Generative AI
for retail

Optimize operations, reduce cost and personalize CX with Generative AI curated for retail industry needs.

brillio

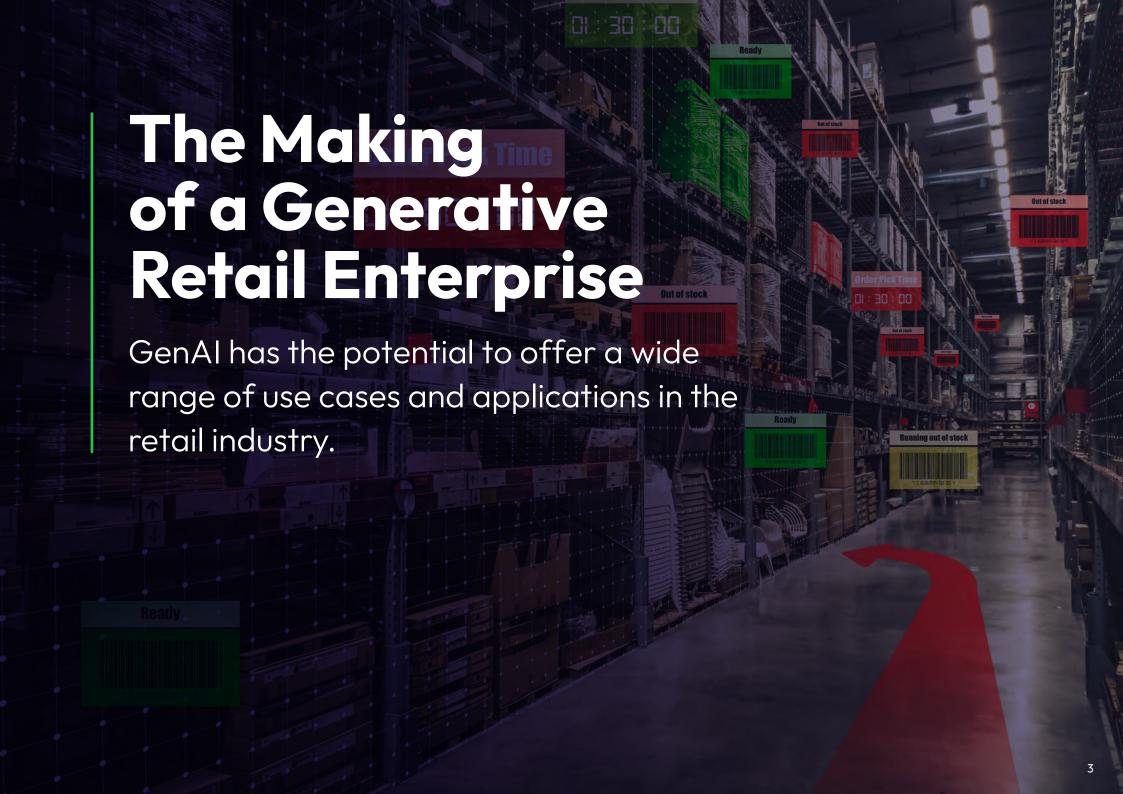# 78% Revenue Impact of Generative AI in Retail Industry by 2029

In the ever-evolving landscape of the retail industry, the adoption of Generative AI emerges as an imperative response to the growing need for efficiency and innovation. With a projected USD 400 to 600 billion worth of impact on Retail, Gen AI stands as a transformative force, promising a substantial 27-44% share of total operating profits. The tangible impact is further elucidated by a remarkable 51% surge in sales, a 20% boost in profit margins, and a notable 20% reduction in Selling and Administrative costs. These statistics underscore the pivotal role Gen AI plays in reshaping the retail paradigm, becoming not just a technological advancement but a cornerstone for sustainable growth.

The challenges and opportunities with Gen AI in retail are equally compelling. By leveraging its capabilities, retailers can optimize inventory management, reduce costs, and enhance overall operational efficiency. The ability to personalize digital offerings and augment in-store experiences through real-time assistive customer support addresses the contemporary demand for a seamless and personalized shopping journey. Moreover, Gen AI's potential to dynamically optimize product catalog prices using real-time market and customer data positions it as a strategic tool for increasing both margins and sales volume. Beyond the transactional sphere, Gen AI streamlines onboarding processes by automating the creation of catalogs and product descriptions, optimizing SEO and accelerating time-to-market for new products. Additionally, the analysis of unstructured third-party and social media data opens avenues for curating personalized recommendations, reinforcing customer loyalty. In essence, Gen AI is not merely a technological evolution; it represents a pivotal shift in the retail landscape, offering unprecedented benefits and redefining the industry's trajectory.

The Making of a Generative Retail Enterprise

GenAI has the potential to offer a wide range of use cases and applications in the retail industry.

Supply Chain Management

Supplier Management: Utilize Generative AI to assess supplier delivery times, prices, and ratings, streamlining supplier selection. Manage ongoing relationships through contract summarization, enhancing procurement team productivity. Benefits include cost reduction in raw material purchases and improved procurement efficiency.

Logistics Planner: Leverage Generative AI to analyze inventory and finished goods movement, identifying bottlenecks for optimization in routes, channels, and personnel. Achieve benefits such as reduced cycle time across the value chain and improved inventory turnover ratio.

Quality Supervision: Employ Generative AI for analyzing unstructured images of insourced raw materials, automating quality checks and feedback reports. Realize benefits like enhanced customer satisfaction, higher NPS scores, and a reduction in product return rates.

Inventory Management: Deploy Generative AI to provide real-time insights into SKU status, curate demand plans, and automate order generation from suppliers. This results in improved inventory turnover ratios and reduced average inventory holding periods.

- Supplier Management
- Logistics Planner
- Quality Supervision
- Inventory Management

Customer Experience

Virtual Product Trials: Harness Generative AI for simulating product usage, such as clothing and accessories, through image generation. Benefits include increased customer conversion rates and higher average transaction values per customer, driven by enhanced virtual try-before-you-buy experiences.

Store Assistant: Implement Generative AI-powered smart shopping assistants for product searches using LLM-based portfolio search. Offer contextual recommendations to customers, resulting in increased sales per square foot and larger basket sizes, as personalized guidance enhances the shopping experience.

Personalized Promotions: Leverage Generative AI to craft personalized promotions, including images and text, tailored for individual customers. Track conversions efficiently, leading to improved sell-through rates of niche products and reduced customer acquisition costs through targeted marketing efforts.

Intelligent Insights: Utilize Generative AI for collecting, analyzing, and providing insights on product performance across categories. Employ natural language-based data visualization to boost conversion rates along the sales pipeline, as well as increase traffic in both physical stores and digital channels.

Real-time Sentiment Analysis: Gen AI enables instantaneous sentiment analysis, optimizing customer service interactions by fostering positive conversations in real-time through contact centers, enhancing overall customer experience.

- Virtual Product Trials
- Store Assistant
- Personalized Promotions
- Intelligent Insights

Product Planning

Visualization: Employ GANs to visualize product designs or simulate usage and user behavior, enhancing product usability. This results in reduced customer acquisition costs due to improved and visually appealing designs.

Design Optimization: Utilize Generative AI to receive intelligent suggestions on product designs and alternative materials, lowering the cost of manufacturing. Improve the productivity of the design team by streamlining the design process with innovative ideas.

Market Forecasting: Forecast product success metrics, including customer acquisition, through Gen-AI analysis of market trends and product features. Benefits include reduced cost management during the ideation phase and enhanced revenue estimation and forecasting.

Risk & Compliance: Leverage Generative AI to forecast product design risks and safety issues, offering organization-wide compliance gap analysis. This enhances compliance with safety regulations, leading to reduced fines and penalties and ensuring product safety throughout the production process.

Product Optimization: Analyze manufacturing data, including energy, machinery, and raw material usage, to provide suggestions for optimization. This leads to reduced product manufacturing costs and shorter cycle times for finished products, optimizing the overall production process.

- Visualization
- Design Optimization
- Market Forecasting
- Risk and Compliance
- Product Optimization

Technology & Infrastructure

Code Migration: Utilize Generative AI to automate code migration between programming languages or libraries, reducing software development life cycle (SDLC) time. Enhance developer productivity, enabling them to focus on new innovations rather than manual migration processes.

Workforce Management: Implement Generative AI for automating staff scheduling, upskilling, training, payroll, and HRM solutions organization-wide. This improves HR personnel productivity and enhances workforce skill management, ensuring optimal utilization of human resources. Gen AI streamlines onboarding processes for retail front-line workers, crucial during high-demand periods like holidays. It reduces costs and time spent onboarding contingent staff, offering potential for staff training improvements.

Smart ERP: Leverage Generative AI to analyze unstructured documents and collaterals, providing consolidated reports on resource utilization and tracking across the organization. Realize benefits such as increased gross margin return on investment and improved demand forecasting and raw material scheduling.

Store Planner: Optimize store layout, product placement, and staffing using Generative AI to maximize customer purchase behavior. Achieve benefits like increased sales per square foot and higher purchase conversion rates, enhancing the overall retail store performance.

- Code Migration
- Workforce Management
- Smart ERP
- Store Planner

Retail companies have a significant opportunity in leveraging Generative AI across supply chain management, CX, product planning, technology and infrastructure. We, at Brillio, lead with a consultative approach that build trust with our clients leveraging our digital situational fluency. We help assess your readiness with our proprietary Generative AI Readiness index across various dimensions such as strategy, data quality, adoption, governance, LLMOps and CVOps and identify gaps to attain the desired state. We help bridge the gaps identified with a team of cross-skilled professionals that consists of Solution Consultants, Data Scientist, Prompt Engineer, Responsible AI Consultant, Generative AI Ethics Officer, Generative AI and Human Coordinator and Generative AI Bias Detective. Our solution has governance baked in with the principles of Justness, Transparency, Privacy, Compliance, Grounding and Evaluation coupled with domain specific cognizance & validation of Legal, Regulations, Ethics and Policies provide a full coverage. At the end of it all, you get to enjoy faster time to market with our domain-specific technology accelerators for data understanding, model exploration and management.

Connect with us for a readiness assessment.

ABOUT BRILLIO

Brillio is one of the fastest growing digital technology service providers and the partner of choice for many Fortune 1000 companies seeking to turn disruptions into competitive advantages through innovative digital adoption. We help clients harness the transformative potential of the four superpowers of technology: cloud computing, Internet of Things (IoT), artificial intelligence (AI) and mobility. Born digital in 2014, we apply our expertise in customer experience solutions, data analytics and AI, digital infrastructure and security, and platform and product engineering to help clients quickly innovate for growth, create digital products, build service platforms, and drive smarter, data-driven performance. With 17 locations across the US, the UK, Romania, Canada, Mexico, and India, our growing global workforce of nearly 6,000 Brillians blends the latest technology and design thinking with digital fluency to solve complex business problems and drive competitive differentiation for our clients. Brillio was certified by Great Place to Work in 2021, 2022 and 2023.

brillio

https://www.brillio.com/
Contact Us: info@brillio.com