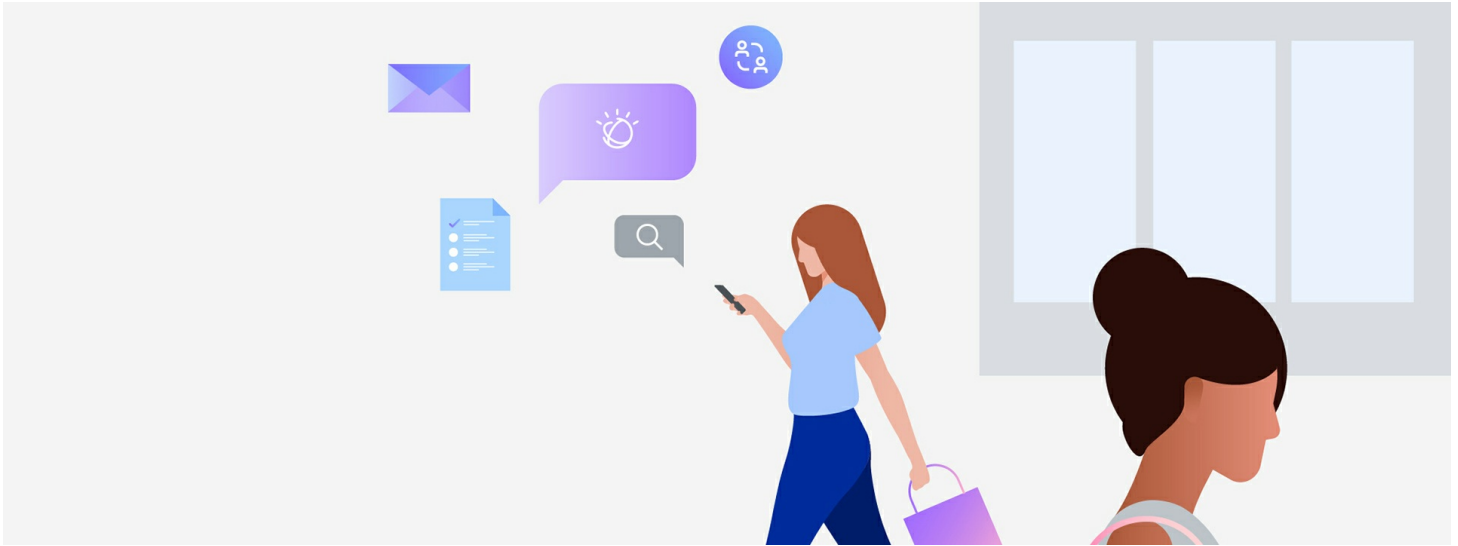## NRF 2024: IBM Reports Generative AI Can Bridge the Consumer Expectation Gap with Unified, Integrated Shopping Experiences

NEW YORK, Jan. 15, 2024 /PRNewswire/ -- As we enter 2024, the retail landscape is undergoing a transformation, propelled by changes in consumer preferences and advancements in new technologies. According to a recent IBM (NYSE: IBM) Institute for Business Value study today's discerning shoppers expect a tailored shopping journey, complete with the convenience of product choices, detailed information, diverse payment methods and a seamless integration of in-store and online experiences that cater to their individual preferences.

Generative AI can help address these expectations, creating retail environments as intuitive and unified as they are finely tuned to individual needs. AI-driven solutions are at the heart of IBM's offerings, focus, and solutions at NRF'24.

Consumers Welcome AI-Driven Advancements to Improve the Retail Experience

A global IBM Institute for Business Value study has laid bare the discrepancy between consumer expectations and the current state of retail offerings. The "Revolutionize retail with AI everywhere: Consumers won't wait" study, unveiled ahead of NRF, surveyed nearly 20,000 individuals worldwide, revealing a dissatisfaction with retail experiences. Just 9% of consumers surveyed said they are content with in-store shopping and just 14% are content with online shopping.

Technology could play an integral role in enhancing the overall shopping experience. Most consumers (59%) surveyed said they would like to use AI applications as they shop and 4 in 5 consumers who haven't used the technology for shopping reported being interested in trying it, including in product research (86%), deal hunting (79%) and customer service (82%). Personalization and targeted offerings present opportunities for retailers, with 52% of surveyed consumers interested in receiving information, advertisements, and offerings from stores that are relevant to their specific interests.

Still, there remains a clear satisfaction gap for current AI assistant users surveyed. Only about one-third of consumers surveyed who have used virtual assistants are satisfied with the experience and nearly 20% were so disappointed that they don't want to use virtual assistants again, signaling a mismatch between current tech offerings and shopper expectations.

IBM, Samsung, and Workday partner to empower frontline retail workers through technology

As the retail sector grapples with inflation, rising labor costs, shifting workforce expectations, and hiring challenges, C-Suite executives are confronted with challenges and mounting pressure to boost revenue and expand margins.

IBM has collaborated with Samsung and Workday to provide a strategic answer—Workforce Experience (WEx). The bespoke retail solution combines the power of IBM Consulting's iX application design and watsonx AI capabilities with Samsung mobile devices, while leveraging Workday's Human Capital Management (HCM) and Workday workforce management applications, to equip frontline retail workers with technology to streamline operations.

WEx was built to promote associate and manager productivity, boost employee retention and improve customer satisfaction. The solution uses automation to help solve common challenges like task management and employee onboarding, and generative AI to measure store metrics and performance and help associates with product availability. It is designed to help reduce the time to train associates using a centralized, easy-to-use interface with nudges and notifications and offers on-the-go training and development opportunities through Workday. WEx also offers store associates more detailed information about product availability, in turn helping the customer.

At NRF, IBM will demonstrate how WEx can equip employees with technology to help them provide the level of service that customers expect. Stop by booth #5006 at NRF to see a demo.

Enhancing the consumer packaged goods (CPG) industry with SAP

In addition to enhancing the customer experience and helping retail employees better meet customer expectations, AI has an important back-office role to play across the industry. At NRF, IBM and SAP will discuss how they seek to combine their expertise to help CPG and retail clients enhance their supply chain, finance operations, sales and services using AI and gen AI.

The goal of the AI-powered solutions is to address the complexities of direct store delivery business process and product portfolio management. IBM Consulting and SAP are already working with CPG clients worldwide to gather detailed requirements to create secured and scalable AI solutions that can be integrated with the SAP Direct Distribution solution.

The new solutions would be designed to help CPG companies, wholesale distributors and retailers more efficiently manage store-level assortments, improve product distribution, and drive incremental revenue by using AI and gen AI to:

- **Enhance transportation planning and execution --** By incorporating data such as weather, traffic and local events into SAP Direct Distribution, CPG companies could enhance delivery routes to help reduce costs, and lower their carbon footprint.
- **Optimize store-level assortments** – The solutions could use the market dynamics of each store, sales patterns, anticipated demand and current product mix to make product recommendations and include preliminary planning so enough products are added to the assortment to help maximize sales. Joint clients of SAP and IBM Consulting could be able to manage their last-mile distribution to help effectively identify the most profitable selections and minimize waste.
- **Automate order settlement –** CPG companies could use intelligent workflows to help proactively achieve operational efficiencies and increase settlement accuracy based on AI in the SAP Direct Distribution last-mile distribution component.

IBM will also use NRF to demonstrate various aspects of our watsonx generative AI platform, particularly watsonx.governance, a powerful set of tools to help manage enterprise-wide governance processes and control risk. To see how watsonx can help retailers, enhance from customer engagement and personalization to operational efficiency, stop by booth #5006 at NRF to see a demo.

Revolutionizing the grocery aisle with Kroger

Looking beyond NRF'24, gen AI can help transform the way businesses across sectors operate, and grocery retail is no exception. The consumer sector is ready to embrace this disruptive technology: 42% of retail CEOs and 59% of consumer products CEOs expect AI—including gen AI, deep learning, and machine learning—to be the technology that can best deliver desired results in the next three years.

Following NRF, join IBM on January 23rd for the latest installment in our retail-focused LinkedIn Live series.Cathy Reese, Senior Partner for Data & Technology Transformation services at IBM, will speak with Jamie Lancaster, Vice President, Contact Centers and G&A Expense Optimization at Kroger, about the gen AI opportunity in grocery, current and potential use cases and how industry players are navigating the implementation and integration journey.

Sign up for the session here.

Looking ahead

As businesses across the retail industry gear up for 2024, it's clear they need to be prepared to meet customers' changing demands as ecommerce evolves and in-store commerce recovers. Gen AI can play an instrumental role in that preparation, and IBM is looking forward to helping retailers make the most of this emerging technology. To learn more about how IBM is showing up at NRF'24, stay updated via our NRF webpage.

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