



Retail in the age of AI

Why humanity should be at the heart
of your business strategy

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Executive summary

Barely a day goes by without artificial intelligence (AI) hitting the headlines, from promises of transformation to fears about what the future holds.

At PXP, we harness the power of AI in our own operations – our platform, PXP Unity, is built on AI-powered engineering practices that enhance efficiency and innovation. However, our research shows that UK shoppers are sending a clear message: they still value human connection, even in an age of algorithms and automation.

In a survey of 1,000 UK shoppers, most said they value at least one benefit tied to in-person shopping – such as trying items, discovering new products, and interacting with staff – underscoring that real-world retail experiences remain crucial. This means retail hasn't translated into a shift towards online-only shopping; on the contrary, our research shows readiness to embrace smart

technology in stores, from AI-powered recommendations to interactive displays. Physical stores remain essential to retail strategy and customer experience, particularly when technology enhances rather than replaces the human touch.

That doesn't mean shoppers reject technology. Many are open to AI if it makes shopping faster or easier, but trust is a barrier: almost **37%** want nothing to do with AI, and **only 1 in 5** would fully trust it to buy on their behalf. Most want automation to help, but not to take over. Generational differences make this even more complex: younger shoppers are far more comfortable letting AI guide purchases, while older shoppers strongly prefer human assistance.

The most successful retailers will deliver both: **intelligent automation for those who want it, and meaningful human service for those who don't**, strengthening trust and loyalty across their entire customer base.

—**Aaron Stephens,**
VP of Global Retail at PXP

Introduction

AI is rapidly becoming part of the retail landscape, with smart shelves, virtual try-ons, predictive inventory tools and generative chat assistants reshaping how customers browse, buy and interact with brands.

But technology adoption is not the whole story. In a market where discounts are commoditised and customers have endless choices, service and trust are what keep people coming back. The *real question for retailers is no longer “should we use AI?” but “how do we use AI without losing the human connection customers value?”*

This report answers that question. It explores where shoppers are excited about AI, where they hesitate, and how attitudes differ by generation. It breaks down adoption trends, loyalty drivers and trust barriers, then turns those insights into practical recommendations to help retailers embrace AI while protecting the human touch that drives long-term customer relationships.

Part 1: The state of AI in UK retail

The AI landscape in UK retail has evolved from experimental pilots to a capability being embedded across multiple retail functions, including personalised marketing, dynamic pricing, inventory management, customer service automation and supply chain optimisation.

In fact, **recent research** indicates that nearly all UK retail decision-makers now utilise AI in some capacity for decision-

making, and **61%** have even established dedicated AI leadership roles, such as Chief AI Officers, to drive strategy and implementation.

Adoption is being driven by both opportunity and necessity. Rising costs and labour shortages are pushing retailers to use AI for automation and efficiency, while intense competition is forcing them to deliver ever more personalised, seamless experiences.

AI is now being used to predict demand and reduce waste, spot fraud in real time, personalise promotions, and keep shelves stocked through computer vision monitoring.

Chatbots and virtual assistants are resolving customer queries instantly, freeing store associates to handle more complex service issues.

It's clear retailers are using AI to enhance customer experiences, streamline operations and gain competitive advantage. However, adoption is not without its challenges, and retail leaders are paying close attention to the risks. Regulatory requirements around data privacy and algorithmic accountability are tightening, and missteps can quickly damage brand trust. This makes it essential for retailers to deploy AI responsibly, with clear governance and transparent communication.

Consumer trust, transparency and data privacy also remain key concerns. While AI makes processes more efficient for retailers, shoppers remain cautious about its role in their experience.

Our survey shows that customers are selective about in-store technologies, with willingness to engage varying by type of innovation.

Insight to action

AI has the potential to do more than cut costs. When used well, it can free staff to deliver higher-value interactions. Automation can handle repetitive tasks so that store associates focus on building relationships, solving problems and creating memorable experiences.

Retailers must also recognise that trust is earned through transparency. Explaining how AI works, why it is used and how it benefits the customer is essential to build confidence and encourage participation.

- Focus AI investment on areas that solve customer pain points
- Provide clear explanations of how AI tools work to build confidence
- Use automation to streamline operations but preserve intuitive, human-led service where it matters
- Treat AI as an enabler of better clienteling, not a substitute for it.

Part 2: The truth about AI in retail.

Shopper sentiment uncovered

PXP perspective: *“Agentic AI worries retailers because it can disrupt upselling, loyalty capture, and even increase returns. The challenge lies in finding the right balance between modernisation and personalised clienteling to maintain both operational efficiency and customer experience.”*

Many retailers may be racing to adopt AI, but shoppers are approaching it with caution. Our consumer survey reveals that attitudes towards AI in retail are far from uniform. Some see it as a helpful assistant that makes shopping faster and more convenient, while others view it as intrusive or unnecessary.

- More than a third of respondents (**37%**) said they **would not** use AI shopping tools at all, highlighting a reluctance to surrender control to automated systems
- Among those open to AI, personalised product recommendations (**18%**), price prediction tools (**18%**), voice assistants (**16%**) and visual search (**15%**) were the most appealing
- Interest in AI chat assistants, smart mirrors and virtual try-on kiosks was lower, ranging from **11–14%**

When asked whether the introduction of technologies such as AI-assisted shopping tools, 3D modelling and smart shelves would influence their choice of store, **41%** of shoppers agreed, including **17%** who strongly agreed. However, **22%** disagreed and **over a quarter** were neutral, suggesting that while innovative technologies can differentiate a store, they are not the primary driver of store choice.

18%

would explore
**personalised
recommendations**

18%

are interested
in **price
prediction
tools**

16%

are open to
using **voice
assistants**

15%

would try
**image-based
shopping**

14%

are open
to **AI chat
assistants**

These findings indicate that while customers are open to innovation, they expect it to improve their experience rather than simply optimise internal operations. AI tools that make decisions without explanation or feel impersonal risk alienating the very customers they are meant to serve.

Retailers must also recognise the emotional dimension of shopping. Trust, empathy and responsiveness are not optional extras; they are loyalty drivers. When service feels automated, customers disengage. When it feels personal, they return.

Insight to action

- **Keep humans in the loop:** Use AI to assist, not replace, customer interactions; human checkpoints drive trust and loyalty.
- **Be transparent:** Explain how AI recommendations work and safeguard customer data to reduce scepticism.
- **Ensure reliability under pressure:** Peak shopping periods demand flawless AI performance; seamless human fallback is essential.
- **Enhance experience, not just efficiency:** AI should make shopping easier and more enjoyable, not impersonal or intrusive.
- **Measure what matters:** Track satisfaction, repeat visits, and trust alongside operational metrics to capture real impact.

Part 3: Gender and generational takes

PXP perspective: *“The customer knows the second they walk in whether they want to talk to a human. You have to offer both options.”*

The next generation of consumers are shaping how UK shoppers engage with retail technology, and the divide stems from more than just digital fluency. It reflects distinct expectations around control, trust, and the role of service in the shopping experience.

Survey results reveal interesting generational differences in the willingness to let AI handle both deal discovery and purchases:

- Just **15%** of both younger customers (16–24) and those aged between 45–54 are comfortable trusting AI with both finding and purchasing deals.
- In the oldest age bracket (55+), trust drops further to just **12%**.
- Among the two age brackets (25–34 and 35–44), respectively **31%** and **34%** are willing to let AI take full control.

These results suggest that trust in autonomous AI is highest among mid-career adults, who may be more familiar with technology and comfortable delegating decision-making. In contrast, both the youngest and older shoppers are more cautious, likely due to concerns about accuracy, control, or financial risk.

For retailers, this means AI-powered purchasing features should be optional, with clear explanations and safeguards in place. Shoppers aged 25–44 may adopt these tools readily, but teenagers and older adults will require reassurance and the option to retain human oversight.

Survey respondents were also asked which in-store technologies they would be open to using, revealing further generational differences:

- **16–24 year olds:** Only **9%** said they would not use any in-store technology, showing high openness. Their strongest preference was for smart shelves (electronic labels showing prices, offers, and more) standing at 30%.
- **25–34 year olds:** Showed the broadest interest, with strong engagement across all listed technologies.
- **55+ year olds:** Almost **40%** indicated they would not use any in-store technology, signalling the greatest reluctance.

These findings highlight that younger shoppers are comfortable experimenting with technology in-store, particularly tools that enhance convenience and provide immediate information, such as smart shelves. Adults aged 25–34 are highly receptive across the board, reflecting both digital fluency and willingness to adopt innovations. Older shoppers remain more cautious, emphasising the need for optional, human-supported experiences.

While younger shoppers are keen to engage with new technology, their caution around fully delegating decisions to AI shows a clear distinction between curiosity-driven experimentation and trust in autonomous decision-making.

All this highlights an important insight for retailers: while technology can enhance engagement and efficiency, adoption will vary sharply by age, and a one-size-fits-all approach risks alienating older customers.

Gender divides:

Our survey also uncovered how men and women approach shopping with distinct priorities, and their attitudes towards retail technology reflect these differences.

→ **Trying before buying:** Nearly a quarter of women (**24%**) say the ability to try on items before purchase is a priority, compared to just **13%** of men.

→ **Social interaction:** Men are slightly more likely to value the social aspect of shopping (**14%** vs **11%** of women).

→ **Convenience and comparison:** Women are more focused on convenience and price transparency, seeking tools that make it easier to compare options.

Tech openness:

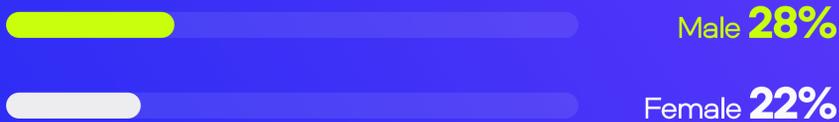
→ Retail tech: **27%** of women say they wouldn't be open to using in-store technologies like smart mirrors or AR, compared with **19%** of men.

→ AI tools: **42%** of women would avoid AI shopping tools entirely, versus **32%** of men.

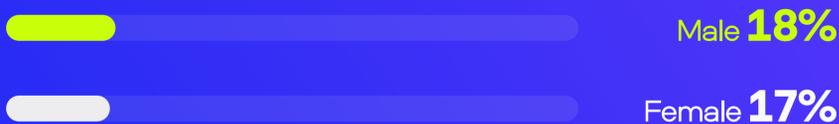
→ When asked whether retail technologies would influence their choice of store, **51%** of men agreed; far higher than the **32%** of women who said the same.

Which retail technologies would you be open to using in-store?

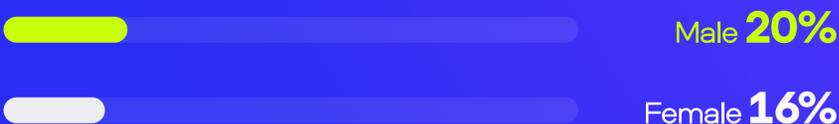
Smart shelves



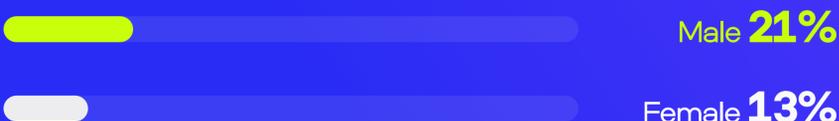
Smart mirrors



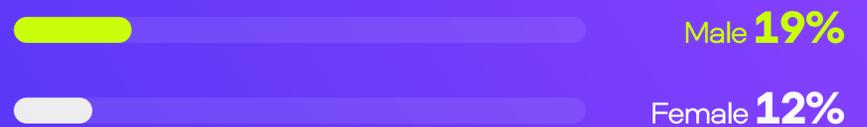
Grab-and-go stores



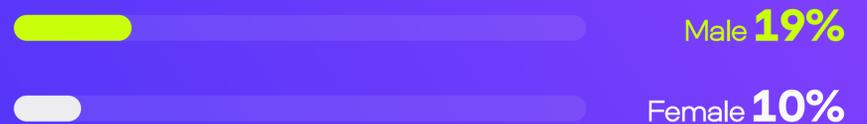
Biometric identification



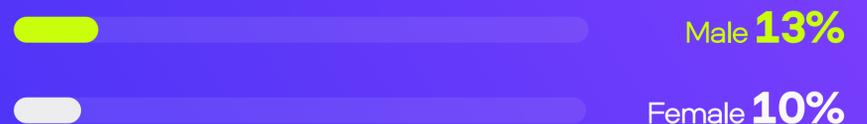
Augmented reality



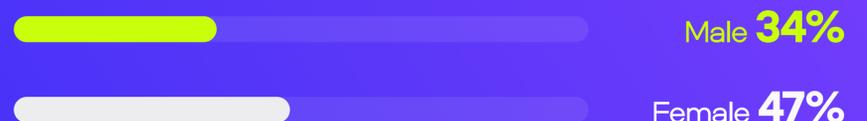
AI shopping assistants



3D modelling



None/I wouldn't be open to any



Insight to action

- **Offer choice, not mandates:** Make AI tools opt-in and keep human support easily accessible.
- **Segment by generation:** Pilot new tech with 25–44s, provide education and reassurance for 55+, and focus on visible value for 16–24s.
- **Build trust and transparency:** Clearly explain how AI works, protect data, and highlight customer control to boost adoption, especially among women.
- **Support emotional needs:** Retain human touchpoints for advice and service, recognising that empathy and social interaction drive loyalty.
- **Tailor messaging by gender:** Emphasise convenience and confidence for women; speed and decision support for men.

These findings suggest that women place a higher premium on control, convenience, and confidence in purchase decisions, whereas men are marginally more willing to experiment with new technologies and allow them to shape their shopping choices. Retailers aiming to drive adoption may need to offer clearer explanations, trust signals, and opt-in options to win over female shoppers.

Part 4: Regional insights - How attitudes vary across the UK

Our survey also reveals notable regional differences in shopper attitudes towards convenience, social interaction, and in-store technology adoption across the UK. These differences are likely influenced by a combination of cultural, demographic, and technological factors in each region – and understanding of which will undoubtedly give retailers a competitive advantage.

Shopping priorities

Convenience is the most valued aspect of shopping, particularly in the East of England, where **41%** of respondents

prioritise it. This may reflect the region's higher proportion of commuters and busy urban centres, where time-efficient shopping is essential. In contrast, the East Midlands shows a much lower emphasis on convenience, with only **20%** citing it as important, possibly indicating a greater acceptance of traditional shopping routines or smaller, local stores. Social interaction is significant in Wales, with nearly **17%** of respondents valuing it, while it is considerably less important in Yorkshire and The Humber, where just **6%** indicate it as a priority. This suggests that in some regions, shopping remains a community or social activity, whereas in others it is more transactional. Retailers should consider these cultural nuances when designing in-store experiences.

Openness to in-store technology

Attitudes towards in-store technology vary considerably by region. The proportion of shoppers unwilling to use any in-store technology peaks at **34%** in the South East, possibly reflecting scepticism or low perceived benefit among a population already accustomed to digital shopping. In contrast, only **7%** of Northern Irish respondents express this reluctance, which may indicate a stronger curiosity or openness to novel retail experiences.

Smart mirrors maintain moderate appeal across the UK, averaging **18%**, but interest drops to just over **10%** in Yorkshire and The Humber, suggesting that adoption may be slower in regions where shoppers are less tech-inclined.

3D modelling seems the least popular technology overall, averaging only **11%**, but regional extremes are evident: just **3%** of South West shoppers would try it, while almost a fifth in Greater London are open to its use. This likely reflects the higher concentration of tech-savvy consumers in London who are more accustomed to digital tools. Augmented Reality shows the most dramatic variation, with only **5%** interest in the North East compared to **28%** in Greater London, highlighting the capital's greater receptivity to immersive technology and potentially younger, more urban demographics.

AI shopping tools and personalised recommendations

AI-assisted shopping tools face widespread scepticism, with high percentages of respondents unwilling to use them, including **50%** in Yorkshire and the South East. This could be driven by privacy concerns or unfamiliarity with AI. Greater London stands out as the most receptive region, with only **22%** expressing unwillingness, reflecting higher exposure to AI-driven services and a greater willingness to experiment with technology.

Interest in personalised product recommendations is modest on average, engaging about a fifth of respondents nationally. However, this rises to **25%** in Northern Ireland and the South West, and peaks at **30%** in the West Midlands.

More familiar technologies, such as voice assistants (for example Alexa), surprisingly see limited enthusiasm, with **27%** of Greater London shoppers open to their use, versus just **9%** in the South East. This may reflect regional differences in trust, privacy concerns, or simply varying levels of familiarity and perceived utility.

Impact on store choice

When asked whether the introduction of retail technologies such as AI-assisted tools, 3D modelling, or smart shelves would influence their store choice, responses again diverged regionally. Shoppers in Greater London were the most influenced, with **63%** agreeing it would make them more likely to choose certain stores, while in Yorkshire and The Humber, **40%** of respondents disagreed. This reinforces the idea that technology can be a differentiator in competitive, urban markets, but less so in regions where shoppers are more loyal to established stores or less influenced by technological innovation.

Overall, these insights demonstrate that attitudes towards shopping and retail technology are far from uniform across the UK. Regional differences in demographics, tech familiarity, lifestyle, and shopping culture are critical factors shaping consumer behaviour. Retailers aiming to implement technology-driven experiences should consider these factors to design tailored strategies that resonate with local shoppers.

Would AI Retail Technologies Make You More Likely to Choose Certain Stores?

East Midlands



East of England



Greater London



North East



North West



Northern Ireland



Scotland



South East



South West



Wales



West Midlands



Yorkshire and The Humber



Insight to action

- **Tailor technology adoption by region:** Focus on Greater London and Northern Ireland for early rollouts of immersive technologies such as AR and 3D modelling, where openness is highest.
- **Emphasise convenience or social interaction based on region:** Highlight speed and efficiency in the East of England, and community or social aspects in Wales to align with shopper priorities.
- **Build trust for AI tools:** Invest in education and demonstration of AI-assisted shopping tools, particularly in regions like Yorkshire and the South East where scepticism is high. Highlight privacy protections and tangible benefits.
- **Personalised recommendations have potential:** Promote customised product suggestions in regions such as Northern Ireland, the South West, and the West Midlands, where receptiveness is above average.
- **Consider technology impact on loyalty:** Use tech that positively influences store choice in receptive regions like Greater London, while maintaining traditional shopping experiences where impact is limited.
- **Segment communication and marketing:** Tailor messaging about new technologies to reflect regional attitudes, emphasising novelty and innovation where there is curiosity, and reassurance where scepticism is high.

Part 5:

Balancing AI and humanity

PXP perspective: *“The better you are at clienteling, the better you’ll be at retaining your customers, protecting your brand image, and keeping control of the funnel.”*

Retailers face a delicate balancing act. AI promises speed, efficiency and data-driven personalisation, while human interaction delivers empathy, trust and emotional intelligence; the qualities that build loyalty. The challenge isn’t choosing one over the other, but designing experiences where they work in harmony.

Our research shows that customers are open to automation when it enhances their experience without compromising control or transparency:

- **38%** would trust AI to find deals but still want to make the final purchase decision.
- Just **20%** are comfortable letting AI both find and purchase deals for them.
- Nearly **30%** would not trust AI to find or purchase deals at all.

Crucially, shoppers still value distinctly human aspects of retail, particularly at moments that shape trust and loyalty:

- **13%** prioritise social interaction while shopping.
- **11%** seek sensory or experiential shopping moments.
- **10%** value personalised advice, whether online or in-store.

While these percentages may appear modest, they represent high-impact touchpoints where human interaction matters most. Retailers can use AI to support staff in delivering these experiences; handling routine tasks and providing insights so associates can focus on guidance, reassurance, and personalised service. In other words, automation should enhance human connection rather than replace it, ensuring that these critical moments continue to drive confidence, satisfaction, and repeat visits.

While shoppers value human interaction at key moments, this preference also shapes their response to fully autonomous retail concepts. Currently, fewer than one in five shoppers say they would be open to using a grab-and-go, cashier-less store model. This highlights that although such concepts generate attention, widespread adoption remains limited. Many shoppers still expect a visible human presence for reassurance, assistance with issues, or simply to maintain control over the transaction.

This is where clienteling becomes a competitive differentiator for building personalised, long-term relationships with customers, using insights about

their preferences, purchase history, and behaviour to anticipate needs and deliver tailored service. When store associates are empowered with AI, rather than replaced, they can provide smarter, faster, and more personalised experiences. The goal is not to automate relationships, but to enrich them. And it's a goal worth working towards; **research shows** customers who experience one-to-one clienteling are likely to spend 3–4 times more annually and have a 63% higher average order value (AOV) compared to those who do not.

Insight to action

Executed well, AI empowers staff to deliver intelligent, human-centred experiences, boosting trust, loyalty, and repeat visits.

- **Map the journey:** Identify which touchpoints require human connection and protect them.
- **Use automation to reduce friction:** Let AI handle routine tasks like price checks, stock lookups and personalised suggestions; always keeping the customer in control.
- **Invest in training:** Equip staff to use AI effectively, and to understand their role in delivering a seamless, human-centred experience.
- **Treat it as a living strategy:** Customer expectations will shift. Gather feedback, measure impact, and refine the human/AI balance continuously.

Conclusion:

Human connection in an AI-enabled world

PXP perspective: *“AI works best in retail when it removes friction without removing humanity. The goal is seamless experiences that empower both staff and customers, whether shopping online or in-store.”*

AI is no longer a future consideration; it's here and it's reshaping retail from the ground up. But while the technology is advancing rapidly, consumer expectations remain deeply human. Shoppers want speed, convenience, and personalisation, but they also want warmth, empathy, and control. The challenge for retailers is not whether to adopt AI, but how to do so in a way that enhances, rather than erodes, the customer experience.

Use AI to free up staff for meaningful customer interactions. Make service personalisation a core KPI. Measure success beyond discounts and focus on retention and repeat visits.

Our research shows that UK shoppers are open to innovation, but cautiously so. They're willing to engage with AI when it helps them, not when it makes decisions on their behalf. They trust technology that feels intuitive and respectful, not intrusive or opaque. Retailers must recognise that emotional intelligence is still the most valuable currency in customer relationships.

It's tempting for businesses in all sectors to jump on the AI bandwagon, but retail in particular needs thoughtful integration; AI that removes friction, anticipates needs, and empowers staff to deliver standout service. The goal isn't to automate everything, but to create hybrid experiences where technology supports human connection, not substitutes for it.

Retailers who succeed will be those who:

- Introduce AI gradually, with clear benefits and customer control
- Equip staff with smart tools that enhance their ability to serve
- Build trust through transparency, responsiveness and ethical use of data
- Continuously assess whether their technology is improving the customer journey.

In a world of accelerating automation, the brands that win will be those that make customers feel more human, not less.

Methodology

The research was conducted by **Censuswide**, among a sample of **1000 UK Respondents** (Nat Rep 16+). The data was collected between 10.09.2025 - 12.09.2025. Censuswide abides by and employs members of the Market Research Society and follows the MRS code of conduct and ESOMAR principles. Censuswide is also a member of the British Polling Council.

Empowering retailers with AI and human connection

By addressing shoppers' desire for speed, control, and personalised experiences, PXP enables retailers to meet the expectations highlighted in our research.

PXP Unity is a unified, cloud-native platform delivering seamless payment processing across online and in-store channels. With AI-powered engineering and real-time insights, it optimises transaction flows, reduces friction, and supports personalised service; amplifying human connection and enabling staff to focus on meaningful customer interactions.



For more information on the findings of this report, or how PXP can help your retail business, **contact us** today.

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