



Report

The AI confidence gap in retail



Custom content for BlueConic from Studio by Informa TechTarget

**Retailers say they're ready for AI shopping.
But are they?**

While many retailers talk a big game, new research from BlueConic and Studio by Informa TechTarget suggests their execution falls far short of the confidence they project. Sure, they've invested in AI. But so far, adoption has outpaced true impact.

This report examines the AI confidence gap across the retail industry, exploring why the next phase of AI in retail is about transitioning from adoption to activation that yields results. After all, the point isn't to adopt technology to make your brand sound impressive. The point is to connect infrastructure, intelligence, and action so your brand can respond to intent with personalization in the moments that matter most.



Real-time relevance confidence doesn't match signal response speed

Every retailer is swimming in data. But using it fast enough to matter will define the next wave of growth. And most retailers still aren't responding to high-impact signals in real time.

91% of retail leaders report that they are confident in their organizations' ability to deliver real-time relevance through personalized experiences that adjust instantly to customer behavior in AI agent-influenced customer journeys. But less than half (48%) report they can actually respond to a high-intent customer or agent signal instantly.

"If you can capture the signal, but you can't respond in an accurate manner or measure

it in real time, you're missing the notion of incrementality—of the extra sales you're driving that actually have a cost," says Mihir Nanavati, GM, Product & Technology at BlueConic. "And if your environment is slower than a modern best-in-class commerce ecosystem should be, you'll see weaker conversions, higher drop-offs, and more wasted marketing spend, because it's not linking your data to action."

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How quickly can retail organizations' systems respond to a high-intent customer or agent signal (such as cart abandonment or an AI product query)?

Instantly, through automated activation



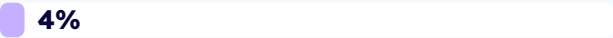
Within minutes or hours via automation



In scheduled or batch campaigns



Inconsistent response/case-by-case



How do retailers use AI in customer engagement?

For reporting, analytics, and insights



For real-time automated decisioning, content generation, and campaign building



Early-stage AI pilots





Retailers are adapting to AI-mediated shopping, just not enough

The window to act on customer signals has always been narrow, but the growing influence of AI assistants is narrowing it even faster.

Designing for hybrid human-AI shopping experiences is crucial to remaining relevant to consumers. More than three-quarters (77%) of retail leaders describe their current customer journeys as hybrid, with human customers relying on AI agents for some purchase decisions, and 11% report they are mostly AI agent-led. Only 11% of retail leaders report that their customer journeys are mostly human-driven.

“Consumers are changing their habits and spending a lot more time on AI assistance than ever before,” Nanavati points out. “Consumers are using AI tools for product discovery and

shopping. If retailers aren’t building for these behaviors, they risk not being visible where the next wave of shopping is happening.”

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Retailers are adapting their customer engagement strategies to accommodate AI shopping, but most aren't going far enough.

Nearly two-thirds (65%) of retail leaders report using AI models that adjust in real time to determine the next best action in their customer journeys. Even more (67%) report their personalization strategies are fully integrated, supporting agent-mediated customer journeys (those using AI assistants, chatbots, or smart platforms) and human-led ones. And another 22% are actively evolving under the influence of AI agents.

Only 58% of respondents, however, report having unified, real-time personalization across channels, allowing them to respond effectively whether a human customer or AI agent is engaging with their brand. Even fewer report using first-party data to power personalized, real-time decisions (56%), inform customer journey orchestration across channels (56%), or power attribution modeling and ROI measurement (53%).

First-party data is a powerful signal, especially when compared to unidentified data such as third-party cookies. Not acting on first-party data in real time is a huge missed opportunity.

“First-party purchase data is a very powerful signal for both targeting and measurement,” highlights Nanavati. “Retailers who are not leveraging first-party data in real time are at a disadvantage because they’re relying on weaker signals and slower systems, and delivering lower-precision personalization.”

Retailers' top five use cases for AI-powered personalization

Product recommendations

78%

Intent-driven media suppression or retargeting

71%

Interactive lead generation (e.g., quizzes, surveys, lookbooks)

67%

Next-best action orchestration

59%

Loyalty reactivation

59%



Advancing AI capabilities takes modular and composable infrastructure

Using slow or siloed systems hinders organizations from achieving high-precision personalization, powered by real-time decisioning, measurement, and optimization.

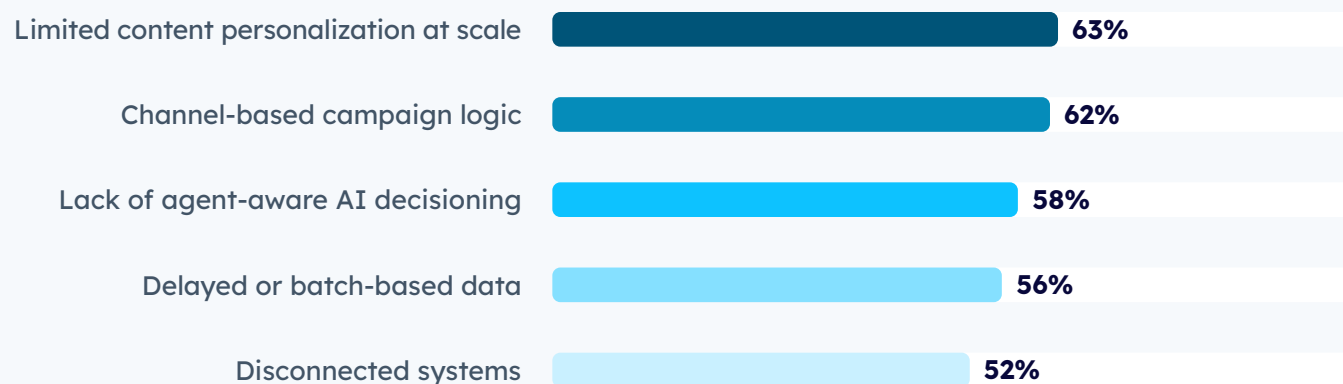
More than half (52%) of retail leaders report that disconnected systems are among their organizations' greatest barriers to delivering real-time relevance. More than three-quarters (77%) of retail leaders describe their organization's personalization infrastructure as modular and composable, allowing them to easily integrate and adapt new capabilities, while 19% consider theirs monolithic but evolving, and 3% consider theirs legacy systems.

"There are a lot of new things happening every day, week, and month in retail, so locking

yourself into one particular stack — particularly one monolithic stack — is very, very costly," says Nanavati. "And I don't mean costly from a budget standpoint, but from a results standpoint. Achieving personalization that drives outcomes for consumers, and delivering that in real time, is very unlikely if you're not capitalizing on new technology."

With monolithic and legacy systems still in use, adapting to customer interactions at the speed of AI is not a universal capability. A significant minority (35%) of retail leaders, for example, report they rely on business rules or pre-set workflows (25%), static journeys or calendar-based campaigns (7%), or no consistent approach (3%) to determine the next best action in their customer journeys.

Retailers' top five barriers to delivering real-time relevance



Many of those who don't have modular and composable systems see converting to them as a forthcoming issue.

Nearly a fifth (17%) of retail leaders believe that redesigning infrastructure to be more modular and composable will be the top challenge for marketers over the next 12 to 24 months, as personalization becomes AI agent-aware.

Other top challenges include building trust and consent into AI-powered experiences (27%), adapting personalization strategies to support AI agent-mediated journeys (17%), generating content and offers that scale with automation (17%), and activating real-time data and decisions across customer touchpoints and channels (11%).



Connecting infrastructure, intelligence, and action

Adapting personalization strategies to support AI agent-mediated journeys is especially critical for retailers. When AI agents are involved, there's a major difference between real-time decisioning and everything else.

Going beyond adoption to activation of AI requires capturing first-party data, connecting it to real-time decision-making using AI modeling, and incorporating it into optimization loops that ensure personalization drives business value.

"It can't just be personalization for the sake of personalization," argues Nanavati. "Personalization has to yield the right business growth outcome. It needs to be rooted in metrics around conversion, retention, and margin. If you build around value, that's the right focus."

To unlock the true impact of AI, retailers need to ground AI-driven personalization in value. It takes a strong data foundation and a modular, composable technology infrastructure to build around value and achieve a flywheel of

capturing, acting, measuring, and optimizing on data in real time.

Acting instantly on high-intent interaction signals is how retailers seize the customer shopping moments that matter most, and turn their AI confidence into impact-driving personalization.

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Having the ability to respond in real time, and measure and optimize personalization efforts just as quickly, is what separates AI amateurs in retail from those who are ready to realize meaningful results.

About the Research

A total of 150 retail leaders participated in the survey. They represent predominantly business-to-consumer (B2C) companies (87%), with a smaller representation from direct-to-consumer (DTC) organizations (13%). All respondents were from U.S.-based organizations. Participants predominantly held senior leadership positions, with more than two-thirds in executive roles: 27% at the Chief Executive Officer level, 23% as SVP/VP/EVP, 21% as Chief Digital Officer, and 13% as Chief Marketing Officer. The remaining 15% held Director-level positions.





BlueConic's Customer Growth Engine™ gives marketers the clarity and control to grow in the AI era. Purpose-built for modern commerce, the platform turns real-time customer signals into intelligent decisions that drive relevance, reduce acquisition costs, and strengthen loyalty. By closing the Growth Gap, the divide between the outcomes marketers need and what legacy systems can deliver, BlueConic helps brands act at the speed of their customers without rebuilding their stack or relying on IT. Learn more at blueconic.com.

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Studio is Informa Tech Target's global content studio offering brands an ROI rich tool kit: Deep industry expertise, first-party audience insights, an editorial approach to brand storytelling, and targeted distribution capabilities. Our trusted in-house content marketers help brands power insights-fueled content programs that nurture prospects and customers from discovery through to purchase, connecting brand to demand.

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