



Generative AI in Business Intelligence: Transforming Retail and CPG Operations

Overview

Generative AI (GenAI) is revolutionizing the retail industry by enabling data-driven decision-making through natural language interactions with complex data sources. This transformative technology empowers retailers to gain actionable insights, optimize operations, and drive strategic growth.

Use Cases

Enhancing Customer Experience

Generative AI is significantly enhancing customer interactions in the retail sector. Retailers are using AI-powered tools to:

- **Automate customer support:** Reduce response times and improve customer satisfaction.
- **Generate smart replies:** Provide quick, accurate responses to customer inquiries.
- **Provide personalized recommendations:** Tailor product suggestions to individual preferences.
- **Improve search functionality:** Help customers find products faster and more efficiently.

66% of retail executives see generative AI being used to analyze customer data and create personalized recommendations.

58% believe it will develop higher-functioning customer service chatbots.

Optimizing Inventory Management

Inventory management is a critical area where generative AI is making a substantial impact. By analyzing vast amounts of data, AI models can:

- **Predict demand patterns:** Ensure the right products are available at the right time.
- **Optimize stock levels:** Minimize overstock and stockouts.
- **Reduce waste:** Improve sustainability by reducing excess inventory.
- **Automate restocking processes:** Streamline operations and reduce manual effort.

64% of retail leaders use generative AI for trend analysis and predictive inventory management.

Streamlining Supply Chain Operations

Generative AI is transforming supply chain operations by providing real-time insights and predictive analytics. AI models can:

- **Forecast potential disruptions:** Mitigate risks and maintain smooth operations.
- **Optimize logistics:** Enhance delivery efficiency and reduce costs.
- **Enhance supplier collaboration:** Improve communication and coordination with suppliers.
- **Improve sustainability:** Reduce carbon footprint through efficient resource management.

Generative AI could unlock between **\$240 billion** to **\$390 billion** in economic value for retailers, enhancing margins by 1.2 to 1.9 percentage points.

Boosting Marketing and Sales

Marketing and sales functions are benefiting from generative AI through enhanced targeting and personalization. AI-driven analytics can:

- **Identify customer preferences:** Understand what customers want and need.
- **Predict buying behaviors:** Anticipate future purchases and trends.
- **Tailor marketing campaigns:** Create more effective and personalized marketing strategies.

70% of retail executives identify marketing and sales as the area where generative AI will have the greatest transformational impact.

Improving Operational Efficiency

Generative AI is driving operational efficiency across various retail functions. From automating routine tasks to providing actionable insights, AI helps retailers streamline their operations and reduce costs.

60% of retail leaders are using off-the-shelf generative AI tools to enhance operational efficiency.

Our Value Proposition

Accurate and Reliable Insights: We focus on building narrow, domain-specific models. By training Generative AI models on domain-specific datasets, we ensure they provide accurate and relevant insights tailored to retail and CPG operations. This precision helps our clients make confident decisions, reducing the risk of disruptions in supply chains, inventory management, or sales strategies.

Enhanced Data Security: Our generative AI solutions operate entirely within the client's firewall, ensuring that sensitive data remains secure. With end-to-end encryption and row-level access controls, businesses can maintain control over their data, meeting security and compliance requirements.

Cost-Effective Operations: By implementing FinOps-led strategies and optimizing computing resource allocation, we ensure that generative AI operations remain cost-effective. This approach helps businesses maximize performance while managing expenses,

allowing them to extract value from AI without incurring unsustainable costs.

Transparent AI Processes: We provide clear breakdowns of how generative AI arrives at its conclusions, making the decision-making process accessible and understandable. This transparency fosters trust among business users, empowering them to act on AI-generated insights with confidence.

GenAI Prototype: Our prototype demonstrates the power of generative AI in retail operations. It includes store sales information and helps retail operation analysts quickly understand store-level sales performance across multiple product categories. Analysts can also assess past promotions' performance at product and geography levels. All this is achieved through natural language interaction with data, eliminating the need for ad-hoc reporting and leveraging GenAI and other AI technologies.

Analyst Interactions with Data

Generative AI enables analysts to interact with data in natural language, driving insights without needing technical expertise (e.g., SQL, data visualization tools). This capability expedites business operations and empowers analysts to generate insights independently, adapting to ever-changing business requirements.



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Conclusion

Generative AI is a game-changer for the retail and CPG industries, offering numerous benefits from enhanced customer experiences to optimized operations. By integrating AI into their BI processes, retailers can stay competitive, meet evolving consumer demands, and drive sustainable growth. As generative AI continues to evolve, its impact on retail and CPG operations will only grow, paving the way for a more innovative and efficient future.

Retail Reimagined

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About Innova Solutions

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