# Retailers leverage AI to boost e-commerce revenue



Retailers are increasingly turning to artificial intelligence (AI) to enhance their connected retail strategies and capitalise on the growth of e-commerce. A recent study conducted by SymphonyAI, detailed in Customer Experience Magazine, indicates that leveraging AI can yield an impressive 8% increase in e-commerce revenue for grocery retailers.

The extensive study, which examined 1.3 billion transactions from 72 million households over a six-month period, sheds light on the transformative impact of advanced shopper insights on the retail sector. As online shopping becomes a more significant part of grocery sales, the analysis highlights that consumers shopping online tend to spend considerably more, with average basket sizes reported to be three times larger than those of in-store transactions.

An interesting dynamic revealed by the findings is that 81% of new online customers are engaging with a retailer for the first time, signifying a notable shift in consumer behaviour as more shoppers embrace digital channels. The study emphasises the importance of omnichannel strategies, noting that shoppers who interact across both online and physical store environments spend 15% more than those who only utilise one channel. This connection becomes particularly salient in the fourth quarter of the year, where in-store holiday shoppers are more inclined to explore online shopping options. Retailers that successfully convert these holiday shoppers into online customers stand to gain a 3% increase in annual e-commerce revenue.

Sonia Parekh, general manager of Customer-Centric Retailing for SymphonyAI, commented on the findings, stating, “The newest research from our in-house retail experts reveals the advantages of using AI insights to increase e-commerce revenue, both in the short-term and longer term. They apply SymphonyAI connected retail with surgical precision to create powerful positive business impact.”

AI insights are proving beneficial beyond mere channel interactions; they provide detailed information on consumer preferences that can drive targeted merchandising strategies. The study explicates that online consumers have specific preferences for product sizes — for instance, they tend to favour larger pack sizes for products such as peanut butter while opting for smaller sizes of items like jam and honey. Additionally, the analysis highlights that e-commerce shoppers exhibit greater brand loyalty in categories such as health, beauty, and snacks compared to their in-store counterparts.

Convenience, as a key growth facilitator, is also evident in the increasing occurrence of small basket transactions, particularly for items like alcoholic beverages and baby products. Retailers are employing AI-driven product recommendations tailored to these specific shopping behaviours, aiming to enhance both basket sizes and customer loyalty.

The findings from SymphonyAI's study reinforce the notion that businesses applying AI automation are positioned to make substantial improvements in operational efficiency, targeting, and ultimately, revenue generation across the retail landscape.

Source: [Noah Wire Services](https://www.noahwire.com)

## References

* <https://www.symphonyai.com/news/retail-cpg/ai-grocery-e-commerce/> - Corroborates the 8% growth opportunity for retailers using AI-based connected retail strategies and the extensive study analyzing 1.3 billion transactions from 72 million households.
* <https://www.symphonyai.com/news/retail-cpg/ai-grocery-e-commerce/> - Supports the importance of omnichannel strategies and the increased spending by shoppers interacting across both online and physical store environments.
* <https://www.symphonyai.com/resources/webinar/retail-cpg/grocery-e-commerce/> - Details the key trends identified in SymphonyAI’s 3rd Annual E-Commerce Study, including loyalty, seasonality, convenience, pack size, and organics.
* <https://www.symphonyai.com/resources/webinar/retail-cpg/grocery-e-commerce/> - Highlights the growth opportunity and the focus on capturing market share through AI-powered customer-centric insights.
* <https://www.foodlogistics.com/software-technology/ai-ar/news/22929042/symphony-retailai-cpg-ai-boosts-grocery-ecommerce-revenue-by-8-study> - Confirms the 8% growth opportunity in e-commerce revenue for grocery retailers using AI-based connected retail strategies.
* <https://www.foodlogistics.com/software-technology/ai-ar/news/22929042/symphony-retailai-cpg-ai-boosts-grocery-ecommerce-revenue-by-8-study> - Quotes Sonia Parekh on the advantages of using AI insights to increase e-commerce revenue, both in the short-term and longer term.
* <https://www.symphonyai.com/news/retail-cpg/ai-grocery-e-commerce/> - Explains how AI insights drive targeted merchandising strategies based on consumer preferences, such as product sizes and brand loyalty.
* <https://www.symphonyai.com/news/retail-cpg/ai-grocery-e-commerce/> - Discusses the role of convenience in facilitating growth, including the increase in small basket transactions for items like alcoholic beverages and baby products.
* <https://www.symphonyai.com/resources/webinar/retail-cpg/grocery-e-commerce/> - Provides insights into how retailers are using AI-driven product recommendations to enhance basket sizes and customer loyalty.
* <https://www.symphonyai.com/news/retail-cpg/ai-grocery-e-commerce/> - Details the operational efficiency improvements and revenue generation benefits from applying AI automation in retail.