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White paper

Artificial Urgency

Retail's AI spend isn't being shaped by strategy. It's being shaped by the fear of not having one.

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Introduction

Something strange is happening across retail. Every boardroom is talking about AI. Every strategy deck has an AI slide. Every conference agenda is dominated by it. And yet, if you asked most retail leaders what specific outcome their AI investment is designed to achieve, not what it does but why it matters, the room would go quiet.

This is not a technology failure. It is a clarity failure.

The retail industry is in the grip of what we are calling **artificial urgency**: the pressure to adopt AI, not because the business case is clear, but because not adopting it already feels like falling behind. It is the same reflex that built the assurance economy, where businesses spend millions bringing in big-name consultancies to validate decisions already made, without ever asking whether they were the right decisions in the first place. The adopted phrase of the next decade may well become **Nobody ever got fired for buying AI.**

The result is an industry moving faster without necessarily moving forward. Retailers are layering AI tools onto operating models that were already buckling under their own complexity, and rather than reducing that complexity, the new tools compound it. The pace of work increases, the volume of data grows, the number of systems multiplies, and then, inevitably, the business needs more technology to manage the technology it just bought.

We built a faster treadmill and called it progress.

This paper is not another guide to AI adoption. It is an argument that the industry is getting the basics wrong, and that the longer it avoids admitting it, the harder the correction will be. There are three hard truths beneath the surface of the current AI conversation. Most people in retail already suspect them. Almost nobody is saying them out loud.



Hard truth 1

You Are Spending Money to Feel Better, Not to Get Better

Launching AI pilots looks good on paper, and they make excellent talking points in board meetings. But the majority fail to show long-term outcomes because they lack credible business cases behind them.

The pattern is often the same: a retailer with budget, a vendor with a tool, and a gap where the question should be. The spend is not driven by a defined outcome. It is driven by fear of falling behind, fear of looking slow, and fear that the competitor down the road is already doing it. That is not investment. It is insurance, and like most insurance bought in a panic, it covers the wrong thing.

Hard truth 2

Your Infrastructure Is Not Ready, and Pretending It Is Will Cost You More Than Admitting It

Most retailers already know this, but to be seen to get ahead, they are launching anyway. Real, credible AI ROI is years in the making, and rushing to launch early is like sprinting at the start of a marathon. You have got to do the hard work first.

Siloed data, brittle integrations, and an operating model designed for a world where humans reconciled everything manually: that is most retailers' reality. This is not something to be ashamed of. These systems were built for a pre-AI world, and were likely built around sound investments at the time. But adding AI to that model is like fitting a jet engine to a bicycle.

Hard truth 3

The Job Has Outgrown the People and the Tools, and Nobody Is Saying It Out Loud

This one is uncomfortable, and few people like to admit it. Modern retailers make decisions across hundreds of consumer engagement points, often in close to real time. No human team can manage that manually anymore, and that limit was passed quietly. People are scared of this, scared of what it might mean and what might happen to the businesses that cannot bridge that gap.

The old model, where centralised planning pushes decisions down, location teams execute, and head office reviews performance weekly, was built for a world with fewer channels, slower cycles, and lower customer expectations. That world is gone. The new one demands granularity, speed, and localisation at a scale that human teams were never designed to deliver. The people have not failed. The model has.

AI is the only credible answer to that gap, but only if you have been honest about the gap in the first place. Most retailers have not been, because admitting the gap means admitting the current operating model is failing, and that is a conversation nobody wants to have.

What AI-First Really Looks Like in Practice

The retailers who will lead the next decade are not the ones with the most AI tools. They are the ones who started by asking what they actually want the business to be, and where technology is the genuine answer rather than the comfortable one.

Bodycare is one of those retailers. Not because they had superior foresight, but because they had no alternative. When all 147 of their stores closed following administration in late 2025, the safety blanket of legacy systems and inherited processes disappeared overnight. There was no existing infrastructure to bolt AI onto, no sunk costs to protect, no "we've always done it this way" to hide behind. They were forced to begin with a question most retailers never have to face: if you were building a retail business from scratch today, what would you actually build, and why?

What emerged was an operating model designed around a clear north star: every operational decision that can be made better with more data, more speed, or more consistency should eventually be made, or at least informed, by a system that can deliver all three. Not AI for the sake of AI, but AI as the natural consequence of building systems that are connected, contextual, and designed to learn. Within a year, Bodycare went from having nothing to opening stores with an AI-ready digital foundation, modern checkout experiences across multiple channels, connected data flows, and an integration architecture built to scale to 200+ stores, with queues out the door on opening day in Sheffield.

That clarity, knowing what the business should be before asking what the technology should do, shaped every decision that followed. The AI was the natural consequence of wanting to do something physically impossible with human effort alone: customise every location to its community, at scale, in something close to real time. The vision came first. The architecture followed the vision. And the AI followed the architecture.

The full Bodycare story is detailed in a companion case study. What matters for the argument in this paper is simpler: a retailer that started with purpose, not pressure, built something that works. An operating model designed for intelligence from day one, a platform that scales, and the proof that asking "why" before "what" is not theoretical advice but a competitive advantage.

> "We didn't start out to do AI for AI's sake. We started with a very clear purpose."

David Stern,
Managing Director, Bodycare



What if you're not starting from nothing?

Most retail leaders reading this do not have Bodycare's luxury. They have twenty years of legacy systems, three acquisitions' worth of duct-taped integrations, and a board that wants greenfield ambition delivered through a legacy estate. So the real question is not "what would you build if you could start from scratch?" It is "how do you think like a business with nothing, while running a business with everything?"

What We Are Seeing Across the Industry

This is a pattern we see repeatedly. When we sit down with retailers to discuss their AI ambitions, the gap between aspiration and definition is almost always wider than they realise. Businesses come to us saying they want to "do AI," but when we ask what operational problem they are trying to solve, the room often falls silent. They have a technology ambition without a business question underneath it.

They can describe AI initiatives, list use cases, and name the tools they have deployed. But ask what operational outcome they are designing for and the answer is often vague: efficiency, personalisation, innovation. Those are categories, not outcomes. An outcome sounds like: reduce stock-outs by 30% across the estate without increasing inventory holding costs. Or: enable location-level assortment decisions at a speed and granularity that the buying team cannot achieve manually. An outcome is measurable, specific, and connected to a business problem that existed before anyone mentioned AI.

The retailers who arrive with the clearest intent are invariably the ones who have already done the harder work. They have identified a specific operational bottleneck, tried to solve it through conventional means, and only then asked whether AI could make that solution faster, more scalable, or higher-impact. Those conversations produce results. The rest, the ones that begin with a vendor demo or a board mandate to "do something with AI," produce workshops, pilot fatigue, and quietly shelved business cases.

The industry has digitised everything coming into the business (supply chain, buying, procurement) and everything going out (POS, e-commerce, CRM). But most retailers still have not digitised what happens at the point of engagement: at the location, on the shop floor, in the fulfilment centre or at the event. Replenishment is still largely manual. Most cannot tell you which product is where, at which moment, in which location. And even those who have some form of tracking do not act on it because no outcome was defined that would make it actionable.

> "We have, on multiple occasions, declined to proceed with AI proof-of-concept work because the retailer had not defined what they were trying to solve. That is not a popular stance, and it costs us business. But we would rather lose a proof of concept than build one that proves nothing."



What Ready Actually Looks Like



> “Everyone is scared that they’re not adopting AI fast enough. But the retail market in general still hasn’t moved any closer to being AI-ready than they were twelve months ago. The level of investment it takes to be AI-ready is not something you can just do in twelve months.”

Being genuinely AI-ready means three things, and most businesses are not doing any of them.

First, your systems must be **flexible enough to evolve faster than your traditional change cycle allows**. If adapting to a new channel or data source requires a six-month integration programme, the AI has nowhere to act.

Second, you must **solve the problem manually before you automate it**. If you automate a process you do not fully understand, the AI inherits your confusion along with your data. You have got to come up with a solution first, which may feel a bit clunky and manual, and then ask how AI is going to make that more efficient. If you just automate it straight away, you are giving the AI an automated process it cannot learn from.

Third, your data must be **live, location-level, and accessible**. Not reports or weekly extracts, but live data that an AI agent can query, reason over, and act on. If the AI cannot see what is happening at the point of engagement right now, it is pattern-matching on history, not making decisions.

Most retailers fail on all three, and yet they are buying AI anyway, because admitting the foundations are not ready is not something you put in a board deck. It is easier to buy the tool and hope the infrastructure catches up. It will not.

Bodycare passed all three tests not because they were smarter, but because they had no legacy to work around. They built the data layer first, the integration architecture second, and the AI capability third, in that order, deliberately. For retailers with twenty years of legacy, the answer is not to rip and replace. It is to find the gaps where modern, agile components can sit alongside the existing estate, identifying the parts of the business where flexibility matters most and starting there. The solution is not to blame the legacy and wait. It is to start where the legacy ends.

AI Maturity Is Earned, Not Bought

There is one final misconception that artificial urgency feeds: the idea that AI delivers immediate ROI. It does not. What it delivers immediately, when implemented well, is a foundation: a connected, contextual, learning data environment. The ROI compounds over time as the system matures.

Each layer of learning feeds the next. The more locations that come online, the more transactions flow, the more the AI learns, and the faster every subsequent deployment can be optimised from day one. Retailers who expect AI to pay for itself in the first quarter are measuring the wrong thing. The right question is whether you are building the asset that will pay for itself for the next decade.



In practice, the journey from day one to full AI-led decision-making follows a curve that we estimate at roughly **two years** for a retailer building with genuine intent. The stages are not arbitrary; they reflect the reality of how an AI system learns to operate within a specific business context.

In the first months, the AI is ingesting and learning from real data. You cannot train an AI on synthetic data; it simply does not work. This phase is about getting the right data feeds established, reviewing outputs, and building the foundational understanding that everything else depends on.

By around six months, the AI begins producing outputs that are useful but still require human oversight: generating creative briefs for the content team, building initial customer segmentations, identifying patterns in product and pricing data. These are real, value-adding activities, but they are assistive rather than autonomous. Like a child given a paper round at twelve, the AI is applying its developing skills in small, supervised ways.

The model at Bodycare deploys three specialist AI agents, each with a dedicated business owner who monitors their growth, reviews their outputs, and guides their learning. A creative agent handles content and campaign briefs, reporting to the CMO. A product and pricing agent works under the inventory buyer and managing director. A customer agent is being developed to handle segmentation and engagement. Each agent matures at its own pace, and each has a human in the loop until it has proven itself trustworthy in its domain.

By eight to twelve months, the AI should be making minor decisions with decreasing oversight. These are its university years, in the metaphor. Mistakes are expected and factored in, and the human in the loop is still present but increasingly reviewing exceptions rather than approving every output. By twelve to eighteen months, if the foundations have been laid correctly, the AI has earned sufficient trust to take on more

substantive decision-making. And within the full two-year cycle, the ambition is for AI-led operations across the business, not replacing people but absorbing the operational complexity that prevents people from doing what they do best.

This is not a timeline the industry is comfortable with, and everyone is trying to go faster. But AI has spent a decade getting to the point where it can help people buy themselves time to think, and that does not mean the problem-solving has sped up at the same rate. Retail and commerce are not the fastest-moving industries.

The Partner Test

The technology partner market is full of vendors who will sell you AI capability. What is rarer is a partner willing to sit across the table and ask whether you need it yet, whether your infrastructure can support it, and whether you have defined success clearly enough to know if it is working.

A vendor who starts the conversation with their product is selling you a tool. A partner who starts the conversation with your business is helping you build a future. And the cost of getting AI wrong is not just the failed project; it is the organisational cynicism that follows, the executive team that tried AI, saw no results, and now treats every technology conversation with suspicion. That is a far more expensive outcome than the money spent on the tool itself.

> “The most valuable thing a technology partner can do in 2026 is slow you down, not to obstruct progress, but to make sure that when you move, you move with intent.”



The questions a genuine partner should be asking are straightforward. What is the operational problem you are trying to solve? Can your current infrastructure deliver the data that AI needs to solve it? Have you defined what success looks like in terms your board and your frontline teams would both recognise? And if the answer to any of those is unclear, are you willing to do the foundational work before you start the AI project?

The Graphene approach

This is the philosophy behind Graphene, PMC's unified commerce platform. It connects POS, online store, loyalty programme, inventory and customer data into a single live environment, so every channel works together in real time across physical and digital.

When a retailer needs to add a new capability, whether that is a new checkout experience, a stock-counting module, or an integration with a new supplier system, they are not building from scratch. They are building on top of a platform that already understands users, roles, locations, data flows and business logic.
The foundational work that typically takes months or years is already done, and the retailer builds only the unique part.

For retailers who do not have the luxury of starting from zero, the platform enables them to modernise incrementally: replacing brittle integration middleware, connecting siloed systems, and building the real-time data foundation that AI requires, without disrupting live trading. It is the answer to the question: how do you think like a business with nothing, while running a business with everything.

Author



Elliott Winskill is Technology & Solutions Director at PMC where he heads up the solutions team who developed Graphene — PMC's platform for connecting and modernising retail technology. He is a vocal advocate for pragmatic AI adoption in retail, arguing that retailers need to solve their fundamental business problems first before layering AI on top, and is currently leading PMC's work with clients like Body Care on what he describes as genuinely "AI-first" retail strategies.

About PMC

PMC is an independent commerce technology partner. We build and run the foundations that make unified commerce dependable across your operation, stabilising what matters, connecting what is fragmented, and adding the right capacity so change lands without disruption.