

2025 State of AI in Retail

NEW RESEARCH

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From hype to reality: How
retailers are actually using AI
to shape customer experience

Retailers understand the importance of smooth, personalized customer experiences.

Retailers understand the importance of smooth, personalized customer experiences. Now, squeezed by already tight margins and unpredictable tariffs, retail leaders are embracing AI to unlock efficiencies, strengthen loyalty, and drive growth. But while retailers are aiming for seamless customer experiences, the transition to AI has been anything but.

For the first time, Amperity is taking the pulse of retailers across America as C-suite executives, marketing leaders, and front-line employees grapple with the sea change AI is unleashing on the industry. The 2025 State of AI in Retail reveals that retailers are adopting AI in droves — especially in sales, marketing, and customer support — but they're often finding the tools expensive and difficult to implement. Brands are hesitant to deploy them in the customer-facing applications that have a direct business impact on growth and the bottom line.

The results demonstrate the retail industry's faith in AI's ability to improve customer loyalty and customer lifetime value — and suggest paths to overcoming the early challenges involved in adopting the technology and realizing its promise.

The stakes are high. In a competitive industry and tough economic conditions, any technology advantage could make the difference between success and failure. Retailers that make the most out of AI — applying it to customer-facing use cases that will deliver maximum ROI — could race ahead of the competition in the months and years to come.

Tony Alike Owens
CEO, Amperity

Key findings

AI adoption is widespread

Nearly half (45%) of retailers are using AI daily or several times per week. Only 16% are not currently using the technology at all. Sales, marketing, and customer support are the business areas most likely to use AI.

Retailers are finding AI tools expensive and difficult to implement

46% of respondents named the high cost of AI tools among the biggest challenges their organization faces in scaling AI initiatives. 35% pointed to limited technical expertise on their team.

Confidence in customer data is high...

64% believe their customer data is structured and accessible enough to support AI use cases. 58% said their company is prepared to deploy AI tools at scale.

...but question marks remain

Notably, only 23% are currently using AI in production to resolve customer identities or prepare customer data for use in marketing or analytics. More than half (58%) said their customer data is fragmented or incomplete and only 21% are very confident in their ability to understand and act on customer behavior.

Retailers are not yet applying AI to create better customer experiences

While a majority of respondents believe AI will help improve customer loyalty and customer lifetime value, less than half (43%) are currently using AI for customer-facing applications.

Retailers with CDPs are outperforming the competition on AI

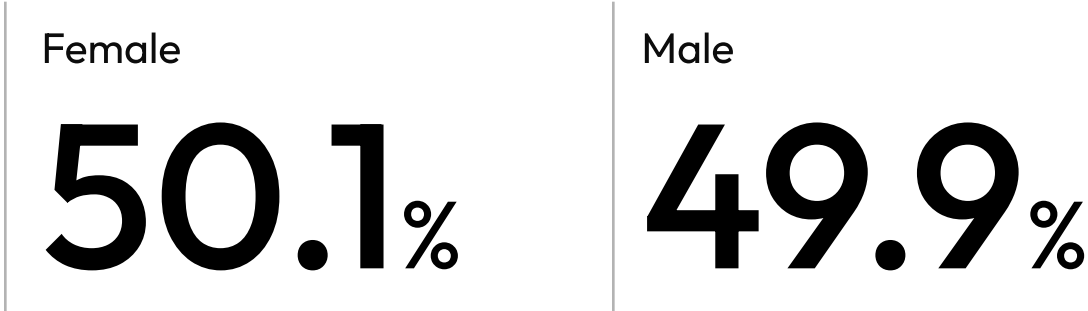
Organizations with a customer data platform (CDP) in place were twice as likely (60% vs 29%) than those without CDPs to use AI daily or several times per week, and they were also more likely (22% vs 10%) to have full adoption of AI across multiple business units.

Amperity surveyed **1,000 Professionals** working in the retail industry, including **executives, managers, and individual contributors** across marketing, IT and data analytics.

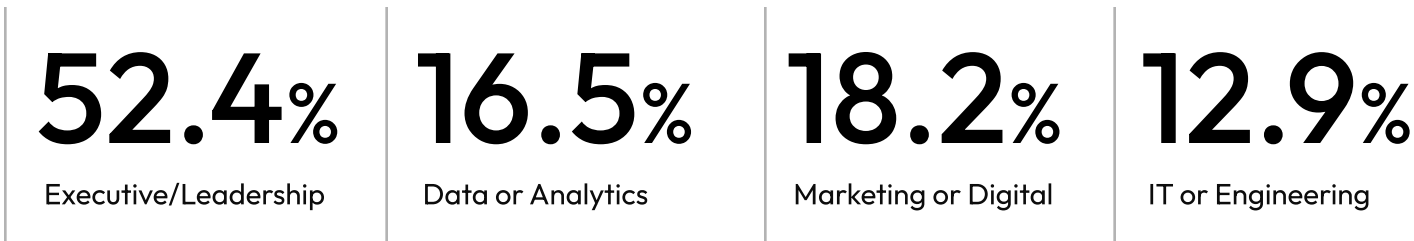
The pool of respondents had an even gender split and a significant portion of people in leadership roles.

The survey was conducted in June 2025 via Pollfish.

● What is your Gender?



● What best describes your role?

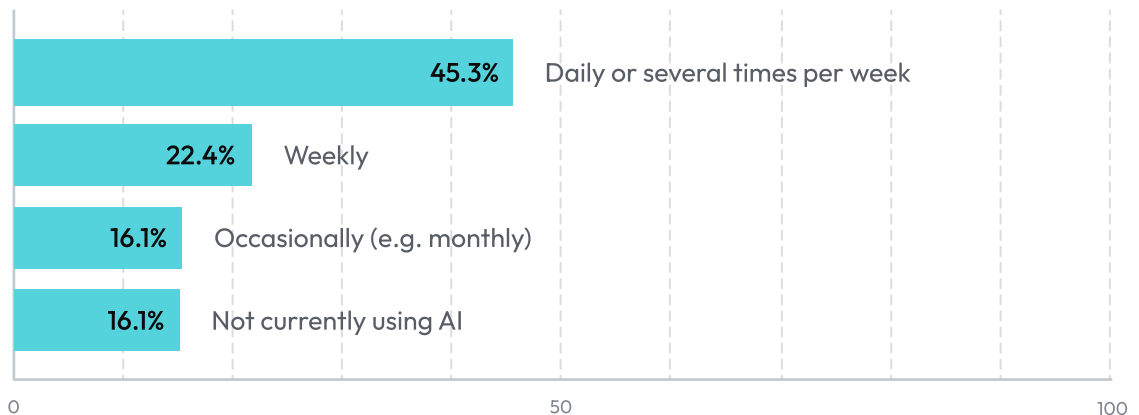


Retail AI adoption is soaring, but training hasn't caught up

AI tools are transforming the retail industry. Retailers are leaning on the technology to offer tailored product recommendations, handle customer inquiries, and guide customers through the buying journey and beyond. But how many retail employees are using AI every day?

Nearly half (45%) of organizations are using AI tools or systems daily or several times per week. A further 39% use AI on a weekly or monthly basis. Only 16% of respondents are not currently using the technology at all.

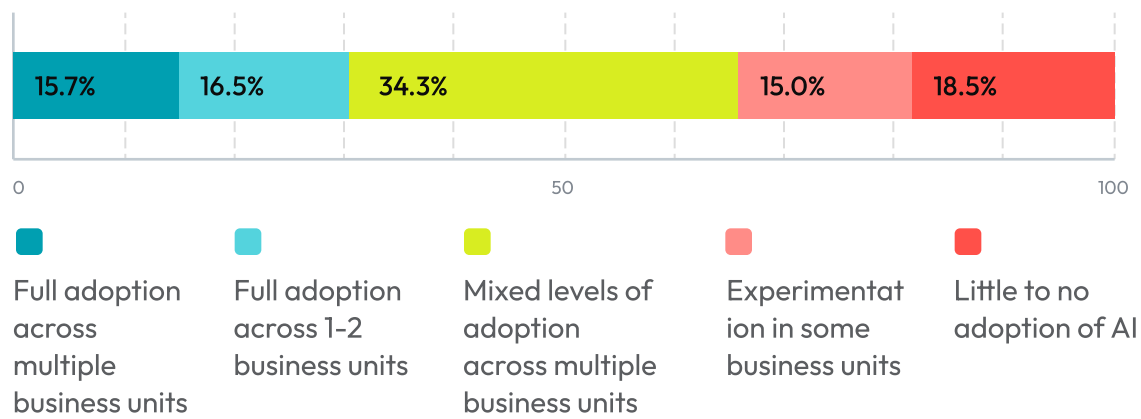
● How frequently does your organization use AI tools or systems?



Notably, organizations with a customer data platform (CDP) in place were more likely (60% vs 29%) than those without CDPs to use AI daily or several times per week. They were also more likely (22% vs 10%) to have full adoption of AI across multiple business units. Only 5% of organizations with CDPs do not use AI at all, compared to 28% of those without.

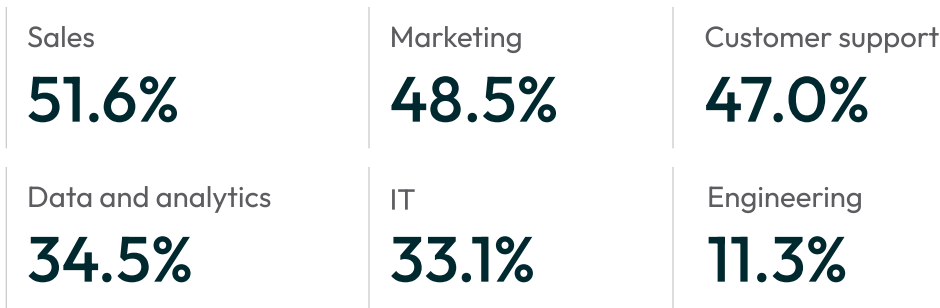
SECTION 2

What best describes your organization's current stage of AI adoption?

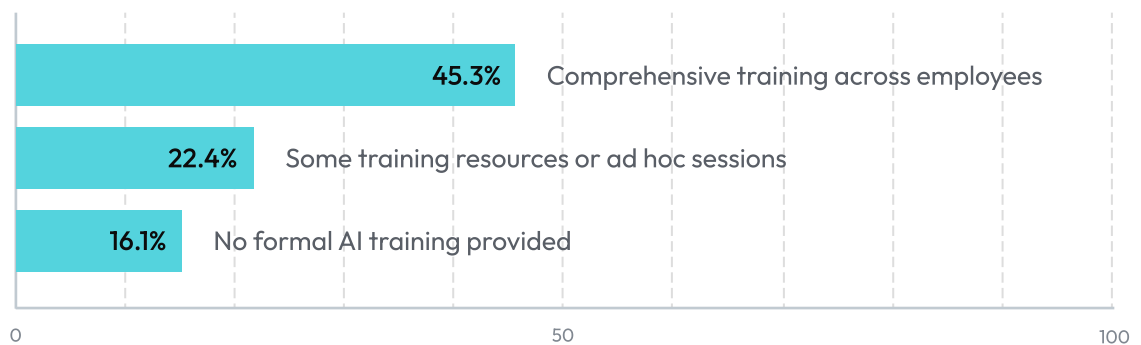


Sales, marketing, and customer support are the business areas most likely to use AI. That’s unsurprising given the multitude of AI use cases for retailers in those areas. One eye-opening data point? 32% of organizations are still providing zero formal AI training to employees. That will likely change as retailers seek to unlock more value from their AI investments.

Which areas of your organization are currently using AI?
Select all that apply



What level of AI training or enablement has your organization provided to employees?

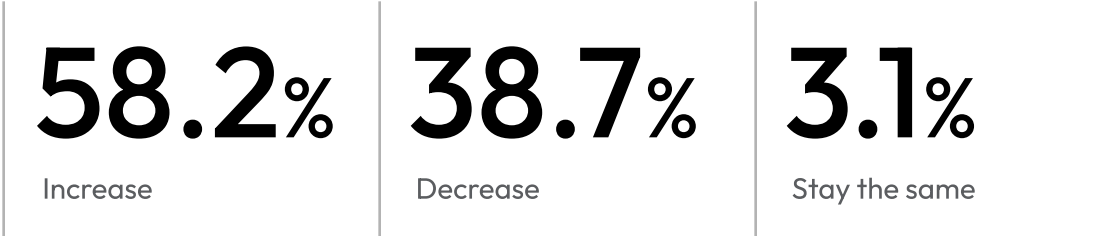


Retailers are doubling down on AI investments

Now that we understand how far along retailers are in adopting AI, let's look at where employees and executives believe they're heading over the next 12 months.

Overall, 97% of retailers expect to maintain or increase their spending on AI tools. Just 3% expect to decrease their AI spending. This technological shift is real — and it's only accelerating. However, retailers do not anticipate an immediate AI apocalypse for human jobs. Just one in five employers expect to reduce headcount because of AI in the next year.

Over the next 12 months, do you expect your organization's spending on AI tools to:

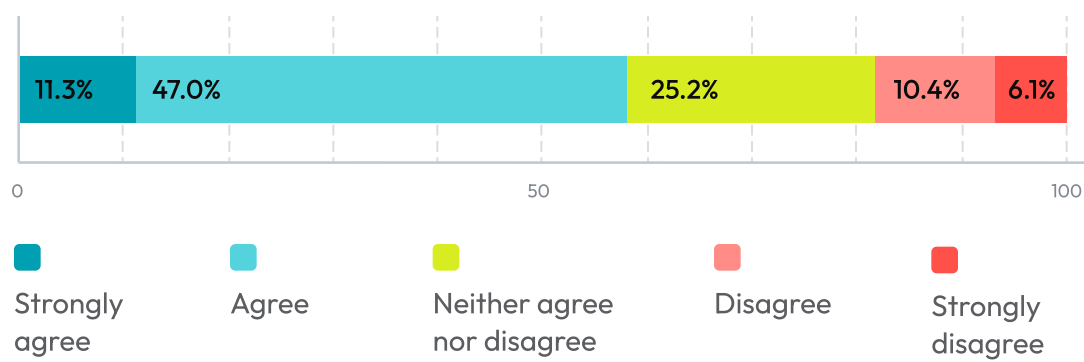


Do you expect AI to have an impact on headcount at your organization over the next 12 months?



SECTION 2

To what extent do you agree or disagree with the following statement:
Our company is prepared to deploy AI tools at scale.



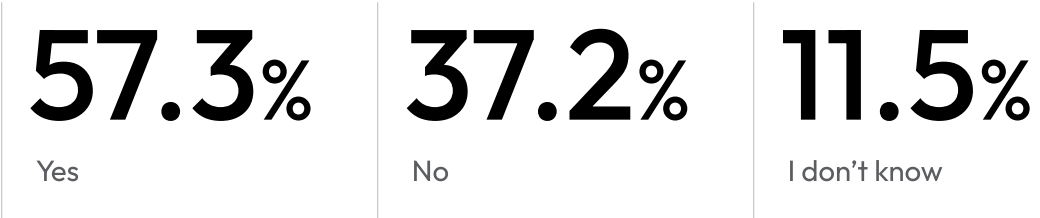
One crucial call-out: Although the vast majority of retailers are using AI in some capacity, only one in 10 (11%) companies feel strongly that they are prepared to deploy AI tools at scale. As it stands, true AI readiness in retail may be a mirage.

Companies with CDPs are racing ahead on AI

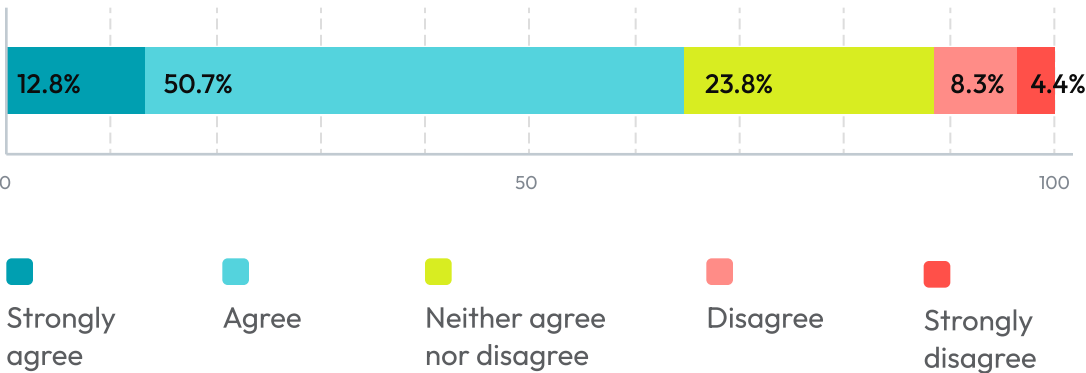
Customer data is poised to play a key role for retailers in maximizing the benefits of AI.

Already, more than half (57%) of organizations are applying AI to customer data for use cases like segmentation, personalization, or analysis. Retailers believe they're on the right track: 64% of respondents said their customer data is structured and accessible enough to support AI use cases. But only 21% are very confident in their ability to understand and act on individual customer behavior across channels.

- Is your organization currently applying AI to customer data (e.g. for segmentation, personalization, or analysis)?

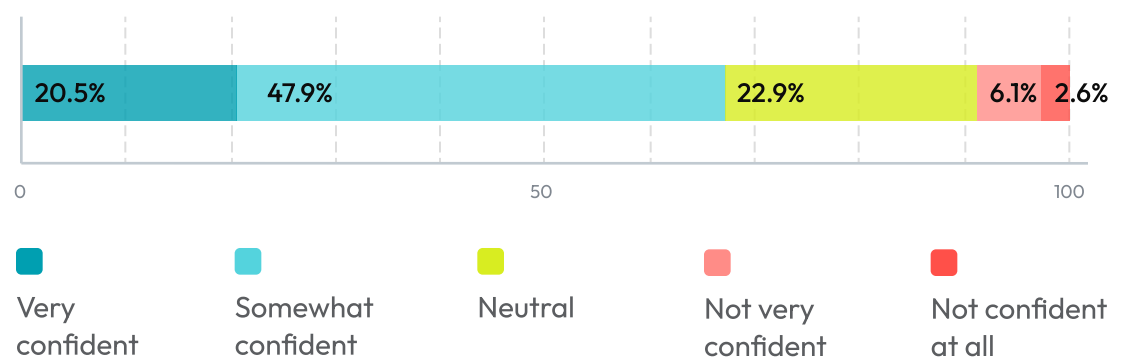


- To what extent do you agree or disagree with the following statement: Our customer data is structured and accessible enough to support AI use cases.



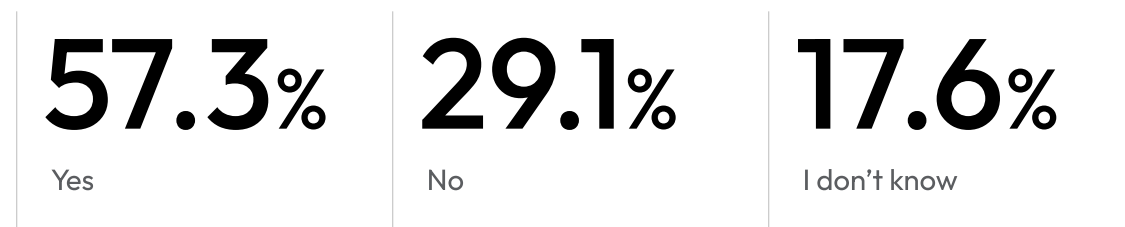
SECTION 3

● How confident are you in your organization’s ability to understand and act on individual customer behavior across channels?



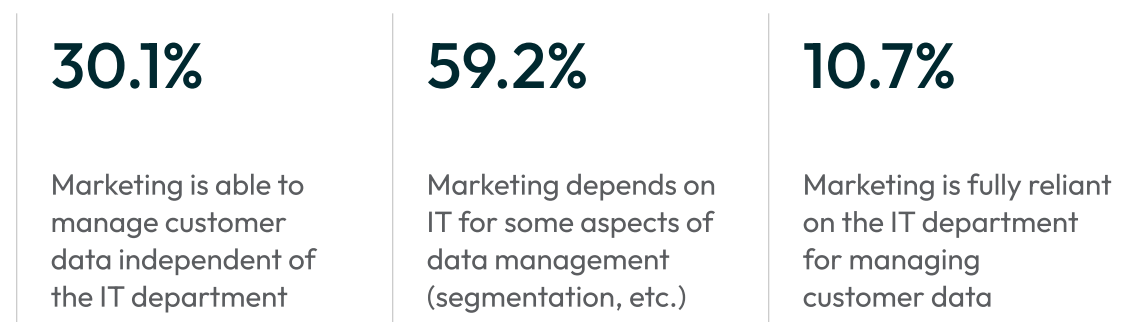
Customer data platforms (CDPs) are one way that organizations are wrestling with these challenges: 53% of retailers use a CDP. Teams with CDPs in place are more likely to be applying AI to customer data (78% vs 32%) and very confident in their ability to understand and act on individual customer behavior across channels (29% vs 14%).

● Does your organization use a customer data platform (CDP)?



Notably, only 3 in 10 marketing teams are able to manage customer data independent of the IT department. Sixty percent depend on their more technical colleagues for some aspects — like segmentation — while 11% are fully reliant on IT for managing customer data.

● How would you describe the relationship between your IT and marketing teams?

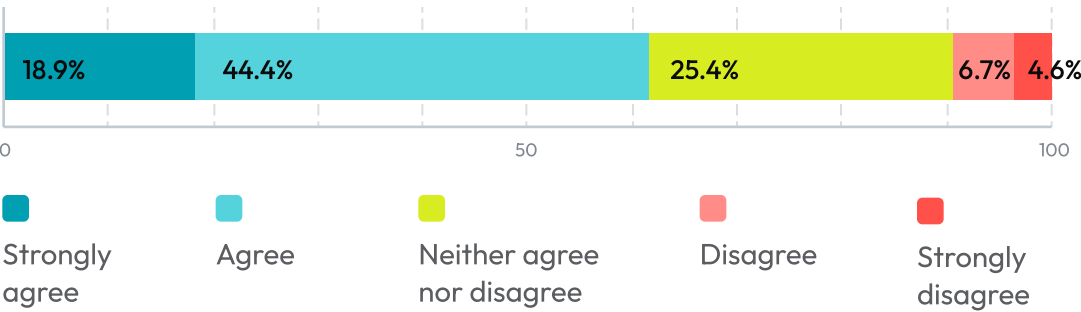


Retailers believe in AI’s ability to cement customer relationships

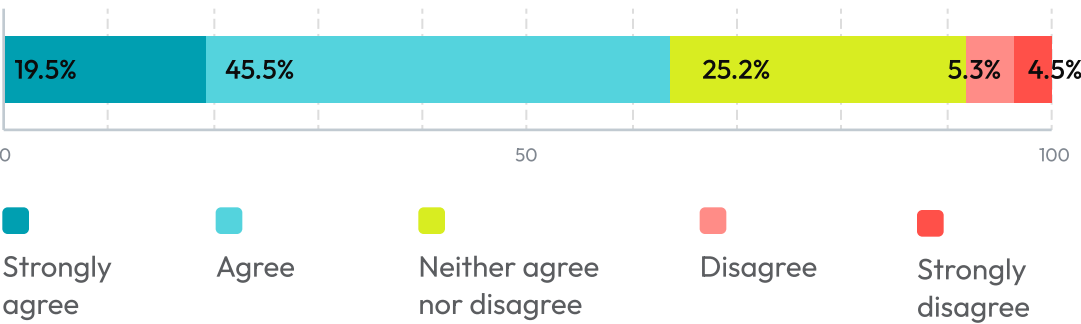
Embedding AI in a company’s culture and operations isn’t an easy — or affordable — task. Why are so many retailers willing to invest so much time and resources in the technology? Because they believe it will pay off, as measured by two important metrics.

Our survey reveals that 63% of retailers believe AI will help their organization improve customer loyalty, and 65% believe AI will help them increase customer lifetime value. If retail leaders can successfully deploy the technology, they will reap the benefits of repeat purchases, lower customer-acquisition costs, increased revenue, and a strong brand reputation.

To what extent do you agree or disagree with the following statement:
AI will help us improve customer loyalty.



To what extent do you agree or disagree with the following statement:
AI will help us increase customer lifetime value.



Organizations are hesitant to apply AI to customer use cases

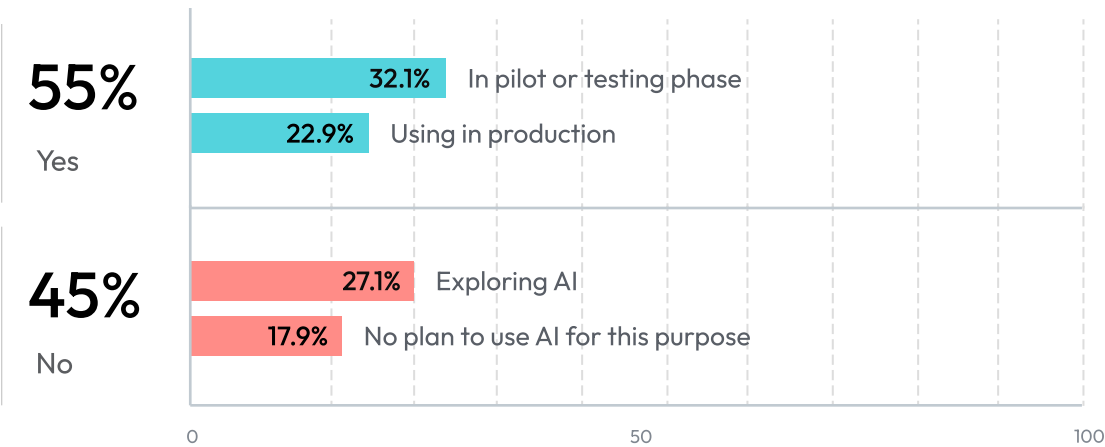
This is where the data gets really interesting. Despite widespread adoption of AI in back-office functions, only 43% of retailers are currently using it in customer-facing applications where it can drive the most impact. The gap isn't interest or intent; it's infrastructure.

Does your organization currently use AI for customer-facing applications?



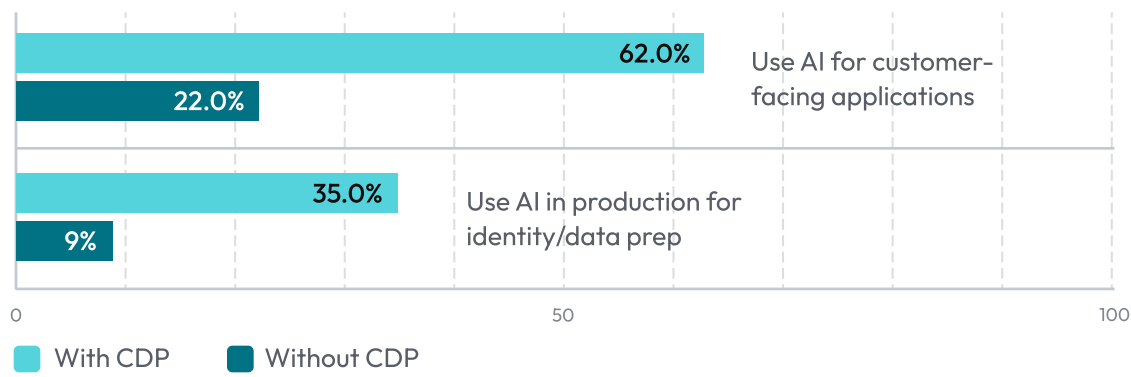
As it stands, only 23% of organizations are using AI in production to resolve customer identities or prepare customer data for use in marketing or analytics. Retailers clearly understand the benefits of bringing AI to bear on their workflows, but they're not yet willing to put AI in front of their key audience: customers.

Is your organization currently using AI to resolve customer identities or prepare customer data for use in marketing or analytics?



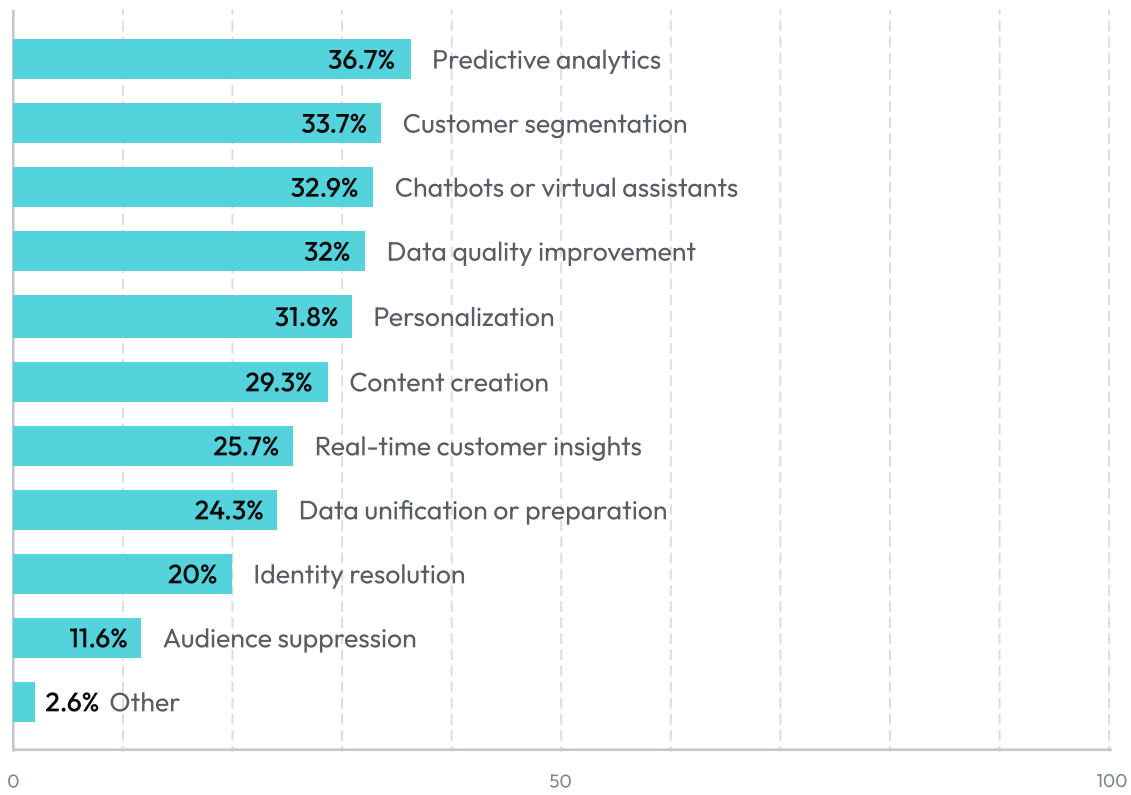
SECTION 5

Companies with CDPs are closer to AI-ready. Those organizations are significantly more likely to use AI for customer-facing applications (62% vs 22%) and use AI in production to resolve customer identities or prepare data for marketing or analytics (35% vs 9%).



The AI use cases that retailers are prioritizing, if and when they feel equipped to use the technology, are predictive analytics, customer segmentation, and chatbots or virtual assistants. Surprisingly, only one in five retailers are prioritizing AI for identity resolution – a use case which underpins a wide range of sales and marketing activities. As we’ll see in the next section, identity resolution is a persistent pain point for retailers when trying to scale AI initiatives.

Which of the following AI use cases are your organization prioritizing? (Select all that apply)

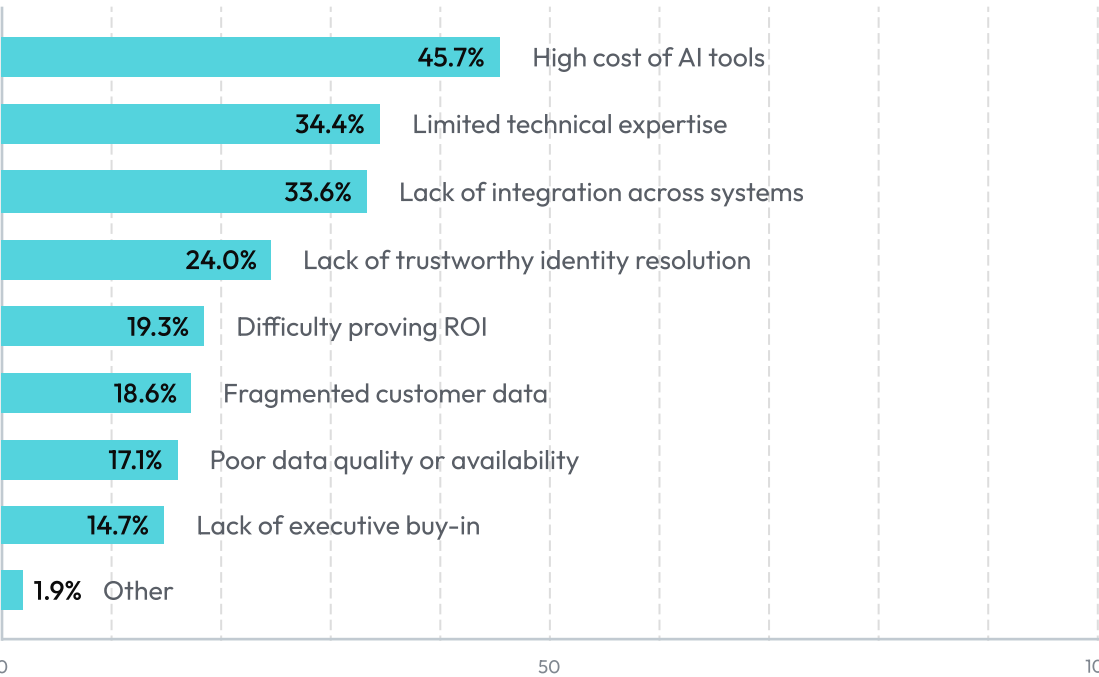


Retailers must address fragmented customer data

What are the hurdles holding retailers back from realizing the full value of AI in customer-facing applications and beyond?

Respondents pointed to the high cost of AI tools as the single biggest challenge in scaling AI initiatives, followed by limited technical expertise and a lack of integration across systems. One respondent noted that customers said they will not buy a product if they see AI descriptions. The retailer stopped using AI descriptions immediately. While anecdotal, that AI skepticism among consumers could prove to be a persistent drag on AI adoption.

What are the biggest challenges your organization faces in scaling AI initiatives? (Select up to three)

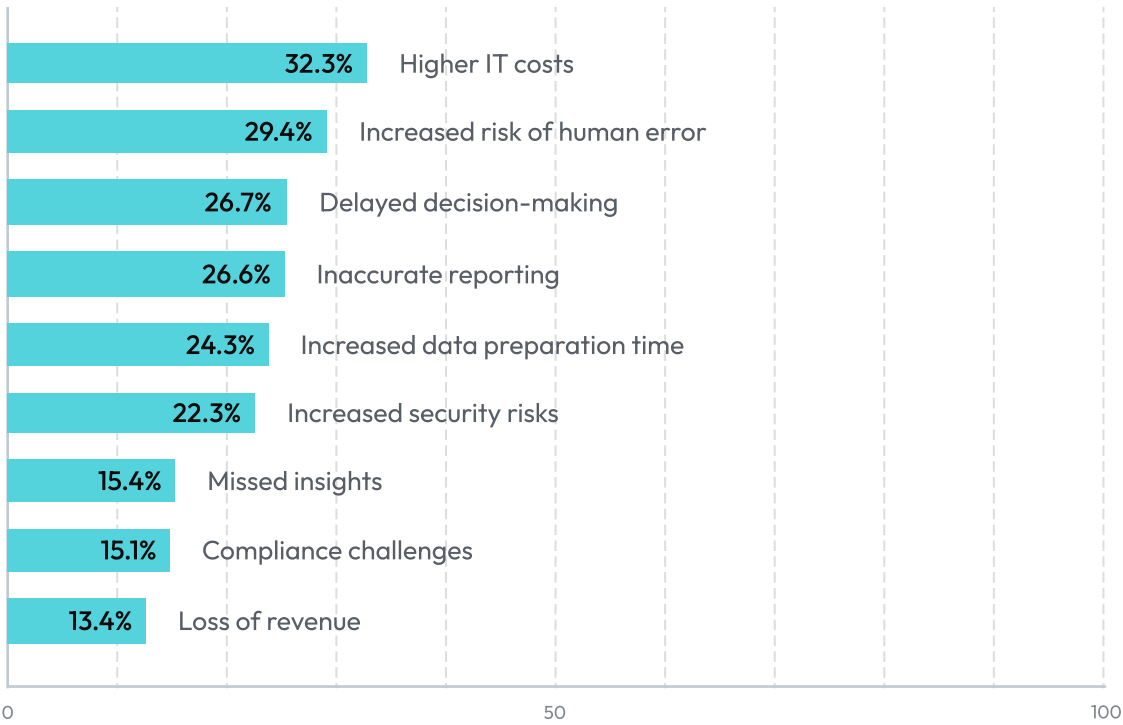


SECTION 6

Fragmented customer data is another major obstacle. When the information about each customer is scattered across different systems that weren’t designed to talk to one another — online, in-store, email, social media, customer service records, etc. — it’s difficult for retailers to achieve an accurate view of the customer they can use for predictions and personalization.

Our survey found that fragmented customer data is causing higher IT costs, an increased risk of human error, and delayed decision-making. Retailers can’t afford additional costs — not to mention errors and delays — as they push to put AI to work for their customers.

● Has your organization experienced any of the following consequences as a result of fragmented customer data? (Select all that apply)



Unlocking the full value of AI for customers

Retailers are all-in on AI. The technology is a powerful tool for brands facing a combination of squeezed margins, supply chain disruptions, and tariffs that are pushing consumers to reevaluate their spending habits.

However, the findings suggest that while internal, operational use of AI is widespread — such as ChatGPT for functions like marketing and sales — retailers are still dragging their feet when it comes to deploying AI in customer-facing areas that can directly impact the business. Executives should be treating this as one of the most essential initiatives for their companies.

The brands that find ways to harness AI for identity resolution, understanding customer behavior, and activating highly personalized experiences based on those insights will be the ones winning in retail 12 months from now. Unifying a retailer's fragmented first-party customer data — behavioral signals, purchase history, engagement patterns — is key for unlocking personalization at scale.

Amperity uses AI to turn raw customer data into strategic business assets that forge loyalty and boost the long-term returns from each buyer of the brand. Retailers are using our platform to make sense of their chaotic data and remove the bottlenecks preventing them from unleashing the full power of AI on behalf of their customers.

Putting AI to work on customer-facing applications will be the difference between winning and losing for retailers moving forward. Make sure you have the data foundation in place to succeed.



Amperity's Customer Data Cloud empowers brands to transform raw customer data into strategic business assets with unprecedented speed and accuracy.

Through AI-powered identity resolution, customizable data models, and intelligent automation, Amperity helps technologists eliminate data bottlenecks and accelerate business impact.

More than 400 leading brands worldwide—across industries including retail, travel and hospitality, restaurants, and financial services—rely on Amperity to drive customer insights and revenue growth.

Founded in 2016, Amperity operates globally with offices in Seattle, New York City, London, and Melbourne.



Learn how brands across industries find success with Amperity

amperity.com/customers



To see if our platform is the right choice for your brand, contact us

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