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**A08 Retail Industry Class Notes:**

**AI in Retail:**

Transforming the shopping experience: AI is all about using computer science to give machine a level of intelligence similar to humans. To make mundane task easier for us humans AI is taking over those tasks. AI isn’t about just solving problems; it learns from data which makes systems smarter over time.

In retail AI is a game-changer bringing automation, machine learning, and data analysis together to create a more personalized shopping experiences, improving inventory management, and make business more efficient.

Online stores: Uses AI-driven chatbots or physical stores using sensors and smart shelves, AI is reshaping how shopping works.

**AI: Changing How we shop:**

In retail it is all about personalization. Online stores have AI-powered chatbots help customers find what they’re looking for, suggest products based on any past behaviors and even adjust pricing dynamically. Physical stores also use AI, using things like sensors to track how people more through the store while smart shelf labels adjust prices and promotions in real time.

Even robot assistants are becoming a thing in helping customers navigate the stores.

**THE GOAL?**

* A smoother more personalized shopping experience.

**AI-Powered Innovations in Retail:**

1. Automation in Retail:

* AI has introduced cashier-free stores like Amazon Go, which use AI-powered “Just Walk Out” technology to track items and charge customers automatically without checkout lines.

1. Smarter Pricing:

* Dynamic pricing adjusts prices based on demand, trends and competition, helping businesses stay competitive.

1. Visual Search:

* Customers can upload a photo to find similar items instead of searching by name, enhancing shopping experience. Tommy Hilfiger uses this feature at fashion shows for instant shopping.

**AI in Supply Chain and Inventory Management**

1. **Demand Forecasting**:
   * AI helps predict what products will sell by analyzing past sales, trends, location, and even weather, helping retailers manage stock efficiently.
2. **AI-Powered Inventory Management**:
   * Smart shelves and sensors track inventory in real time. For example, Intel has developed AI-driven electronic shelf labels to notify employees when items need restocking, improving inventory management.

**AI in Customer Engagement**

1. **AI Chatbots**:
   * Many brands like Burberry and Tommy Hilfiger use AI-powered chatbots to help customers find products and make purchases.
2. **AI-Driven In-Store Tech**:
   * Technologies like Kroger Edge replace traditional paper price tags with smart displays that show promotions and video ads, enhancing customer engagement.
3. **Personalized Discounts**:
   * AI is used to analyze customer behavior and offer personalized discounts, creating a more targeted and engaging shopping experience.

**The Future of AI in Retail**

1. **Continued Growth of AI**:
   * AI in retail is still evolving, with more businesses adopting AI-powered solutions like predictive inventory systems and personalized shopping experiences.
2. **AI’s Impact on Retail**:
   * AI is reshaping the retail landscape, improving efficiency, customer satisfaction, and giving businesses a competitive edge. AI is set to become even more integrated into the shopping experience.

AI in retail is revolutionizing how consumers shop and how businesses operate, providing smarter, more efficient solutions.