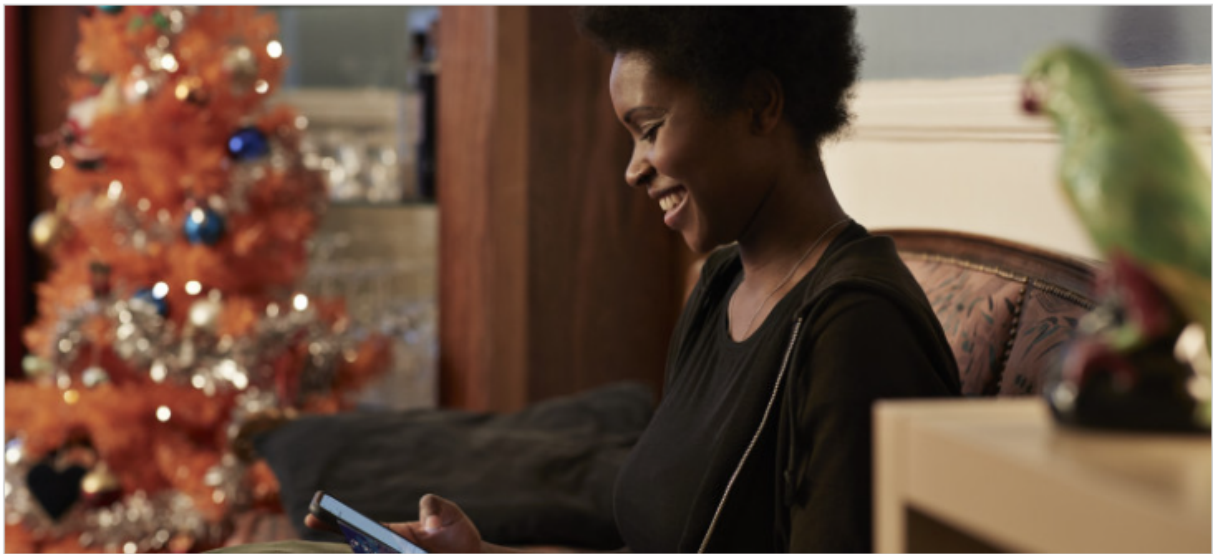


ARTIFICIAL INTELLIGENCE (AI)

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Holiday 2025: Using AI to Surprise and Delight Shoppers



Credit: [iStock.com](#) by Klaus Vedfelt



By **Scott Houchin**

Artificial intelligence will generate holiday magic for consumers this year, as well as for the retailers and brands using it to improve customer experience (CX). Agentic shopping search and purchase tools, along with other AI-powered experiences, are expected to drive **\$260 billion in online sales** and \$1.6 trillion in in-store sales worldwide during this year's winter holiday season. In addition to making product discovery easier for consumers, AI offers brands fast and cost-effective alternatives to traditional product photo shoots. It also allows retailers to create complex, highly interactive and intuitive experiences that wow shoppers and give them the confidence to make purchases based on their digital experience.

Retail and luxury are at the forefront of AI innovation in buying experiences. For example, this year's VivaTech event in Paris included demonstrations of AI-powered digital product twins, comprehensive "shop the look" experiences, next-generation virtual try-ons, and other new ideas we expect to experience with the most AI-mature retailers and fashion brands this holiday season.

Remaking CX With AI

Part of the reason that AI stands to play such a large role in this year's holiday season is that it's already changing the way people search for and discover products. Adobe found that AI chat results and recommendations influenced [19 percent of holiday 2024 purchases](#). Even shoppers using traditional search tools may soon get help from AI. Google recently announced new [Shop with AI Mode features](#), including virtual try-on and AI agents that can track product prices and buy for shoppers at their chosen price point.

Leading-edge brands and retailers are also expanding their use of AI to engage and impress website and app visitors with new experiences.

Detailed 3-D Product Experiences

The 3-D, rotatable product images that brands started investing in during the pandemic have advanced dramatically in quality. They're also less expensive because it's easier now to combine 3-D product scans with AI post-production tools to quickly generate realistic models of shoes, watches, handbags, and similarly sized items. For example, shoppers on TAG Heuer's website can zoom in on high-resolution [details of the brand's watches](#) and view them from all angles, rather than just seeing static shots of the top and side of each model.

Virtual Try-Ons

Today's AI has improved another pandemic-era innovation. Instead of uploading a photo to be overlaid with clothing and makeup images, consumers can now use their smartphone cameras and augmented reality features to get a sense of how products will look on them and how well they coordinate with other items they're wearing. This is

a popular offering for beauty brands and retailers, including [Sephora](#), [L'Oreal](#), and [Gucci](#). Eyewear, shoes, and watches are other categories that lend themselves to these realistic virtual try-on experiences.

Shop the Look

Shop-the-look features let customers add all the items in a product photo to their shopping bag, but with AI, shop the look lets users fine-tune the look to make it their own. For example, the Buy the Look feature at [ASOS](#) lets users see similar products for each item. So if a shopper loves the top and shorts in a photo but wants a slightly different bag or shoes, they can view other options within the Buy the Look box.

Because of the data integration required, major retailers are in a better position to offer shop-the-look options that combine products from multiple brands, while single-brand shop-the-look features are easier to deploy.

Digital Twins and Made-to-Order

AI product modeling technology also makes it possible to create virtual and physical items on demand. For example, a shopper buying a high-end watch might receive a digital twin that their avatar can wear in virtual spaces in the metaverse. Some brands are also leveraging AI and 3-D technology to help clients customize orders for made-to-measure clothing. Menswear designer Zegna offers this kind of experience in its flagship store, [allowing customers to select their fabrics, colors, and style details](#) as well as sizing and view their creation before finalizing their order.

Holiday 2025 Strategies for Each Stage of AI CX Maturity

These AI-enabled experiences are impressive. They're also complex, so rushing them into deployment for the holidays isn't recommended. Instead, it's best to carefully extend or refine any existing AI-backed or -compatible capabilities to ensure a seamless and reliable customer experience during the upcoming peak sales season. Brands and retailers with no AI tools in place may want to focus on small experiments and hold off on planning big deployments until the new year.

Companies that already use AI-enabled product scanning or 3-D viewing are in a good position to test virtual try-on and digital twin experiences now. Because today's advanced product scan technology can produce usable scans of small items like shoes, bags and accessories in a day instead of a month, building on 3-D product experiences can be a cost-effective way to enhance holiday season experiences without risking lower conversion or average order declines during peak traffic.

Brands and retailers with more mature AI CX programs and well-organized data may be ready to work on shop-the-look options. This is a more advanced project because it requires integrating PIM, DAM, ERP, e-commerce, and app data with a recommendation engine to create and suggest shoppable looks based on customers' purchase history and other data. The end result can be an experience tailored to a specific shopper's preferred colors and materials, sizes, and overall style, to drive purchases and build loyalty.

AI Value Creation Strategy for the Holidays and Beyond

As impressive and fun to use as these AI customer experiences are, it's wise to focus on whether any AI use case will drive measurable results. It's not enough for your site or app to look good. The features there must also help your company maximize peak trading period for their digital channels through better return on ad spend, conversion and reduced product return costs.

Ultimately, giving your customers the best possible experience during the holidays is about how your CX works. AI can dramatically enhance CX, but it's best to proceed methodically with AI CX initiatives. Brands and retailers that take their time to experiment, iterate, and then roll out amazing AI experiences are most likely to realize value over the long term.

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