



What's Keeping Executives Up At Night?

Global Retail Executive Study: Key Takeaways

November 2, 2023





Key Takeaways

1. Resilient Retail
2. Transformational Retail
3. Customer-Focused Retail
4. Purposeful Retail
5. Future Outlook

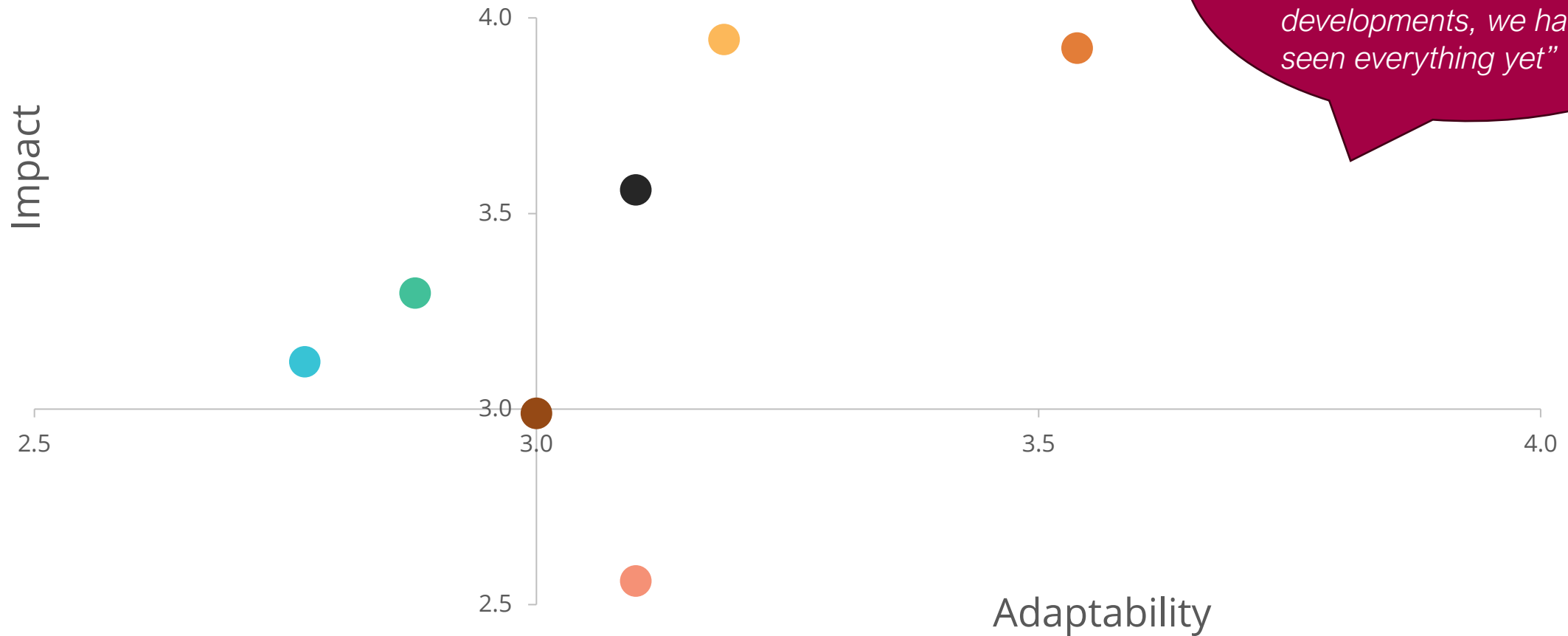


1

Resilient Retail

Challenges, Impact,
Adaptability, and Scarcity

Impact vs. Adaptability



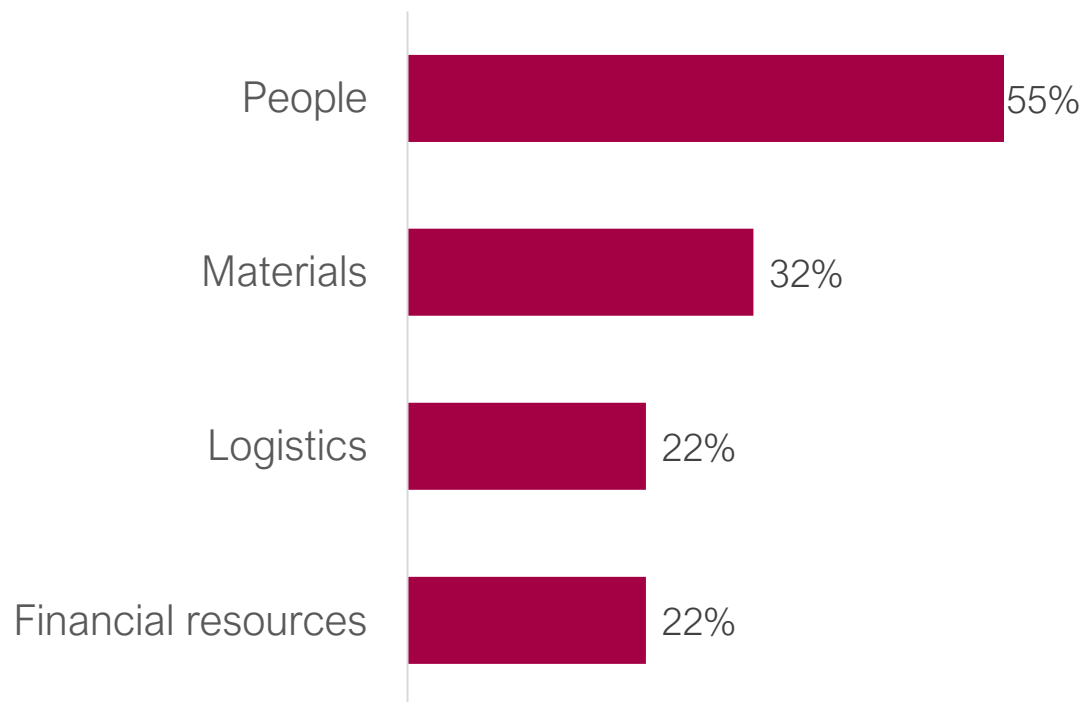
"I believe we are not at the end of our surprises yet. Especially regarding inflation and the economic developments, we have not seen everything yet"

- Economic developments
- Supply chain disruptions
- Climate and sustainability challenges
- Increased costs of operation
- Global health challenges
- Geopolitical uncertainty/instability
- Labor shortages

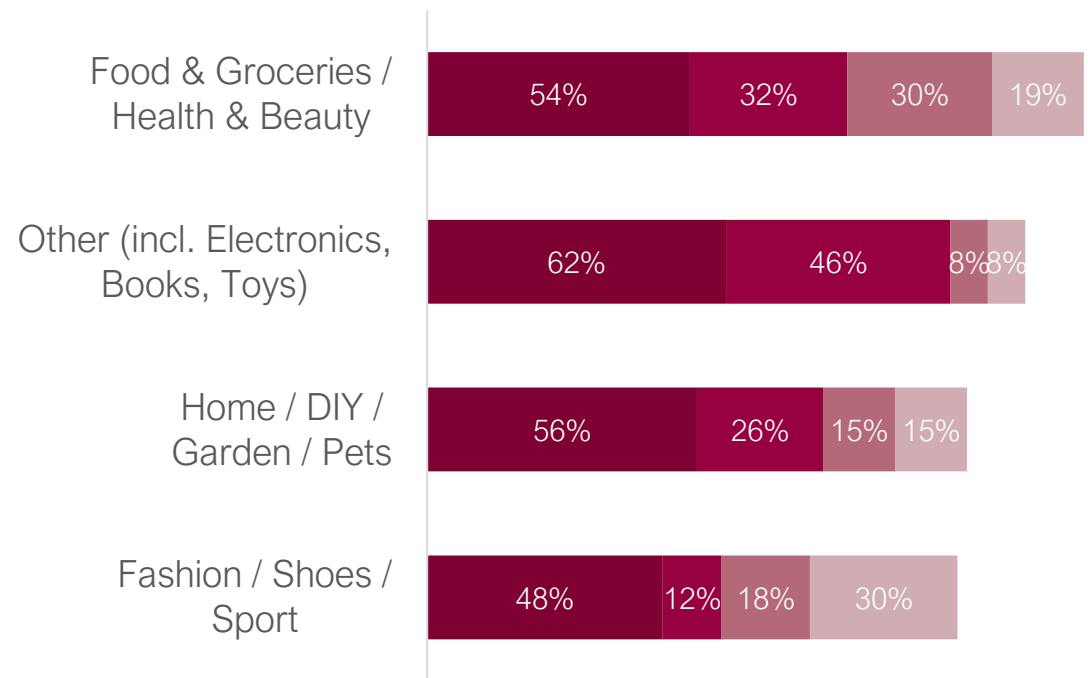
Scarcity

“Cash is king, be more effective with working capital and develop top tier talent across the whole organization”

To what extent are you currently facing scarcity in the following areas?
(% 4+5 on a 5-point scale)



Scarcity by sector *
(% 4+5 on a 5-point scale)



■ People ■ Materials ■ Logistics ■ Financial resources



2

Transformational Retail

Priorities and the need for change
Sustainability of business models

Priorities in 2023

“Creativity, detecting fundamental changes in consumer behavior and fast adaptation will be keys to survival”

Which of the following topics will have the highest priority on your agenda in 2023?



Business Model

Our business model ...

71%

14%

15%

... requires fundamental change to be fit for the future

... requires some change to be fit for the future

... is sustainable and fit for the future

"A clear, shared, solid and unchangeable strategy in the short to medium term, but accompanied by a reactive tactic: you need the ability to quickly improve what works and just as quickly close what did not deliver the expected results."



3

Customer-Focused Retail

Customer-focused operations and capabilities

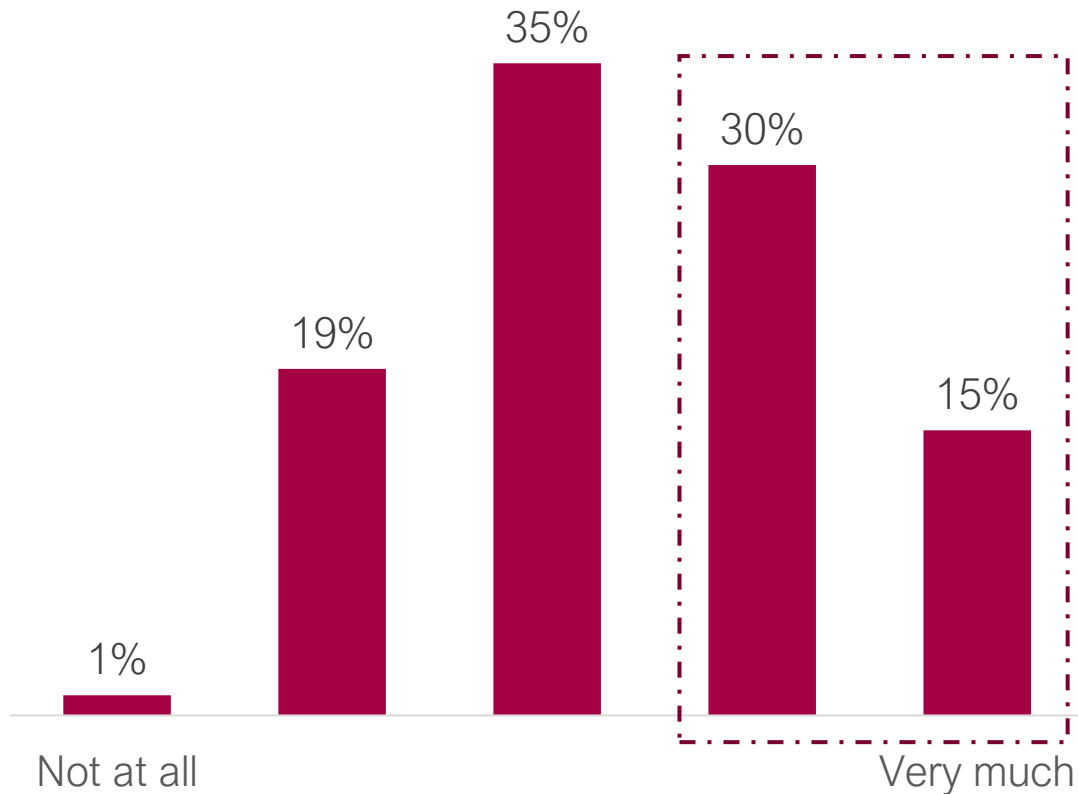
Investing in channels for the future

Growth of digital retail

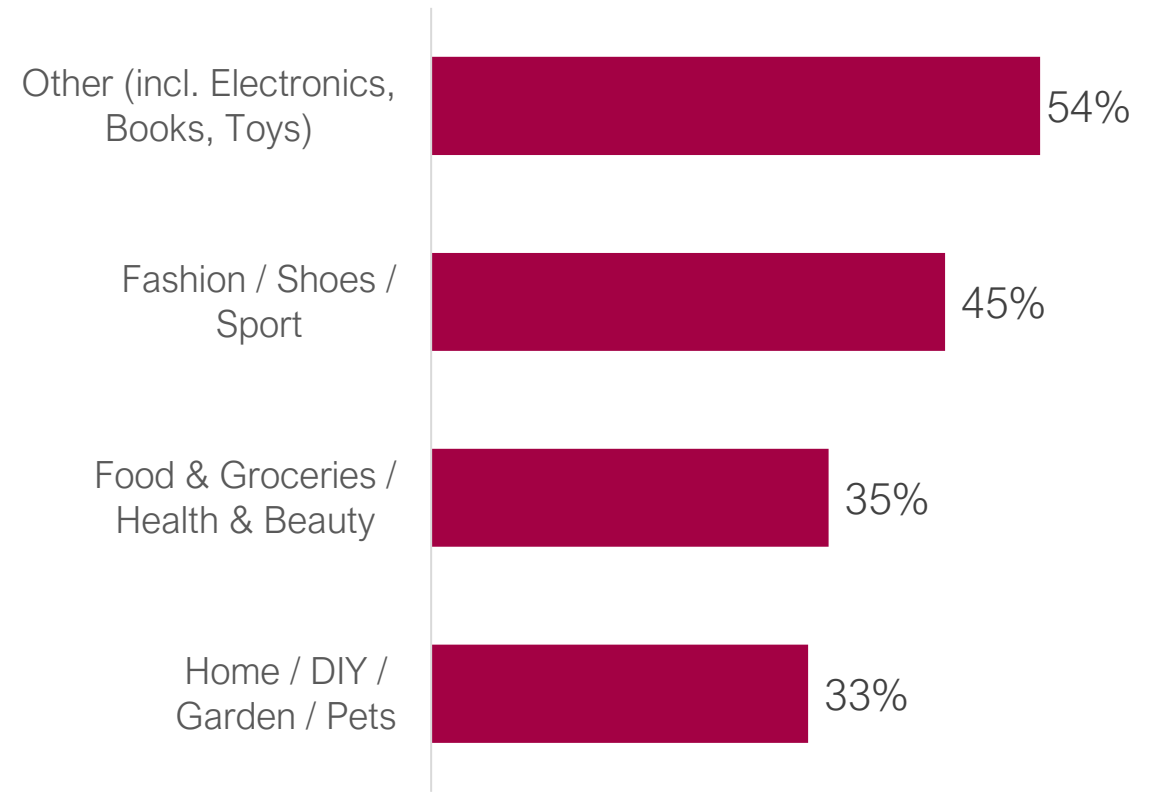
Customer-Focused Operations

"We all say it, customer centric, listen to the customer. We just don't take the time to actually do it."

To what extent do you feel your company's current operation is customer-focused?

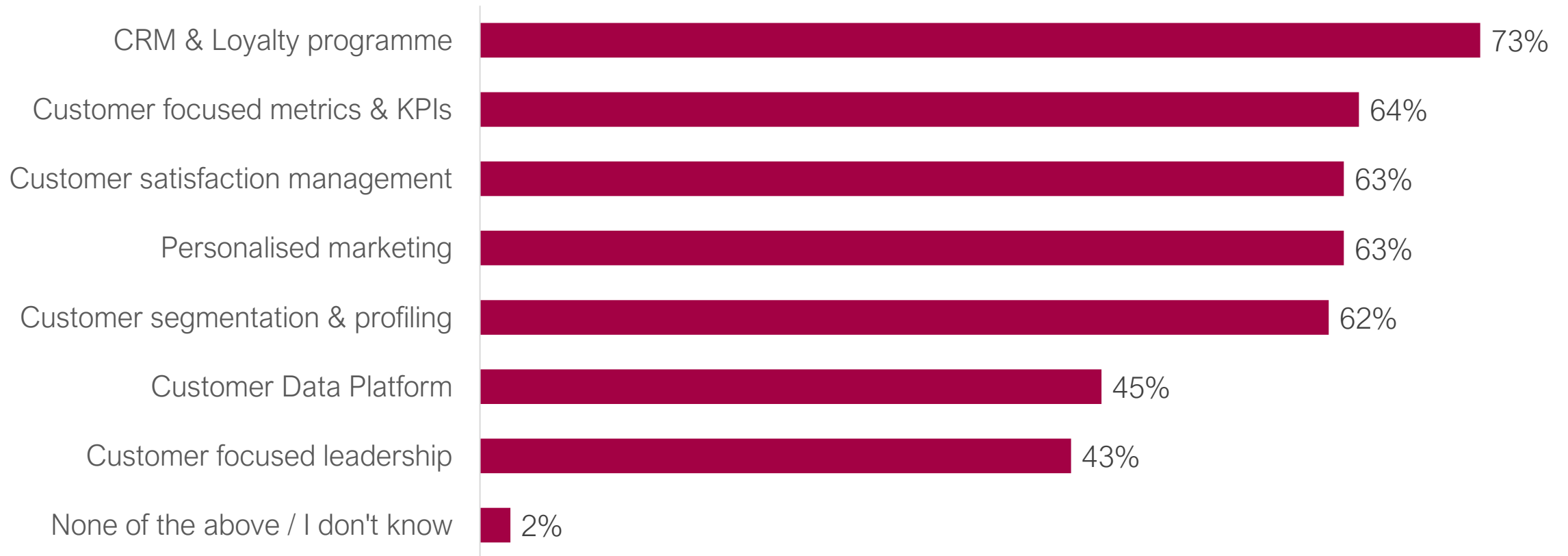


Customer-focus by sector *
(% 4+5 on a 5-point scale)



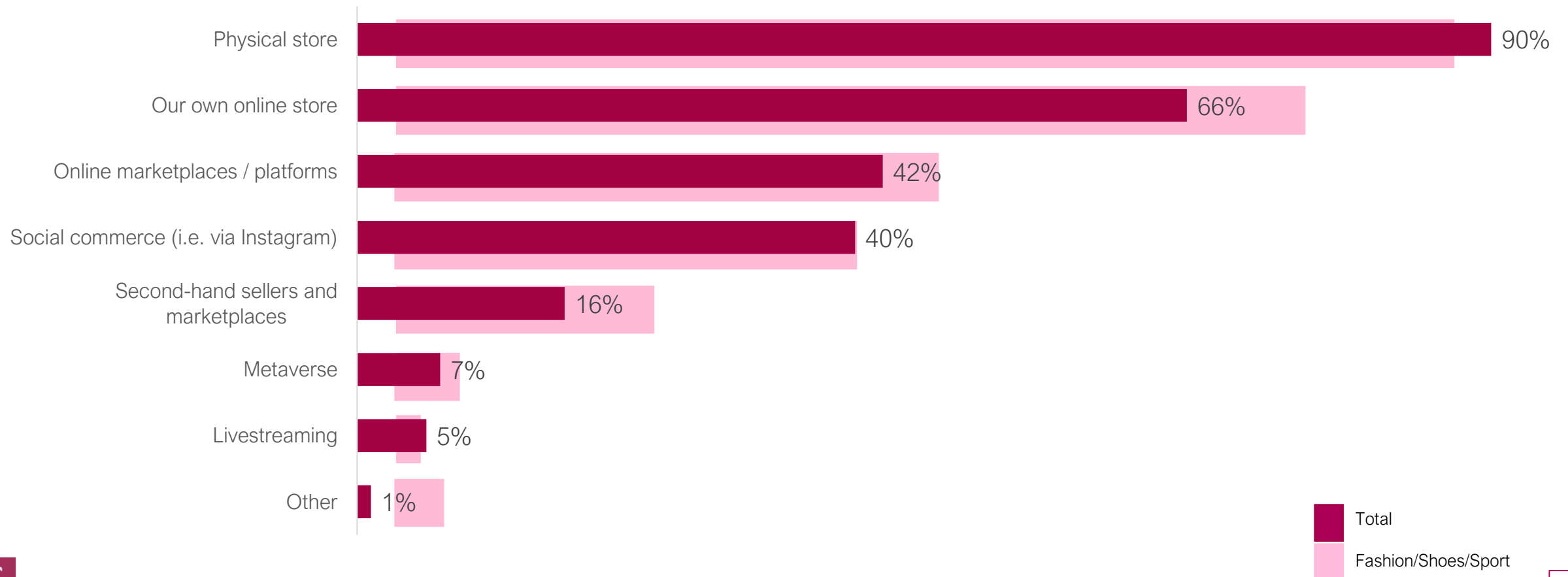
Customer-Focused Capabilities

Which of the following capabilities do you have in place or are you planning to take action on in 2023?



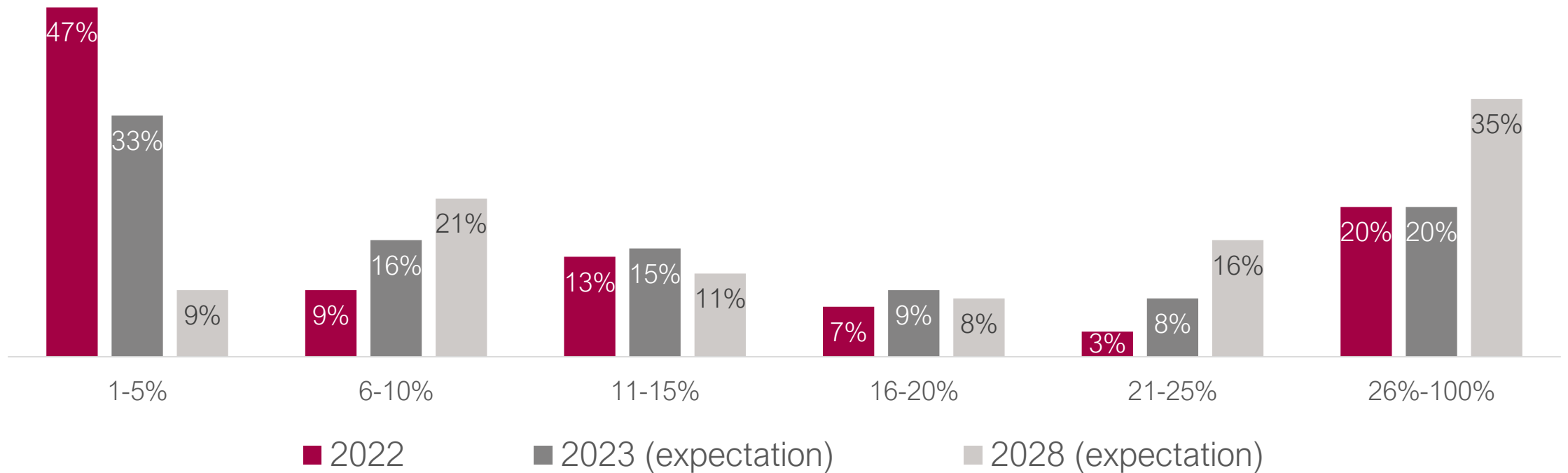
Investing in Channels for the Future

Based on trends in consumer behavior, which channels do you think will be most important in the next 5 years (until 2028)?



Digital Channels Projected to Exceed 1/3 Share of Sales in 2028

What share of your sales came from digital channels in 2022? And what are your expectations for 2023 and the next five years (up to 2028)?





4

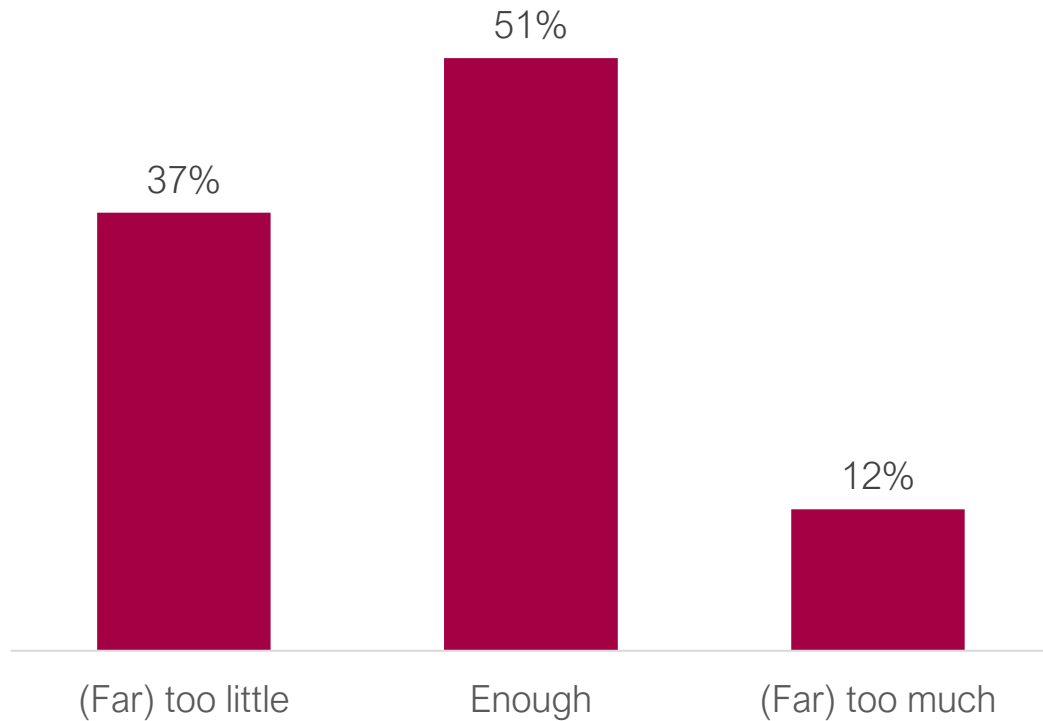
Purposeful Retail

Attention and actions on
sustainability and diversity

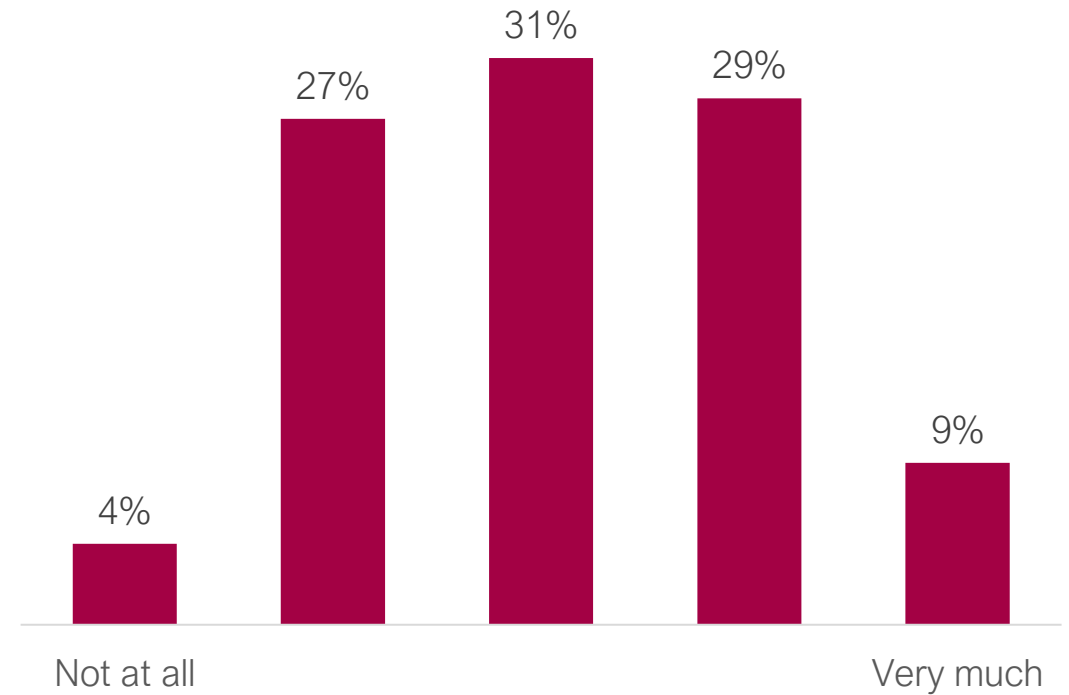
Attention and Demand for Sustainability and Diversity

“A large proportion of Western European consumers are not going to tolerate it if you don't get the issue of sustainability right within the next two years”

To what extent do you feel your company, currently, pays enough attention to making its offering and processes more sustainable?

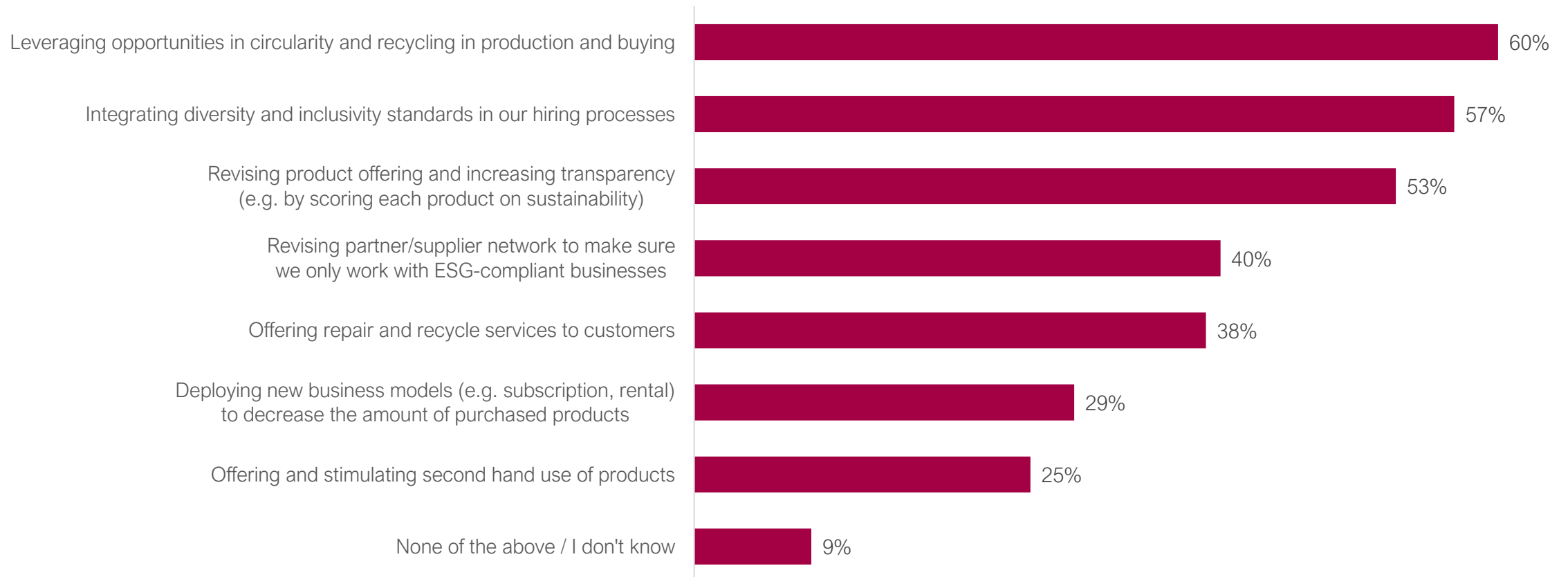


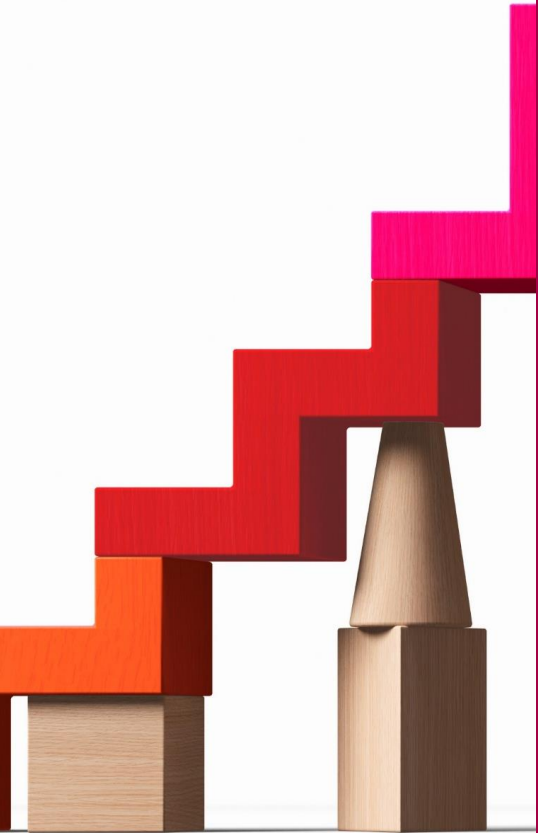
To what extent are you experiencing increased awareness and demands from consumers on the topic of sustainability and diversity?



Action on Sustainability and Diversity

Which of the following actions are you currently taking or do you plan to take in 2023?





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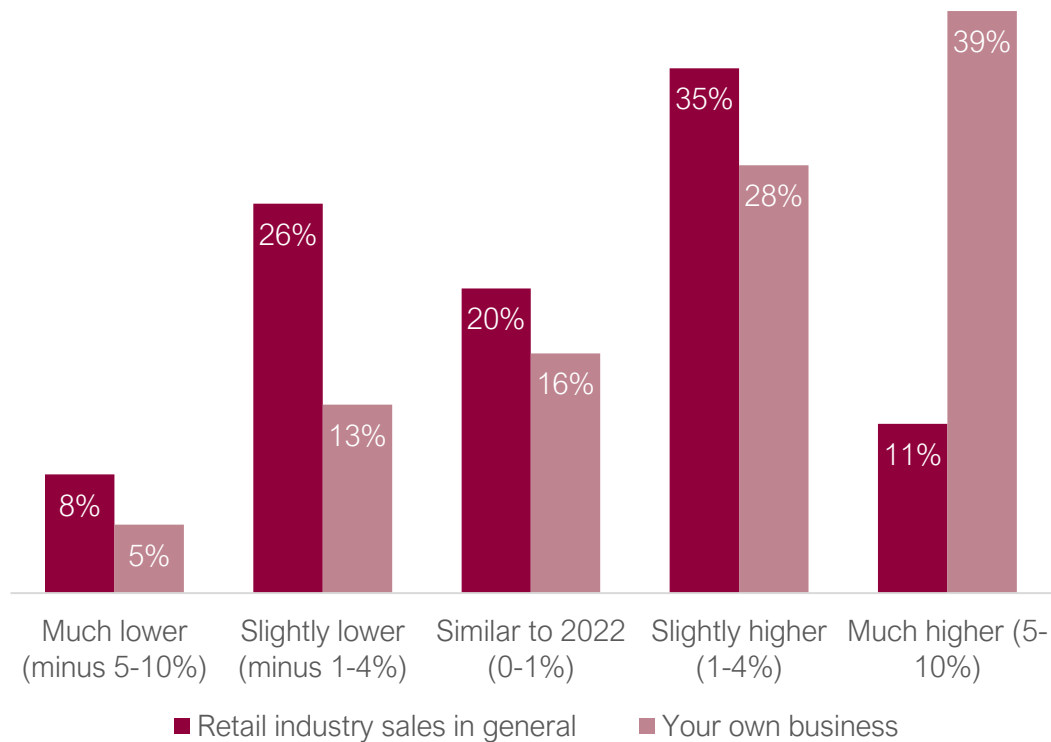
Future Outlook

Development of sales and profit towards 2028
Confidence in the future of retail and business

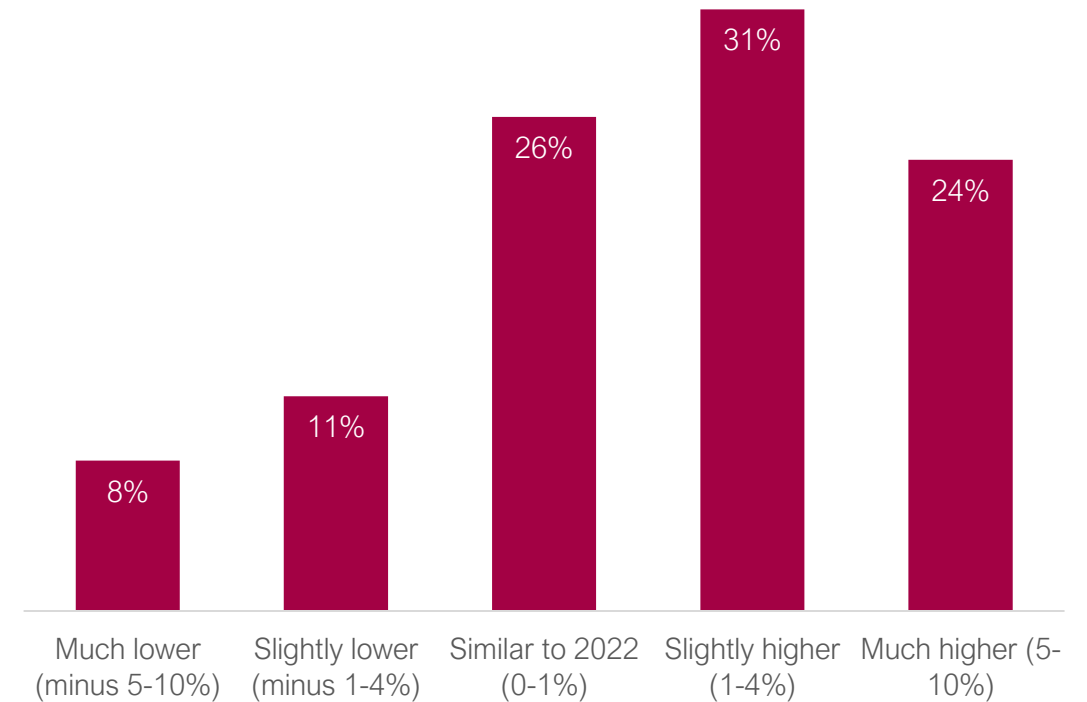
Forecast of Sales and Profitability

Industry vs. Own Business

What is your forecast for retail sales in 2023 versus 2022?

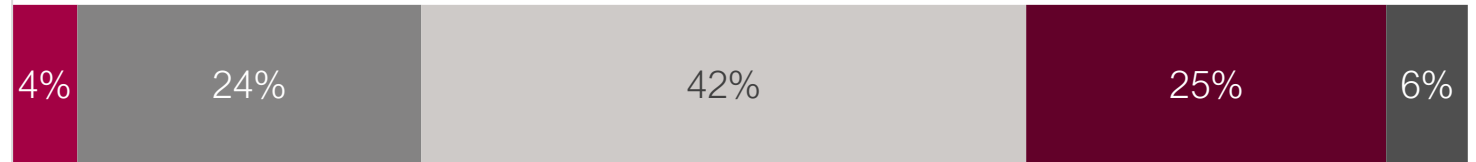


What is your forecast for profit of your own business in 2023 versus 2022?



Confidence in the Future

I am confident that 2023 will be a positive year for the global retail industry.



I am confident in a positive future of my company moving towards 2030.



■ Strongly disagree ■ Disagree ■ Neutral ■ Agree ■ Strongly agree

Advice for (Other) Retail CEOs

"Expand your business with additional revenue channels. Not necessarily 100% correlated with your core business. Open yourself up to discussions taking in sometimes unexpected ideas. From many, a new direction worth developing could emerge"

"You have to continually invest in innovation. Nowadays, everyone is focused on profit. That is a race to the bottom, with no investments, you will wake up 3 years later and find out your business is boring"

"Focus 75% on winning products with sufficient supply in the market, explore 25% with new products that can generate a higher profit margin"

"Back to basics, be REALLY customer oriented"

"Be open to change. People have changed since the pandemic and want to know they are being taken care of and have an organization that cares for them"

"I believe that we are facing a period of profound social change. This requires very flexible organizations, easy to adapt to the new realities where the exploitation of technology must become the best ally to facilitate light and be a lever for change"

"Respect your skilled workers - it will be much more expensive to qualify new ones"

"Choose a distinctive position in the market aligned with your own DNA. Choose and be chosen. Doing what others do will not lead to sustainable growth"

Thank you

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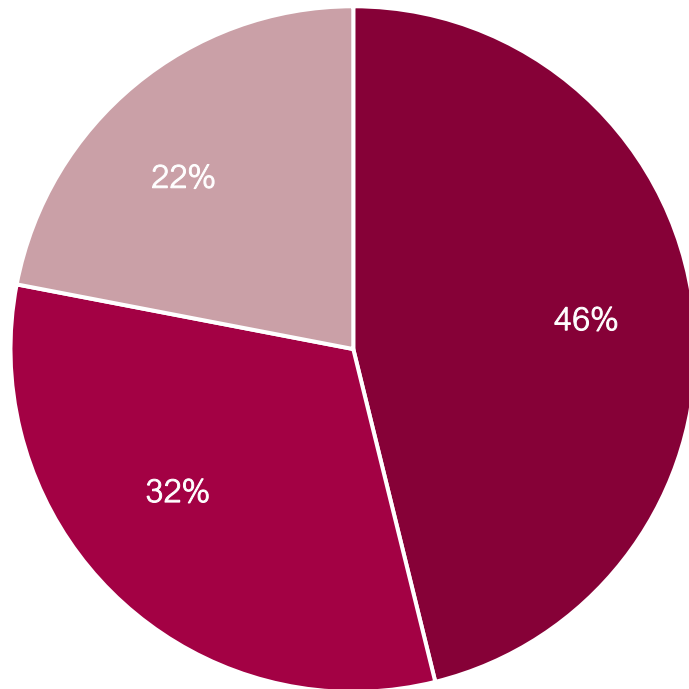
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Profile - Position and Demographics

What is your current job level?



■ CEO ■ Other C-suite title ■ Management

In which continents do you operate?

