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AI is improving shopper experience in produce aisle

By

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Americans are rapidly increasing use and adoption of artificial intelligence in their day-to-day lives, and American grocery shoppers are increasingly expecting retailers to leverage AI to improve their shopping experience.

Research by Intellias, a global retail technology partner, revealed that 33 percent of U.S. consumers already use generative AI tools such as ChatGPT in their day-to-day lives. That number rises to 60 percent for Millennials and 49 percent for Gen Z.

“There’s little doubt that the hype-curve surrounding GenAI will continue to accelerate in 2024,” said Alexander Goncharuk, vice president of retail at Intellias. “This will be driven both by the consumer who will become even more used to AI-interfaces in their day-to-day lives, as well as by the retailers innovating and exploring different use cases that drive efficiencies and enhance customer experience across the value chain.”

Over a quarter (28 percent) of shoppers said AI-powered automated pricing and real-time promotions would enhance their customer experience. However, 19 percent of U.S. consumers said AI chatbots and virtual assistants proved the most disruptive AI application in their shopping experiences, with 20 percent saying interaction with AI chatbots would lead to abandoning a purchase.

The excess use of GenAI has led to some wariness among shoppers: 44 percent said they are mistrustful of brands and retailers using AI, 66 percent are concerned about how their data is used after an AI interaction during their shopping journey and 65 percent are concerned that retailers and brands hadn’t put in place sufficient compliance/data safety procedures when using AI.

However, 57 percent said they didn’t mind retailers using AI as long as they were transparent about it, rising to 66 percent for Millennials. Additionally, 46 percent felt that, as long as they had a good experience with a retailer or brand, they didn’t mind if it involved AI or not.

“Looking ahead, the key to delivering AI-powered value to the shopper will rely on transparency of use, and seamless and intuitive integration as part of the omnichannel

shopping experience, as well as building out robust and secure compliance procedures in the back-end," said Goncharuk.

In a practical application, Dollar General — in a significant move to provide convenient access to fresh affordable foods — is joining forces with Shelf Engine for a national rollout of its automated AI ordering technology for produce. By the end of fiscal year 2023, this collaboration will see Shelf Engine's cutting-edge AI technology implemented in approximately 3,000 stores.

This national expansion follows a successful two-phased pilot that began December 2022 of Shelf Engine's unique technology in more than 400 Dollar General stores. Its AI-driven platform is designed to generate orders, with a goal of optimizing in-stock levels that directly contribute to providing Dollar General customers with the freshest food possible.

"Adopting Shelf Engine's AI solutions aligns seamlessly with our mission of Serving Others, helping our teams enhance value and convenience for our customers," said Allen Warch, vice president, division merchandise manager with leadership of fresh merchandise at Dollar General. "This collaboration is a strategic step towards improving our operational efficiency while serving our customers with improved in-stock levels of fresh produce."

According to the report, these are the top five areas where AI delivers the most value to U.S. consumers:

- Pricing and promotions — 28 percent
- Loyalty: real-time personalized rewards — 23 percent
- Product discovery when searching online — 23 percent
- Product validation — 19 percent
- Product recommendations personalized by AI — 19 percent

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About Craig Levitt |

When his dreams of becoming a professional hockey player came crashing down due to lack of talent, Craig Levitt turned to journalism. He graduated from Hofstra University in 1992 and has covered various areas of the retail food trade since 1996. Craig joined The Produce News in 2017 and is now managing editor. In his spare time, Craig still plays men's league hockey (poorly) and enjoys walking the aisles of his favorite supermarket with his wife and two daughters.

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