

Retail 2022:

# MAKE IT PERSONAL



9 September 2021

# Presenters

## Guest speaker

### **Kate Morris**

Founder & Chief of  
Innovation, Adore Beauty



## Presenters:

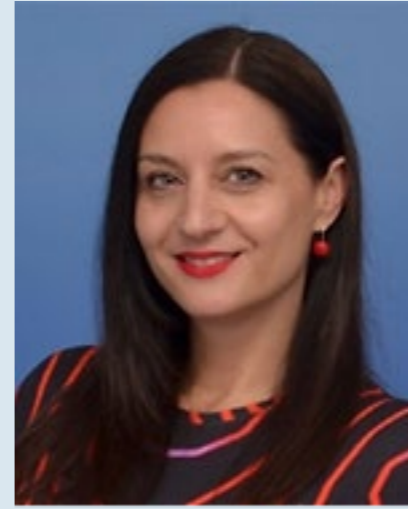
### **Matthew Darby**

Partner, National Sector  
Lead Retail, KPMG



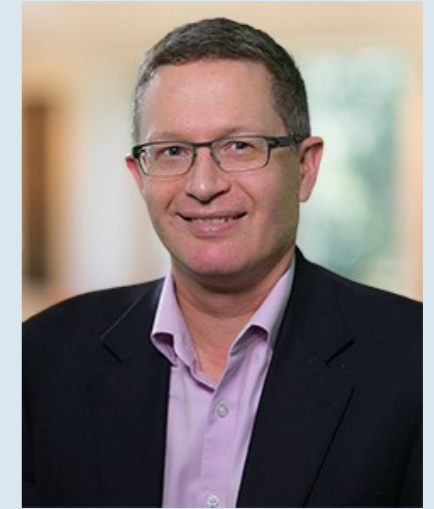
### **Lisa Bora**

Partner in Charge, Management  
Consulting Corporates; Customer,  
Brand & Marketing Advisory, KPMG



### **James Stewart**

Partner, National Leader  
Restructuring Services, KPMG



# Agenda

- 1 The now
- 2 Make it personal
- 3 Adore Beauty
- 4 Guest Speaker: Kate Morris
- 5 Q&A



# 1 The now

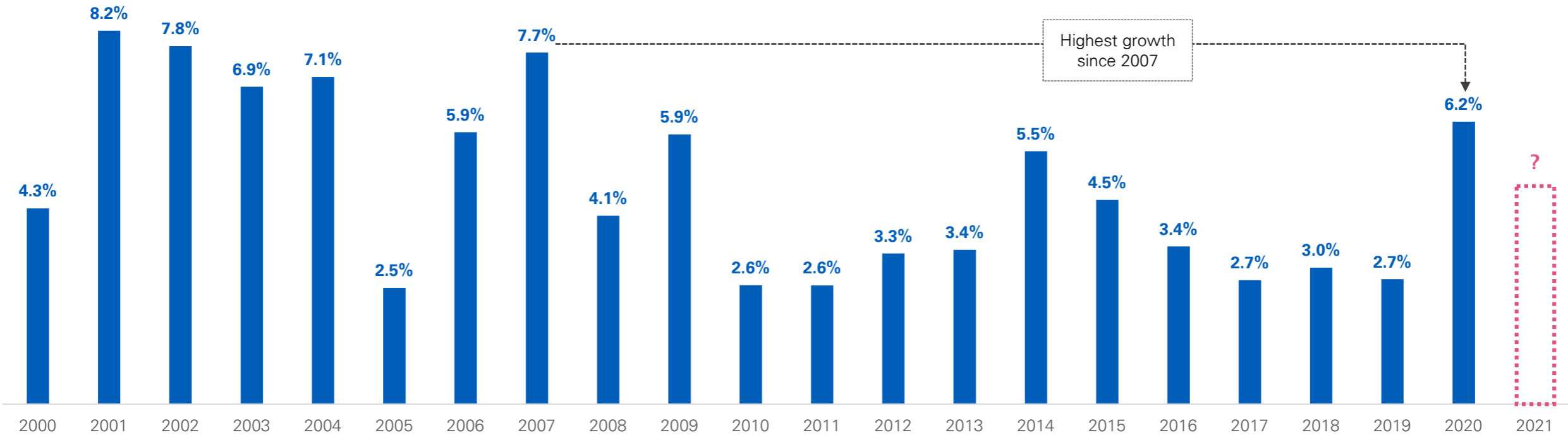


# A year to remember for Australian retail!



## Total retail turnover

% change YoY, seasonally adjusted  
2000 to 2020



Source: Australian Bureau of Statistics



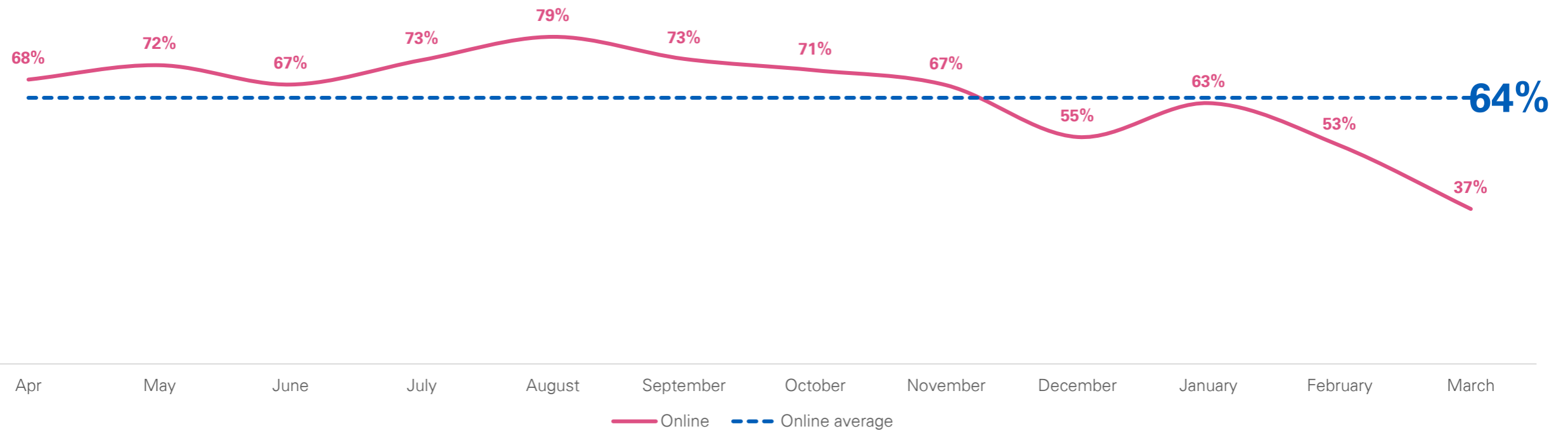
©2021 KPMG, an Australian partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved. The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organisation. Liability limited by a scheme approved under Professional Standards Legislation.

# Buoyed by online!



## Total retail spend

Total vs online, s.a. yoy % change  
Apr-20 to Mar-21



Source: Australian Bureau of Statistics



©2021 KPMG, an Australian partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved. The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organisation. Liability limited by a scheme approved under Professional Standards Legislation.

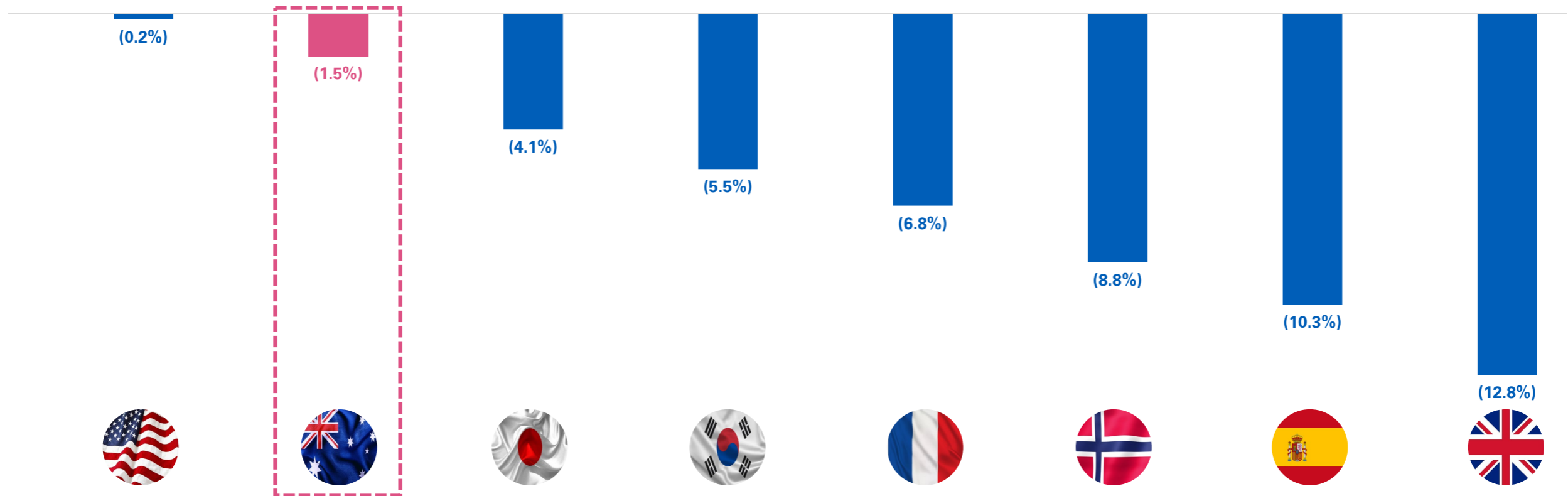
# Consumption has remained resilient (as Govt. stimulus kicks in)!



## Change in household final consumption expenditure

Volume measures, seasonally adjusted

Dec-19 vs Mar-21



Source: Australian Bureau of Statistics - International economic comparisons after a year of the pandemic 2/06/2021

# 2 Make it personal



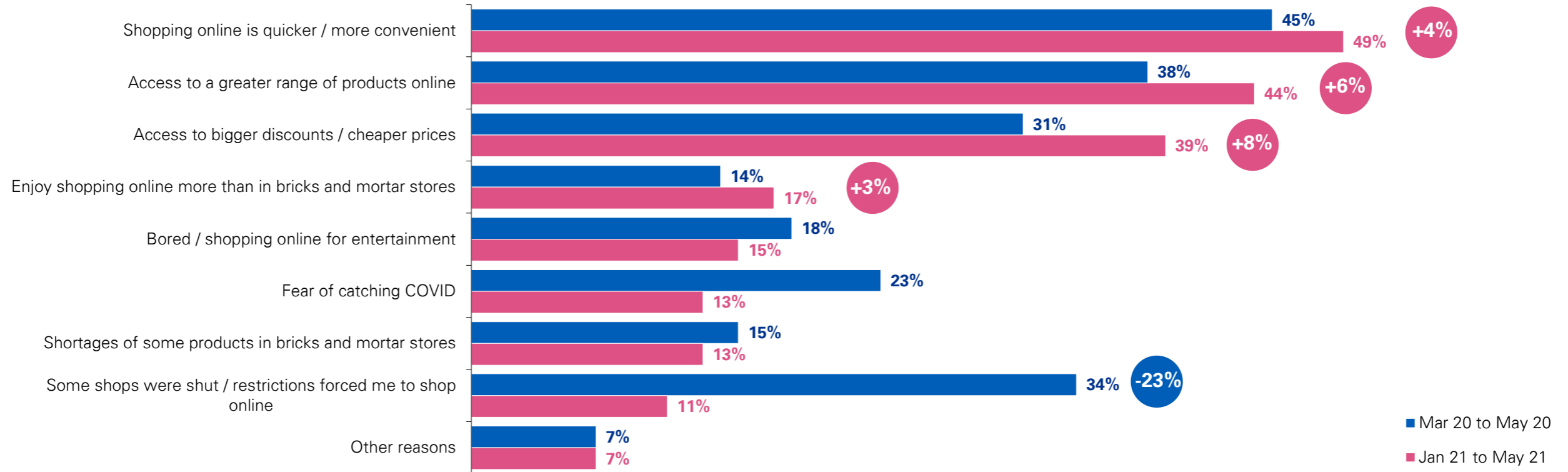


# Reasons to shop online have changed!



## Reasons for shopping online

2020 vs 2021

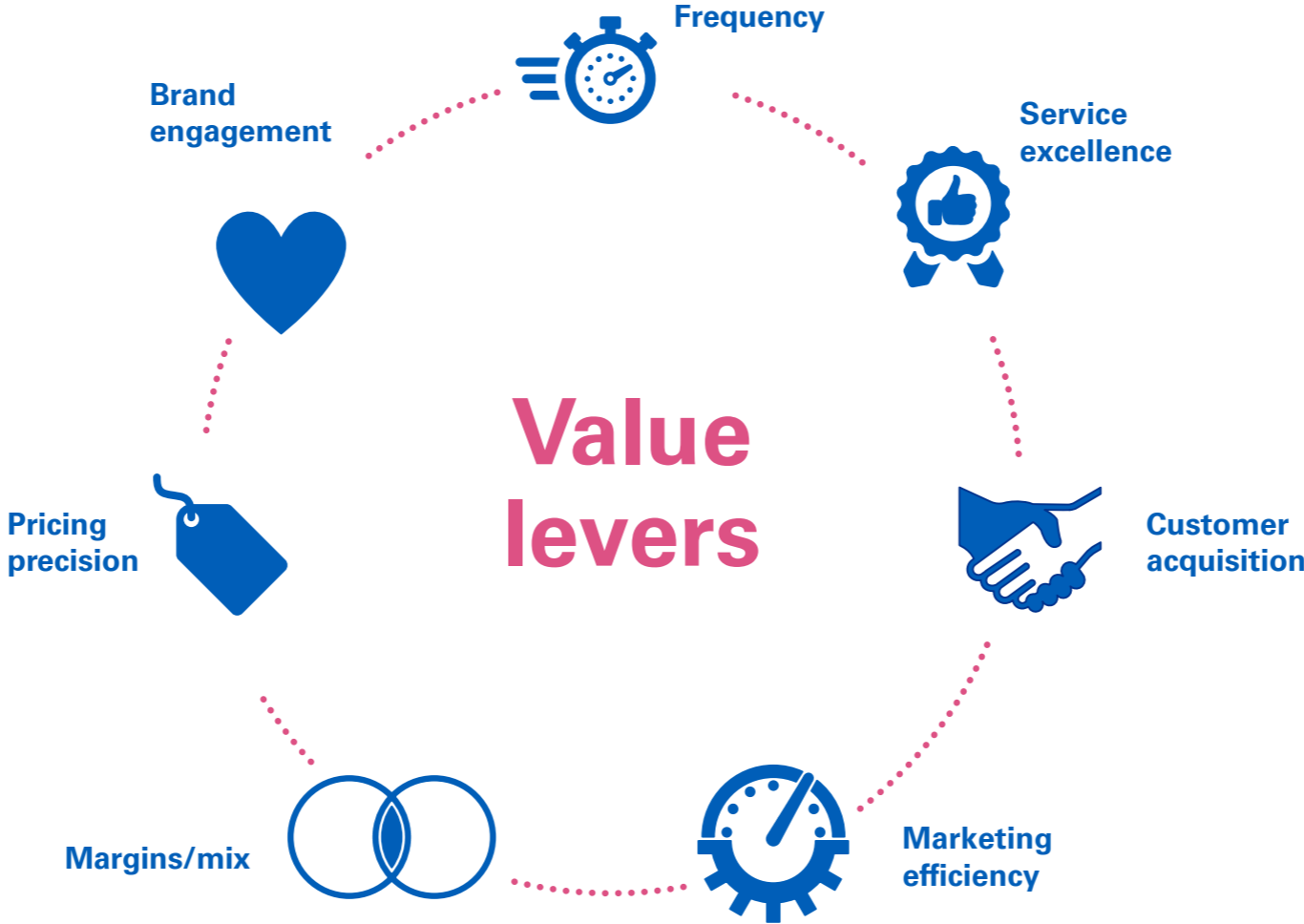


Source: Australia Post – Inside Australian Online Shopping



©2021 KPMG, an Australian partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved. The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organisation. Liability limited by a scheme approved under Professional Standards Legislation.

# Personalisation drives more than just sales...



...and it pays!



**Benefits of personalised experiences**

% changes in selected metrics

**15-30%**

**Revenue & retention  
improvement**

**10-20%**

**Reduction in  
marketing costs**

**3-5%**

**Uplift in customer  
acquisition**

Source: McKinsey Personalisation Capabilities, 2020



©2021 KPMG, an Australian partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved. The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organisation. Liability limited by a scheme approved under Professional Standards Legislation.

# Loyalty programs data must be fully leveraged vs just collected, reported and stored



## Selected loyalty program performance indicators

% changes in selected metrics

**88%**

of organisations run an “earn & burn” loyalty program

**56%**

see this program for contact capture for promotions

**40%**

collect data but don’t perform regular analytics

**12%**

results integrated into channel divisionally only

**6%**

actively leverage program to drive sales objectives

Source: KPMG Loyalty Program Reviews



©2021 KPMG, an Australian partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved. The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organisation. Liability limited by a scheme approved under Professional Standards Legislation.

# 3 Adore Beauty



# A bumper year for Adore Beauty!



## Selected performance metrics

FY21

**\$179.3M**

**Revenue**

+48% on PCP

+57% FY19-FY21 CAGR

**33.1%**

**Gross margin**

+1.2% on PCP

**\$7.6M**

**EBITDA<sup>1</sup>**

+53% on PCP

+116% FY19-FY21 CAGR

**+64%**

**Returning customers**

Notes: (1) Proforma adjustments

Source: Adore Beauty Group FY21 Results Presentation

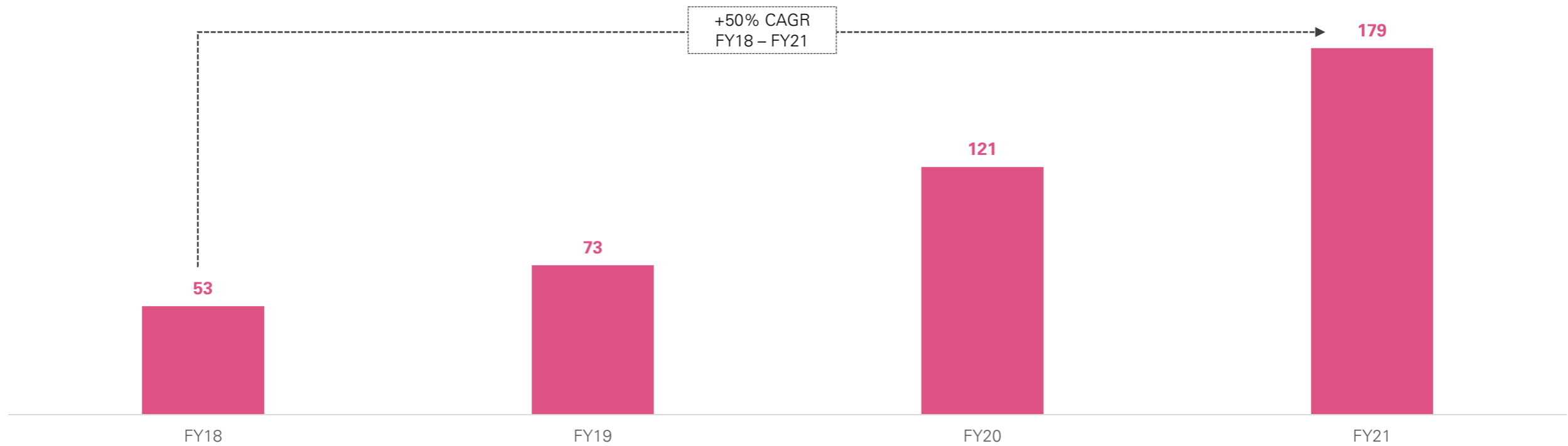


©2021 KPMG, an Australian partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved. The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organisation. Liability limited by a scheme approved under Professional Standards Legislation.

# Revenue growth 50% CAGR in 4 years



## Revenue (A\$Million) FY18 – FY21



Source: Adore Beauty Group FY21 Results Presentation



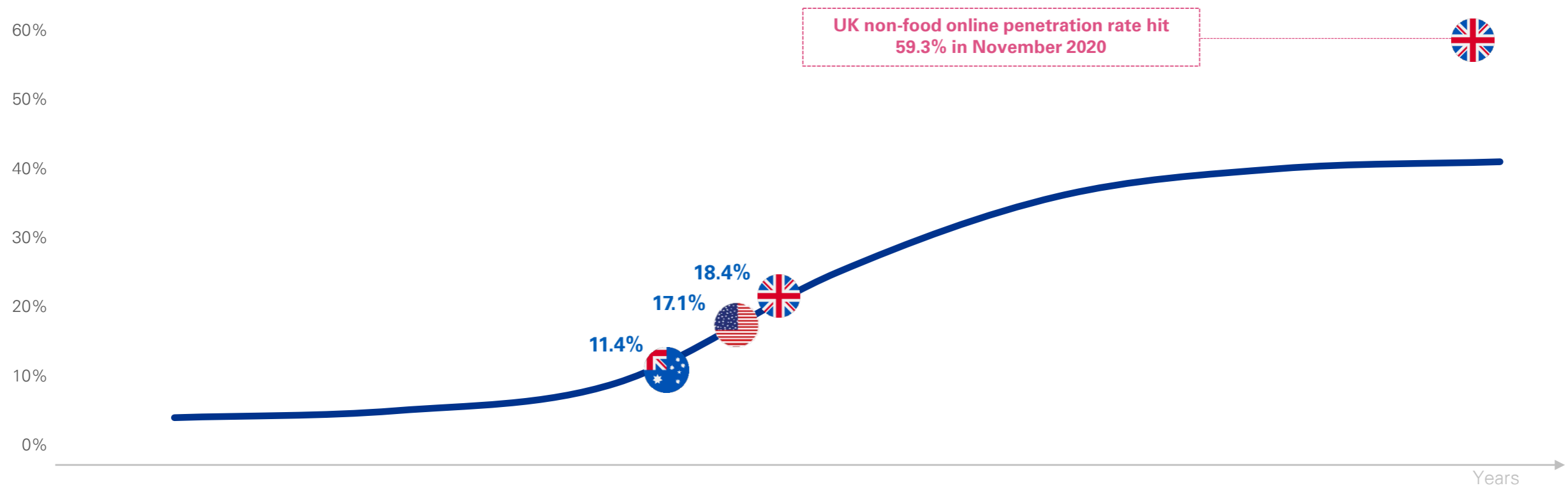
©2021 KPMG, an Australian partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved. The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organisation. Liability limited by a scheme approved under Professional Standards Legislation.

# ...with room for growth!



## Beauty and personal care online adoption

% of online retail  
CY20



Sources: Frost & Sullivan – The Online Retail Market (Australia and New Zealand) – June 2021; BRC–KPMG Retail Sales Monitor November 2020.



©2021 KPMG, an Australian partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved. The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organisation. Liability limited by a scheme approved under Professional Standards Legislation.



# 4 Guest Speaker: Kate Morris



5

Q&A





[KPMG.com.au](https://www.kpmg.com.au)



This proposal is made by KPMG, an Australian partnership and a member firm of the KPMG network of independent firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity, and is in all respects subject to the negotiation, agreement, and signing of a specific engagement letter or contract and the satisfactory completion of KPMG's internal risk assessment procedures. Should the results of our internal risk assessment not be satisfactory, KPMG reserves the right to withdraw this proposal. KPMG International provides no client services. No member firm has any authority to obligate or bind KPMG International or any other member firm vis-à-vis third parties, nor does KPMG International have any such authority to obligate or bind any member firm.

©2021 KPMG, an Australian partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organisation.

Liability limited by a scheme approved under Professional Standards Legislation.