



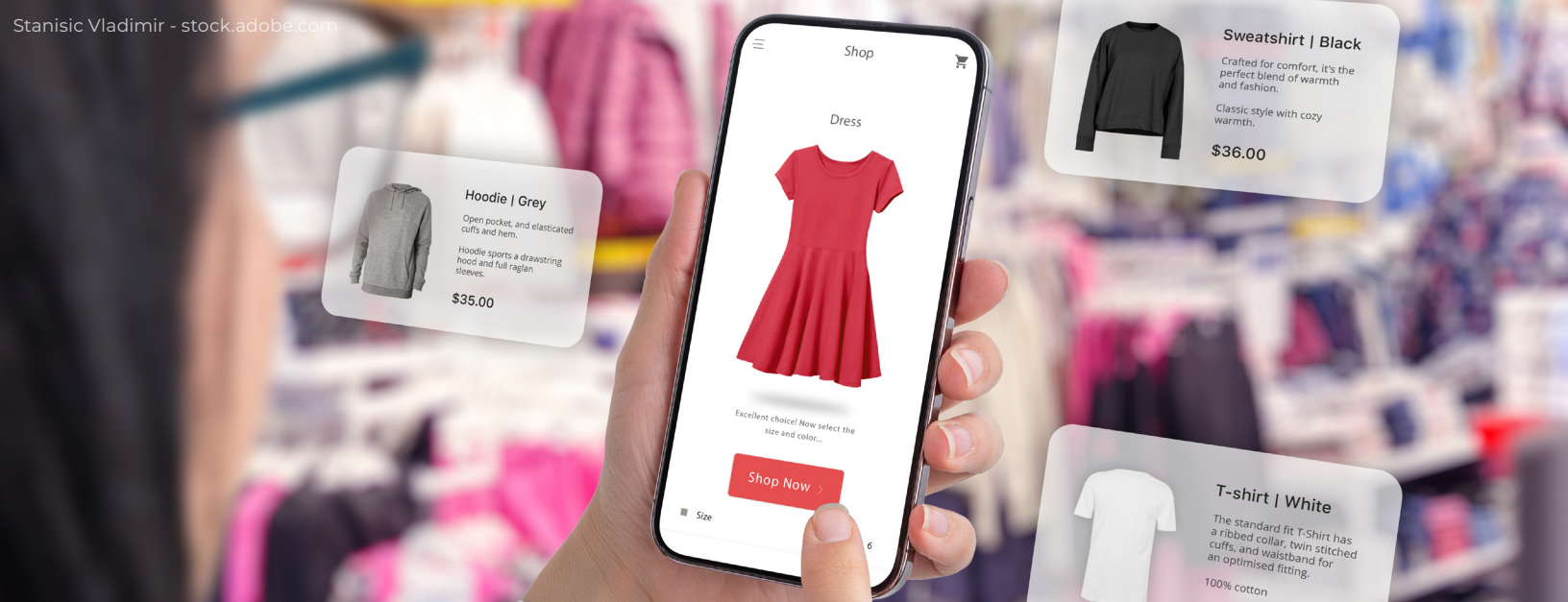
retail
TouchPoints®
SPECIAL REPORT

THE NEXT ERA OF AI

*COMBINING CONSUMER, ASSOCIATE
AND WORKFORCE MANAGEMENT TOOLS
FOR A COHESIVE IN-STORE EXPERIENCE*

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AI-POWERED TOOLS ARE EVERYWHERE, BUT HOW WELL CAN THEY WORK TOGETHER?

The first era of retail AI saw brands launching a barrage of new generative AI-powered customer-facing, associate-facing and workforce management tools. Consumers have adapted quickly: traffic from generative AI tools to U.S. retail sites increased by **4,700% year over year in July 2025** alone, according to [Adobe](#), with **more than half** of consumers expected to use AI shopping assistants by year's end.

Up next is agentic AI, which will enable retailers to create agents capable of completing and enhancing complex, multi-step tasks through reasoning, action and iteration.

As AI has moved rapidly from pilot to deployment, it also has changed the in-store experience radically. Today, many shoppers enter the store with an AI-powered shopping assistant in their hands. Associates can use different AI-powered apps to answer customers' questions and help them navigate the aisles, while managers use other tools to track associate productivity and right-size scheduling.

The question retail executives must answer in 2026 and beyond: How to combine these disparate AI solutions into a comprehensive, streamlined in-store experience.

"Retailers need to think about the most important thing: what kind of customer experiences are they trying to offer in stores, online and in support of journeys that cross multiple touch points," said Nikki Baird, VP of Strategy and Product at [Aptos](#), a retail technology firm, in an interview with *Retail TouchPoints*. "It's important to think about 'supporting' and 'enabling' as opposed to 'driving' or 'replacing,' because this is going to be an evolution."

What could that evolution look like, and how can retailers best prepare? This Special Report will explore:

- Where consumer-facing AI is already delivering bottom-line improvements;
- The pros and cons of associate-facing AI solutions;
- How AI is changing workforce management; and
- Predictions and insights into the future of the AI-powered in-store experience.



CONSUMER-FACING AI IS RESHAPING CUSTOMERS' EXPECTATIONS

Nearly **two-thirds of retailers** understand that customers use AI to recommend products, according to data from the **National Retail Federation (NRF)**. That's why **55%** of U.S. retailers planned to increase their use of customer-facing AI in **2025**, according to **SAP Emarsys**.

Over the last 12 months, brands have introduced sophisticated AI shopping assistants to capture more revenue. **Walmart** credits its "Ask Sparky" AI app — which synthesizes reviews and offers occasion-based product recommendations — with a **25% uplift in spending** compared to customers not using the app. Similarly, **Target**, which rolled out a conversational AI gift finder during the 2025 holiday season, reports a **50% increase in basket sizes** for customers who use the Target app in-store.

Given these results, it's no surprise that consumer-facing AI has grown in popularity across categories, including:

- Home improvement (**MyLow** from **Lowe's**, offering step-by-step DIY project instructions);
- Lifestyle (**Old Navy**, home to **AI fitting room** technology);
- Beauty (**Estée Lauder** and its **AI-based shade matcher**); and
- Music (**Guitar Center's** AI-enabled **Rig Advisor**)


For enterprise retailers, consumer-focused AI apps serve **two** main goals: improving the customer experience and preventing those customers from shopping at competitors, said Aptos' Baird.

"I would argue that AI assistants keep customers inside the retailers' ecosystem," she explained. "Companies like Walmart and Target are not equipped to provide high-touch experiences through store associates, for example to answer questions and locate inventory. In the absence of someone who can help, customers would turn to outside sources that might pull them away from the retailer into buying from a competitor."

As brands weigh the value of consumer-facing AI, they should consider how much information they share with customers prior to their entering the store. Giving away too much, Baird said, could widen the already significant information gap between customer and employee knowledge.

"I remember an electronics retailer talking in the early 2010s about actually removing a level of detail from the specs they made available for TVs online, because they were getting customers coming in and saying, 'Show me the TVs with the XYZ capacitor in them,'" she said. "The problem was that store associates didn't know the answer — and even if they did, they knew it wasn't nearly as important to the customer's buying experience as items like device dimensions, color contrast and refresh rate."

Disconnects in information locked within disparate AI-powered systems could also harm instead of help the customer experience, Baird noted. "It will be interesting to see how customer-facing AI evolves in terms of memory about customer interactions online versus in-store," she said. "If the online chatbot is different than the app chatbot — or even if it's the same but it's not connecting the dots between online and in-store — then it will feel disconnected to the customer."



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INVESTMENTS IN ASSOCIATE-FACING AI ON THE RISE

Associate-facing AI is seen as one potential solution to retail's notoriously high turnover rate, which **the NRF** estimates to be between **60% to 70% annually**. So it's no surprise that industry leaders are investing heavily in tools to help workers deliver **more personalized customer experiences** and **streamline operations** using generative AI-powered solutions.

In-store associates at **Lowe's**, for example, can leverage the **MyLow Companion** app to answer customers' questions quickly and provide cross-sell and upsell opportunities, such as accessories to complement a new lawnmower purchase. **The Green Dot Assistant** from **Starbucks** improves efficiency by letting baristas ask questions for bespoke beverage ingredients instead of combing through multi-page physical manuals.

Because associates' tasks often require multiple steps, many brands are looking toward agentic AI with great expectations. **Levi Strauss & Co.** is an early adopter; its **Orchestrator "Superagent"** brings a multitude of smaller agents — including finance, IT, HR and retail — on to a single platform. Employees can run individual queries or ask the tool to complete certain tasks autonomously.

Associate-facing agentic AI, Aptos' Baird said, will bring more disruption to the store. "But that's not a negative or a positive," she explained. "Disruption can be an opportunity. The harder part will be delivering something to store associates that actually improves the relationship between store associates and customers, and by extension, customers and brand."

To elevate the quality of associate-customer interactions, Baird sees AI playing a prominent role in **delivering the right information to associates at the right time**.

"The flow of information has flipped from trying to get as much information about what's happening in stores back to corporate, to now having to provide a ton of information to stores that is held at corporate," she said. "[In the past], the store associate had zero opportunity to be proactive. They mostly didn't know what products were coming to the stores until they got there, and they didn't know which customers would walk into the store until they were standing in front of them.

"So the opportunity is delivering just-in-time, easy-to-absorb information into the hands of the store associate, designed to help them turn that around into a more personable customer interaction," she added

Baird used the word "personable" rather than "personalized" intentionally: "That's because you have to account for the 'creepy factor' of not going straight into assumptions about the customer that feel abrupt, invasive, or out of context," she said.



AI WORKFORCE MANAGEMENT TOOLS TRANSFORM IN-STORE OPERATIONS

Nearly half of retailers report active AI adoption in several core business functions, from IT and marketing to logistics and digital commerce, according to [BRG](#). One of the biggest impact areas is in workforce management tools, where AI is giving associates more control over their schedules while helping managers identify high-level performers and staff their stores appropriately during peak seasons.

“AI has shifted staffing from static, manual schedules to dynamic schedules built on real demand,” said Tara Bartlett, VP of Marketing at [Shiftlab](#), an AI-enabled workforce management solution, in an interview with *Retail TouchPoints*.

“Retailers can now match the right people to the right shifts based on traffic, sales patterns and employee performance, not just headcount coverage,” said Bartlett. **“The focus is moving from ‘filling shifts’ to creating better customer and associate experiences that drive profit per hour.”**

Leading workforce management tools use AI to ingest sales data from POS solutions; employee performance data from retail management software (RMS) platforms; and traffic trends. They then use that data to build optimized schedules. Managers gain real-time visibility into labor costs and shift coverage, allowing them to enforce rules around breaks and overtime. Potential benefits include saving **two to three** hours of time per month on scheduling, reducing employee downtime, and improving revenue by eliminating unnecessary overtime costs.

Associates benefit, too, Bartlett said, with access to self-service tools that enable them to request time off, trade shifts or pick up open shifts.

What’s the key to a successful rollout? Making it clear that the tools will enhance and not replace associates.

“A common misconception is that AI is only about cutting labor or replacing people,” Bartlett said. **“AI in workforce management is about elevating human potential.** Optimizing staffing so employees are neither overwhelmed nor underutilized, matching skills to where they fit best and reducing administrative work for managers. The goals are stronger performance, better experiences and higher retention, not fewer employees.”



CREATING A COHESIVE IN-STORE EXPERIENCE WITH AI TOOLS

While no one can predict precisely how AI will shape the future of the in-store experience, the new **Fabletics** flagship store at LA's iconic Westfield Century City mall will provide a fascinating case study. The **tech-enabled store** promises to process **70 billion** data points daily, with AI helping manage inventory and coach employees. Technology in fitting rooms will track customer preferences, **offering curated product suggestions based on in-store availability**.

Whether Fabletics has created the blueprint for the connected store of the future is yet to be seen. But the lesson for other retailers looking to scale and unify their AI solutions is to focus on the desired outcome of each implementation and acknowledge both the potential opportunities and pitfalls, said Aptos' Baird.

"It all goes back to what you're trying to enable," she added. "Walmart and Target are trying to enable convenience and have customers get help in the absence of a store associate. Higher-touch retailers are more focused on how to keep store associates as the most helpful resources available to customers.

"In the latter case, the convenience of trying to collapse the buying process into one or two quick answers from a bot could ultimately defeat the shoppers' purpose — which may be more discovery or consideration — and may ultimately lead to distrust in the answer," Baird noted.

New data generated by a wealth of AI solutions also will increase retailers' need for enhanced monitoring and analytic capabilities. "It's important to monitor the questions that are being asked, the answers being given, and what kind of actions the end user takes as a result," she said. **"This is the beginning of a feedback loop that will enable innovation.** For example, when you see customers are asking the same questions about a product or policy, that tells you there's a gap you need to address proactively."

Shiftlab's Bartlett sees workforce management solutions as a cornerstone of improved in-store customer, associate and manager experiences.

"By connecting workforce AI with POS, traffic and in-store tools through shared data and APIs, staffing decisions can align with real customer demand," she said. "This means consumer-facing AI triggers activities, and workforce platforms can ensure the right associates are scheduled to execute it. Associates receive clear task guidance, selling assistance and scheduling information through their apps, creating an efficient loop between demand, staffing and execution."



WHAT'S AHEAD FOR 2026 (AND BEYOND)

One of the core questions about AI adoption heading into 2026 is how much consumers and associates trust the emerging technology. About **half** of consumers surveyed by **Bain & Company** before the **2025 holiday season** said they weren't comfortable letting AI handle an end-to-end transaction without their involvement.

"There is evidence that consumer trust of AI is on the decline the more they use it," warned Aptos' Baird. "So you have to keep those macro trends in view as well."

That said, the use of agentic AI is expected to expand in associate-facing AI and workforce management tools. Shiftlab's Bartlett envisions agentic workforce management systems that actively recommend, simulate and optimize store operations in real time.

"Agentic AI will automatically coordinate staffing changes, task assignments and compliance while managers remain focused on coaching people and elevating the in-store experience," she said. "The most significant impacts will be empowered associates, less administrative work and consistently better store performance."

Perhaps the most important capability retailer leaders must adopt to succeed in 2026, Baird said, is having an open mind.

"Trying to imagine some ideal end state and drive toward it closes too many opportunities that you never dreamed of at the beginning, simply because the tools to enable those opportunities didn't exist yet — but they will," she said. "And if you try to dictate what the experience will look like for either customers or associates, you'll lose access to the ideas and innovation that happen when your customers and associates start engaging with AI tools at scale."

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Shiftlab's AI-powered workforce management platform is built for multi-location retailers. By connecting real-time POS and traffic data, we create optimized schedules aligned to actual demand, down to the hour, and place top performers in top shifts, increasing profit per hour by 10%.

We automate compliance, simplify time and attendance, and streamline payroll prep, freeing up managers to focus on their teams and customers.

Trusted by 40,000+ retail leaders across North America, Shiftlab powers smarter stores and stronger teams. To learn more, visit www.shiftlab.io.

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