

# AI: Personalisation's new frontier.

66% of consumers say most companies treat them as a number.<sup>1</sup>

In the face of fast-moving trend cycles and increasing consumer demands and expectations, brands are being challenged to deliver personalised experiences that feel relevant and engaging to each individual customer.



**39%**

of businesses say they have difficulty implementing personalisation technology in a way that produces results.<sup>2</sup>

## Leveraging AI for enhanced personalisation

For some of the world's biggest brands, this challenge has become an opportunity to take personalisation to the next level with the vast capabilities offered by AI technology.

1

### Improved trend prediction.

Over **25%**

of retailers say they are investing in artificial intelligence for demand forecasting and prediction.<sup>3</sup>

AI can process vast amounts of data at high speeds and deliver real-time actionable insights.



2

### Tailor recommendations to individual shoppers' preferences.

**25%**

over a quarter of Europeans would prefer it if brands personalised offerings to them based on their interests.<sup>4</sup>

Bringing the right items to the attention of your customer at the right time can help reduce card abandonment and increase sales.

3

### Maintain a human touch.

**48%**

of consumers worry about the loss of human connection with AI.<sup>5</sup>

Brands are helping consumers embrace AI personalisation by building human-centric tools powered by expert knowledge.



4

### Help consumers to better explore their tastes.

**41%**

of Europeans say they are frustrated by messaging from brands failing to reflect their wants and needs.<sup>6</sup>

AI technology can help tailor product discovery and suggestions to your consumers' personalities, catering to the underlying desires that shape their purchase decisions.

## Be inspired by the AI personalisation developed by world-leading brands.

L'Oreal



The cosmetics company developed an AI-powered social listening tool to detect emerging trends, ensuring their product development aligns with current consumer interests.<sup>7</sup>

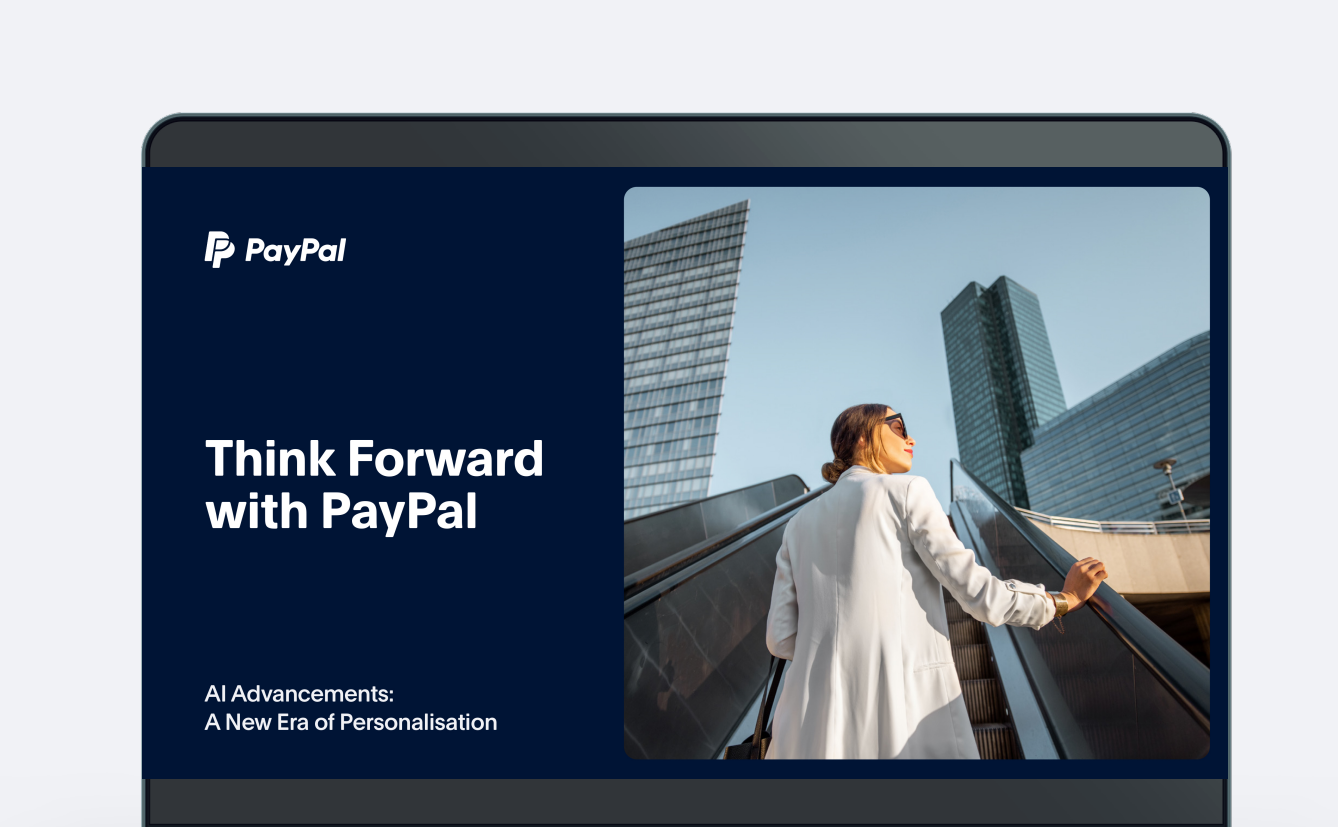
Etsy



The e-commerce giant has an AI-driven "Gift Mode" that recommends gifts based on the recipient's interests and personality, improving customer satisfaction and engagement.<sup>8</sup>

Discover even more insights on how AI personalisation is advancing commerce in the latest issue of our Think Forward with PayPal series: **AI Advancements: A New Era of Personalisation**

Download



1. State of the connected customer, Salesforce, 2023

2. The state of personalization, Twilio, 2023.

3. State of AI in retail and CPG: 2024 trends survey report, Nvidia, 2024

4. Your online voices, EDAA, 2022.

5. Consumer trends report, Qualtrics, 2024.

6. 2024 European consumer trends index, Marigold Engage, 2024.

7. How AI-powered ultra-personalised experiences are boosting our beauty brands, Unilever, Jun 2024.

8. Etsy launches 'Gift Mode' a new AI-powered feature that generates 200+ gift guides, Tech Crunch, Jan 2024.