



**MERIDIAN CAPITAL**

## **Retail Technology Market Update**

H1 2026



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# Retail Technology Market Update: In This Issue

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**Retail Analytics:** Solutions that help retailers collect, analyze, and visualize operational and customer data to inform merchandising, pricing, marketing, and inventory decisions. These platforms generate insights into shopper behavior and product performance to support data-driven decision-making and improve overall retail performance



**Customer Experience Enhancement:** Technologies that help retailers improve the shopping experience through personalized engagement, omnichannel interactions, and tools that analyze customer behavior and feedback. These solutions help increase satisfaction, loyalty, and conversion across digital and physical retail channels



**eCommerce Enablement:** Platforms that support the creation and optimization of online commerce operations, including storefront management, payments, order management, fulfillment integration, and tools that improve website performance and conversion



**Retail Operations Management:** Solutions that help retailers manage store operations, inventory, supply chains, and point-of-sale systems to streamline workflows, reduce costs, and improve operational efficiency across physical and digital retail environments

# Retail Technology: Executive Summary

## Macroeconomic Outlook & Consumer Sentiment

- Persistent inflation and elevated cost-of-living concerns are driving cautious household spending as consumers navigate uncertainty regarding labor market durability and broader economic conditions
- Normalization in the global supply chain and easing logistics bottlenecks are helping to temper goods inflation, though the price index remains above target levels due to enduring costs in shelter and services

## Modernization of Retail Analytics

- Organizations are linking in-store foot traffic with POS and digital signals to measure true visit-to-purchase conversion, utilizing centralized engines to enable real-time pricing adjustments based on inventory levels and competitive dynamics
- The deployment of edge computing and unified customer data platforms allows for the local processing of IoT sensor data, facilitating faster automated decision-making and personalization across all retail touchpoints

## The Rise of Retail Media Networks

- Traditional transactional volume is no longer the primary focus as retailers pivot toward building long-term customer equity through personalized engagement and loyalty-driven ecosystems
- The scale of high-margin advertising networks is allowing organizations to transform first-party shopper data into sustainable, non-transactional revenue streams that drive incremental growth

## Modernization of eCommerce Architecture

- Enterprises are increasingly adopting mobile-first, headless commerce frameworks and AR visualization to enable rapid front-end experimentation and deliver faster, more accessible shopping experiences
- The expansion of embedded lending, BNPL, and direct Pay-by-Bank (A2A) options is diversifying transaction methods, reducing merchant fees and improving fraud resilience across the retail landscape

## Retail Operations Management Gains Efficiencies

- Retailers are shifting toward neighborhood-specific inventory models and M2M-connected architectures to synchronize warehouse execution and real-time workflows, significantly reducing logistics friction and fulfillment latency
- The adoption of Resale-as-a-Service and pragmatic AI agents is enabling organizations to unlock secondary revenue streams while embedding autonomous intelligence directly into workflows to automate complex tasks and drive long-term customer LTV

## M&A and Capital Raise Transaction Volumes in 2H 2025

- Transaction volumes and capital raises saw a slight cooling in 2H 2025 compared to 2H 2024, as investors adopted a more selective stance amid persistent macroeconomic uncertainty and a heightened focus on high-conviction, scale-driven deals
- The decline in broader deal count reflects a transition toward higher-quality assets and strategic consolidations, with capital increasingly concentrated in enterprises that demonstrate clear paths to operational efficiency and long-term margin resilience

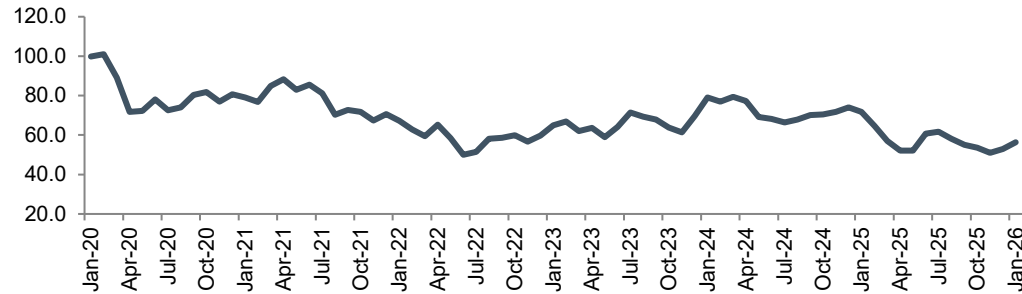
## SECTION 1.

### Macroeconomic Trends



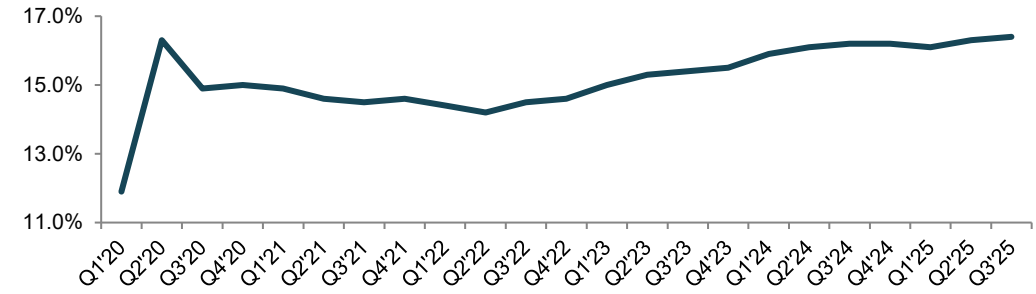
# Macroeconomic Indicators (1/2)

### Michigan Consumer Sentiment Index (MCSI)<sup>1</sup>



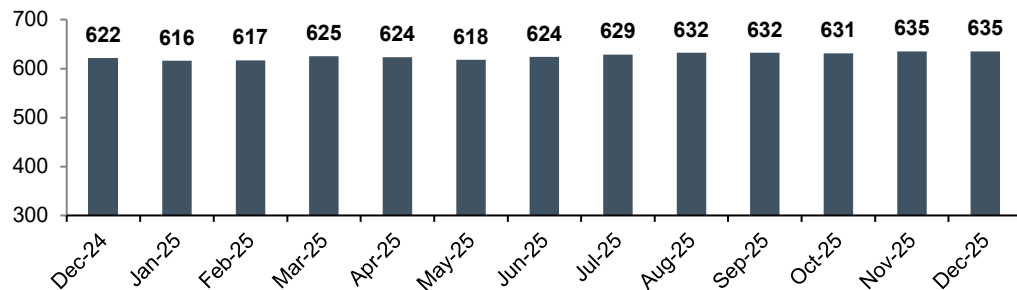
Consumer sentiment has declined since August, reflecting persistent inflation pressures, elevated cost-of-living concerns, and softer purchasing power expectations, as households grow more cautious amid uncertainty around labor market durability and broader economic conditions

### E-Commerce Retail Sales as a Percent of Total Sales (%)<sup>2</sup>



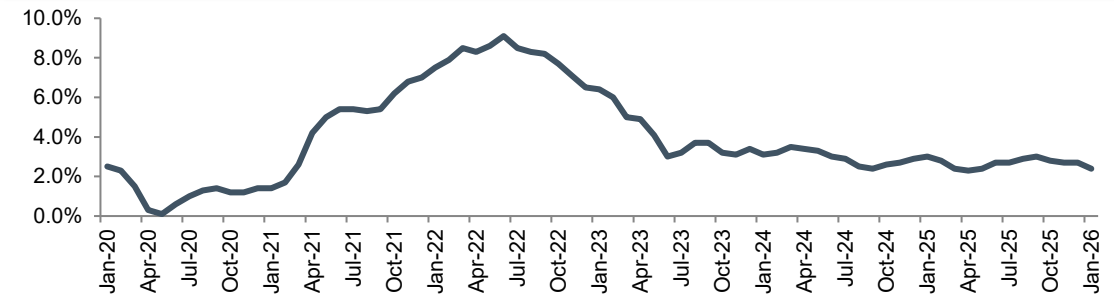
In 2020, eCommerce sales as a percentage of total retail sales surged sharply, reflecting pandemic-driven store closures, mobility restrictions, and accelerated digital adoption, a change that has persisted in ongoing elevated levels of online purchasing behaviors

### US Advance Retail Sales (\$B)<sup>3</sup>



Advance Retail Sales remained elevated in December, supported by resilient holiday demand, promotional discounting, and consumers pulling forward purchases amid inflation expectations, highlighting a year-end spending push despite broader macro uncertainty and moderating real income growth

### US PCE Price Index, Annual Change (%)<sup>4</sup>

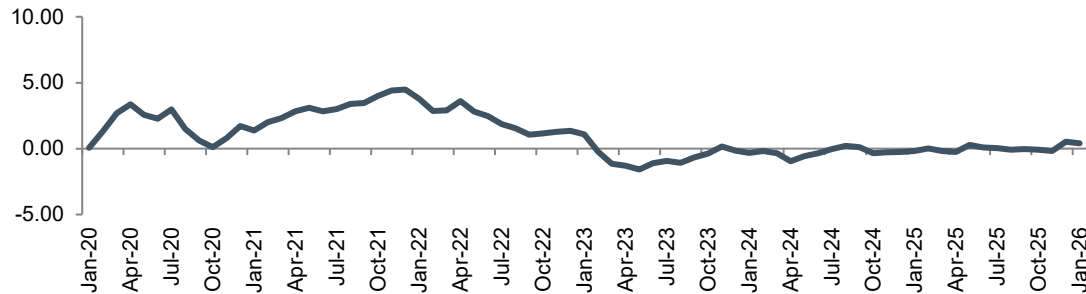


Since August 2025, the U.S. price index have moderated from earlier growth highs but remain above the Fed's 2% target, with persistent services and shelter inflation continuing to pressure household purchasing power

(1) FRED - Consumer Sentiment Index, (2) FRED - E-Commerce Retail Sales, (3) FRED - Advance Retail, (4) Trading Economics - U.S. Inflation Rate

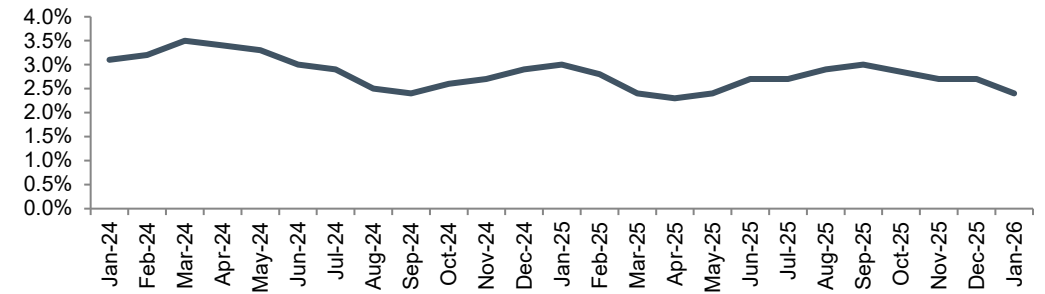
# Macroeconomic Indicators (2/2)

## Global Supply Chain Pressure Index (GSPI)<sup>1</sup>



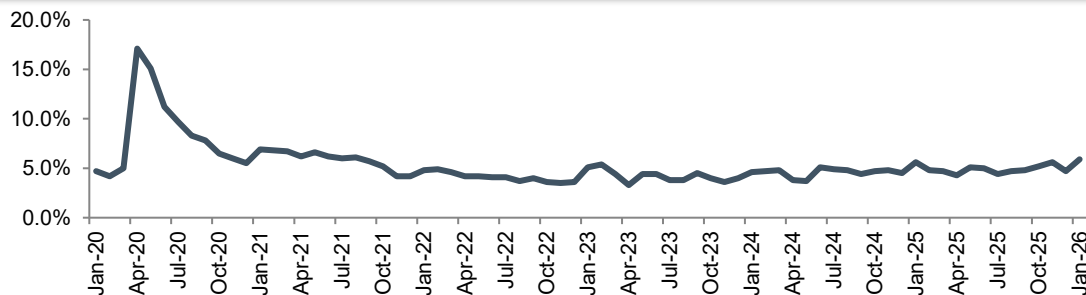
Since August 2025, the NY Fed's Global Supply Chain Pressure Index has remained subdued and near normalized levels, indicating easing logistics and supplier bottlenecks that have helped temper goods inflation despite broader macro cost pressures

## US Annual Inflation Rate (%)<sup>2</sup>



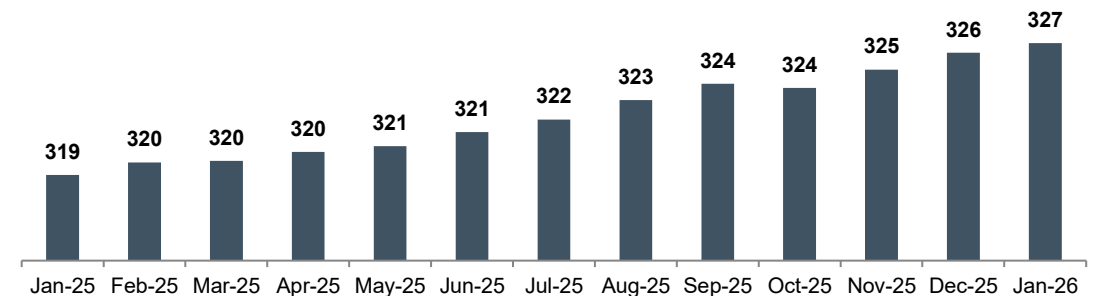
Inflation surged through 2021 and peaked in 2022 amid reopening demand and supply constraints, before steadily moderating across 2023-2024, with 2025-2026 data suggesting a more stable 2-3% range as price pressures normalize

## US Unemployment Rate – Wholesale & Retail Trade Sector<sup>3</sup>



The unemployment rate for Wholesale & Retail Trade workers has risen from ~4.7% in December 2025 to ~5.9% in January 2026, signaling softer hiring across retail as companies adjust staffing amid margin pressure and moderating consumer demand, even as the broader labor market remains relatively resilient

## US Consumer Price Index (CPI)<sup>4</sup>



The U.S. All-Items CPI has moderated from the sharp inflation peaks of 2021-2022 but stayed elevated through 2025, reflecting enduring price increases in shelter, services, and core consumer spending categories that continue to weigh on household purchasing power and everyday costs

(1) FRED - Global Supply Chain Pressure Index, (2) FRED – Annual Inflation Rate, (3) FRED - Unemployment Rate, (4) FRED – Consumer Price Index

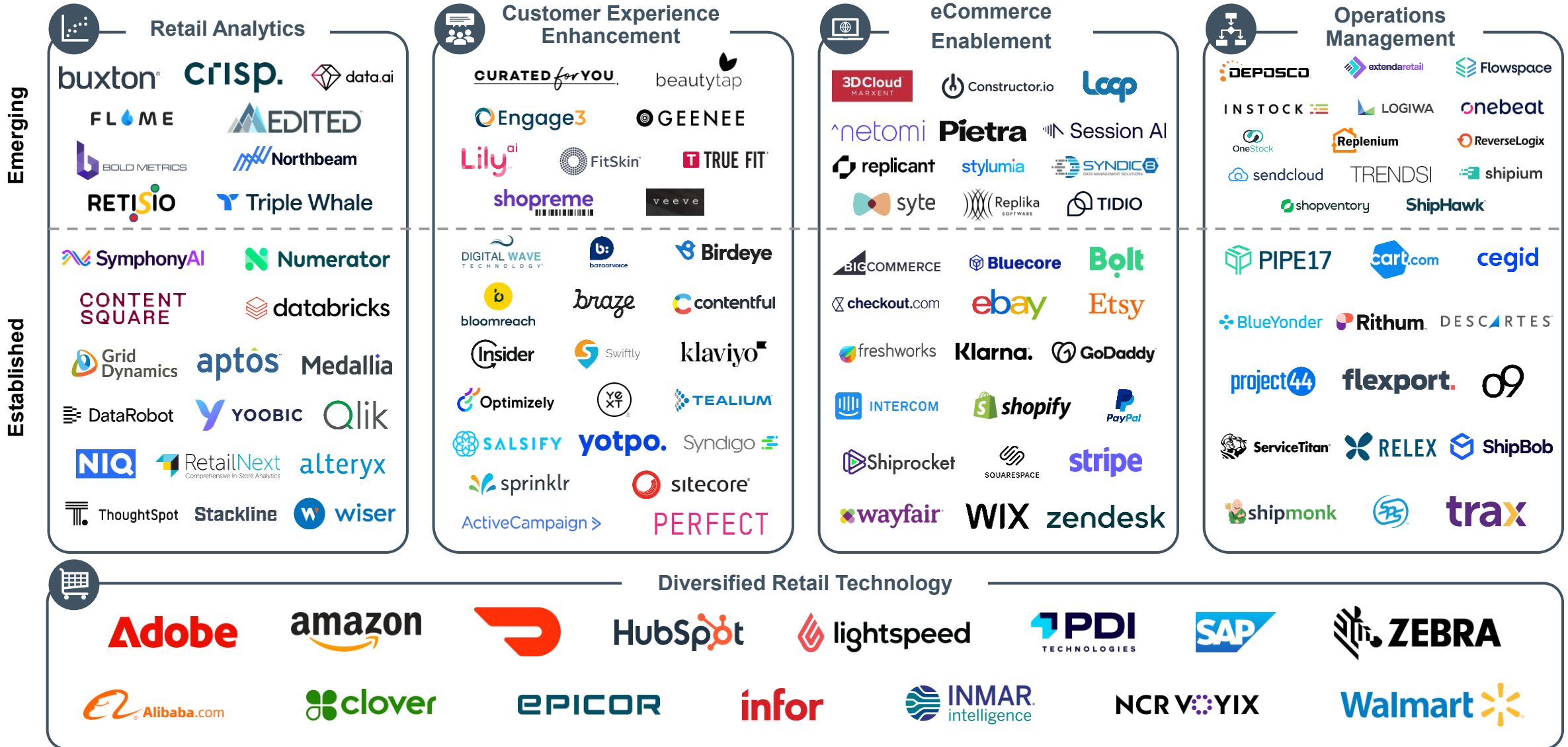


## SECTION 2.

### Retail Technology Trends



# Retail Technology – Company Landscape

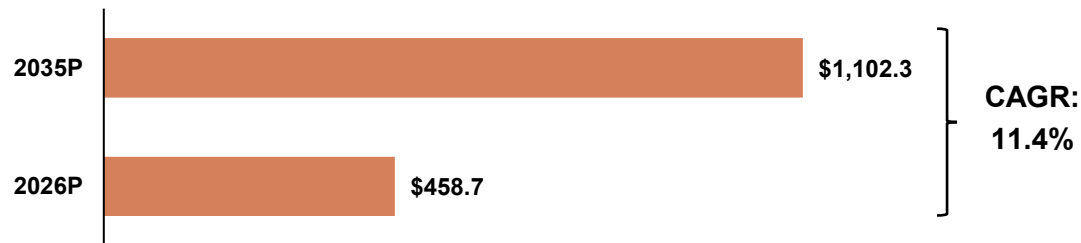


# Retail Technology Industry Insight

The retail technology market continually grows as AI and general integrated software suites become core competencies for online and in person operations across the industry

## Agentic AI Rise in Retail<sup>1</sup>

Global Retail Technology Market (\$B)<sup>1</sup>



- The retail technology market was valued at \$458.7B in 2026 and is projected to grow at a CAGR of 11.4%, reaching \$1.1T by 2035
- Retailers are increasingly adopting integrated software suites and modular platforms to modernize their core operations. By streamlining back-end workflows, these technological updates allow for greater agility and a more seamless connection between digital storefronts and physical logistics
- AI continues to serve as the primary engine for industry growth as models become more trusted and sophisticated. This increased reliability is driving more accurate data collection, enabling retailers to move beyond automation and into highly precise, data-backed decision-making

## Primary Growth Drivers



Retailers are deploying agentic AI to automate workflows and reduce overhead, streamlining operations for better customer service and bottom-line efficiency



Companies are increasingly leveraging first-party data and digital touchpoints to scale high-margin advertising networks, creating alternative revenue streams that drive incremental growth



Converging AI, IoT, and computer vision technologies automates physical environments and synchronizes data to provide frictionless, high-velocity consumer journeys

## Key Industry Trends



Retail and CPG companies are increasingly turning to **agentic AI** to drive smarter, faster, and more scalable operations, enabling more responsive decision-making and improved customer experiences across business operations



Retailers are shifting toward **unified commerce to eliminate fragmented omnichannel experiences**, enabling real-time inventory visibility, streamlined operations, and consistent, end-to-end customer journeys across digital and in-store channels



Across the retail industry, organizations are **modernizing analytics and data infrastructures** to enable more real-time, connected, and data-driven decision-making across pricing, operations, and customer engagement

(1) Makdatainsights

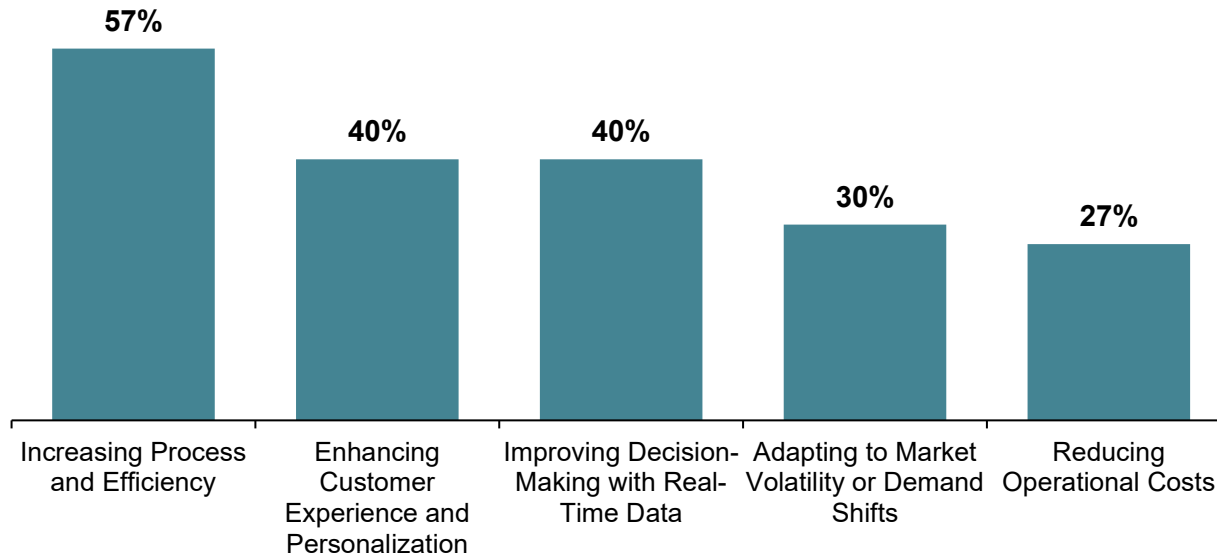
# Growing Agentic AI Usage

Retail companies are increasingly adopting agentic AI as they move beyond generative tools toward systems that actively execute operational decisions in real time

## Agentic AI Rise in Retail<sup>1</sup>

Retail and CPG companies are rapidly piloting agentic AI across operations, customer engagement, and support, driven by measurable ROI in areas like inventory, pricing, and decision-making, with nearly half of organizations already using or planning agents to boost efficiency, personalization, and real-time execution

Top 5 business objectives being addressed with AI agents



## What Agentic AI is Being Used for in Retail<sup>2</sup>

**1. Inventory management:** Forecasting product sell-through using historical sales data and seasonal patterns, then automatically generating and sending purchase orders to suppliers



**2. Customer service:** Supporting customer service teams by rapidly scanning emails to assist with inquiries, order tracking, and returns, while suggesting optimal response drafts



**3. Price optimization:** Dynamically adjusting pricing in real time based on demand signals and ongoing monitoring of competitor pricing



**4. Hyper-personalization:** Deliver instant, personalized product recommendations, provide real-time order status updates, and surface relevant campaigns and promotions



(1) Nvidia, (2) LS Retail

# The Shift Towards Unified Commerce

As gaps in omnichannel execution become more apparent, the e-commerce industry is moving toward unified commerce to create a more consistent and connected customer journey

## Problems Found in Omnichannel<sup>1</sup>



The “Phantom Stock” problem highlights how omnichannel systems can misrepresent availability when inventory updates lag in near-real time, causing customer friction that unified commerce architectures are designed to eliminate



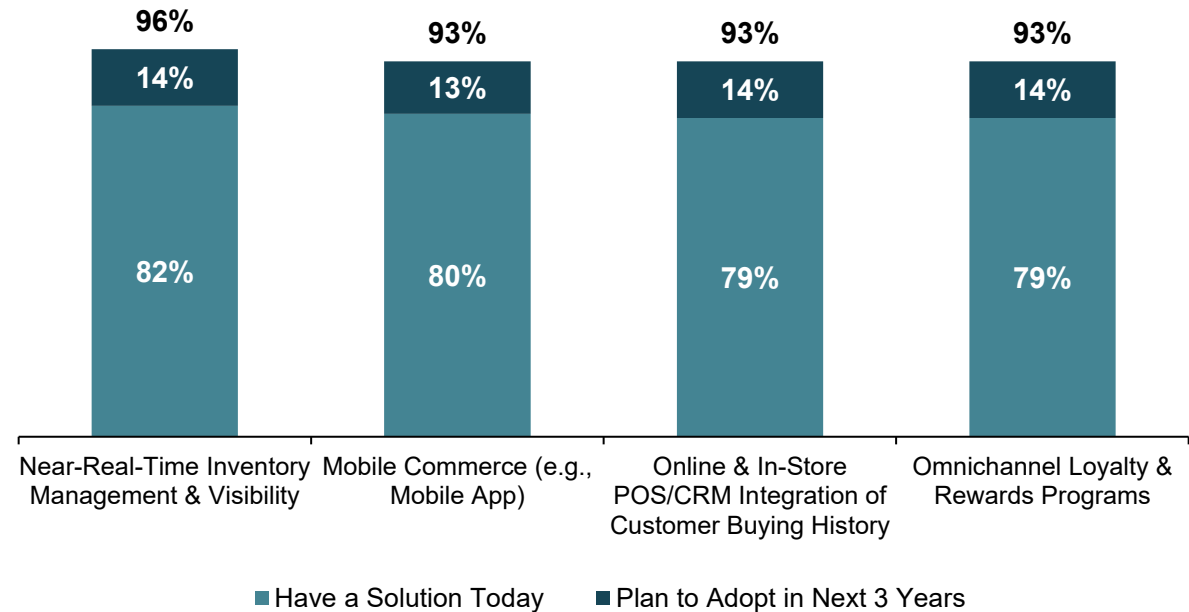
Agentic AI readiness underscores that fragmented omnichannel systems slow real-time data access, limiting the ability of personal AI agents to securely verify customer context and execute transactions end to end



Operational complexity and cost show that maintaining many POS, e-commerce, and ERP integrations is costly, driving retailers toward unified platforms that lower total cost of ownership and simplify operations

*Leadership conviction highlights that retail leaders recognize the importance of unifying channels to optimize customer experience, with survey data reflecting strong belief and intent to make this shift*

## High Adoption of In-Store Unified Commerce Capabilities Across Retailers<sup>2</sup>



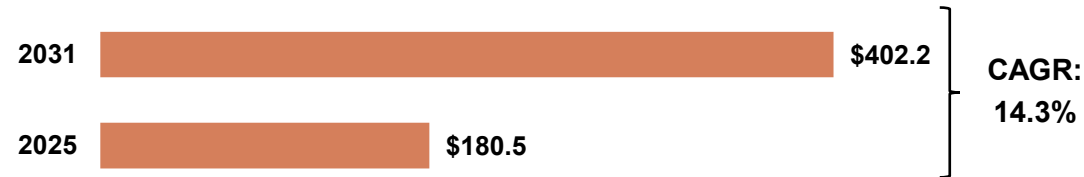
(1) Commerce Orisha, (2) Bain

# Rethinking Retail with Subscription Commerce

Retailers are increasingly adopting subscription commerce models that generate recurring revenue, strengthen customer loyalty, and increase lifetime value through tiered membership and replenishment programs

## Subscription E-Commerce Market Growth & Trends<sup>1</sup>

Global Subscription E-Commerce Market (\$B)<sup>1</sup>



### Subscription Commerce Pricing & Models

- Subscription companies are increasingly adopting three-tier pricing structures to segment customers by value, offering entry, core, and premium tiers that improve conversion and perceived value
- More businesses are pairing annual and monthly billing options, with annual plans driving stronger commitment and more predictable revenue
- Customers on annual plans often churn ~40% less than monthly subscribers, as upfront commitment increases long-term engagement and investment



Membership ecosystems like Amazon Prime - which bundles shipping, streaming, and perks into a single recurring relationship - drive roughly 2x higher spend than transactional alternatives, accelerating the shift away from simple product subscriptions.

## Subscription Commerce Model Landscape 2026<sup>2</sup>



### Replenishment

Recurring delivery of everyday consumables built around convenience and cost savings versus one-time purchases. These models typically exhibit low churn as customers re-order when inventory runs out, with price sensitivity as the primary cancellation driver

**Avg Monthly Churn:** 4-6%

**Avg ARPU:** \$25-\$75



### Curation

Expert-selected or surprise product bundles designed to deliver discovery and novelty without research effort. While compelling upfront, these models often experience higher churn as excitement fades and product quality variance impacts retention

**Avg Monthly Churn:** 6-9%

**Avg ARPU:** \$30-\$90



### Access

Subscription-based access to exclusive content, software, or communities unavailable without membership. Retention is strongest when the product is deeply embedded in workflows, with usage frequency serving as the key indicator of long-term value

**Avg Monthly Churn:** 2-4%

**Avg ARPU:** \$15-\$200

(1) Mordor Intelligence, (2) DigitalApplied

# Global Sourcing Platforms

Amid macroeconomic uncertainty and rising geopolitical tensions, retailers are turning to global sourcing platforms to diversify suppliers and strengthen supply chain resilience

## Existing Supply Chain Issues and GSP Fixes

- Historically fragmented sourcing tools and one-dimensional supplier networks left retailers exposed to tariff volatility, ESG compliance gaps, and traceability challenges, driving adoption of global sourcing platforms designed to address these structural supply chain risks

### Tariff & Economic Volatility<sup>1</sup>

Tariff volatility is forcing supply chain restructuring, with ~60% of retail and consumer packaged goods (CPG) companies overhauling sourcing strategies and adopting platforms to model supplier scenarios and optimize landed costs

### Lack of ESG Integrations<sup>2</sup>

Growing regulatory pressure is forcing greater supply chain transparency, with 25% of sourcing software buyers requiring ESG tracking and retailers adopting platforms to document supplier compliance and traceability

### One-Dimensional Networks<sup>3</sup>

Retailers are reducing reliance on China as sourcing risk rises, with U.S. inspection demand in China falling 24% YoY while Southeast Asia increased 29% YoY as companies shift to new supplier partners

### Waste & Traceability

Growing regulatory scrutiny and sustainability goals are pushing retailers to adopt supply chain platforms that improve product traceability and reduce waste across global supplier networks

## A Closer Look A Supply Chain Procurement Software<sup>4</sup>

- The global supply chain procurement software market is projected to reach ~\$15B by 2033, growing at a 10.5% CAGR<sup>5</sup>
- Retailers are deploying procurement platforms to streamline supplier discovery and digitize sourcing workflows across global supply chains
  - RFP (Request for Proposal): Used to solicit detailed supplier proposals for complex projects, including capabilities, pricing, and delivery terms
  - RFQ (Request for Quote): Used to request pricing quotes from multiple suppliers for standardized goods or services
- Modern sourcing software enables retailers to compare supplier pricing, negotiate contracts, and identify alternative vendors more efficiently as supply chains diversify
- Procurement platforms are centralizing supplier sourcing workflows, helping retailers manage vendor selection, bidding processes, and contract negotiations at scale



# Increasing Focus on Retention

eCommerce markets are evolving as companies shift away from one-time transactions and increasingly focus on curating and establishing multiple touchpoints with consumers to drive deeper engagement and lifetime value

## The Practical Application of Retention in E-Commerce<sup>1</sup>

- Brands are shifting from fighting for attention to anticipating customer intention, leveraging behavioral data to deliver solutions at the precise moment of need - such as recommending new running shoes just as performance metrics indicate wear and declining support
- Product-as-a-Service (PaaS) shifts incentives from planned obsolescence to durability, as brands retain ownership of assets and prioritize repairability, uptime, and lifecycle optimization
- Utility-based subscription models remove upfront cost barriers, allowing consumers to pay for outcomes rather than ownership and expanding access to high-value products
- Built-in product return models allow brands to recover and reuse materials at end of life, reducing supply chain risk and supporting broader sustainability initiatives

WHOOP<sup>®</sup>

WHOOP<sup>2</sup> addresses wearable churn by shifting from a one-time hardware sale to a membership model centered on continuous biometric data and AI-driven coaching, positioning the device as an ongoing health service rather than a standalone fitness tracker

## Retention a Priority in E-Commerce<sup>3, 4, 5</sup>



Overinvestment in the initial sale remains a core profitability challenge, as 70% to 75% of e-commerce customers fail to return after their first transaction, leaving most newly acquired shoppers as one-time buyers



Transactional e-commerce faces structurally low loyalty, with average annual retention rates around 38%, compared to 81% to 86% for membership or contractual (PaaS) models that prioritize recurring relationships



A 5% increase in customer retention can drive a 25% to 95% lift in total profit, prompting brands in 2026 to reallocate marketing spend away from paid acquisition and toward post-purchase



Approximately 61% of customers will switch to a competitor after just one poor experience, yet 96% of those customers will never leave a complaint - they simply switch silently

# Cold chain & Perishable IoT Monitoring

Retailers and distributors are rapidly deploying IoT sensors across cold-chain operations as spoilage and temperature excursions materially erode margins and supply chain profitability

## IoT Cold Chain Retail Focus



### Food Distribution<sup>1</sup>

Food cold-chain IoT systems monitor environmental conditions for perishable food products such as produce, dairy, seafood, and meat across transportation, warehousing, and retail storage

#### Specific Tech

- **Temperature and humidity sensors in refrigeration units** - monitor environmental conditions in trucks, warehouses, and retail storage
- **Smart refrigeration** - IoT devices connected to refrigeration equipment that detect cooling failures
- **Wireless sensor networks (WSN)** - distributed sensors across warehouses and transport vehicles that track cold-chain conditions



### Pharmaceuticals

Pharmaceutical cold-chain IoT systems monitor temperature-sensitive drugs such as vaccines, biologics, and specialty medicines throughout transportation and storage

#### Specific Tech

- **GPS / cellular shipment trackers** - provide real-time location monitoring for high-value pharmaceutical shipments
- **Smart insulated containers** - temperature-controlled shipping containers with embedded sensors
- **Shock / vibration sensors** - detect handling issues that could compromise sensitive medical products



## IoT Driving Retail Profitability

- Roughly 12%<sup>3</sup> of pharmaceutical shipments experience temperature excursions, while the WHO estimates up to 50% of vaccines are discarded annually due to cold-chain failures, highlighting the growing importance of IoT-enabled monitoring and real-time supply chain visibility in healthcare logistics
- Poor temperature management in cold-chain logistics causes ~14%<sup>4</sup> of global food to be lost between harvest and retail
- Roughly 20%<sup>4</sup> of perishable shipments lacked adequate cold-chain integrity in 2024, while ~32% of shipments face delays or failure risk due to insufficient refrigerated transport infrastructure, particularly in emerging markets

*Retailers and logistics providers are increasingly deploying IoT sensors to track products in real time, improving visibility, reducing spoilage and shrinkage, and ultimately strengthening margins*

- Supermarket chains deploying IoT sensors and predictive analytics have reduced spoilage costs by approximately 38%<sup>5</sup> compared to traditional inventory and monitoring methods
- Walmart reported a 29% reduction in dairy supply chain waste after implementing IoT-enabled monitoring and real-time temperature tracking
- Traditional IoT systems can cost millions to deploy in large distribution centers, while emerging battery-free ambient IoT solutions can be implemented at 10-20x<sup>6</sup> lower cost, improving ROI and scalability across large facilities

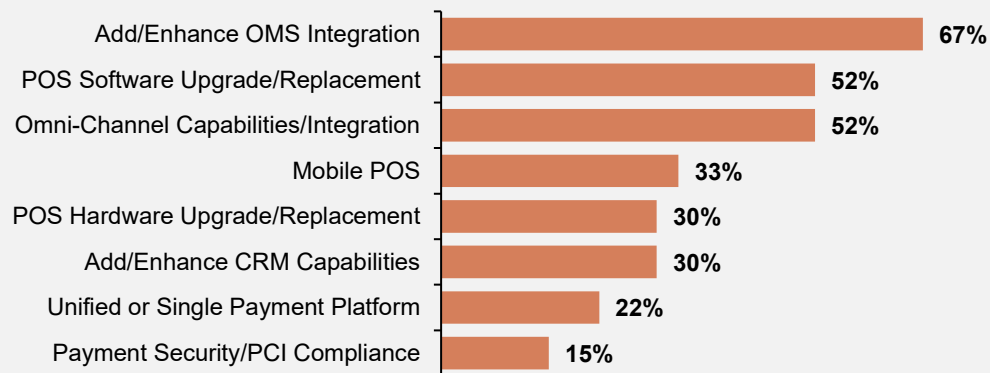
# POS Still a Priority

POS systems are gaining renewed momentum across retail, as merchants modernize cloud-based platforms to unify physical and digital commerce and enhance operational connectivity

## Sustained POS Growth<sup>1</sup>

- Despite operating in the shadow of higher-profile commerce innovations, POS systems remain the fundamental operational backbone of retail, serving as the central transaction hub that connects payments, inventory, loyalty, and real-time performance data across the enterprise
- POS adoption continues to rise as retailers embrace phygital strategies, positioning modern systems as the bridge between physical stores and digital commerce

### POS Service Priorities Amongst North American Retailers<sup>1</sup>



## Modern POS Platforms Driving Retail Digitization<sup>2</sup>

- Cloud-based POS adoption has reached 74% of businesses in 2025, reflecting retailer preference for scalable, remotely managed platforms over legacy on-premise systems
- 41% of U.S. retailers upgraded POS software by 2025 to incorporate AI-driven analytics and enhanced inventory visibility
- 52% of chain retailers now leverage multi-location management tools within POS platforms to centralize operations and reporting
- Customizable POS feature adoption increased 27% in 2025, supporting vertical-specific workflows across hospitality, wellness, and specialty retail segments



**Lightspeed Commerce<sup>3</sup>** reported 21% year-over-year revenue growth in its North American retail segment, with AI-driven upsell tools increasing average ticket size by 8% and ARPU rising 11% to ~\$660 as merchants adopted unified payments and higher-margin software modules



**Toast<sup>4</sup>** delivered 24% revenue growth in 2025 (~\$6.15B), supported by a 23% increase in Gross Payment Volume, while its ToastIQ AI assistant achieved 50%+ adoption within months, improving order accuracy and operational throughput

(1) Coinlaw, (2) ConnectPOS, (3) PR Newswire, (4) Stocktitan

# Banking-as-a-Service (BaaS)

Banking-as-a-Service (BaaS) is gaining traction across retail, as merchants embed wallets, credit, and payment products to unlock new revenue streams

## BaaS Opening New Revenue Avenues<sup>1</sup>

- Banking-as-a-Service (BaaS) allows retailers to embed accounts, cards, lending, and payments directly into their platforms via licensed bank APIs, turning financial services into an integrated revenue layer
- Enterprise retailers are accelerating adoption of Banking-as-a-Service to embed payments, credit, and wallet functionality directly into their ecosystems
- Retailers are evolving from pure transaction processors to integrated commerce-financial platforms through these embedded financial products



shopify

**Shopify<sup>2</sup>** has evolved into a full-service merchant finance platform through Shopify Balance and Shopify Capital, and as disclosed in its February 2026 earnings, Merchant Solutions now generates \$8.8B of \$11.5B in annual revenue - surpassing subscription fees and signaling that Shopify now earns more as a fintech partner to merchants than as a traditional website platform

- Integrated financial services are helping retailers reduce reliance on third-party payment providers while improving control over transaction data and customer relationships
- BaaS platforms are enabling retailers to launch financial products quickly without building regulated banking infrastructure internally

## Retailers Becoming De Facto Financial Institutions

- Some retailers are increasingly functioning as de facto financial institutions, leveraging stored-value balances and digital wallets to generate float income and support business expansion
- Large consumer platforms are using prepaid balances and embedded financial services to access low-cost capital, reducing reliance on traditional bank financing



Starbucks<sup>3</sup> leverages its pre-loaded app balances as a de facto interest-free funding source, generating revenue from breakage and float on ~\$1.6B in stored customer funds while using this capital to support expansion without traditional debt financing

## Payments Infrastructure as a Revenue Driver

- Embedded financial services allow retailers to capture interchange revenue and payment processing fees historically earned by banks
- Embedded payments are transforming payments infrastructure from a cost center into a high-margin revenue stream for retail and service platforms



**DasherDirect<sup>4</sup>**: Debit card for Dashers enables instant payouts, direct spending, bill pay, and cashback rewards on fuel purchases



**Uber Pro Card<sup>5</sup>**: Debit accounts for drivers offering instant earnings access, direct spending, and cashback rewards on purchases

(1) Digital Bank Expert, (2) Retailtechmedianexus, (3) The Lithic Blog, (4) DoorDash, (5) Uber

## SECTION 3.

### Retail Analytics

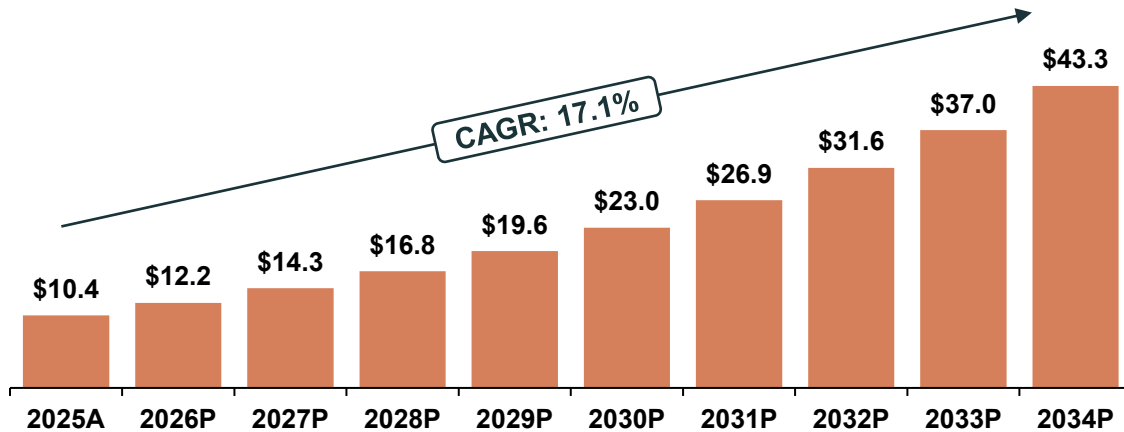


# Retail Analytics Market Outlook

As retailers utilize foot traffic analytics, dynamic pricing, edge-first architecture, and customer data platforms into operations, these insights are increasingly used to optimize real-time performance across channels

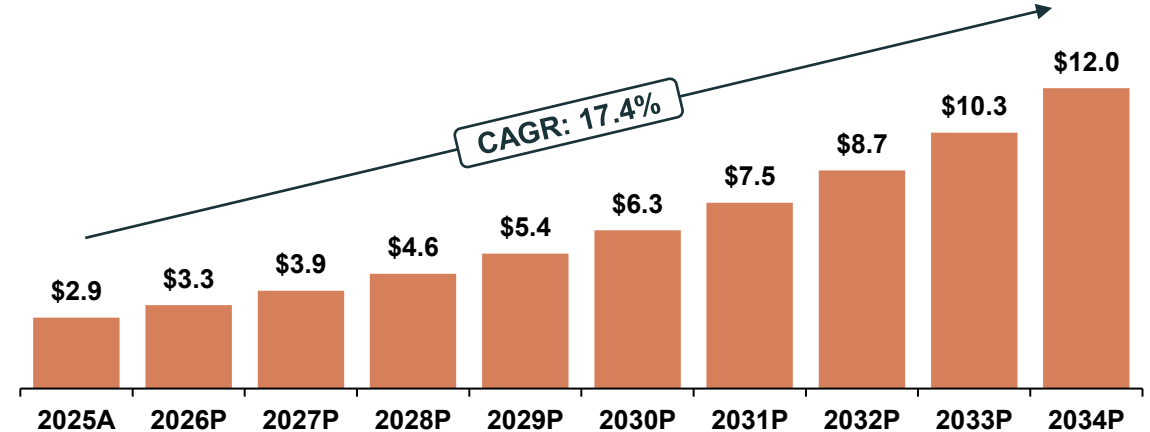
## Global Retail Analytics Market Size<sup>1</sup>

\$ in billions



## U.S. Retail Analytics Market Size<sup>1</sup>

\$ in billions



## Retail Analytics Trends



**Foot Traffic & Conversion Analytics:** Retailers are linking in-store traffic, POS, and digital signals to measure true visit-to-purchase conversion, optimizing merchandising, labor, and marketing allocation



**Edge-First IoT Architecture for Data:** Retailers are deploying edge computing to process IoT and sensor data locally in stores, enabling faster real-time analytics, automated decision-making, and more resilient operations



**Retail Analytics for Dynamic Pricing:** Companies are shifting from static pricing to centralized pricing engines that enable real-time adjustments based on demand, inventory, and competitive dynamics

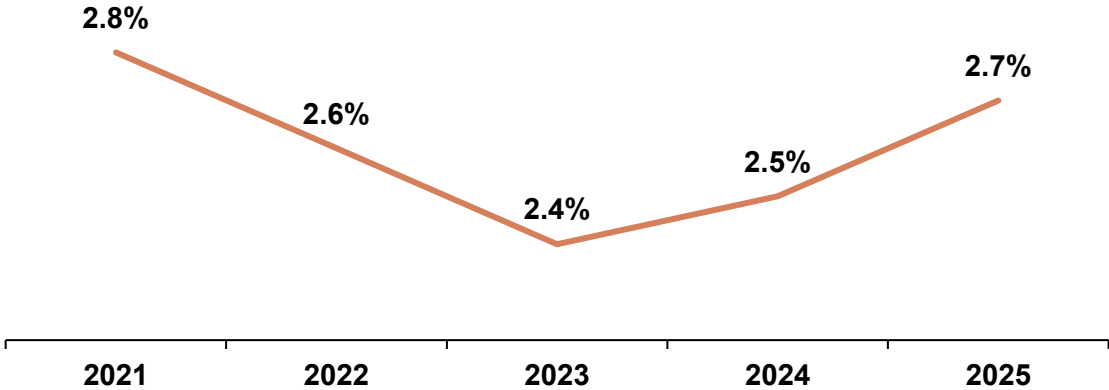


**Customer Data Platforms:** Retailers are consolidating fragmented customer data into unified platforms to enable real-time personalization, improve targeting, and drive more effective, data-driven decision-making

# Foot Traffic & Conversion Analytics

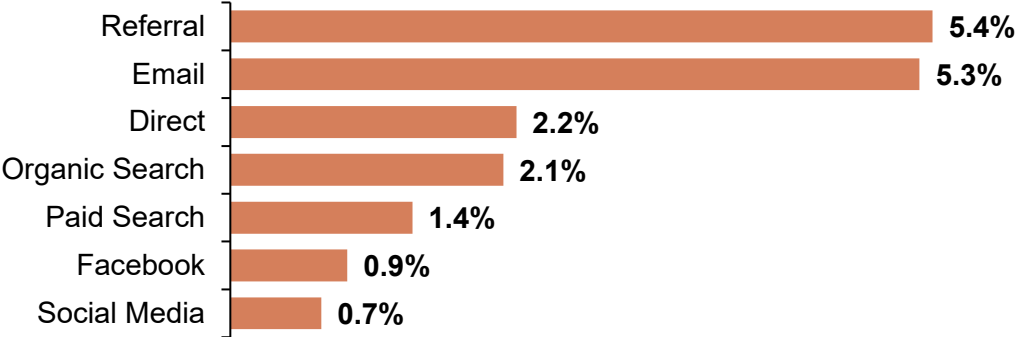
Retail companies are increasingly prioritizing conversion analytics, focusing on optimizing conversion rates rather than relying solely on traditional metrics such as traffic or revenue-based data

## Ecommerce Conversion Rate (2021-2025)<sup>1</sup>




After bottoming out at 2.4% in 2023 amid economic uncertainty, conversion rates are rebounded in 2025, driven by AI-powered personalization and improved mobile experiences, with companies increasingly recognizing conversion optimization as a critical driver of growth and margin expansion


## Conversion Rates by Traffic Source<sup>1</sup>




Referral and email's high conversion rates highlight the strength of owned media, with high-intent demand driven by engaged subscribers, as companies actively use conversion analytics to identify, prioritize, and scale their most effective channels and touchpoints



**Walmart**<sup>2</sup> recently expanded its use of real-time foot traffic and conversion analytics to better align staffing, inventory placement, and store operations, enabling faster responses to demand shifts and improved in-store efficiency



Nordstrom has increasingly adopted omnichannel conversion analytics to connect digital engagement with in-store behavior, helping teams refine merchandising decisions based on where high-intent interactions most consistently convert



**7-11**<sup>4</sup> recently began leveraging queue, dwell-time, and conversion analytics to identify checkout bottlenecks in real time, reallocating staff and optimizing layouts to improve throughput and increase completed transactions

(1) Redstag, (2) Retail Dive, (3) 4signals, (4) Convenience.org


# Retail Analytics for Dynamic Pricing

As companies streamline their data analytics and intelligence into centralized systems, these insights are increasingly being used to inform and optimize pricing decisions


	Dynamic Pricing <sup>1</sup>	Traditional Elastic Pricing
<b>Definition</b>	Continuously adjusts prices in real time based on demand and market conditions	Adjusts prices based on historical demand sensitivity
<b>Data Inputs</b>	Demand signals, inventory levels, competitor pricing, customer behavior, channel performance	Historical sales data and demand curves
<b>Retail Usage</b>	Flash sales, inventory optimization, omnichannel pricing, marketplace competition	Strategic pricing, long-term pricing decisions, promotion planning
<b>Customer Context</b>	Prices can vary by channel, location, time, or segment	Typically applies uniform pricing changes across customers
<b>Decision Mechanism</b>	AI- or rule-driven systems that react instantly to changing conditions	Analytical models that estimate how demand responds to price changes

- Retail infrastructure enables dynamic pricing by integrating real-time demand, inventory, and competitive data, allowing retailers to adjust prices quickly as market conditions change
- At the same time, Retail infrastructure supports price elasticity modeling by analyzing historical sales and customer behavior, ensuring real-time pricing decisions are grounded in long-term demand insights


## Companies Operating with AI Dynamic Pricing<sup>2</sup>




**Uber** uses surge pricing as a form of dynamic pricing, relying on real-time analytics to evaluate rider demand, driver availability, location, time, and weather, and automatically adjust fares to balance supply and demand



**Kroger** is applying AI-driven dynamic pricing in physical stores using electronic shelf labels to analyze demand, inventory, and shopper behavior, enabling real-time price adjustments directly on the shelves



**Amazon** uses AI-driven dynamic pricing to adjust prices in real time based on demand, traffic, competitor pricing, and inventory to maximize revenue and optimize margins across its catalog



**Wendy's** plans to introduce AI-driven dynamic pricing in 2026, using digital menu boards to adjust offerings and promotions based on real-time factors like time of day, weather, and customer traffic

(1) KASMO, (2) Master of Code

# Edge-First IoT Architecture for Data

Retailers are adopting edge-first IoT architectures to process sensor and device data directly in stores and distribution nodes, enabling faster decision-making, lower latency, and more resilient real-time operations

## How Edge IoT Architecture Works<sup>1</sup>

Edge-first IoT architecture has been widely adopted to address the latency, bandwidth, and reliability limitations of traditional cloud-based IoT systems by processing sensor data locally and enabling faster real-time decisions

**Device Layer:** Sensors and controllers capture data, perform basic preprocessing, and send it through gateways that translate device protocols into network-compatible formats

**Edge Layer:** Local devices and gateways filter data, convert protocols, and run analytics close to where data is generated

**Stream Processing & Analysis:** Data streams are analyzed in real time using statistical models and analytics to identify patterns and insights

**Decision-Making:** Rule-based systems evaluate incoming data and trigger alerts, actions, or automated responses when conditions are met



**Walmart<sup>2</sup>** is deploying Ambient IoT tags across ~4,600 stores that use edge processing to track item location, temperature, and dwell time in real time without relying on constant cloud connectivity

## What Edge-First IoT Addresses<sup>3</sup>



**Latency & Slow Decision-Making:** Processing data locally reduces delays and enables real-time responses for IoT systems



**Bandwidth & Network Congestion:** Edge systems filter and analyze data locally, reducing the amount of information that must be transmitted to the cloud



**Reliability & Connectivity Risks:** Local processing allows IoT systems to continue operating even when network connectivity is weak or temporarily unavailable

## Edge AI Driving Real-Time Retail Operations<sup>4</sup>

- Over 45% of major retailers are expected to deploy Edge AI by 2027, enabling faster in-store analytics and more responsive operational decision-making
- Edge AI allows retailers to process sensor and store data locally, supporting dynamic assortment planning, automated replenishment, and real-time inventory management
- Processing data at the edge reduces latency and cloud bandwidth demands, enabling faster responses to in-store conditions and more resilient retail operations

# Customer Data Platforms

Retailers are consolidating fragmented data into unified platforms, reshaping how customer activity is tracked and activated to drive more coordinated, enterprise-wide decision-making

## Customer Data Sources

- **CRM (Customer Relationship Management):** Designed to support sales and support teams by tracking and managing direct customer interactions, relationship history, and pipeline activity
- **CDP (Customer Data Platform):** Built to unify and activate large-scale behavioral and transactional data, enabling automated segmentation, personalization, and data-driven marketing execution

## The Customer Data Platform Personalization<sup>1</sup>

- Retailers are increasingly investing in platforms that centralize and activate first-party shopper data across channels to better understand customer behavior and drive more targeted engagement and sales outcomes
- Platforms are enabling retailers to deliver more individualized customer experiences through AI-driven insights, recommendations, and targeted promotions that improve conversion, loyalty, and customer lifetime value
- As third-party cookies decline, retailers are treating first-party data as a strategic asset, leveraging it to optimize marketing performance while unlocking new revenue streams through retail media and data monetization

## CDP Use Cases & Adoption

- Customer Data Platforms (CDPs) have become the "brain" of modern retail, allowing brands to stitch together fragmented data from physical stores, websites, and mobile apps into a single profile
- The global<sup>2</sup> CDP market is project to grow from \$9.7B to \$37.1B by 2030 a 30.7% CAGR (2025-2030)

### Crocs + Salesforce Data Cloud<sup>3</sup>:

- Crocs leveraged Salesforce Data Cloud as a centralized CDP to pivot from wholesale-first to a scaled direct-to-consumer model, identifying high-value collectors and activating segmented audiences in real time
- The platform enabled 10x faster segmentation and automated collaboration-triggered campaigns, driving double-digit gains in repeat purchase rates and materially improving customer retention



### Leading CDP Platforms Amongst Retailers:



(1) BCG, (2) MarketsandMarkets, (3) PR Newswire

## SECTION 4.

### Customer Experience Enhancement

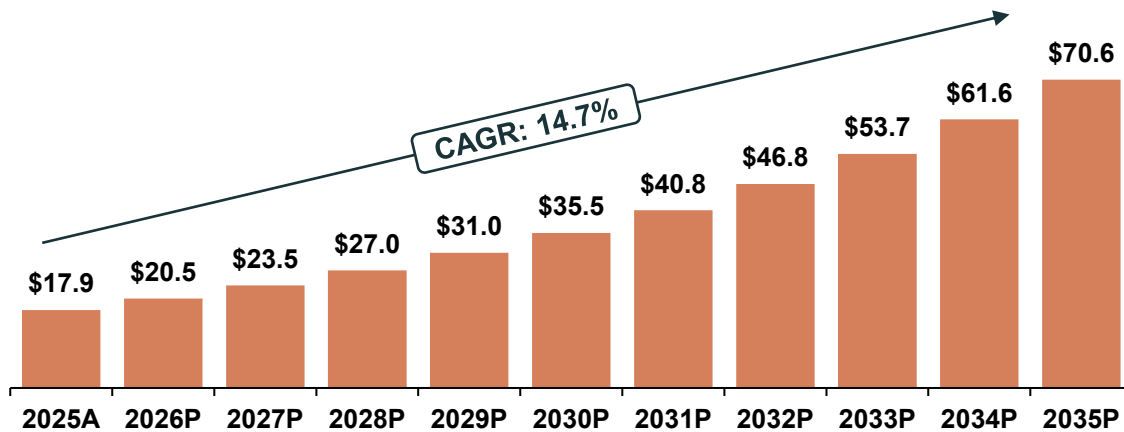


# Customer Experience Enhancement Market Outlook

Retailers are leveraging media networks, frictionless checkout, proximity marketing, and alternative shopping experiences to enhance customer journeys, driving growth in the customer experience enhancement market

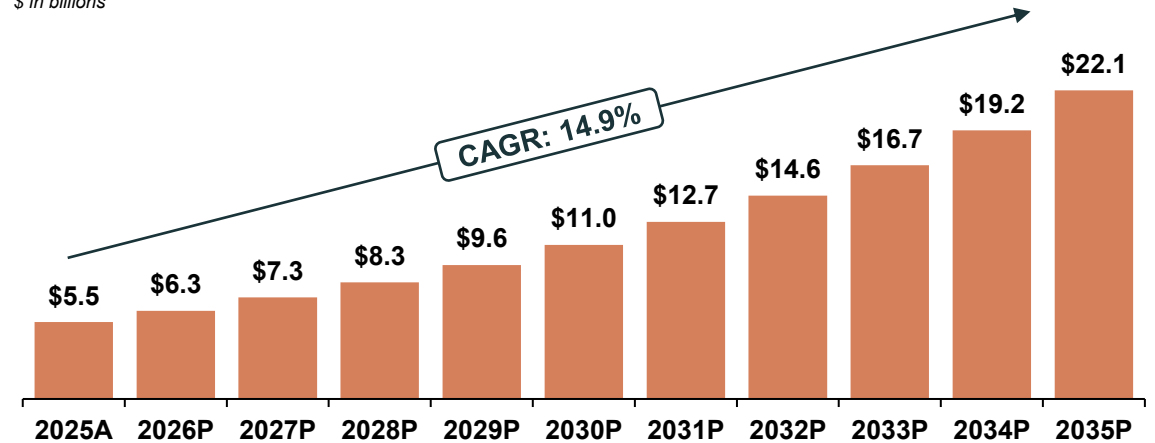
## Global Customer Experience Enhancement Market Size<sup>1</sup>

\$ in billions



## U.S. Customer Experience Enhancement Market Size<sup>1</sup>

\$ in billions



## Customer Experience Enhancement Trends



**Retail Media Networks:** Companies are scaling first-party advertising platforms to monetize shopper data and capture growing brand ad spend, as media networks increasingly prove more profitable than traditional retail operations



**Frictionless "Phygital" Checkout:** Retailers are blending physical and digital experiences through "Just Walk Out Technology" and radio-frequency identification-enabled checkout to eliminate lines and streamline in-store purchasing



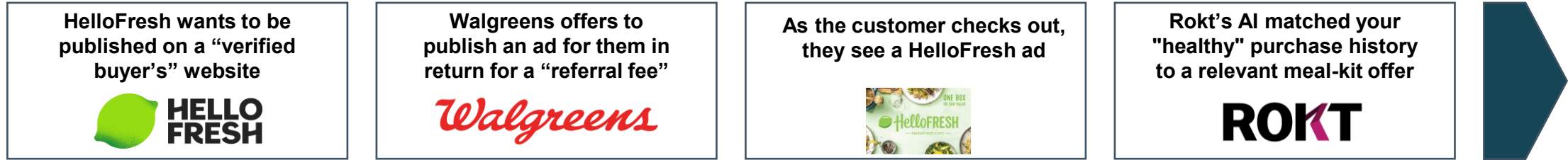
**Beacon & Proximity Marketing:** Retailers are deploying in-store beacon networks to trigger location-based promotions, personalized offers, and real-time engagement as shoppers move through physical stores



**Alternative Shopping Experiences:** Companies are enhancing the customer journey through live shopping and zero-click commerce, reducing friction and enabling more seamless, convenient paths to purchase

# The Rise of Retail Media Networks

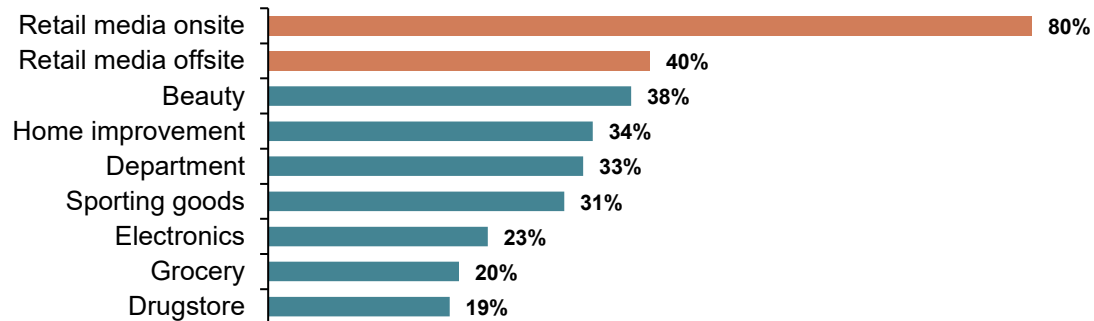
Retailers are scaling first-party advertising platforms to monetize shopper data and capture marketing spend, while enhancing their ability to aggregate data for improved customer experience insights



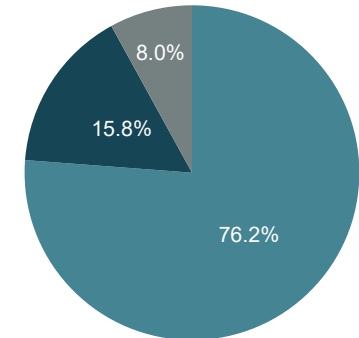
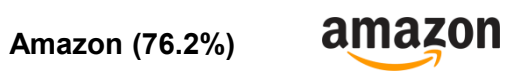
## About Retail Media Networks

- Retailers monetize first-party shopper data through targeted advertising across owned onsite, offsite, and in-store channels, engaging consumers closer to the point of purchase
- Compared to traditional retail products, they generate materially higher margins by leveraging existing digital and in-store real estate with minimal incremental cost

Gross Margin Retail Category<sup>1</sup> (%)



## Retail Media Network Segmentation<sup>2</sup>



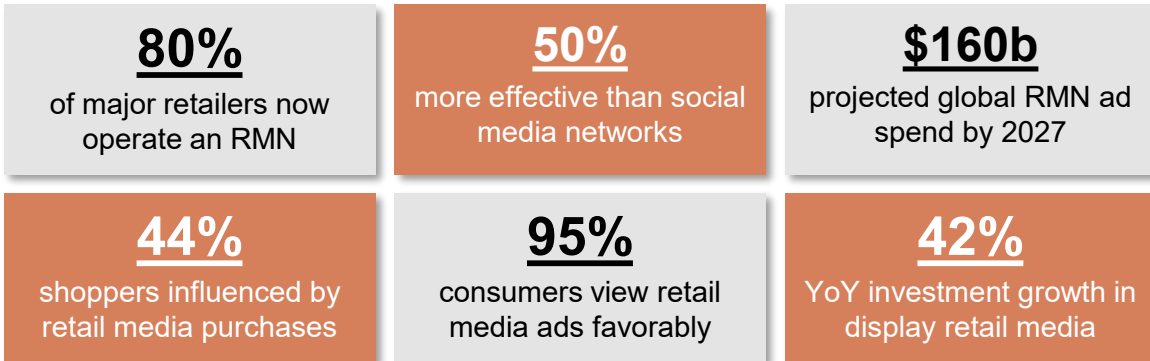
(1) Loyal Guru, (2) Fugo.Ai

# Retail Media Networks Ongoing Influence

Retailers are expanding retail media networks to capture growing brand ad spend through first-party data targeting and closed-loop measurement tied to purchase outcomes

## Further Retail Media Network Trends<sup>1</sup>

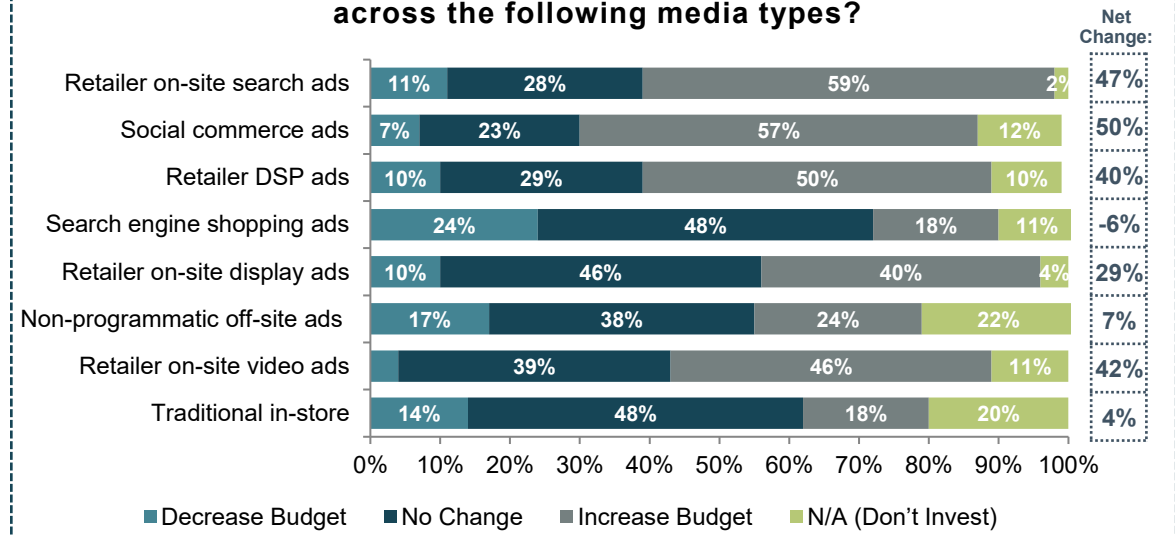
- Retailers are increasingly turning to retail media networks (RMNs) as a margin expansion lever, using high-margin advertising revenue (70-90%) to offset structurally thin retail margins (3-5%) and support competitive consumer pricing
- With the decline of third-party cookies, brands are shifting ad spend toward retailers' first-party purchase data, which has become one of the most reliable and scalable targeting assets in a privacy-first environment
- Advances in agentic AI and dynamic creative optimization are enabling real-time ad personalization, allowing RMNs to automatically adjust messaging based on contextual signals such as weather, time of day, and in-store conditions
- Brands are reallocating budgets from traditional trade marketing and paid social toward closed-loop retail media, where ad spend can be directly tied to verified sales outcomes



## Retail Media Network Becoming a Priority<sup>2</sup>

- Advertisers are prioritizing retailer-owned, high-intent channels, with on-site search, video, and CTV seeing the strongest net budget increases, reinforcing retail media's role at the point of purchase
- Budget is shifting away from traditional search toward retail ecosystems, as brands favor closed-loop measurement and first-party data over legacy performance channels
- Retail media is evolving into a full-funnel channel, with rising investment in video and CTV beyond traditional conversion-focused formats

### How will your organization's 2026 media budgets differ from 2025 across the following media types?



(1) Fugo.Ai, (2) Skai

# Beacon & Proximity Marketing

Retailers are deploying beacon and proximity technologies across brick-and-mortar locations to better capture shopper behavior and enhance the in-store experience as physical retail remains the dominant sales channel

## Beacons as Powerful Data Collection Tools<sup>1</sup>

- Despite the continued push toward e-commerce, retailers recognize that the majority of sales and customer interactions still occur in physical stores, making in-store customer visibility and experience optimization a continued strategic priority
- Beacon technology enables retailers to capture highly granular in-store behavioral data, tracking shopper movement, dwell time, and product engagement at the aisle or shelf level
- Beacon-enabled mobile applications can provide in-store navigation and product discovery, guiding shoppers to items within large retail environments and improving overall store experience
- Retailers can trigger real-time, location-based promotions and personalized offers as customers move through stores, increasing engagement and improving conversion rates



Macy's deployment of 4,000 beacons across its U.S. stores highlights how retailers are leveraging proximity technology to deliver targeted promotions, increase in-store engagement, and extend the reach of digital marketing campaigns

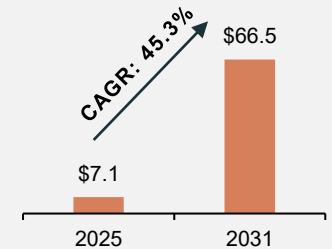


Neiman Marcus deployed iBeacon technology across stores to deliver location-based alerts promoting in-store events, guiding shoppers to experiences such as designer presentations and appointments while increasing engagement with the retailer's mobile app

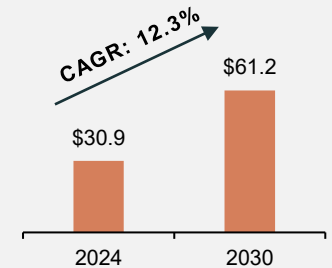
## Beacon Technologies & Market Growth (\$B)<sup>2</sup>



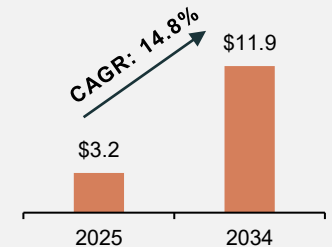
**Beacons (BLE)<sup>3</sup>:** Beacons use Bluetooth Low Energy (BLE) to trigger marketing messages or in-store interactions when a shopper's mobile device enters close proximity, enabling aisle-level targeting and precise proximity marketing within the store



**Near-Field Communication (NFC)<sup>4</sup>:** Near-field communication requires a tap or very close contact between a device and a reader, commonly used for payment terminals or loyalty check-ins and enabling quick, intentional customer interactions



**Geofencing<sup>5</sup>:** Geofencing leverages GPS or mobile location data to engage customers within a defined radius around a store, making it more effective for driving foot traffic than for guiding the in-store experience



(1) itransition, (2) Shopify, (3) Research and Markets, (4) Grandview Research, (5) Fortune Business Insights



# Frictionless "Phygital" Checkout

Digital technologies that combine data analytics with IoT systems are enhancing the in-store customer journey through innovations such as Just Walk Out stores and Radio-Frequency Identification-enabled checkout and inventory tracking

## Phygital Technologies and Use Cases<sup>1</sup>

- Just Walk Out technology is a cashierless retail system that allows shoppers to enter a store, take products from shelves, and leave without going through a checkout process

### Just Walk Out Technology

- Amazon pioneered cashierless retail with its Just Walk Out technology, using computer vision, sensors, and AI to eliminate checkout; despite privacy and theft concerns, the model has gained traction as other retailers adopt similar systems
  - Lumen Field in Seattle increased total sales per game by 47%
  - BayCare St. Joseph's Hospital cut checkout wait times from 25 minutes to 3 minutes
  - University of California, San Diego served 11% more students while reducing retail theft by 83%

#### Other Adapters



#### Amazon Customers



- Shoppers<sup>2</sup> are increasingly prioritizing speed and convenience in the retail experience, with frictionless technologies becoming especially important for younger consumers - 72% of Gen Z shoppers say they value self-checkout technology to save time and streamline in-store purchases

## Radio-Frequency Identification<sup>3</sup>

- RFID tags are increasingly becoming a non-negotiable part of modern retail, enabling real-time inventory tracking, automated checkout, and richer in-store data collection
- RFID-enabled systems are reaching ~99% inventory accuracy, compared to roughly 60-70% with traditional manual scanning
- Additionally, RFID tags provide item-level visibility across the supply chain, improving replenishment speed and reducing stockouts.



Uniqlo<sup>4</sup> uses RFID basket checkout technology, where customers place items in a checkout basket embedded with RFID readers that instantly scan all tagged products, enabling ~99% inventory accuracy and reducing stock discrepancies by roughly 90%

## Digital Twins Continue to Enhance Customer Experience

- Digital twins are virtual replicas of physical retail environments created using IoT sensor data, allowing retailers to monitor operations in real time, simulate changes, and optimize store performance
- Heat-Map Driven Layout Optimization:** Digital twins analyze customer dwell times and traffic patterns to identify cold zones, enabling AI-simulated layout changes that optimize merchandising and improve sales
- Predictive Maintenance & Zero-Downtime Operations:** AI monitors equipment performance, detecting power and vibration anomalies to proactively schedule maintenance before failures disrupt operations or spoil inventory

(1) Amazon News, (2) PWC, (3) Emerline, (4) RFID

# Alternative Shopping Experiences

Brands are increasingly embracing alternative shopping experiences like live shopping and zero-click commerce to enhance the customer experience and streamline the path to purchase

## Live Shopping<sup>1</sup>

- Live shopping is an interactive shopping format where brands showcase products in real time via video, allowing customers to watch, ask questions, and purchase instantly
- Live shopping has emerged as a natural extension of social media, enabling consumers to discover and experience products in a more interactive, real-time format

80%

Livestream shoppers discover new brands and products

37%

Consumers report purchasing during or shortly after live streams

68%

Consumers are more likely to buy when others are purchasing live

36%

Business owners hosted, co-hosted, or participated in a live shopping event

- Live shopping enables creators to monetize audiences directly, accelerating the shift toward creator-led retail and decentralized distribution channels



## Zero-Click Shopping

- AI-led zero-click shopping shifts purchasing from websites to conversational interfaces, enabling consumers to discover and buy products without ever visiting a brand's site
- AI-led zero-click shopping eliminates the traditional funnel, enabling consumers to discover and purchase products within a single interaction

## Zero-Click Protocols of 2026<sup>2</sup>

- **Universal Commerce Protocol (UCP)** is an emerging open standard that allows backend-native shopping where AI agents can access real-time inventory, shipping, and policies directly- bypassing traditional storefronts
- IoT and historical data enable predictive replenishment, automatically reordering essentials with minimal user input (e.g., text-to-cancel control)
- Companies that are utilizing these protocols include: Etsy, Wayfair, Google, and Target



- Voice-enabled shopping is another way customers are increasingly buying products, using spoken commands instead of traditional browsing or search

## SECTION 5.

### eCommerce Enablement

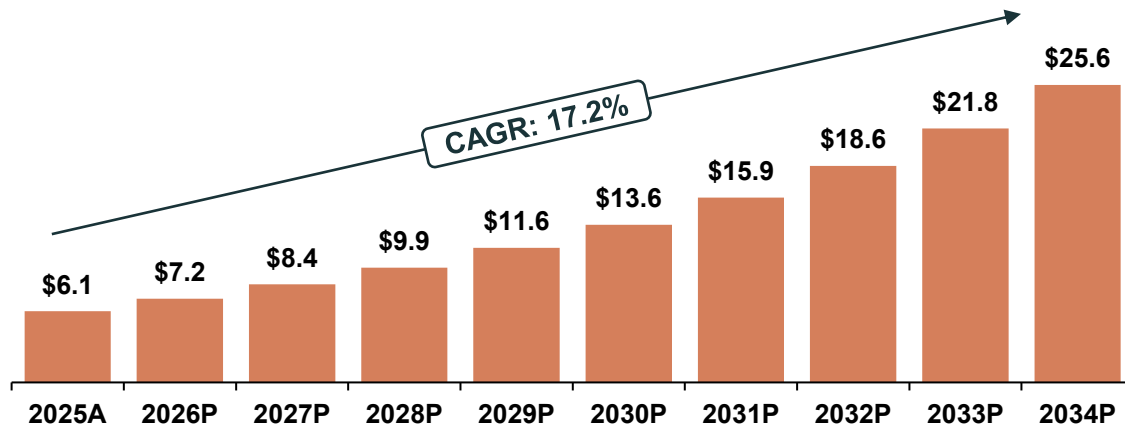


# eCommerce Enablement Market Outlook

Both the global and U.S. eCommerce enablement markets are experiencing strong growth as companies increasingly adapt to mobile-first shopping, embed financial services into their transactions, and create more robust commerce architectures

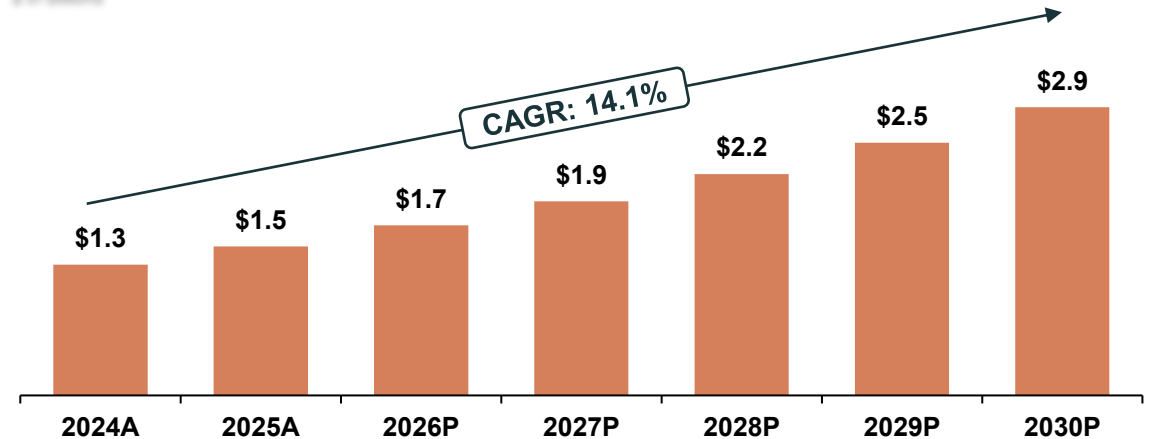
## Global eCommerce Enablement Market Size<sup>1</sup>

\$ in billions



## U.S. eCommerce Enablement Market Size<sup>2</sup>

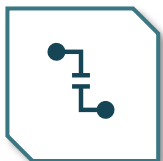
\$ in billions



## eCommerce Trends



**Mobile-First Shopping:** Feature-rich mobile apps are reshaping retail by enabling capabilities like voice purchasing and AR visualization, delivering faster, more accessible shopping experiences



**Headless Commerce:** Larger enterprises are increasingly adopting headless architectures to enable rapid front-end experimentation and customization, supported by greater development resources and advanced technical capabilities



**Embedded Lending & BNPL Evolution:** Buy Now, Pay Later continues to expand as a flexible payment option, becoming a core component of increasingly diversified, consumer-centric digital payment ecosystems



**Pay-by-Bank (A2A) Gains Momentum:** Merchants are increasingly adopting direct account-to-account payments to reduce transaction fees, accelerate settlement times, and improve fraud resilience across retail transactions

(1) Fortune Business Insights, (2) Grandview Research

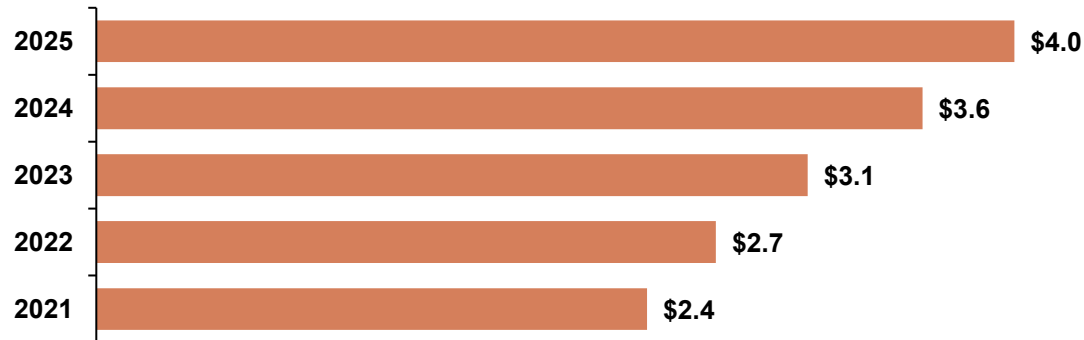
# Mobile-First Shopping

Mobile-first commerce is reshaping retail, as increasingly feature-rich mobile apps enable capabilities such as voice purchasing and AR product visualization while providing consumers with a faster and more accessible shopping experience

## Mobile Commerce as a Key eCommerce Driver<sup>1</sup>

- Mobile-first shopping has moved beyond mainstream adoption to become a primary transaction channel, as smartphones increasingly serve as a central touchpoint throughout the consumer journey

Share of mCommerce Sales in Total eCommerce Sales (\$T)



- Global smartphone adoption is driving the growth of mobile commerce, with over 4.8 billion smartphone users worldwide in 2025 (~59% of the global population) as more consumers rely on mobile devices for browsing, shopping, and digital payments
- Mobile purchasing is now mainstream among U.S. consumers, with 76% of adults (~200 million people) shopping via smartphones, while 92% of mobile shoppers under age 50 regularly make online purchases, highlighting strong adoption among younger demographics

## Why Consumers are Shifting<sup>2</sup>



Apps Outperform Mobile Sites

Mobile apps significantly outperform mobile websites in conversion and checkout completion, with apps converting at 3.5% vs. 2% for mobile sites and reducing cart abandonment to ~20% compared to ~97% on mobile web



AI and AR Become Mainstream

Mobile shopping apps are becoming increasingly feature-rich, with augmented reality enabling consumers to virtually try and visualize products before purchase, improving product discovery, buyer confidence, and conversion rates across categories such as furniture, fashion, and beauty



Voice-Enablement

Mobile apps are evolving with advanced capabilities such as voice-enabled transactions that are difficult to replicate on mobile web, with 22% of consumers now making purchases directly through voice assistants on their smartphone

- Consumers increasingly prefer mobile shopping due to its speed and accessibility, allowing them to browse and complete purchases quickly from anywhere
- Commerce is becoming more embedded within everyday mobile experiences, as shopping increasingly integrates with social media, messaging platforms, and other mobile applications

(1) SellersCommerce, (2) Droids on Roids

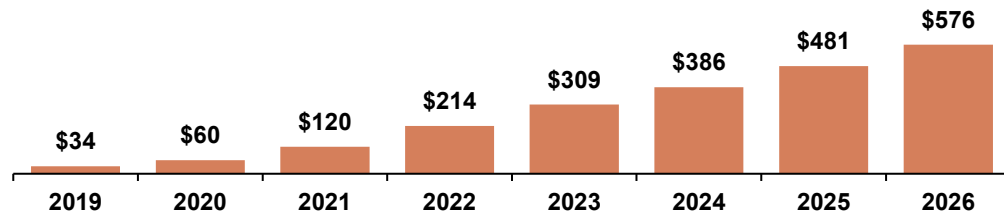
# Embedded Lending & BNPL Evolution

BNPL continues its sustained growth as a flexible payment option, solidifying its role as a core component of the broader shift toward diversified, consumer-centric digital payment ecosystems

## BNPL an Essential Pillar in eCommerce<sup>1</sup>

- BNPL's growth in 2026 continues to be driven by younger consumers embracing flexible payment options for everyday and discretionary purchases with nearly 40% US adults between 18 and 24 and 50% of adults 25-34 using the BNPL option
- Global BNPL transaction volume is projected to reach ~\$576B by 2026 (up from ~\$120B in 2021), representing ~380% growth over five years and underscoring its rapid mainstream adoption within digital commerce

Transaction Volume of BNPL in E-commerce (\$B)<sup>1</sup>



- BNPL is now projected to remain the 5th most used payment option on e-commerce sites in 2026, trailing digital wallets, credit, debit, and A2A but continuing to climb in share as consumer preference for flexible installment checkout grows
- Heightened consumer uncertainty around income stability and purchasing power has driven increased reliance on BNPL, as shoppers seek flexible payment structures to manage cash flow while maintaining discretionary spending

## BNPL Use Cases<sup>2</sup>



PayPal highlighted Ace Hardware as a BNPL success story, with the retailer seeing PayPal sales rise 35% year over year and average order value increase 7x after adopting PayPal installments

Fintech payment providers are aggressively pursuing exclusive partnerships with retail and service merchants, viewing BNPL as a high-growth, high-margin revenue stream that strengthens customer acquisition, increases checkout capture, and deepens ecosystem lock-in



Expedia Group<sup>4</sup> and Affirm announced an expanded multi-year partnership making Affirm the exclusive BNPL provider for lodging and package bookings across Expedia, Hotels.com, and Vrbo in the U.S., with availability expanding to Canadian travelers, underscoring BNPL's strategic importance in travel commerce



PayPal's<sup>5</sup> February 2026 integration with Rainforest expands BNPL distribution through vertical software platforms, enabling niche retail and service providers (e.g., bike shops, auto repair, HVAC) to seamlessly embed PayPal Pay Later and shift higher-ticket transactions from offline payments into digital installment flows

(1) Demandsage, (2) Chargeflow, (3) Nasdaq, (4) Affirm, (5) PayPal

# Headless Commerce

eCommerce architecture is shifting away from traditional monolithic platforms as retailers adopt headless and composable solutions to enable greater flexibility and scalability

## Headless Commerce Examined<sup>1</sup>

- Headless commerce separates the front-end (presentation layer) from the back-end (commerce engine), allowing each to operate independently
- APIs connect the two layers, enabling flexible, customizable storefronts across web, mobile, and other digital channels



### Back-End (Commerce Engine)

The back-end is the core commerce infrastructure managing inventory, checkout, payments, and order processing that powers transactions across channels

#### Back-end includes:

- Product catalog
- Checkout & payments
- Order management
- Customer data



### Front-End (Presentation Layer)

The front-end is the customer-facing experience layer (website, mobile, UI/UX) that controls how users browse, interact, and purchase

#### Front-end includes:

- Website (React, Vue, etc.)
- Mobile apps
- In-store kiosks / POS
- Voice assistants

- Headless commerce adoption is concentrated among larger enterprises with significant development resources, enabling rapid front-end experimentation and customization despite higher implementation complexity

## Headless Commerce Cases and Advantages<sup>2</sup>

- Compared to traditional monolithic architectures, headless commerce enables faster innovation, greater flexibility, and superior omnichannel customer experiences by decoupling front-end and backend systems

1.

Enables faster innovation and rollout of new features, with ~69% of retailers reporting increased speed to market

2.

Provides greater flexibility and agility through decoupled architecture, allowing front-end changes without impacting backend systems

3.

Delivers seamless omnichannel experiences across web, mobile, and emerging digital touchpoints

4.

Improves customer experience through more customizable, high-performance storefronts and faster page speeds



Facing competitive pressure from Amazon and Walmart, **Target<sup>3</sup>** identified that ~80% of customers started their journey on one device and completed it on another, prompting adoption of a headless commerce architecture to unify cross-device experiences and drive higher online conversion rates

(1) Salesforce, (2) Scayle, (3) Chargebee

# Pay-by-Bank (A2A) Gains Momentum

Pay-by-Bank (A2A) is gaining momentum across retail technology, as merchants adopt direct account-to-account payments to reduce transaction fees, accelerate settlement, and improve fraud resilience

## Pay-by-Bank Providing New Alternatives<sup>1</sup>

Pay-by-Bank (A2A) is emerging as a lower-cost alternative, reducing processing fees enabling near-instant settlement, minimizing chargebacks, and materially improving merchant unit economic ultimately make eCommerce transactions easier for consumers



**Swipe Fee Disruption<sup>2</sup>:** Pay-by-Bank bypasses traditional card networks, replacing percentage-based interchange fees with flat, nominal transaction costs that do not scale with ticket size, resulting in potential cost saving of between 40% to 85% compared to credit cards



**Instant Settlement Acceleration:** Real-time rails such as Federal Reserve's (FedNow) and the Faster Payments Service move funds in seconds rather than days, materially improving merchant liquidity and working capital flexibility



**Fraud & Chargeback Protection:** Pay-by-Bank leverages biometric authentication within secure banking apps, reducing stolen credential risk and limiting post-transaction chargebacks, providing merchants with stronger transaction certainty and fraud mitigation compared to traditional card networks

## Pay-by-Bank Still Easing into Adoption

- While many consumers appreciate Pay-by-Bank as a lower-cost, secure alternative, retailer adoption remains gradual as merchants navigate integration complexity, operational unfamiliarity, and uncertainty around customer behavior shift away from traditional card networks
- Large enterprises, however, are actively deploying Pay-by-Bank infrastructure, potentially catalyzing a domino effect as smaller merchants follow proven cost savings and settlement advantages demonstrated at scale



**Walmart<sup>3</sup>** is actively deploying Pay-by-Bank via Federal Reserve FedNow and RTP networks to enable "Day Zero" fund access, reducing reliance on Visa/Mastercard rails and driving millions in daily transaction cost savings

- Retailers are advocating for the Credit Card Competition Act to reduce Visa/Mastercard routing dominance and expand Pay-by-Bank accessibility, while banks - balancing lost interchange revenue are launching their own A2A solutions to retain customer engagement within proprietary banking apps
- Despite cost advantages, consumer adoption is progressing gradually as shoppers remain accustomed to card rewards programs and established checkout behaviors, requiring retailers to incentivize and educate users to drive Pay-by-Bank usage

(1) Swipesum, (2) Federal Reserve, (3) The Financial Brand

## SECTION 6.

### Retail Operations Management

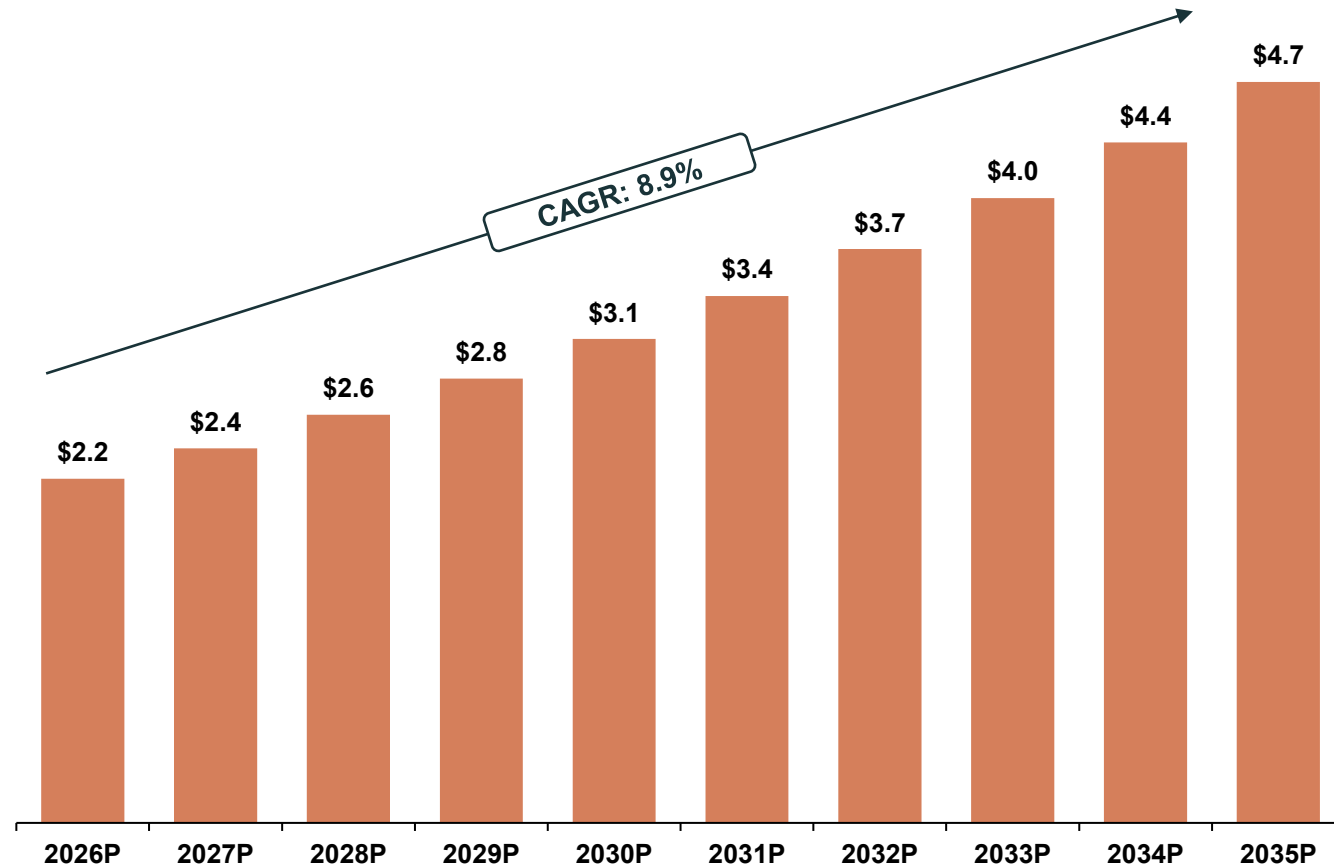


# Retail Operations Management Market Outlook

The global Retail Operations Management market is growing rapidly as retailers adopt hyperlocal inventory planning, M2M automation, recommerce platforms, and utilize agents and pragmatic AI for everyday operations

## Global Retail Operations Software Market Size<sup>1</sup>

\$ in billions



## Retail Operations Management Trends



**Localization to Hyperlocalization:** Retailers are moving from regional store clustering to hyperlocal inventory planning and dark-store models tailored to neighborhood demand



**Warehouse Execution & M2M Architecture:** Companies are deploying machine-to-machine connected automation and execution systems to coordinate robots, inventory, and workflows in real time



**Circular Retail & Recommerce Enablement:** Retailers are adopting Resale-as-a-Service (RaaS) platforms and circular resale programs to extend product lifecycles, unlock secondary revenue streams, and increase customer LTV



**Agents & Pragmatic AI in Operations:** Retailers are adopting pragmatic AI and autonomous agents to embed intelligence directly into operational workflows, automating processes and addressing inefficiencies

(1) Market Growth Reports

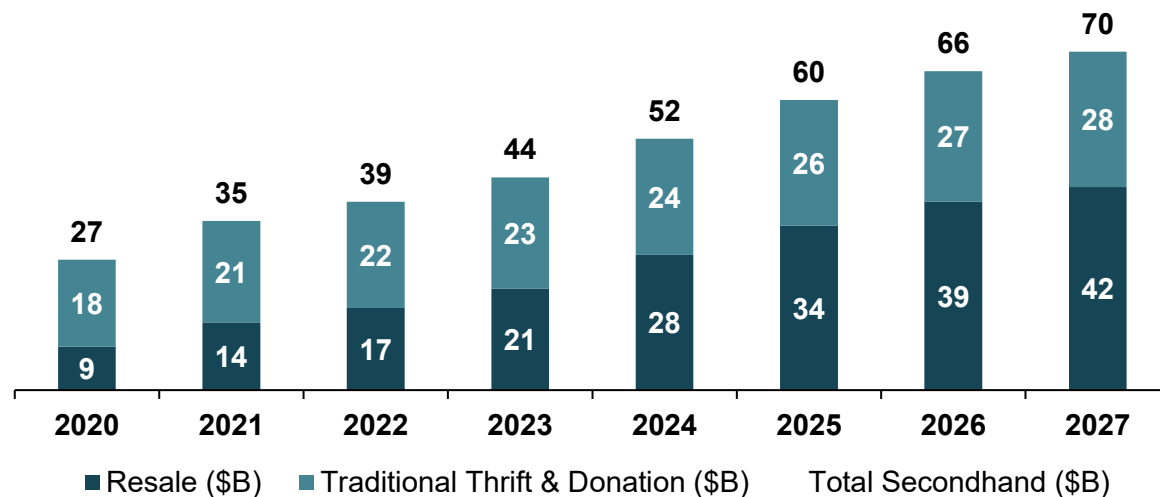
# Circular Retail & Recommerce Enablement

Consumers are increasingly prioritizing value, trading down and favoring pre-owned options as cost savings outweigh sustainability in purchase decisions

## Resale-as-a-Service (RaaS)

- Hardware-focused retailers are increasingly adopting Retail-as-a-Service models (e.g., rental, subscription, resale) as they recognize that maximizing product lifetime value can generate higher cumulative margins than a single point-of-sale transaction
- Clothing remains the dominant resale category, with the segment projected to grow 9x faster than the broader retail apparel market by 2027, highlighting a structural consumer shift toward secondhand fashion and circular consumption models

U.S. Secondhand Market (\$B)<sup>1</sup>



## LTV Enhancement<sup>2</sup>

- Resale and circular models extend not only the lifetime value of the product through multiple monetization cycles, but also deepen customer lifetime value by driving repeat engagement, trade-ins, and loyalty

**FRYE**

Frye's resale program reactivated 23% of sellers after more than a year of inactivity, transforming one-time buyers into participants in an ongoing, repeat engagement cycle

- Resale programs unlock new revenue from excess inventory and help brands retain customers over time - e.g., resale can lead to 2–6x lifts in gift card redemption and 35% of buyers returning for additional purchases
- Consumers who perceive a brand as more sustainable are significantly more likely to purchase, making circular and resale initiatives a direct lever for revenue growth, not just ESG positioning



IKEA's<sup>3</sup> circular pivot emphasizes product longevity and secondary market channels, with online sales accounting for 28% of total sales in FY25, reflecting e-commerce and "pre-loved" initiatives that extend product lifecycles and support circular retail strategies



Home Depot's<sup>4</sup> "Share and Sell" model positions its tool rental business as a sustainability and revenue driver, where a single rental tool can be used ~125 times over five years before being resold to DIY customers for a second life, feeding circular resale inventory and extending product value

(1) Hilco Global, (2) Trove.com, (3) Yahoo Finance, (4) The Home Depot

# Agents & Pragmatic AI in Operations

Retailers are increasingly recognizing AI agents as a non-negotiable component of modern operations, helping address long-standing operational inefficiencies that have historically eroded margins

## Existing Retail Operations Problems and Fixes<sup>1</sup>

- Retailers are increasingly deploying AI agents to streamline operations and address inefficiencies that erode margins, automating tasks such as inventory tracking, supply chain coordination, and operational monitoring to solve challenges that were previously difficult to manage at scale
- While AI agents are still in the early stages of adoption, they are expected to become a core operational capability for retailers, helping automate complex workflows

70%

Average inventory accuracy:  
Low inventory accuracy creates “dirty data,” often resulting in post-purchase order cancellations when products shown as available are actually out of stock

Rather than simply reporting errors, AI agents analyze operational data in real time - identifying outdated inventory and automatically pausing ad spend or triggering warehouse checks before customers reach checkout

30%

Retail operating budgets spent on administrative tasks:  
Operational inefficiencies and manual processes consume resources that could otherwise be invested in growth

AI agents automate manual processes like document handling and invoice reconciliation, allowing retailers to reallocate resources toward innovation and brand growth

80%

80% of shoppers abandon a brand after a single delivery mishap: Despite the impact of delivery failures on customer retention, many retailers only identify delays after they occur

AI agents act as proactive controllers, monitoring weather and carrier capacity in real-time to predict bottlenecks and autonomously reroute shipments

## Pragmatic AI Examined<sup>2</sup>

- Pragmatic AI focuses on the practical deployment of AI to solve real operational challenges, embedding intelligence directly into retail workflows such as inventory management, forecasting, and product content generation to improve efficiency and decision-making
- Unlike traditional AI initiatives that often focus on experimentation or generating insights, pragmatic AI systems are integrated into day-to-day operations and automate business processes to deliver measurable operational and financial outcomes



**Recommendation engines:** AI-driven personalized product recommendations



**Chatbots:** AI-powered 24/7 customer support



**Computer vision analytics:** AI analyzes in-store shopper behavior

(1) Kore.ai, (2) Intellias

# From Localization to Hyper-Localization

As retailers continue to prioritize localization in logistics, they are aggregating more granular customer data to support more precise and localized retail operations



## Regional Segmentation to Dynamic Store Clustering<sup>1</sup>

- Retailers are utilizing AI to create "micro-segments" for every individual store based on its unique customer patterns rather than its geography
- Retailers historically grouped stores using top-down attributes (size, region, revenue tiers) - an over simplified approach - and are increasingly adopting automated, bottom-up clustering powered by statistical models and machine learning to identify natural store groupings based on multi-variable demand, behavior, and performance patterns
- The "Store DNA" approach identifies that a store in a transit hub (high-frequency, low-basket size) requires a completely different layout and inventory velocity than a store in a residential suburb (low-frequency, high-basket size), even if they are in the same city



## Hyperlocal Inventory Planning<sup>2</sup>

- With 68% of the global population projected to live in urban areas by 2050, increasingly dense and diverse neighborhoods are driving differences in local demand - making traditional one-size-fits-all inventory systems ineffective and accelerating the shift toward AI-enabled, hyperlocal distribution models
- Inventory mismatches cost retailers millions annually, making hyperlocal planning a strategic necessity rather than a competitive differentiator



Whole Foods - Regional Assortment Strategy: Customizes product mix by local demographics (e.g., sustainable seafood in Seattle, Texas-sourced goods in Austin)



Circle K - Localized Pricing & Inventory: Optimizes assortment and pricing by location using demand trends, traffic density, and competitive dynamics, with highway stores dynamically adjusting snacks, beverages, and fuel



## The "Dark Store" Hybrid Model<sup>3</sup>

- Retail or fulfillment spaces closed to the public that operate exclusively as urban micro-fulfillment centers for online orders, designed to support fast delivery in densely populated
- Retailers are converting backroom space into Micro-Fulfillment Centers (MFCs), creating "hybrid" stores where the front is for browsing and the back is a high-speed "dark store" for online orders
- Organizations are using predictive analytics to identify which items are most likely to be ordered for 30-minute delivery in a specific area, pre-positioning that stock in the local MFC rather than a warehouse far away



The Texas grocer operates ~100,000 sq. ft. urban eCommerce Fulfillment Centers, recently expanding in Katy and Houston, using AutoStore robotics (~99% accuracy) to support sub-2-hour delivery

(1) Toolio, (2) Couture.AI, (3) Fulfill.com

# Warehouse Execution & M2M Architecture

As retailers scale automation, they are deploying M2M-enabled architectures and AI-driven WES platforms to orchestrate real-time workflows and shift toward continuous, data-driven execution in retail operations

## Warehouse Execution Systems<sup>1</sup>

- Warehouse Management System (WMS): Oversees inventory visibility, stock accuracy, compliance, and shipping documentation - managing what is in the building and ensuring operational record integrity
- Warehouse Control System (WCS): Directly controls material handling equipment - managing how conveyors, sorters, and robotic systems physically move inventory at sub-second speeds
- Warehouse Execution System (WES): Acts as the real-time orchestration layer, determining when and in what order tasks are executed, dynamically balancing labor and automation to optimize throughput and prevent bottlenecks



Amazon's<sup>3</sup> "Project Eluna" marks a shift toward agentic AI-driven warehouse orchestration, with its WES acting as a real-time "nervous system" that leverages waveless fulfillment and millisecond-level reprioritization to dynamically resolve bottlenecks based on carrier ETAs and labor availability

### Global Warehouse Execution Systems (\$B)<sup>2</sup>



Rising e-commerce volumes and faster fulfillment expectations are accelerating automation investment, with WES enabling real-time orchestration across increasingly complex warehouse environments



WES improves throughput and accuracy by coordinating robotics and automation systems, reducing manual touchpoints amid ongoing labor shortages



Labor scarcity and cost pressures are driving adoption of software-led execution layers, with WES maximizing equipment utilization and smoothing operational variability

## Warehouse Execution Systems in M2M Architecture

### M2M as the Execution Backbone:

In 2026, M2M architecture enables real-time, device-to-device communication between sensors, robots, and systems, forming the autonomous foundation of modern warehouse operations

### WES as the Decision Engine:

Operating at the application layer, WES interprets M2M signals and makes millisecond-level decisions to balance workflows, coordinate fleets, and prevent operational bottlenecks

Walmart's<sup>4</sup> 2026 "Automated Fulfillment Network" leverages M2M-enabled smart shelves with digital labels, weight sensors, and computer vision that automatically trigger backroom replenishment when inventory hits critical lows, shifting from manual daily gap scans to near-real-time restocking cycles

(1) Designedconveyor, (2) Grandview Research, (3) Amazon News, (4) Freight Waves



## SECTION 7.

### M&A and Capital Raise Transactions



# Retail Technology M&A Overview

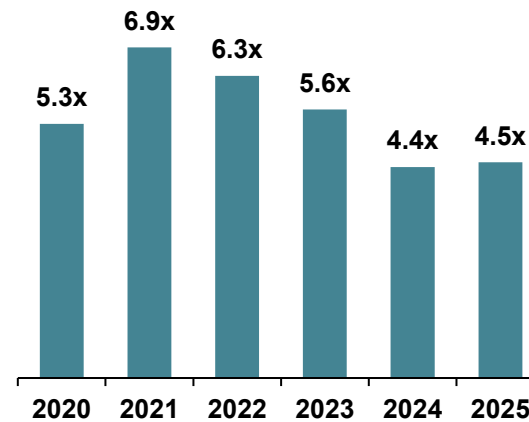
Retail technology M&A activity has slowed over the past year and remains below the record levels seen in 2021 and 2022

## M&A Transactions Commentary

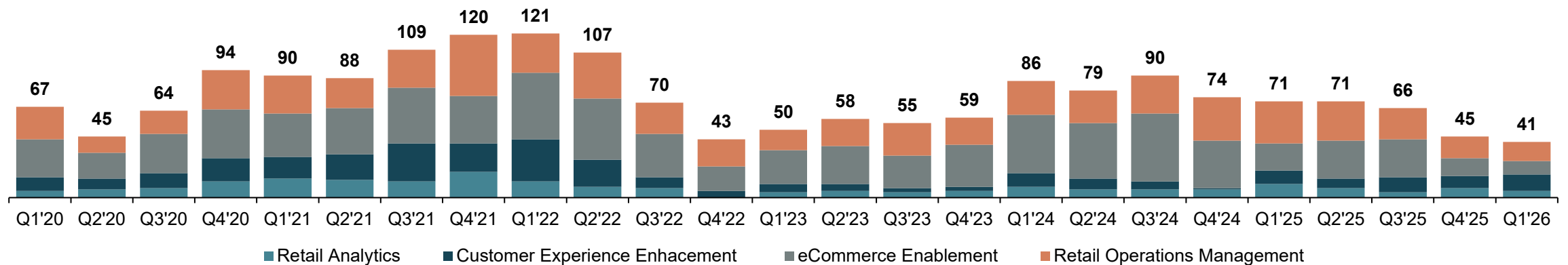
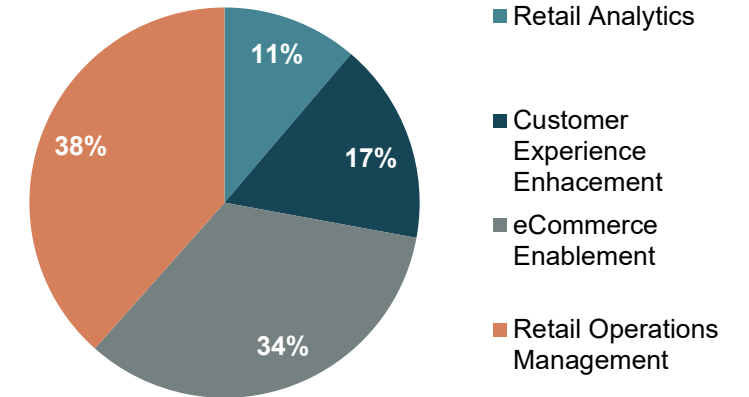
- Retail technology M&A transactions peaked in 2021-2022, reaching a high of 121 deals in Q1'22 during the market funding boom
- eCommerce consistently represents the largest share of transactions, while Retail Analytics and Customer Experience Enhancement remain a smaller portion of total deals
- eCommerce has grown over the years as companies continually prioritize building out their online transaction capabilities
- Early 2026 and 2H 2025 activity remained moderate, indicating a more disciplined transaction environment compared to prior market highs

## Median Multiples by Year

\*EV/Revenue



## M&A by Subsector Q1 2026 & FY 2025



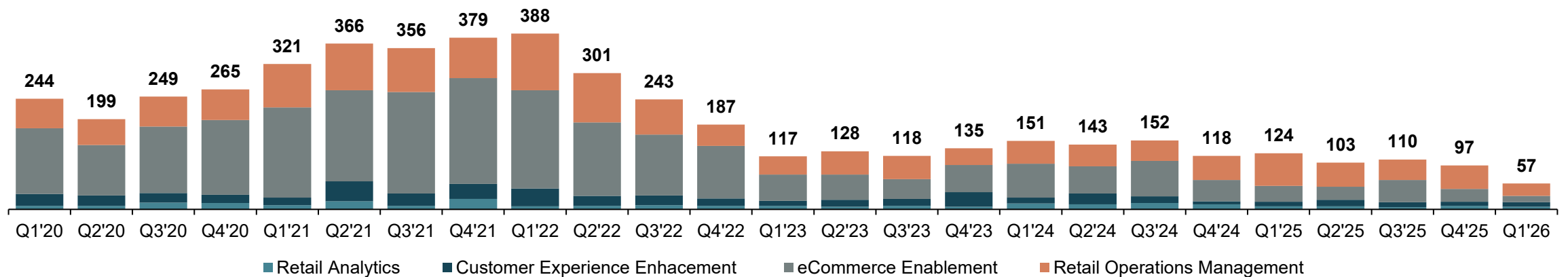
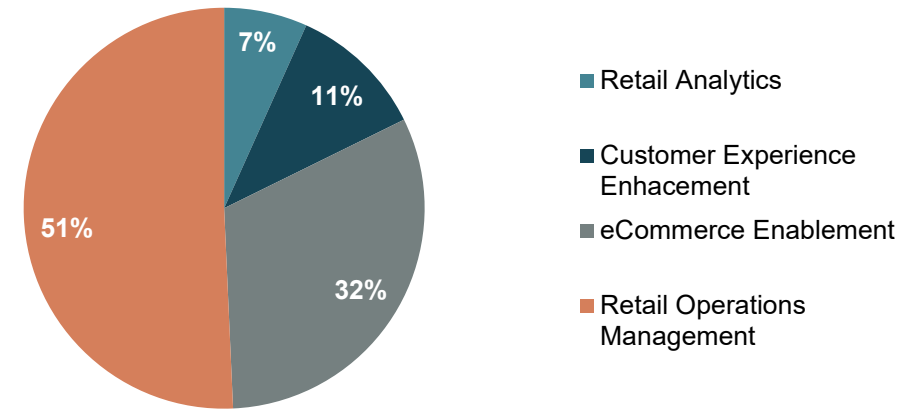
# Retail Technology Capital Raise Overview

Retail technology capital raises declined sharply over the past year and remain below the peak levels seen in 2021 and 2022

## M&A Transactions Commentary

- Retail technology capital raises peaked in 2021-2022, reaching all time highs amidst a general market capital raise frenzy
- eCommerce also remains a central subsector focus, meanwhile much of the investor focus is shifting to operations management
  - Investors are increasingly interested in retail operations management as companies consolidate their software
- Early 2026 and 2H 2025 activity slowed, indicating investor caution around macroeconomics and access to fundraising capital

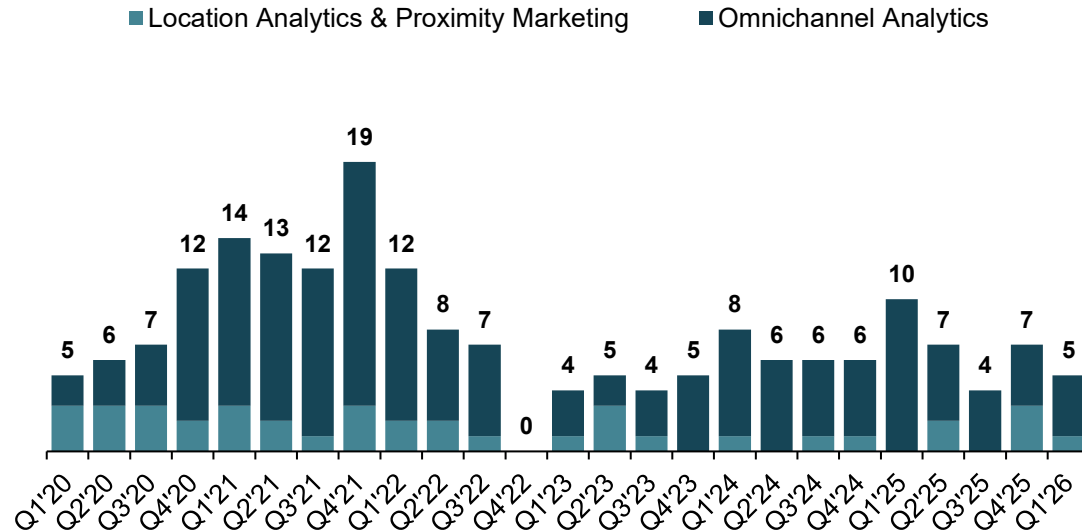
## M&A by Subsector Q1 2026 & FY 2025



# Retail Analytics Transaction Activity

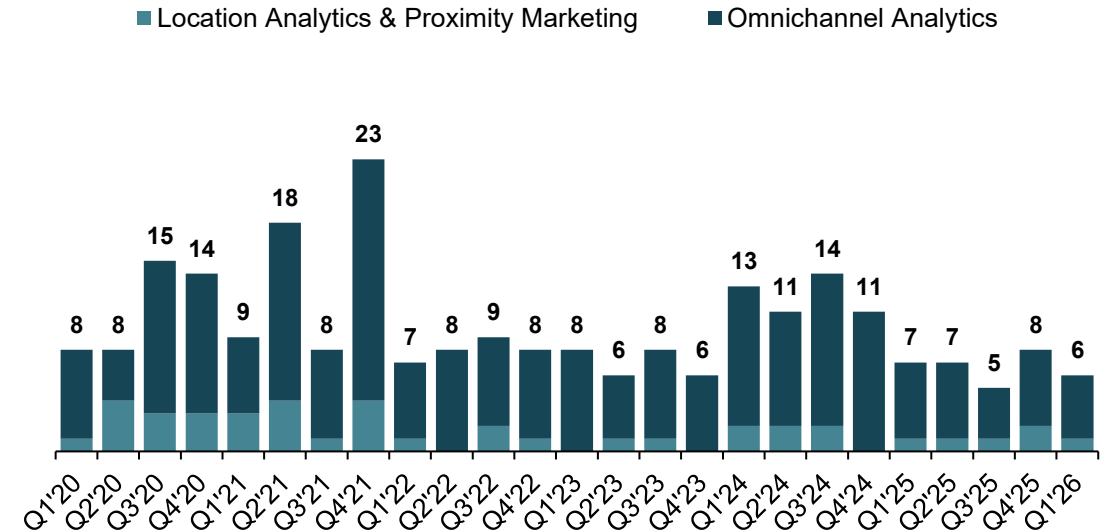
Retail Analytics deal activity has remained steady as investors still view analytics as central to retail technology evolution

## Retail Analytics M&A Activity



- M&A Retail Analytics deal volume in 2H 2025 maintained compared to 2H 2024. Investors continue to favor acquisitions of insight-driven technologies and foundational AI solutions that deliver immediate cost savings and operational efficiency
- Notable transactions in the past year include Rubicon Technology Partners acquisition of Nuqleous in Jul'25 through a leveraged buyout
  - Nuqleous is a developer of an automated retail space-planning and performance analytics software

## Retail Analytics Capital Raise Activity

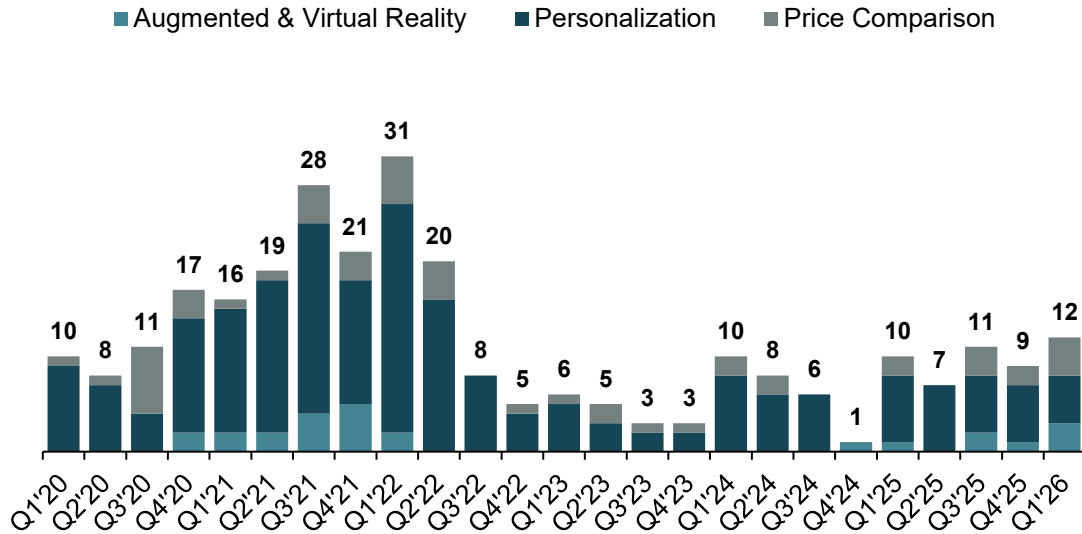


- Capital raises in Retail Analytics in 2H 2025 have remained stable compared to 2H 2024, reflecting continued investor interest in new analytics technology companies
- Notable transactions in the past year include Wayflyer \$185M Series B raise led by DST Global in Jun'25
  - Wayflyer is an operator of an analytics platform that provide's financing for e-commerce brands

# Customer Experience Enhancement Transaction Activity

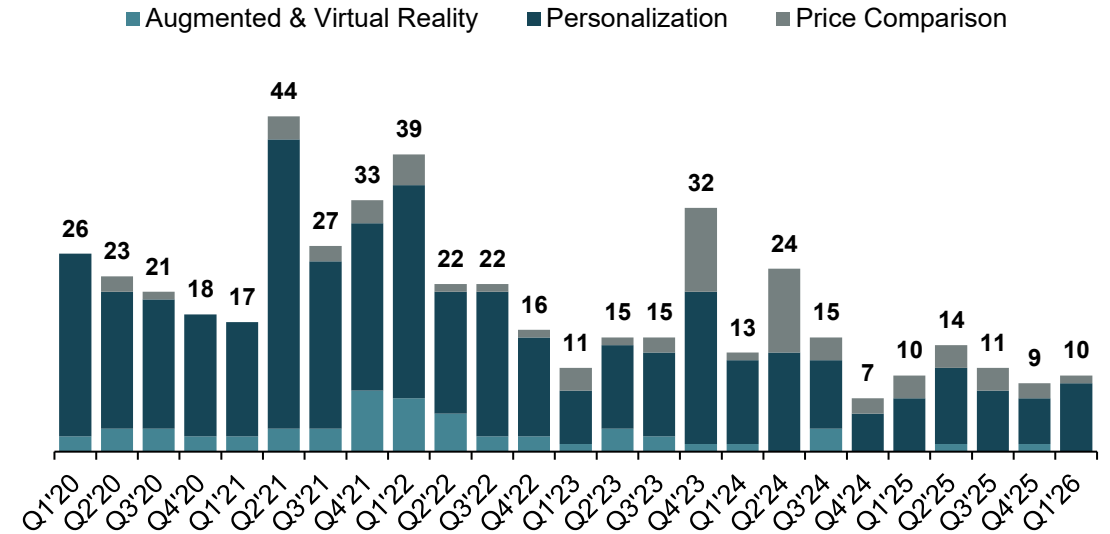
Customer Experience Enhancement deal activity has remained steady as improving customer experience remains a priority

## Customer Experience Enhancement M&A Activity



- M&A Customer Experience Enhancement deal volume in 2H 2025 grew compared to 2H 2024 due to companies continually finding the importance of customer engagement and services
- Notable transactions in the past year include Thoma Bravo's acquisition of Verint Systems in Nov'25 at an Enterprise Value of \$1.5B, revenue multiple of 1.7x, and EBITDA multiple of 12.0x
  - Verint Systems is a developer of AI-driven customer experience automation software

## Customer Experience Enhancement Capital Raise Activity

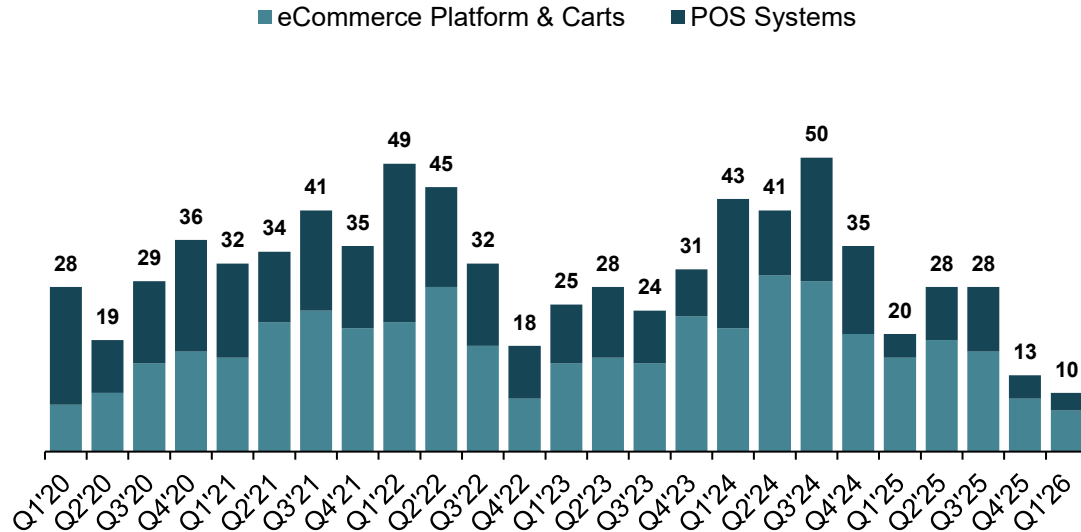


- Capital raises in Customer Experience Enhancement in 2H 2025 slightly tapered compared to 2H 2024. Capital raises have declined as investors find that companies can now easily integrate customer experience enhancement capabilities into their existing software platforms
- Notable transactions include Decagon's \$250M Series D raise led by Coatue Management in Jan'26
  - Decagon is a developer of AI agents designed to enhance customer support

# eCommerce Enablement Transaction Activity

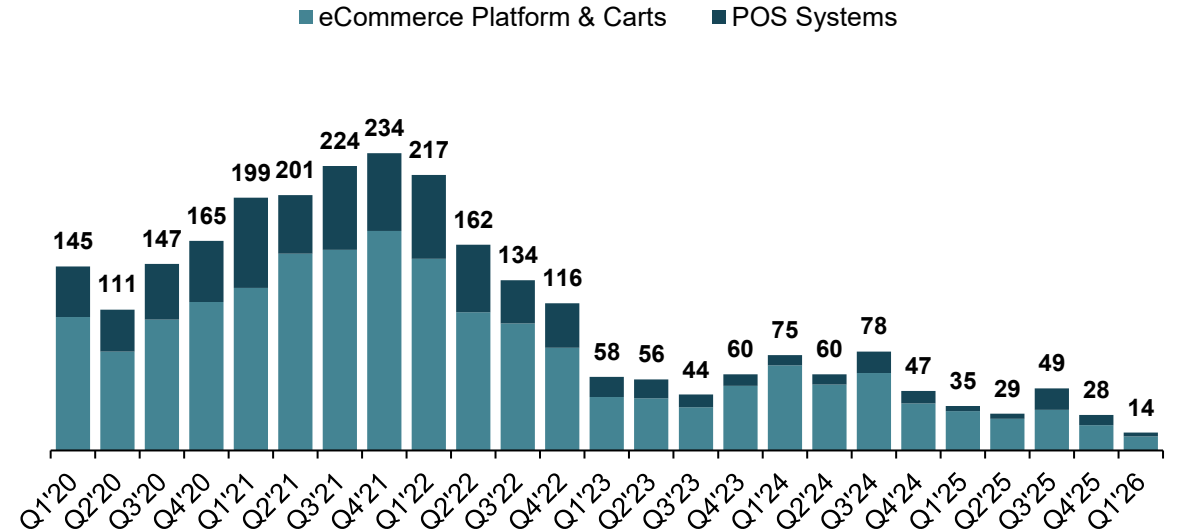
eCommerce Enablement transactions are increasingly consolidative as the sector reaches greater maturity

## eCommerce Enablement M&A Activity



- M&A eCommerce Enablement deal volume in 2H 2025 tapered off from 2H 2024 as investors responded cautiously to macroeconomic uncertainty
- Notable transactions in the past year include Vias's acquisition of Prisma Medios de Pago in Feb'26 at an Enterprise Value of \$5B
  - Prisma Medios de Pago is a developer of payment gateway for electronic commerce

## eCommerce Enablement Capital Raise Activity

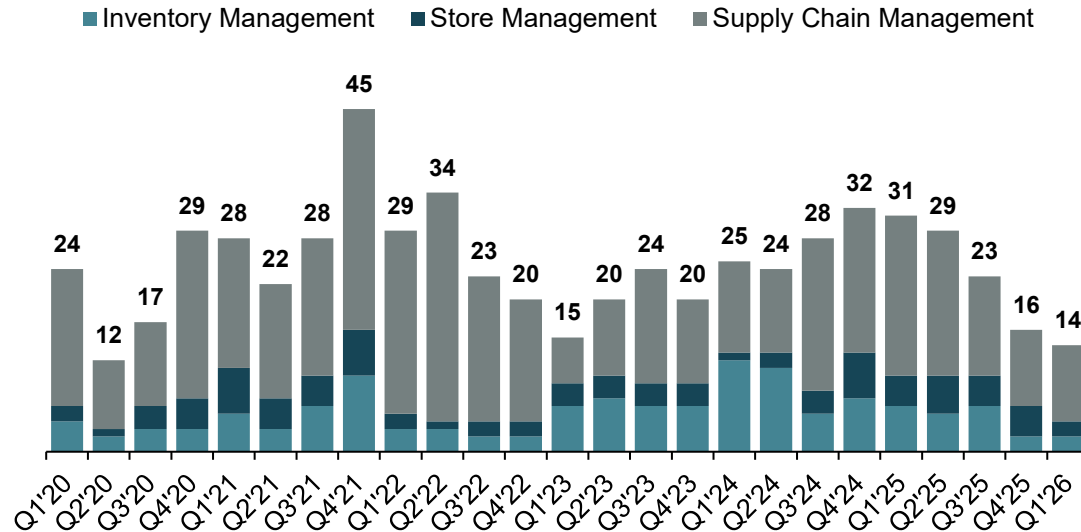


- Capital raises in eCommerce Enablement in 2H 2025 also tapered off compared to 2H 2024. The general investor outlook has shifted from growth to consolidation
- Notable transactions in the past year include Hignote's \$125M Series B raise led by Adams Street Partners in Feb'26
  - Hignote is a developer of payment gateway for electronic commerce

# Retail Operations Management Transaction Activity

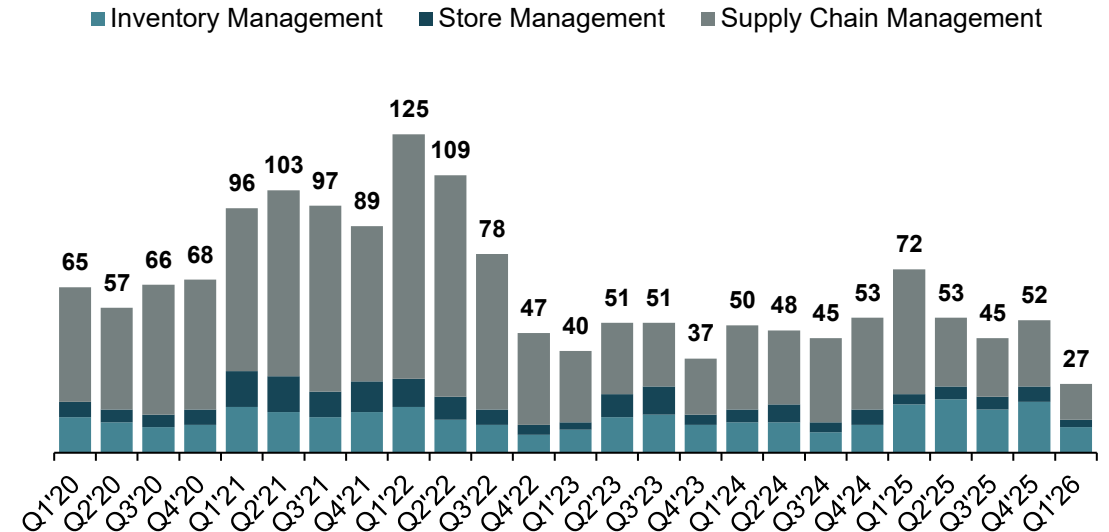
Retail Operations Management deal activity has plateaued while capital raises have maintained amid sustained software interest

## Retail Operations Management M&A Activity







































- M&A Retail Operations Management deal volume in 2H 2025 has slightly declined from 2H 2024, primarily due to macroeconomic events causing investor hesitancy for large acquisitions
- Notable transactions in the past year include Totvs' acquisition of Linx in Jul'25 at an Enterprise Value of \$0.6B
  - Linx is a developer of business management software for the e-commerce market

## Retail Operations Management Capital Raise Activity







- Capital raises in Retail Operations Management in 2H 2025 increased slightly compared to 2H 2024. The increase reflects investor interest in software that centralizes operations and workflows
- Notable transactions in the past year include Swap's \$100M Series C raise in a deal led DST Global and ICONIQ Growth on Jan'26
  - Swap is an operator of a product return platform intended for automation, shipping, and returns through instant exchange technology

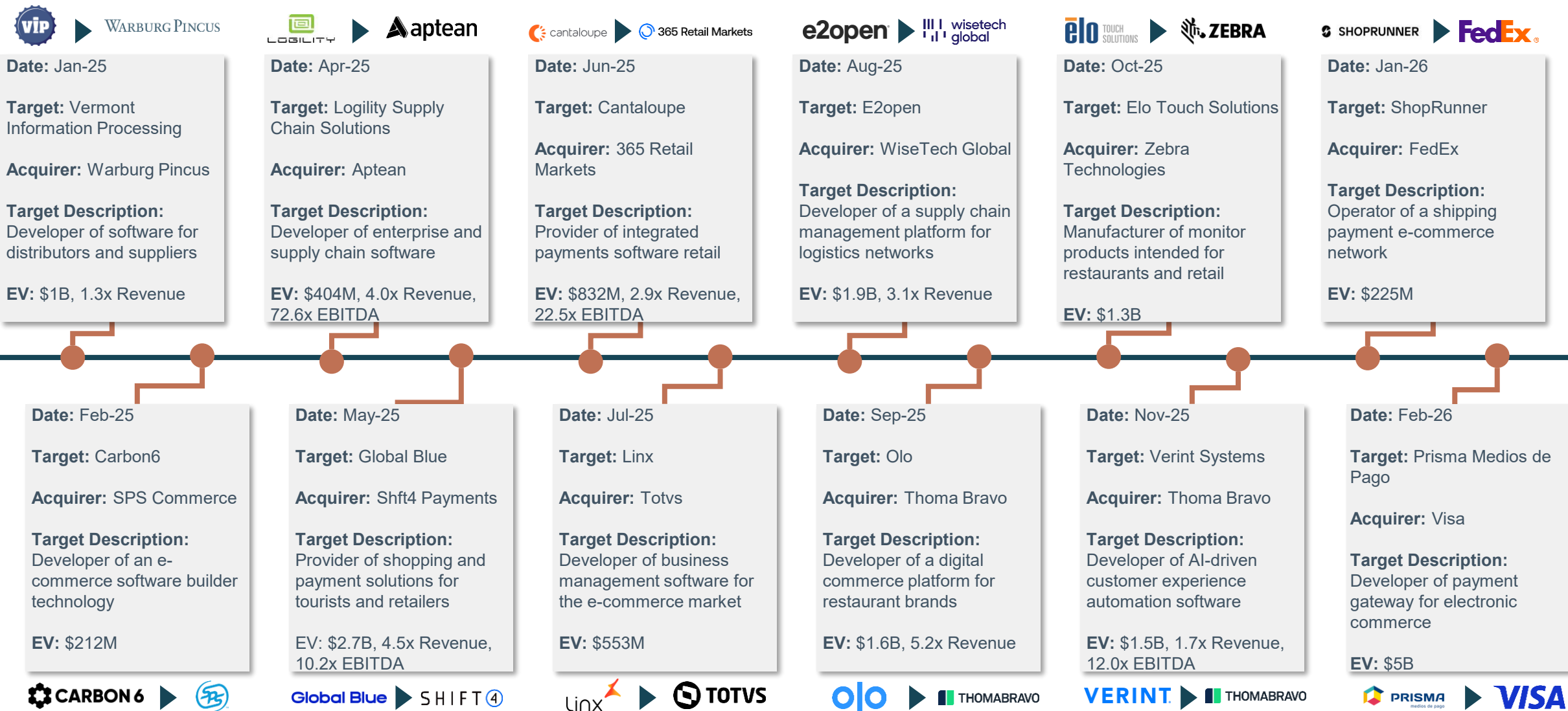
# Select Active Strategic Acquirers: Retail Technology

Acquirer	# of Acquisitions Since 2020	Select Acquisition Targets & Descriptions			
<b>DESCARTES</b> (TSE: DSG)	14	 <b>Finale Inventory</b> Aug-25 Developer of an intuitive cloud-based inventory management system	 <b>PackageRoute</b> Jun-25 Developer of a last-mile logistics platform	 <b>sellercloud</b> Oct-24 Developer of an e-commerce software platform	
<b>SHIFT 4</b> (NYS: FOUR)	9	 <b>bambora</b> Mar-26 Provider of payment processing services intended to serve merchants	 <b>smartpay</b> Oct-25 Provider of an electronic funds transfer at point of sale (EFTPOS) system	 <b>Global Blue</b> Mar-25 Developer of a tourist shopping and payment platform	
 <b>cart.com</b> (Various VC's)	8	 <b>OCEANX</b> Dec-24 Developer of a subscription commerce platform designed to support brands and retailers	 <b>amify</b> Apr-24 Provider of an e-commerce strategy and management services	 <b>DataFeedWatch</b> Mrr-22 Provider of an e-commerce strategy and management services	
 <b>lightspeed</b> (TSE: LSPD)	7	 <b>Quote Machine</b> Jan-25 Developer of a sales automation platform designed to streamline commercial operations	 <b>Ecwid</b> Oct-21 Developer of an e-commerce platform designed to democratize e-commerce	 <b>NuORDER</b> Jul-21 Operator of a wholesale e-commerce platform intended to connect brands and retailers	
 <b>fiserv.</b> (NAS:FISV)	7	 <b>Merchant Services</b> Sep-25 Developer of online payment solutions and electronic commerce gateway	 <b>CardFree</b> Sep-25 Developer of integrated commerce software designed to mobilize and enhance the customer experience	 <b>Merchant One</b> Dec-22 Provider of payment processing solutions catering to retail	
<b>globalpayments</b> (NYS: GPN)	6	 <b>worldpay</b> Jan-26 Provider of integrated payment and banking platform for omnichannel merchants	 <b>yazara</b> Sep-24 Developer of a point-of-sale system and payment application	 <b>takepayments</b> Apr-24 Provider of POS hardware and payment solutions for merchants	
<b>EPICOR</b> (CVC Capital Partners)	6	 <b>KYKLO</b> Jun-24 Operator of a sales operations platform for wholesale distributors	 <b>Performance Calivas</b> Mar-23 Developer of cloud FP&A software helping retailers automate planning	 <b>GROW</b> Mar-22 Developer of BI platform enabling companies to unify data and build analytics dashboards	
 <b>GrubMarket</b> (Various VC's)	6	 <b>PROCURANT</b> Nov-25 Developer of a global fresh food supply chain platform intended for retailers	 <b>FreshGOGO</b> Aug-24 Developer of an online shopping platform intended to offer grocery items via an online platform	 <b>BUTTER</b> May-24 Developer of a digital platform designed to optimize the food wholesale supply chain	
 <b>project44</b> (Various VC's)	4	 <b>SYNFIOO</b> Mar-22 Developer of a transportation monitoring platform designed to digitalize the logistics processes	 <b>convey</b> by project44 Sep-21 Developer of supply chain software designed to control the customer delivery experience	 <b>clearmetal</b> May-21 Developer of a continuous delivery experience (CDE) platform	
 <b>shopify</b> (NAS: SHOP)	4	 <b>Shop.ca</b> Jan-25 Provider of an online shopping platform	 <b>ChannelApe</b> Jan-25 Developer of an e-commerce management platform designed to automate back-end processes	 <b>Deliverr</b> Jul-22 Provider of tech-enabled e-commerce fulfillment services	

# Select Active Financial Investors: Retail Technology

Investor	# of Investments Since 2020	Select Investments & Descriptions		
 PSG	15	 <b>Oct-25</b> Developer of an e-commerce platform	 <b>Oct-23</b> Developer of a payment and data-centric acquiring solution platform	 <b>Oct-21</b> Developer of e-commerce advertising software
 INSIGHT PARTNERS	12	 <b>Mar-25</b> Developer of integrated eCommerce platform intended to serve distributors and retailers	 <b>Nov-24</b> Developer of warehouse management software	 <b>Jul-24</b> Developer of commerce platform designed to streamline business-to-business sales processes
 TA ASSOCIATES	11	 <b>Apr-25</b> Developer of a cloud-based mobility platform for people to shop, save, and conduct business	 <b>May-24</b> Developer of an e-commerce and supply chain optimization software	 <b>Nov-22</b> Developer of a cloud-based omnichannel platform that offers agile and innovative commerce
 Hg	10	 <b>Jul-25</b> Developer of a data platform to provide businesses with insight into their supply chains	 <b>Jun-25</b> Operator of a software platform intended to create cloud-based e-commerce infrastructures	 <b>Jan-25</b> Operator of a return management platform for e-commerce businesses
 MARLIN EQUITY PARTNERS	9	 <b>Nov-23</b> Developer of e-commerce revenue optimization platform using shopper analytics	 <b>Aug-22</b> Developer of an e-commerce inventory management platform	 <b>Sep-21</b> Developer of cloud-based shipping platform for e-commerce automation
 AKKR	9	 <b>May-25</b> Developer of a marketplace infrastructure designed for e-commerce bran	 <b>May-24</b> Developer of a fraud prevention platform catering to e-commerce, retail, and financial institutions	 <b>Aug-23</b> Developer of an omnichannel optical retail software platform
 WARBURG PINCUS	8	 <b>Jan-26</b> Developer of a shoppable media and e-commerce application	 <b>May-25</b> Developer of marketing platform connecting retail inventory to DTC sites	 <b>Jan25</b> Operator of a cloud-based platform intended to serve e-commerce sellers
 RUBICON technology partners	7	 <b>Jul-25</b> Developer of an automated retail space-planning and performance analytics software	 <b>Feb-24</b> Developer of contract packaging software enabling product customization	 <b>Jul-23</b> Developer of SaaS smart commerce software for manufacturing teams
 Advent	6	 <b>Feb-26</b> Operator of pan-European out-of-home e-commerce delivery platform	 <b>Jul25</b> Developer of warehouse and time-tracking software for SMB manufacturers	 <b>Nov-23</b> Developer of POS payment platforms for retail, food and transportation
 Mainsail Partners	5	 <b>Dec-21</b> Developer of e-commerce shopping cart application	 <b>Sep-21</b> Developer of inventory and warehouse management software for retailers	 <b>Apr-21</b> Developer of an e-commerce synchronization and acceleration platform

# Select Retail Technology M&A Transactions



# Select Retail Technology Capital Raises



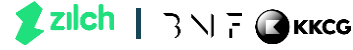
**Date:** May-25  
**Target:** Stord  
**Lead Investor:** Strike Capital VC  
**Target Description:** Developer of a digital warehousing distribution network for supply chains  
**Deal Size:** \$200M



**Date:** Jun-25  
**Target:** Wayflyer  
**Lead Investor:** DST Global  
**Target Description:** Operator of an analytics platform to provide financing for e-commerce brands  
**Deal Size:** \$185M



**Date:** Sep-25  
**Target:** Genesys  
**Lead Investor:** Salesforce Ventures, ServiceNow  
**Target Description:** Developer of enterprise and customer engagement software  
**Deal Size:** \$1.5B



**Date:** Nov-25  
**Target:** Zilch  
**Lead Investor:** BNF Capital, KKCG  
**Target Description:** Operator of a direct-to-consumer ad-subsidized payments network  
**Deal Size:** \$177M



**Date:** Jan-26  
**Target:** Decagon  
**Lead Investor:** Coatue Management  
**Target Description:** Developer of AI agents designed to enhance customer support  
**Deal Size:** \$250M



**Date:** Feb-26  
**Target:** Highnote  
**Lead Investor:** Adams Street Partners  
**Target Description:** Developer of a unified virtual payment platform  
**Deal Size:** \$125M

**Date:** May-25  
**Target:** Figure AI  
**Lead Investor:** Parkway Venture Capital  
**Target Description:** Developer of humanoid robots designed to automate labor in logistics and retail  
**Deal Size:** \$1.5B



**Date:** Sep-25  
**Target:** Sierra  
**Lead Investor:** Greenoaks Capital Partners  
**Target Description:** Developer of a conversational AI platform  
**Deal Size:** \$350M



**Date:** Oct-25  
**Target:** Whatnot  
**Lead Investor:** Capital G  
**Target Description:** Developer of a live stream platform designed to trade limited-edition toys and collectibles  
**Deal Size:** \$225M



**Date:** Nov-25  
**Target:** GoPuff  
**Lead Investor:** Edlridge Industries, Valor Equity Partner  
**Target Description:** Operator of a go-to instant commerce platform  
**Deal Size:** \$250M



**Date:** Jan-26  
**Target:** Swap  
**Lead Investor:** DST Global, ICONIQ Growth  
**Target Description:** Operator of a product return platform  
**Deal Size:** \$100M



**Date:** Mar-26  
**Target:** UniUni  
**Lead Investor:** Bessemer Venture Partners  
**Target Description:** Developer of a delivery services platform for e-commerce  
**Deal Size:** \$155M



**SECTION 8.**

**CLA Meridian Capital Technology Investment Banking  
Overview**



# CLA Meridian Capital Investment Banking Overview

CLA Meridian Capital has served as a trusted advisor to founders and entrepreneurs in achieving their M&A and corporate finance goals since 1995

- 30+ Finance Professionals
- 300+ Transactions Completed
- \$20M - \$500M Transaction Size Range
- 30+ Countries via REACH
- 7+ Specialized Managing Directors

## CLA Meridian's Services

-  **Sell-Side Processes**
-  **Recapitalizations**
-  **Buy-Side Processes**
-  **Strategic Advisory**

## CLA Meridian's Experience

- Industry Expertise**
  - CLA Meridian has deep industry expertise across three core sectors – **Technology, Industrials, and Consumer**; supported by specialized teams dedicated to each market
- Middle-Market Focus**
  - CLA Meridian focuses primarily on **middle-market companies, including founder- and family-owned businesses**, while avoiding conflicts of interest with financial buyers
- White-Glove Approach**
  - CLA Meridian takes a white-glove, highly tailored approach to every transaction, ensuring **each process is customized to the unique goals and circumstances** of the client
- International Reach**
  - CLA Meridian maintains a strong local presence while offering **international reach through Reach M&A Partners**, enabling clients to access a network of global buyers and investors

## CLA Meridian's Success

### The CLA Meridian Success Story

*CLA Meridian is a true partner. We asked a lot of our bankers and CLA Meridian went above and beyond to deliver for us. Not only was the economic outcome exceptional, but CLA Meridian was also able to help us find the right partner that was aligned with our culture and values. They listened and delivered.*

**Tim Turner**  
**Subsplash**  
**CEO and Founder**



# CLA Meridian Capital Technology Investment Banking

CLA Meridian Capital leverages deep industry knowledge to execute complex and important transactions for middle market founder-focused clients

## CLA Meridian Capital by the Numbers

<p><b>300+</b></p> <p>Transactions Completed</p>	<p><b>\$50-300M</b></p> <p>Typical Transaction Values</p>	<p><b>3</b></p> <p>Industry Practice Groups</p>	<p><b>30+</b></p> <p>Countries via REACH M&amp;A Partners</p>
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## CLA Meridian Technology Practice Areas

Retail Technology	Tech-Enabled Services	Hardware / Systems	Vertical Software	IT Services

## Representative Transactions







































<p>Inteum</p> <p>- Acquired by -</p>	<p>Zendrop</p> <p>- Merged with -</p>	<p>Clinicient</p> <p>- Received an investment -</p>	<p>Bulletin</p> <p>- Acquired by -</p>
<p>Style Genome</p> <p>- Acquired by -</p>	<p>VIDA</p> <p>- Acquired by -</p>	<p>ShipFusion</p> <p>- Received an investment -</p>	<p>Voke</p> <p>- Received an investment by -</p>

## Meet the Technology Team

Team Leads	<p><b>Teague Collins</b> Managing Director 15+ years experience</p>	<p><b>Tim Johnson</b> Vice President</p>	
	<p><b>Patrick Ringland</b> President &amp; Managing Director 15+ years experience</p>		<p><b>Kendell Jensen</b> Vice President</p>
	<p><b>Matt Rehtin</b> Managing Director 15+ years experience</p>		

\*Includes transactions completed by current employees while at previous firms

# CLA Meridian's Select Retail Tech Transactions

<p><u>Perfect Corp</u></p> <p><b>PERFECT</b></p> <p>- Received an Investment by -</p> <p> snapchat / </p>	<p><u>Zendrop</u></p> <p> <b>Zendrop</b></p> <p>- Merged with -</p> <p></p>	<p><u>Clinicient</u></p> <p> <b>Clinicient</b></p> <p>- Received an investment by -</p> <p></p>	<p><u>Bulletin</u></p> <p><b>BULLETIN</b></p> <p>- Acquired by -</p> <p> EMERALD</p>	<p><u>Packlane</u></p> <p> <b>PACKLANE</b></p> <p>- Acquired by -</p> <p>Undisclosed Investor</p>	<p><u>Style Genome</u></p> <p> STYLE GENOME</p> <p>- Acquired by -</p> <p></p>	<p><u>AgencyZoom*</u></p> <p> Agencyzoom</p> <p>- Acquired by -</p> <p> <b>Vertafore</b></p>
<p><u>NW Motorsport</u></p> <p></p> <p>- Acquired by -</p> <p></p>	<p><u>Vida</u></p> <p><b>VIDA</b></p> <p>- Received an investment by -</p> <p></p>	<p><u>Shipfusion</u></p> <p> <b>Shipfusion</b></p> <p>- Received an investment by -</p> <p></p>	<p><u>Valant</u></p> <p> <b>valant</b></p> <p>- Received an investment by -</p> <p>Undisclosed Investor</p>	<p><u>Voke</u></p> <p> <b>VOKE</b></p> <p>- Received an investment by -</p> <p></p>	<p><u>Seagull Scientific</u></p> <p> <b>BarTender</b></p> <p>- Acquired by -</p> <p></p>	<p><u>OneStream*</u></p> <p> <b>OneStream</b></p> <p>- Received an investment by -</p> <p></p>
<p><u>Pixlee</u></p> <p> Pixlee TurnTo</p> <p>- Acquired by -</p> <p></p>	<p><u>Keen Design Systems</u></p> <p> <b>Keen</b></p> <p>- Received an investment by -</p> <p></p>	<p><u>Influenster</u></p> <p> <b>influenster</b></p> <p>- Acquired by -</p> <p></p>	<p><u>Imprev</u></p> <p> <b>Imprev</b></p> <p>- Acquired by -</p> <p> <b>MoxiWorks</b></p>	<p><u>Health Perspectives Group</u></p> <p> <b>HPG</b> LLC</p> <p>Health Perspectives Group</p> <p>- Acquired by -</p> <p></p>	<p><u>Office Ally</u></p> <p> <b>FFICE ALLY</b></p> <p>- Acquired by -</p> <p></p>	<p><u>Crosslake Technologies</u></p> <p><b>CROSSLAKE</b> </p> <p>- Acquired by -</p> <p> <b>FALFURRIAS</b></p>

\* Includes transactions completed by current employees while at previous firms

# Thank you

## CONTACT INFORMATION

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