



# 2025 Retail CFO Outlook Survey

## AI-Driven Revenue and Resilient Supply Chains

MARCH 2025



# With You Today



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# Our Agenda Today

- 1 Closing the Profitability Gap
- 2 Building Supply Chain Resilience
- 3 Future-Proofing Through Technology
- 4 2025 Retail Outlook
- 5 Q&A



# What is the CFO Outlook Survey?

The *CFO Outlook Survey* is an annual report series that uses a 3rd party market research firm to collect the perspectives of CFOs on their top challenges and priorities for the coming year.

The 2025 Retail CFO Outlook Survey polled 100 Retail CFOs with revenues ranging from \$350 million to over \$3 billion in November 2024 **after** the U.S. presidential election. The survey was conducted by Rabin Roberts Research Company, an independent marketing research firm, using Slice MR's panel of executives.

[READ THE REPORT ▶](#)



# Closing the Profitability Gap

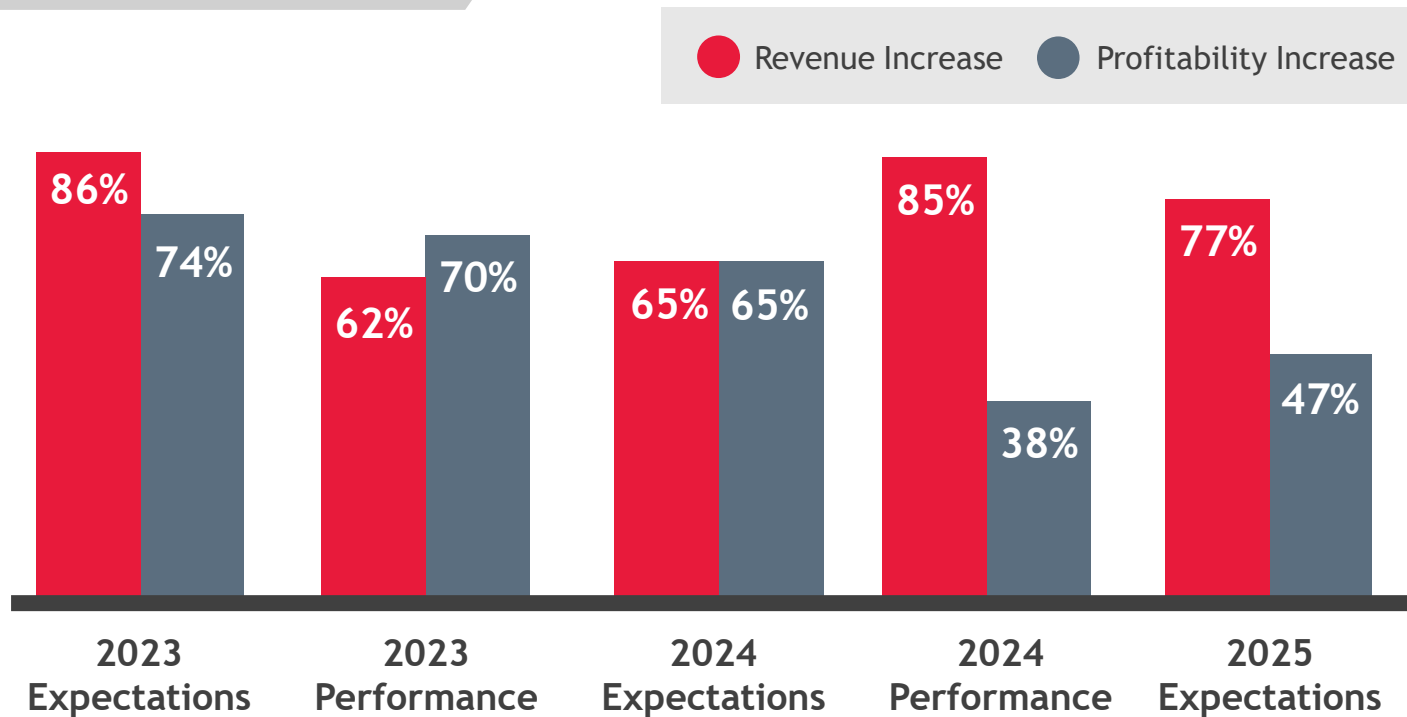
Michele Michaelis



# Closing the Profitability Gap

POSITIVE RETAIL SENTIMENT IN 2025

## Financial Performance



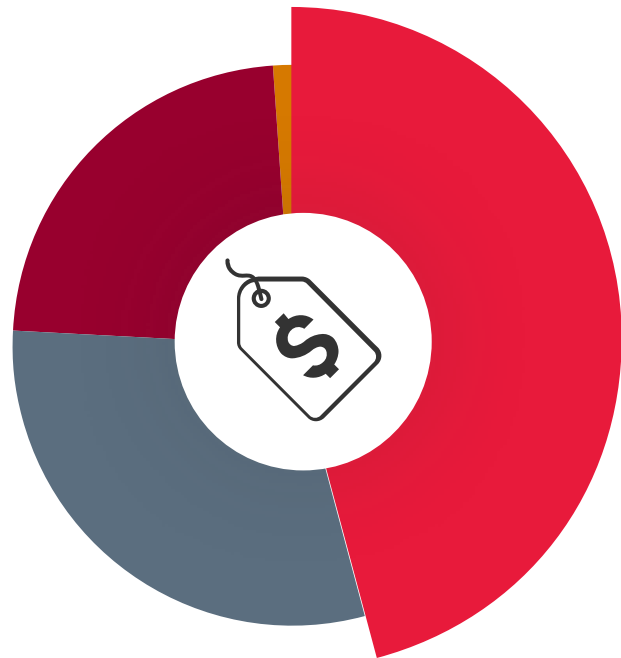
Source: 2025 Retail CFO Outlook Survey

- ▶ Retailers are optimistic about consumer spending driving revenue growth.
- ▶ However, there are tempered expectations as it relates to profitability.

# Closing the Profitability Gap

POSITIVE RETAIL SENTIMENT IN 2025

## 2025 Pricing Strategy



**46%** | Already raised prices significantly and are not planning any more increases

**30%** | Already raised prices slightly and are not planning and more increases

**23%** | Planning slight pricing increases

**10%** | Planning significant price increases

- ▶ Only 33% plan to raise prices, a significant decrease from last year's 70%.
- ▶ Focus on SKU strategies and realistic pricing to align with consumer spending patterns.

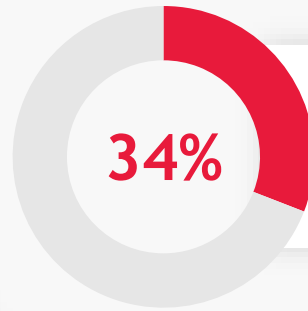
Source: 2025 Retail CFO Outlook Survey



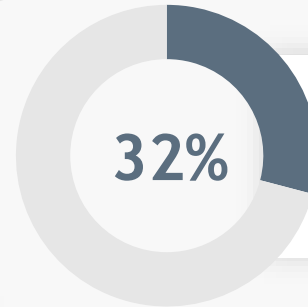
# CLOSING THE PROFITABILITY GAP

## Strategic Real Estate and Debt Management

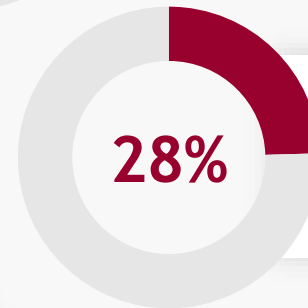
- ▶ Over a **third** of retailers are analyzing store locations to be closer to target customers.
- ▶ More net store openings than closings are expected, indicating sustainable growth.
  - This is the **opposite** of 2024 survey findings which had more store closings than openings for the first time in 2 years.
- ▶ **75%** plan to increase debt in 2025 to support acquisitions, inventory realignment, and technology expansion.



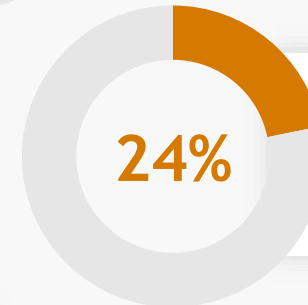
Reassessing store locations and regions to be closer to target customers



Opening stores due to acquisition or as part of a growth strategy



Closing stores due to distress, bankruptcy, or to optimize our footprint



Experimenting with new or small-store formats





## CLOSING THE PROFITABILITY GAP

# Increased Dealmaking and Profitability Focus

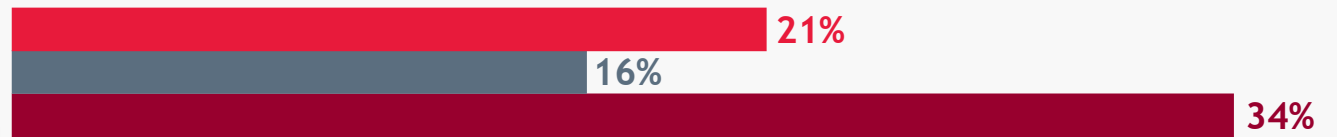
- ▶ 70% of retailers plan to pursue deals in 2025, up from 56% last year
- ▶ Less than 10% of retailers seeking alternative forms of investment
- ▶ Emphasis on enhancing resilience through strategic partnerships and acquisitions



### Enterprise Sales to a Strategic Buyer



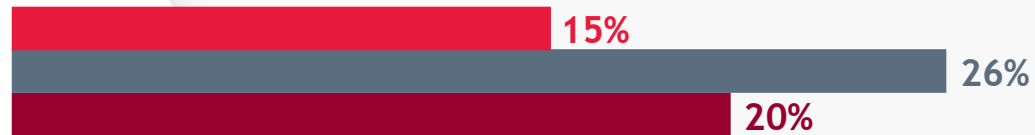
### Joint Venture or Alliance



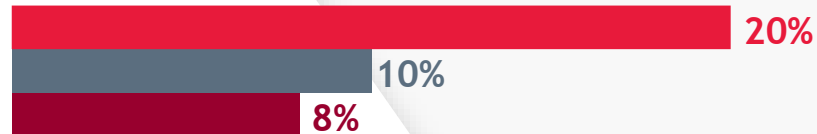
### Carve-Out or Divestiture



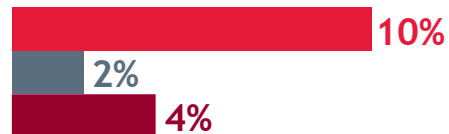
### M&A (Buy-Side)



### PE or VC Investment



### IPO



● 2023 ● 2024 ● 2025

# Question

**What do you anticipate will be your biggest obstacle to profitability in 2025?**

(SELECT 1)

- A** High operational costs
- B** Customers' price expectations
- C** Tariffs and/or supply chain disruptions
- D** Challenges with inventory eating into margins
- E** Lack of efficiency due to outdated technology

# Building Supply Chain Resilience

Ashley Hetrick

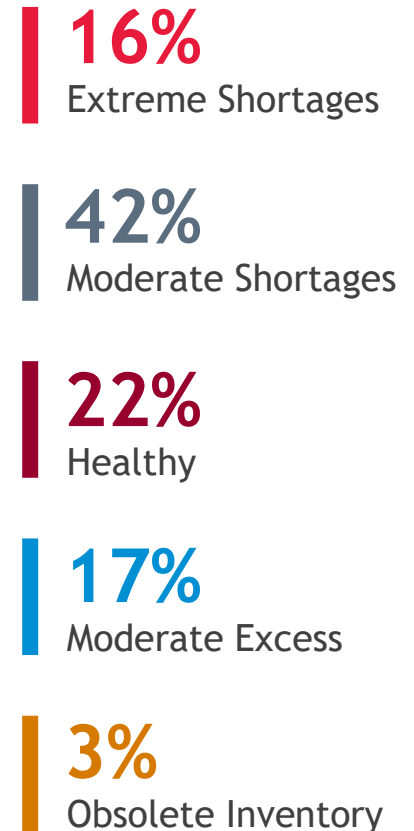
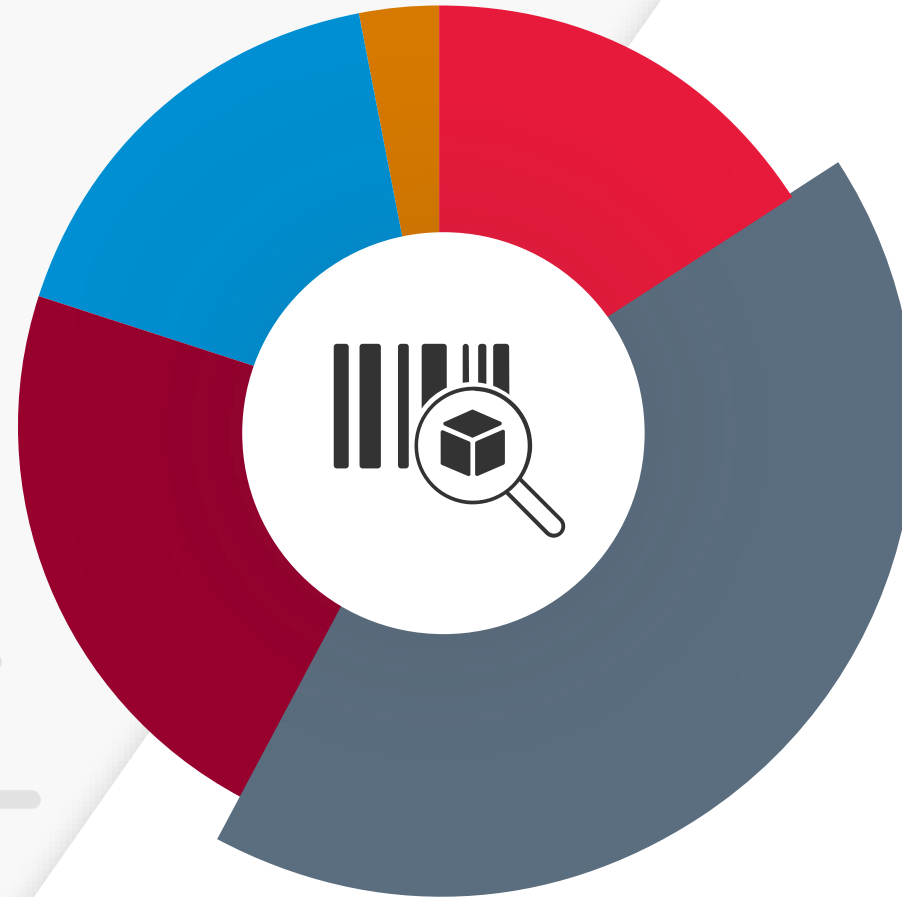


## Inventory Health and AI Integration

- ▶ **78%** of retailers report inventory issues, meaning there will be a heightened focus in 2025 on achieving the right product mix
- ▶ AI insights and supply chain technology enhancements are **key priorities**



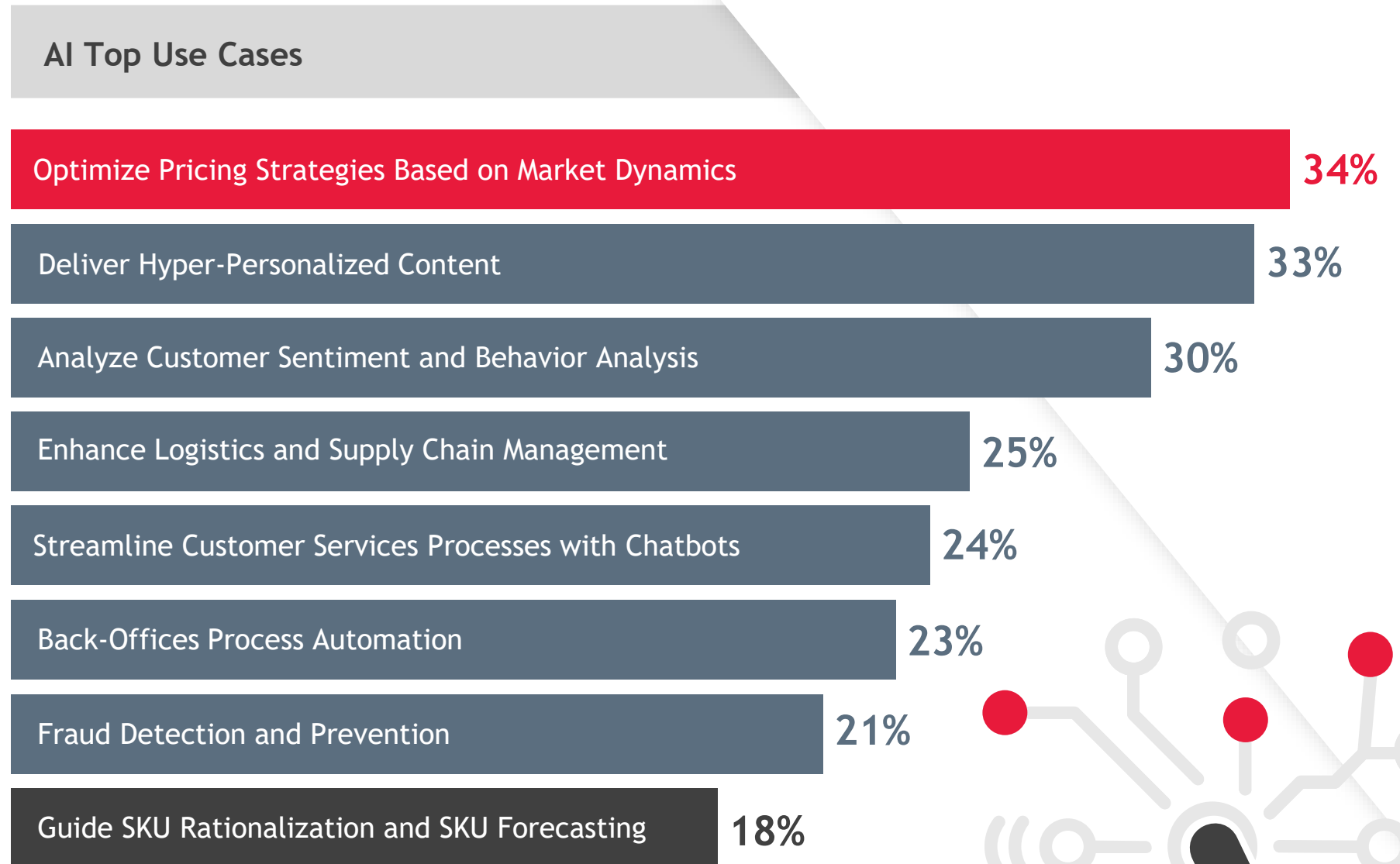
### Inventory Health



## BUILDING SUPPLY CHAIN RESILIENCE

# SKU Strategy and AI Applications

- ▶ 46% plan to shift their SKU and inventory strategies in 2025
- ▶ AI is **underutilized** in SKU management, presenting an opportunity for efficiency gains



Source: 2025 Retail CFO Outlook Survey

## BUILDING SUPPLY CHAIN RESILIENCE

# Investing in Supply Chain Technologies

- ▶ Retailers plan to increase spending on AI, predictive risk assessment, and supply chain traceability
- ▶ Advanced technologies like digital twins and robotics are part of future deployment plans to aid in managing disruptions

### Top Focus Areas for Supply Chain Resilience



**57%**

Predictive Risk Monitoring



**55%**

Compliance Automation



**44%**

Supply Chain Traceability and Mapping Technology



**39%**

Demand Planning and Forecasting Tools



**31%**

Sustainable Supply Chain Management



**19%**

Climate Change Mitigation



# Question

**What supply chain technology are you currently prioritizing implementation of?**

(SELECT 1)

- A** RFID tags or IoT sensors
- B** AI and machine learning
- C** Robotics and automation
- D** Virtual or Augmented Reality
- E** We are not currently using any of these technologies



# Future-Proofing Through Technology

Shauna Wager

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## FUTURE-PROOFING THROUGH TECHNOLOGY

# Leveraging Customer Data for Business Decisions

### Plans to Use Customer Data

- ▶ Retailers plan to use customer data beyond marketing, focusing on inventory decisions
- ▶ By having inventory that customers want, when they want it, they increase their chances of repeat purchases
- ▶ With projected downward pressure on brick & mortar, retailers need to continue pivoting those alternative channels



**48%**

Better Predict, Align, and Manage Customer Demand to Inform Inventory Decisions



**29%**

Promote Interconnectivity via Loyalty App, In-Store, and Online Shopping Experience



**27%**

Make Real-Time Recommendations to Customers



**24%**

Use to Engage in Hyper-Personalization of Marketing Materials to Customers



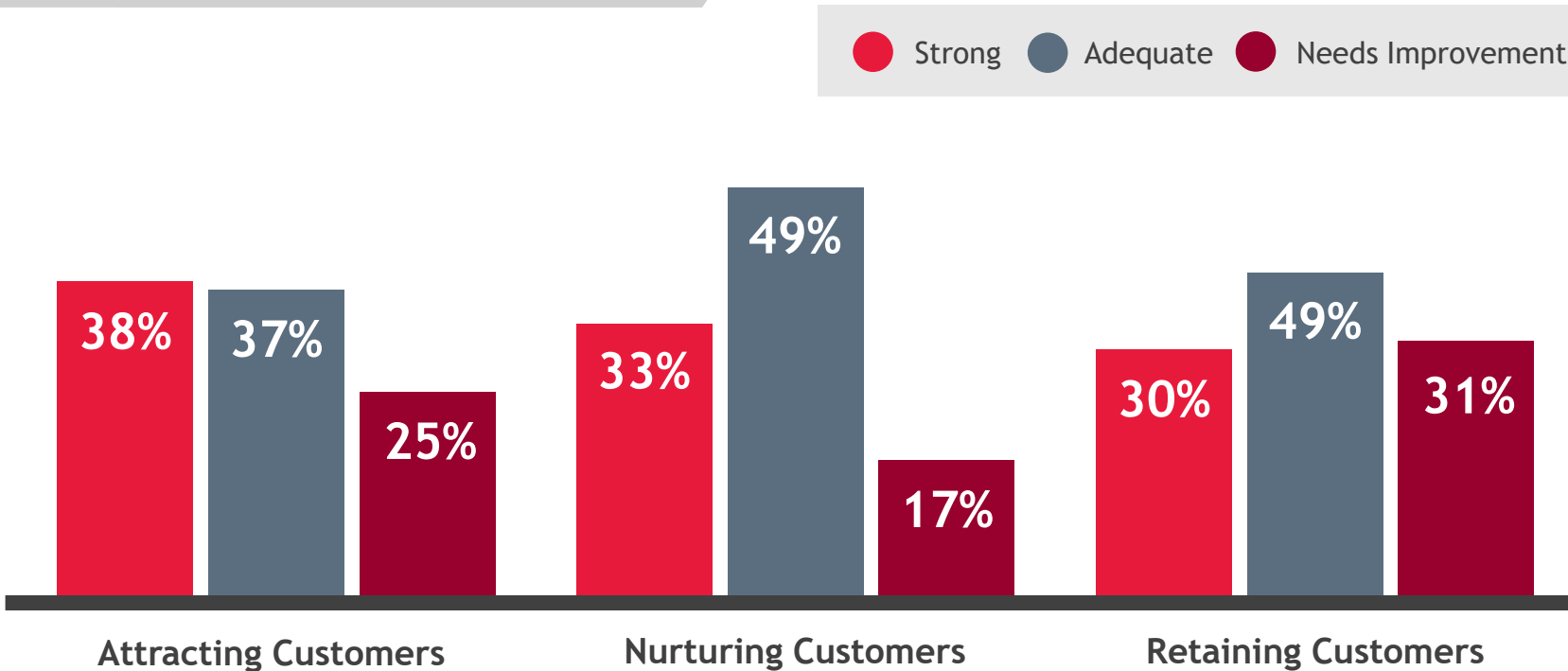
**21%**

Cultivate a More Tailored Product Mix

# FUTURE-PROOFING THROUGH TECHNOLOGY

## Demand Generation Strategy

### Demand-Generation Capabilities



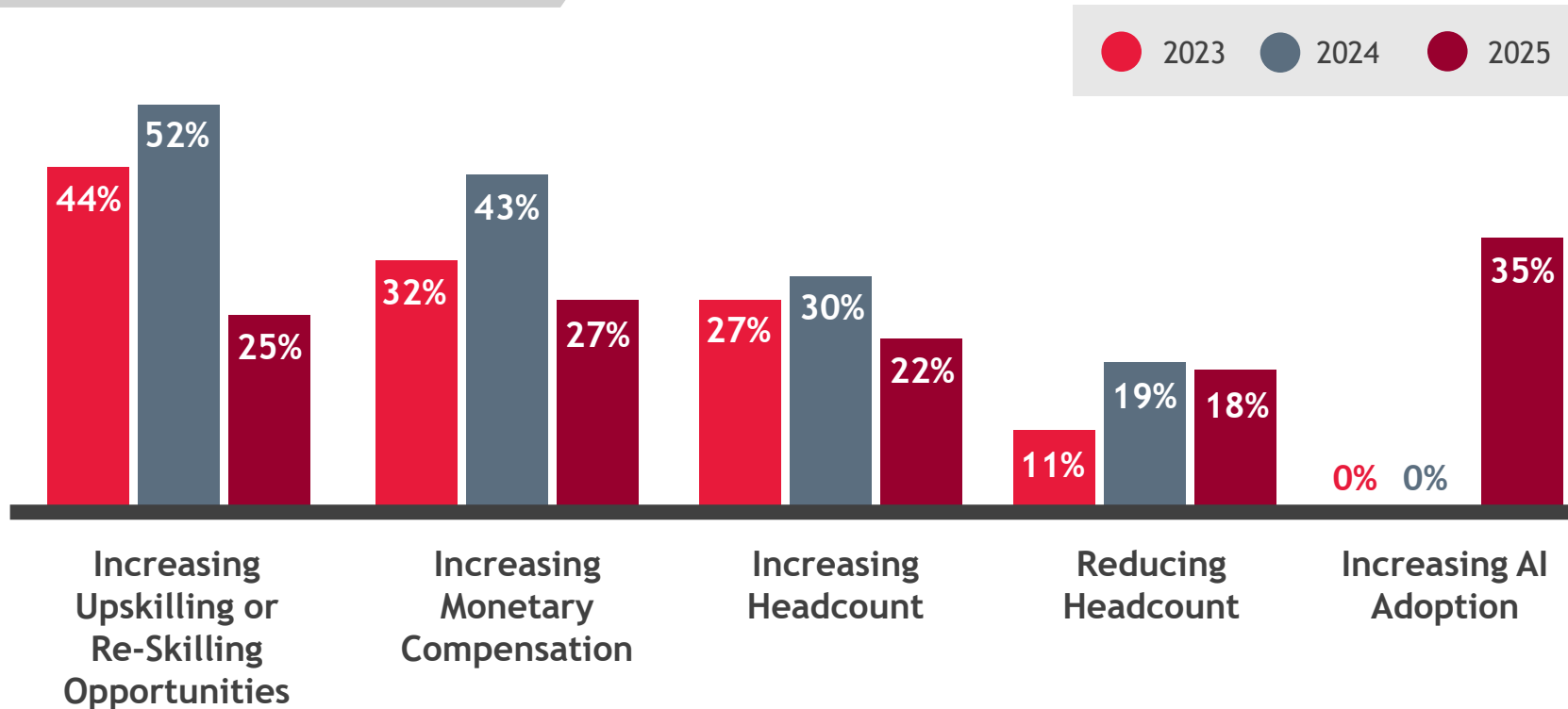
Source: 2025 Retail CFO Outlook Survey

- ▶ 75% report strong or adequate demand generation strategies
- ▶ This highlights the importance of prioritizing customer-preferred channels (meet them where they are at) and a need for a deeper evaluation of demand-generation assumptions

# FUTURE-PROOFING THROUGH TECHNOLOGY

## Demand Generation Strategy

### 2025 Workforce Strategies



Source: 2025 Retail CFO Outlook Survey

- ▶ Retailers need to recruit staff with technical skills or upskill current employees to better leverage data and technology
- ▶ AI and technology can aid in advanced data analysis for customer engagement and should supplement human expertise

# Question

**Which factor presents the largest challenge to retaining customers?**

(SELECT 1)

- A** Failure to personalize
- B** Inconsistent omnichannel experience
- C** Poor inventory management
- D** Slow to adapt to changing consumer trends
- E** No loyalty program

# 2025 Retail Outlook

Natalie Kotlyar

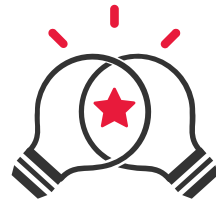


# 2025 Retail Outlook

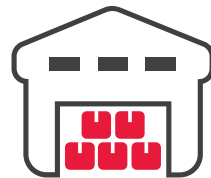
NAVIGATING THE PATH  
TO STABILIZATION



Focus on **sustainable growth** and **technology-driven customer experiences** over rapid expansion.



Anticipate **acquisitions** and **joint ventures** to enhance capabilities such as enhancing technology for better customer experiences.



Prepare for trade policy changes and focus on improving **inventory management**.



# We're Here to Help

**Would you like to speak to any of our presenters on the content from today's webinar?**

**A**

Yes, I'd like to speak to Michele Michaelis' team on retail profitability and growth plans.

**B**

Yes, I'd like to speak to Ashley Hetrick's team on supply chain strategy and tech implementation.

**C**

Yes, I'd like to speak to Shauna Wager's team on retail digital transformation and enhancing the customer experience.

**D**

No, thank you.

# Questions?



# If You Want to Keep Up on the Rapidly Evolving Retail Marketplace...

Be sure to check out our other great resources:

## Future Proof Retail



An interactive platform exploring the technologies and trends shaping the retail world of tomorrow.

[EXPLORE NOW ▶](#)

## 60-Second Retail Podcast



A weekly podcast designed to keep you in the know on the events and trends impacting your bottom line.

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**Thank You**







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