

Are Retail Supply Chains Ready For Tumultuous Times?

RSR Benchmark Report Findings, August 2025

Sponsored by: enVista®

Presented in partnership with: IORMA The Global Consumer Commerce Centre

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Research Overview

This benchmark report offers a detailed snapshot of the retail supply chain as of early to mid-2025, just before sweeping new U.S. tariffs disrupted global trade. It draws on responses from over 100 retail executives and explores how prepared their companies are to withstand future volatility.

The central question that the RSR team explored was: ***have retailers done enough to build resilient and agile supply chains following the lessons of COVID-19?***

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Survey Respondent Characteristics

RSR conducted an online survey in early 2025 and received answers from 111 qualified retail respondents. Respondent demographics are as follows:

- By Revenue (2024):

$51 million - $249 million	9%
$250 million - $499 million	65%
$500 million - $999 million	20%
$1 billion and above	6%

- By Performance:

Average	47%
Better than average ("Retail Winners")	53%

- By Vertical:

FMCG (Convenience stores, Food & Drug, Health Care Products)	21%
Fashion & Specialty (Apparel, Footwear, Accessories, Luxury, Personal Care/Cosmetics)	27%
Hard Goods (Consumer Electronics, Home Décor, Home Improvement, Automotive)	43%
General Merchandise (Discount, Mass Merchant)	9%

- Markets Served:

USA	100%
Canada	17%
Latin America	11%
UK	23%
Europe	12%
Middle East & Africa	2%
Asia/Pacific	2%

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- By the end of 2024 retailers were confident that they had managed to get their supply chains back in sync with the cadences of consumer demand after a tumultuous post-pandemic 2023.
- Retailers pinned their 2025 plans on a continuing strong economy, high consumer confidence, low unemployment, and the resultant healthy sales. Many companies were in the process of making the technology improvements and operational changes needed to improve the ***agility and resilience*** of their supply chains.
- The year 2025 has brought volatility back to the global trade environment, largely as the result of the imposition of tariffs across the globe by the United States.

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Key Learnings

The top business challenge - "***our suppliers don't have knowledge of the markets we serve***" - is a perennial issue that appears only to be getting worse. This is driven by a perceived need for faster, more agile supply chains. Over-performing Retail Winners are more concerned about this issue than average and under-performers are.

Retailers worry that positioning themselves to be able to respond to ***dynamic demand may undercut their ability to lower the unit cost-of-goods*** by "buying big", but non-Winners struggle with their inability to model supply and demand scenarios.

Retailers assign a high value to the ability to "***improve forecasting to be able to develop multiple demand generation scenarios***".

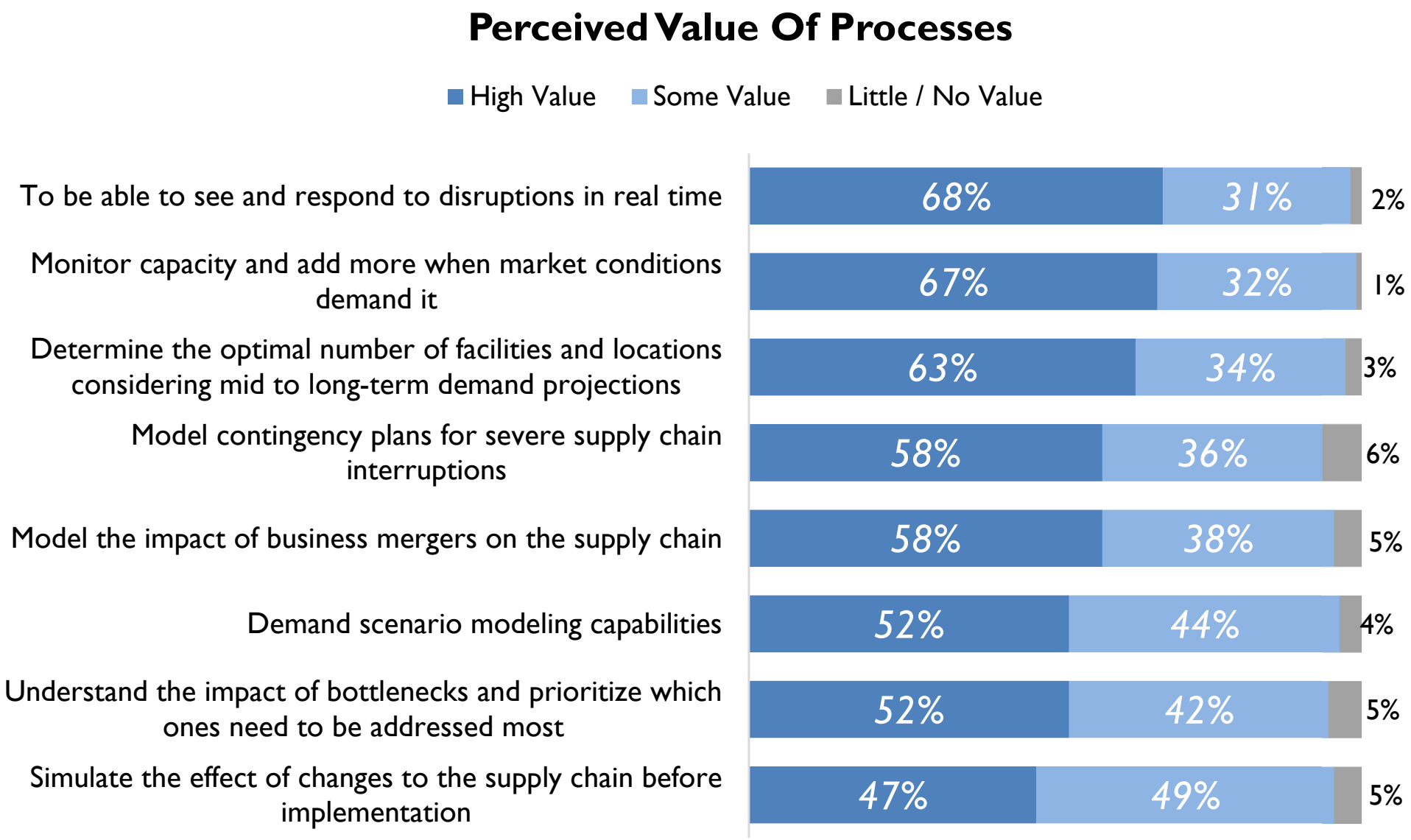
More Winners than non-winners remain focused on ***demand forecasting as a key enabler for a more agile supply chain***. Winners clearly regard that capability as foundational.

Lack of supply chain visibility, an over-dependence on suppliers to manage disruptions within the supply chain, and legacy technology are top inhibitors to enabling more agile and resilient supply chains.

More than one-third of the retailers say that their supply chains are currently in a state where they can monitor and react to supply chain events in real time.



The Value Of Supply Chain Agility



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An Increasingly Unpredictable World

Business Challenges

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At the start of 2025, top concerns included:

- Poor supplier market knowledge, complex logistics, and geopolitical instability.
- Retail Winners are focused on *actionable improvements* (e.g., improving collaboration and speed to volume), while others still wrestle with *structural issues and reactive planning.*

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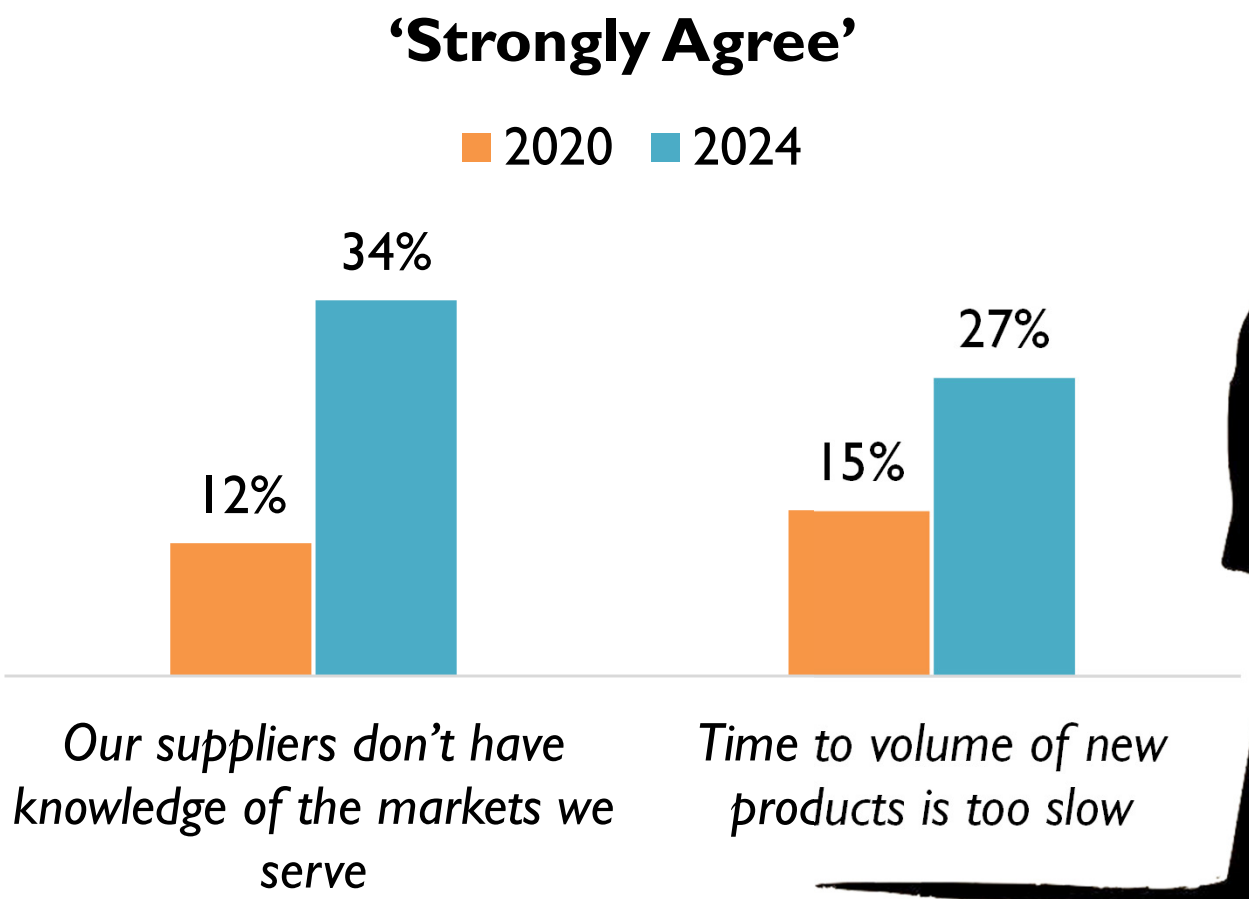
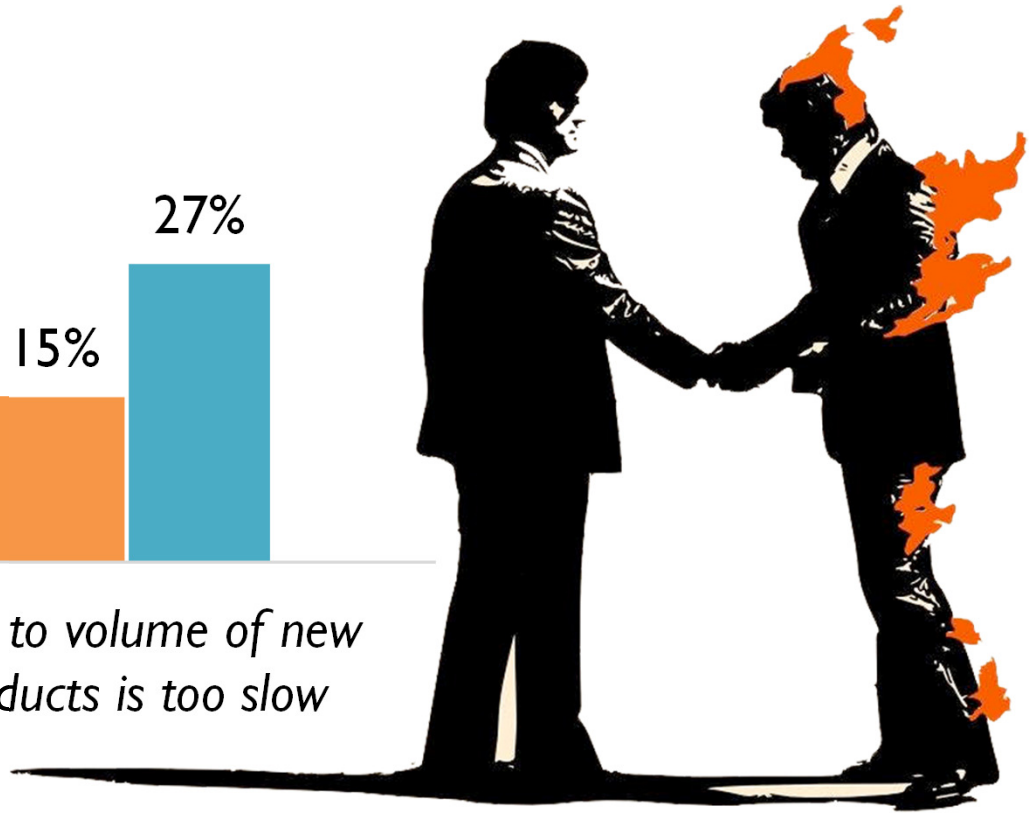
The Top Challenge: Better Collaboration Is Needed Between Trading Partners





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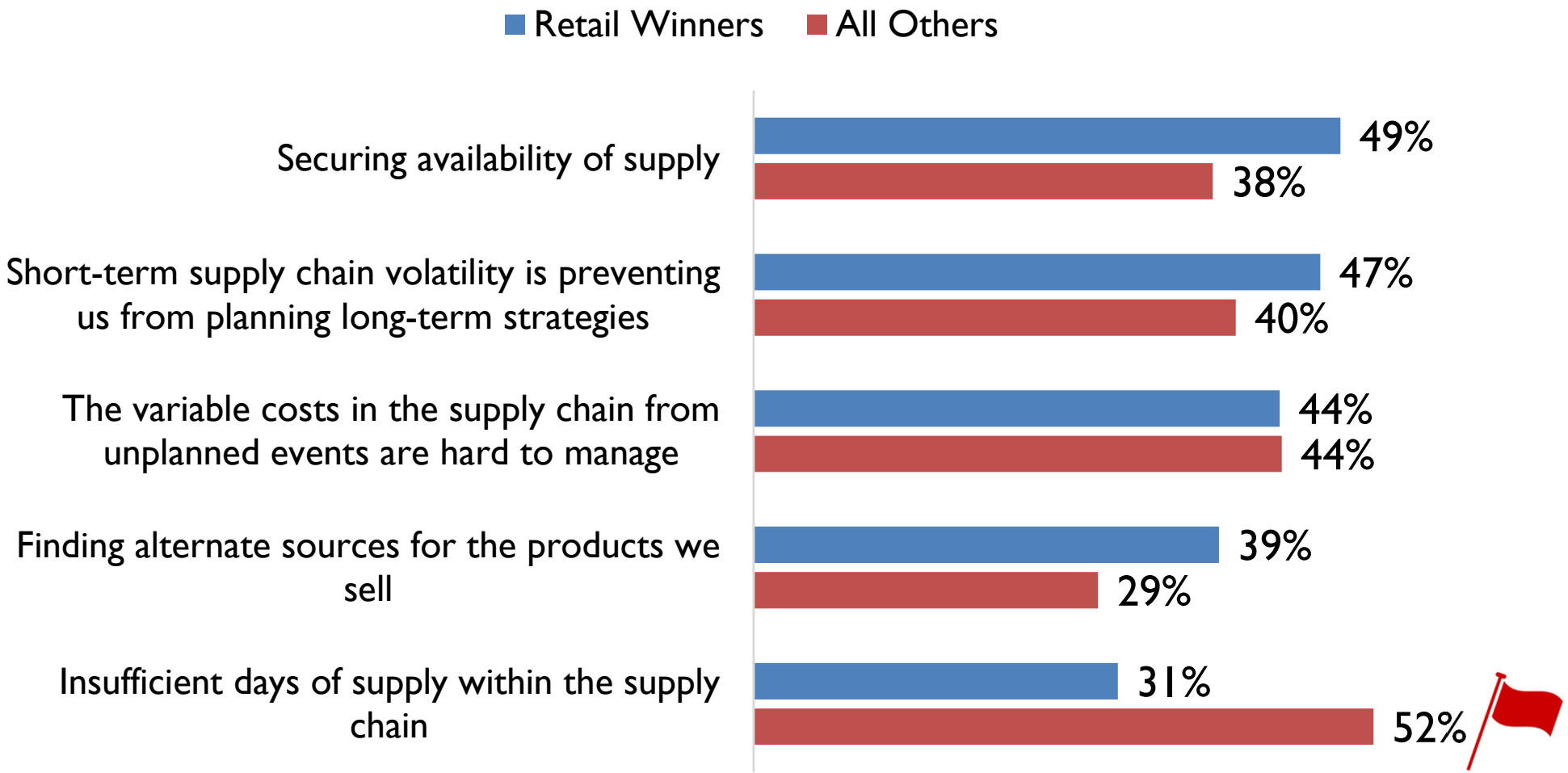
Operational Challenges On The Supplier Side

What are the TOP THREE Operational Challenges on the SUPPLIER SIDE of your supply chain?



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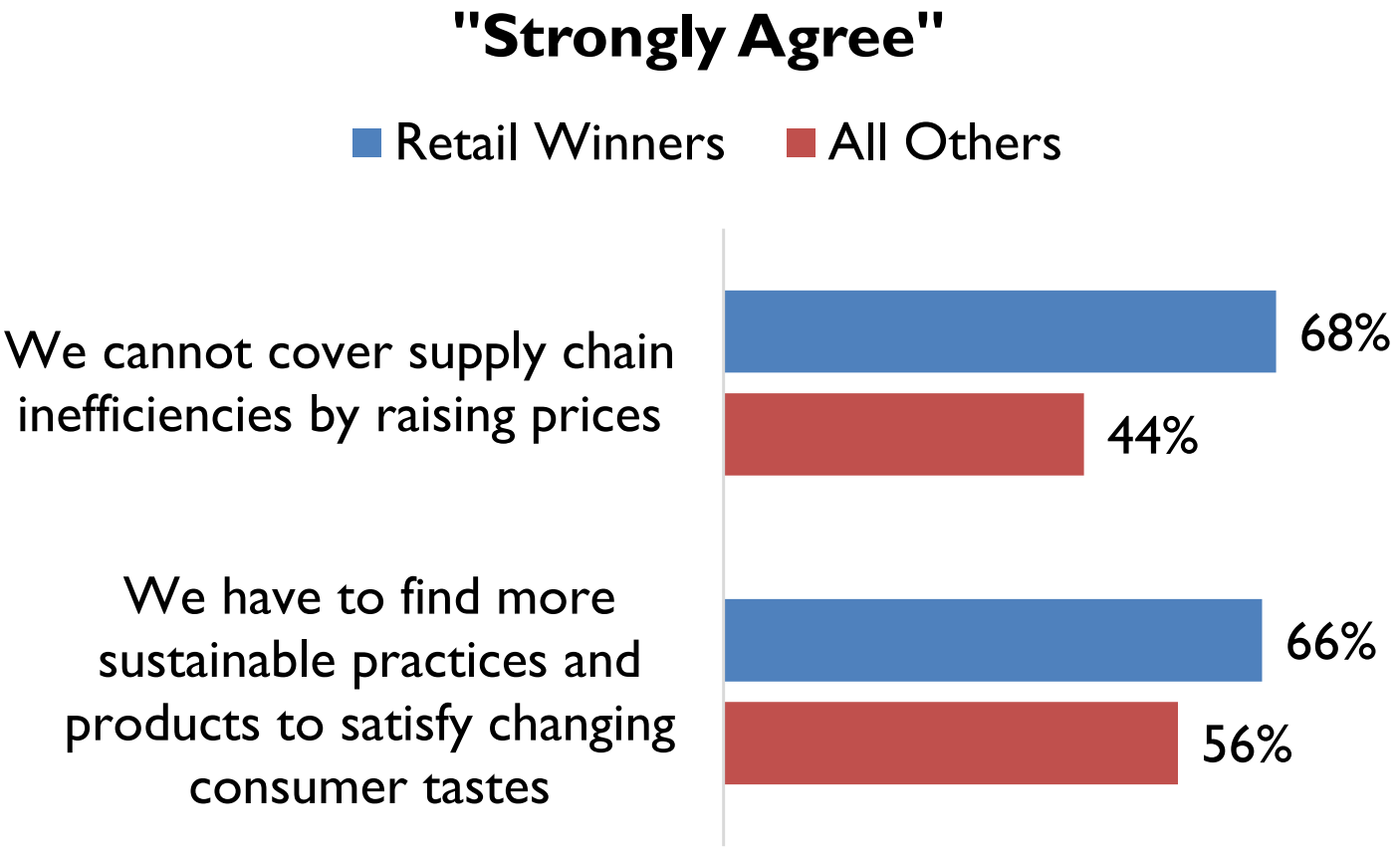
Over-performing Retail Winners Are More Keenly Attuned To Consumer Careabouts





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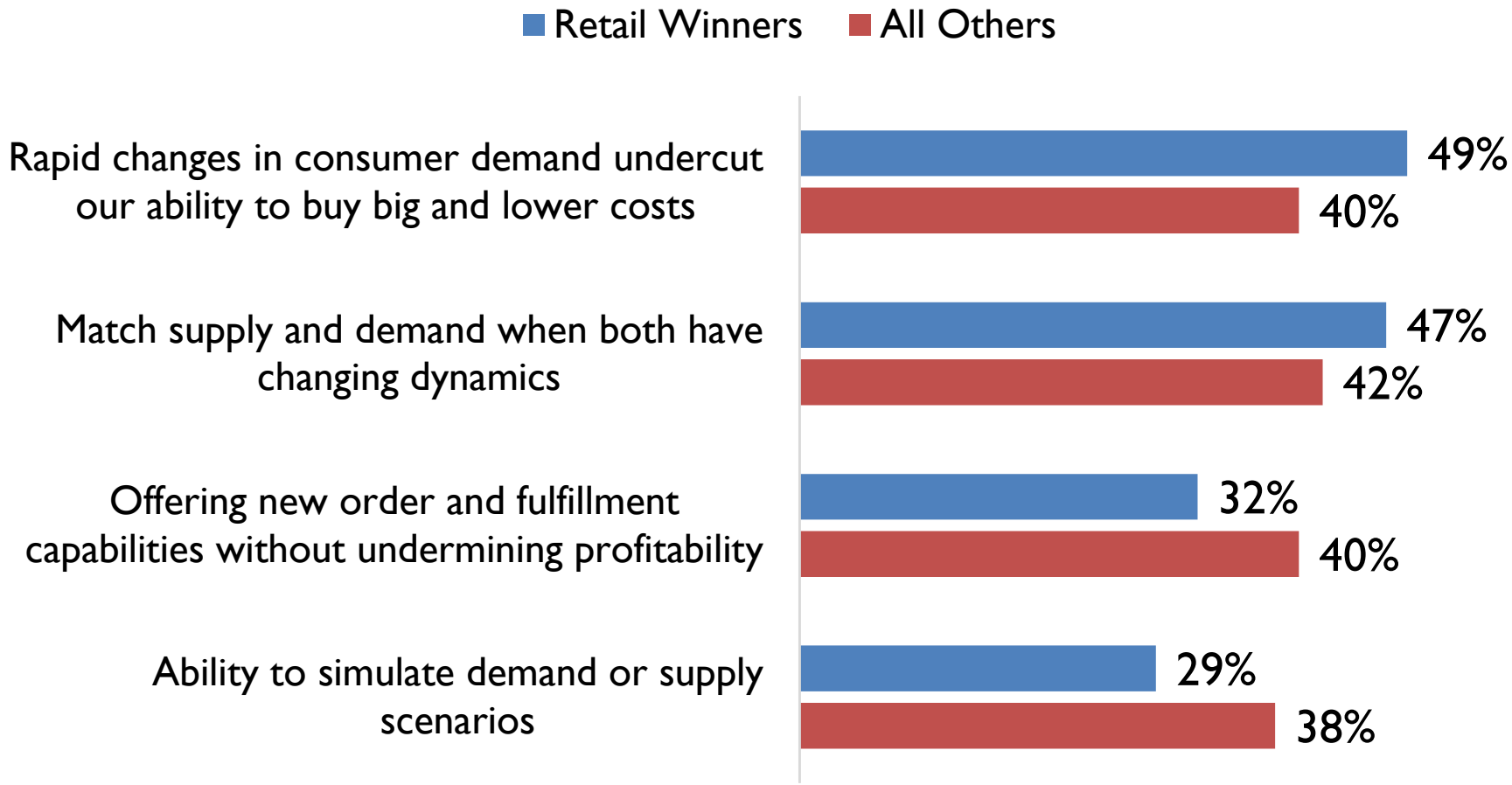
Operational Challenges On the Customer Side

What are the TOP THREE Operational Challenges you face on the RETAIL SIDE of your supply chain?



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Finding Balance In Real-time

Opportunities

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At the beginning of 2025, retailers prioritized:

- Product quality, health impact, and sustainability, over geographic sourcing.
- Agile fulfillment, with top goals including localized forecasting, real-time inventory visibility, and minimizing excess stock.

Retail Winners placed significantly more emphasis on sustainability and value-added product attributes, differentiating themselves from price-only competitors.

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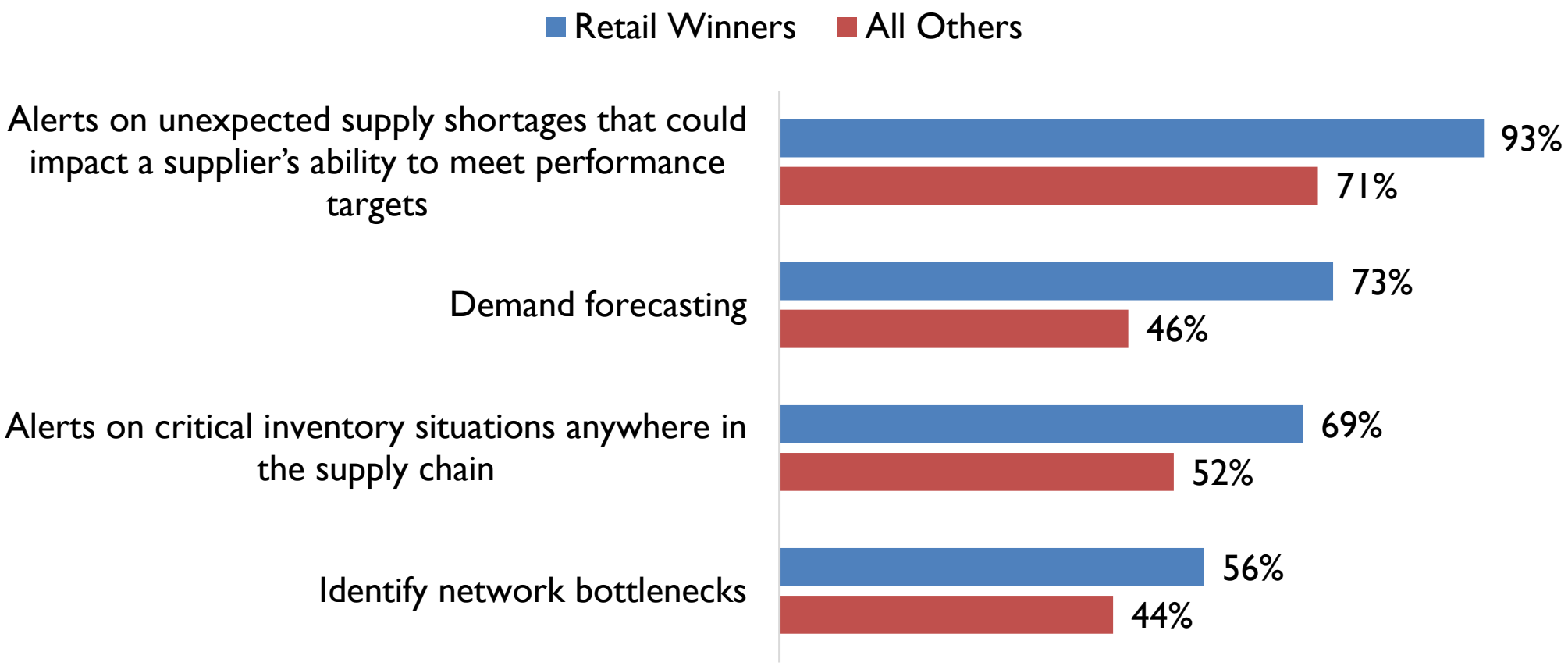
The Business Objective: To Become More 'Sense-And-Respond'

To what extent will a more agile supply chain help your company to address the following? ('High Value')



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Hoped-For Gains

What are the TOP THREE (3) Business Opportunities that result from a more agile supply chain?



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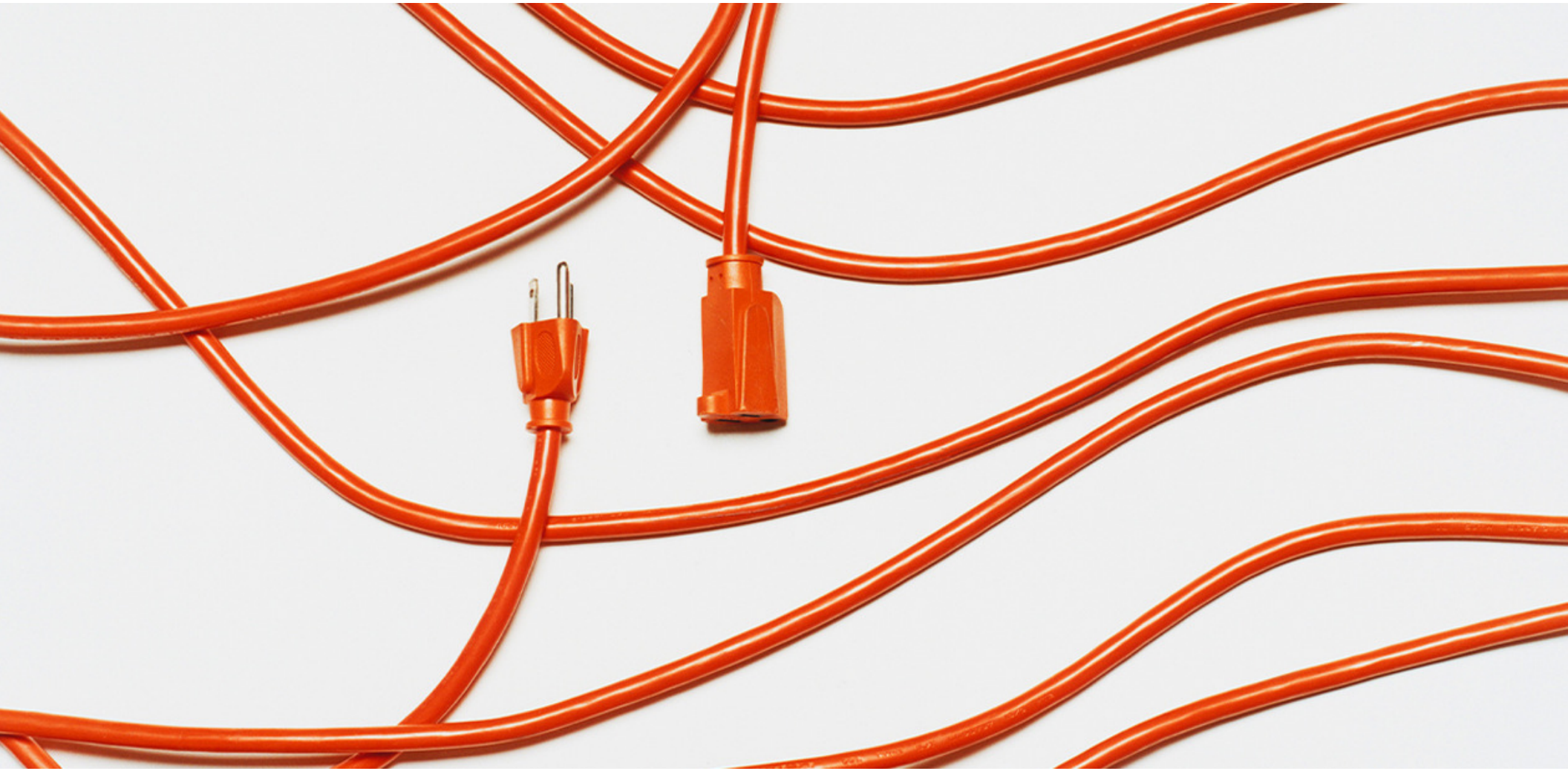

Legacy Systems & Thinking

Organization Inhibitors

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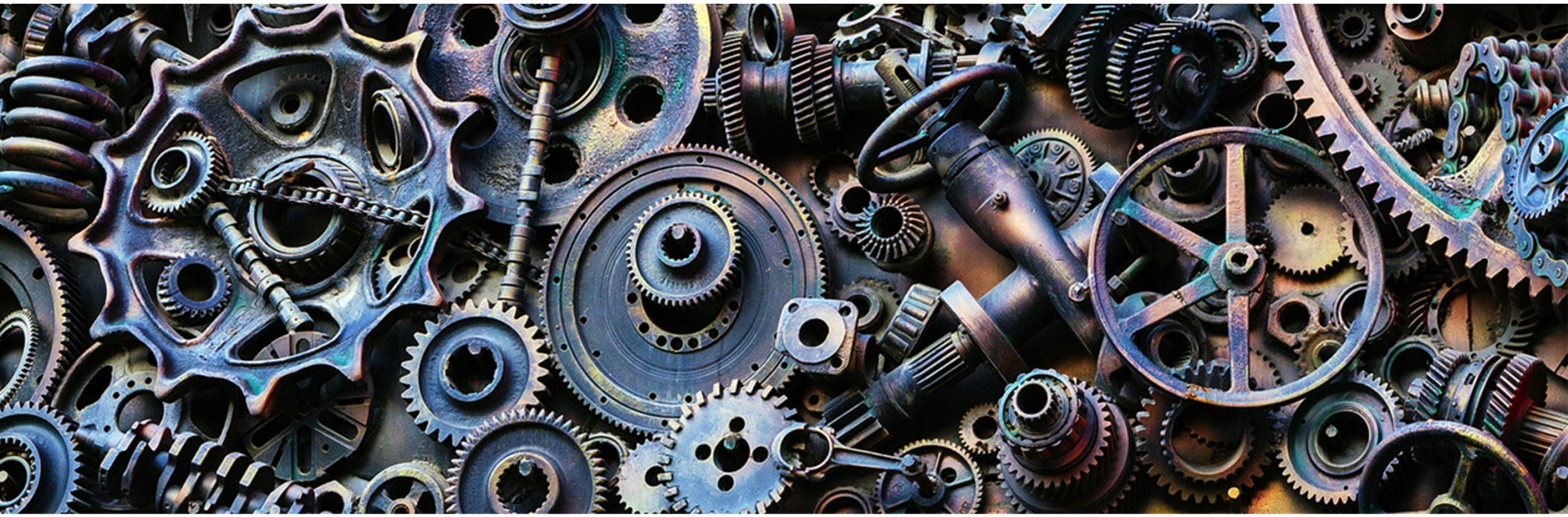

Key internal barriers to addressing the challenges and opportunities identified include:

- Lack of visibility at key points along the supply chain (43% of respondents).
- Fractured legacy systems and siloed operations (coordination issues with merchandising, supply chain, and marketing).
- Limited investment prioritization-many retailers still see supply chain transformation as a cost, not a strategic imperative.

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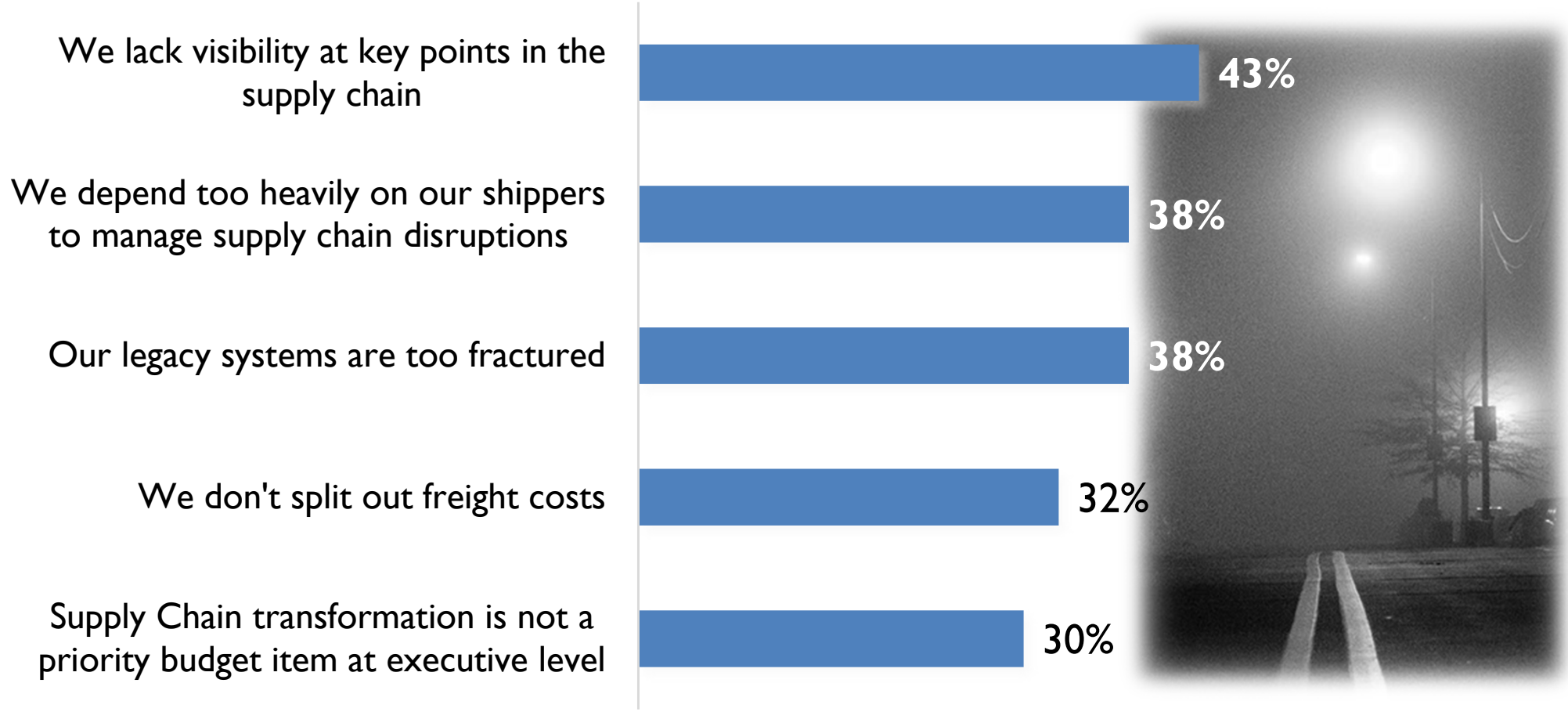
‘Insufficient Visibility’ Is The Top Inhibitor To Progress

What are the TOP THREE (3) Organizational Inhibitors that prevent you from having a more effective supply chain?



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AI Changes Everything

Technology Enablers

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The COVID-19 pandemic of 2020-22 accelerated changes on the supply side of the retail enterprise.

Coming out of the pandemic period, retailers have been focusing on using new data available to them and new analytical tools powered by AI/ML to implement these priority capabilities:

- Improving forecasting to be able to develop multiple demand generation scenarios
- End-to-end product flow-path optimization
- Using predictive models to anticipate supply chain disruptions at the individual SKU level and recommend cost-optimized corrective actions
- Time-phase product supply chains based on customer demand scenarios
- Stress-test the supply chain to see where unknown capacity constraints surface

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Entering 2025…

Retailers overwhelmingly value:

- Scenario modeling for demand and supply.
- Predictive analytics to foresee and mitigate disruptions at the SKU level.
- AI/ML tools to simulate the impact of disruptions and optimize corrective responses.

Yet, there's a large gap between perceived value and current adoption. For example, while 85% find forecasting via AI valuable, only 40% have implemented these solutions satisfactorily.

When asked about supply chain resilience:

- 77% cited digital twins as critical for scenario planning and shock absorption.
- Only 33% said they can currently monitor and react to supply chain events in real-time.

Retail Winners again lead the way-over 90% placed high value on alerts for inventory shortages and advanced forecasting.

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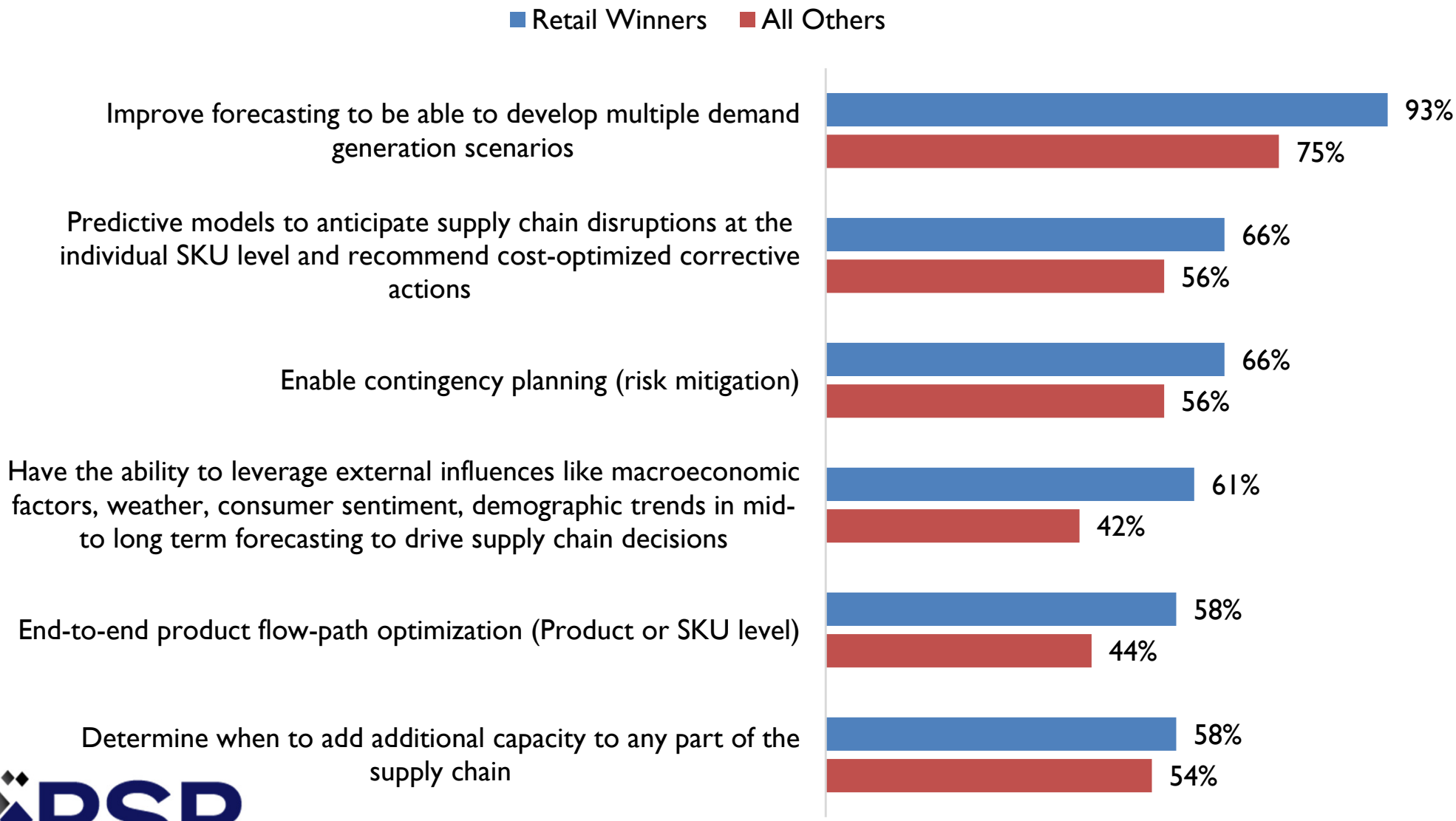
Winners See It

What is the importance of Artificial Intelligence & Machine Learning technologies in enabling the following for your company's supply chain ('High Value')



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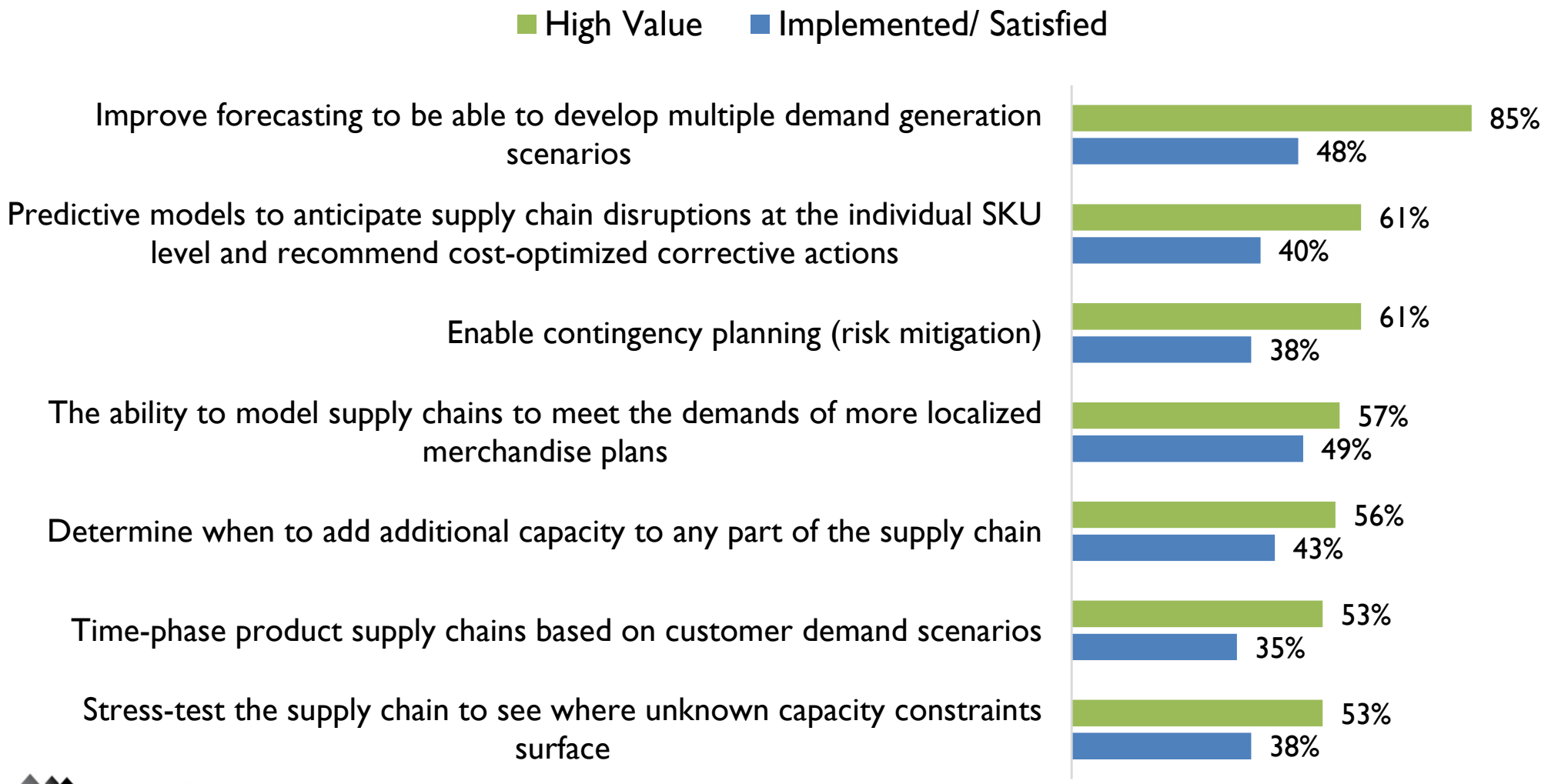
A Long Way To Go

What is the importance & status of AI/ML technologies in enabling the following for your company's supply chain:



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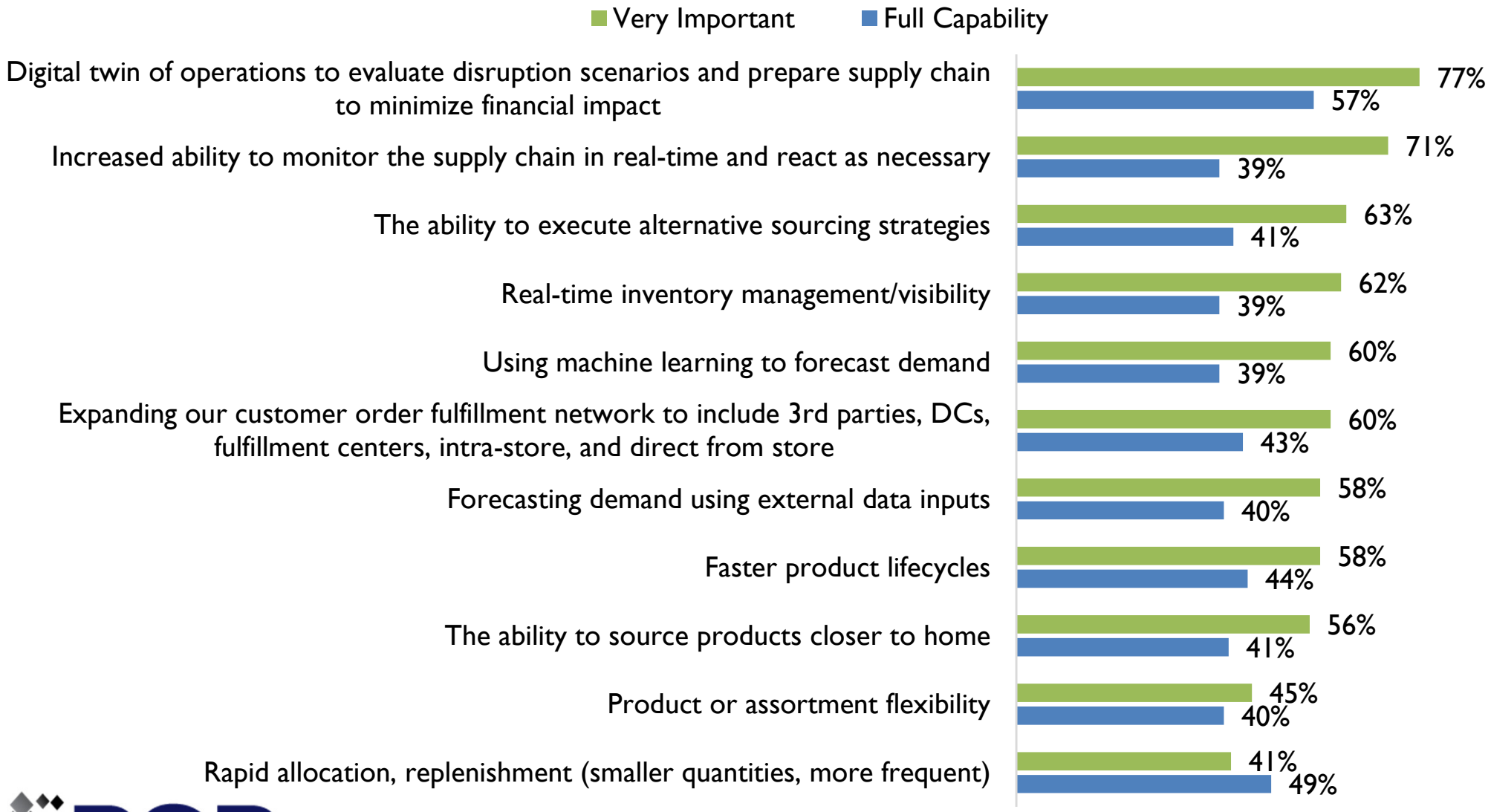
Marching Towards Greater Agility

What is the importance & status of the following to your company's supply chain resilience and agility



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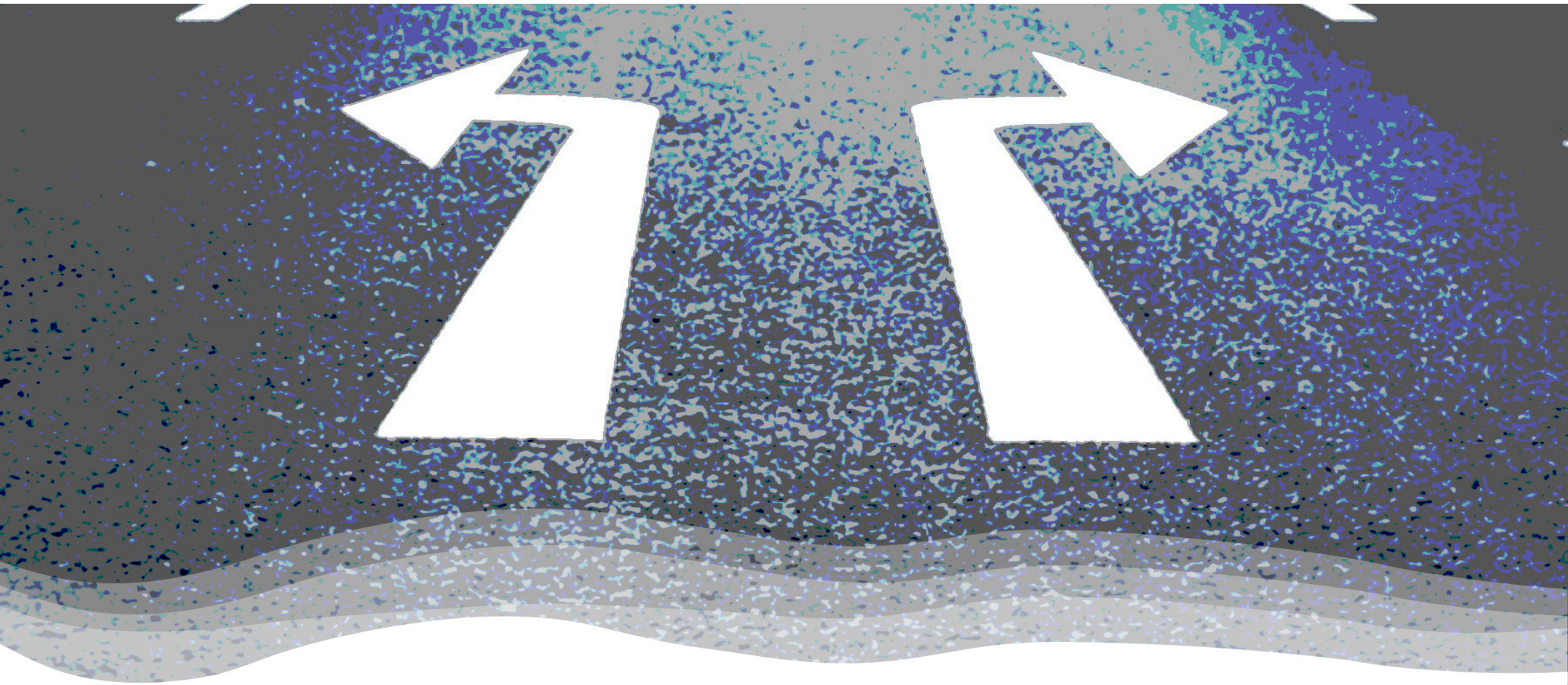

Report Recommendations

RSR's BOOTstrap Recommendations

- **Acknowledge The Chaos**: 2025's volatility is the "new normal." Retailers must abandon rigid planning cycles and adopt real-time responsiveness.

- **Get On With It**: Progress doesn't require perfection. Use what's available, analyze quickly, act faster.

- **Trust In Predictive Tools**: Many retailers have invested in powerful AI tools but hesitate to act on their insights. "Trust but verify" is the recommended mindset.

- **Collaborate Aggressively**: Internal teams and external partners must move beyond past silos. Shared risk and shared reward is essential in today's fragmented trade environment.

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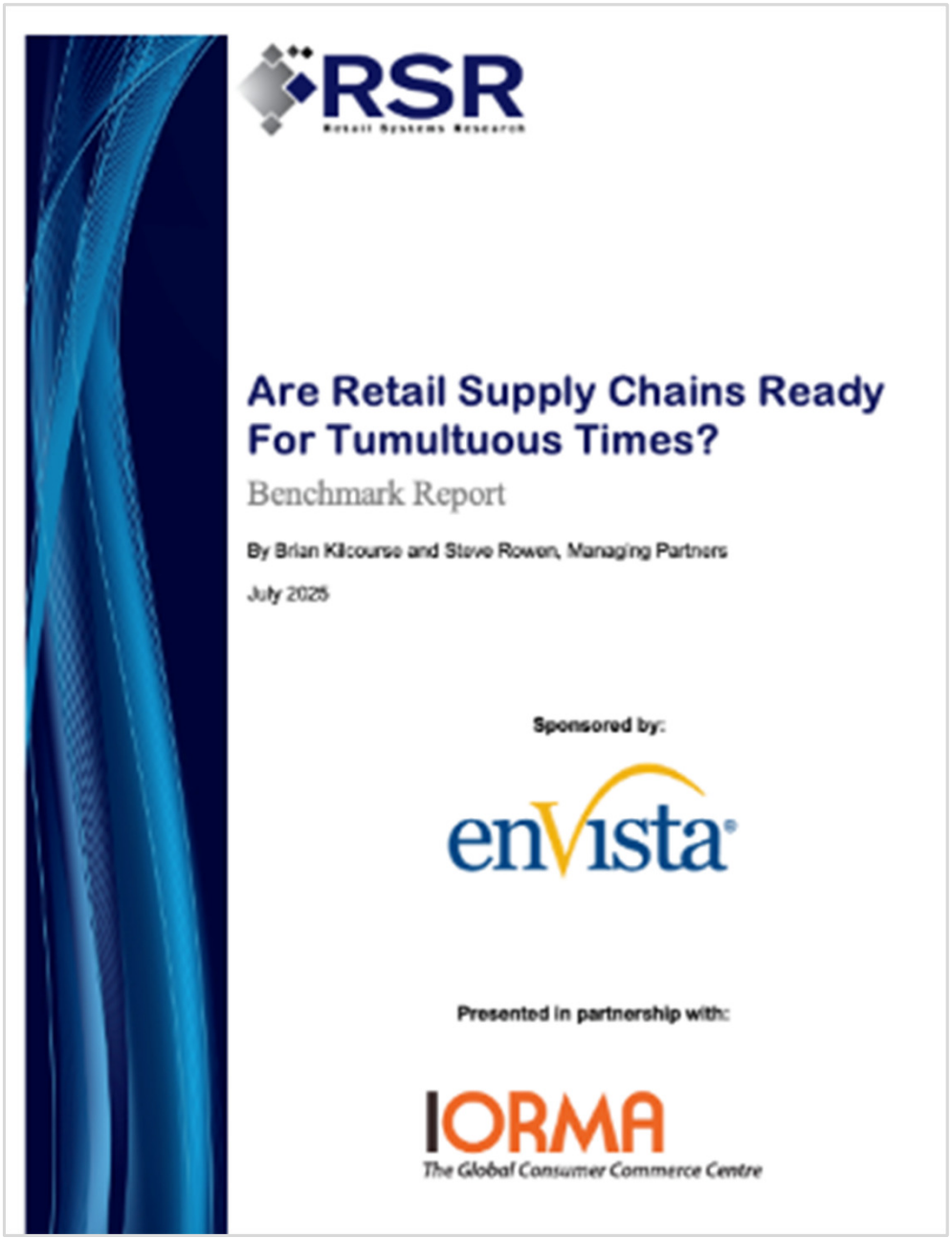
About RSR Research

Retail Systems Research ("RSR") is the only research company run by retailers for the retail industry. RSR provides insight into business and technology challenges facing the extended retail industry, providing thought leadership and advice on navigating these challenges for specific companies and the industry at large. We do this by:

- **Identifying information** that helps retailers and their trading partners to build more efficient and profitable businesses;

- **Identifying industry issues** that solutions providers must address to be relevant in the extended retail industry;

- **Providing insight and analysis** about a broad spectrum of issues and trends in the Extended Retail Industry.



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