

Next-Gen Retail: Harnessing AI for Advanced Analytics



Start

1. Introduction:

The retail data dilemma and the promise of Gen AI

The retail industry is at a crossroads, where **rapid digital transformation isn't optional** but essential. In this highly competitive and ever-changing environment, vast amounts of data across multiple disparate applications is overwhelming and retailers struggle to transform it into actionable insights.

Artificial intelligence (AI) and especially generative AI (Gen AI) become the pivotal force that enables retailers **not just to keep up, but to lead**. AI is not just a tool—it is the future of retail, driving smarter decision-making, personalized customer experiences, and ultimately business success.

“AI won't be a rip-and-replace solution. Instead, it will be injected into current processes to improve efficiency and generate incremental sales.”



Michael Relich

Strategic Advisor & Former Retail CIO
MicroStrategy Retail Solutions



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2. Digital disruption in the world of retail

The retail industry faces a dynamic landscape marked by evolving consumer behaviors, global disruptions, and economic pressures. The pursuit of **optimizing the 5 P's of product, price, promotion, place, and people** is complicated by data silos and fragmented functional systems, hindering a holistic view of the enterprise.

This digital disruption is driven by the rise of **mobile, omnichannel, and e-commerce** retailing, coupled with increasing pressure to customize offers to shopper expectations. It's also fueled by advancements in AI and immersive technologies, which help personalize customer experiences and streamline the retail ecosystem.



The world of retail faces a pivotal moment brimming with opportunities. In this era of digital transformation, Gen AI emerges as a game-changer—revolutionizing how retailers operate, compete, and thrive.

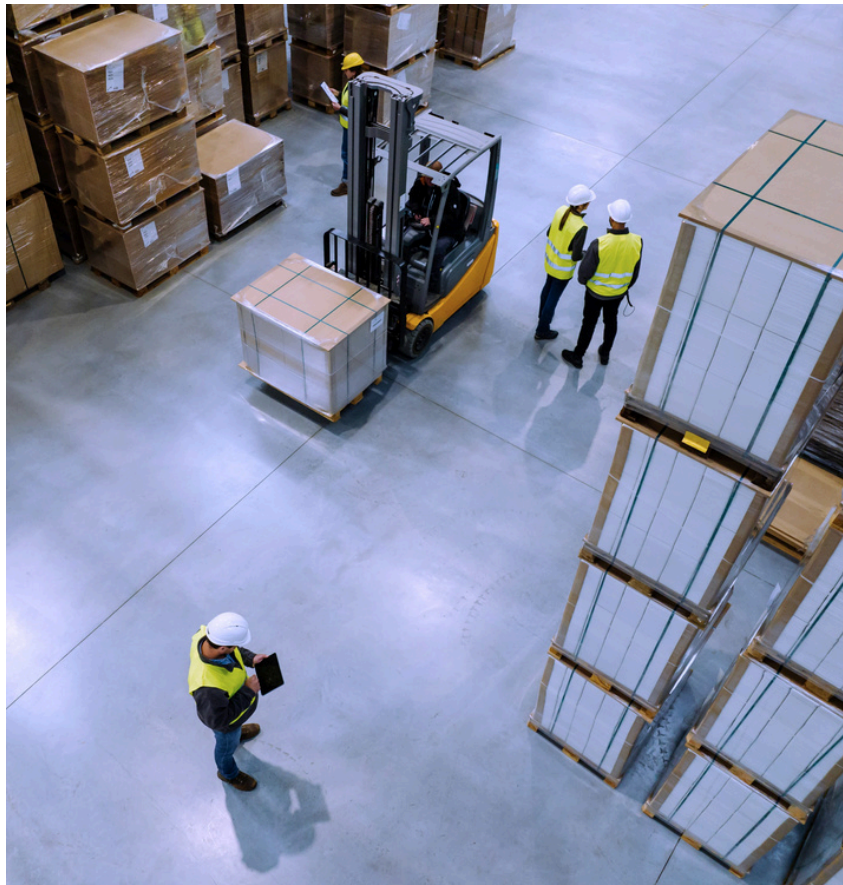
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3. The post-pandemic retail landscape

Due to massive impacts to global supply chains during the pandemic, it has become critically important to effectively integrate data and **leverage analytical insights** across all aspects of the retail lifecycle.

In the post-COVID retail world, the industry faces significant challenges in an increasingly competitive and dynamic market, requiring businesses to leverage **advanced technologies to optimize operations, enhance customer experiences, and drive profitability.**



“Global companies, while still focused on low cost and high speed, are increasingly focused on supply chain resilience. The result is more investment in supply chain diversification.”

Deloitte Global Retail Outlook 2024

Navigating challenges and embracing opportunities - insights from retail leaders around the world

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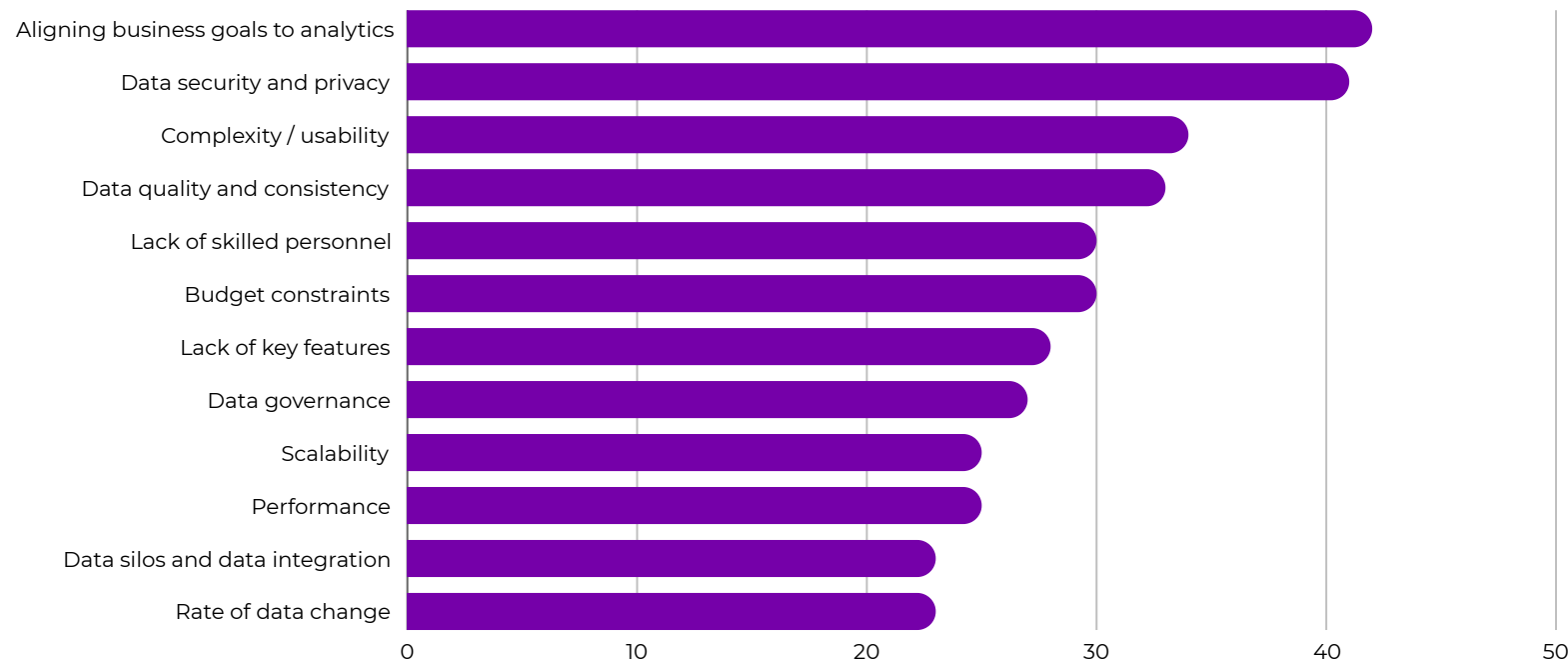
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4. Data dilemmas in retail

The explosion of multichannel data offers a great opportunity for deep customer insight. But, without a unified and consistent data fabric and intuitive access for all employees, it's difficult to glean actionable insights that align with business strategy. Many retailers struggle to **align business goals to analytics** (42%), which can hinder efficiency and innovation.

As digital transformation progresses, **cybersecurity threats** become more prevalent. **Safeguarding individual customer's private and transactional data** is increasingly crucial. Retailers must invest in robust security measures to protect sensitive customer information and ensure compliance with regulations.

What are the **top challenges** you face with your analytics & BI platform?



All data presented in this publication is derived from a retail industry survey conducted by TechTarget's Enterprise Strategy Group, commissioned by MicroStrategy.

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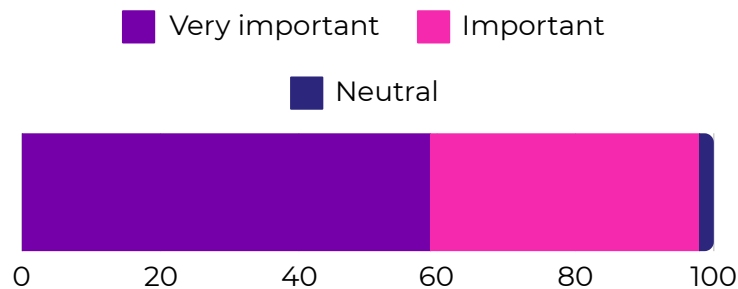
5. Analytics: The cornerstone of successful retail

Retail businesses value analytics because it provides actionable insights that drive strategic decisions, leading to **improved customer experiences, optimized inventory management, and increased sales**. Nearly all retailers (98%) describe leveraging data to gain actionable insights as essential for making informed business decisions.

Retailers generate vast amounts of data from various sources such as multichannel sales, customer interactions, and supply chain operations. Technologies that provide robust data analytics help retailers **understand trends, customer preferences, and operational performance**. The best performing retailers actively apply insights across their business to drive efficiency and strategic growth.

59%

of retailers consider BI as **very important**



How important is **Analytics & BI** in your organization?

“Retail is fast paced—people can’t wait for information. MicroStrategy helps us apply data effectively everywhere across our business.”



Keryn McKenzie

Chapter Area Lead, Data, Insights & Services, The Warehouse Group

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6. Prioritizing data-driven insights in retail

The retail industry, with its fierce competition and vast amounts of data, has always been a pioneer in data analytics. While most major retailers already have BI systems in place, the drive for deeper insights and broader user adoption continues to push the industry toward even more advanced solutions. In fact, over the past year, 69% of retailers have increased their investment in analytics, with 27% making significant enhancements.

Technology leaders, data scientists, and analysts are working to simplify the integration of complex, multi-faceted information from a variety of third-party apps and data sources. Their objective is to transform it into **real-time streams of data pipelines**—and ultimately **actionable analytics** needed across the business to successfully execute their retail strategy and run a profitable business.

“In our transformation, we wanted to ensure that our business understands that data is a product in and of itself. It has value as an asset—it doesn’t just exist as a by-product of what we do.”



Helen Hunter

Former Chief Technology Officer Sainsbury's

How has your company’s **financial investment in analytics and BI** changed in the last year?

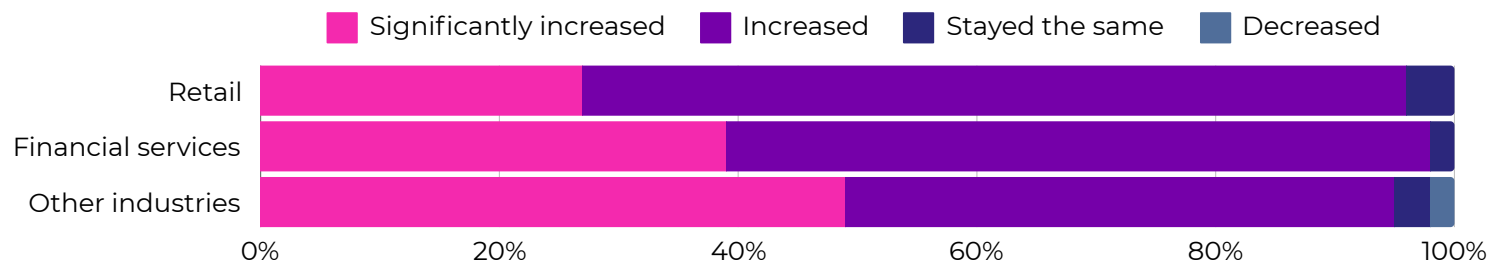


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7. The transformative power of AI

The sheer volume of available data poses challenges for storage, analysis, and identifying actionable insights. Effective data governance and analytics capabilities are essential yet often lacking. Ensuring a consistent, user-friendly experience across all frontline worker functions is also critical—but many retail employees still struggle to easily find the insights they need.

Amidst these challenges, AI and particularly Gen AI, emerges as a game-changer. AI empowers retailers to analyze data, gain real-time insights, and personalize customer experiences. Leveraging AI is considered important (41%) or very important (56%) by almost all retail organizations. Interestingly, **even more retailers see Gen AI as very important**, citing its significance at an even higher percentage (58% vs. 56%).

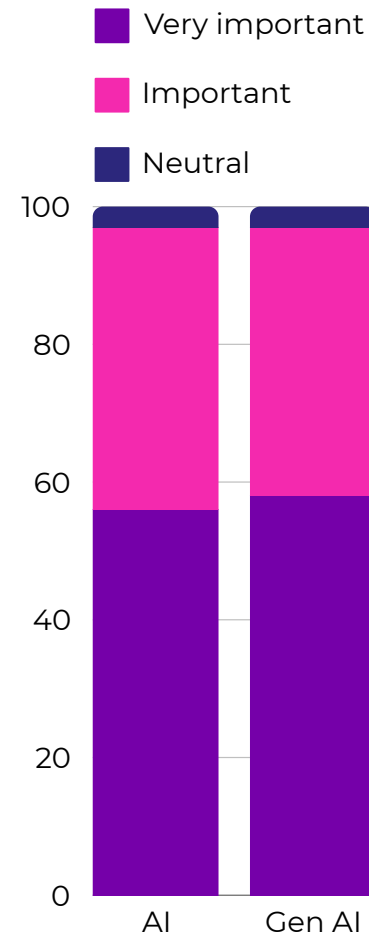
Equipping decision-makers with the right information allows them to better **understand consumer behavior, predict trends, personalize marketing, and streamline operations.**

“We think using MicroStrategy AI will unlock huge value by providing a variety of users with deeper insights that previously required more clicks and more granularity to understand—it’s powerful for user self-service.”



Nena Pidskalny

Director, Supply Chain Strategy & Planning,
Federated Co-operatives Limited Bell



How important are **AI** and **Gen AI** in your organization?

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8. Investment in AI-powered analytics

Investments are being made across the retail industry in insights integration because everyone needs reliable, detailed information to do their jobs better. To stay competitive, business leaders must rely on data across the full retail lifecycle to create the optimal mix of 5 P's from an enterprise perspective.

Retailers are increasingly focused on providing a **seamless omnichannel shopping experience**—online, in-store, and in mobile apps. Integrating these channels is crucial to meet consumer expectations for convenience and consistency.

Retailers need **flexible and scalable technology solutions** to support their expansion plans. Given the immense possibilities that it offers, it is hardly surprising that as many as 53% of retailers already leverage Gen AI capabilities in their analytics, a percentage higher than any other industry.

53%

of retail / wholesale organizations already **leverage Gen AI**

Which **BI capabilities** does your company currently leverage?

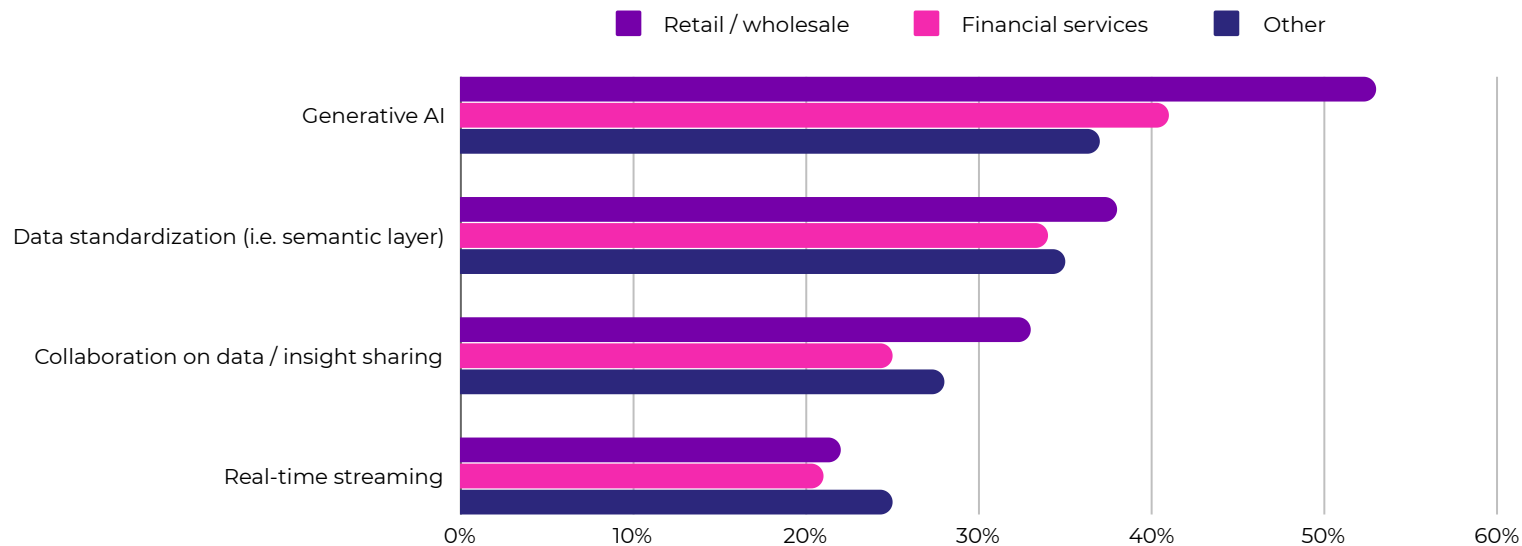


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9. Democratizing data for all retail workers

The adoption of digital technologies is accelerating. From **e-commerce platforms** to **AI-driven supply chain management**, digital tools are essential for enhancing efficiency and driving growth. The ability to **quickly adapt to market changes, supply chain disruptions, and economic uncertainties** is critical in today's retail landscape.

Retailers are investing in flexible business models and robust risk management strategies. To avoid disruptions and maintain high customer satisfaction, retailers are increasingly moving decision-making to the edge, democratizing data to **empower frontline workers** with actionable insights, when and where they need them.

“A 10-person BI team will always have a backlog when serving 12,000 employees. With MicroStrategy as our partner, we're able to democratize data in ways we never could before and enable more people with the insights they need.”



Keryn McKenzie

Chapter Area Lead, Data, Insights & Services, The Warehouse Group

MicroStrategy offers an array of delivery modes specifically designed to serve the needs of **users on the edge**.

From best-in-class mobile to bespoke analytics apps and workflow-integrated insights, MicroStrategy makes it easy to create **purpose-built data solutions** to meet the needs of every retail worker.

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10. Implementing AI solutions in retail

Adoption is often the final frontier in ensuring that data-driven insights are accessible to everyone, regardless of their data literacy. A user-friendly experience is essential because the success of any tool hinges on how easily it can be adopted by employees.

Gen AI bridges the gap between complex data and end users by enabling frontline workers to **ask questions and instantly receive intuitive answers** in natural language. Gen AI puts actionable insights directly in the hands of those who need them most, so it's no surprise that implementing it is currently a top priority for many retailers—48% of respondents cite it as their next major investment.

48%

of retail / wholesale organizations are working to **incorporate Gen AI capabilities**

What steps is your organization taking to enable existing and/or new end users to **leverage AI**?

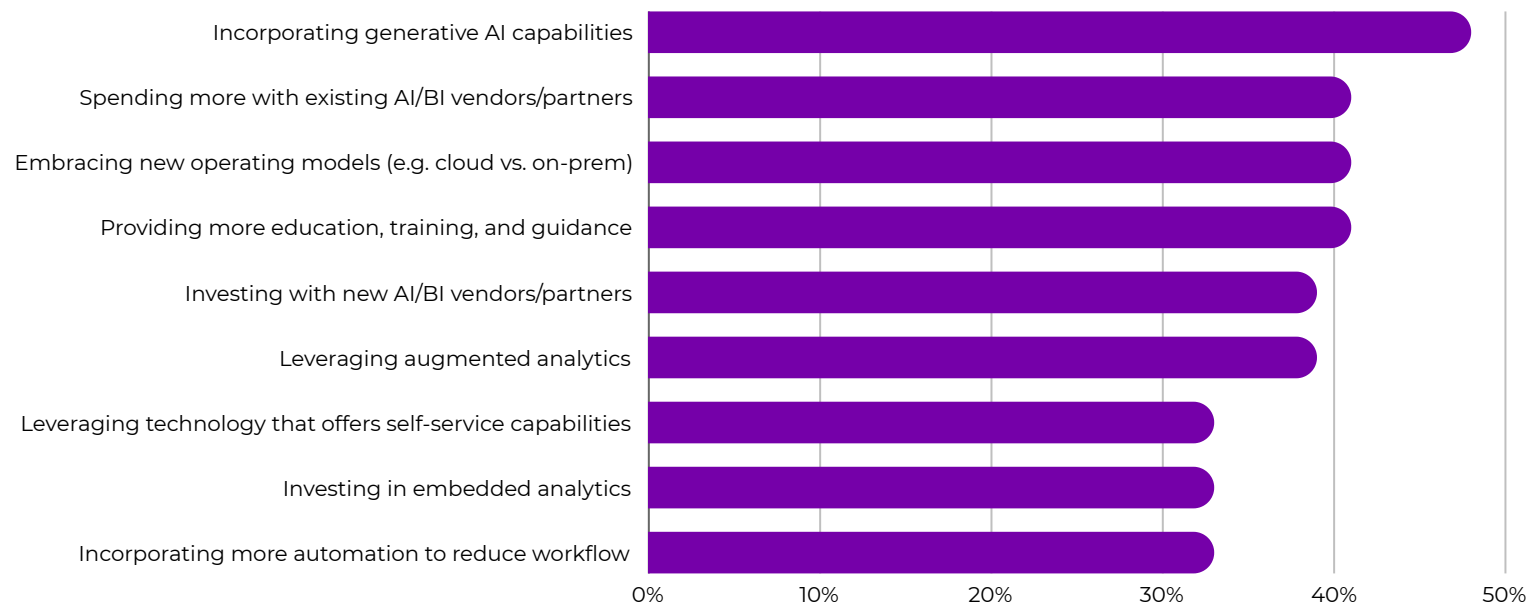


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11. Conclusion: The future of retail is AI

The future of retail is inextricably linked to the intelligent use of data and AI. The challenges of the post-pandemic world have highlighted the need for agility, adaptability, and a deep understanding of consumer behavior—capabilities that AI can provide. As the industry continues to evolve, the retailers who best harness the power of AI to transform their operations and customer experiences will succeed.

By investing in AI-powered analytics and democratizing data across their organizations, retailers can unlock new levels of efficiency, innovation, and growth. The integration of AI into retail is not just about keeping pace with technological advancements; it's about setting the standard for **a new era of retail where data-driven decision-making is at the heart of every strategy.**

As we look to the future, it is clear that AI will continue to be a driving force in retail, offering endless possibilities for the innovators who embrace its potential. Retailers that leverage AI will not only meet the demands of today, but will also be well-positioned to thrive in the ever-evolving retail landscape of tomorrow.

The **MicroStrategy ONE** platform provides a unified, centralized repository for all retail data, enabling a single version of the truth.

By applying AI and machine learning, MicroStrategy helps retailers **transform raw data into intelligent insights**, driving personalized experiences, optimized operations, and business growth.



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