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2026 Global Retail Industry Outlook

Foreword

I am pleased to share Deloitte's latest 2026 Global Retail Industry Outlook.

Based on a survey of 330 global retail executives, our outlook uncovers five critical dynamics expected to define the year ahead. From the enduring rise of the value seeking consumer to the rapid evolution of AI in commerce, and the reimagining of marketing and supply chains, 2026 feels like a pivotal moment for retail leaders.

This is not necessarily accompanied by uncertainty, however, there is a clear mandate for the year ahead: embrace adaptability as a strategic capability, leverage AI to unlock new possibilities, build financial fortitude and continue to meet consumers with compelling value.

In addition, we find retail leaders in a bullish mood. While economic headwinds, including shifts in global trade and persistent uncertainty, suggest a modest slowdown in economic activity, the optimism within the retail community is impressive. A remarkable 96% of executives anticipate revenue growth, with 84% expecting margin expansion in the year ahead. This confidence is rooted in the belief that strategic investments in efficiency, productivity, and technology will yield tangible benefits. Retailers are not just reacting—they are proactively shaping their future, prioritizing growth, customer engagement, and digital transformation.

To dive deeper into how the retail industry is set to evolve in the year ahead, I invite you to explore our survey results, alongside our analysis of the five dynamics shaping the industry. And for a dose of real-world inspiration, do not miss our exclusive interviews with industry giants like Ulta Beauty, Ikea, American Eagle, and the tech giant Oracle, all sharing their strategies for success.

Explore the insights, join the conversation, and get ready for 2026. I look forward to discussing how we can collectively shape the next era of retail.



Evan Sheehan

Global Retail and Consumer Products Industry Leader,
Deloitte

Introduction

Over the years, retailers have been able to anchor their strategies around a set of fundamentals, including unwavering customer centricity, rigorous financial prudence, operational excellence, data-driven insights, and continuous adaptability to help ensure resilience and sustained success.

And while those fundamentals still ring true, our recent survey of 330 global retail executives (see methodology) indicates that 2026 could prove to be a watershed moment, forcing retailers to flex their “adaptability” muscles in new and challenging ways. The industry faces significant shifts in commerce, customer engagement, and operational discipline, with artificial intelligence at the core of these disruptions. So, how is the retail world set to respond?

Key findings

2026 Retail Industry Global Outlook

1 Value-seeking consumers

Value is the new baseline. Retailers surveyed are retooling pricing, private labels, and loyalty to deliver everyday affordability, turning “value” from a price point into a deeper, data-driven relationship with consumers.

2 AI in commerce

AI is moving from pilot to powerhouse. Retailers surveyed are rapidly deploying agentic AI across pricing, personalization, and planning, turning automation into advantage and transforming every touchpoint of the retail experience.

3 Marketing and customer experience

Marketing is going in-house and AI-first. Retailers surveyed are harnessing data, modernizing tech, and scaling retail media to boost profitability, personalization, and customer experience across every channel.

4 Supply chain transformation

Operational agility takes center stage. Retailers surveyed are curbing tech debt, strengthening supply chains, and scaling AI to create smarter, faster, and more resilient operations for 2026 and beyond.

5 Margin management and cost discipline

Retailers surveyed are pursuing profitable growth with discipline, balancing pricing agility, cost control, and consumer trust to strengthen margins and resilience in an environment of rising costs and shifting demand.

Source: Deloitte analysis.

Our 2026 outlook explores five dynamics that could shape the year ahead:

1. Value-seeking consumers: A lasting, foundational shift
2. AI in commerce: From experimentation to execution
3. Marketing and customer experience: Reimagined in the age of AI
4. Supply chain transformation: Building resilience amid unreliability
5. Financial fortitude: Margin management and cost discipline

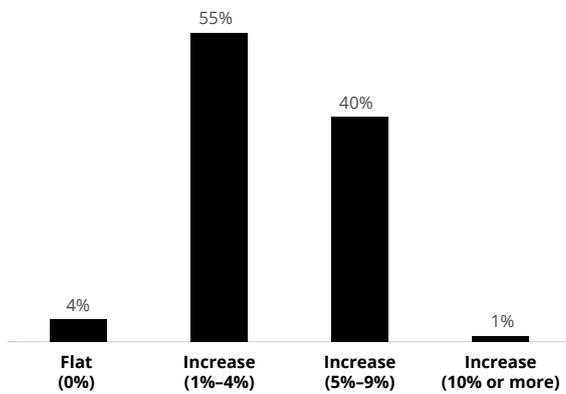
Despite expectations of a modest slowdown in economic growth and the prospect of a further squeeze in consumer spending power in some regions (see “The 2026 global economic forecast for the retail industry”), 96% of global retail executives surveyed expect industry revenues to grow, while 81% foresee margin expansion in the year ahead (figure 1).

The foundation for this optimism is a belief that the industry will see tangible benefits from cost savings, efficiency programs, and productivity initiatives.

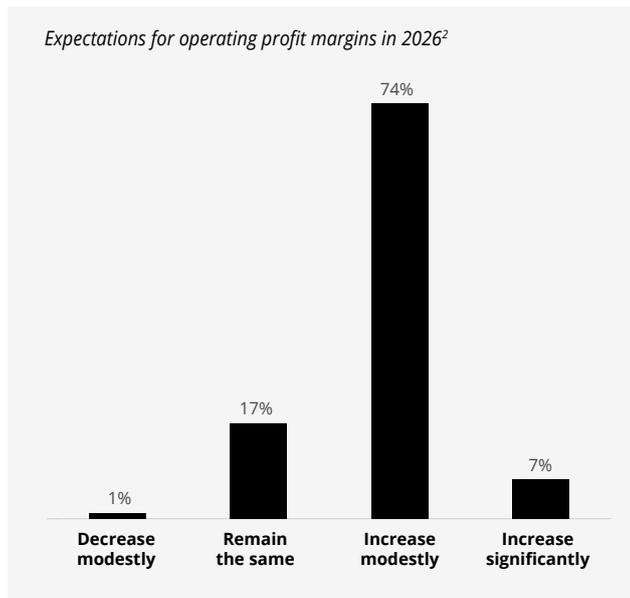
At the same time, retailers surveyed are prioritizing growth, the customer, and investment in operational and digital transformation (figure 2).

Figure 1: Despite headwinds, respondents feel confident in their ability to increase margins and revenue in 2026

Expectations for year-over-year revenue growth in 2026¹



Expectations for operating profit margins in 2026²



Notes: n = 330. Questions: (1) “What are your expectations for year-over-year revenue growth in 2026 for the retail industry in the country/region that you manage?”; (2) “Compared to 2025, what are your expectations for operating profit margins in 2026 for the retail industry in the country/region that you manage?”

Source: 2026 Deloitte Retail Industry Global Outlook.

THE 2026 GLOBAL ECONOMIC FORECAST FOR THE RETAIL INDUSTRY

In 2025, the global economy was disrupted in part by significant changes in US trade.¹ Countries outside the United States responded by seeking trade liberalization with other countries and implementing fiscal and monetary stimulus meant to boost domestic demand. Additionally, investment in AI accelerated globally, especially in the United States and China.

Heading into 2026, there is great uncertainty, which could negatively influence business investment.² Some companies have already postponed supply chain investments.³ The disruption of economic relations between countries also means uncertainty about the direction of currency values and borrowing costs. Overall, a modest slowdown in global economic growth is likely in 2026.

United States

The US economy faces headwinds from trade and immigration policy. Tariffs will likely boost inflation in 2026, thereby reducing consumer purchasing power.⁴ Immigration policy could mean slower employment growth and labor shortages in key industries. Yet massive investment in AI infrastructure could sustain economic growth. The sharp rise in technology-related equities has boosted wealth and spurred strong spending growth by upper-income households.⁵ Meanwhile, low- and middle-income households face increasing financial stress.⁶ If the pace of AI-related investment continues, economic growth will likely be moderate. Yet if there is a reversal in AI investments, the US economy could weaken substantially.

China

China's economy continues to face significant headwinds owing to the collapse of the residential property market.⁷ This has caused a sharp decline in property investment and resulted in a loss of household wealth, leading consumers to save more and spend less.⁸ China's government is utilizing fiscal and monetary stimulus to boost domestic demand. Meanwhile, the country faces a decline in exports to the United States due to tariffs and potential trade restrictions from other countries.⁹ On the other hand, China has become a leading global player in high technology and renewable energy, which could help fuel its economy and, in turn, drive consumer spending.¹⁰

Europe

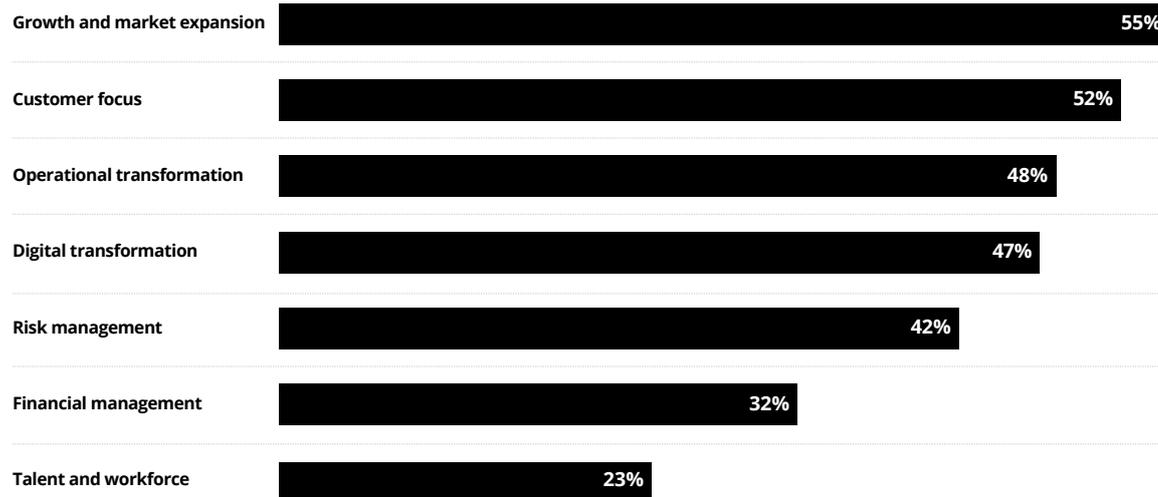
Governments in Europe are starting to boost investment in defense and infrastructure, funded by debt, in response to geopolitical shifts.¹¹ This is effectively a fiscal stimulus which, combined with lower policy interest rates, should have a modest positive impact on economic growth.¹² On the other hand, Europe continues to face challenges, not the least of which are troubled trade relations with the United States and increased competition from China.¹³ The outlook is for moderate growth with low inflation.

– **Ira Kalish**,
chief economist,
Deloitte Global, December 2025

These priorities show a clear understanding of the importance of meeting consumers where their priorities are shifting. As spending power tightens and value

rises to the top of the decision set, retailers' plans for efficiency and innovation are increasingly aimed at delivering more for a value-seeking consumer.

Figure 2: In 2026, companies are likely to prioritize growth and market expansion, while maintaining a strong customer focus



Notes: n = 330. Question: "What are the top priorities for your company in 2026?"; percentages do not add up to 100% as this is a multi-select question.

Source: 2026 Deloitte Retail Industry Global Outlook.

1. Value-seeking consumers: A lasting, foundational shift

In 2026, retailers may face a structural shift toward value-seeking behaviors as consumers contemplate what constitutes a fair price. Our [value-seeking consumer](#) research finds that four in 10 Americans now demonstrate deal-driven or cost-conscious habits, and even higher-income households are reassessing what “value” means.¹⁴ Nearly seven in 10 retail executives surveyed agree that behaviors such as trading down, shopping value channels, or swapping convenience for savings represent a structural change, not a temporary response to inflation.¹⁵

But retailers will have to focus on more than just affordability to win over customers in this environment. Our research shows that as much as 40% of consumer perceptions of a brand’s value stems from factors other than price.¹⁶ Depending on the subsector, factors such as quality, customer service, ease of checkout, loyalty programs, and even employee attitudes can sway consumers. Understanding those factors and crafting a complementary value proposition may allow retailers to command a competitive advantage, even with today’s value-seeking consumer.

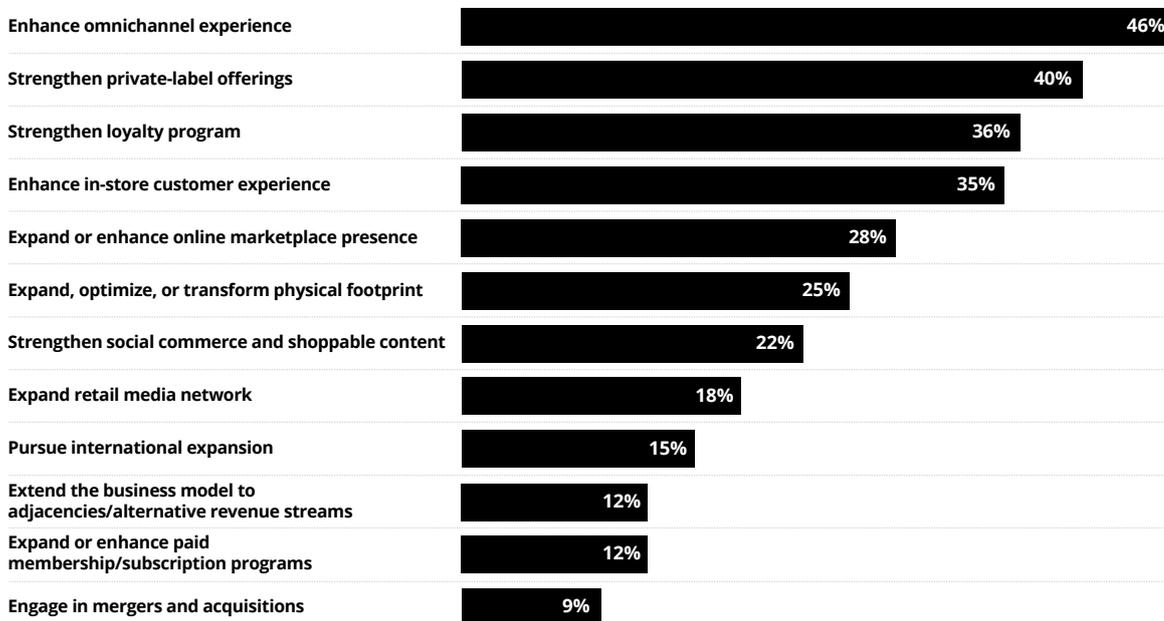


From insight to action: The retail response

Competing in a value-seeking environment involves reimagining the entire consumer proposition, including price, quality, experience, and trust as an integrated value ecosystem. Retailers are taking note: Seventy percent of respondents plan to expand value-priced assortments. Strengthening private-label products was the second-highest cited growth opportunity. Retailers are also focused on enhancing omnichannel experiences

(46%) and strengthening loyalty programs (36%) (figure 3), both of which allow them to add value through personalization. A quarter (26%) of industry executives have already homed in on personalization through AI capabilities, while an additional one-third (35%) expect to have personalized AI recommendations in the next year. The winners in this new era will likely be those investing in technology-enabled capabilities that can empower brands to improve quality, attitude, and trust, and create personalized experiences that feel worth the price.

Figure 3: Surveyed executives believe that most of their growth in 2026 will come from an enhanced omnichannel experience and strong private-label offerings



Notes: n = 330. Question: "What are the top growth opportunities for your company in 2026?"; percentages do not add up to 100% as this is a multi-select question.

Source: 2026 Deloitte Retail Industry Global Outlook.

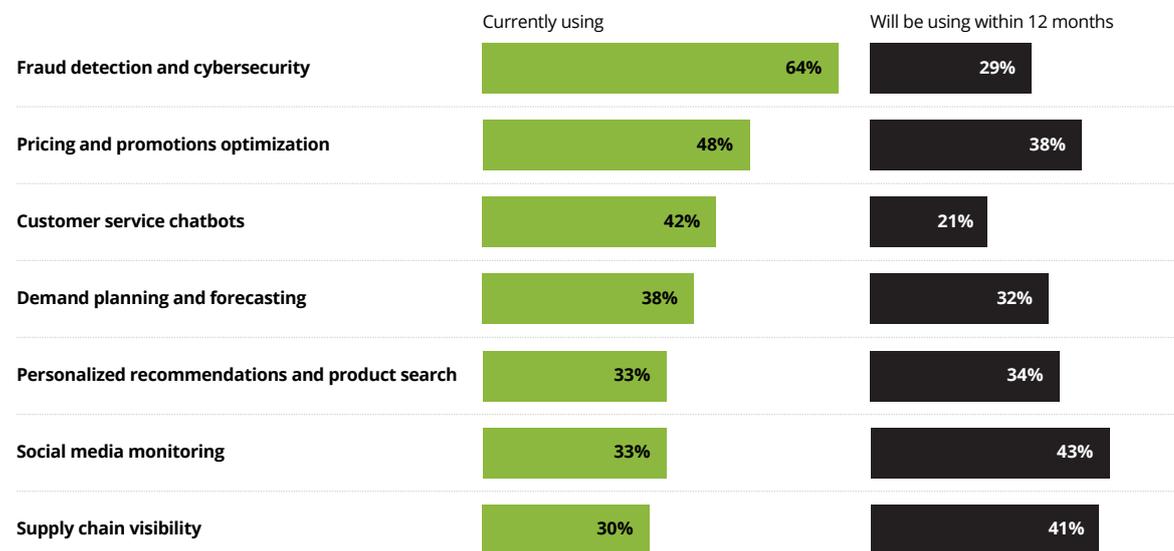
2. AI in commerce: From experimentation to execution

AI's journey from pilot initiative to the heart of retail operations is accelerating, with an overwhelming majority of retailers either already using, or set to use, AI in the next 12 months for core operational capabilities (figure 4).

Retailers are also planning for the next evolution of AI, with nearly 68% of respondents expecting to deploy agentic AI for key operational and enterprise activities within 12 to 24 months.

In many ways, agentic shopping is already here. In the world of e-commerce, discovery, decision-making, and checkout are quickly shifting from retailer-owned channels to AI intermediaries, with referral traffic from ChatGPT and other AI chats now accounting for 15% to 20% of total referrals for some retailers.¹⁷ By 2030, some industry analysts estimate that AI agents could handle as much as 25% of global e-commerce sales.¹⁸

Figure 4: Retailers are rapidly adopting AI, with use cases ranging from fraud detection and cybersecurity to supply chain visibility



Notes: n = 330. Question: "Please provide an assessment of the following uses of AI/generative AI at your company"; as the response options "will be using this within 12–24 months" and "no plans to use this" are omitted from this chart, the displayed percentages may not add up to 100%.

Source: 2026 Deloitte Retail Industry Global Outlook.

Retail executives are cognizant of the potential disruption—nine in 10 expect AI to be increasingly used over search engines by 2026, while half expect the collapse of today’s multi-step shopping journey by 2027 as shopping moves into a single AI-driven interaction (figure 5).

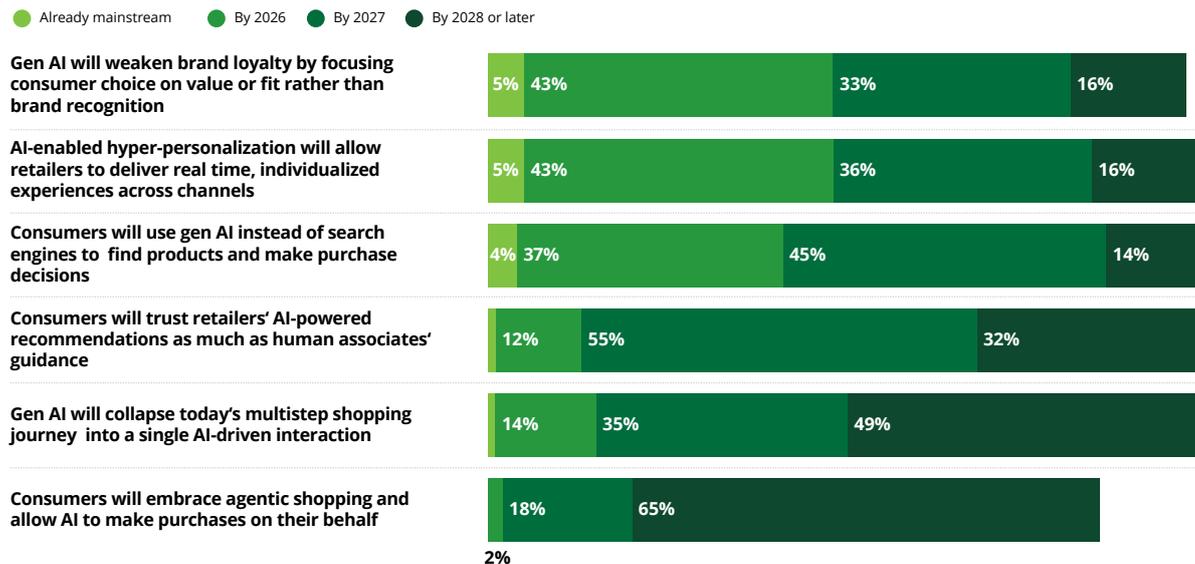
From insight to action: The retail response

These fundamental shifts in the way consumers discover and ultimately purchase items online can have significant implications for retailers. For example, 81% of retail executives surveyed believe that generative AI will weaken brand loyalty by 2027, as the technology focuses on factors like value or fit over brand recognition. If this expectation becomes reality, retailers should adopt

certain AI hygiene factors, including ensuring that their product and pricing data are accurate, accessible, and optimized for AI readability so their products do not become invisible to consumers.

The winners will likely be those who industrialize AI and integrate it into core business functions, deploying and orchestrating multiple AI agents across the organization. Currently, 44% of respondents say that their company’s legacy systems are slowing down innovation, showing a real need to invest in clean, connected data architectures. In addition, training will likely need to be established for commercial teams to work alongside AI tools in real time. Those who adapt early will likely gain a significant advantage if AI agents become the primary interface for consumer transactions online.

Figure 5: Most executives expect AI’s role in the shopping journey to become mainstream before 2028



Notes: n = 330. Question: “For each statement below, please indicate when you expect this scenario to become mainstream among consumers in your market?”; as selections of “will not become mainstream” are omitted from this chart, displayed percentages may not add up to 100%.

Source: 2026 Deloitte Retail Industry Global Outlook.

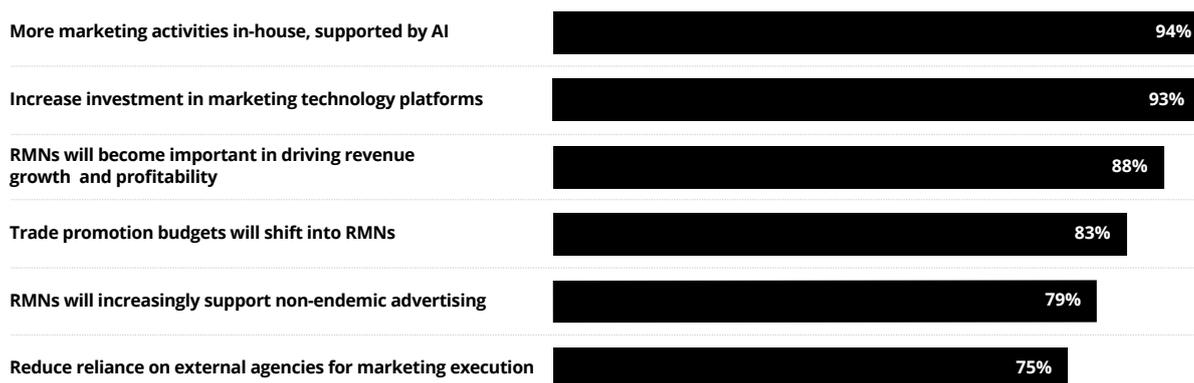
3. Marketing and customer experience: Reimagined in the age of AI

In 2026, retailers should be able to lean on an increasingly AI-enabled toolkit to optimize marketing decisions and execute at scale. This toolkit will likely need to span hyper-personalization, creative automation, audience intelligence, content generation, and decision support, all of which allow marketing teams to move faster with targeted precision. Marketing leaders are already taking notice of the transformative potential, as 67% of retail executives surveyed expect to have AI-driven personalization capabilities within the next year, unlocking tailored experiences, targeted campaigns, and loyalty programs that adapt dynamically to each customer.

Retail executives are so confident in these AI tools that 94% expect to bring more marketing activities in-house (figure 6). For retailers operating retail media networks (RMNs), in-housing offers an even larger upside. Eighty-eight percent believe their RMN will be crucial for revenue and profitability in the year ahead, and 79% expect expansion into non-endemic advertising, enabling them to monetize audiences with highly targeted ads beyond their own product catalog. For instance, a grocery retailer's site could advertise services or products not sold by that retailer, like insurance, based on the retailer's ability to provide non-endemic brands with shopper-based audience targeting. The flip side? Eighty-three percent of executives surveyed expect trade spend to be diverted to RMNs.

Figure 6: Retailers are reshaping their marketing strategies for an AI-enabled, data-intensive future

Percentage of executives who agree/strongly agree



Notes: n = 330; RMN = retail media network. Question: "To what extent do you agree or disagree with the following statements about the future of advertising, marketing strategies, and retail media networks in the retail industry in 2026?"

Source: 2026 Deloitte Retail Industry Global Outlook.

From insight to action: The retail response

With three-quarters of retail executives surveyed planning to reduce reliance on external agencies, the move to in-house, AI-enabled marketing will require retailers to develop the capabilities needed to unlock the full value of their data, boost marketing agility,

and personalize the customer journey at scale. As gen AI makes creative technologies more accessible, differentiation will likely depend on how effectively retailers blend creativity, data, and AI-driven insights to deliver distinctive brand experiences in an increasingly crowded market.



4. Supply chain transformation: Building resilience amid unreliability

Supply chain transformation has emerged as a critical lever for resilience and competitiveness. With 95% of retail executives surveyed anticipating rising costs due to global trade policies, the focus appears to be shifting toward reimagining supply chains to manage cost pressures and operational complexities.

The urgency for transformation is underscored by the 66% of respondents who plan to restructure their supply chains through measures such as onshoring, nearshoring, and diversifying their supplier base if input costs rise in 2026. Nearshoring, in particular, offers the opportunity to respond faster and better to demand signals, improving inventory management and reducing lead times.

From insight to action: The retail response

Technology is playing a pivotal role in driving supply chain transformation as retailers seek to mitigate escalating fulfillment and logistics costs. Currently, 30% of retailers surveyed leverage AI for supply chain visibility, and this figure is expected to climb to 41% within the next year. Further, 59% of executives surveyed anticipate a positive return on investment from AI-driven supply chain initiatives within the next 12 months. By prioritizing these tech investments, retailers should be able to navigate expected challenges in the year ahead and position themselves for sustained growth and innovation in an increasingly complex and unreliable environment.

5. Financial fortitude: Margin management and cost discipline

In a year where growth is a priority, demonstrating financial fortitude will be essential to help profitability align with ambitious targets. Nearly all executives surveyed anticipate higher costs in 2026 due to changes in global trade policies (6% foresee a significant increase, 55% a moderate increase, and 34% a slight increase). Despite these challenges, retail executives remain positive, with 82% forecasting margin increases in 2026.

Retailers are planning a range of tactics to offset these rising costs. For example, 67% foresee an increase in the threshold for free shipping, 72% plan to shift their product mix toward higher-margin or value-added items, and 73% intend to gradually adjust retail prices upward. But rising costs will also push retailers to adopt a financial approach that impacts the core of their business. Of the 95% of executives anticipating an increase in costs, 76% say their company is likely to adjust investment priorities, and 82% expect their organizations to shift capital allocation toward more profitable ventures.

From insight to action: The retail response

Margin leadership will be as much about precision as it is about restraint. Three-quarters of retail executives surveyed agree that their company is focused on what they can control and not spending resources on factors in the macro environment. Those that do this well are already seeing results, with 71% reporting that they are gaining a competitive edge through stronger cost control. To protect profitability, retailers should embed cost discipline across product mix, sourcing, and pricing, using tactics like dynamic pricing, data-led promotions, and targeted assortment shifts without eroding consumer trust. At the same time, diversifying revenue through higher-margin private labels and loyalty ecosystems, along with pursuing productivity gains and automation at scale, may be necessary for keeping costs in check and supporting sustainable growth.

A new mandate for 2026

In the year ahead, the fundamentals that have long anchored retail, such as customer centricity, financial discipline, operational excellence, and data-driven insight, will remain vital, but this year will test retailers' adaptability in new ways. Value-oriented consumers, AI-driven commerce, reimagined marketing, resilient supply chains, and smarter margin management are converging to reshape how the industry competes and grows. The retailers that lead will likely be those that treat adaptability not as a defensive posture, but as a strategic capability. For retail leaders, the mandate is clear: Focus on what is in your control, double down on the fundamentals, elevate them with AI and insight, and meet consumers with value. Those who do should shape not just the year ahead, but the next era of retail.

METHODOLOGY

The 2026 Retail Industry Outlook survey was developed by Deloitte and conducted online by an independent research company from Oct. 13 to Nov. 19, 2025. The survey polled 330 executives, with 86% employed at retailers generating at least US\$1 billion in annual revenue and 41% at companies with annual revenues of US\$10 billion or more. The respondents included C-suite and senior executives who were directly responsible for, or exerted significant influence on, their organizations' major strategic initiatives.



Perspectives from retail industry leaders

American Eagle

Moving forward: Retail at the speed of technology

Rapid advances in technology continue to help transform retail. Bill Besselman, Senior Vice-President, Corporate Strategy at American Eagle Outfitters Inc. (AE), discusses how the company navigates technology's challenges—and opportunities.

More channels, more challenges

Technology is important in enabling AE to respond to consumers' constantly evolving expectations, but Besselman notes that AE's broad customer demographic creates other challenges. "The technology needs are spreading in terms of what you have to do to serve and win a customer at different points of their life journey or personal situation," he says. Customers' expectations and preferences around technology vary widely: while AE generates a growing share of revenue from app and mobile, Besselman notes that a significant number of customers still buy via the traditional website.

"It makes it harder to make choices, because you want to serve people in the right place at the right time in a way that they're comfortable transacting," he remarks. "You can't leave behind or move on from technologies. You're just getting spread thinner and thinner, and that can make the economic model much harder."

Uniting the digital and physical experience

It's challenging for retailers to keep up with customer journeys that dart between digital to physical. AE is responding with consumer-facing and back-office technology investments to make the customer journey more seamless for those involved. Besselman says AE is focused on bringing the data pool together to enable a full view of how customers engage with AE over time, "so we can personalize our conversation with the consumer in a way we haven't in the past." In the near term, the company aims to help enable in-store customers to use its app to view and learn about products available at that location; in the future, Besselman envisions even greater digital-physical integration, with customer preferences, search data, try-on information, and more flowing where they're needed.

A retail balancing act

As AE navigates today's economic uncertainties, Besselman says that the retailer is always trying to use technology to nudge customers to do one more thing, whether that's more engagement or one more purchase. But he notes that AE is wary of going too far. "There's a balancing act between encouraging the customer to make that purchase now, versus being thoughtful about getting that customer back in the future," he says. While a sale today may be worth more than a hypothetical sale tomorrow, "there's a long-term, lifetime value for the customer, not just a transaction value now."



Bill Besselman,
Senior Vice-President,
Corporate Strategy at American
Eagle Outfitters Inc. (AE)

Maximizing the value of supply chain investments

AE and other companies continue to invest in new technologies to improve supply chain agility, flexibility, and resiliency. Besselman cautions that a too-narrow approach to change can make it hard to capitalize on these investments. “If you’re making changes in your supply chain and you’re not going upstream and downstream to communicate how those changes enable different ways of working,” he says, “you’ve gotten 10 percent of the value, not 100 percent.”

Realizing the value of those investments can also take patience. When AE introduced Radio-Frequency Identification (RFID) technology in its stores, “there was a disbelief that it would add tremendous value,” recalls Besselman. Nearly two years later, the company discovered that RFID data could capture conversion of try-ons to actual sales—item by item, style by style. Today, AE’s product teams use this data to detect fit or quality matters, while merchants map the data to sales and returns and discount items that aren’t converting.

Artificial intelligence (AI) poised to reshape retail

Looking ahead, Besselman thinks “AI will create a pivot point in our industry, both in terms of how retailers sell to consumers and how business like ours are created.” He foresees retailers AI-powered websites could reconfigure themselves to suit individual consumers based on context cues, preferences, search data, and more. He can also see a future where small teams access global markets to produce clothing that’s designed, fitted, marketed, shipped, and sold with AI.

IKEA

Bringing 'home' to life

Inter IKEA Group Global Head of Insights Joel Renkema shares his perspectives on how IKEA is responding to changing consumer needs and preferences as it helps people create a better everyday life at home.

Creating spaces where people feel they belong

As a home furnishing business, IKEA is influenced by how people define “family” and how they live in today’s world. “The definition of ‘normal’ is rapidly evolving,” says Joel. “It has changed.”

Today IKEA focuses on the myriad ways that people construct a home. “If you’re living by yourself versus living with three children, then your needs for home furnishing radically change,” says Joel. The differences can go further than that: for example, a single-person household might be a young student starting out, a recent divorced person, a single parent, or an older widow or widower. Renting or owning also shapes how people furnish their home. “It all has an impact on how you want to live and how you want to buy,” says Joel. But he notes that most share the same fundamental sentiment: “It’s my home and I want a place where I belong.”

Local products and universal favorites

The diversity of what constitutes “home” around the world can make both product development and supply chains more complex for retailers like IKEA. “I think many businesses are trying to find this balance of relevance and scale, especially as the world becomes a lot more localized,” says Renkema.

Market-specific products are an important part of IKEA’s offerings. “The more localized you go, it does drive more appeal,” though it adds complexity, says Joel. But IKEA has also found success in products designed to be multipurpose and appeal to many people and home styles—such as its famous BILLY bookcase. From a London flat to a Texas ranch house, “BILLY is relevant,” says Joel.

Breaking with tradition

Consumers traditionally associate IKEA with “big blue box” destination stores and would happily drive to one for a fun experience. But those days may be on the wane.

The company has experimented with new store formats to bring IKEA to where people are, with pick-up points, smaller stores, locations in city centers, and more. “We’ve been on a massive trial and error journey,” says Joel. “We’ve learned, we’ve opened, we’ve closed, we’ve opened, we’ve built. We’re going through that process.”



Joel Renkema,
Global Head of Insights,
IKEA

Collaborating to prosper

Global expansion is also driving IKEA to explore new ways of reaching consumers. In Asia, for example, this means putting IKEA products on third-party platforms as well as its own channels.

This openness to new ideas is important. “We need to always rethink ourselves,” says Joel. While IKEA’s culture, values, vision, and mission have stayed consistent for 80 years, how the company operates can change. “That’s where you need to be relevant,” he says. “It’s not why you exist or what you do, but how you do things [that] continues to evolve.”

Adopting artificial intelligence (AI) the IKEA way

IKEA is responding to AI’s rapid rise with open-mindedness and pragmatism, and both the company and Joel’s own Insights team are experimenting with AI. “There are areas where it makes you more efficient, makes you smarter, makes you more capable,” he says, but it’s important to consider the implications, ethics, and responsibilities that come with using the new technology.

IKEA doesn’t feel compelled to act for the sake of acting on AI, says Joel. The company and the Insights function are taking the time to ensure it uses AI wisely and well.

Oracle

Bringing the future of retail to life

Oracle provides support to thousands of retailers worldwide, and the company is working to enable retailers around the globe to thrive in an artificial intelligence(AI)-driven future. Deloitte Consulting LLP, Managing Director and Oracle Retail Practice leader Rudy Kulas, Group Vice President, Oracle Consumer Industries Customer Success Jeff Warren, and Paul Woodward, Oracle Global Vice President, Retail Product, Strategy & Innovation recently shared perspectives on the retail sector today and tomorrow.

The journey is important

Retailers want to reduce costs, complexity, and better connect the demand and supply sides of their business to deliver more value to customers and shareholders, observes Warren. "One of the biggest challenges in retail is, 'How do I deliver connected experiences, and connect the consumer to the supply chain while reducing the complexity to the vendors I work with?'" he says.

Unfortunately, the solutions that retailers have historically relied on for key business processes don't offer the agility needed to achieve that goal in today's complicated business environment. But that doesn't mean they're looking for specific technology solutions.

"They're seeking that unified, connected journey," says Woodward. "They're not talking about a point solution or a platform. It's not a technical answer as such."

"They're looking to solve these journeys," says Woodward. "They don't want to know, to some extent, that they're using five products to achieve that. They want the value of the journey, and that's what we're very focused on doing."

Kulas notes that Oracle's support for multi-cloud environments could play a pivotal role in making these unified, connected journeys a reality. "You can't be a single-cloud company. It just isn't possible. You have to be multi-cloud," he says. "Oracle understood that and have made it easier to work with other clouds with the core belief that their clients should not feel "locked-in". An example is the ability to move data with little or no egress costs, substantially reducing the financial barrier and a tangible expression of Oracle's intent to foster long-term relationships.

AI: Emerging strategies, high expectations

The retail industry has long harnessed predictive AI and machine learning in areas such as customer segmentation and markdown optimization, and some retailers have begun to deploy Generative AI in various capacities. Despite this, Warren notes many retailers are still at an early stage in forming a cohesive AI strategy—and they're already eager to move beyond the augmentation capabilities of 'traditional' and Generative AI. "They're looking at how to leverage Agentic AI to automate processes," says Warren. "That's really where we have the opportunity to unlock a lot of the benefits of AI."



Jeff Warren,
Group Vice President,
Consumer Industries
Customer Success, Oracle



Paul Woodward,
Global Vice President,
Retail Product, Strategy &
Innovation, Oracle



Rudy Kulas,
Managing Director and
Oracle Retail Practice Leader,
Deloitte Consulting LLP

However, as retailers proceed, they're likely to expect fast results. Warren recalls a conversation in which a CIO shared that they would expect a new merchandising or planning system to deliver value within two years. "He has set the timeline for return on investment on AI initiatives at three months," he says.

In response to such high expectations, Oracle's AI approach is centered around retailers being able to realize meaningful value from AI quickly. "We're looking at how we can use science to deliver better outcomes, whether that's improving the effectiveness of forecasts, improving the efficiency of processes and user journey, or improving the user experience," says Woodward.

Oracle intends to have 50 AI-powered features across its retail portfolio in 2026, with many available today. "We will have AI in each one of our products," says Woodward. "We have whole processes being managed using Agentic AI, and we're improving our predictive or 'classic' AI to help ensure that we get better outcomes from our planning and supply chain capabilities."

To get value from AI, you should start with the business

In response to reports that very few AI initiatives ever move past the pilot stage, Woodward offers a pragmatic perspective.

"You should identify the challenges you're trying to generate value for in that process or journey," says Woodward. He believes companies' approach to AI has matured over the past year. "We've gone from trying to work out what AI can do to asking, can AI do this? Can it link from this to this and create a process?" he says.

Kulas concurs. "Deloitte recently held the annual Deloitte AI Forum, where clients talked about how last year was about navigating that AI landscape and learning. Now the focus is on helping to solve problems around AI adoption and value creation, and on creating transformational change," he says.

Warren sees Oracle customers making the greatest strides with AI when the conversation is business-led, rather than technology-led. His advice? "Let's start with the business problem that we're trying to help address and then figure out how to leverage AI—predictive, Generative, or Agentic—to drive efficiency and ultimately automation into that process."

Oracle takes this business-led approach in its own work with retailers. Woodward's team meets quarterly to review the top challenges their user community is facing and looks for ways to use AI to help solve those challenges and deliver the most benefit. Warren notes that Oracle has been rapidly evolving its processes around supporting customers in many industries. "Those things are occurring because of a business need and a business challenge that we're trying to help address and drive greater outcomes for our customers," he says.

Helping retailers navigate trade

Oracle has had a front-row seat as retailers respond to ever-shifting tariffs and trade landscape. "Retailers are looking at adjusting and rerouting their supply chains," says Warren. "They're trying to react as quickly as possible with existing systems and processes," he says. "But it's still too labor-intensive. It's still too reactive."

“Having that agile supply chain and being able to react quickly, not only to customer needs but also to a shifting external environment, is becoming important,” adds Kulas.

Oracle is trying to help by providing retailers with support to understand their supply chains, evaluate scenarios, and make mitigation plans. “One of the easiest ways to do that is to share the load,” says Woodward.

“Getting vendors involved is important,” agrees Kulas, especially in a retail environment, “with the proliferation of SKUs and the amount of data that you have to manage across so many different sources.”

A recent Oracle project is designed to help create more effective collaboration between merchandisers and suppliers, by enabling suppliers to manage their invoices, receipts, payments, and shipments. “The early signs are that we’re reducing the load on merchandisers significantly Woodward says, which gives merchandisers the space to find more efficient ways to work with their supply chains.

The beginning of a new era for retail and the world

Woodward, Warren, and Kulas believe the retail industry and the wider world could be at the cusp of an incredible time of change.

“We’ll think this was the beginning of a new era,” says Woodward. Retailers’ understanding of the consumer, the customer journey, and the shopping experience will all be vastly different, he asserts, and the lines between retail, restaurants, accommodation, and more will continue to blur.

Warren reflects how in the mid-90s, today’s smartphones and other smart devices would have seemed inconceivable. He expects the decade ahead to bring the same level of change. “That’s the exciting thing that fuels us at Oracle,” he says: “How do we help navigate and accelerate that change?”

“With the foundational technical components we have in place today that power innovation,” says Kulas, “what has been seen in 30 years, could be seen in 3 to 5. It’s almost impossible to predict what’s going to happen in the next 30.”

Ulta Beauty

Bringing beauty to the world

Ulta Beauty President and CEO Kecia Steelman reflects on a busy first year in her role and discusses the company's plans for driving forward in a competitive industry.

Unleashing a new strategy

Steelman points to the launch of the company's Ulta Beauty Unleashed strategy as a highlight of her first year as President and CEO. Ulta Beauty Unleashed focuses on strengthening the fundamentals, putting guests and associates at the center of decisions, and scaling new growth opportunities to fuel Ulta's next phase of growth. "It's about having a great store experience and environment," says Steelman. "It's about bringing the brand to where the guests want us to be and offering our brand outside of the US. And then building on our foundational, fundamental business processes, and looking for efficiencies." Deliberate, careful international growth

Under Steelman, Ulta Beauty is quickly expanding internationally to help drive growth and meet global demand for its beauty products. Recently the company acquired a UK beauty retailer, launched a joint venture within Mexico, and teamed up with one of the world's leading brands to bring Ulta Beauty to Kuwait and Dubai. Steelman is adamant that the company won't be distracted by its global expansion. "I've seen a lot of companies making the mistake of taking their eyes off the core business and I do not want that to happen," she says. "We're very focused on how we're driving our business forward in a stable and a profitable way."

Delivering up-to-the-minute beauty

Ulta Beauty strives to stay on top of beauty trends and deliver product assortments and experiences, that help meet the needs of customers across generations, cultures, and people. How does the company stay relevant? By listening to its customers and gathering important intel from beauty enthusiast communities and a network of internal beauty influencers. "We have the ability to see white space in the industry," Steelman remarks. "We've got great relationships with our brands, and we're bringing this information to them and helping them curate."

Newness is important in the beauty category, whether that takes the form of new brands or new products from existing brands, notes Steelman. "We've had great successes where we've been able to bring in exclusive products that are within a main assortment that keeps that guest engaged," she says. The company's 'Only at Ulta' products are expressly designed to highlight such exclusives.



Kecia Steelman,
President and CEO,
Ulta Beauty

Making the move into wellness

As beauty enthusiasts expand their self-care routines, Ulta Beauty has responded by moving into the wellness space, opening the door to new brands, customers, and opportunities. The company has introduced wellness products to a few hundred stores as well as UB Marketplace, its new online platform offering a curated selection of high-quality beauty and wellness products. “Wellness is actually growing faster than the beauty category itself,” says Steelman.

It can be challenging for consumers to navigate the vast amount of wellness products available, and many turn to Ulta Beauty as a trusted resource. “Our team has been doing a great job of refining and getting an assortment in for wellness,” says Steelman.

Unexpected collaborations create buzz

Stelman is delighted at Ulta Beauty’s success in using high-profile entertainment and sports collaborations to stand out in a crowded, competitive market. The company has collaborated with celebrities, participated in music festivals, and teamed up on social media with family members of athletes. “You have to meet guests where they are from a cultural standpoint too,” says Steelman. “Being part of the of the conversation is really where I think we need to be.... You’ll see us continue to do even more of that in 2026.”

Looking ahead: new brands, ‘beautytainment,’ and Agentic AI

Stelman is proud of what Ulta Beauty achieved in 2025. With the current momentum, what does the future hold? First, establishing Ulta Beauty as a collaborator to help build a beauty brand. “We want to be the place that you come and you can really build your business with us,” says Steelman. Even more in-store ‘beautytainment’ events (the company held over 70,000 in 2025) are planned, “creating energy and excitement, and education in a fun and authentic way.”

And then there’s artificial intelligence (AI)—especially the intersection of e-commerce and AI, as consumers begin to use AI agents more frequently. “I do think that the way [consumers] are going to be shopping for their holiday needs this next year is going to be a little bit different than last year,” she says. “We’re really going to be leaning in.”

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Acknowledgments

The authors would like to thank **Sofia Barbieri, Meghan Gragtmans, Tyanne Kamping, Ashish Mishra, Anushka Dubey, Prayashi Roy Choudhury, Manogna Marthi, Negina Rood, Sangharsh Shinde, Anup Raju, Ram Sangadi, Sanjay Vadrevu, and Saurabh Vijayvergia** for their contributions.

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Consumers and the companies that serve them face a rapidly changing world, altering what, how, and where we buy products and services. Both consumers and businesses are buying into better products, services, and solutions to achieve their goals. The Deloitte Consumer Industry Center delivers insights to help automotive, consumer products, retail, transportation, hospitality, and services sector executives better understand their business environment, its direction, and the choices in front of them.

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