

FOREWORD

HOW RETAILERS ARE TURNING UPHEAVAL INTO OPPORTUNITIES

The retail and consumer goods industry has reacted fast to the upheavals of the past two years. First, both retailers and producers of consumer-packaged goods coped with the COVID-19 pandemic and the accompanying restrictions. Then, they grappled with subsequent trends such as inflation and labor shortages. For the longer term, they are turbocharging their business processes with digital analytics.

To find out how to turn the current turbulence into advantages, we talked to some top executives from retail and consumer goods companies to find out how they are approaching the sector's multiple challenges. How are grocers and specialty retailers reacting to the sharp rise in e-commerce? Where are the new opportunities for established consumer products – and how can innovative niche products find a wider market? And how are companies approaching major social changes?

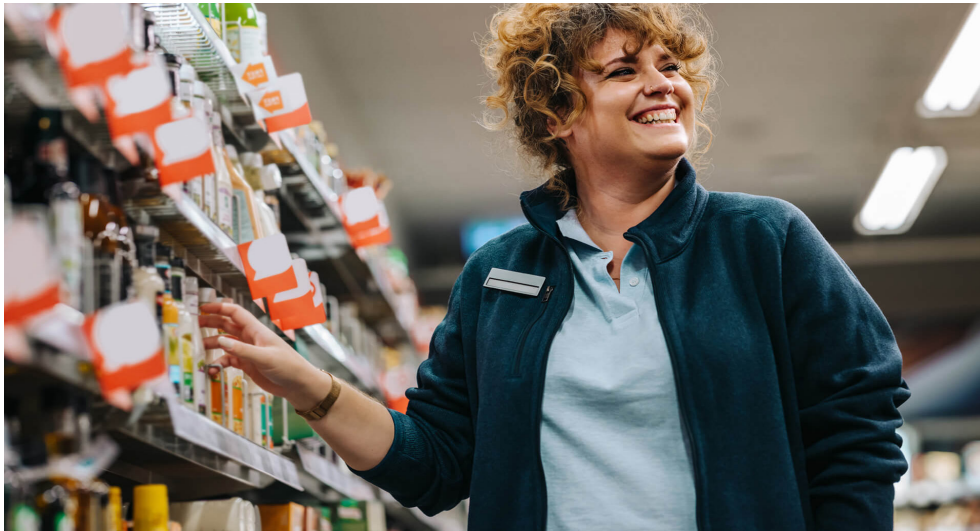
In food retail, Rami Baitieh, Executive Director of Carrefour France, and Marcel Haraszti, Chairman of Billa (part of Rewe International AG), provided a European perspective on transformation, while Duncan MacNaughton, former Chief Merchandising Officer at Walmart, reflected on the challenges in North America. And we talked to Richard McKenzie of Ocado Solutions to find out how Ocado and its solution partners are aiming to transform the last mile in food retail.



Global brands, too, are adapting to unprecedented shifts in consumer behavior and channels, as explained by PepsiCo Europe CEO Silviu Popovici and Philippe Guettat, CEO of Pernod Ricard Asia. Health and sustainability are increasingly important to consumers – but so is price, as many economies experience their highest inflation rates for a generation. Meanwhile, the pandemic has altered the balance between going out and eating and drinking at home.

Nina Jönsson, CEO of Plantagen, told us about her strategies in specialty retail, which is highly dependent on new consumer priorities and digitization. Consumer tastes are also combining with environmental considerations to generate demand for new types of product: Nature's Fynd is answering this call in food, and we talked to CEO Thomas Jonas.

Finally, as inclusion and diversity become a priority for the sector, we talked to Malina Ngai, CEO of AS Watson (Asia and Europe), about integrating these values into her company's propositions.



Throughout our conversations, one common theme arose. As one interviewee put it, "The customer is the boss." To find out how consumers' behavior changed during the COVID pandemic, the Oliver Wyman Forum carried out a study, including a large survey of consumers. This found a shift in values. In particular, people are more concerned than before with climate change, and they have strengthened their tendency to integrate wellbeing into their daily lives – through lifestyle changes or the use of certain products. They are also increasingly mistrustful over information, whether from mainstream or social media or from corporations and brands that make claims about their processes and products.

That makes it essential for companies to focus on the integrity of their products and the information they provide about them.

We hope you enjoy the read.