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# The State of In-Store Retailing 2026: Blueprint To Scaling Store Intelligence Technologies for Retail Excellence

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## Executive Summary

Store intelligence technologies—starting with real-time, shelf-level visibility that enable smarter inventory management, pricing execution and planogram compliance—offer transformative potential to enhance brick-and-mortar retail operations through improved efficiency, automation and precision.

To maximize the impact and potential of store intelligence technologies, strategic sequencing is critical. Understanding technology prioritization, while building interoperable and easy-to-integrate technology infrastructure, will determine long-term winners with a competitive advantage that is difficult to replicate or match.

This report marks the third year of our annual study, The State of In-Store Retailing, which explores the state of store execution, key challenges and the resulting financial implications for retailers, as well as current technology deployment and investment trends.

## Coresight Research Analysis

### 1. *The Problem: Managing Store Operations Remains a Persistent Challenge for Retailers*

- On average, **90%** of surveyed retailers are **at least “slightly” challenged** in managing store operations, up from 88% in 2025.
- Retailers reported **losing 6.4% of gross sales** due to store inefficiencies (up from 5.5% in 2025 and 4.5% in 2024), translating to \$196.4 billion opportunity across selected retail sectors.

### 2. *The Paradox: Technology Adoption Levels Indicate Most Retailers Are Beyond Pilot Stage*

- More than half (**60%**) of surveyed retailers said that they are **either “scaling”** store intelligence technologies **or** have them **“fully scaled,”** up 18 percentage points (PPTs) versus last year.

### 3. *The Action: Retailers Are Accelerating Investments in Store Intelligence Technologies*

- On average, **60%** of retailers are **currently investing** in store intelligence technologies to improve store inefficiencies (up from 57% in 2025 and 54% in 2024). Pricing software, supplier collaboration platform and shelf digitization technologies emerged as the top prioritized solutions.

### 4. *The Prescription: Technology Sequencing Is Critical for Long-Term Competitive Advantage*

- While retailers are investing in store intelligence technologies to improve store inefficiencies, they are **not effectively sequencing their investments**. For instance, many retailers are prioritizing pricing software over foundational technologies such as shelf digitization technologies and data and analytics solutions.

### 5. *The Outcomes: Store Intelligence Technologies Positively Impact Customer Experience and Store Associate Productivity*

- Store intelligence technologies have driven an **11% increase** in **customer lifetime value (CLV)** since implementation among surveyed retailers, with 56% retailers citing CLV gains of at least 10%.
- Additionally, retailers reported a 14% decrease in time taken by store associates to carry out key manual tasks since the introduction of store intelligence technologies, on average.

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# Introduction

Having access to real-time, shelf-level data across store networks has significant and transformative business implications. For example, it enables retailers to better understand demand patterns, identify high-performing locations and emerging hotspots, and enhance demand forecasting capabilities. In turn, these insights help streamline operations, improve inventory management and support more informed decision-making at the enterprise level.

In June 2025, Coresight Research released the report titled [\*"The State of In-Store Retailing 2025: The Dawn of New-Age Stores, Powered by Technology."\*](#) Our 2025 research found that much of the industry is moving from pilot programs to the strategic implementation of in-store AI solutions. The investment case has largely been made; the focus has now shifted to integrating solutions that deliver the greatest value. The inflection point is no longer whether to move beyond pilots, but how—including considerations such as orchestration, change management and integration with existing infrastructure. The size of the prize for modernizing the store intelligence technology stack has continued to expand, with implications extending beyond operational issues such as out-of-stocks and pricing errors to omnichannel fulfillment, supplier collaboration and retail media.

Leveraging a Coresight Research survey of 200 US-based retail business decision-makers, this report examines the state of technology development, challenges in managing store operations and retailers' investment initiatives in store intelligence technologies.

This report is made available to non-subscribers of Coresight Research through its sponsorship by store intelligence technology company **Simbe** and retail planning company **Relex Solutions**.

## Definitions

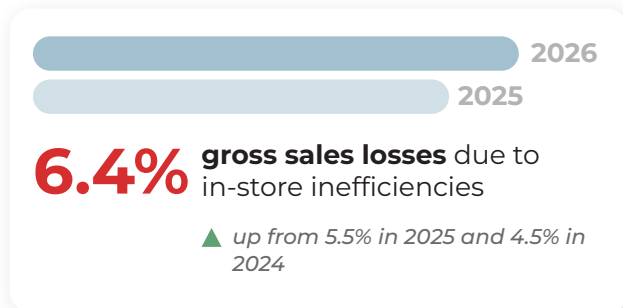
**1. Store Intelligence Technologies:** We classify store intelligence technologies as advanced technologies which are powered by automation, computer vision and artificial intelligence (AI) and are directed towards improving four key business functions cited below. Store intelligence for the purpose of this research is limited to serving four key functions which are out-of-stock management, pricing and promotion execution, planogram compliance and allocation and assortment planning.

**2. In-Store Inefficiencies:** We define in-store inefficiencies as challenges and shortfalls in out-of-stock management, pricing and promotion execution, planogram compliance and allocation and assortment planning which hinder business decision-making.

# Market Scale and Opportunity

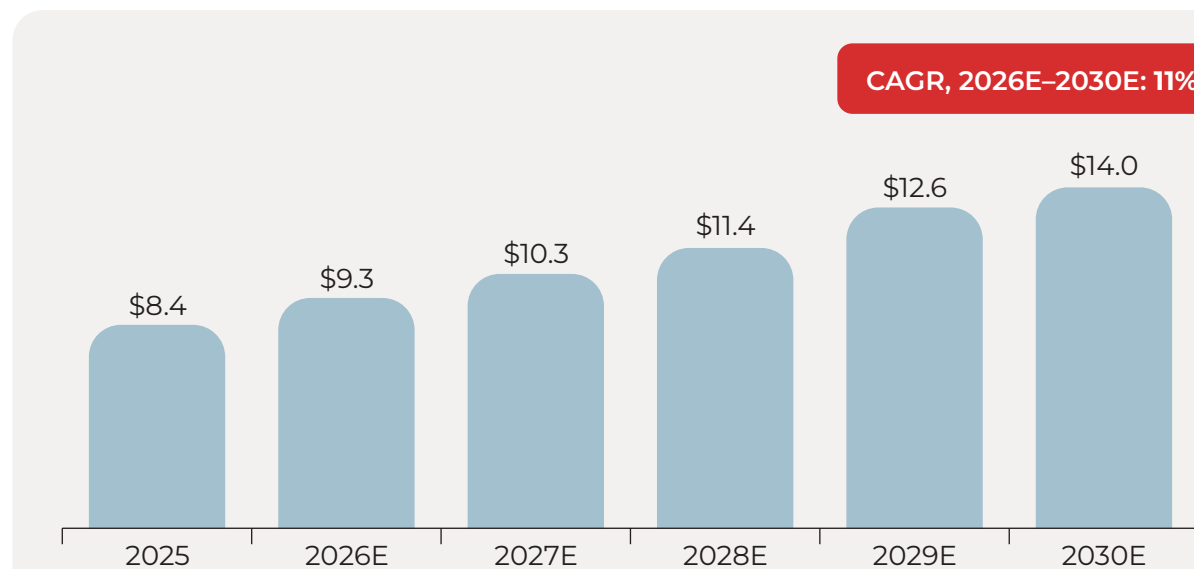
Coresight Research estimates that the global store intelligence technologies market will total \$9.3 billion in 2026 and will grow to \$12.6 billion in 2029, at a CAGR of 11% in the four-year period, as shown in Figure 1.

Furthermore, our survey reveals that, on average, retailers report **losing 6.4% in gross sales** due to in-store inefficiencies. This translates to a \$196.4 billion opportunity across DIY, drugstore, grocery, mass merchandise and warehouse club sectors that we estimate to cumulatively generate \$3.07 trillion in total sales in 2026.



In 2026, the revenues across these sectors is estimated to increase by 3% year over year (from \$2.96 trillion in 2025 to \$3.07 trillion in 2026), but sales lost to inefficiencies are estimated to increase by a massive 21% during the same period (from \$162.7 billion in 2025 to \$196.4 billion in 2026), the disproportionate surge in the latter underlines that store inefficiencies compound over the years and can severely hinder retailers' ability to improve their top-and-bottom line if left unaddressed.

**Figure 1.**  
Global Store Intelligence Technologies Market\* Projections (USD Bil.)



\*Includes inventory management solutions, demand forecasting solutions, retail merchandising solutions and pricing optimization solutions  
Source: Coresight Research





An analysis by business function reveals:

**Pricing and promotion** execution is the most challenging area for retailers—92% said they are at least slightly challenged, up 7 percentage points year over year.

- **Implication:** Pricing and promotion execution is a critical business function, with substantial impacts extending beyond operational inefficiencies and having a direct impact on retailers' revenues, profitability and long-term customer loyalty.

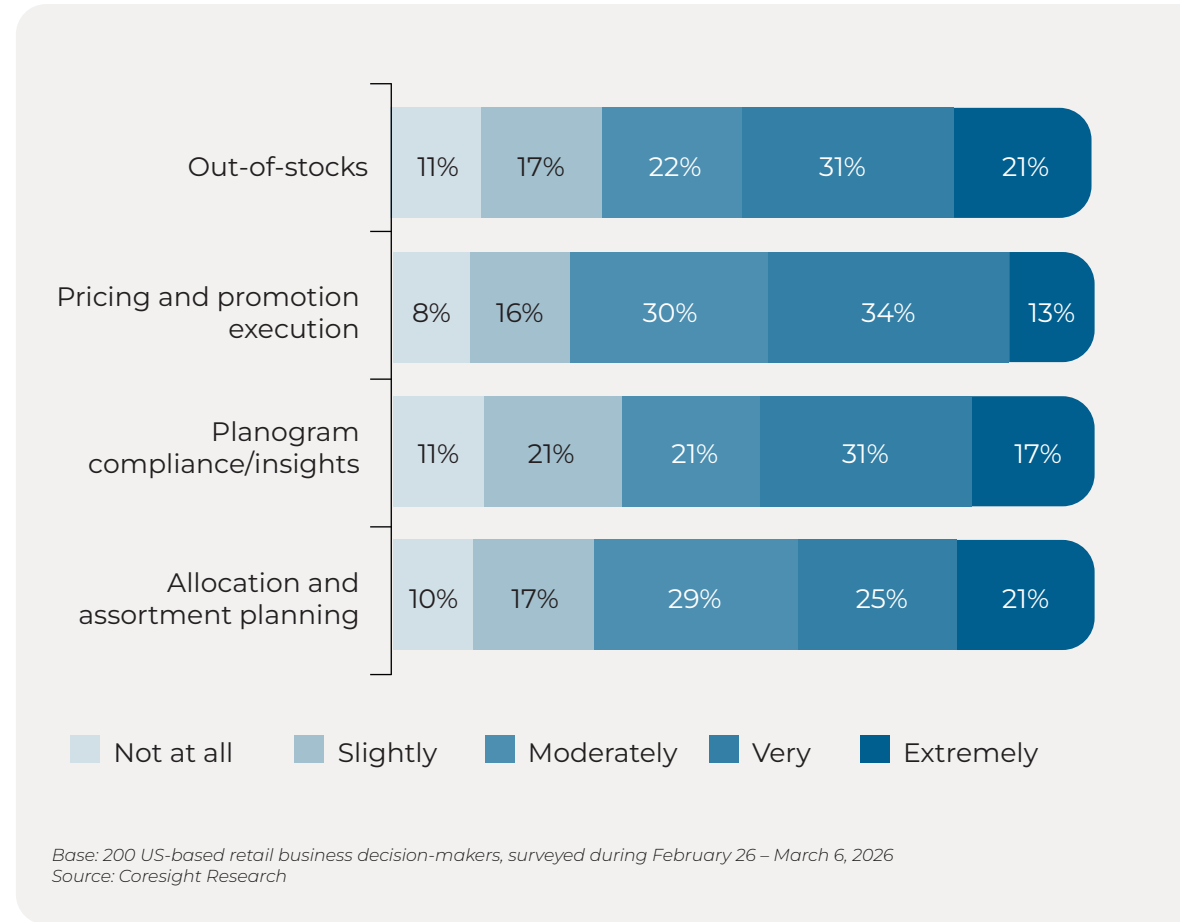
**Out-of-stocks** showed the highest severity increase, with **52% of retailers citing them as “very” or “extremely” challenging.**

- **Implication:** Empty shelves translate to lost sales and underline cracks in retailers' inventory management systems—real-time shelf visibility not only alleviates lost sales pressures but also lays robust foundations for inventory management and demand forecasting.

Our survey data revealed that store inefficiencies have a direct impact on retailers' revenues and margins:

- The percentage of **gross sales** lost to in-store inefficiency rose to **6.4%** on average, from 5.5% last year and 4.5% in 2024.
- An overwhelming majority (**89%**) of US-based retailers reported **losing at least 5% of their operating margin** to in-store inefficiency, up from 81% in 2025 and 75% in 2024.

**Figure 2.**  
**Extent of Challenges Across Store-Related Business Functions**  
**(% of Respondents)**



## 2 The Paradox: Technology Adoption Levels Indicate Most Retailers Are Beyond Pilot Stage

Stores account for the majority of total retail sales—75.9% of total retail sales in 2026, according to Coresight Research estimates. With cross-channel boundaries blurring, managing channels and operations in isolation can lead to significant setbacks, such as loyalty erosion and declining customer lifetime value (CLV). In this context, store intelligence technologies have become increasingly critical—business decision-making based on store-level visibility creates positive synergies for the overall business. Retailers are increasingly recognizing the ecosystem-wide value of digitizing their store networks; we outline two recent examples below:

### **Industry Insight** **Merchandising Intelligence**

In its **3Q26** earnings call on January 7, 2026, Albertsons CEO Susan Morris highlighted continued efforts to modernize retail operations. The retailer **aims to achieve \$1.5 billion in productivity gains over the next three fiscal years** through technology-driven initiatives to improve operations.

“We will be equipping our merchants with AI-driven insights and automated execution to optimize pricing, promotions and assortment decisions, transforming category management and driving margin improvement. Our vision is the future where intelligent automation guides these decisions, freeing our people to focus on strategy and innovation.”



Susan Morris, CEO of **Albertsons**



### **Industry Insight** **Shelf Intelligence**

In its **3Q25** earnings call in November 2025, BJ's Wholesale Club Chairman and CEO Bob Eddy highlighted how the company is expanding its use of store intelligence technology beyond foundational inventory accuracy toward broader operational and productivity gains. By using digital twins to optimize pick paths for BOPIC, curbside, and same-day orders, BJ's has improved picking efficiency by approximately 40% year-over-year. The company is also applying these insights to improve quality standards in fresh categories and continues to identify new use cases for AI-driven decision-making enabled by store-level data.

Eddy noted that while BJ's initially deployed Simbe to improve inventory and price accuracy, the technology has since enabled the creation of a “digital twin” of each club—providing real-time visibility that did not previously exist given the absence of traditional warehouse management systems in-store. Eddy noted that while BJ's initially deployed Simbe to improve inventory and price accuracy, the technology has since enabled the creation of a “digital twin” of each club—providing real-time visibility that did not previously exist given the absence of traditional warehouse management systems in-store.



Bob Eddy, CEO and Chairman of **BJ's Wholesale Club**



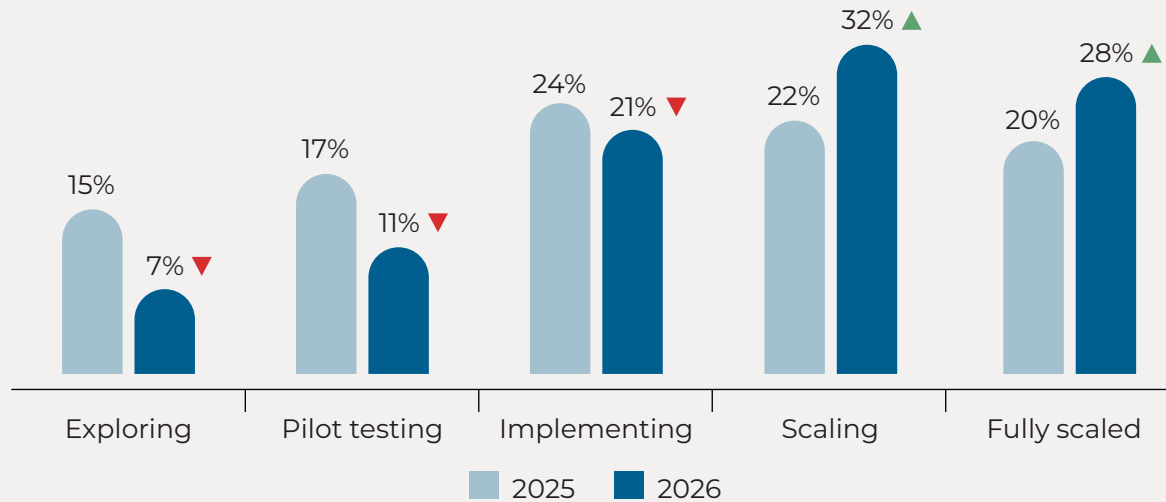
Our survey data reveal that retailers are increasingly moving beyond pilots and continuing to scale their investments in store intelligence technologies. We found:

- **Just 18%** of surveyed retailers said they are either “exploring” or “pilot testing” store intelligence technologies, compared to 32% reporting the same in 2025.
- **More than half (60%)** of retailers said they are either “scaling” store intelligence technologies or have them “fully scaled,” up 18 percentage points versus last year.

**60%** of retailers are either **“scaling”** store intelligence technologies or have them **“fully scaled.”**

▲ up from 42% in 2025

**Figure 3.**  
**Current Adoption Levels Averaged Across Store Intelligence Technologies (% of Respondents)**



**Technology sequencing is taking center stage as retailers scale their technology infrastructure**

Base: 200 US-based retail business decision-makers, surveyed during February 26 – March 6, 2026  
 Source: Coresight Research

Breaking down the data by company size reveals a skewed advantage in favor of larger retailers—technology maturity is directly proportional to retailer revenue. Specifically, 42% of retailers with annual revenues of less than \$1 billion said they are either scaling or have fully scaled store intelligence technologies, on average, versus 73% of retailers with at least \$5 billion in annual revenues. This implies that larger retailers are developing technology infrastructure more rapidly, and there is an increasing need for smaller and mid-size retailers to scale in order to maintain competitiveness.

**Figure 4.**  
**Current Adoption Levels Averaged Across Store Intelligence Technologies, By Company Size (% of Respondents)**

Annual Revenues	Exploring/Pilot Testing	Implementing	Scaling/Fully Scaled
Less than \$1 billion	22%	32%	42%
\$1 billion to \$5 billion	21%	20%	58%
More than \$5 billion	13%	14%	73%

Base: 200 US-based retail business decision-makers, surveyed during February 26 – March 6, 2026  
 Source: Coresight Research

# 3 The Action: Retailers Are Accelerating Investments in Store Intelligence Technologies

Retailers are increasingly acknowledging the value of stores in driving meaningful transformation, which is reflected in multiyear initiatives to improve productivity and efficiency. An example is US home improvement retailer **Lowe's**, which launched its **Perpetual Productivity Improvement (PPI)** initiative in 2021, aimed at productivity enhancements. We highlight some key developments related to PPI, as discussed in Lowe's earnings calls since its launch, below:

**Figure 5.**  
**Lowe's PPI Initiative: Key Announcements in Company Earnings Calls Since Launch**

Earnings Period	Insight
4Q 21	<ul style="list-style-type: none"> <li>• Lowe's EVP of Stores Joseph McFarland announced the launch of PPI</li> <li>• McFarland highlighted key technology initiatives under PPI including "industry-leading" workforce management tools and "enhanced" store inventory management solutions among others</li> </ul>
3Q 22	<ul style="list-style-type: none"> <li>• Lowe's operating margin expands by 240 basis points, CEO Marvin Ellison attributes improvement to price management system and PPI</li> </ul>
2Q 23	<ul style="list-style-type: none"> <li>• McFarland Estimates labor savings of 80 non-productive labor hours per store, per week during the six-month period ended December 31, 2022, attributable to "Project Simple," an initiative launched under PPI to remove duplicate store associate tasks</li> <li>• McFarland highlights the in-store and online customer experience improvement because of inventory visibility through its new store inventory management system (launched in February 2022)</li> </ul>
4Q 26	<ul style="list-style-type: none"> <li>• McFarland highlights two forward-looking initiatives under the PPI program which include improved sequencing of inventory flow from distribution centers to stores and "full shelf replenishment initiative" that allows the retailer to identify out-of-stocks in real-time through AI-powered technology</li> </ul>

*Source: Company transcripts*

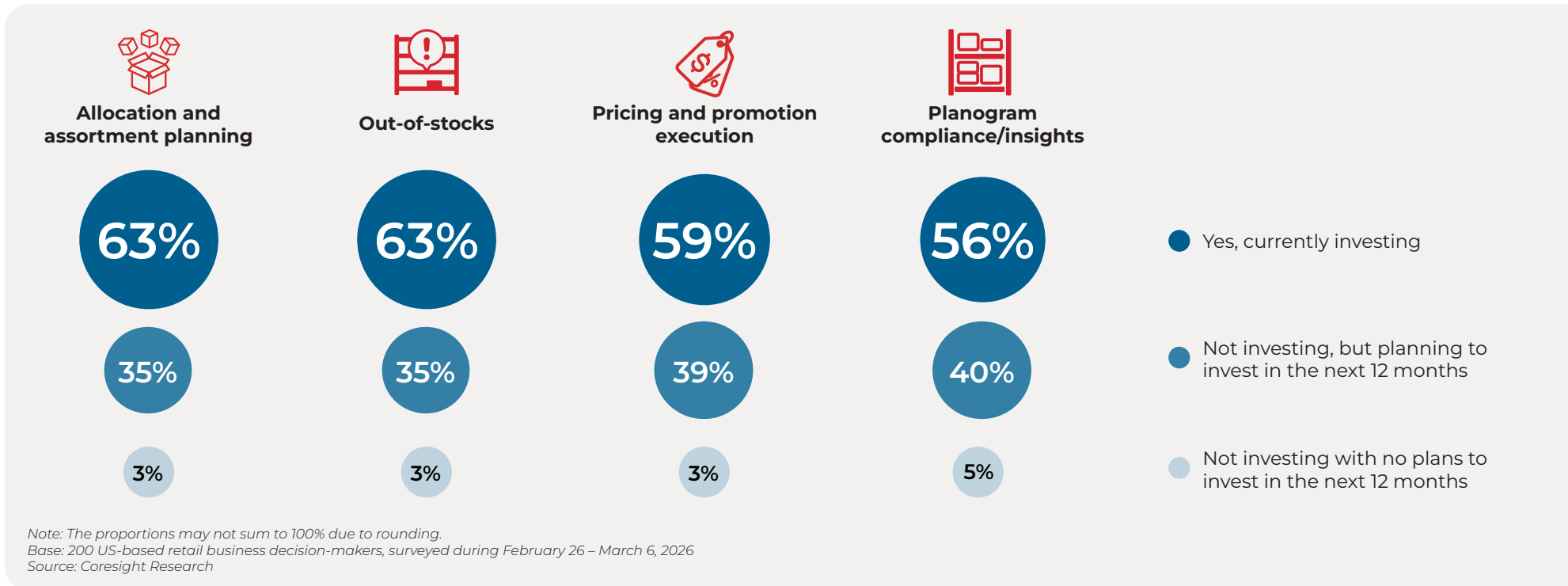
Our survey data highlight a large proportion of retailers investing in store intelligence technologies to address key store-related inefficiencies:

- On average, **60% of the retailers are currently investing in store intelligence technologies** (up from 57% in 2025 and 54% in 2024) to improve store inefficiencies with **37% planning to do so in the coming 12 months**.
- Retailers are targeting to solve multiple inefficiencies at once with the surveyed respondents targeting to solve more than two inefficiencies at once, on average, and 40% investing towards improving three or more store inefficiencies simultaneously.

**60%** of retailers are currently **investing in store intelligence technologies**  
▲ up from 57% in 2025 and 54% in 2024

We asked retailers to rank the **top three drivers** of investment in store intelligence technologies. Retailers acknowledge the revenue-building capabilities of these technologies. The ability to increase total revenues emerged as the biggest driver of investment, cited by 42% of respondents among the top three drivers, closely followed by enabling new revenue streams such as retail media (40%) and cost reduction goals (35%).

**Figure 6.**  
**Current Investment Levels in Store Intelligence Technologies to Alleviate Inefficiencies Across Selected Store-Related Business Functions (% of Respondents)**

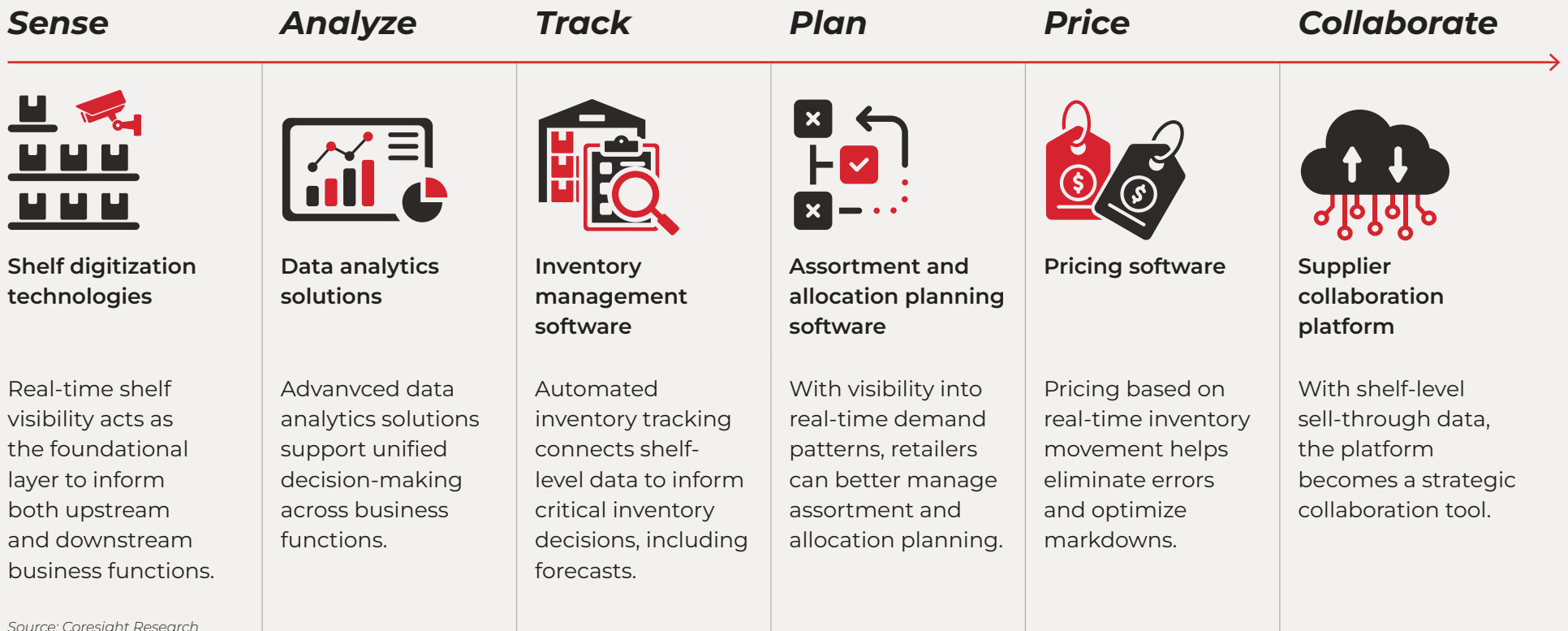




# 4 The Prescription: Technology Sequencing Is Critical for Long-Term Competitive Advantage

Technology sequencing—strategic ordering and implementation of store intelligence technologies for maximum efficiency and effectiveness—is a crucial lever for driving success and establishing long-term competitiveness. Across the selected store intelligence technologies considered in this study, we have built a sequencing roadmap (see Figure 8) that starts with shelf digitization technologies and progresses to supplier collaboration platforms. In this chronology, shelf digitization technologies enable retailers to monitor store shelves in real time and, consequently, other technologies, including data analytics and inventory management software, are powered by real-time information, making downstream decisions more accurate and informed.

**Figure 8.**  
**Technology Sequencing Roadmap**



Source: Coresight Research

However, our survey data reveal that while retailers are investing in store intelligence technologies to improve store inefficiencies, they are not effectively sequencing their investments. For instance, many retailers are prioritizing pricing software over other technologies. This aligns with the earlier finding that pricing and promotion execution is the most challenging area for retailers—92% said they are at least slightly challenged, up 7 PPTs year over year. Furthermore, **our survey data reveal an average mispricing rate of 13%, up from 10% in 2025 and 9% in 2024**, which further supports why retailers may be prioritizing investments in pricing software. Shelf digitization—the foundational layer—ranks third in retailers’ investment priority lists underlining one of the key factors hindering retailers’ potential to maximize technology ROI. For instance, the two technologies ranked above shelf digitization (pricing software and supplier collaboration platform) depend on shelf-level data to deliver their full value.

Retail operations are an increasingly connected ecosystem, and technology deployment must be accompanied by strategic sequencing. Pricing software outcomes, for example, without shelf-level visibility and a limited understanding of inventory movement, might fall short of delivering the desired impact.

In a separate question, we asked retailers whether they are currently investing in these store intelligence technologies and found that only 33% of retailers are **currently investing in shelf digitization technologies**—the **lowest share across store intelligence technologies** and **lower than downstream technologies** such as **inventory management software (41%)** and **data analytics solutions (34%)**.



### Industry Insight Technology Sequencing

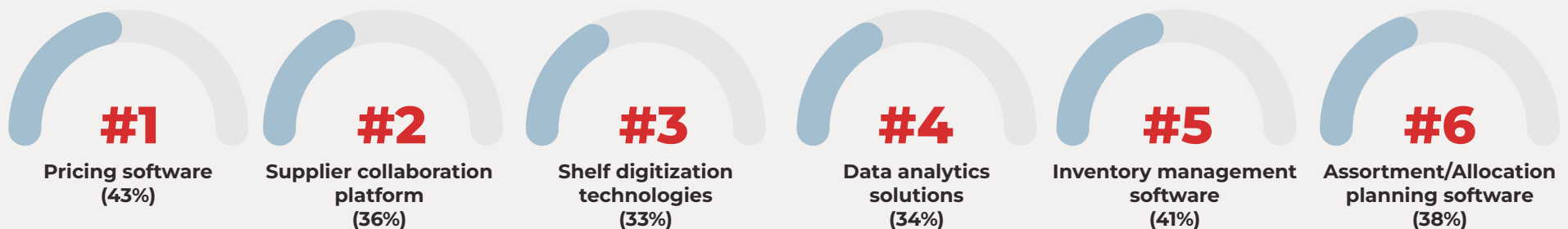
“Shelf intelligence and the data foundation it creates must come first, or every downstream system will fall short of expectations. If you don’t have a reliable view of what’s actually in your stores, nothing else works.”



Kim Anderson, Vice President of Store Operations at **Schnucks Markets**  
*Schnucks*

**33%** of retailers are currently **investing in shelf digitization technologies**—the **lowest share across store intelligence technologies**

**Figure 9.**  
**Store Intelligence Technologies: Current Investment Prioritization Levels and Proportion of Retailers Currently Investing (%)**



*\*Note: The technologies are ranked in descending order of their prioritization among retailers investing in store intelligence technologies  
Source: Company transcripts*

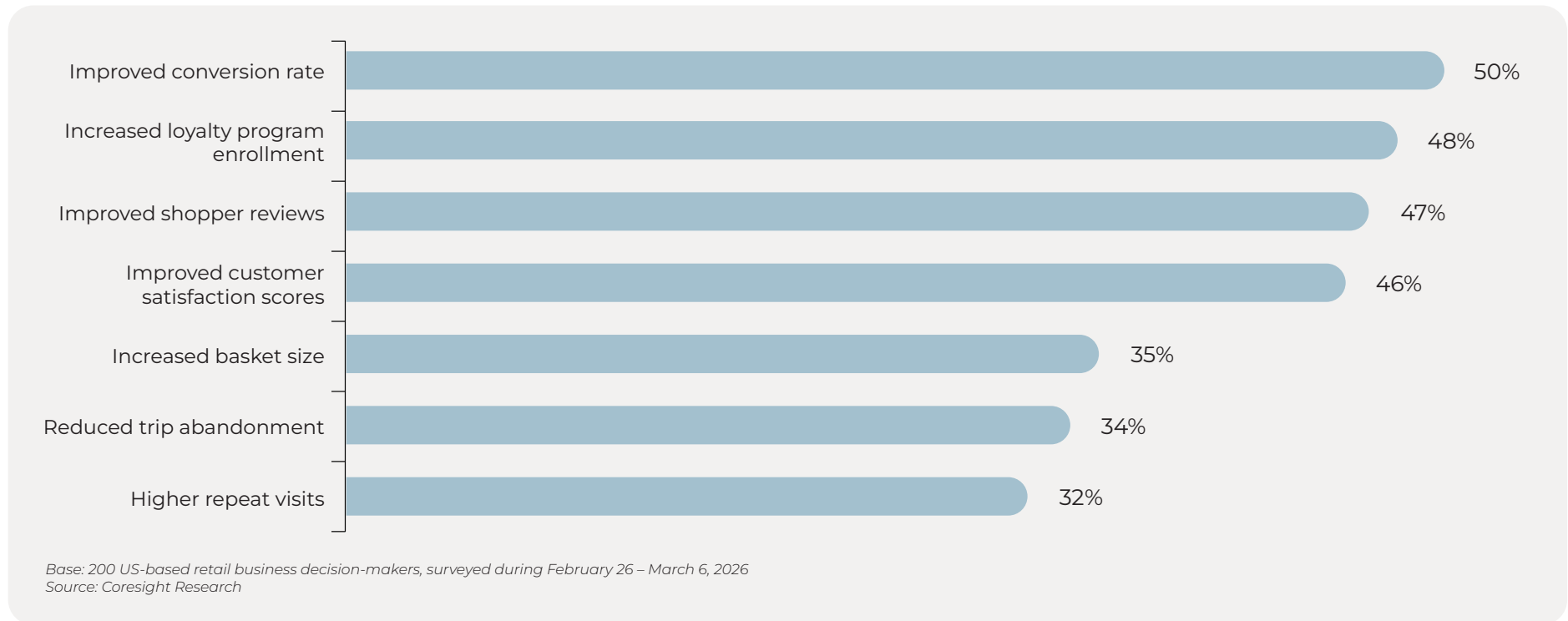
# 5 The Outcomes: Store Intelligence Technologies Positively Impact Customer Experience and Store Associate Productivity

Store intelligence technologies can significantly influence the customer experience. For example, shelf digitization technologies such as robotics, sensors and cameras powered by computer vision and AI can help retailers identify issues such as missing items on shelves or mispriced products in real time. These technologies play a key role in rectifying errors or issues before they hamper shopper experience by taking the onus off downstream technology solutions such as pricing software or inventory management software, which may not rectify challenges in real time. Our survey data reveal that store intelligence technologies deliver multiple customer-facing benefits. **Improved conversion rates** emerged as **the most widely cited benefit**, with **50%** of retailers citing it, followed by increased loyalty program enrollment (48%), improved shopper reviews (47%) and improved customer satisfaction scores (46%).

Additionally, our survey data show that store intelligence technologies have driven an **11% increase in customer lifetime value (CLV)** since implementation among surveyed retailers, with 56% of retailers citing CLV gains of at least 10%.

**11%** increase in customer lifetime value (CLV) since implementation of store intelligence technologies.

**Figure 10.**  
Customer Facing Benefits Attributable to Store Intelligence Technologies (% of Respondents)



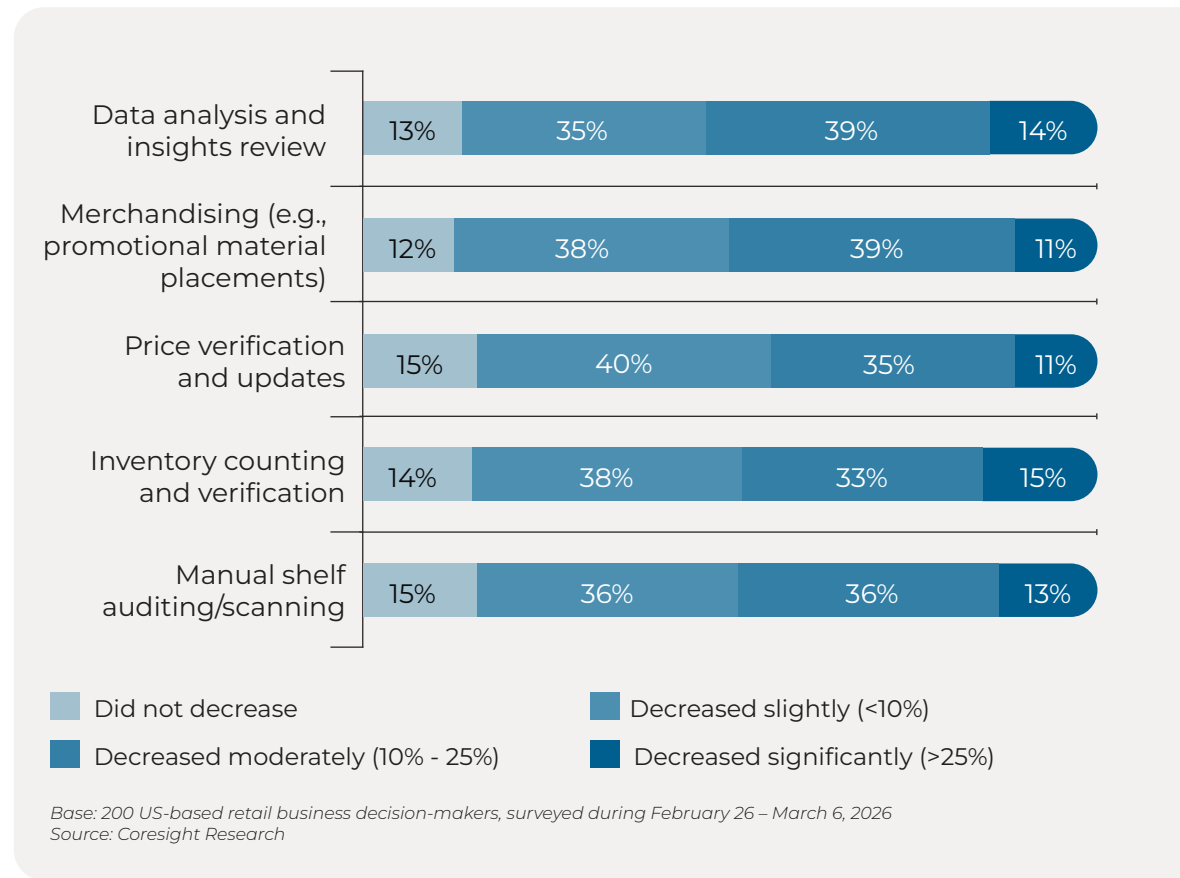
Effective store execution is a function of the productivity and efficiency of store associates. That said, how store associates spend their time and how well equipped they are to carry out day-to-day tasks is increasingly shaped by store intelligence technologies. Reducing redundant and time-consuming tasks, such as manual shelf audits and identifying pricing inaccuracies, are among the immediate benefits of store intelligence technologies. Retailers are increasingly acknowledging the role of advanced technologies in complementing store associate productivity. For example, Lowe’s PPI program, which we discussed earlier, includes a “winning together” initiative through which the retailer rewards its frontline associates. In its latest earnings call for the fourth quarter ended December 31, 2025, Joseph McFarland announced a discretionary bonus of \$5,000 for associate store managers and bonuses between \$150 and \$700 for hourly associates, attributable to productivity gains achieved through the PPI program.

Our survey data support this hypothesis—store intelligence technologies contribute to a reduction in time taken to carry out manual assignments. These saved hours can be reallocated to high-value tasks to improve the shopper experience and optimize operations. On average, retailers reported a **14% decrease in time taken** by store associates to carry out selected manual tasks since the introduction of store intelligence technologies, according to our survey. Additionally, an overwhelming 86% reported at least a “slight” decrease hours taken to carry out selected manual assignments, on average.

**14%** decrease in time taken to carry out selected manual tasks, on average, since the introduction of store intelligence technologies.

By company size, mid-size retailers (\$1 billion–\$5 billion) showed the least improvement, with only 36% of respondents citing a “moderate to significant” decrease, compared to 55% for retailers with up to \$1 billion in revenue and 56% for retailers with revenues over \$5 billion. This highlights a significant performance gap for mid-size retailers, which may be at the “scaling” stage of store intelligence technology adoption.

**Figure 11.**  
Selected Tasks: Improvements Since Introducing Store Intelligence Technologies (% of Respondents)



# What We Think

We view 2026 as a pivotal inflection point for store intelligence technologies, as many retailers move beyond pilots and initial implementations into scaled deployment. The technology decisions made this year will shape competitive positioning for years to come.

However, the central question is shifting from whether to scale to how to scale effectively—specifically, in what sequence. Store intelligence technologies are not standalone solutions to isolated problems; they form an interconnected ecosystem in which each layer informs, strengthens and enables the next. Deploying these technologies without a clear sequencing strategy carries the risk of building on an unstable foundation.

As a result, deployment strategies supported by strategic roadmaps, interoperability discussions and change management principles will be the key differentiator—separating retailers that compound value through integrated capabilities from those that simply accumulate disconnected solutions.

In 2026, success will depend less on what retailers invest in and more on how they prioritize and scale those investments to maximize impact.

## Implications for Retailers:

- The pace of technological advancement has continued to accelerate in recent years. In this context, solutions that are flexible across hardware and software and can be easily integrated with existing technology infrastructure will play a pivotal role in determining long-term winners as retailers continue to scale technologies.
- Retailers such as Lowe's and Albertsons that are running multiyear improvement programs must focus on technology sequencing. Furthermore, understanding the nuances associated with technology rollouts, spillover effects on both upstream and downstream business functions and measurable KPIs helps retailers successfully roll out store intelligence technologies.
- Establishing real-time, shelf-level visibility as foundational to technology investments can substantially improve operational outcomes. Without any visibility into real-time data, downstream investments in pricing software, supplier collaboration and planning tools risk operating without the information infrastructure they require to deliver full value.



## About Coresight Research Custom Reports

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*Simbe is a provider of in-store Intelligence™ technology, including solutions for out-of-stock management, pricing and promotion execution, planogram compliance and inventory management. Dozens of global customers use Simbe across countries and the majority of US states to improve store performance while elevating their store teams' and shoppers' experience.*

*For more information, visit [www.simberobotics.com](https://www.simberobotics.com).*

*RELEX Solutions provides a unified supply chain and retail planning platform that aligns and optimizes demand, merchandising, supply chain, operations and production planning across the end-to-end value chain.*

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