Bay Bridge Digital

Key Strategic Imperatives from NRF 2026: Retail's Big Show

The Next Now: Anticipating and Scaling the Future of Retail

NRF '26 RETAIL'S BIG SHOW

JANUARY 11-13 | NYC

Executive Summary

Retail has entered a decisive phase, as competitive advantage is shaped by the ability to scale integrated capabilities across the entire organization. Indeed, the central challenge facing retail leaders today is execution at scale: transforming data, AI, and digital tools into consistent business outcomes across channels, stores, and teams.

Against this backdrop, three strategic imperatives are redefining industry priorities for the next 12 to 18 months:

- Hyper-Personalization at Scale
- The Augmented Associate as the Omnichannel Anchor
- Resilient and Adaptive Operations
- Retail Media as a Core Revenue and Data Strategy
- AI Embedded Across the Retail Value Chain

What distinguishes leading retailers is not technology adoption per se, but their ability to operationalize intelligence, embedding decision-making directly into workflows, aligning teams around shared data foundations, and translating insight into action at the front-line.

This report distills the key shifts shaping the next phase of retail transformation. It highlights the structural transitions underway, the capabilities enabling scale, and the concrete use cases demonstrating how value is being created in practice. Desi.

Strategic Imperatives and Market Transitions

Retail is entering a phase where strategic clarity and operational discipline matter more than ever. NRF 2026 confirmed that the question is how to industrialize the adoption of new technologies in a way that strengthens day-to-day execution.

The industry's leading voices converged around a core reality: scaled transformation requires both technological maturity and organizational alignment, and neither can succeed without the other.

From Data Silos to Unified Architectures

For more than a decade, retailers have struggled with fragmented data ecosystems, loyalty systems disconnected from e-commerce behavior, store interactions isolated from service history, and marketing data trapped in channel-specific tools. This fragmentation has reached its breaking point. As customer journeys intensified in speed and complexity, the traditional siloed model began actively undermining both personalization and operational efficiency.

NRF 2026 made this clear: It is the structural foundation that enables retailers to understand the customer consistently across touchpoints, measure lifetime value accurately, and power real-time decisioning.

Retailers that operate on a unified customer data platform report 15% higher year-over-year revenue growth than those still managing disparate systems: an advantage driven by improved targeting accuracy, reduced friction in omnichannel experiences, and better inventory–customer alignment.

15%

Unification is a strategic enabler that allows every team from marketing to store operations to act on the same high-quality data. When the organization shares a single view of the customer, AI can operate with precision, and personalization can finally move from aspiration to execution.

AI Integrated Directly into Business Workflows

One of the clearest signals from NRF 2026 was **the transition from AI as an analytical layer to AI as an operational engine.** Historically, AI played a supporting role: generating dashboards, producing insights, and informing leadership decisions. But these insights often failed to reach front-line employees, and even when they did, they were disconnected from the tools associates used daily.

The industry is now entering a new phase: **Agentic AI,** defined by systems that autonomously manage tasks, orchestrate actions, and optimize operations in real time. The shift is driven by practical challenges retailers have struggled with for years:

- Associates juggling multiple priorities with limited information
- Supply chains strained by volatility and forecasting errors
- Rising labor costs requiring better task allocation
- Personalization demands that exceed human capacity alone

By embedding AI inside the workflow rather than alongside it, **retailers are transforming decision-making into continuous, automated execution.** This shift is visible across the sector.

Success Rate in scaling new technologies

2.5x Retailers that demonstrate strong alignment between business leadership and IT teams show a 2.5x higher success rate in scaling new technologies.

Agentic AI succeeds because it rewires the way organizations work. It takes on cognitive load, analyzing signals, predicting needs, coordinating actions, while humans focus on high-value interactions. This is the essence of "The Next Now": technology not as parallel innovation, but as an embedded capability that accelerates daily performance.

Organizational Alignment: Tech, Talent, and Transparency

Even with strong technology foundations, transformation stalls when organizational structures do not evolve. NRF 2026 emphasized a recurring challenge: **tools scale only when teams are equipped to use them, trust them, and understand their purpose.** Three organizational themes dominated the discussions:

1 - Talent readiness

Retailers must reskill their workforce to operate in AI-augmented environments—moving associates from manual execution to high-value advisory roles. Without investment in training, even the most advanced tools remain underutilized.

Learning Management in Clienteling

As clienteling becomes increasingly data- and AI-enabled, talent readiness extends beyond initial training. Store associates are expected to interpret insights, act on AI recommendations, and deliver consistent, high-value interactions over time.

Leading retailers are therefore embedding continuous learning into the clienteling model—through structured onboarding, contextual micro-learning, and ongoing reinforcement of best practices. Learning transforms clienteling from an individual skill into a scalable organizational capability, ensuring consistency despite turnover and evolving tools.

2 - Cross-functional ownership

High-performing organizations reported that business and IT jointly define outcomes, share KPIs, and co-own execution. Technology becomes an enabler of strategy, not a separate initiative.

3 - Governance and transparency

As AI adoption accelerates, retailers must ensure data reliability, model accountability, and ethical use. This creates the trust required for scaled deployment.

70% At NRF, 70% of leading retailers showcased AI-driven systems that automate—rather than simply suggest, operational tasks, from dynamic restocking to next-best-action guidance for store associates.

The message is clear:

innovation only scales when people, processes, and platforms evolve in tandem.

Key Insights

1 - The Store Associate Becomes the New Digital Hub

Retailers have long focused their digital investments on ecommerce and back-end optimization, assuming that in-store experiences would naturally keep pace.

As omnichannel expectations grew, this proved a costly misconception: customers began entering stores armed with digital insights, while associates remained disconnected from the data needed to deliver continuity.

Today, **the store associate stands at the center of the omnichannel journey** linking digital behavior, loyalty signals, and real-time inventory to create seamless, personalized engagement at the moment it matters most.

> **Transaction Value evolution driven by clienteling tools integration**
>
> **+30%** Retailers that empower their associates with integrated clienteling tools report up to a 30% increase in Average Transaction Value, driven by tailored recommendations and continuity of relationship.

With access to a unified 360° customer view, associates can :

- personalize interactions with precision
- recognize loyalty status and online browsing behavior
- anticipate needs before customers articulate them
- resolve service issues on the spot
- connect product discovery with immediate availability

This evolution transforms the store's role within the customer journey. Physical locations shift from points of sale to engines of lifetime value, and employees rise from task executors to relationship leaders. **Investing in associate enablement drives stronger sales and higher satisfaction, reducing turnover in a historically high-churn environment.**

2- Agentic AI Fuels Hyper-Personalized Clienteling

Traditional personalization models relied heavily on segmentation and manual research time-consuming processes that associates could not realistically perform at scale. As customer expectations for relevance increased, at some point humans alone could not synthesize data fast enough to personalize outreach with precision.

Agentic AI has emerged as the operational backbone of next-generation clienteling. Its actively processes customer signals, orchestrates actions, and recommends context-aware next steps directly within the associate's workflow.

Post-visit engagement with predictive clienteling AI adoption

+22% Early adopters of predictive clienteling AI reported a 22% increase in post-visit engagement, illustrating its measurable impact on loyalty and conversion.

Agentic AI delivers value by:

- consolidating browsing history, purchases, preferences, and sizes
- predicting customer needs and recommending targeted products
- preparing pre-appointment briefs automatically
- removing cognitive load from associates
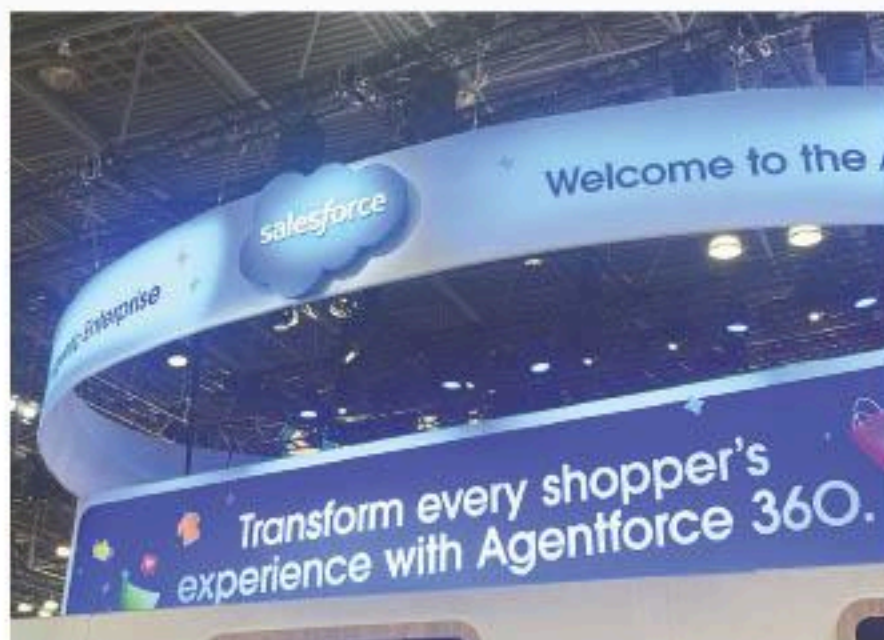
A typical workflow now resembles to this: "Based on her recent searches and size availability in-store, suggest Item X and follow up with a curated lookbook."

By automating analysis and surfacing actionable insights, AI enables associates to focus entirely on relationship building. Now, we have a level of personalization once impossible to achieve consistently, now delivered at scale.

3 - Sustainability Becomes a Data-Driven Inventory Imperative

For years, sustainability initiatives were defined largely by brand messaging and isolated programs. But as consumer expectations hardened, and regulatory pressures increased. Sustainability is now an operational constraint, deeply tied to inventory management.

Retailers face mounting challenges: overstocks that lead to markdown pressure, inefficient transport flows that inflate carbon emissions, and returns processes that lack transparency. These inefficiencies represent both cost centers and environmental liabilities.

Leaders showcased how predictive analytics, AI forecasting models, and IoT-enabled visibility are transforming sustainability from an aspiration into a measurable outcome.

Inventory optimization impact on Carbon impact

+18% Retailers optimizing inventory and reverse logistics observed an average 18% reduction in carbon impact across storage and transportation.

By elevating inventory accuracy, improving demand prediction, and creating closed-loop return streams, retailers are moving toward circular models: resale, repair, and upcycling that extend product life and reduce waste.

The business impact is triple-layered:

- Mitigates environmental footprint
- Reduces operational costs linked to storage, liquidation, and overproduction
- Appeals to the 67% of consumers who prioritize eco-friendly brands

Sustainability thus becomes a competitiveness lever, not a compliance exercise.

4- Clienteling Becomes a Strategic Growth Lever

As customer journeys fragment and expectations rise, clienteling is evolving into a core driver of differentiation and growth. At NRF 2026, retailers highlighted clienteling as essential to delivering consistent, high-value personalization across channels.

Clienteling at Scale

Clienteling platforms are shifting from static CRM systems to real-time store applications designed for daily use by associates.By unifying customer profiles, preferences, and history at the point of sale, retailers enable more relevant conversations, higher conversion, and stronger long-term relationships.

Key outcomes observed:

- improved in-store conversion and engagement
- Increase repeat purchase, strengthen customer loyalty
- higher customer lifetime value (CLV)

Clienteling platforms are shifting from static CRM systems to real-time, store-native applications designed for daily use by associates. By unifying customer profiles, preferences, purchase history, and product availability at the point of sale, retailers enable more relevant conversations, higher conversion, and stronger long-term relationships.

Solutions such as Bayretail illustrate this evolution, with mobile-first store apps built to support clienteling directly on the sales floor. By centralizing client data, associate workflows, and AI-powered recommendations in a single interface, these platforms help retailers operationalize personalization at scale—moving clienteling from isolated initiatives to a core growth engine embedded in everyday store operations.

5- Immersive Tech Moves from Experimentation to Utility

Immersive technologies such as Augmented Reality (AR) and Virtual Try-On (VTO) were long viewed as innovative but peripheral features—interesting, but not essential. Driven by rising return rates, customer hesitation about fit or shade, and the need for richer online discovery, retailers have begun deploying immersive tools as core conversion mechanisms embedded across the shopping journey....

AR-powered decision tools' impact

+17% Retailers using AR-powered decision tools consistently observed 15–20% reductions in return rates, particularly in apparel and beauty.

Immersive tech now:

- 📢 boosts confidence at the moment of decision
- 🛒 minimizes the uncertainty that drives returns
- 📱 enhances in-store experiences through interactive discovery
- 💬 deepens emotional engagement with the brand

Rather than acting as standalone features, AR and VTO are now integrated into product pages, mobile apps, store consultations, and associate-guided clienteling flows. They generate operational savings while elevating customer satisfaction a rare combination in retail.

6- The Leadership Imperative: Agility Over Perfection

Perhaps the most pervasive message across NRF 2026 was that organizational agility is now a competitive differentiator. As AI evolves rapidly and consumer behavior shifts unpredictably, traditional multi-year technology roadmaps no longer provide the flexibility required to capture emerging opportunities.

Retailers that succeed in "The Next Now" adopt operating models built on:
- rapid iteration
- cross-functional ownership
- continuous deployment cycles
- empowered teams
- a culture that accepts controlled experimentation

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Success Rate in scaling new technologies

2.5x Companies demonstrating strong alignment between Business and IT report a 2.5x higher success rate in scaling new technologies: a reflection of their ability to learn quickly, adapt rapidly, and deploy new capabilities with confidence.

Leaders must encourage teams to move fast with imperfect information, test assumptions early, and integrate real-time feedback loops. Agility becomes the bridge between innovation and measurable value.

Real-World Use Cases

NORDSTROM

Unified Architecture for Seamless Clienteling

Nordstrom faced growing friction when associates couldn't access global inventory or customer context during in-store consultations. By deploying a composable, unified platform architecture, the retailer enabled associates to check real-time stock, share digital lookbooks, and recover out-of-stock items through marketplace fulfilment.

The result: fewer "walked sales" and higher Average Transaction Value, as associates gained the ability to deliver continuous, data-informed experiences.

AMERICAN EAGLE OUTFITTERS

Omnichannel Continuity Through Associate Tools

American Eagle struggled with inconsistent transitions between online discovery and in-store interactions. By equipping associates with unified insights: wishlist activity, loyalty data, and network-wide inventory the retailer enabled seamless omnichannel continuity. Associates now deliver more relevant recommendations and reduce friction at trial and purchase, strengthening conversion among digitally engaged customers.

LOWE'S

Autonomous Store Operations Powered by AI

Lowe's needed to reduce time spent on repetitive shelf checks and improve in-store execution. The company implemented an AI-driven "Control Tower" using IoT sensors and computer vision to monitor stock health and route tasks automatically to associates. This shift from manual oversight to autonomous orchestration cut routine inventory time by up to 30%, freeing staff for higher-value customer interactions.

Ahold Delhaize

Data-Driven Resilience in Grocery Operations

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Technological Enablers of "The Next Now"

Beyond vision, the event highlighted a core set of platform capabilities enabling organizations to turn ambition into execution. Repeated across demos, keynotes, and case studies, these enablers reflect an emerging consensus on how to compete in an AI-driven, omnichannel world.

1- Workflow-Embedded Agentic AI

A defining shift at NRF was the move from passive AI to AI embedded directly within day-to-day execution. Rather than producing insights for teams to interpret, Agentic AI now operates within workflows: coordinating decisions, recommending actions, and guiding execution in real time. From personalized recommendations to task prioritization and inventory alerts, this new generation of AI lightens cognitive load and drives consistent performance across teams and locations. It signals the evolution of AI from a back-office function to an active operational partner.

2. Real-Time Unified Customer Profiles

This evolution in AI depends on a second foundational enabler: **the real-time unified customer profile**. We have now platforms capable of merging browsing behavior, loyalty data, purchase history, service interactions, and in-store activity into a single, continuously updated record. By consolidating data once trapped in silos, unified profiles give every team: from marketing to store associates a shared, real-time view of the customer. T**his alignment enables true cross-channel continuity and elevates both service quality and personalization.**

3. Intelligent Product Discovery & Network Inventory Visibility

Building on unified customer insight, a third theme centered on **product and inventory intelligence.** Retailers showcased solutions that give associates visibility into network-wide availability, detailed product data, and relevant cross- or upsell opportunities.

With this level of transparency, stores evolve beyond their physical inventory to become gateways to the brand's full assortment. **By combining discovery tools with inventory intelligence, associates can guide customers with confidence and prevent missed sales capabilities frequently highlighted across the show floor.**

4. Integrated Appointment & Engagement Management

As retailers refine their client engagement strategies, NRF highlighted the **growing importance of appointment-based interactions.** Solutions presented this year connected booking flows, customer preferences, service history, and staff availability into unified engagement journeys. This integration allows stores to structure meaningful consultations, whether virtual or in-person and prepare associates with the right context ahead of time. By anchoring high-intent moments in richer data and better planning, retailers elevate the quality and consistency of their most valuable interactions.

5. Mobile Operating Systems for the Associate

To support these new ways of working, NRF exhibitors introduced more unified mobile environments for store teams. **Associates increasingly operate from a single mobile "command center."**

These consolidated interfaces streamline execution, reduce friction, and enable associates to deliver a more responsive and personalized experience. The shift signals a broader evolution: **as stores adopt more advanced technologies, simplicity and clarity at the associate level become essential for adoption and scale.**

6. Real-Time Store Automation & IoT-Enabled Operations

Simplification extended to store operations, where automation powered by computer vision, sensors, and IoT took center stage. These systems monitor shelves, detect anomalies, and trigger workflows all in real time.

By offloading repetitive tasks, automation frees associates to focus on interactions that require empathy and expertise. In a retail landscape where efficiency and experience go hand in hand, this marks a decisive step forward. Together, these technologies turn data and automation into an integrated operating model built for speed, agility, and intelligence.

Specific Use Cases for retailers

Industry Segment	Challenges	Solution (via Clienteling AI)	Value(Business Impact)
Luxury & High-Touch Retail	Maintaining exclusive, personalized service despite high associate turnover and fragmented online/ offline journeys.	Associate-Driven AI Recommendations: Clientbook provides pre-populated, context-aware conversation prompts based on purchase history and loyalty status.	Increases customer retention (CLV) and ensures brand consistency across all global touchpoints.
Apparel & Footwear	High return rates and staff inability to quickly find inventory across stores for the customer waiting in the fitting room.	Global Inventory Visibility & AR Lookbook: Associates instantly check stock across the network and use AR tools for virtual product trials (reducing return risk).	Reduces returns (costs) and salvages lost sales due to out-of-stock items.
Beauty & Cosmetics	Difficulty tracking customer history (past products, allergies, preferred regimen) across visits for personalized consultation.	360° Profile with Service History: Associates access previous consultations, prescribed products, and service cases directly on the mobile app.	Elevates service quality, fosters trust, and drives repeat purchasing.
Jewelry	High-consideration purchases with long decision cycles and strong emotional stakes. Limited visibility on client intent, milestones, and preferences across visits.	AI-enriched client profiles tracking purchases, wishlists, preferences, and key life moments, with smart reminders and personalized recommendations for advisors.	Higher conversion on high-value pieces, stronger client relationships, increased repeat visits and lifetime value.

Specific Use Cases for CPG

Industry Segment	Challenges	Solution (via Clienteling AI)	Value(Business Impact)
Global CPG	• Fragmented in-store execution across retail partners • limited visibility into real shopper behavior at the shelf • inconsistent promotion compliance • delayed feedback loops between field teams and headquarters.	• AI-powered field enablement combining store-level intelligence • shelf availability tracking • promotion compliance monitoring • guided actions for sales and trade teams	• Higher sell-through and on-shelf availability • improved promotion ROI • faster issue resolution at store level • stronger, data-driven collaboration with retail partners.

1- Field Execution & Promotion Compliance at Scale

For CPG brands, value is often lost not in strategy, but in execution. NRF 2026 highlighted how inconsistent shelf availability, late promotion setups, and fragmented field reporting continue to erode sell-through and promotional ROI.

Leading CPG players showcased AI-driven execution platforms that embed intelligence directly into field workflows. Sales and trade teams receive real-time guidance on priority actions—promotion compliance checks, shelf corrections, and out-of-stock alerts—based on store-specific conditions.

2- From Retailer Dependency to Data-Driven Partnership

CPG brands operate in an environment where customer ownership sits with retailers, yet execution success depends on close collaboration. At NRF 2026, brands emphasized the growing importance of store-level data to strengthen retailer partnerships.

AI-enabled store intelligence allows CPG teams to move beyond aggregated reports, gaining actionable visibility into local performance, assortment gaps, and shopper response. These insights support more relevant discussions with retail partners, grounded in facts rather than assumptions.

What's Next? Strategic Recommendations

To capitalize on the insights from NRF 2026, Bayretail recommends the following strategic steps:

1. Unify Data for the Front Line:

Stop data unification projects that end in the data warehouse. Prioritize the creation of the 360° Customer Profile that is directly accessible and actionable by the store associate via mobile tools.

2. Pilot Agentic AI in Clienteling:

Focus initial AI investment on augmenting human capability. Deploy Agentic AI to automate the pre-sales preparation phase for associates, ensuring every customer interaction is data-informed and personalized.

3. Future-Proof the Workforce:

Launch comprehensive training programs focused on high-value selling, empathy, and leveraging technology (AI, AR) to enhance, not replace, the human element.

4. Adopt Outcome-Driven Program Design:

Move away from technology delivery metrics (e.g., platform deployment) toward business outcomes (e.g., ATV increase, reduction in return rate, staff engagement score).

Conclusion

The future of retail is defined less by isolated innovation and more by the ability to execute at scale across complex, fast-moving environments. As customer journeys blur and expectations rise, performance depends on how effectively retailers connect intelligence, workflows, and frontline execution.

Across this report, one conclusion is clear: competitive advantage is shifting toward retailers that unify data and embed AI directly into daily operations. Personal AI agents are beginning to reshape shopping journeys, making trusted, real-time first-party data essential for relevance. In parallel, AI in-store is becoming central—enhancing clienteling, empowering associates with real-time insights, and personalizing every interaction.

This transformation extends beyond the store. Large language models are redefining retail media by turning first-party data into performance-driven advertising, while agentic marketing accelerates engagement by automating campaign execution end-to-end.

In this context, the store associate evolves from a transactional role to a strategic orchestrator of the omnichannel experience, supported by intelligence and automation. Retail leaders who succeed will be those who move beyond tool accumulation to build integrated operating models—where data, AI, and human expertise reinforce one another and translate ambition into execution.

About BayBridgeDigital

BayBridgeDigital is an Agentic Powerhouse, transforming how enterprises operate, decide, and grow. Headquartered in New York with offices across Europe, the Middle East, and Africa, we combine AI strategy, Salesforce Data Cloud, and enterprise-ready AI agents to help the world's leading companies unlock intelligence, automation, and human creativity at scale.

We help enterprises accelerate their digital transformation by combining Salesforce expertise with the power of AI-driven agents.

BayBridgeDigital has been recognized for the fourth consecutive year as one of America's fastest-growing companies privately held and is included in the 2024 Inc. 5000 ranking.

For more information visit: http://www.baybridgedigital.com

Bayretail™
LEADING THE FUTURE OF RETAIL

About Bayretail

Bayretail is a mobile application provider, natively built on Salesforce, focused on empowering associates in retail stores. Bayretail solutions help retailers blend in-store and online channels to deliver seamless shopping experiences.

Bayretail mission is to harness the power of the world's most advanced mobile technology to deliver simple-to-use apps for store associates to look up products, manage customer information, check out shoppers, and communicate with clients. Leading retailers like Lanvin, Fast Retailing, IRO Paris, Puig, Byredo, Agnès b use Bayretail to elevate the shopping experience, increase sales and improve customer service.

The Bayretail StoreApp for Salesforce is now available on the Alibaba Cloud Marketplace, offering tailored and compliant solutions for retailers in mainland China.

For more information, visit: https://bayretail.io/