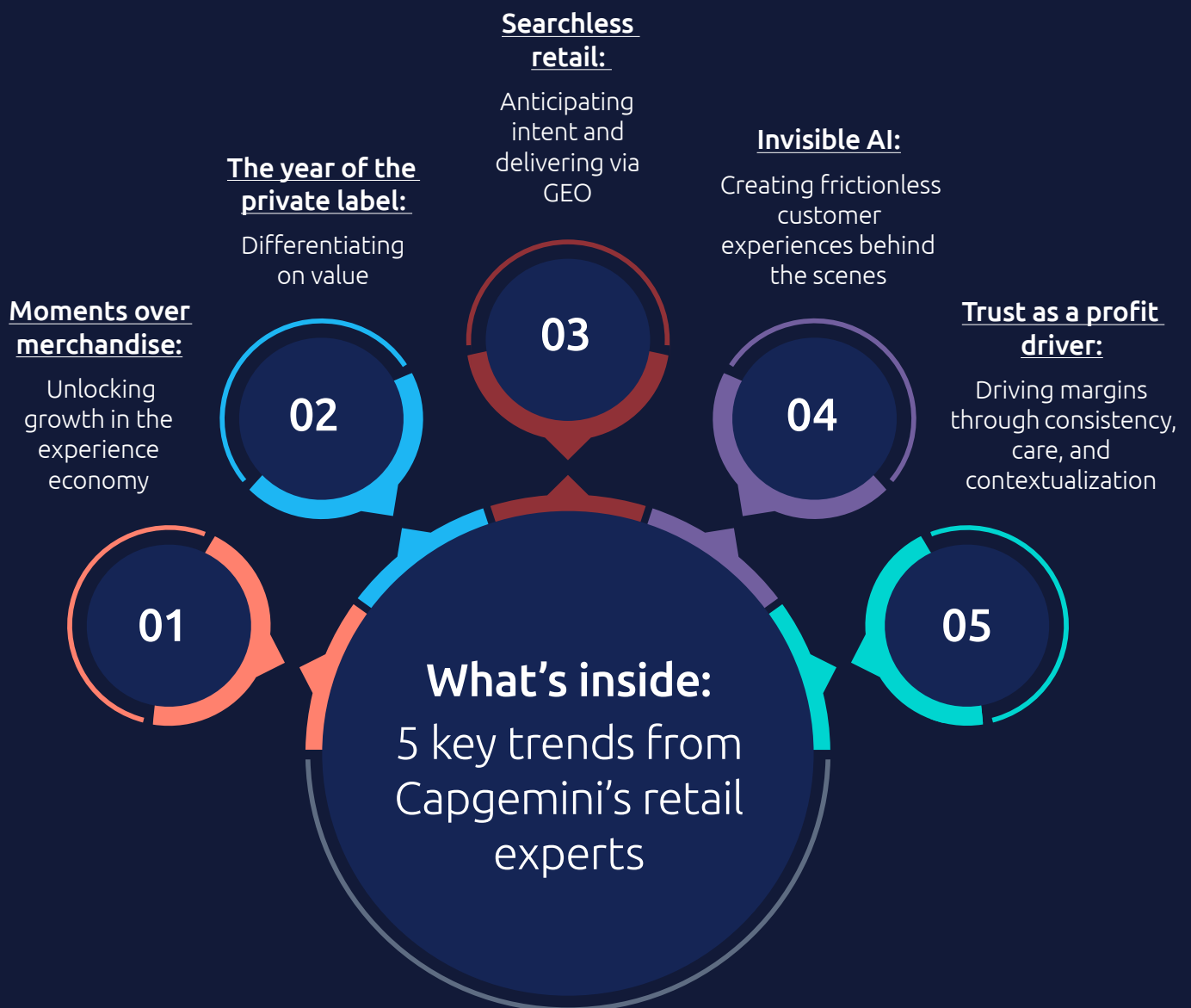


# Retail trends 2026



5 forces reshaping the  
retail landscape

Five powerful trends are reshaping the future of retail, redefining how customers discover, decide, and buy. To lead in 2026 and beyond, organizations must not only recognize what's changing, but also understand how these shifts impact customer expectations and behaviors, operational priorities, and long-term growth strategies.



# 1. Moments over merchandise

What started as a wave of post-pandemic “revenge spending” on experiences has become a lasting shift in consumer behavior.

The World Travel & Tourism Council projects that global travel will grow at an average annual rate of [5.8% through 2032](#), more than double the pace of overall economic growth. On the other hand, while [U.S. retail sales](#) have hit a 20-year high, unit sales remain flat—suggesting that inflation, rather than intention, is driving growth.

As consumer behavior evolves and retail growth plateaus, retailers must ask: how can we sustain margins and find new growth in an experience-led market?

“

**Retailers shouldn't think of the experience economy as an opportunity. It's a necessity.**

Jessica Leitch, Head of frog - North America

”

## 3 ways retailers should respond to the experience economy



### Offer an experience:

In a competitive landscape, retailers should become purveyors of experiences, not just products.

*Think: An on-site cooking class at a grocery store or up-scale cocktail bar in a department store.*



### Capitalize on orbital purchases:

Retailers can drive incremental value by leveraging data to offer complementary, experience-linked products.

*Think: A curated wine and cheese box to accompany airline tickets to Italy.*



### Contextualize what is already personalized:

Retailers can leverage data-driven insights and media networks to offer real-time contextualized offers that match a consumer's immediate environment and intent.

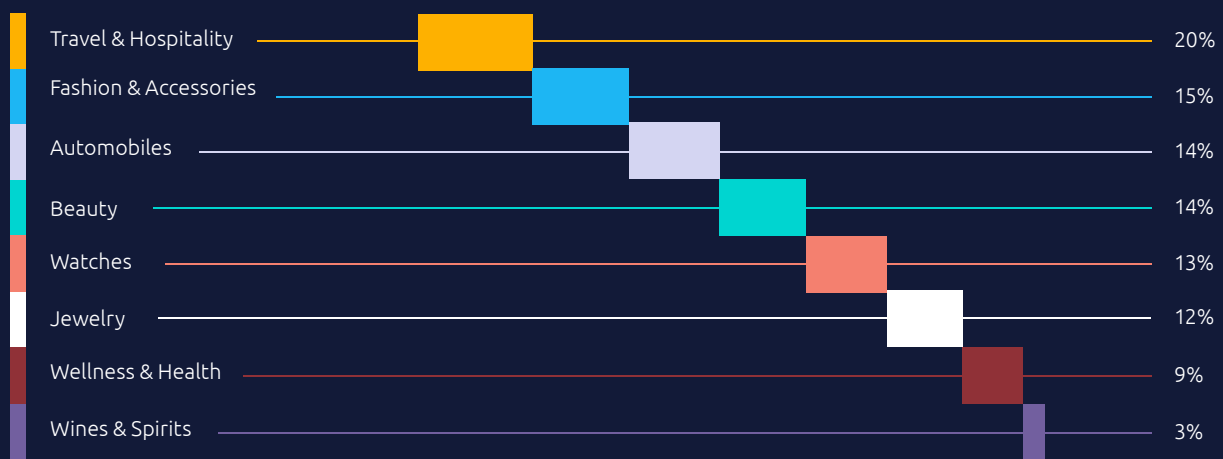
*Think: A personalized offer for a hydrating juice post-work out.*

## Experience over ownership

Travel and hospitality experiences are the top spending category, outpacing fashion, cars and beauty among high and ultra-high net worth individuals.

Global ranking of preferred luxury categories\*

\*Ranked on a base of 100 for comparative visualization



frog: [The new lines of luxury](#)



### That great experience you had? Don't try to replicate it.

You can't copy and paste your way to a great experience.

To create meaningful brand moments, retailers need to align their unique identity with what they know about their customers—focusing on participatory, community-oriented experiences that feel genuine and authentic—not borrowed ideas.

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## 2. 2026: The year of the private label

Private labels are no longer just budget buys—[70% of shoppers earning over \\$100,000](#) now choose their grocery store based on them and millennial and Gen Z shoppers are [nearly twice as likely](#) as Boomers to spend more on private label products.

But while growth is strong today, it may be slowing, which means retailers need to take the next step to solidify their position and widen the lead. Now is the time to dip into the data to find ways to innovate, expand assortments, and premiumize, positioning private labels as loyalty engines, traffic drivers, and true brand differentiators.

# 44%

of shoppers are buying private-label or low-cost brands over name brands

Early findings: What matters to today's consumers, 2026

### Private labels go premium

When switching to a lower cost alternative, the real decision drivers are quality and trust signals like reviews, guarantees, and return policies.

For retailers, private labels shouldn't be a race to the bottom, but an opportunity to level up. Early findings from our 2026 consumer trends report indicate that when switching to a cheaper alternative, the most important factors for consumers are:

## 66%

Positive user reviews

## 60%

Money-back guarantee or return policies

## 58%

Clear quality certifications



### 3 ways retailers can capitalize on the shift to private labels

01

**Analyse shopper needs and trends:** Retailers can leverage their first-party data advantage to drive shopper insights to launch targeted private label products that unlock new growth opportunities.

02

**Pilot and iterate based on feedback:** Ongoing innovation and quality upgrades are the key to transforming private labels from budget alternatives into credible, desirable brands.

03

**Prioritize quality and differentiation:** Winning private labels excel by focusing on distinct value-based niches like sustainability, wellness, or clean ingredients.



### Scrimp vs splurge: Today's consumer is always trading off.

Early findings from our 2026 consumer trends report indicate that 7 in 10 consumers say small indulgences help them cope with financial stress (71%)—proof that today's shopper isn't cutting back across the board, they're carefully trading off.

The challenge for retailers is knowing when shoppers want to save, and where they're willing to splurge. To keep up, retailers need to harness big data to fine-tune assortments by store and segment, blending value-driven private labels with well-placed premium picks.

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### 3. The future of retail is searchless

[One in five of Walmart's referral clicks](#) in August came from ChatGPT, up 15% from July. For many retailers, the implication is clear: the industry is rapidly moving from SEO (search engine optimization) to GEO (generative engine optimization).

In this landscape success isn't about being found through keyword searches, but chosen by an algorithm in the right context, at the right moment.

46%

of shoppers make purchases based on AI recommendations

Early findings: What matters to today's consumers, 2026

46%

are willing to order products via AI tools (e.g., Perplexity's Shop like a Pro)

Early findings: What matters to today's consumers, 2026

#### 3 ways retailers can prepare for a searchless future:

##### Shift from search to suggestion:

Leverage AI and GenAI to drive proactive discovery by using behavioral, contextual, and transactional signals to surface relevant products before consumers even start searching.

##### Optimize for algorithmic visibility:

Strengthen product and content tagging to enable faster campaign launches and seamless visibility in AI-powered experiences and recommendation engines.

##### Engineer moments of serendipity:

Use shoppable content, live commerce, and timely push notifications to spark spontaneous discovery in the right context and channel.

## Retail's tipping point?

In October, Walmart announced a [groundbreaking partnership](#) with OpenAI, enabling customers to shop directly through ChatGPT using Instant Checkout. While the capability has yet to be formally rolled out, this announcement could signal a major inflection point for the industry.

Retailers are investing in AI as a way to redefine discovery, decision-making and purchase. But will shoppers embrace the algorithmic recommendations?

“ **Early adoption of AI-powered search is surging, but it may stall—or even retreat—if AI recommendations fail to meet expectations.**

Dreen Yang, Global Lead, Consumer Products and Retail, Capgemini

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### The next wave of AI is coming.

Today's AI is offering personalized recommendations, predictive search, and responsive design, but what will come next?

We are rapidly approaching the next wave of AI: **ambient AI**, where intelligence surrounds us quietly, anticipating our needs before we even express them. It will bring hyper-personalized interfaces, generative content, and autonomous digital companions that move fluidly across devices, voices, and contexts.

These systems will be more accurate than anything we've seen before—and, ideally, less intrusive—delivering on what consumers increasingly expect: digital experiences that just know what they want.

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## 4. Invisible AI is expected

AI is transforming every aspect of retail—yet consumers still want the same things as before: seamless, frictionless, relevant, personalized experiences.

In this landscape, shoppers don't really care how AI is used so long as retailers and brands are transparent about how their data is used and that the technology delivers value to them, the customer, not just the business.

**71%** of consumers  
want Gen AI-integrated  
shopping interactions

compared to  
**56%** who said  
the same last year.

[Source: What matters to  
today's consumer, 2025](#)

“

**Transparency builds confidence, even when the tech stays in the background.**

Mark Ruston, Global Retail Lead, Capgemini

”



## Trusting what we can't see

AI agent adoption in retail is held back not by technology but by consumer trust and operational readiness. While interest is high, trust often outpaces retailers' ability to deliver. Retailers need to make building trust part of their technology strategy.

71%

are concerned about the lack of clarity in how AI collects and uses their personal data

Early findings: What matters to today's consumers, 2026

52%

of shoppers say they will switch retailers for better data protection policies

Early findings: What matters to today's consumers, 2026

### 3 ways retailers can win with invisible AI experiences

01

**Shift from personalization to contextualization:** Shift from personalization to contextualization: Leverage AI and Gen AI to drive proactive discovery—using behavioral, contextual, and transactional signals to surface relevant products that meet customers' needs in the moment.

02

**Establish visible guardrails:** Prioritize and promote clear, non-negotiable standards around data privacy, security, and ethical use.

03

**Keep humans in the loop:** Ensure there are smooth escalation paths, accessible human support, and backup systems in place to maintain a seamless experience.



### **AI shouldn't be the hero—the consumer should.**

When used purposefully, AI acts as a quiet enabler, solving real customer pain points without drawing attention to itself.

For example, visual AI can continuously monitor self-checkout interactions, analyzing millions of data points in real time to detect friction—like packaging that's hard to scan or produce that's difficult to weigh. By identifying these consistent pain points, the system can generate hypotheses and recommend process improvements, such as interface tweaks or product repackaging.

This self-learning capability operates silently in the background, enhancing speed and ease for shoppers without them ever realizing it—because the goal isn't for AI to take the spotlight, but to make the experience seamless.

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## 5. Trust is the new profit driver

Retail margins are no longer driven by efficiency and scale alone—they're increasingly earned through trust. As retail evolves into a connected experience ecosystem where media, commerce, and operations converge, brands must build trust by delivering the 3 Cs: consistency, care, and contextualization.

36%

trust products and suggestions shared by gen AI tools

Early findings: What matters to today's consumers, 2026

66%

trust a digital assistant more when it provides clear explanations

Early findings: What matters to today's consumers, 2026

### 4 keys to building trust for retailers

01

**Consistency:** Ensure seamless, reliable experiences across every channel, so consumers know they can count on you wherever they engage.

02

**Contextualization:** Anticipate and respond to each shopper's unique moment, whether it's timing, mood, or need.

03

**Care:** Reflect the values that matter to your customers, such as sustainability, health, or social equity, through actions, not just words.

04

**Clarity:** Encourage personal data sharing by providing clear insight into how data will be used to enrich the customer experience.



### **Building trust in the digital era.**

AI has made it easier than ever for shoppers to research, compare, and validate brands across reviews, forums, and social channels. To earn and retain trust, retailers must be active participants in these new digital conversations and interactions.

That means joining Reddit threads, teaming up with influencers, and creating high-quality content to shape authentic, transparent experiences.

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# Leverage today's trends to inform your transformation

These five trends aren't just signals of change, but calls to reimagine how retailers connect, operate, and grow. By aligning with evolving expectations and embracing new technologies with purpose, leaders can turn a shifting landscape into a lasting advantage.

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## Want more retail insights from Capgemini?

Download the [What matters to today's consumer, 2025](#) report from the Capgemini Research Institute. And stay tuned for two upcoming launches:

- What matters to today's consumer - January 2026
- Gen AI and consumers - November 2025

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## Meet our experts



**Dreen Yang**

Global Lead, Consumer Products and Retail, Capgemini



**Mark Ruston**

Global Retail Lead, Capgemini



**Jessica Leitch**

Head of frog - North America



## About Capgemini

Capgemini is an AI-powered global business and technology transformation partner, delivering tangible business value. We imagine the future of organizations and make it real with AI, technology and people. With our strong heritage of nearly 60 years, we are a responsible and diverse group of 420,000 team members in more than 50 countries. We deliver end-to-end services and solutions with our deep industry expertise and strong partner ecosystem, leveraging our capabilities across strategy, technology, design, engineering and business operations. The Group reported 2024 global revenues of €22.1 billion.

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