Connected commerce: How AI is reinventing retail for good

From virtual try-ons to autonomous operations, AI and high-performance networks are unlocking unprecedented growth and personalization.

verizon business

AI is the catalyst for a fundamental metamorphosis that's reshaping fragmented, reactive commerce into intelligent, connected retail. For years it matured quietly in stock management and logistics. Now it's emerging as the great differentiator at the heart of customer engagement – lifting revenue through more personalized, predictive, and effortless experiences, while protecting margins by taking cost and friction out of the system.

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Retailers have long used generation one AI for supply chain and stock management, but the current wave is advancing customer touchpoints."

James Hughes
Retail Chief Technology Officer, Verizon EMEA

Retail reimagined in real time

Today, retailers are experimenting with generative and agentic AI. These systems are not only capable of learning, but also of analyzing, deciding, and acting autonomously. The promise: frictionless commerce, richer, more immersive customer experiences, and operations that optimize themselves in real time.

Consider AI-powered assistants like Amazon's Rufus or Ralph Lauren's Ask Ralph.[1][2] They combine natural language understanding with data insights and inventory intelligence. The result? A virtual storefront that immediately adapts to each shopper, understanding preferences, availability, and location. In short, retail is being rapidly reimagined with AI turning every shopper into a VIP.

Agentic AI takes this even further. Soon, autonomous systems could restock shelves, adjust pricing dynamically, or redirect supply chains—all with minimal human intervention. Indeed, McKinsey Research estimates that agentic commerce could generate $3 trillion to $5 trillion globally by 2030.[3]

The opportunities are huge, as are the challenges. AI is reshaping customer expectations, disrupting established channels, and demanding a proactive strategy to succeed. It also requires investment in a low-latency, high-bandwidth, scalable network to back it up. However, retailers who are bold enough to invest early in data, strategy, and infrastructure will reap the rewards.

> **"**
> We anticipate that retailers will increase revenue by using AI in multiple ways, including retail media networks, AI-enhanced paths to purchase, basket-size growth through recommendations, loyalty improvements through personalization, and reduced returns via virtual try-on."
>
> **James Hughes**
> Retail Chief Technology Officer, Verizon EMEA

[1]Amazon New, Amazon announces Rufus, a new generative AI-powered conversational shopping experience, February 2025

[2]Microsoft, Ralph Lauren redefines shopping with Microsoft AI–powered styling companion Ask Ralph, September 2025

[3]McKinsey Report, The agentic commerce opportunity: How AI agents are ushering in a new era for consumers and merchants, October 2025

How AI is transforming retail

From shopping and transaction to supply chain and service, AI is already delivering measurable results across the value chain in three key areas.

1. Frictionless commerce

In-store, computer vision, sensors, and RFID tags accelerate checkout and provide real-time stock visibility. A number of supermarket chains,[4] are testing AI-enabled self-checkouts that detect unscanned items via camera, reducing both theft and friction.

Online, AI agents allow natural language search and instant purchase. Ask for "a waterproof jacket for hiking in the Alps" or "a tasty supper for my vegan partner who has a nut allergy" and the AI delivers options, availability, and delivery in one simple interaction.

Europe's leading consumer electronics retailer, MediaMarktSaturn, has rolled out MyBuddy,[5] a multilingual, voice-enabled AI assistant that supports staff in real time, blending human empathy with AI efficiency. By providing expert information to assist in sales conversations it reduces reliance on managers for routine queries.

> **"**
> Organizations with ambitious AI agendas are seeing the most benefit."
>
> **McKinsey[6]**
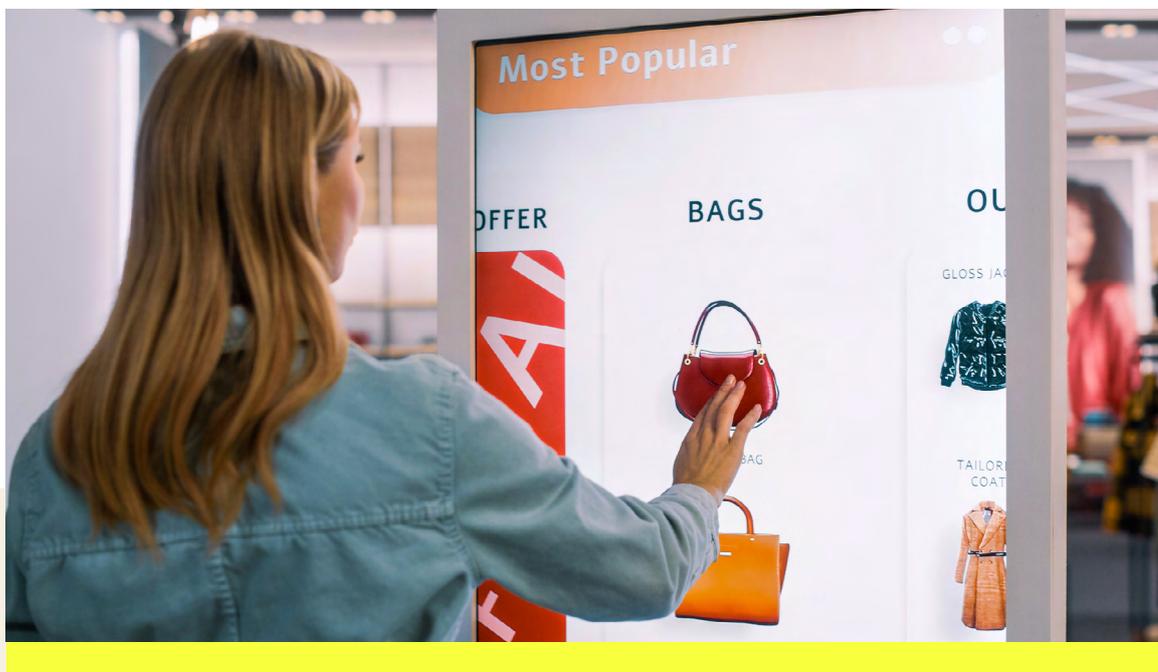
[4]Retail Gazette, Lidl follows Tesco in rolling out 'checkout VAR' to tackle shoplifting, July 2025

[5]Microsoft, Empowering retail employees with AI: MediaMarktSaturn partners traith Accenture, Avanade and Microsoft, June 2025

[6]McKinsey Report, The agentic commerce opportunity: How AI agents are ushering in a new era for consumers and merchants, October 2025

2. Richer, more personal experiences

From frictionless checkouts to predictive inventory, AI is making retail smarter, faster, and unforgettable.

The level of AI-enabled personalization is unprecedented. Retailers can now analyze vast datasets, delivering one-to-one experiences previously impossible at scale.

AI also empowers staff with customer history and behavioral insights, enabling seamless interactions across digital and touchpoints. The result: personalization that feels human, powered by the scale and speed of data.

- **Fashion:** Zalando's AI assistant pairs individual context—weather, location, occasion—with trends, creating complete outfit recommendations, not just single-item suggestions.[7]

- **Beauty:** Sephora's *Virtual Artist* allows customers to virtually try hundreds of cosmetics, accurately matching shades to faces using AR and AI.[8]
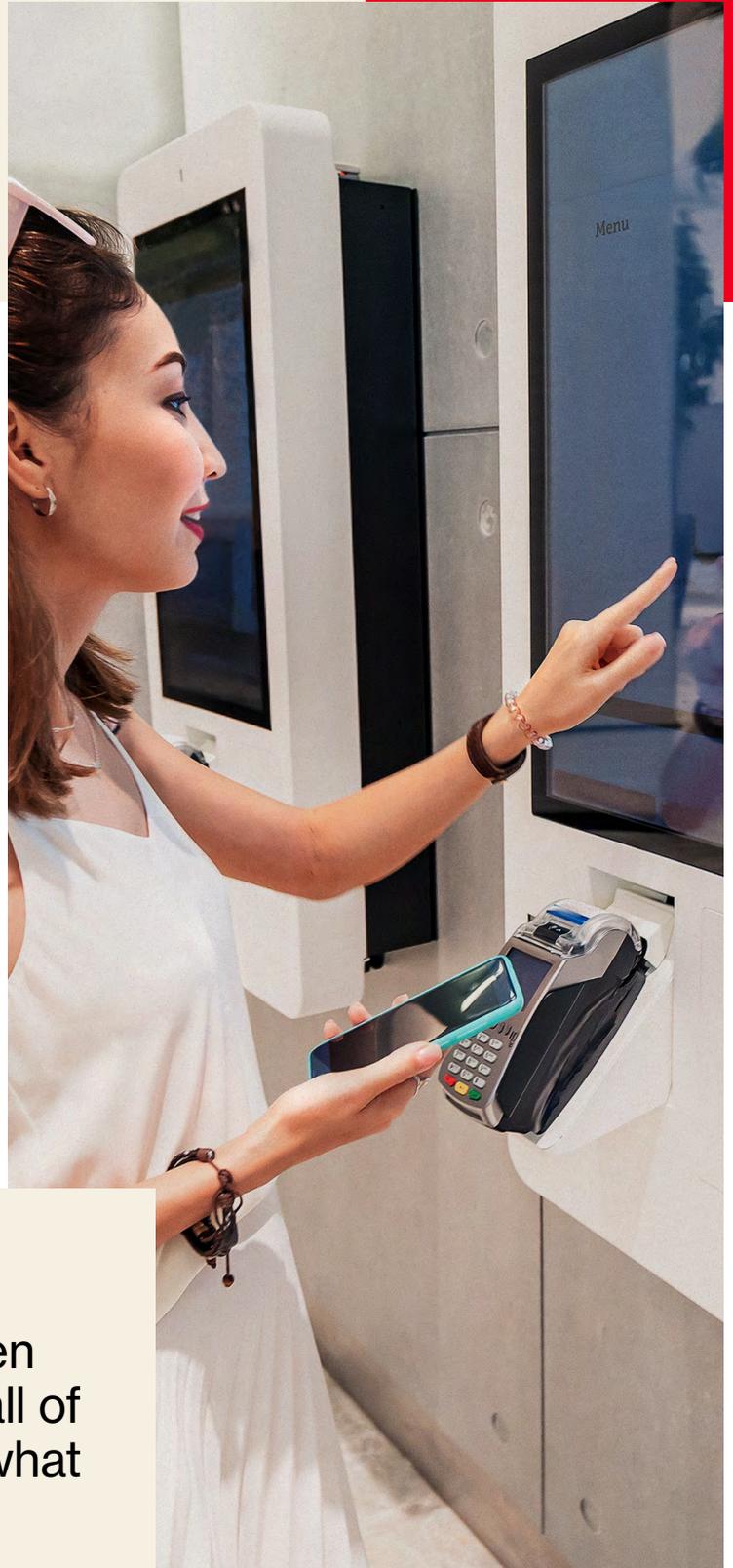
> "
> Why try on 15 shirts when you can swipe through all of them and instantly see what you'd look like?"
>
> **James Hughes**
> Retail Chief Technology Officer, Verizon EMEA

[7]Zalando, Zalando brings its AI-powered assistant to all markets and adds four new cities to its Trend Spotter, October 2024

[8]Cut the SAAS, Beauty and the Bot: How Sephora Reimagined Customer Experience with AI, February 2024
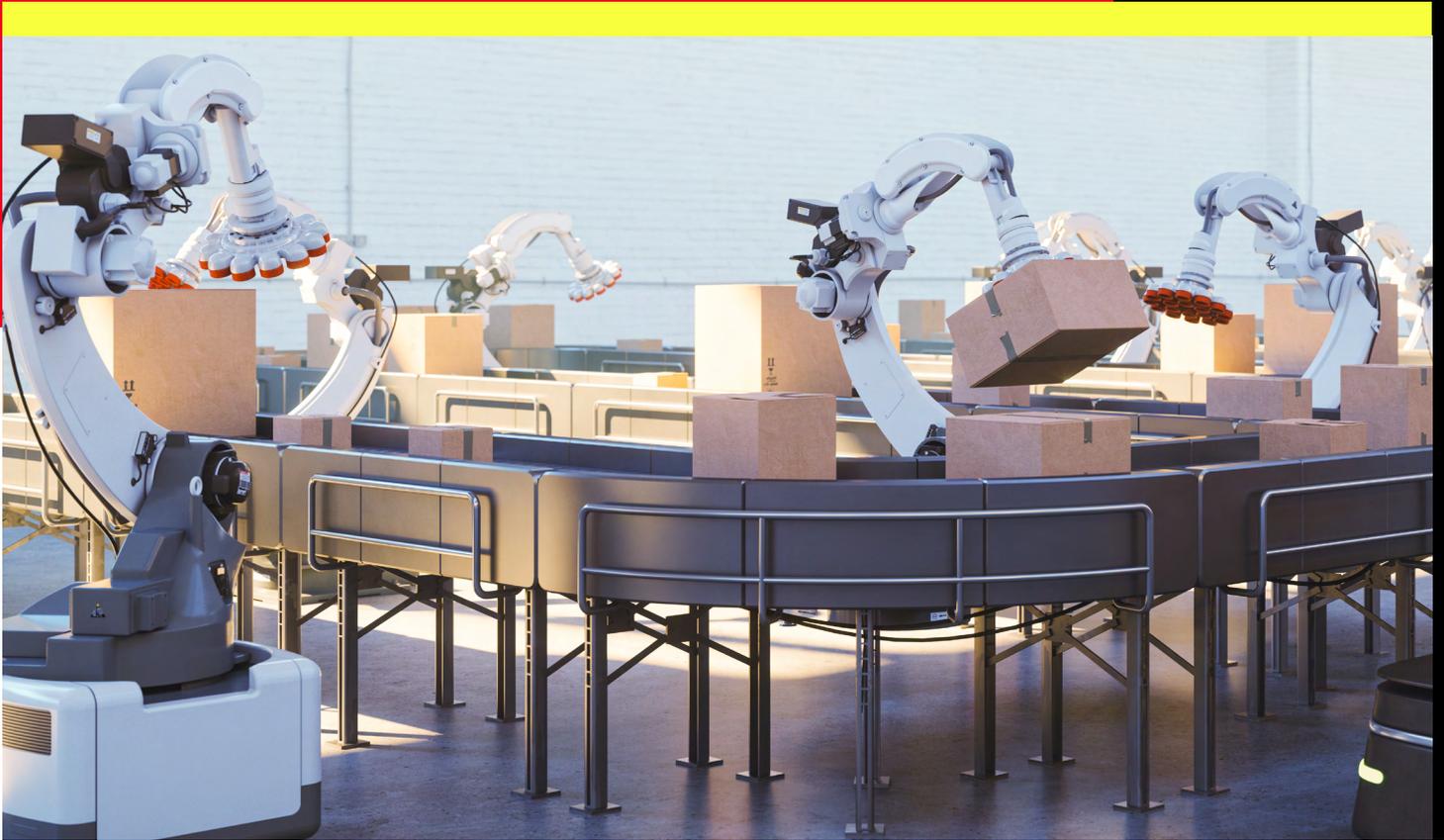
3. **Intelligent** supply chain and operations

Behind the scenes, smart inventory management and predictive logistics are taking over. AI is transforming reactive operations into near-autonomous retail ecosystems. Which means that human teams can focus on creativity and customer experience, while AI handles operational complexity.

Walmart offers a glimpse of where this can lead.[9] Having built advanced AI capabilities to optimize its own vast supply chain, the retailer has gone a step further—turning that experience and expertise into a SaaS offering for others. Through Walmart Commerce Technologies™, it has launched an AI-powered logistics tool that helps businesses optimize their delivery routes, thereby improving inventory and fulfillment. It's an excellent example of how data and AI investments, initially designed to solve internal challenges, can evolve into entirely new revenue streams when they're properly scaled, proven in practice, and made available beyond the enterprise.

> **"**
> Because brands are concerned about being disintermediated by AI systems like ChatGPT, they're focusing on owning the customer journey and doubling down on stores and ecosystems."
>
> **James Hughes**
> Retail Chief Technology Officer,
> Verizon EMEA

[9]Walmart Press Release, Walmart Commerce Technologies Launches AI-Powered Logistics Product, March 2024

The rise of agentic commerce

In this new retail world, agentic commerce represents the next frontier. Shoppers will use AI agents for discovery, negotiation, transaction, and post-purchase support. Experiences will seamlessly connect online and in-store journeys, combining real-time stock visibility with contextual signals like location and time of day.

Luxury leaders like LVMH are already leveraging AI agents to amplify service.[10] Insight-rich customer profiles, built from online and offline data, enable associates to instantly locate likely purchases or even transfer stock between stores before a customer visit.

In short, agentic AI is rapidly rewriting the rules and those retailers who master connectivity will be best placed to lead the next era of customer experience.

> " The most impactful use cases are four-fold:
> those that enable assisted agents, empower customers through self-service, automate operational support, and introduce agentic AI across their stack."
>
> **Gartner®[11]**

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[10]Google Cloud, Inside LVMH's perfectly manicured data estate, where luxury AI agents are taking root, June 2025

[11]Gartner Press Release, Gartner Says the Most Valuable AI Use Cases for Customer Service and Support Fall into Four Areas, 8 October 2025. GARTNER is a trademark of Gartner, Inc. and/or its affiliates.

Nonetheless, agentic commerce also comes with significant strategic challenges. How do you…

- ensure visibility when AI agents filter products?

- maintain brand value when pricing and features are instantly comparable?

- keep a direct relationship with customers if agents become the primary path to purchase? With three parties involved, there's a risk of being sidelined.

A fresh mindset is needed. Agentic commerce offers massive opportunity, but only for those retailers prepared to treat AI agents as a new audience—optimizing products, experiences, and data—rather than just tools.

All of this sounds compelling, if a little daunting, but it also raises a harder, less glamorous question: what must be in place to make any of it work at scale?

"

Imagine a model that counts bottles on every shelf in a supermarket. All retailers will want immediate access. Data streams — video feeds of shelves — will suddenly require tens of gigabits in a matter of days. Will you be ready?"

Colin Wilson
Verizon Enterprise Architect
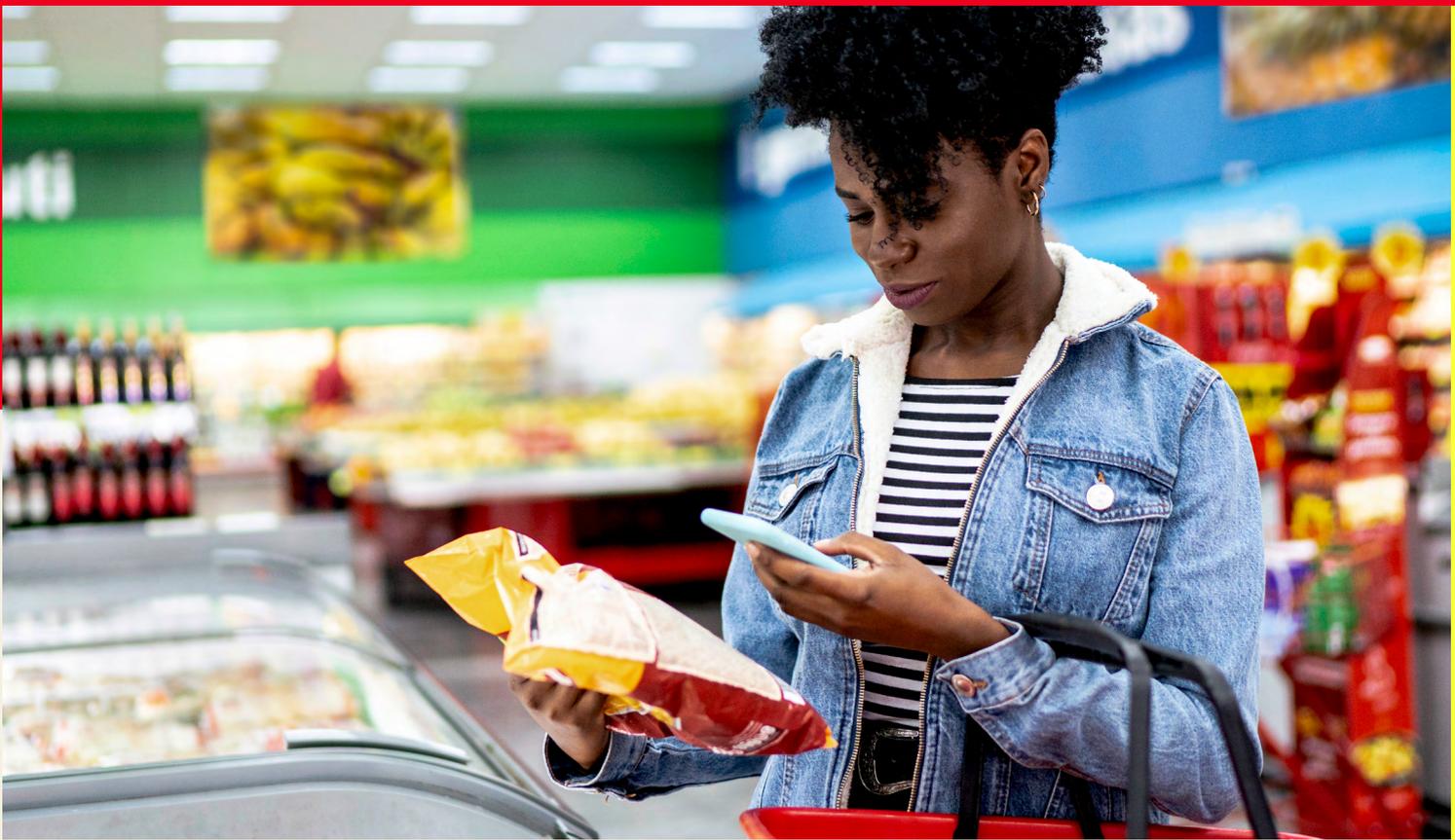
The invisible engine powering AI success

AI's potential in retail is enormous, but infrastructure is critical. We believe the formula for success is simple: smarter networks deliver smarter retail which, in turn, encourages smarter growth. High-performance connectivity underpins every successful AI initiative. Even the smartest AI systems may fail to deliver without high bandwidth, low latency, and reliability.

Crucially, monetizing AI depends on scale. Innovation only turns into value when AI moves beyond pilots and becomes business as usual, embedded reliably into day-to-day operations. That challenge is amplified in retail, where AI must perform consistently across a distributed physical footprint of stores, fulfillment centers, and supply hubs. If intelligent experiences can't run everywhere customers shop and employees work, they can't scale. Without scale, AI doesn't pay back.

> "
> Beware cyclical spikes. Christmas or other peak periods put enormous strain on networks. These are rarely discussed but critical for AI readiness."
>
> **Robert Leitner**
> Senior Product Marketing Manager,
> Global Data Networking,
> Verizon Partner Solutions

Avoiding the pitfalls

This is the point where many AI strategies can stall. Not because the ideas aren't sound, but because the underlying network can't cope. Latency really matters. Lags in AR try-ons, AI recommendations, or smart checkouts shatter the illusion of seamlessness. No customer wants their shopping journey delayed by data traffic jams. That's why many retailers are moving AI processing to the edge, closer to stores or users, thereby improving responsiveness.

Also, don't forget that security is equally vital in the AI retail race. As AI becomes embedded across customer journeys, operations, and supply chains, retailers are handling more sensitive data in more places—from transaction records and loyalty profiles to live video feeds and behavioral signals at the edge. In a highly distributed retail environment, trust can't be assumed and security can't be bolted on. It needs to be built in from the outset, with a zero-trust mindset that treats every connection, device, and workload as potentially exposed.

Without consistent, end-to-end security across networks, locations, and partners, fragmentation becomes a liability—slowing scale, increasing risk, and undermining the very experiences AI is meant to improve.

By 2028

50%

of organizations will implement a zero-trust posture for data governance due to the proliferation of unverified AI-generated data.

Gartner®¹²

¹²Gartner Press Release, Gartner Predicts by 2028, 50% Of Organizations Will Adopt Zero-Trust Data Governance as Unverified AI-Generated Data Grows, 21 January 2026. GARTNER is a trademark of Gartner, Inc. and/or its affiliates.
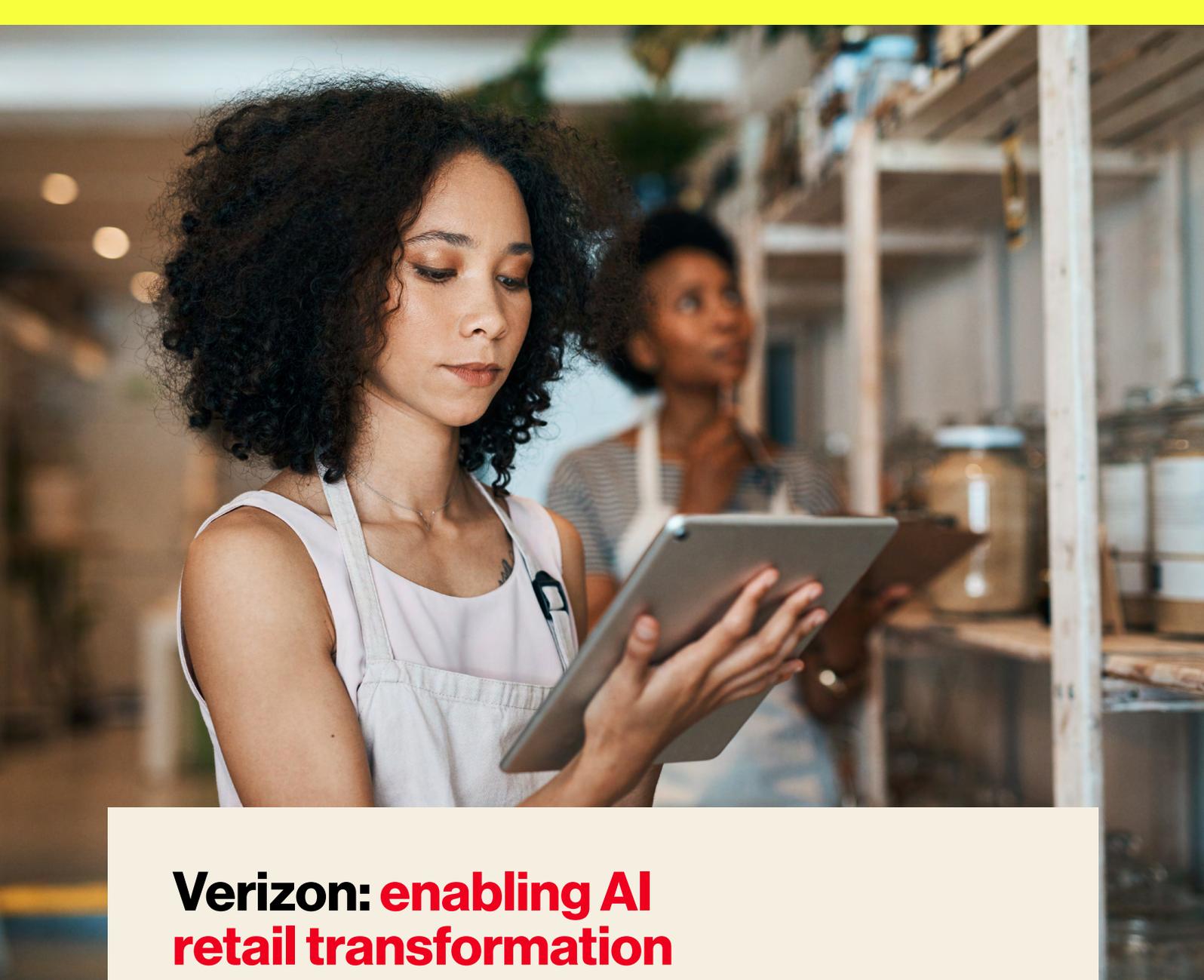
Verizon: enabling AI retail transformation

Unlocking AI value at scale requires intelligent, resilient, and adaptive infrastructure. Verizon combines network leadership with hands-on AI deployment to help retailers succeed.

- **AI-powered network reliability:** Verizon uses AI internally for predictive network optimization, preventing fiber cuts and downtime

- **Optimized customer service:** AI agent-assist tools analyze calls in real time, surfacing instant solutions and demonstrating practical AI applications.

- **Infrastructure as a barrier:** Verizon designs flexible, secure, and AI-ready networks that enable retailers to move from pilot projects to routine AI operations.

- **AI as a growth driver:** Beyond efficiency, Verizon helps retailers unlock new revenue streams, personalized experiences, and intelligent supply chain management.

- **Data-driven strategic decisions:** Using AI and machine learning, Verizon helps forecast demand, mitigate risks, and gain actionable insights.

> **"**
> Many companies are prioritizing compute and storage, but are neglecting the network. Software may be brilliant, but speed of delivery is what makes AI transformative."
>
> **James Hughes**
> Retail Chief Technology Officer,
> Verizon EMEA

Are you happy with your network performance today?

A recent study found that 48% of medium and large retail businesses cite network and IT infrastructure as the biggest frustration when launching new technology services in-store.[13] With retailers increasingly relying on connected technologies like AI to enhance customer experiences, this frustration is only likely to intensify.

If retailers want to make sure their networks are up to scratch and can carry the additional load that AI will inevitably place on them, they need to ask themselves several straight questions :

- **Data:** Can we instantly sync inventory, CRM, and supply chain data to fuel AI-driven sales and stock decisions?

- **Volume:** Will our AI and web platforms still perform during high traffic sales?

- **Latency:** Is our tech fast enough to deliver seamless customer experiences, like smart search, instant checkout or AI-powered call centers?

- **Scale:** Can our infrastructure scale to support multiple stores with increasing bandwidth demands?

- **In-store Experience:** How good is your guest Wi-Fi experience and can it scale up as user adoption rises?

- **Security:** Is our customer and payment data fully protected against breaches and compliant with global privacy laws?

Can your organization give a categorical 'yes' to all of those? If not, it may be time to rethink whether your network is able to support the future you're building. The next step isn't another pilot—it's making sure the right foundations are in place.sure the right foundations are in place.

Don't get left behind

Download the Verizon Business **"Monetizing AI" whitepaper** for insights on turning AI and connectivity into revenue and accelerating your growth. Or **contact Verizon** to discuss retail readiness for the next generation of generative and agentic AI.

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[13]Ericsson Cradepoint, Retailers cite fixed broadband as main blocker to consistent in-store service and improved customer experience, 2 April 2025

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