

CFR Early Insight #41

AI in Retail Organizations

Center for Retailing (CFR) at the Stockholm School of Economics has a mission to provide high-level academic education and to conduct world-class research on retailing in close collaboration with the Swedish retail industry. CFR Early Insight is a breakfast seminar series through which CFR faculty members share insights from ongoing research projects. The series provides a platform for employees at our partner companies to meet and discuss current challenges in retailing.



CENTER FOR
RETAILING

November 16, 2022



CFR EARLY INSIGHT #28 WHAT CAN RESEARCH TEACH US ABOUT AI IN RETAIL?

Sara Rosengren
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November 30, 2022



Sam Altman 

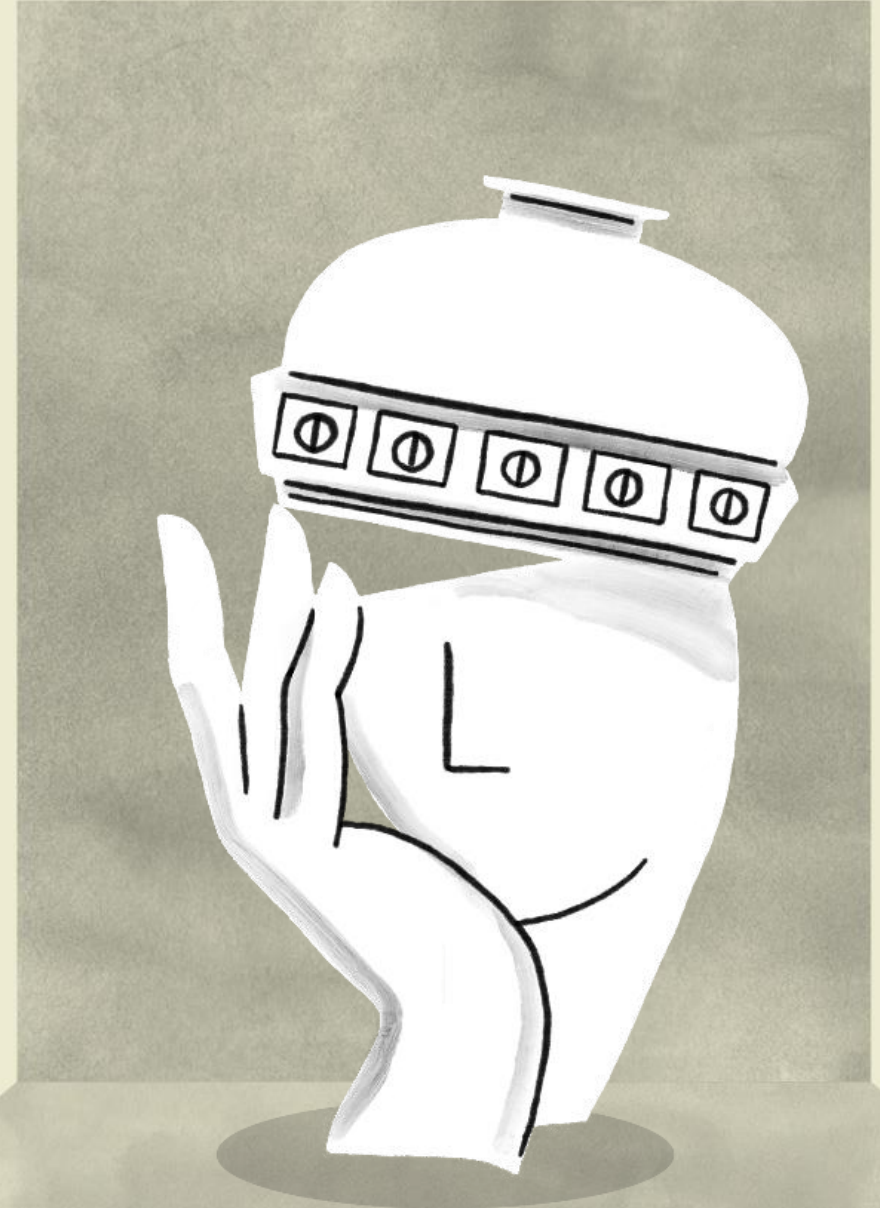
@sama - Nov 30, 2022

today we launched ChatGPT. try talking with it here:

chat.openai.com

Conclusions, November 16, 2022

1. In the short run, AI will provide evolutionary benefits; in the long run, it is likely to be revolutionary. Currently supply-side applications of AI are likely to be most impactful in retail, but over time AI will likely transform business models, organizations and markets.
2. Successful implementation of AI requires accurate data management processes, the ability to ask the right questions, as well as an understanding of how managerial decision making will change with the implementation of AI.
3. Academic retail research has focused mostly on demand-side rather than supply-side applications and digital rather than physical implementation. Thus, there is still much to be learned about the impact of AI in retailing.



2022



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andoncafesthlm ...

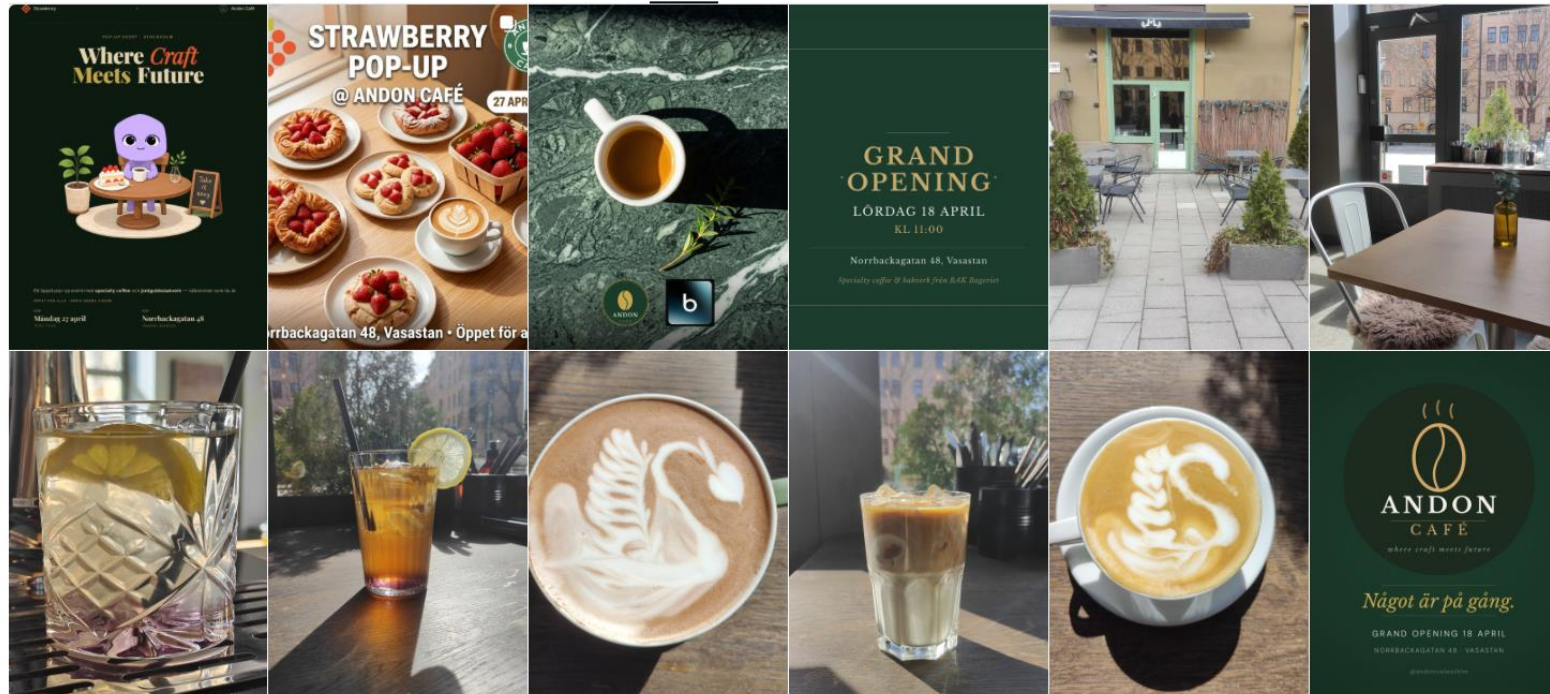
Andon Café

12 posts 288 followers 0 following

Where craft meets future 🌱 Hantverksskaffe i Vasastan, Stockholm.
Norrbackagatan 48. Öppnar 18 april!

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Message

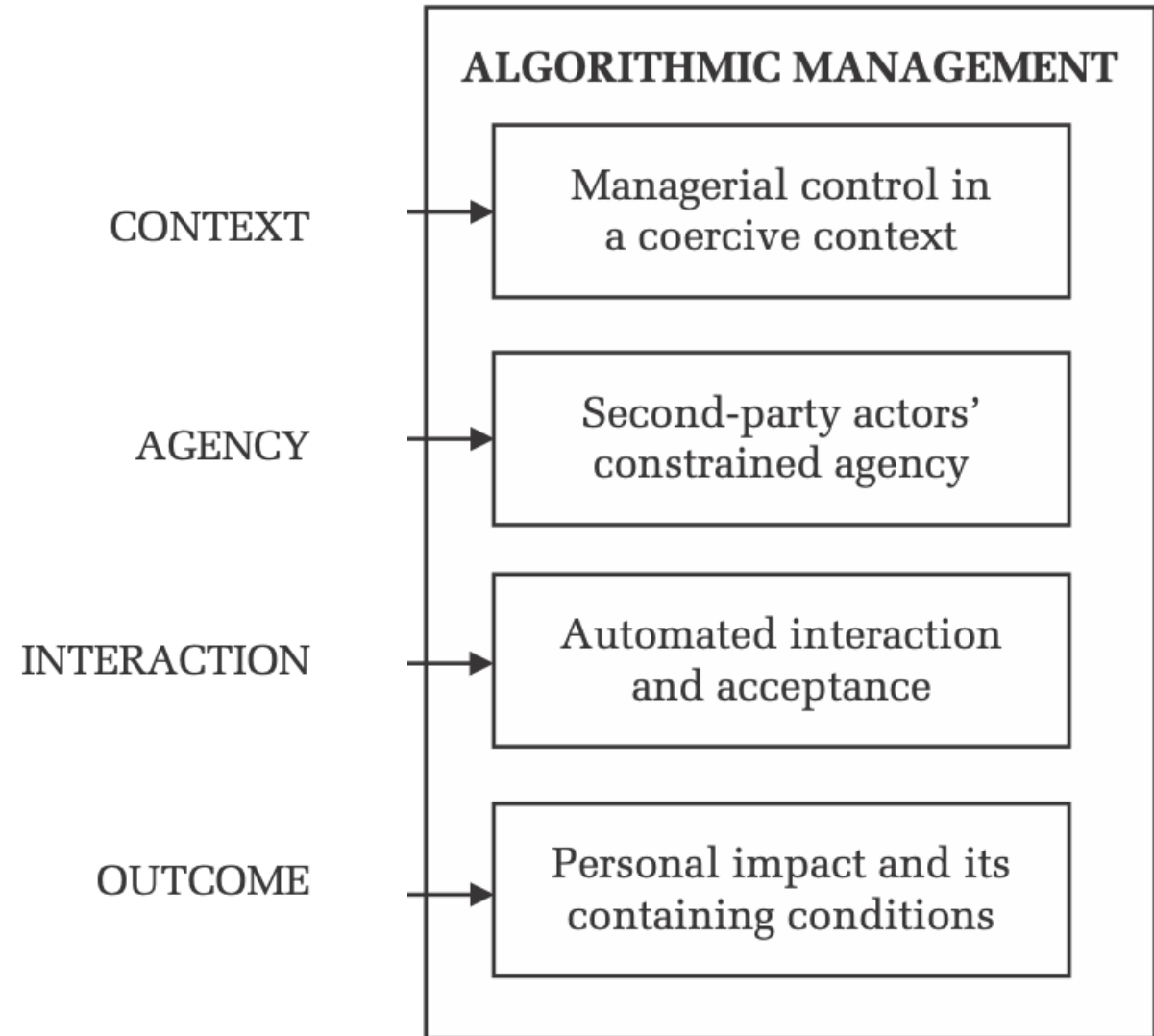




Uber

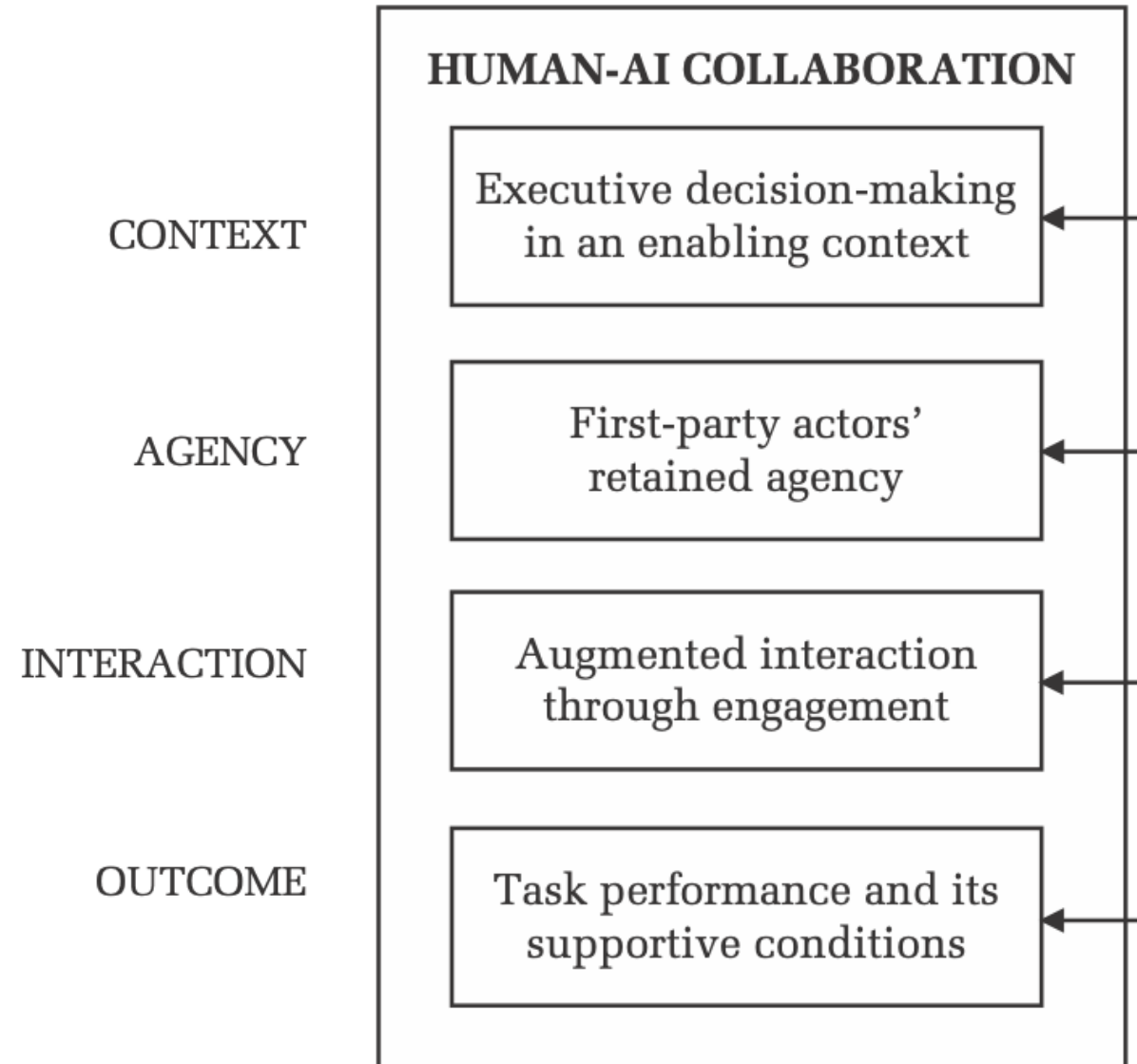
Algorithmic Management

workers and employees interacting with AI
executing managerial control functions



Human-AI collaboration (HAIC)

managers and knowledge workers collaborating with AI on decision-making



MANAGING WITH ARTIFICIAL INTELLIGENCE: AN INTEGRATIVE FRAMEWORK

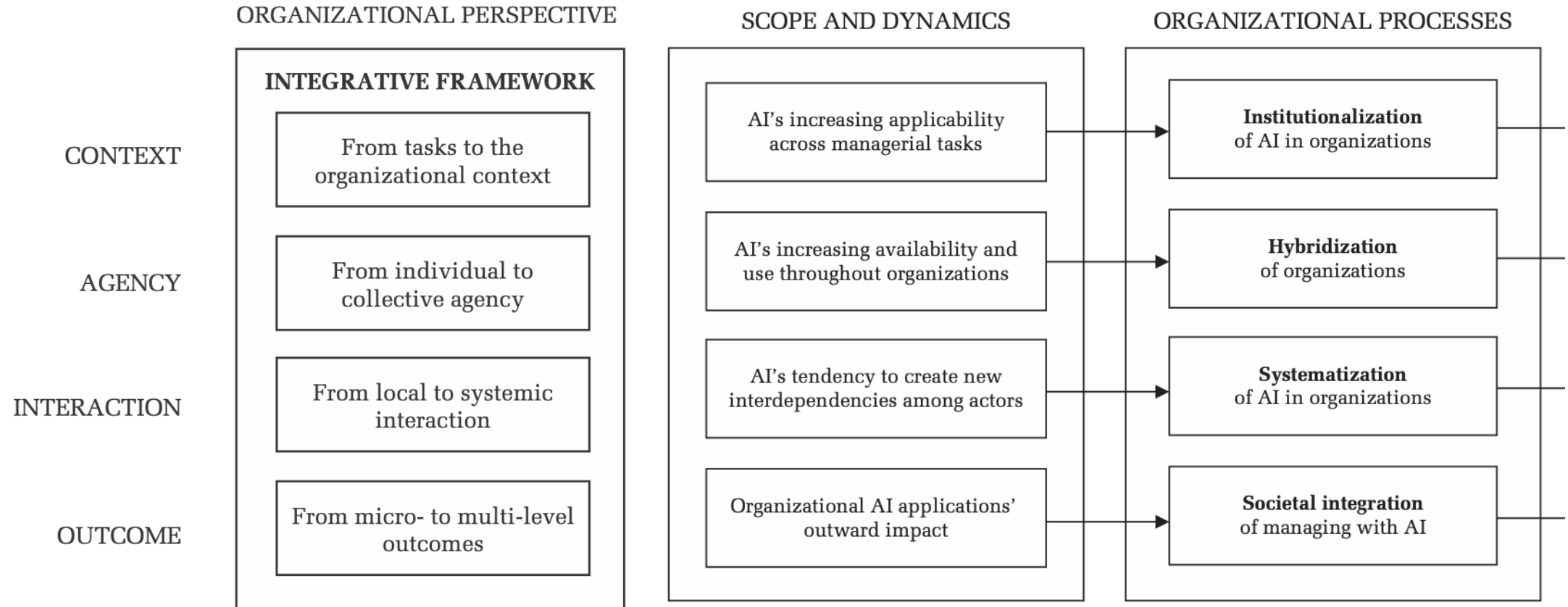
**LUIS HILLEBRAND
SEBASTIAN RAISCH
University of Geneva**

**JONATHAN SCHAD
Vrije Universiteit Amsterdam**

Review of 270 research articles published between 2018 and 2024 in leading journals: entrepreneurship, general management, human resource management, information systems, innovation, international business, marketing, organizational psychology, organizational studies, public sector management, social sciences, and strategy, focusing on:

- Contemporary AI, meaning AI solutions with the ability to learn and act autonomously
- Managerial tasks, meaning planning, organizing, leading, controlling, and deciding issues that impact organizational goal attainment significantly

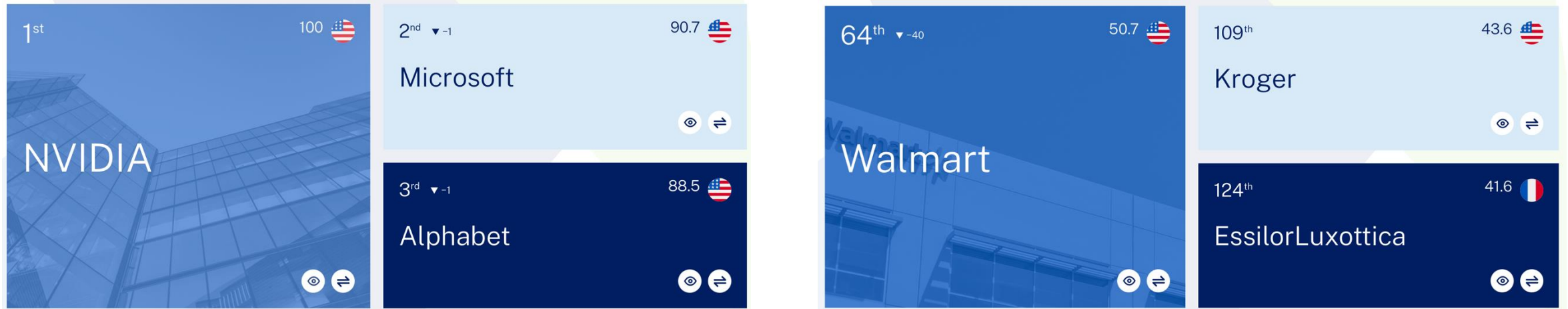
How managing with AI will transform organizations



The integrative framework provides building blocks for an organizational perspective on managing with AI.

Four technological developments explain why AI increasingly permeates organizations.

Key organizational processes of managing with AI.



#5 Amazon
 #11 Alibaba Group

IMD AI Maturity Ranking 2025
 Top 300 companies listed in the
 2024 Forbes 2000 list

2026



In the short run, AI will provide evolutionary benefits; in the long run, it is likely to be revolutionary.

We are now seeing initial signs of AI transforming business models, organizations and markets, but also that retail is lagging.

2022

2

Successful implementation of AI requires accurate data management processes, the ability to ask the right questions, as well as an understanding of how managerial decision making will change with the implementation of AI.

Retail seems to be lagging

- In Europe, 12% of retail companies have implemented AI agents vs. 55% in tech
- AI is seen as part of IT sourcing
- Legacy systems and standalone applications make infrastructures unsuitable for AI
- Not asking the right questions:
~~Where can we use AI~~ vs. What are our needs and challenges?



Pitfalls for AI in retailing

- Not looking “beyond the hype”
- Over-confidence and over-reliance on analytics
- Putting customer trust on the line
- Not every problem requires or benefits from AI
- Not investing enough in capabilities related to AI

(i) people,

(ii) systems,

(iii) processes, and

(iv) organization

↗ Trending now 1. Construction jobs playing the lottery 2. China dominates the world's lithium supply. The U.S. just found 328 years' worth in its own backyard 3. The U.S. economy is booming — just not where 50 million

THE FUTURE OF WORK

🌐 Europe

AI enabled Klarna to halve its workforce—now, the CEO is warning workers that other ‘tech bros’ are sugarcoating just how badly it’s about to impact jobs



By Preston Fore
Success Reporter

October 10, 2025, 10:54 AM ET

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Sebastian Siemiatkowski, who told Sam Altman he wanted Klarna to be ChatGPT’s “favorite guinea pig,” says too many CEOs are downplaying how disruptive AI will really be.
MICHAEL NAGLE/BLOOMBERG VIA GETTY IMAGES

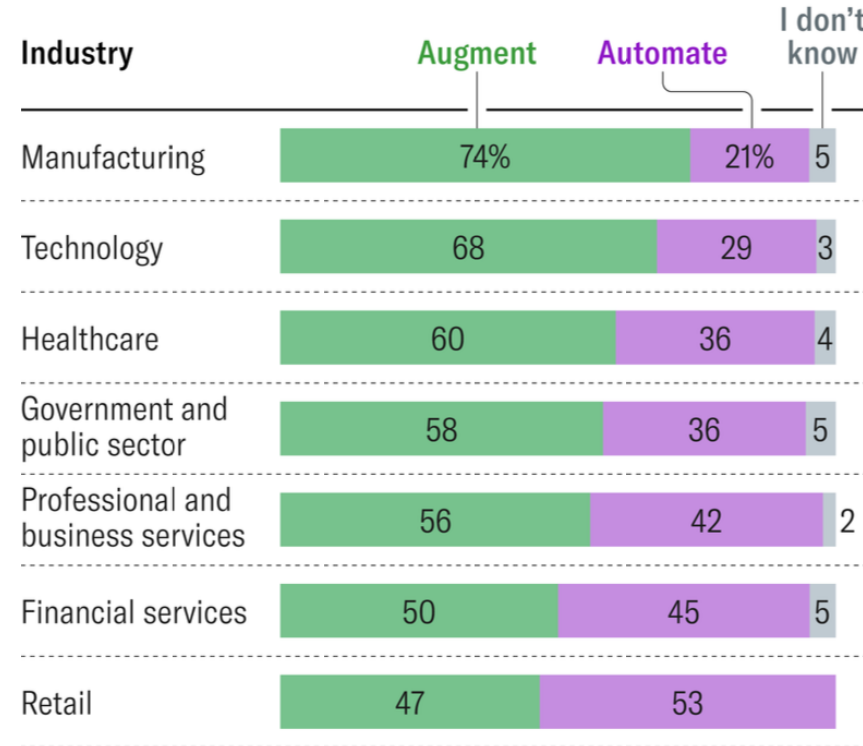
By early 2024, Klarna had launched an OpenAI-powered customer service chatbot that the company said can do the work equivalent to 800 full-time agents.

...

“As cost unfortunately seems to have been a too predominant evaluation factor when organizing this, what you end up having is lower quality,” Siemiatkowski told *Bloomberg* in May. “Really investing in the quality of the human support is the way of the future for us.”

Bringing employees along

What do you think your organization's ultimate motivation is?



Source: Jan-Emmanuel De Neve et al.



SUCCESS • MICROSOFT

Satya Nadella transformed Microsoft's culture during his decade as CEO by turning everyone into 'learn-it-alls' instead of 'know-it-alls'

By **Chloe Berger**

May 20, 2024, 3:58 PM ET



Satya Nadella, CEO of Microsoft for a decade, implements a growth-mindset model on employees.

BEN KRIEMANN / STRINGER—GETTY IMAGES

Source: Fortune

The Homework Apocalypse

Fall is going to be very different this year. Educators need to be ready.



ETHAN MOLLICK

JUL 01, 2023

ANNALS OF EDUCATION

WHAT HAPPENS AFTER A.I. DESTROYS COLLEGE WRITING?

The demise of the English paper will end a long intellectual tradition, but it's also an opportunity to reexamine the purpose of higher education.

By Hua Hsu

June 30, 2025



STOCKHOLM SCHOOL
OF ECONOMICS

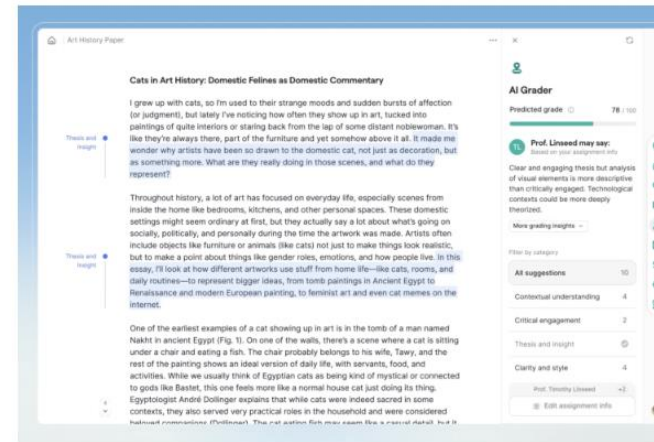
Everyone Is Cheating Their Way Through College

ChatGPT has unraveled the entire academic project.

May 7, 2025

NEWS AI

Grammarly says its AI agent can predict an A paper



Predicted score 78/100. Image: Grammarly

/ Nine AI agents for writing and grading assistance are launching today for Grammarly Free and Pro users.

by [Jess Weatherbed](#)

Aug 18, 2025 at 3:00 PM GMT+2



14 Comments (14 New)

Paradoxes in learning with AI

- Paradox of Expertise
 - AI's helpfulness for lower-level thinking skills might weaken higher-level thinking
- Paradox of Innovation
 - AI's helpfulness for lower-level tasks might also discourage higher-level creative thinking
- Paradox of Equity
 - AI disproportionately gains experts and hampers novices
- Productive struggle – where the magic happens

Working Definition

jagged AI frontier

(noun)

The nonintuitive strengths and weaknesses of AI performance relative to human performance, and how it is changing over time.



Source: MIT Sloan

TOPICS ▾ SERIES ▾ ARTICLES PODCASTS VIDEOS SPECIAL REPORTS

When Does AI Assistance Undermine Learning?

February 24, 2026 • 7 min read

Wharton research shows that giving learners on-demand AI assistance can erode practice, "productive struggle," and long-term skill growth – even when they know it harms their learning.



KEY TAKEAWAYS

- Self-regulation fails even when students understand AI overuse harms learning – awareness alone doesn't prevent over-reliance.
- On-demand AI assistance reduces "productive struggle," the mechanism through which learning occurs.
- Motivation matters: Students with higher intrinsic motivation show better self-regulation.



Working with AI, some individual level findings

- People with lower AI literacy are generally more receptive to AI (Tully et al 2026),
 - High literacy might not compensate for low domain literacy - again paradoxes of learning!
- People evaluate their own contributions to co-produced outputs higher than those of others (Celiktutan et al 2024)
- Risks of “cognitive offloading”, but with consequences on others (Niederhoffer et al. 2025; 2026)
- When considering AI as a tool, people base their acceptance on its practical utility, similar to how they evaluate other technological tools designed to assist in performing tasks and achieving objectives (e.g., cost-benefit analysis) (Li et al 2026)
- When considering AI as an agent, people assess its acceptability based on its ability to think, plan, and act, much like how they would evaluate human agents (e.g., complex assessment of trust, control, and ethical implications (Li et al 2026)

-> Intentionality when it comes to both augmentation and automation

Paradox of AI Use and Productivity: Workslop

AI generated work content that masquerades as good work but lacks the substance to meaningfully advance a given task

-> Wasted time & Negative emotions

Potential Cures:

- Culture: rather than mandating AI use in general, focus on building a sense of trust. Foster everyday practices of collaboration like giving feedback, asking questions, and making space for dialogue.
- Practice: create agency with AI by building clear expectations and norms for when and how to use it. Create review processes that reinforce, not offload, human judgment.
- Accountability: Organizations need fluency in both technology and relationships. Potentially a new role for AI collaboration architects that can locate friction, tailor AI integrations to employee motivations and workflows and connect AI strategies to specific outcomes.

2026

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Successful implementation of AI requires a learning organization with both AI and domain literacy.

AI implementation/ transformation should start in needs and challenges as promoting AI use without intention can lower productivity and trust within the organization.

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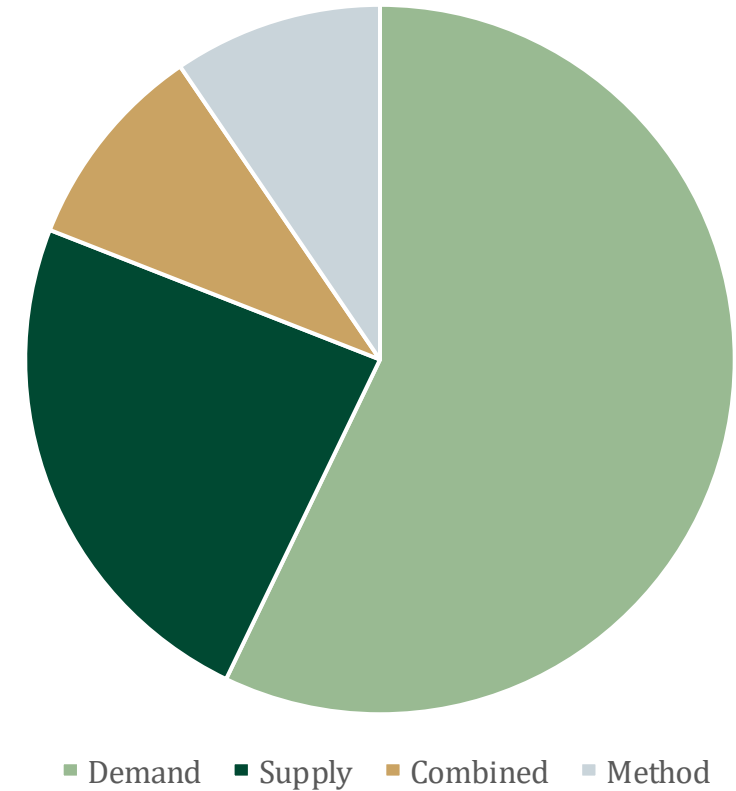
AI in Journal of Retailing

January 2023 – April 2026

21 articles of which 10 articles with Artificial Intelligence part of the contribution (48%)

- Supply-side contributions focus on demand forecasting and in-store applications, but only one with AI as core part of the contribution (20%)
- Combined contributions focus on in-store applications, both with AI as core part of the contribution and both conceptual (100%)

Focus of Articles



AI in Physical Implementation




More than Machines: The Role of the Future Retail Salesperson in Enhancing the Customer Experience

Alec Pappas^a, Elena Fumagalli^b, Maria Rouziou^c, Willy Bolander^c  





Reimagining personalization in the physical store

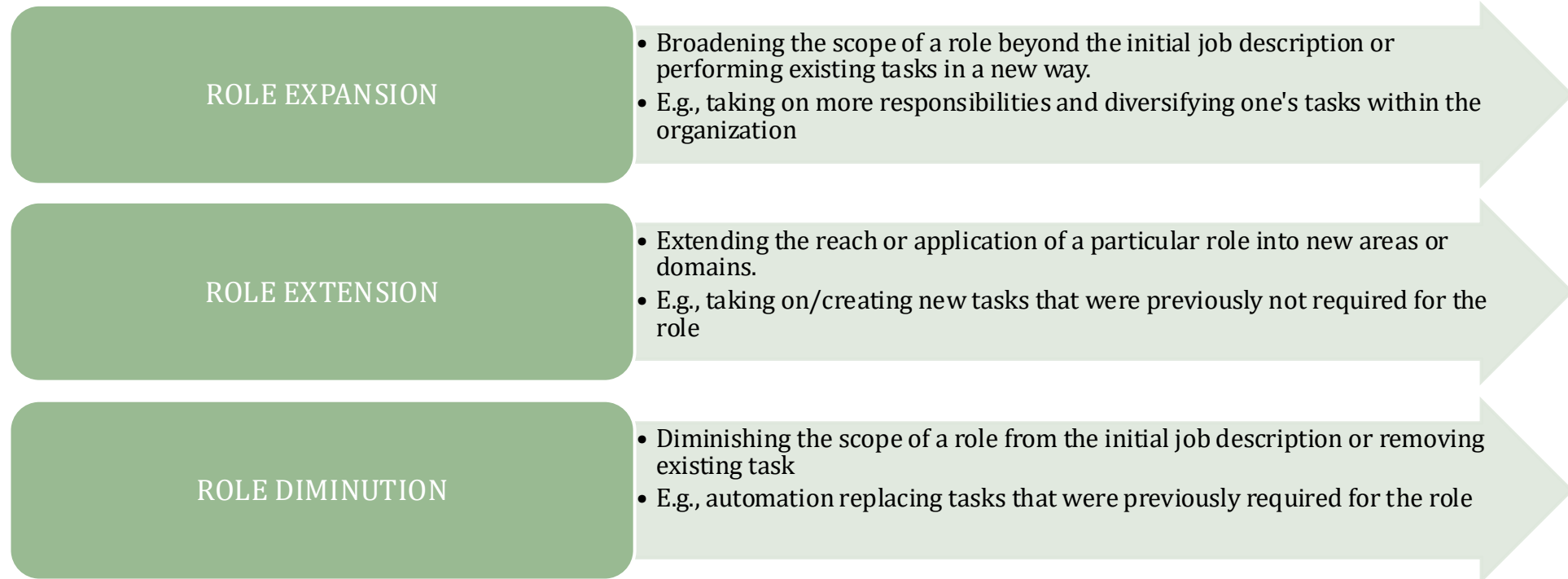
Thomas P. Scholdra  , Julian R.K. Wichmann, Werner J. Reinartz



Leveraging In-Store Technology and AI: Increasing Customer and Employee Efficiency and Enhancing their Experiences

Dhruv Grewal^{a b c}, Sabine Benoit^{d e}, Stephanie M. Noble^{b f}, Abhijit Guha^g, Carl-Philip Ahlbom^b  , Jens Nordfält^b

Ongoing at CFR: Role Transformations at the Organizational Frontline



Ongoing at CFR: AI in retail purchasing processes

- Qualitative study, currently 24 interviews (more ongoing)
- AI adoption in retail purchasing is uneven but accelerating, with clear clustering around five key areas:
 - (1) demand forecasting and assortment planning,
 - (2) automated purchasing and replenishment,
 - (3) supplier selection and negotiation,
 - (4) contract and operational procurement management, and
 - (5) source-to-pay automation.



Ongoing at CFR: Data analytics and the finance function

– An exploration in the retail sector

- How organizations navigate the transition towards analytics-driven planning, forecasting, reporting, and performance management focusing on the finance function
- Focus not on technology per se, but professional roles and collaborations within organizations
- Longitudinal case-study of implementation of new AI solution over 18 months
- Cross-sectional interview study across Nordic retail organizations



Other ongoing CFR Research Projects

Demand side

- AI and consumer privacy (Aleksandra Mikhailova)
- AI for managing customer experience (Lily Gao, Alexander Mafael)

Combined/Other

- AI in higher education (Lily Gao, Wiley Wakeman, Christopher Rosenqvist)
- Infrastructures for AI product visibility (Alexander Mafael)

2026

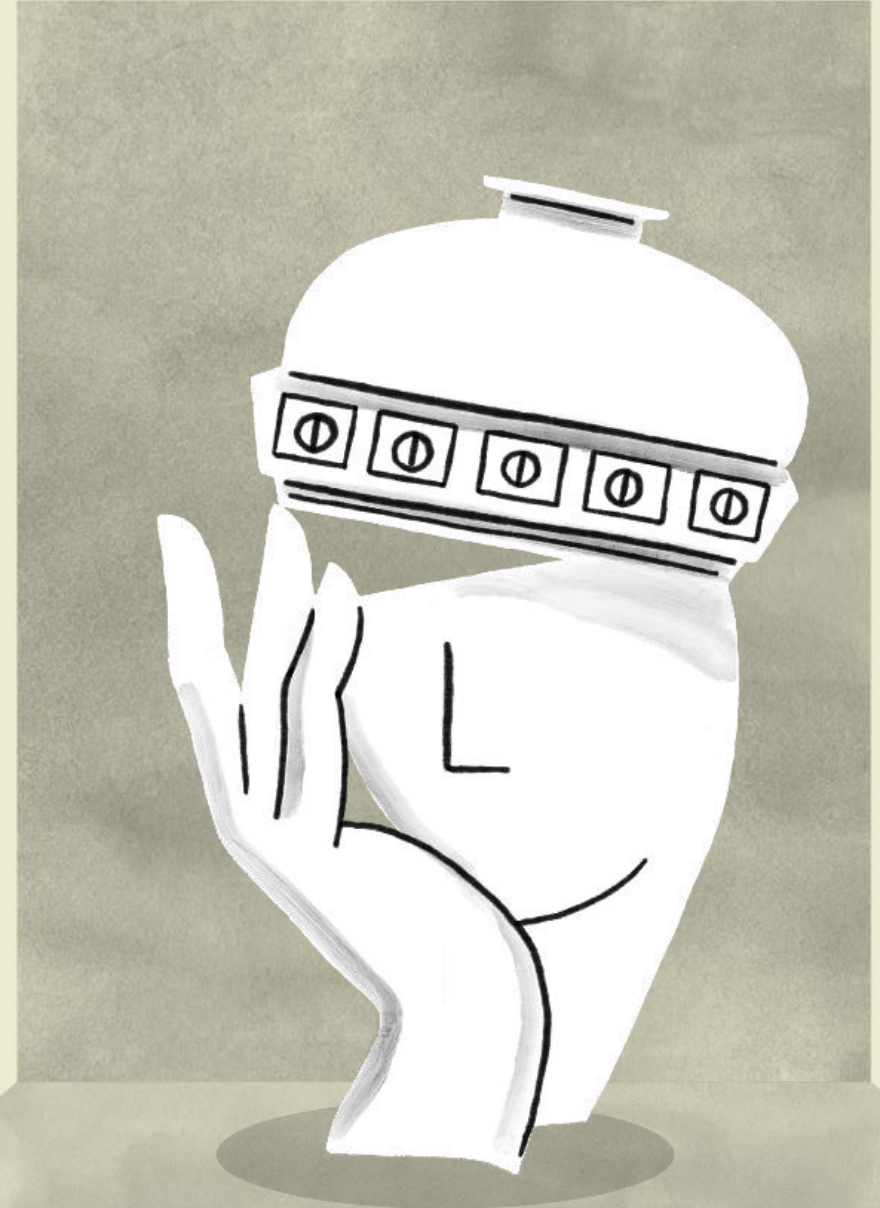
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Academic retail research focuses mostly on demand-side rather than supply-side applications.

Supply-side contributions tend to focus on implementation in physical stores. There is still much to be learned about the impact of AI in retailing organizations.

Conclusions, May 6, 2026

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Next CFR Early Insights

September 30 Circular Packaging

November 18 TBD

Thoughts, comments, ideas: karl.strelis@hhs.se



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