

Retail transformation can't wait

**ARE YOU BUILT TO ADAPT,
OR DESTINED TO STALL?**

Retail is under pressure. Shoppers want seamless, personalised experiences - but rising costs, technology disruption and transformation fatigue are making it harder to deliver. Our **Transformation Index** shows that only **21% of retail organisations** are truly leading in transformation. The rest? Stuck in pilot mode or struggling to scale.

The problem isn't strategy. It's adaptability.



RETAIL'S REALITY CHECK

Retailers are investing in digital, but often tactically - chasing quick wins over long-term strategic plans. The result? Fragmented efforts, stalled momentum and missed opportunities. Meanwhile, high-performing industries are playing a different game.

- **Only 21% of retailers are leading in their transformation maturity**
Compared to the public sector (30%) and consumer goods (27%), retail is underperforming in lasting transformation success.
- **Tactical investments dominate over strategic ones**
Retail is more likely to invest in short-term fixes than in long-term enablers including AI, ESG and leadership development.
- **AI is under-leveraged as a transformation accelerator**
High-performing industries use AI to drive innovation and agility - retail still sees it primarily as an automation tool.
- **Leadership alignment and sponsorship are weaker in retail**
Retail leaders report more difficulty aligning leadership and maintaining momentum during change.
- **Almost half use employee retention to measure engagement**
Employee retention is the most commonly used method of monitoring employee engagement during transformation - is this really enough? High-performing retailers use a range of behavioural and cultural KPIs.



67%

of retail leaders say upskilling people is their biggest challenge



25%

of retail transformations fail to meet their goals



28%

of retail leaders say digital capability is their top priority

Transformation isn't just about the tech, it's about people. That's why high-performing organisations are shifting to people-first, tech-enabled models. As one retail leader puts it:

"Everything we do is people-first and tech-enabled. It's about giving colleagues the time and space to deliver great service."

This mindset reflects a broader shift in retail: using technology not to replace people, but to empower them and allow them to bring their best human selves to their role. Whether it's automating manual tasks, surfacing smarter insights or freeing up time for customer connection, adaptability starts with enabling your teams.

RETAIL'S NEXT MOVE

Retail leaders must shift from tactical fixes to strategic reinvention. Successful organisations are doing three things differently:



Championing their data. They use data to guide decisions, personalise experiences and scale AI responsibly. For example, **Marks & Spencer** is leading the way in aligning data initiatives with strategic business outcomes. They expanded their internal data platform, Beam, to support six customer-focused domains, helping M&S personalise experiences, guide decisions and scale AI responsibly.



Protecting their spark. They prioritise what matters, stop what doesn't, and protect teams from burnout. For example, **Tesco** is putting people first by utilising technology to automate manual tasks and freeing up time for colleagues. This people-first approach ensures colleagues have the space to deliver great service and avoid burnout.



Finding their value compass. They align every initiative to outcomes that matter - for customers, employees and the business. For example, **Holland & Barrett** has reimagined the role of physical stores to deliver what customers really value - human connection, deep expertise and community.

These behaviours are powered by two organisational engines: **systems** and **people**. When both are aligned, transformation sticks.

To lead through change, retailers must:

- **Build adaptable operating models that support innovation and compliance.** Retailers are racing to personalise at scale, but without the right operating model, even the best tech won't deliver. Following acquisition, **Holland & Barrett** has overhauled its operating model to support transformation at scale. Their Cardiff store is a showcase of this evolution, built through collaborative design and bold experimentation.
- **Treat AI as a strategic enabler, not just a tool for automation.** In leading retailers, AI powers smarter decisions and predictive insights, not just back-office efficiency. For example, **Boots** is harnessing AI and data to focus on the omnichannel customer experience, responding to the way customers now want to buy.
- **Invest in workforce capability and leadership alignment.** Transformation stalls when teams lack the skills or leaders aren't aligned. Consider encouraging bite sized learning with AI tools to build digital confidence with your workforce.
- **Shift from tactical fixes to long-term transformation strategy.** Retailers who treat transformation as a continuous capability (not a one-off project) are the ones who scale.

READY TO LEAD WITH ADAPTABILITY? LET'S TALK.

We help retail leaders turn pressure into progress. Whether it's unlocking value from underused tech, designing future-fit operating models or embedding AI into the heart of your business - we make transformation stick.

Gate One is the global business and digital transformation consultancy, dedicated to helping clients thrive. With a uniquely collaborative approach, we guide clients through high-impact business and digital transformation projects, with teams in the UK, the US, Ireland, France and India.

TALK TO US



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