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Customer engagement, Retail AI

How market-leading retail brands are using AI to thrive in turbulent times

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As AI becomes more embedded across retail experiences, brands need to ensure they're carefully considering the ways they use and protect their customers' data. Nuance Director of Strategy, Seb Reeve pulls out one of the highlights from his recent AI Business Week Digital Symposium session, where he spoke to Omdia analyst Eden Zoller and Errol Koolmeister, Head of AI Foundation at H&M, about AI for e-commerce and retail.

As part of the 2021 AI Business Week Digital Symposium, I joined the *AI in E-Commerce and Retail* session to give my perspective on how market-leading brands are using AI to thrive in turbulent times.

The panel was moderated by Chuck Martin, Editor of Strategic Content for AI Business, with presentations from Eden Zoller, Chief Analyst for Digital Consumer Service at Omdia, and Errol Koolmeister, Product Area Lead Engineer for H&M's AI Foundation.

There are too many great insights from the discussion to squeeze into one post, so I'm highlighting a couple of the big themes: the importance of brand reputation, and how to know when your AI is ready to deploy. If you'd like to see the presentations and hear the conversation in full, you can watch the on-demand webinar here, complete with an audience Q&A.

According to Omdia, 46% of consumers now see AI as a generally positive development for society, up from 40% in 2019. It's becoming deeply embedded into their everyday lives—but the statistics also show that many are new to leveraging AI for their data, purchases, and important tasks.

How do consumers use AI today?

Eden Zoller's presentation gave us a detailed grounding for how consumers view AI—and what they expect from the brands using it. Omdia's research shows that 28% of consumers view e-commerce players as deliverers of reliable AI more than any other service provider.

This is level with banks, but behind device vendors and consumer tech companies, which is likely because of the public's growing comfort with their smartphone virtual assistants and in-home smart speakers. Online retail also has the edge over physical retail, which is lagging behind with 19%. AI deployments are still new (and rare) for retail stores, so that figure may climb in the coming years if brands continue to invest in an in-store AI experience.

If your customers think there's a problem, you have a problem

As Eden explained, it doesn't really matter how secure, reliable, unobtrusive, or useful your AI actually is. If your customers *think* there's an issue, you have an issue. Over the past few years, unscrupulous brands, data breaches, and lacklustre implementations have put a dent in the public's willingness to engage with AI.

Errol and I had similar thoughts about how you tackle this challenge. Gaining consumer trust is essential, especially as AI uses huge amounts of customer data. Brands need to be responsible, and clearly communicate the steps they're taking to protect customers' data and provide useful experiences. You can't hide this information in the small print—Omdia's research has shown that consumers trust brands more when they demonstrate the exact steps they take to respect their customers' privacy. And, above all, AI should be built to truly add to the customer experience, not just creating friction for the sake of "tech" progress.

This is just one of the fascinating AI topics we covered in the webinar—we also discussed implementing AI throughout the path to purchase, how to democratize AI, and how to decide when an AI project is ready to deploy for real.

Tags: Retail, Consumer trust

About Sebastian Reeve

Seb Reeve is a customer experience industry leader who is always seeking to provide thought-leadership, lateral-thinking and decision-support for Fortune 1000 Enterprises who are both his customers and partners. Reeves has more than fifteen years of experience in deploying technologies to improve the user experience. In his current role at Nuance as EMEA Director of Product Management and Marketing, he is responsible for defining and evangelizing the Nuance customer care proposition across Europe, the Middle-East and Africa – sharing how companies can create extraordinary automated experiences which their customers actively choose to use rather than simply tolerate and complain about, promoting best practices in AI and Machine Learning to the world of Customer Experience.

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