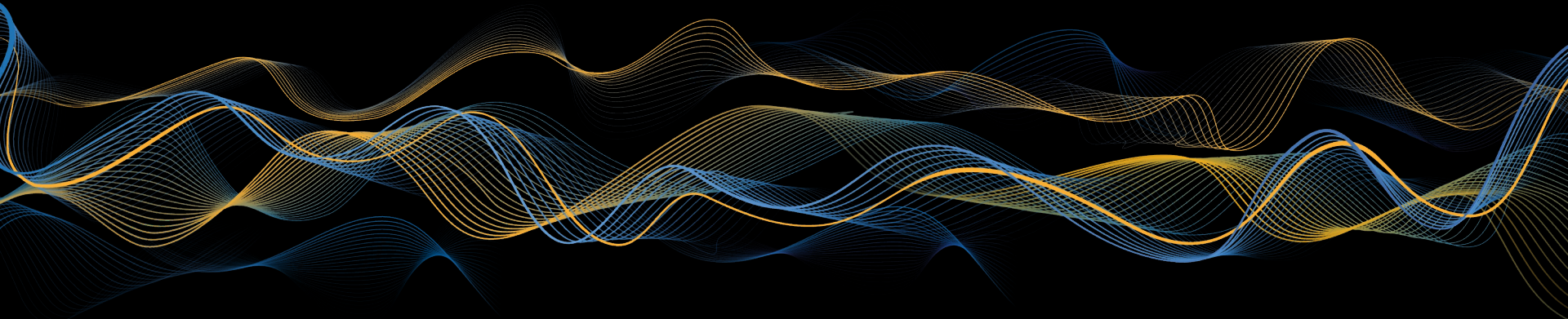


# TCS Global Retail Outlook

Australia-New Zealand key findings



# Australia-New Zealand report

## Fresh insights into the forces shaping the future of retail



### Respondent personas (evenly distributed)

- Chief marketing/customer/digital officers + direct reports
- Chief merchandising officers + direct reports
- Chief supply chain officers + direct reports
- Chief technology/information officers + direct reports

### The respondents

(n=800+)

**US** (n=256)

**CAN** (n=65)

**ANZ** (n=78)

**EUR** [France, Germany/Austria, Spain, Switzerland] (n= 206)

- **Benelux** (n=65)
- **Nordics** [Denmark, Finland, Norway, Sweden] (n=72)

**UK & IE** (n=75)

### Topics

- Intelligent retail
- Mission-critical objectives
- Optimization strategies
- Customer loyalty
- Agility and resiliency
- Future challenges

### Subsectors

- Electronics 23%
- Fashion, apparel & home goods 21%
- Home improvement/hardware 21%
- QSRs (quick service restaurants) 21%
- Groceries, convenience stores, pharmacies 15%

# Executive summary

ANZ retailers are planning to leverage the power of AI in the next year to 18 months, while keeping a strong focus on driving profitable growth, cost-efficiencies, and customer experiences and loyalty.

AI is moving from hype to practical use, with chatbots, demand forecasting, and hyper-personalization leading the way—though more advanced AI capabilities remain untapped.

Loyalty programs and personalized experiences are becoming critical growth engines, as ANZ retailers seek to turn data into deeper customer relationships and smarter decisions.

However, workforce skills gaps, data utilization challenges, and margin pressures are significant obstacles, making capability-building a top priority.

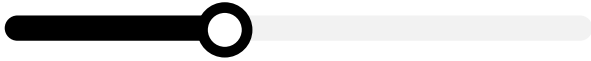
Payments innovation—like digital wallets and contactless options—is seen as a practical lever to reduce friction and boost loyalty—and to gather new customer insights from transaction data.

Insights into these focus areas are helping to shape a more resilient, customer-centric, and future-ready retail sector in Australia and New Zealand.

# Top strategic priorities for ANZ retailers in 2026



33%



A third of Australia-New Zealand retail executives said “driving profitable growth” is among their most mission-critical objectives over the next 18 months

## Other top priorities:

32%

Enhancing personalization and customer engagement

29%

Improving customer experience and loyalty

# Biggest obstacles in 2026: digital skills, data for decisions, and rising cost of operations

The Australia-New Zealand retail sector faces mounting challenges from workforce skill shortages, rising operational costs, and underutilized data, demanding strategic innovation and efficiency to sustain growth.

## Expected challenges to success for ANZ retailers:



### Workforce skills gap

Difficulty finding employees with the technical and digital skills needed for modern retail



### Operational costs

Managing rising expenses in labor, technology, and facilities



### Data utilization

Converting collected data into actionable insights for business decisions

# Success factors beyond cost reduction: acceleration, automation, and AI-driven company and customer insights



Q. As market conditions become increasingly volatile, which of these capabilities are most critical for your organization's success? (n=78)

# AI slowly evolving from customer conversations to operational intelligence



41%



Two in five executives said AI-powered chatbots and virtual assistants were among their highest priority AI-led initiatives

## Other key AI-led initiatives:

40%

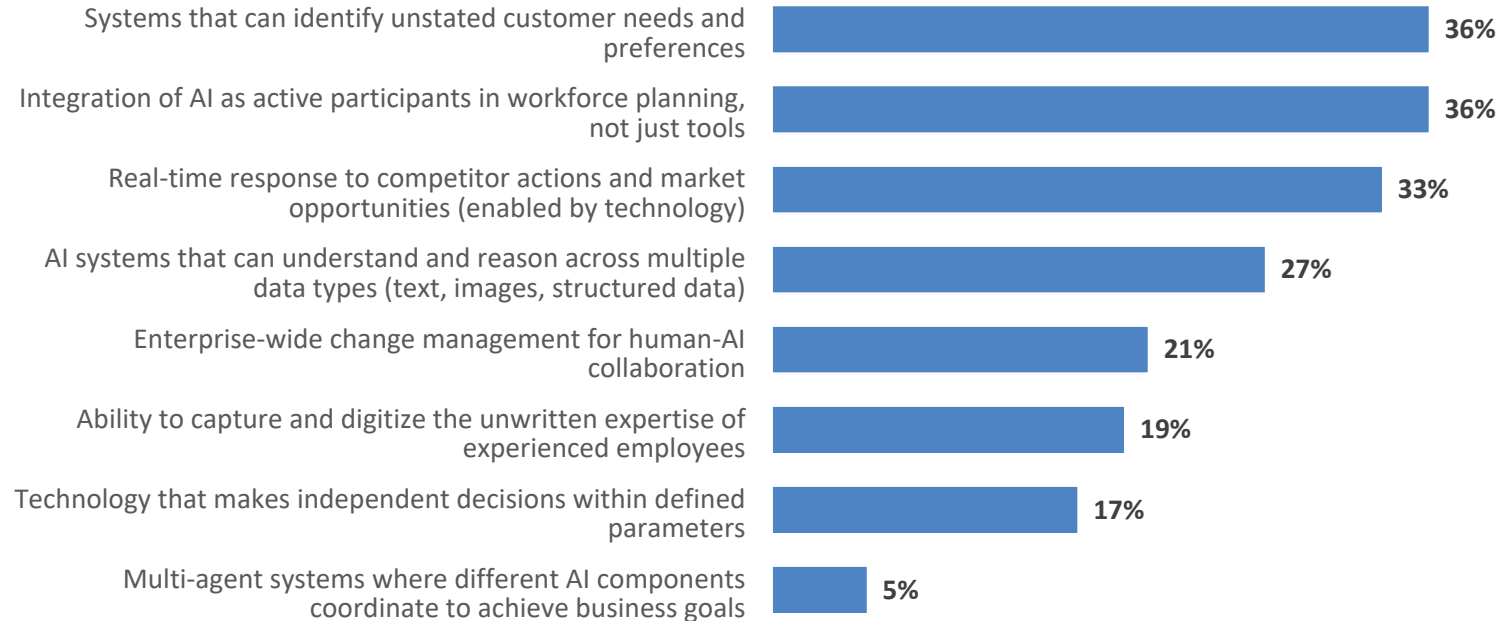
Inventory and demand forecasting

37%

Hyper-personalized customer experience and recommendations

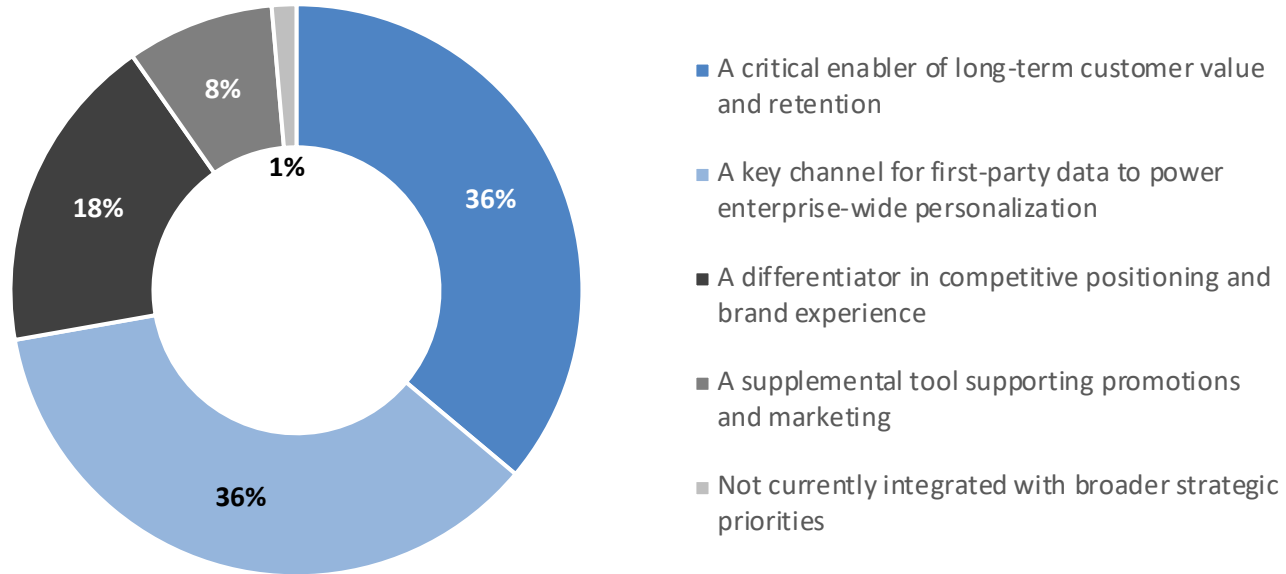
# Advanced AI capabilities still untapped for most ANZ retailers

“Piloting, testing,” or “fully implemented and operational”



Q. Rate your organization’s current readiness in the following areas. (n=78)

# The strategic aspirations of loyalty programs in ANZ



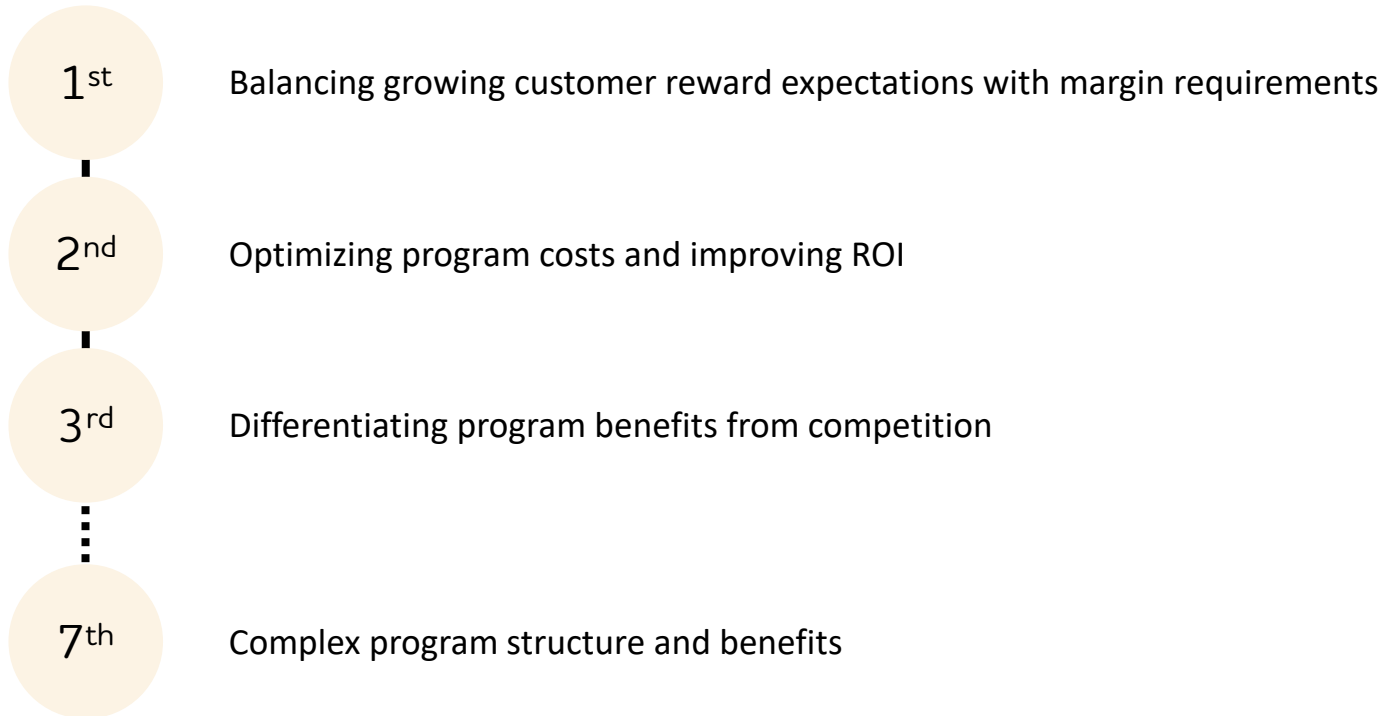
Q. How are your loyalty initiatives positioned in your overall growth and customer strategy?  
(n=72)

# ANZ: Loyalty programs not yet factoring into most enterprise decisions



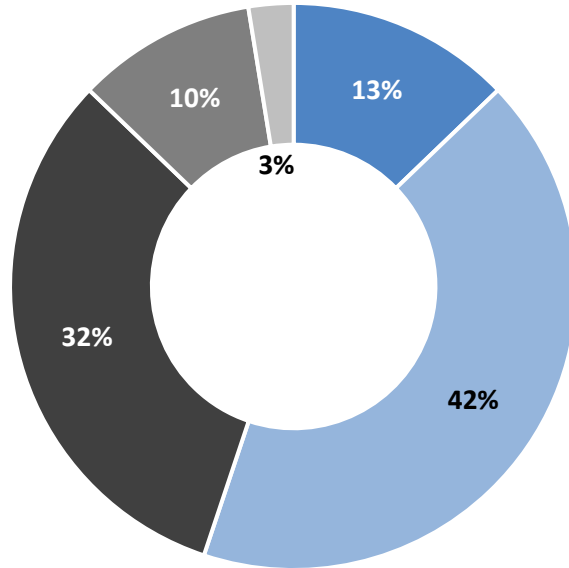
Q. Which enterprise-level decisions are most influenced by insights from your loyalty program? (n=78)

# Other loyalty challenges: Reward expectations, costs, and competitive differentiation



Q. Rank the top three challenges your company faces with its customer loyalty programs. (n=72)

# Assessing agility and adaptability in a disruptive market: 55% of ANZ retailers are advanced or established in agile practices



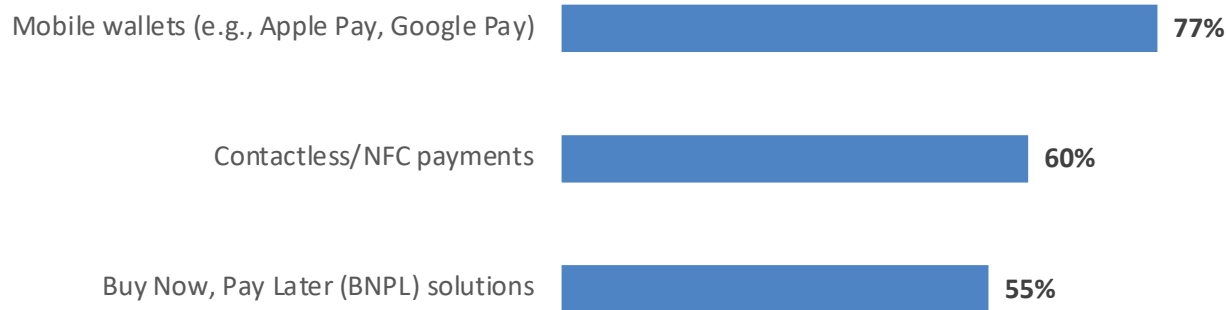
- Advanced: Agility and resiliency are embedded into operations, powered by data, tech, and empowered teams
- Established: Key areas (e.g., planning, supply chain) have adopted agile practices and adaptive capabilities
- Developing: Some progress made, but inconsistent across functions or geographies
- Early-stage: Acknowledged as a priority, but limited progress beyond strategy or pilot efforts
- Not yet prioritized: No structured approach in place currently

Q. Rate your organization's overall agility and resiliency maturity. (n=78)

# AI-driven market forecasting identified as top agility & resiliency priority



# Payment systems prioritized by ANZ retail executives as table stakes for frictionless check-outs, fewer abandoned carts, and improved customer experience



Q. Which new or emerging payment systems are your organizations currently using, exploring, or planning to adopt? (n=78)

*Other answers in order of frequency:*

- Digital wallets (e.g., PayPal, Venmo)
- Biometric payments (e.g., facial recognition, fingerprint)
- Cryptocurrency payments (e.g., Bitcoin, Ethereum)
- Blockchain-based payment solutions
- Central Bank Digital Currencies (CBDCs)\*

*\*equivalent frequency to the preceding answer*

# Recommendations for ANZ retailers

What to do	How to do it
<b>Align the AI roadmap with mission-critical objectives and volatility-critical capabilities</b>	Ensure AI investments directly support core business priorities and capabilities that mitigate volatility and moves P&L fastest, creating a roadmap that balances innovation with resilience for sustained competitive advantage.
<b>Make loyalty and first-party data the “brain” of perceptive retail, not just discounts</b>	Shift loyalty programs from transactional discounts to data-driven personalization, using first-party insights to anticipate needs, deepen engagement, and build emotional connections that drive long-term customer value.
<b>Invest deliberately in agility and quality as resilience levers</b>	Prioritize operational flexibility and product excellence to withstand disruptions, enabling rapid adaptation to market shifts while maintaining standards that reinforce trust and brand reputation.
<b>Treat the workforce and data strategy as foundational</b>	Develop integrated plans for talent development and data governance, ensuring skilled teams and robust data frameworks form the backbone of innovation, efficiency, and informed decision-making.
<b>Use payments innovation as a customer-experience differentiator and loyalty enabler</b>	Leverage advanced payment options — such as BNPL, digital wallets, and frictionless checkout — to enhance convenience, strengthen loyalty, and position payments as a strategic driver of customer satisfaction. Retailers will also gain access to richer, real-time transaction data across channel to fuel personalization.

# Thank you



Contact us

