

Your quick start guide

Generative AI for digital commerce

Google Cloud



\$100–155B

Economic potential of gen AI in digital commerce (North America)¹

Today's consumers expect personalized and seamless omnichannel experiences from brands. At the same time, rising economic pressures demand more agility from retailers. Gen AI can improve both customer experience and make operations more efficient.

For employees such as e-commerce channel managers, product content managers, and digital merchandising managers, gen AI can help with routine tasks like catalog updates and content enrichment¹ — expediting operations and helping associates become more productive.

76%

of US consumers say they prefer personalized journeys when engaging in digital commerce¹

For consumers, gen AI creates engaging experiences — with enhanced browsing, personalized recommendations, and unified omnichannel shopping. Personalized recommendations alone can boost digital commerce revenue up by 15%, and reduce consumer acquisition cost by 50%.²

In this guide, we explore the most promising use cases of gen AI for digital commerce and share key considerations for starting your journey.

Engage your customers one-on-one, at scale.

1. McKinsey. (2023). [The economic potential of generative AI](#).

2. McKinsey. (2023). [What is personalization?](#)

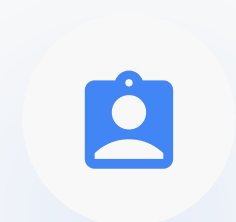
Gen AI is already having a tangible impact on digital commerce.

It helps:



Expedite operations and drive associate productivity.

- Improve digital marketing effectiveness
- Create more robust and intuitive product pages
- Automate digital merchandising with better product data



Create engaging, personalized shopping experiences.

- Serve customers with the right digital channels for their needs
- Use AI-based virtual agents to help consumers better understand product details
- Support unified, omnichannel shopping journeys

It can all add up to:

- Better productivity
- Accelerated speed-to-value
- Enhanced merchandising capabilities
- Improved discoverability and shopping experiences
- Increased conversions, sales, loyalty, and lifetime customer value

**Consider
these steps
to realize
value from
gen AI
across your
omnichannel
experience.**

- 1 Adapt to evolving customer preferences for personalization →
- 2 Unleash your teams to drive innovation in merchandising →
- 3 Offer product suggestions that resonate →
- 4 Continuously monitor and iterate for optimum performance →
- 5 Ensure safe governance and stewardship of customer data →
- 6 Be bold and responsible →
- 7 Plan for ubiquity and access →

Ready to go?

01 Adapt to evolving customer preferences for personalization.

When it comes to digital commerce, today's customers have sky-high expectations — all centered around personalization and seamless omnichannel experiences.

Gen AI helps you create engaging, personalized shopping experiences. Customers desire a digital journey that intuitively understands their intent — like gift buying — and seamlessly guides them accordingly. Gen AI helps merchants recognize customer needs at every touchpoint, and harness comprehensive data to deliver the right product recommendations. So customers are empowered to make informed purchase decisions.²

And yet, your goal is to accomplish personalization without being obtrusive.² That's why your first step should be to identify the areas which stand in the way of meeting your customers' expectations, and explore how gen AI can improve them.

Recipe for AI success

GE Appliances' SmartHQ consumer app will use Google Cloud's generative AI platform, Vertex AI, to offer users the ability to generate custom recipes based on the food in their kitchen with its new feature called Flavorly™ AI. SmartHQ Assistant, a conversational AI interface, will also use Google Cloud's generative AI to answer questions about the use and care of connected appliances in the home.

[Read the full story](#)

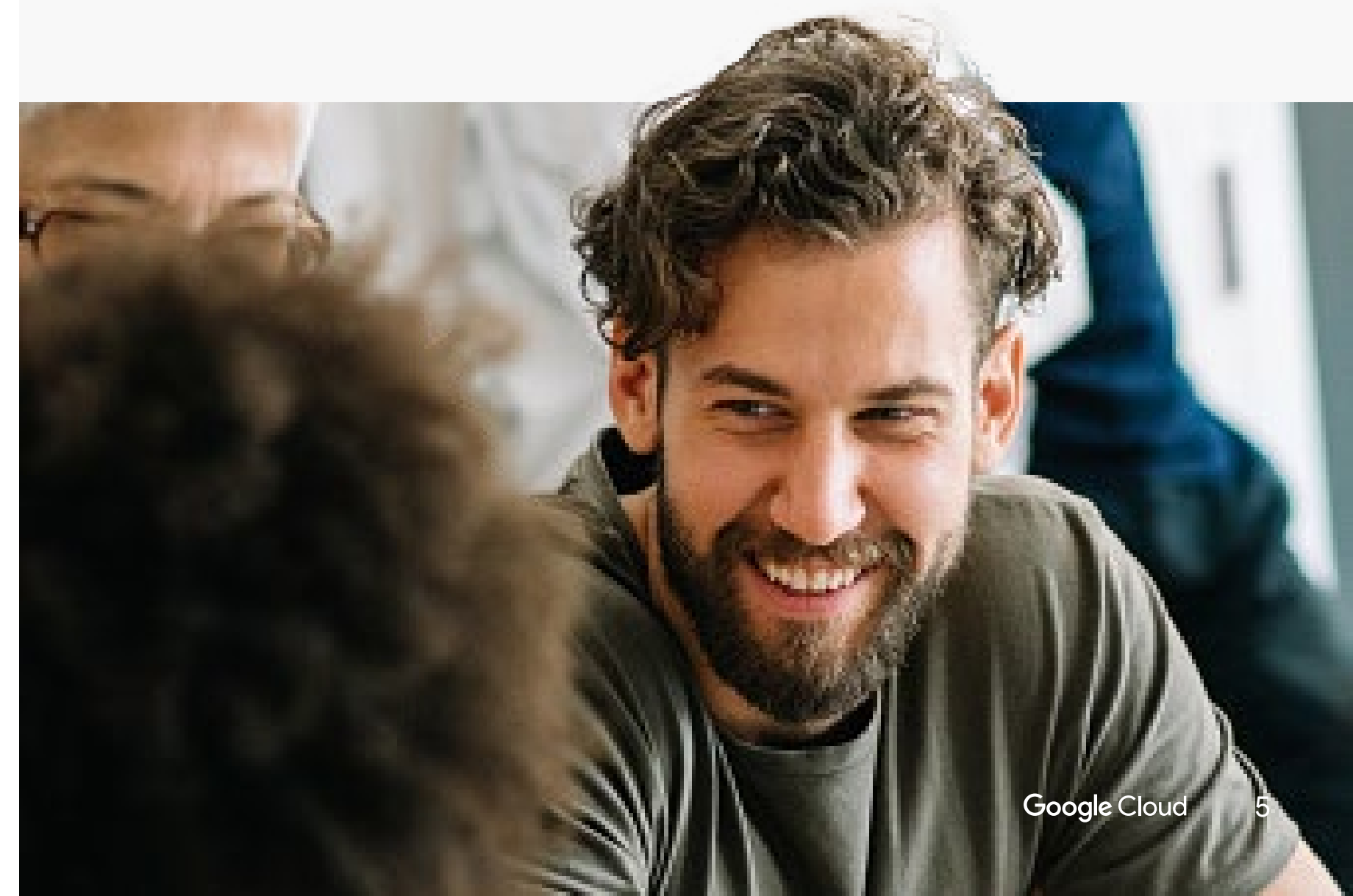
3. KPMG. (2023). [Driving business success with generative AI in consumer and retail.](#)

62%

of retail and consumer executives are interested in using gen AI for content and product marketing³

66%

are interested in applying gen AI to analyze customer data and create personalized recommendations³



02 Unleash your teams to drive innovation in merchandising.

Your people are your most valuable asset, so invest in them to make the most of gen AI technology. Although upskilling and process tweaks are an ongoing process, here are a couple of ways to get started.

Build a dedicated team to accelerate gen AI adoption⁴ — including an “action office” to oversee gen AI initiatives, cross-functional pods to implement specific gen AI use cases, and a technical foundation team to ensure a stable and secure platform.

Then, invest in gen AI readiness and skills training so your employees become proficient in e-commerce-centric gen AI tools and technology — fostering creativity and innovation in digital marketing and commerce.

This learning never stops. Keep up to speed with fast-changing technology by adding a small team that is always engaged in proof-of-concept tests and tracking the latest research.

4. McKinsey. (2023). [How generative AI can boost consumer marketing.](#)



03 Offer product suggestions that resonate.

Highly personalized product recommendations are the key to helping customers find and purchase items that truly resonate with their tastes and needs. Gen AI is already helping digital commerce businesses deliver.

Invest in product recommendation engines that leverage advanced machine learning algorithms, product availability information, and aggregated user behavior and preferences to offer your customers personalized recommendations.

It's not a one-and-done process. Gen AI-powered recommendation engines can adapt in real time to changing customer preferences and market trends. This up-to-the-minute functionality improves customer satisfaction and drives even higher conversion rates.



04 Continuously monitor and iterate for optimum performance.

You're always looking to serve your customers in new ways. Gen AI is your ever-evolving toolkit to do just that. You'll need to monitor, evaluate, and iterate to make sure your digital commerce journey is meeting the latest customer needs.

Develop a dynamic dashboard to continuously track and measure progress. This involves closely monitoring key metrics such as sales figures, customer engagement, sentiment analysis, and satisfaction levels — ensuring a real-time view of your gen AI's effectiveness.

Make sure your improvements aren't a one-and-done event by creating processes that regularly evaluate progress. Designate personnel to regularly identify areas needing improvement and to make refinements.⁵

[The era of gen AI](#) is here and with it has come a new way to cloud. Google Cloud's AI, security, data, infrastructure, and collaboration tools are built for today and tomorrow — helping companies scale, secure, create, and solve.



5. Google Cloud. (2024, January). [Building a data-driven retail strategy with Google Cloud](#).

05 Ensure safe governance and stewardship of customer data.

Take a proactive approach to data quality, security, and governance. Add interventions across the entire data lifecycle and establish data governance procedures for new types of data coming in.

With the regulatory landscape evolving quickly, actively monitor regulations to ensure compliance with new laws, and keep track of how your tech vendors are helping you comply.

For example, Google was one of the first in the industry to publish an [AI/ML Privacy Commitment](#), which states that customers should have the highest level of security and control over data stored in the cloud.



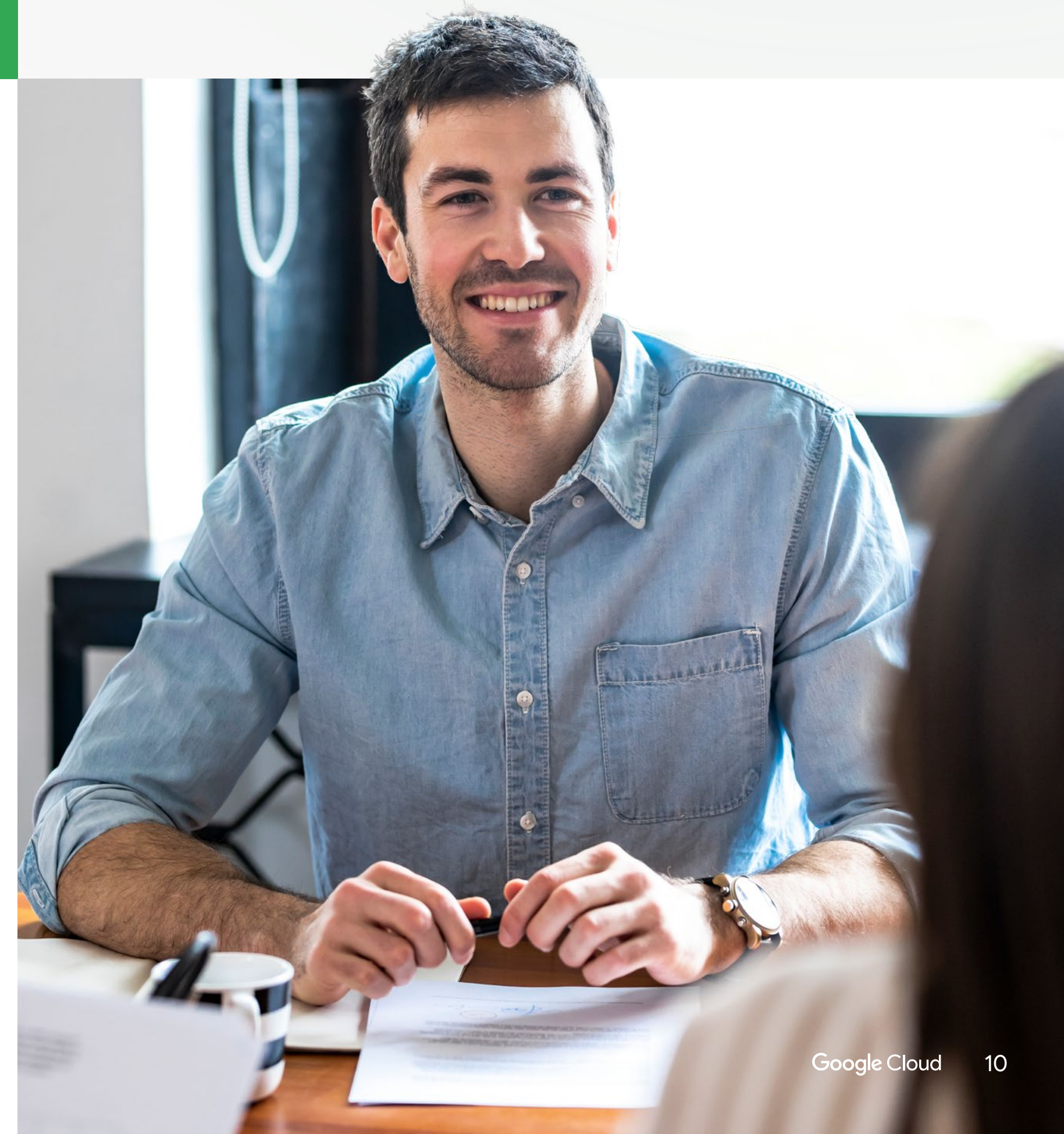
06 Be bold and responsible.

Take a holistic approach to responsible AI. Enact an organization-wide strategy and enterprise-wide controls that encourage thoughtful and safe adoption and scaling of new tools.

Establish a Center of Excellence as the single source of truth for internal policies around responsible AI. This function might focus on training modules for employees, handbooks, and stakeholder management.

And, to build trust and transparency, always explain when and how AI is used. For example, [Google watermarks images](#) generated by Google AI tools, and offers image markups for publishers to indicate when an image is AI-generated.

See Google's [responsible AI guidelines](#).



07 Plan for ubiquity and access.

This [new computing paradigm](#) uses more data, from more sources, in more flexible ways than ever. Choosing the right foundation models and tools will be critical.

Offer training in gen AI tools and techniques to a broad range of roles. Enable your teams to participate in rollouts and provide feedback, recognizing that new ideas can come from different parts of the organization.

And think about how gen AI can support your broader accessibility and inclusivity goals. For example, it can provide multimodal support — such as audio, video, assistance, and interfaces — to meet individual needs.



There's more to gen AI than digital commerce.

Get tips for getting started with gen AI in these areas:



Back office



Developer productivity



Customer service modernization



Web modernization

Time to take action with gen AI?

When a new technology moves as fast as gen AI, it can be hard to keep up. Google Cloud helps you solve for all the considerations outlined in this guide.

Our gen AI tools are backed with frameworks, tools, and governance structures to help you hit the ground running.



Contact us to set up time to discuss how to get started on your gen AI journey.