



# KPMG Elevate Industry Perspectives

Navigating change in  
Consumer & Retail

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**Reinvention**

Elevate Industry Series

# Navigating change in Consumer & Retail

## KPMG insights on a rapidly transforming industry

**A landscape disrupted:** The Consumer & Retail market is changing faster and in far greater ways than ever before. A range of pressures—empowered consumers, digital disruption, rising costs, increased speed to market and shifts in shopping behavior—are challenging today’s consumer and retail businesses, forcing them to fundamentally review and refine their business models.

### Market changes:



**Consumer behavior shifts:** The pace of digital transformation has accelerated greatly, forcing companies to execute major change in months, not years. With consumer expectations now reset for improved experiences, the bar only gets higher from here.



**Inflation:** Costs are expected to remain pressured for the next year. Rising inflation, interest rate hikes and supply chain challenges have the potential to drive the economy into a downturn or recession.



**Supply chain:** Forecasting demand, building fluidity into your operating model, and being able to scale up and down quickly is going to be critical in the next several quarters. Knowing how to allocate resources in order to maximize efficiency is paramount to maintaining a competitive edge.

### CEO insights:

Amid rising economic uncertainty, companies are taking an increased ownership of their customer relationships and are developing D2C channels across their portfolio. Cost conscious consumers are increasingly open to expanding their product and service relationships for greater value.

As inflationary pressure increases margin growth becomes difficult to achieve. Organizations will need to leverage new pricing strategies and product architecture to manage through this challenge.

To effectively tackle issues such as longer delivery lead times and lower fill rates, companies need to develop a capability for deep insight into demand shaping. Implementing other measures—i.e., increasing safety stock, diversifying suppliers and enlisting third-party logistics support—can remove potential obstacles.

## Market changes continued:



**Evolution of the metaverse:** The emerging “metaverse”—an immersive world that blends physical and digital elements using augmented and virtual reality devices—has tremendous implications for the consumer market. While still in the early stages of development, the metaverse will eventually be a game-changer for new brand experiences, consumer interests and loyalties. Forward-looking companies are actively investing in its current and potential applications.

## A partnership for change:

The KPMG Elevate helps organizations achieve industry leading performance transformation during periods of uncertainty. Four main Elevate principles guide our approach to setting C-level clients up for success:

### Rigorous:

Gain deep insights into your business and a roadmap for creating future value—based on rigorous analysis of financial, census and proprietary benchmark data run through the KPMG Intelligence Platform

### Rapid:

Define business-changing strategies and tactics that enable you to move with speed and precision to drive improved business performance in weeks

### Results driven:

Realize top and bottom-line performance transformation with faster growth and expanded operating margins

### Real partnership:

Achieve sustainable results with an execution plan that we develop and collaborate with your team to implement

## Conclusion:

Whether a consumer and retail company is dealing with macro-level economic forces, or sudden shifts in customer behavior brought on by disruptive technology, mounting a truly successful response to these challenges requires a flexible mindset. Accelerating innovation and transformation, particularly during times of change, will help you stay ahead of the competition and better prepare for the future.

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## CEO insight:

Understand how your consumers are currently participating in the metaverse. Test and pilot areas across connected entertainment, gaming, and shopping experiences, and consider building virtual stores or digital assets like NFTs to drive new revenue streams and reimagine the brand’s future.

Learn more about how KPMG’s Elevate supports transformational change in the Consumer & Retail industry

[Learn more](#)



### Matt Kramer

*National Sector Leader,  
Consumer & Retail*  
614-241-4666  
[mattkramer@kpmg.com](mailto:mattkramer@kpmg.com)



### Duleep Rodrigo

*National Sector Leader,  
Consumer & Retail*  
949-278-2899  
[drodrigo@kpmg.com](mailto:drodrigo@kpmg.com)



### Frank Petraglia

*National Sector Leader,  
Consumer & Retail*  
212-954-1074  
[fpetraglia@kpmg.com](mailto:fpetraglia@kpmg.com)