The State of In-Store Retailing 2025: The Dawn of New-Age Stores, Powered by Technology

Annual Study

CUSTOM REPORT

June 17, 2025

Executive Summary

Store intelligence technologies—solutions to optimize inventory management, out-of-stocks, pricing and promotion execution and planogram compliance—offer transformative potential to optimize brick-and-mortar retail operations through enhanced efficiency, automation and precision. Leveraging a Coresight Research survey of retail business decision-makers, this report dives into the importance of store intelligence technologies in tackling key challenges related to store inefficiencies, and analyzes technology adoption and investment levels among retailers in the US, with an extended focus on European retailers (findings summarized at the end of the report).

Market Scale and Opportunity

- Coresight Research estimates that the global store intelligence technologies market will total $8.4 billion in 2025 and grow to $12.6 billion in 2029, at a CAGR of 11% in the four-year period.
- Our survey reveals that, on average, retailers in the US DIY, drugstore, grocery, mass merchandise and warehouse club sectors report losing 5.5% in revenue due to in-store inefficiencies. This translates to an additional $162.7 billion opportunity across these sectors that we estimate to cumulatively generate $2.96 trillion in total sales in 2025.

Coresight Research Analysis

1. Technology Adoption Levels Highlight Growth Potential

- Store intelligence technologies help optimize retail operations by providing real-time insights into store dynamics, including inefficiencies—and retailers are increasingly recognizing their value.
- Our survey data show that retailers have moved beyond exploration and piloting to active implementation: Overall, two-thirds (66%) of surveyed retailers have begun implementing store intelligence technologies. However, only 20% of retailers have fully scaled their solutions.

2. Challenges Are Easing as Retailers Tap Technology Benefits

- Inefficiencies in managing stock levels, pricing and promotion execution, planogram compliance, and allocation and assortment planning directly impact the shopper experience and store performance.
- In 2025, 88% of surveyed US-based retailers reported being at least "slightly" challenged across store-related business functions, representing a modest improvement of 5.5 percentage points (PPTs) from 2024.

3. Pricing and Promotion Execution Presents Biggest Challenges for Retailers

- In 2025, promotion execution errors emerged as the most significant challenge among US-based retailers, with 39% ranking it among their top five biggest challenges. Product pricing errors were the second most widely cited challenge (37%).
- Reflecting the extent of these challenges, 80% of US-based retailers reported mispricing rates of at least 5%.

4. Labor-Related Tasks Drive Inefficiencies

- Our survey revealed that shrink is the biggest contributor to store inefficiencies (cited by 42% of US-based retailers), followed by a high number of manual tasks (39%) and high employee turnover (38%).

5. Store-Related Financial Losses Are Rising

- The percentage of gross sales lost due to in-store inefficiencies has increased substantially, rising to 5.5% on average (up from 4.5% in 2024). Similarly, margin erosion has worsened since the past 12 months—a majority of the retailers (81%, up from 75% in 2024) reported losing at least 5% of their operating margin to in-store inefficiencies.

6. Mounting Financial Pressure Is Accelerating Store Intelligence Technology Investments

- On average, 57% of US-based retailers are currently investing in solutions to overcome in-store inefficiencies. Out-of-stocks received the highest share of investment focus, with 64% of retailers actively investing in solutions for this issue.
- Investment levels have grown significantly across different technologies. Shelf-digitization technologies, including computer vision-powered shelf-scanning robots, saw the largest year-over-year increase—of 16 PPTs—with 57% of retailers now investing in this area.
- US-based retailers plan to invest an average of $415,600 in store intelligence technologies over the next 12 months, up 151% year over year. Additionally, 35% of retailers cited plans to invest at least $500,000 during the same period.

What We Think

Retailers are increasingly acknowledging the importance of store intelligence technologies and are accelerating their investments and adoption. The dramatic 151% surge in planned spending, combined with substantial sales and margin losses due to inefficiencies, signals a market that is primed for transformation.

Holistic investment strategies will become increasingly important over the next 12–18 months, as retailers look to recover lost revenue and address persistent labor constraints with intelligent automation.

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Introduction

Store intelligence technologies—solutions to optimize inventory management, out-of-stocks, pricing and promotion execution and planogram compliance—offer transformative potential to optimize brick-and-mortar retail operations through enhanced efficiency, automation and precision. In fact, demonstrated business outcomes and financial opportunity are driving accelerated and positive progress in the space.

Coresight Research examined how store intelligence technologies can solve key store management challenges faced by US retailers (and uncovered in a proprietary survey) in our report, *The State of In-Store Retailing: Opportunities to Redefine Operations*, produced in partnership with Simbe in March 2024. Building on the momentum captured in that inaugural 2024 report, we dive again into the importance of store intelligence technologies and investment levels among retailers, offering year-over-year data comparisons to assess what's changed and where opportunities lie. Our insights are informed by a survey of retailers conducted by Coresight Research in March 2025 (see methodology at the end of this report). We focus primarily on the US market, though we do look at key differences between the US and Europe in a later section of this report.

*This report is produced and made available to non-subscribers of Coresight Research in partnership with **Simbe**, a store intelligence technology provider that offers solutions for out-of-stock management, pricing and promotion execution, planogram compliance and inventory management.*

What's Driving the Need for Store Intelligence Technologies Now?

Many current retail systems lack the intelligence required to combat store inefficiencies such as shrink, labor constraints, pricing and promotion inaccuracies, and more, leading to eroded profit margins and impacting the customer experience. Evolving shopper preferences and the increasingly blurred boundaries between shopping channels have significantly heightened the complexity of managing store operations. These challenges are further intensified by ongoing economic uncertainty, fueled by factors such as tariffs, inflationary pressures and declining consumer sentiment. This environment has resulted in rising input costs and sourcing difficulties, placing additional strain on retailers' cost structures and margins.

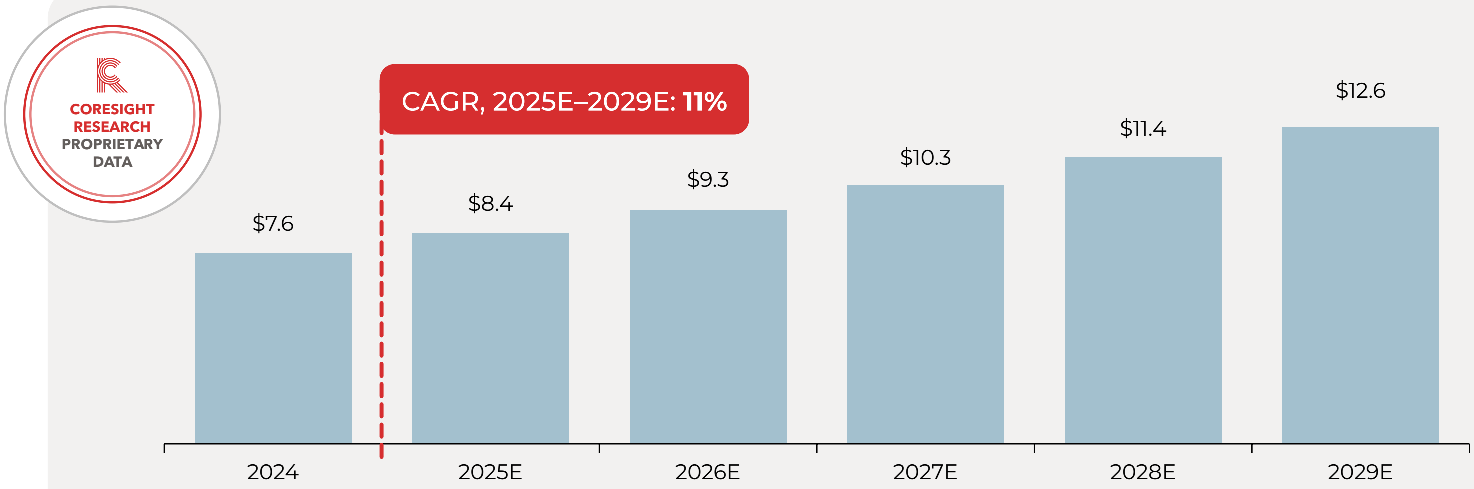
Operational complexity and economic uncertainty are driving an accelerated rate of store closures and bankruptcies. Our estimates suggest that US store closures in 2025 could far exceed prior years, totaling up to 15,000, compared to just over 8,800 in 2024 (tracked by Coresight Research as of May 9, 2025). While some store closures are driven by legacy retailers reshaping their store footprints, many are due to operational distress, leading to bankruptcy restructuring (e.g., **New Rite Aid**).

That said, our 2025 study reveals that while challenges widely persist, retailers have greater recognition of the need for robust tools to elevate their in-store capabilities and drive operational success (and greater propensity to invest and adopt those tools).

Market Scale and Opportunity

Coresight Research estimates that the global store intelligence technologies market will total $8.4 billion in 2025 and grow to $12.6 billion in 2029, at a CAGR of 11% in the four-year period, as shown in Figure 1.

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

Furthermore, our survey reveals that, on average, retailers in the US DIY, drugstore, grocery, mass merchandise and warehouse club sectors report losing 5.5% in revenue due to in-store inefficiencies. This translates to an additional $162.7 billion opportunity across these sectors that we estimate to cumulatively generate $2.96 trillion in total sales in 2025.

CORESIGHT RESEARCH PROPRIETARY DATA

1 Technology Adoption Levels Highlight Growth Potential

Brick-and-mortar stores are critical to driving financial success, building customer relationships and elevating brand value. Store intelligence technologies help optimize retail operations by providing real-time insights into store dynamics, including inefficiencies—and retailers are increasingly recognizing their value. For example, John Furner, President and CEO of **Walmart** US, emphasized the importance of store technologies during Walmart's Investment Community Meeting on April 9, 2025. He highlighted AI as essential for delivering seamless shopper experiences and enabling real-time decision-making, offering an example of digital twin technology providing real-time information on in-store customer and associate activity.

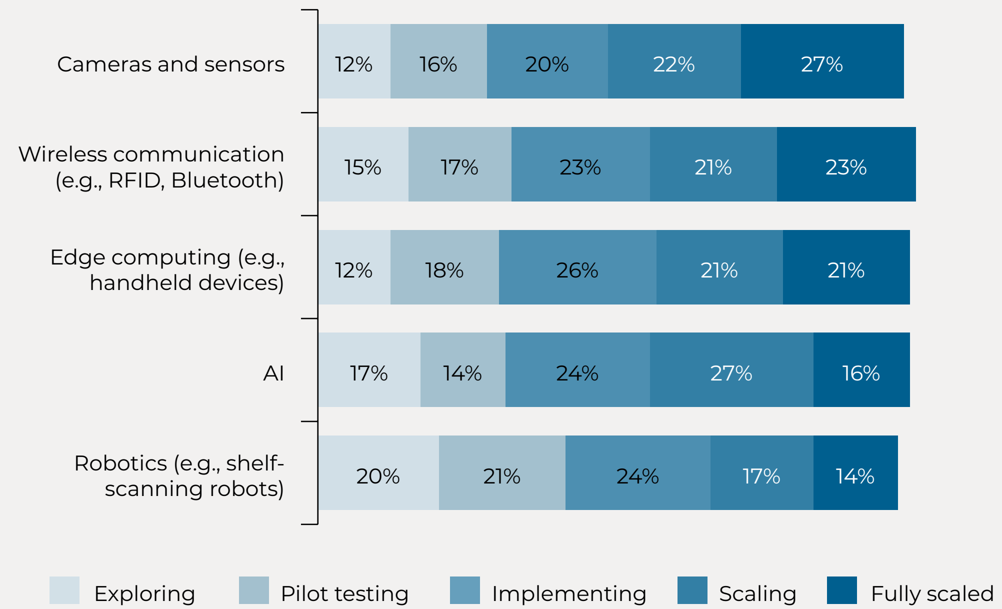
Our survey data show that retailers have moved beyond exploration and piloting to active implementation: Overall, two-thirds (66%) of surveyed retailers (in the US and Europe) have begun implementing store intelligence technologies. However, only 20% of retailers have fully scaled their solutions—reflecting hurdles such as legacy systems, capital expenditure requirements and internal approvals. Given the fast-evolving landscape, full-scale implementation remains a complex task but is a strong growth opportunity.

The survey reveals varied implementation stages across key technologies (as shown in Figure 2):

- **Cameras and sensors** are the most mature technology, with 27% of retailers reporting full-scale implementation.
- **AI (artificial intelligence)** shows the strongest growth, with 24% of retailers in the implementation phase and 27% currently scaling.
- **Robotics** is an emerging technology, with 40% of retailers either exploring or piloting the technology and 24% of retailers currently implementing it.

Figure 2. US and Europe: Adoption Levels of Store Intelligence Technologies (% of Respondents)

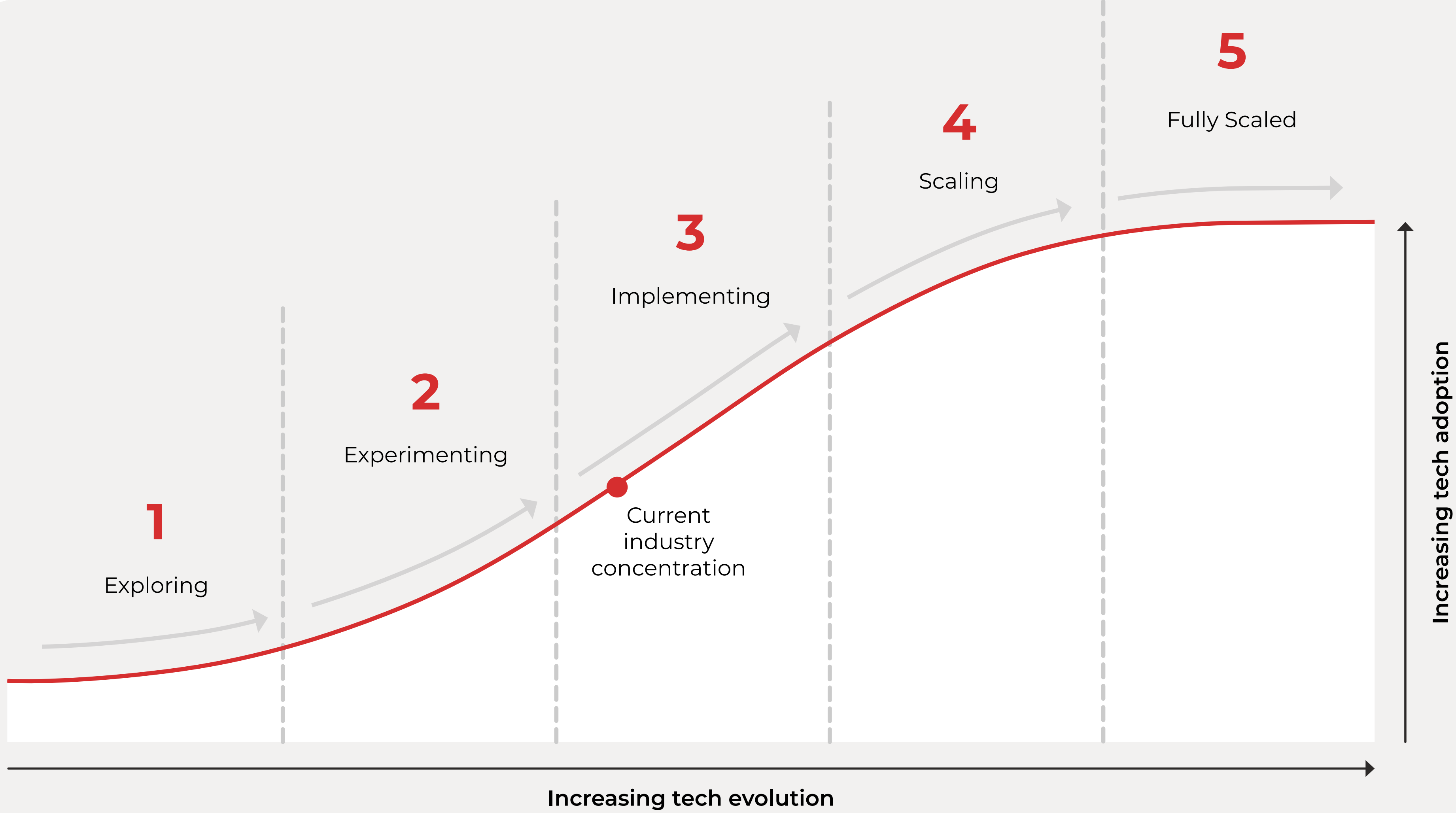
66% of surveyed retailers have moved beyond exploring and testing store intelligence technologies



The totals do not sum to 100 as proportion of respondents citing "don't know/can't say" are not included
Base: 394 retail business decision-makers in the US and Europe, surveyed in March 2025
Source: Coresight Research

Overall, the retail industry is entering a period of accelerated implementation. The next 12–18 months will be pivotal as retailers prioritize investments. Figure 3 presents a visual representation of the adoption curve where the "industry concentration" point indicates the current state of technology adoption.

Figure 3. US and Europe: Store Intelligence Tech Adoption Curve



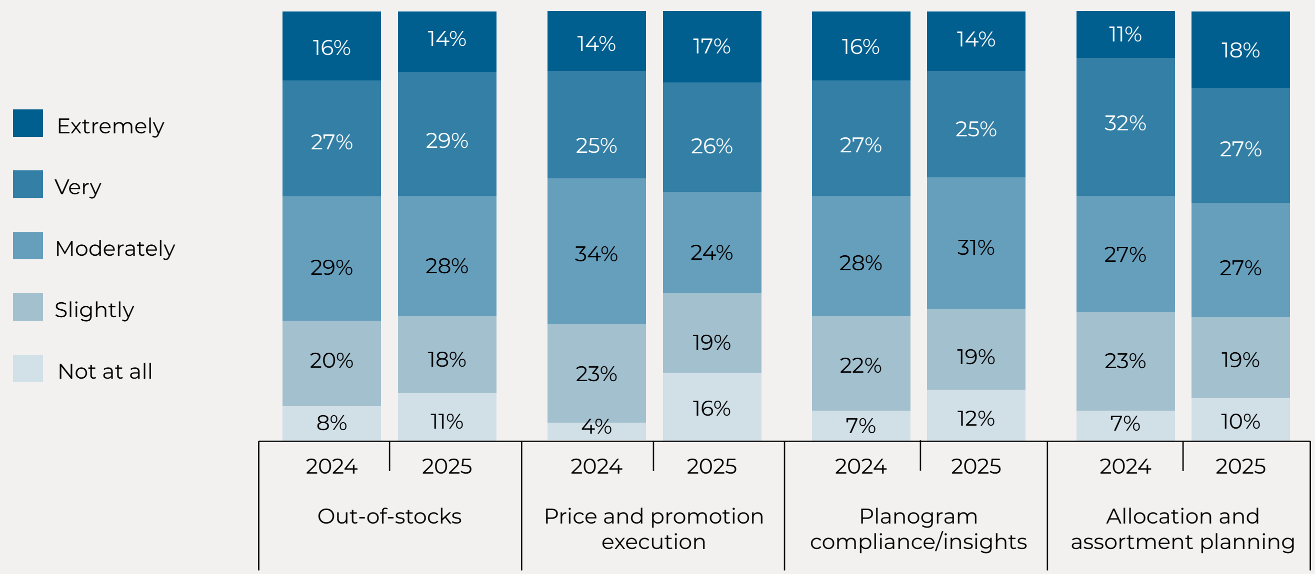
Note: We have determined the industry concentration leveraging survey data and technology maturity trends (from both predictions and historical data, including funding, operations, headcount, market share, financials, media presence and customer growth)
Base: 394 retail business decision-makers in the US and Europe, surveyed in March 2025
Source: Coresight Research

2 Challenges Are Easing as Retailers Tap Technology Benefits

Challenges in managing stock levels, pricing and promotion execution, planogram compliance, and allocation and assortment planning are a proxy for how retailers source, stock, market and price their products. Inefficiencies across any of these functions directly impacts the shopper experience and store performance. In-store shopping experiences that cause friction for the consumer can cause retailers to experience margin erosion and diminishing loyalty. In fact, 66% of surveyed US consumers would reduce buying from a retailer to some extent after a dissatisfactory shopping experience, according to a Coresight Research survey conducted in March 2025.

While challenges persist, our new retailer survey data show slight year-over-year improvements in the US. In 2025, 88% of US-based respondents reported being at least "slightly" challenged across store-related business functions, representing a modest improvement of 5.5 percentage points (PPTs) from 2024. Price and promotion execution registered the most improvement (dropping from 96% in 2024 to 85% in 2025); however, the second-largest proportion of retailers (17%) cited being "extremely" challenged in this area, indicating that it is still a pressing issue.

Figure 4. US: How Challenged Retailers Are Across Store-Related Business Functions (% of Respondents)



Proportions of Respondents That Are at Least "Slightly" Challenged, by Business Function

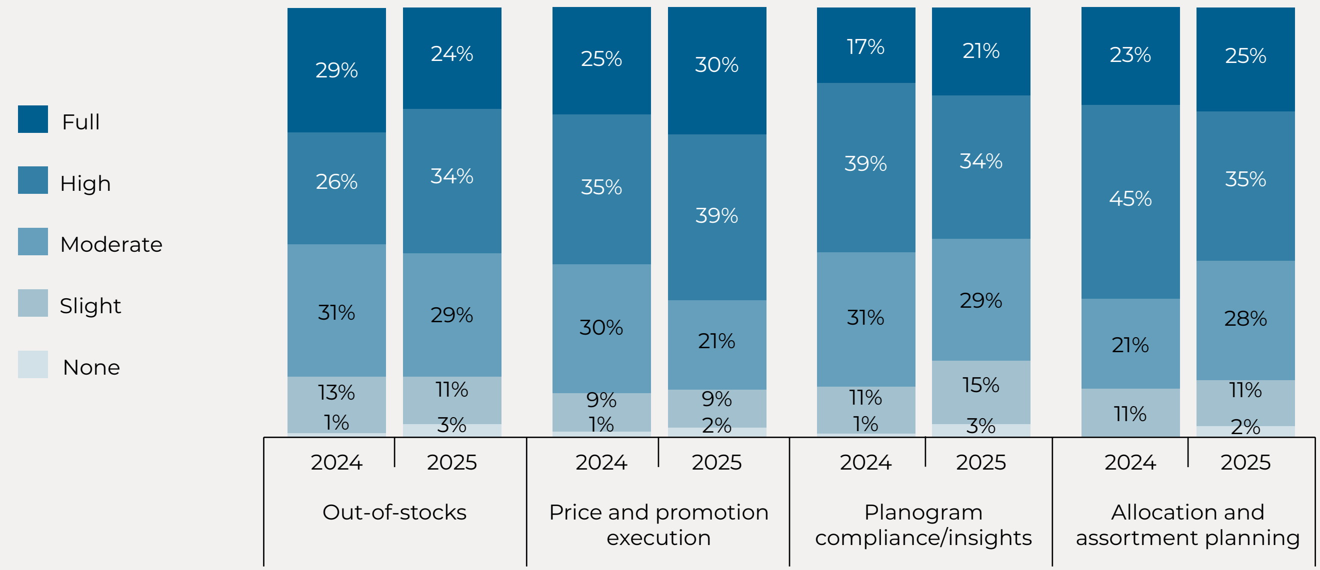
	Out-of-stocks	Price and promotion execution	Planogram compliance	Allocation and assortment planning
2025	89%	85%	88%	91%
2024	92%	96%	93%	93%

Base: US-based retail business decision-makers—200 surveyed in March 2025 and 150 surveyed in January 2024
Totals may not sum to 100% due to rounding
Source: Coresight Research

Greater visibility into store operations is a foundational step toward alleviating key retail challenges. Aligning with easing challenges, our survey data reveal that, year over year, the proportions of US-based retailers reporting only “moderate visibility” at best declined by 8 PPTs for price and promotion execution and by 9 PPTs for allocation and assortment planning (see Figure 5).

However, just 25% retailers report having full visibility into store-related business functions overall—highlighting a substantial competitive opportunity for those willing to invest in comprehensive technology solutions. Retailers that improve transparency are better positioned to address inefficiencies and drive performance.

Figure 5. US: Level of Visibility into Store-Related Business Functions (% of Respondents)



Proportions of Respondents That Report “Moderate” Visibility at Best, by Business Function

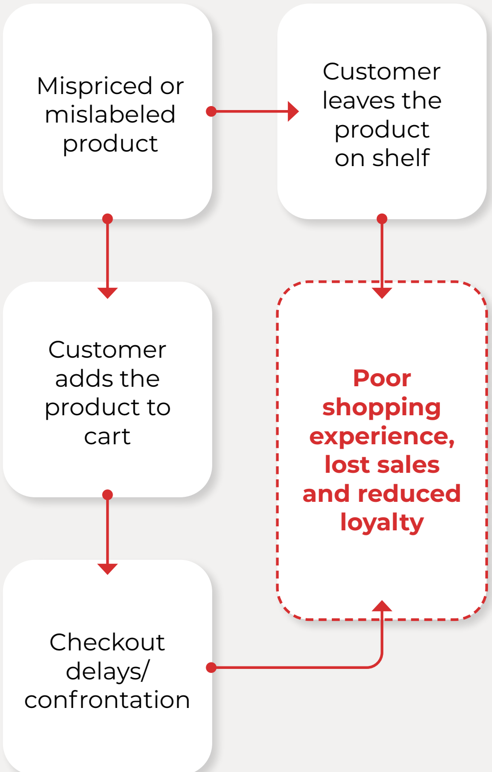
	Out-of-stocks	Price and promotion execution	Planogram compliance	Allocation and assortment planning
2025	43%	32%	46%	41%
2024	45%	40%	43%	32%

Base: US-based retail business decision-makers—200 surveyed in March 2025 and 150 surveyed in January 2024
Source: Coresight Research

3 Pricing and Promotion Execution Presents Biggest Challenges for Retailers

Errors in pricing (such as missing or mislabeled tags) can undermine strategic planning and result in lost sales and reduced loyalty.

Figure 6. Impacts of Pricing Errors on Sales and Shopper Experience

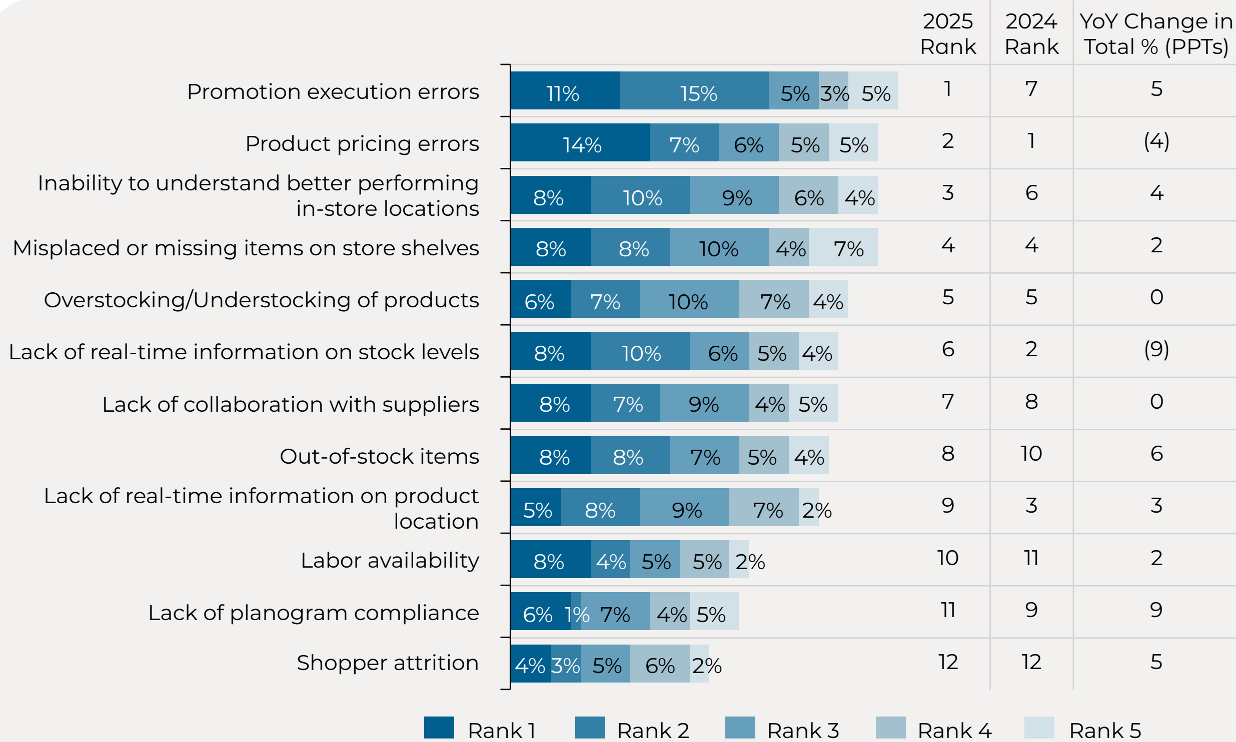


Source: Coresight Research

In 2025, promotion execution errors emerged as the most significant challenge among US-based retailers, with 39% ranking it among their top five biggest challenges—resulting in a huge jump from sixth place in 2024 (when 33% of respondents reported the same), as shown in Figure 7.

Pricing and promotion are complementary business functions—any promotional updates need to be reflected in the price tags. Product pricing errors were the second most widely cited challenge in our survey this year (37%).

Figure 7. US: Challenges That Retailers Face with In-Store Inefficiencies (% of Respondents)



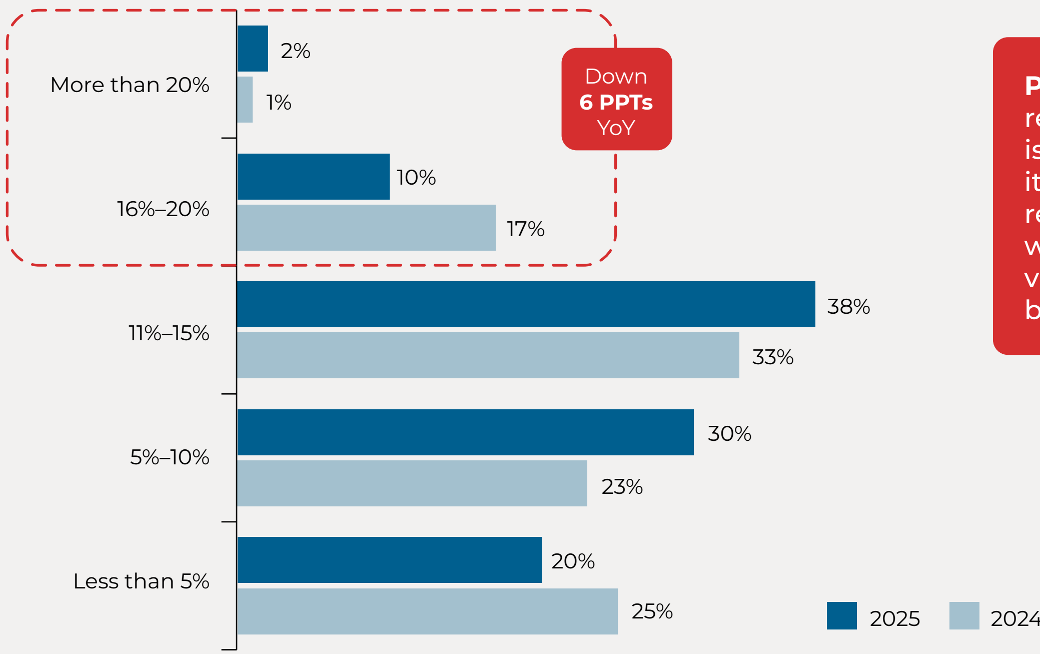
Respondents were asked to rank their five biggest challenges, from Rank 1 (most challenging) to Rank 5 (least challenging)
Challenges ordered in the chart from most to least challenging based on a weighted calculation, whereby "Rank 1" carries the highest weight and not ranked carries the lowest weight
Base: US-based retail business decision-makers—200 surveyed in March 2025 and 150 surveyed in January 2024
Source: Coresight Research

Pricing and promotion execution is critical for driving success, and retailers are increasingly realizing this. For example, Vivek Sankaran, CEO of grocery retailer Albertsons, said that the company is investing in "state-of-the-art tools for pricing and promotion," speaking in the **Albertsons** earnings call for the third quarter of fiscal 2025 (ended November 30, 2024).

Further reflecting the extent of pricing and promotion challenges, 80% of US-based retailers in our 2025 survey reported mispricing rates (percentage of mispriced products in a given selling period) of at least 5%, versus 75% of retailers stating the same last year. Furthermore, the average mispricing rate (calculated from the midpoints of the ranges) inched up to 10% in 2025 from 9% in 2024.

However, the silver lining is that these increases were driven by more respondents reporting mispricing rates in the 5%–15% midrange this year; the prevalence of severe 16%+ mispricing rates is down 6 PPTs in 2025 (to 12%). This is likely due to the improved visibility in price and promotion execution discussed earlier, which we attribute to technology investments and advancements over the past year. Solutions that provide real-time pricing verification and promotion compliance monitoring could deliver substantial ROI (return on investment) and improve margins by directly addressing key challenges.

Figure 8. US: Mispricing Rate (% of Respondents)



Price execution remains a pressing issue, though its severity has reduced in line with improved visibility of this business function

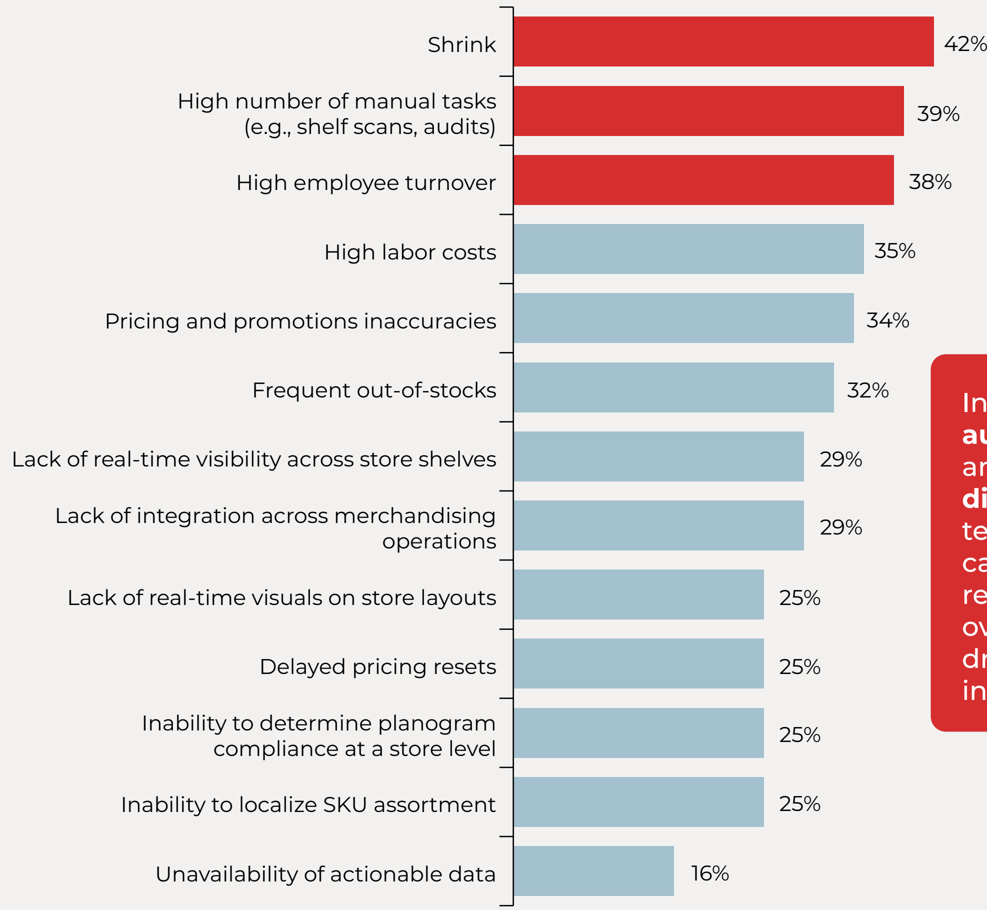
Base: US-based retail business decision-makers—200 surveyed in March 2025 and 150 surveyed in January 2024
Source: Coresight Research

4 Labor-Related Tasks Drive Inefficiencies

Diving into the leading contributors of in-store inefficiencies in the US, our 2025 survey surfaced three key drivers (as shown in Figure 9):

- **Shrink** (the loss of inventory that cannot be accounted for through sales or legitimate means) emerged as the most widespread contributor, cited by 42% of respondents. Shrink can have serious implications for inventory management as it leads to stockouts, forecasting errors and higher carrying costs for retailers (unsold inventory in case of forecasting errors). Investing in technology solutions to ensure real-time shelf visibility can help retailers mitigate the impacts of shrink and eliminate inventory accounting errors.
- **A high number of manual tasks** was cited by 39% of respondents. Frequent planogram resets, for instance, may see store associates place products at locations that disrupt optimal adjacencies (e.g., toothpaste next to mouthwash), which causes sales erosion and degrades the shopping experience. Automating labor-intensive and error-prone processes such as stock audits, planogram compliance and pricing execution can help retailers avoid costly mistakes and ensure that they deliver exceptional shopper experiences.
- **High employee turnover** (cited by 38% of retailers) contributes to inefficiencies, as hiring and training new store associates is expensive and time-consuming and might not prepare them for challenges as well as seasoned associates.

Figure 9. US: Contributors to Store Inefficiencies (% of Respondents)



Investing in **automation** and **shelf digitization** technologies can help retailers overcome key drivers of store inefficiency

Base: US-based retail business decision-makers—200 surveyed in March 2025 and 150 surveyed in January 2024
Source: Coresight Research

5 Store-Related Financial Losses Are Rising

Store inefficiencies such as out-of-stocks or mislabeled products have a direct impact on shopper experience. Overcoming inefficiencies requires ensuring that products are placed on the right shelves and aisles with correct pricing and promotional information. This enhances the shopping experience, which can help boost long-term loyalty and sales. Furthermore, it is critical for retailers to identify key shopper trends and ensure that their stores carry the right products and in adequate quantities. As this report has already highlighted, inefficiencies across business functions translate to lost sales and margin erosion. Our survey data indicate that both these impacts have worsened in the US since 2024:

- The percentage of gross sales lost to in-store inefficiency rose to 5.5% on average in 2025, from 4.5% last year.
- A huge 81% of US-based retailers reported losing at least 5% of their operating margin to in-store inefficiency, up from 75% in 2024.

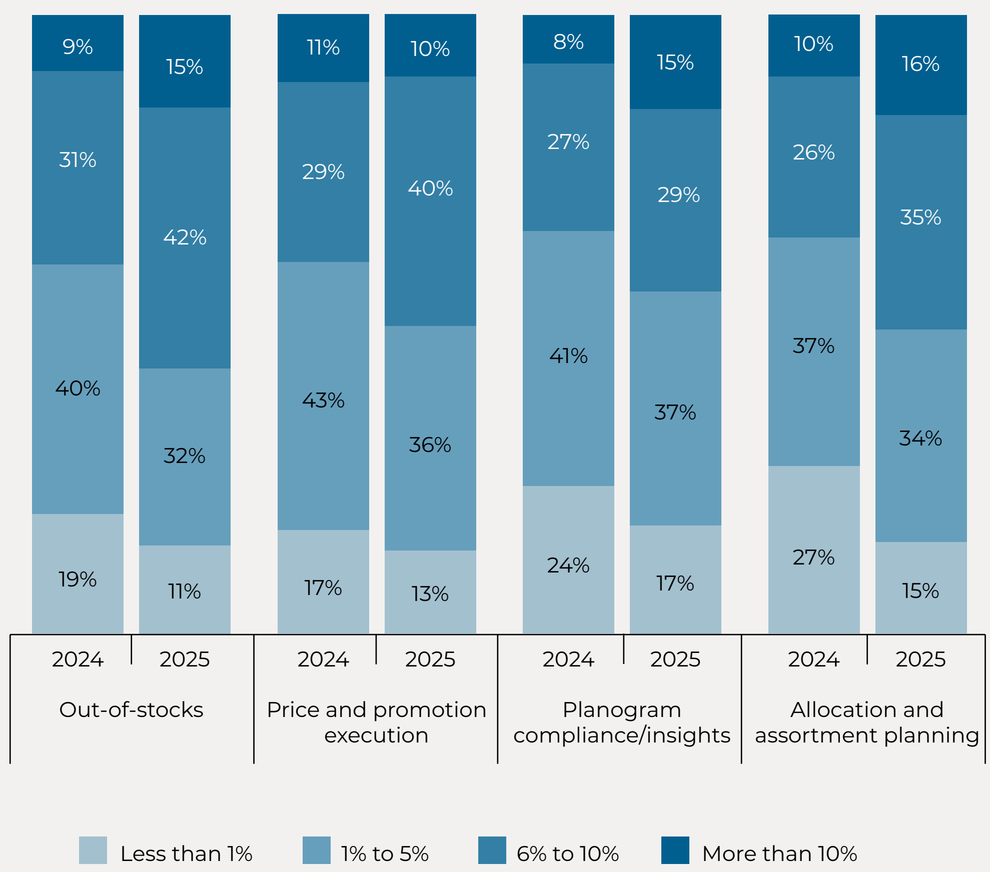
Gross Sales Loss

Across business functions, the average proportion of respondents citing gross sales losses of 6%–10% increased by 9 PPTs in 2025 (from 28% to 37%).

Losses from out-of-stocks were most significant, with 57% of retailers reporting losing at least 6% of gross sales. Out-of-stocks are a critical pain point for shoppers: 54% of US consumers who are not satisfied with their in-store shopping experience cited it as a key reason, according to the March 2025 US consumer survey conducted by Coresight Research.

In 2024, we estimated the potential sales gain from overcoming store inefficiencies (for DIY, drugstores, grocery, mass merchandisers and warehouse clubs) in the US at $127.9 billion. This has now ballooned to $162.7 billion (up 27% year over year), underscoring the importance of investing in store intelligence technologies.

Figure 10. US: Percentage of Gross Sales Lost Due to In-Store Inefficiencies (% of Respondents)

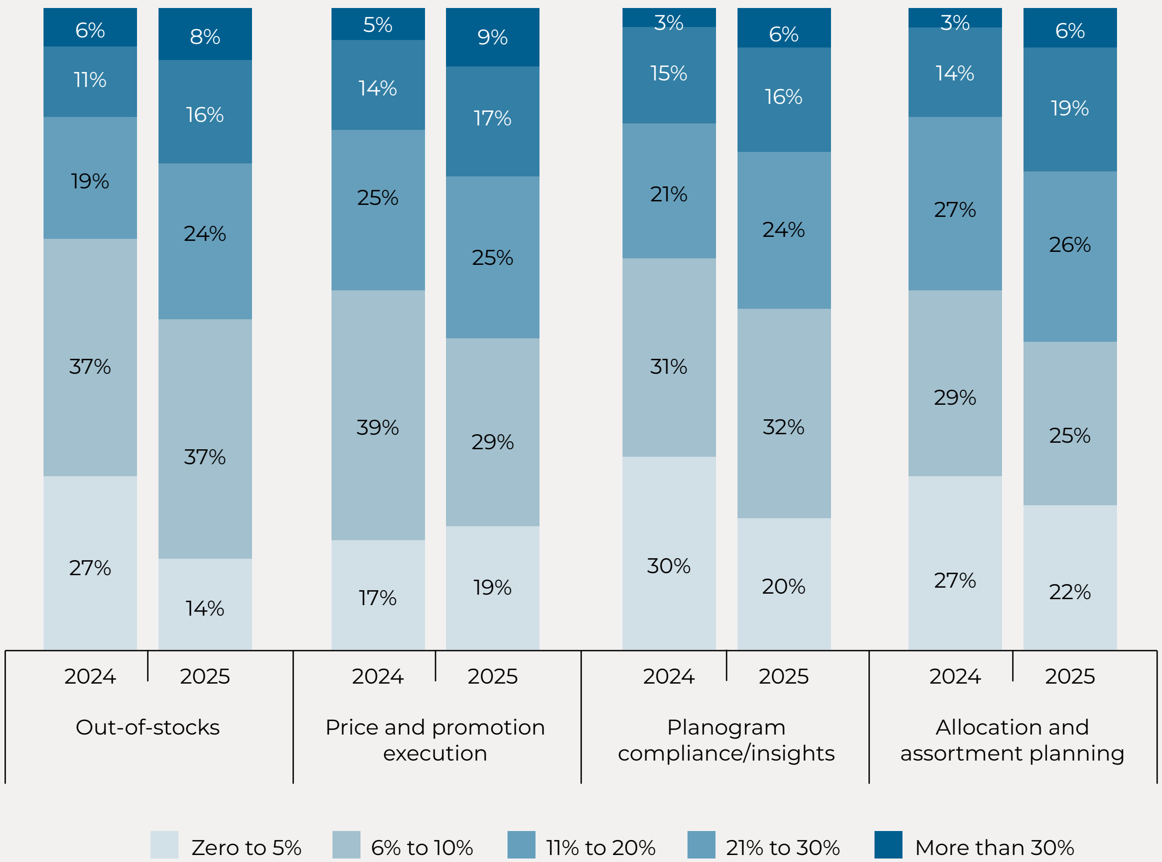


Base: US-based retail business decision-makers—200 surveyed in March 2025 and 150 surveyed in January 2024
Source: Coresight Research

Margin Erosion

Across all business functions, the majority of retailers (80%, up from 70% in 2024) report losing at least 5% of their operating margin to in-store inefficiencies, per our survey. This growing awareness of financial impact is directly driving the surge in technology investments.

Figure 11. US: Percentage of Operating Margin Lost Due to In-Store Inefficiencies (% of Respondents)



Base: US-based retail business decision-makers—200 surveyed in March 2025 and 150 surveyed in January 2024
Source: Coresight Research

6 Mounting Financial Pressure Is Accelerating Store Intelligence Technology Investments

Rising financial pressure is propelling retailers to accelerate their technology investments. Investing in store intelligence technologies—and scaling technology deployment—is essential for enhancing retail operations and driving operational efficiency across business functions in a complex store environment.

Our survey revealed that an overwhelming majority of US-based retailers investing in store intelligence technologies began doing so in the past 12 months—89% of respondents indicated their investments were initiated during this timeframe. Furthermore, nine in 10 US-based retailers reported that they either met or exceeded their investment goals over the past year.

On average, 57% of US-based retailers are currently investing in solutions to overcome in-store inefficiencies, up from 54% in 2024. Out-of-stocks received the highest share of investment focus, with 64% of retailers actively investing in solutions for this issue.

Interestingly, 13% of surveyed retailers—the highest proportion across business functions—are not investing in pricing and promotion execution and have no plans to do so within the next 12 months. This gap presents an opportunity for proactive retailers to take a more holistic approach to investment, since inefficiencies in one business function can be detrimental to complementary areas.

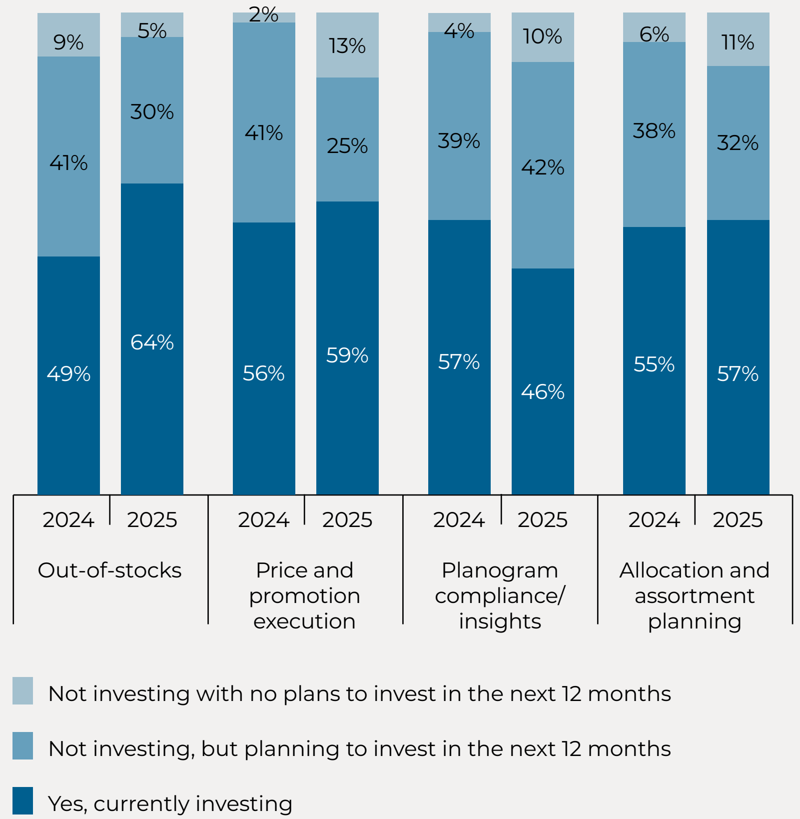
Case Study
Technology Optimizes Store Operations

Albertsons' COO, Susan Morris, said during the company's 4Q25 earnings call, "Our North Star is to use technology in everything that we do. We have invested strategically to build best-in-class technology platforms with our core infrastructure in the cloud and a modernized scalable network." She added that Albertsons is leveraging store replenishment, shrink management and labor productivity tools to drive efficiency and improve customer experience while expanding the use of AI.

Case Study
Retailers That Have Invested Are Reporting Tangible Benefits

Nick DeSetto, Manager of Shrink Analytics and Inventory Control at **ShopRite Supermarkets**, said, "Tally [**Simbe'**s shelf-scanning autonomous robot] has helped my team reduce our out-of-stock rate by 50% in one of our highest volume stores by providing prioritized pick lists for every category. With the challenges of everyday operations and the shortage of personnel in the labor force, this is the first time we have been able to cover every aisle every day."

Figure 12. US: Current Investment Status in Store Intelligence Technologies to Improve Store Efficiency Across Store-Related Business Functions (% of Respondents)



Base: US-based retail business decision-makers—200 surveyed in March 2025 and 150 surveyed in January 2024
Source: Coresight Research

In addition to the intent to invest, the propensity to invest in store intelligence technologies has surged:

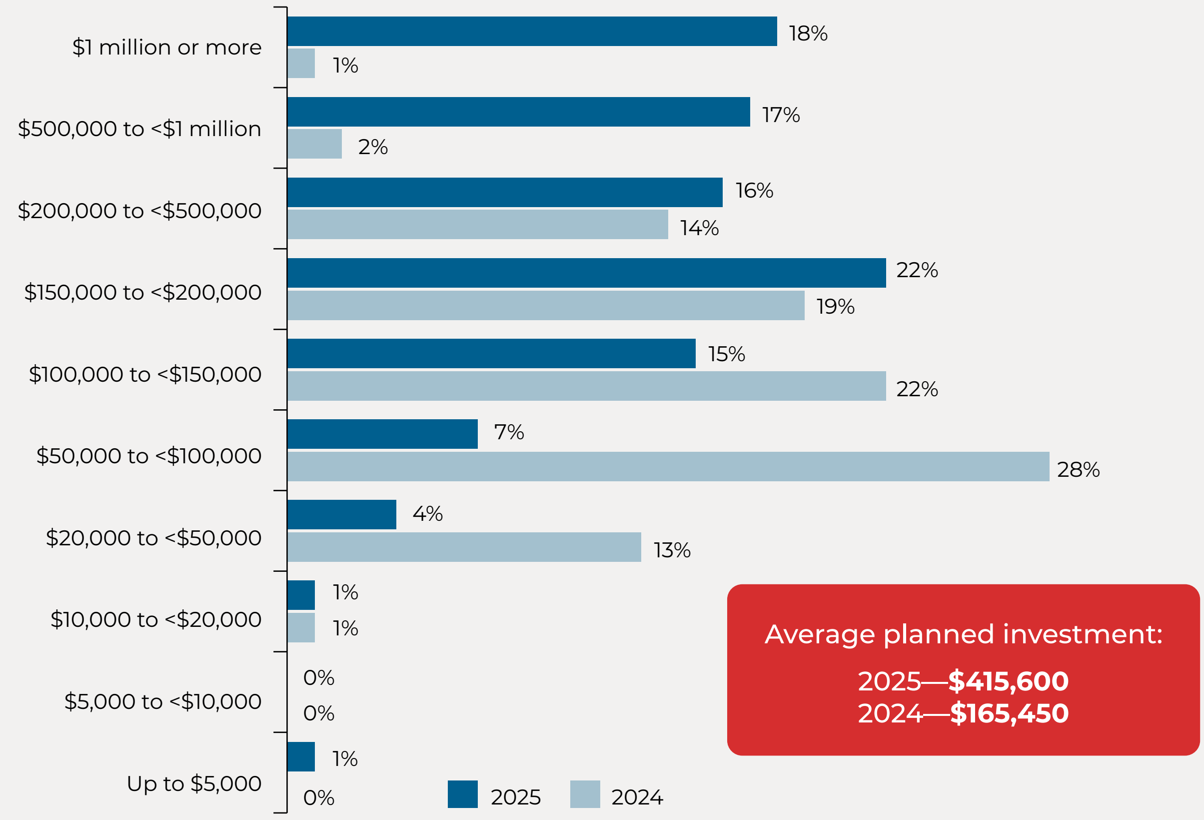
- US-based retailers plan to invest an average of **$415,600** in store intelligence technologies over the next 12 months, per our 2025 survey—a 151% year-over-year increase. Additionally, 35% of retailers cited plans to invest at least $500,000 during the same period.
- More than one-third (35%) of retailers now plan to invest at least $500,000 in 2025, up sharply from just 3% in 2024.

It is worth noting that we partly attribute these increases to a greater proportion of high-revenue retailers in our 2025 survey compared to 2024: Last year, almost two-thirds of surveyed retailers reported annual revenues of $1 billion or less compared to just 37% this year.

However, we still believe that these rises reflect growing awareness of the value of optimizing store operations, especially as technologies such as AI reshape day-to-day retail functions.

Ongoing tariff-driven supply chain uncertainty is also contributing to this shift—52% of US-based retailers that are investing in store intelligence technologies reported that recent tariff announcements have led them to increase their spend.

Figure 13. US: Planned Investment (USD) in Store Intelligence Technologies in Coming 12 Months (% of Respondents)



Base: US-based retail business decision-makers whose companies have previously invested in store intelligence technologies or are doing so currently—199 surveyed in March 2025 and 150 surveyed in January 2024
Source: Coresight Research

7 Retailers Are Taking a Holistic Approach to Investing

The fast pace of technology advancement is having a significant impact across both upstream (e.g., sourcing and manufacturing) and downstream (e.g., merchandising and promotion optimization) functions. Retailers that invest in modern tools can gain granular, store- and SKU (stock keeping unit)-level insights to support data-driven decisions.

Key strategic benefits of store intelligence technologies include:

- **Increased ability to meet localized shopper demand**—It is critical for retailers to have actionable real-time data across their store shelves. While the immediate business impact of inventory-tracking software is avoiding inventory errors (to ensure product availability), such solutions also help retailers build a cohesive understanding of shopper preferences at a localized level to drive optimal allocation that effectively meets shopper demand.
- **Improved supplier relations and inventory management**—Inventory metrics such as DOS and replenishment rates can be shared with suppliers to reduce waste and improve availability.
- **Enhanced shopper experiences**—Leveraging advanced tools and technologies such as AI-powered data platforms, shelf-scanning robots, and sensors and cameras, allow retailers to identify shortfalls and intervene in real time, creating smoother shopping experiences and supporting long-term strategic planning.

Store intelligence technologies are proving effective in helping retailers achieve these objectives. As highlighted earlier, our survey found that 57% of retailers are currently investing in these technologies, on average. Investment levels have grown significantly across different technologies. Shelf-digitization technologies, including computer vision-powered shelf-scanning robots, saw the largest year-over-year increase—of 16 PPTs—with 57% of retailers now investing in this area.

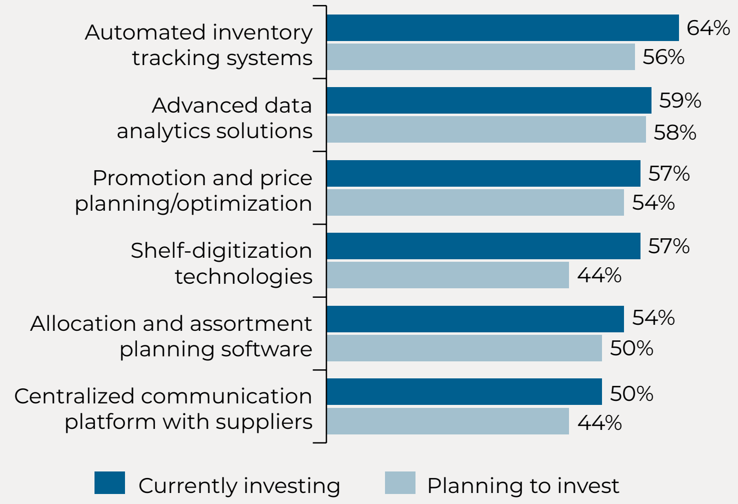
Retailers are also embracing the importance of integrated technology portfolios. Focusing only on one or two tactical tools does not deliver the same operational ROI as a more comprehensive approach.

Case Study

Real-Time Inventory Data Transforms Supply Chain Efficiency

Tim Horton, Vice President of Center Store at supermarket chain **Schnucks**, said, “With the advent of data collection from Simbe’s autonomous robot, we have real-time signals from every store every day. This data fundamentally changes how we manage our supply chain—we can use it both internally and externally, reducing out-of-stocks, improving product availability and better managing inventory levels.”

Figure 14. US: Current and Future Investment Rates for Store Intelligence Technologies (% of Respondents)



Technology	YoY Change in Current Investment Rates
Automated inventory tracking systems	Up 6 PPTs
Advanced data analytics solutions	Up 3 PPTs
Promotion and price planning/ optimization	Up 3 PPTs
Shelf digitization technologies	Up 16 PPTs
Allocation and assortment planning software	Up 3 PPTs
Centralized communication platform with suppliers	Up 6 PPTs

Base: US-based retail business decision-makers whose companies are currently investing in store intelligence technologies—157 surveyed in March 2025, 146 surveyed in January 2024; US-based retail business decision-makers whose companies are planning to invest in store intelligence technologies in the next 12 months—149 surveyed in March 2025, 134 surveyed in January 2024
Source: Coresight Research

Europe vs. the US—Store Inefficiencies and Technology Adoption

While regional variations exist, retailers in the US and Europe face similar challenges related to in-store inefficiencies and low visibility of business functions, highlighting the universal relevance of store intelligence solutions. Below, we discuss some of the key differences.

Technology Adoption and Investment

US retailers reported higher levels of full-scale AI deployment (20%) compared to retailers in Europe (12%). However, European retailers showed greater progress in the area of robotics, with 28% in the implementation phase versus 19% in the US.

US retailers are more likely to invest more in store intelligence technologies: 38% of US-based retailers plan to invest at least $150,000, versus 27% of retailers in Europe that reported the same.

Extent of Challenges and Visibility into Store Operations

The proportion of retailers "not challenged" or "slightly challenged" is slightly higher in Europe (35%) versus the US (31%). However, the proportion of retailers at least "slightly challenged" varies by only 1 PPT between the two regions. Our data do not yield any substantial differences in visibility across the two regions.

Top Challenges

US retailers are most challenged by pricing and promotion execution, while European retailers report the greatest struggles with real-time stock information (cited by 41% of respondents as among their top five challenges) and out-of-stocks (40%).

Mispricing Rates

Although pricing and promotion execution is not widely cited as a challenge in Europe, mispricing is more severe there. European mispricing rates in the 16–20% range are 8 percentage points higher than in the US, pushing the average to 11%, one point above the US average.

The Financial Impact of In-Store Inefficiencies

In the US, retailers cited losing 5.5% in gross sales lost to in-store inefficiencies, versus 5.2% in Europe. Additionally, the majority of retailers in the US (80%) report losing at least 5% of their operating margin to in-store inefficiencies. This figure is 7.5 PPTs lower for Europe, at 72.5%.

Current and Future Investment Rates Across Store Intelligence Technologies

In the US, the highest proportion of retailers cited investing in automated inventory tracking systems currently (64%), but it is the second-most widely cited technology in which European retailers are currently investing (58%). The highest proportion of respondents cited investing in advanced data analytics technology in Europe (63%). It is also the joint-highest technology in which European retailers (52%) are planning to invest, along with shelf digitization technologies.

What We Think

Retailers are increasingly acknowledging the importance of store intelligence technologies and are accelerating their investments and adoption. The dramatic 151% surge in planned spending (which is a huge increase even given the high revenue skew of this year's respondents), combined with substantial sales and margin losses due to inefficiencies, signals a market that is primed for transformation.

Holistic investment strategies will become increasingly important over the next 12–18 months, as retailers look to recover lost revenue and address persistent labor constraints with intelligent automation.

Implications for Brands/Retailers

- Brands and retailers must move quickly to adopt scalable, integrated technologies that align with short- and long-term business goals. The competitive advantage window for early adoption is rapidly closing, as nine in 10 retailers are now either investing or planning to invest.
- When implementing technologies such as cameras, sensors, and robotics, understanding the type of data collected and how AI can be leveraged for business decisions is key.

Brands or Retailers Poised To Gain Advantage

- Retailers such as **Albertsons** that have multiyear plans to revamp store technologies and phase out legacy systems will be strongly positioned to benefit from technology advancement.
- Retailers such as **Walmart** that are focused on enterprise-wide AI implementation, will be better able to deliver seamless shopper experiences.

Brands or Retailers That Risk Losing Advantage

- Brands or retailers that defer their investments or take a siloed approach to investment may struggle to fully realize the ROI potential of advanced technologies.

Implications for Technology Vendors

- For technology providers, the opportunity lies in addressing the specific barriers to adoption and demonstrating clear, measurable ROI through well-documented success stories.

Notes and Methodology

Data in this report are as of April 24, 2025.

Informing the data in this report are online surveys conducted by Coresight Research, as detailed below.

1. 394 retail business decision-makers surveyed during March 1–13, 2025. The results have a margin of error of +/-5% at 95% confidence level. The respondents in the survey met the following criteria:
   - Companies: Operating in the retail sector (including DIY (home improvement), drugstores, grocery, liquor, mass merchandisers and warehouse clubs/wholesalers) in the US (200 respondents) or Europe (194 respondents), with annual revenues of at least $100 million.
   - Job title: Senior Director or above who are familiar with the performance metrics of their retail stores.
2. 150 retail business decision-makers surveyed during January 30–31, 2024. The results have a margin of error of +/-10% at a 95% confidence interval. Respondents in the survey satisfied the following criteria:
   - Companies: Operating in the retail sector (including DIY (home improvement), drugstores, grocery, liquor, mass merchandisers and warehouse clubs/wholesalers) in the US, with annual revenues of at least $100 million
   - Job title: Senior Director or above who are familiar with the performance metrics of their retail stores
3. 402 US consumers aged 18+ surveyed on March 11, 2025. The results have a margin of error of +/-5% at 95% confidence level.

Visit our methodology page to read more context for understanding the results of Coresight Research surveys.

Companies mentioned in this report are: Albertsons (NYSE: ACI), New Rite Aid, Schnucks, ShopRite, Walmart (NYSE: WMT)

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About Simbe

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.

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