

Building retail resilience

Five strategic priorities for measured impact



As uncertainty grows around costs, operational complexity and shifting consumer demand, retailers need clearer strategic direction. Leaders should take focused action across these five priorities to strengthen their position and unlock long-term value.

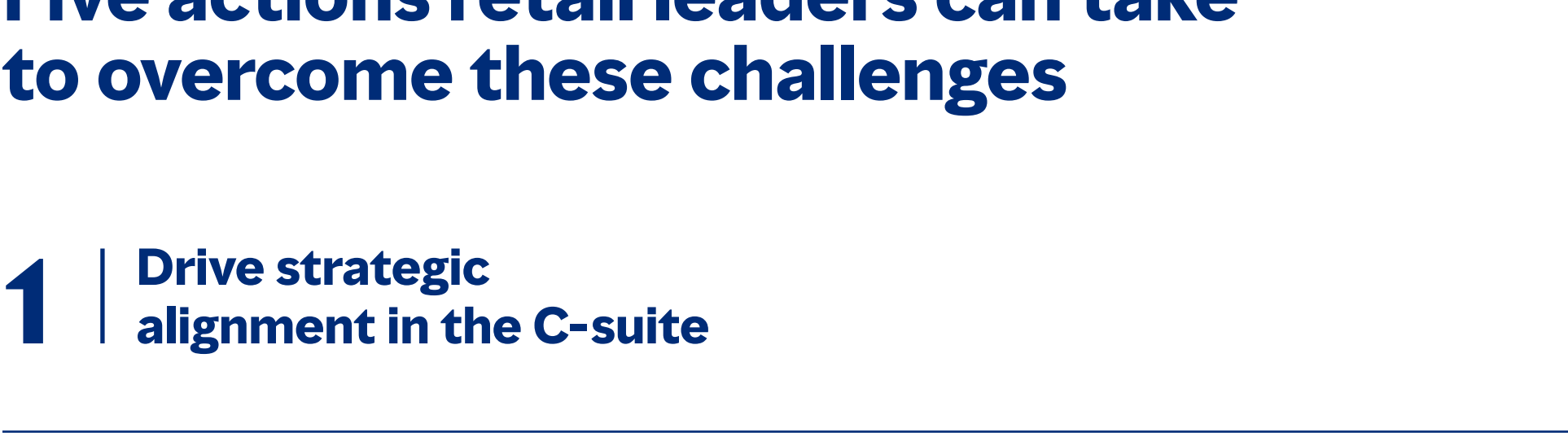
Retail leaders face challenges in rising costs, supply chain disruption and rapid tech developments

Retail leaders' top challenges for 2025



They're heavily investing in managing their biggest challenges, but the returns aren't matching expectations

Where retail leaders are reporting lower-than-expected returns

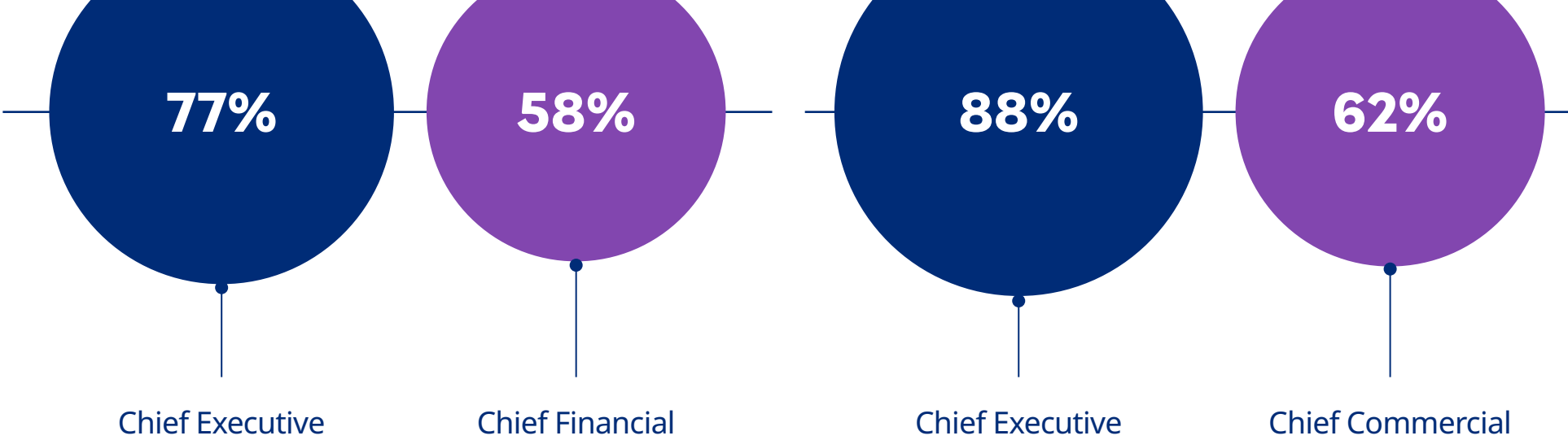


Five actions retail leaders can take to overcome these challenges

1 Drive strategic alignment in the C-suite

Retail C-suites have different perceptions of how effectively they're managing industry challenges

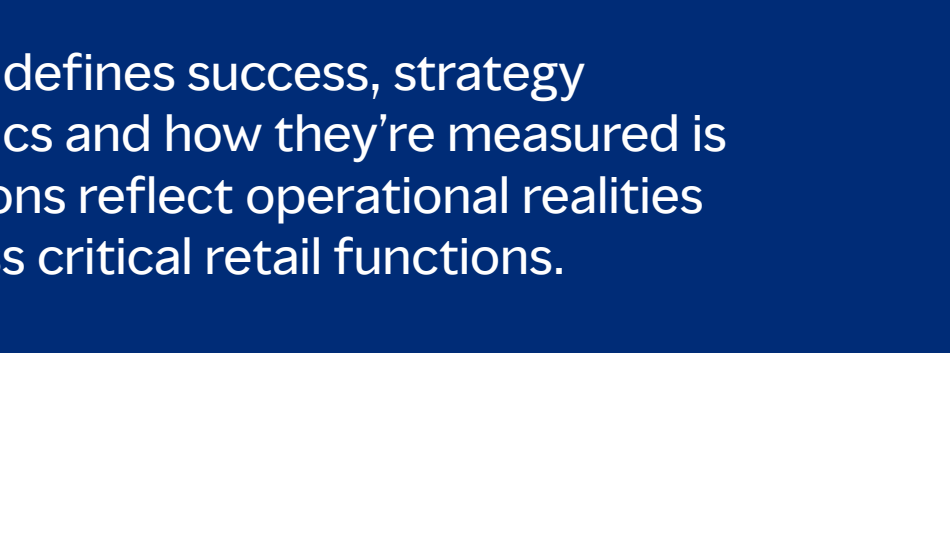
Believe they're effectively managing labour shortages



Believe they're effectively managing supply chain costs



Believe they're effectively meeting needs of customers across age groups



When leaders aren't aligned on what defines success, strategy falters. Agreement on the right metrics and how they're measured is essential to ensure leadership decisions reflect operational realities and drive measurable progress across critical retail functions.

2 Align workforce priorities with long-term success

Many retailers are pouring resources into workforce challenges

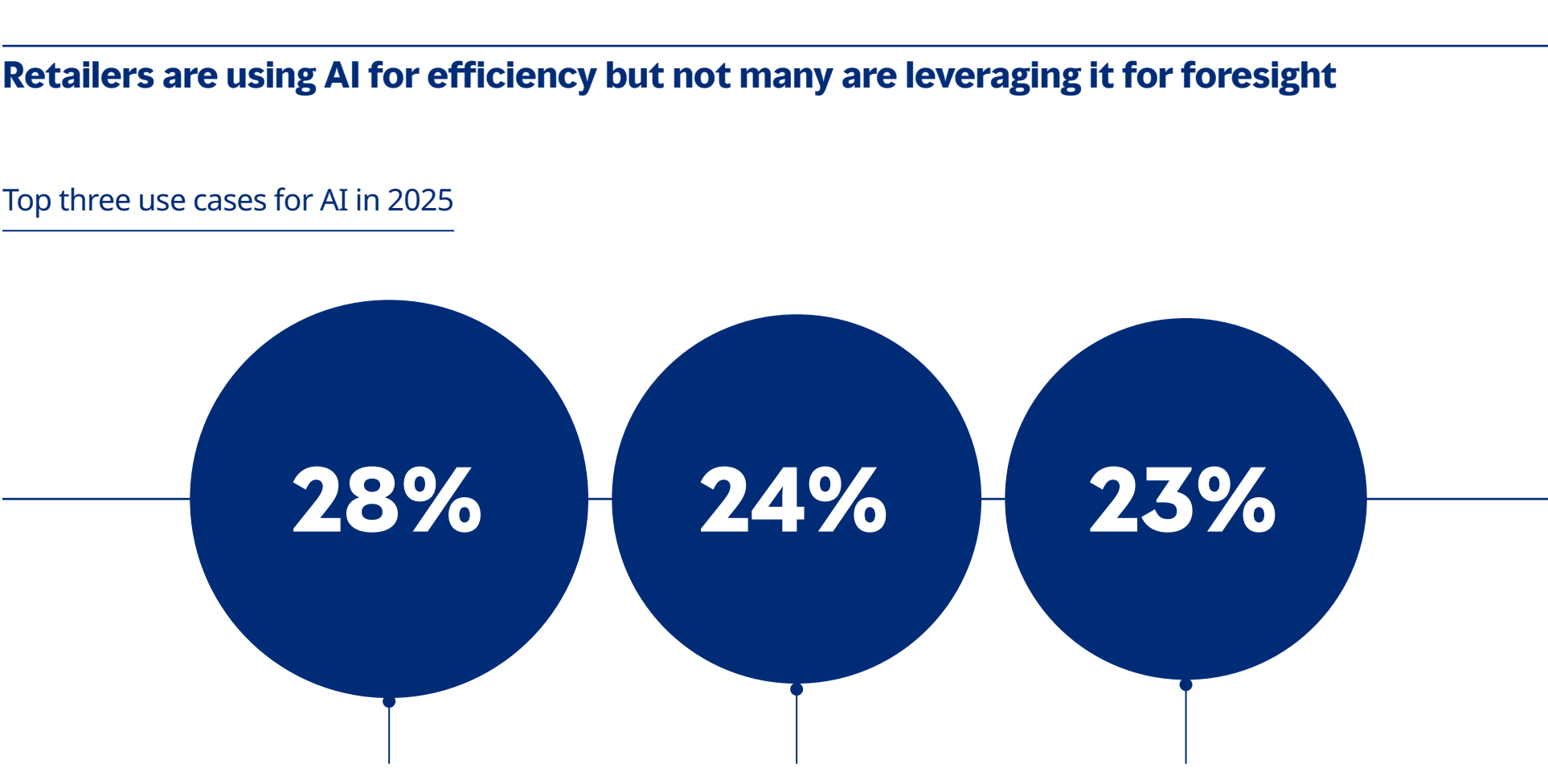
Where retail leaders are reporting lower-than-expected returns



Yet confidence in outcomes remains mixed



HR leaders are especially feeling the pressure

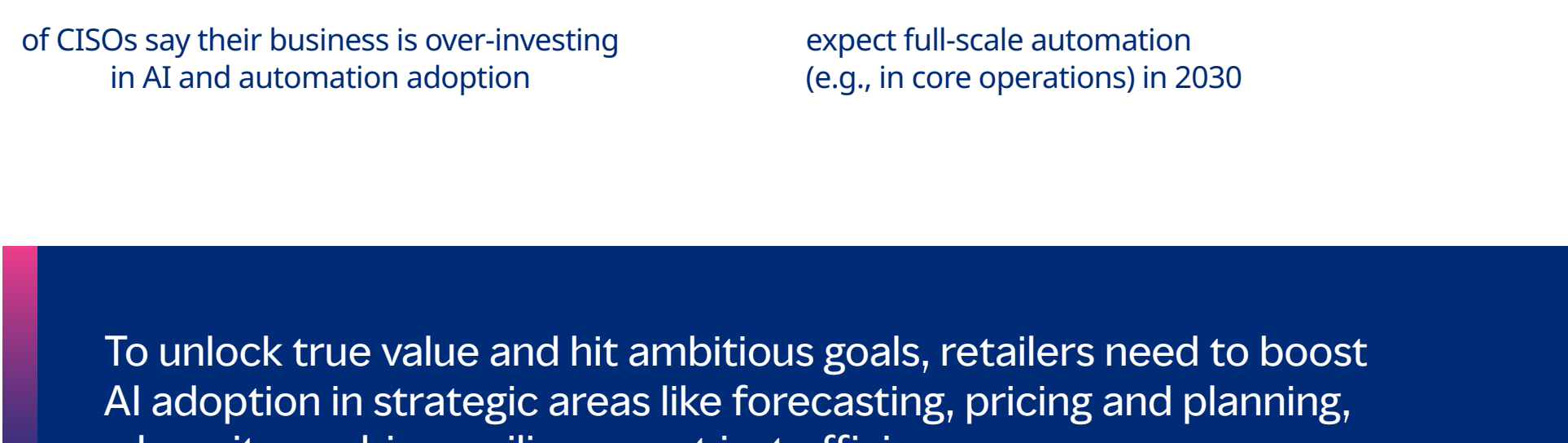


Going forward, retailers should focus on outcome-driven people strategies, tailored support across employee segments and clearer metrics to ensure efforts in wellbeing and retention translate into long-term business value.

3 Revisit tech adoption plans

Retailers are using AI for efficiency but not many are leveraging it for foresight

Top three use cases for AI in 2025



Bottom three use cases for AI in 2025



AI and automation adoption aren't delivering as retailers had hoped



But some have high ambitions for its future



To unlock true value and hit ambitious goals, retailers need to boost AI adoption in strategic areas like forecasting, pricing and planning, where it can drive resilience, not just efficiency.

4 Build deeper supply chain resilience

Getting full transparency over supply chains remains an issue for retailers

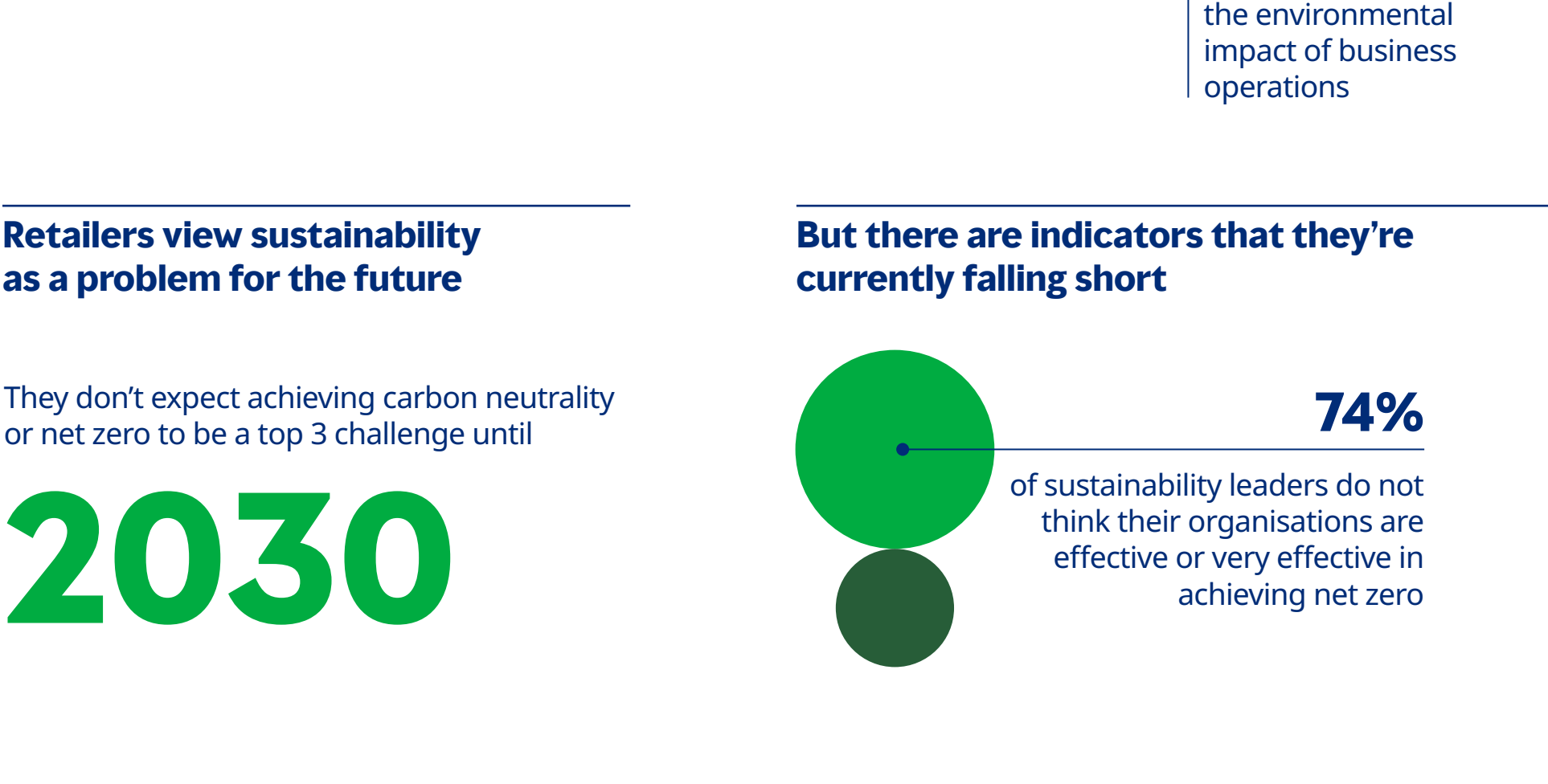


Supply chains make up 2 of the top 3 challenges this year



Retailers are investing heavily in supply chains but aren't seeing clear returns

Where retail leaders are reporting lower-than-expected returns



With further global tensions and shifting trade routes on the horizon, supply chains are under intense pressure. Retailers must focus on end-to-end transparency, smarter forecasting tools and diversifying their suppliers to adapt to an increasingly complex operating environment.

5 Shift sustainability from plan to practice

Sustainability is gaining focus, but isn't seen as an immediate challenge

Priority order of challenges for retailers (out of 16)



Retailers view sustainability as a problem for the future

But there are indicators that they're currently falling short

As retailers balance short-term pressures with long-term goals, sustainability often takes a back seat. To accelerate progress, leaders should view sustainability as a strategic priority and adopt flexible, data-driven approaches that can adapt to evolving consumer expectations and upcoming regulatory changes.

Our report, *Leading through disruption: Achieving retail resilience*, contains additional data and insights on the future of retail and how retailers are managing key industry challenges.

Download it [here](#).

Marsh McLennan's research was conducted in January and February 2025 and surveyed 700 retail leaders across the UK.

Marsh McLennan (NYSE: MMC) is a global leader in risk, strategy and people, advising clients in 130 countries across four businesses: Marsh, Guy Carpenter, Mercer and Oliver Wyman. With annual revenue of over \$24 billion and more than 90,000 colleagues, Marsh McLennan helps build the confidence to thrive through the power of perspective.

For more information, visit marshmclennan.com, follow us on [LinkedIn](#) and [X](#).

Marsh Mercer OliverWyman