



# RETAIL TECH REALITY CHECK

Based on a survey of 1040 diverse US consumers (proportionately representative of the population), explore how consumers are adjusting their shopping habits thanks to the prevalence of AI, increased price sensitivity, and more seamless social commerce experiences.

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# AI

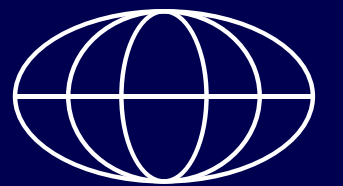
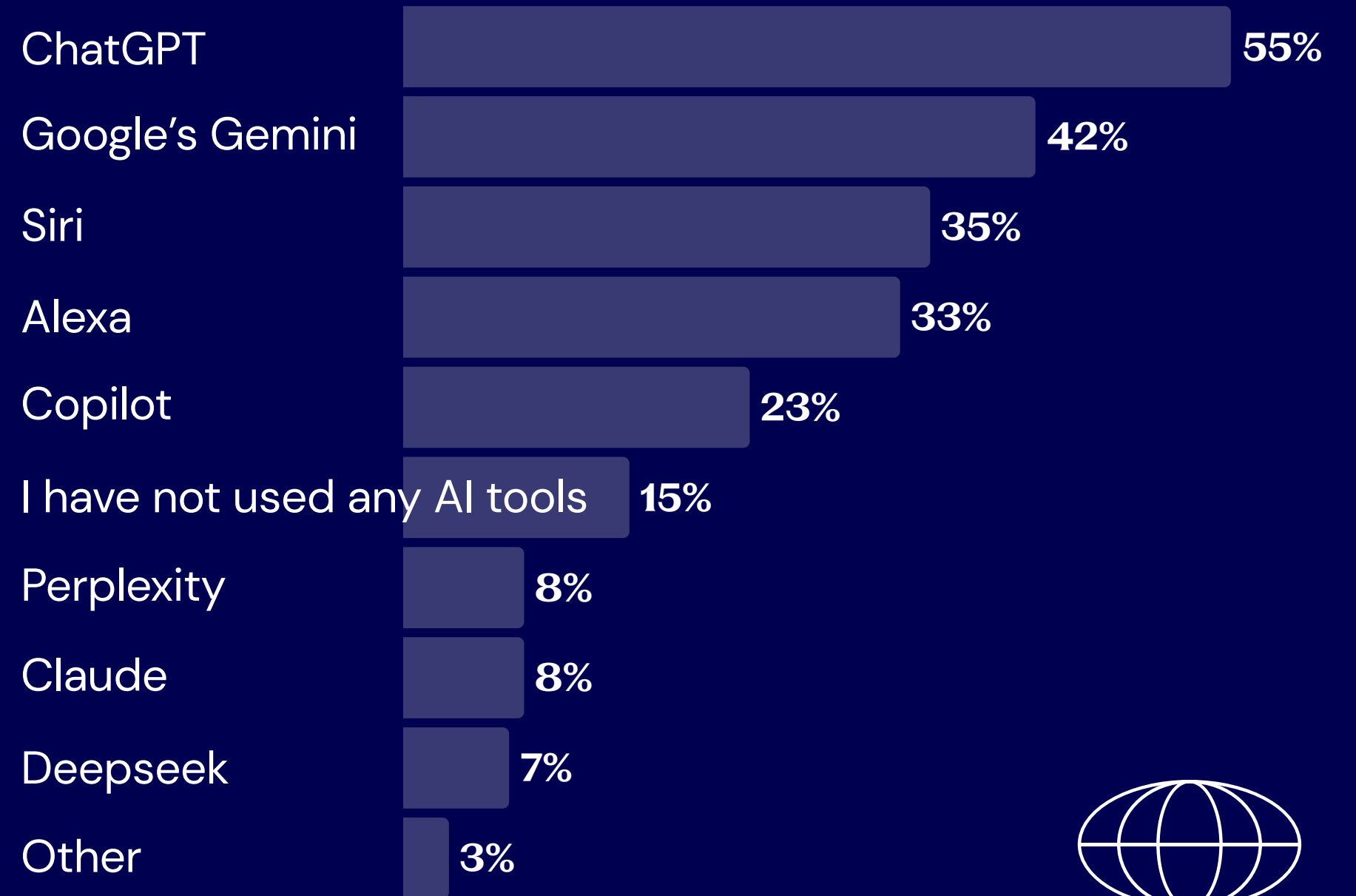


**AI is changing the way consumers live their lives, especially with respect to shopping**

# Only 15% of participants said they haven't used any AI tools

Siri had a lower use rate than ChatGPT and Gemini

Which of the following AI tools, if any, have you used/are you most likely to use?





**58% of consumers said they think retailers should use Artificial Intelligence (AI) to improve the shopping experience for their customers.**

**THIS IS UP FROM 50% IN 2023**

# Consumers prefer for how retailers use AI comes down to facilitating ease and convenience

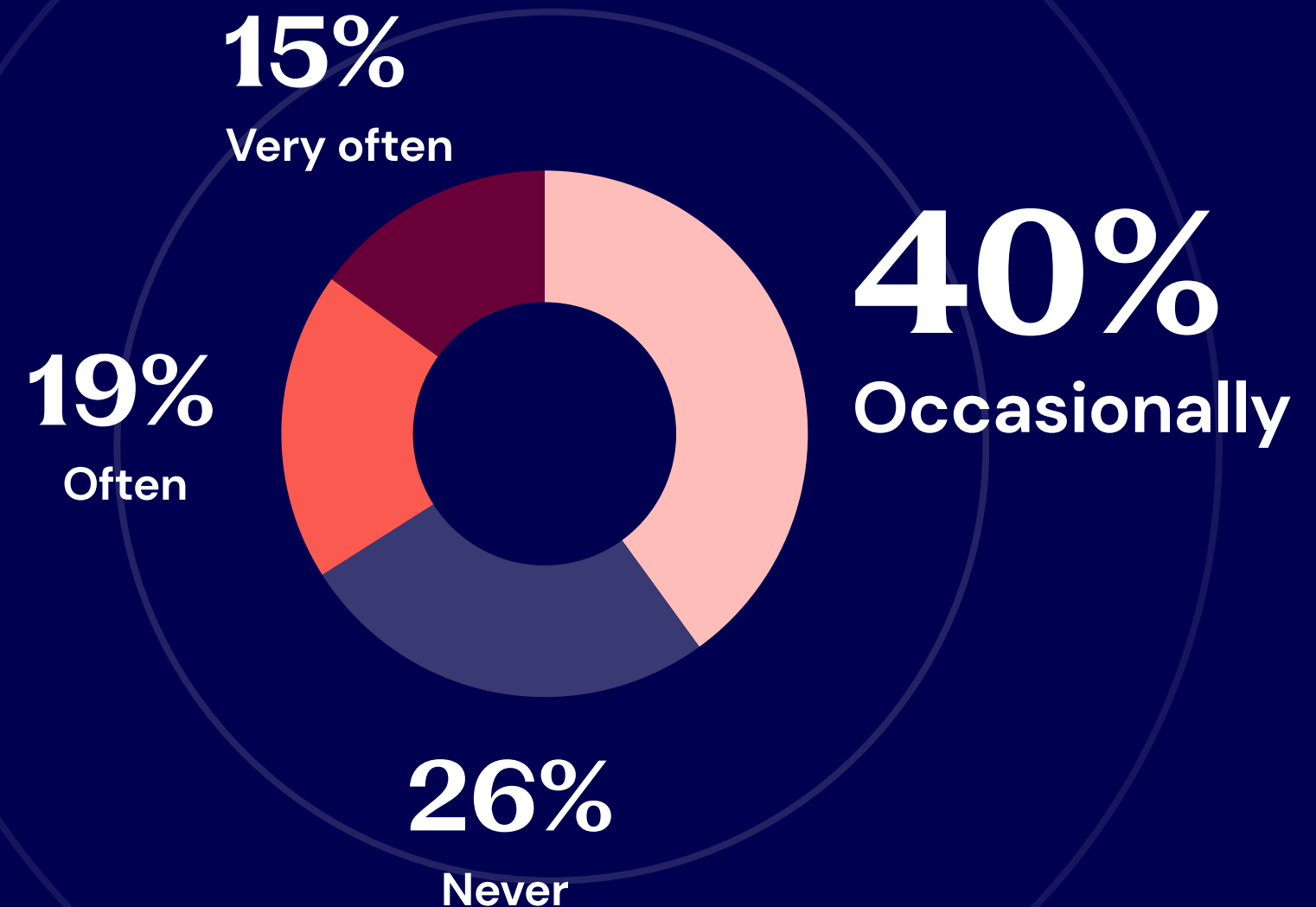
Saving time, followed by “finding what I want easier” were the most frequently chosen use cases

## What would you appreciate retailers using AI for when it comes to improving the shopping experience?



**Practically  $\frac{3}{4}$  of consumers are using AI tools in their path to purchase at least occasionally**

How often do you use AI tools to discover brands or products/compare brands or products/ask questions about products and services, or a process you would need to buy new items for (examples: making a new recipe, completing a home improvement project, etc)?



# 10% of consumers report starting their shopping journey with an AI assistant

Consumers are pretty evenly split between beginning their shopping journeys with a marketplace, search engine, or retailer channel\*

Do you prefer to start your shopping journey on:

A marketplace such as Amazon or eBay

29%

A search engine such as Google

26%

A retailer's website or app

23%

Social media

12%

An AI assistant such as ChatGPT

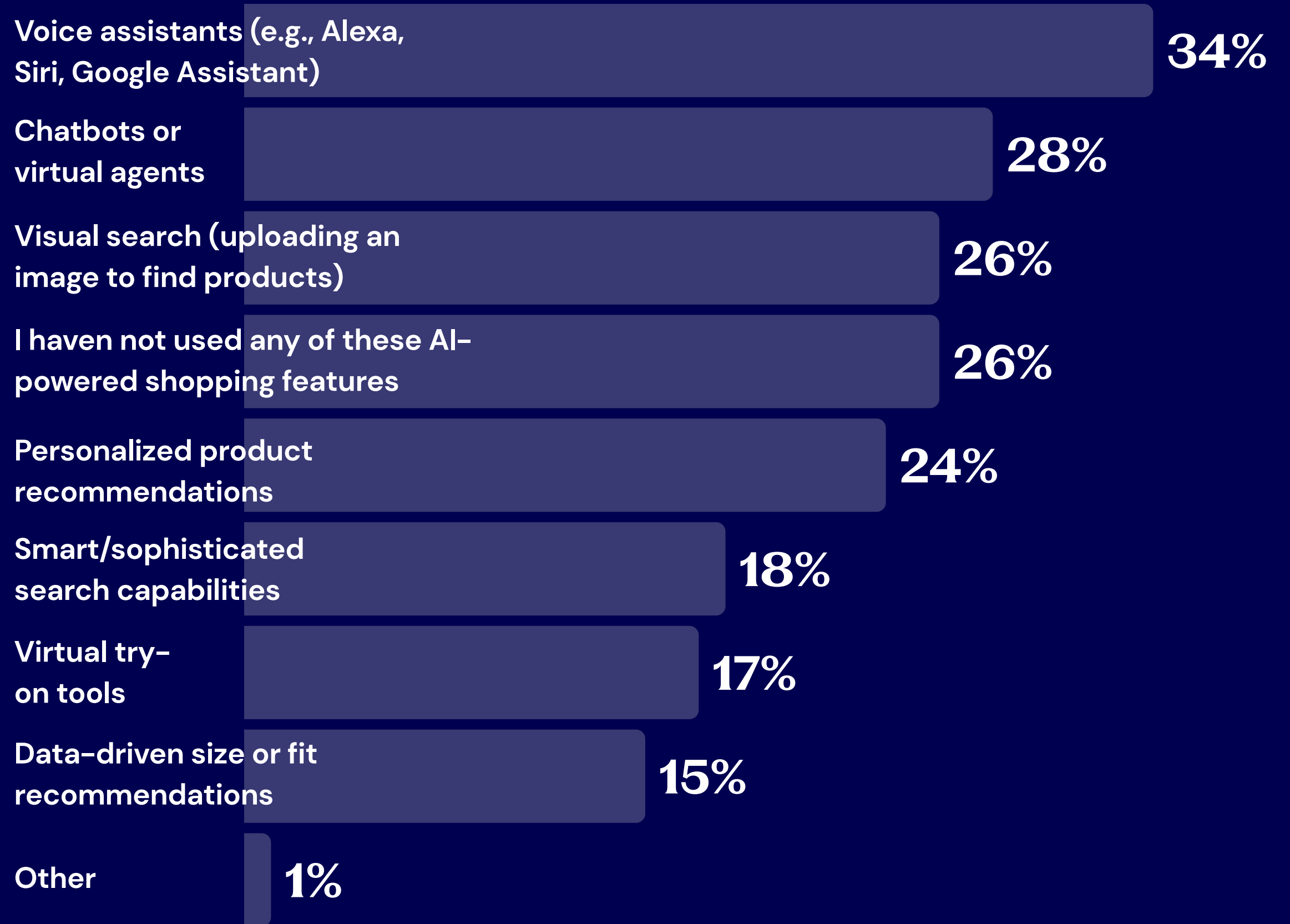
10%

# \*THE AI EFFECT:

the amount of consumers saying their shopping journey begins on a marketplace (29%) versus a search engine (26%) is just about equal now, which is likely due to the impact of AI – consumers are now widening their shopping search to start with a search engine

# Voice assistants, followed by chatbots are the most likely used AI shopping features

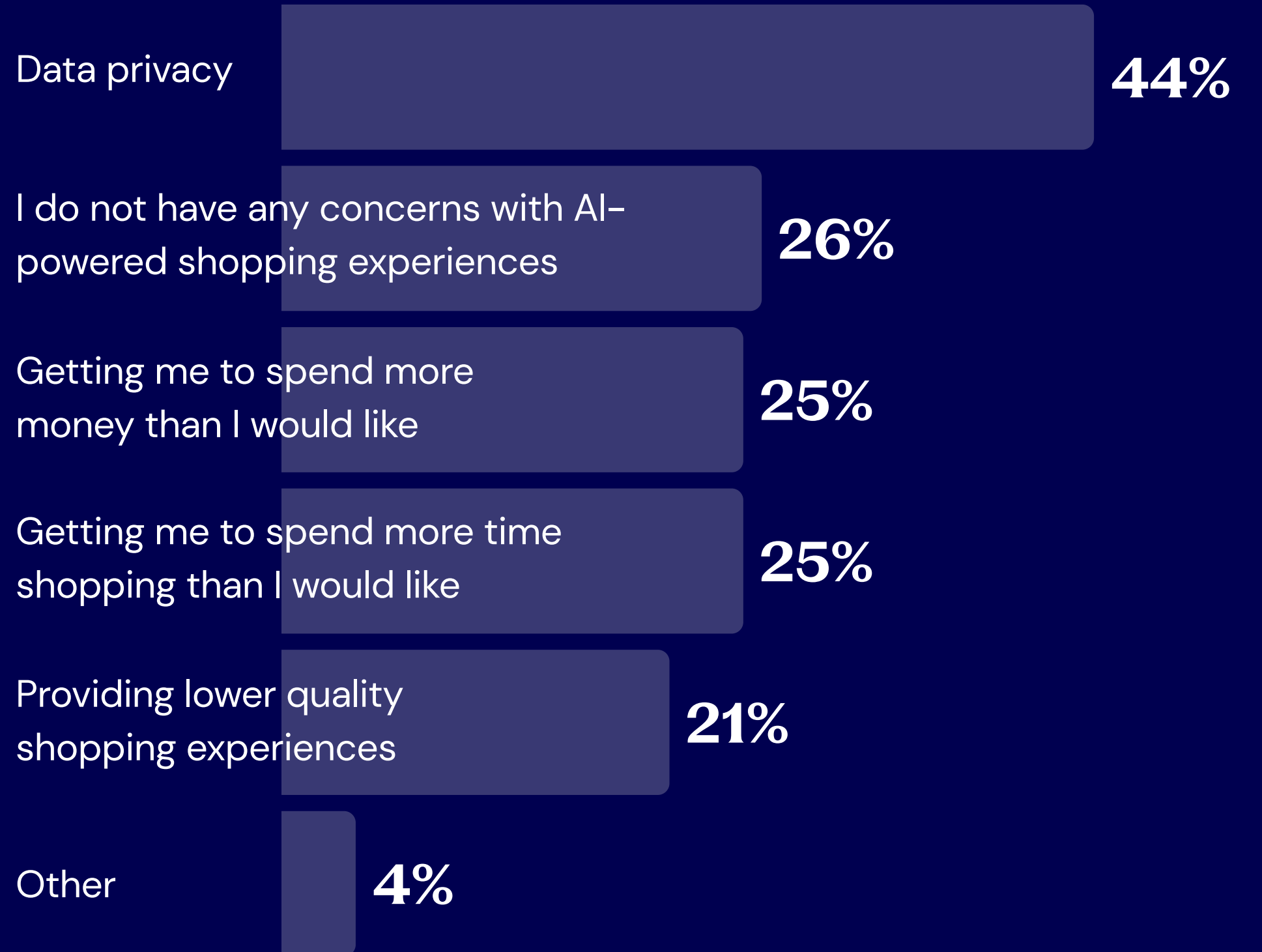
The following are AI-powered shopping features. Which from the list have you used or interacted with while shopping? (Select all that apply)



**Data privacy** is the singular top concern regarding AI\*, but derailing the shopping experience is the highest overall concern

\*concern has dropped by 9% since 2024

Do you have any concerns with AI-powered shopping experiences? Select all that apply



**Consumers worry AI  
would make the  
shopping experience  
less efficient and/or  
more expensive**

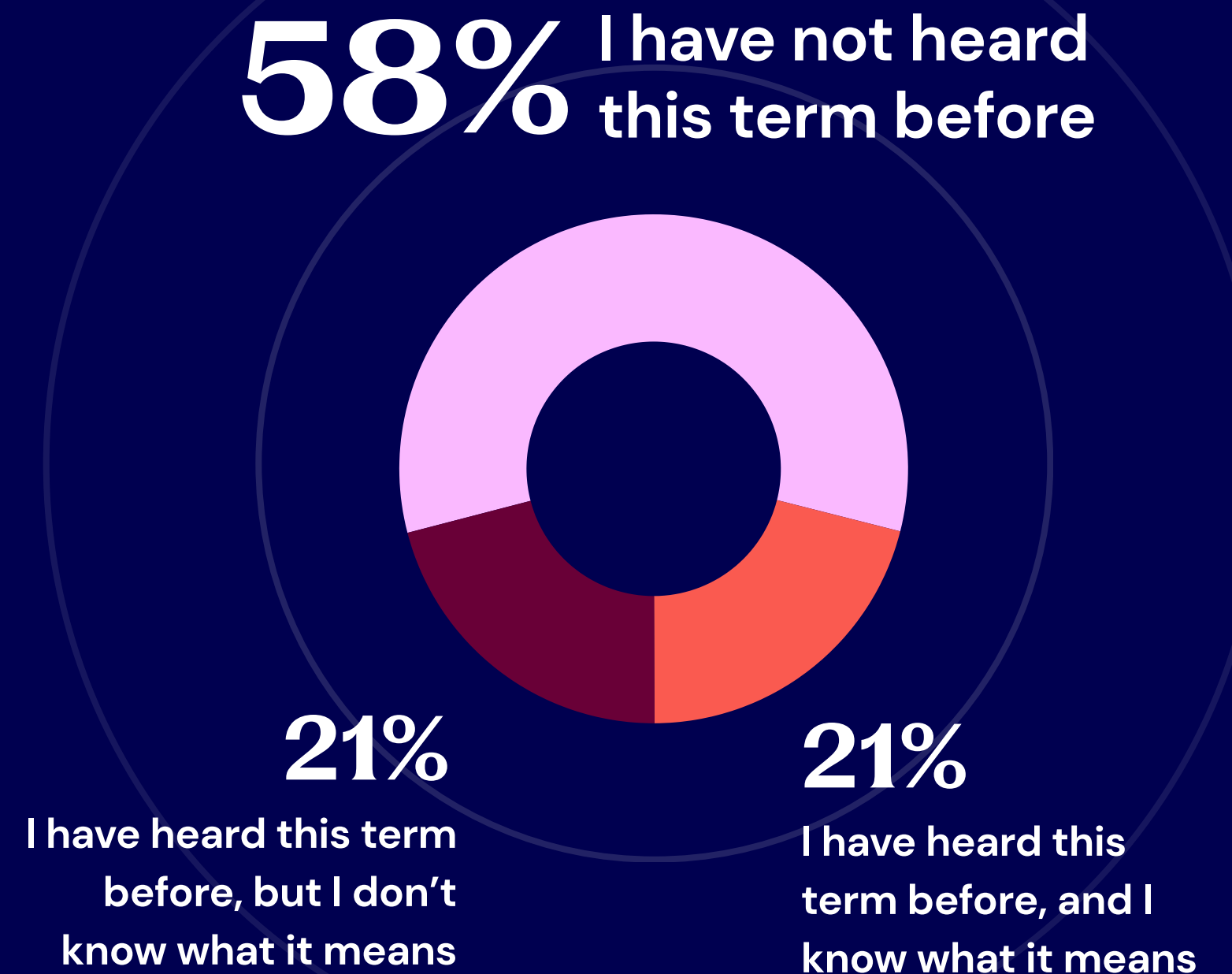
**Lack of trust to be unbiased  
Lack of control over shopping experience**

\*open-ended responses summarized

The primary way consumers fear AI would lower the quality of the shopping experience is by having some sort of agenda in terms of what it shows them.

**58%**  
of respondents  
had not heard  
the term  
“agentic AI”  
before

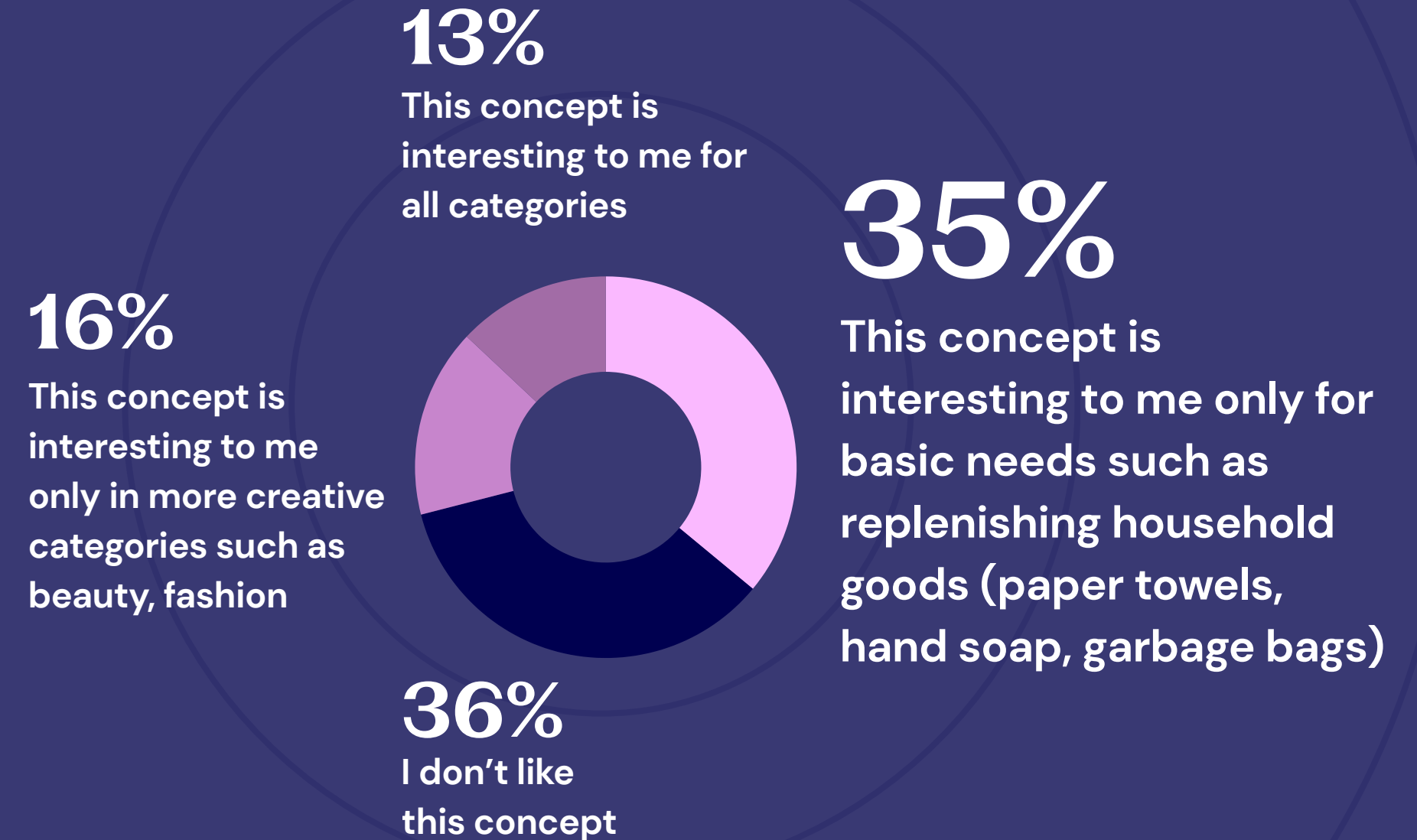
How familiar would you say you are with the term “agentic AI”:



# 64% of respondents were interested in agentic AI after reading our definition

Majority of those interested preferred it for basic needs, rather than creative categories

In retail, Agentic AI would mean that a digital assistant could order products for you in a category you choose based on your past purchase history as well as criteria you have set for it. Which of the following statements best characterizes your reaction to this concept?



# In their own words...

Examples of AI participants found impressive were all centered around finding exactly what they're looking for/recommendations/learning as much as possible to make the right buying decision



"In CoPilot I entered a "Levi Jeans Black waist size etc and **it came back with an item and link directly to a retail website** where I could buy them directly. Very nice and quick."



"An AI-powered fashion **app recommended clothes based on my style**, past purchases, and weather. It also let me try items virtually, making shopping faster and more personalized."



"Google Gemini immediately knew **what kind shirt I was looking for**. I could use descriptive language to get the result, which you can't do with a typical search engine."



# What they'd like to see in the future\*:

\*responses are not in quantitative order– these are the most frequent types of responses collected qualitatively.

**More/better virtual trial tools**

**Notifications when items they've been eyeing are either on sale or back in stock**

**Better security/privacy**

**Easier to compare reviews and/or summarize ratings**

**More humans**

**More personalization**

# 71% of consumers have not used a virtual try-on tool

For those who had used one,  
glasses of all kinds were the  
most common type of product  
where try-on tools were used

# SOCIAL MEDIA



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**Facebook is the platform  
consumers are most  
likely to have used when  
it comes to retail**

**Followed by YouTube and TikTok**

# Different platforms with different purposes

**Commerce:** YouTube was most associated with product/brand discovery, while Facebook was most associated with buying

**Reddit** was the most associated with conducting research on a topic/brand/product

**Entertainment:** YouTube, TikTok, Instagram

Consumers were most likely to report that better reviews/ratings **on social media** would be most helpful, followed by better recommendations

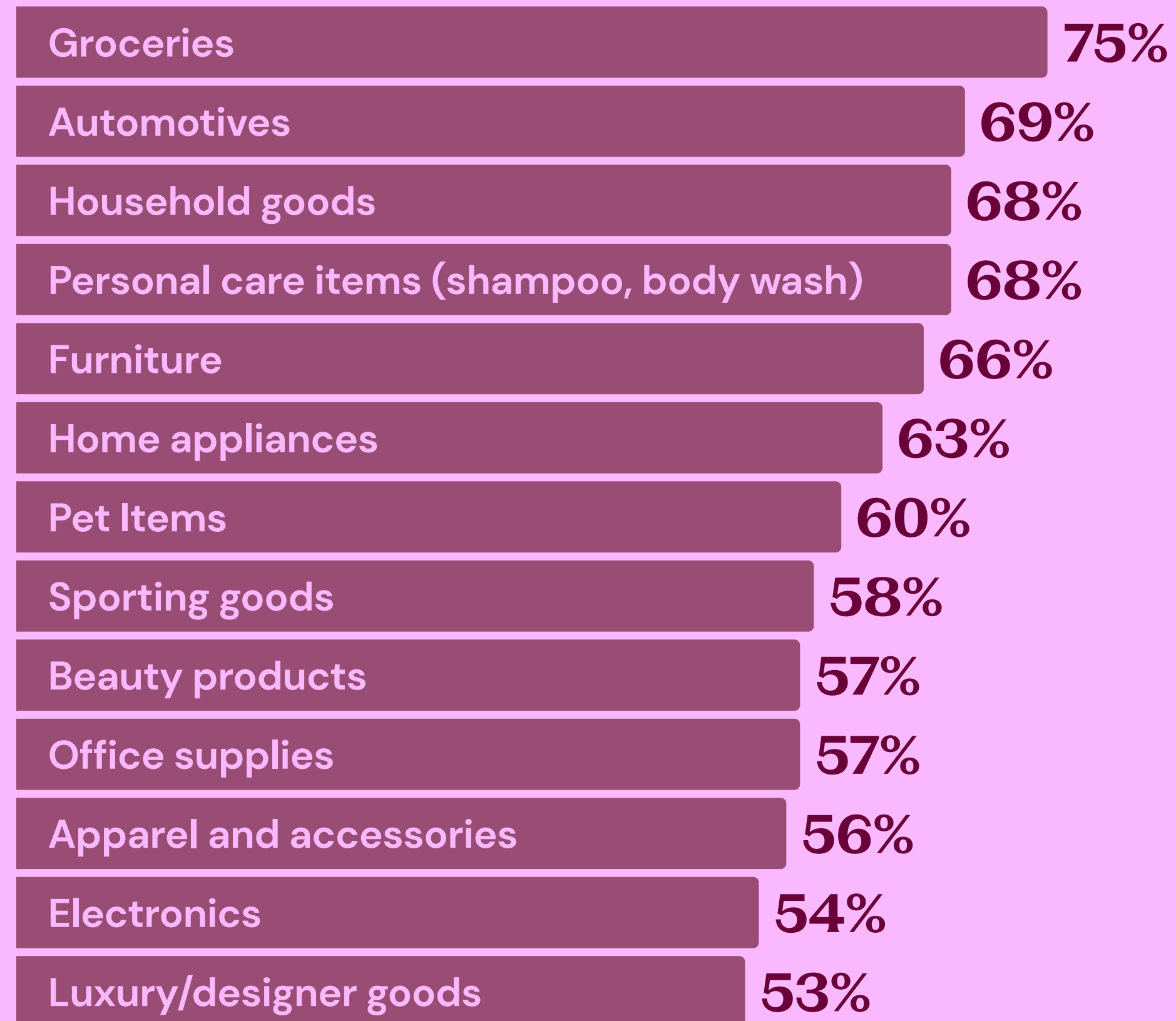
# CHANNEL PREFERENCES



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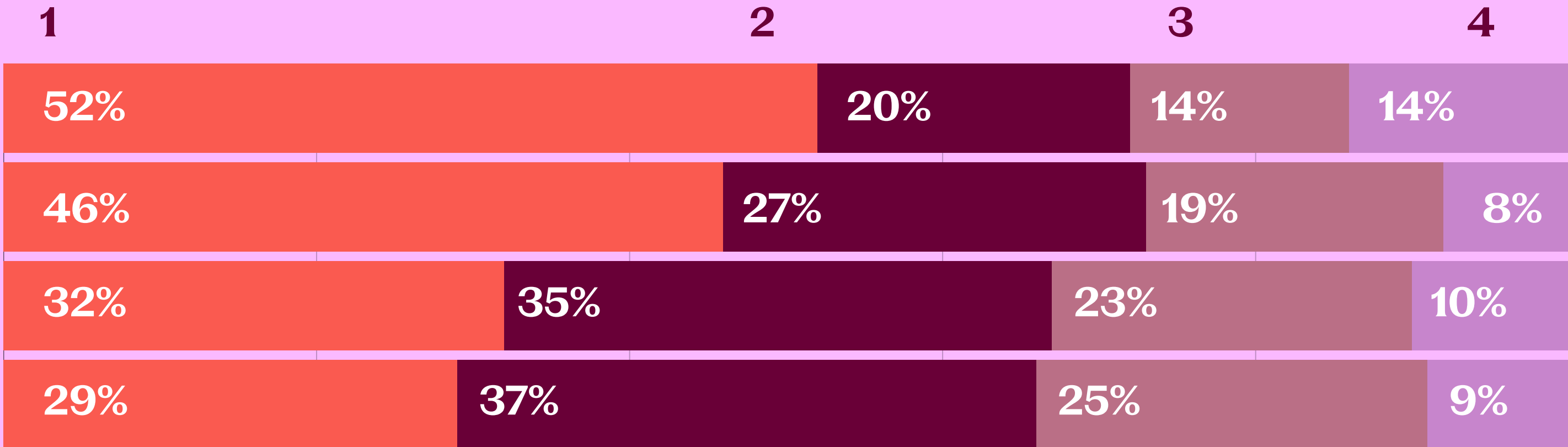
For each category, where do you typically prefer to begin your shopping journey? (Physical Store)



**Consumers prefer to begin all shopping journeys, regardless of category, in brick and mortar. Digital channels had the highest frequency of being selected as first choice in apparel and electronics**

# Brick and mortar is the preferred channel to shop, followed by apps, then retailer websites on laptop/desktop/etc, then website on phone

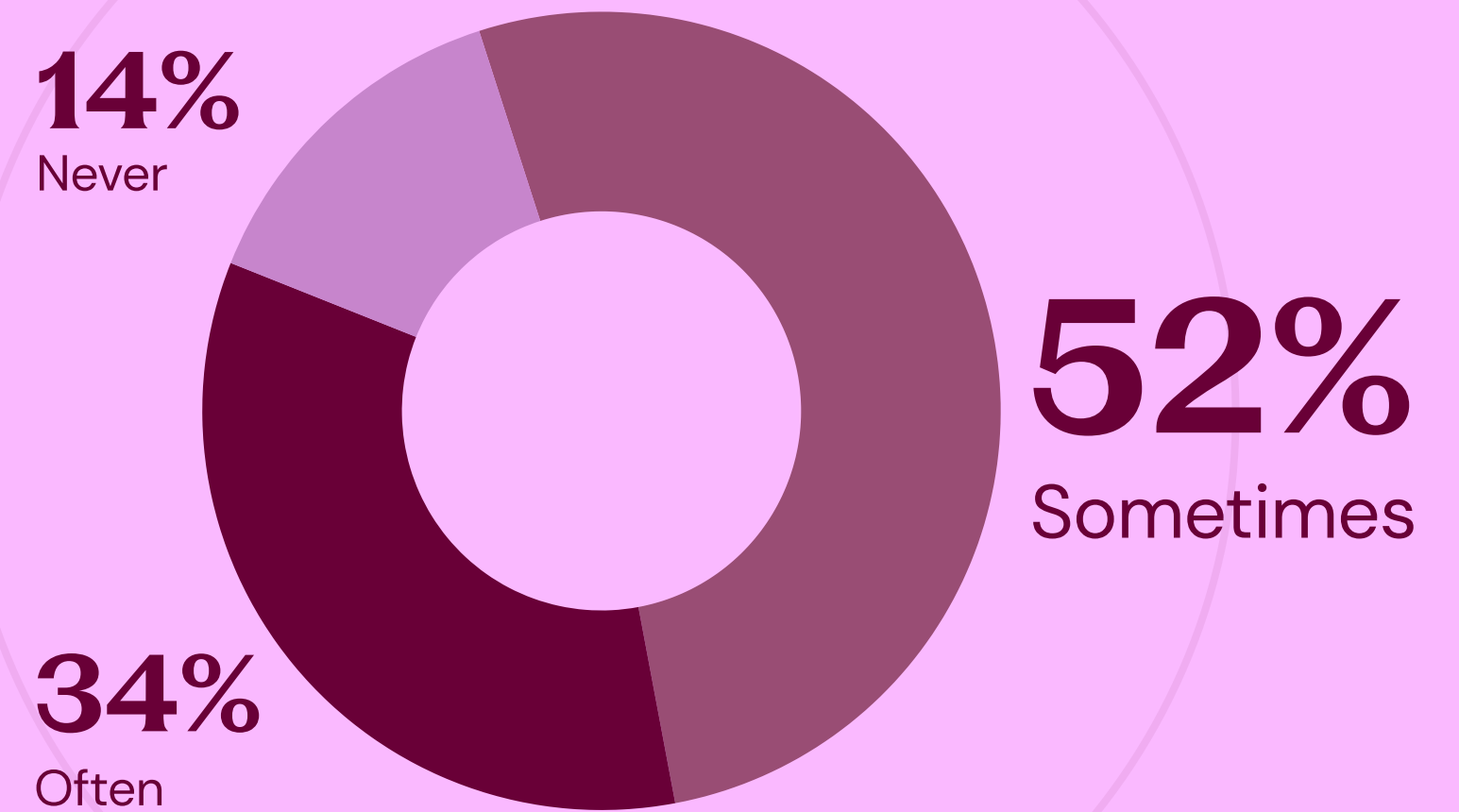
Please rank in order from 1 MOST favorite to 4 LEAST favorite channel for shopping



# 86%

of consumers say they deal with an item not being available in store after looking it up online at least sometimes

How often do you find that an item you looked up online in order to buy in store did not end up being available in store?



# SEARCH

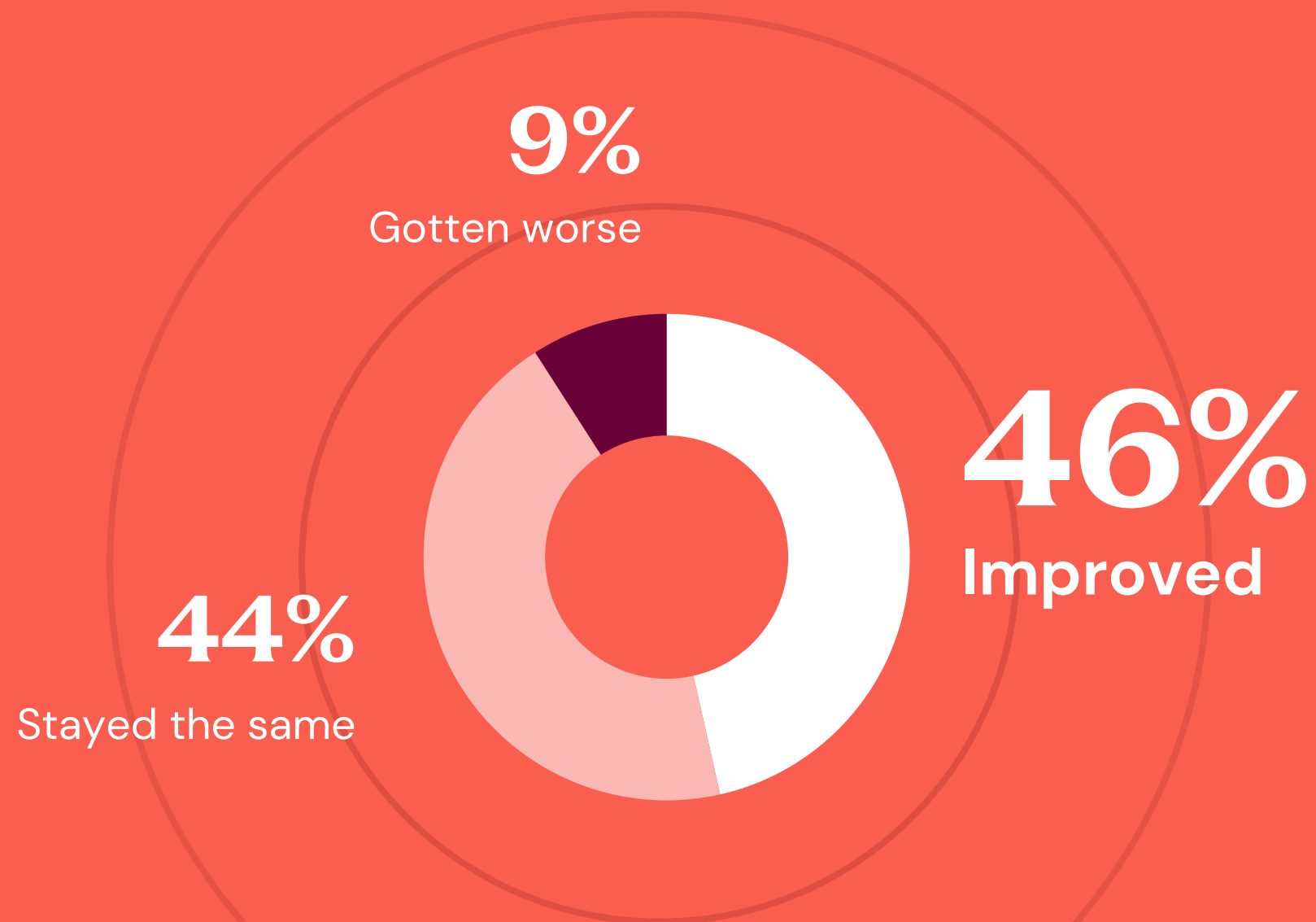


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Would you say that the quality of search results retailers show you when shopping on their digital channels has...



**90%**  
of consumers feel  
the quality of  
search results has  
either improved or  
stayed the same

# Consumers are more likely to use complex search terms rather than simple ones, but majority say their approach to search varies between the two

Complexity depends on existing category knowledge, how specific the item is that they're looking for, and the retailer (several said they needed to be specific with Amazon)

**27%**  
I tend to use simple keywords such as "black shirt"



**39%**  
It depends—sometimes my searches are simple and sometimes they are more complex

**34%**  
I tend to use a complex combination of key words and more specific descriptors such as "black lightweight short sleeve shirt for summer"

# PAYMENTS & CHECKOUT



# 60%

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**of consumers would like to see the ability to scan and go for paying, compared to 52% interest in just walk out technology**

TRUE OR FALSE: I would like to see more retailers let me scan QR codes in stores on my phone in order to pay for items while I shop.

**60% True**

**40% False**

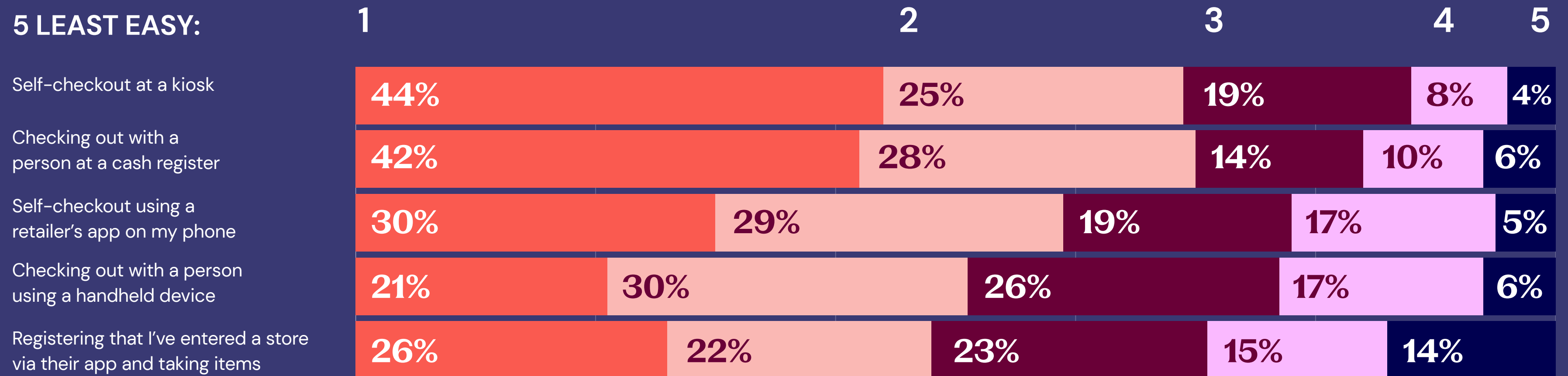
TRUE OR FALSE: I would like to see “just walk out” technology in more stores so that I can use a retailer app to enter a store and then leave by grabbing items without ringing them up in any way.

**52% True**

**48% False**

# Self checkout at a kiosk is seen as the easiest form of checkout, followed by checking out with a person at a register.

RANK IN ORDER  
OF 1 EASIEST TO  
5 LEAST EASY:



# PRICING



2025

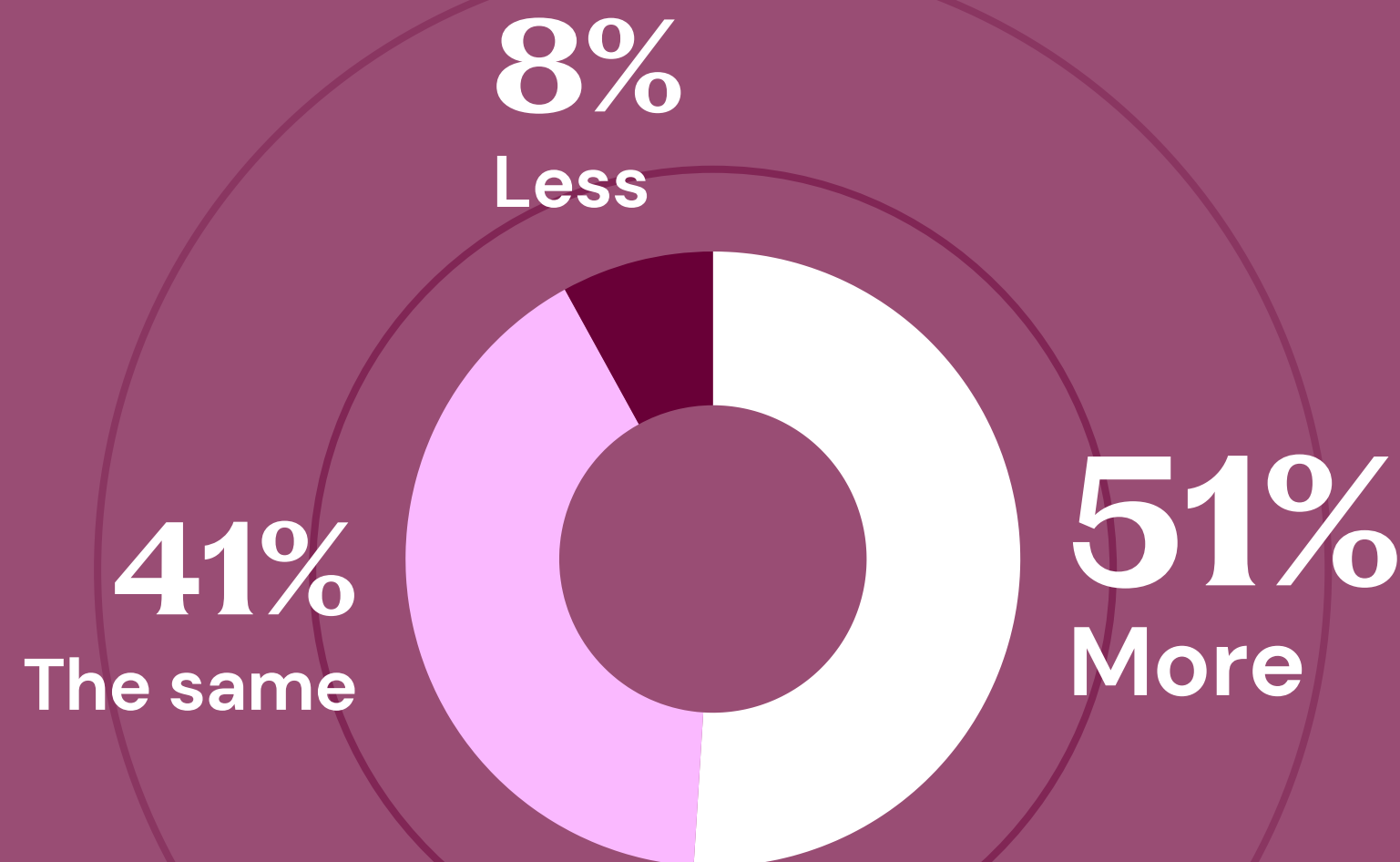
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# 51%

of consumers say they are more interested in deals and discounts than they were a year ago

Would you say you are \_\_\_\_\_ interested in deals and discounts now than you were a year ago?





# 71% of consumers feel prices have gone up compared to a year ago

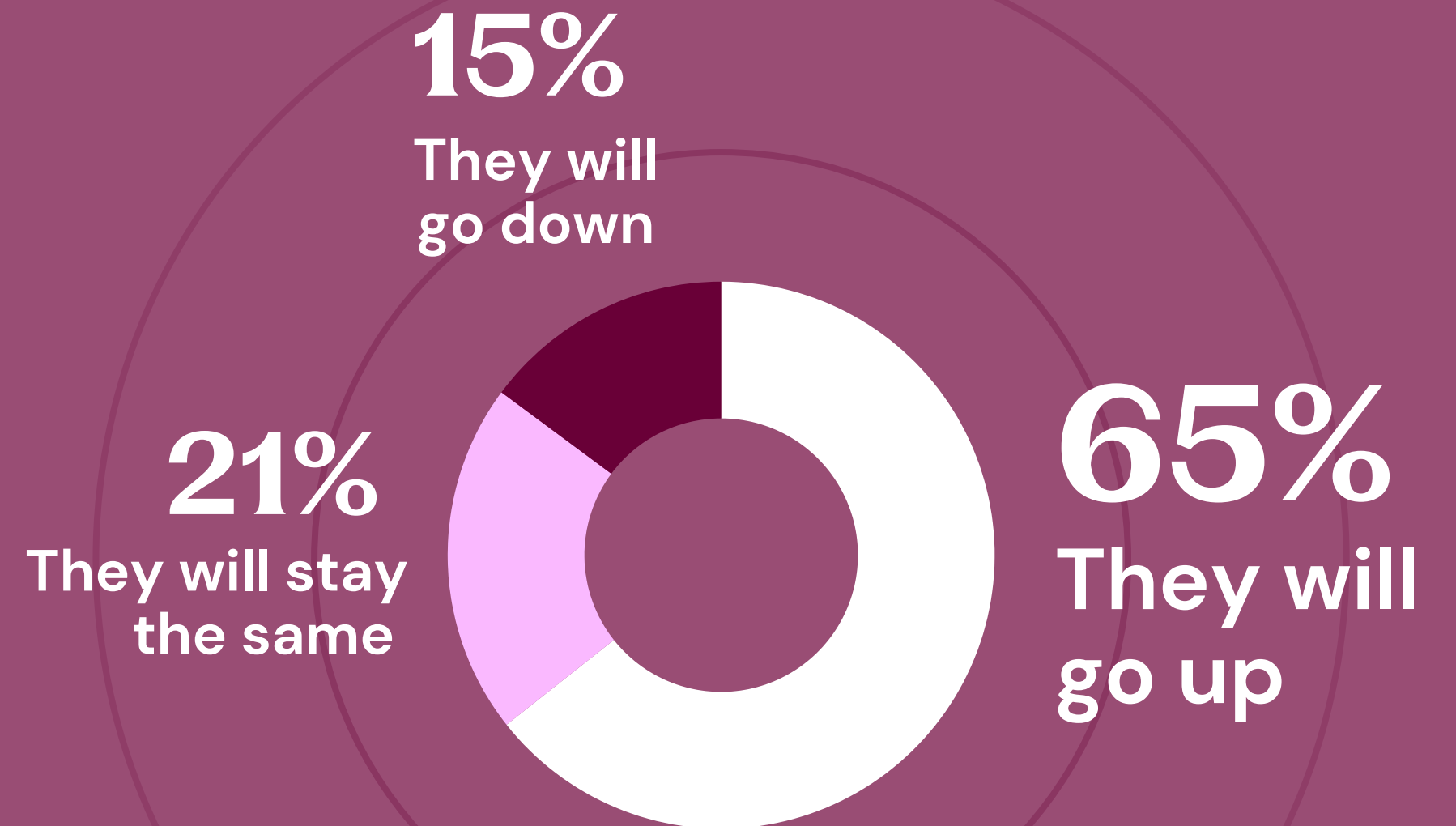
Basic needs and electronics are where consumers have observed price increases the most

# 65%

of consumers expect prices on most goods to go up in the next few years

\*54% expected prices to go up in January

How do you expect prices on most goods to change over the next few years?



# 57%

of consumers say they intend to pull back on spending so that they can balance out the impact of increasing prices.

## How, if at all, do you anticipate your spending will change over the next year?

I will be more cautious with my purchases in order to balance out the prices of goods going up

57%

I will not change my spending habits, but I expect the prices of goods to go up, so I will inevitably be spending more

18%

My spending will not change and the prices of goods will not change

12%

I will be less cautious with my spending habits, but prices will go down, so it won't matter

7%

I will be less cautious with my spending habits and prices will go up, so I will be spending more

4%

I will be less cautious with my spending habits and prices won't change so I will be overall spending more

3%

# DATA PRIVACY & TRUST



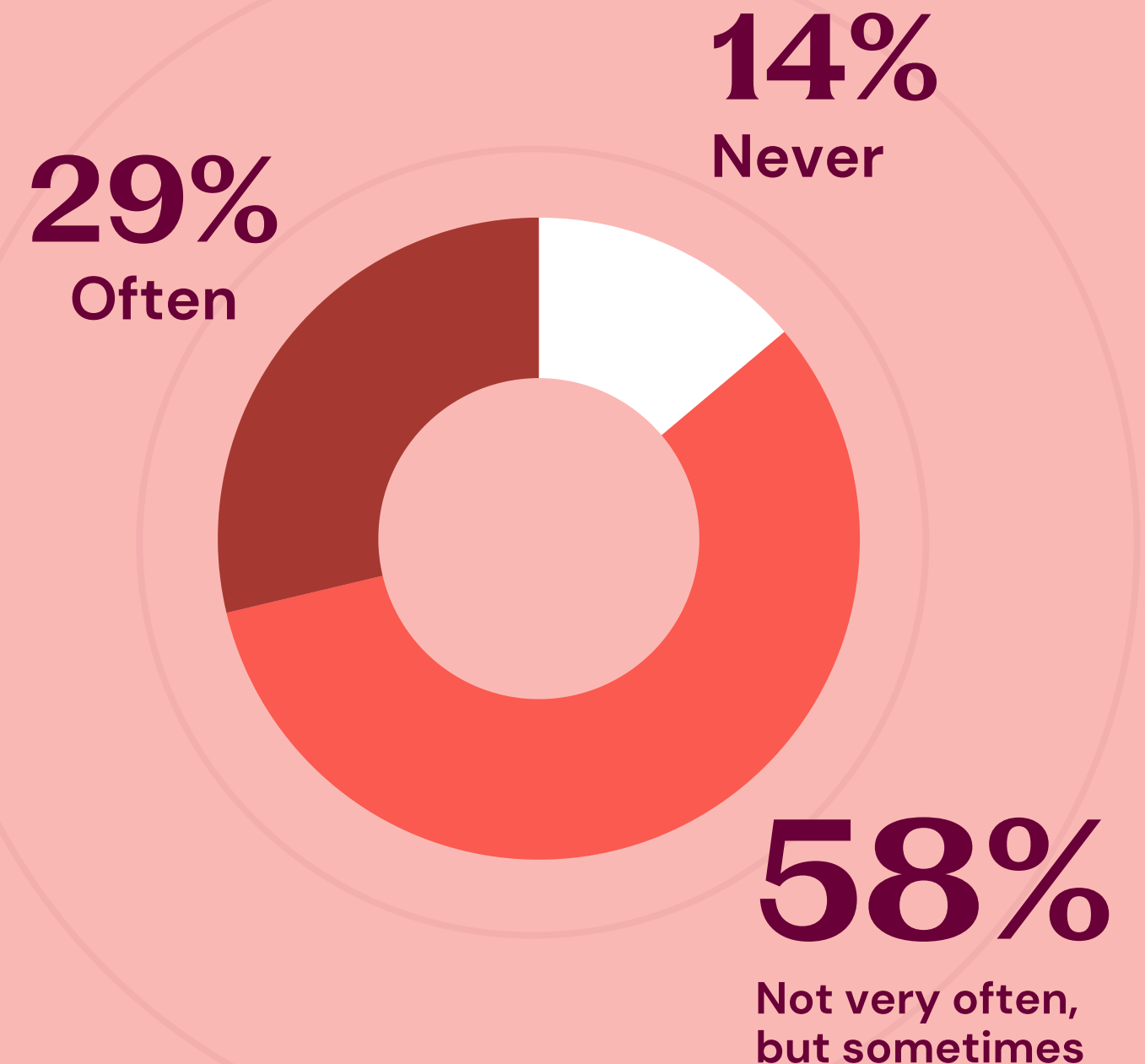
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# 87%

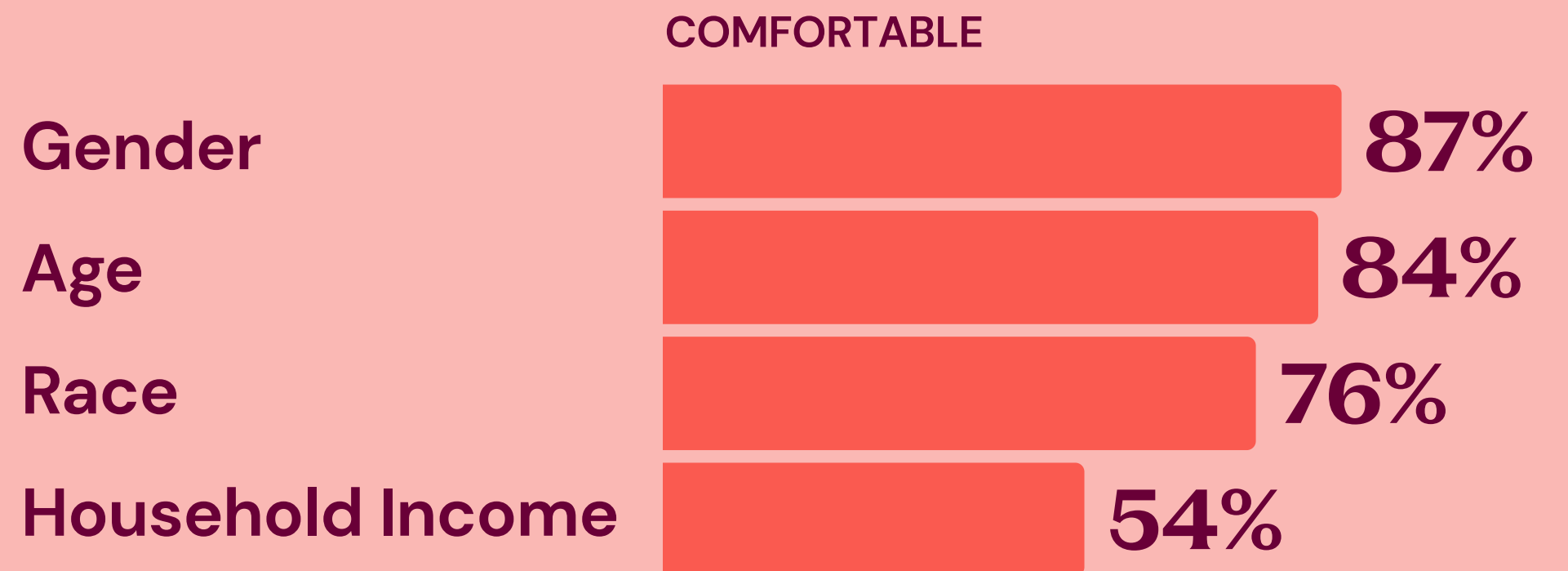
of consumers say they are at least sometimes concerned about brands/retailers having their personal information

How often would you say you worry about retailers and brands having your personal information?



Consumers are comfortable sharing most forms of personal information. Household income is the personal data consumers are most protective of

For each of the following types of personal information, please select if you are comfortable or not comfortable with retailers having it?



# Most consumers don't avoid particular retailers because of privacy concerns

Are there retailers you avoid solely because you don't want them having your data?

62% No

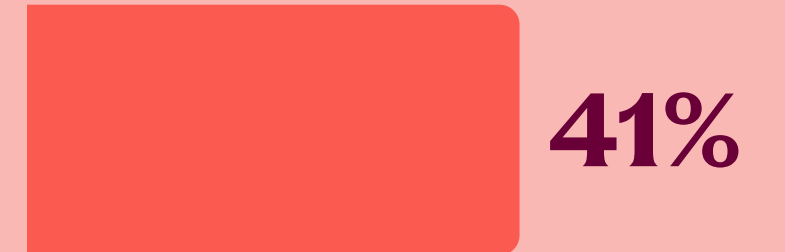
38% Yes

# 80%

**of consumers say a data breach has an impact on their shopping behaviors with that retailer**

**What impact, if at all, does a data breach have on your shopping decisions?**

I cautiously continue (change my payment method) shopping the retailer after a data breach



I temporarily stop shopping the retailer until I feel the breach is under control



I permanently stop shopping the retailer after a data breach



I keep shopping the retailer and don't worry about the data breach



# KEY TAKEAWAYS & IMPLICATIONS

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AI is changing the way consumers shop: they're starting their purchase journey in research mode, more often on search engines than they were previously. Consumers are most receptive to Agentic AI for habitual purchases. Consumers' main concern with AI is that it will derail their shopping outcomes

→ **Optimize digital channels for search (both GenAI and non), Build Agentic AI tools for routine items, create transparent messaging that communicates impartiality and quality search results**

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Consumers want retail technology that improves decision certainty (virtual trial tools, ratings and reviews, etc) and fast tracks purchases

→ **Provide ample opportunities for certainty across the path to purchase, but especially in the early phases**

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71% of consumers feel prices have gone up compared to a year ago, and 65% of consumers expect prices to go up further

→ **Protect low prices wherever and whenever you can, leverage dynamic pricing, build discount offerings into every channel**

# CI&T



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