

A.I. IN CONSUMER & RETAIL

How artificial intelligence is shaping consumer products and the customer experience

Predictive, Generative & Agentic AI

Digitally-driven brands are scaling much faster at the intersectionality of all three

Predictive, Generative, and Agentic AI are rapidly reshaping how companies create products, personalize offerings, and deliver customer experiences by moving from reactive service to proactive, autonomous engagement.



These three AI types intersect to create hyper-personalized and automated customer journeys.

Predictive AI

Focuses on optimization and foresight within the customer's journey

With predictive AI, the goal for brands is to shift from a **reactive customer service** to **proactive experience** management. Brands that are well known for curating the desired products and customer experiences leverage AI that combines statistics and machine learning with customer data to identify patterns, anticipate behaviors, and forecast future customer needs.

Facts & Figures

20%

boost in conversion rates

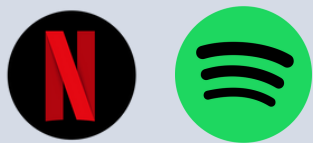
20-30%

drop in forecast errors

35%

increase in purchase rate

Use Cases



Leverages their recommendation engines to analyze the viewing/listening history of millions of similar users to predict the next title or song needed.



In processing billions of transactions, their AI analyze subtle anomalies and the speed of purchases to flag suspicious activity before a completed transaction.

FOREVER 21



AI integrates data from their POS systems, weather forecasts, local events, and social media trends to predict the exact inventory needed.

Generative AI

Focuses on creation and personalization at scale for content and communications

Generative AI models are trained on massive, diverse datasets to tailor content, marketing messages, and even products to the individual customer on an unprecedented scale. It shifts the customer experience (CX) from **mass, standardized** interactions to **hyper-personalized**, real-time engagement.

Facts & Figures

15%

of customers prefer bots for a quicker response

80%

of customer service ops. will integrate AI in 2026

>3.7X

expected return on GenAI investment if adopted early

Use Cases

Booking.com

Their GenAI allows users to ask questions like "Find me a quiet cabin in Oregon for \$150 a night," and the AI instantly filter results, acting as a travel concierge.



Uses AI to generate custom, high-quality product visuals that are more realistic and relevant to customers.



Invited creators to use its brand assets with GenAI to create custom, digital content for digital billboards and campaigns.

Agentic AI

focuses on autonomy and execution, turning services into autonomous solutions

Unlike a standard chatbot (Gen AI) that responds to a single prompt, an Agentic AI can **autonomously execute complex, multi-step transactions** without customer or business intervention. AI can be trained to act as a **personal shopper, problem solver, and logistics manager**, delegating the shopping and decision-making.

Facts & Figures

\$7B to \$47B

expected growth (45% CAGR) in the Agentic AI Market by 2030

80%

of common customer service issues will be resolved by AI by 2029

25%

of brands using GenAI will launch Agentic AI pilots and features by 2026

Use Cases



Amazon's shopping assistant, Rufus, executes purchasing decisions based on customer prompts in connection to their search and order history.



Their supply chain AI automatically re-routes and re-prioritize shipments based on real time factors (eg. weather) that have been predicted with 94% accuracy.



Leverage agents to manages the entire workflow when a customer requests a return. Agents verify the purchase, initiate the return, and process the refund.

What will it take for consumer brands to win in the age of AI?

- Brands must now make their products **"agent discoverable"**, optimizing not just for human search but for AI algorithms that are acting in the customer's best interest.
- CPG brands must investment more in **customer-facing technology**, including AI, that complements human support and reduces resolution time.
- To fast-track hyper-personalization and elevate the customer experience, brands must invest in comprehensive technology systems that leverage **real-time data and predictive analytics**.