transformative. Cost-effective large language models (LLMs) like ChatGPT are making it possible for businesses of all sizes to use AI for individualized customer experiences. Over 70% of US digital retailers believe AI-driven personalization and genAI will affect their business more than any other factor this year, per a December 2023 survey by Bolt.

But implementation challenges must be overcome. Employees often have the most detailed knowledge of the internal processes that can be automated using genAI, and they can be resistant to the technology due to fears over job security. Identifying the most significant and transformative use cases is also challenging, particularly for retailers that work on tight margins and must be particularly mindful of their bottom line.

Key Stat: Over 70% of US digital retailers believe AI-driven personalization and genAI will affect their business in 2024, per a December 2023 survey by Bolt.

Use case: Customized product designs

Why genAI?

With the power to produce thousands of variations of product designs from text prompts, genAI models make it easier for retailers to allow customers to customize certain elements of existing products—or even create entirely original designs for manufacture.

How will it create impact?

Customized product designs could deliver benefits for customer satisfaction and engagement, although retailers and brands would still need to address the challenges around manufacturing personalized products while keeping prices affordable.

How easy is it to implement?

Product personalizers are already available to integrate into ecommerce sites. For example, SnapArt AI, a Shopify plug-in, harnesses the latest Stable Diffusion model to enable customers to personalize products by uploading images, removing backgrounds, and even generating new AI artwork. And Kickflip, another Shopify plug-in, allows retailers to create their own product customizers quickly via an easy-to-use interface.

Read the full report: [Generative AI for Personalization in Retail](#).

Report by Carina Perkins Jul 30, 2024

Generative AI for Personalization in Retail

