

RETAIL AI READINESS REPORT 2026

Business, brand and retailer AI ambition is rising, but organisational readiness is not keeping pace. The gap between ambition and readiness will determine whether AI investment creates lasting value.



EXECUTIVE SUMMARY

The defining issue in retail AI adoption in 2026 is no longer whether businesses want to use AI. It is whether their organisations are ready to deploy it well.

A joint report from Validify and WPP Enterprise Solutions, combining retailer intelligence from the Validify community with WPP Enterprise Solutions' research and experience of large-scale digital transformation.

Validify's retailer intelligence shows openness to AI at an overwhelming 8.2 out of 10, while AI familiarity, understanding, data readiness and confidence in ROI all sit materially lower. 52% of Validify respondents expect AI budgets to increase in 2026, yet only 17.5% have a defined AI strategy or governance framework.

WPP Enterprise Solutions' wider transformation research reveals a similar pattern: transformation programmes frequently begin without a clear roadmap, legacy technology and immature data practices remain major constraints, and leaders and operational teams often have very different perceptions of readiness and capability.

Taken together, the evidence identifies the priorities for retail leaders:

- Close the gap between AI ambition and organisational readiness before scaling investment.
- Put strategy, governance and measurable outcomes ahead of fragmented experimentation.
- Build for both the human customer and the AI systems increasingly influencing discovery and purchase – without neglecting the data and technology foundations underneath.
- Treat capability-building and change management as core parts of AI implementation, not as post-launch support.
- Build the right mix of internal capability and external expertise, with clear ownership of what the organisation must retain and where specialist support adds value.

The opportunity is to ensure investment is directed at the right problems, supported by the right foundations and measured against outcomes that matter.



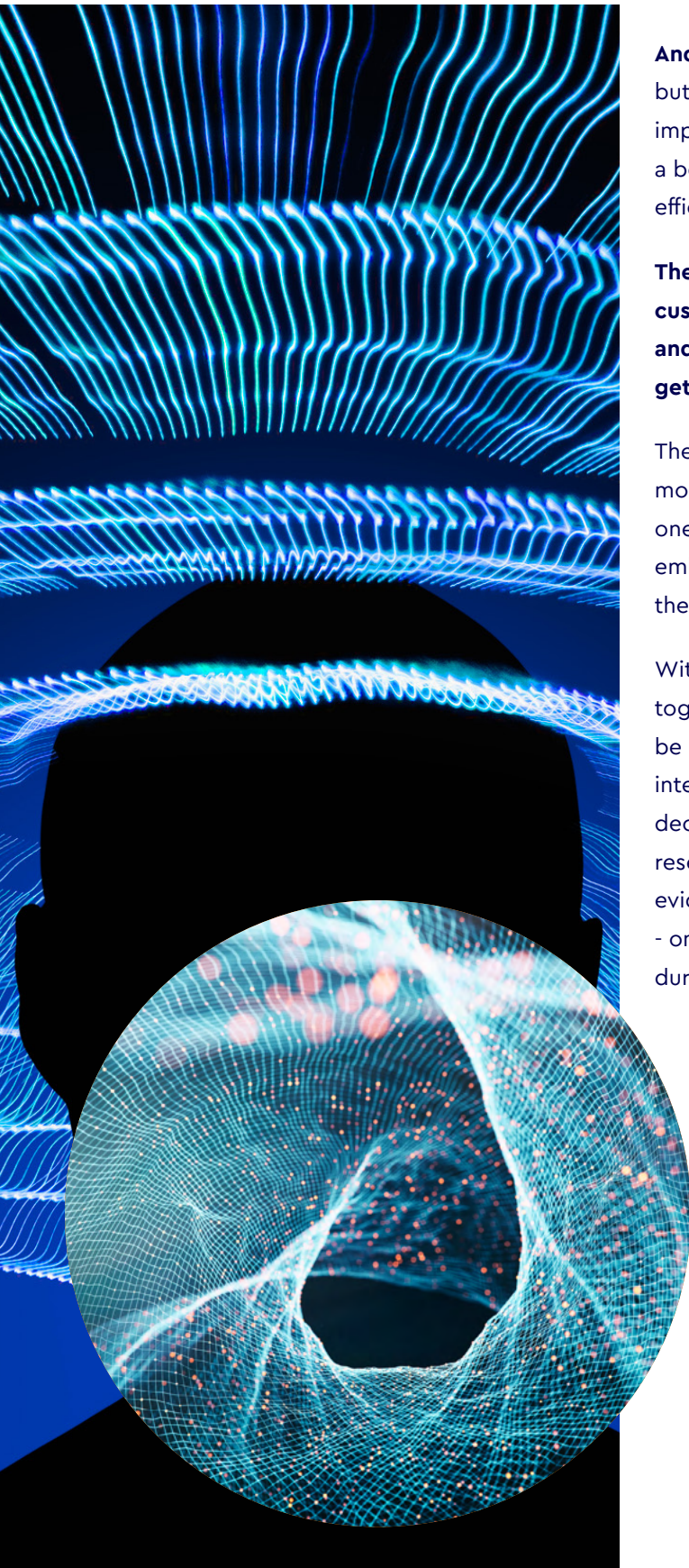
INTRODUCTION: AI ENTHUSIASM IS NOT THE PROBLEM

AI is now embedded in strategy conversations, training programmes and day-to-day work across retail. For most organisations, there is little shortage of interest. Businesses are already using AI internally and across customer-facing activity, with budgets increasing and broader adoption planned over the next 12 months.

But enthusiasm is not the same as readiness. Take a step back and it is clear that, while AI offers myriad benefits, implementing it effectively and delivering a return on investment is perhaps not quite as easy as hoped.

Confidence in ROI and data readiness lag significantly behind retailers' openness to AI. Mature strategy and governance remain uncommon, change management and enablement are frequently overlooked, and structured capability development is rare. There is also a fundamental strategic question: is the purpose of each AI initiative clear, or is implementation being driven by a fear of missing out or simply because everyone else is doing it? Investment and rollout risk moving faster than effective adoption, with the foundations needed to deploy, govern and scale AI effectively often missing.





And who is all this AI for? The business may be seeking efficiency, but the customer still needs to experience value. What benefits or improvements will they see from the introduction of AI – a better price, a better experience, greater convenience? Or is AI simply an internal efficiency play?

These are no longer soft questions. Commerce has always had one customer to win: the human. It now has two: the human who buys, and the AI agent that increasingly influences what that human ever gets to see.

The next stage of retail AI adoption will depend less on generating more enthusiasm and more on having a defined strategic roadmap: one built on the foundations required to choose, implement, govern, embed, measure and scale the right investments, while ensuring that the resulting benefits remain aligned with customer needs.

With this in mind, Validify and WPP Enterprise Solutions have worked together to look into some of the key data and statistics that should be guiding businesses' approach to AI initiatives. Validify brings current intelligence shared directly by retailers making technology investment decisions now, while WPP Enterprise Solutions brings transformation research and experience of enterprise-scale change. Together, the evidence reveals strong ambition alongside a significant readiness gap - one that retail leaders need to address if AI investment is to create durable value.



SECTION 1: AI APPETITE IS RUNNING AHEAD OF READINESS

Validify's research shows openness to AI at 8.2 out of 10. That is a strong signal that retailers are willing to experiment, invest and adopt.

The gap appears when that appetite is compared with the foundations required to turn adoption into measurable value. LLM familiarity is 5.5 out of 10, AI understanding 5.9, data readiness 5.1 and confidence in ROI 5.0.

AI MATURITY

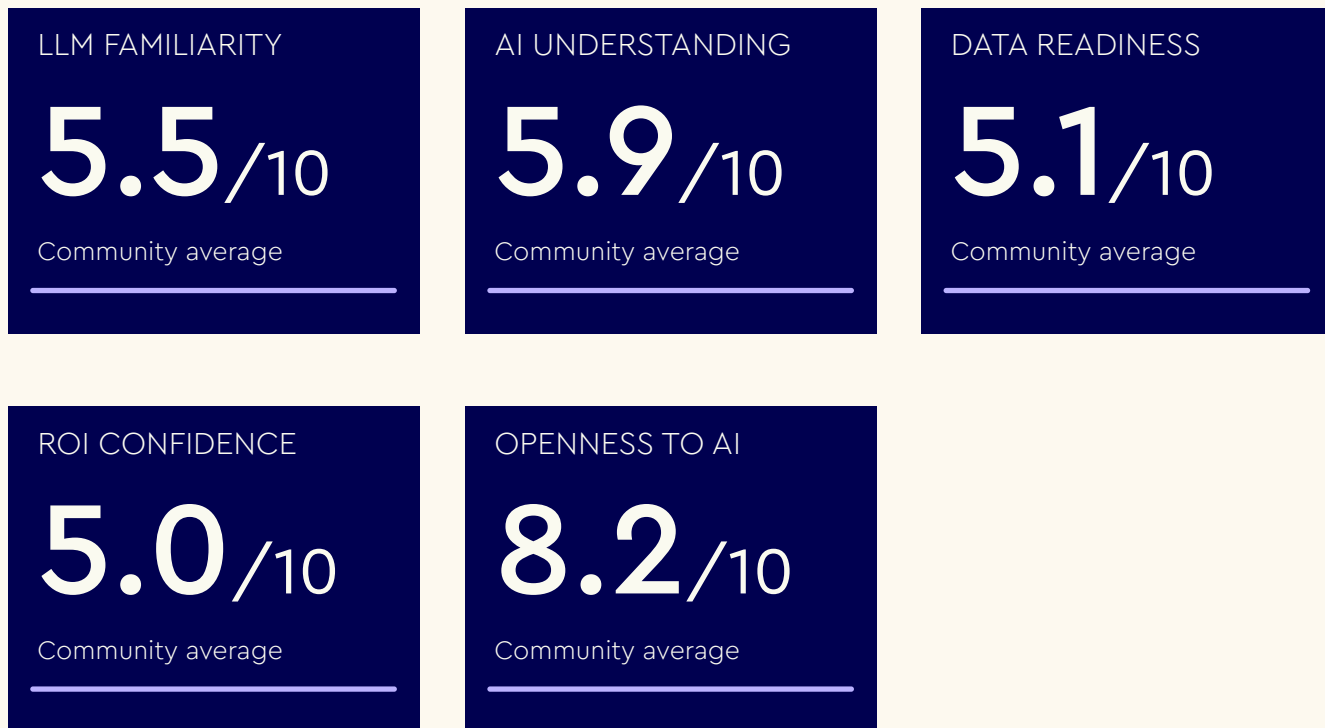


Diagram 1: Validify AI maturity indicators

Budgets are moving upwards too: 52% of respondents expect their AI budget to increase in 2026, despite a challenging economic backdrop.

AI BUDGET DIRECTION 2026

How is the organisation's AI budget expected to change in 2026?

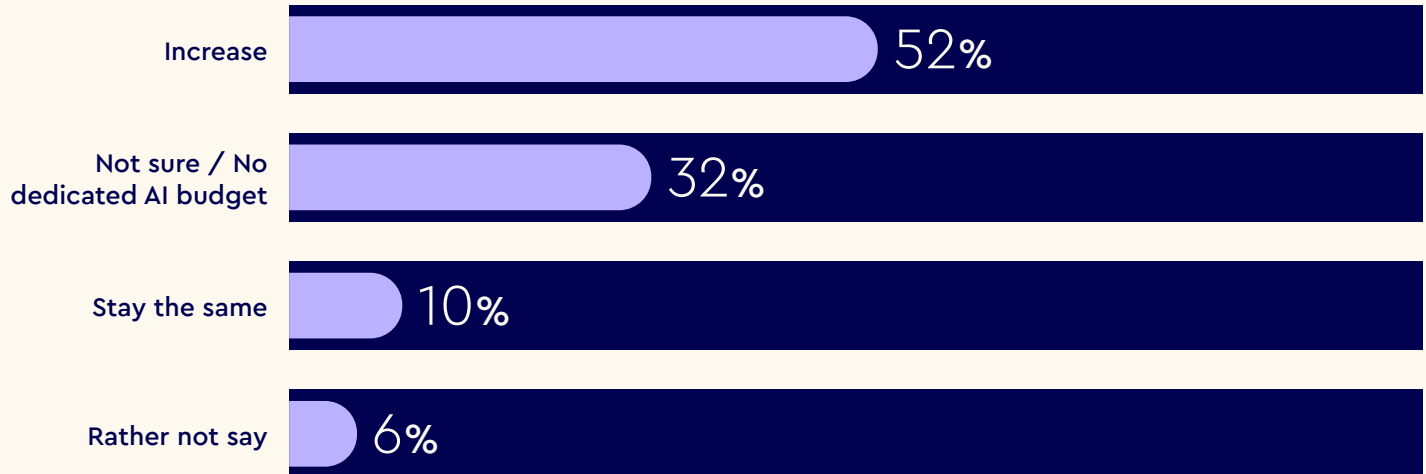


Diagram 2: Validify: expected AI budget direction in 2026

WPP Enterprise Solutions' Digital Transformation report shows the same momentum. In 2025, 60% of business respondents identified AI as a key area of focus for digital transformation, while 77% of those involved in transformation said the emergence of AI had forced them to revisit or review their transformation plans. Yet 41% of employees remain unconvinced of their ability to integrate AI successfully into their workflows.

The risk is not moving too slowly. It is spending faster than the organisation can absorb, govern and measure.

For leadership teams, the implication is clear: approving more AI initiatives is not, in itself, progress. The priority is to close the readiness gap by strengthening data, capability, governance and measurement alongside investment. Ultimately, long-term competitive advantage won't belong to the fastest adopters, but to those who ensure their business is truly prepared to adopt and embed and create value from the technology.

SECTION 2: STRATEGY AND GOVERNANCE NEED TO COME BEFORE SCALE

Retail AI investment is increasingly moving ahead of the roadmap that should guide it, unsupported by a clear and measurable strategy.

Validify's research indicates that **only 17.5% of respondents have a defined AI strategy or governance framework**. 36.5% are in the process of developing theirs, while 38.1% have no formal strategy but are exploring opportunities and 7.9% have no strategy currently planned.

AI STRATEGY AND GOVERNANCE

Does the organisation have a defined AI strategy or governance framework?

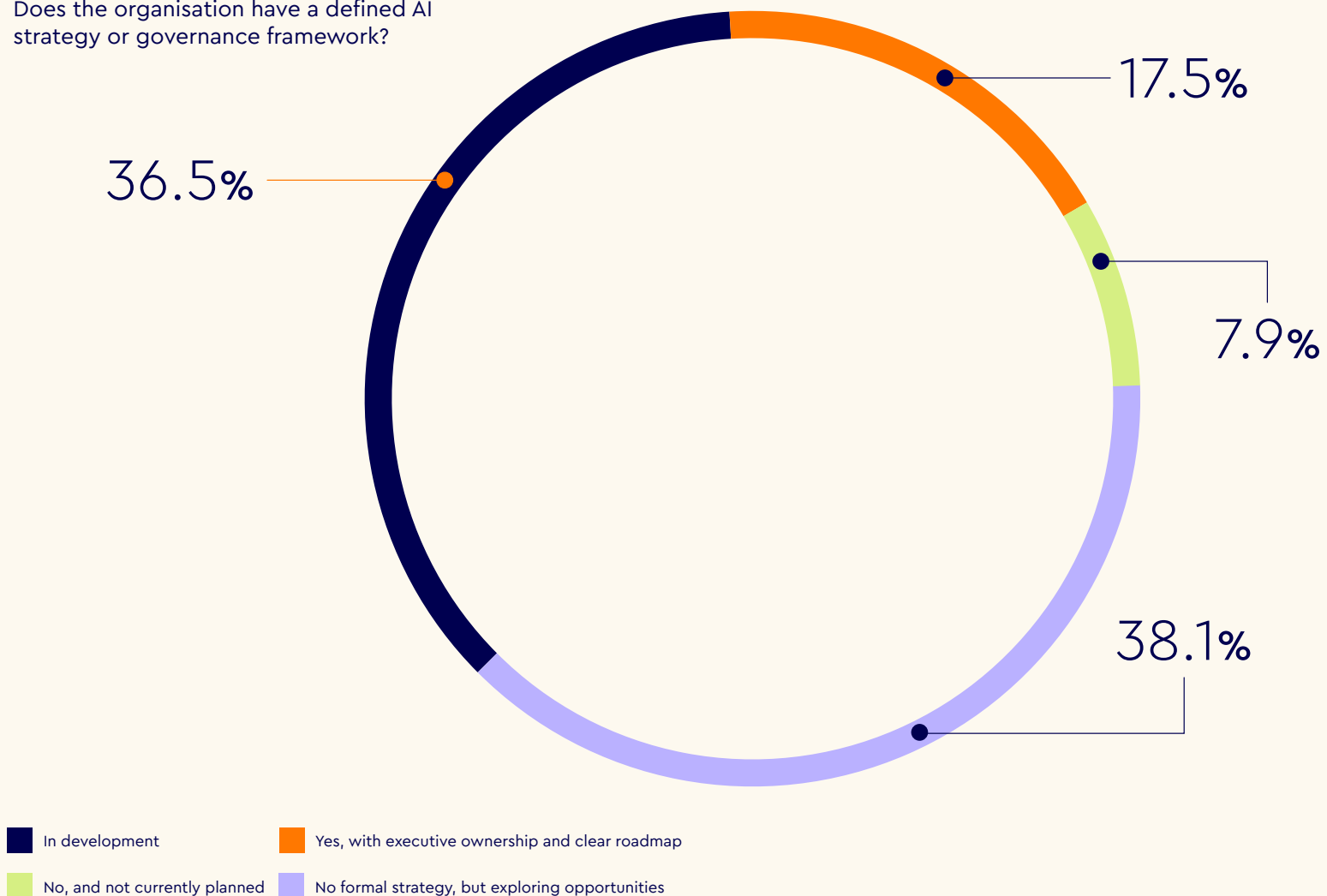


Diagram 3: Validify: AI strategy and governance

WPP Enterprise Solutions' wider transformation research identifies a similar worrying pattern: 64% of those involved in transformation said projects had started without a clear roadmap or end goal, while 65% said senior leadership can lose focus because of the complexity and timescales involved.

That second finding matters. Establishing a strategy is not enough if leadership attention drifts once implementation becomes difficult. AI programmes need sustained sponsorship and clear ownership as they move from experimentation into operational change. Without this, AI activity can easily become a collection of pilots, tools and local experiments with no shared definition of success, leaving governance reactive rather than designed in from the start.

Operating without a clear governance framework isn't just inefficient; it creates a fragmented environment where resources are misallocated, and long-term goals become obscured by short-term experimentation.

The practical requirement is clarity: what problem is being solved, who owns the outcome, what data and systems are involved, how risk will be managed, how success will be measured and what conditions need to be met before an initiative is scaled.

Regulatory exposure also makes governance increasingly important. As AI adoption accelerates, retailers need to understand the regulatory and consumer-protection implications of deploying AI across customer-facing and operational environments. The EU AI Act, Digital Services Act and evolving consumer protection requirements all increase the importance of having clear governance in place from the outset.



SECTION 3: BUILD FOR THE CUSTOMER – AND FOR THE SYSTEMS INFLUENCING THE CUSTOMER

AI transformation should not become an inward-looking efficiency exercise. Customer value remains the test of whether change is commercially worthwhile.

WPP Enterprise Solutions' research reveals that 68% of people involved in transformation believe programmes can feel too internally focused, while 78% say transformation projects have not been aligned with customer needs or requirements.

At the same time, the path to purchase is beginning to change. The customer remains human, but AI systems and agents are increasingly influencing what customers discover, consider and ultimately buy.

In an agentic world, the efficiency play and the customer play are beginning to converge. The same structured product data that can make a business more efficient internally is also what makes it readable – and therefore recommendable – to an AI agent externally.

WPP Enterprise Solutions describes this as **two adjacent rails that need to run simultaneously rather than sequentially.**

1. THE HUMAN RAIL:

The experiences, trust, reviews, editorial, creator and brand signals that build preference and ultimately persuade someone to buy.

2. THE BOT RAIL:

The structured product data, feeds, taxonomy, schema and technical infrastructure that make the business discoverable, understandable and recommendable by AI systems.

BUILD FOR THE BOT – BUT DELIGHT THE HUMAN FIRST.

The implication is not that AI should displace every other strategic priority. It is that AI discovery and agentic commerce increasingly need to become part of the same customer strategy rather than being treated as a separate technical project.

SECTION 4: THE FOUNDATIONS ARE BECOMING PART OF THE GROWTH STRATEGY

If retailers are to build for both the human and the systems influencing the human, the underlying foundations become increasingly important. Validify's data shows AI-native search, discovery and conversion as the leading strategic priority for the next 12 months, selected by 67% of respondents. But some of the capabilities required to deliver that ambition sit lower down the list, for instance data readiness and architecture at 44%.

BUSINESS PRIORITIES

Top 15 strategic priorities for the next 12 months – ranked by community prevalence

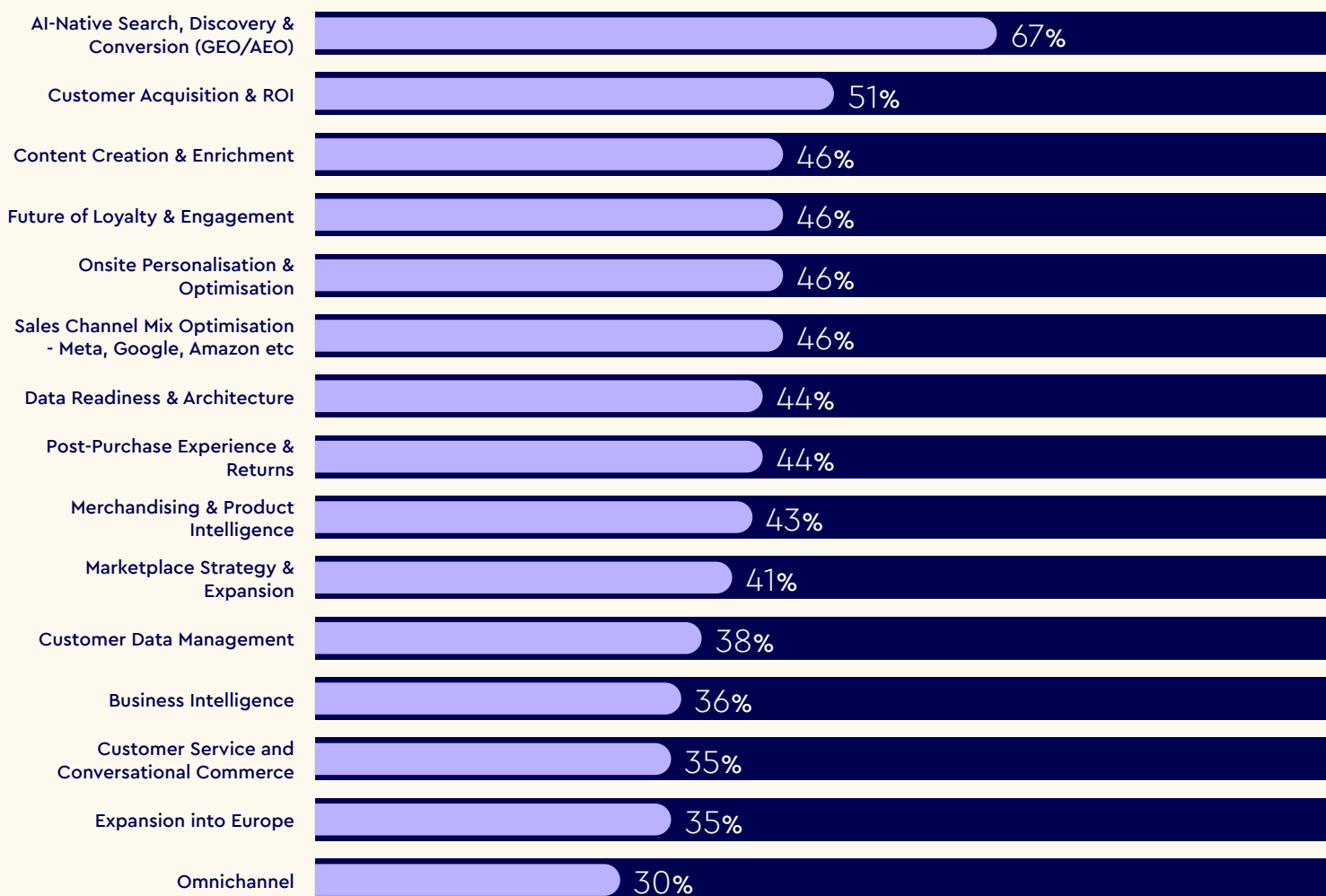


Diagram 4: Validify: strategic priorities for the next 12 months

That ordering exposes a potential mismatch. The visible use cases attracting investment depend on less visible foundations: structured data, usable product information, integration, governance and architecture.

WPP Enterprise Solutions' research reinforces this concern. It finds that 59% of people believe their organisation's data practices are not mature enough to support advanced digital technologies, 58% say they lack the necessary data governance frameworks to accelerate transformation safely, and 68% say legacy systems and technologies hinder their ability to transform.

This matters particularly as AI systems become more influential in search and commerce. If product and business information cannot be reliably interpreted by those systems, discoverability and recommendation can suffer – regardless of the quality of the customer-facing experience.

The influence of AI may also be greater than conventional attribution suggests. An AI assistant might research the options, build the shortlist and influence the decision, while the customer still completes the purchase through a retailer's website or another traditional channel. The transaction may therefore look conventional even when AI has played an important role in determining what was considered in the first place.

WPP Enterprise Solutions' research illustrates this emerging attribution challenge. While AI currently appears in only a relatively small proportion of commerce journeys, its analysis suggests that much of the purchasing activity it influences ultimately converts through traditional channels. **For retailers, the important question is therefore not simply how many transactions can currently be attributed directly to AI, but how much influence AI is beginning to exert over discovery and consideration.**

That influence becomes particularly important when the size of the consideration set is taken into account. **Every previous expansion of commerce made the shelf bigger:** a physical store might carry hundreds of products, while the digital shelf can carry hundreds of thousands. An AI agent may return only a handful.

That changes the consequences of being understood – or misunderstood – by the systems making those recommendations. WPP Enterprise Solutions describes the effect simply: the agent's shelf is radically smaller. Being accurately represented, interpreted and considered by AI systems therefore matters even before agent-led purchasing becomes mainstream.

There is evidence that getting these foundations right can have a direct commercial impact. In one example cited by WPP Enterprise Solutions, 77 product pages were rewritten for a global consumer electronics brand selling direct-to-consumer on Amazon. This meant that Amazon's AI shopping assistant could better read and evaluate them. With no change to photography, pricing or media spend, sales reportedly increased by 84% and conversion by 87%.

Increasingly, the foundations are not separate from the growth strategy. They are part of it.

SECTION 5: AI ADOPTION IS A PEOPLE AND OPERATING MODEL CHALLENGE

Technology can be purchased quickly. Organisational capability cannot.

Validify's research identifies a lack of internal skills and expertise as the leading implementation barrier, cited by 48% of respondents. Legacy integration challenges follow at 41%, unclear ROI or business case at 40%, and poor data quality or availability at 29%.

PRIMARY IMPLEMENTATION BARRIERS

What are the biggest barriers to AI adoption within the business?

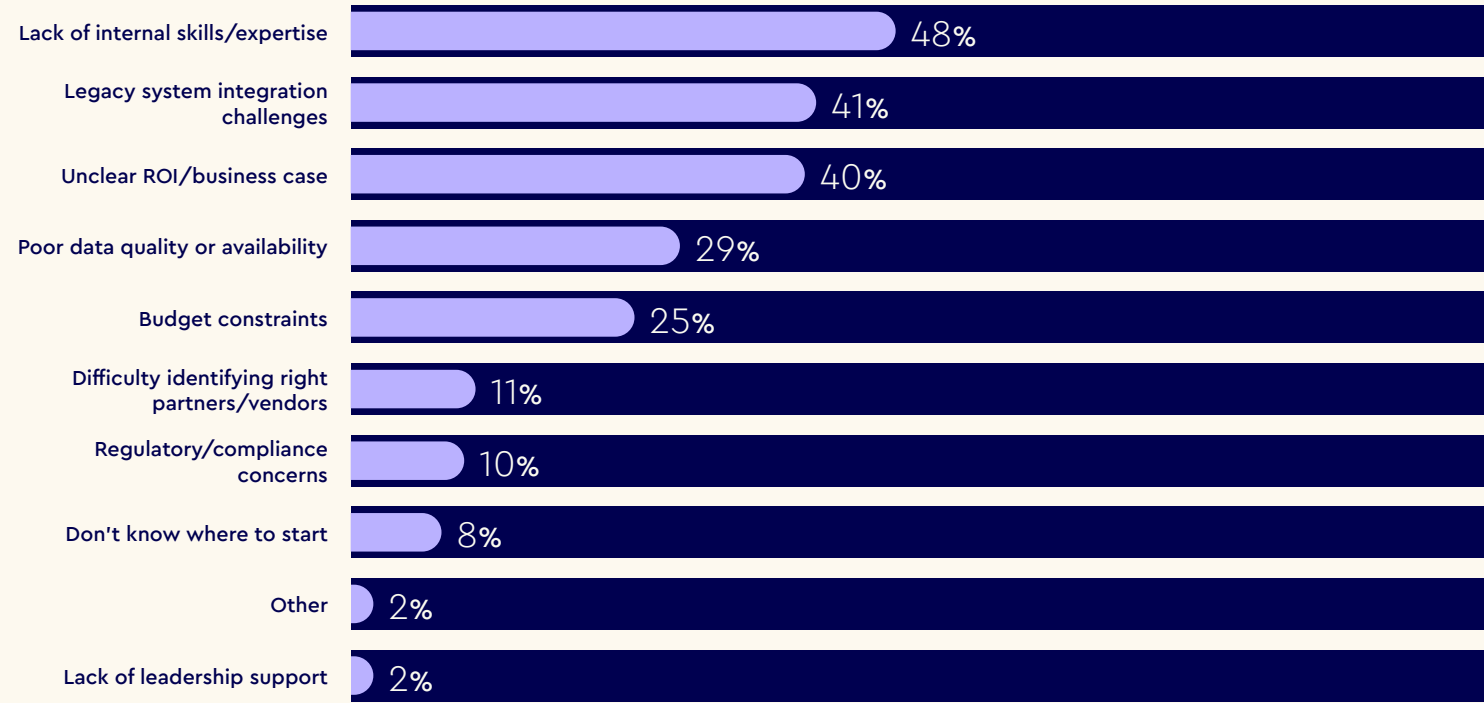


Diagram 5: Validify: Primary Implementation barriers

Capability development is also often informal. 44% of Validify respondents rely on ad-hoc learning, while only 3% report having a comprehensive training programme in place.

TEAM CAPABILITY & UPSKILLING

How would you describe the organisation's current approach to AI team capability?

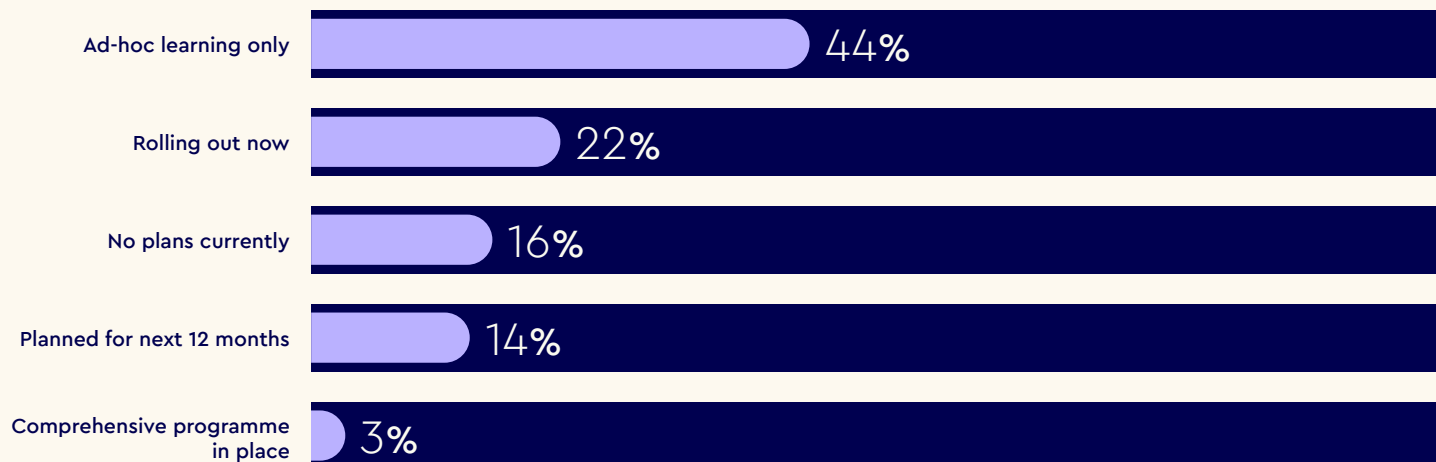


Diagram 6: Validify: current approach to AI team capability

Combining these findings with WPP's research reveals an important perception gap between leadership and the people expected to implement AI day to day. WPP's research finds that 85% of business owners see AI as beneficial, compared with 51% of entry-level employees. Similarly, 42% of C-level executives say they understand AI, compared with just 13% of entry-level staff.

There is also a significant divide in perceptions of training: 74% of business owners believe they are providing adequate training, while only 27% of entry-level employees agree.

But the challenge goes beyond training. WPP Enterprise Solutions' research finds that 74% of those involved in digital transformation say project failure is often a consequence of insufficient change management around people, while 83% agree that digital transformation is as much about people as it is about technology.

Taken together, the evidence points to a broader organisational challenge. Leadership expectations, budgets and timescales need to reflect the realities of implementation, while employees need the skills, confidence and clear parameters to use AI effectively and safely. **Change management therefore needs to be treated as part of AI implementation, not as something that follows it.**

At the same time, employees are not waiting for formal capability programmes to catch up. WPP Enterprise Solutions' research finds that 35% of respondents have personally built an agent or automation. Grassroots adoption is already happening, creating both opportunity and risk.

The challenge for leaders is not to suppress that experimentation, but to harness it safely. Approved environments, clear policies and appropriate safeguards can help organisations capture the speed and creativity of self-directed experimentation without allowing useful innovation to become unmanaged exposure.

SECTION 6: BUILD THE RIGHT MIX OF INTERNAL CAPABILITY AND EXTERNAL EXPERTISE

Which capabilities should be owned, which can be bought, and where can specialist expertise accelerate progress without weakening internal understanding?

Validify's data shows no single dominant adoption model. 30.2% expect to partner with a vendor or agency, 20.6% plan to rely on off-the-shelf software, 20.6% intend to build internally and 28.6% remain unsure.

AI ADOPTION APPROACH

How retailers plan to adopt AI – build internally, buy off-the-shelf, or partner?

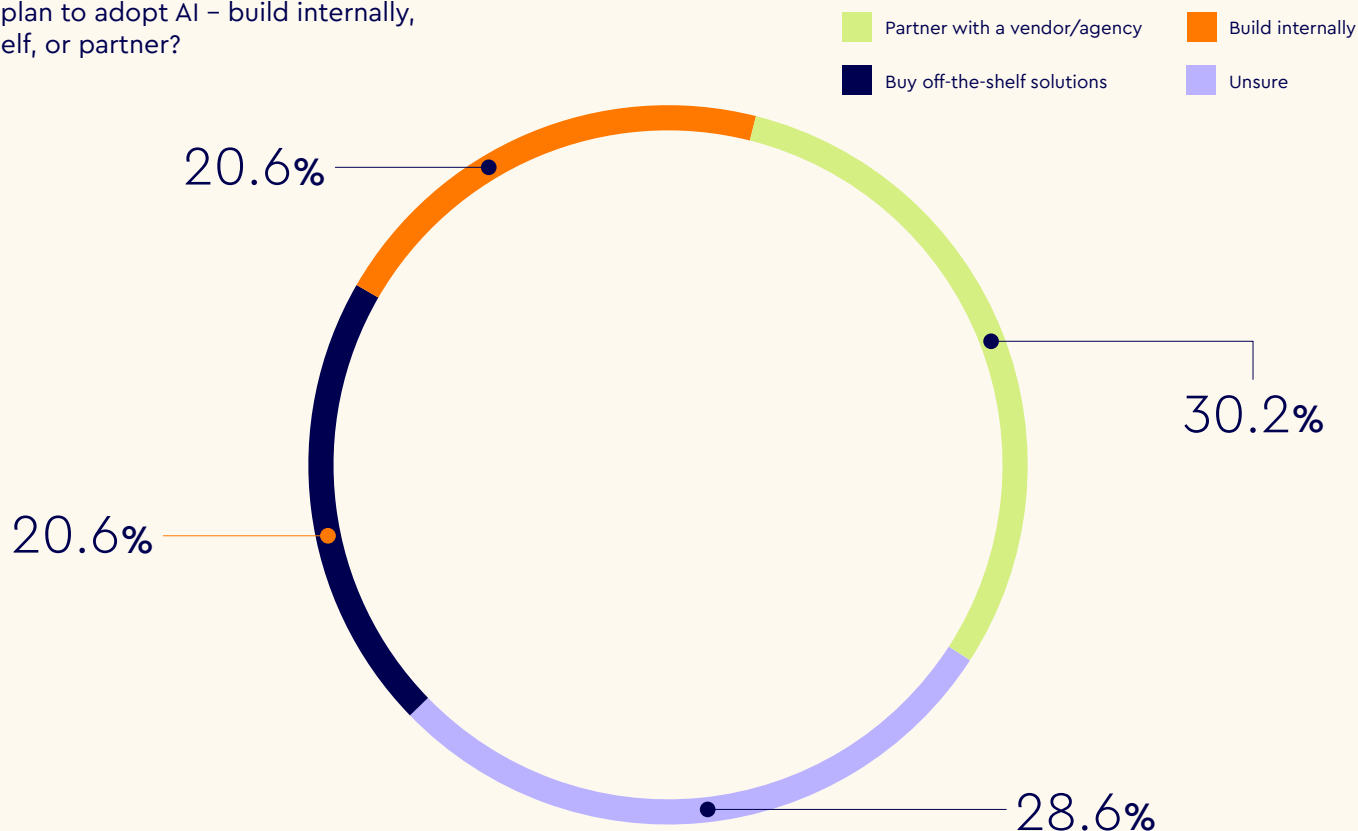


Diagram 7: Validify: planned AI adoption approach

As presented on the following page, WPP Enterprise Solutions' transformation research adds another dimension, showing significant reliance on external partners, with AI skills the most frequently cited requirement from third parties, followed by software development, cloud expertise, innovation and data capabilities.

WHAT SKILLS AND UNDERSTANDING DO YOUR THIRD PARTIES NEED?

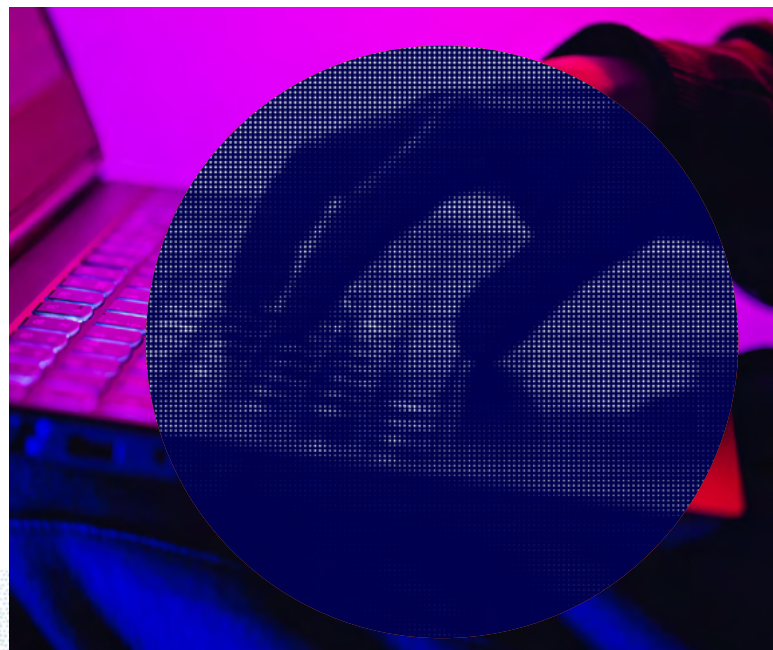
AI skills	42%
Software development capabilities	34%
Cloud computing expertise	34%
Innovation and emerging technology capabilities	32%
Data and analytics – data warehousing, business intelligence	32%
Deep understanding of cybersecurity	29%
Project management capabilities	29%
The ability to programme manage large projects	28%
Evidence of delivery of digital transformation projects in the past including case studies	28%
Network infrastructure capabilities – designing, implementing and managing	28%
Particular industry knowledge	25%
Change management expertise	25%
Strategic business consultancy skills	25%
A clear view of what the future looks like	25%
Creativity	24%
Agile project methodologies	23%
Business process engineering	22%
Relationship management	20%
Strong financials	19%
Off-shore capabilities to reduce cost	16%

Expecting internal teams to become expert in every aspect of AI while continuing to deliver their core roles is neither realistic nor necessarily desirable. AI is also developing quickly, making it difficult for organisations to build and maintain every specialist capability internally.

The strategic question is therefore not simply whether to build, buy or partner, but which capabilities the organisation needs to own.

Internal teams need sufficient capability to set direction, own business logic, govern risk and evaluate outcomes. External specialists can then be used selectively where deeper technical expertise, additional scale or greater speed is required.

As agentic commerce develops, that decision may become more complex. The requirements increasingly cut across brand, content, product data, technology and customer experience. Retailers should therefore consider not only whether a partner has the necessary specialist expertise, but whether it can connect effectively with the other capabilities involved rather than optimising one part in isolation.



VML Enterprise Solutions Unlocking the Power of Digital Transformation Report (2025)

CONCLUSION: MOVE FROM EXPERIMENTATION TO READINESS

Retail AI adoption is entering a more demanding phase. Interest is high, budgets are rising and the range of possible use cases continues to expand. But the organisations most likely to create sustainable value will not simply be those that adopt fastest.

They will be the organisations that connect ambition with readiness: bridging the gap between executive optimism and operational reality, setting a clear strategy, governing experimentation, strengthening data and technology foundations, building internal capability and keeping customer value at the centre.

That does not mean waiting until every condition is perfect. It means scaling deliberately: knowing what problem is being solved, understanding the dependencies, putting the right controls around the work and measuring whether it is creating value.

- 1. Build the roadmap before scaling spend:** Define the business problem, ownership, governance and measures of success before fragmented experimentation turns into fragmented investment.
- 2. Treat data and architecture as growth infrastructure:** Strengthen product data, system integration, taxonomy, governance and machine readability alongside the AI use cases they enable.
- 3. Anchor AI in customer value – and remember there are now two customers:** Test initiatives against outcomes that matter to customers, while ensuring the data and information AI systems use to discover, interpret and recommend the business is accurate and accessible.
- 4. Invest in capability and change:** Treat capability development as a core business discipline; move beyond reliance on ad-hoc learning towards structured enablement, clear policies and leadership alignment around what successful implementation actually requires.
- 5. Decide what to own and where to partner:** Avoid the operational bottleneck of trying to build every capability in-house; build sufficient internal capability to set direction and govern outcomes, and use specialist external expertise where it reduces risk, fills a genuine capability gap or accelerates value.
- 6. Measure what the agent sees:** As AI-mediated journeys develop, traditional performance measures may not reveal how a brand is performing within them. Traditional dashboards will not show you agentic performance: traffic and revenue can look healthy while an agent quietly routes around you. Therefore, establish how your brand and products appear, are interpreted, cited and recommended by AI systems, and track this alongside existing search, traffic and revenue measures. You cannot fix what you cannot see.

● ***The opportunity is not to slow AI adoption down, but to make readiness move at the same pace as ambition.***

ABOUT VALIDIFY

Validify helps retailers and consumer brands make better technology investment decisions. We bring together current retail intelligence, proprietary technology matching, expert judgement and direct insight from the people choosing and implementing technology in the real world.

Retail intelligence

Our Intelligence Hub brings together research with retailers, expert perspectives and insight from across the market. It helps leaders understand what other businesses are prioritising, where plans are getting stuck and what's working in practice.

Technology matching

When a retailer or consumer brand is looking for technology, we start with a conversation. We often already know the people and their business through our community, which helps us understand the problem they need to solve, not just what appears in a brief.

Our proprietary matching engine, combined with expert judgement, uses that context alongside their retail subsector, scale and complexity, budget and timing, existing technology and relevant experience. The result is a smaller, more relevant group of potential partners, with a clear reason for each match.

Community

Our community is a big part of Validify. Through a trusted, invite-only network and carefully curated VIP events, senior leaders can enjoy time together, share practical experience, compare thinking and build relationships.

The direct, candid conversations between members offer an honest view of the decisions retailers face and what it takes to make technology work inside different organisations. They also keep our intelligence grounded in what is happening in the real world.

For technology partners

We give technology partners a clearer understanding of what retailers care about and where their offer is genuinely relevant. This creates better-qualified conversations and introductions based on fit, expertise and a real business need.

For more information, visit www.validify.tech and follow [ValidifyCommunity](#) on LinkedIn.

ABOUT WPP ENTERPRISE SOLUTIONS

WPP Enterprise Solutions designs, builds, and operates the growth systems that competitive businesses rely on. In a world where AI is reshaping how companies drive growth, we lead clients in business transformation and marketing modernization, connecting strategy directly to execution. Our 12,000 experts in engineering and platforms, commerce, consulting, content transformation, CRM, and CX, work within a unified global operating unit across 40+ markets. WPP Enterprise Solutions works alongside best-in-class partners including Adobe, AWS, Braze, Google, Microsoft, Salesforce, and Shopify, as well as innovators in AI, to deliver growth solutions tailored to the needs of our clients' businesses. We have received distinction as a leader in Commerce Services and CX Strategy Consulting by the Forrester Wave™ reports and are designated by Gartner's Magic Quadrant™ as a Visionary in Digital Experience Services.

WPP Enterprise Solutions is the business transformation unit of WPP, the trusted growth partner for the world's leading brands. Powered by exceptional talent and its agentic marketing platform WPP Open, WPP unites cutting-edge media intelligence and data solutions, creativity, production, enterprise solutions and expert strategic counsel.

For more information, visit enterprisesolutions.wpp.com and follow on [LinkedIn](#).