



How Retailers are Using Artificial Intelligence in their Business Model:

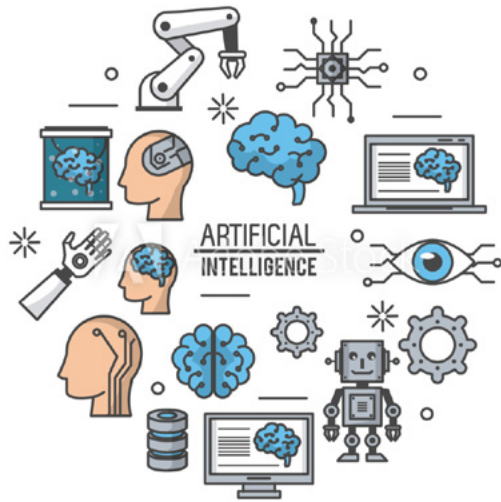


GRIP REPORT by Elias Amash

How Retailers are Using Artificial Intelligence in their Business Model

Elias Amash, President - GRIP

“The landscape of traditional retail is experiencing a huge turn for the better with the appearance of Artificial Intelligence”



The landscape of traditional retail is experiencing a huge turn for the better with the appearance of Artificial Intelligence. A rapidly evolving competitive environment, a global move towards digital shopping, and the sentiments of highly informed buyers are forcing a new perspective in the industry. From this new perspective, the adoption of accelerated analytics, robotics, and on top of everything, deep learning is on the rise. The use of artificial intelligence in retail spans every aspect of the industry. Whether your goal is to optimize your supply chain, use existing data to increase conversions, or improve shopping experiences with predictive modeling, AI can help you meet your challenge. Here are some benefits of using artificial intelligence in retail.

1. Lower cost

When compared to human assistants, chatbots require minimal investment for development as well as maintenance. Once deployed, a chatbot can cater to the queries of any number of customers at any time, 24 hours a day. This will allow customers to enjoy immediate assistance without the need for waiting in endless lines or listening to that 30 min solo on the customer help line!

2. AI can extract value from massive data sets

Many industries have been struggling to build data-driven strategies for a while. According to the latest research, retailers were second in this race. Retailers are lucky enough to collect massive data about customer and buyer behavior. However, they have been unable to interpret and utilize this data properly. Improvements in artificial intelligence and data availability help retailers unlock the full potential of customer data. On one hand, a regression model allows a retailer to take advantage of legacy data and reuse it effectively. On the other hand, capabilities of machine learning let retailers not only learn from experience, but also apply those strategies to model and predict future buyer behavior. It's a real advantage to know what customers want before they want it.

3. AI enforces practical solutions like inventory management

Stock management is a crucial function for optimizing any retailer's business. Even in the age of incredible electronic improvements, it remains a challenging task. Depending on the business, equipping each item with RFID tags allows precise tracking of not only how many items are in stock but also where exactly they are located. However, in many situations, introducing such systems is not always practical. But





there are some great implementations of this smart strategy. Simbe Robotics developed the robot “Tally” which drives around a store and records the entire inventory on shelves. This can be done as many times per day as you want with customers present in the shop, so inventory can be tracked throughout the day. This can free customer service agents to help customers in the store. Accurate inventory data is a key ingredient to successfully implementing the next item. This is a great example of the successful use of artificial intelligence in retail.

4. Better engagement

There are so many limitations on human assistance. People specialize in giving advice on one subject and it’s simply not possible for one person to work 24/7. However, there are no such limitations with chatbots and artificial intelligence. Chatbots can cater to any number of customer requests and serve customers whenever they are needed. Also, no matter how good your website’s FAQ section is, customers will need to make an extra effort to find the solution they seek. Thankfully, this is not the case with chatbots. Chatbots can immediately answer customers’ concerns and help them with personalized recommendations and solutions. Immediate response and availability are the best benefits of artificial intelligence and retailers who chose to use these methods certainly stand out in the market.

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In this context, the retail industry doesn’t have much choice but to embrace artificial intelligence. Being connected to and dependent on customers and data, retailers should start to experiment with AI. Soon, application of artificial intelligence technologies will become a competitive advantage that will make retailers stand out in the market. , Eventually, using AI will become a necessity and a part of every retailer’s business strategy.

About the Author: Elias Amash, President of GRIP, is an industry veteran with more than 20 years of experience in global sourcing, manufacturing, distribution, retail merchandising, fulfillment, marketing, technology, and operations. He is a trusted partner to hundreds of retailers and has “leveled up” the industry with GRIP’s undying commitment to offering only the highest levels of service to its customers. Amash has recently published his third business book, **The Future of Retail** which is available on Amazon. He is also the author of *Importing from China: The Good, The Bad, and The Ugly*, and *101 Bright Ideas: Winning Tactics to Increase Retail Sales*. Be sure to preorder his next business book: *Retail Survival: Who Lives, Who Dies and Why*. (See below)

About GRIP (Grand Rapids Innovative Products)

GRIP was incorporated by Charles Amash in 1980 and has grown into one of the nation’s top suppliers of innovative products to the retail industry. Located just south of Grand Rapids, Michigan, GRIP features a 200,000 sq. ft state of the art warehouse facility including a 2,000 sq. ft product showroom. GRIP carries a product line of over 1,000 specialty hand tools, automotive, cargo control, Goodyear Air hose, LED lighting, Magnetics, outdoors, household items, and general merchandise. GRIP has a proven track record of excellence in supplying retail clients with innovative products, timely fulfillment, and world-class customer support. At GRIP, everything is about earning your business...one customer at a time. It’s about building relationships and fostering business partnerships that will last long into the future. Our goal is to have Customers for Life. The future at GRIP is exciting and we’re hoping that you can be a part of it as one of our many Customers for Life. Learn more at www.whygrip.com.



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