Retail Trends 2026: The Future of Retail Planning is Continuous Orchestration

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Introduction

Retail Has Moved Beyond Planning. It Now Demands Continuous Orchestration.

Retail in 2026 operates at a speed and volatility level that legacy planning processes cannot absorb. Customer behaviour shifts by the hour across channels. Supply conditions swing week to week, with lead times fluctuating by 20–40% in many global categories. Cost pressure remains elevated. Digital demand, returns, and promotions create continuous flux. And data flows have exploded — far beyond what periodic planning cadences can interpret.

Yet most retailers continue to plan using sequential, calendar-driven processes: seasonal assortment builds, monthly reforecasts, and siloed cycles held together by spreadsheets and reconciliations. The result is **planning drift** — the structural gap between how fast the business moves and how slowly decisions update.

Planning drift is not a process inconvenience.

- It is a margin risk.
- A working-capital risk.
- An alignment risk.
- And a speed-to-react risk.

As the number of signals increases and volatility becomes normalised, the competitive bar shifts from *how accurately you plan to how fast you can orchestrate decisions across teams and functions.*

This is the defining transformation underway in retail planning: **the shift from periodic planning to continuous orchestration.**

Continuous orchestration means:

- Plans are continuous and update dynamically as conditions change
- Merchandising, supply chain, finance, and stores operate from one shared truth
- Signals flow seamlessly from strategy to execution
- Scenario intelligence anticipates risk before it hits
- AI agents accelerate routine decisions and surface better choices
- Data is unified into a single, trusted decision layer

The six trends in this report explain why this shift is happening, what it means for retail organisations, and how leaders can build the orchestration capability that will define performance through 2030.

1 Operating-Model vs Planning Drift

Retail execution now runs continuously. Digital traffic, store demand, competitive actions, and inventory flows shift in real time — while planning cycles remain monthly, seasonal, or annual. Many retailers report decisions taking 2–4 weeks longer to update than operational reality allows.Supply volatility, where global lead times can swing 20–40%, further amplifies the cost of slow planning.

This is retail planning drift: the widening gap between real-time operational movement and slow, calendar-bound planning processes. As execution accelerates and signals update hourly, planning frameworks anchored to rigid cycles can no longer keep pace. Decisions are made on outdated assumptions, buffers rise to compensate for uncertainty, and merchandising, supply chain, and finance begin to operate on diverging versions of the truth.

Challenge / Opportunity

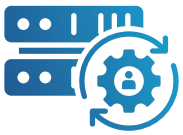
Operating models have accelerated faster than planning models. The misalignment causes slower reaction, inflated buffers, and misaligned decisions across merchandising, supply chain, and finance.

Outlook: 2026 and Beyond

From 2026 onward, retailers will compress planning cycles dramatically. Planning processes that once required weeks will shorten to days — and, increasingly, to hours — as teams adopt rolling forecasts, live financial alignment, and real-time scenario evaluation. By 2028, **more than half of retailers** are expected to operate continuous planning rhythms rather than seasonal or monthly cycles.

What We Think

Closing planning drift unlocks structural performance: better ROIC through lower buffers, faster response to disruption, and tighter alignment across the value chain.



Implications

People: Planners shift to decision orchestration across functions, supported by AI.

Process: Rolling, always-on planning replaces seasonal cycles; MFP, OTB, Range, Allocation, and Replenishment run on one cadence.

Data: Real-time, unified demand–cost–inventory signal layer that recalibrates continuously.

2 Structural Margin & Inventory Compression

Inventory distortion is now structural. Many retailers continue to carry **10–15% excess stock**, while experiencing availability gaps in **20–25%** of key SKUs during peak weeks. Rising costs and slow reaction worsen both sides of the problem — excess and shortage.

Challenge / Opportunity

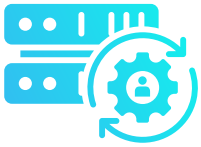
Margin erosion and cash constraints are driven as much by upstream planning misalignment as by downstream execution.

Outlook: 2026 and Beyond

By 2026–2028, retailers will increasingly adopt integrated financial-merchandising planning models that tie buys, allocation, and in-season decisions directly to P&L and working-capital targets. Organisations improving upstream orchestration typically achieve **8–12% uplift in GMROI** and **15–20% reductions in markdown reliance**, driven by fewer upstream errors and tighter in-season control.

What We Think

Value shifts upstream. Retailers who orchestrate decisions earlier — at buy depth, phasing, and allocation — will outperform those relying on end-of-season correction.



Implications

People: Merchandising & finance co-manage investment and risk.

Process: Scenario-led phasing; integrated P&L-aligned buys; in-season rebalance.

Data: Cost visibility, elasticity insights, supply-risk modelling.

3 From reforecasting to demand signal orchestration

Most retailers still rely on multiple, conflicting views of demand — often three to five different "forecasts" across merchandising, supply, finance, and digital. Studies show **60–70% of retailers** maintain parallel demand baselines. At the same time, external volatility (weather, macro shifts, event-driven spikes) now drives up to **40% of short-term demand variance**.

Challenge / Opportunity

Chasing marginal forecast accuracy gains does little to improve results when the real issue is inconsistent or misaligned demand signals between functions.

Outlook: 2026 and Beyond

From 2026 onward, demand planning will evolve into multi-signal orchestration. Retailers adopting real-time signals typically reduce buffers by **10–25%** while improving service levels. Scenario-driven demand states — not deterministic single numbers — become the basis for operational alignment. By 2029, automated signal alignment will be standard in merchandise and supply planning.

What We Think

Orchestrated demand signals reduce latency, increase confidence, and elevate performance more than incremental accuracy improvements ever could.

Implications

People: Planners evolve from "forecast owners" to interpreters of demand-state changes.

Process: Demand → supply → financial alignment becomes continuou.

Data: External and behavioural signals integrate into hybrid ensemble models.

4 Customer-Led Localization & Dynamic In-Season Assortments

Customer missions differ widely by region, store type, and channel. Local variations account for **20–40% of sales variance** in apparel and specialty categories. Static ranges and fixed clustering cannot respond quickly enough, and delayed in-season adjustments can cost 3–5 margin points in a single quarter.

Challenge / Opportunity

Chasing marginal forecast accuracy gains does little to improve results when the real issue is inconsistent or misaligned demand signals between functions.

Outlook: 2026 and Beyond

From 2026 onward, retailers will intensify investments in dynamic clustering, in-season allocation, and range flexibility. Retailers implementing mid-season adjustments typically see 4–7% higher full-price sell-through, 20–30% fewer overstocks, and materially improved size/fit availability. By 2030, continuous assortment adjustment will be a mainstream capability.

What We Think

Localized, dynamic planning converts volatility into advantage. It reduces markdowns, raises sell-through, and strengthens GMROI.

Implications

People: Merchandising teams become real-time traders; stores become feedback hub.

Process: Assortment, allocation, pricing, and replenishment operate as one in-season loop.

Data: Customer-mission signals, store attribution, cluster models, and supply constrain.

5 AI & Agents Become the Planning Operating System

AI is moving from pilot projects to embedded operational capability. Retailers deploying AI agents in planning report **30–50% reductions in cycle time, 5–10% higher planner productivity**, and fewer manual overrides. AI is increasingly expected to run scenarios, detect risks, and propose optimal actions.

Challenge / Opportunity

AI needs to scale beyond prediction into orchestrated decision support, providing clear, explainable, risk-aware recommendations across merchandising, supply, and finance.

Outlook: 2026 and Beyond

Through 2026–2028, AI agents will take on larger portions of routine analysis and decision prep. Retailers scaling AI are expected to improve planning decision speed by **2–4×** and reduce process overhead by **20–30%**. By 2030, many decisions will be generated autonomously, with planners focusing on validation and trade-offs.

What We Think

AI does not replace planning — it accelerates orchestration. It reduces cycle time, improves responsiveness, and raises confidence by simulating more scenarios than teams can evaluate manually.

Implications

People: Planners adopt human-in-the-loop AI to evaluate decisions, not generate them.

Process: AI agents embedded across pre-season AND ins-season merchandise planning.

Data: External and behavioural signals integrate into hybrid ensemble models.

6 Shift to Unified, Composable Planning Platforms

More than **50% of retail planning activity** still relies on spreadsheets or disconnected tools. This creates inconsistency, manual effort, and poor data quality — and limits AI scalability. Retailers on fragmented architectures experience **15–25% higher planning cost** and slower reaction time.

Challenge / Opportunity

Unified planning platforms unlock speed, cross-functional consistency, and accurate decision-making at scale.

Outlook: 2026 and Beyond

From 2026 onward, retailers will accelerate migration to cloud-native, composable planning platforms. Early adopters already report **25–30% shorter planning cycles**, reduced reconciliation effort, and faster in-season response. By 2030, unified planning platforms will be the dominant architecture underpinning financial, merchandising, and supply chain planning.

What We Think

A unified planning platform is the digital backbone of continuous orchestration. It eliminates friction, supports AI adoption, and aligns planning across every horizon.

Implications

People: Teams operate with shared definitions and workflow.

Process: Modular, API-first planning across finance → merchandising → supply.

Data: Single planning lakehouse with real-time operational integration.

The Future of Retail Planning Is Continuous Orchestration

Retail is entering a new era where planning must move at the pace of execution. Customer behaviour, supply conditions, and financial realities can shift daily — and retailers that continue to operate on seasonal or monthly cycles will fall further behind.

Continuous orchestration delivers the structural advantages needed to thrive in this environment:

- real-time alignment across demand, supply, finance, and customer insight
- faster and more confident decision-making
- higher inventory velocity and fewer buffers
- stronger local relevance and higher full-price sell-through
- improved GMROI and cash conversion
- reduced process cost and planning latency
- AI-driven scenario intelligence that anticipates risk

Planning is no longer a scheduled activity — it is the operating system of the modern retail enterprise. Retailers who master continuous orchestration will define the next decade of performance.

SOURCE NOTES

This e-book synthesises directional insight from publicly available research and market analysis across:

- IDC Retail Insights (planning maturity, unified planning, decision latency, platformisation)
- McKinsey (margin pressure, inventory distortion, retail agility, supply volatility)
- Bain & Company (ROIC drivers, cost structures, inventory excellence)
- Forrester (AI adoption, enterprise architecture, platform evolution)
- RSR Research (merchandising agility, in-season decision-making, retail maturity)
- Coresight Research (MFP, in-season agility, consumer mission variation)
- Accenture (AI cycle compression, decision automation, retail operating models)
- Insights are used directionally for thought leadership and do not imply analyst endorsement.

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