



RETAIL TECH REALITY CHECK

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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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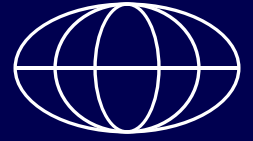
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AI

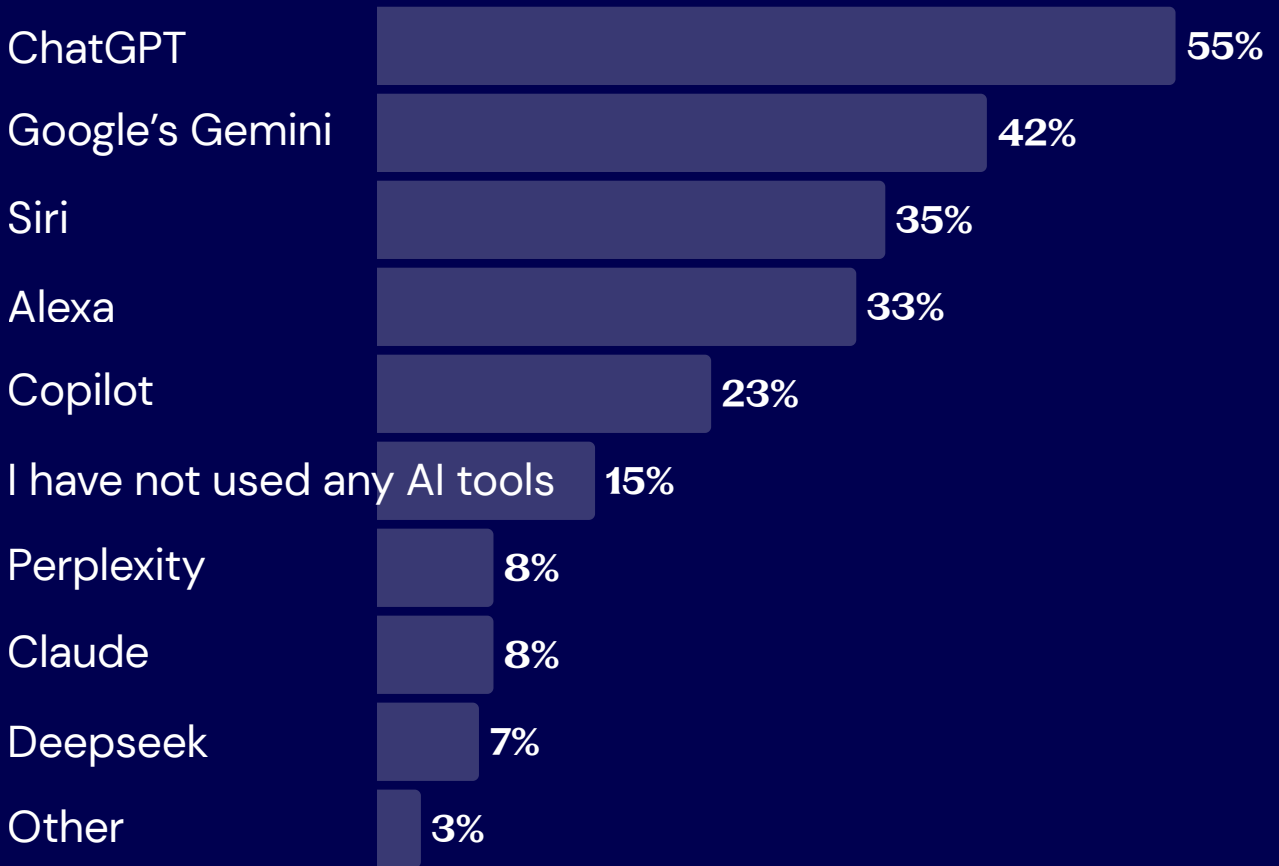


AI is changing the way consumers live their lives, especially with respect to shopping



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

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



Siri had a lower use rate than ChatGPT and Gemini



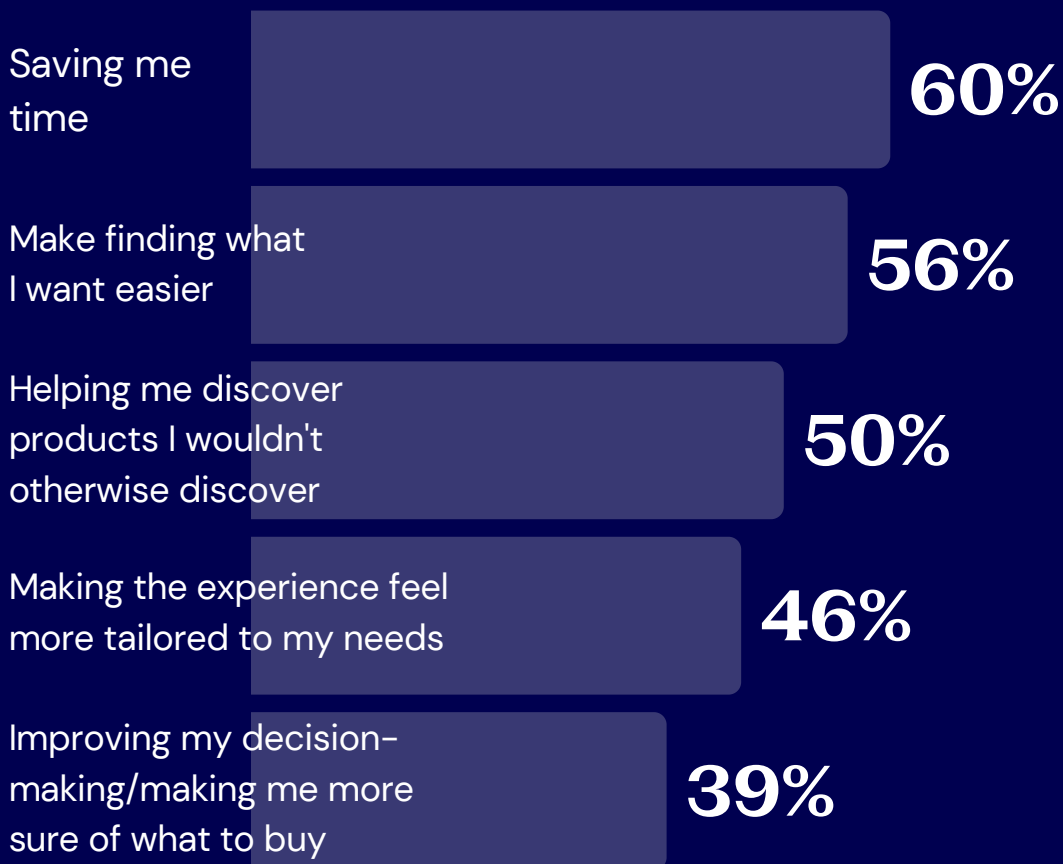
**58% of consumers
said they think
retailers should use
Artificial Intelligence
(AI) to improve the
shopping experience
for their customers.**

THIS IS UP FROM 50% IN 2023



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

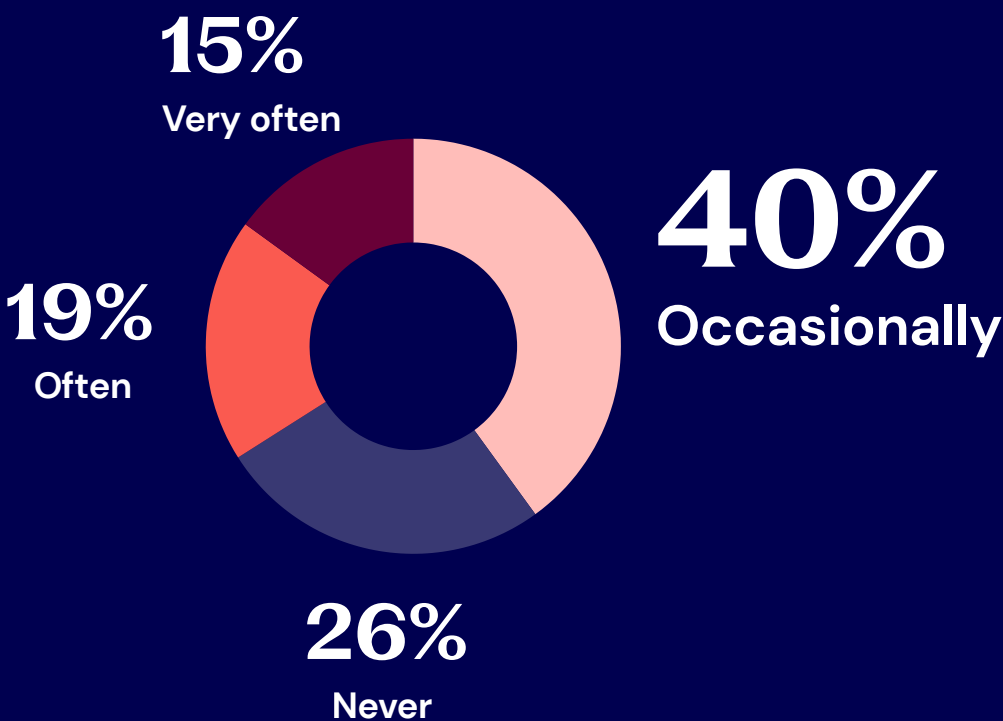
What would you appreciate retailers using AI for when it comes to improving the shopping experience?



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

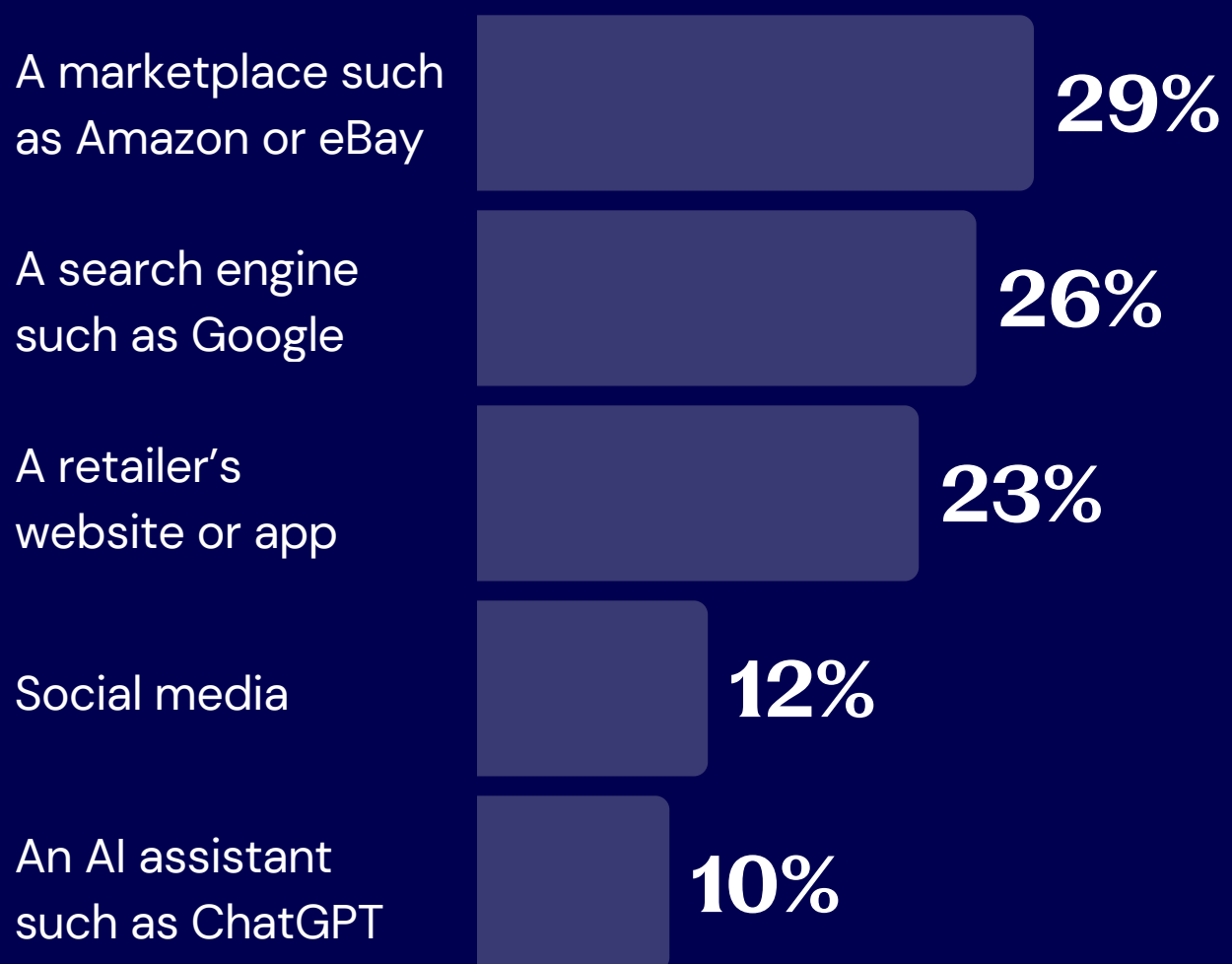
Practically $\frac{3}{4}$ of consumers are using AI tools in their path to purchase at least occasionally

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

Do you prefer to start your shopping journey on:



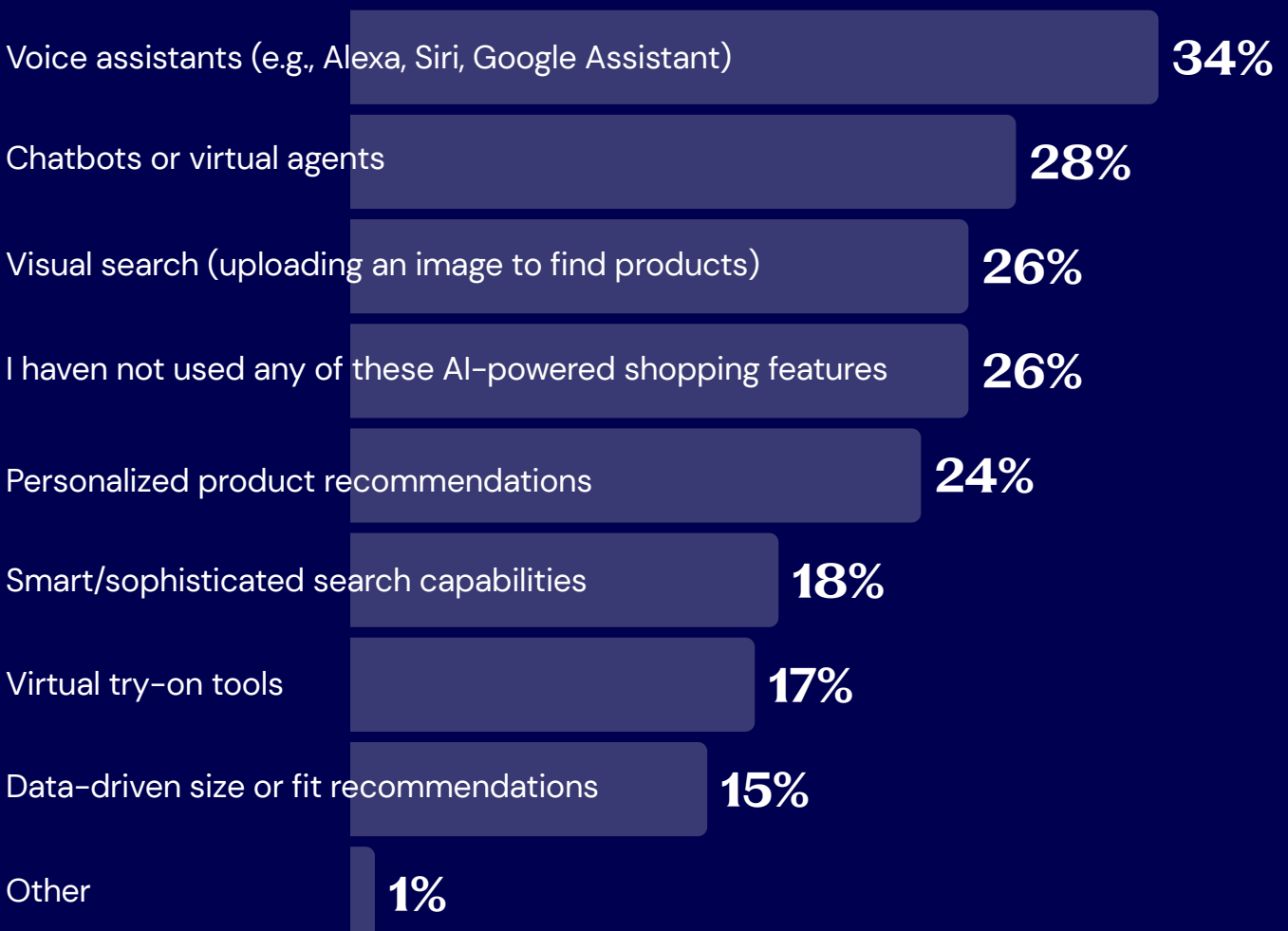
Consumers are pretty evenly split between beginning their shopping journeys with a marketplace, search engine, or retailer channel*

*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

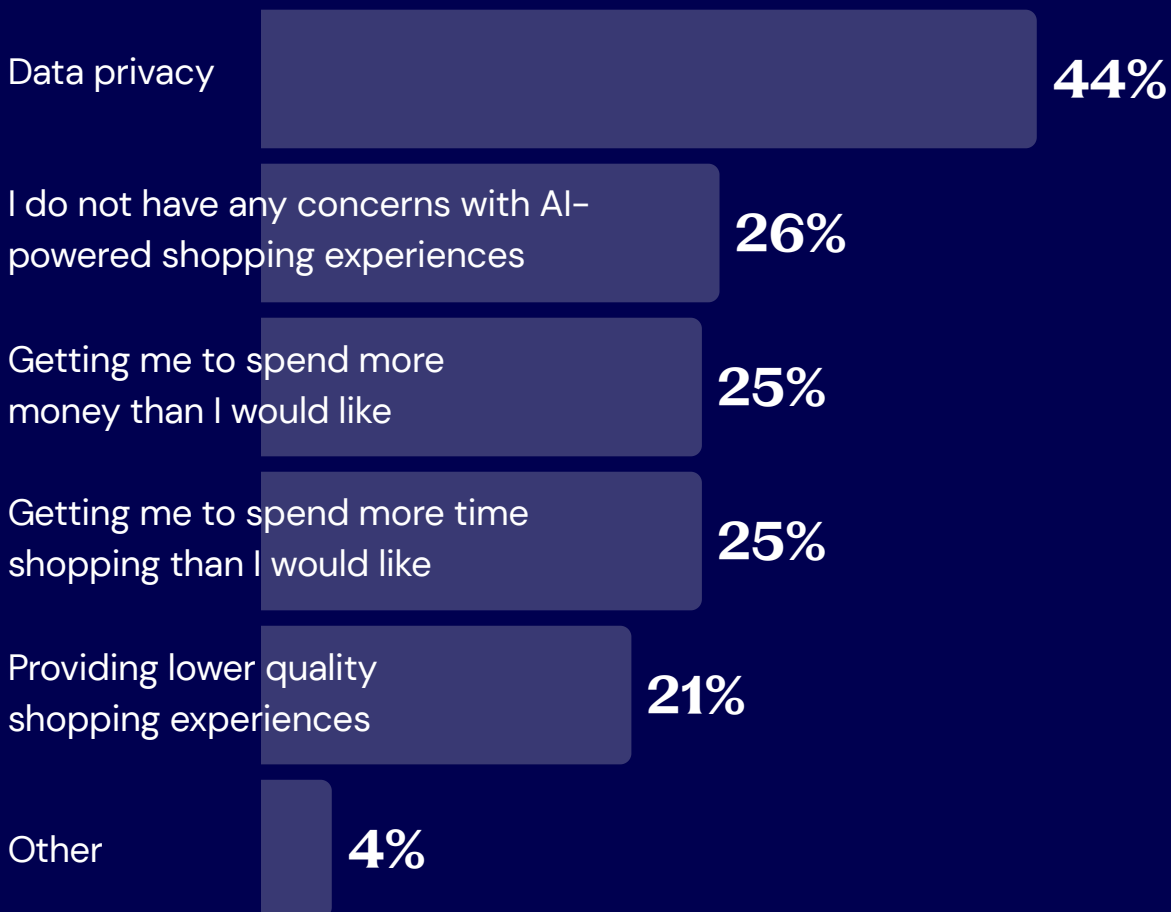
Voice assistants, followed by chatbots are the most likely used AI shopping features

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

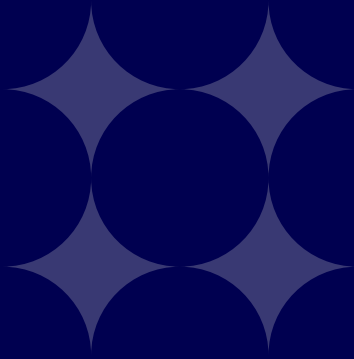


Data privacy is the singular top concern regarding AI*, but derailing the shopping experience is the highest overall concern
***concern has dropped by 9% since 2024**

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



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.

Lack of trust to be unbiased

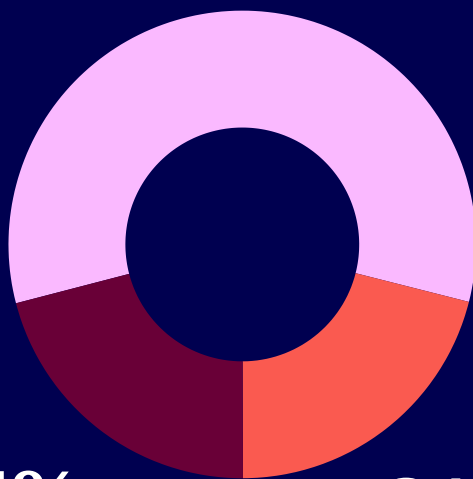
Lack of control over shopping experience

*open-ended responses summarized

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

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

58% I have not heard this term before



21%

I have heard this term before, but I don't know what it means

21%

I have heard this term before, and I know what it means

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?

16%

This concept is interesting to me only in more creative categories such as beauty, fashion

13%

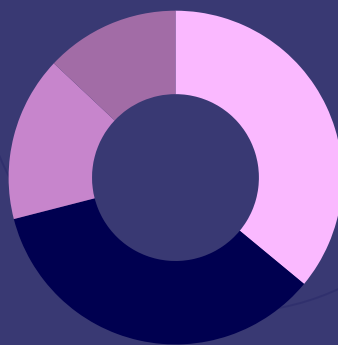
This concept is interesting to me for all categories

35%

This concept is interesting to me only for basic needs such as replenishing household goods (paper towels, hand soap, garbage bags)

36%

I don't like 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

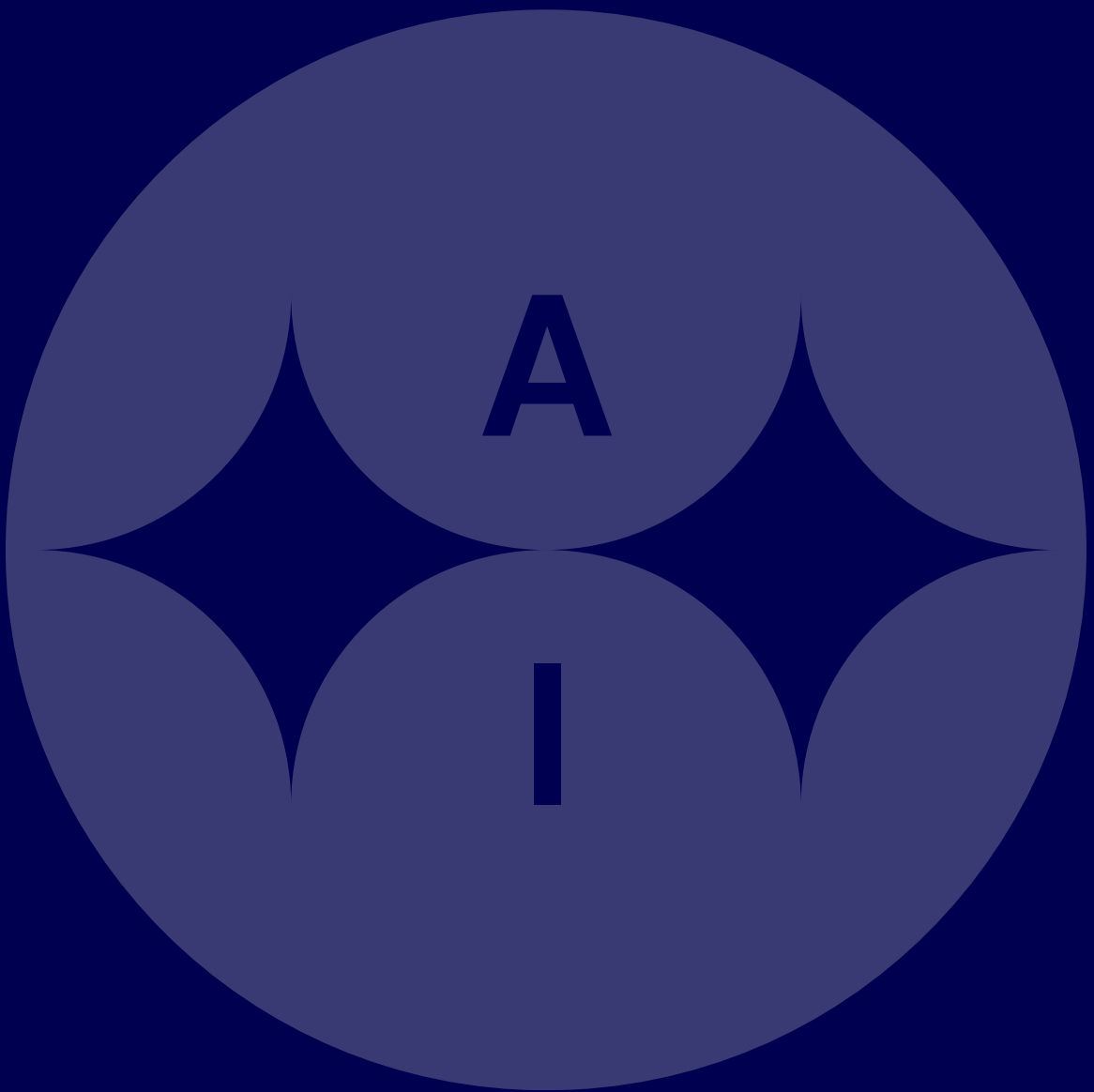
Better security/privacy

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

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

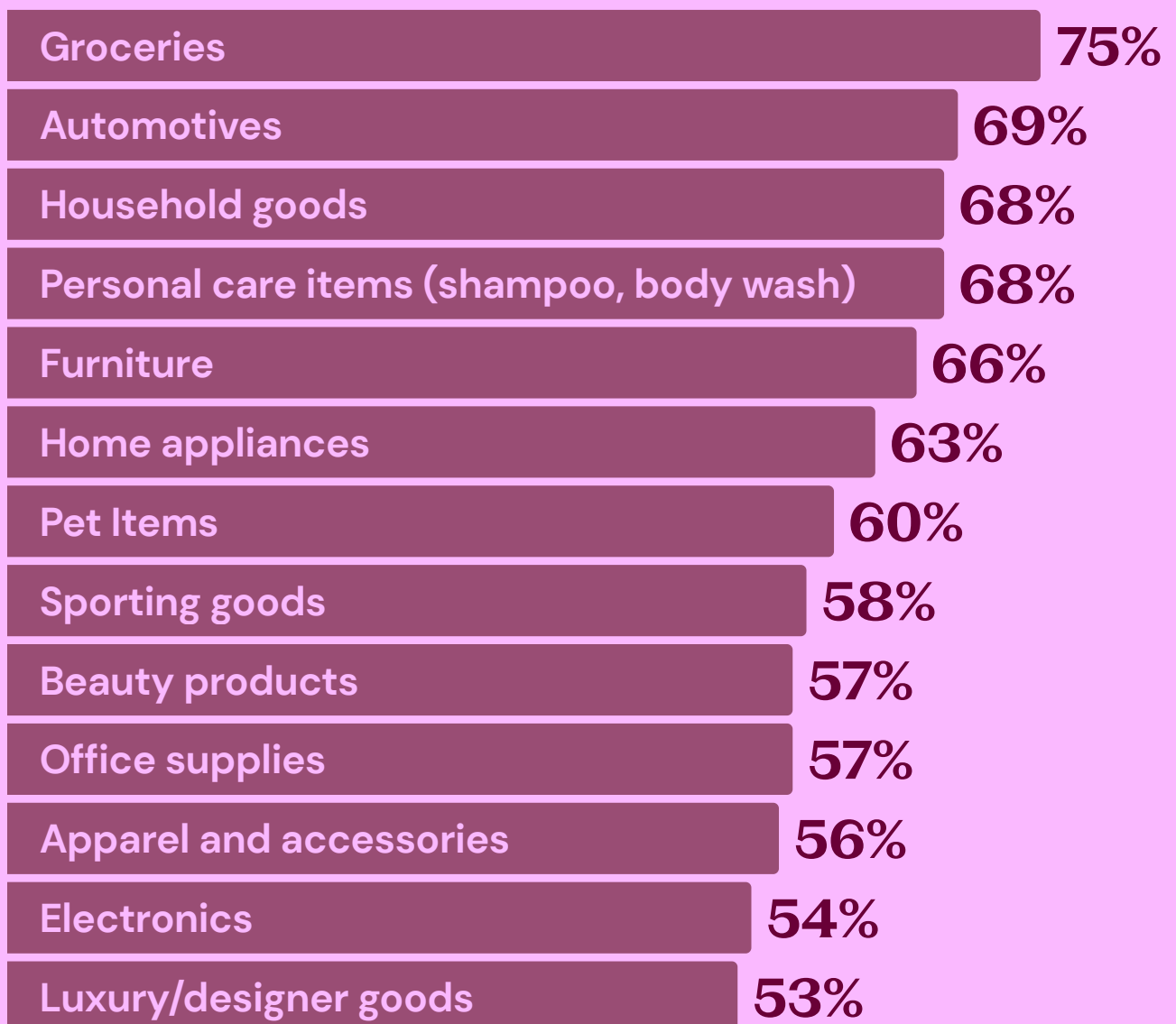
Consumers were most likely to report that better reviews/ratings **on social media** would be most helpful, followed by better recommendations



CHANNEL PREFERENCES

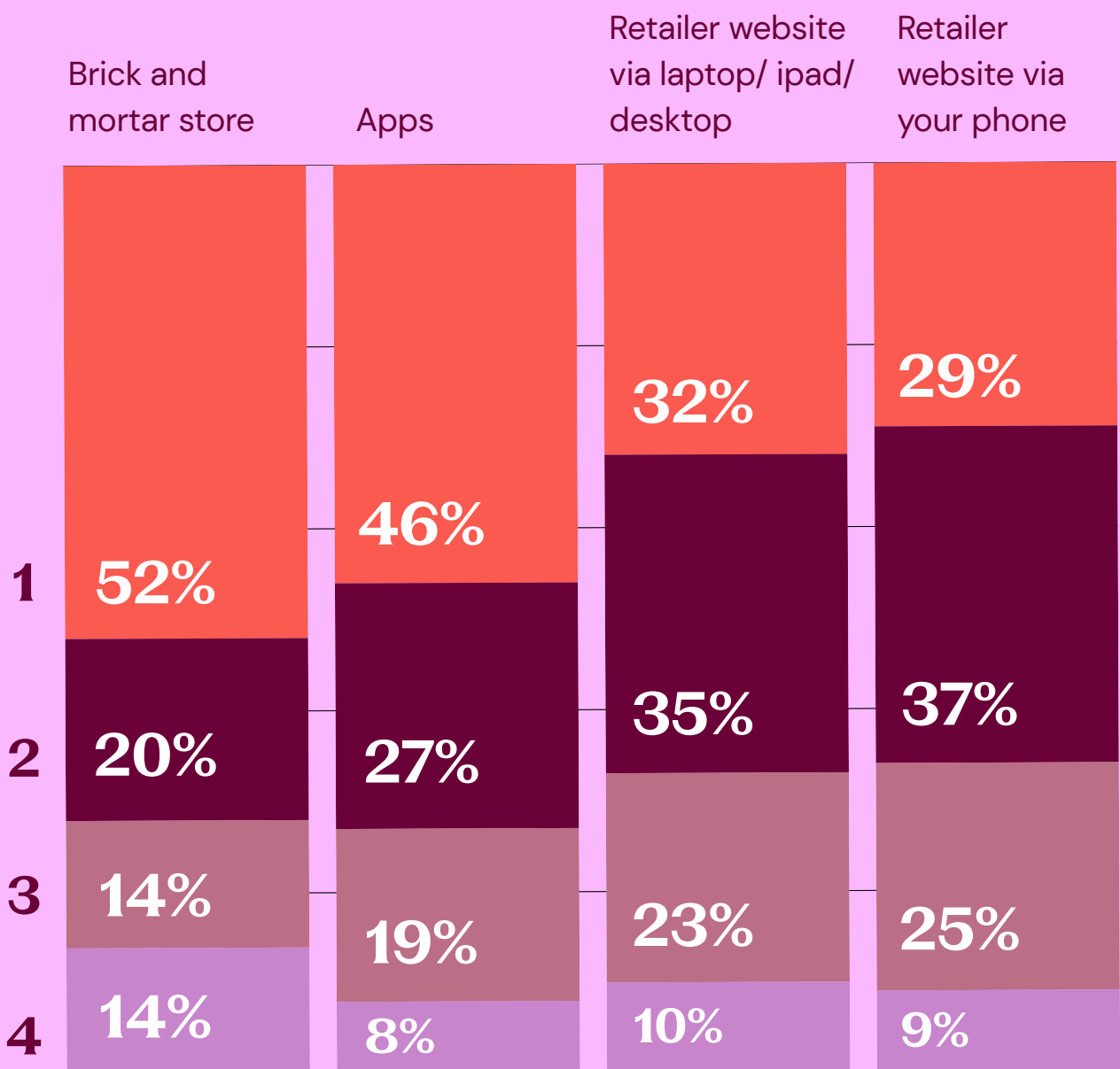
Consumers prefer to begin all shopping journeys, regardless of category, in brick and mortar. Digital channels had the highest frequency of being selected as first choice in apparel and electronics

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



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

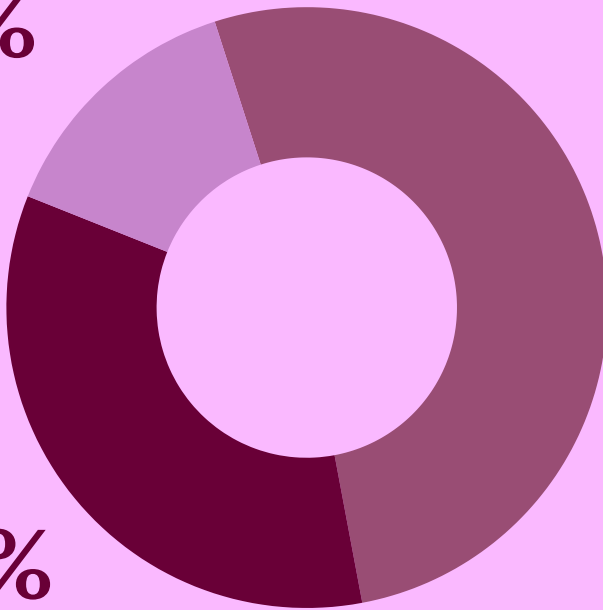
How often do you find that an item you looked up online in order to buy in store did not end up being available in store?

14%

Never

34%

Often



52%

Sometimes

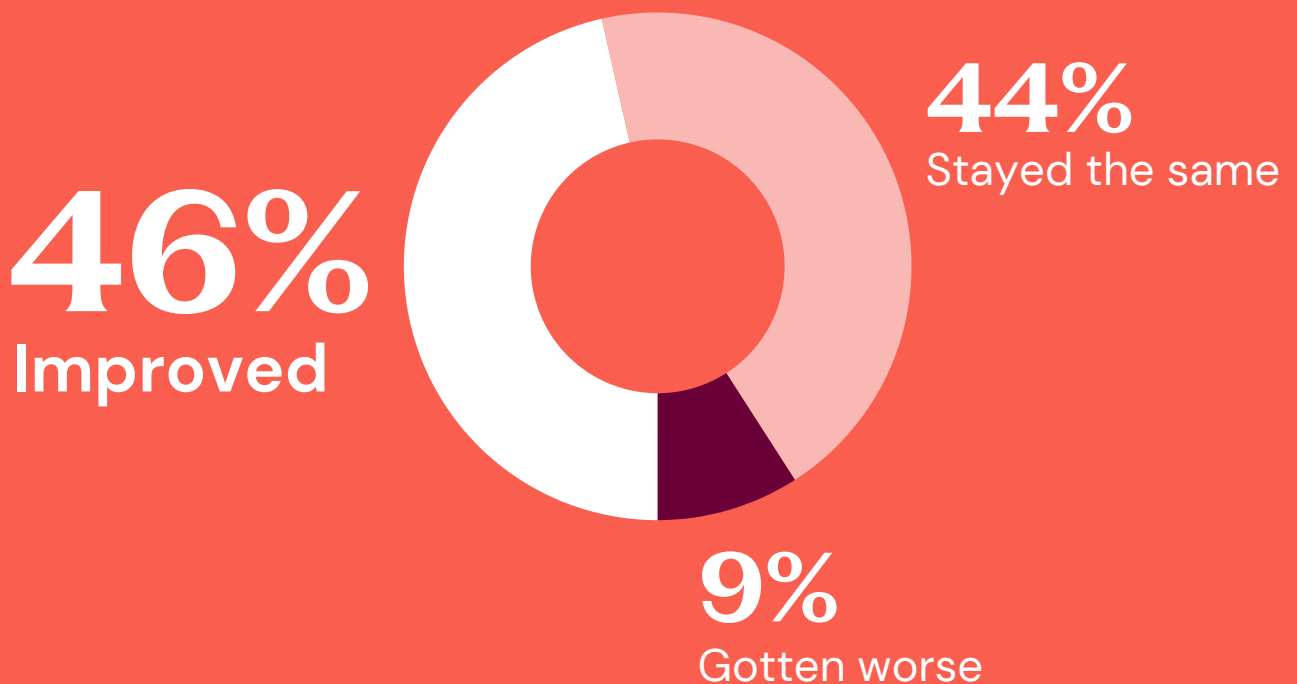


SEARCH

90%

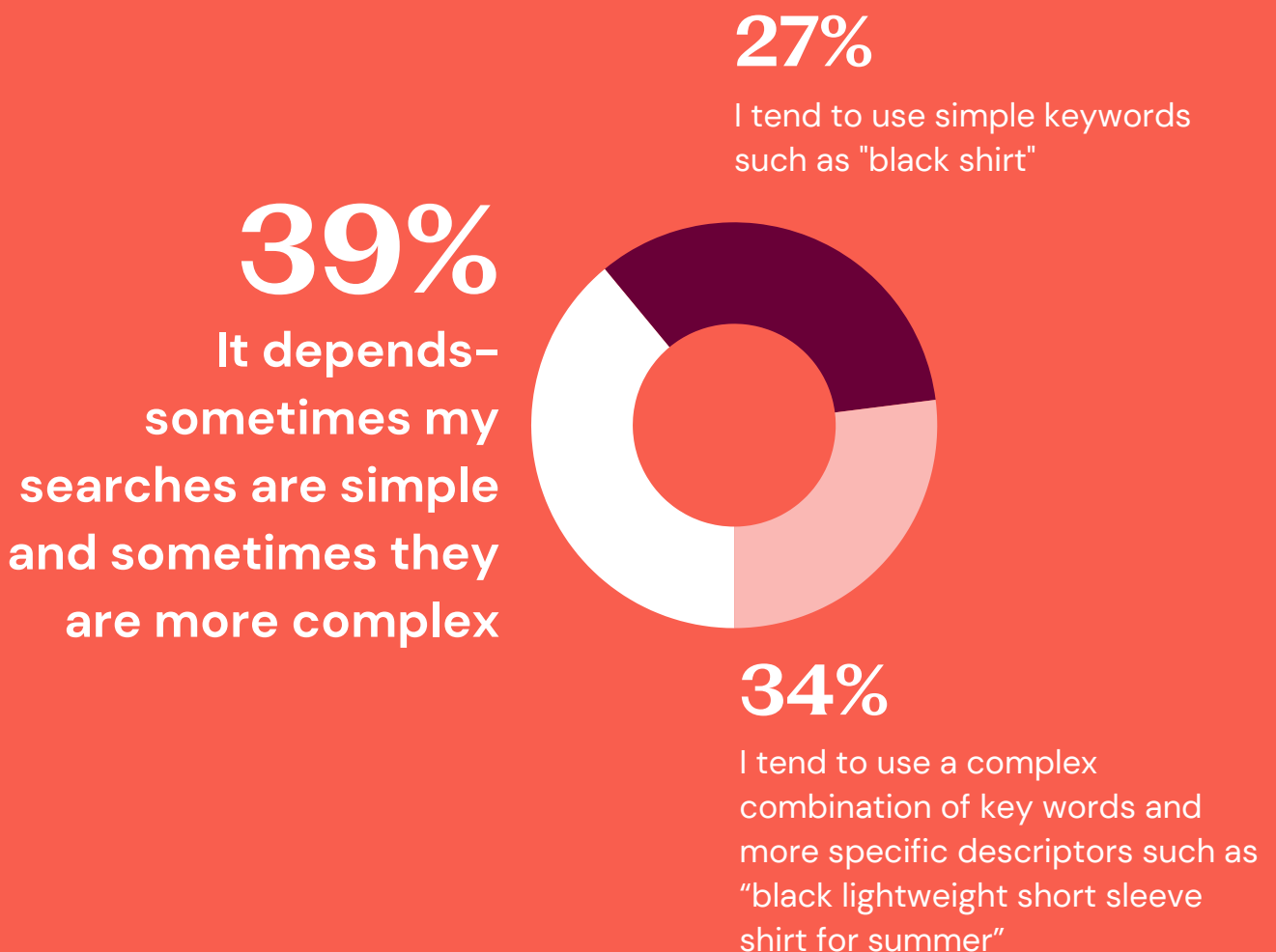
of consumers feel
the quality of
search results has
either improved or
stayed the same

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



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)





PAYMENTS & CHECKOUT

60%

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

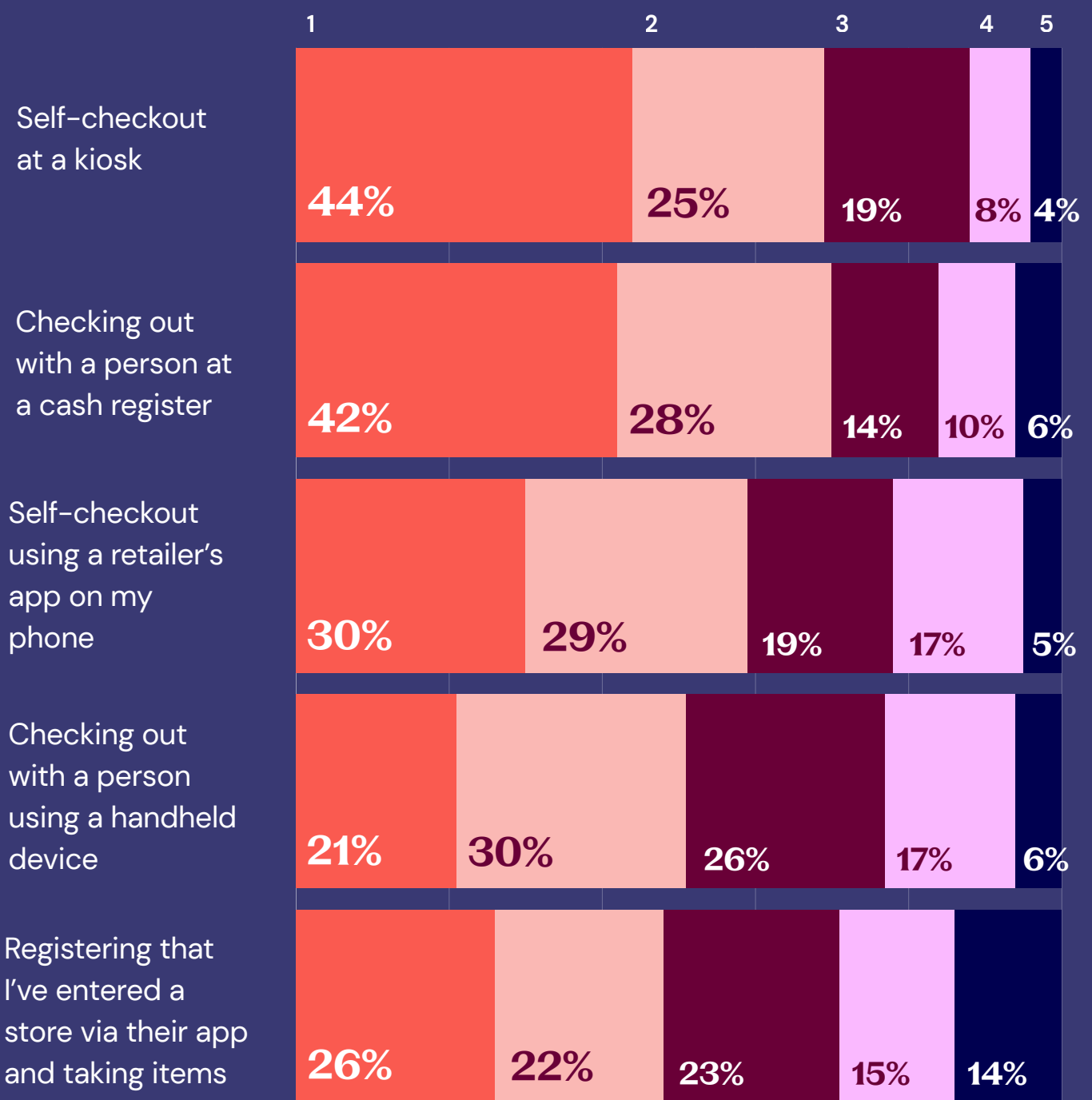
TRUE OR FALSE: I would like to see “just walk out” technology in more stores so that I can use a retailer app to enter a store and then leave by grabbing items without ringing them up in any way.

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:





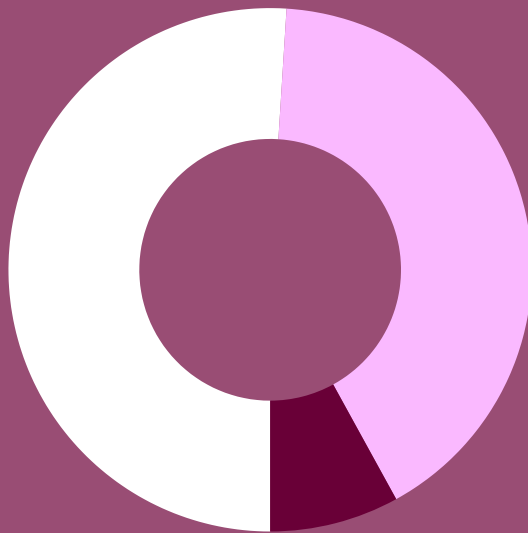
PRICING

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?

51%
More



41%
The same

8%
Less

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

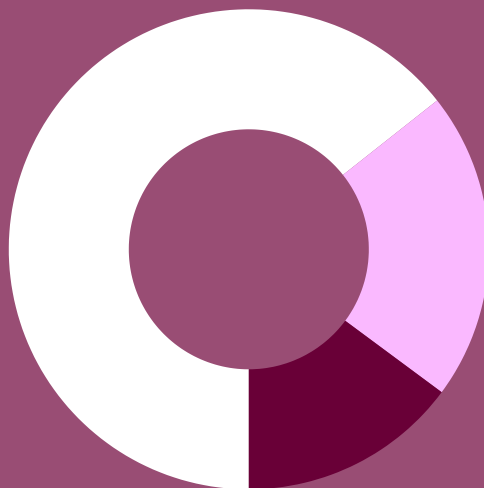
65%

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?

65%
They will go up



21%
They will stay the same

15%
They will go down

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%

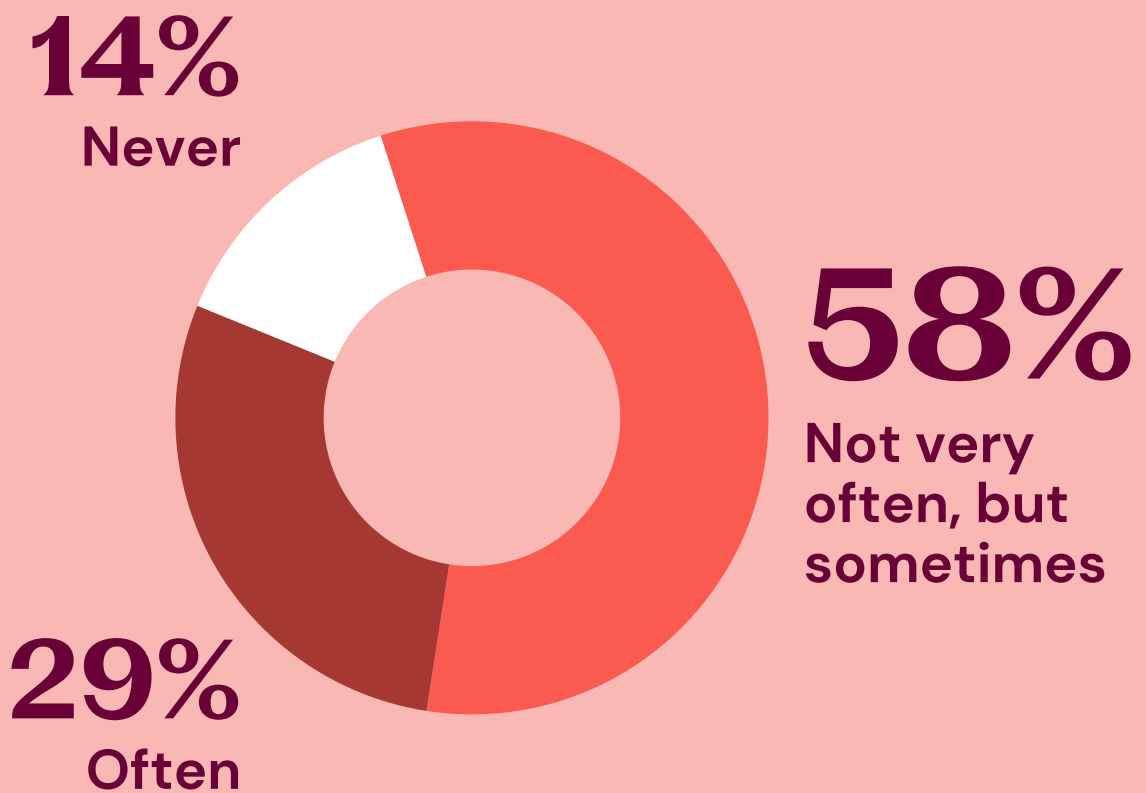


DATA PRIVACY & TRUST

87%

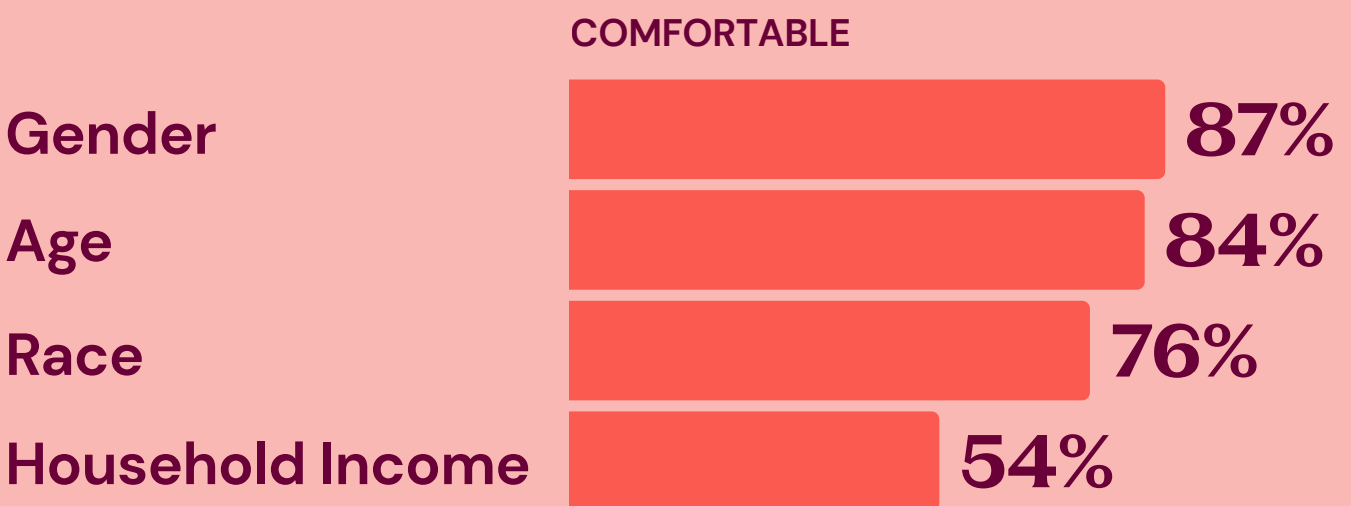
of consumers say they are at least sometimes concerned about brands/retailers having their personal information

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

41%

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

25%

I permanently stop shopping the retailer after a data breach

14%

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

20%

KEY TAKEAWAYS & IMPLICATIONS

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**

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**

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**

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Meet our Expert



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