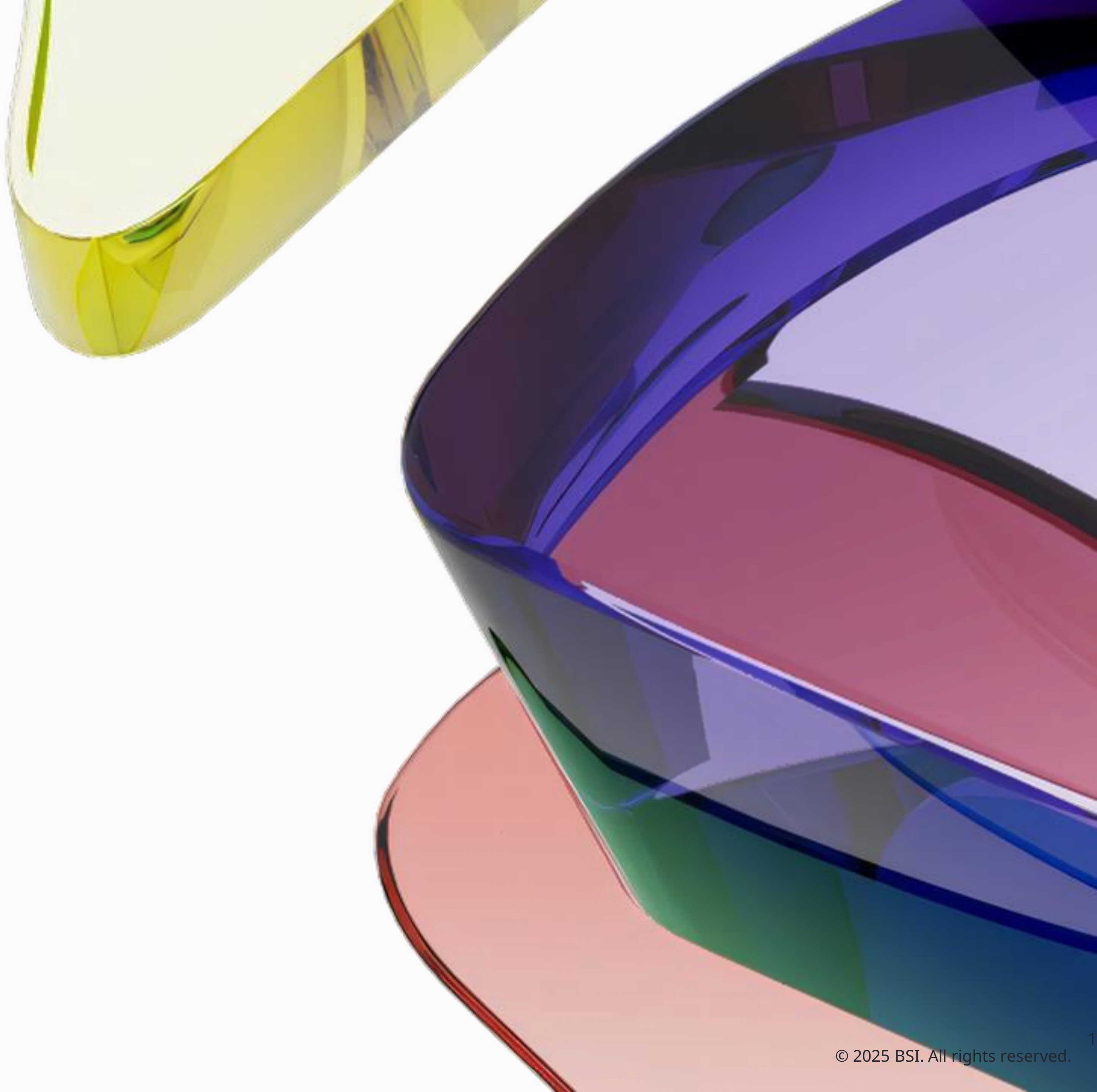
Trust in AI: Grounded in Governance

Retail overview



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01 – AI transformation

The retail sector has made good strides to advance AI innovation, from the supply chain to storefront, and from novel applications for unmanned stores to more iterative evolutions based on loyalty schemes. The latter were once positioned as simple reward systems but are now influencing pricing and personalization of promotions and rewards based on buying habits.

Efficiencies

Supporting stock inventories and enhancing supply chain production and flow

Influencing R&D

Intelligence gained from shopping habits can help inform product development and shape new offerings

Provides a ‘personal assistant’

The item you didn’t realise you needed until checking out – reminding you based on personal buying patterns

Supporting remote communities

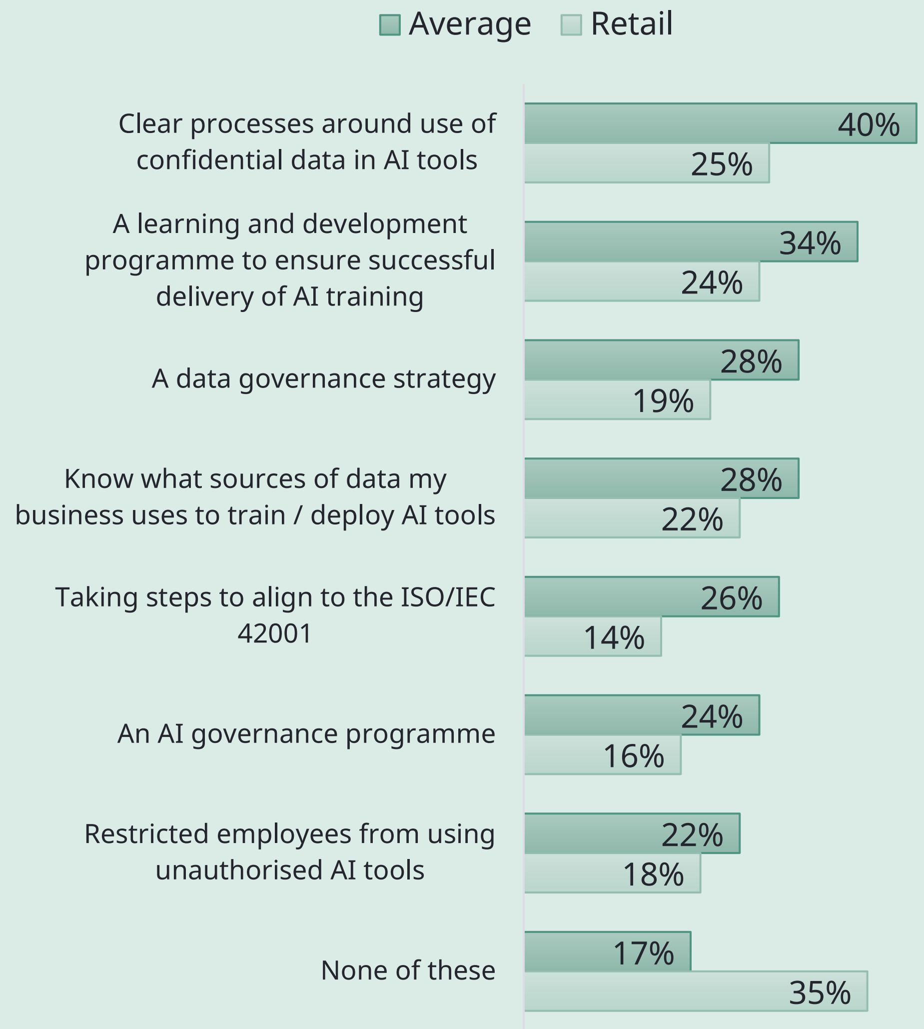
Retailers can now service remote communities with unmanned stores supported by technology, which includes AI

02 – Business leader insights

With real gains from smarter demand forecasting and stock control to personalized experiences and faster operations on the horizon, there is the opportunity to drive tangible benefits. Yet only 58% of business leaders say AI has delivered such benefits, compared to 65% average across other sectors[1].

In a sector that's had digital vulnerabilities come to the fore this year through large scale cyber-attacks, it's unsurprising to see business leader perceptions falling with regards to what guardrails are in place and their confidence to manage AI.

Thinking about your organization, which of the following apply?



03 – AI governance retail spotlight

Delving further, some analysis of retail leader responses to BSI's Trust in AI survey[1] are explored across AI governance and investment measures.

Training

Only 52% of retail leaders say they received the AI training needed in the last 12 months compared to a 64% average.

Only 58% expect training in the year ahead. This slow focus on upskilling employees could present risks of preparedness to respond as the technology evolves so quickly.

Investment allocation

Retail leaders are less worried than other industries that AI investment is taking away resources from other projects (37% versus 43% average). This could reflect resources being redirected to address heightening cyber risk in the sector.

Investment opportunity

Over half believe AI can help reduce costs. At a time when the global economy and tariffs are impacting people's wallets, this is a strong influence for investing in AI now to derive tangible benefits.

Supply chain expectations

Despite retail's growing need for transparency, only 25% of leaders have been asked to disclose AI use to customers or suppliers in the last year, compared to 36% average.

This may simply reflect that AI's application in retail is deemed lower-risk than that of financial and healthcare services.

1.Data from polling conducted by FocalData between 14 and 25 August 2025 and covered Australia, China, France, Germany, India, Japan, the UK, and the US.

04 - The AI opportunity

There is however a huge opportunity for building a competitive advantage, shown by leaders from more regulated sectors like Financial Services who, with more controlled monitoring, cite strong tangible benefits from AI (72%).

For AI to continue a positive trajectory and help shape a resilient retail sector, a focus on AI governance foundations offers great promise. From helping to address point of sale labour shortages to dynamic pricing on perishable goods, transparent and ethical practices will help build trust and accelerate adoption.

51% Agree AI projects or tools are delivering ROI / value for money

05 - Practical progress

BSI is committed to supporting its partners to embrace AI transformation in retail to address some of the critical challenges facing society. Together, we can:

Build a smarter, resilient value-chain

Whether it’s adopting technologies like AI to deliver better forecasting, production efficiencies, protecting data sources that feed this smart workflow, or helping to put continuity plans in place to minimize impact if things go wrong, governance practices can deliver great benefits.

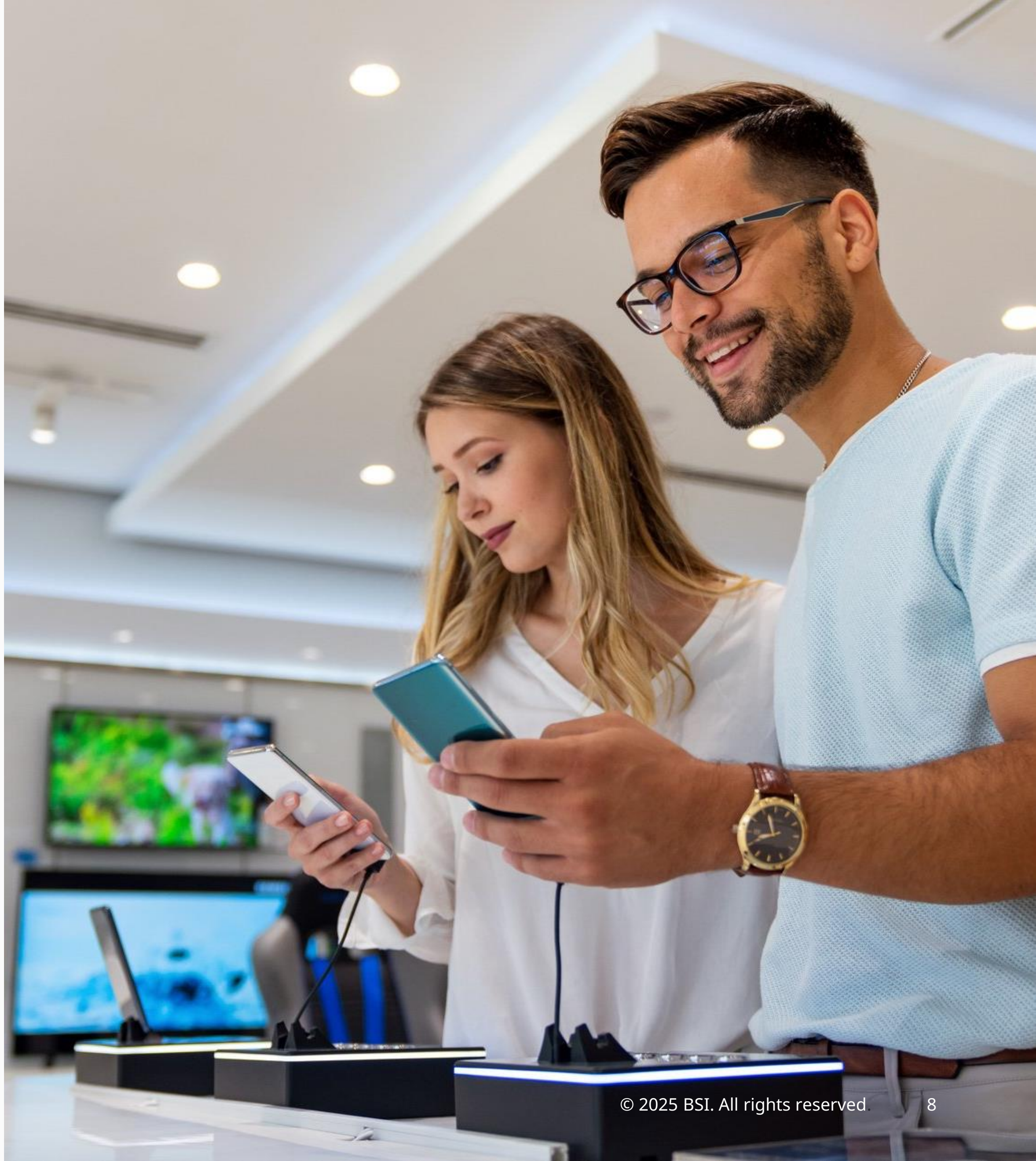
Partnering with BSI, you can help shape or use best practice standards. Embedding these guidelines within your organization provides visibility and consistency as you adopt digital technologies. It’s a confidence marker to all that evolving risks will be managed with the best intent.

Accelerate trust and transparency

With transparency and use of data a concern for retailers and consumers, considering data as a business asset could be a real game-changer. As new technology gets added into business operations and infrastructure, it's inevitable that vulnerabilities will emerge and need managing.

As with recent cyber attacks, when these catch us off guard, they can have a knock-on effect on consumer and supplier confidence. Protecting data as a valued asset – with AI governance practices paired with a robust security posture – you will be able to navigate emerging technology risks and be well placed to provide reassurance, transparency and ultimately trust to your stakeholders.

64% of retail leaders would trust AI tools more if there was increased transparency around the data



06 – Next steps

BSI strives to drive action through sector standards and projects, engaging regulators, local authorities, manufacturers, trade associations, policy makers, academia, and other stakeholders throughout the retail supply chain.

Partner with us to access our networks or solutions for navigating digital and AI governance practices, including:

Responsible AI

AI management systems can help you embed responsible AI practices. Find out more

Information security

Develop a robust information security posture with world-leading information security management system certification. Explore more

Resilience

Build continuity into the DNA of your operations and respond with confidence using business continuity management systems. Explore more

Supply chain risk tools

Get the latest supply chain risk insights, or support with your supply chain audits. Explore Connect SCREEN

Explore the full research here