Deloitte.

Together makes progress

2026 Global Retail Industry Outlook

Approach

1st Sentiment & Macro signals

2nd What retailers expect to change in 2026 (Shows where they will grow, shrink or transform)

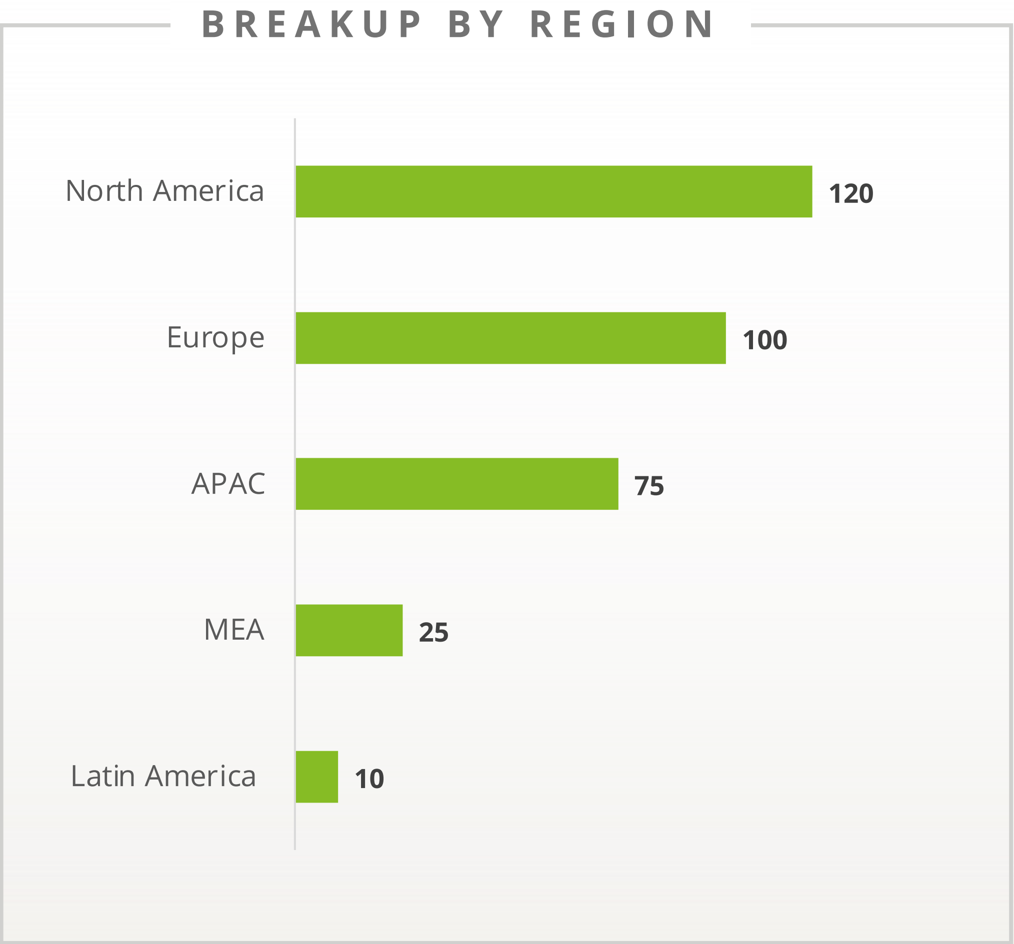
3rd Priorities & Pressures (Aim is to show where companies will focus & why - cost pressure, tariffs, sourcing shifts)

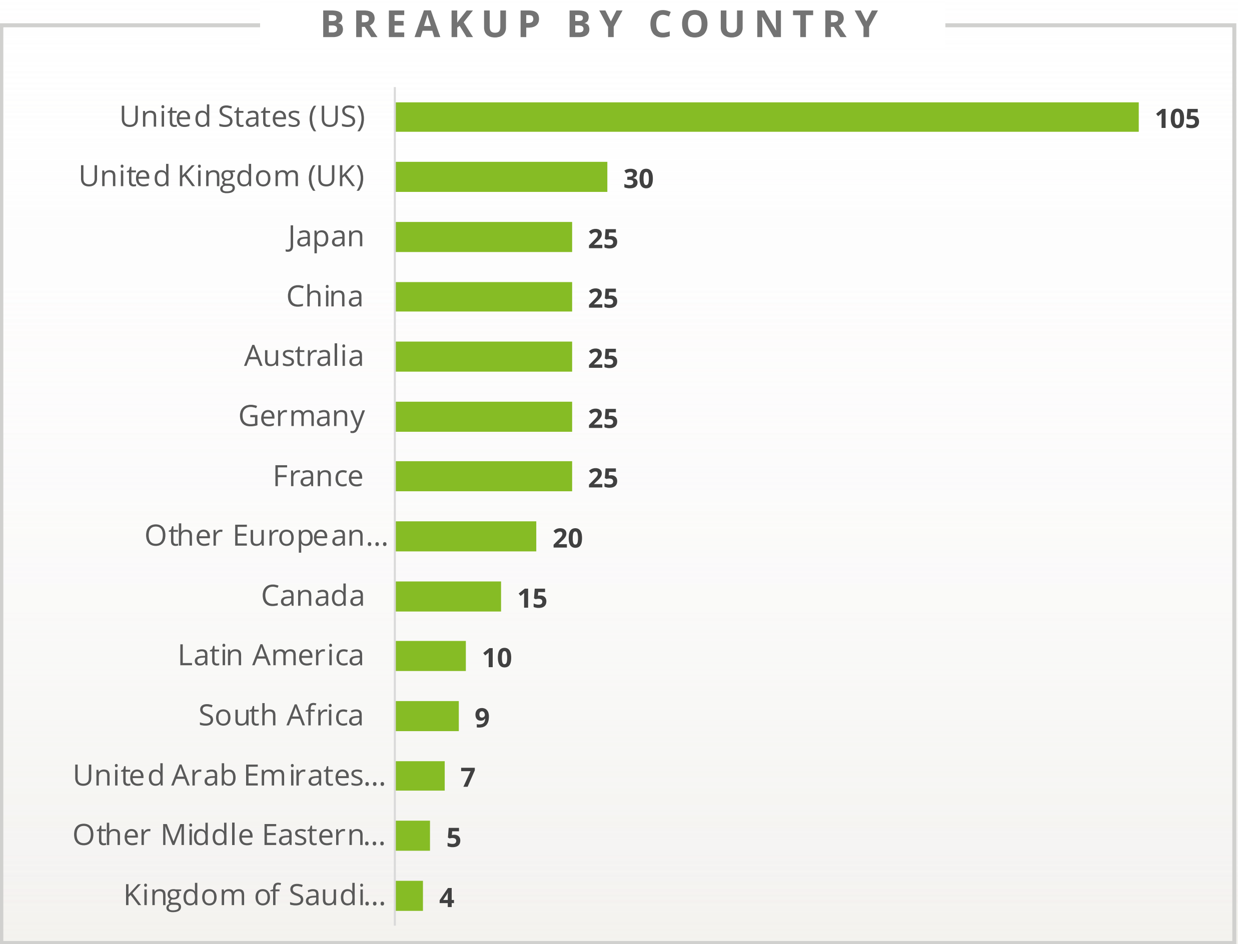
4th Capability shift - AI & transformation (excluding for now as mentioned in the initial mail)

We will include all relevant questions that align with this storyline and aim to cover the maximum possible, meaningful data points.

Geographic Breakdown of Sample Size

The total sample size consists of 330 respondents. North America comprised the largest portion of the sample size at 36%, with Europe contributing 30% and Asia Pacific representing 23% of the total sample



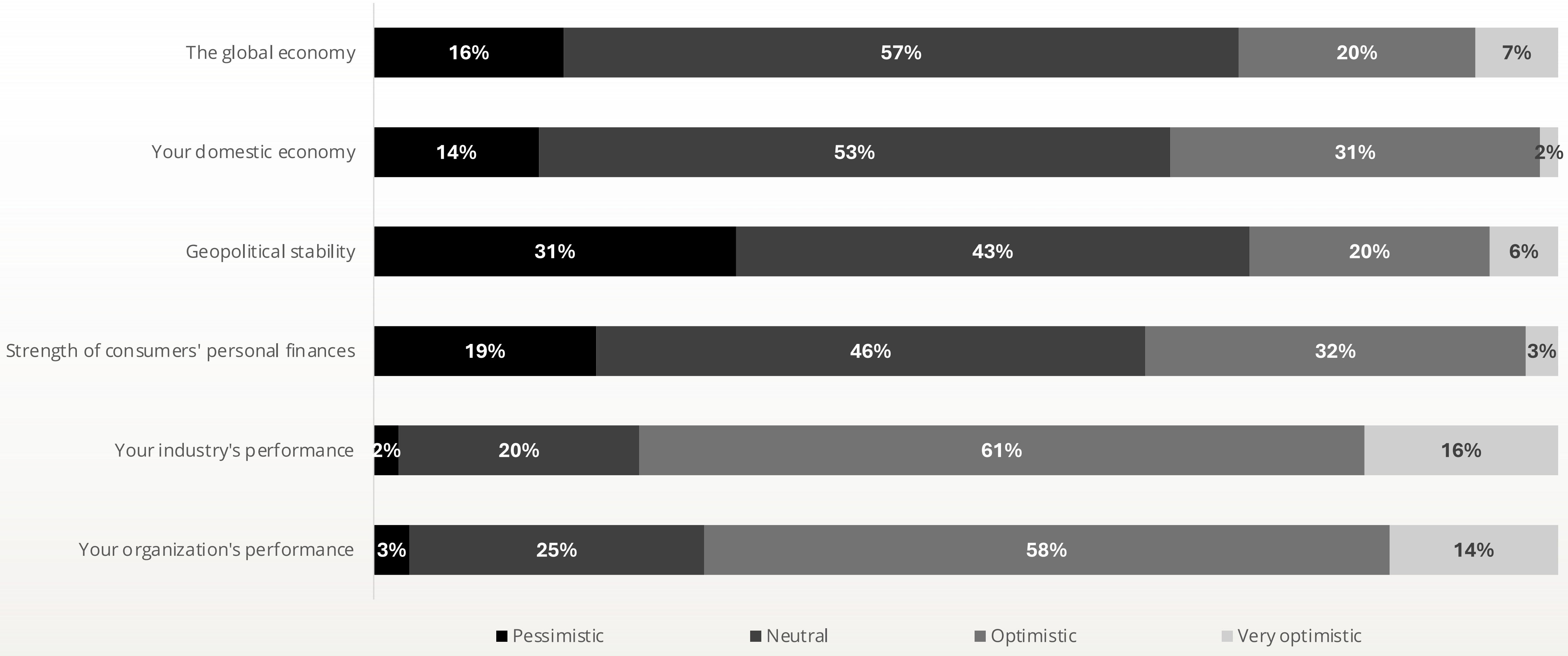


The 2026 Retail Industry Outlook survey was developed by Deloitte and conducted online by an independent research company from Oct. 13 to Nov. 19, 2025. The survey polled 330 executives, with 86% employed at retailers generating at least US$1 billion in annual revenue and 41% at companies with annual 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.

Retailer Outlook on Economic, Market and Operating Conditions in 2026

Retailers anticipate steady macro conditions in 2026, with optimism strongest around industry prospects and organizational performance

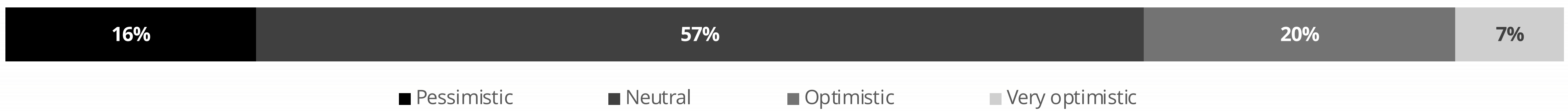
GLOBAL OUTLOOK



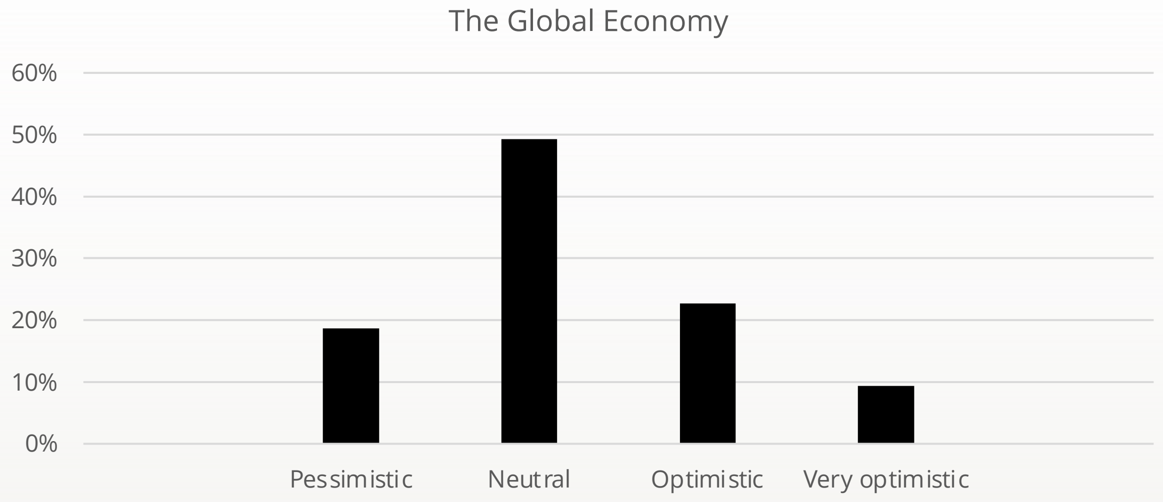
Note: n=330. Question 1: *"How optimistic or pessimistic is your company about each of the following areas for the year 2026? "*

Retailer optimism toward the global economy in 2026 remains limited, with sentiment most polarized in Latin America

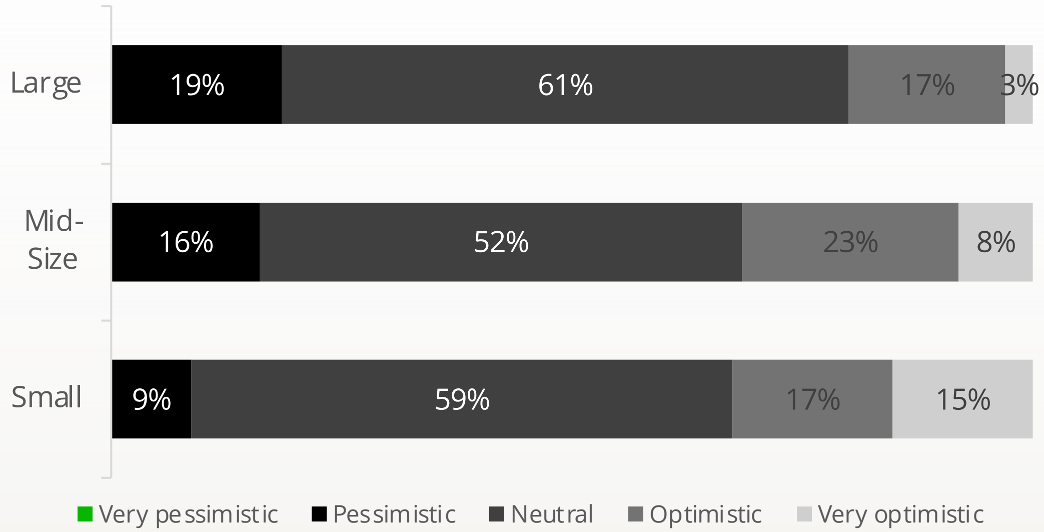
GLOBAL SENTIMENT



SENTIMENT BY REGION



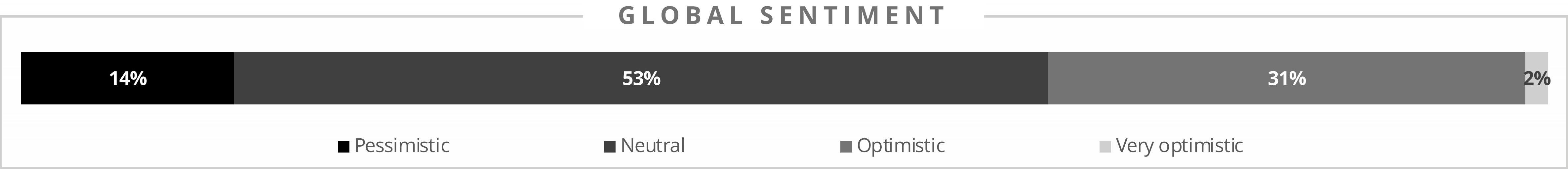
SENTIMENT BY COMPANY SIZE

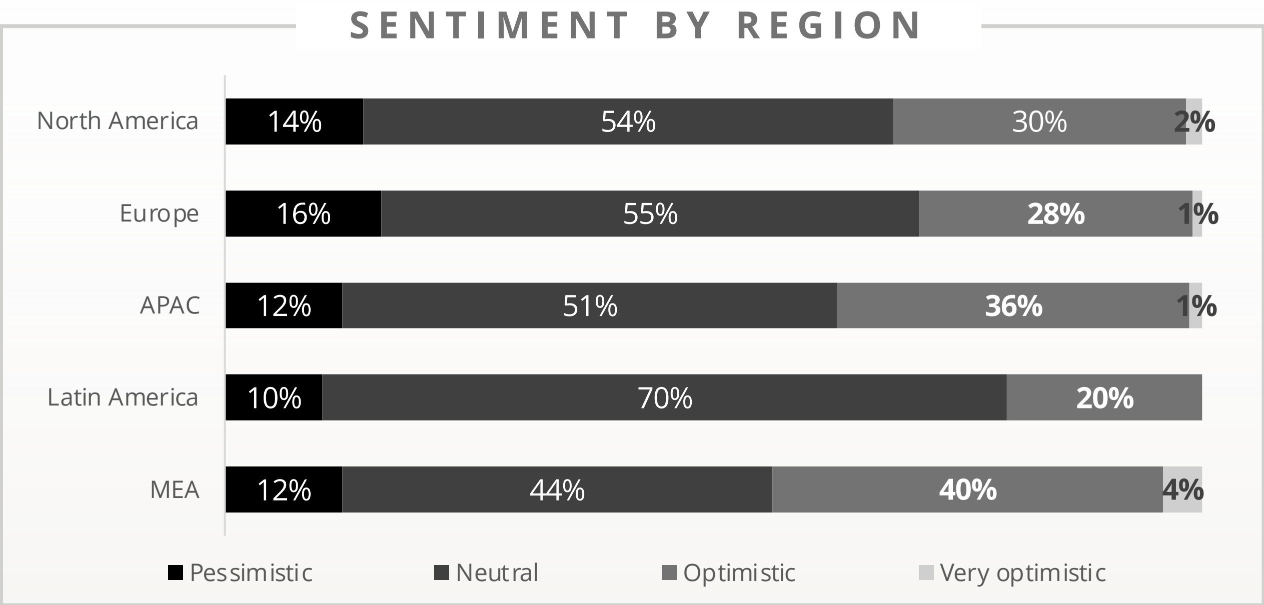


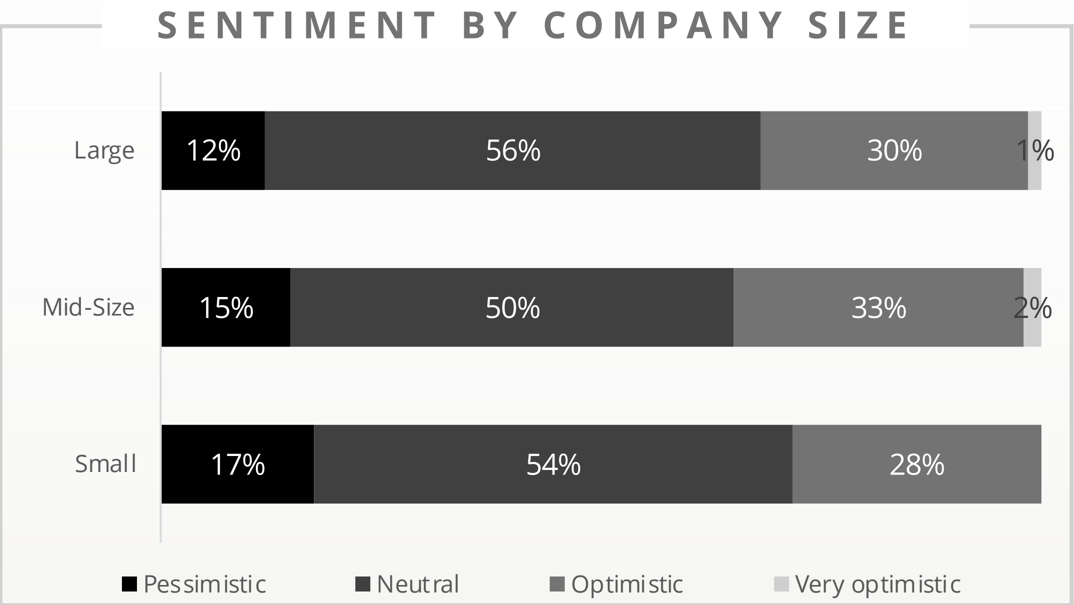
- Neutral sentiment represents the largest share of responses across all regions and company sizes, with optimism remaining below one-third globally
- Level of optimism vary modestly by region, with no market exhibiting an optimism-led outlook

Note: n=330. Question 1: *"How optimistic or pessimistic is your company about each of the following areas for the year 2026? (Global Economy)"*

Retailers remain largely neutral on domestic economic outlook for 2026, with the MEA standing out for relatively higher optimism





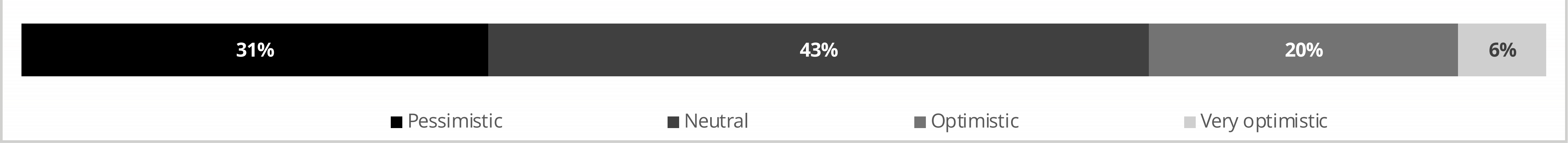


- The MEA is the only region where optimism towards domestic economic conditions approaches parity with neutral sentiment, while other regions continue to show neutral-led outlooks

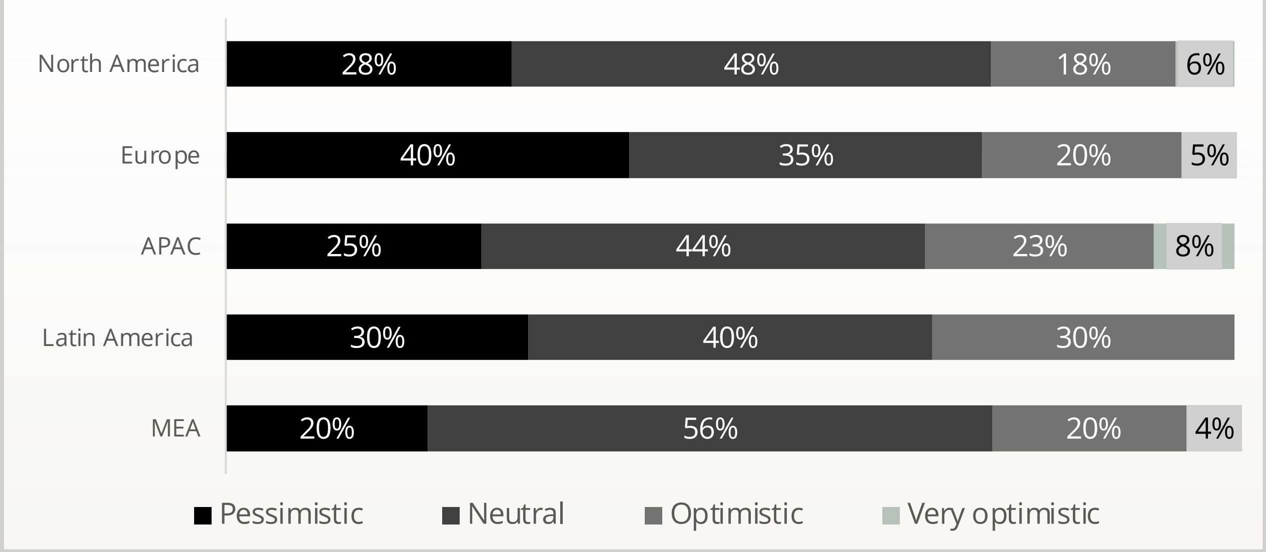
Note: n=330. Question 1: *"How optimistic or pessimistic is your company about each of the following areas for the year 2026? (Domestic Economy)"*

Almost one-third of retailers express pessimism about geopolitical stability in 2026

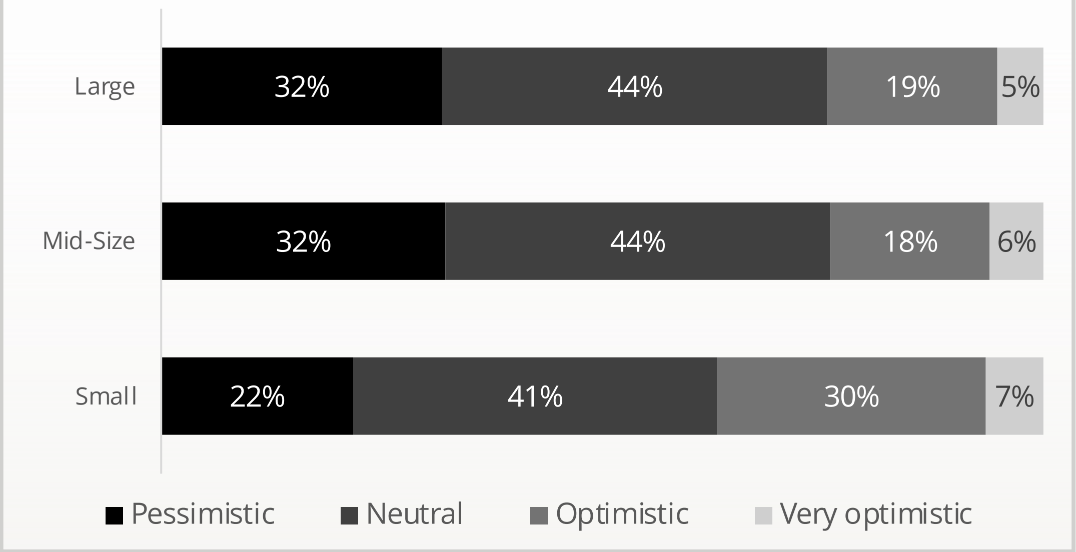
GLOBAL SENTIMENT



SENTIMENT BY REGION



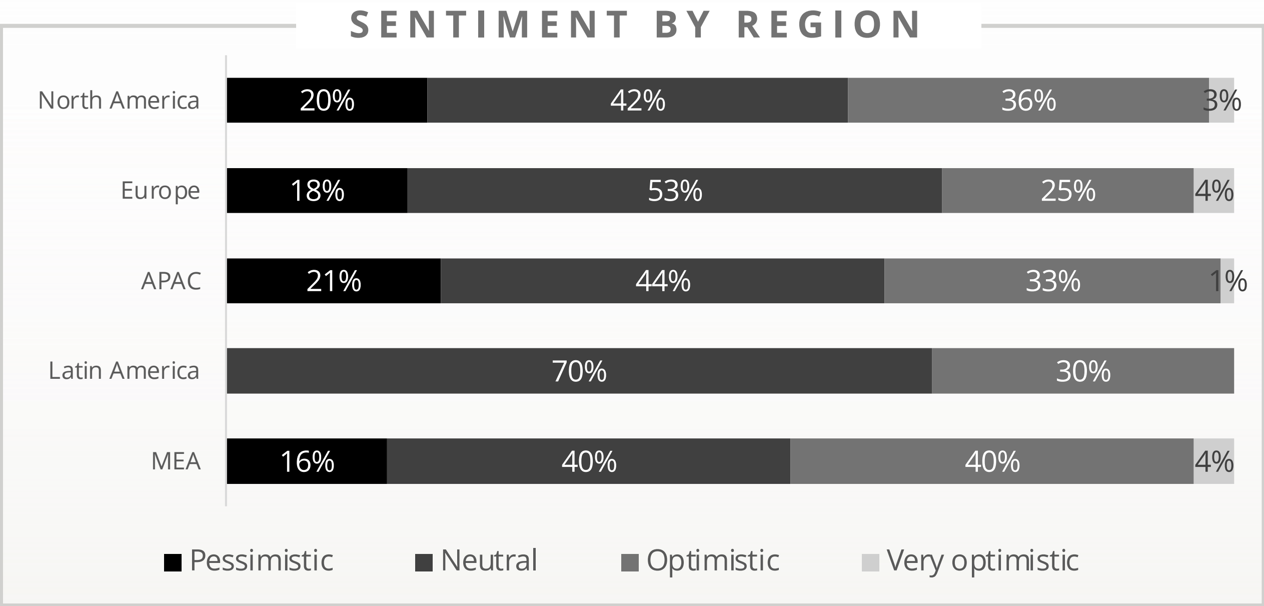
SENTIMENT BY COMPANY SIZE

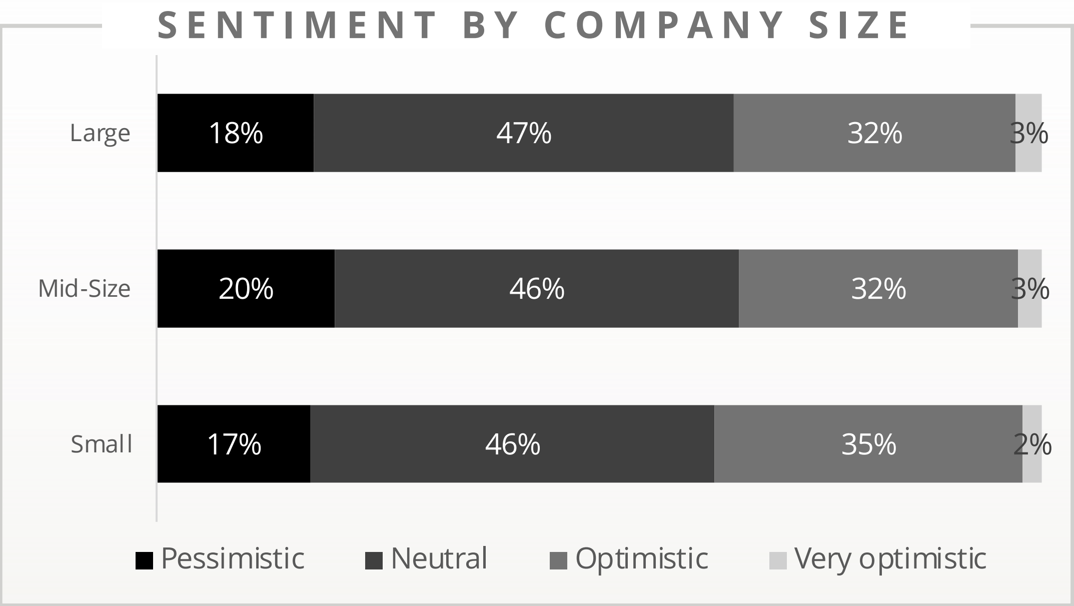


- Pessimism is most pronounced in Europe, where concern outweighs optimism, while other regions show more evenly balanced views
- Small retailers are notably more optimistic about geopolitical stability than large and mid-sized retailers, which are more likely to express concern

Note: n=330. Question 1: *"How optimistic or pessimistic is your company about each of the following areas for the year 2026? (Geopolitical Stability)"*

More than one-third of retailers feel positive about consumers' personal finances in 2026, with relatively higher optimism in the MEA

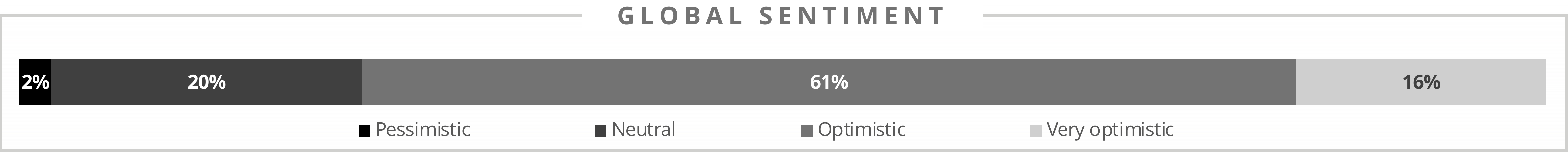


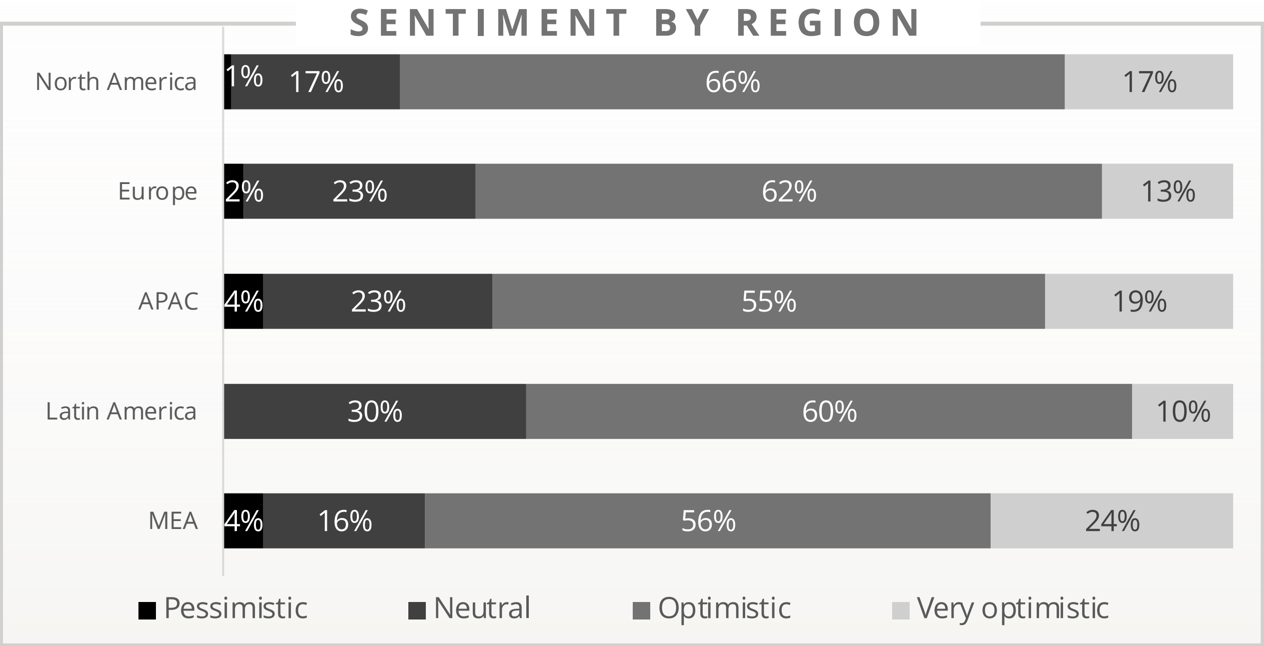


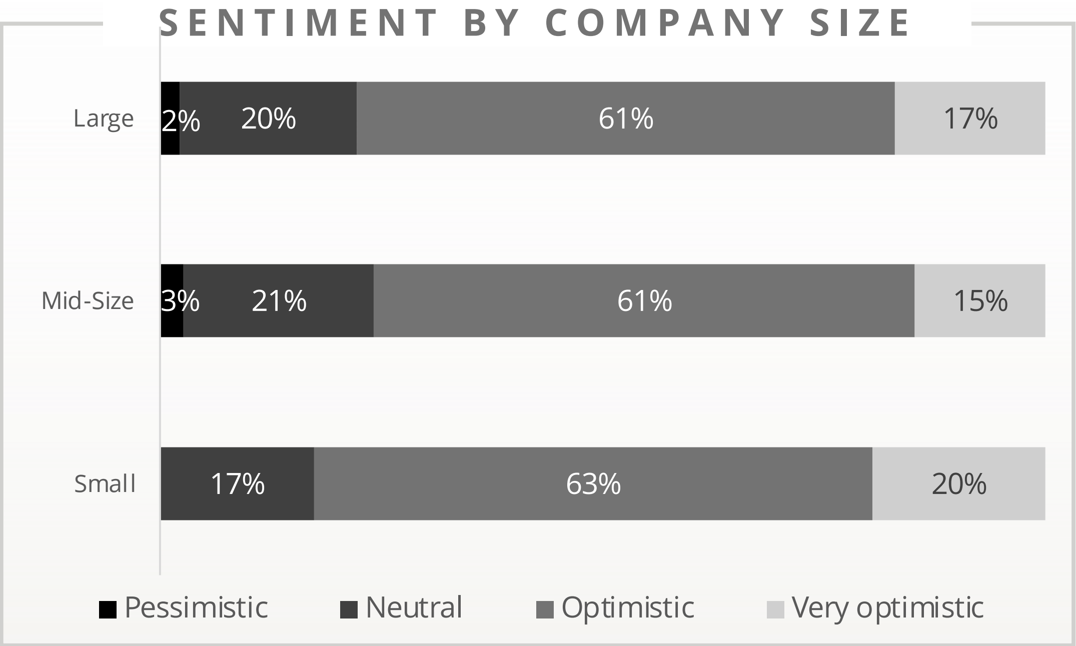
- The MEA is the only region where optimism towards consumers' personal finances outweighs neutral sentiment, while other regions remain neutral-led
- Across regions, optimism consistently exceeds pessimism, with negative sentiment remaining below one-fifth globally

Note: n=330. Question 1: *"How optimistic or pessimistic is your company about each of the following areas for the year 2026? (Strength Of Consumers' Personal Finances)"*

Nearly three-quarters of retailers are optimistic about overall industry performance in 2026



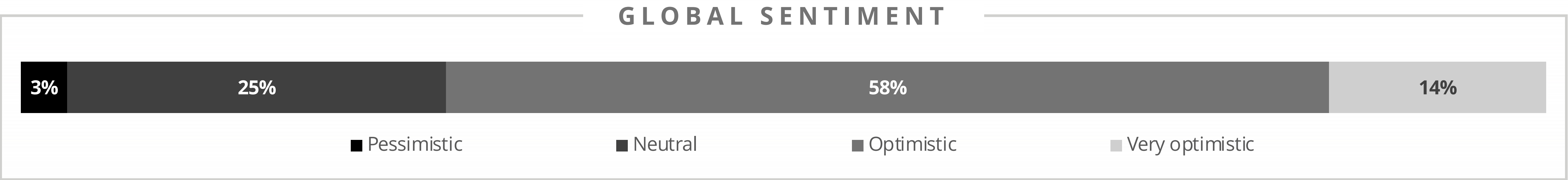


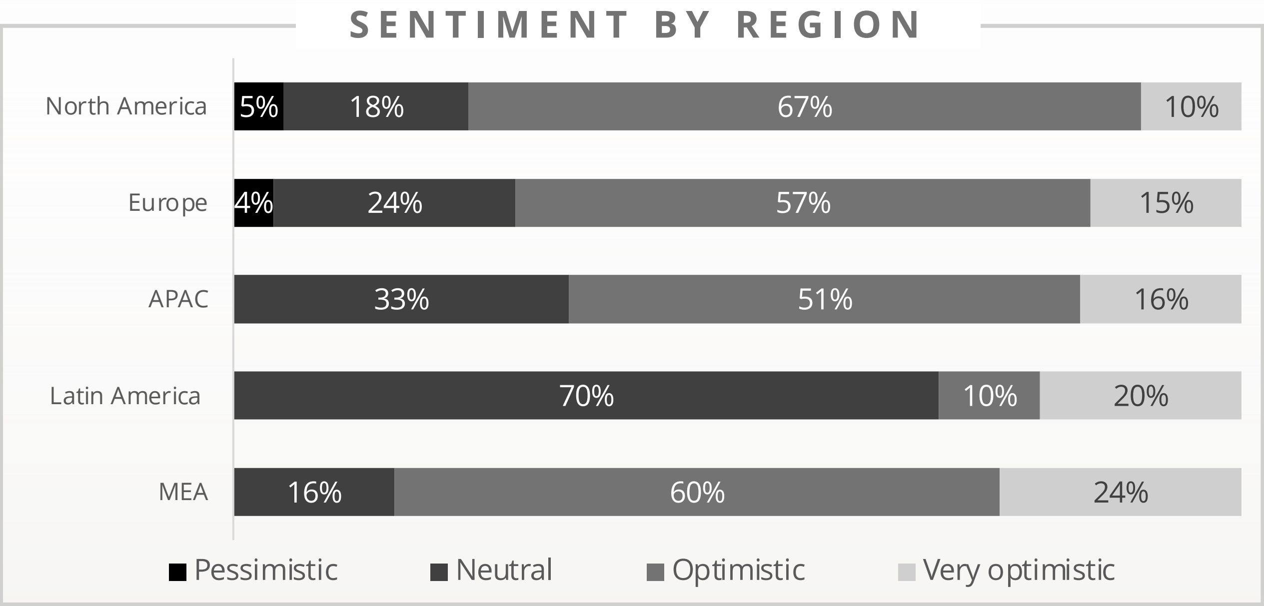


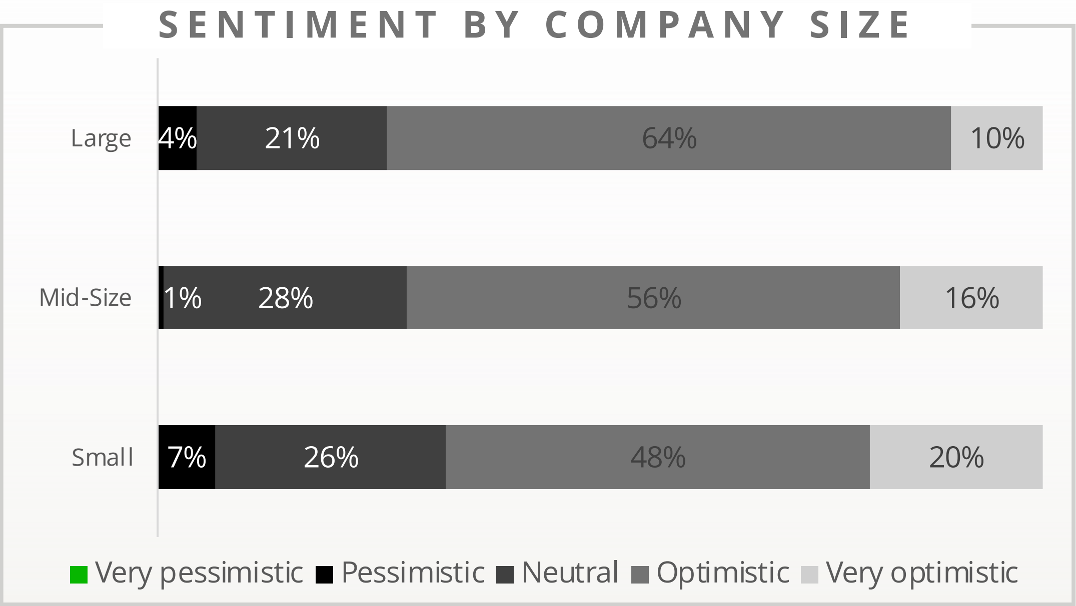
- Optimism about industry performance is broad-based across regions, with all markets showing strong positive sentiment

Note: n=330. Question 1: *“How optimistic or pessimistic is your company about each of the following areas for the year 2026? (Industry Performance)”*

Around seven in ten retailers are optimistic about their own organization's performance in 2026







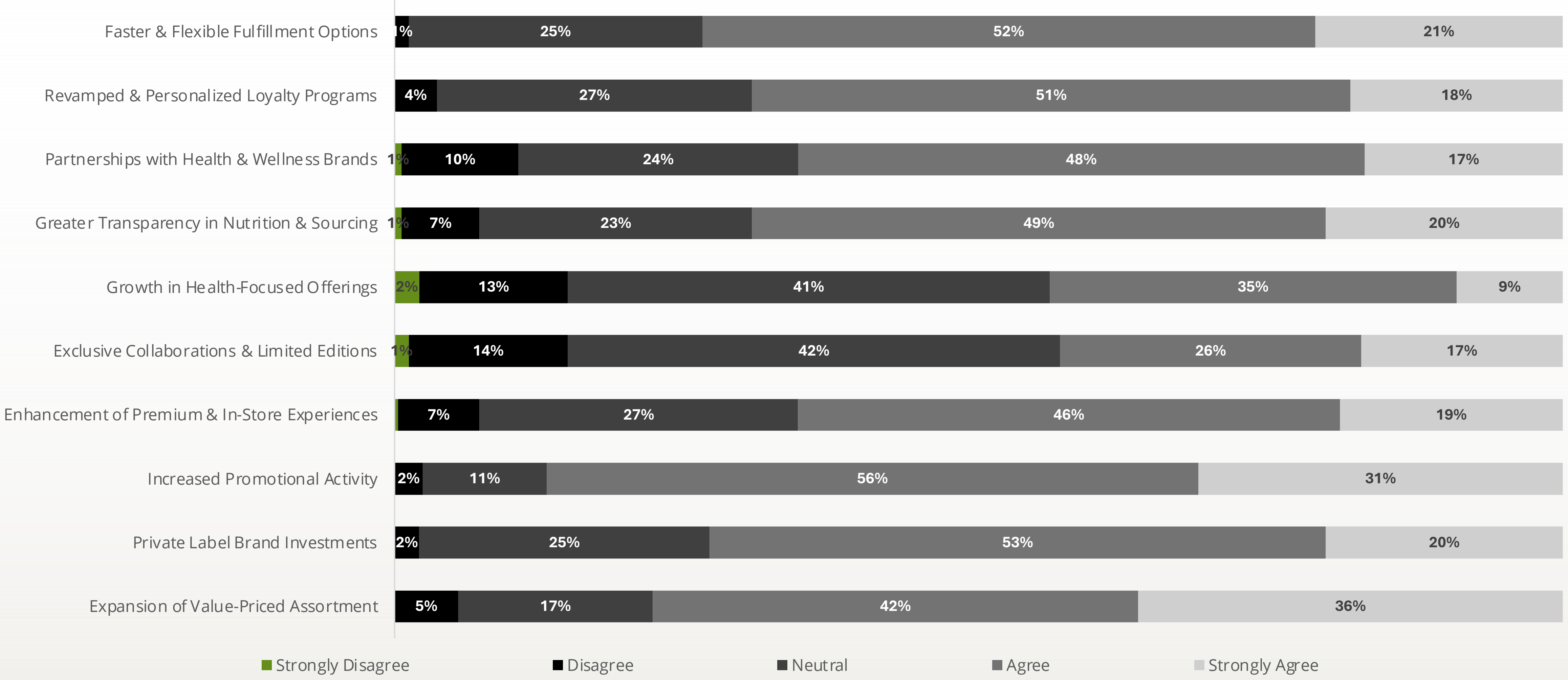
- Latin America stands out for a predominantly neutral outlook on organizational performance, while all other regions remain optimism-led

Note: n=330. Question 1: *"How optimistic or pessimistic is your company about each of the following areas for the year 2026? (Organization Performance)"*

Retailer Responses to Changing Consumer Behaviors in 2026

Globally, retailers align on fast & flexible fulfillment, pricing & promotions, private label investment, and customer engagement initiatives as ways of dealing with changing consumer behaviour in 2026

GLOBAL OUTLOOK

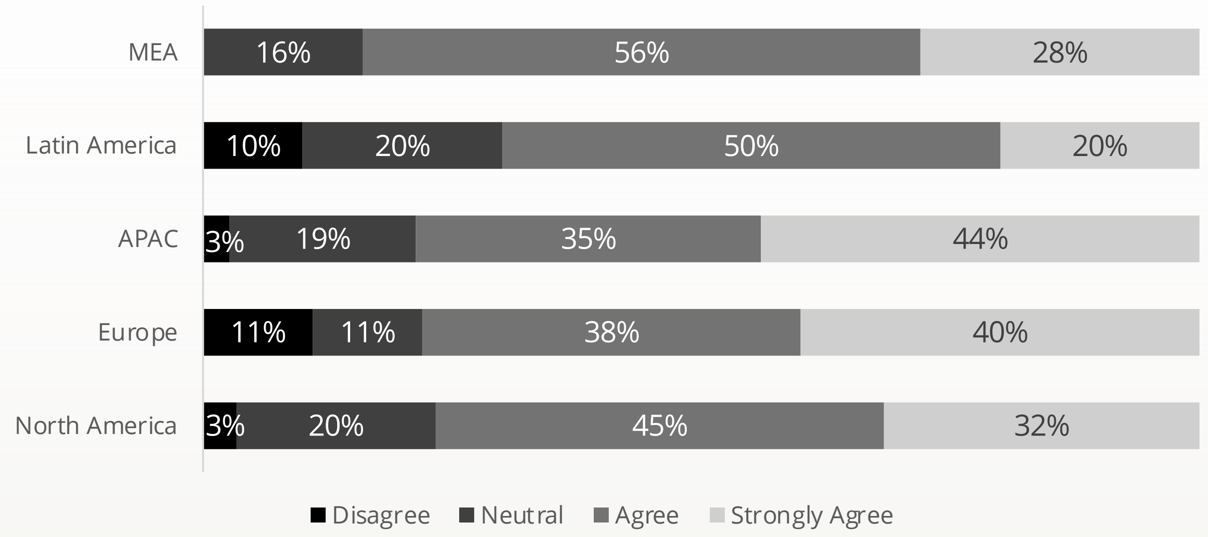


Note: n=330. Question 2: *"To what extent do you agree or disagree with the following statements regarding how retailers will respond to changing consumer behavior in 2026?"*

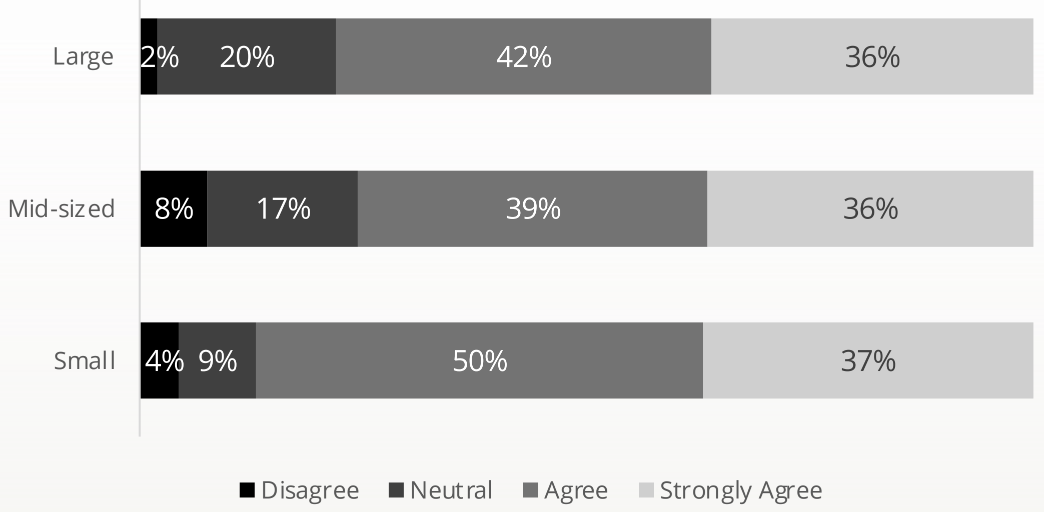
Around three-quarters of retailers plan to expand value-priced assortments in 2026

GLOBAL SENTIMENT

SENTIMENT BY REGION



SENTIMENT BY COMPANY SIZE

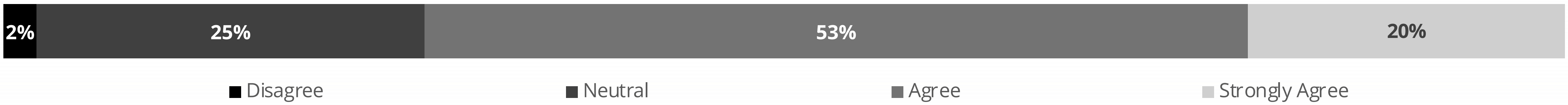


- Globally, most retailers plan to expand their value-priced assortments in response to changing consumer behavior, with minimal disagreement.
- Optimism about expanding value-priced assortments is seen across all regions, though some retailers outside MEA disagree and a similar proportion remain neutral.
- By company size, small retailers are most supportive of expansion, while mid-sized retailers are the most likely to disagree

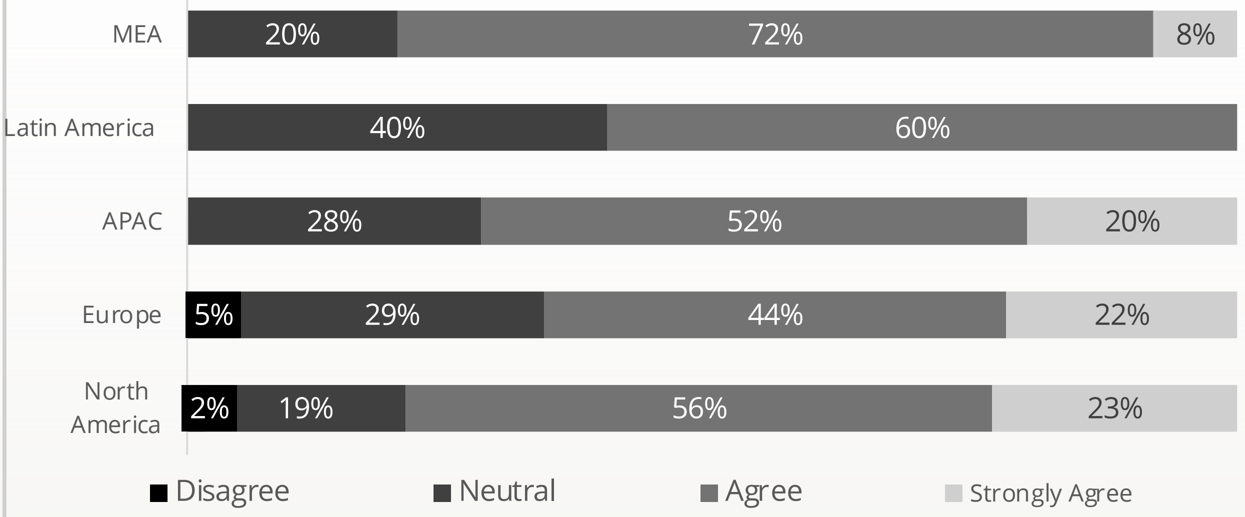
Note: n=330. Question 2: *"To what extent do you agree or disagree with the following statements regarding how retailers will respond to changing consumer behavior in 2026? (Expansion of value-priced assortments)"*

A strong majority of retailers support private label brand investments in 2026

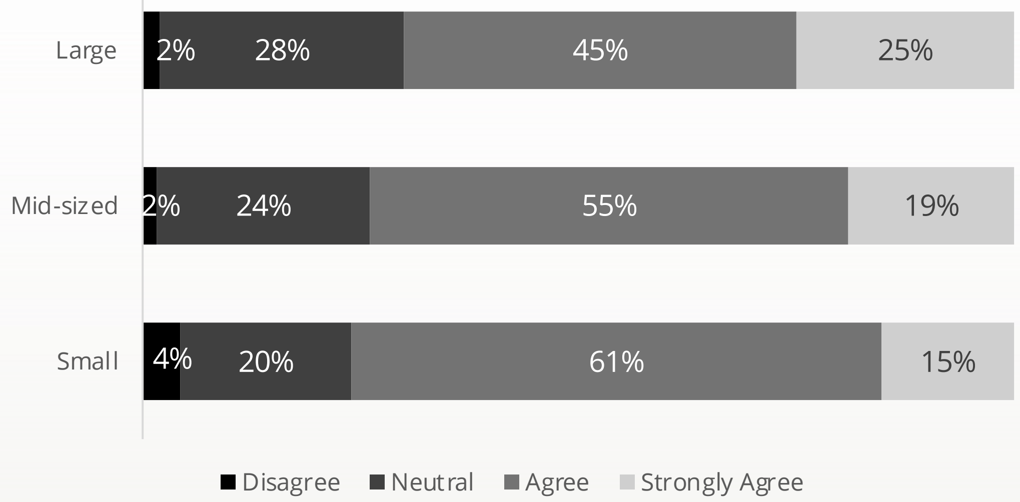
GLOBAL SENTIMENT



SENTIMENT BY REGION



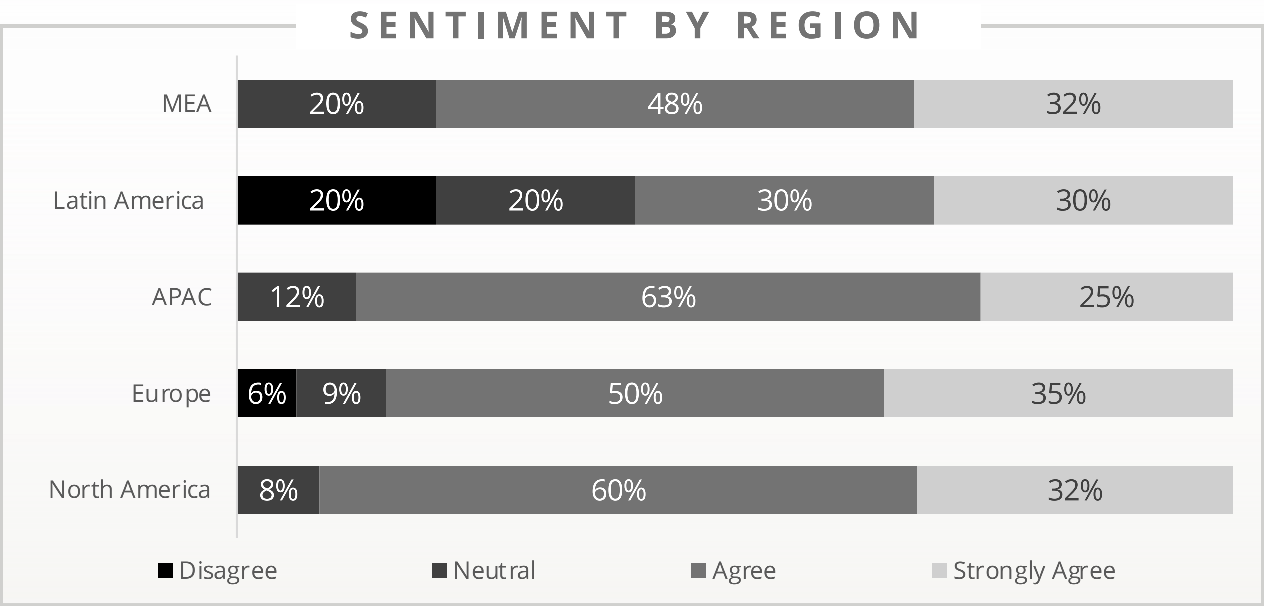
SENTIMENT BY COMPANY SIZE

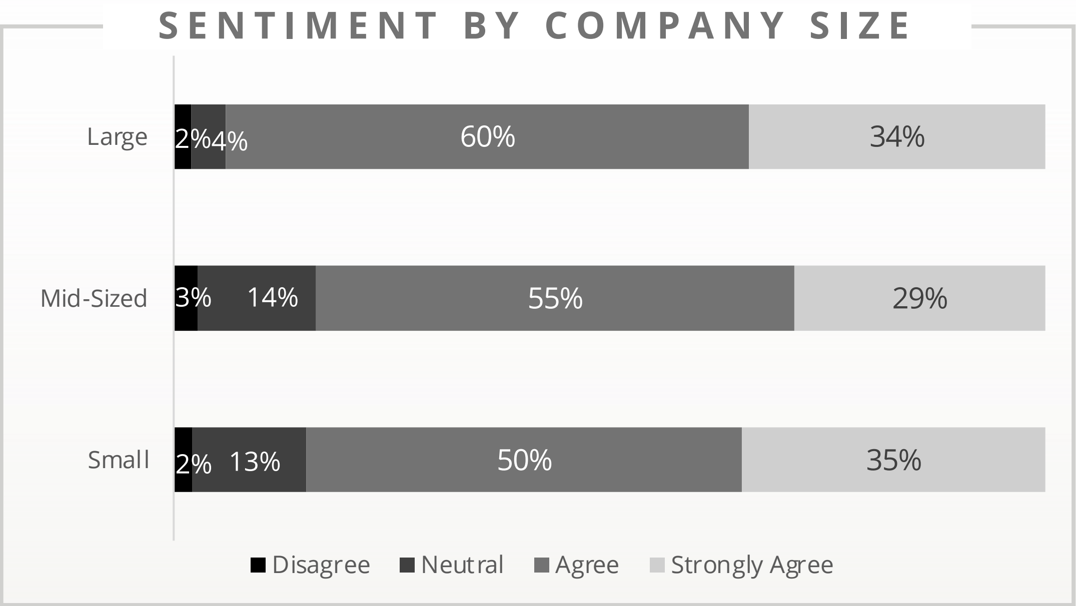


- Globally, a strong majority of retailers view private label brand investments as an effective response to changing consumer behavior, with about a quarter remaining neutral and very few disagreeing.
- Across regions, most retailers support private label investments, though a small minority in Europe and North America express disagreement.
- Among company sizes, small retailers show the highest agreement with private label investments, but also represent the largest group of dissenters

Note: n=330. Question 2: *"To what extent do you agree or disagree with the following statements regarding how retailers will respond to changing consumer behavior in 2026? (Private-label brand investments)"*

More than four in five retailers plan to increase promotional activity in 2026





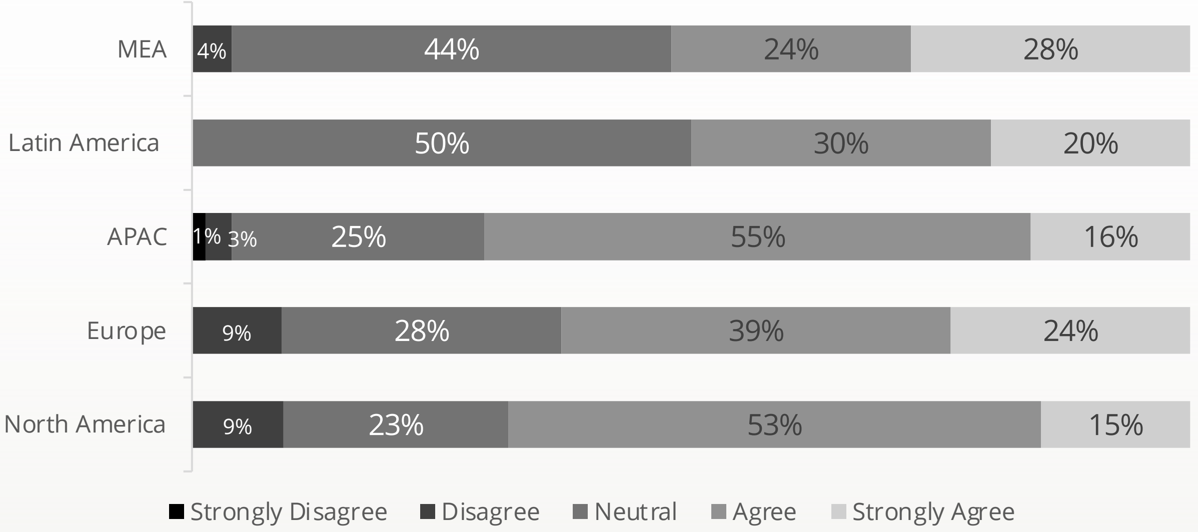
- Globally, nearly all retailers intend to increase promotional activity in response to changing consumer behavior, with only a few remaining neutral or disagreeing.
- Most regions show strong agreement on increasing promotional efforts, though some disagreement is noted in Latin America and Europe.
- Large retailers predominantly support this change, while some mid-sized and small retailers remain neutral.

Note: n=330. Question 2: *"To what extent do you agree or disagree with the following statements regarding how retailers will respond to changing consumer behavior in 2026? (Increased promotional activity)"*

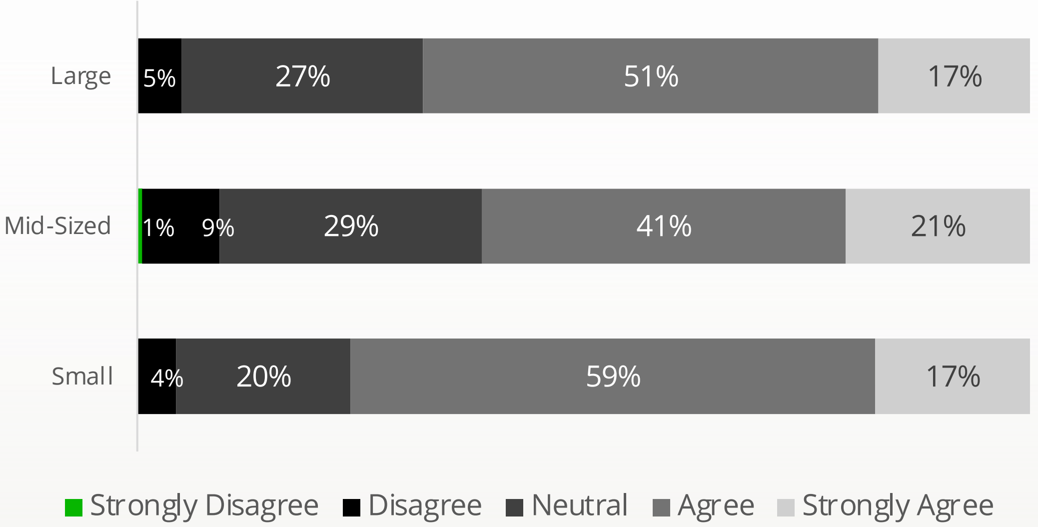
Nearly two-thirds of retailers support enhancing premium and in-store experiences in 2026

GLOBAL SENTIMENT

SENTIMENT BY REGION



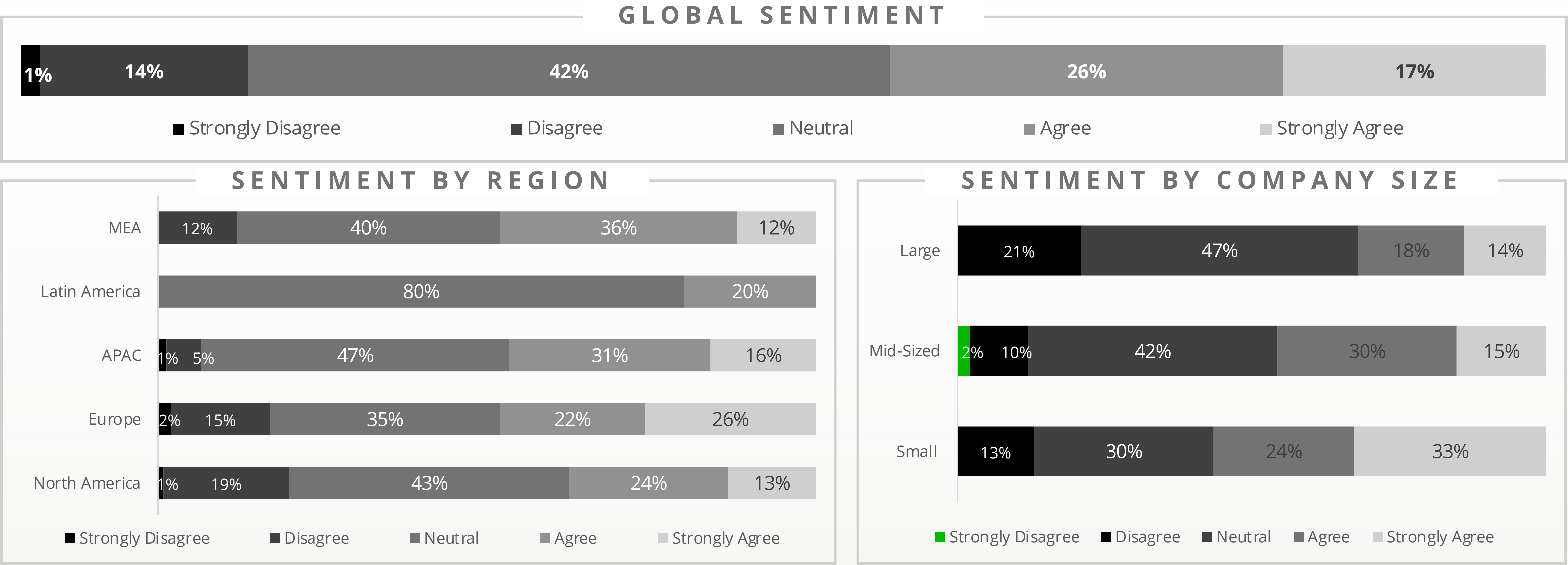
SENTIMENT BY COMPANY SIZE



- Globally, most retailers agree that enhancing premium and in-store experiences is an effective response to changing consumer behavior, though a significant portion remains neutral or disagrees.
- APAC retailers show the highest levels of both agreement and disagreement on this approach, while other regions predominantly agree.
- Large and small retailers are mainly supportive and optimistic, whereas mid-sized retailers are more likely to be neutral

Note: n=330. Question 2: *"To what extent do you agree or disagree with the following statements regarding how retailers will respond to changing consumer behavior in 2026? (Enhancement of premium & in-store experiences)"*

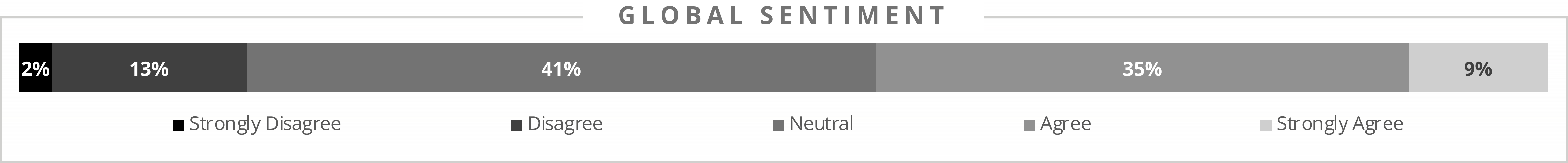
Sentiment on exclusive collaborations in 2026 is evenly balanced between neutrality and positive views, with higher optimism among small retailers

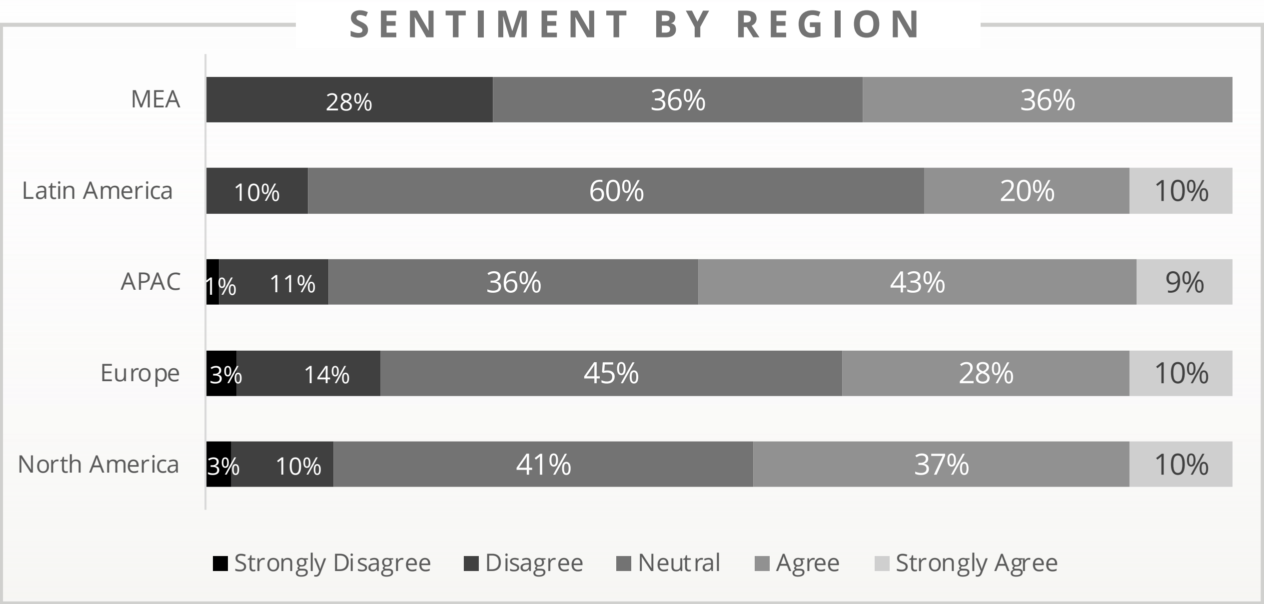


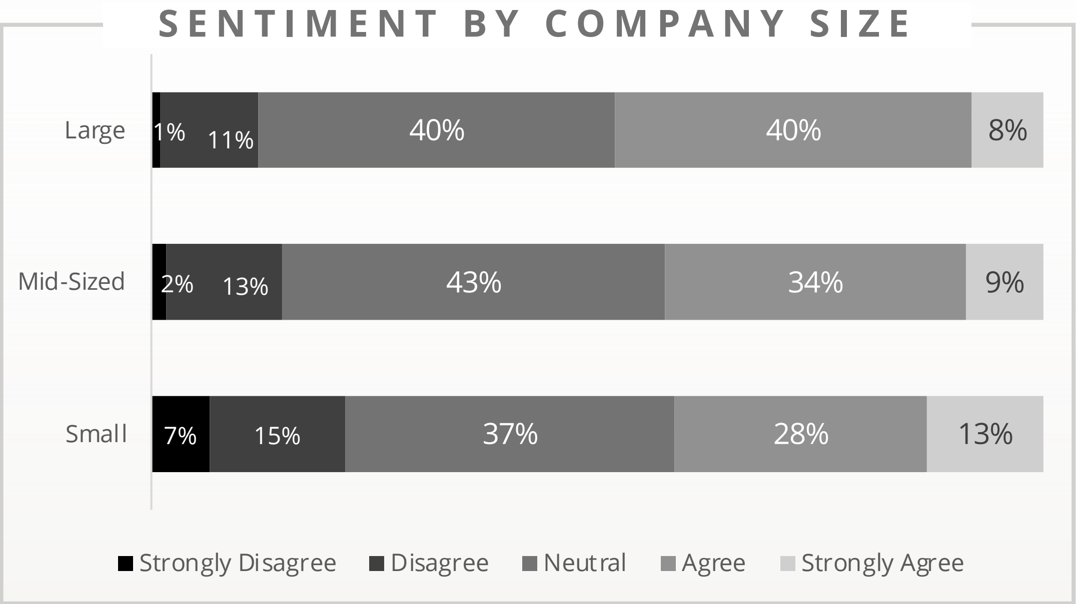
- Globally, most retailers remain neutral about exclusive collaborations and limited editions, with some agreeing and a smaller portion disagreeing.
- Across regions, neutrality prevails, though there is some disagreement from retailers in APAC, Europe, and North America.
- Large retailers tend to be neutral or disagree, while small retailers show the most optimism toward this approach.

Note: n=330. Question 2: *"To what extent do you agree or disagree with the following statements regarding how retailers will respond to changing consumer behavior in 2026? (Exclusive collaborations & limited editions)"*

More than four in ten retailers support health-focused growth in 2026, with stronger optimism in APAC and among large retailers





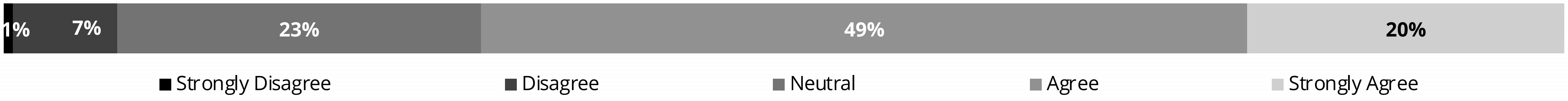


- Globally, most retailers are either neutral or in agreement regarding growth in health-focused offerings, with a minority expressing disagreement.
- Across regions, the majority of retailers in APAC, Europe, and North America remain neutral, though some disagreement exists. APAC remains the most optimistic, followed by North America and MEA.
- Across company sizes, most retailers are neutral; small retailers tend to be slightly pessimistic, while large retailers are more optimistic about health-focused growth

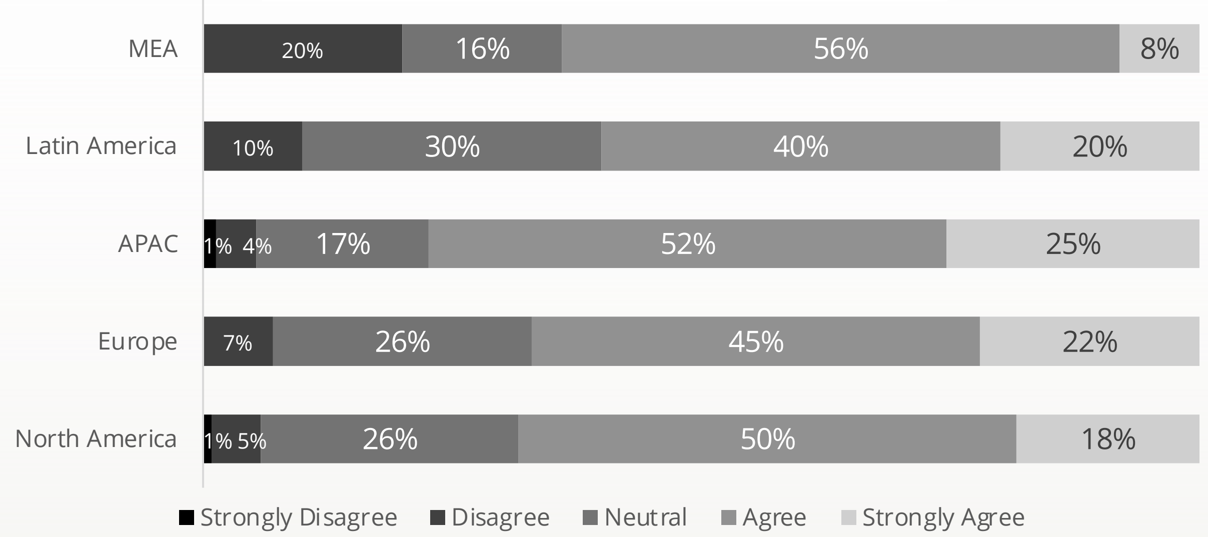
Note: n=330. Question 2: *"To what extent do you agree or disagree with the following statements regarding how retailers will respond to changing consumer behavior in 2026? (Growth in health-focused offerings)"*

A clear majority of retailers support greater transparency in nutrition and sourcing in 2026

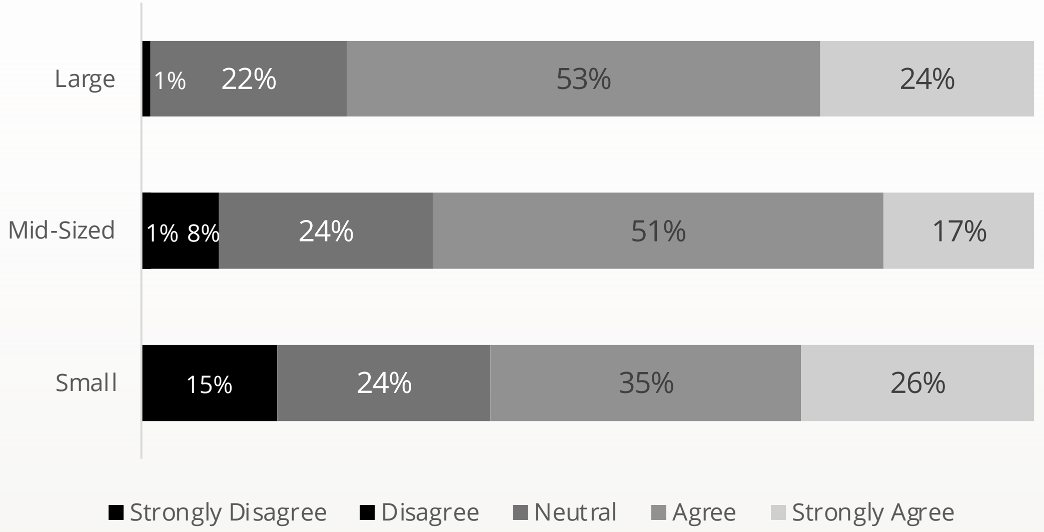
GLOBAL SENTIMENT



SENTIMENT BY REGION



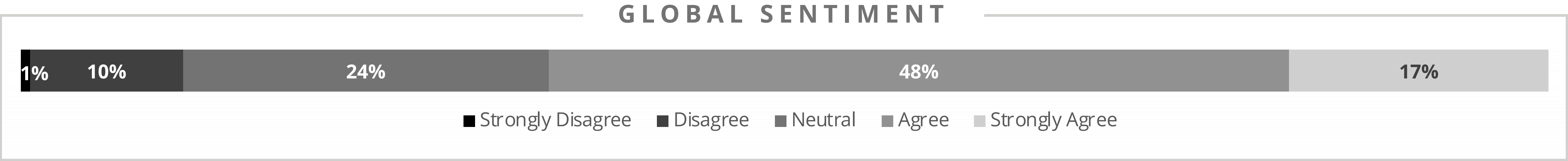
SENTIMENT BY COMPANY SIZE

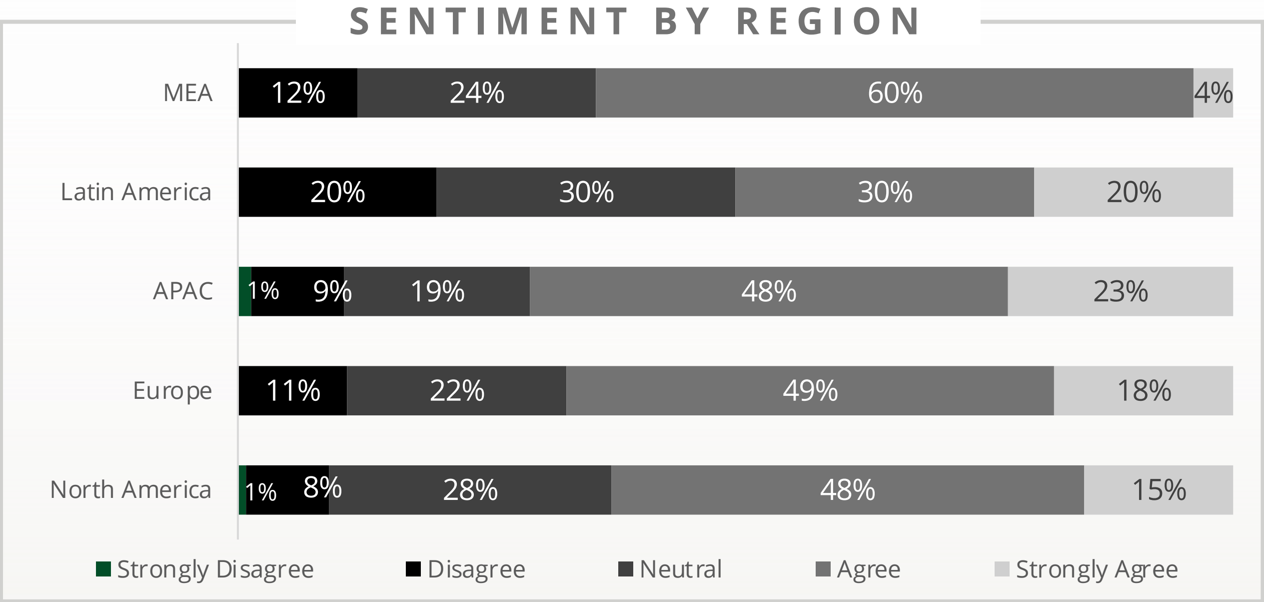


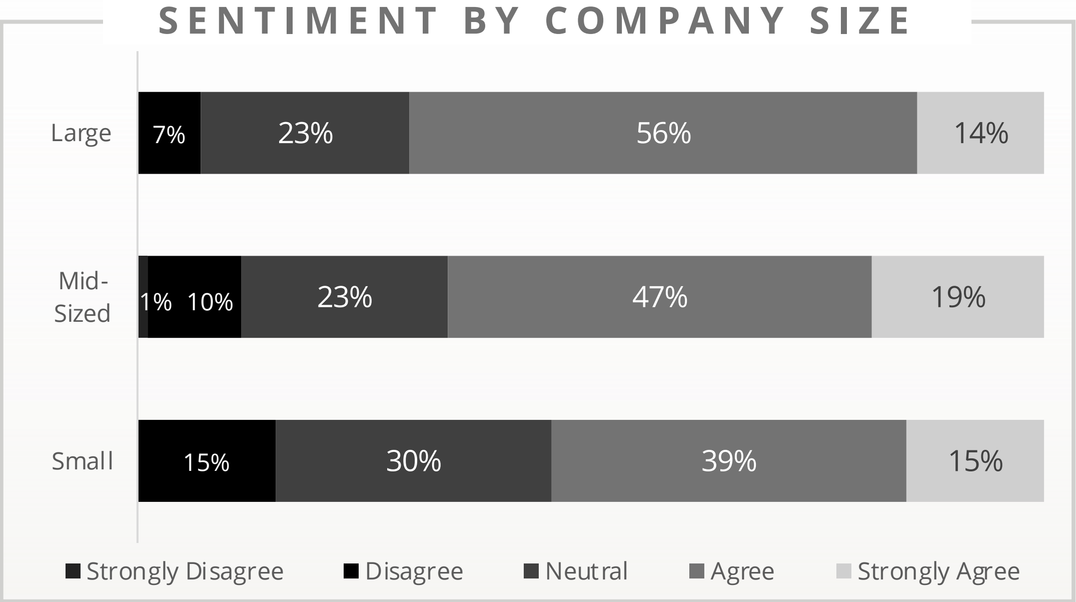
- Overall, most retailers agree that increasing transparency in nutrition and sourcing is an effective response to changing consumer behavior, though some disagree.
- In most regions, retailers are either neutral or in agreement, except for some in APAC and North America who express disagreement. Notably, APAC shows the highest level of optimism for this approach.
- Small retailers are more pessimistic and likely to disagree, while large retailers are the most optimistic about enhancing transparency

Note: n=330. Question 2: *"To what extent do you agree or disagree with the following statements regarding how retailers will respond to changing consumer behavior in 2026? (Greater transparency in nutrition & sourcing)"*

Nearly two-thirds of retailers support partnerships with health and wellness brands in 2026



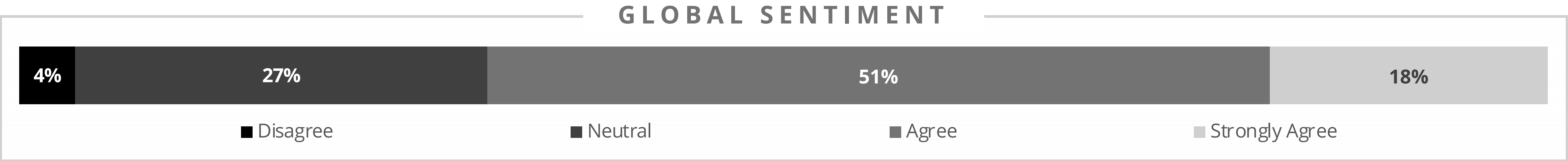


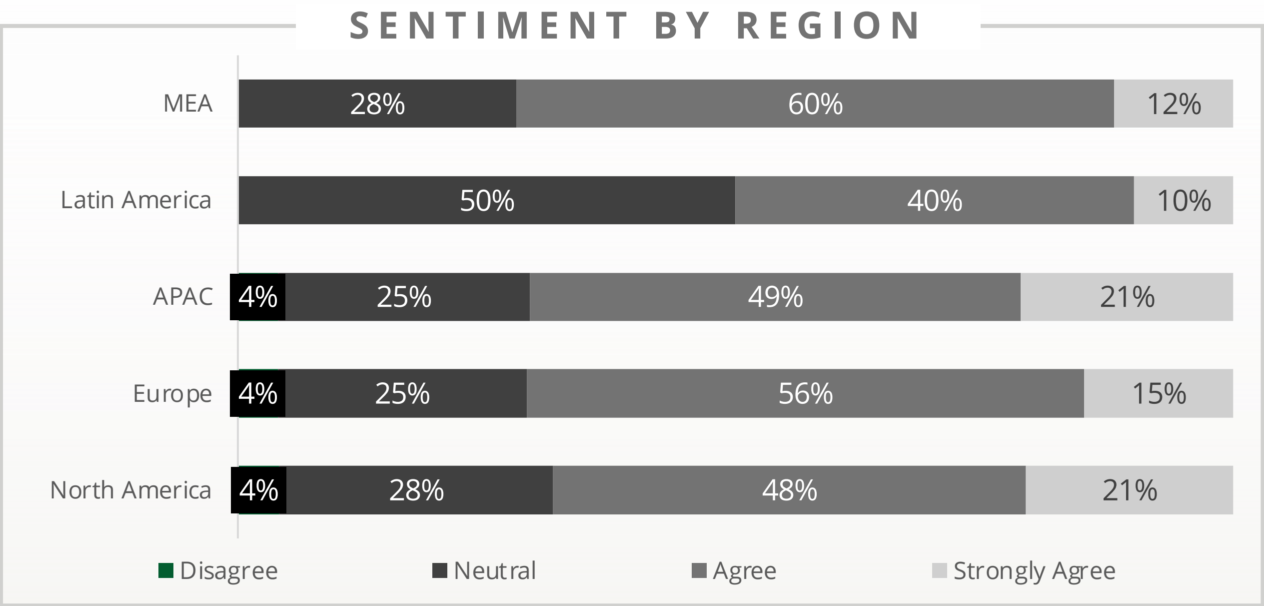


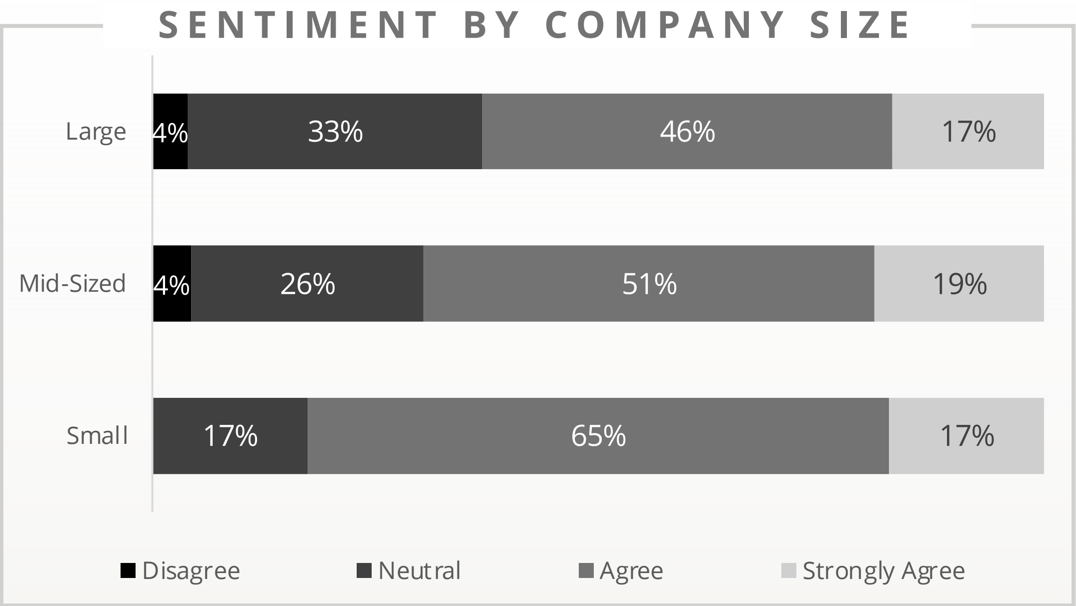
- Globally, most retailers agree with partnering with health and wellness brands, while a considerable number remain neutral and very few disagree.
- APAC and Europe are the most optimistic, although some retailers in every region express disagreement. The proportion of neutral retailers is consistent across all regions.
- Small retailers are the most pessimistic, while large retailers predominantly agree. Only a few mid-sized retailers strongly disagree with this approach.

Note: n=330. Question 2: *"To what extent do you agree or disagree with the following statements regarding how retailers will respond to changing consumer behavior in 2026? (Partnerships with health & wellness brands)"*

A strong majority of retailers support revamping and personalizing loyalty programs in 2026



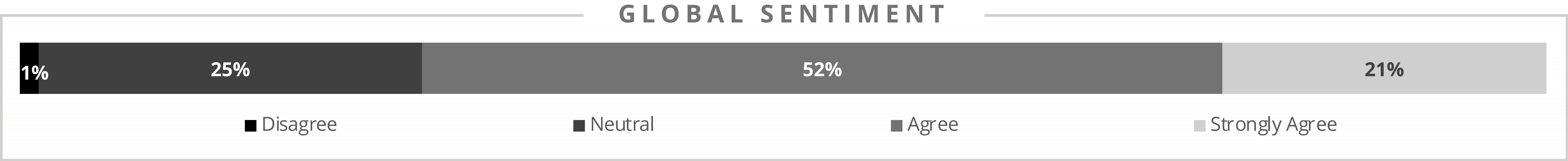


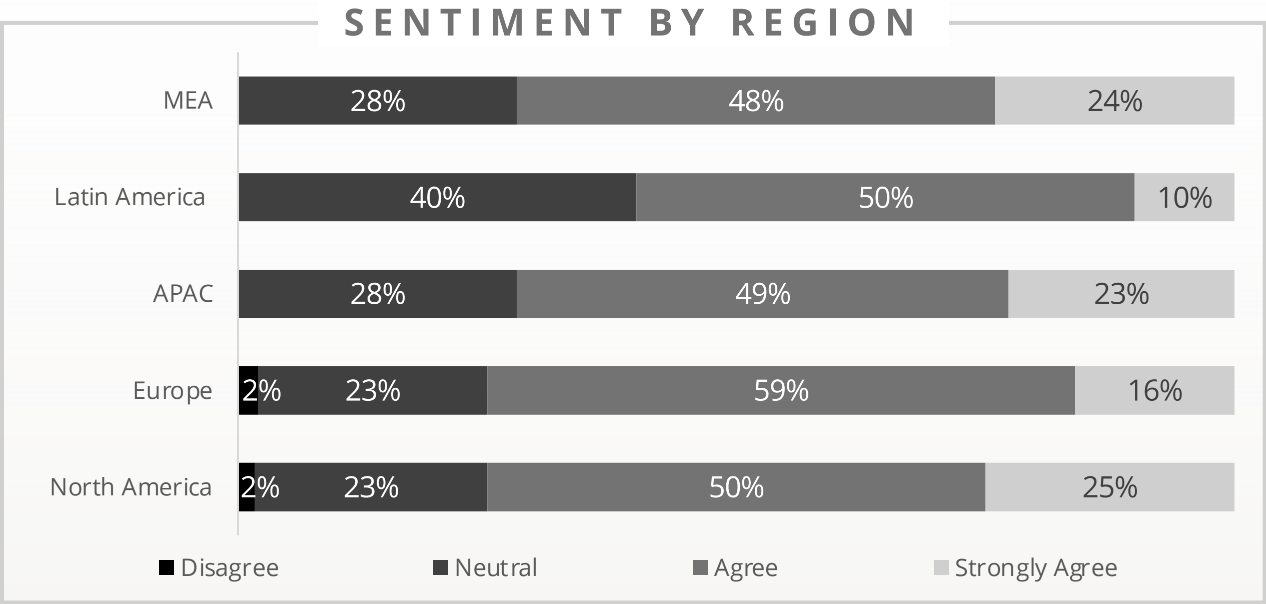


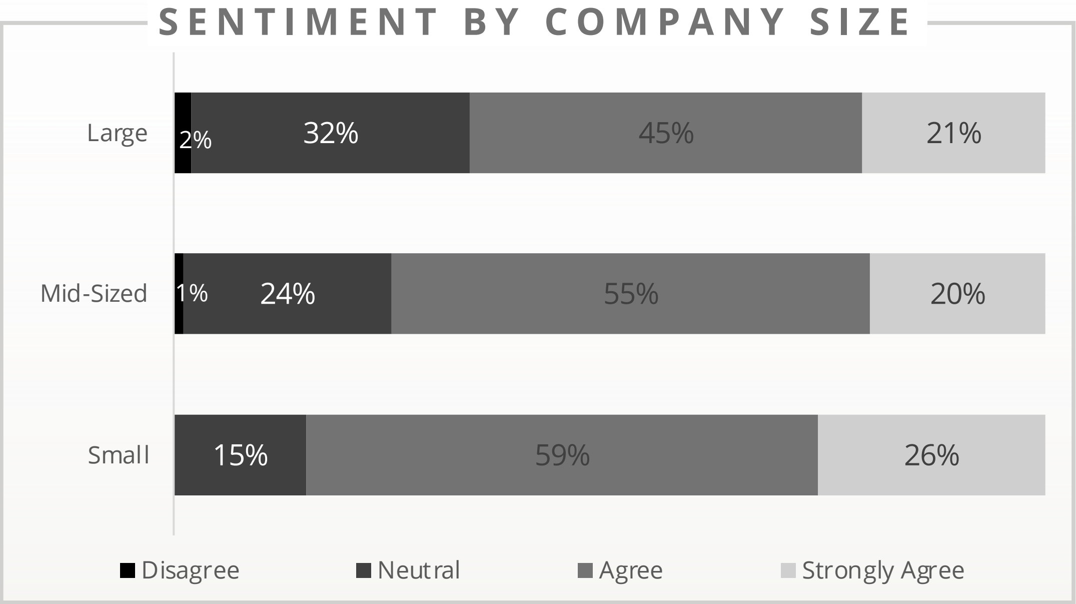
- Globally, most retailers agree on revamping and personalizing loyalty programs, while some remain neutral and very few disagree.
- In APAC, Europe, and North America, views are mixed, with some retailers disagreeing but others agreeing or remaining neutral. MEA is the most optimistic, while about half of Latin American retailers are neutral.
- The majority of small retailers agree, whereas some large and mid-sized retailers disagree. The proportion of neutral retailers is similar across company sizes

Note: n=330. Question 2: *"To what extent do you agree or disagree with the following statements regarding how retailers will respond to changing consumer behavior in 2026? (Revamped & personalized loyalty programs)"*

Nearly three-quarters of retailers support faster and more flexible fulfillment options in 2026





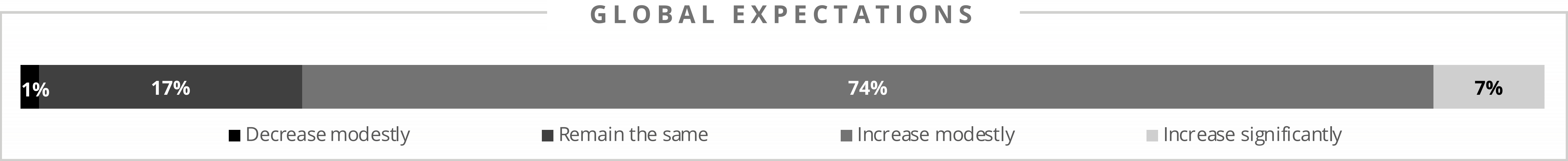


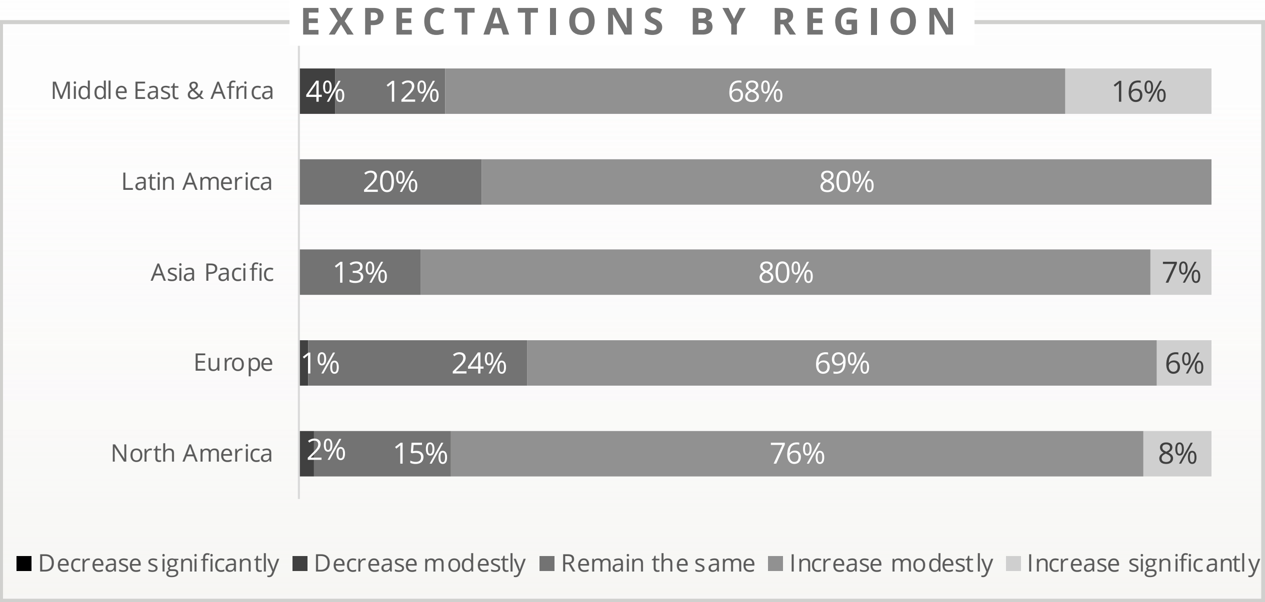
- Globally, the majority of retailers agree on the importance of faster and more flexible fulfillment options, with some remaining neutral and very few expressing disagreement.
- In Europe and North America, there is some disagreement, but most retailers either agree or are neutral. While these two regions show some pessimism, they are also the most optimistic overall.
- Small retailers are the most optimistic, whereas some large and mid-sized retailers are more pessimistic. Levels of neutrality are similar across all sizes

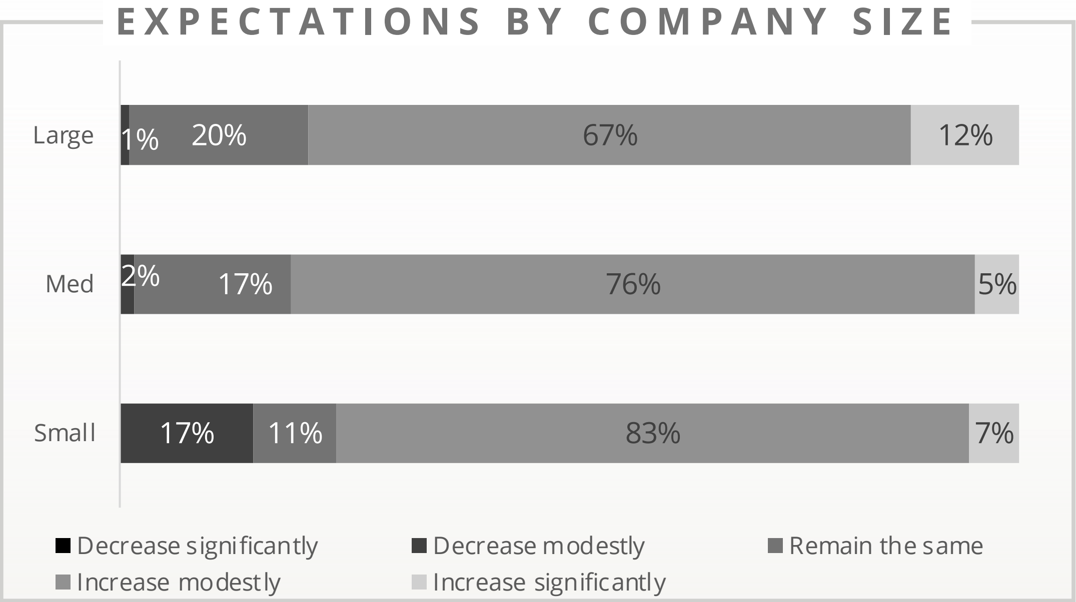
Note: n=330. Question 2: *"To what extent do you agree or disagree with the following statements regarding how retailers will respond to changing consumer behavior in 2026? (Faster & flexible fulfillment options)"*

Profitability & Margin Expectations for Retailers in 2026

Around four in five retailers expect operating profit margins to increase in 2026



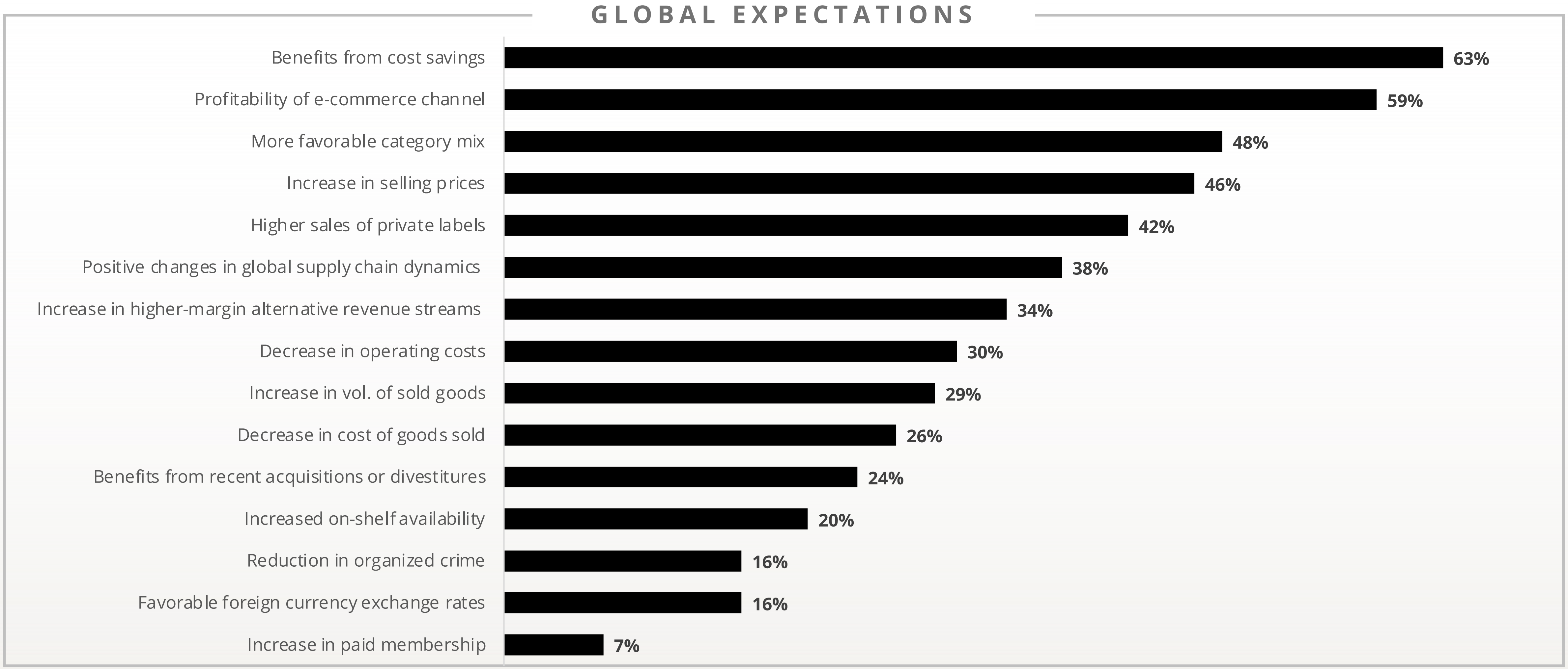




- Most major retailers globally expect operating profit margins to rise in 2026, with few anticipating decreases or no change
- Regionally, outlooks are generally positive, though some retailers in Europe, North America, and MEA expect modest declines or stable margins
- By company size, large and medium retailers mostly anticipate stable or higher profits, while a small share of smaller retailers expect declines

Note: n=330. Question 26: *"Compared to 2025, what are your expectations for operating profit margins in 2026 for the retail industry in the country/region that you manage?"*

Retailers primarily expect margin increases due to cost savings, followed by gains from e-commerce, favorable category mix, higher selling prices, and increased private label sales

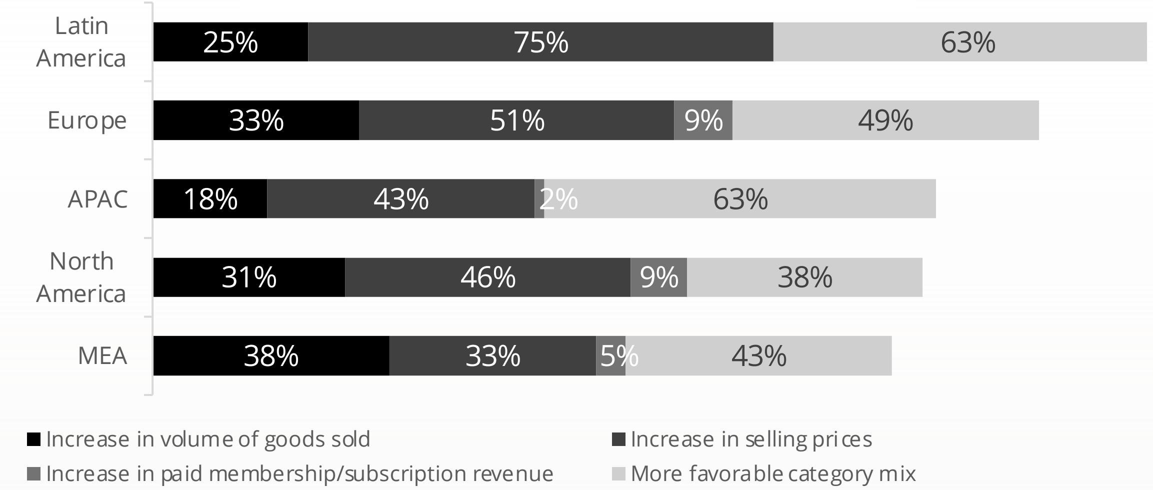


Benefits from cost savings is the most common reason for retailers to expect margin increase, followed closely by profitability from e-commerce channels, favorable category mix, increase in selling prices and higher sale of private labels respectively

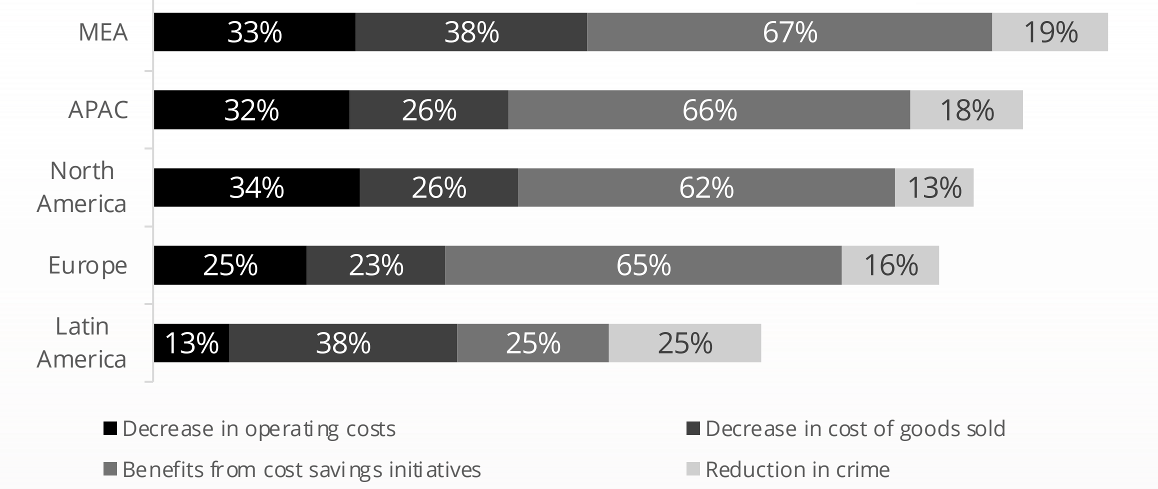
Note: n=330. Question 27: *"What are the primary reasons you expect the retail industry's margins to increase in this market?"*. Percentages do not add up to 100% as this is a multi-select question

Retailers expect margin growth in 2026 to be driven by cost savings initiatives and higher sales volumes, with regional variances in cost reduction and e-commerce profitability

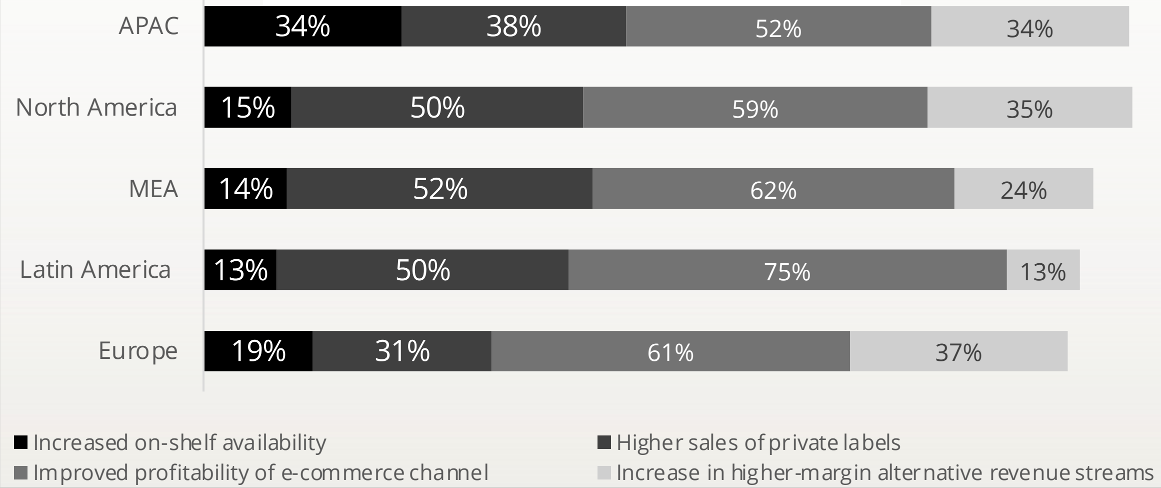
THEME 1- SALES GROWTH & REVENUE ENHANCEMENT



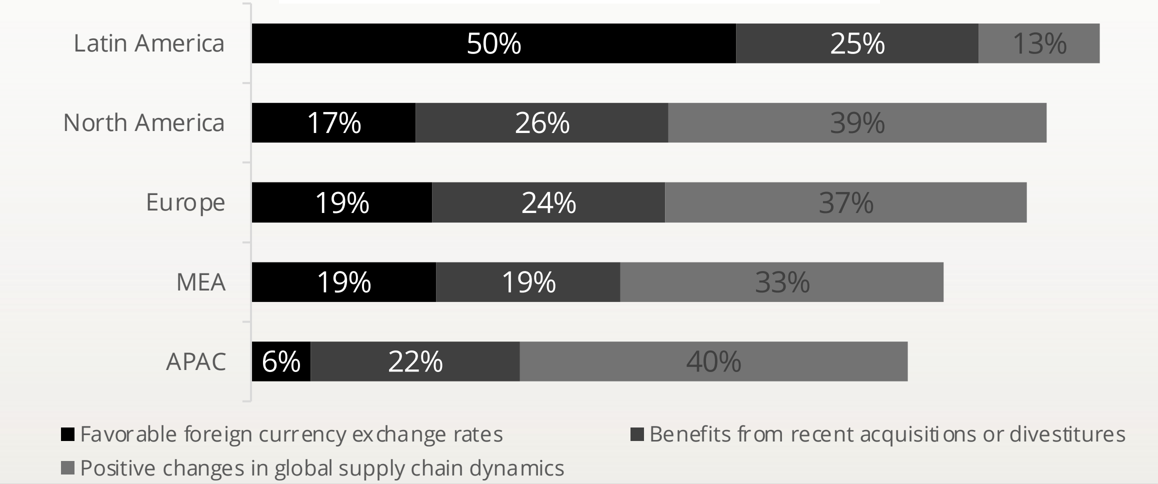
THEME 2 – COST & EFFICIENCY IMPROVEMENTS



THEME 3 – PRODUCT & CHANNEL OPTIMIZATION



THEME 4 – STRATEGIC & EXTERNAL INFLUENCES



Note: n=330. Question 27: *"What are the primary reasons you expect the retail industry's margins to increase in this market?"*. Percentages do not add up to 100% as this is a multi-select question

Retailers Actions in Response to Rising Cost Expectations in 2026

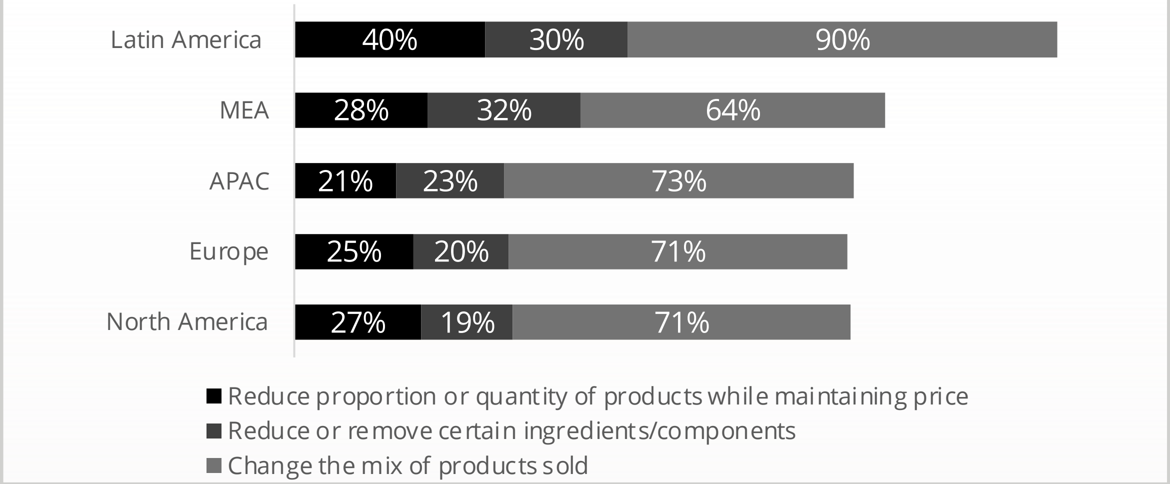
If costs rise in 2026, retailers will most likely adjust prices and product mix, with fewer considering changes to free services or product components

Gradually adjusting retail prices & changing product mix are the top actions retailers are expected to take if costs were to rise, followed closely by increasing threshold for free shipping and restructuring supply chain. Retailers are least likely to eliminate free services or change proportions or components

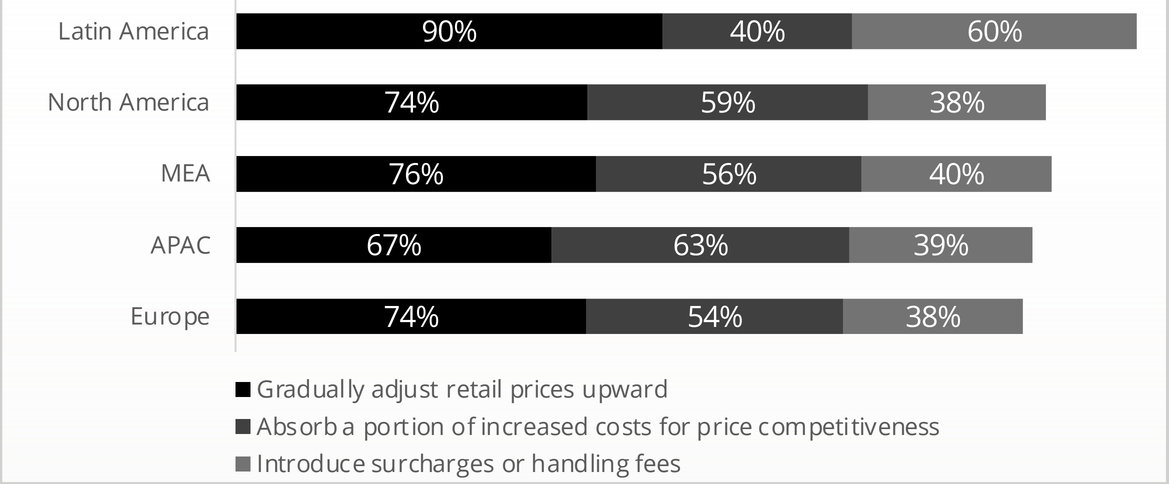
Note: n=330. Question 16: *"Which of the following actions is your company likely to consider or pursue in 2026 if input or product costs were to rise?"*. Percentages do not add up to 100% as this is a multi-select question

Retailers plan to raise prices and adjust product mix if costs rise, while changes to free services or product components are least likely

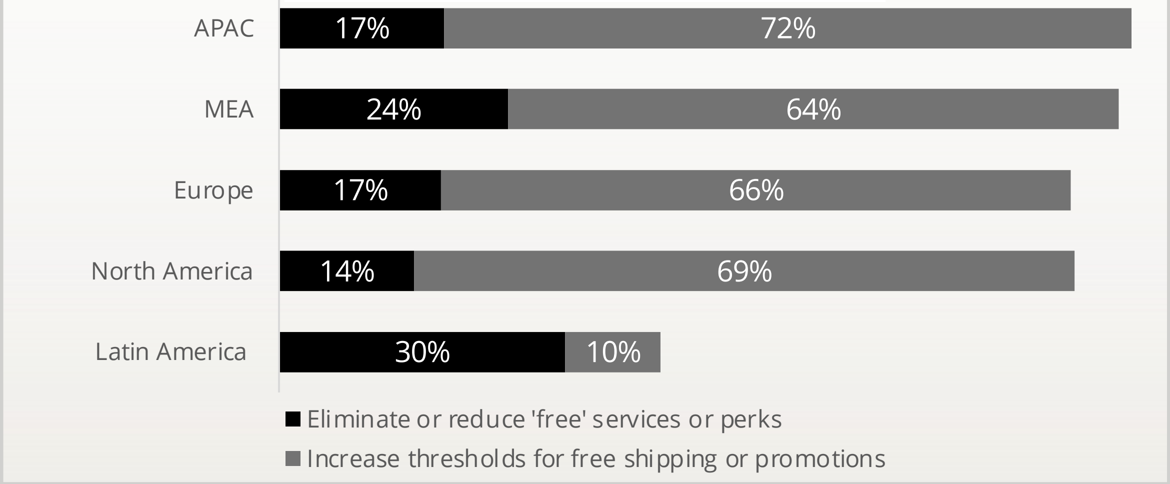
THEME 1- PRODUCT OPTIMIZATION & REFORMULATION



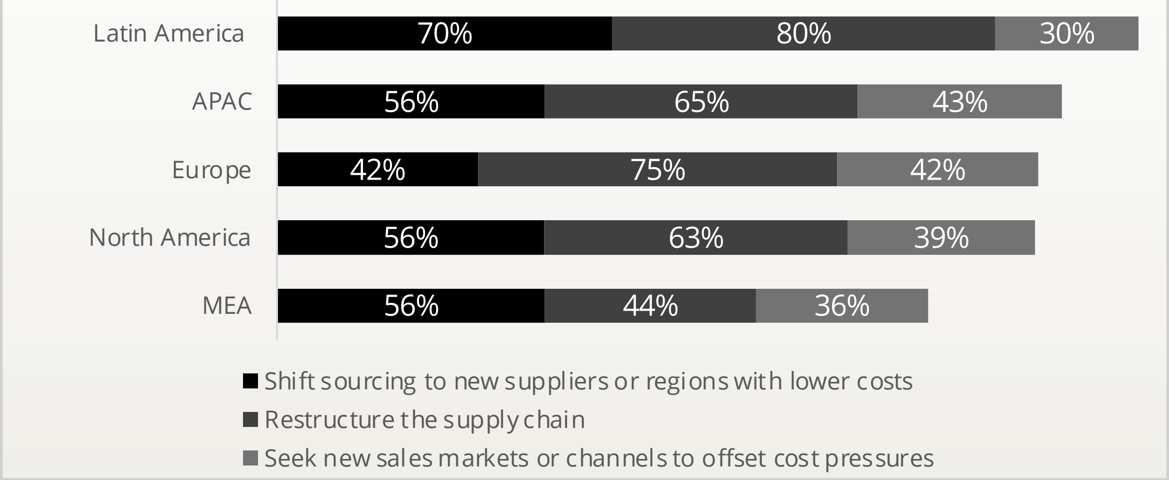
THEME 2 – PRICING & REVENUE MANAGEMENT



THEME 3 – SERVICE MODEL ADJUSTMENTS



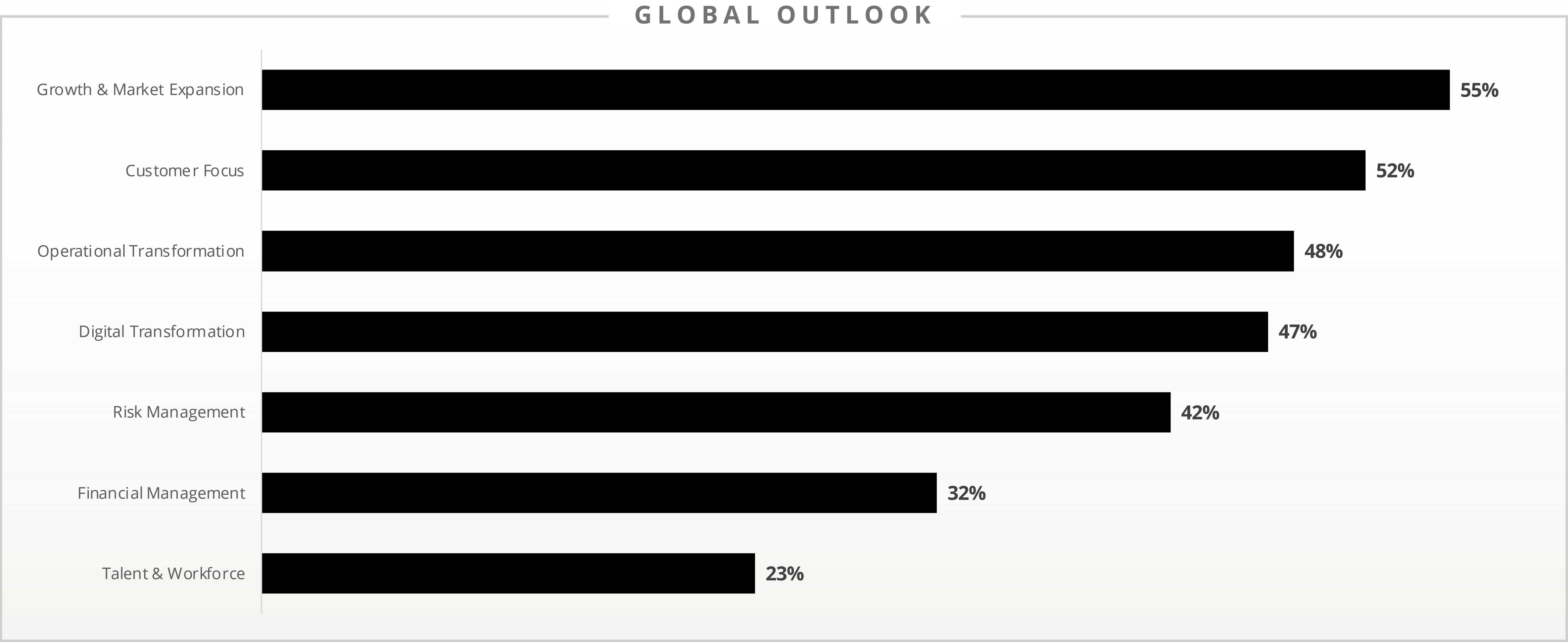
THEME 4 – SUPPLY CHAIN & MARKET STRATEGIES



Note: n=330. Question 16: "Which of the following actions is your company likely to consider or pursue in 2026 if input or product costs were to rise? Percentages do not add up to 100% as this is a multi-select question

Top Priorities for Retailers in 2026

Retailers' chose market expansion, customer focus and operational transformation as their top priorities for 2026

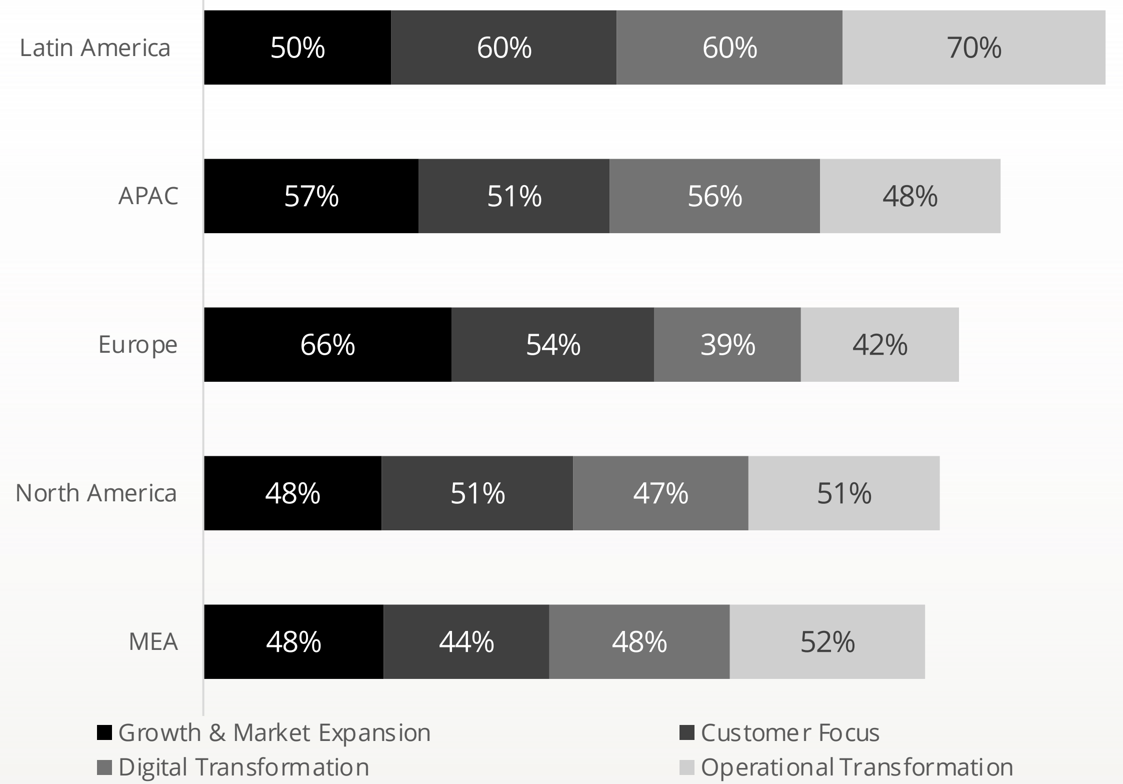


Globally, retailers identify growth and market expansion as their top priority, closely followed by customer focus. Operational transformation, digital transformation, and risk management are also important, while talent and workforce are considered the lowest priority

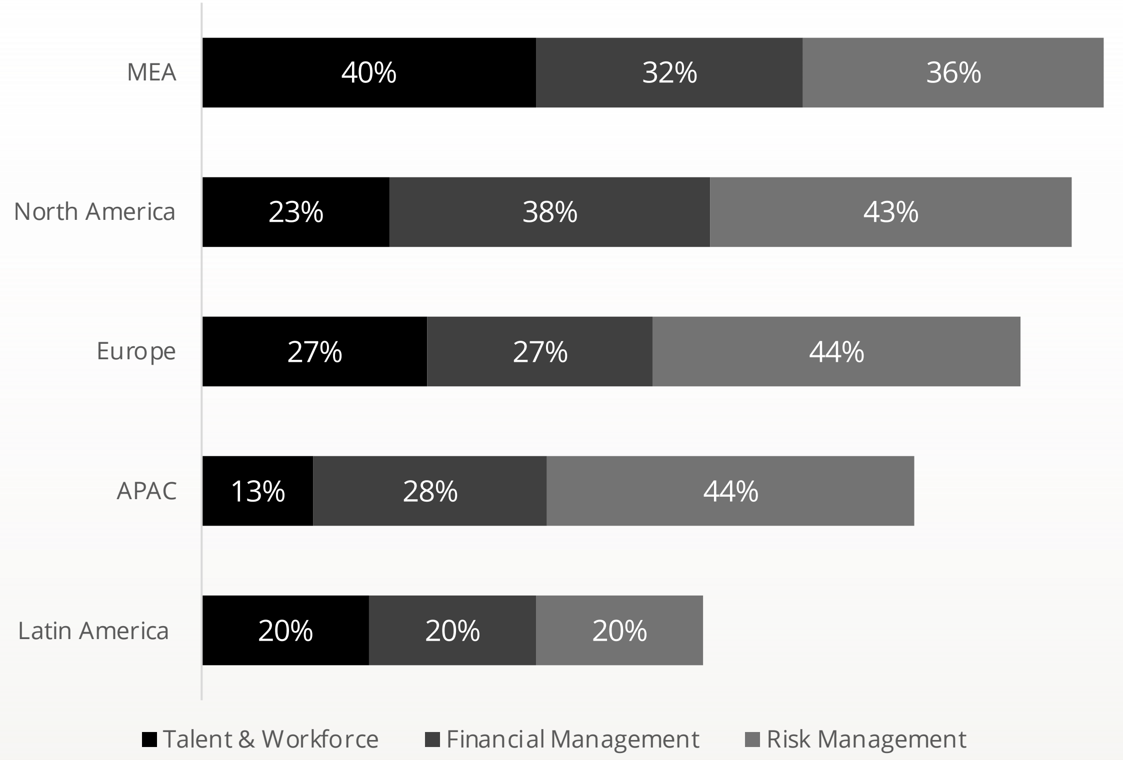
Note: n=330. Question 12: "What are the top priorities for your company in 2026?". Percentages do not add up to 100% as this is a multi-select question

Customer focus, growth, and operational transformation are top priorities for 2026, with digital transformation and talent varying by region

THEME 1 – GROWTH & TRANSFORMATION



THEME 2 – BUSINESS FOUNDATION



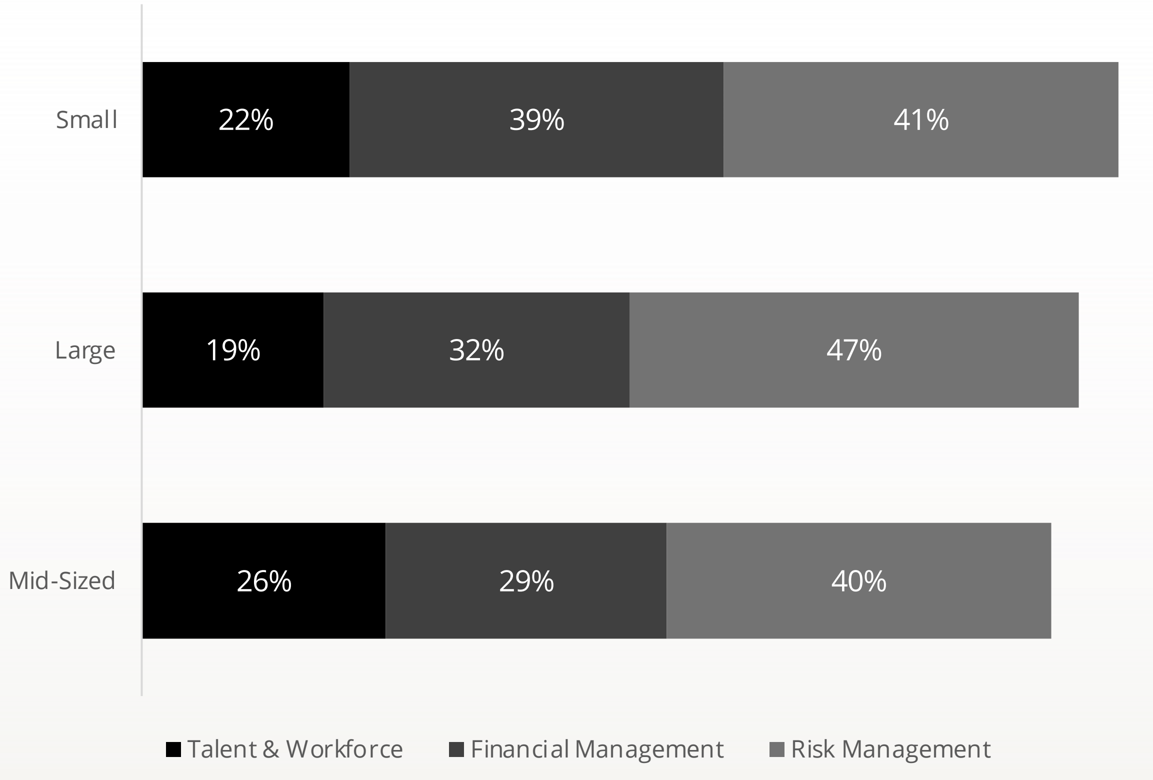
- Across regions, customer focus, growth and market expansion, and operational transformation are top priorities. While talent and workforce are generally lower priorities
- MEA places greater emphasis on them. Digital transformation is particularly important in Latin America.
- Financial and risk management have similar levels of importance across all regions.

Note: n=330. Question 12: “What are the top priorities for your company in 2026?”. Percentages do not add up to 100% as this is a multi-select question

Growth, market expansion, and customer focus are top 2026 priorities, with talent the lowest across all retailer sizes and large retailers maintaining balanced priorities

THEME 1 – GROWTH & TRANSFORMATION

THEME 2 – BUSINESS FOUNDATION



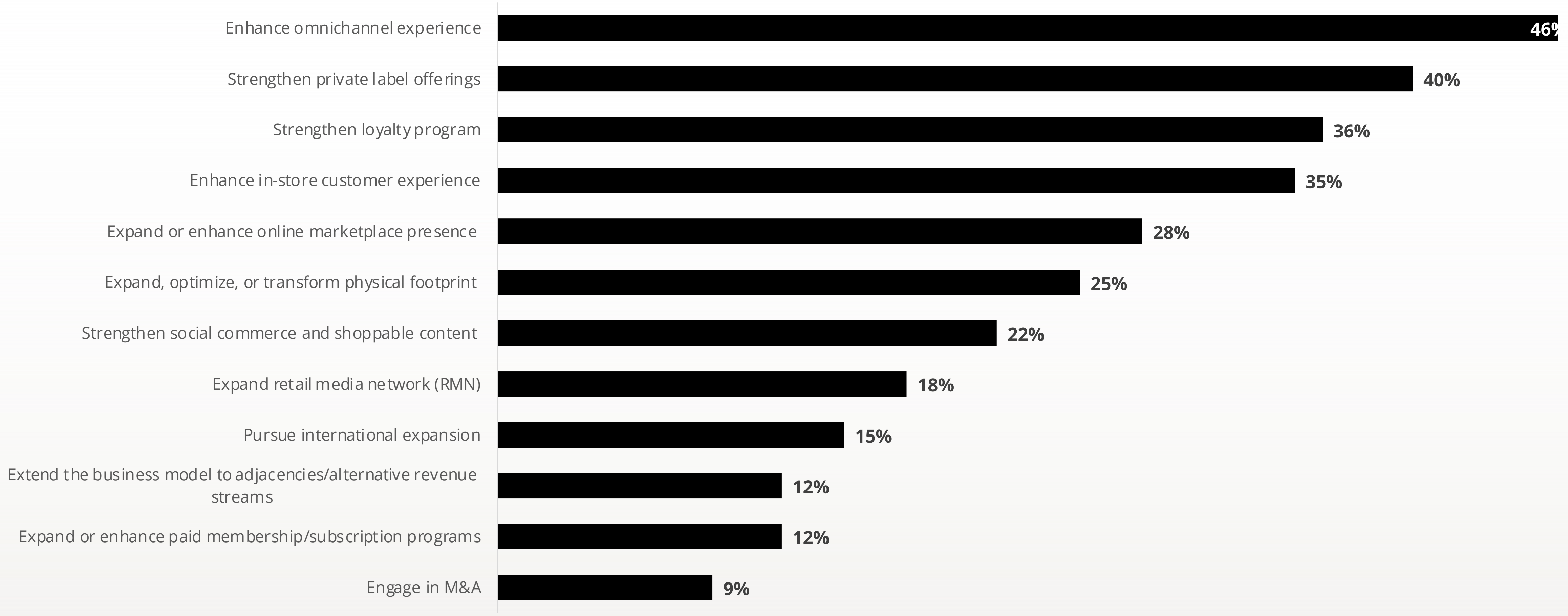
- Small organizations prioritize growth, market expansion, and customer focus for transformation, with some emphasis on risk management and digital transformation. Talent and workforce consistently have the lowest priority.
- Mid-sized retailers share similar priorities with small retailers but also focus on operational transformation and financial management.
- Large retailers give nearly equal priority to all areas except talent and workforce, which remains the lowest priority across all organization sizes

Note: n=330. Question 12: “What are the top priorities for your company in 2026?”. Percentages do not add up to 100% as this is a multi-select question

Top Growth Opportunities for Retailers in 2026

In 2026, retailers view omnichannel experience, private labels, and loyalty programs as top growth opportunities

GLOBAL OUTLOOK

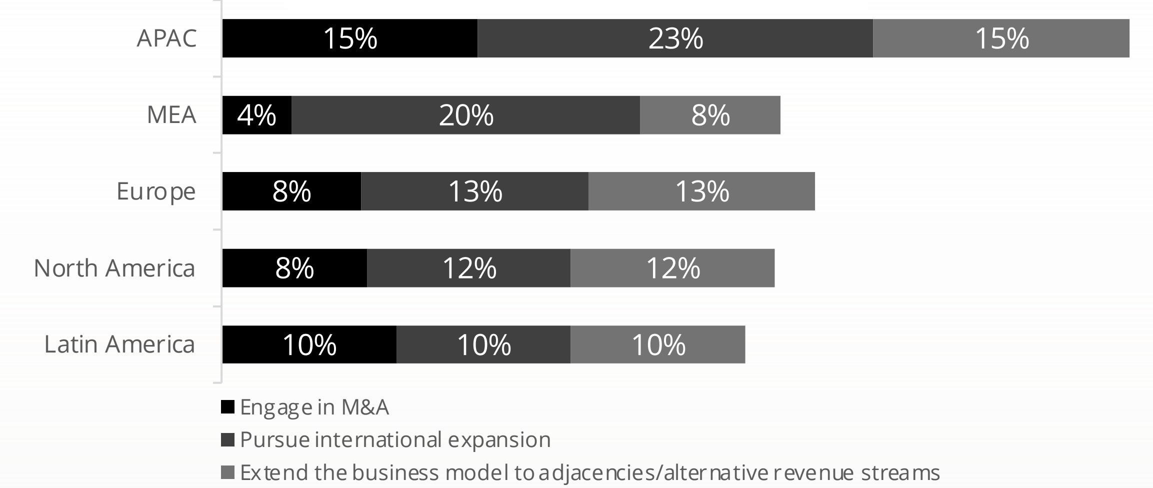


Globally, retailers see enhancing omnichannel experience, private label offerings, and loyalty programs as the top growth opportunities, followed by in-store experience. M&A, paid subscriptions, and business model extensions are the least favored.

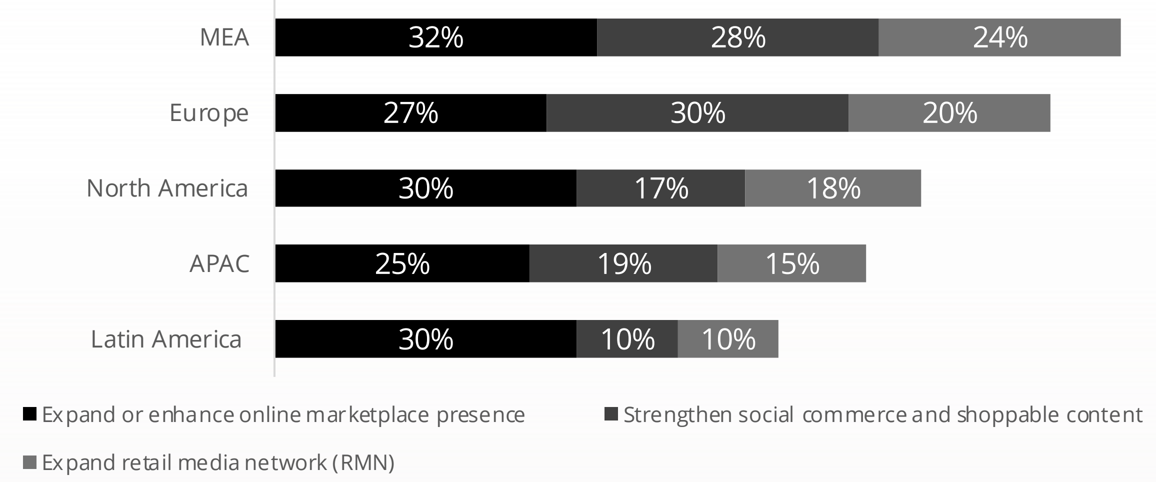
Note: n=330. Question 12: "What are the top priorities for your company in 2026?". Percentages do not add up to 100% as this is a multi-select question

Strategic growth, digital expansion, customer engagement, and retail excellence will shape 2026, with a focus on international, omnichannel, and loyalty initiatives across regions

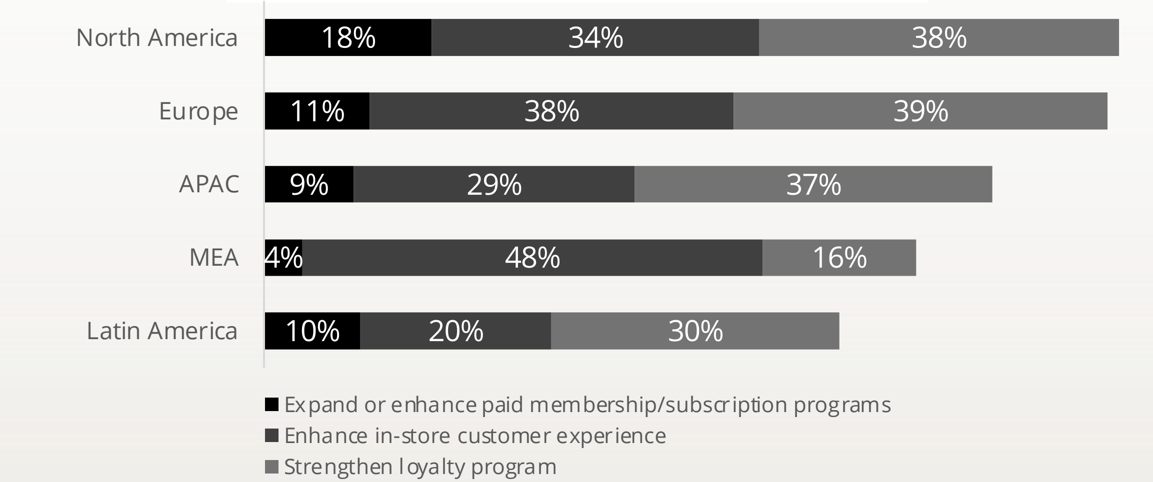
THEME 1- STRATEGIC GROWTH & EXPANSION



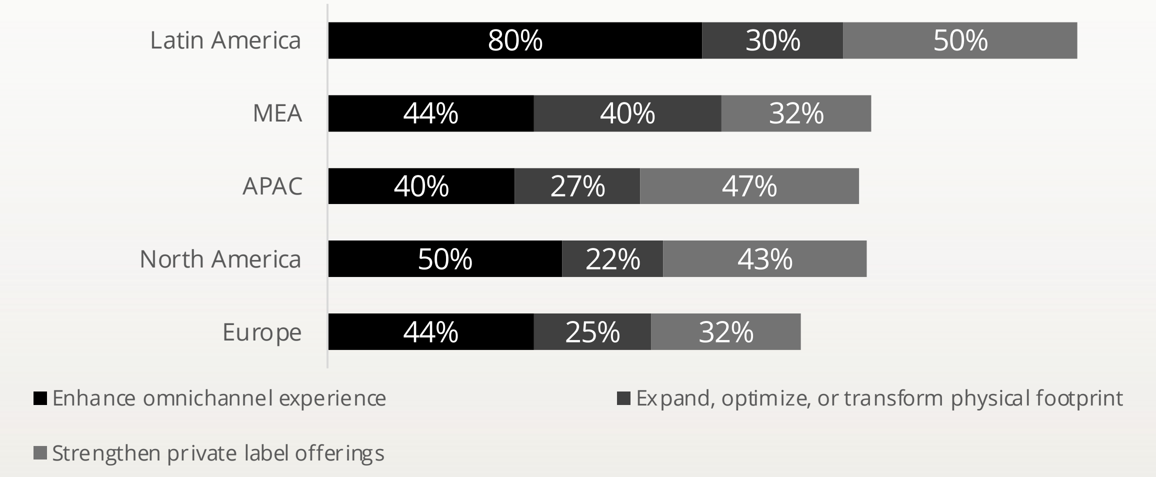
THEME 2 – DIGITAL & CHANNEL DEVELOPMENT



THEME 3 – CUSTOMER ENGAGEMENT & EXPERIENCE



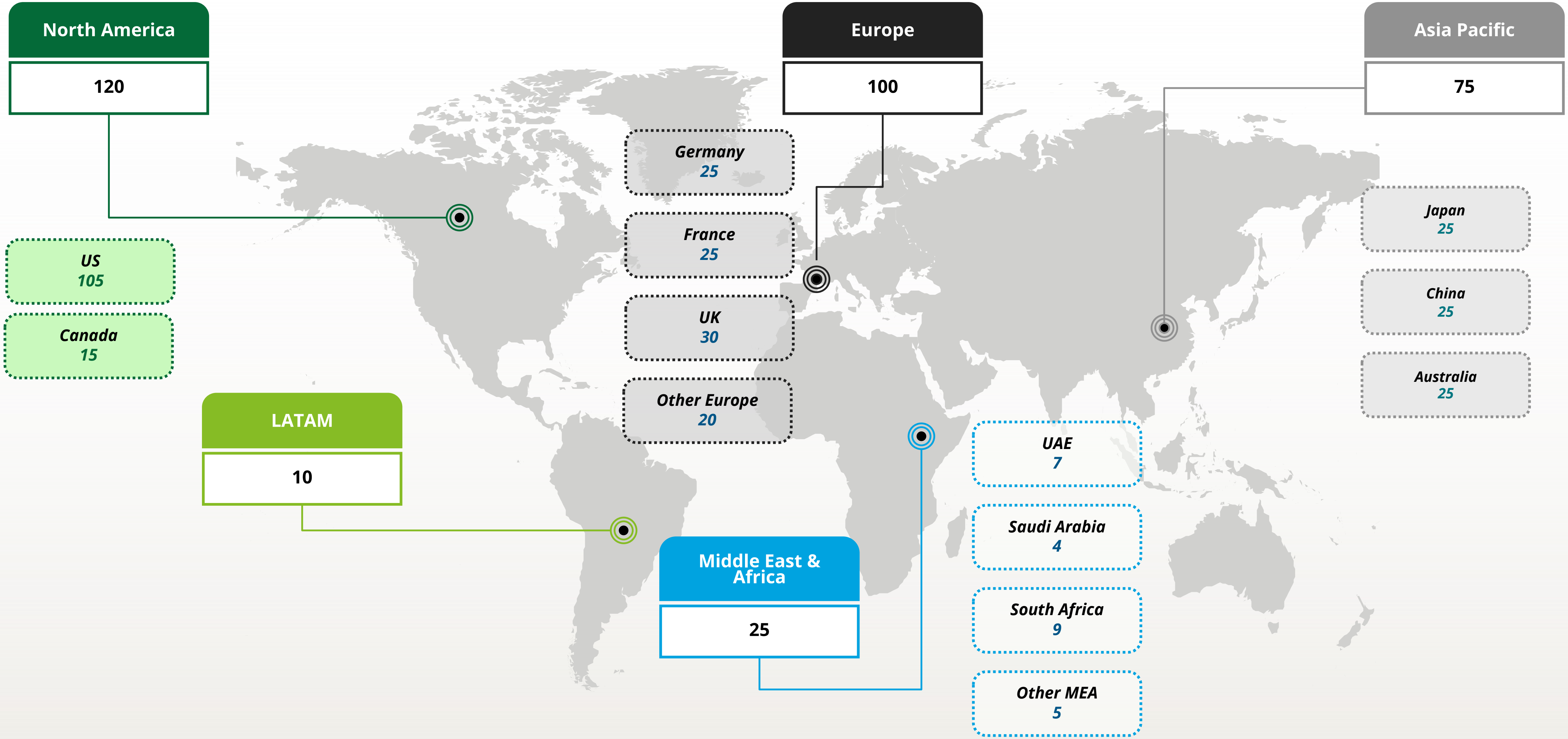
THEME 4 – RETAIL & OMNICHANNEL EXCELLENCE



Note: n=330. Question 11: "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

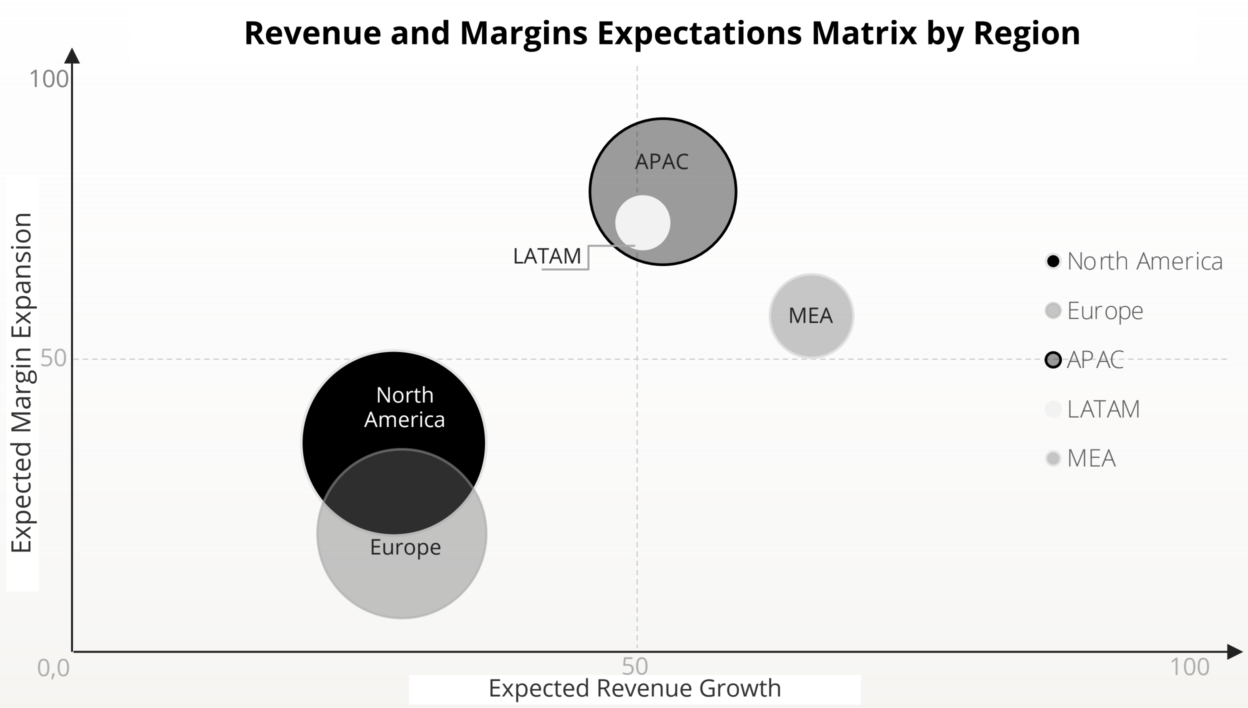
Geographic Breakdown of Sample Size

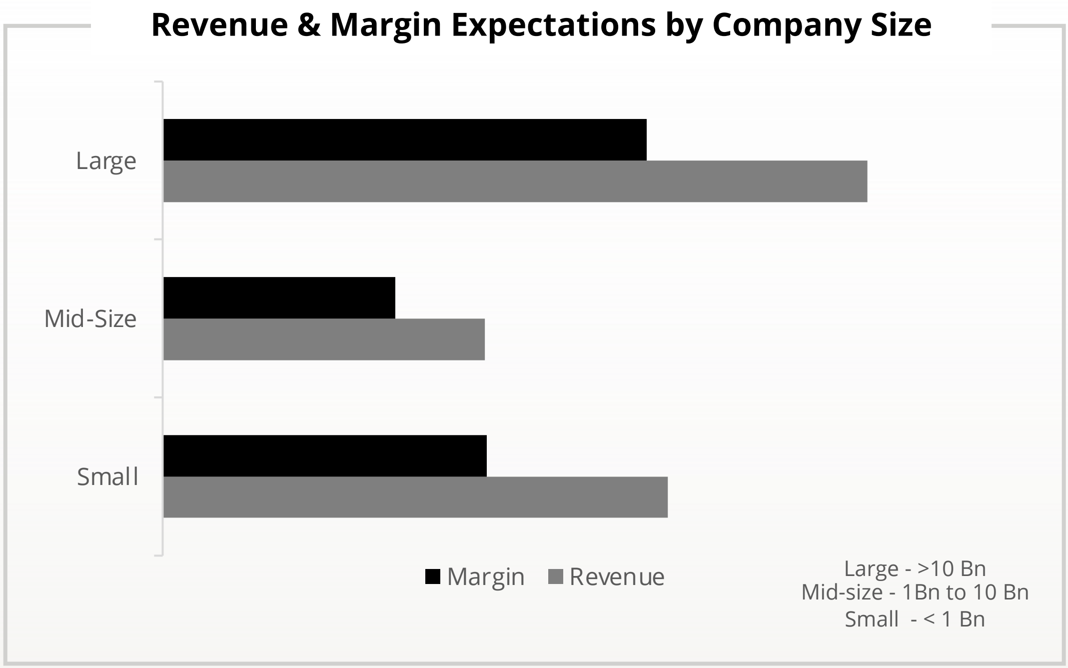
The total sample size consists of 330 respondents. North America comprised the largest portion of the sample size at 36.4%, with Europe contributing 30.3% and Asia Pacific representing 22.7% of the total sample



Profitable growth outlook strengthens across regions and retail segments

Retailers signal broad confidence in profitable growth, powered by efficiency and e-commerce momentum, with execution emerging as the key differentiator





Growth Opportunity and Priority Mapping

Methodology

- The top six growth opportunities were identified for each key region based on survey responses.
- Survey participants ranked their current strategic priorities, including associated sub-categories that further define each priority.
- Each growth opportunity was mapped to the relevant priorities and sub-categories, allowing for a detailed assessment of the most critical actions required to achieve each opportunity.
- This mapping process was carried out across all regions, ensuring that the critical priorities necessary for success in each growth area were clearly identified and aligned with respondents' input.

Enhance In-store Customer Experience	Expand/Enhance Online Marketplace Presence	Enhancing Omnichannel Experience	Expand, Optimize Or Transform Physical Footprint	Strengthen Private Label Offerings	Strengthen Loyalty Program
Customer Focus	Digital Transformation	Customer Focus	Financial Management	Customer Focus	Customer Focus
Digital Transformation	Growth & Market Expansion	Digital Transformation	Growth & Market Expansion	Growth & Market Expansion	Digital Transformation
		Operational Transformation		Financial Management	

Note: The mapping reflects analyst discretion and is not exhaustive.

Retail Themes

The retail sector is transforming, driven by changing consumer priorities, AI adoption, innovative customer experiences, streamlined operations, expanded partnerships, and financial resilience

Value-oriented Consumers: A Lasting, Foundational Shift

- Consumers are increasingly focused on value, showing sustained behaviors such as trading down, prioritizing essentials and selective spending, a trend expected to continue through 2026.
- Retailers are responding by strengthening price positions, expanding private label offerings and enhancing loyalty programs to deliver personalized savings and meet evolving customer expectations.

AI Commerce Reshaping The Path To Purchase

- AI is quickly becoming central in retail, with rapid adoption expected in pricing, recommendations, and demand planning, and most retailers anticipating clear benefits within two years.
- AI is reshaping customer experiences through conversational tools and hyper-personalization, prompting retailers to enhance oversight, data governance, and adapt to new digital discovery and purchasing methods.

Marketing & Customer Experience Reimagined

- Retailers are rapidly adopting AI in marketing, increasing in-house capabilities, leveraging first-party data, and prioritizing personalized customer experiences.
- AI is transforming customer engagement through visual platforms and retail media networks, driving more relevant interactions and prompting stronger data governance.

Operations, Supply Chain And Ongoing Tech Investment

- Retailers are prioritizing operational transformation, investing in supply chain agility, resilience, and technology upgrades to address cost pressures and enable faster innovation.
- AI adoption is accelerating across supply chain processes, enhancing visibility, automation, and decision-making, while ecosystem partnerships and new models are driving efficiency and positioning retailers for future growth.

The Expanding Ecosystem: Partnerships, Platforms And Reach

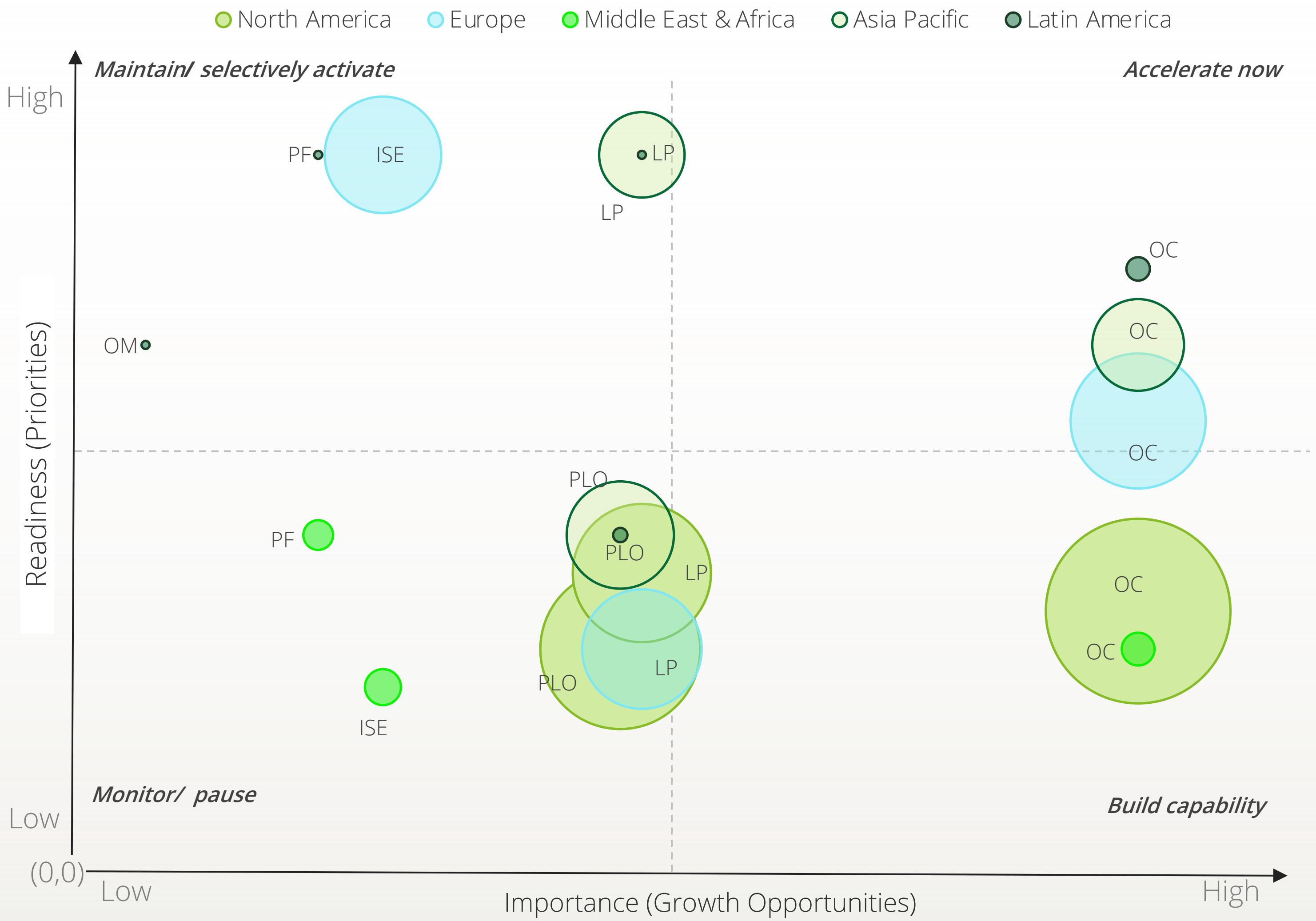
- Retailers are expanding ecosystem partnerships across technology, fintech, healthcare, and logistics to diversify revenue, accelerate innovation, and build resilience.
- Digital and technology-led collaborations, such as platform models and fintech integrations, are broadening offerings and enhancing customer engagement, positioning retailers for sustained growth and innovation.

Financial Fortitude: Margin Management And Cost Discipline

- Retailers face rising cost pressures and margin challenges, prompting a focus on cost-efficiency, higher-margin product mixes, and supply chain restructuring to sustain profitability.
- Operational discipline, pricing agility, and trust-building are central to margin resilience, with recent examples showing measurable improvements in gross margin and operating profit.

Regional Growth Opportunity Attractiveness Matrix

Retailers are aligned in readiness but diverse sharply in strategic importance, highlighting where accelerated investment can unlock disproportionate growth



Key:
PF – Physical Footprint ISE – In-store Experience PLO – Private Label Offerings LP – Loyalty Program OC – Omnichannel Experience
OM – Online Marketplace

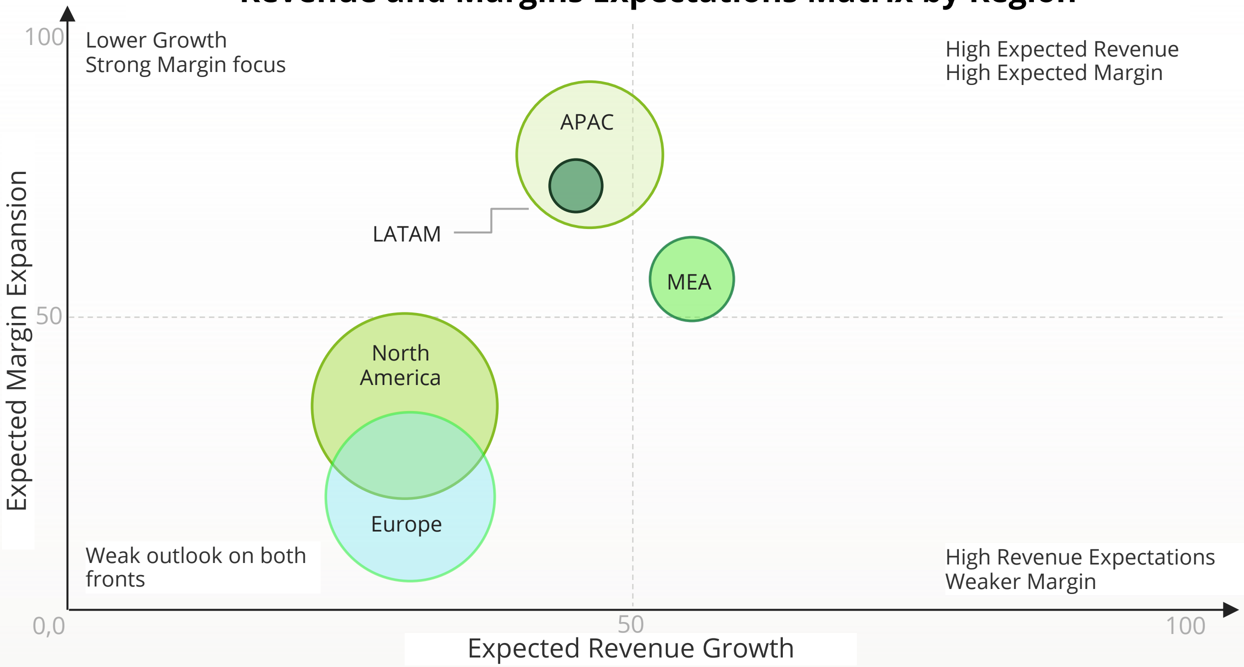
Observations

- Regional discrepancies in organizational readiness persist, largely due to **misaligned priorities that hinder progress** toward key growth opportunities
- Retailers face a **disconnect between the strategic importance** of growth initiatives and the allocation of resources to achieve them. Although priorities like **price optimization** and **technology modernization** receive significant focus, efforts to increase customer lifetime value and acquire new customers are less emphasized
- The **shift toward an omnichannel experience is a central** theme, driven by **strong confidence in e-commerce profitability** and a heightened focus on enhancing both in-store and online customer engagement
- **Private label sales are rising** across regions, but inconsistent execution highlights that **disciplined delivery**, rather than ambitious target-setting, is the **primary driver of value creation** in this area
- **Expectations of margin improvement**, fueled by better **category mix**, agile response **to evolving customer preferences**, and the **adoption of AI**, are making the strengthening of **loyalty programs a key growth opportunity** for retailers

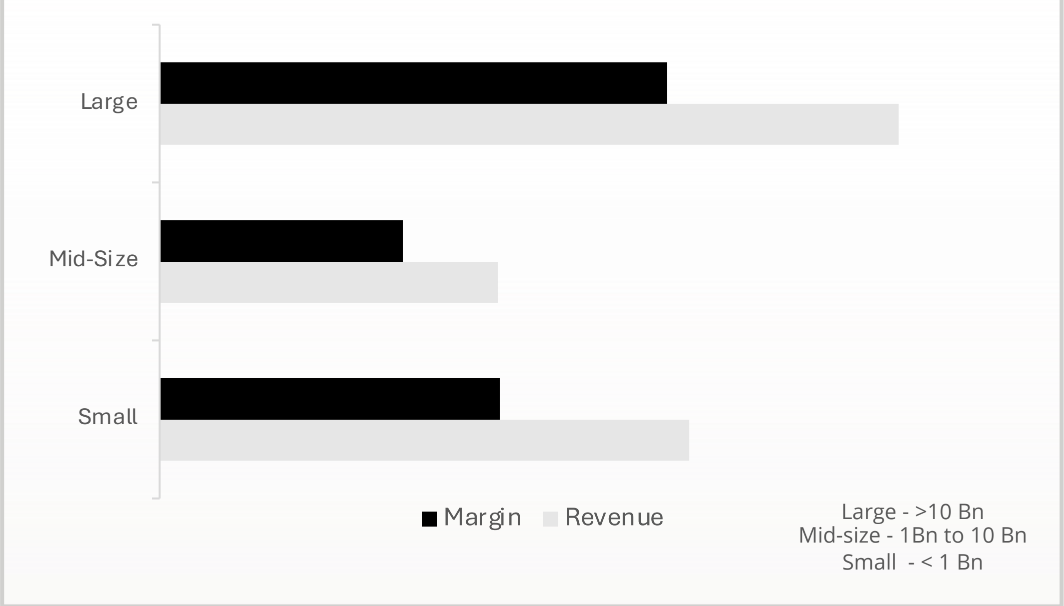
Profitable growth outlook strengthens across regions and retail segments

Retailers signal broad confidence in profitable growth, powered by efficiency and e-commerce momentum, with execution emerging as the key differentiator

Revenue and Margins Expectations Matrix by Region



Revenue & Margin Expectations by Company Size



- APAC and LATAM demonstrate the strongest conviction in profitable growth, supported by rising e-commerce profitability, stronger category-mix positions and confident pricing actions. Their posture reflects a willingness to pursue growth despite persistent cost pressure
- North America and Europe remain positive, but with a more disciplined stance. They are prioritising productivity and controlled pricing to protect margins amid macro uncertainty and cost volatility rather than pushing aggressive expansion

- Mid-sized retailers face the greatest profitability pressure, as rising input and trade-related costs outpace their pricing power, efficiency gains and commercial execution, leaving them comparatively exposed
- Profit outcomes are increasingly shaped by scale and agility. Large retailers strengthen margins through cost resilience and capital flexibility, e-commerce monetization and pricing agility, widening the gap and intensifying pressure on the mid-market

Strong expectations for profitable growth are grounded in operational discipline and efficiency gains rather than demand-led expansion, reinforcing that execution strength and resilient commercial models will separate outperformers in the year ahead

Retail sentiment outlook

Retailers are preparing to win through capability rather than conditions, creating a decisive shift toward transformation-led growth strategies

	North America	Europe	APAC	LATAM	MEA	Global Sentiment
Global Economy	61%	59%	49%	40%	60%	57%
Domestic Economy	54%	55%	51%	70%	44%	53%
Geopolitical Stability	48%	40%	44%	40%	56%	43%
Consumer Finances	42%	53%	44%	70%	40% 40%	46%
Industry Performance	66%	62%	55%	60%	56%	61%
Organization Performance	67%	57%	51%	70%	60%	58%

Note: *Cells report the dominant sentient category for each region based on the highest response share on the five-point Likert scale. Background colors reflect the sentiment category.*

SENTIMENT KEY: Strongly Optimistic | Moderately Optimistic | Neutral | Moderately Pessimistic | Strongly Pessimistic

SENTIMENT HIGHLIGHTS

- **Europe** shows the strongest disconnect between external uncertainty and internal confidence, underscoring **resilience** and **execution as critical levers** in 2026
- Retailers are preparing to operate in an environment where external forces offer limited tailwinds, shifting the **focus** towards **internal performance levers** and **operational discipline**
- Confidence concentrates around retailers' ability to execute and transform, suggesting that **competitive advantage** in 2026 will be defined by **capability strength rather than macro momentum**
- With uncertainty around consumer spending and geopolitical conditions, **growth** will depend on **value delivery, loyalty reinforcement** and **differentiated customer experience** rather than volume-driven expansion
- **Resilience, supply chain reliability** and **partnership ecosystem** are emerging as **essential strategic priorities** as retailers build performance independent of external policy or economic shifts

Opportunity #1

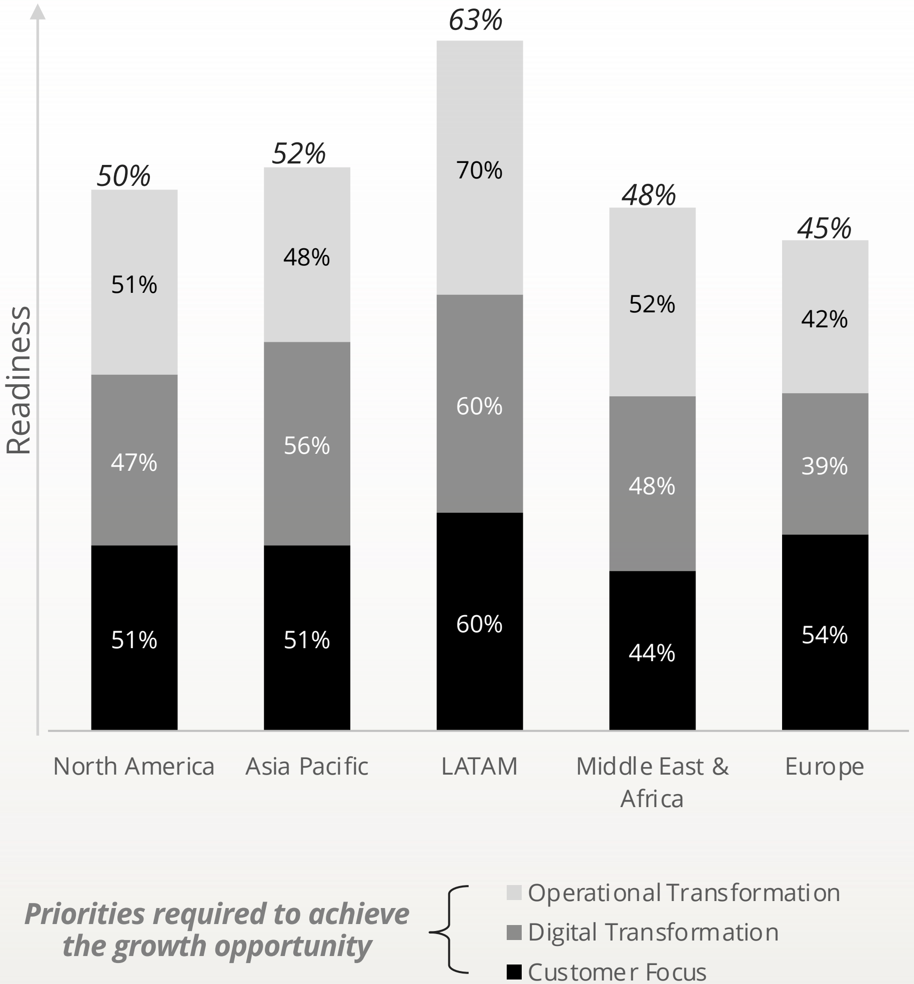
Investing in omnichannel transformation, is enabling retailers to meet evolving customer expectations and maintain competitiveness across all channels

ENHANCE OMNICHANNEL EXPERIENCE

- Retailers are aligned in **prioritizing faster, more flexible fulfilment options** to better meet changing consumer behaviors, aiming to make omnichannel engagement **more accessible and effective** for their customers
- AI integration is becoming a necessity as there is a strong expectation that Gen AI and AI-driven automation will **streamline the customer journey**, enable **highly personalized experiences**, and **support seamless engagement** across all touchpoints for both offline and online consumers
- Many retailers are moving towards focusing significantly in areas such as **generative and agentic AI**, **digital marketing strategies** driven by demand, and **technology modernization** from their previous legacy systems, indicating a clear intent on building an omnichannel presence that extends beyond just physical stores

- Enhancing the omnichannel experience stands out as a major opportunity since it is seen as a **top opportunity by retailers in every region**, showing strong alignment across markets and a shared focus on meeting customer expectations through integrated channels
- **Latin America is leading** the way in readiness for omnichannel transformation, with most regions showing similar levels of preparation. However, in **Europe, lower readiness** in 2 of the 3 priorities indicate that this **opportunity may take longer to deliver results**, highlighting potential growth over time
- The high level of readiness in most regions suggests that retailers **aren't just planning but actively investing** in omnichannel upgrades, such as adopting advanced AI. This positions them to deliver better customer experiences and maintain a competitive edge

Overall Readiness*



Note: *The top three opportunities have been identified exclusively based on data from the Retail Outlook survey.*

**Overall readiness is determined by calculating the average readiness across all priorities*

Opportunity #2

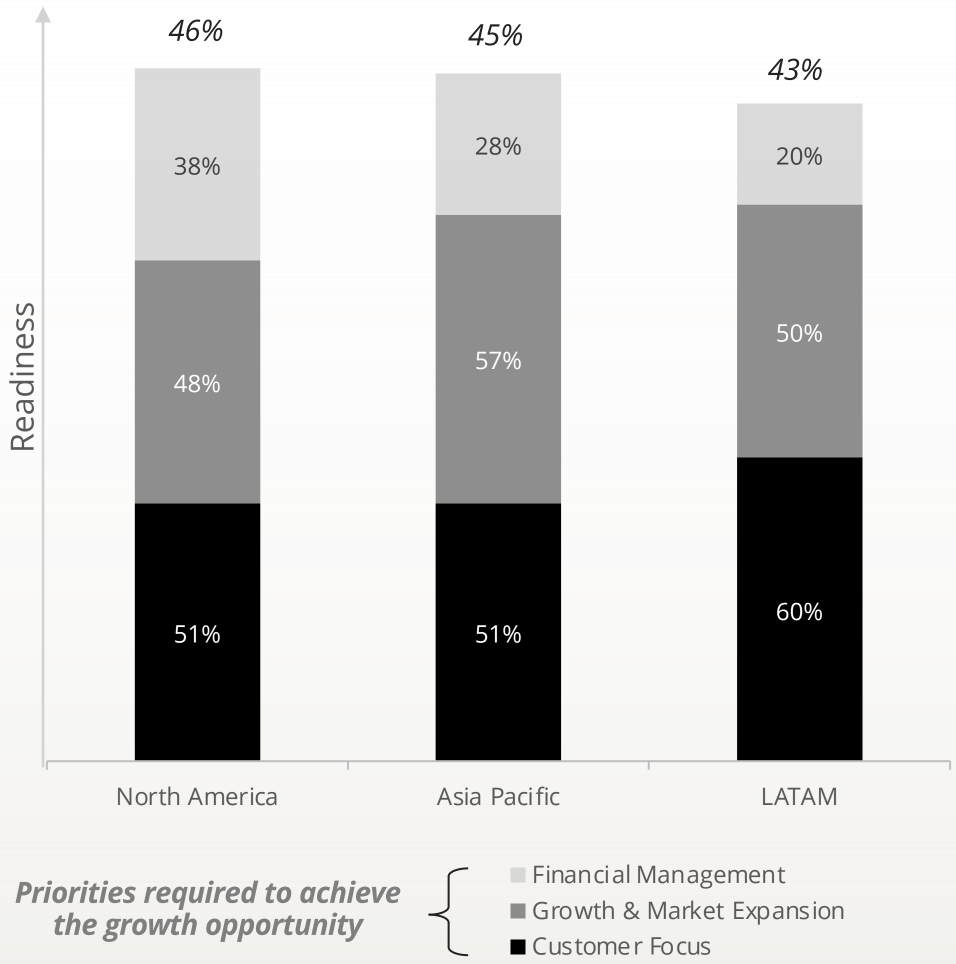
Strengthening private label offerings enables retailers to enhance margins, control supply chain risks, and stay competitive amid market changes

STRENGTHEN PRIVATE LABEL OFFERINGS

- Focusing on private labels is becoming a key opportunity as it would help retailers protect their margins. With more control over these brands, retailers aren't as **exposed to global supply chain issues**, and they **can manage costs better**
- Private labels will also give retailers the flexibility to adapt quickly if supply chain problems arise or costs go up. Retailers have started to **shift their capital allocation** for **nearshoring or local sourcing** to sidestep some of the challenges that come with global sourcing and keep their operations running smoothly
- Emphasizing on this growth opportunity will help retailers to **stay competitive on price**. Since they control the product and the pricing, retailers can offer **better value to customers** while still **maintaining healthy margins**, even when market conditions change

- **North America**, **Asia Pacific**, and **Latin America** position private label offerings as one of the **major growth opportunities** in 2026, with most regional priorities showing above-average readiness.
- Financial management remains a challenge, even as regions advance steadily on other private label priorities amid changing costs and consumer trends. **Rising costs, shifting trade policies**, and **evolving consumer preferences** continue to shape these requirements
- **Enhancing financial decisions** might help improve resource allocation and margins, whilst **supporting further readiness** for customer focus and market expansion

Overall Readiness*



**Overall readiness is determined by calculating the average readiness across all priorities*

Note: *The top three opportunities have been identified exclusively based on data from the Retail Outlook survey.*

Opportunity #3

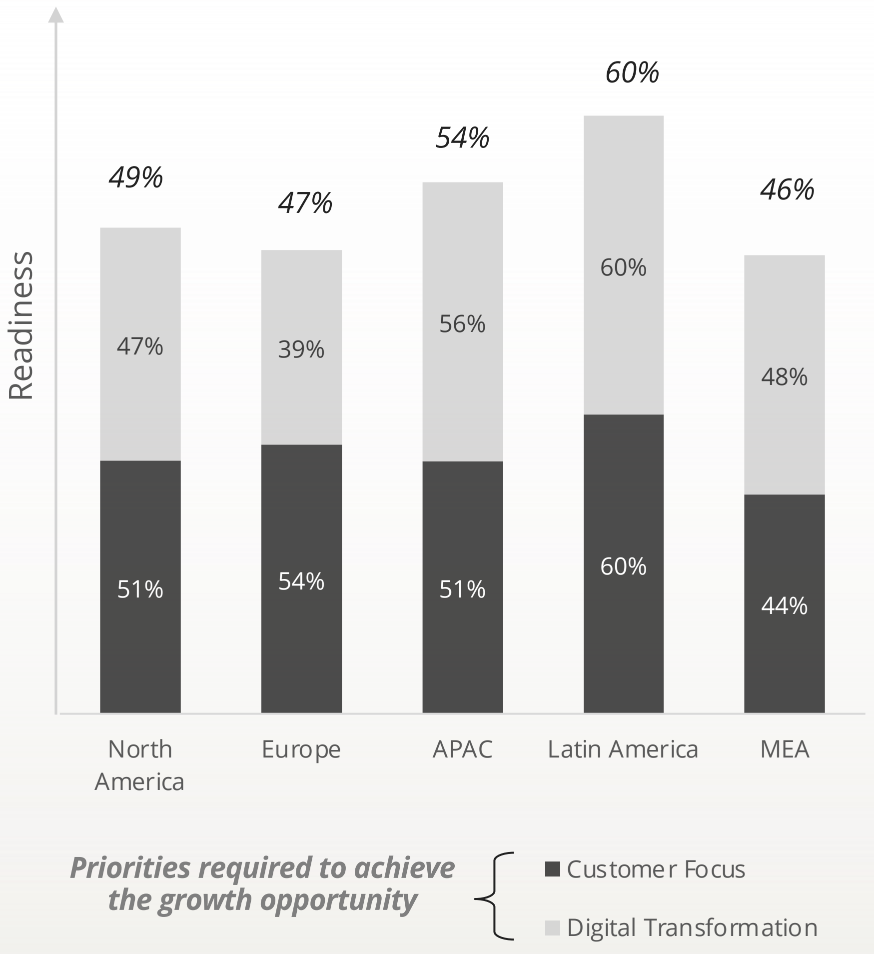
Loyalty stands out as a strategic growth lever, anchoring future demand by strengthening relevance, trust and customer lifetime value

STRENGTHEN LOYALTY PROGRAM

- Loyalty is shifting from rewards to recognition as retailers try to hold increasingly selective customers. **Modern programs** that **deliver personalized value, seamless experiences,** and **differentiated benefits** are now central to driving **repeat purchase** and **protecting share**
- **Strong prioritization** of customer experience and digital transformation across markets creates the foundation retailers need to elevate loyalty from a marketing tool to an enterprise growth engine. This includes **modern data platforms**, **accelerated personalization,** and **unified customer engagement** across channels
- Loyalty programs are becoming a strategic lever for **margin expansion. Personalized offers** help steer demand towards higher margin categories and private labels, while **digital engagement** allows retailers to shift away from broad promotions and create more **efficient, targeted value delivery**

- **Latin America** and **APAC** are leaning into loyalty to **stabilize demand** and **protect margins**, as shoppers in these regions remain value-driven even while retailers expect strong growth
- **North America** and **Europe** see loyalty as a route to **regain customer stickiness** in slower-growth, highly competitive markets where experience and personalization matter more than price

Overall Readiness*



**Overall readiness is determined by calculating the average readiness across all priorities*

Note: *The top three opportunities have been identified exclusively based on data from the Retail Outlook survey.*

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