SUTHERLAND®

WHITEPAPER

Outlook 2026:
The Agentic Retail Enterprise

Introduction:
The Current State of Play

Retail is entering 2026 under sustained pressure, with little margin for error.

After years of inflation, supply-chain shocks, and rapid shifts in consumer behavior, many retailers and CPG brands are confronting a harsher reality. Volume growth alone is no longer enough. Input costs remain elevated, price elasticity is tightening, and consumers are increasingly selective about where, how, and why they spend.

In parallel, global supply chains remain fragile, exposed to geopolitical risk, trade policy shifts, and climate-driven disruption. Operational complexity has intensified. Product lifecycles are shorter. Assortments are broader but harder to optimize. And while omnichannel fulfillment has become the baseline, execution across stores, warehouses, and digital channels remains uneven.

At the same time, sustainability and ESG expectations have moved from brand differentiators to baseline requirements, increasing the need for traceability, reporting, and disciplined operations.

Technology has helped — but only to a point.

AI now accounts for up to 25% of referral traffic for some retailers, though it is still less than 1% of total traffic.[1]

1 https://www.bain.com/about/media-center/press-releases/20252/agentic-ai-poised-to-disrupt-retail-even-with-50-of-consumers-cautious-of-fully-autonomous-purchasesbain--company/

2

Most retailers have already invested in analytics, dashboards, and AI-driven insights across forecasting, pricing, personalization, and inventory planning. However, these systems largely stop at the recommendation stage. They extract insights but rely on human teams to interpret, decide, and act, often across fragmented tools and delayed handoffs. In a market defined by speed, volatility, and thin margins, that lag is becoming ever more costly.

This is where the next shift begins.

Agentic AI represents a move from insight to execution: intelligent systems that can sense change, make decisions, and act autonomously within defined guardrails. Rather than replacing human judgment, agentic systems absorb operational complexity – optimizing flows, resolving exceptions, and continuously adapting in real time.

Drawing on our work with global retailers and CPG organizations, the following sections explore three areas where agentic AI can create measurable impact and practical steps leaders can take to prepare.

3 Opportunities for Retail and CPG Enterprises

Opportunity 1:
Agentic Supply Chain and Inventory Orchestration

The Challenge

Retail supply chains remain one of the sector's greatest vulnerabilities. Despite years of investment, many organizations still struggle with brittle networks, fragmented visibility, and slow response to disruption.

Volatile demand, raw-material shortages, shipping delays, tariffs, and geopolitical instability make it increasingly difficult to maintain optimal inventory levels across thousands of Stock Keeping Units (SKUs). Overstocks tie up working capital and drive markdowns, while stockouts erode revenue and customer trust. Efforts to localize or diversify sourcing help mitigate risk but add cost and complexity.

Most supply-chain AI today improves forecasting accuracy, but execution still depends on manual interventions. Areas like replanning orders, reallocating inventory, handling returns, or reacting to disruptions after the fact still rely heavily on the human touch as a result.
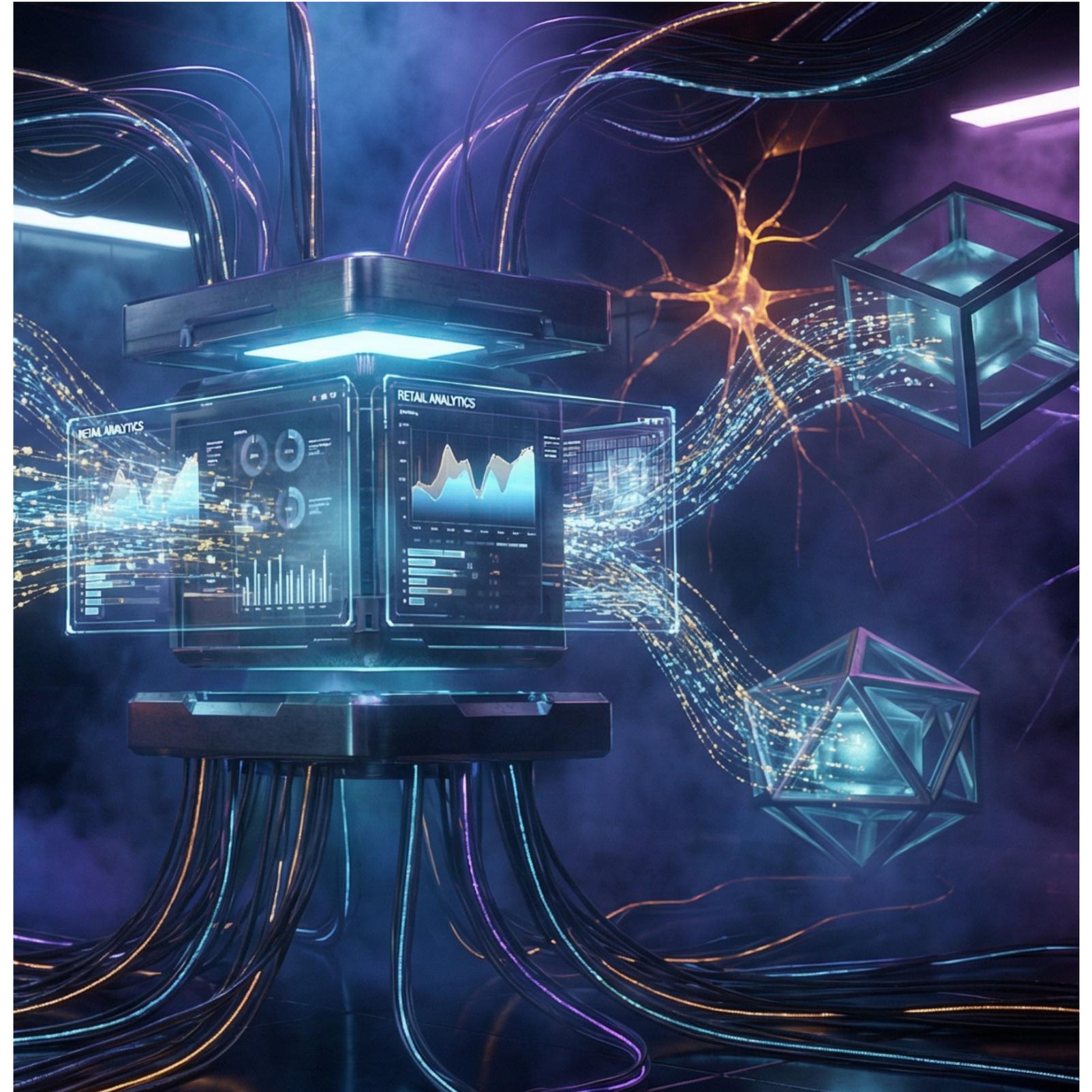
The Agentic AI Opportunity

When helping retail organizations move from AI pilots to live operations, we consistently see how agentic supply chains help move beyond forecasting into continuous, autonomous orchestration.

AI agents continuously track demand signals and supply chain conditions as they evolve, building a real-time picture of inventory health and transportation flow as well as supplier reliability. When conditions change – such as a supplier delay, a demand spike, or a logistics bottleneck – agents don't just alert planners; they act. Operating within predefined guardrails, they dynamically rebalance inventory across locations. Not only that, but they also activate alternative sourcing options and adjust replenishment plans and fulfillment pathways to maintain service levels and resilience.

In warehouses and distribution centers, agentic systems dynamically orchestrate day-to-day operations in response to shifting demand and capacity constraints. By continuously adjusting execution across automation and human workflows, they increase throughput while reducing dependence on increasingly scarce labor. At a higher level, AI-driven "control towers" simulate scenarios continuously, anticipating disruptions before they materialize and recommending or executing mitigation strategies proactively.

The result is a supply chain that is not only more efficient, but materially more resilient.

> For a leading global consumer good company, combining intelligent automation, end-to-end digital visibility, and an operational redesign of warehouse operations led to a 3% reduction in expiry losses and a 2.8% increase in revenue.[2]

2 https://www.sutherlandglobal.com/uk/insights/case-study/supply-chain-innovation
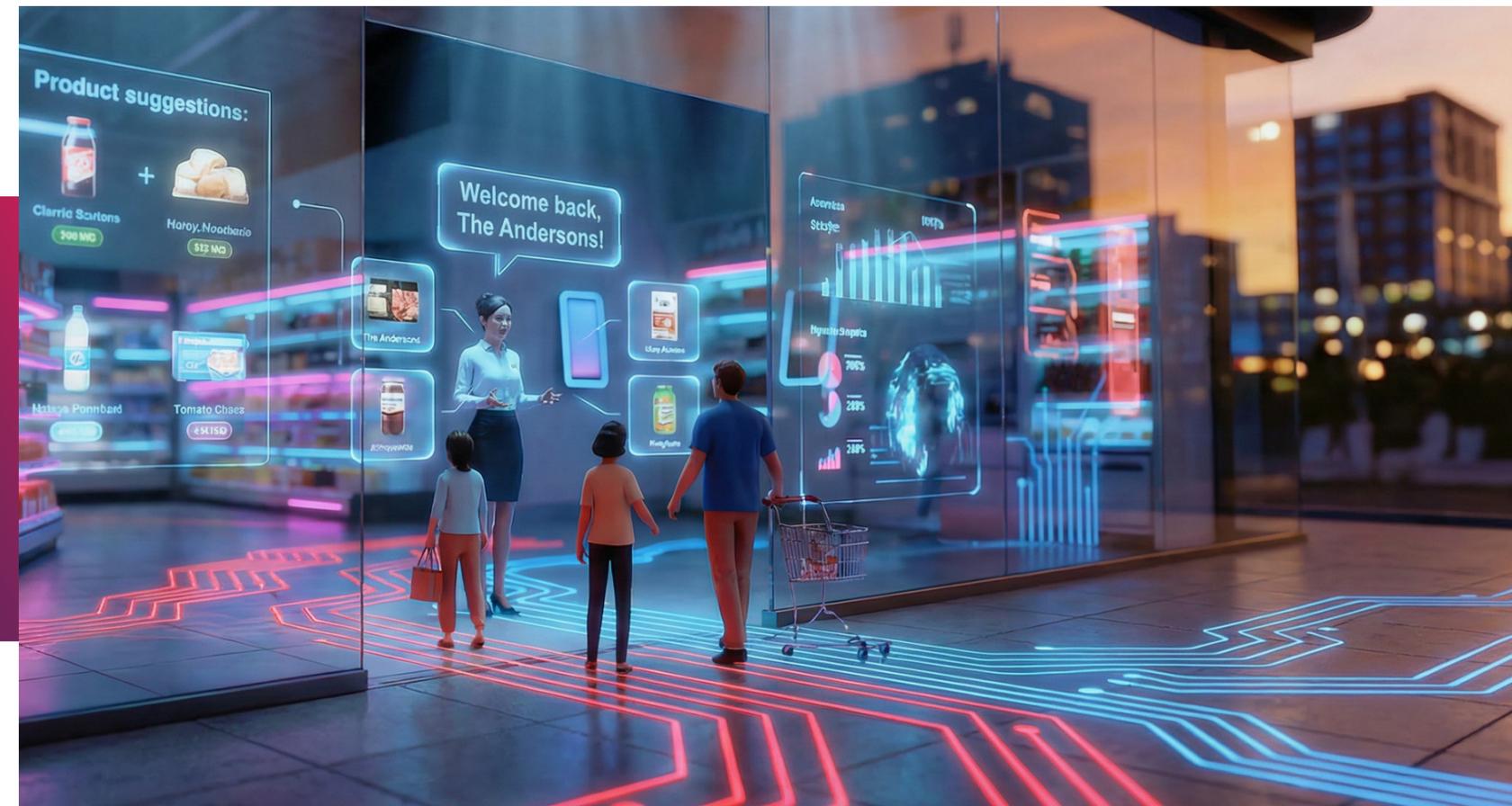
Practical Actions for Retail Leaders
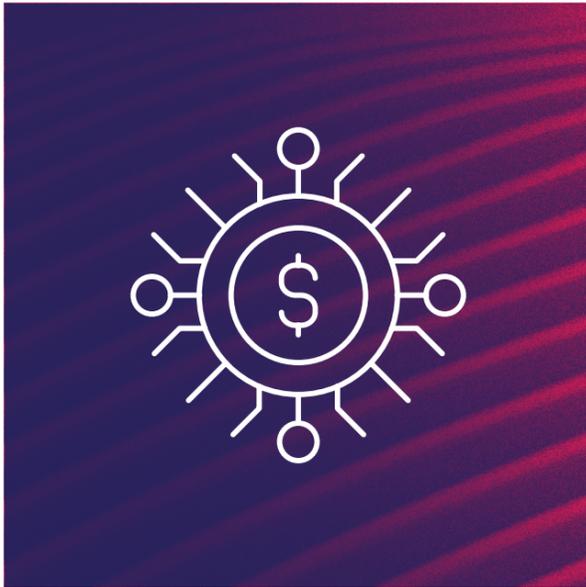
Prioritize closed-loop execution, not just insight. Identify high-volume, rules-based supply chain decisions where autonomy can safely replace manual intervention. Think replenishment or transport routing. Begin with a structured **digital assessment** of supply chain workflows to identify gaps and bottlenecks and build a roadmap of automation opportunities.
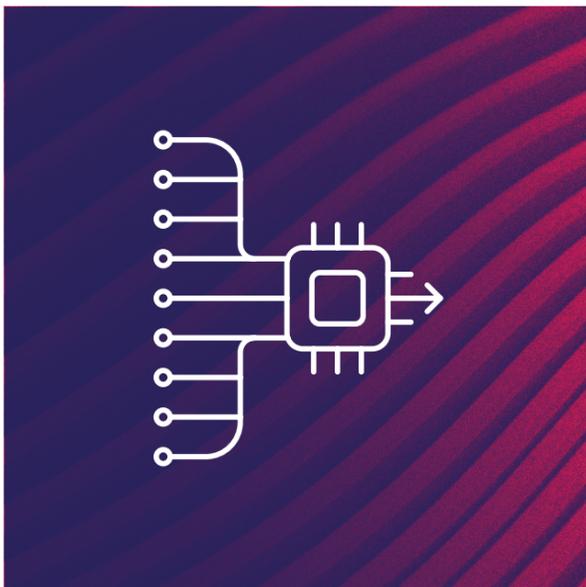
Strengthen real-time data foundations. Agentic orchestration requires accurate, timely data across suppliers, warehouses, stores, and logistics partners. Investments in **data engineering** and integration are prerequisites, not afterthoughts.

Adopt a phased autonomy model. Start with decision-support and progress to automated execution for low-risk scenarios. Then, expand autonomy as confidence and governance mature. **Modernizing and migrating legacy applications** will enable agile, secure, and AI-ready systems that fuel enterprise transformation.
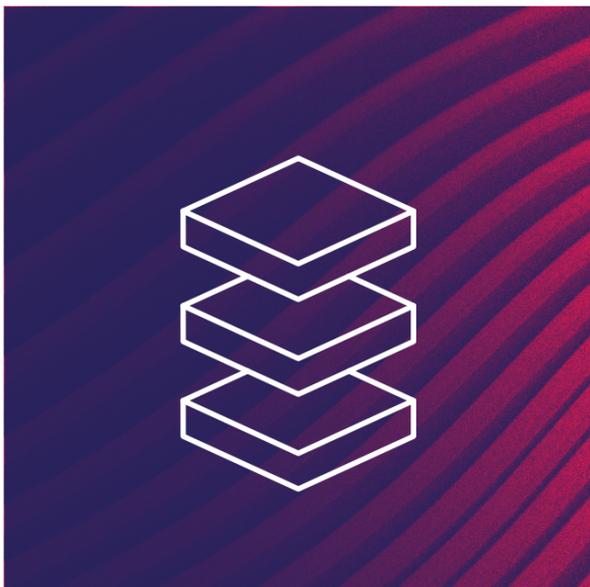
Design for resilience, not perfection. Focus agents on handling exceptions and volatility – where human teams struggle to respond fast enough – rather than only optimizing steady-state operations. Combine this with **digital assurance** to continuously validate that autonomous decisions adhere to policy, risk, and retail compliance standards.

Opportunity 2:
Agentic Merchandising, Pricing and Retail Execution

The Challenge

Merchandising and pricing teams are under intense pressure to protect margins without alienating increasingly price-sensitive consumers.

Assortments are broader and product lifecycles shorter. Promotions are also more frequent. Yet in-store and omnichannel execution often trails behind strategy.

Even with advanced analytics in place, many retailers continue to face challenges turning insight into coordinated action. As a result, commercial decisions often remain fragmented across channels and physical stores, limiting their overall impact.

Breakdowns in shelf execution directly erode revenue and brand equity, particularly when availability, placement, or promotional timing fail to match commercial intent. Human-driven processes simply cannot keep pace with the cadence of change.

The Agentic AI Opportunity

Agentic merchandising and management systems operate as continuous decision engines.

AI agents continuously translate real-time signals into coordinated commercial action, recalibrating decisions in response to factors like inventory availability or margin targets. As conditions shift, those decisions evolve together as part of a single, coordinated response rather than being adjusted independently.

Pricing also becomes adaptive, bound by brand and regulatory guardrails.

At the store level, agentic execution agents synthesize a continuous stream of signals to understand what is happening on the floor in near real time. Combining computer vision, inventory data, demand forecasts, and other alerts, they move from observation to action by autonomously triggering replenishment and predictive maintenance. They also flag compliance issues and reprioritize tasks for store associates to where their effort is most needed.
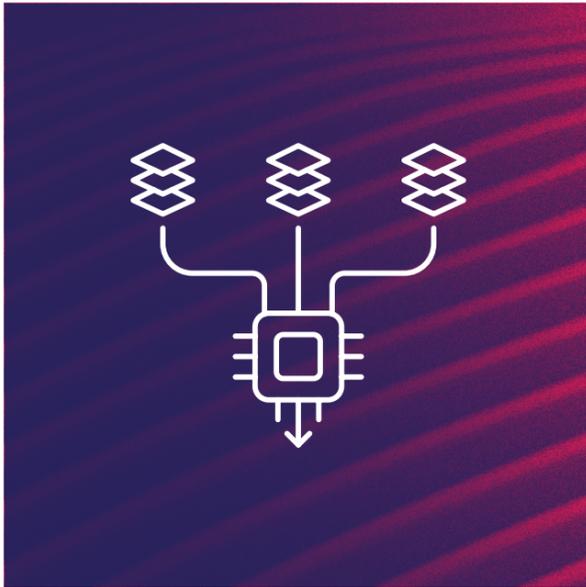
Crucially, these systems learn over time. They understand which interventions drive conversion. They can identify which price changes trigger demand drop-off. And they recognize which assortments perform best under specific conditions, as well as what preventative action improves efficiency and operational agility.

By implementing an Intelligent Asset Management (IAM) solution, Australia's largest grocery chain enabled predictive, insight-led refrigeration management. Not only did it improve strategic planning and allocation of resources, it led to a 96% reduction in alarm noise and 20% fewer technician work orders.[3]

3 https://www.sutherlandglobal.com/insights/case-study/predictive-maintenance-through-intelligent-asset-management

Practical Actions for Retail Leaders

Target execution pain points first. Focus on shelf availability and high-velocity categories where execution failures have an immediate financial impact. Conduct a focused **operational assessment** to identify challenges and gaps and create a practical action plan that prioritizes areas where decisions are repeatable, making them suitable for agentic optimization.
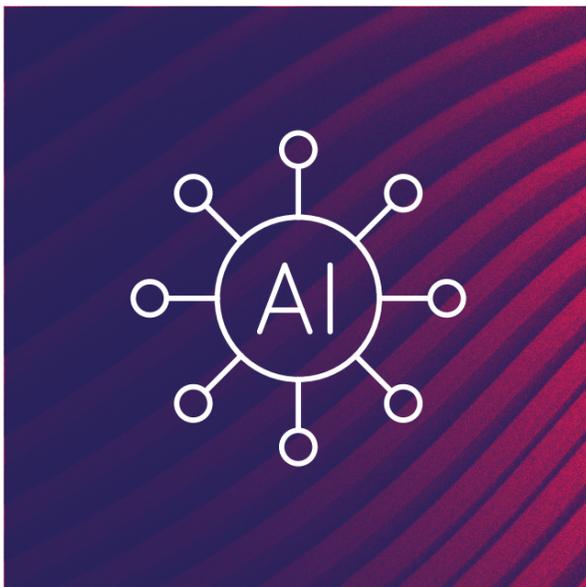
Define commercial guardrails clearly. Agentic pricing and assortment decisions must remain grounded in the brand's positioning. They also need to operate within regulatory boundaries and reinforce customer trust over time. Apply **digital assurance** practices to ensure autonomous actions remain aligned with operational, financial, and compliance requirements.
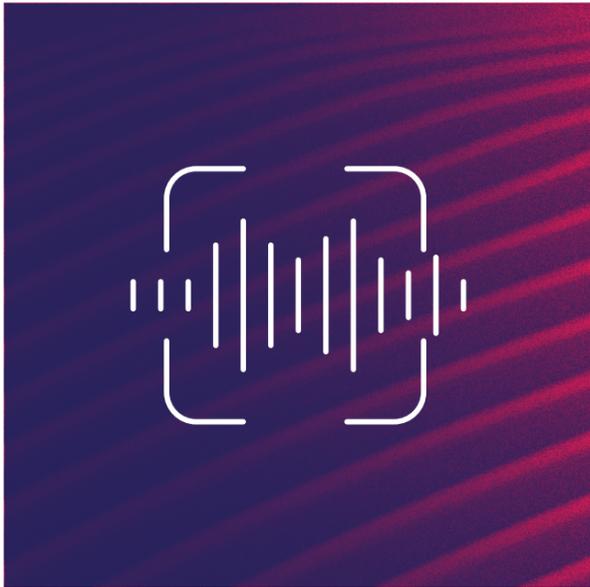
Integrate physical and digital signals. Bring digital and physical, in-store data into a single operational view. This enables agents to optimize decisions across channels rather than working in isolation. Implement a **data engineering framework** to lay a modern data foundation that drives actionable intelligence and use **AI-powered analytics** to unveil patterns, trends, and correlations in customer behavior in order to deliver a superior experience.
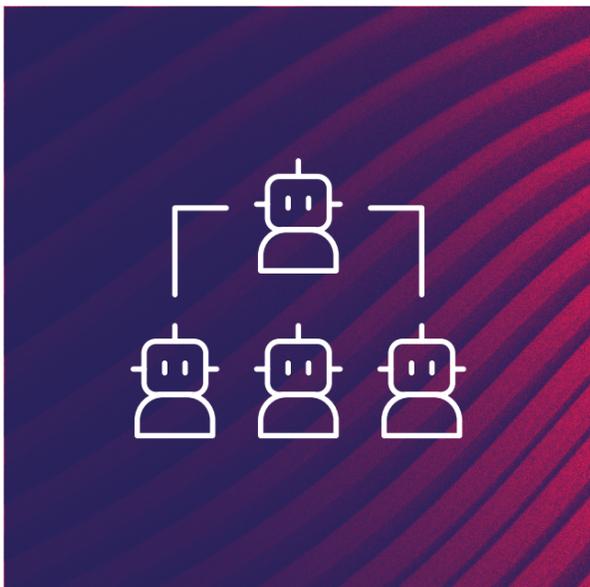
Prepare the workforce for augmented roles. As agents handle routine decisions, human teams should focus their attention where it adds the most value such as setting strategy. This also includes exception management and creative merchandising.

Opportunity 3:
Agentic Customer Experience and Omnichannel Engagement

The Challenge

Customer expectations continue to rise, even as loyalty becomes more fragile.

Shoppers expect seamless experiences across digital and physical channels, together with personalized recommendations. Transparent sustainability practices and consistent availability are becoming increasingly important to them as well.

Yet many retailers still operate fragmented customer journeys. Data is scattered across e-commerce, loyalty programs, stores, and customer service platforms.

As a result, engagement remains reactive. Churn is often identified only after the damage is done, while personalization struggles to feel meaningfully differentiated. At the same time, service teams are stretched thin by a high volume of routine interactions.

The Agentic AI Opportunity

Agentic customer engagement systems operate continuously and contextually.

AI agents monitor customer behavior across channels: browsing, purchasing, service interactions, and even sentiment. When signals indicate friction or disengagement, agents intervene autonomously. They deliver recommendations that feel tailored to the individual and adjust commercial offers as context changes. In parallel, they can initiate proactive service outreach before issues escalate.

Additionally, AI-driven virtual shopping assistants and service agents provide 24/7, personalized support. This ranges from guiding discovery to resolving issues. These agents learn individual preferences over time, adapting to each customer and maintaining consistent brand experiences across touchpoints.

For a global online marketplace, leveraging an AI-powered support system and intelligent knowledge delivery addressed operational inefficiencies and elevated the speed and quality of support. This resulted in a 53% decrease in the return prevention rate and 11% uplift in CX scores.[4]

For retailers, this translates into measurable gains in conversion and retention. Service operations become more efficient, too, allowing growth without a linear increase in headcount.

Practical Actions for Retail Leaders

Unify the customer view. Agentic engagement depends on integrated data across commerce, marketing, stores, and service. Build a strong **data engineering** foundation to eliminate silos and enable insights-driven operations.

Automate the moments that matter. Look for points in the customer lifecycle where intervention materially changes outcomes. When those moments are clearly defined, from abandoned carts to replenishment reminders, agents can step in autonomously to sustain engagement and value. As part of this, implement **automated self-service interactions** to provide customers with immediate, always-available support.

Balance personalization with trust. Ensuring transparent and ethical use of data remain central as autonomy increases. Embed **digital assurance** practices for seamless and secure interactions and experiences.

Use AI to elevate human service. Let agents handle routine inquiries while human teams focus on complex, high-empathy interactions. Taking a **human-in-the-loop** approach builds trust while continuously improving accuracy and quality of support which, in turn, drives customer satisfaction.

The Road to the Agentic Retail Enterprise

Disruption in retail is a given. But it does not have to be reactive.

In every era of retail transformation, the organizations that reimagined how value is created and delivered gained a lasting advantage. It is no different now. The distinction is that innovation isn't a new product, channel, or pricing strategy. It's a new mode of operating, where intelligence becomes operational and adaptive across every process.

Retailers that thrive beyond 2026 will be those that redesign how decisions are made and executed. Agentic AI is already moving from experimentation to operational reality across supply chains, merchandising, and customer engagement.

The advantage will not come from adopting AI in isolation, but from building readiness: clean data foundations, clear governance, and a willingness to let intelligent systems act within well-defined boundaries. Organizations that start now — piloting agentic workflows in high-impact areas — will compound benefits over time, while laggards struggle to keep pace.

Agentic transformation is not about surrendering control, but directing it intentionally and intelligently, at speed.

Agentic capability relies on the right foundational elements. Explore Outlook 2026: The Road to the Agentic Enterprise **for the fundamentals every organization needs.**

Disruption is inevitable. Make it intentional.

Artificial Intelligence. Automation. Cloud Engineering. Advanced Analytics. For Enterprises, these are key factors of success. For us, they're our core expertise.

We work with global iconic brands. We bring them a unique value proposition through market-leading technologies and business process excellence. At the heart of it all is Digital Engineering Services – the foundation that powers rapid innovation and scalable business transformation.

We've created 363 unique and independent inventions, 250 of which are AI-based and rolled up under several patent grants in critical technologies. Leveraging our advanced products and platforms, we drive digital transformation at scale, optimize critical business operations, reinvent experiences, and pioneer new solutions, all provided through a seamless "as-a-service" model.

For each company, we provide new keys for their businesses, the people they work with, and the customers they serve. With proven strategies and agile execution, we don't just enable change – we engineer digital outcomes.

SUTHERLAND®
digital outcomes.

sutherlandglobal.com