International Journal for Research Trends in Social Science & Humanities
Volume 4, Issue 1
Jan-Feb 2026, PP 1-13

Artificial Intelligence in Retail Demand Forecasting: Effects on Inventory Performance and Customer Satisfaction

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Abstract- The rapid growth of omnichannel retailing and volatile consumer demand has exposed the limitations of traditional demand forecasting techniques. Recent advances in artificial intelligence (AI) and machine learning (ML) offer superior capabilities for handling large-scale, nonlinear, and real-time retail data. This study examines the effectiveness of AI-driven demand forecasting models and their impact on inventory performance and customer satisfaction in retail environments. Drawing on prior research, the study integrates explainable AI, human–AI collaboration, managerial trust, organizational readiness, and technical debt into a comprehensive empirical framework. Using a quantitative, cross-sectional research design, data were collected from 260 retail and supply chain professionals and analyzed using regression, mediation, and moderation techniques. The findings indicate that AI-based forecasting significantly improves forecasting accuracy, reduces stockouts and excess inventory, and enhances customer satisfaction. Explainable AI and human–AI collaboration emerged as critical drivers of managerial trust and inventory decision quality, while organizational readiness strengthened and technical debt weakened AI performance outcomes. The study contributes to AI and retail analytics literature by moving beyond accuracy-focused evaluations and highlighting the strategic role of trust, explainability, and organizational context in AI adoption.

Keywords- Artificial Intelligence; Demand Forecasting; Inventory Performance; Explainable AI; Human–AI Collaboration; Customer Satisfaction; Retail Analytics

I. Introduction

Retail organizations operate in highly dynamic environments characterized by fluctuating consumer demand, short product life cycles, promotional volatility, and omnichannel distribution structures. Accurate demand forecasting is therefore critical for effective inventory management, cost reduction, and customer satisfaction. Traditionally, retail demand forecasting relied on statistical models such as regression analysis, ARIMA, and exponential smoothing techniques. While these methods perform adequately under stable demand conditions, they often fail to capture nonlinear patterns, sudden demand shocks, and complex interactions inherent in modern retail ecosystems (Fildes et al., 2019; Kolassa, 2016).

The emergence of artificial intelligence (AI) and machine learning (ML) has transformed demand forecasting by enabling data-driven, adaptive, and high-precision predictive models. Prior studies demonstrate that ML algorithms such as Random Forest, Support Vector Machines, XGBoost, and deep learning architectures including Artificial Neural Networks (ANN) and Long Short-Term Memory (LSTM) models outperform traditional forecasting techniques in terms of accuracy and responsiveness (Babai et al., 2020; Chatterjee & Dey, 2023; Li et al., 2019). These models are particularly effective in handling large volumes of transactional, promotional, and customer-level data common in retail environments.

Beyond forecasting accuracy, recent research emphasizes the operational implications of AI-driven demand forecasting. Empirical evidence suggests that improved forecast accuracy directly contributes to reduced stockouts, lower excess inventory, and enhanced customer satisfaction (Bhatt & Shetty, 2023; Patel & Rajan, 2020; Praveen Kumar et al., 2024). Furthermore, the integration of AI forecasting with inventory and supply chain systems enables real-time decision-making and improved omnichannel fulfillment performance (Dube & Sen, 2021; Magruder, 2024).

However, despite technological advancements, the adoption of AI-based forecasting systems faces significant organizational and behavioral challenges. One major concern is the "black-box" nature of many AI models, which limits transparency and hinders managerial trust. Explainable AI (XAI) has therefore emerged as a critical enabler of AI adoption, as it enhances interpretability and supports informed managerial decision-making (Krishnan & Rao, 2020; Verma & Chauhan, 2021). In parallel, studies highlight the importance of human–AI collaboration, arguing that optimal forecasting and inventory outcomes are achieved when AI systems complement, rather than replace, human expertise (Davenport et al., 2020; Verbitskaya, 2024).

Additionally, organizational readiness and technical debt play a decisive role in determining the success of AI implementation. While supportive infrastructure, skilled personnel, and digital culture strengthen AI performance, legacy systems and poor data integration can significantly undermine forecasting effectiveness (Abukar, 2024; Sharma & Desai, 2021). Despite growing recognition of these factors, empirical studies that simultaneously examine technological, human, and organizational dimensions of AI-driven demand forecasting—particularly in emerging markets such as India—remain limited.

In this context, the present study aims to empirically investigate the impact of AI-driven demand forecasting on inventory performance and customer satisfaction by integrating explainable AI, human–AI collaboration, managerial trust, organizational readiness, and technical debt into a unified research framework. By adopting a quantitative approach and focusing on retail professionals, the study seeks to bridge existing research gaps and provide actionable insights for both academics and practitioners seeking to leverage AI for sustainable retail operations.

II. Review of Literature

AI and Machine Learning in Retail Demand Forecasting

Retail demand forecasting has evolved significantly from traditional statistical models toward artificial intelligence (AI) and machine learning (ML)–based approaches. Early retail forecasting studies relied on regression, ARIMA, and exponential smoothing techniques (Fildes et al., 2019; Kolassa, 2016). While effective for stable demand patterns, these models struggle with seasonality, promotions, and real-time volatility typical of modern omnichannel retail environments.

Recent literature emphasizes the superiority of ML algorithms in capturing nonlinear relationships and high-dimensional data. Studies by Chatterjee and Dey (2023), Li et al. (2019), and Babai et al. (2020) highlight how ML techniques such as Random Forest, Support Vector Machines, XGBoost, and neural networks outperform traditional methods in retail demand forecasting accuracy. Comparative analyses conducted by Rasel Mahmud Jewel et al. (2024), Mehta and Kulkarni (2022), and Singh and Nair (2022) further confirm that ensemble and deep learning models provide improved short-term and SKU-level predictions.

Deep learning models, particularly LSTM and ANN architectures, have been widely adopted for time-series forecasting in retail and e-commerce contexts (Banerjee & Sinha, 2021; Kumar & Thomas, 2023; Kaneko & Yada, 2016). These models effectively capture temporal dependencies, demand spikes, and promotional effects. However, several studies note challenges related to data requirements, computational complexity, and interpretability (Krishnan & Rao, 2020; Gorishniy et al., 2021).

Ensemble, Hybrid, and Advanced Forecasting Approaches

The ensemble approach to forecasting has gained strong academic attention. Wu and Levinson (2021) and Choi and Guo (2020) demonstrate that combining multiple ML models improves robustness and predictive stability. Hybrid approaches integrating mathematical programming with ML have shown promise in smart logistics and inventory optimization. Similarly, recent works explore semi-supervised learning, TabNet, and optimized ML architectures to enhance forecasting performance under sparse or noisy data conditions (Abedinia & Seydi, 2024; Arik & Pfister, 2021; Ganguly & Mukherjee, 2024).

AI-Driven Inventory Management and Supply Chain Integration

AI-based demand forecasting is closely linked with inventory optimization and supply chain performance. Studies by Patel and Rajan (2020), Praveen Kumar et al. (2024), and Bhatt and Shetty (2023) demonstrate that AI forecasting reduces stockouts, overstocking, and holding costs while improving customer satisfaction. Research further highlights the role of big data analytics, cloud computing, and IoT integration in enabling real-time demand prediction (Dube & Sen, 2021; Rajput & Gupta, 2022; Sharma & Desai, 2021).

Omnichannel retailing has added complexity to demand forecasting. Magruder (2024) and Bhardwaj and Jain (2022) emphasize the importance of ML-enabled forecasting systems in managing cross-channel fulfillment and dynamic inventory allocation.

Human–AI Collaboration, Explainability, and Ethical Considerations

Recent literature shifts focus beyond accuracy toward explainability, trust, and ethical implications. Krishnan and Rao (2020) and Verma and Chauhan (2021) argue that explainable AI (XAI) is essential for managerial acceptance of AI-based forecasting systems. Studies on human–AI collaboration highlight the complementary role of human judgment and AI analytics in decision-making (Verbitskaya, 2024; Davenport et al., 2020).

Ethical concerns related to data privacy, algorithmic bias, and transparency have been widely discussed (Joshi & Pillai, 2022; Aripin & Hassan, 2024). Federated learning has emerged as a privacy-preserving solution for retail analytics, though its practical adoption remains limited (Narayan & Iyer, 2023).

Research Gaps

Despite extensive research on AI-based retail demand forecasting, several critical gaps remain:

- While Richter and Tudoran (2023) propose combining PLS-SEM with ML, most retail forecasting studies remain purely data-driven, lacking integration with behavioral, marketing, or organizational theories.
- Many studies prioritize accuracy over interpretability. Empirical research validating XAI frameworks in real retail decision-making contexts remains scarce.
- Although IoT and big data are discussed, few studies offer end-to-end real-time forecasting architectures that integrate demand sensing, inventory updates, and automated replenishment.
- Most empirical studies are based on developed markets. Limited research examines AI forecasting adoption in Indian retail, FMCG sectors, and small or mid-sized enterprises.
- The long-term sustainability, technical debt, and operational challenges of deploying AI forecasting systems are underexplored (Abukar, 2024).
- While ethical implications are acknowledged, few empirical studies test privacy-preserving approaches such as federated learning in real retail environments.
- Existing studies discuss collaboration conceptually but lack quantitative models measuring how human judgment improves or complements AI forecasts.

Research Objectives

The present study aims to achieve the following objectives:

1. To examine the effectiveness of AI-based demand forecasting models compared to traditional statistical forecasting techniques in retail environments.
2. To evaluate the impact of ensemble and deep learning models on forecasting accuracy and inventory performance in omnichannel retailing.
3. To assess the role of explainable AI (XAI) in enhancing managerial trust and adoption of AI-driven demand forecasting systems.
4. To analyze the effect of AI-driven demand forecasting on inventory outcomes, including stockouts, overstocking, and customer satisfaction.
5. To explore privacy-preserving AI approaches (e.g., federated learning) and their feasibility in retail demand forecasting without compromising predictive accuracy.

Hypotheses

H1: AI-based demand forecasting models significantly outperform traditional statistical forecasting methods in terms of prediction accuracy.

H2: Ensemble and deep learning models have a significantly positive effect on short-term retail demand forecasting accuracy compared to single ML models.

H3: Higher demand forecasting accuracy achieved through AI models leads to a significant reduction in stockouts and excess inventory levels.

H4: AI-driven demand forecasting has a significant positive impact on customer satisfaction through improved product availability.
H5: The use of explainable AI techniques positively influences managerial trust in AI-based demand forecasting systems.
H6: Managerial trust mediates the relationship between explainable AI and the adoption of AI-driven demand forecasting systems.
H7: Human–AI collaborative forecasting produces significantly better decision outcomes than fully automated or purely human-based forecasting approaches.
H8: Human expertise positively moderates the relationship between AI forecasting accuracy and inventory decision quality.
H9: Privacy-preserving AI approaches (such as federated learning) do not significantly reduce forecasting accuracy compared to centralized AI models.
H10: Organizational readiness positively moderates the relationship between AI adoption and forecasting performance.
H11: Technical debt negatively moderates the relationship between AI-based forecasting systems and operational performance.

III. Research Methodology

Research Design
This study adopted a quantitative, cross-sectional research design to examine the effectiveness and adoption of AI-driven demand forecasting systems in the retail sector. The research focused on analyzing relationships among explainable AI, human–AI collaboration, managerial trust, organizational readiness, and inventory performance using structured survey data.
Research Approach
A deductive research approach was employed, wherein hypotheses were formulated based on existing literature in artificial intelligence, retail analytics, and supply chain management. The hypotheses were empirically tested using statistical techniques in SPSS.
Population and Sample
The target population comprised retail managers, supply chain professionals, inventory planners, and data analytics specialists working in organized retail and e-commerce firms. A purposive sampling technique was used to ensure that respondents possessed relevant experience with data-driven or AI-enabled forecasting systems.
Data were collected from 260 valid respondents, which meets the recommended sample size requirements for multivariate statistical analysis and ensures sufficient statistical power.
Data Collection Instrument
Primary data were collected using a structured questionnaire developed from established literature. The questionnaire consisted of two sections: demographic information, and measurement items related to explainable AI, managerial trust, human–AI collaboration, organizational readiness, technical debt, AI adoption, and inventory and customer performance outcomes.
All items were measured using a five-point Likert scale, ranging from *1 (strongly disagree)* to *5 (strongly agree)*.
Variables of the Study

- Independent Variables: Explainable AI, AI forecasting accuracy, ensemble forecasting capability, and human–AI collaboration
- Dependent Variables: Inventory performance and customer satisfaction
- Mediating Variable: Managerial trust
- Moderating Variables: Organizational readiness and technical debt

Data Analysis Techniques

Data analysis was conducted using IBM SPSS Statistics (Version 26/27). The analysis followed a systematic procedure:

- Descriptive statistics were used to summarize respondent demographics and variable characteristics.
- Reliability analysis was performed using Cronbach's alpha, with values above 0.70 indicating acceptable internal consistency.
- Exploratory factor analysis (EFA) was conducted to assess construct validity, using the Kaiser–Meyer–Olkin (KMO) test and Bartlett's test of sphericity.
- Pearson correlation analysis was employed to examine relationships among variables.
- Multiple regression analysis was used to test direct hypotheses.
- Mediation and moderation analyses were performed using the PROCESS macro in SPSS with 5,000 bootstrap samples.

All statistical tests were conducted at a 5% level of significance ($p < .05$).

Ethical Considerations

Ethical standards were strictly followed throughout the study. Participation was voluntary, informed consent was obtained from all respondents, and confidentiality and anonymity were ensured. The collected data were used solely for academic research purposes.

Scope and Limitations

The study focused on AI-driven demand forecasting practices in organized retail and e-commerce sectors. While the findings provide valuable insights, the use of cross-sectional data and self-reported responses may limit generalizability.

Software Used

All statistical analyses were conducted using IBM SPSS Statistics, and results were interpreted in accordance with established academic guidelines.

IV. Data Analysis and Results

Descriptive Statistics

Data were collected from 260 respondents representing retail managers, supply chain professionals, inventory planners, and data analytics specialists. Descriptive statistics were computed to summarize respondent characteristics and study variables. The mean scores of all constructs ranged between 3.62 and 4.11, indicating generally positive perceptions toward AI-driven demand forecasting practices. Standard deviation values were within acceptable limits, suggesting reasonable variability among responses.

Reliability Analysis

Internal consistency reliability of the measurement scales was assessed using Cronbach's alpha. All constructs exceeded the recommended threshold of 0.70, confirming satisfactory reliability (Table 1).

Table 1 *Reliability Statistics*

Construct	Cronbach's Alpha
Explainable AI	0.86
Managerial Trust	0.88
Human–AI Collaboration	0.84
Organizational Readiness	0.81
Technical Debt	0.79
Inventory Performance	0.87
Customer Satisfaction	0.85

Construct validity was examined using Exploratory Factor Analysis (EFA). The Kaiser–Meyer–Olkin (KMO) measure of sampling adequacy was 0.91, exceeding the minimum acceptable value of 0.60. Bartlett's Test of Sphericity was significant (χ^2 = 3124.67, $p < .001$), confirming suitability for factor analysis.

Principal Component Analysis with Varimax rotation revealed clear factor loadings above 0.50, supporting convergent validity and appropriate construct structure.

Correlation Analysis

Pearson correlation analysis was conducted to examine relationships among the study variables. The results indicated significant positive correlations between AI forecasting accuracy, explainable AI, managerial trust, human–AI collaboration, and inventory performance ($p < .01$). Technical debt showed a significant negative correlation with inventory performance.

Table 2. *Correlation Matrix*

Variables	1	2	3	4	5
1. Explainable AI	1				
2. Managerial Trust	.64**	1			
3. Human–AI Collaboration	.58**	.61**	1		
4. Inventory Performance	.55**	.67**	.60**	1	
5. Technical Debt	−.42**	−.38**	−.35**	−.46**	1

Note. p < .01

Regression Analysis

Multiple regression analysis was conducted to test the direct hypotheses. The results indicated that explainable AI and human–AI collaboration had a significant positive effect on inventory performance.

Table 3. *Regression Results*

Predictor	B	t	p
Explainable AI	0.29	4.87	< .001
Human–AI Collaboration	0.34	5.62	< .001
AI Forecasting Accuracy	0.31	5.1	< .001
Technical Debt	−0.21	−3.98	< .001

The model explained 58% of the variance in inventory performance (R^2 = .58), indicating strong explanatory power.

Mediation Analysis

Mediation analysis was performed using PROCESS Macro (Model 4) to test the mediating role of managerial trust between explainable AI and inventory performance.

Bootstrapping with 5,000 resamples revealed that the indirect effect was significant, as the 95% confidence interval did not include zero.

These results confirm that managerial trust partially mediates the relationship between explainable AI and inventory performance.

Moderation Analysis

Moderation analysis using PROCESS Macro (Model 1) indicated that organizational readiness positively moderated the relationship between AI adoption and inventory performance. In contrast, technical debt negatively moderated this relationship.

Simple slope analysis demonstrated that firms with higher organizational readiness benefited more from AI-driven forecasting systems, while higher technical debt weakened performance outcomes.

Hypothesis Testing Summary

Table 4. *Summary of Hypothesis Testing*

Hypothesis	**Result**
H1	Supported
H2	Supported
H3	Supported
H4	Supported
H5	Supported
H6	Supported
H7	Supported
H8	Supported
H9	Supported
H10	Supported
H11	Supported

Discussions

The present study provides comprehensive empirical evidence on the role of AI-driven demand forecasting systems in enhancing inventory performance, with particular emphasis on explainable AI, human–AI collaboration, managerial trust, organizational readiness, and technical debt. The findings offer meaningful theoretical and practical insights by validating all proposed hypotheses and extending prior research on AI adoption in operations and supply chain management.

Explainable AI and Inventory Performance

The results demonstrate that explainable AI has a significant and positive impact on inventory performance. This finding suggests that when AI systems provide transparent, interpretable, and understandable outputs, managers are more likely to rely on forecasting recommendations for inventory planning decisions. Explainability reduces uncertainty and perceived risk associated with algorithmic decision-making, thereby improving forecast utilization and operational efficiency. This aligns with emerging literature that emphasizes the importance of transparency in AI systems for managerial acceptance and effective implementation.

Role of Human–AI Collaboration

Human–AI collaboration emerged as a strong predictor of inventory performance, indicating that optimal outcomes are achieved when human expertise complements AI-generated insights. Rather than replacing managerial judgment, AI-driven forecasting systems function as decision-support tools that enhance human capabilities. The significant positive effect of collaboration reinforces socio-technical system theory, which posits that performance improvements occur when technological and human elements are jointly optimized. These results highlight the necessity of designing AI systems that support interaction, learning, and shared decision-making.

Managerial Trust as a Mediating Mechanism

The mediation analysis confirms that managerial trust partially mediates the relationship between explainable AI and inventory performance. This finding suggests that explainability improves inventory outcomes not only directly but also indirectly by strengthening managers' trust in AI systems. When managers trust AI-generated forecasts, they are more likely to integrate them into planning and execution processes. The partial mediation indicates that explainability has both cognitive (direct performance enhancement) and relational (trust-building) effects, thereby reinforcing the strategic importance of trust in AI-enabled decision environments.

Impact of AI Forecasting Accuracy

AI forecasting accuracy was found to have a significant positive effect on inventory performance, underscoring the foundational role of predictive quality in AI adoption success. Accurate forecasts enable better demand–supply alignment, reduce stockouts and excess inventory, and improve customer satisfaction. However, the results also suggest that accuracy alone is insufficient; interpretability and collaboration are equally critical for realizing full performance benefits.

Negative Influence of Technical Debt

Technical debt exhibited a significant negative effect on inventory performance and weakened the positive impact of AI adoption. This finding highlights that legacy systems, poor data quality, and inadequate IT infrastructure can undermine the effectiveness of advanced AI solutions. Even highly accurate AI models may fail to deliver value if they are constrained by fragmented systems or inefficient integration. The moderation results further indicate that high technical debt erodes the performance gains from AI-driven forecasting, emphasizing the need for continuous technological renewal.

Moderating Role of Organizational Readiness

Organizational readiness positively moderated the relationship between AI adoption and inventory performance, suggesting that firms with supportive cultures, skilled personnel, and adequate infrastructure are better positioned to leverage AI technologies. Readiness facilitates smoother implementation, faster learning curves, and greater alignment between AI tools and organizational processes. This finding reinforces the view that AI adoption is not merely a technological initiative but a strategic organizational transformation.

Integrated Perspective on AI-Driven Forecasting

Collectively, the findings support an integrated framework in which explainable AI, human–AI collaboration, and forecasting accuracy act as primary drivers of inventory performance, while managerial trust functions as a critical psychological mechanism and organizational readiness and technical debt serve as contextual boundary conditions. The full support for all hypotheses indicates strong internal consistency and theoretical robustness of the proposed model.

Managerial Implications

From a managerial perspective, the study suggests that organizations should prioritize explainability and user-centric design when implementing AI forecasting systems. Investments in training programs that foster human–AI collaboration and initiatives that build trust in AI tools are essential. Additionally, reducing technical debt and enhancing organizational readiness can significantly amplify the performance benefits of AI adoption.

Contribution to Theory and Practice

The study contributes to the growing body of AI and operations management literature by empirically validating the mediating and moderating mechanisms through which AI-driven forecasting influences inventory performance. By integrating technological, human, and organizational factors, the findings provide a holistic understanding of how AI creates operational value and offer a roadmap for successful AI-enabled inventory management.

V. Conclusion

This study examined the role of AI-driven demand forecasting in enhancing inventory performance and customer outcomes in the retail sector. By integrating explainable AI, human–AI collaboration, managerial trust, organizational readiness, and technical debt into a unified empirical framework, the research provides comprehensive insights into both the technological and managerial dimensions of AI adoption in retail operations.

The findings demonstrate that AI-based demand forecasting significantly outperforms traditional forecasting approaches, leading to improved inventory accuracy, reduced stockouts, and enhanced customer satisfaction. Explainable AI emerged as a critical factor in building managerial trust, which in turn facilitates effective adoption and utilization of AI forecasting systems. This highlights the importance of transparency and interpretability in AI-driven decision support tools, particularly in complex retail environments.

Furthermore, the study confirms that human–AI collaboration enhances decision quality by combining algorithmic precision with managerial expertise. Organizational readiness was found to strengthen the positive impact of AI adoption on operational performance, whereas technical debt negatively influenced forecasting effectiveness and inventory outcomes. These results underscore the necessity of aligning technological capabilities with organizational infrastructure and strategic readiness.

Overall, the study contributes to existing literature by moving beyond accuracy-focused evaluations of AI models and emphasizing the significance of trust, explainability, and human involvement in AI-enabled retail forecasting. From a practical perspective, the findings suggest that retailers should prioritize explainable AI solutions, invest in workforce readiness, and address technical debt to fully realize the benefits of AI-driven demand forecasting.

Despite its contributions, the study is limited by its cross-sectional design and reliance on self-reported data. Future research may adopt longitudinal approaches, explore real-time forecasting systems, and examine privacy-preserving AI models in diverse retail contexts. Nevertheless, the present study offers valuable empirical evidence and strategic guidance for researchers and practitioners seeking to leverage AI for improved retail demand forecasting and inventory management.

Limitations of the Study

Despite its contributions, the present study has several limitations that should be acknowledged. First, the study employed a cross-sectional research design, which restricts the ability to establish causal relationships among the examined variables. Although statistical associations were identified, longitudinal data would be required to capture dynamic changes in AI adoption and forecasting performance over time.

Second, the study relied primarily on self-reported survey data, which may be subject to response bias and common method variance. While procedural and statistical controls were applied, future studies could strengthen validity by integrating objective performance metrics such as actual inventory turnover rates, stockout frequencies, and forecast error measures.

Third, the sample size of 260 respondents, although adequate for multivariate analysis, was drawn using a purposive sampling technique, which may limit the generalizability of the findings. The results may not fully represent small retailers, informal retail formats, or firms at early stages of digital transformation.

Fourth, the study focused mainly on organized retail and e-commerce sectors, potentially overlooking variations across different retail categories and product types. Demand characteristics may differ substantially across industries such as fashion, FMCG, and durable goods, influencing the effectiveness of AI-driven forecasting models.

Finally, while the study examined explainable AI, human–AI collaboration, and technical debt, it did not empirically test real-time AI systems or advanced privacy-preserving architectures in live retail environments. Consequently, implementation challenges related to scalability, data integration, and system interoperability were not fully captured.

Future Research Directions

Future research can extend this study in several important directions. First, scholars may adopt longitudinal or panel research designs to examine how AI-driven demand forecasting capabilities evolve over time and how learning effects influence forecasting accuracy and managerial trust.

Second, future studies should incorporate objective operational data alongside survey responses to validate the impact of AI forecasting on actual inventory and financial performance. Integrating real-time sales, replenishment, and point-of-sale data would enhance the robustness of findings.

Third, comparative studies across different retail formats, product categories, and geographical regions, particularly in emerging economies, would improve the external validity of AI forecasting research. This would help identify context-specific drivers and barriers to AI adoption.

Fourth, future research may explore advanced explainable AI techniques and assess their differential impact on managerial decision-making and system acceptance. Experimental designs could be employed to compare explainable and non-explainable AI systems in controlled settings.

Fifth, given increasing concerns over data privacy, future studies should empirically test privacy-preserving AI frameworks, such as federated learning, in real-world retail applications to assess trade-offs between accuracy, security, and scalability.

Finally, future research may investigate the behavioral and organizational aspects of human–AI collaboration, including training mechanisms, resistance to automation, and ethical considerations. Integrating behavioral theories with AI-driven forecasting models would further enrich theoretical and practical insights.

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