

A Research Paper on Artificial Intelligence Adoption, Employee Acceptance, and Operational Readiness in Retail Organizations

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Abstract

Artificial Intelligence (AI) has become a central component of organizational digital transformation strategies, particularly in retail and service industries where operational efficiency and inventory optimization are critical competitive priorities. Organizations increasingly implement AI-driven inventory management systems to improve forecasting accuracy, automate stock monitoring, reduce waste, and enhance customer experience. Starbucks Corporation introduced an AI-powered inventory management system across selected North American stores to automate inventory counting and improve operational performance. However, according to Reuters, Starbucks discontinued the initiative within nine months due to technological inaccuracies, employee dissatisfaction, and operational disruptions.

This paper presents a qualitative case study examining Starbucks' withdrawal of its AI inventory management tool as an example of AI implementation failure in dynamic retail environments. The study integrates the Technology Acceptance Model (TAM), organizational change theory, and digital transformation literature to analyze the factors contributing to the project's discontinuation. Secondary qualitative data were collected from Reuters reports, academic literature, and organizational technology adoption studies. The findings indicate that AI implementation success depends not only on technological capability but also on operational alignment, employee acceptance, organizational readiness, and continuous performance evaluation.

The paper contributes to emerging literature on AI implementation challenges in service organizations by demonstrating that technological sophistication alone cannot ensure successful digital transformation. The case highlights the importance of human-AI collaboration, operational compatibility, and employee participation during technology adoption initiatives.

Index Terms

Artificial Intelligence, Inventory Management, Technology Acceptance Model, Digital Transformation, Starbucks, Retail Operations, Employee Resistance, Case Study