What retailers are thinking about today – and how they are preparing for tomorrow

2026

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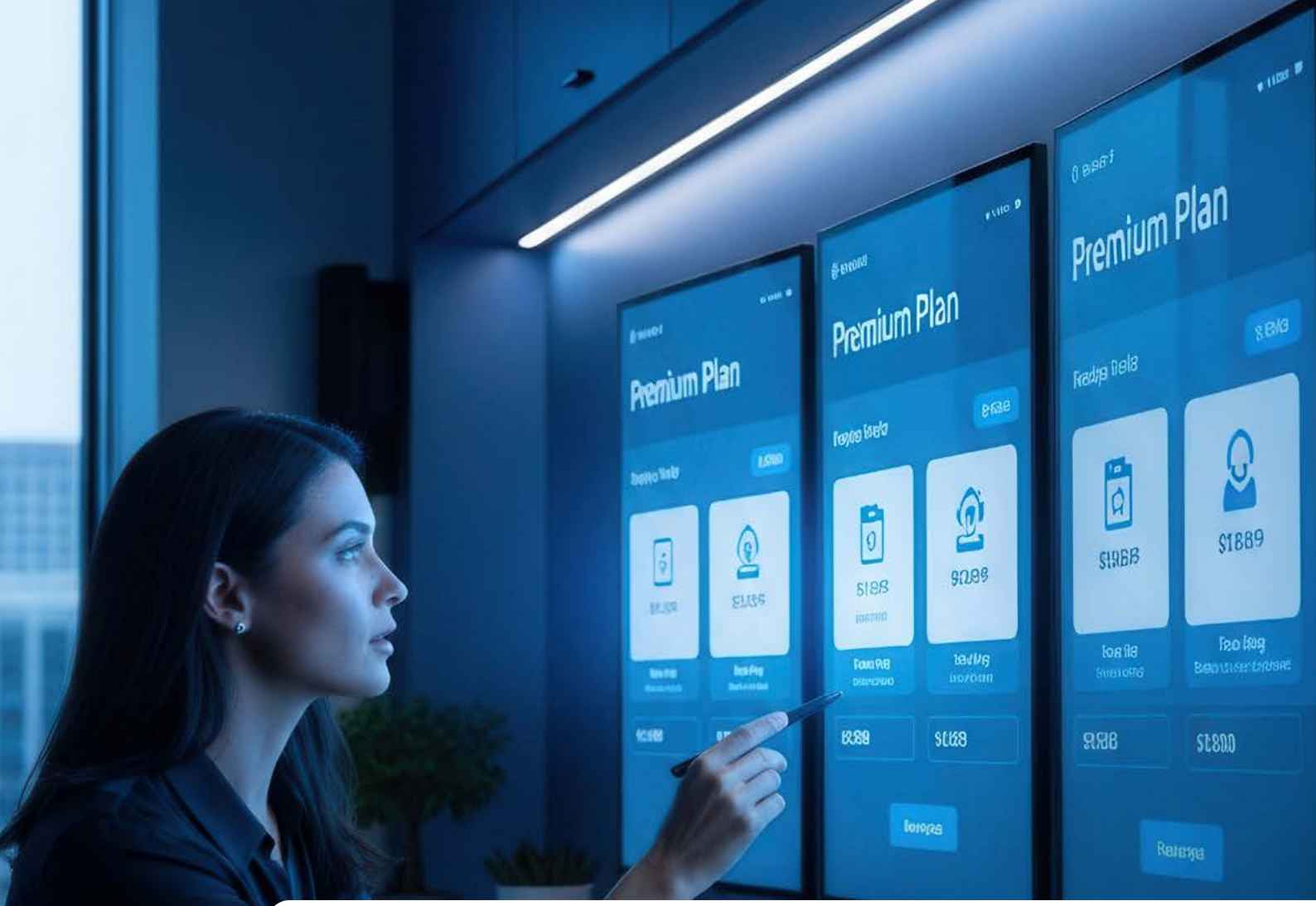

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Executive Summary

Retailers face one of the most complex operating environments the sector has seen in decades. Geopolitical volatility, persistent inflation, regulatory divergence and accelerating technology change are reshaping both consumer behavior and business models. Expectations around sustainability, transparency and experience continue to rise, even as consumers remain intensely value driven.

Against this backdrop, retailers are balancing long-term growth opportunities with short-term resilience. As they seek to navigate a "disruption-as-normal" landscape today, they are also laying the foundations for an artificial intelligence (AI) enabled, ecosystem driven future, which may ultimately reinvent their channel strategies and business activities. Reconciling today's actions and tomorrow's priorities requires retailers to take a blended approach by allocating capital and building capabilities that can both weather current market uncertainty and accommodate anticipated future changes.

For today, priorities center on protecting margins, sustaining profitable growth amid volatility, optimizing customer loyalty, redesigning supply chains for resilience and balancing affordability with purpose. These could require retailers to make difficult trade offs as they simplify portfolios, revisit assortments and scale longer-term growth drivers.

For tomorrow, the focus is shifting to how retailers will unlock new sources of value and deliver long-term resilience. This will include scaling AI across the enterprise, adapting the role of physical stores, reimagining supply chains, diversifying business models beyond core retail activities and redefining KPIs to accommodate consumer trust, circularity and long term value creation. These priorities will demand a radical rethink of retail operating models and organizational design.

In this report, we explore the near-term and medium-term retail priorities and highlight how retailers in Austria are responding.

Snapshot –
Retail in Austria

Retail sales growth in Austria is driven more by price increases than by underlying structural strength. The market is growing in nominal terms, but this growth is heavily driven by inflation. In 2025, the food sector contributed far more strongly to overall market development, with nominal sales growth of **+4.4%**, compared with **+1.5%** in non-food.[1]

Food

1

High store density and strong local supply coverage

Austria has a very dense grocery retail network, with around 9,400 points of sale.

2

Low online penetration in grocery retail

The dense network of physical stores is a key reason why online grocery retail remains comparatively small in Austria. In 2025, online business accounted for around 2.5% of the grocery retail market. However, this share is likely to decline again, as the two major full-range grocery retailers, SPAR and BILLA, have discontinued their own e-commerce operations for cost reasons.

3

High reliance on discounts and promotions

Thirty-seven percent of all grocery items are sold on promotion. The prominent role of discounters in the market is a clear indicator of Austria's focus on pricing and promotions. RegioData Research estimates the discounter market share at around 29%. In addition, the Loyalty Report 2024 found that 85% of consumers use loyalty programs, with discounts particularly popular[2].

4

High market concentration

The Austrian grocery market is highly concentrated. The "Big 4" – SPAR, REWE (BILLA, PENNY), HOFER (ALDI SÜD) and Lidl – account for 92% of market sales and 75% of store locations.[3] [4] This helps explain why competition is intense but largely takes place among a small number of major players.

Non-food

1

Specialized non-food retailers are losing space and locations

Specialized retailers in fashion, sports, jewelry and footwear, in particular, are being squeezed between e-commerce and large non-food discounters. Already, 85% of Austrian municipalities no longer have a shoe retailer. According to the Austrian Federal Economic Chamber (WKÖ), the number of fashion stores in Austria has fallen by 22% over the past 10 years, to 4,254 locations[5].

2

International discount formats continue to gain ground

While many specialized retailers are consolidating, price-oriented international formats continue to expand. The leading non-food discounters in Austria already operate more than 1,000 locations[6] combined.

3

City centers are changing at the expense of traditional non-food retail space

The tenant mix in Austrian city centers is increasingly shifting away from traditional retail toward food service, services and leisure. Since 2016, traditional retail space in the cities under review has shrunk by more than 15%, particularly affecting non-food formats[7].

1. *https://www.statistik.at/en/statistics/industry-construction-trade-and-services/short-term-business-statistics/turnover-index*
2. *https://www.ots.at/presseaussendung/OTS_20240507_OTS0014/loyalty-report-2024-85-der-verbraucher-nutzen-digitale-kundenbindungsprogramme-rabatte-in-oesterreich-besonders-beliebt [German only]*
3. *https://www.grocerytradenews.com/10-supermarkets-in-austria-2026/*
4. *https://www.regiodata.eu/en/austria-turning-point-in-grocery-retail-store-density-has-been-declining-for-4-years/*
5. *https://www.wko.at/oe/oesterreich/oesterreichs-modehandel-kaempft-mit-kostenexplosion [German only]*
6. *https://www.regiodata.eu/en/austria-the-rise-of-the-non-food-discounters/*
7. *https://www.wko.at/oe/oesterreich/city-retail-report [German only]*

Five things
Retailers are thinking about today

1 How do we sustain profitable growth amid economic volatility?

Input cost pressures driven by geopolitics, energy volatility, labor shortages and logistics disruption continue to weigh on margins, while consumers remain highly price sensitive and selective in their spending. As a result, retailers are increasingly shifting away from traditional scale led growth models toward more focused, value driven strategies. Rather than pursuing growth through broad store expansion or promotional intensity alone, many are simplifying portfolios, divesting non-core assets and reallocating capital toward activities with clearer margin accretion.

Sixty-two percent of retail leaders intend to pursue M&A activities to expand their business over the next 12 months; 49% plan to make strategic divestments.
Source: EY CEO Outlook, May 2026 (retail respondents: 90).

M&A has re emerged as a growth opportunity, not necessarily to deliver scale in its own right, but to acquire specific capabilities, enter into adjacent markets or tap into higher margin revenue streams.

Retailers are also deepening private label penetration, particularly in categories where consumers are trading down, but also in premium or niche categories to capture higher-margin opportunities. Loyalty schemes and opportunities to collect customer data are supporting monetization strategies, such as in retail media or through adding further scale to service based offerings.

At the same time, efficiency remains critical. Automation, cost base restructuring and operational simplification are being accelerated to offset margin pressure. The retailers performing best are those that are focusing their resources, rather than spreading them across too many initiatives.

How retailers in Austria are responding:
HOFER has launched a cost-efficiency program focused on restructuring administrative functions, partly outsourcing repetitive tasks and consolidating locations, while aiming to protect its price competitiveness in a cost-pressured grocery market, despite wage and energy pressures.[8]

2 Where will technology investments deliver the most value?

Technology investment remains a top priority, but the emphasis is shifting rapidly from experimentation and pilots to scale and integration. After years of fragmented digital programs, retailers are now focusing on using AI to consolidate internal processes and work with technology partners to create a unified view of inventory, pricing, operations and customer data.

While retailers recognize that disconnected systems limit both efficiency and customer experience, legacy technology infrastructure has often been a barrier to meaningful technology improvements. However, the rapid acceleration in digital technologies, especially in generative AI (GenAI) and agentic AI, is enabling integrated commerce platforms that allow retailers to optimize stock placement, dynamically adjust pricing and promotions and deliver more consistent customer journeys across different channels.

Eighty percent of retail leaders are increasing their planned AI investment in 2026 compared with 2025.
Source: EY CEO Outlook, May 2026 (retail respondents: 90).

AI and advanced analytics are increasingly central to this agenda. Retailers are deploying AI to improve demand forecasting, personalize customer engagement and optimize labor deployment. In physical environments, technologies such as frictionless checkout, smart carts and immersive digital touchpoints are becoming far more visible as retailers selectively deploy in-store solutions where they can demonstrably enhance experience or productivity.

Crucially, today's technology investments are increasingly judged on their ability to support future ready architectures. As retailers invest in upgrading their technology stacks, they are also investing in future-ready solutions such as scalable platforms and data foundations that can support autonomous process automation over time.

How retailers are responding
GurkerI.at (an e-commerce player) has opened a highly automated fulfilment center in Vienna. AI optimizes picking sequences and route-based order clustering, with orders assembled in 30 minutes. The setup improves speed, flexibility and scalability.[9] [10]

German based REWE's Pick&Go format shows how technology investment can deliver value when it is designed around shopper choice and not just automation. Convenience and grocery retailers need to reduce queues and improve store productivity, but without forcing customers into a single digital-only journey. Testing in Germany, its Hamburg store uses Trigo computer vision across a large-format supermarket, but still allows customers to choose between their app, cashierless self-checkout scanning, vision-assisted self-checkout and traditional payment. This hybrid model is a useful lesson for European grocers: Innovation scales faster when it removes friction without forcing all customers into the same journey.[11]

8. *https://apps.eurofound.europa.eu/restructuring-events/detail/203284*
9. *https://www.derstandard.de/story/3000000240294/roboter-organisieren-27000-boxen-so-funktioniert-gurkerl-nach-dem-neustart*
10. *https://retailreport.at/gurkerl-modernstes-efood-logistikzentrum-europas*
11. *https://www.rewe-group.com/en/press-and-media/newsroom/press-releases/first-fully-autonomous-rewe-pickgo-store-opens-in-munich/*

Lidl is planning AI-supported product recognition at self-checkout, using cameras to automatically identify items such as loose fruit and vegetables. The initiative is designed to speed up the checkout process, reduce input errors and improve the self-checkout experience. It builds on Lidl's broader rollout of self-checkout technology and illustrates how targeted AI applications can create practical value in everyday store operations.[12] [13]

3 How do we maintain and grow customer loyalty and trust?

Customer loyalty has always been hard to earn and easy to lose. Rising acquisition costs, proliferating channels and dwindling brand loyalty present challenges to retailers who are seeking to stay relevant across increasingly fragmented consumer segments.

Conversely, retailers have never known more about their customers and have never had more ways in which to engage with them. Loyalty strategies have evolved beyond broad, points based programs toward more personalized and experience driven models. First party data has not only allowed retailers to tailor rewards, offers and communications to their customers but also experiment with subscriptions, services and personalization to deepen engagement. These are feeding into a rapidly growing retail media opportunity that could deliver new B2B revenue streams and increase overall margins.

Trust is a critical element of loyalty. As retailers collect and deploy more data, customers are becoming more sensitive to how their personal data is used and protected. For retailers, there are three imperatives in building trust around customer data. The first is to ensure the right degree of security to prevent data breaches, which have been a key factor in eroding trust following a wave of high-profile cyber attacks in Europe and North America over the last few years. The second is to ensure data is used transparently and responsibly, with customers increasingly scrutinizing how retailers might deploy the first-party data they collect for commercial use. The third is to create a perception of shared value through the collection and use of data so that customers can see tangible rewards in the form of cashback, linked discounts or exclusive offers and perks.

Seventy-six percent of retail leaders are confident in their ability to build trust with robust risk controls to address geopolitical, AI, cyber and compliance concerns.
Source: EY CEO Outlook, May 2026 (retail respondents: 90).

Data can also create mutual benefits by enabling curated assortments, private label innovation and much deeper personalization of engagement, product and service. As data becomes pivotal, retailers must ensure their business can maximize its value without high levels of risk exposure or loss of trust.

How retailers are responding
Colruyt is turning loyalty into a trust-based data exchange. Rather than simply increasing the volume of personalized offers, the retailer is asking more than four million Xtra users in Belgium to choose how much data they are willing to share. This creates a clearer value exchange: Customers receive more relevant benefits, while the retailer strengthens permissions-based personalization across its ecosystem of grocery, pharmacy, convenience and online services.[14]

4 How do we redesign supply chains for speed, resilience and flexibility?

The bottlenecks and geopolitical shocks that the world has seen since 2020 have firmly moved supply chain management from a back office function to a core strategic priority. Continued geopolitical disruption, trade tensions and regulatory divergence are exposing the fragility of long and complex networks that have evolved to deliver on cost and scale rather than resilience and agility. While these have been evergreen challenges to supply chains for decades, the transition from one supply chain shock to the next over the last few years, coupled with an increasingly disruption-as-normal mindset among retail leaders, is accelerating efforts to address vulnerabilities.

Seventy-seven percent of retail leaders are confident that they can improve supply chain resilience by using data, analytics and AI to build transparency and manage volatility.
Source: EY CEO Outlook, May 2026 (retail respondents: 90).

Many responses from retailers reflect a long-term need to shore up and futureproof supply chains against further disruption. These include diversifying supplier bases, nearshoring production and investing in greater visibility across the value chain.
Localization is increasingly seen as a long term structural shift rather than a temporary response to disruption, and technology is enabling retailers to manage the cost and complexity of supply chain transformation in ways that were simply not possible before.

AI driven forecasting, inventory optimization and demand sensing tools are improving accuracy to reduce both stockouts and excess inventory. RFID, digital product passports and blockchain enabled traceability are improving visibility and supporting regulatory compliance. While supply chain vulnerabilities feel more acute than ever today, retailers' efforts and investments are leading to a fundamental new paradigm, which will ensure that supply chains operate as a key competitive lever rather than a back-office function.

How retailers are responding
Müller is using AI forecasting and expiry optimization in retail operations. With planning that takes promotions, weather and seasonality into account, the approach improves availability and reduces waste from expired goods. It also better supports assortment, shelf and pricing decisions.[15]

12. https://retail-optimiser.de/en/lidl-brings-ai-supported-item-recognition-from-mettler-toledo-to-its-stores/
13. https://retail-optimiser.de/en/lidl-pushes-ahead-on-self-checkout-with-4pos-itab-and-gk/
14. https://www.esmmagazine.com/retail/colruyt-group-empowers-customers-with-xtra-data-control-300136
15. https://www.relexsolutions.com/news/muller-expands-ai-driven-retail-strategy-with-relex-and-infiniteviu/

5 How can we balance expectations of price with purpose?

Perhaps the most complex challenge for retailers today is balancing affordability with evolving, and sometimes contradictory, customer expectations on less tangible factors such as sustainability and purpose. Consumers remain highly price conscious and are likely to become even more so as costs continue to rise. For some consumers, this may mean that sustainability considerations have been deprioritized in favor of financial concerns. However, factors such as sustainability have the power to increasingly influence purchasing decisions, particularly among younger cohorts who often want retailers to behave more sustainably without charging a premium for doing so.

Only 20% of retail leaders see ESG and sustainability as a top-three factor shaping acquisitions or divestments in the coming year.
Source: EY CEO Outlook, May 2026 (retail respondents: 90).

Leading retailers are responding by exploring how sustainability can extend their value propositions rather than viewing it as a cost that needs to be passed on. Waste reduction and renewable energy programs demonstrate the ability to adapt to rising energy and commodity costs. Meanwhile, take back schemes, resale platforms, refurbishment programs and circular business models are allowing retailers to offer lower cost options while extending product lifecycles or developing new revenue streams in secondhand, subscription or repair services.

Investments in renewable energy, regenerative agriculture and supply chain decarbonization are also being repositioned as strategies that build resilience by hedging against future cost volatility and regulatory risk.

How retailers are responding
dm has been able to keep assortment price increases far below overall inflation in Austria, helping preserve affordability while reinforcing customer loyalty. Stable shelf prices have been supported by scale, process efficiency and logistics synergies, combining price discipline with sustainable products and CSR initiatives.[16]

16. *https://www.wko.at/sbg/news/dm-bilanz-2025 [German only]*

Five things
Retailers are thinking about tomorrow

1 How will AI unlock measurable, enterprise level returns?

Looking ahead, retailers are increasingly viewing AI as a core and integrated part of their business infrastructure rather than as a functional bolt-on technology. Future opportunities will rapidly move from isolated use cases toward enterprise wide integration. By optimizing their businesses for AI, retailers will be able to accelerate processes and generate cost savings by simultaneously coordinating inventory, pricing, procurement and logistics in real time. Agentic systems will increasingly be able to reason, plan and execute autonomously across multiple processes, allowing retailers to successfully make complex trade offs at scale.

Eighty percent of retail leaders are confident in their ability to scale the responsible use of AI and customer data across functions.
Source: EY CEO Outlook, May 2026 (retail respondents: 90).

The development of "superagents" that can orchestrate subagents across functions is already helping retailers to automate cross functional workflows and improve both speed and cost metrics.

Seventy-seven percent of retail leaders are preparing for a wave of agentic commerce where humans increasingly delegate buying decisions to AI agents.
Source: EY CEO Outlook, May 2026 (retail respondents: 90).

While agentic AI is emerging as a critical business enabler, it is also reshaping how consumers interact and engage with retailers, especially through digital channels. AI agents are already beginning to reshape how customers discover, explore, understand and buy products into a single conversational flow. For retailers, agentic commerce presents an opportunity to both enable seamless AI2AI commerce and help automate buying and fulfilment. However, it also opens up new competitive fronts as D2C brands, technology platforms and logistics providers all vie for a role in shaping customer journeys, experiences and the transaction process itself.

How retailers are responding
Germany-based Zalando provides a practical example of AI moving from experimentation to enterprise impact, turning AI from a chatbot into measurable operational performance: fulfilment, accuracy, robotics, product handling and working capital efficiency. Its planned rollout of AI-powered Nomagic robots across European fulfilment centers targets one of fashion retail's hardest operational problems: handling high-volume, high-variety assortments accurately and quickly. By using computer vision and adaptive gripping, the robots can learn from changing inventory conditions and support faster, more accurate order processing.[17]

2 What other sources of value can our store portfolio unlock?

Less than a decade ago, many commentators were predicting a retail apocalypse that would see the death of the store as waves of digital commerce forced mass closures. The predictions proved to be false. In fact, in many ways, stores have proven more resilient than expected, navigating the lockdowns of a global pandemic and supply chain shocks to remain the dominant channel for retail sales. But the rise of digital cannot be ignored and, as new agentic commerce solutions start to take hold, the role of the physical store is undergoing a fundamental rethink. The answer for retail leaders is not simply to close stores in order to manage the shift to online operations; instead, their value is increasingly extending beyond transactions to include media, services, fulfilment and community engagement.

Not only do stores still have plenty of potential for delivering revenue in their own right; they also have opportunities to drive new growth and alternative revenue streams and, working in tandem with digital channels, maximize returns on investment.

Eighty-four percent of retail leaders agree that their store network will be transformed to better support cross-channel engagement models and deliver value beyond sales of products.
Source: EY CEO Outlook, May 2026 (retail respondents: 90).

As a result, many retailers are experimenting with adapting the functions of their stores. This might involve reformatting spaces into experiential hubs for flagship stores or creating "dark store" space in regional locations to support local e-commerce fulfilment. Store formats are evolving to become more modular, enabling retailers to offer greater flexibility by location to find the right blend of experience, convenience and micro fulfilment. Floor space previously dedicated to stock is being repurposed for services such as repairs, rentals, events, healthcare or content creation. While these represent nascent and relatively small revenue streams today, preparing store footprints for a multipurpose future will enable much greater business resilience and new growth opportunities in the future.

At the same time, stores present new opportunities to support emerging retail media businesses by gathering additional data from in-store activities and bringing better media or experiential targeting into physical retail spaces. This could provide a key strategic outlet for retail media insights as agentic commerce grows and potentially erodes the value of existing retail media initiatives.

How retailers in Austria are responding
With PFLANZILLA, BILLA created a differentiated retail case by launching Europe's first fully plant-based store by a traditional grocer, combining a 200 sqm flagship format with more than 3,000 products and appealing to flexitarian shoppers and vegans alike.[18]

17. *https://corporate.zalando.com/en/technology/zalando-brings-its-ai-powered-assistant-all-markets-and-adds-four-new-cities-its-trend*
18. *https://plantbasednews.org/news/economics/billa-vegan-supermarket-vienna/*

3 How will our supply chains support a demand responsive ecosystem?

The supply chain vulnerabilities that retailers have seen over the last five years have accelerated the imperative, and appetite, for change. As retailers shift their strategies to make supply chains more diverse and resilient, they are increasingly investing in a growing number of technology solutions to build speed, efficiency and transparency into their supply chains. This points to a transformative future, where tomorrow's supply chains increasingly operate as connected ecosystems rather than linear networks. Retailers are already moving away from transactional supplier relationships toward collaborative partnerships built on shared data, aligned incentives and common objectives.

Thirty-nine percent of retail leaders see supply chain and procurement as the areas where AI is currently delivering the most measurable enterprise-level impact in their business.
Source: EY CEO Outlook, May 2026 (retail respondents: 90).

Interoperable technologies are enabling AI systems to transact and coordinate across platforms. Ultimately, this could support end to end visibility and autonomous execution, which will make demand planning, replenishment and fulfilment far more dynamic and responsive to changes in consumer behavior and demand.

To deliver this successfully, retailers will not only deploy new technology solutions but also develop strong governance and partnership models that seek to strike the right balance between control and collaboration across complex networks.

How retailers in Austria are responding
SPAR Austria provides a relevant example of how AI can make grocery supply chains more demand-responsive. Together with SPAR ICS, Microsoft and other partners, the retailer developed an AI-based forecasting solution that analyzes factors such as sales volumes, weather, promotions and seasonality to generate more precise store-level order recommendations. Trialled in the fruit and vegetables category, the system achieves prediction accuracy of more than 90%, helping ensure that the right quantities are available in the right store at the right time while reducing food waste. This shows how AI can turn replenishment from a largely rules-based process into a more dynamic, data-driven capability.[19]

Frutura, Austria's largest marketer of fresh fruit and vegetables, provides another relevant example from the grocery supply chain. The company has selected RELEX Solutions to improve demand forecast accuracy with AI-driven capabilities across cultivation, ripening, packaging and logistics. Because fresh produce has short shelf lives and volatile demand patterns, the ability to recalculate forecasts multiple times a day can support faster replenishment decisions, improve availability and reduce the risk of excess stock and waste. While Frutura is a supply-chain partner rather than a retailer, the example highlights how AI-enabled planning can strengthen the entire grocery ecosystem.[20]

4 How will we diversify beyond our core business for future growth?

Aggregate growth prospects for traditional retail categories are at best steady and, at worst, highly uncertain and dependent on consumer sentiment. While there will clearly always be distinct winners and losers, overall retail growth is likely to be steady rather than spectacular. Historical periods of retail growth have come from a series of "super-cycles" such as mass production, car ownership, a growing middle class, increasing spending power in emerging markets and the rise of online shopping. Going forward, even with the advent of AI, there is no guarantee that these will deliver on the needs of a sector that typically grows in low single digits globally and operates on razor-thin margins.

To secure a better future, retailers are seeking to expand their offering to support growth outside their core business model of selling products to customers and tapping into higher-growth adjacencies in areas such as wellness, media and technology, where future growth prospects are stronger. This is leading to the development of blended product service offerings such as resale, rental, repair and subscriptions to increase customer lifetime value and reduce a sector-wide reliance on inventory heavy models.

Seventy percent of retail leaders agree that their business will see future profitable growth driven by non-core activities such as retail media, subscriptions, services or marketplaces.
Source: EY CEO Outlook, May 2026 (retail respondents: 90).

Retailers are also looking to expand their B2B offering, diversifying beyond targeted brand relationships to develop platforms and services such as marketplaces, shared infrastructure and data driven solutions. Media, warehousing and logistics solutions are emerging as B2B growth engines that expand their value proposition. Some retailers are also exploring adjacent lifestyle categories that can extend their capabilities into areas such as leisure, hospitality, wellness, nutrition and financial services.

As retailers seek to expand beyond their core business, they will also find competitors challenging them from outside the sector. As the overall business landscape shifts from asset ownership to platform orchestration, future success will become more dependent on a willingness to experiment with new business models that sit outside traditional sectoral comfort zones.

Fifty-two percent of retail leaders believe that changing competitive dynamics are increasing competition from outside traditional retail.
Source: EY CEO Outlook, May 2026 (retail respondents: 90).

How retailers are responding
Carrefour is extending retail media beyond the e-commerce screen into physical assets in France and Spain. Through its partnership with Carmila, Unlimitail and JCDecaux, the group is turning shopping center galleries and access routes into a measurable media network. This illustrates a broader shift in retail diversification: In search of higher-margin revenue streams beyond selling products, stores and real estate are becoming audience platforms, not just sales locations.[21]

19. *https://spar-international.com/news/spar-austria-minimises-food-waste-through-digitalisation/*
20. *https://www.relexsolutions.com/news/frutura-fresh-produce-forecasting-relex/*
21. *https://www.carrefour.com/en/digital-retail-strategy-2026*

5 How will we redefine KPIs to deliver holistic, circular value?

As operating models evolve, so too will measurements of performance and success. KPIs with a focus on sales, margin and productivity have traditionally been skewed toward tangible metrics such as sales per square meter, footfall, traffic and conversion rates. However, as retailers look to unlock more holistic value from business interdependencies, they will seek new ways to capture and measure long term value creation.

Retailers are already beginning to incorporate metrics around trust and customer lifetime value alongside financial indicators. AI enabled workforce productivity measures and new feedback loops will also help to balance efficiency with employee experience and service quality.

Underpinning this change will be a new measure of how retailers can capture and deliver societal value as regulatory scrutiny, customer priorities and the business landscape reflect a growing focus on environmental, social and governance performance, which is also increasing the role that circularity can play in value creation.

As retailers transition to new metrics, success will be measured not only by growth but also by resilience, reputation and the ability to generate sustainable returns over time.

How retailers in Austria are responding
BIPA (REWE) rolled out the internal AI assistant Haidi across its stores to support staff, modernizing training and providing everyday store support. Staff can ask Haidi questions about returns, products or processes in natural language, supporting multiple languages for a diverse workforce.[22] [23]

22. *https://retailtechinnovationhub.com/home/2025/8/31/milestone-reached-as-drugstore-retailer-bipa-takes-wraps-off-haidi-ai-powered-store-employees-assistant*
23. *https://www.bipa.at/cp/presse-bot-haidi [German only]*

Five imperatives to Navigate these competing priorities

1

Scrutinize the long tail to focus on products and initiatives that drive value

Simplify assortments, reduce weak ranges, exit underperforming locations and stop margin-eroding discounting that does not build loyalty or basket size.

2

Prioritize AI to drive immediate value

Focus technology spending on concrete use cases such as demand forecasting, markdown optimization, labor scheduling, replenishment and pricing, rather than broad transformation programs.

3

Rethink loyalty schemes to pay back in cash, value or convenience

Redesign loyalty around offers customers actually appreciate – for example, personalized discounts, member pricing, faster fulfilment, easier returns, subscriptions or bundled services.

4

Reduce risk in the supply chain by shortening, diversifying and gaining visibility

Add second sources for key categories, shift some volume closer to home, improve inventory visibility and build earlier warning signals for delays, shortages and cost spikes.

5

Embed sustainability as standard, accessible to all

Prioritize actions that reduce waste and cost at the same time across energy efficiency, packaging reduction, resale, repair, take-back and smarter sourcing instead of treating purpose as a separate agenda.

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