



CTVG examines generative AI and retailing in latest report

The Convenience Technology Vision Group (CTVG) released their newest Vision Report that addresses the potential of generative AI for convenience retailing.

CTVG's December 6, 2023 quarterly virtual meeting focused on the transformative impact of artificial intelligence (AI) on the retail landscape with an exclusive presentation by Greg Buzek, founder and president of IHL Group, in discussion with CTVG members. Facilitated by industry technology expert, Ed Collupy, the meeting discussed the many opportunities, as well as potential challenges, associated with employing various forms of AI.

Buzek's presentation titled "Retail Radical AI Transformation" explored the tangible results that can be realized by incorporating generative AI in retail operations. He outlined the specific areas where AI is making a significant impact in several different retail sectors, including personalizing customer experiences, inventory visibility, and corporate back-office functions. He emphasized the competitive advantages, and necessity, of having clean data for unleashing the transformative power of generative AI.

CTVG members and Buzek emphasized the growing significance of AI in the convenience industry. The ensuing discussion explored the nuanced nature of pricing strategies, addressing a combination of optimism and skepticism from CTVG members.

CTVG members, including Robert Hampton, vice president of technology services and innovation for Jackson's Food Stores, Mike Templeton, Casey's director of digital experience, Steve Evans, chief technology officer with Haffner's/Energy North and Rance Wells, Toot'n Totum's vice president of IT shared their experiences and perspectives on various practical applications for AI within their companies, ranging from operations to communications.

Key takeaways in the report include:

It's all About the Data Integrity

The discussion highlighted the challenges and benefits of AI adoption, emphasizing the vital need for clean data. Buzek provided strategic insights into addressing obstacles related to data cleanliness resulting in substantial business benefits.

"It's not going to be in that sizzle or customer facing stuff that I would focus my efforts. I would do it on all the plumbing, all that offensive line work, so to speak, the blocking and tackling stuff that's behind the scenes, that's where the biggest benefits are, and you have the greatest opportunity for growing," says Greg Buzek, Founder and President, IHL Group.

Buzek advised larger organizations to explore AI within existing business applications and smaller companies to consider ERP providers and third-party solutions for integration. The discussion also touched on AI governance frameworks and ethical considerations in marketing.

Who is Doing What?

CTVG members shared their experiences with AI adoption, ranging from companies exploring possibilities to those implementing AI-driven solutions for enhanced customer experiences and operational efficiency. The meeting revealed diverse applications, from fuel pricing and inventory monitoring to AI-driven chatbots and employee training.

Rance Wells, Vice President of IT, Toot'n Totum says "[AI] is definitely a new tool in our toolkit that we're using for all kinds of stuff around the organization. But as far as taking our data and making it actionable, we're still looking to figure out how we're going to do that."

Jason Collins, Director of IT, Englefield Oil speculates, "I think this entire industry is very early in this process. For a company like ours with 120 stores, an IT staff of five, it's not something we've thought about, hasn't been on the radar. We would probably, generally in our environment, look at the ERP providers, all the third parties that we're leaning on, to use that with their systems and bring it to us. And that would be our first jump into AI."

What's Next for AI

"We're never going to build our own natural language module and do that sort of stuff. It's going to come packaged in my ERP (Enterprise Resource Planning) system...where I've got pieces or sections of my business data that are clean, because I've got four ERP systems and six POS systems. I'm never going to spin all that stuff together. And because of our industry, it'll probably never change. So there's always going to be that headwind," comments Steve Evans, Chief Technology Officer, Haffner's/Energy North.

Lightning Round Update on POS Solutions

The meeting also revisited previous CTVG discussions regarding challenges with point-of-sale (POS) systems. During a lightning round, CTVG members reported that advancing POS technologies within their organizations continues to be a priority, emphasizing the need for strategic approaches and continued dialogue with POS solution providers.

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