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Retail in Asia Pacific: Building Competitive Advantage with AI

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AI is becoming part of the retail operating model. Consumers are using new ways to discover and evaluate products, while retailers are applying AI across customer engagement, merchandising, operations, and enterprise processes.

AI is Changing How Consumers Discover Products

AI is creating a new path to purchase. Retailers are competing not only for search visibility, but for visibility within AI-driven recommendations.

01. Amazon has launched India's first AI Store, using conversational AI to help customers discover and evaluate AI-enabled products based on their needs.

02. Sea Ltd is developing AI shopping agents for Shopee to support AI-assisted product discovery and purchasing.

03. Flipkart is rolling out an AI-powered interface that replaces traditional search with conversational experiences to better understand customer intent.

Product data, metadata, and catalogue quality are becoming commercial assets as AI determines how products are understood, compared, and recommended.

AI is Moving from Customer Experience to Store Operations

Retailers are extending AI beyond customer-facing applications into inventory, replenishment, workforce support, and store productivity.

Lawson
is deploying AI cameras and digital shelf displays to improve replenishment, shelf management, and store productivity.

Kmart
has introduced AI-powered shopping tools to improve product discovery, visualisation, and online-to-store experiences.

FairPrice Group
is expanding AI across supermarkets, including smart carts and an AI assistant supporting store staff.

Samsung's Business Experience Studio
in India has demonstrated connected retail environments combining AI and digital experiences.

The opportunity is shifting from improving the shopping journey alone to applying AI to the operational decisions that run retail businesses.

Innovation Drives AI Investment; Business Outcomes Determine Scale

LEADING AI PRIORITIES IN ASIA PACIFIC RETAIL

- **57%** Product & service innovation
- **41%** Business intelligence
- **37%** Operational Efficiency & Automation
- **35%** Customer experience
- **29%** Marketing & sales

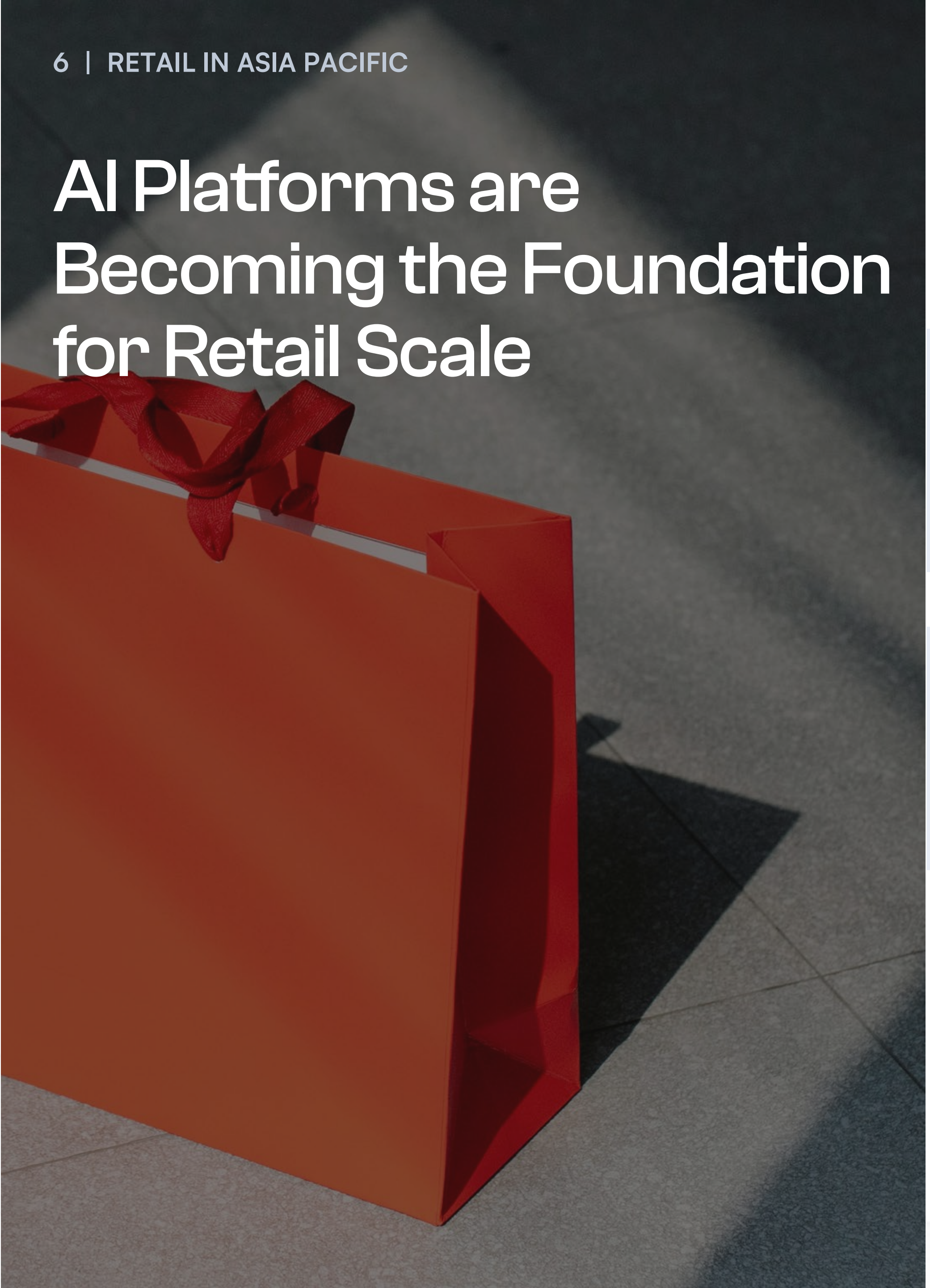
Retailers are prioritising AI investments that create new products, services, and capabilities, but continued adoption depends on measurable value.

HOW RETAILERS MEASURE AI SUCCESS

- **57%** Employee productivity
- **51%** Cost reduction
- **51%** Customer satisfaction

Source: Ecosystm, 2026

Innovation may secure investment, but productivity, efficiency, and customer outcomes determine whether AI scales.



AI Platforms are Becoming the Foundation for Retail Scale

Retailers are moving towards shared AI capabilities that support multiple brands, channels, and business functions.

Wesfarmers is embedding AI across Kmart, Bunnings, Priceline, and other businesses to optimise supply chains, automate workflows, and improve customer experiences.

AS Watson is extending AI across its O+O retail model to support customer engagement, store operations, analytics, and employee productivity across 12 retail brands.

Common platforms, data foundations, and governance models enable retailers to extend successful AI capabilities without rebuilding them across every brand or function.

AI Adoption Depends on Organisational Capability

The constraint on AI adoption is shifting from access to technology towards the ability to apply it effectively.

BIGGEST BARRIERS TO AI ADOPTION IN ASIA PACIFIC RETAIL

62%
Skills shortages

54%
Budget constraints & ROI assessments

43%
Leadership alignment

40%
Infrastructure limitations

Source: Ecosystm, 2026

Retailers need the skills, leadership alignment, and business processes to turn AI investments into repeatable outcomes across the organisation.

Ecosystm Opinion

Asia Pacific retailers have already built significant AI experience through eCommerce and digital customer engagement. The opportunity now is to apply those learnings more broadly, using digital interaction data to improve merchandising, operations, and customer decisions.

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