



Perspective | Retail

The global executive's guide for reimagining the future of retail



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List of abbreviations

Abbreviation	Meaning
AI	artificial intelligence
AR	augmented reality
VR	virtual reality
ML	machine learning

The retail industry is at a crossroads



The global retail industry is undergoing seismic shifts due to technological advancements, evolving consumer behaviors and unprecedented economic challenges. The rise of ecommerce, the push for sustainability and the increasing dominance of retail giants are reshaping the landscape. Retailers now have to navigate an intricate web of disruption and opportunity.

In 2024, nearly 170,000 retail jobs were lost globally, marking a 42% increase from the previous year, with over 13,000 store closures — the highest since 2020.¹ Inflationary pressures are reshaping consumer spending. Shoppers in Europe, for example, are prioritizing essential goods.² In North America, discretionary spending is rebounding, but with a focus on value

and quality.³ Asia-Pacific leads in mobile commerce adoption, setting the pace for digital transformation worldwide.⁴

Retailers are also contending with the growing demand for sustainability. Governments across the European Union⁵ and Asia⁶ are implementing strict regulations on carbon emissions and waste. Consumers in Scandinavia and Australia are demanding greater transparency and ethical sourcing. The challenge for retailers is clear: Adapt to these forces or risk irrelevance.

Large retailers such as Amazon, Alibaba and Tesco are using their size to control markets. They offer competitive pricing, seamless digital experiences and efficient supply chains. Smaller retailers,

however, are carving niches through hyper-localized offerings, personalized experiences and a commitment to sustainability.

This guide is designed to provide retail executives with a comprehensive understanding of the trends reshaping the industry. We also offer actionable strategies to navigate this complex environment. By examining recent developments and case studies, our goal is to equip leaders with the insights necessary to boost innovation, improve customer experiences and achieve sustainable growth.

Global trends shaping the future of retail



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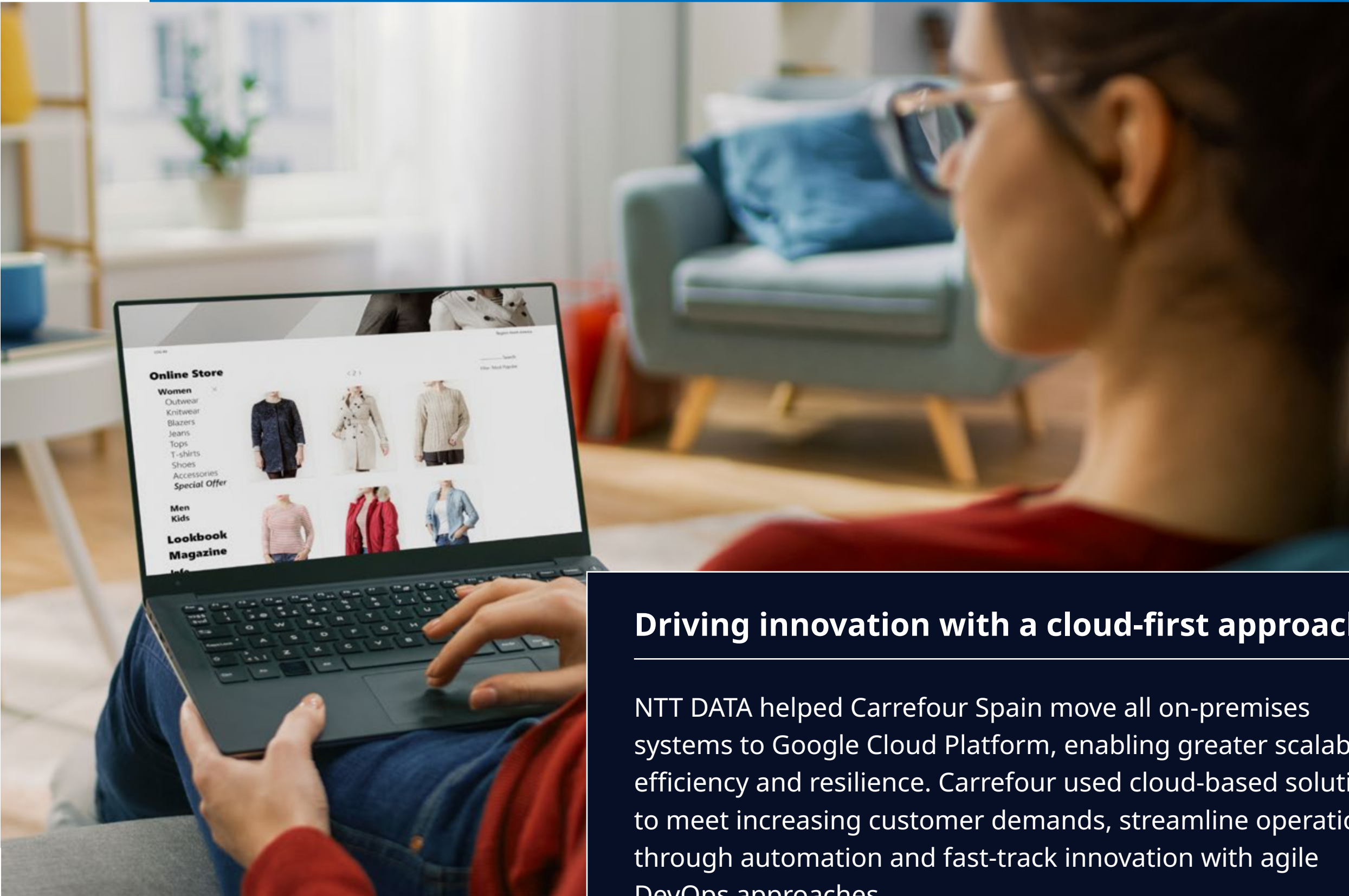
Ecommerce growth and digital transformation

The global shift to ecommerce is moving faster than ever. Projections estimate it will account for 39% of growth over the coming years, with expectations to surpass \$8 trillion by 2027.⁷ Ecommerce trends vary across the world:

- Asia-Pacific: This region is at the forefront, driven by super-apps like WeChat and Grab that integrate shopping, payments and social experiences in one place.⁸
- Europe: Growth is anchored in cross-border ecommerce.⁹
- North America: This area leads in omnichannel innovation, with retailers prioritizing a unified shopping experience across multiple touchpoints.¹⁰

Our perspective:

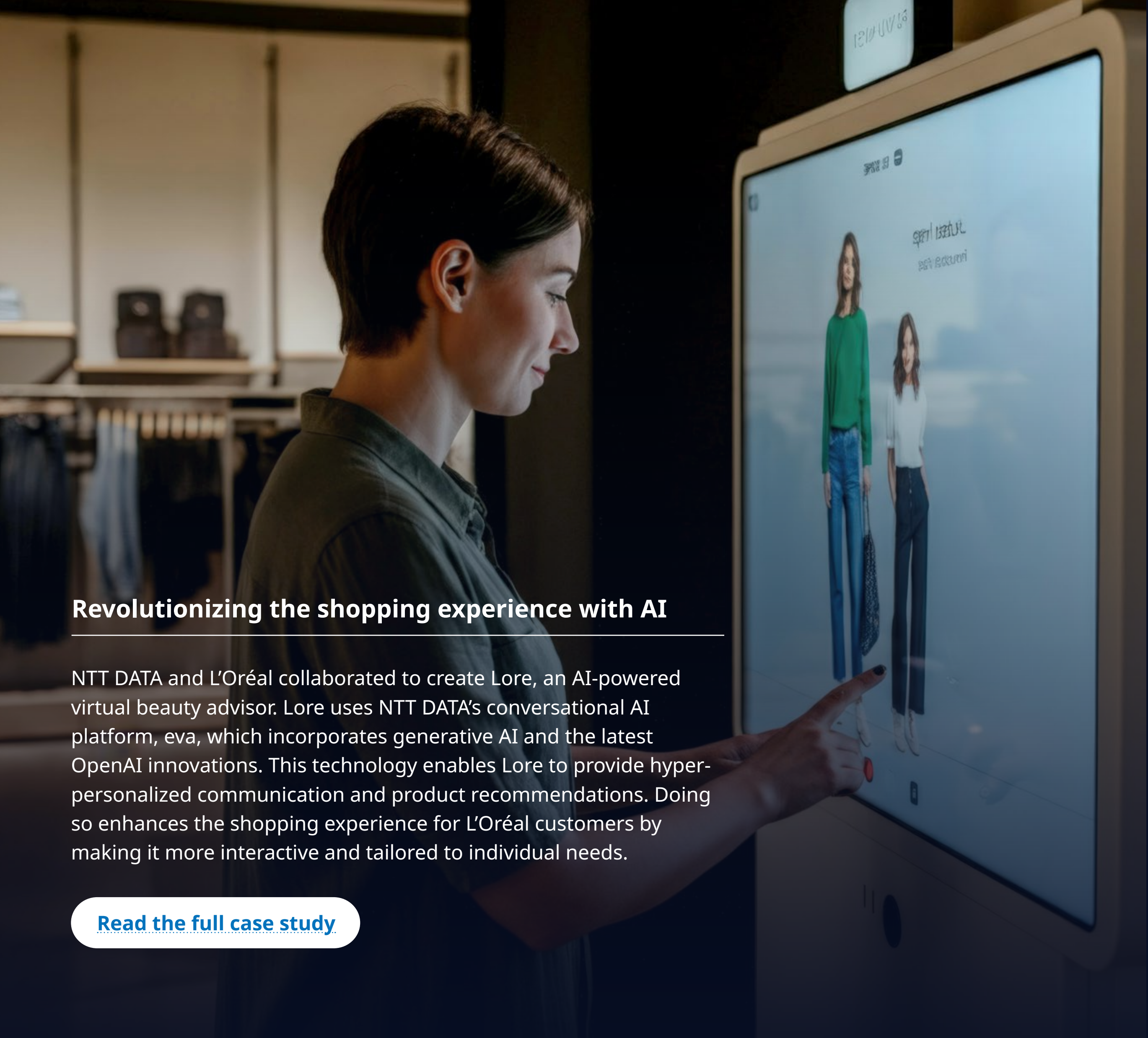
To succeed, retailers must build omnichannel ecosystems that unify online and offline experiences. This includes investments in mobile-first strategies, AI-driven personalization and real-time inventory management. Retailers should also adopt flexible cloud infrastructures to better support ecommerce growth and digital transformation.



Driving innovation with a cloud-first approach

NTT DATA helped Carrefour Spain move all on-premises systems to Google Cloud Platform, enabling greater scalability, efficiency and resilience. Carrefour used cloud-based solutions to meet increasing customer demands, streamline operations through automation and fast-track innovation with agile DevOps approaches.

[Read the full case study](#)



Global trends shaping the future of retail

AI and automation in retail

Artificial intelligence and automation are revolutionizing retail operations worldwide. The potential of AI extends far beyond efficiency. It enables hyper-personalized customer experiences through chatbots, predictive analytics and other advanced technologies. Trends vary across the globe:

- US: Large retailers are already using AI-powered robots for inventory management, ensuring that stock levels are accurate and up to date.¹¹
- Japan: Convenience stores are testing cashier-less models powered by machine learning (ML) to streamline the checkout process and boost customer convenience.¹²

Our perspective:

Retailers must embrace AI as a core strategy. By investing in AI-driven tools, they can improve supply chains and customer journeys while reducing operational costs. For example, AI can predict demand more accurately, allowing retailers to manage inventory more effectively and minimize waste. Chatbots and virtual assistants can provide 24x7 customer support, improving customer satisfaction and loyalty. AI can also analyze customer data to deliver personalized recommendations and promotions. This creates a more engaging and tailored shopping experience. By using AI, retailers can not only streamline their operations but also create a more seamless and enjoyable shopping experience for their customers.

Revolutionizing the shopping experience with AI

NTT DATA and L'Oréal collaborated to create Lore, an AI-powered virtual beauty advisor. Lore uses NTT DATA's conversational AI platform, eva, which incorporates generative AI and the latest OpenAI innovations. This technology enables Lore to provide hyper-personalized communication and product recommendations. Doing so enhances the shopping experience for L'Oréal customers by making it more interactive and tailored to individual needs.

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Global trends shaping the future of retail

Supply chain agility and transparency

Global disruptions, from COVID-19 to geopolitical tensions, have underscored the importance of resilient supply chains. Retailers worldwide are approaching supply chain resilience differently:

- Asia: Retailers are using IoT and real-time tracking for transparency to address issues quickly and ensure product quality.
- Europe: Grocers are adopting predictive analytics to minimize food waste and improve inventory management by predicting demand more accurately.
- North America: Partnerships with cloud providers like AWS are enhancing supply chain visibility, providing real-time insights and boosting overall efficiency.¹³

Our perspective:

Agility is paramount. Retailers must adopt technologies that enable real-time tracking, predictive analytics and strong supplier collaboration. By integrating these technologies and working with partners, retailers can build resilient supply chains and deliver exceptional customer experiences.

Redesigning the supply chain

NTT DATA's work with a leading quick-service restaurant chain involved developing a comprehensive network design strategy. It included a go-forward plan and utilization strategies from third-party logistics providers. NTT DATA also provided a strategic roadmap with a governance program and a progress dashboard for project measurement. Real-time tracking helps identify and resolve issues quickly. Predictive analytics anticipate demand and reduce inventory risks. Strong supplier collaboration ensures alignment and swift responses to changes.

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Unified commerce ecosystem

Consumers expect seamless experiences across all shopping channels. This means that whether they are browsing products on a mobile app, visiting a physical store or interacting with a brand on social media, the experience should be consistent and effortless. Some retailers have opened flagship stores that feature interactive displays, personalized shopping experiences and the integration of their in-house app. Customers can use the app to reserve products for in-store pickup, access exclusive offers and even customize their purchases. This not only improves customer engagement but also provides a more personalized and enjoyable shopping experience.

Our perspective:

To create frictionless customer journeys, retailers need a cohesive strategy that ensures seamless transitions between online and offline interactions. Investing in omnichannel platforms is critical. These platforms enable centralized management of inventory, customer data and marketing efforts, ensuring consistency and efficiency. With these technologies and strong partners, retailers can build resilient supply chains and deliver exceptional customer experiences. Doing so ensures a seamless shopping journey from online to offline and vice versa.

Developing a digital ecommerce platform

NTT DATA worked with a health and wellness company to develop a digital ecommerce platform that integrates multiple channels. The company faced challenges with its in-house platform, which hindered seamless customer experiences. NTT DATA implemented SAP Hybris and integrated it with Salesforce Service Cloud and Marketing Cloud. Doing so enabled real-time synchronization of customer and order data, system alerts and a 360 view of customers. This improved customer insights, mobility and team collaboration. The results were significant: a five-times increase in internal development capability, a 100% increase in anticipated revenue, improved quality control, shortened delivery times and streamlined processes.

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Global trends shaping the future of retail

Sustainability as a growth driver

Sustainability is no longer optional. Ethical practices, innovative economic models, government policies and thoughtful product design are just a few of the strategies retailers use to achieve more sustainable organizational goals. Here's a look at how retailers around the world are making significant progress toward a more sustainable future.

- Scandinavia: Retailers are leading the way with circular economy models.¹⁴
- US: Large brands are dedicating resources to environmental and social responsibility programs. For example, Patagonia demonstrates ethical practices through durable products and fair labor practices. The company also donates 1% of its sales revenue to environmental preservation and restoration.¹⁵
- Asia: Government policies are accelerating the adoption of eco-friendly packaging and renewable energy.¹⁶

Our perspective:

Sustainability should be a cornerstone of retail strategy. IoT and cloud technologies can monitor and improve environmental efforts, creating value for both consumers and businesses. Retailers must align with eco-conscious expectations to remain competitive. By using these best practices, retail executives can handle the challenges of a fast-changing global market. Doing so boosts innovation, resilience and growth.



Transforming packaging and the customer experience

NTT DATA helped Whisker improve its sustainable packaging and customer experience. By redesigning the Litter-Robot packaging, we eliminated foam and replaced it with curbside-recyclable materials. This reduces shipping damage and simplifies the unboxing process. The new design also improves operational efficiency by streamlining assembly and reducing labor needs while meeting FedEx's box-size and testing requirements. This resulted in significant cost savings, reduced waste and a better customer experience.

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Best practices for future-focused retail executives



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Inspire decision-making and personalization with data and AI

Retailers have an unprecedented amount of data at their fingertips. The challenge is using it effectively to make better decisions and build better customer experiences. Retailers worldwide are using AI-powered analytics to predict demand, personalize recommendations and optimize operations. While strategies may vary by region, AI is universally transforming retail by improving efficiency, personalization and security.

- Asia: AI improves supply chains and creates hyper-personalized shopping experiences.¹⁷
- North America: AI improves demand forecasting, dynamic pricing and customer support through chatbots.¹⁸
- Europe: Best practices focus on sustainability and fraud prevention, using AI to reduce returns with predictive sizing and increase transaction security.¹⁹
- Latin America: AI expands digital commerce by optimizing search, fraud detection and logistics in areas with limited banking access.²⁰

Executive advice:

Retailers should focus on integrating data from various touchpoints to gain a comprehensive view of customer behavior. This holistic approach enables real-time insights and actionable strategies that can be tailored to individual preferences. Investing in advanced data analytics and AI can help identify trends and patterns, predict customer behavior and improve inventory management. This leads to more efficient operations and better customer experiences. Better customer engagement through personalization is crucial. Retailers must understand customer preferences and behaviors, which can inform personalized recommendations, targeted marketing and dynamic content. Data privacy must be a top priority. Clear policies and following global regulations like GDPR and CCPA build customer trust and protect their data.

Best practices for future-focused retail executives

Build supply chain agility



Technologies like AI, ML and IoT help retailers gain real-time visibility into inventory, supplier performance and demand forecasting. By embracing technology and strengthening supplier partnerships, retailers can mitigate risks while improving supply chain efficiency and their ability to respond to market changes.

- AI-driven systems can predict demand more accurately, helping retailers improve stock levels, reduce waste and improve profitability.
- Strong supplier relationships are key to agility. Collaborative forecasting, shared risk management and joint innovation initiatives help create more resilient supply chains.
- Flexible fulfillment strategies, including multichannel distribution and on-demand manufacturing, help retailers quickly adapt to shifts in consumer behavior.

Executive advice:

Building strong relationships with suppliers is essential for ensuring supply chain agility. Retailers must move beyond simply adopting technologies; they should also focus on fostering collaboration. By engaging in collaborative forecasting with suppliers, sharing risk management strategies and initiating joint innovation projects, retailers can create more flexible and resilient supply chains. This partnership-driven approach helps to not only manage disruptions but also uncover new opportunities for growth and efficiency. Additionally, retailers should explore the potential of digital twins and advanced analytics to simulate various supply chain scenarios and make data-backed decisions in real time. Strengthening supplier relationships and integrating technological innovations will help retail executives build a more agile and responsive supply chain that is capable of meeting evolving consumer demands.

Best practices for future-focused retail executives

Develop a seamless, integrated customer journey

Retailers need to deliver consistent and engaging experiences, no matter where a customer is interacting with their brand. This means integrating innovative technologies and strategies to meet customers where they are, whether online, in-store or through social media. By doing so, retailers can build stronger relationships and foster loyalty.

In China, live-streaming commerce has become a major trend, blending entertainment with shopping to create a unique customer experience.

Executive advice:

To meet the needs of today's consumers, retailers should use one platform for all sales channels. A unified commerce strategy ensures consistency in inventory, pricing and customer data, no matter where or how a customer interacts with the brand. Investing in omnichannel solutions will also enable retailers to offer seamless transitions between online and offline experiences, improving customer satisfaction. Augmented reality (AR) and virtual reality (VR) technologies make shopping better. These tools offer virtual try-ons, immersive product demonstrations and interactive shopping experiences. These innovations allow customers to engage with products in ways that feel personal and relevant. Successfully integrating these technologies will strengthen a retailer's brand loyalty and create meaningful, frictionless shopping experiences.



Best practices for future-focused retail executives

View sustainability as a growth driver

Sustainability is no longer a mere corporate responsibility. It's a strategic growth driver that fosters consumer loyalty and strengthens competitive differentiation.

- As sustainability becomes a key pillar of consumer decision-making, integrating eco-friendly practices across the business will boost brand reputation and attract more responsible consumers. Retailers should integrate sustainability into all areas of their operations, from sourcing eco-friendly materials to offering repair services and product lifecycle solutions.
- By prioritizing sustainability, retailers can appeal to eco-conscious consumers, build brand reputation and position themselves as leaders in an increasingly green-focused marketplace.

Executive advice:

Retailers should use advanced IoT and data solutions to deliver sustainability initiatives effectively. IoT sensors and real-time data analytics can improve resource use and supply chain transparency while reducing waste. Retailers should also focus on clear and transparent communication about their sustainability practices. Eco-conscious consumers are increasingly looking for brands that align with their values. By being open about environmental and ethical efforts, companies can build trust and strengthen customer loyalty. These best practices help retail executives deal with the problems of a rapidly evolving global market, driving innovation, resilience and growth.

Preparing for the future of retail

The global retail industry stands at the threshold of transformative change. The digital and physical worlds continue to converge. And consumers are demanding more personalized, sustainable and seamless experiences. The role of innovation has never been more critical. But what does the future truly hold for retail on a global scale?



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Emerging markets and regional dynamics

Retailers must recognize regional differences and adapt their strategies accordingly:

- Asia-Pacific: Mobile commerce adoption is outpacing the global average, with super-apps integrating shopping, payments and social interactions.²¹ This trend is expected to grow globally, offering consumers a more unified and streamlined experience.
- Europe: Regulations like the EU Green Deal are influencing how retailers source, package and deliver products.²²
- North America: AI continues to lead the way in personalized experiences and predictive analytics.
- Latin America: A growing middle class is creating new opportunities for ecommerce, though logistical challenges still hinder widespread adoption.²³



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The role of advanced technologies

In the coming decade, automation and AI-powered systems will redefine how retailers engage with consumers and improve their operations. From automated warehouses to AI-driven chatbots, these technologies are boosting operational efficiency and the speed of service while reducing costs. Predictive analytics is also empowering retailers to anticipate consumer demand with unprecedented accuracy. This enables real-time inventory management and dynamic pricing strategies. Additionally, AI will play a major role in supply chain optimization, using data to predict delays, manage resources more effectively and ensure timely deliveries. As these systems become more complex, retailers will be able to offer hyper-personalized experiences, adapt to consumer preferences quickly and stay ahead of shifting market demands.



Preparing for the future of retail

Sustainability as a nonnegotiable

By 2030, sustainability will likely become a baseline expectation rather than a differentiator. Retailers that fail to align with these shifts risk losing relevance in an increasingly eco-conscious world.

- Europe/Asia-Pacific: Countries like Germany²⁴ and Japan²⁵ are setting benchmarks for zero-waste retail.
- North America: Companies in the US²⁶ and Canada²⁷ are exploring circular economy models, offering buy-back programs and product repairs.



Preparing for the future of retail

The human element in retail transformation

Despite the rise of automation and AI, the human element remains critical. Retailers must balance technological advancements with human-centric strategies. For example, upskilling employees to manage new tools and creating meaningful in-store experiences that foster emotional connections.

- Asia-Pacific: Markets like India and Southeast Asia exemplify the power of combining technology with local expertise.²⁸
- Small businesses are adopting digital tools while maintaining personalized customer relationships.



Looking ahead

The future of retail is global, interconnected and dynamic. Retailers that embrace regional diversity, invest in transformative technologies and commit to sustainable practices will lead the industry into a new era of growth. The convergence of these trends signals a retail environment where adaptability and innovation are the cornerstones of success.

NTT DATA is your partner in reimagining retail. From advisory services to cutting-edge technology solutions.



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