# A08 Retail Industry Class Notes

Personalized Recommendations – Websites like Amazon suggest products based on what you’ve already bought or looked at. They also guess what you might need based on what you search for.

Dynamic Pricing – Online stores change prices to attract buyers, especially if they see you’re interested in something. They do this to make sure you buy from them instead of a competitor.

Inventory Management – Stores will stock up on popular items and reduce stock on things that aren’t selling as much, depending on demand and trends.

Customer Service – Many stores use AI to answer phone calls and help customers on their websites.

Fraud Detection – Online stores check for unusual purchases to prevent fraud. They look at details like your zip code and name to make sure a purchase is legit and not someone using a stolen credit card.

Visual Search – You can upload a picture to find similar products. If you interact with certain photos, you might start seeing ads for the products in those pictures.

Supply Chain Optimization – AI helps companies improve how products move from factories to customers. It can suggest ways to speed up delivery or save money.

Sentiment Analysis – AI looks at customer reviews and social media posts to see what people like and dislike, helping companies decide which products to promote.

Virtual Try-Ons – With a camera, you can see how clothes, accessories, or even furniture would look in your home before buying them.

Store Layout Optimization – AI studies shopping habits and purchases to arrange stores in a way that encourages people to spend more.

### Problems That Still Need to Be Solved

Data Privacy & Bias – AI can collect a lot of personal data, and sometimes it unfairly favors certain groups. This is a problem in every AI field.

Integration Challenges – AI needs to work smoothly across different platforms, like websites and social media, which can be difficult.

Predictive Accuracy – AI doesn’t always make perfect guesses about what people want because of unexpected events or errors in the system.

Customer Trust – People may feel uneasy about buying from a store that changes prices often (dynamic pricing).

### Problems AI Has Created

Job Loss – Many jobs are being replaced by AI, which is a major issue.

Too Much Personalization – Some people feel uncomfortable knowing that their personal data is being used and sold to show them super-specific ads.

Ethical Concerns – People worry that AI is manipulating their shopping decisions by pushing certain products on them.