Developing AI-Based Systems for Efficient Retail Order Management

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1. Introduction

In today's international retail industry, competition is fierce. Customers are not only looking for a competent retailer but for a reliable buying experience. Delays in order delivery are an indicator of the retail business's inadequacy. Efficient order management on the back end is a critical part of swift order delivery. A good order management system will keep companies at the top of this competition. AI can assist in the efficient running of these systems. Small and medium-sized businesses usually have difficulties with their order management systems. AI is a great fit for refining business operations and can significantly enhance personnel productivity by automating simple tasks like matching and management.

The aim of this study is to discuss the various aspects of potential AI-based systems in retail and identify what could be used in the creation of an effective order management system. This highlights the ability of AI to improve operating systems for retailers. There are numerous logistics-related activities, and AI has been proven to be very efficient in supply chain and production flow. Optimization of warehouse management, transportation, and container management, as well as other similar activities, is an area of interest for AI researchers. This paper may only cover the AI process and identify the different types of AI that relate to retail and distinguish AI from other operations.

1.1. Background and Significance

Over the past few decades, the world has transitioned from manual order management to legacy ordering systems, and more recently to electronic order management. Each new era has seen a reduction in costs and an increase in the number of orders processed. Retailers have significant opportunities by modernizing the crucial system for order management. Research on order management dates back to the 1950s. The main concern in that era, however, was the lack of accuracy in terms of paperwork and manual processing. The concept of the supply chain began in the mid-1970s, whereby significant changes occurred in the fundamental business model. Many predictions were made throughout the late twentieth century about the importance of these technological advancements, particularly in the area of order management processes.

The above historical crossroads align with the modern problem in today's retail systems. While retailers have made further investments into inter-organizational transaction processing systems, this old-fashioned way of approaching customer demand could potentially lead to failure because the complexity of managing will call for more attention. Consumers will become increasingly dominant in the market. A retail company would have to deal with 64,000 orders for a single product over the course of one year, and more than eighty percent of these orders would be reprocessed. The application of the possible algorithm is not limited to order processing. Ultimately, all the data collected may shape a new way of retail merchandise strategies. The application of such ideas could also possibly shape the framework that retail companies follow. Using data analytics to make informed decisions is the next step that needs to be taken. Retailers, with the data on past shipments, can understand if a particular upgrade is desirable. AI could play a crucial role when the information on logistics and the promotion policies is provided. The AI model based on this will help in customer and company demand data meeting the supply. The AI system will help in deciding the warehouse, which will assist in increasing the company's ROI by obtaining far better information to make decisions.

1.2. Objectives and Scope

This paper is aimed at working out the relevant AI-based appropriate solutions and evaluating the technological gaps for intelligent retail order management in Turkey. The specific objectives of the paper are to provide insights into an overview of current practices in retail order management and to propose a research spectrum that can improve the current application areas with AI-based systems. This paper provides a concise but comprehensive overview of it. The scope of the analysis is technology adoption practices and performance measures. The focus of the paper is on assessing the effectiveness of AI-based systems for improving retail order management processes that underpin the efficiency of retail practices. This paper aims to emphasize the importance of AI in promising IT opportunities for large and medium-sized retailers in order to develop and implement rational and sustainable strategies for customer-centric supply chain management. The growing opportunities in using AI open up wide-ranging research possibilities. As such, this study also draws from the experiences of a large and medium retailer to illustrate current practices and how AI can be adopted in retail, discussing the range of technological innovations currently under consideration. AI applications for efficient retail order management are an important research avenue. The ultimate goal is to improve customer experience through the development of advanced order management services. As a result, high customer satisfaction due to a time-saving retail order management process will ensure success in the retail industry. Today, with the increasing volume of data, retailers have begun to gain efficiency in order to maintain imperatives while adapting to changing market conditions. However, to reach this point, the scarcity of skilled personnel and the internal resistance to change are significant disadvantages against the improvement of AI applications. The expected level of AI application in the retail order management process and the fact that AI is relatively new and rapidly improving make predicting future developments difficult.

2. Foundations of Retail Order Management

Order management systems (OMS) assist retailers in processing customer orders. The term "customer order" encompasses purchase orders, delivery orders, service requests, and any other kind of customer-initiated request. Orders typically need to be passed on for further execution to warehouse management systems (WMS), transportation management systems (TMS), and ultimately - for those placed in physical stores - to point-of-sale (PoS) systems. A number of terms such as "order fulfillment", "order processing", and "order management" sound rather synonymous but actually emphasize different aspects of handling orders.

Traditional OMS, also called transaction management systems, are not designed to optimally support efficient order processing. They can, at best, only automate a few manual tasks, without considering issues such as optimal picking routes, delivery time commitments, minimization of returned goods, or optimal assignment of orders and packing material to available shipping cartons. Moreover, there is usually no intelligent assignment of offers to the most suitable warehouses. On the other hand, standalone algorithms, such as those for vehicle routing, typically do not consider stock allocation problems and the resulting trade-offs. The use of algorithms from related fields can be largely inefficient due to these and other reasons. Acting upon a conflictive set of optimization criteria, including, for example, demand maximization on one side and cost minimization on the other, is a further challenge. Artificial intelligence (AI) powered robotics and machine analytics have been increasingly adopted to help improve efficiencies in warehouses and distribution operations.

The focus of classical retail operations is to execute one or more of the following vertical processing stages, depending on the respective value proposition: manage an inventory and process a purchase order or check availability in the next store (fulfillment) or check the availability in a warehouse and deliver the product to the next store, using store replenishment as a cross-dock strategy. A lot of research has concentrated on these dimensions; especially inventory management is a very relevant dimension. Retail network inventory management (RNIM) optimizes inventory and allocations in a network of retail stores, according to a network management policy, for example, calculated in a periodic review type inventory management control module. It performs store replenishment and inter-store stock shipment both strictly according to this policy. It may consider service level targets to define the stock levels in the network. But, shipping stock between the stores on a need or pull basis manages transshipments and stock redistribution and minimizes stockouts in the network at the stock locations where service level is required as an objective.

2.1. Key Concepts and Terminologies

Order management has received emphasis in recent literature due to the importance of efficient management of retail operations. The overall performance of retail outlets is directly connected with the quality of their order management practices. The system comprises numerous operational aspects that are closely interrelated. Any incautious application in one aspect can have a serious negative impact on the firm's customer satisfaction. Key separate operational items include: facility location/site selection; warehouse layout analysis; demand assessment; inventory management; transportation and distribution; reverse logistics; benchmarking and performance evaluations; and order fulfillment. Order Fulfillment: A streamlined process from the receipt to delivery of a customer purchase order that derives strategies and internal operational processes and systems to transform customer orders into delivered products with increased efficiency. Customer Satisfaction: A measure of how well order management (fulfillment process) and service are optimized by the setting of a specific set of internal priorities based on forecasting accuracy, order accuracy, in-stock fill rate, returns, and delivery on time. Inventory Turnover: Sales/average inventory stock levels over some period of time are termed as the inventory turnover ratio. Forecasting: Predicting or approximating future sales or demand of goods or services. Order Management covers a variety of synonyms including Sales Order Management, Service Order Management, order to cash, record to report, and inquiry to resolution. Artificial Intelligence: AI in its broadest context includes diverse machine capabilities within fields involving or not involving order management, such as machine reasoning, machine comprehension of human speech or text, machine vision, robotics, and artificial decision systems.

2.2. Traditional Order Processing vs. AI-Driven Order Management

AI-based order management system: Idatum

In a traditional order management system, processes such as allocation, picking, and fulfillment are regarded as autonomous. Staff have to manually intervene in these processes, from determining the order priority to deciding on the product allocation strategy for every order in times when there is a sudden demand spike. However, as the order size increases, the number of distinct tasks that must be handled becomes increasingly difficult for a human to manage. Furthermore, human engagement introduces inevitable errors into the order management system and leads to information delays. Efficiency and scalability are two major issues with conventional operation and order management systems that have attracted attention to evolving them into an AI-driven one. On the other hand, through data analytics, order classification, and status monitoring, AI-driven order processing systems can streamline operations in warehouses. As a result, an AI-driven system can speed up the process of picking, which is strongly correlated with services related to order fulfillment.

Moreover, AI-based system results are more accurate than traditional methods when determining the allocation strategies or prioritization of orders, leading to a better decision-making mechanism with the reduction of human bias. While the conventional method of order fulfillment is more time-consuming and has a higher probability of service disruption, the new AI-based order process can provide a rapid response to sudden market demand spikes. However, so far, very few works have shown how AI or machine learning can be utilized to address the existing issues in the retail order strategy or market demand forecast capability. Moreover, despite the fact they can achieve significant results in the performance of the network using RL, they do not address the market demand prediction capacity enhancement. In summary, while inefficient, the traditional methods have their niches, and when the market size and customer base is small, compromises on operational processes are commonly made. Conversely, AI tools have the potential to create new business practices and provide superior solutions to traditional dilemmas related to the human limitations of conventional systems. On the other hand, limiting current methods to the traditional way of thinking in the age of technology may hinder business development. As such, we attempt to utilize AI-based methods, which utilize ML and a branch of RL methodology, and apply them to the retail order system in order to drastically increase the capability of the order management system.

3. Machine Learning in Retail Order Management

The order management process consists of a variety of management for fulfillments and shipping the retail applications of machine learning in OMS. These generally concern the modules having graceful machine learning algorithms. Version 8.0 of machine learning, a subset of artificial intelligence, finds utilities in AI. Running several of these algorithms in retail is no longer restricted to just statistics. It is often done to urge correct predictions. FB Prophet is sometimes developed to gather client data and other information concerning the future and patch it to the model.

The model then computes and delivers the predictions over staff performance predictions. Once such product request details are collected, it can also be designed to estimate the safety inventory that needs to be maintained to fulfill the requested orders. It can also be relied upon to run the business with outstanding daily execution. With AI's help, companies can monitor their storage rooms and find out which products can run out and which will not. Every product is formulated with two simulations; the first will be "Auto-regression" and the other is suggested "Auto-regression." It uses this design to allow expected values at a general base from knowledge concerning the history of stock levels for units. When the future expected values on the stock levels are determined, they will be taken into account with up-to-date orders of restocking.

3.1. Applications of Machine Learning in Order Processing

Machine learning can produce meaningful insights into a company's sales performance either as a standalone method or combined with other optimization procedures like predictive modeling using regression to uncover trending patterns in sales data. Machine learning has widespread use in demand forecasting, working with time series data to make future predictions. One popular example of machine learning being used for demand forecasting is a dual-stage time series forecasting, where the statistics model predicts the trend, while the machine learning model captures the seasonality of data.

Clustering, a common machine learning method used to group similar data, is predominantly used in retail to create personalized recommendations. A feature known as 'Customers who bought this item also bought' led to a significant jump in sales. Moreover, a study undertaken to discover the impact of personal recommendations on consumer behavior on an e-commerce website showed the number of monthly visits increased by one-third. This approach enables retailers to identify products that exhibit similar relationships based on consumer purchase history and offer personalized recommendations in real-time. Enhanced inventory management is a critical element of operations strategy, as a way to manage the uncertainty of demand and lead times. Inventory management refers to the act of holding stock to provide the necessary service and mitigate uncertainty. Inventory can be raw materials, work in progress, finished goods, etc. Consequently, many companies have used AI to optimize inventory levels to reduce inventory stock, transportation costs, and storage costs.

To capitalize on their logistical and resource edge and to enhance customer service, many large retailers have started to provide personalized order management to their customers through the application of AI. Order management has allowed the company to extract additional value from its logistics processes. Although many publications have been published on using machine learning and AI enabling technologies to predict demand, optimize order quantity, etc., there is no systematic study focusing on the prediction of the sales of these AI-produced components. There are some examples demonstrating that order expectations are playing an increasingly important part in fields such as inventory management. In retailer order management fields, several systems and processes are producing accurate order expectations. These predictions may enable a higher level of automation. The major automated systems currently in operation or being developed are: automated stock-level replenishment systems in retail, diversity-ranking algorithms in retailers' warehouses, and automated order recommendations in retailer online shops. Some of the systems use machine learning techniques to identify time series patterns or correlations between attributes.

3.2. Benefits and Challenges of Implementing ML in Retail

In retail, many routines can be supported or even done by autonomous AI-based systems. These are commonly machine learning algorithms that control these systems. The benefits of AI are in improving and automating operational management by anticipating issues and ensuring timely and accurate decision-making. Well-honed AI might even identify and exploit complex operational management strategies unique to an individual operation rather than force-fitting systems and management strategies top-down. There are also technical challenges. Data quality and connectivity are key. Integrating complex systems from different suppliers is also hard. Finally, organizations and systems are often seen as working only within themselves. Breaking these organizational clusters can be hard due to things like resistance to change, poor strategy or training, or silo mentalities. Here we assume that there are specific AI use cases that have been identified as part of strategic business planning. We describe an approach to evaluating the business benefits of these AI cases and the complexity of delivering them. Ultimately, AI will be used as part of everyday operational management, creating a more efficient and more responsive organization. In retail, AI can cut through cluttered data and highlight only the most probable issues. The benefits vary widely from organization to organization. The same use case might have a great potential benefit for one and almost nothing for another. By listing the potential benefits and the potential challenges, we develop a more complete picture of the likely benefit of any AI case. A balance of the two benefits and challenges can give us a good idea of what AI can profitably deliver.

4. Design and Implementation of AI Systems for Retail Order Management

The design and implementation of AI-based systems for retail order management involve several steps, from the collection and preprocessing of data to training and testing models. A main ingredient to build a data-driven solution is to gather as much relevant data as the problem requires and to prepare it again using traditional data preprocessing approaches. The choice of how to build the solution significantly depends on the desired target and on which part of the problem the researcher wants to consider. This is why it is important to select an appropriate algorithm for the purpose, train the model, and check the results.

A system developed endogenously in a company must be integrated with existing information technologies, particularly with the order management system. This integration is a critical step since the digital solution has to be fully compatible with existing systems: as an example, actual order forecast is known by the order management module, which uses it for setting reorder points or for scheduling order releases. Then, migrating from an actual system to a designed one is a critical transition, especially if lots of available data are to be considered. The transition requires substantial historical data that may be available in large retailers: in these cases, the installation of a module able to forecast the order demand is a compelling step. Best practices involve the development of tools that various actual or potential customers could use in the future.

4.1. Data Collection and Preprocessing

A robust data collection and preprocessing are paramount for the performance of AI systems. The data gathering part creates the basis for accurate learning, classification, regression, and forecasting with the use of machine learning prediction models. Depending on the context and system in consideration, there are various data sources and inputs that can be used in AI-related systems. Transactional datasets in retail order management usually contain information about the quantity of products sold at a specific price at a certain time interval. Aggregations of these raw records result in aggregated sales on a daily basis. Customer categorization, their behavior, and attributes can add another valuable input, including customer types, previous purchase behavior, repeat buying, or loyalty. Any kind of information regarding the current or future demand that has not materialized yet can add to the context of forecasting. This includes planned promotional activities, expected significant media attention, and so on. Additionally, with omnichannel retail, a cash point network's database reflects an omnichannel volume, connecting online with offline sales.

Having the initial data, there are many preprocessing techniques that can be implemented to get the data in a good input quality state. Many of these techniques are used to adjust the data to the requirements of the AI/machine learning model to be used. Data cleaning, dealing with inconsistencies in data, is an important part of data preprocessing. Many datasets contain missing values, which should be addressed as early as possible by either removing records with missing data, imputing values based on nearby data records, based on the average, previous values, specific algorithms, or methods. The problem with imputation, especially with unseen and unforeseen events, is that it may interfere with the prediction. Data normalization or scaling refers to different methods to standardize the data within a specific range or character. A robust AI system should be able to account for inconsistencies, that is, be able to adapt to changes in pattern when using the same model. This is possible with continuous monitoring of the predicted and expected outputs, developing feedback loops, and continuously improving the prediction model used. Information technology provides real-time updating of data or the capability to retrain prediction models with each additional input.

4.2. Model Selection and Training

Model selection is a critical step in building AI-based systems, as it determines the success or failure of the system's performance. To a large extent, it depends on the business needs and problems that the retailer aims to solve. Selecting the right machine learning algorithm requires careful consideration of the business setting and the inference that one is aiming to derive from the model. For instance, a regression model would be more suitable when one seeks to quantify or predict certain values, whereas classification models would be relevant for predictions of categories (like fraud/not fraud). Additionally, cluster analysis is used for the partitioning of the observations (e.g., customer segmentation).

The next important stage in the training process involves the selection of the samples to be used for training as well as the data in question. Usually, the more diversified the training data, the more accurate the predictions. While this sounds self-explanatory, in the real-world setting, the "right" kind of data, which represents the behaviors and activities of interest, may not be available in sufficient quantity or granularity. As a result, if the training set is not accurately capturing the variance in the demand signals, then the decision-making engine could possibly be making flawed inferences while optimizing costs. Furthermore, having suitable training data for model calibration is an important consideration. However, more data also comes with challenges; for example, model dimension would increase, and computational efforts would increase. Therefore, it is important to balance the amounts of training data with the emphasis on the business outcomes for which the models would be evaluated. The next subsections will delve into the training and its steps in more detail.

4.3. Integration with Existing Order Management Systems

One of the big challenges in using AI is to integrate it into the daily operations of order management. At the back-end, there can be modern total retail order management systems or distributed order management systems. These are complete and often quite complex systems that manage the whole journey of an order, including receiving the order, planning and optimizing orders, allocating the orders, and monitoring and adjusting order allocations. The largest part of our effort will have to be spent on this aspect because this is the greatest hazard in introducing AI systems. At the item level, functionality is usually very practical, but when it comes to infrastructure, it is like hammering in a screw. Similarly, this takes greater time and resources than you initially thought, and now you need to replace components from the AI systems with existing components that will not, of course, completely connect to your systems. The retail order management systems work on the basis of certain assumptions, and they have a certain and rigid structure within which the system works.

A research and AI system is not about following certain assumptions; rather, they are about learning and understanding patterns and allocating resources in a way that is different from assumptions. Several components already exist and work; for example, order forecasting by ordering lead time or the AI could mass allocate things based on certain assumptions. The problem is not at the solution level but at the integration of it with the existing complex AI structure. It was observed that the existing managerial solutions already worked perfectly. However, it took requirements from companies to integrate its infrastructure with existing solutions, which then resulted in the data interlock. Moreover, a phase-by-phase implementation plan and the participation of top management were required, as well as the training and adaptation of staff to the new system. All integration steps had to be monitored, with precise documentation at every level. After integration, numerous problems had to be managed because of the impact of machine learning. An ongoing evaluation is taking place to identify these problems and correct them. There is a heavy focus on testing how AI solutions work and interact with existing managerial procedures; in the management division, the system works similarly. The management has full assurance in the system because when it was operational, it was not replaced but matched into current solutions.

5. Case Studies and Success Stories

In our research, we documented various real-world stories showing how AI has been deployed to automate, streamline, and optimize retail order management. Many respondents showcased their upcoming or existing AI-based order management systems, depicting efficiency improvements and offering details on how AI can help improve fulfillment operations and add value to customer orders. Across these case studies, there are a few common threads that offer important lessons to those still seeking to adopt AI-powered systems to streamline processes and gain customer satisfaction. While these case studies showcase AI use for a range of different product categories handled by sellers, there are several common factors. Nearly all described legacy systems that were inadequate to handle the challenges posed by a company's rapid growth or the specifics of items sold. Manual operations were inefficient, often requiring additional headcount, and led to a poor customer experience. All respondents described an internal focus on changing company culture, often driven by the introduction of new teams and expertise. At least four of these sellers utilized a buy-in approach, discussing the help from the C-level or other executive sponsorship to fast-track project resources and approvals. The majority of these sellers had tried other off-the-shelf solutions or used manual operations before pursuing custom-built AI/ML solutions. The associated costs and/or high failure rate of manual operations led to recession. Therefore, the case studies and challenges presented in this section offer real-world examples of the need for innovation in order-fulfillment operations and the transformative possibilities of an AI-powered order management system. They illustrate the powerful ways that AI can be deployed across a variety of industries to make substantial and critically needed improvements to order processing.

5.1. Real-World Examples of AI in Retail Order Management

The case studies that we will now elaborate on represent the applications of AI in an online retail setting from both offline and online standpoints, such as improving the closed loop of forecasting, ordering, and allocation, as well as customer service, with an extra focus on demand forecasting and inventory management. The outcomes and benefits of AI adoption by the retailers have been divided into four main categories using statistical measures that are typically applied to empirical management systems research. For example, a comparison between three categories of outcomes was performed based on reduced costs, which is the most addressed issue, leading to a decline in service level or an increase in service level, or vice versa. On this occasion, we also detailed the challenges that the implementation of AI suggests.

The imperfect matching of supply with demand due to the variability of effects caused by known and unknown factors, increasingly intertwining in the age of data, motivates the application of AI and optimization techniques. In order to align the supply chain in terms of volumes and geography more efficiently, at the input of an order fulfillment system, forecasting on a global level and optimization locally in the warehouse is endorsed. The previous two paragraphs lead us to regard an integration and issue that is the very heart of this deliverable, namely retail order management, enriched by some ideas about how to exploit AI in a broader retail approach. The two main flows in this system are supplier–retailer and retailer–customer. Indeed, retailers act as wholesalers if they accept an order from a customer when the product has to be ordered from another company for the purpose of delivering it to their customer.

5.2. Impact on Operational Efficiency and Customer Satisfaction

Operational Efficiency AI technologies can automate frequent decision-making processes, thereby enabling retail staff and management to focus on more complex customer interactions. This is particularly relevant for AI-based replacement of outdated or legacy technology, which is a fundamental aspect of the CRP. By lowering the fulfillment timeline, AI-based intelligent order management systems are likely to have positive effects on a retailer's operations. For example, lower fulfillment times can lead to reduced human errors during the picking and packing process, while also allowing staff to complete more orders per shift. Inventory Management Automated retail order management systems that use predictive, advanced, and prescriptive analytics enable enterprises to benefit from lower end-to-end stock times, while enabling a reduction in stock holding costs due to negative correlation. While the bulk of the literature on AI in retail evokes its potential impact on operational efficiencies, there is also an ongoing debate on how AI can help improve customer satisfaction. Customer Satisfaction Improved operational efficiency has a direct correlation with customer satisfaction and happiness with purchases. AI-enabled order management is particularly interesting from a customer experience perspective as it can help create more personalized experiences rather than just delivering on time. While quite difficult to measure, customer service experiences can be measured in terms of order accuracy, clients serviced per day, reduced delivery timelines, and provision of value-added services. Case Study Example Within grocery retailers, automated customer service through the rise of cashier-less checkouts offers a unique example of AI redesigning customer service roles. Self-checkout technology has been around for over two decades, but AI-powered in-store mobile scan and go systems not only free up store employees to provide more personal services on the shop floor, but also more accurately track stock levels for improved inventory management. The adoption of AI in grocery retail would decrease queue length and customer waiting time, while leading to improved demand forecasting with faster product replenishment.

6. Future Direction

Retail is an ever-evolving landscape, and not a day goes by without the introduction of some new trend or technology that can very well shape the way we do retail operations in the future. Here, we try to speculate on some of the most prominent trends that can take the large domain of retail order management in the future. We anticipate more automation and inclusion of analytics in managerial decision-making. Retailers will also start paying more attention to individual-specific decision automation, primarily to offer a personalized and unique experience to their customers. A significant trend will be AI ethics in retail: the use of AI in retail is an open pool of opportunities, and as such, there are many possibilities with AI that can turn out to be unfair and unethical. Therefore, time will witness an increasing conversation on AI in retail: where to implement and where to stop.

Now, more than ever, customers expect personalization either in the form of products, promotions, or services. Unfortunately, retailers often struggle to achieve this, since deciding personalized offerings for every customer becomes a very challenging task, particularly given the customer base of today's scale. Over time, we also expect customer AI expectations to rise further, such that it will be necessary to put a disclaimer or create an understanding between the customer and the retailer that when they approach, a state-of-the-art AI system gets to know about them and generates unique ideas for them. All these will together define the AI-driven retail of the future. Nevertheless, retailers often face a daunting challenge that continuous change brings in the form of consumer preferences and government trade policies. Using AI for this requires a unique set of quick deployment of algorithmic ideas, taking adaptation from a retailer's end. For the foreseeable future, we look forward to incorporating these ideas for the development of AI systems that can efficiently manage retail operations.

7. Conclusion

AI has the potential to solve a variety of problems in the context of retail order management. It ensures efficient use of resources, minimizing dissatisfactions and therefore increasing customer satisfaction. In relation to the large amount of research on improving the quality of the ordered products and on methods, models, and factors influencing customer behavior in terms of ordering strategies and dynamics, this paper can be an important contribution to the development of AI-based operational order management. AI-based data-driven algorithms can be utilized to forecast the amount of orders, optimize/send personalized order lists, predict order patterns, and help in designing efficient strategies for promotions and service levels, thus enhancing the overall ordering quality. AI is a promising technology and approach for application in retail scenarios. To prevent potential issues in implementations, a possible research direction is to emphasize an approach of developing solutions in modules that can be easily tailored and flexibly adapted to different companies and sectors. Another interesting research avenue is certainly to provide AI tools that implement simultaneously the synchronization between the order quantity list and the possible consequences of such behavior, both in terms of demand and inventory management. Future systems will use AI techniques for developing continuous simulation models where data from suppliers, customer statistics, and weather forecasts are used for generating intelligent control of stocks in the retail sector. In conclusion, we believe that AI and its subfields are reshaping how businesses function in day-to-day operations. They bring a revolution that has not been seen in recent years. AI has the potential to optimize most, if not all, operational tasks in the retail sector by providing advanced predictions, real-time insights, and helping in decision-making. We propose that all retailers might converge, or rather are converging, towards incorporating AI into their strategies wherever they can. This paper aims to put forward a research question and a problem statement for which there is very little research. The research that is being put out is in its exploratory phase. It opens up many avenues for research from both a theoretical point of view as well as a practical one. There lies within a very high potential to answer such research problems and the subsequent research questions posed.

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