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# Think Tank: Artificial Intelligence and Its Impact on the Retail Sector

Vic Bageria, chief executive officer and chief visionary officer of Xpandretail powered by Sávant Data System LLC, discusses.

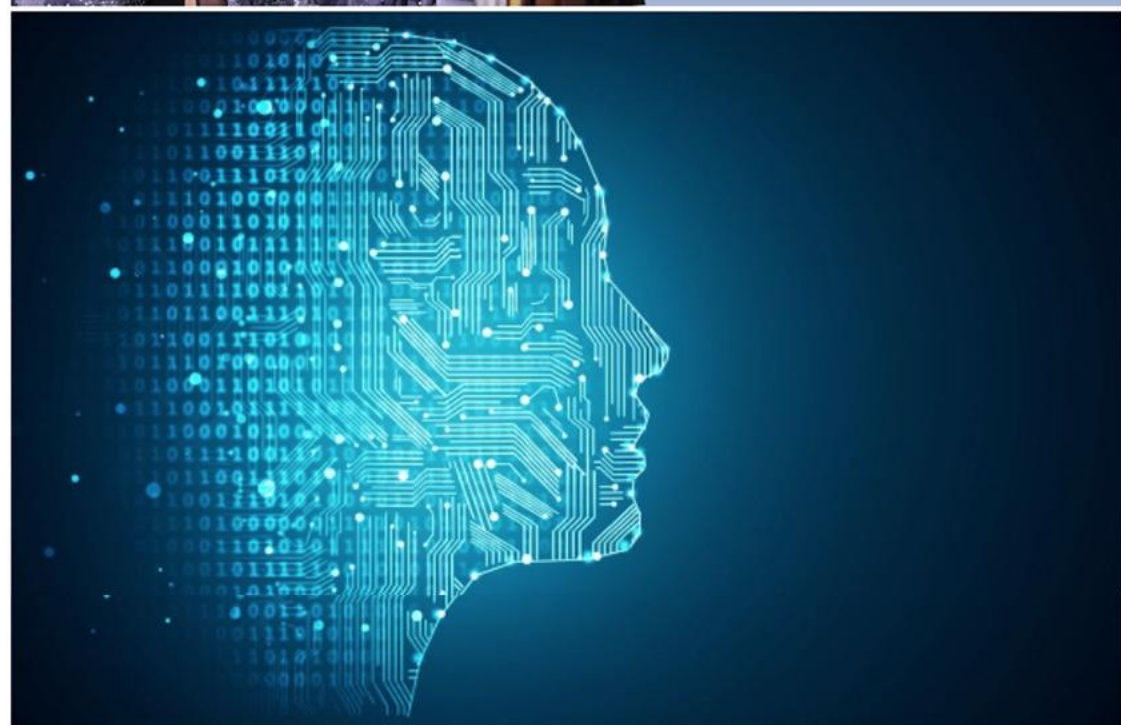
By Vic Bageria on June 24, 2019



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Estimates suggest artificial intelligence could boost retail profitability by 60 percent by reducing marketing costs. Shutterstock / Peshkova

As the United Arab Emirates strives to introduce and incorporate smart initiatives, the need for advancements in technology arises. Businesses can witness one such development in the field of **artificial intelligence**. According to industry experts, AI is progressing rapidly and has a significant impact on the day-to-day operations within an organization. Statistically, the **artificial intelligence** industry will be valued at \$9 trillion by the year 2025.

Retailers can significantly benefit from artificial intelligence, as it empowers them to track customer tastes and preferences accurately. In addition, it has also enabled firms to evolve store infrastructure and boost traditional business processes. According to a recent market study, artificial intelligence will save retailers up to 50 percent in expenses. As a result, more than 45 percent of the businesses will invest in artificial intelligence adoption to optimally improve corporate decisions.

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Artificial intelligence software also helps retailers to improve people counting sensors. As a result, firms can track customer footprints throughout the store and use the collected data to enhance further the products and services offered. The information collected is very accurate and is in real-time, thus improving the speed and accuracy of the decision-making process.



Vic Bageria, Xpandretail's chief executive officer and chief visionary officer. Courtesy image.

This technology also reduces dependence on human labor by around 40 percent, thus eliminating human error, as well as employee performance, as it simplifies the process of training and development. In addition, it assists in reducing employee training expenses by more than 30 percent. According to market research, more than 65 percent of the employees are more likely to gain knowledge from technological advancements. As a result, this knowledge helps employees to improve their skills and generates customer satisfaction and retention.

Artificial intelligence also enhances in-store infrastructure by boosting advancements such as facial recognition, self-checkout technology and other in-store sensors. Consequently, it increases in-store footfalls by more than 50 percent. It has also assisted retailers in reducing brand and corporate risks as it provides real-time data on market opportunities and threats. Therefore, 70 percent of businesses consider artificial intelligence technology as a crucial component in gaining competitive advantages.

Despite the initial cost of adoption and incorporation, artificial intelligence software will not only improve profit by more than 30 percent, but will also increase online store traffic by around 45 percent. It will allow a seamless transfer of data across various business platforms, whether off-line or online. AI will also make it simpler for firms to offer premium and personalized customer experiences.

Artificial intelligence boosts the efficiency of business operations, from the introduction of chatbots to secure digital payments. Statistically, artificial intelligence technology will improve customer interaction by more than 80 percent, which will enable higher customer interaction; improve satisfaction and retention rates, and improve firms' competitive positioning within the market. In addition, it will increase the demand for digital and tech savvy employees, with potential to create more than 30 percent of jobs within the industry.

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Vic Bageria is Xpandretail's chief executive officer and chief visionary officer. Bageria is an active member of the Entrepreneur's Organization UAE Chapter board, chairing learning and membership. He is a graduate of the University of New Hampshire and Extension School, Harvard University.

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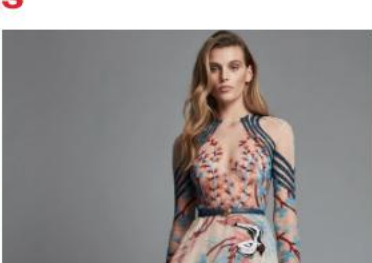
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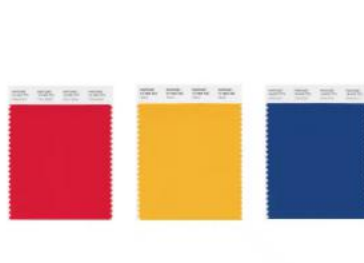
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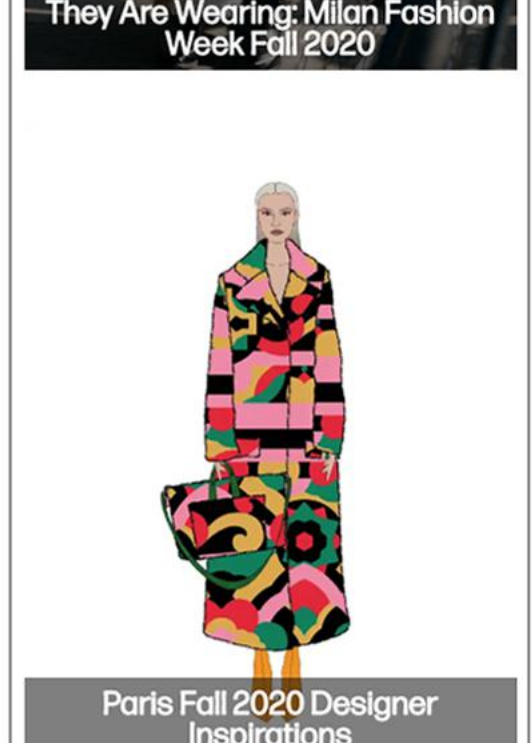
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