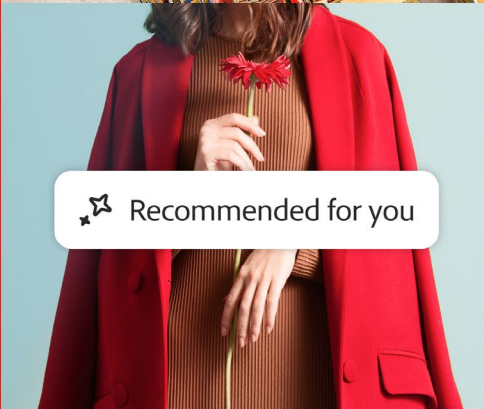
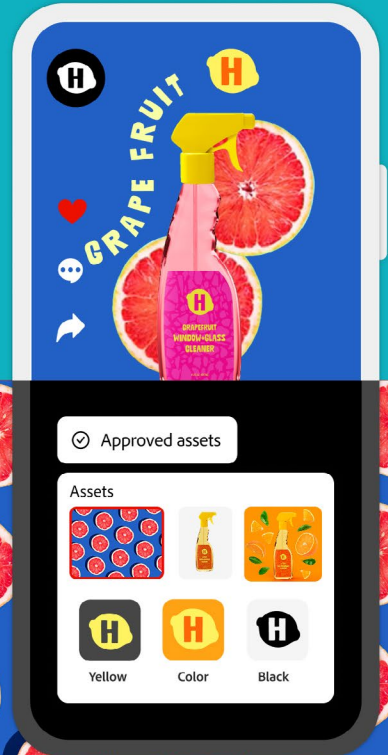
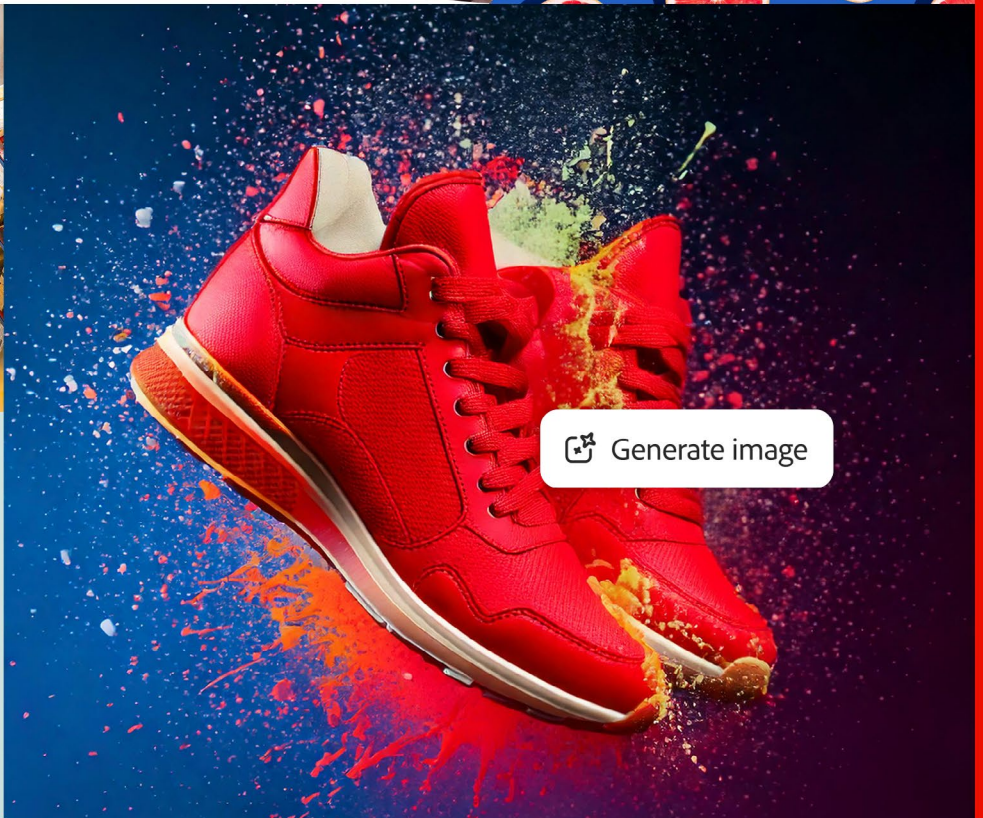


2025 AI and Digital Trends

Retail



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Foreword

In this **Adobe 2025 AI and Digital Trends for Retail** report, we examine how retailers are harnessing the power of emerging technologies to deepen customer loyalty, deliver seamless and personalized experiences at scale, and unlock profitable growth in a rapidly evolving landscape. As consumer expectations climb, retailers are at the forefront of AI adoption and must adapt faster than ever to transform how they engage, operate, and create. But realizing the full value of AI requires more than just implementation. Retailers must ensure strategic alignment with business objectives, invest in the right capabilities, and navigate critical considerations around governance, privacy, and responsible innovation.

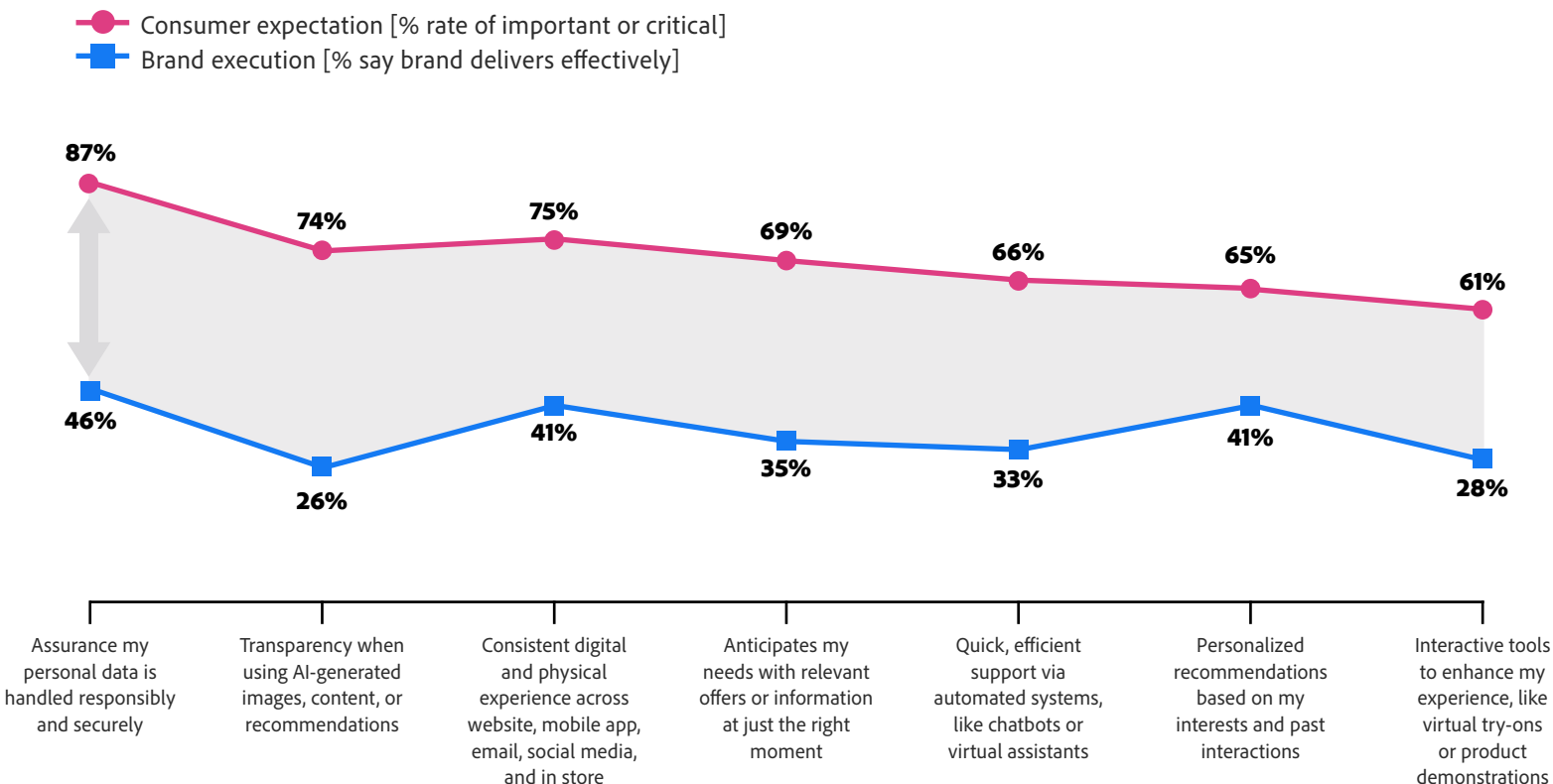
Key findings

Retailers are struggling to keep up with consumer expectations.

Despite significant investment in personalization and omnichannel experiences, just 15% of retail brands feel confident that their digital experiences can delight consumers — and shoppers agree, rating only 16% of brand experiences as excellent. While retail has quickly adopted tools to personalize offers and content, scaling those interactions across touchpoints remains challenging.

When looking at what factors consumers value most, there's a significant gap between expectations and experience. Most shoppers say having a consistent experience across retail websites, mobile apps, emails, social media, and in-store visits is important (75%), yet only 41% of brands deliver on that expectation. As many as 69% of consumers want retailers to anticipate their needs with relevant offers or information at the right moment, but just 35% believe brands are succeeding. Expectations are unmet even when it comes to the basics of fast, efficient service — 66% of consumers expect quick support via automated systems like chatbots or virtual assistants, but only 33% feel brands deliver.

Figure 1: The gap between consumer expectations and experience — retail brands.



Sample size: 2,085 consumers

Trust is another growing concern, with 87% of consumers expecting retailers to handle their personal data responsibly and securely. Fewer than half — just 46% — believe brands are doing so. Transparency around AI usage is also under scrutiny, with 74% of consumers saying it's important for retailers to clearly disclose when AI-generated content, recommendations, or images are being used. Just 26% of brands currently meet that expectation.

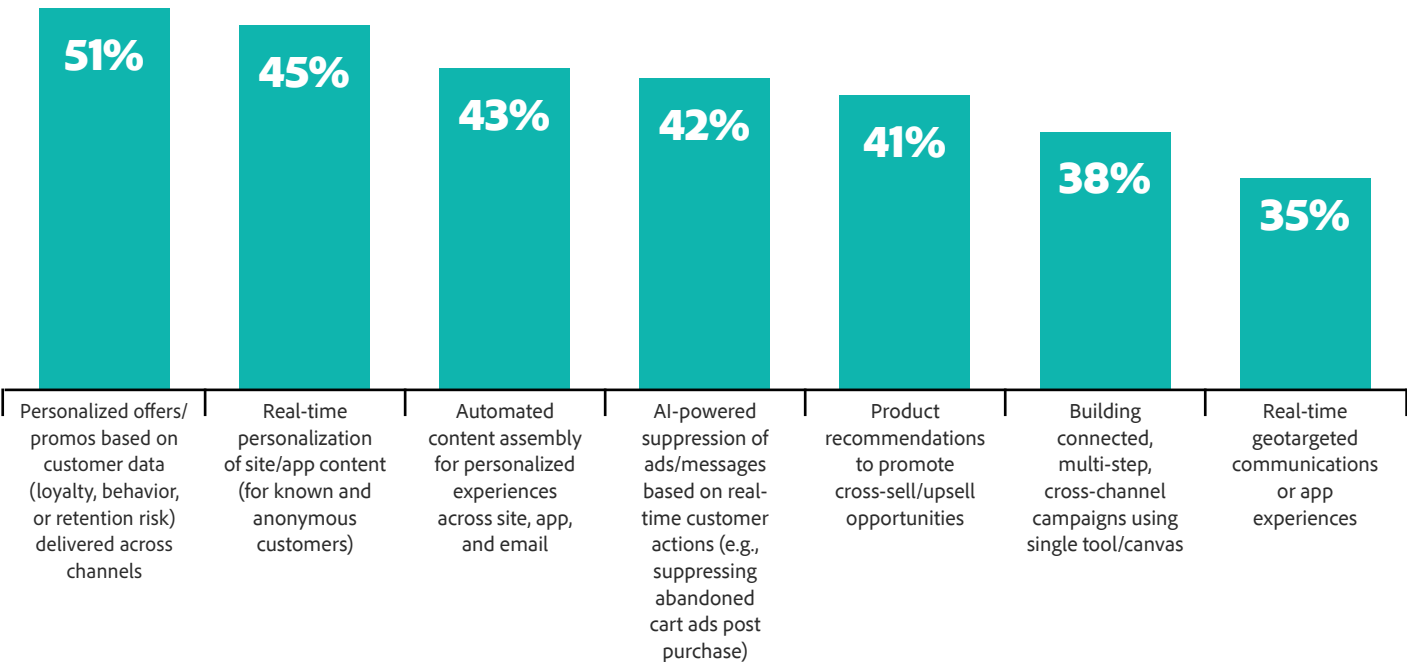
This leaves retailers facing a difficult paradox — shoppers want seamless, hyper-personalized experiences but are also increasingly sensitive to how their data is collected and used. Leading brands are demonstrating transparency in privacy practices while offering curated, personalized experiences, but it's a balancing act that more retailers must master to stay competitive.

Retailers turn to AI to scale personalized experiences.

Retailers are using AI to create more personalized experiences and meet rising consumer expectations. Personalized offers and promotions based on customer data are a top priority, with 51% of retailers focused on delivering them across loyalty and marketing communications as well as behavioral triggers across channels. Another 45% are working on real-time personalization of websites and apps, while 43% are investing in automated content assembly to keep up with the demand for faster, more personalized experiences.

AI is also helping retailers streamline customer engagement. A total of 42% is prioritizing AI-powered suppression of irrelevant ads and messages based on real-time customer actions, and 41% are using AI to deliver smarter product recommendations for cross-sell and upsell opportunities.

Figure 2: Which of the following AI-driven personalization and omnichannel engagement tactics will your organization prioritize in 2025?



Sample size: 775 retail executives

Leading brands aren't just experimenting with AI, they're scaling it. Market leaders — those who outperformed the sector in 2024 — are ahead of followers when it comes to building connected, multi-step, cross-channel campaigns (47% versus 28%). By using AI to create more cohesive, data-driven experiences, these brands set a faster pace for innovation and growth.

Figure 3: Which of the following AI-driven personalization and omnichannel engagement tactics will your organization prioritize in 2025? Comparing market leaders and market followers



Sample size: 430 retail executives

Retail leads the way in generative AI adoption.

Retail is moving fast on its generative AI journey, with 45% of retailers already using it for customer experience management — outpacing most industries and second only to B2B technology firms. This early adoption reflects the sector's heavy focus on personalization and seamless digital experiences, as well as fewer regulatory hurdles compared to industries like financial services or healthcare.

While momentum is strong for generative AI adoption, it's not universal. As many as 27% of retailers are in pilot stages, and many haven't moved past informal testing. This gap highlights ongoing challenges, including the complexity of AI integration and uncertainty around fully realizing its value. Still, the payoff is becoming clear — with market leaders more than twice as likely as followers to have working generative AI solutions in place (62% versus 29%).

Chatbots and customer service remain some of the most established generative AI applications in retail. But adoption is expanding quickly. Retailers are using generative AI to enhance customer engagement and optimize the full shopping journey. Many are implementing real-time data solutions to personalize experiences across channels and touchpoints. Others are using AI to analyze customer behavior and feedback, generate insights, and fine-tune their campaign strategies for better performance and ROI.

Retail marketers want fast, consistent ways to strengthen customer relationships, deepen channel engagement, and orchestrate seamless shopping journeys. However, measuring ROI remains a major pain point. Many retailers are experimenting with AI tools in areas where they anticipate value — but without a clear measurement or prioritization framework, it's hard to prove impact. This often leads to slower adoption or underinvestment, even when the technology has strong potential. Retailers who put a strong foundation in place — with clear goals, connected data, and performance tracking — are already seeing meaningful returns.

A total of 50% of retail executives reports improved decision-making capabilities with AI insights and 48% report gains in content ideation and production. Among organizations with proven ROI, 65% tied AI projects directly to core business objectives from the start — compared to fewer than half among those still testing (40%). Securing necessary executive buy-in and scaling AI efforts are easier with a clear connection to business outcomes.

Top areas of impact for generative AI:



62%

of market leaders have working generative AI solutions in place.

50%

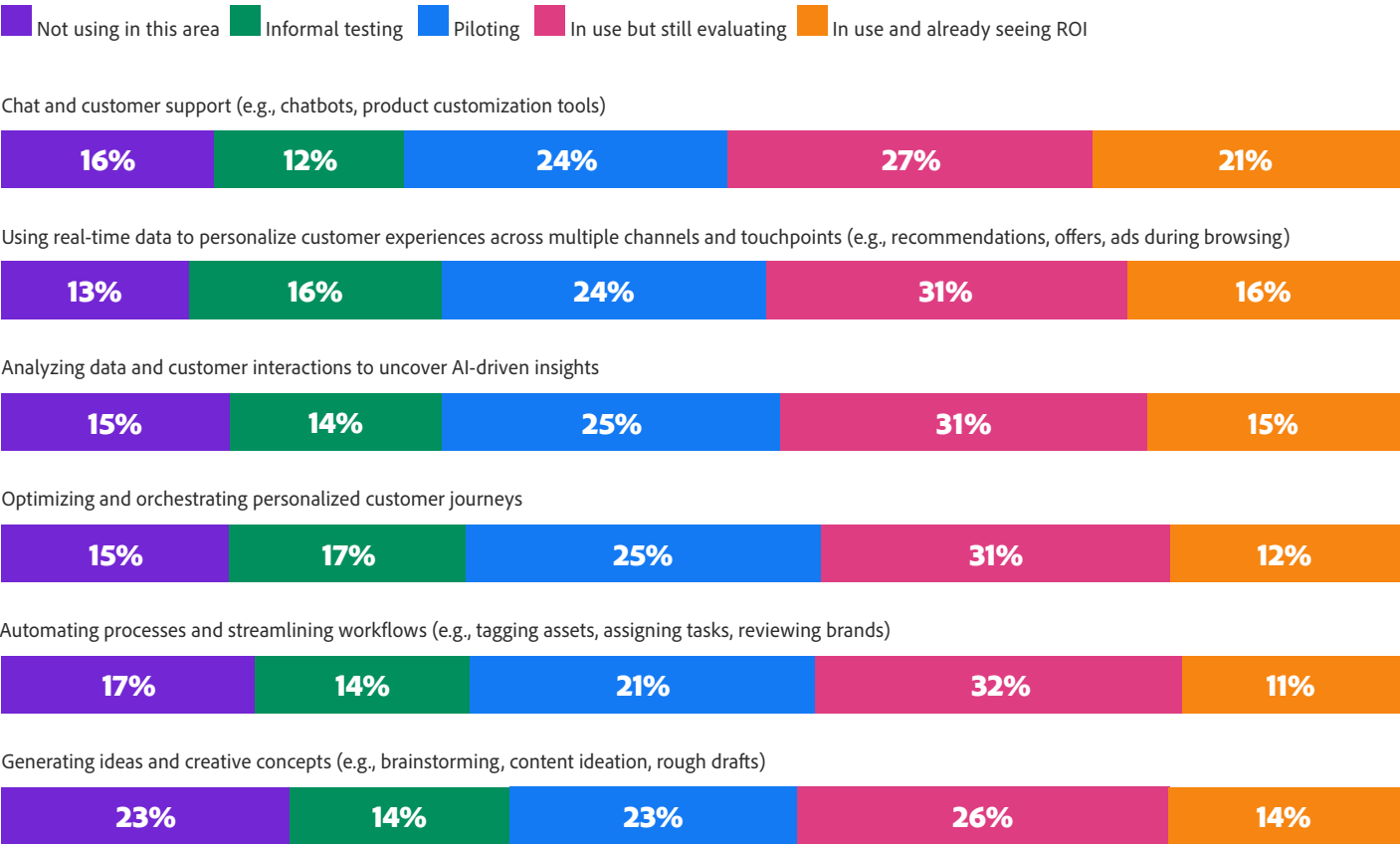
of retail executives report improved decision-making capabilities with AI insights.

48%

of retail executives report gains in content ideation and production.

AI is reshaping customer relationships and raising the stakes on trust. Strong governance, compliance, and transparency are essential, especially as consumers grow increasingly cautious about data handling. More advanced adopters are staying ahead by developing governance frameworks and responsible use policies to protect their consumers and brands as AI takes on a bigger role.

Figure 4: To what extent is your organization using or piloting generative AI in each of the following areas?



Sample size: 404 retail practitioners

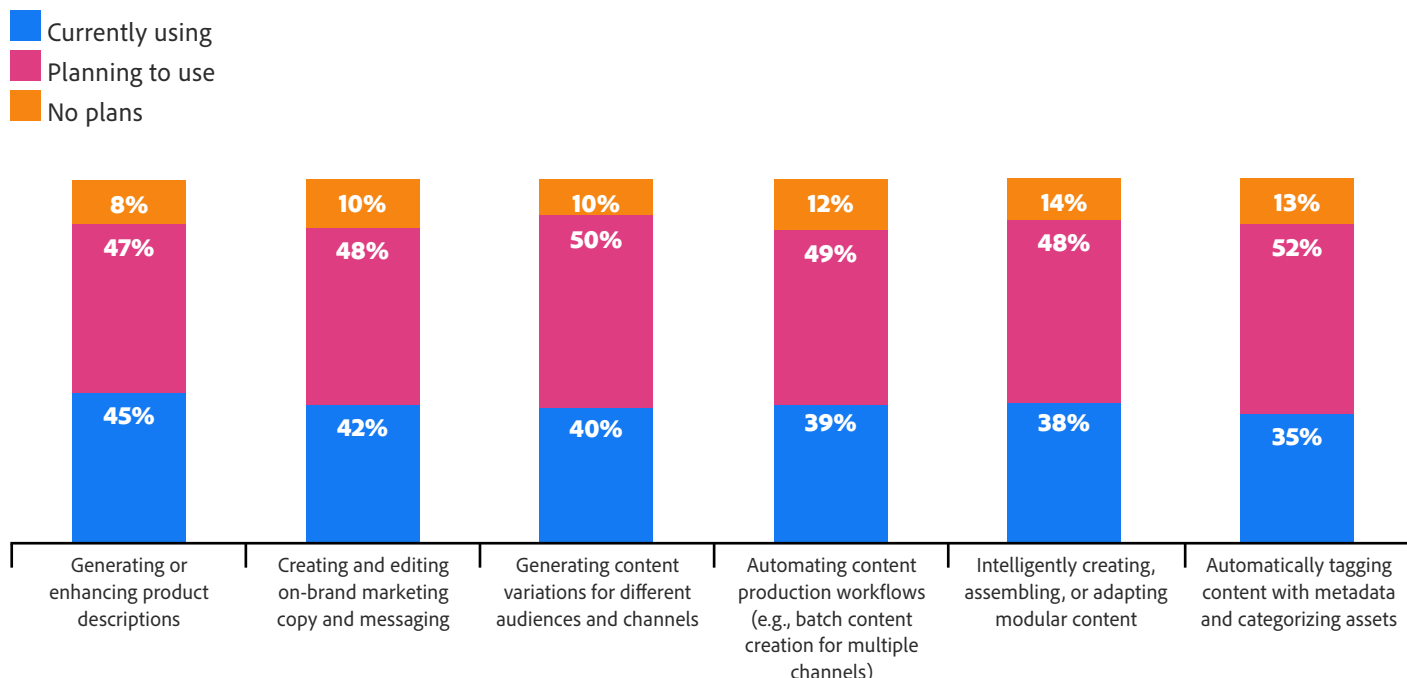
Balancing the volume and impact of content.

Retailers have invested heavily in data and personalization technology, but content production is struggling to keep pace. With consumers engaging across in-store, websites, apps, social media, email, retail media networks, marketplaces, and more, having the right content ready is critical to powering personalized experiences. Currently, creative teams only meet about 55% of the content demands across these touchpoints.

The challenge is twofold: 43% of retailers say they are feeling pressure to deliver more content across multiple channels, while 47% face pressure to improve engagement and conversion rates simultaneously. Scaling content volume alone isn't enough — brands need content that drives action.

Generative AI is playing a major role in helping teams accelerate on-brand content creation. Retailers are using it to generate product descriptions (45%), create and edit marketing copy (42%), and produce content variations for different audiences and channels (40%). But leading brands aren't stopping at creation. They are investing across the entire content supply chain, using AI to automate content workflows, tag and categorize assets intelligently, and repurpose materials at scale to support more agile, efficient operations.

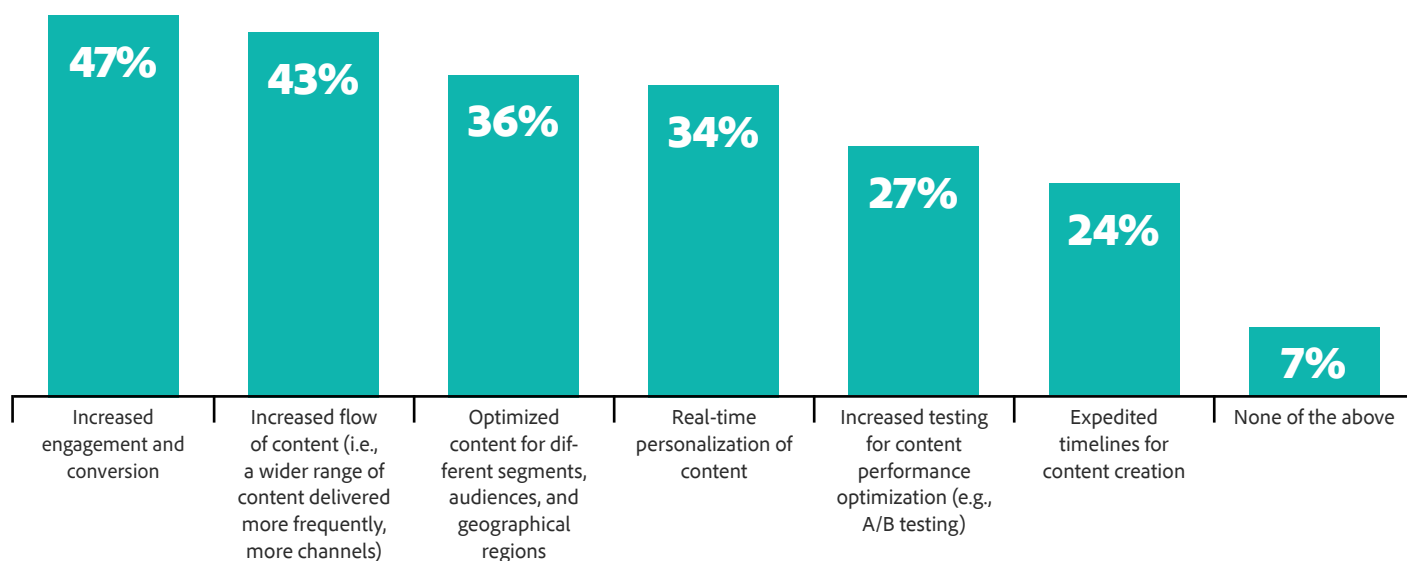
Figure 5: Which of the following best describes your organization's current or planned use of generative AI for content creation in 2025?



Sample size: 775 retail executives

Even though generative AI is helping speed up content production, only 30% of retailers cite content creation as AI's main advantage. That doesn't mean content isn't critical — it highlights that content on its own isn't the goal. Instead, retailers are prioritizing generative AI to sharpen targeting (40%) and strengthen personalization (37%). The real value lies in creating content that drives relevance, engagement, and conversion. For retailers trying to balance soaring content needs with impact, smarter and more strategic use of AI will be a key differentiator.

Figure 6: Which of the following will your marketing organization be under greater pressure to deliver in 2025?



Sample size: 417 retail practitioners

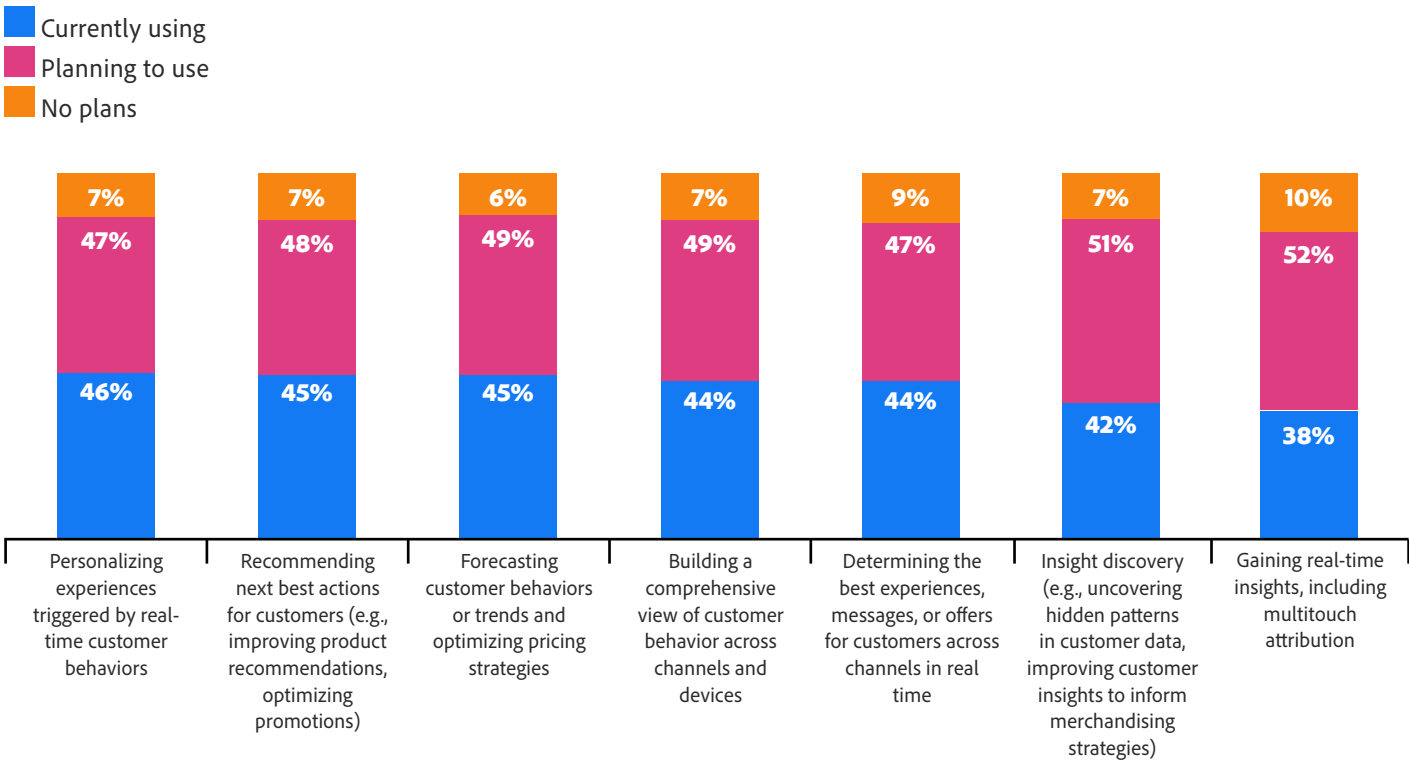
Stronger data strategies are key to scaling personalization.

Personalization begins with great data. While many retailers have heavily invested in data collection, data management and activation gaps are still roadblocks to delivering seamless, tailored experiences in real time. Disconnected point solutions and organizational silos make it difficult to unify customer data and act quickly across channels.

Retailers are adopting smarter AI data strategies to help deliver personalized journeys at scale. According to our research, retail organizations will prioritize these data-related capabilities in 2025: advanced customer segmentation (43%), predictive modeling to anticipate customer behavior (42%), and improving real-time data processing (43%). Another 42% are focused on unifying customer data across channels to create a more complete, actionable view of each shopper.

Retailers are also turning to AI to improve decision-making with data-driven insights, with 45% applying it for next best action recommendations and another 45% using it to personalize experiences based on real-time behavior. However, adopting AI for insight discovery, like uncovering hidden patterns in customer data, is a little further behind at 42%, leaving room for growth.

Figure 7: How will your organization use generative AI to enhance data-driven insights and optimize customer experiences in 2025?



Sample size: 775 retail executives

Fragmented data continues to take a toll on retail organizations. A total of 41% of retailers says it's preventing them from delivering real-time personalization, while 35% report that it's causing inconsistent experiences across channels. As customer expectations keep rising, it's not just about collecting more data — it's about connecting it, processing it faster, and using it in smarter ways to deliver consistent, personalized experiences at every touchpoint.

Figure 8: Which of the following data-related capabilities or strategies will your organization prioritize to drive generative AI initiatives in 2025?

Advanced customer segmentation and identity matching based on behavior, demographics, geography, and third-party IDs

43%

Improving real-time data processing for faster insights and agile marketing

43%

Applying predictive modeling to anticipate customer behavior and optimize campaigns

42%

Unifying customer data from online, in-store, and third-party sources while minimizing data duplication

42%

Enhancing data governance, security, and privacy management

39%

Adopting privacy-first and cookieless data collection and personalization techniques

34%

Minimizing data duplication and leveraging external data sources

31%

Leveraging second-party data partnerships to deepen customer insights

27%

Extensive integrations with third-party solutions

26%

Sample size: 775 retail executives

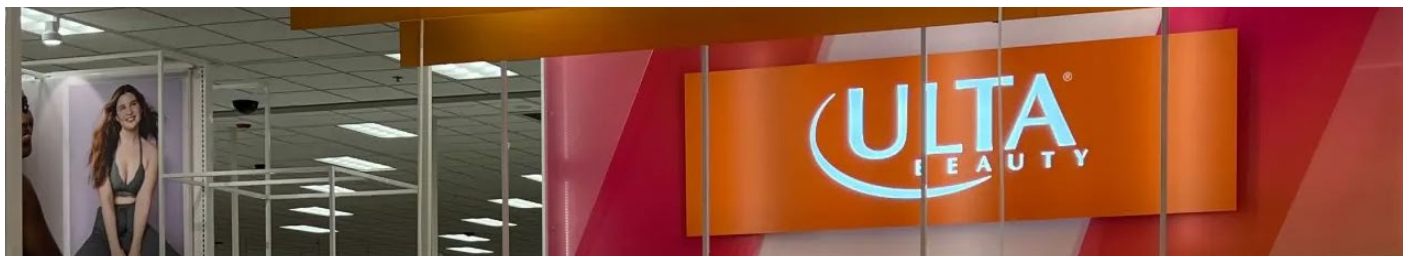
Case study: Ulta Beauty

Ulta Beauty, the nation's largest specialty beauty retailer, understands that purchasing beauty products, whether in store or online, is a personal journey for each customer. This understanding underpins the company's mission to create a personalized, inclusive, and powerful beauty experience, setting a high standard in the ever-evolving industry.

Ulta Beauty has used Adobe Analytics and Adobe Workfront since 2021 and recently expanded its collaboration with Adobe by adopting Adobe Real-Time Customer Data Platform, Adobe Journey Optimizer, and Adobe Customer Journey Analytics. This investment seeks to transform Ulta Beauty's customer experience, deliver highly personalized interactions at scale across every channel, and build meaningful brand loyalty.

With over 44 million loyalty members, Ulta Beauty has the richest dataset in all of beauty, uniquely positioning the company to deliver personalized products and experiences. To more effectively leverage loyalty program data and understand loyalty members' unique preferences, Ulta Beauty implemented Real-Time CDP, which enables efficient data management and accurate customer audience segmentation.

Real-Time CDP works by instantly gathering and updating customer profiles the moment consumers interact with Ulta Beauty — whether they're making a purchase, browsing products, or adding items to their cart. These real-time capabilities allow Ulta Beauty to respond immediately to customer needs, offering personalized recommendations, targeted promotions, and content tailored to their preferences. For example, a guest might receive a timely offer on their favorite brand or a suggestion for a new product they're sure to love.



While both ecommerce and our fleet of more than 1,400 stores play an important role in our guests' shopping experience, we know digital channels are increasingly important for discovering and learning about new beauty products, which is why we're focused on making personalization even stronger across all our digital channels. With Adobe Real-Time CDP, our goal is to inspire our guests with tailored digital content and product recommendations that truly resonate.

Josh Friedman

VP of Digital Products, Ulta Beauty

[Read the full case study](#)

Conclusions and recommendations

Retailers have led the way in applying AI and generative AI to enhance customer experiences — but maintaining that momentum is critical. To keep pace with rising expectations and avoid falling behind, they must accelerate efforts to connect data, scale personalization, and deliver seamless experiences across every channel. Early adopters are paving the way forward, but the next phase of growth depends on smarter data strategies, greater content agility, and a clear focus on trust and transparency.

Here are four ways retailers can stay ahead:

1. **Close the consumer experience gap. Focus on delivering consistent, connected customer experiences across all channels.** Build transparency and trust by clearly communicating how AI and data are used.
2. **Use AI to personalize and predict.** Invest in AI tools that can personalize offers in real time and anticipate customer needs — not just react to them.
3. **Create on-brand content and optimize content workflows at scale.** Speed up production to build end-to-end content supply chains that support personalization, reuse, and rapid activation at scale.
4. **Strengthen your data foundation.** Prioritize unifying customer data across channels, improving real-time processing, and building AI-driven insights into every customer journey stage.

Retailers that quickly connect, personalize, and optimize customer experiences with smarter AI and data strategies will be better positioned to drive loyalty and sustainable growth not just in 2025, but for years to come.

Read the full [2025 AI and Digital Trends report](#).

Learn more about [Adobe's retail solutions](#).

About the research

The executive survey has insights based on 3,400 responses from marketers and CX professionals working in different sectors and seniority levels, from CMOs and senior directors to managers, plus agencies. All data was collected online and fielded between November and December 2024.

This report presents insights from 775 client-side marketers employed in the retail sector, from across North America, Europe, and Asia Pacific, and 358 were in senior leadership roles and 417 in practitioner roles. We also included the consumer perspective. A total of 8,301 consumers aged 18+ from North America, Europe, and Asia Pacific were surveyed online about recent experiences with brands from a variety of sectors. Of these respondents, 2,085 were asked to comment specifically on their experiences interacting online with retail brands in the grocery, apparel, or home goods subsectors.

Sources

"New Smart Communications Report Finds Nearly 80% of Consumers Want Companies to Disclose Generative AI Use," Smart Communications, July 23, 2024.



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