

THE 4 TYPES OF AI IN RETAIL

Different purpose. Different value. Better results together.



1 PREDICTIVE AI

"What is likely to happen?"

Uses historical and real-time data to forecast future outcomes and identify what is likely to occur.



RETAIL EXAMPLE

AI forecasts demand for curtains using past sales, seasonality, search trends, local events and weather data.

BUSINESS IMPACT

- ✓ More accurate demand forecasts
- ✓ Fewer stockouts
- ✓ Lower excess inventory
- ✓ Better planning & buying decisions

2 OPTIMISATION AI

"What is the best decision?"

Uses algorithms to find the best solution within constraints such as cost, stock, capacity and service levels.



RETAIL EXAMPLE

AI decides the best stock allocation across stores, warehouses and online fulfilment to balance availability, cost and capacity.

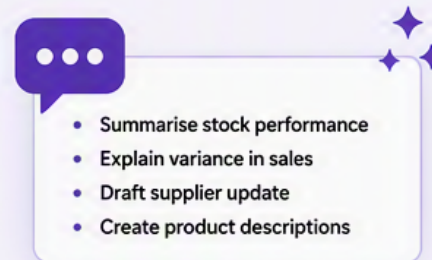
BUSINESS IMPACT

- ✓ Optimal inventory distribution
- ✓ Lower logistics and holding costs
- ✓ Improved capacity utilisation
- ✓ Higher profitability

3 GENERATIVE AI

"What can we create or explain?"

Creates new content or summaries using data to inform, guide and support people.



RETAIL EXAMPLE

Store colleague asks a chatbot 'How do I process a return?' and gets an instant step-by-step answer. AI also summarises supplier performance.

BUSINESS IMPACT

- ✓ Faster information & decisions
- ✓ Improves colleague productivity
- ✓ Consistent communication
- ✓ Better insights & reporting

4 AGENTIC AI

"What actions should happen?"

Plans, reasons and takes actions towards a goal using tools, workflows and feedback.



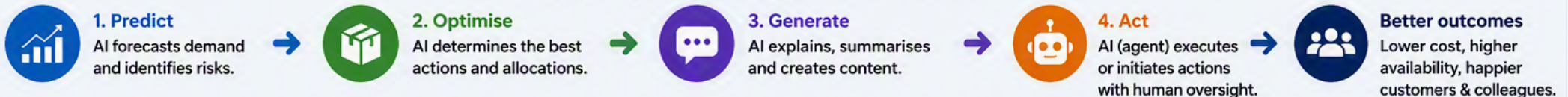
RETAIL EXAMPLE

AI agent detects potential stockout, investigates (sales, supplier, DC stock), recommends transfer or order and raises the task for human approval.

BUSINESS IMPACT

- ✓ Proactive issue resolution
- ✓ Reduced manual effort
- ✓ Faster response & recovery
- ✓ Better customer experience

HOW THEY WORK TOGETHER IN RETAIL



FOUNDATION FOR
RESPONSIBLE AI



Data Quality
& Governance



Security &
Privacy



Ethics &
Fairness



Human Oversight
& Accountability



Monitor, Learn
& Improve