

Retail Outlook: A More Resilient Supply Chain



In recent times, the retail ecosystem has undergone changes that have transformed the traditional brick-and-mortar concept, leading to a new dynamic and a new operating model that evolves and adapts to shifting consumer expectations. In this article, we will address the supply chain as one of the pillars of this industry's transformation. We will also take a look at the efforts needed to adapt to consumer and market changes.

The COVID-19 pandemic exposed major flaws in manufacturing and the movement of products through the supply chain. These are the four insights that any retailer should take into consideration today in order to adapt to this new environment.

We Have a Versatile Consumer

Consumers have become merchants in their own right. They can shop across a wide range of channels, select and promote their own products through their social media accounts, resell used products through digital platforms and set the terms of how purchases arrive on their doorsteps.

Against this backdrop, many of today's demand planning and inventory management capabilities are not up to the task of handling such scenarios.

Automation Will Be Key to the Future

As expected, fulfillment, inventory management and warehousing will attract the most investment in 2023. However, according to a Deloitte report, 57% of executives have not yet implemented plans to invest in robotics and automated material handling.

This figure is particularly worrisome because of the workforce shortage facing the industry. Many of the world's leaders consider this challenge to be one of their highest priorities.

“Retailers will need to adopt an agile approach that allows them to adapt to changes in customer behavior, detect and anticipate these changes and then shape their behavior while managing these new consumer demands.”

“It will be imperative to put more effort into automating processes as much as possible and to consider significant investments in technology and last-mile optimizations.”

Transparency is a must.

As it becomes clear that the supply chain bottleneck may take years to resolve, retailers will need to prepare and plan for the future. Not only with investment, but also by cultivating a culture of transparency. The transmission of information throughout the retail process is often a necessary ingredient to help maximize the impact of technology investments.

Currently, many suppliers are only guessing what their customers might require from them. This lack of information will lead to more problems in the supply chain and delivery processes.

With this in mind, retailers must encourage the open, timely and transparent flow of information to help their partners plan. Simply put, there can be no more secrets. Not sharing information is detrimental to the entire operation.

Data is the New Driver

Not all retailers can scale to the level of competing with the big players. Many of these already use their data to maximize their supply chain efficiency and deliver personalized experiences.

Those not yet able to scale should look at other options, such as collaborating with new partners. For example, physical store owners and retailers could share analytics data and use existing infrastructure to help provide more seamless shopping experiences and last-mile solutions to better compete.



During the pandemic, supply chains have buckled under the weight of customer demand. In this respect, the evolution of the retail ecosystem will be framed by resilience and the way in which the major changes experienced by the sector are addressed. Decisive, defined action on these four fronts will be necessary in order to move forward without getting left behind in a supply chain that is moving faster every day.