Starbucks AI inventory counting

IMPLEMENTED 2025–2026 · RETAIL AND HOSPITALITY · UNITED STATES · BAND F · REVERSED

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Starbucks rolled out an AI inventory counting app from NomadGo to its more than 11,000 company-owned North American stores in September 2025. Workers told Reuters it often miscounted and mislabelled items. Starbucks retired the app in May 2026, nine months later, saying it wanted one standard way of counting inventory.

ABOUT THIS SYNOPSIS

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NOTICE WORDING LAST UPDATED 16 NOVEMBER 2026

AT A GLANCE

What went wrong: AI output or malfunction.

AI used: Computer vision counting app using camera and LIDAR data, 3D spatial intelligence and augmented reality, supplied by NomadGo.

Implemented: 2025–2026. Grade: band F, Failure, Reversed.

Headline result, as reported: AI counting app retired nine months after a North America-wide rollout, per Reuters, May 2026

1 · The case

The facts, as reported by the 6 sources listed at the end. Where a source is silent, the field says "Not reported".

Organisation

Starbucks. US coffeehouse chain with more than 11,000 company-owned stores in North America in 2025, per Reuters. Canvas block: 4. Operations and process. Also 8. Governance and risk, 6. Data and technology.

Business challenge

The challenge. Starbucks had persistent product shortages that its chief executive blamed for hurting sales, per Reuters. In October 2025 the chief executive named inventory availability as one of five store-level measures that best correlate with sales growth. Reuters also reported that an earlier machine learning automated ordering programme, built with o9 Solutions, had been scaled back.

How it was addressed. In September 2025 Starbucks rolled out Automated Counting, an app supplied by NomadGo, to its company-owned North American stores. Workers held a tablet up to shelves of syrups, milks and other beverage products, and the app counted items from LIDAR and camera data. Starbucks's chief technology officer said it was already in thousands of stores and that inventory was counted eight times more often, enabling faster and more precise replenishment. The programme had been tested for years before the current chief executive deployed it nationwide, per Reuters. In January 2026 Reuters reported that ten cafe workers and managers said the app frequently miscounted and mislabelled items. In May 2026 an internal newsletter retired it. [1] [2] [3] [4] [5] [6]

Who implemented it

NomadGo (Software vendor): Supplied the AI counting app.
In-house (In-house): Starbucks: rolled the app out to company-owned North American stores.

Technology (SEAM pillar E)

SEAM types: T2 Embedded AI in existing software. Deployment: Not reported. Vendors and products: NomadGo, Automated Counting app.

Where it was built in: Tablet app used by store staff to count milks, syrups and other beverage components in company-owned North American stores, with counts used for replenishment.

What changed

Before: staff counted milk and beverage components by hand. During the rollout: staff scanned shelves with the app. After May 2026: these items are counted the same way as other inventory categories, per the internal newsletter Reuters reviewed. [1] [2] [3] [4] [5] [6]

Cost of failure

Not reported. The cost of the app, the rollout and the return to manual counts was not disclosed.

What it saved

Starbucks said in September 2025 that inventory was counted eight times more often, and told Reuters in January 2026 that the app had improved product availability, without saying by how much. Money saved: Not reported. [1] [2] [3] [4] [5] [6]

Governance and control

The tool was part of the chief executive's effort to fix product shortages and was announced by the chief technology officer. Starbucks said adoption improved availability but published no accuracy measures. Workers reported errors, and Starbucks shared staff feedback welcoming the decision to stop. How Starbucks tested NomadGo's 99% accuracy claim before the rollout: Not reported.

S2 · Accountable owner · Evidenced
The tool was part of the chief executive's effort to fix product shortages, per Reuters; the chief technology officer announced the rollout. [5] [1]

A1 · Safe use · Not reported
Not reported.

A2 · Human in the loop · Not reported
Not reported.

A3 · Monitoring and assurance · Claimed
Starbucks said adoption improved product availability without saying by how much; ten workers and managers told Reuters the app frequently miscounted. [4]

A4 · Vendor AI · Not reported
NomadGo supplied the app and says it is 99% accurate; how Starbucks tested that claim is not reported. [4]

A5 · Agent controls · Not reported
Not reported.

A6 · Standards and regulation · Not reported
Not reported.

What worked, what did not, what is unproven

WORKED

– More frequent counts of beverage components, by Starbucks's account in September 2025.

– Improved product availability, by Starbucks's account to Reuters, without figures.

DID NOT

– Accuracy: ten cafe workers and managers told Reuters the app frequently miscounted and mislabelled items, such as confusing similar milk types.

– A video uploaded by Starbucks showed the app failing to recognise a peppermint syrup bottle while counting the bottles next to it, per Reuters.

– Starbucks retired the app nine months after the North American rollout.

– A supply chain consultant told Reuters the counting effort was a band-aid for deeper supply chain problems.

UNPROVEN

– Whether counting errors caused the decision: Starbucks did not confirm this, per Restaurant Technology News.

– Any measured effect on product availability or sales.

– NomadGo's 99% accuracy claim in Starbucks stores.

Timeline

Sept 2025 Starbucks rolls out AI counting to more than 11,000 company-owned North American stores [1]

Oct 2025 Chief executive names inventory availability as one of five store measures [3]

Jan 2026 Reuters reports workers saying the app frequently miscounts [4]

May 2026 Starbucks retires Automated Counting, per Reuters [5]

2 · Grade and SEAM assessment

MarLuc's opinion, made on the evidence above. How cases are graded: marluc.co.uk/case-studies/how-we-rate

Level of change and impact

Claimed: Not applicable. Grade: F, Failure. Proof: Reversed. Level of change: Not graded.

No level assessed: band F, a live deployment across North America undone after nine months. No harm, sanction or write-off is reported.

A live deployment across North America that Starbucks undid after nine months. Workers reported frequent counting errors; Starbucks did not confirm errors as the reason and cited standardisation. No harm, sanction or write-off is reported.

The SEAM view and lessons learnt

The app went to all company-owned North American stores within about a month, on the strength of a supplier's accuracy claim, and staff then reported frequent errors with similar-looking products. The difficulty sat at the join between a vendor tool and real store conditions. For a larger organisation, the transferable point is to measure accuracy in real stores and act on front-line reports before scaling, and to keep the manual process ready to return to.

1. Measure accuracy in real stores before scaling a supplier's claim.
2. Give front-line staff a fast route to report errors.
3. Keep the manual process ready in case the tool is withdrawn.

Evidence

Score 3 of 4. Independent: Reuters reporting based on worker interviews and an internal newsletter, with Starbucks's own statements; relayed by KFGO and Tiger Brokers.

Evaluation method. Independent press investigation: Reuters interviews with ten workers and managers and a review of an internal newsletter, with Starbucks and NomadGo statements.

Sources disagree. Starbucks said the app improved product availability; ten workers and managers told Reuters it frequently miscounted. Starbucks attributed the retirement to standardising how inventory is counted and did not confirm that errors were the reason.

Status. Closed: Automated Counting was retired in May 2026. Starbucks continues to use other AI tools, including Green Dot Assist and Smart Queue, and is working towards daily replenishment by the end of 2026, per Restaurant Technology News.

3 · Original sources

Read these in full. To challenge a fact or a grade, use the contact form at marluc.co.uk or the link on https://marluc.co.uk/case-studies/starbucks-ai-inventory-counting

[1] The Star (Reuters): Starbucks rolls out AI for inventory counting (3 September 2025)
https://www.thestar.com.my/tech/tech-news/2025/09/03/starbucks-rolls-out-ai-for-inventory-counting

[2] Restaurant Business: Starbucks managers can now count inventory using AI (3 September 2025)
https://www.restaurantbusinessonline.com/technology/starbucks-managers-can-now-count-inventory-using-ai

[3] Starbucks: Q4 fiscal 2025 earnings call transcript (29 October 2025)
https://s203.q4cdn.com/326826266/files/doc_financials/2025/q4/SBUX-Q4-2025-Earnings-Call-Corrected-Updated.pdf

[4] Tiger Brokers (Reuters): INSIGHT-Inside Starbucks' supply struggles: AI glitches, scattered suppliers and sandwich shortages (27 January 2026)
https://www-web.itiger.com/news/2606628783

[5] KFGO (Reuters): Exclusive: Starbucks scraps AI inventory tool across North America (21 May 2026)
https://kfgo.com/2026/05/21/exclusive-starbucks-scraps-ai-inventory-tool-across-north-america/

[6] Restaurant Technology News: Why Starbucks was right to pull the plug on its AI inventory system (August 2026)
https://restauranttechnologynews.com/2026/08/why-starbucks-was-right-to-pull-the-plug-on-its-ai-inventory-system/

Starbucks website: https://www.starbucks.com

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