

THE GRAYSON COMPANY PRESENTS

AI IN RETAIL · EXECUTIVE BRIEFING

From Reactive Retail to Autonomous Commerce

How AI is transforming every retail sector

Prepared for retail and brand Leadership · June 2026



THE STATE OF PLAY

Retail's AI revolution has arrived

AI is moving retail beyond reactive management toward **autonomous, predictive execution**. What was experimental is now embedded in daily operations across every segment.

~90%

of retailers are using or
piloting AI today

NVIDIA, 2026 survey

89%

say AI is increasing their
annual revenue

NVIDIA, State of AI

95%

say AI is reducing their
annual costs

NVIDIA, State of AI

\$138B

projected AI-in-retail
market by 2035

~23% CAGR forecast

01

PART ONE

Sector-Specific AI Deployments

How grocery, fashion, beauty, and general merchandise each put AI to work.

01

SECTOR · GROCERY & SUPERMARKETS

Grocery & Supermarkets

CORE AI APPLICATIONS

- Dynamic shelf lifecycle monitoring
- Hyper-local demand forecasting
- Computer vision at self-checkout & POS

INDUSTRY EXAMPLE

Lidl uses predictive AI networks to automate replenishment, running AI-driven auto-replenishment across 12+ countries since 2018.

12+

countries with AI auto-replenishment

Business impact Forecasting demand at a neighborhood level puts the right product in the right store at the right time, while cutting spoilage.

02



SECTOR · FASHION & APPAREL

Fashion & Apparel

CORE AI APPLICATIONS

- Virtual try-on experiences
- AI-supported clienteling & trend analysis
- Predictive sizing recommendations

INDUSTRY EXAMPLE

Zalando's AI-driven stock placement cut e-commerce fulfillment costs ~25%, while size & fit tools reduced size-related returns up to 8%.

~25%

lower fulfillment cost
(Zalando)

Business impact Pairing predictive analytics with behavioral insight lets retailers anticipate demand and personalize every shopping journey.

03



SECTOR · BEAUTY & COSMETICS

Beauty & Cosmetics

CORE AI APPLICATIONS

- Computer vision skin diagnostics
- Personalized shade matching
- AR smart mirrors & AI recommendations

INDUSTRY EXAMPLE

Sephora's AI skin-tone analysis and AR try-on lift add-to-cart by ~11% and deliver up to 3x click-through on personalized offers.

3×

click-through on
personalized offers

Business impact Hyper-personalized journeys replicate expert in-store consultations and bridge the digital and physical experience.

SECTOR · GENERAL MERCHANDISE

General Merchandise

CORE AI APPLICATIONS

- Autonomous retail agents
- Unified inventory orchestration
- Dynamic pricing & supply chain intelligence

INDUSTRY EXAMPLE

Walmart's "Sparky" agent drives a 35% basket-size increase and is rolling out dynamic digital shelf labels to all 5,200 US stores by 2027.

+35%

basket-size increase
(Walmart)

Business impact Retailers can make thousands of operational decisions at once, improving responsiveness while reducing manual intervention.

02

PART TWO

Cross-Sector AI Applications

The capabilities driving industry-wide transformation, from supply chain to storefront.

CROSS-SECTOR · OPERATIONS & LOGISTICS

Operations & logistics



Agentic supply chains

- Auto-generate purchase orders & reallocate budgets in real time
- Optimize distribution and reroute fleets around disruptions
- Continuously monitor end-to-end performance

\$2B→\$53B agentic SCM software by 2030 (Gartner)



Loss prevention

- Detect self-checkout fraud and item-switching schemes
- Flag "sweethearting" and suspicious behavior in real time
- Reduce annual shrink with continuous oversight

30–40% lower losses with real-time theft detection

Merchandising & pricing



Dynamic markdown optimization

- Evaluate thousands of promotional scenarios in seconds
- Protect margin and accelerate promotional planning
- Sharpen inventory clearance and demand response

1000s of pricing scenarios modeled per second



Real-time course correction

- Modify discount structures for underperforming regions
- Shift marketing investment and inventory allocation
- Recommend assortment changes as conditions move

~30% of retailers now use dynamic AI pricing

CROSS-SECTOR · IN-STORE & CUSTOMER SERVICE

In-store experience & service



Edge AI & smart kiosks

- Process AI workloads directly inside the store
- Real-time shelf monitoring with faster response times
- Keep operating during internet or cloud outages

On-device resilience with reduced cloud dependency



Conversational commerce

- AI shopping assistants and conversational search
- Voice-enabled in-store navigation
- Natural-language answers tailored to each shopper

93% of questions resolved without a human

WHERE THIS IS HEADING

The future of retail is autonomous

AI is no longer a support tool — it operates as an active decision-maker and the operating system behind modern retail.

Leaders integrating predictive analytics, agentic AI, computer vision, and conversational commerce will pull ahead.

- 1** Increase operational efficiency
- 2** Improve customer experiences
- 3** Reduce costs across the value chain
- 4** Strengthen supply chain resilience
- 5** Drive sustainable revenue growth

KEY TAKEAWAY

The retailers that win the next decade will be those that empower AI to move beyond recommendations and into execution — creating intelligent, adaptive operations capable of making decisions in real time across the entire retail ecosystem.

From reactive retail to autonomous commerce — AI-powered decision-making is now a competitive necessity, not a future aspiration.