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Future-proof your stores
Reimagining the role of the
store in a retail renaissance

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We're redefining what it means to walk into a store. It's no longer just a place to shop — it's a place to connect, to experience, and to belong. That's what sets leaders apart from followers.

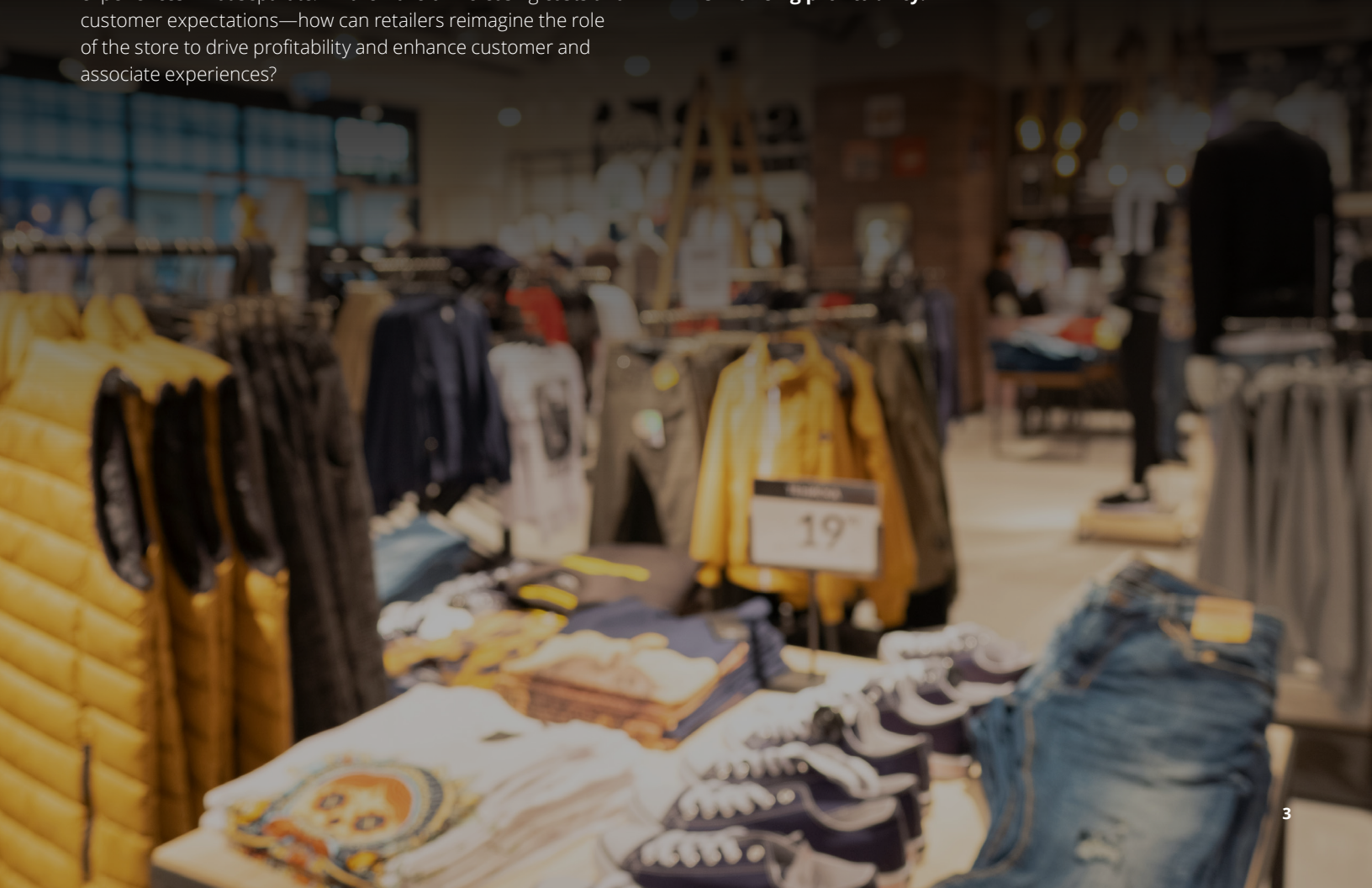
—**Adam York**
Principal
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The evolution and revolution occurring in retail stores

The retail industry is no stranger to upheaval and reinvention. Over the past decade alone, retail has weathered significant disruptions such as the rise of e-commerce expedited by a global pandemic, the demise of major brands and growth of direct-to-consumer players, as well as the impact of global tariffs, rising wages, and supply chain challenges driving product availability and margin disruptions. Among these market landscape shifts, customers are increasingly demanding more—seeking convenience, speed, and value across retail channels—while also pursuing experiences that drive brand trust and engagement.

While there was once a time when many believed the physical store had lost its reason to be—today, physical stores are having a renaissance as shopping center vacancy hits a two-decade low¹ and 80% of shopping is happening in physical stores.² At the same time, customers' expectations of stores have changed. Customers, like Gen Z, are seeking physical locations that are an extension of online experiences—not separate.³ In the wake of increasing costs and customer expectations—how can retailers reimagine the role of the store to drive profitability and enhance customer and associate experiences?

At Deloitte, we believe that the **future of physical retail hinges on the bold reinvention of the store**—a space where technology and human experience can converge to create value for consumer and retailer alike. **In this article, we'll walk you through what drives customers to stores and how to help design a future store experience that can engage your customer while enhancing profitability.**



Understanding customer motivations to drive your store strategy

The lines between digital and physical retail have blurred, creating a single expectation: Customers want frictionless, inspiring, and rewarding experiences wherever they shop. They expect associates who are knowledgeable and empowered, environments that reflect the brand's story, and interactions that go beyond transactions. To meet these expectations, retailers should deliver on four important competencies.

Cross-channel convenience: Seamlessly integrated purchase and return experiences that leverage store proximity. Nearly half of consumers are willing to pay a premium to pick up in store up to 10 minutes from their home, rather than wait for two-day delivery.⁴ Increasingly, Generative Artificial Intelligence (GenAI) is enhancing this convenience by surfacing real-time inventory visibility, powering personalized shopping lists, and helping customers plan their trips more efficiently.⁵

Product engagement: Nearly two-thirds of consumers want to see and touch the item before making a purchase.⁶ Customers are likely to go into the store to experience the product firsthand or get associate recommendations, especially when touch, fit, and quality matter.

Brand connection: Stores can also serve as a hub for community events, classes, or workshops, enabling retailers to tailor offerings in a localized way while allowing customers to experience the mission of the brand firsthand and connect with other members of the brand's community.

Product availability: Having the right product at the right time and in the right location for the customer is now standard. The expectations of a more discerning and modern customer base are high—and if they don't find the product with you, they could find it with a competitor.

To better understand what brings your target customer to your physical stores—Deloitte can help you analyze customer perceptions and spending habits. Deloitte's ConvergeCONSUMER data can help unlock insights and provide AI-driven recommendations as to what customers say and feel about your brand and your store experience. The data can also indicate what your customers are buying in store with your competitors—helping you isolate opportunities in your physical assortment strategy.



How to drive in-store profitability while meeting customer expectations

Retail executives recognize the enduring power of physical stores to drive customer engagement. According to Deloitte's [2025 US Retail Industry Outlook](#), four in 10 executives plan to emphasize the store experience as a key lever to attract traffic. To meet these expectations and maximize profitability, retailers are reinvesting in their store fleets—from technology upgrades to expansions and remodels as well, according to the survey.

Labor remains one of the largest challenges for any store, and high turnover makes workforce management increasingly challenging.⁷ Next-generation associate productivity tools can help optimize scheduling and task management—matching the right employee to the right task at the right time, while improving both efficiency and satisfaction.

Some retailers are also deploying technologies that streamline operations and enhance the customer experience. Advanced point-of-sale systems, smart shopping carts, and mobile app enhancements—such as digital coupons, loyalty integration, and contactless checkout—are quickly moving from pilots to mainstream. Selecting the right mix depends on customer expectations and business objectives.

Beyond technology and labor, creative, cost-effective initiatives can also drive profitability.

Strategic lighting for prepared foods, upgraded restrooms and checkout areas, and faster aisle maintenance can significantly improve the shopping experience without heavy capital investment. Clean, well-presented, and easy-to-navigate stores foster loyalty and repeat visits, suggesting that small operational improvements can yield outsized returns.⁸

When executed effectively, these efforts can reduce costs, minimize friction, and deliver seamless, personalized experiences for both customers and employees. Yet profitability is only part of the equation. As retailers look ahead, they should also reimagine the role of the physical store—and how each location contributes to long-term growth and differentiation.



What does the store of the future look like?

The store of the future will likely be defined by focus and differentiation—not by trying to be all things to all customers. Each location in a retailer's fleet can be optimized for a distinct purpose, from driving fulfillment efficiency to delivering immersive brand experiences. To help retailers define these roles, we use the Five Faces of the Store framework:



A single store may embody multiple roles depending on its location, customer base, and strategic objectives. For instance, a flagship store in a major city might emphasize brand building and experiences, while a suburban location might focus on fulfillment, convenience, and a localized assortment. When shaping a Five Faces strategy, a retailer should consider what story they want to tell customers and how physical stores can bring that story to life.

This future is not one-size-fits-all. Instead, it reflects a portfolio strategy in which each format leans more heavily on certain faces to meet customer expectations in differentiated ways:

Grocery: High-density picking and fulfillment zones, holistic service centers (e.g., financial or wellness), integrated dining options, and frictionless checkout.

Mass & Big Box: Dedicated space for buy online, pickup in store (BOPIS) and ship from store, leasable areas for pop-up shops, and interactive demo rooms for technology and home goods.

Specialty & Apparel: Flexible fulfillment with seamless omnichannel integration, hyper-personalized recommendations and offers, localized community events, and multiple frictionless point-of-sale options.

The case for a dynamic retail store ecosystem

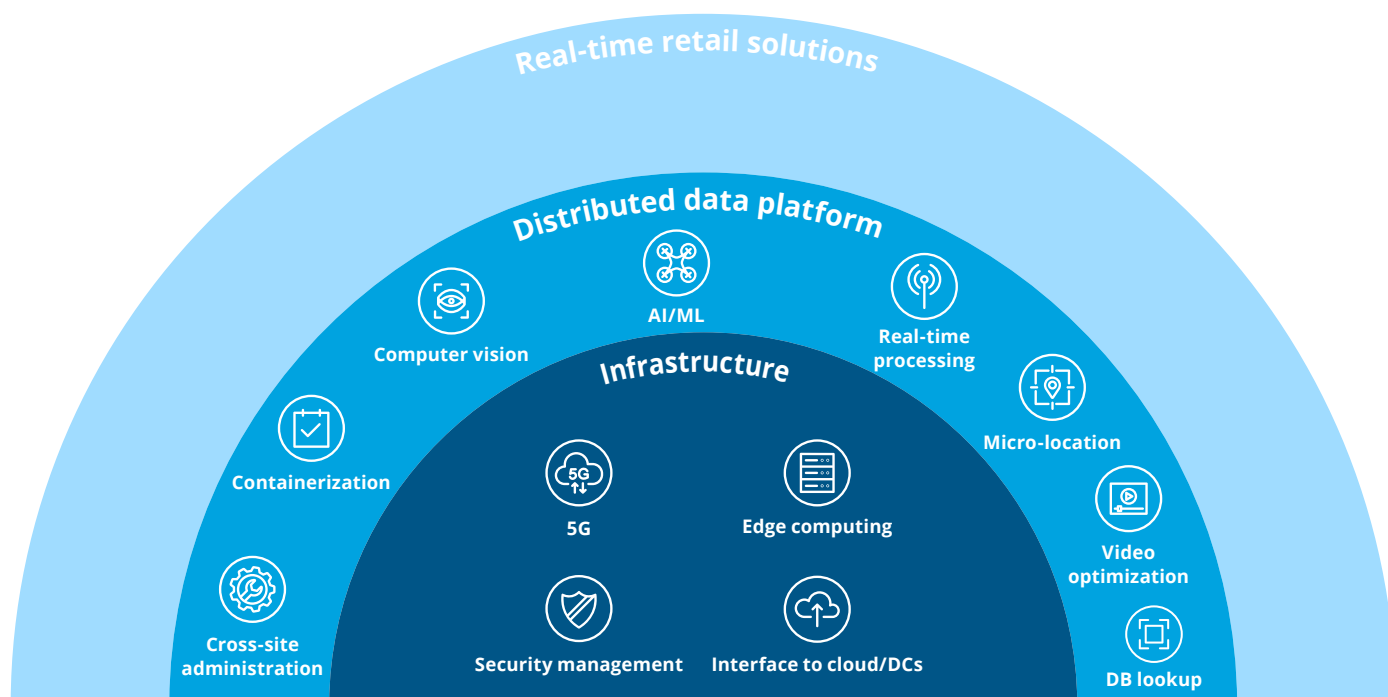
Retailers should continually reevaluate the role of the store to meet evolving customer needs—or risk falling behind. But great in-store experiences cannot stand alone. Their success depends on a strong technology backbone and empowered associates who can bring them to life.

While each retailer's strategy will dictate specific investments, a risk lies in chasing one-off, static solutions. Instead, leaders should focus on building a holistic store ecosystem—one with the infrastructure and data foundation to flex as customer expectations and business models evolve.

A dynamic ecosystem can enable faster innovation and reduce both cost and complexity. With a reliable platform that unites digital and physical channels, customers can engage with the brand seamlessly—shopping how, when, and where they choose.

The retail store is not a relic of the past; it is the cornerstone of the future. To thrive, retailers should consider transforming stores into dynamic hubs that inspire customers, foster community, and fuel profitability.

By acting now, retail leaders can position their brands as innovators—and help ensure their stores remain vital engines of growth in the years ahead.



Endnotes

1. Joe Gose, "[What retail apocalypse? Shopping centers are making a comeback](#)," *New York Times*, June 9, 2024.
2. National Retail Federation (NRF), [State of retail](#), 2024.
3. Jean-Emmanuel Biondi et al., "[Rewired retail: Winning the future of fashion](#)," Deloitte, September 4, 2025.
4. Walmart, "[Sky high ambitions: Walmart to make largest drone delivery expansion of any U.S. retailer](#)," press release, January 9, 2024; Nate Delesine, "[Target to roll out generative AI chatbot for store employees](#)," *Retail Dive*, June 20, 2024.
5. Biondi et al., "[Rewired retail: Winning the future of fashion](#)."
6. Delesine, "[Target to roll out generative AI chatbot for store employees](#)."
7. Deloitte, "[Frontline workers in the retail and consumer products sector](#)," accessed October 2025.
8. Michael Daher et al., "[The value-seeking consumer](#)," *Deloitte Insights*, June 23, 2025.



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