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Wolfgang Gruschwitz

Wolfgang Gruschwitz is the owner and managing director of the Gruschwitz Corporation, which offers full-service retail store design and visual merchandising expertise to retailers.



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The Future of Retail: Five Shifts Shaping Customer Experience

by Michelle Hespe

WOLFGANG GRUSCHWITZ

Retail is in one of its most transformative eras yet. Technology, AI, the cost of resources and shifting consumer expectations are reshaping how businesses operate, blurring the lines between the physical world and digital experiences.

Yet *g*ia expert Wolfgang Gruschwitz believes retailers are in a strong position to take advantage of the many changes, and that those who succeed will be companies that strike a balance between innovation, technology and human connection. By doing so, they'll create seamless, memorable interactions that customers cherish.

Here are five powerful shifts shaping the future of retail:

1) Agentic AI

From automating repetitive tasks and analyzing data to personalizing shopping experiences and streamlining supply chains, AI is now helping retailers operate smarter and faster. Chatbots and virtual assistants are acting as frontline staff, while predictive insights are guiding inventory, staffing and marketing campaigns.

"One of the biggest trends right now is that everyone wants an AI agent they can create and operate themselves, and Agentic AI will soon be the norm," Wolfgang says. "Retailers have the opportunity to create new service agents for consulting, offering more information, and taking on repetitive tasks. They have no choice but to get involved and develop agents tailored to their business. And when they do, it frees up time for other creative areas."

One of Wolfgang's clients now uses four AI agents to handle finances, stocktaking, deliveries and administration, allowing him to free up resources for creative projects and strategic planning.

"AI is becoming more affordable and accessible for everyone," Wolfgang says. "You don't need huge budgets or IT teams anymore. While the cost of sourcing, products and materials keeps rising, the cost of IT is not. Retailers should take advantage of that – and with AI, learning new skills is easier than ever."



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2) Tech, smart fitting rooms and keeping it real

However, retailers need to remember that AI isn't about replacing people. It empowers businesses to focus on adaptability, creativity and building stronger connections with customers.

The debate as to whether digital or physical retail is better is also over, because customers now expect both, and they want the transition between the two to be seamless. A shopper might browse online, test a product in-store and finalize the purchase later through an app. Click-and-collect services, real-time inventory updates and virtual try-ons are making these transitions effortless.

At the same time, even Gen Z is craving in-person experiences. "They're surrounded by digital, so analog experiences feel fresh and different," Wolfgang notes. "Retailers who combine tech with the human touch can deliver the best of both worlds."

"For example, high-tech fitting rooms in clothing stores can now be enhanced in many ways," Wolfgang explains. "AI can suggest clothing to suit your figure, offer styling tips, even overlay designs onto T-shirts. It's not new technology, but with AI, it's moving in leaps and bounds."

"Retailers who use technology in this way aren't removing human contact, but rather enhancing it," Wolfgang says. "It builds trust and loyalty, because it feels convenient, helpful and personal."

3) Adding ease and comfort from start to finish

Technology may be driving rapid change, but Wolfgang insists that fundamentals still matter. For example, customers want to feel welcome and relaxed when they visit a store. Stress, confusion or frustration lowers the chance of them enjoying themselves, and spending.

The customer journey begins well before entry and continues long after departure. Parking, signage and accessibility are often overlooked, but they set the tone. Smooth checkouts, stress-free exits and a friendly farewell create memories that people leave with. Friction at either end can undo an otherwise positive experience.

"AI can help with wayfinding – guiding customers to the right aisle or product, or even helping them find a good parking spot," Wolfgang says. "While they're inside, comfortable seating, inviting spaces and thoughtful touches encourage people to linger and explore."

These details may sound simple, but they determine whether a visit feels enjoyable or frustrating. "Some of these ideas aren't new," Wolfgang adds, "but they're becoming more professional and streamlined."

4) Human connection, loyalty and brand experience

Despite rapid advances and robots appearing at every turn, retail is still built on human connection. In fact, Wolfgang argues it's more important than ever.

"Some retailers are thriving by going directly to customers through Instagram, Facebook and TikTok," he says. "They create short, simple videos and show their faces. When customers then meet them in-store, it feels real and personal. Even mistakes can help – they're human after all – and that creates connection."

Wolfgang emphasizes that retail is uniquely forgiving. "We're not in aviation or medicine," he says with a laugh. "A pilot or doctor can't afford mistakes, and I don't want to put my trust

into one that makes mistakes. But retail is about taste and opinion. Even if a customer pays a little more, if the experience is memorable, they don't mind. People want moments, and those moments create trust and loyalty."

Global examples prove the point. Starbucks' Reserve Roasteries immerse customers in the theatre of coffee-making. Long lines don't deter visitors – instead, they reinforce the appeal of the experience, which strengthens loyalty across all Starbucks stores.

Meanwhile, MUJI has extended its minimalist philosophy into hotels, while high-end names such as Armani and Bulgari have launched integrated lifestyle experiences at more accessible price points. Each demonstrates that unique, memorable experiences – not just transactions – are what anchor loyalty in modern retail.

5) Innovative concepts and visual merchandising are still key

Today's consumers are always looking for new, innovative retail concepts – and ways to enhance their brand experience. Wolfgang highlights Gentle Monster in Seoul and Nike's House of Innovation in New York City as standout examples.

Gentle Monster's flagship store transforms shopping into a sensory story inspired by mythology. Visitors move through multi-floor installations where sunglasses sit alongside art, sculptures and performance. It's a destination as much as a store, and every corner feels designed for sharing on social media.

Nike's House of Innovation – a 6300 m² temple to sportswear – showcases the brand's past, present and future. It combines immersive storytelling with seamless digital integration, proving that even for brands with huge online followings, the physical store remains a vital piece of the retail puzzle.

Both examples highlight retail as theatre – a place where storytelling, creativity and tech meet to spark emotion.

Meaningful retail experiences will always win.

The common thread across these five shifts is balance. AI, accessible tech and innovative concepts bring efficiency and scale. But comfort, detail and authentic experiences ensure customers feel valued and connected.

"The retailers who thrive will be those who embrace both progress and empathy," Wolfgang concludes. "The future of retail isn't about replacing people with machines – it's about giving businesses tools to deliver more meaningful human experiences. That's what keeps people coming back." | •



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