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Reaping the returns of generative AI in retail

Gen AI can deliver up to \$190 billion in business value to retailers and consumer goods companies in the US.

Let's break down where this value lies and explore how you can get started with gen AI, today.

By 2060, 50% of today's tasks will be automated with gen AI — helping retailers keep pace with consumer demands.¹

71%

of consumers expect personalized experiences²

72%

of consumers consider the ability to filter for product availability when shopping online important³

72%

of shoppers use their phones to research products while in store⁴

Help secure your slice of up to \$190 billion in US value across 5 key domains.

\$30-\$60bn in revenue uplift + **\$70-\$130bn** in cost savings = **\$190bn** in value¹ (Up to)

Powerful personalization

Harnessing the power of personalization in marketing to deliver customized content and product recommendations.

\$20-40bn

projected US business value

5-15%

estimated marketing productivity uplift, measured against spending, on personalized customer journeys¹

\$40-55bn

projected US business value

70%

more frequent purchases made by omnichannel than only in-store consumers⁵

In-store innovation

Transforming brick-and-mortar stores into secure and immersive spaces can create memorable experiences for customers and drive employee efficiencies.

Supply chain resilience

To solve for supply chain disruptions, retailers can increasingly shorten lead times and are contemplating nearshoring.

\$10-15bn

projected US business value

40%

cost savings estimated with gen AI helping analyze spend and supplier panels⁶

\$15-30bn

projected US business value

10-15%

estimated productivity boost to the value of research and development¹

New product lines

Moving into private label brands and expanding into new business ventures, such as retail media networks, opens up new opportunities in retail.

Operational efficiencies

Streamlining operations helps retailers respond to volatile inflation and ongoing geopolitical tensions, which continue to put pressure on the global retail industry.

\$20-50bn

projected US business value

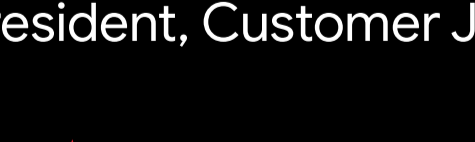
20-45%

estimated productivity gains for software engineering teams using AI¹

Leading brands are embracing gen AI.

"Successfully using Google Cloud's AI technology we've experienced an increase in revenue per visit and conversion rates. We're looking forward to exploring how these latest announcements bring together Natural Language Processing and Generative AI capabilities to deliver next-gen search and conversational experiences for our customers."

Bennett Fox-Glassman
Senior Vice-President, Customer Journey, Macy's



Ready to get started?

Find out what gen AI could do for your business and start putting it to work.

[Take our assessment →](#)

Projected business value based on research from McKinsey Global Institute. Distribution of total gen AI use cases impact by business function per industry response, scaled by Northern American share of global GDP and North American share of global retail revenue.

1. McKinsey & Company. (2023). The economic potential of generative AI: The next productivity frontier.
2. McKinsey & Company. (2023) "What is personalization?"

3. Forrester. (2023). US Consumers Want To Filter Search Results By Inventory And Fulfillment Options.
4. Klarna Insights. (2023). Shopping Pulse.

5. McKinsey. (2022). The five zeros reshaping stores.

6. Oxford College of Procurement and Supply. (2023). "The Benefits of AI in Procurement".