New Forecast Reveals Groundbreaking Potential of Generative AI in Retail Industry: $9.2 Trillion Impact Expected by 2029

Generative AI technology projected to increase sales, improve product margins, and eliminate company inefficiencies.

NASHVILLE, TN, UNITED STATES, May 24, 2023 /EINPresswire.com/ -- Today, research analyst firm IHL Group announced the release of a comprehensive forecast that highlights the tremendous impact of Artificial Intelligence (AI) and, more specifically, Generative AI will have on the on the retail industry. This forecast, conducted by renowned industry experts, projects a staggering financial impact of $9.2 trillion USD through 2029, showcasing the significant transformation and opportunities that lie ahead for retailers worldwide.

Worldwide Retail AI Economic Impact Through 2029
Source: IHL Group

$9.2
Trillion USD

AI Impact Through 2029

> "
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>
> *Greg Buzek*

Generative AI, while currently representing only 9% of the overall financial impact in 2023, is poised to become the driving force behind the industry's growth, accounting for a remarkable 78% of the total financial impact by 2029. These findings underscore the game-changing capabilities of AI/ML and Generative AI, as it becomes increasingly integrated into retail operations.

Key data points from the forecast highlights include the following:

• The benefits of Generative AI are projected to stem from three primary areas: increased sales (51%), improved gross margins (20%), and lowered Selling and Administrative (S&A) costs (29%).

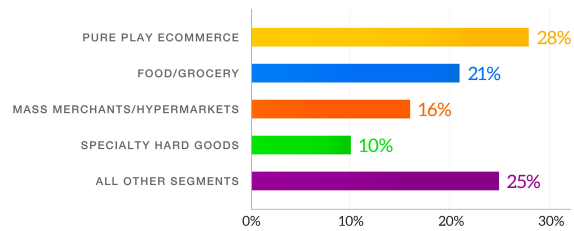• Generative AI has the power to transform not only the bottom line of retailers but also enhance the overall shopping experience for customers.

• Retailers can expect to achieve between 5-100 times greater efficiency using Generative AI technologies, particularly in Sales and General Administrative tasks. Tasks that have traditionally taken hours or even days to complete can now be accomplished in a matter of minutes, enabling retailers to streamline their operations, drive productivity, and deliver superior customer service.

According to [Greg Buzek](#), President of IHL Group, "The most significant improvements will come when Generative AI is added on top of the AI/ML tools already being developed that rely on clean, accurate, and properly tagged data. The improvements here will be exponential for retailers." This insight underscores the importance of building upon existing AI and machine learning (ML) capabilities, harnessing the power of Generative AI to unlock exponential growth and improve inefficiencies.

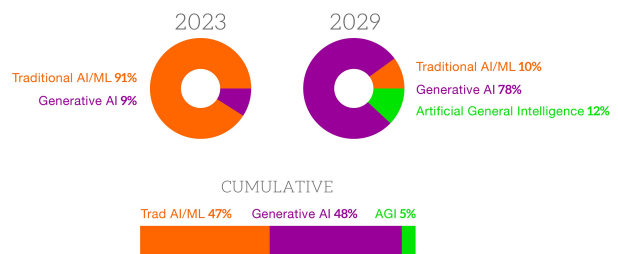**4 Segments to Dominate Economic Benefits of AI Through 2029**
Source: IHL Group

- PURE PLAY ECOMMERCE — 28%
- FOOD/GROCERY — 21%
- MASS MERCHANTS/HYPERMARKETS — 16%
- SPECIALTY HARD GOODS — 10%
- ALL OTHER SEGMENTS — 25%

Retail Segments Which Will Get Most Impact from AI

Radical Change in Type of AI Driving Impact Per Year
Source: IHL Group

2023
Traditional AI/ML 91%
Generative AI 9%

2029
Traditional AI/ML 10%
Generative AI 78%
Artificial General Intelligence 12%

CUMULATIVE
Trad AI/ML 47%   Generative AI 48%   AGI 5%

Retail Impact by Type from 2023 vs 2029

Through 2029, IHL's forecast predicts that 47% of the benefits of cumulative impact of AI will come from traditional AI/ML technologies in closed systems, 48% from Generative AI functions and 5% from Artificial General Intelligence tools which will become available later in the decade.

With the announcement, IHL is releasing two product offerings. "[Retail's AI Revolution Forecast Model](#)" reviews over 120 different technology impact areas across 12 retail segments worldwide. A [free summary research paper](#) entitled "Retail's AI Revolution" is also available.

The retail industry is on the precipice of an extraordinary transformation, and Generative AI will be at the forefront of this revolution. As retailers leverage this cutting-edge technology, they will unlock new realms of efficiency, profitability, and customer satisfaction. The forecast's projection of a $9.2 trillion financial impact by 2029 signals a monumental opportunity for forward-thinking retailers to position themselves as leaders in this rapidly evolving landscape.

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