AI and the U.S. Retail Sector

A Personal and Economic Perspective

My Industry and My Role

My dream role: Earn and save enough money to one day own and operate my own brick and mortar small business.

My industry: I am interested in the retail and restaurant industries.

My story: I have a few years of retail experience. When I worked at a hardware store, and I saw the value of community centered retail.
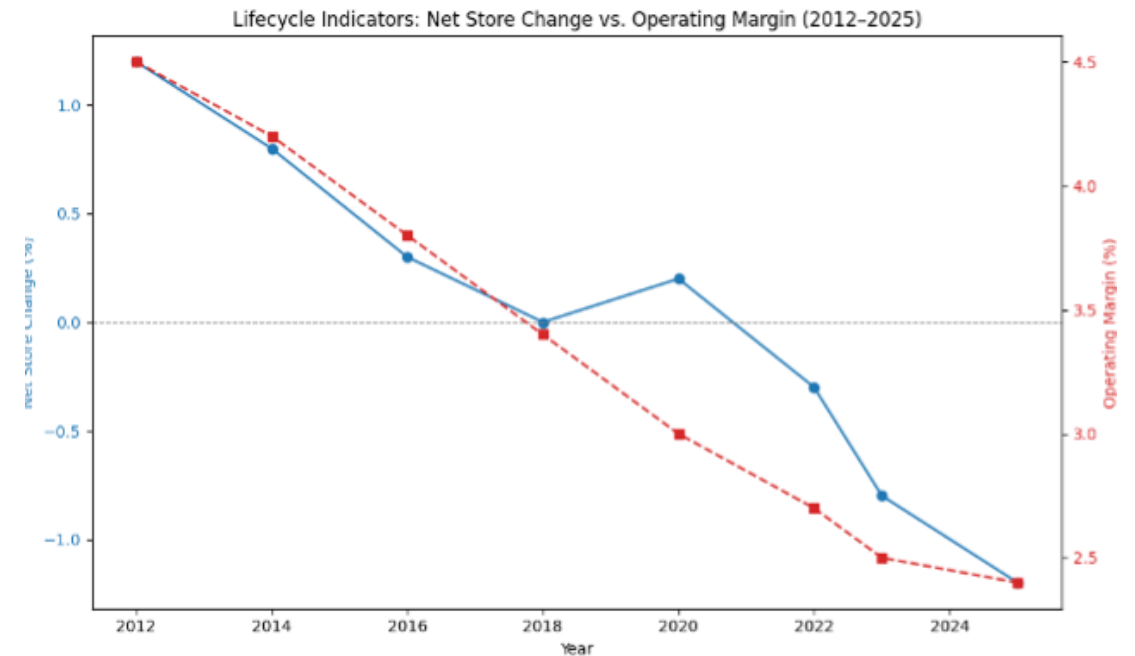
Hardware Retail: A Sector in Transition

NAICS 444130:Hardware stores in the U.S. Independent stores, co-op models, community anchors

Key Statistics: $42 billion industry (2025), slow growth, high consolidation

Structural Trend: Industry is mature-to-declining

Two Troubling Trends

- This chart displays the decline in total hardware stores and operating margins from 2012 to 2025

- This chart was a turning point for me because it made me realize that this dream may not be feasible, given the industry's economic decline.

Lifecycle Indicators: Net Store Change vs. Operating Margin (2012–2025)

Can AI Help?

GenAI tools for small retailers:

- Predictive inventory (reduce overstock/shortages)
- AI-powered customer targeting and customer relationship management (CRM)
- Local search engine optimization (SEO) and chatbots

Risk:

- Uneven access and adoption

Becoming a Smart Store Owner

Experience:

A few years of retail experience

Shadowing retail store owners

Resource Economics & MSBA

Strengths:

Economics, Finance, Dashboards

Customer Service

Passion

My role:

Owner & Operator

Spend time on the sales floor and behind the dashboard

Building Skills for Ownership

CRM/marketing:
- Zoho, Hubspot, Seo

Projects:
- Inventory dashboard, store website, launch plan

Courses:
- Utilization of GenAI in retail store, franchise finance

Mentorship:
- Reconnect with Ace Hardware owner

What changed for Me

THE INDUSTRY'S TREND.

AI DOESN'T ERASE THE CHALLENGE, BUT IT CAN HELP ME OVERCOME IT.

MY GOAL IS LESS FEASIBLE THAN I ORIGINALLY THOUGHT.

THIS PROJECT HELPED ME MAP OUT MY NEXT 12 MONTHS.

GENAI WON'T SAVE EVERY STORE, BUT IT MIGHT HELP ME START MINE

Reflection

This project made me realize that achieving my goal may be challenging but is still possible especially with the utilization of generative AI.

This course has significantly improved my prompt writing skills.

This course opened my eyes to the strengths and weaknesses of AI (Hallucinations & Website Development).