



“Driving the Retail Transition: From Trends to Action for SMEs”

Thursday 16 April 2026

Local Retail, Global Trends

Presentation of the report and next steps

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Retailers are navigating profound structural transformations

Digitalisation

- Rise of e-commerce
- Omnichannel strategies
- Automation

Sustainability

- Consumer preferences
- Rising energy costs
- Environmental regulations

Consumer behaviour

- Rise of remote and hybrid work
- Reduced footfall in central districts
- Cost-of-living pressures

Demographics

- Aging population
- Shrinking consumer base in small cities and rural areas



... which are reshaping Europe's towns and city centres

- Retail SMEs are critical to urban vitality, but their physical presence is being redefined by **fundamental shifts in how and where people live, work and shop.**
- While some of these forces have increased vacancy rates, they have also sparked a **“proximity economy”** focused on local value chains and community embeddedness.



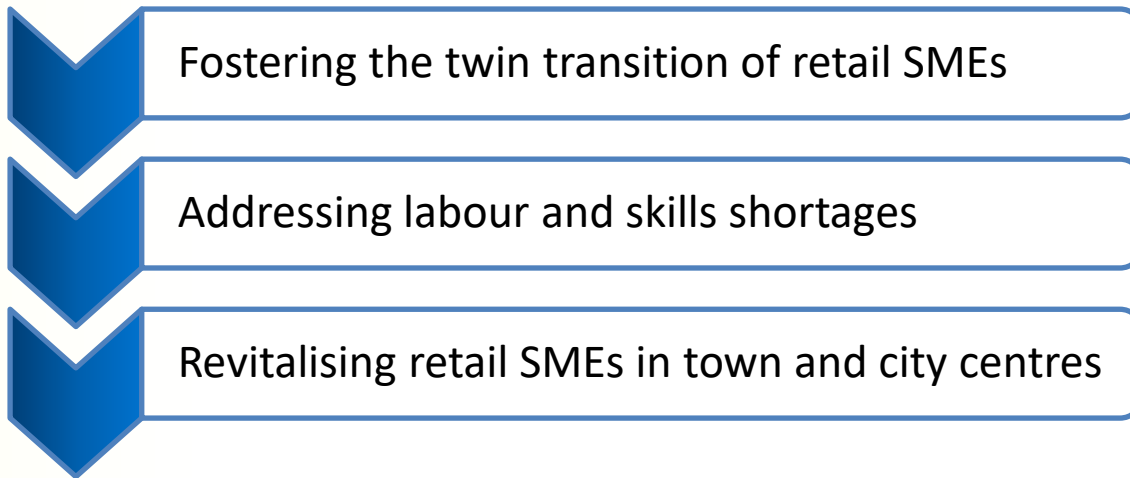
Braga, Portugal



Cork, Ireland



Local Retail, Global Trends



A row of six shopping bags is shown against a teal background. The bags are arranged in a line, receding into the distance. Five of the bags are a light blue color, while the second bag from the left is a bright yellow. All bags have a simple, rectangular shape with a flat bottom and two handles at the top. The lighting is soft, creating subtle shadows on the surface they are resting on.

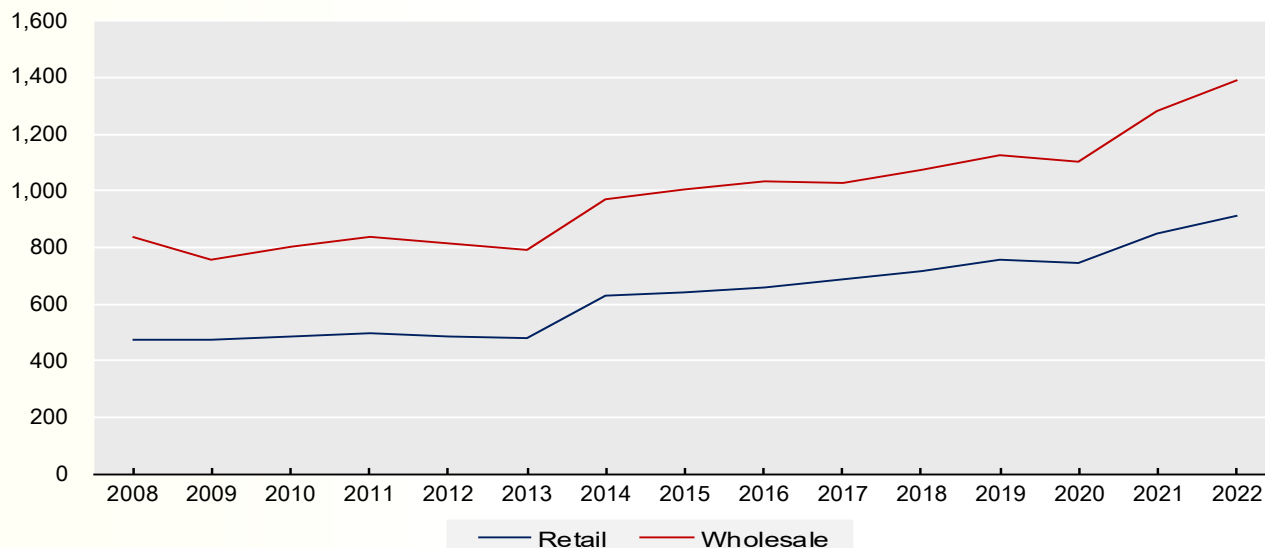
The digital and green transition



SMEs are at the core of an expanding EU retail ecosystem

Wholesale and retail production follow broadly parallel growth trends

Wholesale and retail production (EUR billion) in selected EU countries, 2008-2022



Note: Only 16 countries for which there is consistent data across the whole period of analysis are considered.

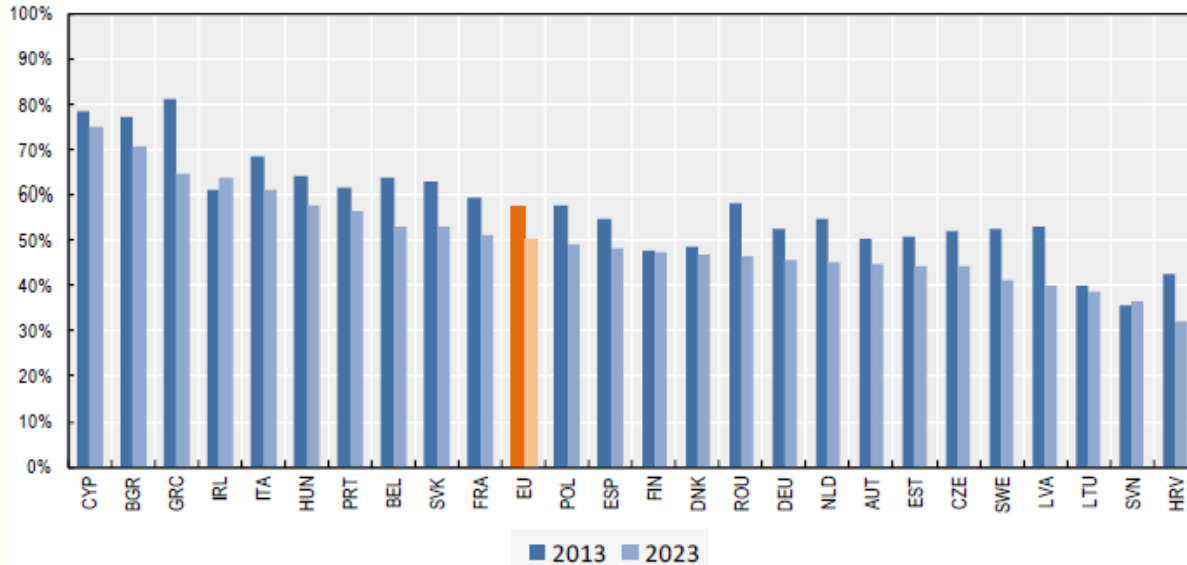
Source: OECD Structural Business Statistics



... but SME shares declined, as market concentration increased

SMEs' share of turnover has declined across almost all EU countries

Retail SMEs' share of total turnover (%), 2013 and 2023



SMEs' share of turnover, value added and employment decreased by 6-7 p.p. over the last decade

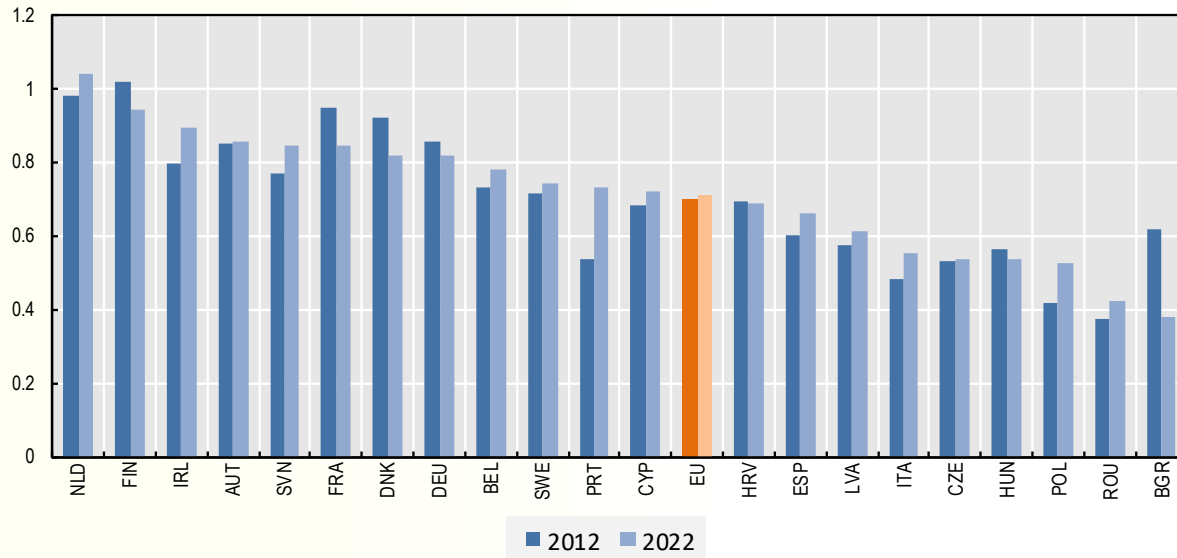
Source: OECD Structural Business Statistics



Productivity gaps persist, though with significant cross-country differences

Retail SMEs are struggling to close the productivity gap with large firms

Ratio of SME labour productivity to large firms in retail, 2012 and 2022



Across the EU, on average, retail SMEs are 70% as productive as large firms

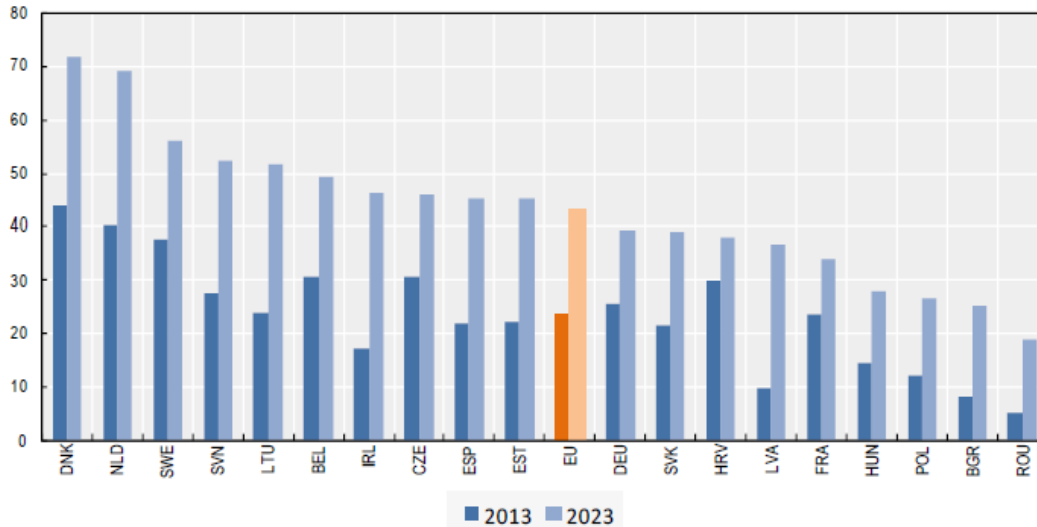
Source: OECD Structural Business Statistics



Digital adoption in retail accelerated, generating large market opportunities

More retailers are launching their own e-commerce websites

Retail businesses with 10 or more employees and websites allowing for online ordering as a percent of total enterprises (%), 2013 and 2023



Source: OECD ICT Access and Usage by Businesses

E-commerce use almost doubled among retail SMEs (23% to 43%), creating opportunities but also exposing them to global competition, including from non-EU online platforms

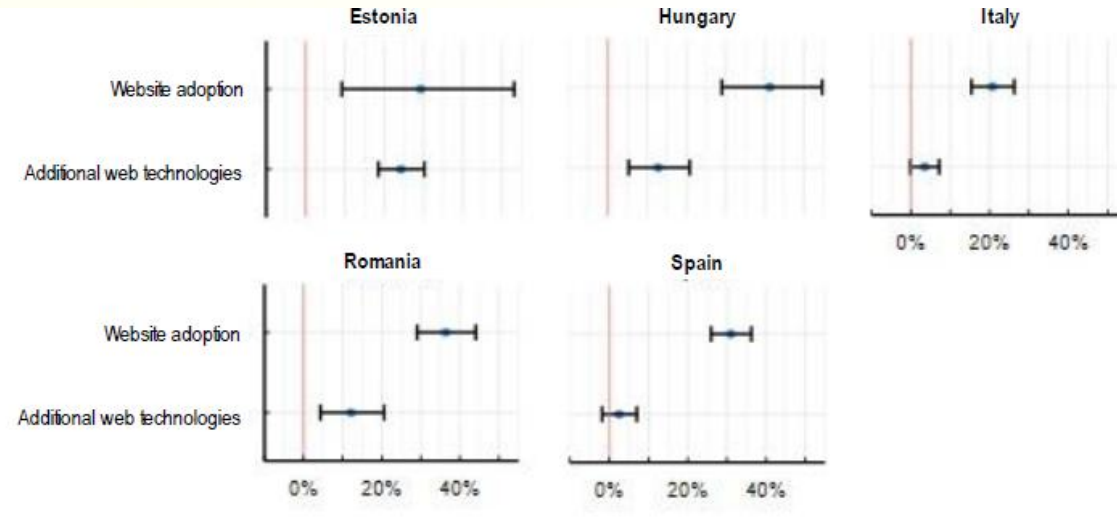
AI adoption was at 18% among SMEs in 2025, growing rapidly from 7% in 2023



Use of digital technologies in retail is correlated with higher labour productivity

Digitalising retail firms are more productive on average

OLS estimates of labour productivity differences in retail firms, Percent



New evidence from 27,000 retail firms in 5 EU countries (Italy, Estonia, Hungary, Romania, and Spain) shows 20-40% higher labour productivity among firms with a website.

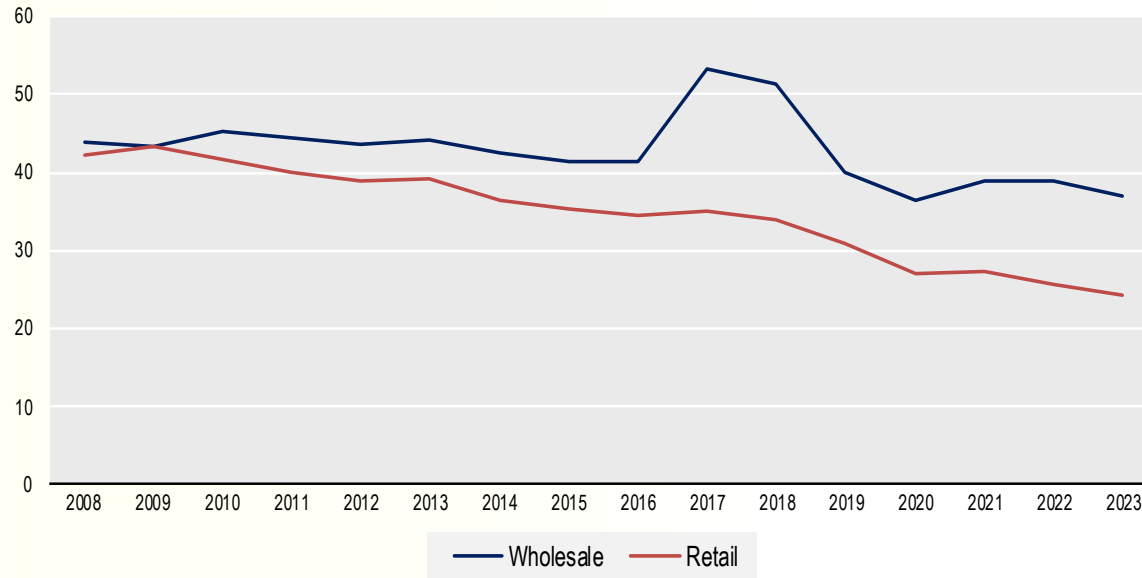
Source: Based on Orbis and BuiltWith data



In the EU, retail is greening at a higher pace than wholesale

Retail drives the GHG decline in the EU

GHG emissions in the EU27, million tonnes



Note: Residence principle. Source: OECD Air Emissions Accounts

Key drivers

- Consumer demand
- Regulatory pressure
- Rising energy costs

SMEs taking action

- Cost saving measures
- Circular models
- Local sourcing
- Promoting sustainable consumer choices

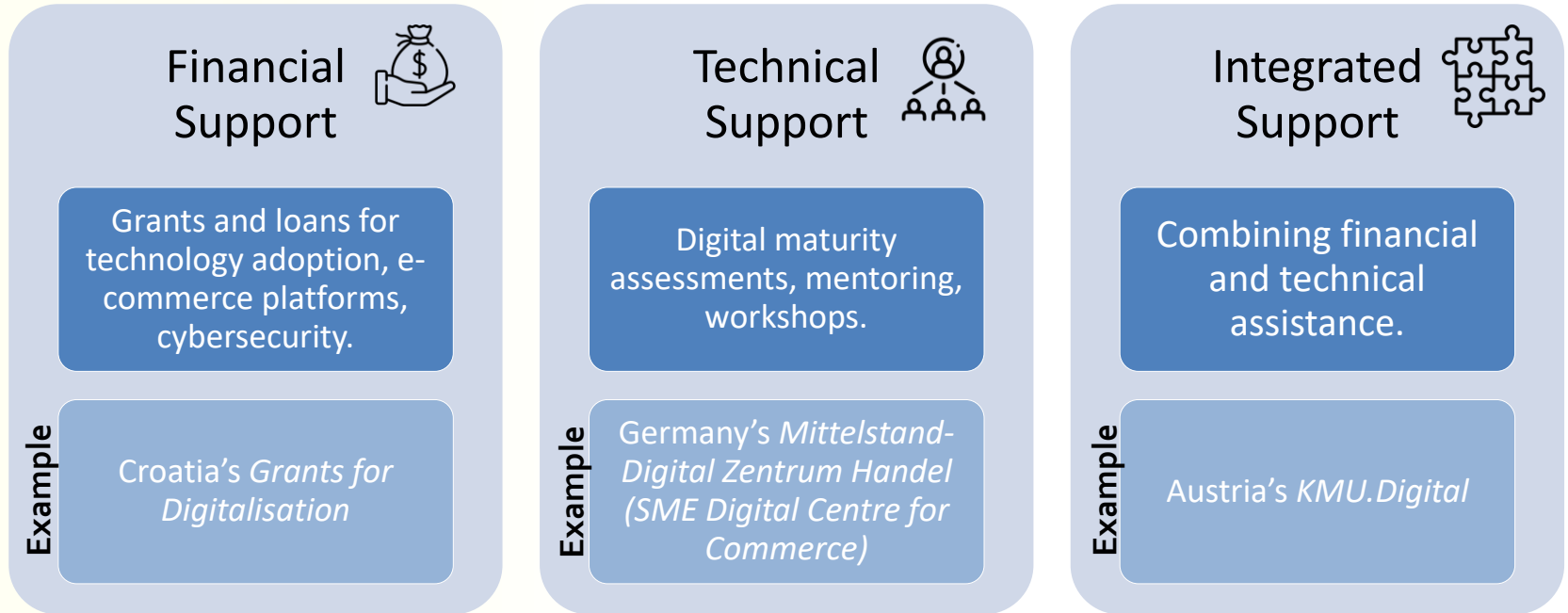
But pressure on delivery and logistics

Key policy trends and priorities





National governments have stepped up financial and technical support, but fragmentation persists



The mapping reveals a fragmentation where **digital and green goals are often siloed**, and many **programs lack retail-specific targeting**



Key policy priorities

Integrated support

Overcome fragmentation by offering integrated support packages that combine financial incentives with tailored upskilling and technical assistance

Digital empowerment

Move beyond providing digital tools to focus on building capabilities and supporting full strategic integration into business operations and strategy

Sustainability and circularity

Offer financial support for energy-efficient building retrofits and low-carbon technologies, as well as practical, sector-specific guidance on regulatory compliance

Strategic urban planning

Enhance city-centre accessibility, promote mixed-use development and leverage cultural heritage to create unique, experience-rich destinations

Simpler and smart regulation

Design and implement proportional, test-and-learn regulation, including SME test

Monitoring and evaluation

Build granular, geographically detailed and sector-specific data to enhance policy design and evaluation



Phase II



Overview: Four written outputs and five knowledge-sharing events

1

Working paper – Late 2026

EU-wide assessment of how emerging technologies, including AI, are reshaping retail SME performance.

2

Country-level analysis: France – Mid 2027

National assessment of the retail ecosystem in the country and the policy initiatives aimed at supporting its twin transition

3

Three city case studies: Barcelona (ES), Caldas da Raina (PT), Silandro (IT) – Late 2026

Analysis of local retail ecosystems - in the three winners of the European Capitals of Small Retail awards.

4

Policy toolkit – Late 2027

Practical to help countries design policies that support retail SMEs through the twin transition.

Five knowledge-sharing events

Peer-learning events convening experts and stakeholders to strengthen the EU policy network.

- **First event: Strategic Foresight workshop** at the OECD Global Forum on Local Development (**26 May 2026**, Maastricht, the Netherlands)
- Four subsequent events aligned with the release of written outputs throughout 2026–2027



Output 1 – Working Paper on the impact of AI and emerging technologies on retail



- EU-wide quantitative and qualitative assessment of how the uptake of new technologies, including AI and the new wave of agentic commerce, are reshaping and could continue to reshape the retail sector.
- Prospective analysis informed by insight gathered in the Strategic Foresight workshop.



Output 2 – Three city-level case studies on winners of the European Capitals of Small Retail awards 2026

- Analysis of local labour markets, institutional frameworks, urban policy environments, and economic performance, with a focus on the role of small retail in strengthening social capital.
- Fact-finding missions in each city engaging local authorities, academics, and business stakeholders, including testimonials from local retail SMEs on their transition experience.



Silandro/Schlanders, Italy
Vanguard City Prize



Caldas da Rainha, Portugal
Vibrant City Prize



Barcelona, Spain
Visionary City Prize



Output 3 — Country Case Study: Assessing the Retail Ecosystem's Twin Transition in France

Why France?

- Breadth of its retail policy mix, combining territorial revitalisation, SME competitiveness support, labour and skills measures, and regulatory modernisation in a comprehensive approach to the sector.
- Since 2024–2026, priorities have sharpened around revitalising proximity retail, decarbonising tertiary-sector activities, and ensuring a more level playing field with digital platforms.
- Notable structural trends over the past decade that merit closer analysis.

Approach

- Fact-finding missions, engaging government stakeholders at national, regional and local level, complemented by desk research, targeted interviews with experts, and international benchmarking.





Output 4 – Policy Toolkit: Practical guidance and key policy lessons



- Actionable recommendations and good practices to help EU policy makers.
- Draws on findings from the report “Local Retail, Global Trends” and all Phase 2 outputs.



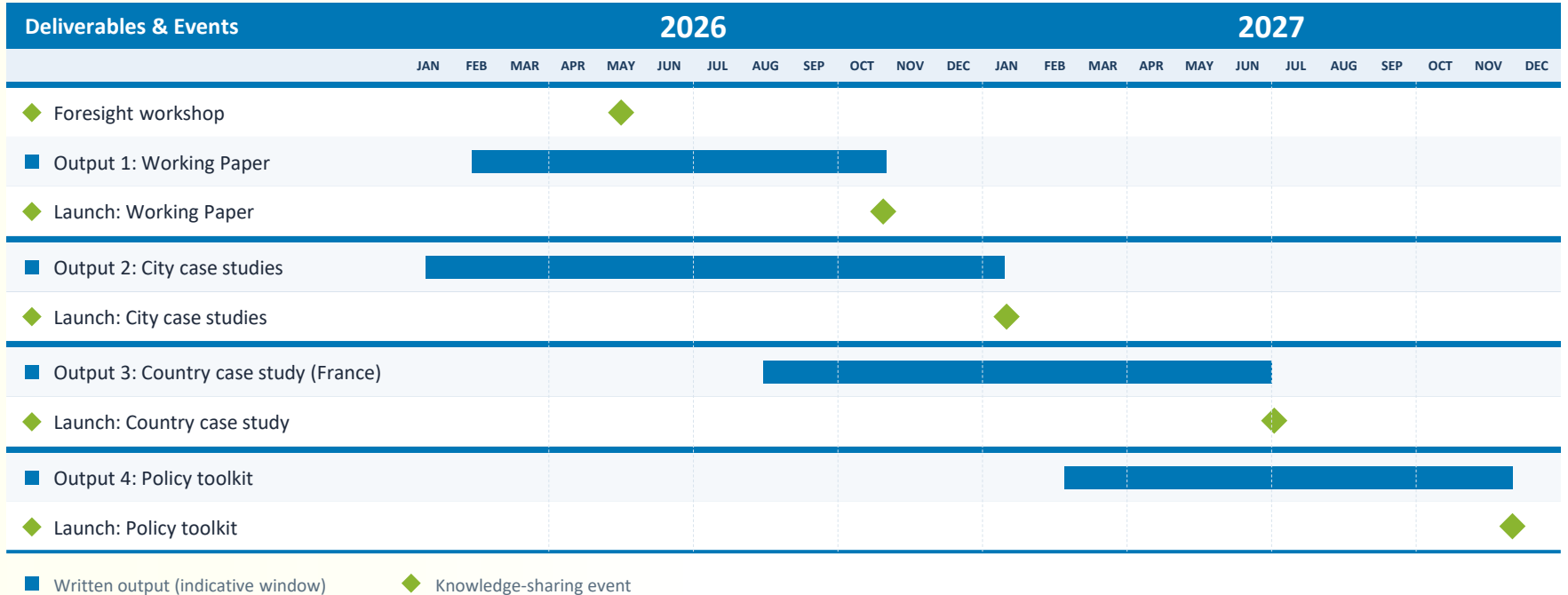
First knowledge-sharing event – Strategic Foresight Workshop



- First of the five peer-learning events throughout 2026/2027.
- European experts from government, industry, and academia to discuss plausible future scenarios for retail SMEs. Insights will feed directly into the Working Paper (Output 1)
- Hosted as a **side event during the OECD Global Forum on Local Development** (26 May 2026, Maastricht, the Netherlands).



Timeline



Thank you

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