RetailWire

FEATURING COMMENTARY FROM THE **BRAINTRUST**

Unveiling Tomorrow's Retail

Forecasting the Tech and AI Revolution

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The Brief

In today's rapidly evolving retail landscape, technology stands as the cornerstone of innovation, reshaping the way businesses interact with consumers and manage operations. From artificial intelligence streamlining customer service to data analytics revolutionizing supply chain management, the transformative influence of technology is undeniable.

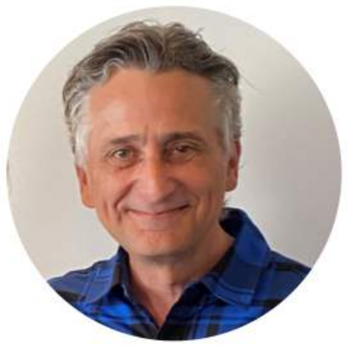
In this age of unparalleled digital progress, staying ahead of the curve is not merely advantageous — it's essential for survival. As consumer expectations continue to shift and competition intensifies, retailers must embrace technological innovations to remain relevant.

This eBook delves into the insights and predictions of RetailWire's BrainTrust members, a collective of retail industry experts, offering invaluable guidance on navigating the dynamic intersection of technology and retail to thrive in the years to come.

Topics Covered:

- Predicting the Future of Retail
- What Is the Return on Investment (ROI) of AI?
- GenAI's Impact on Customer Service
- Redefining Personalization With GenAI
- Optimizing Supply Chain and Inventory Management Using GenAI
- Harnessing Data and Pricing Strategies for Retail Success
- The Evolution of In-Store Technology
- Other Technological Trends Shaping Retail

Predicting the Future of Retail



MARK RYSKI
FOUNDER, CEO, & AUTHOR,
HEADCOUNT CORPORATION

“As retailers discovered during the COVID-19 pandemic, transformational disruption can occur overnight. No one could have predicted the changes and challenges that retailers would face — and some still continue to face — as a result of the pandemic.

“Consequently, any predictions about the future must include a caveat for Black Swan events like pandemics.”
— Mark Ryski, Founder, CEO, & Author, HeadCount Corporation

And yet, Mark Ryski noted that despite the unpredictability, it’s still “reasonable to identify general ideas or directions that seem likely given the state of the retail industry today.”

When it comes to technology, he believes that although progress will be made, retailers will continue to struggle with tech adoption as they always have.

“Many retailers are still rebuilding their balance sheets after the punishing upheaval resulting from the pandemic. Tight budgets, lack of advanced technology expertise, and challenges prioritizing technology investments will all play a role.

“At the same time, no retailer can afford to disregard the potential benefits of deploying AI solutions, so they will continue to look for AI use cases that can be implemented given the unique organizational challenges each faces. And while this approach will be the case for the larger retail enterprises that have the resources, smaller retailers will continue to struggle with ways to apply AI and other technologies in their businesses.”
— Mark Ryski, Founder, CEO, & Author, HeadCount Corporation

What Is the Return on Investment (ROI) of AI?

One thing to note about tech in retail is that the allure of artificial intelligence (AI) has often been accompanied by lofty promises and grand expectations. However, as the dust settles and the hype subsides, a critical question emerges:

What is the true return on investment (ROI) of AI?

JEFF SWARD
FOUNDING PARTNER,
MERCHANDISING METRICS

"We may or may not be past the breathless hype stage of AI. But very soon, AI will experience a reality check for ROI. But measured with what metric? Did I just do something better, smarter, faster? Did I save money? Did I position myself to sell more, more profitably? Did I eliminate more friction than I created? What does the customer really think? Did I just give myself a competitive advantage relative to the competition? For how long? Then what do I do?"
— Jeff Sward, Founding Partner, Merchandising Metrics

Many experts believe that AI and generative AI will be crucial for retailers to employ. According to Shelley E. Kohan, "The impact of generative AI will be profound and significant for retailers."

SHELLEY E. KOHAN
ASSOCIATE PROFESSOR,
FASHION INSTITUTE OF
TECHNOLOGY

"Currently, as brands struggle to find the return on investment or correct KPIs around artificial intelligence models, over the next five years, these initiatives will become clear and will vary by company. Today, many brands are focused on marketing and pre-purchase integrations of AI. Companies are using AI to further push deeper personalization with customers, create countless marketing campaigns, and lower costs for micro-segmentation. Software developers and retailers are creating sophisticated chatbots that act like 'real' salespeople, while others are developing virtual influencers. These virtual employees will become part of the norm for many companies."

SHELLEY E. KOHAN
ASSOCIATE PROFESSOR, FASHION INSTITUTE OF TECHNOLOGY

"And while the industry focuses on the direct impact on consumers, a broader use that would make a tremendous impact on the bottom line is using AI for real-time merchandise assortment allocation, supply chain optimizations, last-mile deliveries, and shared inventory management across channels. This is just the beginning."
— Shelley E. Kohan, Associate Professor, Fashion Institute of Technology

Ultimately, as Mark Price points out, retail is changing, and a big part of that is thanks to technological improvements.

MARK PRICE, MBA
ADJUNCT PROFESSOR, UNIVERSITY OF ST. THOMAS

"The retail landscape is undergoing a seismic shift, driven by advancements in technology like artificial intelligence (AI) and machine learning (ML). These innovations fundamentally alter how retailers operate and, more importantly, how consumers shop. To thrive in the coming five years, retailers must embrace these trends and adapt their strategies to meet evolving customer expectations."
— Mark Price, Adjunct Professor, University of St. Thomas

GenAI's Impact on Customer Service

In the digital age, exceptional customer service is crucial for the success of any retail enterprise. As consumer expectations continue to soar, retailers are increasingly turning to cutting-edge technologies to meet and exceed these demands.

Among these transformative innovations, generative AI (GenAI) emerges as a game-changer, revolutionizing the realm of customer service. From virtual assistants to chatbots, GenAI offers a dynamic array of tools to enhance engagement, streamline interactions, and deliver personalized experiences at scale.

SARAH PELTON
PARTNER,
CAMBRIDGE RETAIL ADVISORS

"AI-driven chatbots and virtual assistants are transforming customer service by providing immediate support and assistance to shoppers. These intelligent systems can handle inquiries, offer product recommendations, and resolve issues efficiently, enhancing the overall shopping experience. By integrating chatbots into their platforms, retailers can deliver round-the-clock support and improve customer satisfaction."
— Sarah Pelton, Partner, Cambridge Retail Advisors

One trending way to use voice assistants is voice commerce, and it is a tactic we may see more of over the next five years.

MARK PRICE, MBA
ADJUNCT PROFESSOR,
UNIVERSITY OF ST. THOMAS

According to Mark Price, "This trend extends to shopping. Juniper Research estimated that voice assistants would influence over $80 billion in retail sales per year globally by 2023. Imagine seamlessly ordering groceries or refilling prescriptions through voice commands."

Redefining Personalization With GenAI

In an era characterized by unprecedented access to data and connectivity, the concept of personalization has become a pivotal driver of success in the retail landscape. As consumers increasingly seek tailored experiences that resonate with their individual preferences and behaviors, retailers are faced with the challenge of delivering hyper-personalized interactions at scale.

Enter GenAI — a revolutionary force that is redefining the boundaries of personalization in retail. By harnessing the power of artificial intelligence and advanced algorithms, GenAI enables retailers to unlock deep insights into customer behavior, preferences, and purchasing patterns.

BRANDON RAEL
DIRECTOR, CONSULT PARTNER,
KYNDRYL

"Achieving e-commerce personalization at scale successfully and profitably with GenAI has been the holy grail for retailers. Historically, personalization strategies allow retailers to establish meaningful engagement with customers, helping to increase sales by 1% to 2%. Additionally, marketing personalization strategies have contributed to 20% higher customer satisfaction rates, a 10% to 15% rise in retail conversion rates, and an increase in overall employee engagement of 20% to 30%."
— Brandon Rael, Director, Consult Partner, Kyndryl

SARAH PELTON
PARTNER,
CAMBRIDGE RETAIL ADVISORS

"AI and machine learning algorithms enable retailers to gather and analyze vast amounts of customer data, allowing for highly personalized shopping experiences. By understanding individual preferences, purchasing behaviors, and browsing patterns, retailers can tailor product recommendations, marketing messages, and promotional offers to each customer, thereby fostering stronger connections and driving sales."
— Sarah Pelton, Partner, Cambridge Retail Advisors

MARK PRICE, MBA
ADJUNCT PROFESSOR,
UNIVERSITY OF ST. THOMAS

"AI personalizes the shopping experience in profound ways. Gone are the days of generic marketing blasts. A study by Accenture found that 91% of consumers are likelier to shop with brands that provide relevant offers and product suggestions. AI analyzes customer data, purchase history, and browsing behavior to predict preferences and tailor product recommendations, promotions, and loyalty programs. This extends beyond online interactions. Imagine entering a store and receiving personalized greetings based on past purchases with product suggestions."
— Mark Price, Adjunct Professor, University of St. Thomas

One specific way GenAI will improve personalization for consumers is by enabling more efficient context-based shopping, according to Melissa Minkow.

MELISSA MINKOW
DIRECTOR OF RETAIL STRATEGY,
CI&T

"We are already seeing many retailers support consumers in their use of extremely specific search criteria and natural language queries, and this will only become better over time. I would expect retailers to leverage GenAI in order to allow shoppers to upload photos of an item they already own, and for the retailer to style an outfit around said item, suggesting supplementary products for the consumer to buy.

"Similarly, I would imagine shoppers will be able to opt in to keeping up-to-date photos of themselves and their dimensions on retailer's sites so they can use Generative AI to 'try on' items digitally before buying in a highly realistic way. They'll be able to layer on prompts over these images so that the retailer can display images and footage of the shopper in the item if they have a different hair color or style and with different accessories. They could ask the retailer for recommendations that accommodate those changes to their appearance, their optimal color palette, and dimensions.

"Further, I expect retailers of the future to offer social calendar synchronization, where they can then recommend outfits and items given the upcoming events on the shopper's calendar. The more event details included on the calendar (consumers may even begin coding their calendars to optimize this functionality), the smarter the GenAI-generated recommendations."
— Melissa Minkow, Director of Retail Strategy, CI&T

Optimizing Supply Chain and Inventory Management Using GenAI

Efficient supply chain and inventory management are the lifeblood of any successful retail operation. In an increasingly competitive marketplace, retailers must navigate a complex web of suppliers, distributors, and logistics partners while simultaneously managing inventory levels to meet fluctuating consumer demand.

Amidst this complexity, GenAI emerges as a beacon of innovation, offering retailers unprecedented insights and capabilities to optimize their supply chain and inventory management processes. By leveraging artificial intelligence and predictive analytics, GenAI enables retailers to forecast demand, optimize inventory levels, and mitigate the risk of stockouts and overstocking.

BRANDON RAEL
DIRECTOR, CONSULT PARTNER, KYNDRYL

According to Brandon Rael, "Our 24/7 commerce and customer-centric world requires a more modern, intelligent, and adaptive supply chain."

"The legacy narrative was that managing the supply chain, inventory, and order management was about stabilization and minimizing costs. However, considering the dynamic nature of our world, retailers need a more predictive, prescriptive, and responsive supply and demand model to meet the changing product and channel mix and drive business growth."
— Brandon Rael, Director, Consult Partner, Kyndryl

BRANDON RAEL
DIRECTOR, CONSULT PARTNER, KYNDRYL

Rael explained that GenAI's capabilities are instrumental in unlocking value, boosting revenue, and cutting costs across the following critical functional retail areas:

Supply Chain Management

GenAI utilizes real-time insights, assists in decision-making, and enhances operational efficiency across the supply chain. For example, it provides insightful summaries of purchase order changes, optimizing route management and operational efficiencies.

Inventory Management

GenAI-powered chatbots enhance inventory management by enabling real-time conversational capabilities, thereby improving operational efficiencies and accuracy.

Order Management

Integrating GenAI capabilities optimizes order fulfillment, ensuring on-time deliveries and transparency for both retailers and customers, while also exceeding customer expectations by maintaining commitments and providing complete order cycle transparency.

"With limitless customer touchpoints across digital, physical, and social commerce channels, merchandising and assortment planning processes are vital for building and cultivating content and story-rich e-commerce product listing pages (PLP). Merchandising and assortment planning teams have experienced challenges managing and maintaining sizeable digital product catalogs efficiently and effectively. A well-managed PLP, with the power of GenAI, will lead to increased conversion rates and personalized experiences. While conversion rates are typically between 2% and 3%, an optimized and enriched PLP experience leads to a 5% uplift in the overall conversion volume."
— Brandon Rael, Director, Consult Partner, Kyndryl

One way to use technology to improve inventory management is with machine learning algorithms, which can analyze vast datasets to identify patterns, forecast demand, optimize stocking levels, and streamline inventory replenishment processes.

SARAH PELTON
PARTNER,
CAMBRIDGE RETAIL ADVISORS

"Machine learning algorithms can analyze historical sales data, market trends, and external factors to accurately predict future demand for products. This enables retailers to optimize inventory levels, reduce stockouts, minimize overstocking, and ultimately improve profitability. By leveraging AI-powered demand forecasting, retailers can streamline supply chain operations and enhance overall efficiency."
— Sarah Pelton, Partner, Cambridge Retail Advisors

DAVID SPEAR
VP, PROFESSIONAL SERVICES,
RETAIL,
NCR VOYIX

"How many times have you been told by a customer service agent, a technician, or a store associate that 'supply chain issues' have created a situation that has prevented the item you want to purchase from being available? Soon, thanks to sophisticated AI-based algorithms, companies will begin to leverage software that can identify inventory that it deems to be 'distorted,' i.e. wrong location in-store, excessive amounts, or wrong location in-network.

"Companies will be able to shave millions of dollars from their balance sheets by using algorithms that look at inventory from a different perspective, which involves multiple inputs such as consumer willingness to wait, product substitutability, fitness-based purchasing probability, and network availability. This is a game changer and will drive incredible efficiencies for retailers throughout their supply chains, helping to solve a nearly $2 trillion 'lost sales' problem, according to a 2022 IHL Group study."
— David Spear, VP, Professional Services, Retail, NCR Voyix

BRIAN DELP
PRESIDENT OF SALES & GLOBAL LICENSING (NORTH AMERICA), HIMATSINGKA GROUP

According to Brian Delp, one area in particular that AI is primed to impact is loss prevention.

“Retailers increasingly continue to struggle with shrinkage. Even Target has been impacted so significantly that it has led to store closures. Many retailers are resorting to extreme measures, such as increased security and the installation of aisles of lock cabinets for general merchandise.

“With the advancement of image recognition, AI technology shows strong promise. Sam’s Club is already well on its way to using the tech — it has recently deployed AI-powered exit technology at over 120 locations — while others continue to lean on RFID. This is amidst a scaleback of self-checkout likely driven somewhat by shrink concerns.

“On the flip side, however, it is raising concerns about content origins and privacy. These concerns do not stop for offline channels, as they extend into brick-and-mortar as well. Consumers and governments alike have concerns over facial recognition and other tracking technology. Despite these concerns, I expect this tech to advance and be a key focus in the area of loss prevention.”
— Brian Delp, President of Sales & Global Licensing (North America), Himatsingka Group

Harnessing Data and Pricing Strategies for Retail Success

In today's hyper-connected digital landscape, data has become the currency of retail success, offering unprecedented insights into consumer behavior, market trends, and competitive dynamics. Harnessing the power of data analytics and pricing strategies has become paramount for retailers seeking to drive growth, enhance profitability, and stay ahead of the competition.

NICOLA KINSELLA
SVP OF GLOBAL MARKETING, FLUENT COMMERCE

"AI had quite the year in 2023, dominating the headlines with major analyst firms predicting its significant impact over the years to come. But to be successful over the next five years and beyond, AI will be forced to rely on the very sources many fear the technology will replace: people and data. Retail data is highly complex and dynamic, with siloed information that is constantly in flux — whether it's consumer buying behaviors, delayed shipments, product shortages, or labor demands. Teams equipped with retail order and inventory data management systems will play a major role in the coming years to help produce and maintain clean, accurate, and accessible data needed for businesses to take full advantage of AI."
— Nicola Kinsella, SVP of Global Marketing, Fluent Commerce

However, not all data is created equal. Mark Ryski highlighted this point, emphasizing the critical importance of high-quality data as the linchpin for successful AI implementation.

MARK RYSKI
FOUNDER, CEO, & AUTHOR, HEADCOUNT CORPORATION

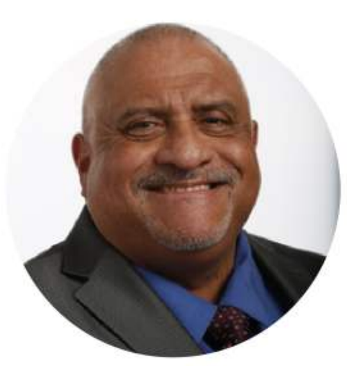
"As retailers look to leverage AI to make more data-informed decisions over the coming years, the requirement for high-quality data as an input will become paramount. First-party data that can be validated and audited will be prioritized over secondary data sources that often come from questionable or unverifiable sources. The quality and reliability of underlying data will, in part, determine what use cases retailers will be best able to apply AI. While the temptation to trust whatever 'black box' results AI presents will persist, the most thoughtful retailers will invest time and effort to ensure that the underlying data they use is as complete and reliable as possible. Additionally, they will be mindful of the potential pitfalls of using GenAI, including erroneous results, copyright infringement, and fast-changing regulatory compliance."
— Mark Ryski, Founder, CEO, & Author, HeadCount Corporation

SARAH PELTON
PARTNER,
CAMBRIDGE RETAIL ADVISORS

Pricing strategies themselves are a form of data — dynamic, responsive, and integral to retail success. According to Sarah Pelton, “AI-powered pricing optimization algorithms enable retailers to dynamically adjust prices in real time based on factors such as demand, competitor pricing, and market conditions.” This data-driven approach empowers retailers to optimize revenue, maintain competitiveness, and respond to fluctuations in consumer behavior quickly and effectively.

“This agility in pricing empowers retailers to stay ahead in a rapidly evolving market.”
— Sarah Pelton, Partner, Cambridge Retail Advisors

Ultimately, at the intersection of technology and data, AI's role in retail will remain significant, but it won’t be the sole determinant in decision-making.



RICHARD HERNANDEZ
SENIOR PRICING/PROCUREMENT
PROFESSIONAL

“AI will continue to play a big role in retail decisions with more data and analytics, however, the human entity will keep making the final decisions.”
— Richard Hernandez, Senior Pricing/Procurement Professional

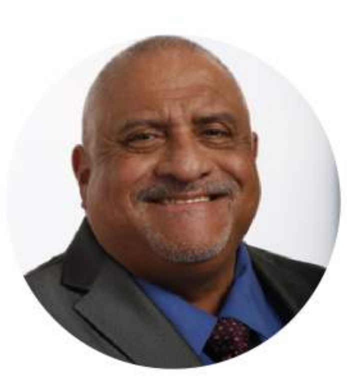
The Evolution of In-Store Technology

For retailers, the physical store remains a cornerstone of the customer experience, offering a unique opportunity to engage with consumers on a personal level. However, in an era dominated by digital innovation, the traditional brick-and-mortar store is undergoing a profound transformation. From interactive displays and augmented reality experiences to contactless payment systems and smart shelves, in-store technology is revolutionizing the way retailers connect with shoppers and enhance the retail environment.

One primary way technology has enhanced the in-store experience is with checkout processes. From self-checkout to electronic shopping carts that scan items for you, many retailers have begun to explore the possibilities. Not all have been successful so far, but we will likely see improvements in the coming years.

MARK PRICE, MBA
ADJUNCT PROFESSOR,
UNIVERSITY OF ST. THOMAS

"Cashierless stores like Amazon Go, while unsuccessful in the short run, represent the future, eliminating checkout lines and speeding up the shopping experience. Self-checkout kiosks are becoming increasingly common. Self-checkout continues to gain traction, with 43% of consumers preferring it over traditional checkout, according to a survey from NCR Voyix. The narrowing preference gap is reflected in the projected growth of self-checkout installations. RBR Data Services' Global EPOS and Self-Checkout 2023 study forecasts 450,000 self-checkout installations in the U.S. in 2028, up from 280,000 in 2022. Mobile wallet solutions further streamline the process."
— Mark Price, Adjunct Professor, University of St. Thomas



RICHARD HERNANDEZ
SENIOR PRICING/PROCUREMENT
PROFESSIONAL

Richard Hernandez agrees that it may take time to expand technology into all retail stores. "Just Walk Out technology developed by Amazon will be based in small format stores," he said. "I believe it will be a long while before a true grocery format over 50K square feet will be kitted out with the whole JWO technology."

Recently, Amazon announced it was phasing out its JWO tech in its checkout-less stores, shifting its focus to Dash Carts equipped with scanners and screens integrated into shopping carts so customers can pay as they shop.

JEFF SWARD
FOUNDING PARTNER,
MERCHANDISING METRICS

"The recent revelation about Amazon altering course on its Just Walk Out program was a head-scratcher. It was portrayed as AI, but it appears to have been neither artificial nor intelligent. The need for 1,000 human beings sounds very real to me. And the intelligence seems to have been in the humans versus the system. Maybe the humans were a necessary part of the early learning curve. But it sounds like portraying JWO as an AI solution was premature. It was a worthy test and I'm glad Amazon did it. The whole market went to school on their efforts. It just wasn't as grounded in AI as everybody thought it was."
— Jeff Sward, Founding Partner, Merchandising Metrics

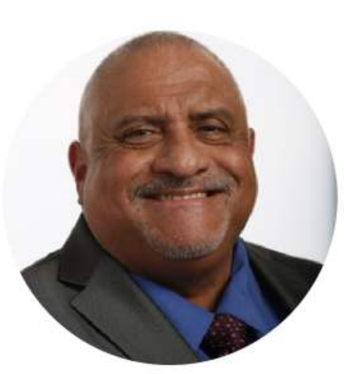
Here are some other ways tech is impacting brick-and-mortar retailers and will continue to do so in the coming years:

Transforming In-Store Associate Tools With Voice NLP

DAVID SPEAR
VP, PROFESSIONAL SERVICES,
RETAIL,
NCR VOYIX

"As AI becomes even more ingrained in our daily lives, we'll start to see a proliferation of B2B and in-store associate tools that capitalize on voice natural language processing (NLP). So, similar to when you're traveling, you may ask Siri, 'Hey Siri, best Italian restaurants near me,' associates will be able to leverage voice with their in-house tools for a variety of use cases, from stocking levels and SKU location to customer reviews and complimentary products. Voice NLP is a differentiator and will amplify an associate's focus on customer service."
— David Spear, VP, Professional Services, Retail, NCR Voyix

Navigating Electronic Shelf Tags



RICHARD HERNANDEZ
SENIOR PRICING/PROCUREMENT
PROFESSIONAL

"Electronic shelf tags will continue to be an option in saving labor and changing shelf labels quicker, but wider adoption is still prohibitive due to the maintenance of the equipment."
— Richard Hernandez, Senior Pricing/Procurement Professional

GWEN MORRISON
PARTNER, RETAIL CITIES

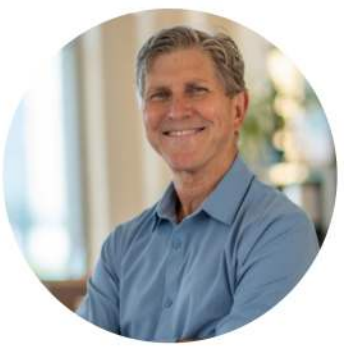
Going Back to the Future With RFID

"Technology evangelists have proclaimed the next wave of digital disruption for the retail industry over the past 25 years. But today, retailers and tech companies have arrived at an interesting crossroads where older technologies such as RFID are being seamlessly stitched together to unlock real-time information on products, transactions, and shoppers.

"This type of transparency supercharges supply chain efficiency, inventory management, and consumer experience. At the 2024 NRF Big Show, retailers such as Levi Strauss and PacSun described how advances in virtual walls (shielding) and decreasing costs of RFID tags have delivered big increases to their bottom lines. From sourcing to stockroom, from dressing room to check-out, retailers can leverage the knowledge of product movement. For example, tracking what went into a dressing room versus what was purchased can be powerful information for merchants. The elimination of inventory counts for apparel retailers presents opportunities to redirect sales associates to shopper-facing roles.

"Deployment of RFID at check-out reduces friction for both shoppers and retailers. Take, for example, UNIQLO's slick check-out bins at the retailer's Fifth Avenue flagship. Customers can simply drop merchandise into bins, and the complete order is realized in under a second. Each tag has a printed RFID incorporated into it, as well as a 2D bar code for standard scans to extend inventory tracking. The instant checkout process delights shoppers and allows more personal interaction at the point of purchase (often the most critical shopper impression)."
— Gwen Morrison, Partner, Retail Cities

But it's not just clothing retailers that can benefit from RFID. Gwen Morrison noted that the tech can also add value to grocery stores. "RFID tagging for product ID in smart refrigerators that can detect temperature changes is paving the way for autonomous retail formats," she explained. "The door can be keyed to an individual shopper using an ID tag (another RFID usage), entry code, or facial recognition. In addition to automating transactions, RFID tracks inventory to optimize logistics."



MARK SELF
PRESIDENT AND CEO,
VECTOR TEXTILES

Mark Self has a more cynical approach to in-store tech, stating, "Retailers will never stop implementing technologies that eliminate jobs at the store level, and customers rarely appreciate the benefits delivered by store-level technology." He blamed a few things for this, including unsustainable minimum wage increases, a lack of motivated workers applying for entry-level retail jobs, and an increase in screen time, which causes a decrease in social skills, according to Jonathan Haidt's book "The Anxious Generation." Self said that this "effectively lowers the talent pool for jobs requiring basic or rudimentary social skills."

"While technology, when correctly implemented, provides cost benefits (mostly to the retailer, but sometimes to the consumer, typically in support of a 'self-service' mindset), it rarely provides an increase in satisfaction, especially with older shoppers.

"Exhibit A is self-checkout technologies, which have been in use for around 38 years (specifically at a Kroger in Atlanta in 1986). While the technology has evolved to be increasingly end-user-friendly, if you pick any store and watch closely, you will witness a regular stream of confused users. The projected return on investment has stayed the same: You take what was once four cashiered lanes, eliminate three of those associates, and keep one to monitor the four to five lanes on offer.

"Exhibit B is mobile point of sale and mobile payment, which has had a slightly more positive effect on the shopping experience. Apple Stores have been leveraging this technology for about 18 years, first to lower the wait time to purchase items at Christmas and then to design the store in a materially different way, with no registers to be seen. Yet you still need to interact with a knowledgeable associate, just like you do with mobile payment at a restaurant, which started in Europe and has finally started to roll out here. Again — you are interacting with someone. Compare that with payment terminals at merchants where you are confronted with an iPad turned toward you with a silent request for a tip for something that you purchased, with little interaction from anyone."

MARK SELF
PRESIDENT AND CEO,
VECTOR TEXTILES

"Hopefully without sounding wistful or like a later-stage luddite, what is increasingly missing in customer shopping experiences is human interaction, which is steadily being replaced with a screen. And while a screen never asks for a wage increase or calls in sick, it also never provides any sense of community. And, sadly, we are increasingly okay with that."
— Mark Self, President and CEO, Vector Textiles

Other BrainTrust members agree that human interaction is an essential part of the retail equation.

MARK PRICE, MBA
ADJUNCT PROFESSOR,
UNIVERSITY OF ST. THOMAS

"The rise of AI and automation doesn't mean robots will take over retail. Instead, the future lies in human-AI collaboration. AI excels at data analysis, pattern recognition, and repetitive tasks. Humans bring creativity, critical thinking, and social intelligence to the table. This synergy will define successful retail operations. Employees armed with AI-powered tools can better understand customer needs and offer personalized experiences, fostering customer loyalty and driving sales."
— Mark Price, Adjunct Professor, University of St. Thomas

LIZA AMLANI
PRINCIPAL AND FOUNDER, RETAIL STRATEGY GROUP
ADJUNCT PROFESSOR, FASHION INSTITUTE OF TECHNOLOGY (FIT)

"Despite the hype, AI will not be a revolutionary force in retail. At least, not on its own. Advances in technology will fall short of expectations without a compensatory investment in human talent. In fact, we need to balance high-tech and high-touch. This is not a new concept — it goes back to the 1980s and the work of John Naisbitt in his book 'Megatrends.' We already see this today with self-checkout. The technology on its own is a detriment to the customer experience. As such, kiosks are always in operation in the presence of one or two store associates. Generative AI and other tools pull insights from data. But, they still need humans to help validate the outputs, and if necessary, overrule them. As technology spreads throughout the retail organization, winning companies will invest in their talent in parallel. This will pay off in the long run."
— Liza Amlani, Principal and Founder, Retail Strategy Group | Adjunct Professor, Fashion Institute of Technology (FIT)

Other Technological Trends Shaping Retail

While AI, data analytics, and in-store technology have garnered significant attention in the retail sphere, there exists a myriad of other technological innovations that are poised to redefine the future of retail. From blockchain and 5G connectivity to virtual reality experiences and sustainability initiatives, these emerging trends are reshaping the retail landscape in profound ways. Here are a few additional technological advancements that may or may not affect the retail industry in the coming years, according to the BrainTrust.

The Rise of Livestreaming Commerce

SHELLEY E. KOHAN
ASSOCIATE PROFESSOR, FASHION INSTITUTE OF TECHNOLOGY

"U.S. livestreaming commerce sales were projected to surpass $50 billion in 2023 and potentially account for more than 5% of total e-commerce in the country by 2026, according to Deborah Weinswig, founder and CEO of Coresight Research. The U.S. has been slow to get livestreaming up and running, especially when compared to China's $512 billion market; however, many companies are using both livestream and content creators to drive deeper loyalty with their target markets. TikTok Shop, YouTube, Instagram, and Facebook all are participating in creator- or influencer-led livestreaming.

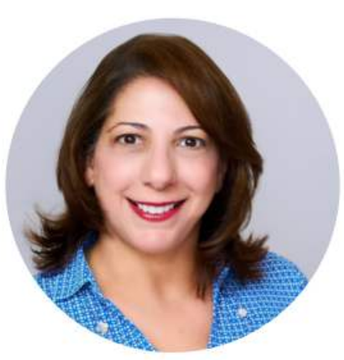
"According to a survey from eMarketer in 2023 of 1,000 U.S. internet users and 660 U.S. creators, YouTube leads the pack with 25% of the respondents using the platform to watch livestream events. Additionally, Poshmark hosts over 100,000 live shopping events monthly. Luxury brands are the perfect markets for livestreaming events, especially as they move toward a more owned versus wholesale business model. Macy's has its LiveStyle events, which are live events hosted on the website by content creators or brands. Customers can sign up to join these events based on their interests. Macy's Live has a variety of topics, training, and demonstrations, and, of course, viewers can shop the look."
— Shelley E. Kohan, Associate Professor, Fashion Institute of Technology

Challenges and Realities of Drone Delivery in Retail

DAVID SPEAR
VP, PROFESSIONAL SERVICES, RETAIL,
NCR VOYIX

"The Ukraine-Russia conflict has proven that drones are not only lethal but also a force multiplier beyond imagination. They have created havoc for both sides and will change battlefield tactics for the near future. In the last couple of years, many thought that drone delivery was the answer to quick commerce (QC). For example, fire up the mobile phone next to the chaise lounge and place your order for a 12-pack of beer to be delivered to the neighborhood pool in 15 minutes via drone. However, due to a spate of FAA regulations, irregular crash incidents, and inflationary effects, drone delivery will take a back seat to good old-fashioned car delivery."
— David Spear, VP, Professional Services, Retail, NCR Voyix

Will Holograms Be the Future of Retail?



LUCILLE DEHART
PRINCIPAL, MKT MARKETING SERVICES, LLC
FOUNDER, YOGASSISTS

"While 'The Flintstones' depicted a prehistoric community of rudimentary household and societal advances, like a car powered by feet or a record player powered by a bird, 'The Jetsons' served as a visionary glance into the future. The show predicted how humanity might live before the world knew it could live that way. What does this have to do with consumer and retail trends? Pretty much everything.

"If the creators of 'The Jetsons' could create a world that didn't exist, surely retailers can create a shopping experience that has yet to be realized. Home shopping/websites, body scans, subscription services, unified commerce services, body scan smart fit sizing, textiles infused with technology and smart garments that are temperature sensitive, smart mirrors, virtual sales associates, robotic warehouse staff, geofencing segmentation, RFID/QR-embedded data, palm pay, digital currency, and more are all advances that have surfaced over the last several years. So, what's next? Holograms.

"The global holographic display market size was valued at $7.9 billion as of 2023. This sector is on track to scale to $82.8 billion by 2032 — a CAGR of 29.8%, according to Straits Research. Holograms are being used in the automotive industry and the medical field, but more and more we are seeing adoption in media, entertainment, academia, and even retail."

LUCILLE DEHART
PRINCIPAL, MKT MARKETING SERVICES, LLC
FOUNDER, YOGASSISTS

"Brands have been chasing this technology by using dimensional displays, 3D applications, virtual reality (Meta), mixed reality (MR), and augmented reality (AR) for years. Now we are seeing holographic billboards and virtual live events.

"Target was an early pioneer in this space when it debuted a holographic fashion show in the Fall of 2007 at Vanderbilt Hall in NYC's Grand Central Station; however, the execution, while innovative, fell short of simulated 'reality.' Today we are exposed to dynamic experiences and even virtual people who can be projected into our dimension through remote engagement. Virtual receptionists and virtual meetings that look like the person/people are all in the same room are opening gateways for retailers to further their applications.

"Some modern-day applications of holograms include Aiden by Best Western hotels in Scandinavia, which are using hologram personnel to check in guests and answer questions via AI technology. The Las Vegas Sphere has taken holograms to new heights, literally, with a 580,000-square-foot LED wrap-around display that creates immersive concerts and other shows. Mattel in 2017 unveiled Hologram Barbie, a digital doll in a box that is animated and engages with the user. From magic AI fitness mirrors and Nike's visually captivating displays and personalization units to the virtual 'teleportation' of celebrities and sports stars like those in the Audi holographic press conference in Munich, it seems that consumers no longer need to be in the physical world to consume products or services.

"What is even more interesting is that in order to become immersed in this new reality, consumers no longer even need special goggles. Objects and individuals appearing out of nothing/nowhere will become commonplace...perhaps even to the extent of in-home computer projection. Imagine sitting with your tablet, swiping to reveal hologram images of products, places, and people, and being able to engage with them via audio and visual AI. This would revolutionize retail just like the internet did back in the late 1900s."
— Lucille DeHart, Principal, MKT Marketing Services, LLC | Founder, Yogassists

Conclusion

SARAH PELTON
PARTNER,
CAMBRIDGE RETAIL ADVISORS

As RetailWire's BrainTrust members have shown, the future is undeniably tech-driven. According to Sarah Pelton, "Advancements in technology, particularly AI and machine learning, are fundamentally reshaping the retail landscape. By harnessing the power of these technologies, retailers can unlock new opportunities for personalization, optimize operations, refine pricing strategies, and elevate the overall shopping experience."

Amidst this technological revolution, one truth remains constant: the importance of adaptation.

The future of retail will be defined by those who adapt to the changing consumer demands. As we stand on the cusp of a new era, it's crucial for retailers to remain agile, forward-thinking, and open to technological advancements.

These innovations are not without their challenges, but embracing them "will become more and more essential for retailers to stay competitive and thrive in an increasingly digital and data-driven marketplace," Pelton explained.

MARK PRICE, MBA
ADJUNCT PROFESSOR,
UNIVERSITY OF ST. THOMAS

"The retail landscape is not just evolving; it's undergoing a transformation driven by AI, machine learning, and other emerging technologies. The hyper-connected consumer demands a personalized, convenient, and seamless shopping experience. Retailers who embrace these trends and invest in innovative solutions will be best positioned to thrive in the dynamic and competitive world of retail in the coming five years. By harnessing the power of AI while fostering a human-centric approach, retailers can build stronger customer loyalty and drive long-term success in this exciting new era of retail."
— Mark Price, Adjunct Professor, University of St. Thomas

CONCLUSION

MELISSA MINKOW
DIRECTOR OF RETAIL STRATEGY, CI&T

Even so, only time will tell how much of a difference five years really makes for retail.

“Five years in retail can seem both like everything shopping-related has changed and nothing has changed. In 2024, we are still on the early side of retailers figuring out how to leverage Generative AI. Meanwhile, apps, websites, in-store POS solutions, sustainability, and retail media networks have been attempted and re-attempted in many ways, yet there’s still ample room for improvement.”
— Melissa Minkow, Director of Retail Strategy, CI&T

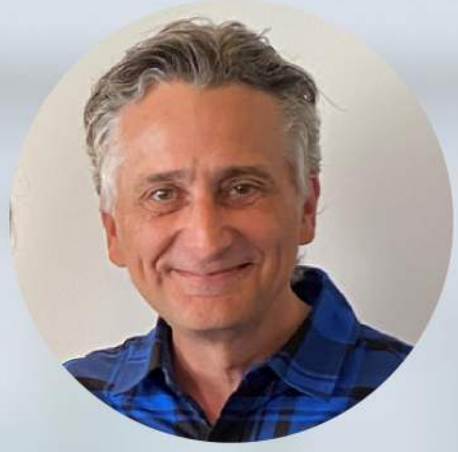
MARK RYSKI
FOUNDER, CEO, & AUTHOR, HEADCOUNT CORPORATION

“Ultimately, there is only one prediction that I can make with virtually 100% confidence — retailing will remain a large, vibrant, and resilient industry over the next five years and for many more to come.”
— Mark Ryski, Founder, CEO, & Author, HeadCount Corporation

Thank you for joining us in this RetailWire discussion.

“Ultimately, there is only one prediction that I can make with virtually 100% confidence —

Retailing will remain a large, vibrant, and resilient industry over the next five years and for many more to come.”



Mark Ryski
Founder, CEO, & Author,
HeadCount Corporation

RetailWire