

# In Retail, Generative AI Favors Early Movers Who Focus on Personalization

The learning curve is steep, but thoughtful, fast-moving retailers will set new standards for consumer experiences and create an advantage.

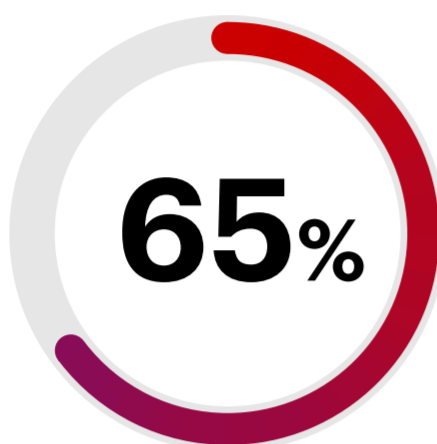
## Still cautious

Retailers view AI as a game changer, yet underestimate the speed of change

ChatGPT reached

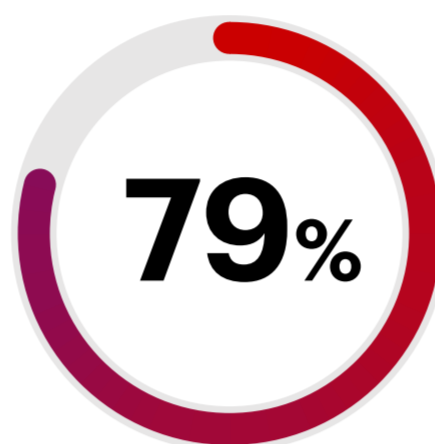
**100 million**

monthly active users just 2 months after launch, making it the fastest-growing app in history



of retailers we surveyed said early movers in AI will have a sustainable advantage

**More than half** believe early movers have a lead **greater than 2 years**



of retailers believe the main disruption will come in how companies engage customers



of respondents see AI as a top-3 priority for the next 2 years

## Broad experimentation

Marketing leaders are using AI to make rapid advances in shopper assistants, targeted marketing, and more

### Hyper-relevant assisted e-shopping

- Carrefour's Hopla chatbot gives menu advice tailored to budget, dietary needs, and personal tastes
- Zalando's assistant helps customers navigate the firm's extensive online fashion inventory using their own words, such as "What should I wear for a wedding in Santorini in July?"

### Hyper-personal marketing

Lingerie brand Adore Me, acquired by Victoria's Secret, uses AI to optimize web searches of product descriptions, boosting non-branded organic traffic by **40%**

Carvana used AI to generate over **1.3 million** personalized videos to send to customers who had purchased a car from them

## Scaling up

Remember the fundamentals of business and personalization

### Clarify the strategy and vision



Identify and focus on high-value use cases

Incorporate AI into the broader strategy and technology roadmap

### Step up data and analytics capabilities



Invest in a strategy and architecture for structured and unstructured data

Analyze what users are communicating to AI bots to create richer customer profiles



### Redefine the operating model

Establish dedicated personalization leadership

Set up a cross-functional team that includes experts in UX, data engineering, DevOps, and more

Build a repeatable model to quickly move from concept to minimum viable product to production



### Test and learn

Experiment at scale to more accurately measure the real value of personalization

Set up learning loops to continuously improve prompts and user experiences