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Mainframe Modernization Survey Report 2025

Industry focus: Retail

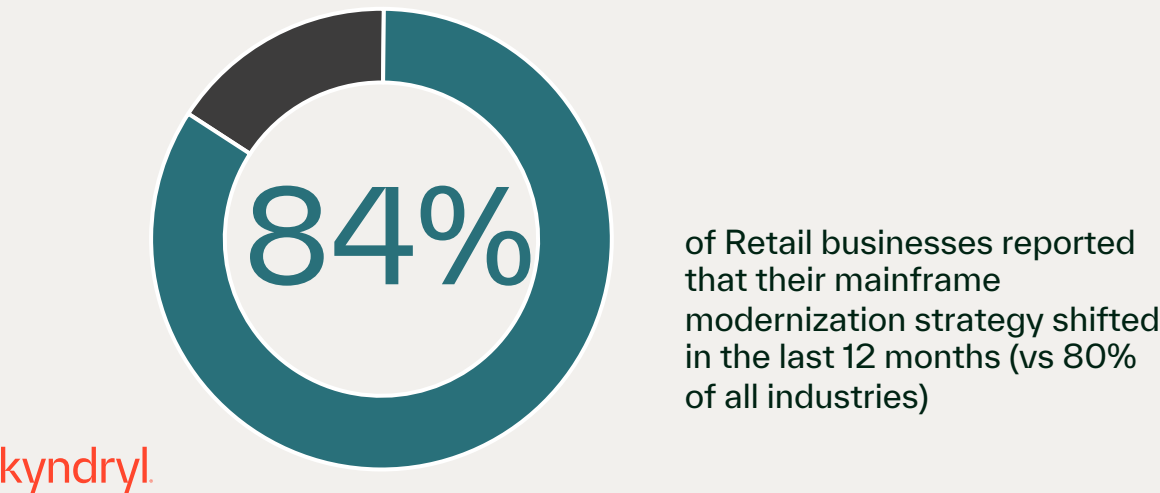


How Retail companies are approaching mainframe modernization in 2025

Modernizing IT environments has never been more challenging – or more urgent.

In 2025, Kyndryl commissioned Coleman Parkes Research to undertake the third annual global survey of 500 senior leaders at enterprises that make use of mainframes. The research found that while the mainframe continues to offer businesses a reliable, secure, and high-performance platform for their core operations, enterprises are dynamically adapting mainframe modernization strategies in response to changing market opportunities.

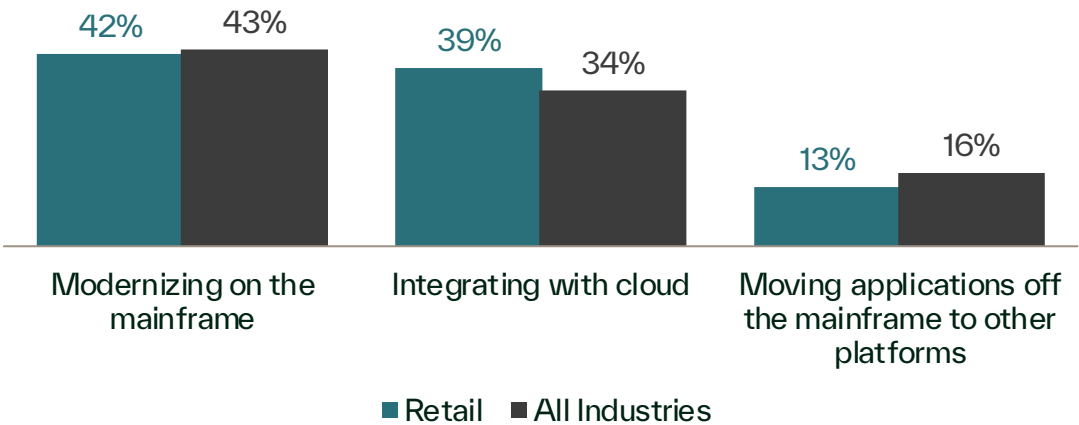
The evolving capabilities of the mainframe allow it to remain central to IT strategies. Organizations continue to accelerate and steer their evolution, opening up a wealth of new possibilities.



FINDING 1

Businesses are embracing a surprisingly nimble approach to their modernization strategy

HOW STRATEGIES HAVE CHANGED



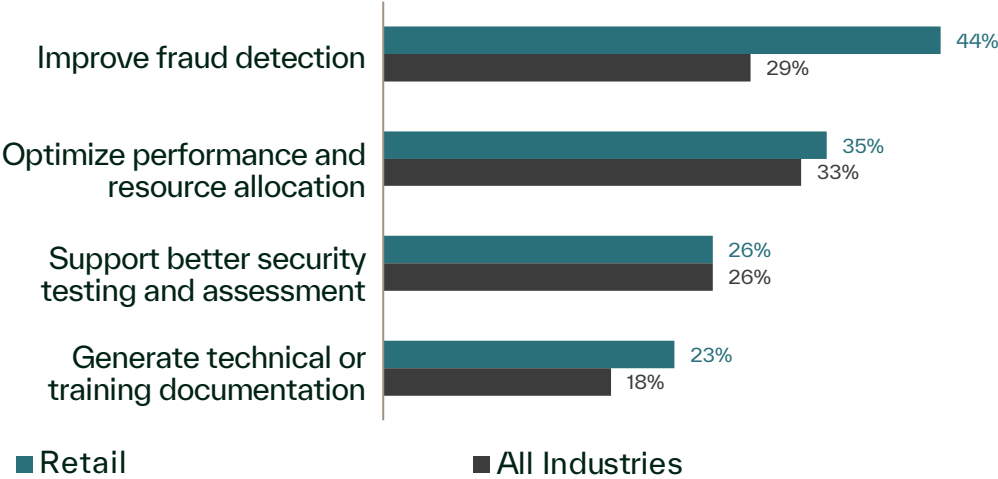
ANNUAL EXPECTED SAVINGS FROM MODERNIZATION PROJECTS (RETAIL ONLY)



FINDING 2

Deployment of AI and generative AI on the mainframe starts to pay off

TOP AI MAINFRAME USE CASES



\$67 million

Estimated revenue projected over the next three years from AI/gen AI initiatives (vs. \$44 million for all industries)

\$50 million

Projected savings (labor, operational, business) over the next three years from AI/gen AI initiatives (vs. \$29 million for all industries)

FINDING 3

The majority of businesses are increasing usage of the mainframe, despite respondents reporting a decline in the platform’s importance to overall strategy

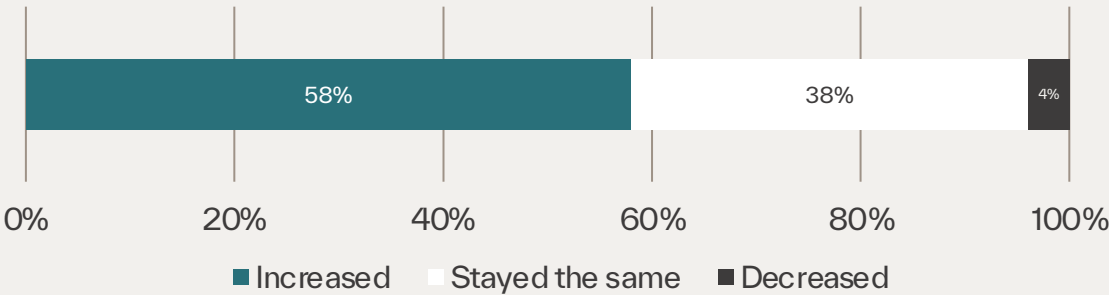
84%

of Retail organizations say mainframe is very or extremely important to their strategy and operations (vs 78% across all industries)

WHY RETAIL BUSINESSES ARE KEEPING WORKLOADS ON THE MAINFRAME

- 1. Business criticality of the data (49%)
- 2. Information security concerns (38%)
- 3. Privacy and data protection concerns (29%)
- 4. Availability is better on the mainframe (24%)
- 5. Reliability of the mainframe (24%)
- 6. Performance is better on the mainframe (24%)
- 7. Limitations of the public cloud (24%)

MAINFRAME USE: LAST 12 MONTHS (RETAIL ONLY)

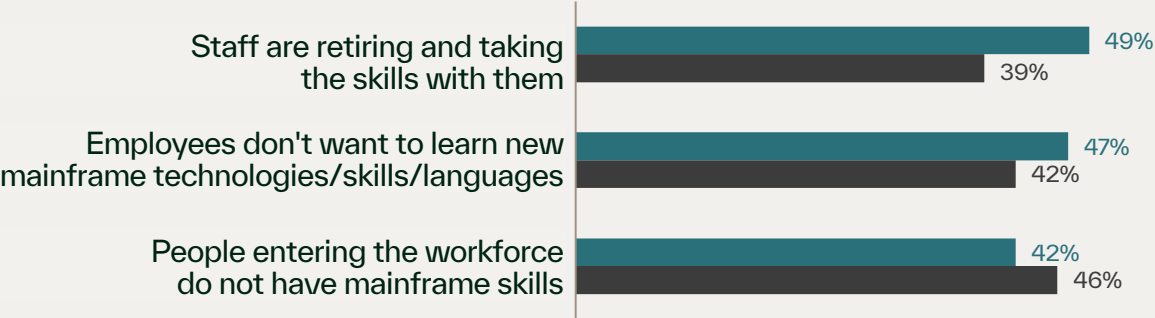


FINDING 4

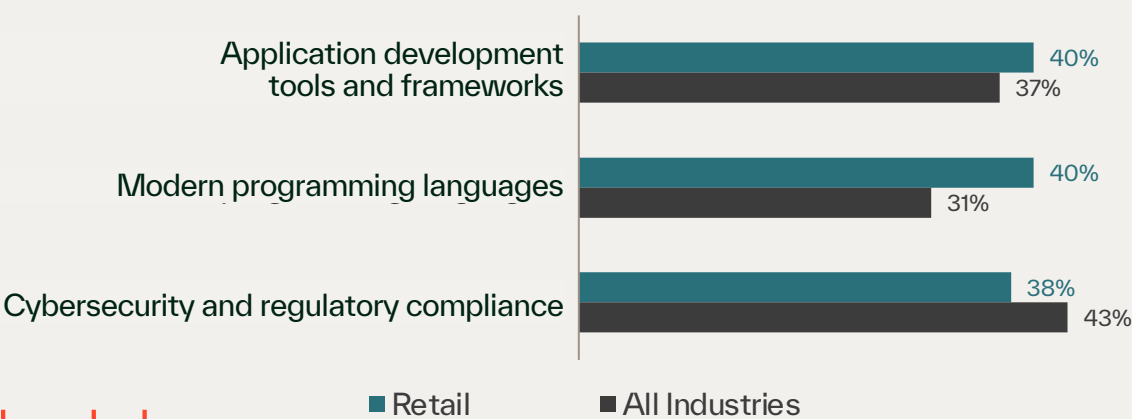
Mainframe modernization requires a multi-skilled organization

71% of Retail organizations **struggle to find skilled talent** for mainframe modernization projects (vs. 70% across all industries)

TOP CHALLENGES IN MAINTAINING A SKILLED WORKFORCE



MAIN SKILLS DEVELOPMENT INVESTMENTS



FINDING 5

Regulatory compliance requirements have an outsized influence on modernization plans and strategies, while security remains a top concern

96% of Retail organizations say regulatory compliance is influencing their organizations' decision-making regarding mainframe mod (vs. 94% of All Industries)

#1

Retail organizations say **security is the #1 key area** their organizations factor into their decision-making when developing a mainframe modernization strategy

HOW REGULATORY COMPLIANCE REQUIREMENTS INFLUENCE DECISION-MAKING

- 1. **Increasing collaboration** between IT, security, and compliance teams (42%)
- 2. **Increasing the need** for stronger data protection protocols (42%)
- 3. **Accelerating modernization** timelines to meet compliance requirements (37%)
- 4. **Driving investment** in robust security and resiliency measures (37%)

For more information on Kyndryl's work with Retail businesses, visit:
<https://www.kyndryl.com/us/en/industries/retail>

To read Kyndryl's 2025 Mainframe Modernization Survey Report, scan the QR code



“For us, mainframe modernization is about enhancing what works while integrating modern, cloud-native capabilities. When I talk about mainframe modernization, I don’t just mean replacing mainframes—I mean making them a seamless part of our modern, cloud-first architecture.”

Chief Technology Officer
United States Retail Company



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