2026 EDITION · FREE GUIDE

The AI Advantage

For retail and e-commerce

How retailers and online sellers can use AI to personalize shopping, manage inventory and grow margin.

Toby S. Reeves
Founder, IndyLogic Technologies

indylogic.com
(317) 342-1511

INTRODUCTION

Where AI pays off first

AI now shapes how shoppers find products, how prices are set and how inventory moves. Some shoppers now start their search inside AI assistants, which raises the bar for clear, complete product information.

This guide covers ten questions retail and e-commerce leaders ask most, each with a scenario, what AI can do, and an example tool. You do not need an in-house AI team to start.

1. Take the checklist
Ten yes-or-no questions show where you stand today.

2. Read the ten answers
Each pairs a common problem with what AI can do about it.

3. Pick one place to start
The last page shows how to turn a good idea into a working result.



ABOUT THE AUTHOR

Toby S. Reeves

Toby has spent about 30 years in technology sales and executive leadership. He founded IndyLogic Technologies, which helps mid-market companies find where AI creates practical value and put it to work, starting with how work actually gets done.

He holds an MBA in Information Technology Management and has studied generative AI through Vanderbilt University and Google Cloud. He leads the Indiana chapter of the International Trade Council, teaches Google AI Essentials to business and community leaders through Ivy Tech Career Link, and wrote *The Quantum Leap: Transforming Commerce for the Future*.

toby@tobysreeves.com · (317) 342-1511 · linkedin.com/in/tobyreeves

AI READINESS CHECKLIST

Ten questions to answer before you spend

Answer each one honestly for your organization today. The goal is not a perfect score. It is a clear view of where AI could help first.

01	Do product recommendations change based on what each shopper browses and buys?	☐ Yes ☐ No
02	Can shoppers get answers about products, shipping and returns instantly?	☐ Yes ☐ No
03	Is inventory planned from demand forecasts rather than gut feel?	☐ Yes ☐ No
04	Are transactions screened for fraud automatically?	☐ Yes ☐ No
05	Do prices respond to demand, costs and competitors?	☐ Yes ☐ No
06	Do your ad campaigns use AI-driven targeting and budget allocation?	☐ Yes ☐ No
07	Is AI helping you plan logistics and replenishment?	☐ Yes ☐ No
08	Can shoppers search by image?	☐ Yes ☐ No
09	Are your emails and texts personalized to each customer?	☐ Yes ☐ No
10	Is your product information clear enough for AI assistants to recommend you?	☐ Yes ☐ No

0 to 3 yes
You are early. Start with one high-volume, low-risk task.

4 to 7 yes
You are building. Connect your wins and put a policy in writing.

8 to 10 yes
You are ready to scale. Focus on measurement and governance.

THE TOP 10 QUESTIONS, ANSWERED

What leaders ask most

01

How can AI improve product recommendations?

THE SITUATION

Shoppers are overwhelmed by choice and leave without buying.

WHAT AI CAN DO

AI recommendation engines use browsing and purchase history to show each shopper the most relevant products, raising conversion and order value.

Worth a look: Dynamic Yield by Mastercard, AI-driven personalization and product recommendations.

02

How can AI reduce abandoned carts?

THE SITUATION

Shoppers have questions about sizing, shipping or returns and leave when no one answers.

WHAT AI CAN DO

AI agents answer product and order questions instantly, check order status and help shoppers finish checkout, handing complex issues to staff.

Worth a look: Gorgias, an e-commerce help desk with AI agents built for online stores.

03

How can AI improve inventory planning?

THE SITUATION

Stores run out of best sellers while slow movers pile up.

WHAT AI CAN DO

AI forecasting analyzes sales, seasonality and local demand to set stock levels by item and location.

Worth a look: Blue Yonder, AI-driven demand forecasting and replenishment for retailers.

04

How can AI stop online fraud?

THE SITUATION

Fraudulent orders and chargebacks eat into margin and customer trust.

WHAT AI CAN DO

AI fraud tools score each order using device, behavior and payment signals, approving good orders and stopping risky ones.

Worth a look: Fraud.net, AI-powered fraud detection and risk management.

05

Will AI replace customer service staff?

THE SITUATION

A growing brand wants to scale support but worries AI will feel cold to customers.

WHAT AI CAN DO

AI handles routine questions so staff can focus on the conversations that build loyalty. Customers should always be able to reach a person.

Worth a look: Zendesk AI, AI agents that automate routine requests and escalate complex ones to people.

06

How can AI improve pricing?

THE SITUATION

A retailer loses sales to competitors who change prices daily.

WHAT AI CAN DO

AI pricing tools adjust prices and promotions based on demand, inventory and competitor moves, within the guardrails you set.

Worth a look: PROS, AI-driven pricing optimization software.

07

How can AI improve digital advertising?

THE SITUATION

Ad spend keeps rising, but return on ad spend keeps falling.

WHAT AI CAN DO

The major ad platforms now use AI to find buyers, test creative and move budget automatically. Your job is to feed them good product data and clear goals.

Worth a look: Meta Advantage+ and Google Performance Max, AI-driven campaign types built into Meta and Google ads.

08

How can AI streamline logistics?

THE SITUATION

Delays and unpredictable demand leave stock in the wrong place.

WHAT AI CAN DO

AI supply chain tools model demand and network scenarios to decide where inventory should sit and how it should move.

Worth a look: Coupa Supply Chain Design and Planning, AI-driven supply chain modeling, formerly known as LLamasoft.

09

How can AI power visual search?

THE SITUATION

Shoppers know what they want when they see it but cannot describe it in a search box.

WHAT AI CAN DO

Visual search lets shoppers upload a photo and find matching or similar products in your catalog.

Worth a look: Syte, AI-driven visual search and product discovery for retailers.

10

How can AI personalize email and texts?

THE SITUATION

Generic promotions lead to low engagement and rising unsubscribes.

WHAT AI CAN DO

AI email and SMS tools personalize timing, products and content for each customer based on their behavior.

Worth a look: Klaviyo, email and SMS marketing with AI-driven segmentation and personalization.

Ground rules for any AI project

- Keep customer and employee data out of tools your company has not approved.
- Put a short AI use policy in writing, and train people on it.
- Keep a person responsible for decisions that affect customers, money or safety.
- Measure the before and after, so you know what actually paid off.

Tools change quickly. The examples in this guide were checked in October 2026 and are starting points, not endorsements. IndyLogic is vendor-neutral and earns no commissions from any vendor named here.

WHERE TO START

From a good idea to a working result

Retailers win with AI when it makes shopping easier and inventory smarter. Start where customers drop off or stock goes wrong, test against a control group, and keep a person available for customers who want one.

1. **Look at the work, not the tools**
   Map the tasks that take the most time or cause the most errors. That is where the payoff is.

2. **Pick one use case and size it**
   Estimate the hours or dollars at stake, and the risk if it goes wrong. Start where the payoff is high and the risk is low.

3. **Run a small pilot and measure it**
   Test with a few people for a few weeks. Compare the results with how the work was done before.

4. **Write the rules, then scale**
   Document what the AI may and may not do, who reviews it, and how it is monitored. Then roll it out.

Want a second opinion on where to start?

Run the free AI opportunity scan at indylogic.com. Enter your website and see three places AI could pay off first, in about 20 seconds. Or book a short call with Toby.

indylogic.com
(317) 342-1511
info@indylogic.com

IndyLogic Technologies, a company of Olympia Point Ventures, LLC · 69 Washington Ave, #425, Cicero, IN 46034 · indylogic.com