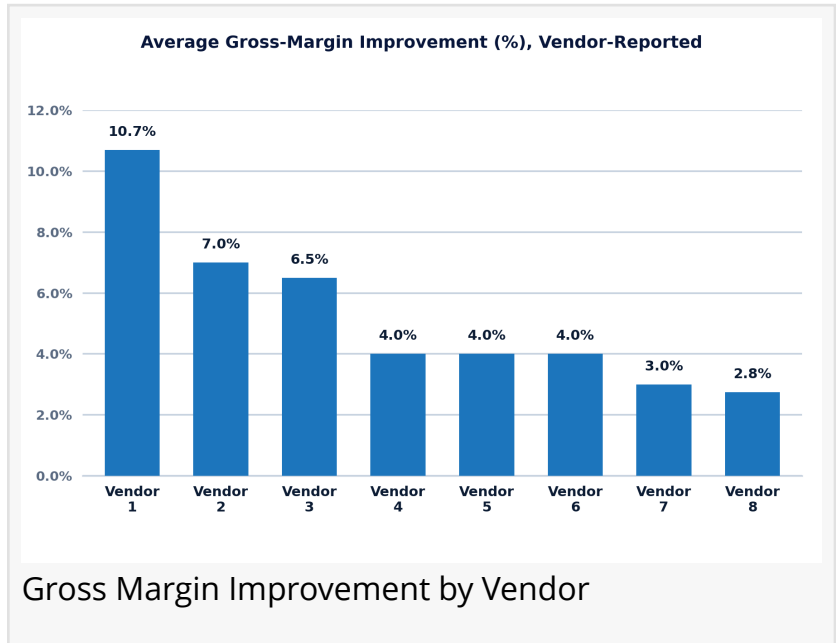


Retail Price Optimization Software Market to Nearly Double to \$7.7 Billion by 2030, IHL Group Study Finds

New research evaluates vendors as base pricing, promotions and markdowns converge onto unified AI platforms

NASHVILLE, TN, UNITED STATES, August 24, 2026 /EINPresswire.com/ -- [IHL Group](#), a global research and advisory firm covering the retail and hospitality industries, today released its [2026 Price, Promotion & Markdown Optimization Market Study](#). The study sizes the worldwide price optimization software market at \$4.1 billion in 2025, growing to \$7.7 billion by 2030, a compound annual growth rate near 13%, faster than retail technology spending overall.



The market spans three solution areas that retailers have historically run as separate disciplines:

“

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Greg Buzek, President IHL Group

promotions management, the largest of the three; price management and optimization; and markdown optimization. IHL's research finds these three areas are converging into unified platforms built on a single shared demand model, turning what was once a point-tool purchase into a platform decision.

IHL Group invited 50 vendors evaluated the vendors that responded. The study itself contains the full vendor-by-vendor scoring and three positioning maps.

"Retailers spent years treating price, promotion and markdown as three separate jobs run by three separate

teams on three separate systems," said [Greg Buzek](#), President of IHL Group. "The vendors in this category have largely closed that gap on the technology side. What decides whether a retailer gets the return now is whether the organization is ready to trust a system that reprices continuously and can explain why, not whether the software is capable enough."

Vendors participating in the study reported gross margin gains of roughly 2% to 8% across most of the field, with the highest reported figure reaching 10.7%. Vendors also reported markdown loss reductions of 20% to 40% and return-on-investment multiples ranging from 4x to 25x, with payback commonly achieved inside a year.

The research also quantifies the risk of standing still. Up to 40% of retail promotions generate negative or negligible return on investment once cannibalization, pull-forward and execution costs are fully counted. IHL identifies organizational readiness, not raw platform capability, as the single strongest predictor of price optimization success.

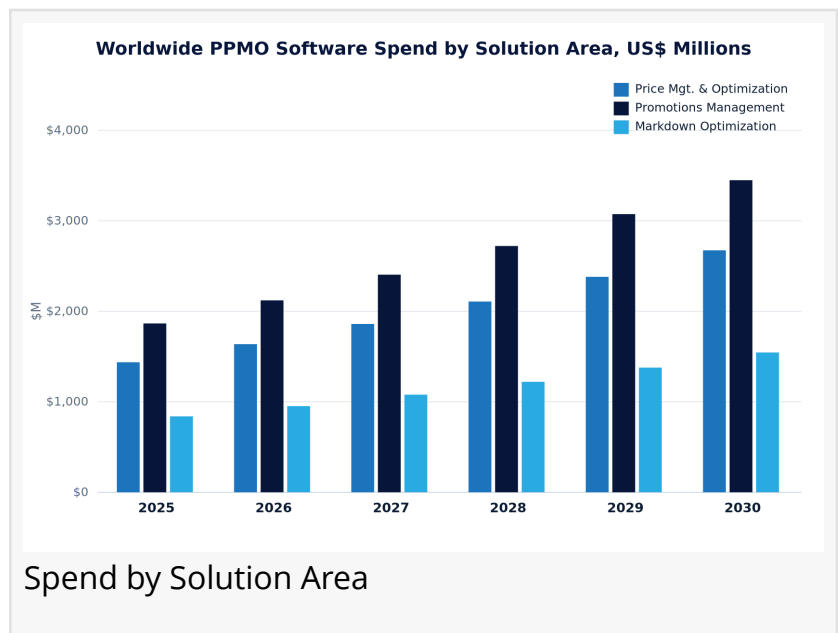
A fast-moving regulatory overlay now shapes vendor selection as well. New York's Algorithmic Pricing Disclosure Act took effect Nov. 10, 2025. California's AB 325 took effect Jan. 1, 2026. The European Union's AI Act imposes high-risk obligations beginning Aug. 2, 2026. More than 70 state measures aimed at data-driven pricing are now in motion nationwide.

The study includes three positioning maps, plotting evaluated vendor capability against installed base for the overall market, for general merchandise and softlines, and for food, drug, convenience and mass retailers. It also includes 15 buyer selection questions written for direct use in a request for information or request for quote process. IHL Group is making the positioning maps and additional exhibits available to media on request.

The 2026 Price, Promotion & Markdown Optimization Market Study is available now at <https://www.ihlservices.com/product/price-promotion-markdown-optimization-market/>.

Methodology

IHL Group developed an 80-question vendor questionnaire spanning company profile, product architecture, core pricing capability, analytics and science, vertical specialization, integration, implementation, regulatory compliance, ROI, roadmap, marketplace pricing, algorithmic



governance and promotion economics. Each of the participating vendors completed the questionnaire and was scored 1 to 5 across the full rubric. Scoring focused on demonstrated capability, followed by a capability-adjusted re-read against published product documentation that corrected any undersell while preserving genuine gaps between platforms. Vendor responses were collected between May and July 2026. Market size and forecast figures come from the IHL WorldView Retail IT Sizing and Forecast Model, cross-checked against install evidence from the Sophia Data Service, which tracks technology installs at more than 5,000 enterprise retailers and hospitality providers worldwide. Participation carried no fee, and no vendor paid to be included in the study.

About IHL Group

IHL Group is a global research and advisory firm specializing in technologies for the retail and hospitality industries. For over 25 years, IHL has provided market sizing, technology benchmarking and strategic advisory services to the world's leading retailers and technology vendors. IHL's Sophia database tracks more than 500,000 technology installations across 6,000-plus retailers in 300-plus categories, providing deployment data at a level of detail unmatched in the industry. IHL's core products include REAP enterprise research subscriptions, WorldView forecasting models and ClearSight AI readiness assessments, giving clients a quantitative foundation for technology investment decisions. For more information, visit <https://www.ihlservices.com>.

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