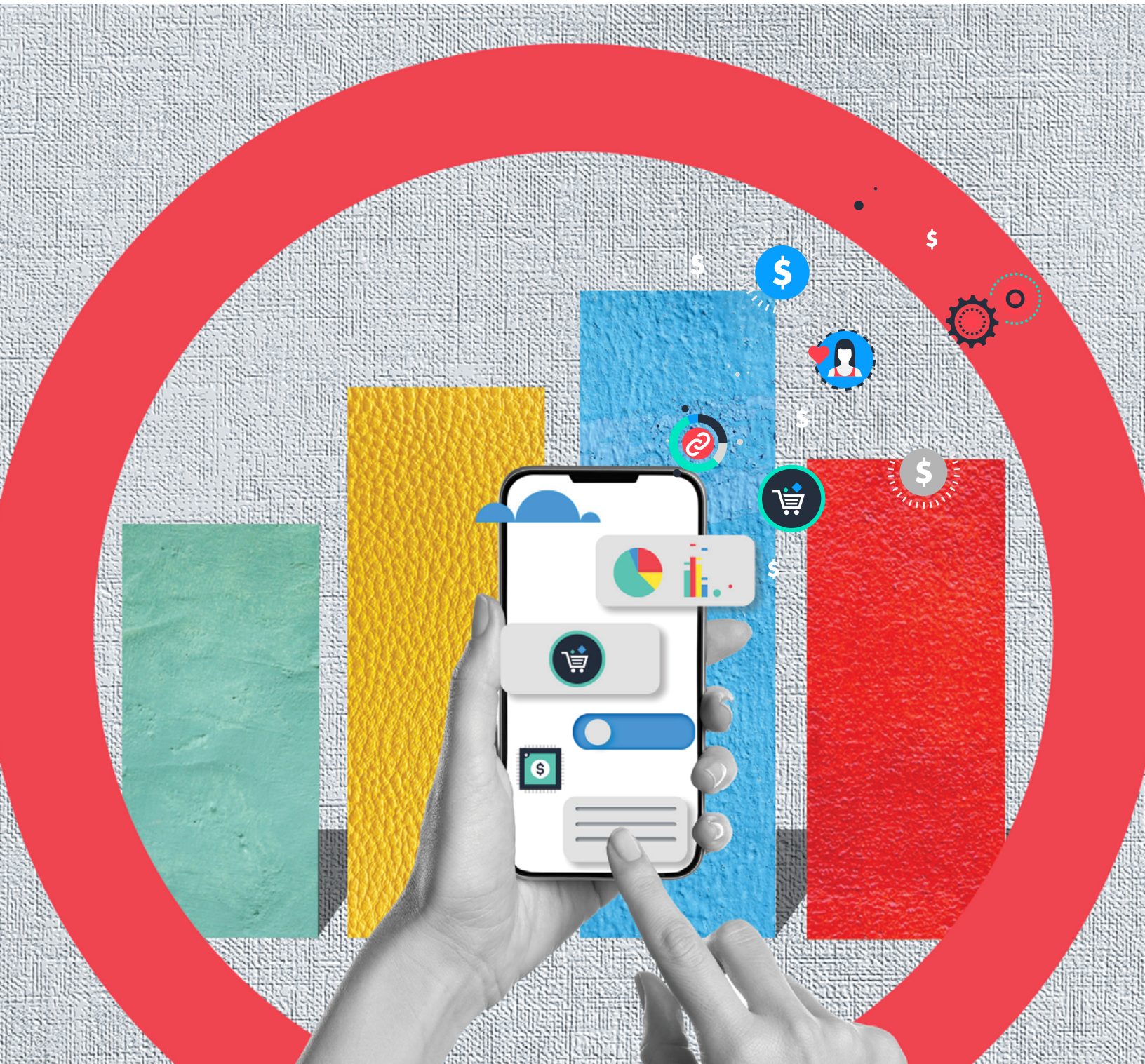


The Four Pillars of E-Commerce Profitability in the Era of Generative AI

How retailers can optimize digital channels to increase organizational efficiency, improve customer-centricity and drive growth



In just two years, commerce leaders expect

[more than half of revenue](#) to come from digital channels—up from only 31% two years ago. For retailers, this meteoric rise is no small concern. As digital channels become increasingly important, retailers (and e-commerce teams, specifically) feel the pressure to create innovative, engaging shopping experiences while maintaining profitability. And that’s a tall order at a time when competition is steep, margins are thin, and budgets are shrinking.

Traditional retailers must consider how they can optimize e-commerce by lining up operations, people, and technology across the value chain to unlock new efficiencies and build value for the customer and the business. Enter Agentic AI: intelligent systems designed to seamlessly integrate into the flow of work, driving operational efficiencies and enhancing customer experiences. Platforms like Salesforce Agentforce bring AI-driven automation directly into the organization’s processes, helping teams work smarter while focusing on what matters most: serving the customer.

Agentic AI-powered tools don’t just streamline back-office operations, they enable teams to anticipate customer needs and provide personalized, impactful interactions at every touchpoint. By embedding AI agents into workflows, businesses can accelerate decisions, optimize resource allocation, and proactively respond to market demands, all while reducing costs.

For most retailers, the path to e-commerce profitability does not resemble a straight line. Sustaining e-commerce profitability is a journey that twists and turns throughout the entire organization, evolving in tandem with changing customer needs, beliefs and behaviors. While it may appear simpler to examine and address each business function individually, true optimization requires a holistic approach—one that links efforts, compounds efficiency gains, and leverages advanced AI agents to unify strategies.

Here, we examine the four pillars of e-commerce profitability in the era of generative AI and how retailers can optimize their efforts to generate new, sustainable revenue streams while leveraging AI-driven solutions like Agentforce to enhance existing processes for cost savings and efficiency.

To maintain profitability, retailers must continue to scale revenue drivers while optimizing costs.

MOBILE SHOPPING
ACCOUNTS FOR OVER

70%

OF GLOBAL
ECOMMERCE TRAFFIC

REVENUE

Practices that help retailers bring in new revenue and maintain loyalty, like:

- Better merchandising
- Customer acquisition & retention
- Dynamic pricing
- Data monetization
- Platform transformation
- Exceptional customer experience

COST

Operations that erode profit margins that should be optimized, including:

- Supply chain
- Inventory & order management
- Returns
- IT transformation

1 PILLAR Customer Acquisition and Retention

Just as product pricing may differ from channel to channel, so does customer marketing. The costs associated with drawing customers into stores vs. onto mobile sites are markedly different.

However, data can help find the answers. By analyzing sales figures against all marketing efforts, it is possible to understand what types of offers consumers are most responsive to. This provides an opportunity for optimization because the most expensive advertising options are not always the most effective. For example, some retailers may be able to focus efforts on days and times that are most effective. In this way, retailers can shave marketing costs while still generating brand engagement.

PERSONALIZATION DRIVES ONGOING CUSTOMER LOYALTY

Retailers should consider the differences between new and existing customers and shape retention

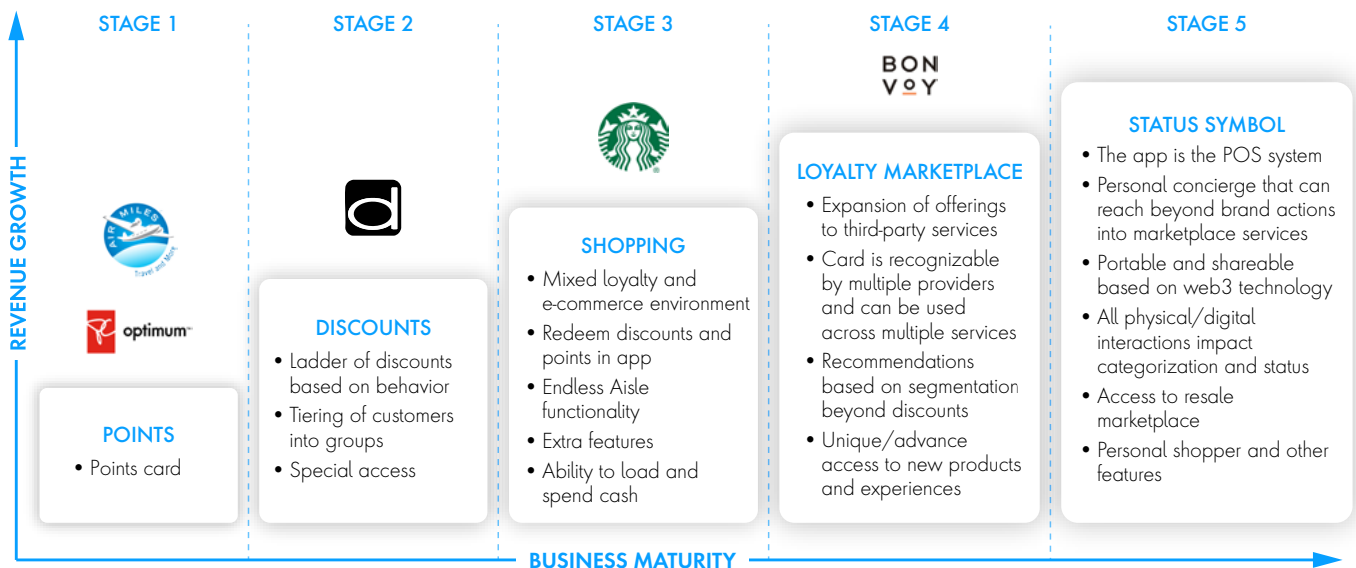
strategies accordingly. Loyalty, as a concept, is universal. However, the motivators for each customer are unique. As retailers begin to use big data to create deeper levels of segmentation within the customer group, it is possible to identify new ways of reaching the customer with the products and services they most desire. With rapidly emerging AI capabilities, such as intelligent AI agents like Salesforce Agentforce, it is possible to enable true personalization that treats each shopper as an individual rather than part of a segment.

As shown in the loyalty model chart below, retailers can expect customer loyalty to continue evolving beyond points and redemptions toward a status symbol. As brands gamify loyalty programs and offer increased access and services, customers will have more at stake in their brand relationships, driving deeper engagement and commitment.

The Evolution of the Loyalty Model



It's not about how you define loyalty **today** but what your customers expect **tomorrow**.



PERSONALIZATION TACTICS E-COMMERCE MERCHANTS SHOULD CONSIDER

- » **Personalized Search:** Largely underoptimized searchers are likelier to buy and spend more. Companies can improve their site performance using tactics like vector search to improve keyword targeting and affinity search to incorporate profile information into surfacing relevant search results. AI agents embedded within these systems could dynamically adapt search results in real time, ensuring a seamless, personalized experience. For example, if a customer always buys men's shirts, we can safely remove women's shirts in the search results.
- » **Profile-Driven Personalization:** Customers can set profile settings that will be applied to the entire site. A classic example is fitment data in automotive. AI agents could further refine these profiles by learning from past purchases and browsing patterns, tailoring the shopping journey without requiring manual input. Does it make sense to show a customer parts and accessories for a Mazda if they own a Toyota Corolla? No.
- » **Personalized Pricing and Targeted Promotions:** Engaging customers on their level means not giving away margin when unnecessary. If we can identify that the customer would convert without the 10% initial offer, we can safely suppress that promotion. Creating personalized promotions by customer group or even 1:1 could mean improved conversion rates and higher profit margins. However, companies should consider their respective price sensitivities by industry. Giving completely variable pricing for food may not be as well received as in the apparel industries. Also, some industries are highly regulated, and pricing variability may not be the ideal marketing tactic. AI-driven pricing models could continuously analyze customer behavior and adjust promotions or discounts in real time, ensuring optimal profit margins while enhancing conversion rates.



- » **Integrated Personalization Across Channels:** E-commerce merchants could enhance customer experiences by combining behavioral, contextual and omnichannel personalization. Using real-time data like purchase history, location and timing, AI agents can help process this data to offer personalized recommendations and interactions. For example, WhatsApp can facilitate 1:1 messaging, where AI agents predict customer needs and guide them to relevant products, creating a seamless and personalized journey across channels.
- » **Building Trust Through Ethical and Emotional Personalization:** Trust is vital in e-commerce, where data drives personalization. Merchants must prioritize transparency and ethical use of customer data, offering opt-in options for personalization. AI agents can ensure data is used securely and ethically and can enhance emotional engagement by predicting customer preferences. This fosters trust, connection and repeat business while reinforcing the importance of secure, value-driven personalization.
- » **Importance of Data Analysis for Effective Marketing:** Data insights are crucial for refining marketing strategies. AI agents could automate data analysis, helping merchants quickly identify trends and adjust strategies. By monitoring performance metrics, AI agents can provide real-time insights, ensuring that marketing efforts remain effective, drive engagement, and align with business goals.

2 **PILLAR** Automation and Operational Efficiency

Operational inefficiencies quietly erode profitability, creating avoidable costs and hindering customer satisfaction. For retailers, identifying and addressing inefficiencies is critical to unlocking sustainable growth. By leveraging AI-driven automation, cost-to-serve analytics, and streamlined resource management, organizations can optimize operations to reduce costs and enhance performance across the value chain.

THE HIGH COST OF INEFFICIENCY

Inefficiency in operations often manifests in ways that drain resources and lower margins. Returns management, for example, is an area where poor processes can lead to inflated labor costs and missed resale opportunities. Ineffective handling delays restocking and increases the risk of fraudulent returns, problems that AI-powered tools can help mitigate by identifying patterns and flagging suspicious behaviors. [Publicis Sapient research](#) highlights that AI can proactively prevent fraud by analyzing purchase and return data to screen for high-risk items and suspicious behaviors, making returns policies both fairer and more cost-effective.

Similarly, without intelligent routing, orders may be shipped from non-optimal locations, leading to order fulfillment errors, slow delivery times, and dissatisfied customers. On the inventory side, relying on manual forecasting frequently results in stock imbalances—either excess stock that ties up capital or stockouts that result in missed sales opportunities. These inefficiencies can feel like small cracks in the system, but collectively, they represent a significant drag on profitability.

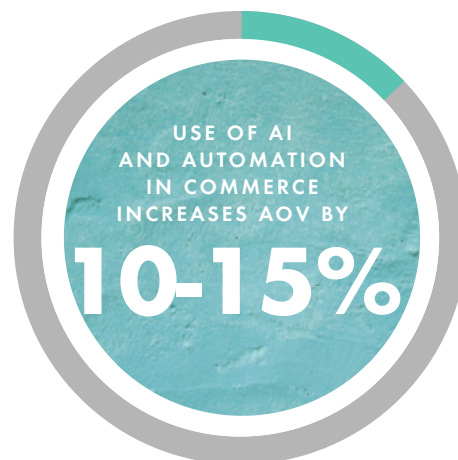
As supply chains grow more volatile due to global challenges, including geopolitical tensions and natural disasters, AI's role in mitigating these inefficiencies is becoming increasingly essential.

HARNESSING COST-TO-SERVE ANALYTICS

To overcome these inefficiencies, retailers need a clearer understanding of their operational costs, which is where cost-to-serve analytics come into play. This data-driven approach offers visibility into the actual costs associated with serving customers across different regions and channels.

For inventory management, AI-powered forecasting tools in platforms like Salesforce Data Cloud enable precise demand predictions, helping retailers maintain optimal stock levels while avoiding overstocking or stockouts. Delivery costs, particularly for the last mile, can also be reduced by using regional demand and inventory data to adjust delivery promises in real time, ensuring that fulfillment remains cost-effective. For instance, demand-forecasting tools have demonstrated the potential of AI to optimize inventory and ensure the right products are in the right channels at the right time, reducing costs and increasing efficiency.

[Continued on Page 6](#)



Beyond operational efficiencies, these analytics also enable retailers to segment customers by profitability, using tools like Tableau to focus their efforts on high-value customers and develop strategies that maximize returns. This kind of actionable insight highlights the immense potential of cost-to-serve analytics in driving both efficiency and profitability. Yet, as Salesforce's [State of the AI Connected Customer](#) report indicates, building trust through transparent AI applications is vital, as only 42% of customers currently trust businesses to use AI responsibly, down from 58% in 2023.

STRATEGIC AUTOMATION FOR SCALABLE EFFICIENCY

Automation is another critical lever for optimizing operations, but its value lies not in replacing human expertise but in amplifying it. Retailers can start by identifying repetitive, high-cost processes and implementing automation solutions to handle these tasks, freeing employees to focus on more strategic areas. Order fulfillment, for example, can be significantly improved with AI-driven tools that dynamically adjust shipping and inventory decisions in real time, ensuring the most cost-effective outcomes.

In customer service, AI-powered chatbots, like Agentforce, can instantly resolve routine inquiries, reducing response times and easing the burden on support teams. These service agents not only enhance efficiency but also offer 24/7 service, addressing customer needs without delay and building loyalty through responsiveness.

Dynamic pricing is another area where automation shines, with tools like Salesforce Einstein enabling retailers to adjust prices in real time, ensuring competitiveness while protecting margins. Transparency remains key to ensuring customer acceptance of these AI-driven processes, as [73% of consumers believe](#) it's important to know when they're interacting with an AI agent.

By integrating these tools thoughtfully, retailers can not only reduce costs but also deliver better experiences to customers. Transparency and human oversight remain essential in ensuring that automation aligns with customer expectations. Retailers who embrace AI and automation in this way often see double-digit efficiency gains, paving the way for scalable and sustainable profitability.



3 PILLAR Supply Chain Optimization

An efficient and cost-effective fulfillment process is the cornerstone of every retail organization. But as shopping continues to shift to digital channels, many retailers find their fulfillment costs are rising.

Improving delivery options and performance could mean the difference between winning a customer for life and losing them. Tools like shipping rules and an intelligent routing engine could change available stock visible online and find the shortest route to delivery for customers. Last-mile fulfillment is also an important consideration. Solutions like Walmart GoLocal provide not only the software to deliver the package but also services to find drivers and third-party contractors. Amazon Buy with Prime also gives retailers and brands the ability to leverage their Prime services and customer base to provide premium delivery services. (These are both Salesforce Commerce Cloud Partner ISV solutions.)

HOW E-COMMERCE RETAILERS CAN INCREASE PROFITABILITY

Nearly all retailers can generate significant efficiency gains in the area of both fulfillment and returns by refining their supply chain. In many cases, making small changes can generate significant returns.

The broad availability of ChatGPT and other AI-powered solutions has completely changed the landscape of product search and comparison. A customer can now skip Google and head to ChatGPT for product recommendations. Or, if a brand is utilizing Agentforce, they can draw the customers directly to their site for the same analysis. Companies that don't consider implementing similar technologies on their sites risk losing out to the competition.

CONNECTING E-COMMERCE TO IN-STORE EXPERIENCES

These shifts also affect the connection between digital and physical channels. Brick-and-mortar retail [must also change](#) as a result of shifting customer behaviors, and retailers must adjust their physical footprint to accommodate these changes.

In today's landscape, retailers must focus on having

effective stores that cater to digital-first shoppers. This may mean downsizing to smaller stores and creating dark stores, micro-warehouses, or [designated click-and-collect locations](#) to aid with distribution or reformatting store layouts to better accommodate in-store pickups.

More people than ever before are dropping the "e" from e-commerce. Store and online experiences are blending, and commerce is moving to a channel-driven approach where customers can shop anywhere and from any channel. Enabling multiple channels, including social and technologies that enable e-commerce shopping in the store, will be key. Endless aisles and self-checkouts are rising in popularity with customers, and companies like POQ (a Salesforce Commerce Partner) are jumping in to fill this niche. Retailers can create self-checkout experiences in apps so that customers can scan in-store and either have a courier bring it to them or ship it to their house.

Salesforce's acquisition of PredictSpring marks a significant step in its expansion into the clienteling and point-of-sale (POS) market at a time when customers are increasingly expecting seamless, omnichannel experiences. PredictSpring's platform is designed to provide mobile POS, clienteling, inventory and order management tools, helping retailers create more integrated shopping experiences across various touchpoints—whether online, in-store or mobile. As retailers look to deliver more personalized, concierge-like services, empowering employees with data about customer purchase histories from across all channels, including social media, becomes essential.

What makes this acquisition particularly exciting is the timing: AI agents are now playing a pivotal role in creating efficiencies within retail operations. By leveraging AI, retailers can streamline processes, delivering real-time, personalized experiences for customers while optimizing back-end systems. This powerful combination of AI and the PredictSpring platform can allow Salesforce to bridge the gap between different shopping environments, ensuring a smooth, connected experience that customers expect and making it easier for retailers to thrive in an increasingly competitive market.

ACCELERATING SUPPLY CHAIN OPTIMIZATION

Retailers can address these issues at the operational level by investing in four key areas of [supply chain optimization](#). These core changes will help retailers become agile, predictive and responsive while maintaining a laser focus on costs.

1

Develop a digital replica of real-world applications to plan, predict, sense and react to e-commerce operations. One client uses 440 billion points to model costs to serve its entire network, thus driving a data-centric decision to serve a shopper or store with a particular product.

2

Optimize inventory costs through more [precise demand and inventory predictions](#). One client uses big data across more than two billion item combinations every three hours to drive forecast optimization.

3

Enhance fulfillment to drive faster, more expansive and more cost-effective service through cognitive order optimization engines. Some of our clients use cognitive order management to determine optimal shipping rates and balance capacities across stores.

4

Optimize the returns process through digital interventions and cost optimizers. Several of our clients are exploring ways to identify shoppers with a high rate of returns vs. those who do not. It is possible to [incentivize positive customer behavior](#) or discourage customer practices that are costly to the business. Having a better understanding of the return rate may help improve the entire returns process by better assessing the cost of re-stocking against potential margins.



PILLAR 4 IT Modernization and Big Data

E-commerce profitability is tied closely to technology—and with good reason. Each example discussed within the supply chain and product catalog relies on technology, in one form or another, to identify opportunities and activate solutions.

The most obvious example of the power of technology can be found in data analysis and, by extension, artificial intelligence (AI) and machine learning (ML). With [enough high-quality data](#), retailers can identify trends that can help anticipate buying patterns, optimize inventory levels, right-size the workforce, and set prices and promotions that maximize revenue. These technologies draw on a vast array of data sources, including past transactions, behavioral data, social media activity and geographical location, to create algorithms and models that give the organization both a more complete customer profile and greater awareness of the business. AI agents, particularly through platforms like Salesforce Agentforce, can help automate these processes, personalizing customer interactions in real time while continuously improving system efficiencies. AI can also be used to power solutions—from 24/7 customer service chatbots to customized product recommendations—thus helping retailers increase their profitability in the burgeoning digital world.

An equally powerful opportunity lies in robotic processing automation (RPA). Many warehouses are woefully out of date, relying on humans to collect items for digital orders. Through the use of scanners, conveyor belts, robots, automated forklifts, exoskeletons,

and drones, the time spent at every stage of the fulfillment process can be significantly reduced. Not having a centralized and automated shipping facility makes it nearly impossible for retailers to achieve the efficiency of other modern e-tailers, all of whom are leveraging the latest in robotics and automation technology to increase efficiency.

With generative AI, a good data strategy is now more important than before. Trust is a key consideration, so having data policies in place for everything from collection to training the AI is crucial to a company's success. Generative is also creating more data, so organizing your data lake accordingly can give businesses a competitive edge. When training generative, it's essential to develop policies around which data should be used, which to obfuscate, and how to maintain privacy. Developing good data strategies that answer these questions should be one of the first steps when preparing to implement AI agents and tools like Agentforce.

ACCELERATING DATA TRANSFORMATION IN THE CLOUD

The deployment of data-enabled tools and robotics requires a level of speed and flexibility far beyond what is supported by many retailers' current IT operations. Although organizations appear eager to adopt advanced technologies such as AI and ML, their ability to effectively do so—and harness the applications' full benefits—may necessitate infrastructure upgrades. The cloud holds promise because

migrating key business services to cloud-based systems enables near real-time performance monitoring and inventory awareness. Such insights can unlock new levels of efficiency across the value chain, from [inventory optimization](#) to product recommendations and customer service. Cloud-based technology also provides the speed and flexibility needed to scale, which is a crucial point as retailers attempt to expand successful pilot programs or test applications throughout the organization. AI agents integrated within the cloud environment can further enhance these capabilities by driving automation and personalization at scale.

Although virtually all organizations recognize the value of technology, many stop short of implementation, largely due to cost concerns. However, technology infrastructure investments are just that—an investment. Increasingly, these capabilities are not just enablers of growth but also key to viability. Fail to keep pace with digital applications, and the entire business will suffer.

Research by Publicis Sapient found that IT infrastructure investments can pay back in two-to-three years while continuing to create long-term value through increased conversion, affinity and loyalty. Our research estimates an annual cost savings of 17.5 percent through reduced operating costs, increased productivity and quality.

[Continued on Page 10](#)

MODERNIZING THE ORGANIZATION

The successful development and implementation of any e-commerce profitability strategy relies on two main areas: human capabilities and data. Businesses must assess both to determine gaps and restructure the organization in a way that enables profitability.

An obvious concern is ensuring the business has the necessary skills and experience. Beyond that, there may be a need

to adjust the organizational structure to make the best use of employee skills. Flattening the organization and moving decision-making into the hands of team leads is one possible way to increase speed and efficiency. Further, augmentation of human capabilities through the use of robotics is another way to augment the workforce. No matter the approach, refining the organization's e-commerce profitability efforts will require a tremendous amount of flexibility.

Conclusion

Although many retailers are experiencing e-commerce profitability today, few are taking a holistic approach to maintaining sustainable growth and retention over time. Here are some thought-starters for retailers as they continue to refine and optimize their e-commerce strategy:

CUSTOMER ACQUISITION & RETENTION

- What is the cost of acquiring and retaining a new digital customer?
- What is the most effective way of reaching new customers or regaining old ones?
- How do we create a customer experience that discourages costly and inefficient consumer habits?
- How can we monetize consumer data to offset the cost of technology investments?

AUTOMATION & OPERATIONAL EFFICIENCY

- How can we leverage AI-powered tools to identify and address inefficiencies in returns management and order fulfillment?
- What role can cost-to-serve analytics play in uncovering hidden operational costs and optimizing inventory levels?
- How do we use automation to enhance processes like dynamic pricing, customer service, and real-time inventory adjustments while maintaining transparency and trust?

SUPPLY CHAIN OPTIMIZATION

- How can we adjust shipping options to maximize profit margins without affecting the customer experience?
- How do we evolve our returns process to shorten the timeline and minimize losses?
- How can we use data and advanced technologies to predict demand, inform inventories and improve forecasting?

IT MODERNIZATION & BIG DATA

- How can our organization leverage vast stores of proprietary and third-party data?
- How do we introduce robotics and RPA within our organization?
- At what point will our organization see a return on IT investment?



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SOURCES

Publicis Sapient

- [Guide to Next 2025](#)
- [Connected Store Experiences](#)
- [What Does Future of Click-and-Collect Look Like For Retailers?](#)
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- [Driving Demand Planning With Real-Time Data](#)
- [Data in Retail](#)
- [Supply Chain Control Tower](#)

Salesforce

- [Third Edition: State of Commerce](#)
- [Shopping Index](#)
- [State of the AI Connected Customer](#)



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