AI in Retail Report: Power to the Marketer in Australia

The convergence between how consumers feel about AI and how marketers want to use AI.

SAP Emarsys

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SAP Emarsys

"Many people worry AI will lead to more formulaic marketing and less human content. I believe the opposite. AI will revolutionize the marketing landscape, empowering marketers to focus on strategic and creative endeavors.

We commissioned research to show how marketers and consumers in Australia are demanding these improvements, driving our ongoing commitment to AI. Our new solutions will make marketing more efficient and fulfilling, while giving consumers better overall experiences."

Current State of Retail: What are retailers getting wrong?

46%
of shoppers believe the majority of marketing emails they receive aren't relevant

30%
of shoppers find it too difficult to return items

20%
of shoppers think retailers don't personalise content to meet their needs

24%
of shoppers say retailers don't understand them as a person

Attitudes to AI in Retail: How is AI improving customer engagement?

39%
believe AI-powered recommendations have improved their online shopping experience

31%
are satisfied with the AI-enabled personalised services they receive in retail

34%
are satisfied with the AI-powered product recommendations they receive

29%
are satisfied with AI chatbots on retail sites

What is the demand for AI adoption?

38%

are optimistic about AI-powered retail

43%

of shoppers support further integration of AI into retail

40%

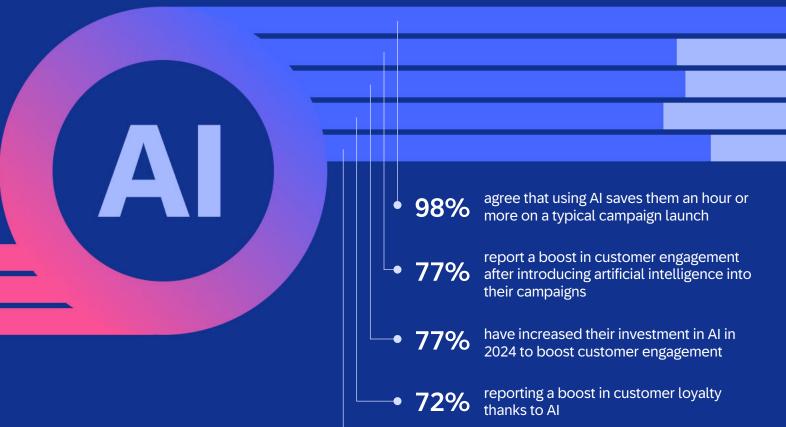would support the adoption of AI-enhanced 'virtual try-ons' in fashion retail

Convergence

Consumers

Marketers

AI

47% believe AI is having a positive impact on their retail experiences

40% want AI to support them in finding new products

32% want AI to support retail experiences by making marketing more personal

98% agree that using AI saves them an hour or more on a typical campaign launch

77% report a boost in customer engagement after introducing artificial intelligence into their campaigns

77% have increased their investment in AI in 2024 to boost customer engagement

72% reporting a boost in customer loyalty thanks to AI

81% are also using AI to unlock previously unseen insights from their customer data

State of 2024 for Marketers

Empowered Consumers

Privacy-first Omnichannel Personalisation

Business Disruption

Benefits of AI in Marketing

72%

of marketers report an increase in customer loyalty since adopting AI into their campaigns

77%

of marketers report an increase in customer engagement since adopting AI-powered personalisation into their campaigns

74%

of marketers believe AI is 'essential' to increasing customer engagement in 2024

63%

of marketers report higher open rates when their email subject lines are written by AI
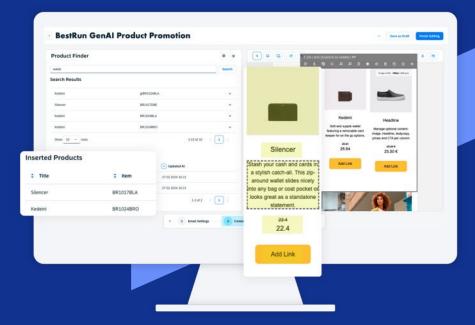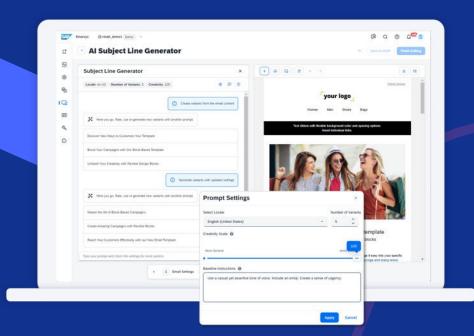
SAP Emarsys is empowering marketers with Gen AI

40% of consumers say AI is helping them find products

63% of marketers also say that email subject lines generated by AI receive higher open rates

AI Product Finder
Easily retrieve product catalog information using natural language commands to quickly create compelling, personalised product-based campaigns

AI Subject Line Generator
Build campaigns more efficiently and effectively with optimal subject lines, powered by generative AI

Data and Privacy Concerns

73% of consumers are concerned about AI using their personal data during retail purchases

Only 7% report a high level of trust in AI-powered retail services

10% report a high level of trust in retailers to protect their personal information

90% believe it's important for retailers to be transparent about their use of personal data

73% believe it's important for retailers to prioritise ethical AI use

- **37%** believe it is 'very important'

40% are confident in the data privacy of AI

- **Only 7%** are not confident in the data privacy of AI

Data Privacy and the EU AI Act

✓ The new EU AI Act's framework focuses on fostering trustworthy AI through compliance while allowing flexibility to innovate

✓ SAP Emarsys believes these new regulations are positive for businesses and consumers.

40%
of Australian consumers are confident in the data privacy laws surrounding AI

72%
of marketers agree this legislation is a significant step towards responsible AI

66%
of marketers think it will increase consumer trust in brands using AI

Learn more on

SAP Emarsys' Response to EU AI Regulations

qrco.de/eu-ai

Register for

Power to the Marketer Omnichannel Masterclass Product Launch

June 12-13

qrco.de/pttm24

Research Methodology

The research was conducted by Opinion Matters, among a sample of 2,003 consumers and 251 marketers in Australia. The data was collected between 21.03.24 - 27.03.24. Opinion Matters abides by and employs members of the Market Research Society and follows the MRS code of conduct which is based on the ESOMAR principles. Opinion Matters is also a member of the British Polling Council.