



# Retail sector overview

Raising the bar for the next  
generation of customer experience



Retail continues to set the bar for customer experience across direct-to-consumer businesses. As expectations rise and patience for friction wanes, the sector is at the forefront of redefining how organizations engage with customers. The best retailers are no longer simply selling products; they are orchestrating fluid, intuitive experiences that span channels, contexts, and cultures.

### Strategic context

Retailers, from grocery to luxury, are facing a set of paradoxes which has suddenly and radically reframed the landscape.

Technology is advancing at extraordinary speed, increasingly capable of outperforming humans, yet consumers continue to crave authentic human connection. Retailers now collect more data on shoppers than ever before, but they still lack the insight needed to reliably predict behavior. Shoppers expect personalized experiences, though their attitudes to privacy are inconsistent and selective. They want brands to reflect their personal values, while at the same time prioritizing price and convenience. And although customers expect instant access to products and services, the demand for constant immediacy challenges both the economics and sustainability of retail models.

Consequently, matching strategic intent to the way the brand is projected is becoming one of the strongest predictors of customer experience success. The best-performing brands in this year's research are deliberate about the role they want to play and their position in relation to these paradoxes, whether as pioneers setting new standards, smart followers scaling proven ideas, or organizations focused on being "good enough" because this is what their consumers are expecting. They invest and execute consistently against that strategic intent, rather than being distracted by volatile trends.

### Shifting expectations and the rise of context

Consumers increasingly expect seamless, occasion-driven experiences rather than interactions shaped by static demographic segments.

Purchasing decisions are influenced by moments, moods, and broader cultural and political contexts. To remain relevant, retailers must "read the room," designing journeys that flex to the customer's intent at any given point in time, not who they are. This means understanding customers not only as buyers but as citizens and humans whose expectations shift dynamically.

### Agent-to-commerce and the next disruption

The emergence of agent-to-commerce (A2C) is set to reshape the sector. Intelligent personal agents, acting as concierge-like intermediaries, will transact on behalf of customers, upending traditional search-to-purchase flows.

Brand loyalty will enter a new phase as A2C channels gain traction and intelligent intermediaries curate choices on behalf of shoppers. Instead of relying on search rankings or brand recall, consumers will increasingly delegate decisions to AI agents that prioritize value, reliability, availability, and service.

This will likely level the playing field, allowing emerging brands to surface alongside established retailers if they meet performance and sustainability standards set by the agent. Loyalty will therefore evolve from a primarily emotional connection to a blend of trust and proven functional excellence, in effect, "Which brand does my agent trust to deliver for ME?".

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Retail is entering a truly transformational period. Consumer experience is becoming dynamic, intelligent and personalized in ways that stretch beyond traditional channels. As agentic AI systems emerge, the challenge for global brands isn't just consistency versus local nuance, it's how they anticipate what consumer will value next, and how technology can help them create relationships and experiences that haven't existed before.”

**Isabelle Allen**

Global Head of  
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## AI maturity and experience quality

Trust in AI and its adoption is proving to be far more complex than a simple question of capability. Attitudes vary widely across cultures, shaped by local values, histories, and levels of technological confidence. For global brands, this can create a significant challenge: they would need to deploy AI solutions that serve very different populations in very different countries, each with their own expectations about transparency, privacy, and fairness.

Striking the right balance between a consistent global standard and the flexibility required to meet local sensitivities is essential, but that flexibility comes at a cost. It requires adaptable governance frameworks, regionally tailored user experiences, and investment in training, oversight, and compliance.

The result is that scaling AI internationally is not just a technical exercise but a strategic, cultural, and economic one.

## Choosing the next frontier

Retail is entering a critical and exciting phase where AI and agentic systems could either commoditize experiences or usher in a new paradigm of differentiation. In this environment it may become more important than ever to:

- Have an explicit declaration of intent of what the brand and organization stands for, aligning existing strengths and AI capability organizations cannot drive accountability and measure results without it.
- Establish robust AI governance frameworks early, as the potential for risk and reputational damage grows exponentially with AI adoption.
- Adopt a dual strategy of no-regret foundational investments, such as infrastructure, data management and governance frameworks, paired with controlled experimentation in cutting-edge AI technologies, this will help drive immediate value and remain agile to adopt innovation as they mature.
- Focus on people: upskilling, addressing cultural resistance and the need for trust.

The winners will likely be the ones with the longest established relationships with clients, or disruptors who reinvent what the value from these relationships looks like in an AI-empowered world.

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