

Retail strategic vision 2026-2036

Future proofing production
and operations from
disruption to domination



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Introduction: **The lived reality of disruption**

Navigating the collision between immediate cost pressures and long-term technological acceleration.

The Retail Sector stands at a critical juncture where the irresistible force of technological acceleration collides with the immovable object of economic reality. Disruption is no longer a theoretical event but a steady state. Consumer expectations for immediacy have outpaced stagnant global supply chains, operational challenges and friction. Customers ultimately care about relevance, ease, reliability, and value; failing to deliver these due to backend inefficiencies is a real threat. Retail leaders are trapped in a loop where legacy infrastructure and talent shortages block the adoption of the exact tools required to solve their efficiency challenges.

Compounding this internal friction is a fractured external landscape where the era of highly optimized global trade is fracturing. Sustained macroeconomic headwinds and geopolitical volatility are driving a strategic shift from fragile, single-source supply chains towards hybrid, diversified networks. Retailers are simultaneously executing structural overhauls across their entire business models, from supply chain speed and unified commerce to AI integration and data monetization, to survive these shifts. Leaders need to manage the dual burden of funding essential digital transformation while aggressively protecting single digit profit margins against persistent inflation and rising compliance costs.

**To survive this margin compression,
retail executives need to
fundamentally restructure their
operating models, transitioning
from reactive legacy processes to
predictive automated ecosystems.**

Executive summary

Balancing resilience and relevance in the Retail Sector.

This analysis reveals a retail industry torn between the urgent operational demands of the present and the existential strategic requirements of the future. Breaking this cycle of constant disruption requires a massive shift from transactional vendor relationships to deep, integrated partnerships and a relentless focus on structural agility. Leaders need to transition from defending thinning margins to aggressively funding the technological infrastructure required to dominate the next decade.

The era of disruption

This is defined by a fundamental collision between rapid consumer demands and global supply chains built for a different era. This friction is severely compounded by permanent cost pressures from inflation and mandatory environmental compliance which restrict the capital available for innovation. Internally, organizations are severely slowed by disconnected legacy data silos, deeply rooted cultural inertia, and a growing need for advanced data and analytics skills that limits the deployment of predictive tools.

The outlook for 2036

The future strategic landscape will be dictated by the intersection of global stability and industry collaboration. This creates four distinct external scenarios ranging from a highly integrated, seamless technological utopia to a fragmented, low margin survivalist state. Because these scenarios are unpredictable external realities, organizations should build a hybrid enterprise capable of adapting to any outcome rather than placing a single, risky strategic bet.

The transformation dimensions

Executing deep business model shifts across four key dimensions are required to dismantle legacy disablers. Leaders need to make data more accessible across the workforce to counter the shortage of specialist skills, transition physical stores into highly engaging digital windows to inventory, regionalize supply chains to escape fragile global dependencies and dismantle bureaucratic hierarchies to build an adaptable workforce that embraces intelligent automation.

Transformation imperatives

Moving from defensive survival to proactive market strength requires leaders to focus immediately on the actions that will build resilience across future scenarios, including on automating online order fulfillment and breaking down internal silos to build baseline resilience. Successfully executing these complex, concurrent shifts safely requires deep external partnerships with advanced technology ecosystems to secure the specialized digital engineering skills missing internally.



Research methodology

A multi-dimensional foresight approach

This research was conducted on behalf of Fujitsu by The Business Advantage Group Limited. It is based on a rigorous, hybrid foresight methodology designed to identify, analyze, and prioritize future trends and their strategic implications for Retail leaders. Our approach combines quantitative environmental scanning with qualitative expert validation to ensure insights are both visionary and actionable.



www.Business-Advantage.com

Core methodology

Environmental scanning and weak signal analysis

A comprehensive scan identified over 50 trends and over 30 weak signals. The approach specifically tracked weak signals (early indicators of potential disruption) that could challenge current assumptions and herald future industrial revolutions.

PESTLE framework

All the identified phenomena were categorized using the PESTLE framework (political, economic, social, technological, legal, environmental), to ensure a holistic view of the external environment.

Uncertainty and impact analysis

Each trend was assessed on two C level centric metrics: importance (strategic relevance) and outcome uncertainty (predictability of impact). High uncertainty, high importance trends formed the basis of our scenario planning.

Scenario planning

Development of four distinct future worlds (resilient coalition, seamless utopia, survivalist bazaar, complacent incumbent) to test strategic resilience.

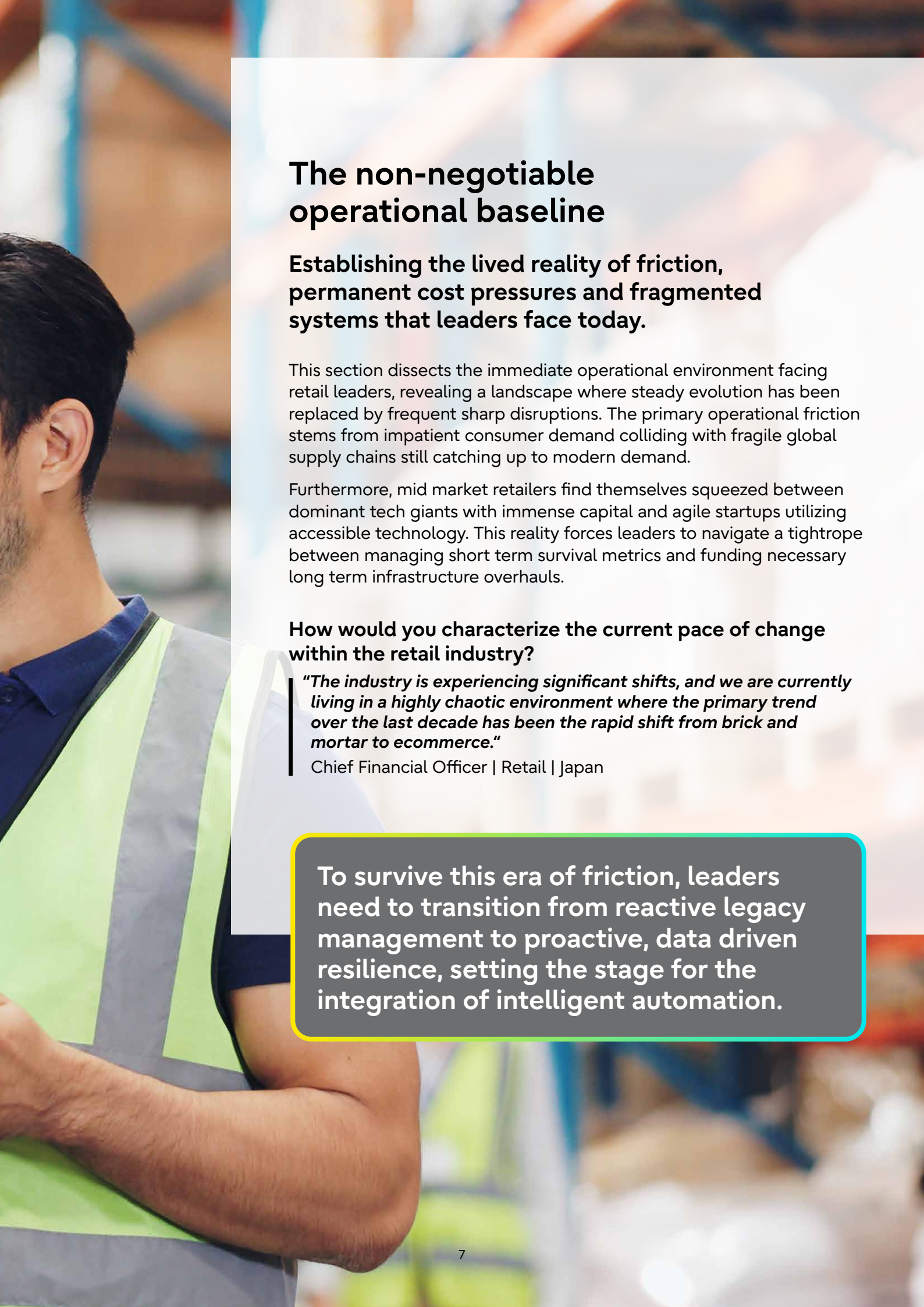
Stakeholder and C-level validation

Insights were validated through focus group discussions (FGDs) and reviewed by industry experts. The core findings are derived from six in depth Interviews with executives (COO, CTO, CFO, CMO, CSO) from major retailers (revenue \$1B - >\$20B) across the UK, USA, Europe and Asia.

The era of disruption

A fundamental collision between technological acceleration and immediate economic reality is fracturing the traditional retail operating model.



A man in a warehouse setting, wearing a blue polo shirt and a high-visibility yellow and grey safety vest. He is looking towards the right. The background is a blurred warehouse with blue metal shelving and various items.

The non-negotiable operational baseline

Establishing the lived reality of friction, permanent cost pressures and fragmented systems that leaders face today.

This section dissects the immediate operational environment facing retail leaders, revealing a landscape where steady evolution has been replaced by frequent sharp disruptions. The primary operational friction stems from impatient consumer demand colliding with fragile global supply chains still catching up to modern demand.

Furthermore, mid market retailers find themselves squeezed between dominant tech giants with immense capital and agile startups utilizing accessible technology. This reality forces leaders to navigate a tightrope between managing short term survival metrics and funding necessary long term infrastructure overhauls.

How would you characterize the current pace of change within the retail industry?

"The industry is experiencing significant shifts, and we are currently living in a highly chaotic environment where the primary trend over the last decade has been the rapid shift from brick and mortar to ecommerce."

Chief Financial Officer | Retail | Japan

To survive this era of friction, leaders need to transition from reactive legacy management to proactive, data driven resilience, setting the stage for the integration of intelligent automation.

Consumers refuse to absorb rising costs

Relentless inflation and mandatory sustainability regulations are compressing margins and forcing a defensive strategic posture.

The Retail Sector is currently operating within a high-pressure environment dictated by macro economic headwinds and divergent global regulations. Leaders face permanent cost pressures stemming from rising labor expenses, supply chain disruptions, and the financial burden of mandatory environmental compliance. These external forces squeeze profit margins into the single digits, making it incredibly difficult to fund necessary technological transformations.

Furthermore, because consumers remain highly price sensitive and refuse to absorb these costs, organizations are forced to handle the financial impact internally. This dynamic turns compliance and inflation into severe threats to short term viability, restricting the budget available for long term innovation.

What do you see as the most significant shift your organization needs to navigate to remain successful?

"The most significant shifts to navigate are rising cost pressure and the technology shift with AI. Cost pressure is coming predominantly from labor budgets, which have increased by millions due to recent government changes. The challenge is to manage this without simply passing the cost onto the consumer."

Chief Strategy Officer | Retail | UK

Leaders should consider ruthlessly pursuing operational efficiency and cost saving measures to protect margins rather than relying on price increases.





The consumer demand mismatch

Impatient consumer demands are breaking traditional supply chains that rely on obsolete planning cycles.

The most profound market shift is the unpredictable and accelerating nature of consumer behavior. Today, consumers expect immediate gratification and seamless omni-channel experiences, refusing to wait for products. This hyper fast demand model fundamentally clashes with global supply chains that still operate on rigid planning timelines set months in advance.

This systemic lag creates massive inventory risks, leaving retailers with excess unwanted stock or critical shortages of trending products. To adapt, the industry is moving away from vulnerable global dependencies and towards a more balanced model that combines global supply networks with highly responsive, localized fulfillment hubs to increase speed to market for high-demand products.

What are the trends that you believe are most profoundly reshaping your industry landscape right now?

"Today's consumer has less patience than before and expects to get the service or product they require immediately. The global supply chain pace is not aligned with these new consumer expectations. The supply chain is still stagnant and not integrated into the omni-channel, either globally or locally."

Chief Operating Officer | Retail | Singapore

Supply chains need to become highly agile and predictive, shifting away from long term forecasting toward real time demand response.

Accessible technology is reshaping competition

Accessible technology has leveled the playing field and allowed aggressive newcomers to challenge established retailers.

The retail competitive landscape is fracturing, characterized by an influx of aggressive online players and digitally native brands. Historically, massive scale and physical dominance provided a secure defensive moat for incumbent retailers. Today, accessible technology and digital marketplaces allow smaller competitors to punch above their weight, capturing market share without needing vast physical footprints.

Additionally, there is a fierce battle to remain visible to the consumer, as artificial intelligence algorithms and conversational search tools begin to dictate product discovery, bypassing traditional search engine optimization strategies. Mid-market retailers find themselves squeezed between dominant tech giants with unlimited capital, direct-to-consumer platforms like TEMU, and manufacturer-direct models.

What would be the biggest risks for your organization in responding to these market trends?

"Technology is leveling the forces between competitors; the big guy no longer has a huge advantage versus the small guy because small competitors can easily integrate into marketplaces and fight for market share."

Chief Marketing Officer | Retail | Spain

Retailers need to establish deep strategic partnerships with top brands and technology ecosystems to enrich value propositions and defend market share.

Building a culture ready for change

Bureaucratic structures and internal resistance to change threaten to derail necessary digital transformation efforts.

While external forces apply immense pressure, the most significant barriers to adaptation are found inside the organization. Many large retailers are burdened by deep rooted bureaucratic cultures and rigid vertical hierarchies that stifle speed and innovation. Established organizational structures can sometimes foster a profound resistance to change, preferring comfortable historical processes over necessary technological adoption.

Furthermore, a culture of complacency, born from past commercial success, can slow down leadership responses to impending disruptions. There is also a genuine internal fear that adopting automation will directly eliminate jobs creating widespread friction and slowing down vital modernization initiatives.

What do you see as the biggest internal barrier to your organization's ability to adapt at the necessary pace?

"For me, the biggest barrier is the culture and the size of the organization. To propose to someone who has been doing things the same way for twenty years that they need to change is not easy. There is also a risk that these people see the new transformation as a threat, a fear that AI and automatization will substitute them and put them out of a job."

Chief Marketing Officer | Retail | Spain

Leaders should actively dismantle rigid organizational silos and invest heavily in transparent change management to reassure and up-skill their workforce.

The fragmented data paralysis

Disconnected legacy systems and a severe talent shortage prevent the deployment of intelligent operations.

The ambition to become a modern, predictive enterprise is completely stalled by severe technological debt. Retail organizations suffer from extreme technology fragmentation, where data is locked within isolated silos across merchandising, supply chain, and store operations. Without a unified, single source of truth, it is impossible to feed accurate data into advanced intelligence models.

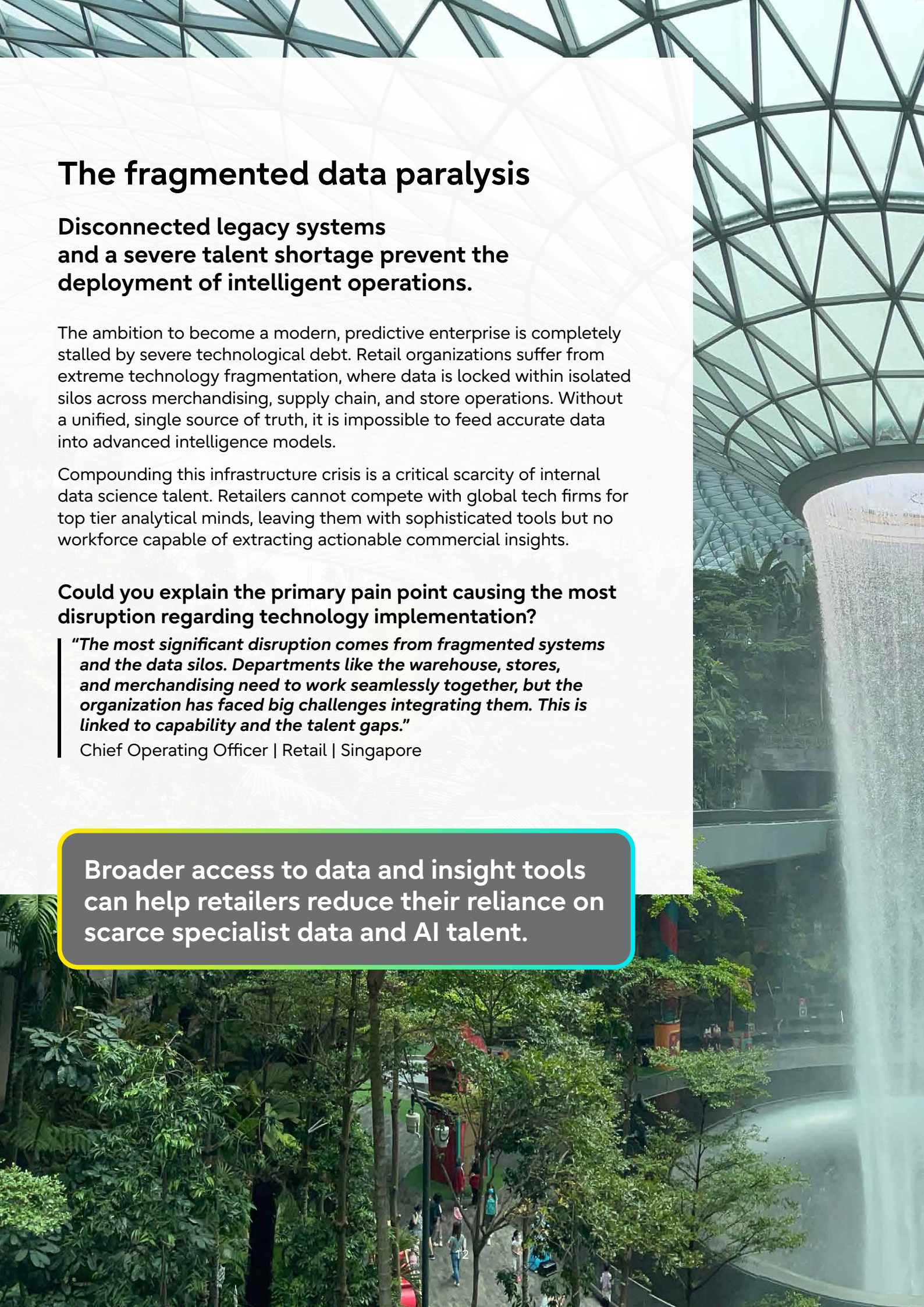
Compounding this infrastructure crisis is a critical scarcity of internal data science talent. Retailers cannot compete with global tech firms for top tier analytical minds, leaving them with sophisticated tools but no workforce capable of extracting actionable commercial insights.

Could you explain the primary pain point causing the most disruption regarding technology implementation?

"The most significant disruption comes from fragmented systems and the data silos. Departments like the warehouse, stores, and merchandising need to work seamlessly together, but the organization has faced big challenges integrating them. This is linked to capability and the talent gaps."

Chief Operating Officer | Retail | Singapore

Broader access to data and insight tools can help retailers reduce their reliance on scarce specialist data and AI talent.





Summary: The structural reality

Evaluating the baseline of disruption to prepare for intelligent integration.

To contextualize the urgent need for transformation, this section establishes the baseline reality of friction, cost pressure, and fragmented systems that retail leaders face today.

The compounding effect of these immediate operational challenges creates a high stakes environment where traditional survival tactics are no longer viable. Retailers are trapped in a cycle of defending thinning margins against rising compliance costs and aggressive digital competitors, all while managing a workforce that is hesitant to adopt necessary technological shifts. This reality dictates that future investments cannot merely upgrade existing processes but must fundamentally rebuild the enterprise architecture around data democratization and autonomous networks.

Key findings:

- Impatient consumers are exposing the deep flaws in fragile supply chains.
- Permanent cost pressure limits the capital available for necessary innovation.
- Accessible technology allows agile startups to challenge established retailers.
- Deeply rooted cultural inertia and legacy systems block the adoption of predictive intelligence.

Overcoming this foundational friction requires a fundamental pivot toward intelligent automation, setting the strategic direction for our exploration of the future technological landscape in the next section.

Section

2

The outlook for 2036

Mapping the future strategic landscape to prepare for highly varied external environments.



The strategic imperative of the long-term view

Leaders need to look beyond immediate disruptions to build structural resilience for the coming decade.

The compounding nature of current disruptions means short term survival tactics are no longer sufficient. Retail executives need to expand their strategic timeframe to understand how macro forces will fundamentally reshape the entire operating model. Anticipating the future is not about predicting a single outcome but preparing the enterprise to thrive across multiple plausible realities.

By defining the structural shifts coming over the next decade, organizations can ensure that their immediate capital investments are building toward a resilient future architecture rather than merely patching obsolete legacy systems. The long-term view requires transforming the retailer into a self-sustaining, algorithmic data platform where unified commerce, predictive supply chains, and artificial intelligence seamlessly integrate to serve the customer.

What is your organization's core strategic ambition for the next ten years?

"The core ambition for the next decade is to profitably grow our market share within the fiercely competitive market, which requires a relentless focus on operational efficiency."

Chief Strategy Officer | Retail | UK

Strategic planning must shift from reacting to daily friction toward building proactive, future proof architectures.

From market signals to strategic scenarios

A rigorous foresight approach translates complex external data into actionable executive intelligence.

To map the future retail environment, this research applied a structured methodology to track and analyze external shifts. We monitored over 30 macro trends and a multitude of weak signals across political, economic, social, technological, legal, and environmental domains. These signals were assessed by global leaders based on their strategic impact and commercial uncertainty to distill the noise into clear future states.

This robust environmental scanning provides the foundation for creating actionable scenarios. It ensures that the resulting strategic advice is not based on speculative guesswork but grounded in the lived reality and validated expectations of global retail executives.

How do you balance the pressure for short term results with the need for long term investments?

"The pressure to deliver short term results makes it difficult to allocate capital to long term innovation but failing to innovate leads to being outpaced by tech giants"

Chief Financial Officer | Retail | Japan

Scenario planning provides a structured framework to manage uncertainty and test the resilience of current corporate strategies.

The structural forces shaping retail

Over ten critical macro trends are fundamentally rewriting the rules of commerce and competition.

The future landscape is being driven by a convergence of powerful external forces. Permanent cost pressures and mandatory environmental compliance are compressing margins, forcing a relentless pursuit of operational efficiency. Simultaneously, technological acceleration demands the rapid adoption of automated logistics and pervasive artificial intelligence to manage hyper fast, localized consumer demands.

Furthermore, a critical talent shortage threatens to block these technological ambitions; while the competitive landscape shifts toward ecosystem-based models. These trends are not isolated challenges; they are interconnected forces that collectively dictate the necessity for profound business model transformation.

What are the primary technology trends disrupting your operational model today?

"The most impactful shift is the critical talent gap in data capabilities, compounded by the daily disruption of navigating complex security and compliance regulations."

Head of Technology | Retail | USA

Leaders should consider treating these converging trends as interconnected structural shifts rather than isolated business challenges.

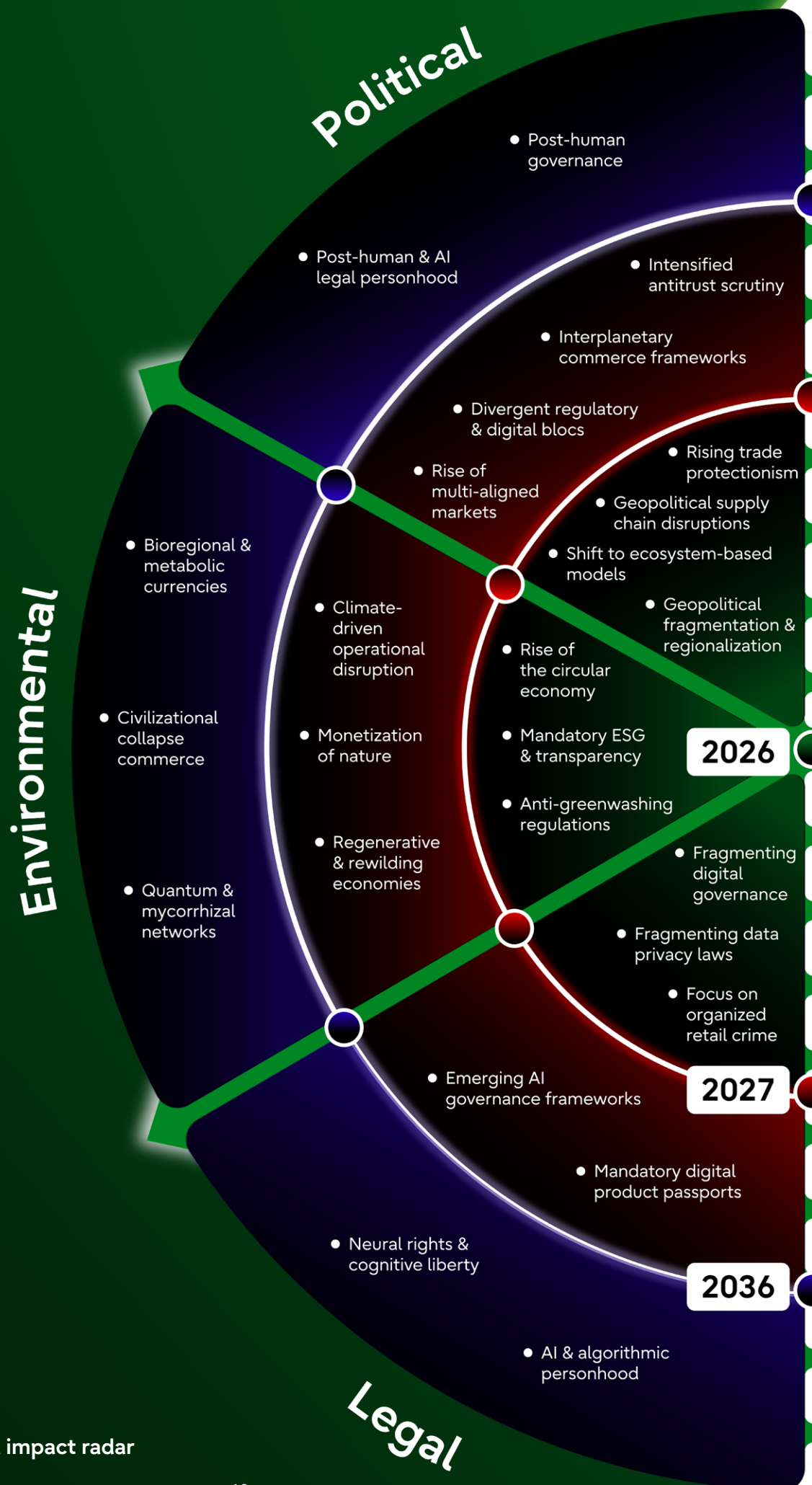
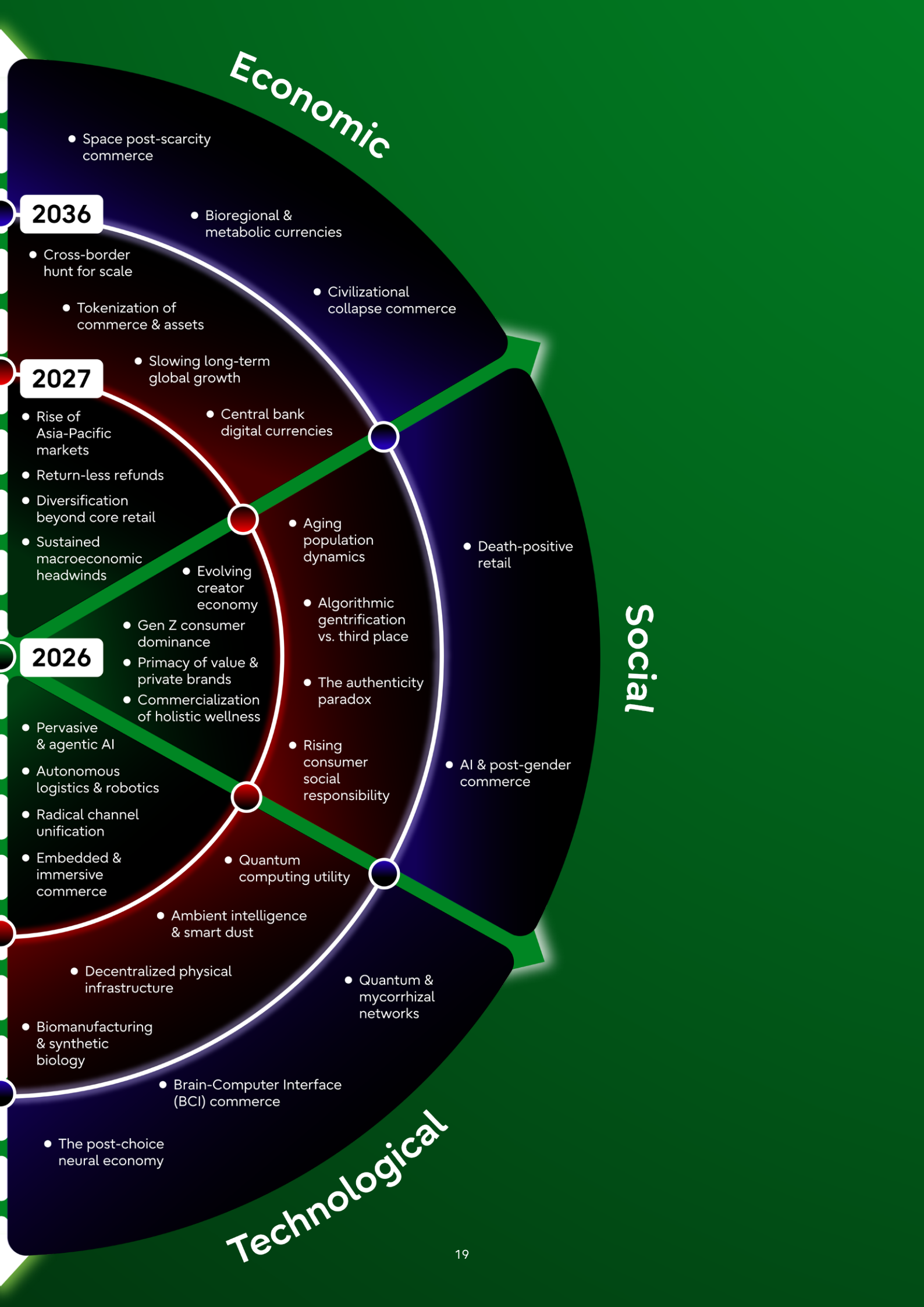


Figure 1: The macro-trend impact radar



Defining the critical uncertainties

The future retail landscape is dictated by the intersection of global stability and industry collaboration.

Environmental scanning reveals two primary axes of uncertainty that will define the operating environment for the next decade. The vertical axis measures the macro-operating environment: ranging from severe geopolitical fragmentation to renewed, stable globalization. This dictates the reliability of global supply chains and economic growth.

The horizontal axis measures the industry's strategic response, contrasting a reality of fragmented technological adoption against a world of deeply integrated, data sharing ecosystems. The interplay between external global forces and internal industry capability creates the foundation for our scenario modeling.

How does your organization need to adapt to the increasing complexity of the market?

"We must abandon our isolationist stance and embrace partnerships with other top brands, as this collaborative approach is essential for enriching our value proposition."

Chief Marketing Officer | Retail | Spain

These two volatile axes intersect to create four distinct, plausible future worlds that leaders need to prepare to navigate.

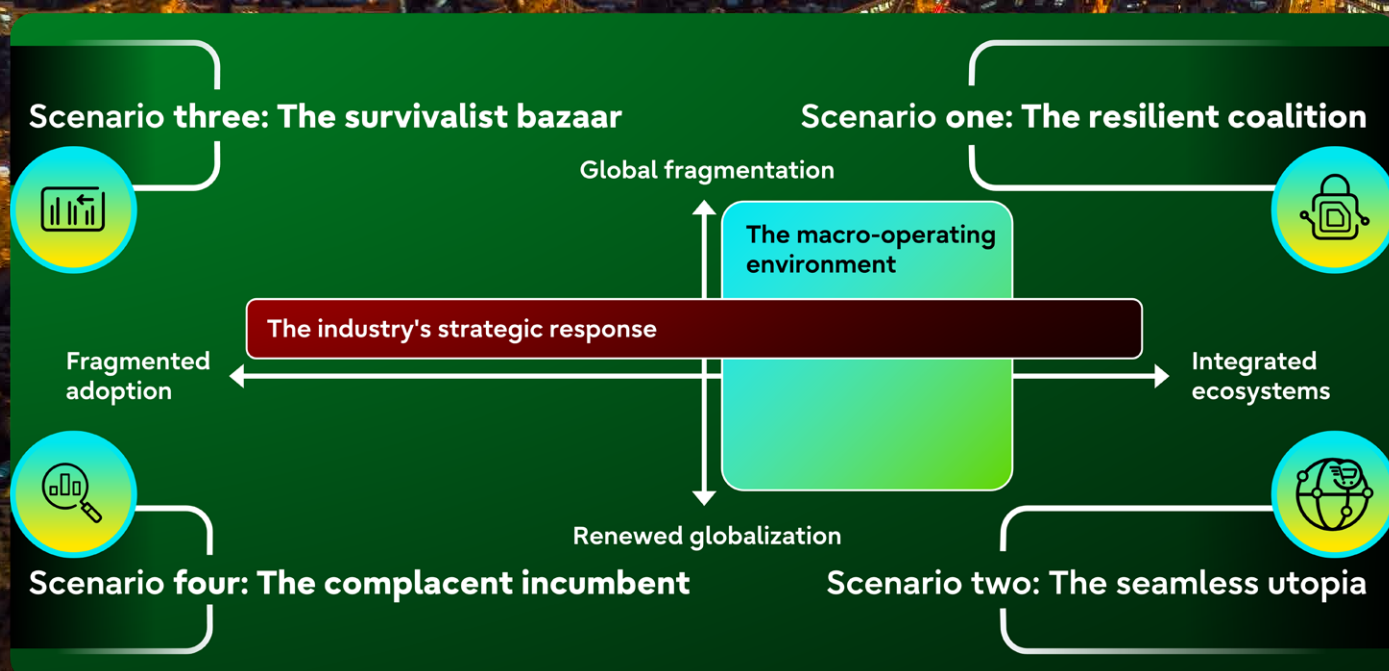


Figure 2: Retail strategic scenario matrix



Figure 3: Comparative trend impact analysis

Scenario one: The resilient coalition



A fragmented global environment forces retailers to survive through deep regional partnerships and integrated technology.

In this scenario, the external environment is highly fractured, characterized by geopolitical volatility and disrupted global supply chains. To survive these immense headwinds, the industry response is highly integrated. Retailers abandon isolated strategies and form powerful, tech driven regional alliances. Success depends on sharing data, pooling logistical resources, and utilizing artificial intelligence to create a defensible regional moat against global instability.

What is the most crucial requirement for ensuring long term relevance?

"To remain relevant long term, leaders must forge strategic partnerships with major technology firms to anticipate a future where automation will fundamentally restructure operations."

Chief Financial Officer | Retail | Spain

Strategic playbook:

- **Focus on:** Building regional, resilient production hubs.
- **Focus on:** Integrating data deeply with key ecosystem partners.
- **Move away from:** Relying on single, fragile global factories.
- **Move away from:** Operating in strict data and operational silos.

What the radar diagram shows:

The emergence of this scenario is signaled by intense spikes in the need to partner up to win and a forced shift from global to regional operations. Furthermore, the rising mandate for green goals acts as a catalyst for ecosystem collaboration, as isolated entities cannot meet these severe compliance demands alone.



Figure 4: Scenario one

Scenario two: The seamless utopia



A stable macro environment allows for the rapid development of hyper efficient, fully integrated global retail platforms.

This future represents an environment where geopolitical tensions have eased and global trade has stabilized. This renewed globalization provides the perfect foundation for profound technological integration. Retail is dominated by vast, collaborative ecosystems that have achieved radical channel unification. Artificial intelligence autonomously runs the business, enabling hyper personalization at an unprecedented global scale and fundamentally erasing the boundaries between digital and physical commerce.

What is the primary objective of your ongoing technological investments?

"The mission for the next decade is expanding our footprint with more retail locations globally, while concurrently utilizing generative artificial intelligence to seamlessly manage and optimize our physical network."

Head of Technology | Retail | USA

Strategic playbook:

- **Focus on:** Investing in global scale production automation.
- **Focus on:** Developing advanced product data platforms to feed intelligent systems.
- **Move away from:** Under-investing in your foundational data capabilities.
- **Move away from:** Maintaining complex, bespoke customer processes.

What the radar diagram shows:

This scenario is indicated by a dramatic spike in the reliance on artificial intelligence to run the business and a massive surge toward creating one seamless experience. Permanent cost pressures recede slightly, allowing massive capital deployment into warehouse robotics to achieve extreme logistical efficiency.



Figure 5: Scenario two

Scenario three: The survivalist bazaar



A volatile world meets a fragmented industry response, forcing a desperate fight for pure survival.

This is a highly defensive future state where the worst external conditions materialize alongside internal industry failure. Severe geopolitical fragmentation and sustained economic headwinds batter the sector. The industry has failed to form collaborative ecosystems and technology adoption remains siloed and fragmented. Retailers are trapped in a low margin cycle, engaged in aggressive price wars and battling a severe talent shortage that limits strategic transformation.

What is the most significant internal barrier to achieving your strategic goals?

"The biggest obstacles to future-proofing the business are internal, specifically a culture resistance to change and a significant talent gap in data science."

Chief Strategy Officer | Retail | UK

Strategic playbook:

- **Focus on:** Aggressively driving down operational costs across all departments.
- **Focus on:** Massively scaling private label capabilities to defend profit margins.
- **Move away from:** Investing heavily in high cost, experimental innovation.
- **Move away from:** Maintaining high levels of obsolete finished inventory.

What the radar diagram shows:

The formation of this scenario is tracked by extreme indicators of permanent cost pressure and a massive reliance on the rise of store brands to protect thinning margins. Conversely, indicators for collaborative partnering and seamless experiences drop significantly as companies retreat into protective isolation.



Figure 6: Scenario three

Scenario four: The complacent incumbent



Macroeconomic stability may create complacency, leaving traditional retailers exposed to future disruption.

In this scenario, global stability returns, providing a false sense of security. The harshest economic headwinds subside, leading incumbent retailers to relax their transformation efforts.

This results in fragmented technology adoption and a deep resistance to necessary ecosystem collaboration. While short term profits appear healthy, these organizations operate on siloed legacy systems. They miss the critical window to build the intelligent infrastructure required to compete with agile disruptors.

Why is foundational data strategy so difficult to execute in the current environment?

"Building a central data depository is a ten-year plan that is often delayed by slight misalignments between funding, operational budget, and the long-term business vision."

Head of Technology | Retail | USA

Strategic playbook:

- **Focus on:** Driving the pace of foundational product innovation.
- **Focus on:** Piloting and scaling direct to consumer digital channels.
- **Move away from:** Mirroring the strategic complacency of legacy competitors.
- **Move away from:** Cutting vital research and development for short term profits.

What the radar diagram shows:

This reality is signaled by moderate spikes in traditional areas like stores as entertainment and wellness products, reflecting a focus on superficial upgrades. Crucially, indicators for artificial intelligence integration and seamless channel unification remain dangerously low, highlighting systemic stagnation.



Figure 7: Scenario four

Monitoring weak emerging signals

Tracking weak signals on the periphery allows leaders to anticipate disruptions before they hit the mainstream market.

True strategic foresight requires looking beyond established macro trends to identify faint, emerging signals. These signals represent early indicators of potential shifts in consumer behavior or technological capability that could rapidly scale and destabilize current business models. By continuously monitoring the periphery, retail executives can pivot their operations proactively rather than reacting to fully formed crises.

Organizations should establish systematic processes to evaluate the following emerging market shifts to ensure leadership teams are not blindsided:

- **Algorithmic governance and fair data:**
A rapid shift toward highly regulated consumer data rights, where artificial intelligence transparency becomes a mandatory legal requirement rather than a corporate choice.
- **The post-growth circular economy:**
A shift away from linear take-make-waste retail models, driven by mandatory digital product passports and new repairability legislation.
- **Geopolitical logistics integration:**
The strategic blending of civilian commercial logistics with state level security infrastructure to project national power and protect vital supply routes.
- **Algorithmic gentrification vs. the third place:**
A growing consumer backlash against homogeneous, artificial intelligence driven retail spaces in favor of authentic, community-centric physical hubs.

Beyond technology, what emerging external pressure is beginning to shape your long-term strategy?

"A critical missing element in many forecasts is the rising focus on severe cyber security threats, which is an external pressure increasingly dictating our strategy and investment."

Chief Financial Officer | Retail | Spain

Organizations need to establish dedicated intelligence functions to continuously scan the external environment for emerging disruptive threats.

Emerging signals that could redefine the industry:

- **Regulated and collective data governance:**
A convergence of top-down regulation (algorithmic auditing) and bottom-up consumer action (data unions, Decentralized Autonomous Organizations) that transforms data from a harvested resource into a negotiated asset.
- **Worker driven social responsibility:**
A shift from corporate led social responsibility (CSR) audits to legally binding agreements where worker organizations directly monitor and enforce labor rights within the supply chain.
- **Geopolitical logistics integration:**
The strategic integration of civilian commercial logistics, particularly automated wholesale distribution networks, into state level security and defense infrastructure.
- **Post-human and AI legal person-hood:**
The emergence of legal frameworks extending rights and person-hood to nonhuman entities, including autonomous AI, enhanced humans, and synthetic beings.
- **The post-growth circular economy:**
A major shift away from the traditional 'buy, use, and toss' retail model, fueled by society's rejection of endless economic expansion, and brought to life through business methods like renting products instead of owning them.
- **Community-centric and post-monetary exchange:**
The scaling of user owned retail platforms and non-monetary exchange systems where goods and services are distributed based on community value rather than extractive profit.
- **Bio-regional and metabolic currencies:**
The emergence of alternative monetary systems where a currency's value is tied directly to the health of a local ecosystem or based on biological metrics.
- **Algorithmic gentrification vs. third place:**
A conflict between AI driven real estate investment that creates homogeneous retail strips and the organic consumer demand for stable, authentic community third places.

Designing the hybrid enterprise

Scenarios are unpredictable external realities, demanding a flexible corporate architecture capable of adapting to any outcome.

It is critical to understand that the four scenarios outlined are not strategic options to choose from, but external realities that will be imposed upon the business. Therefore, the strategic goal is not to bet the entire company on a single predicted future. Instead, leaders need to design a highly adaptable, hybrid enterprise capable of weathering multiple conditions.

This involves building a strong digital core and an agile operational structure that can quickly pivot as real-world indicators point toward a specific scenario. Flexibility is the ultimate strategic advantage in an unpredictable landscape.

How must the physical retail footprint evolve to remain relevant in a highly digitized future?

"The future of brick and mortar lies in stores as entertainment, meaning smaller digital spaces that act as a high conversion window to inventory."

Chief Operating Officer | Retail | Singapore

Future-proofing requires investing heavily in agile technology foundations that allow the organization to pivot rapidly regardless of which scenario unfolds.

Summary:

The future strategic landscape

Mapping the plausible future realities to establish the need for structural agility.

To map the highly varied external environments, retail leaders need to prepare for and establish the critical need for an adaptable corporate architecture.

The transition from the immediate era of disruption to the strategic outlook of the next decade, reveals a highly complex and volatile operating environment. Retail leaders face an interconnected web of macro trends; ranging from permanent margin compression to a severe intelligence talent gap. These are fundamentally rewriting the rules of commerce. Merely extrapolating current operational success into the future is a highly dangerous strategy, as the ongoing collision between global geopolitical instability and rapid technological acceleration will create starkly different commercial realities that demand entirely different strategic responses.

Navigating these critical uncertainties requires organizations to move beyond rigid, traditional forecasting and instead adopt a dynamic foresight approach. Whether the future manifests as a highly integrated technological utopia or a fragmented, defensive survival state, the core strategic mandate remains consistent. Success depends entirely on building a hybrid enterprise architecture: one that actively monitors emerging peripheral signals like cyber security threats, whilst maintaining the structural agility to pivot its supply chain and data models in response to external shocks.

Key findings:

- Over ten structural trends, including permanent cost pressure and mandatory environmental compliance, are compounding to reshape the economic baseline.
- The critical intersection of global geopolitical stability and the industry's technological response generates four distinct and plausible future realities.
- These future scenarios act as unpredictable external environments that dictate survival tactics, rather than strategic options that leadership can simply select.
- Isolated legacy operations are no longer viable, forcing a mandate for deep ecosystem partnerships to solve complex challenges like the artificial intelligence talent shortage.

To build the structural resilience required to survive any of these four varied future scenarios, leaders need to immediately execute the internal business model shifts outlined in the next section.

Section

3

The transformation dimensions

Navigating structural disablers to execute the business model shifts required for survival.

The transformation mandate

Navigating structural disablers to execute the necessary business model shifts.

To survive immediate cost pressures and build necessary resilience for the four plausible future scenarios, retail leaders need to move beyond incremental upgrades and execute deep structural shifts. This section outlines the four core dimensions of internal transformation required to modernize the enterprise architecture.

The executive reality is defined by a constant tension between delivering short-term profitability and funding long term innovation. While the shift to digital channels is a dominant and irreversible trend, it often dilutes immediate profit margins compared to traditional physical retail. Consequently, any successful transformation strategy needs to simultaneously protect the core business while methodically dismantling legacy silos to fund necessary technological upgrades.

However, achieving this transition is highly complex due to deep rooted organizational barriers. Leaders need to actively dismantle severe structural disablers, including fragmented legacy technology silos, rigid nine-month supply chain dependencies, and a widespread cultural resistance to automation. Overcoming these obstacles requires a unified approach that simultaneously modernizes the data infrastructure, regionalizes the supply network, and evolves the physical retail footprint.

Overcoming these foundational barriers requires a simultaneous focus on operational efficiency and intelligent integration across all departments.

Dimension one: The intelligence response

Democratizing data access across the workforce to counter the severe technology talent shortage.

What is the main focus of your digital transformation strategy?

"The main focus for the company is transformation, using new technology, data, and AI, especially in ecommerce and digital. We are a huge company, so change is not easy, but the goal is to get closer to our clients again by embracing this digital transformation".

Chief Financial Officer | Retail | Spain

Broader data access, combined with AI-assisted tools, helps retailers reduce reliance on scarce specialist talent by empowering the existing workforce to make rapid, informed commercial decisions.

Transformation response:

Leaders should consider moving away from isolated analytics departments and instead deploy accessible business intelligence tools to all operational levels to bridge the digital skills gap.

Managing the disablers:

- **Disabler (technology fragmentation):** Disconnected legacy systems prevent the creation of a single source of truth and trap valuable insights within isolated departmental silos.
- **Response:** Establishing a unified data depository that standardizes information across merchandising, logistics, and store operations.

Utilizing the enablers:

- **Enabler (business intelligence platforms):** Deploying accessible dashboards that allow nontechnical staff to interpret complex datasets and make immediate commercial decisions.
- **Enabler (predictive algorithms):** Applying artificial intelligence to unified data to accurately forecast demand rather than relying entirely on historical sales patterns.

Dimension two: The experiential response

Transitioning physical footprints into high conversion entertainment hubs and digital windows to inventory.

Why is the retail industry currently operating within a disruption model?

"The industry is in a disruption model mainly due to two reasons: consumer behavior shifting towards different channels and the eruption of technology options that did not exist five years ago."

Chief Marketing Officer | Retail | Spain

The physical store needs to evolve from a static collection of products into a dynamic, tech enabled extension of the broader digital commerce platform.

The transformation response:

To justify the high cost of physical real estate, organizations need to pivot from purely transactional spaces toward unified commerce environments that blend digital discovery with tactile physical experiences.

Managing the disablers:

- **Disabler (the inspiration deficit):** Advanced algorithms are beginning to automate product inspiration, threatening the traditional merchandising advantages of physical stores.
- **Response:** Creating highly immersive, interactive in store experiences that digital algorithms cannot physically replicate to maintain deep brand loyalty.

Utilizing the enablers:

- **Enabler (interactive retail technology):** Deploying smart mirrors and augmented reality to merge the endless online product catalogue with the physical showroom floor.
- **Enabler (micro fulfillment architecture):** Using the existing physical store network as localized distribution hubs to drastically reduce online order delivery times.
- **Enabler (Physical AI):** Embedding computer vision, robotics, and spatial sensors directly onto the sales floor to create a highly optimized, data-driven smartfront.

Dimension three: The resilience response

Shifting toward agile, predictive, and diversified global supply networks.

How are you adapting your infrastructure to support future growth?

"The mission is expanding the location wise footprint throughout the US with more retail locations, while concurrently expanding to other countries with additional warehouses or logistic fulfillment centers."

Head of Technology | Retail | USA

Supply chain resilience is no longer a backend operational function but a primary commercial driver for protecting market share against agile disruptors.

The transformation response:

Leaders should consider structurally decoupling from long lead global suppliers to build responsive, diversified supply hubs capable of reacting instantly to erratic consumer micro trends.

Managing the disablers:

- **Disabler (obsolete planning cycles):** Traditional nine month forecasting models are completely incompatible with the hyper fast velocity of modern omni-channel consumer demand.
- **Response:** Moving to real-time, responsive fulfillment that prioritizes speed to market and inventory accuracy over the absolute lowest unit cost.

Utilizing the enablers:

- **Enabler (automated logistics):** Integrating robotics into regional warehouses to solve severe labor shortages, accelerate order processing, and ensure continuous operational capability.
- **Enabler (supplier disintermediation):** Forming direct partnerships with raw material providers to bypass expensive middlemen and protect thinning profit margins.

Dimension four: The cultural response

Dismantling bureaucratic hierarchies to build an adaptable workforce that embraces intelligent automation.

How does the current speed of the market impact your internal structures?

"The speed of business now outpaces the speed of traditional corporate structures, making a culture resistant to change our biggest internal obstacle to future proofing."

Chief Strategy Officer | Retail | UK

Structural technology upgrades will inevitably fail unless they are matched by an equally profound evolution of the internal corporate culture.

The transformation response:

Achieving digital transformation requires human transformation to better serve the customer and empower retail colleagues. To lay the foundation for a platform-driven future, retailers cannot rely on top-down mandates - culture shifts only when it is systematically re-engineered. Organizations should replace rigid management structures with horizontal, agile teams capable of collaborating seamlessly alongside new intelligent tools.

Managing the disablers:

- **Disabler (legacy job insecurity):** Long tenured employees actively resist new technology due to a fundamental fear that automation will directly eliminate their operational roles.
- **Response:** Implementing transparent change management programs that position artificial intelligence as a supportive tool rather than a direct human replacement.

Utilizing the enablers:

- **Enabler (continuous up-skilling):** Deploying targeted training frameworks to convert existing retail staff into data literate operational managers capable of handling complex tools.
- **Enabler (ecosystem partnerships):** Collaborating with external technology firms to instantly import the specialized digital engineering skills that are critically missing internally.





Summary: The structural shift

Overcoming complex barriers to build the foundation for an intelligent retail ecosystem.

This section mapped the four critical internal transformations required to survive immediate disruptions and build resilience for the complex strategic landscape of the next decade.

To execute these transformations successfully, retail leaders must fundamentally alter their approach to change management. Upgrading systems in isolation will no longer yield positive commercial results. The integration of democratized data, experiential store formats, and regionalized logistics requires a workforce that is culturally prepared to adapt. Therefore, leadership need to prioritize extreme internal transparency, ensuring that all levels of the organization understand that automation is the key to enterprise survival rather than a threat to their livelihood.

Furthermore, as these digital shifts accelerate, executives face expanding external pressures that threaten to destabilize the transformation journey. The increasing complexity of global security protocols and data privacy regulations has shifted compliance from a routine administrative task into a massive operational pain point. Strategic resilience now dictates that cyber security and regulatory frameworks be built directly into the foundational data architecture, rather than treated as an afterthought.

Key findings:

- Data democratization is the only viable countermeasure to the critical intelligence talent shortage.
- Physical stores should transition into highly engaging digital windows to endless aisle inventory, augmented by agentic AI.
- Supply chains require immediate regionalization to bypass stagnant global shipping cycles.
- Bureaucratic resistance to automation is the most severe internal threat to enterprise survival.

Successfully executing these complex, concurrent business model shifts requires deep external partnerships, which leads directly into the final strategic recommendations in the next section.

Section

4

Transformation imperatives

Executing the strategic roadmap
from defensive survival to proactive
market supremacy.



Strategic recommendations

Transitioning from defensive survival tactics to proactive market supremacy.

The research indicates that the Retail Sector is currently trapped in a defensive posture, focused heavily on absorbing permanent cost increases and mitigating immediate supply chain friction. However, simply defending existing operating models will inevitably lead to market obsolescence, as agile disruptor's capture greater market share. To secure long term supremacy, leaders should consider shifting their capital allocation away from patching legacy systems and toward funding the structural transformations identified in this report.

This requires a fundamental change in executive mindset. Technology can no longer be viewed as an isolated departmental expense; it needs to be treated as the core driver of commercial value. By unifying fragmented data and regionalizing physical networks, organizations can build a highly resilient architecture capable of weathering economic volatility while simultaneously delivering the seamless, hyper fast experiences that modern consumers demand.

What is the primary focus of your current capital expenditure regarding enterprise transformation?

"There is a huge budget increase for technology, digital, omni-channel, and ecommerce transformation, particularly in capital expenditure, to focus more on execution rather than bureaucracy."

Chief Financial Officer | Retail | Spain

Leaders need to aggressively redirect investment toward intelligent automation and data unification to build a future-proof operating model.

The common denominator action plan

A unified strategic playbook to build structural resilience regardless of the future macro environment.

The future of retail is dictated by critical uncertainties that no single organization can control. Whether the next decade brings profound global stability or severe geopolitical fragmentation, the internal structural requirements for survival remain identical. Leaders cannot afford to wait for a clear picture of the future before acting. Instead, they need to execute a set of common denominator actions that solve the immediate margin crises of today, while establishing the foundational agility required for any future scenario.

This unified action plan focuses on dismantling the most severe operational disablers. By systematically breaking down internal data silos and reducing reliance on fragile global supply routes, retail executives can create a highly adaptable enterprise capable of pivoting its strategy in real-time as new market signals emerge.

What remains the most complex operational challenge to solve for long-term profitability?

"The single biggest long-term challenge is developing a profitable model for automated online order fulfillment, likely by utilizing existing stores as micro fulfillment centers."

Chief Strategy Officer | Retail | UK

Strategic playbook:

- **Focus on:** Automating online fulfillment processes to drastically reduce the cost to serve and improve product availability.
- **Focus on:** Democratizing data access to empower the existing workforce and bypass the critical artificial intelligence talent shortage.
- **Move away from:** Maintaining strict departmental silos that trap valuable commercial insights and limits agile decision making.
- **Move away from:** Relying on vulnerable, long lead global supply chains that cannot react to rapid consumer shifts.





How Fujitsu can help: The partner for the hybrid world

Enabling the intelligent retail transformation through strategic consulting and advanced technological integration.

Achieving the ambitious business model shifts outlined in this report requires capabilities that most retail organizations simply do not possess internally. Navigating the severe intelligence talent gap and the complexities of legacy system integration demands deep external partnerships. Uvance is positioned to act as the central enabler for this journey, providing the strategic consulting and advanced technological solutions required to build a highly resilient hybrid enterprise.

By combining deep industry foresight with world class digital engineering, Fujitsu helps leaders dismantle structural disablers and deploy predictive intelligence across the value chain. From establishing a unified data depository to automating regional logistics networks and ensuring complex regulatory compliance, Fujitsu provides the integrated ecosystem necessary to transition operations from immediate disruption to long term market domination.

How important are external partnerships in achieving your long-term operational vision?

"We must rely heavily on partnerships to manage the daily disruption of navigating complex security and compliance regulations while attempting to integrate fragmented data systems."

Head of Technology | USA

Leaders should consider partnering with Fujitsu to secure the specialized digital engineering skills and strategic foresight required to execute complex structural transformations safely.



Fujitsu Technology and Service Vision (FT&SV)

The evolving story of Fujitsu insights into the future, updated annually and covering the Fujitsu approach to the main issues raised in the CxO survey.

global.fujitsu/en-global/about/vision



The insights in this report are not theoretical; they are grounded in the lived experience of senior executives responsible for billions in revenue. The diversity of geography and role ensures a holistic view of the industry.

Global reach:

- **UK:** Supermarket / grocery (>\$20B revenue)
- **USA:** Supermarket (>\$1B revenue)
- **Spain:** Department store (>\$10B revenue) and home furnishing (>\$5B Revenue)
- **Singapore:** Sports retail (>\$1B revenue)
- **Japan:** Video commerce (>\$1B revenue).

Executive roles:

- Chief Operating Officer (COO)
- Chief Financial Officer (CFO) x2
- Chief Technology Officer (CTO)
- Chief Marketing Officer (CMO)
- Chief Strategy Officer (CSO).

Industry segments:

- Grocery and general merchandise
- Fashion and sports
- Home furnishing
- Video / digital commerce.

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