



Retail '24: The Great Step Forward?

30 April 2024





Acknowledgement of Country

KPMG acknowledges Aboriginal and Torres Strait Islander peoples as the First Peoples of Australia. We pay our respects to Elders past, present, and future as the Traditional Custodians of the land, water and skies of where we work.

At KPMG, our future is one where all Australians are united by a shared, honest, and complete understanding of our past, present, and future. We are committed to making this future a reality. Our story celebrates and acknowledges that the cultures, histories, rights, and voices of Aboriginal and Torres Strait Islander People are heard, understood, respected, and celebrated.

Australia's First Peoples continue to hold distinctive cultural, spiritual, physical and economical relationships with their land, water and skies. We take our obligations to the land and environments in which we operate seriously.

We look forward to making our contribution towards a new future for Aboriginal and Torres Strait Islander peoples so that they can chart a strong future for themselves, their families and communities. We believe we can achieve much more together than we can apart.

Speakers



James Stewart

National Leader
Consumer & Retail
KPMG Australia



Lisa Bora

Partner in Charge
Clients & Markets – Consulting
KPMG Australia



Angus McKay

CEO & Managing Director
7-Eleven

Agenda

- 1 Market and Mega trends
- 2 Angus McKay, CEO & MD 7-Eleven
- 3 Q&A



Housekeeping

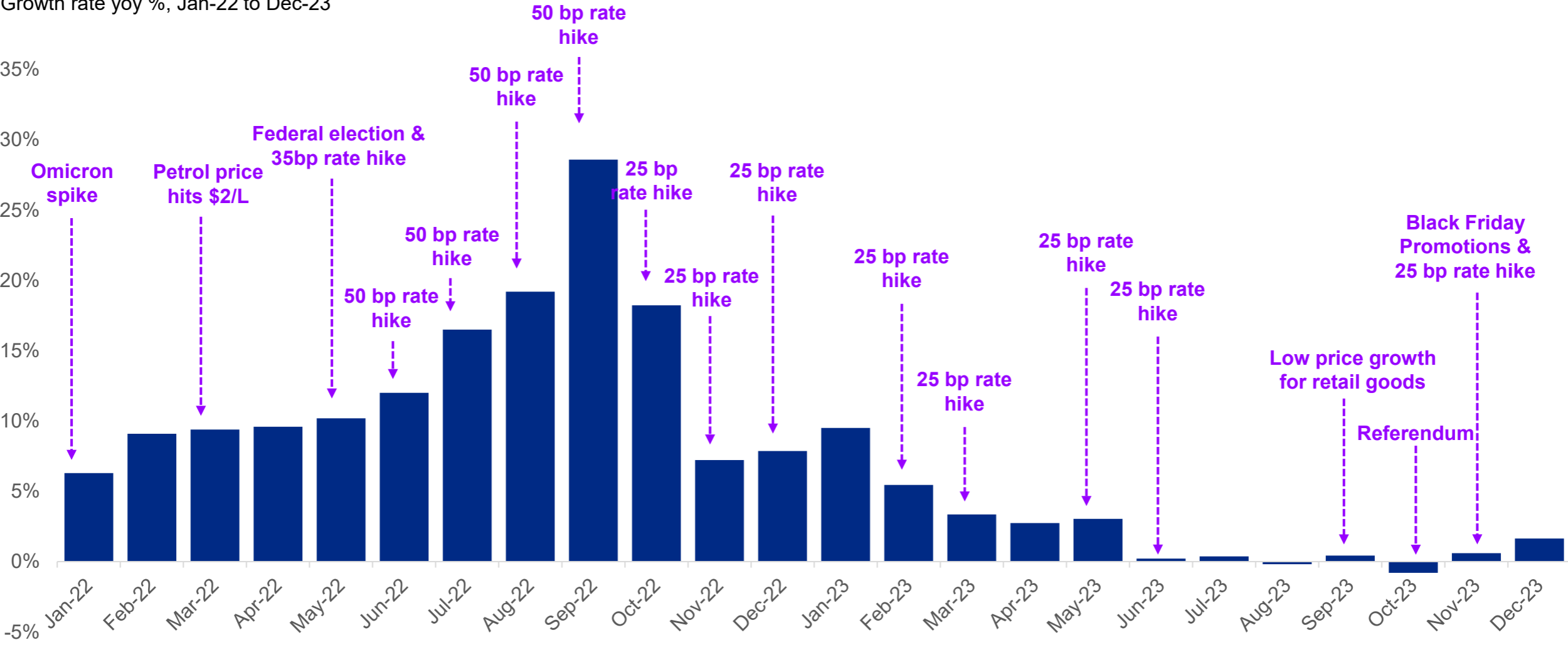
- 1 Ask questions using the Teams Chat function
- 2 Session is being recorded
- 3 Finish by 1pm

1. Market & Mega trends

A woman with dark hair, wearing a black sleeveless dress, stands on a modern escalator. She is looking down at a smartphone in her hands. The background is a brightly lit, multi-level atrium with other people walking on different levels. The entire image has a blue color overlay.

Rate hikes slow sales growth

Australian sales growth by month (non-food)
Growth rate yoy %, Jan-22 to Dec-23



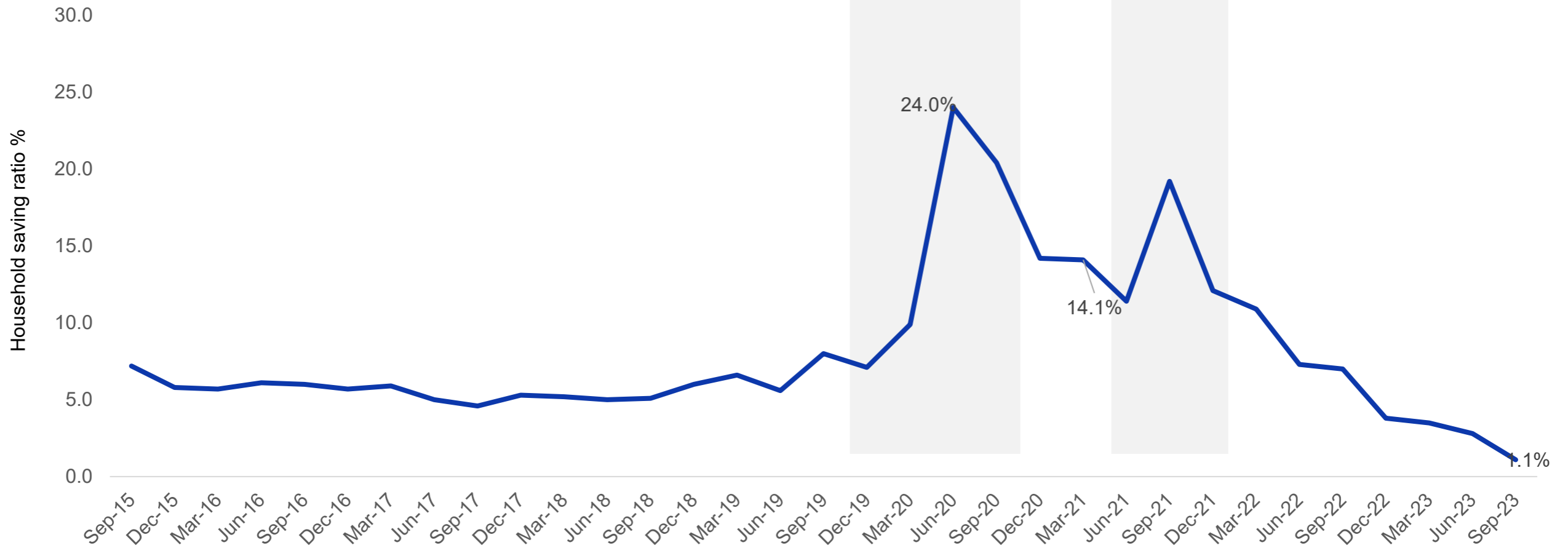
Source: Australian Bureau of Statistics, MST Marquee



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Household savings rates

Household savings ratio
%, seasonally adjusted
Dec-15 to Sep-23

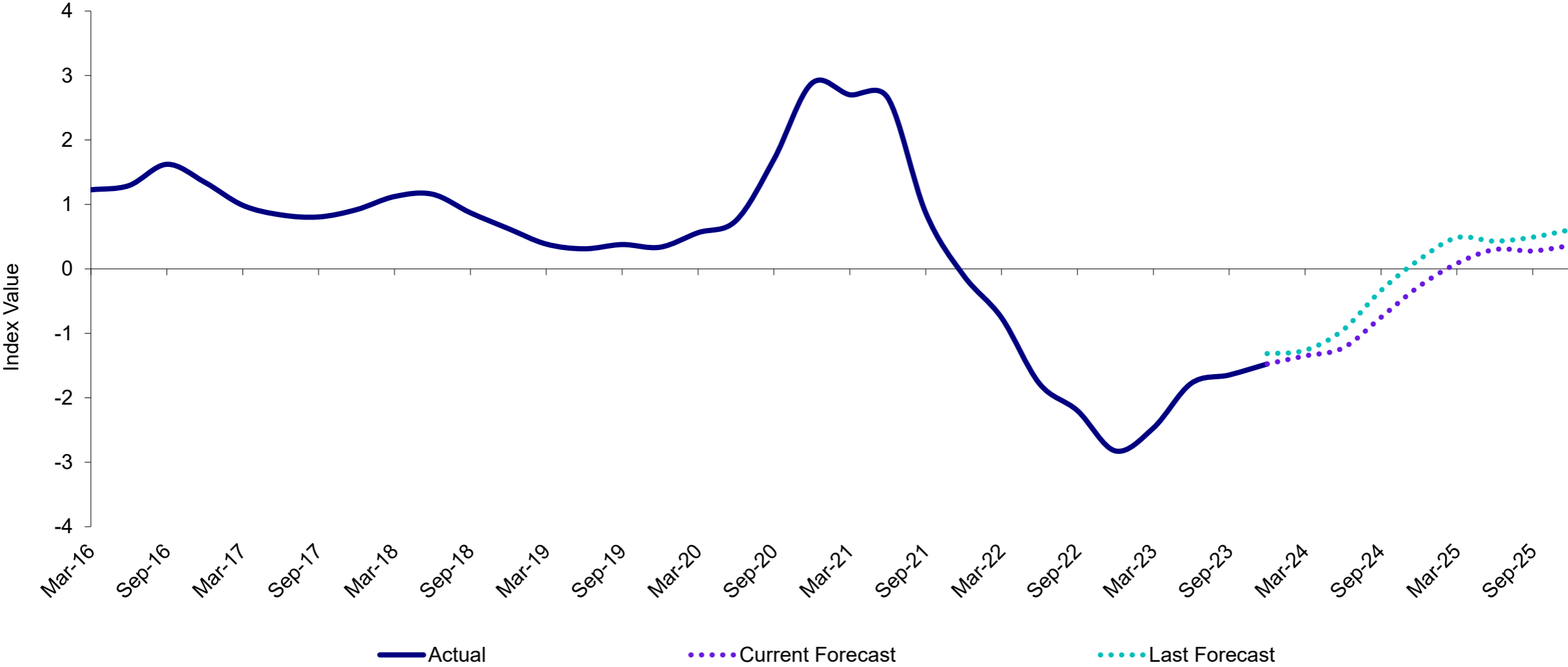


Source: Australian Bureau of Statistics, Australian National Accounts: National Income, Expenditure and Product, September 2023



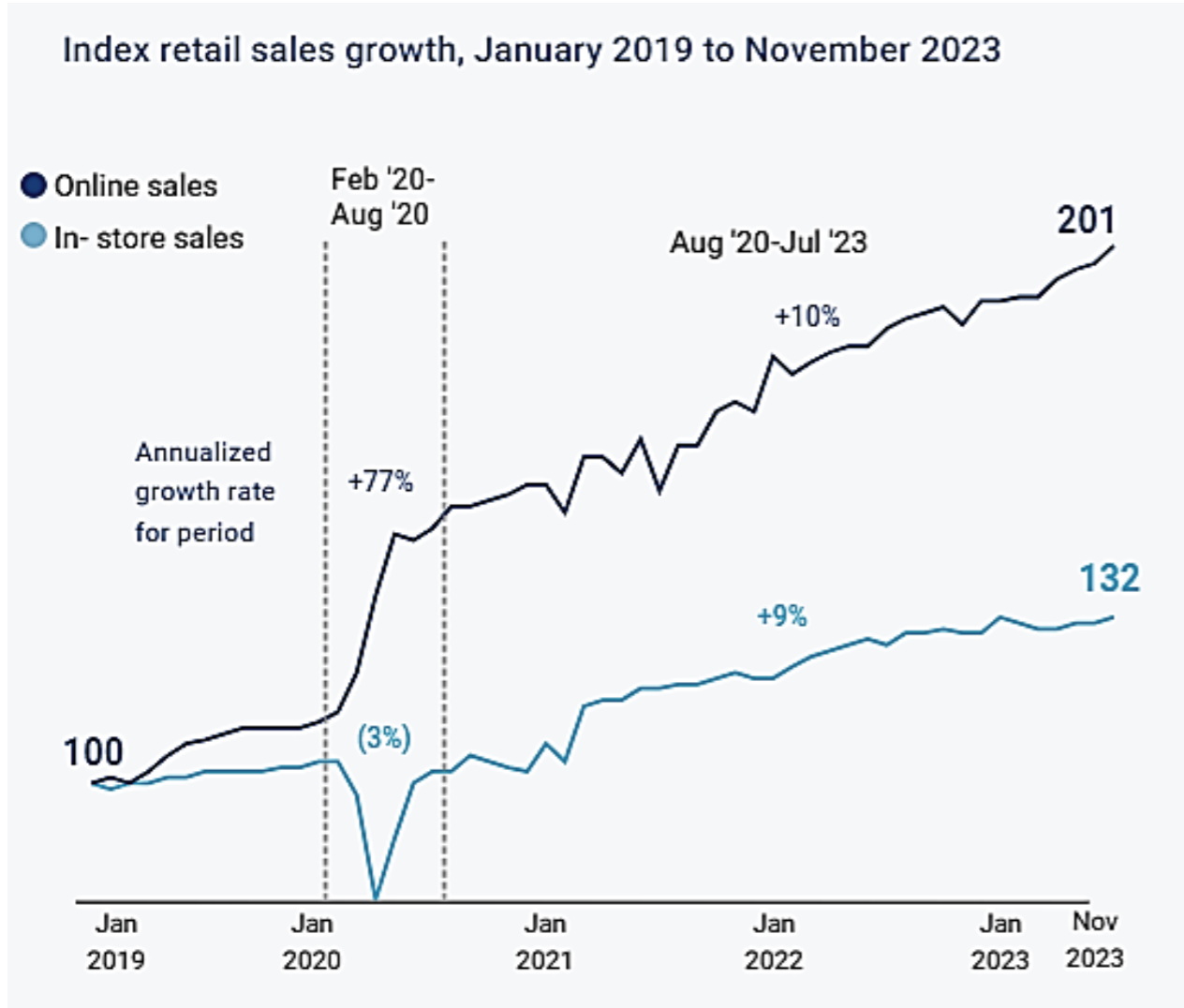
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KPMG Retail Health Index suggests worst behind us...



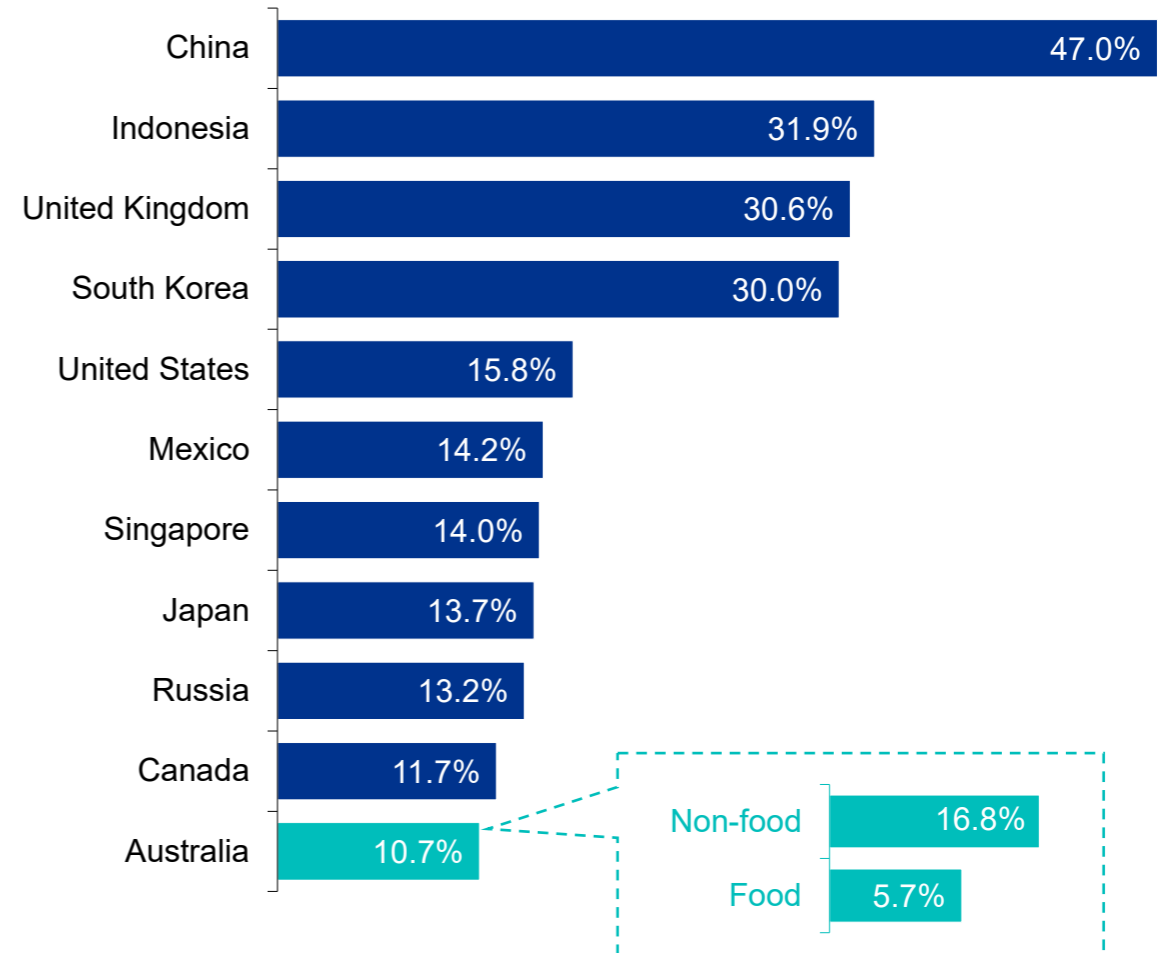
Source: BoE, ECB, FRB, RBA, Haver, KPMG

E-commerce: growth is slowing but here to stay



Source: Seizing the seamless opportunity by KPMG and NRF

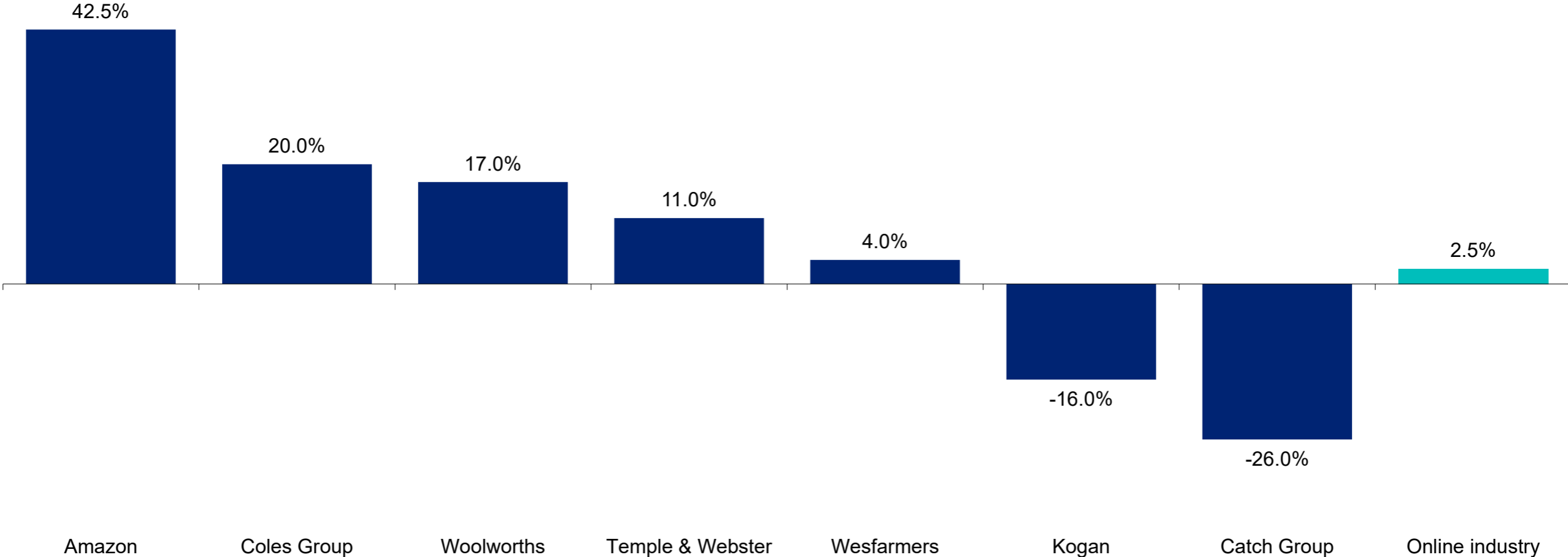
Retail Ecommerce share of Total Retail Sales, 2023



Source: ABS & Influencer Marketing Hub

Amazon growing 20x market

Australian Online Retailer Sales Growth for 2023
Growth year on year



Source: MST Marquee

**The consumer:
it's all about me
(and my dog)**



#TikTokMadeMeBuyIt....

43%

of Gen Z consumers start product searches on TikTok

70%

of Gen Z are happy to buy on social

50%

of all US ecommerce sales on mobile devices by 2027

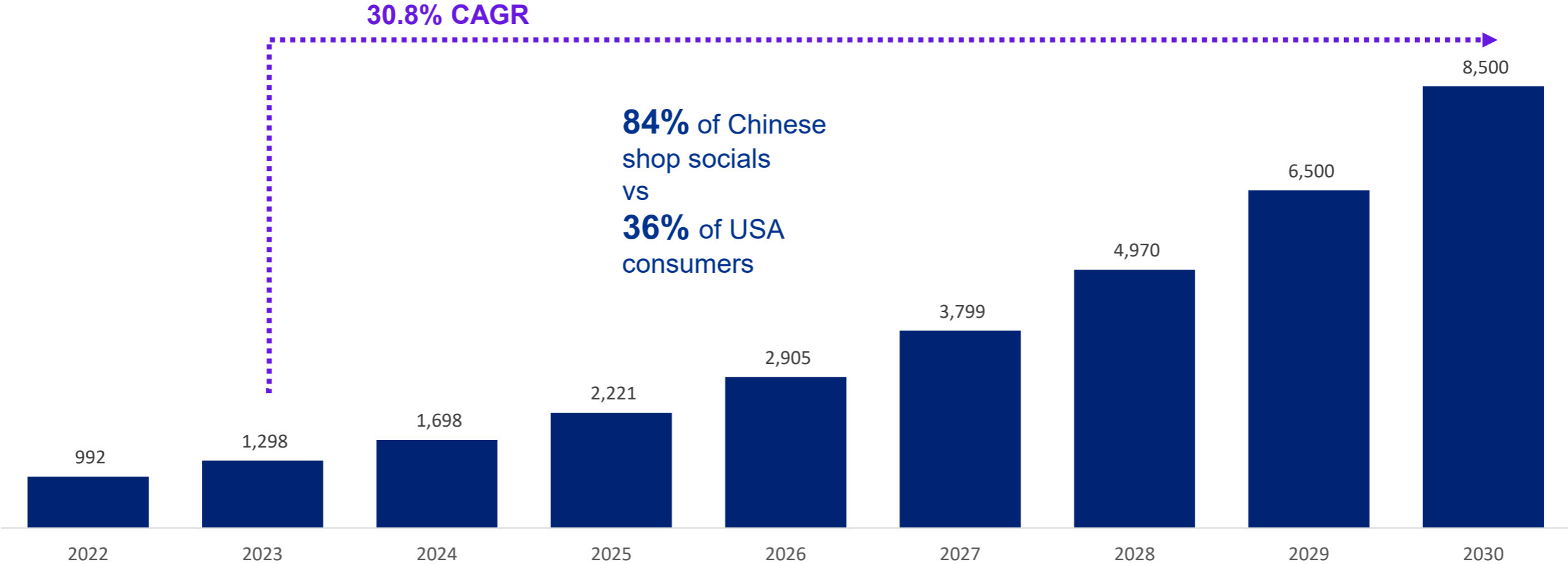
#stanleytumbler

1B views



Social commerce growing strongly

Value of social commerce sales worldwide
2022 – 2030
Sales in billions USD

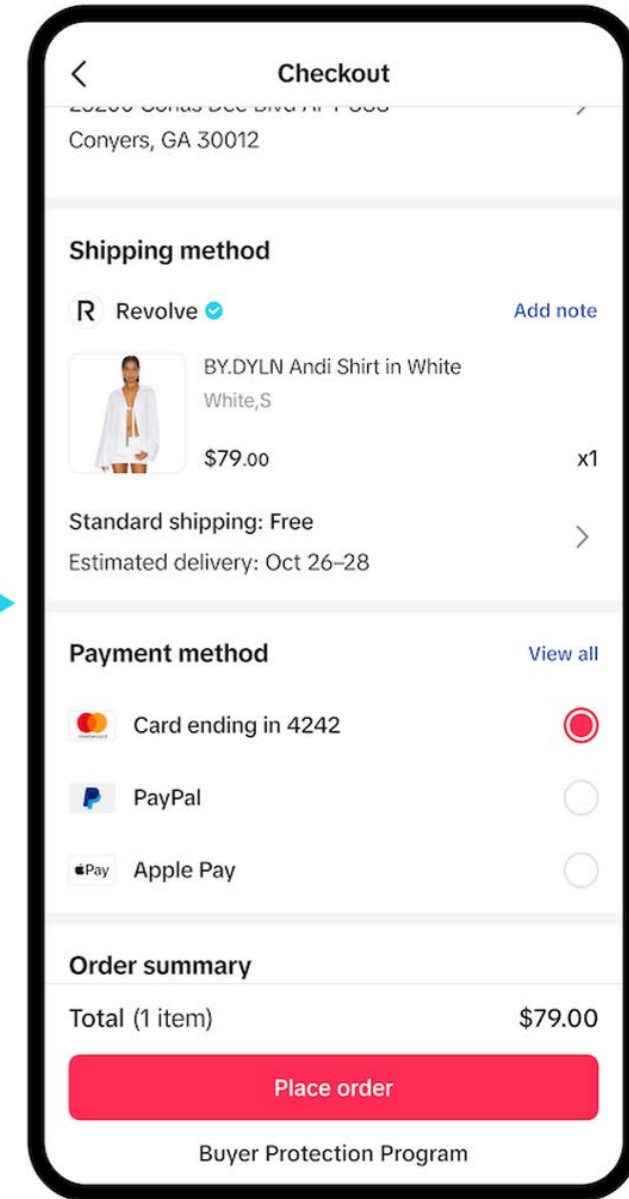
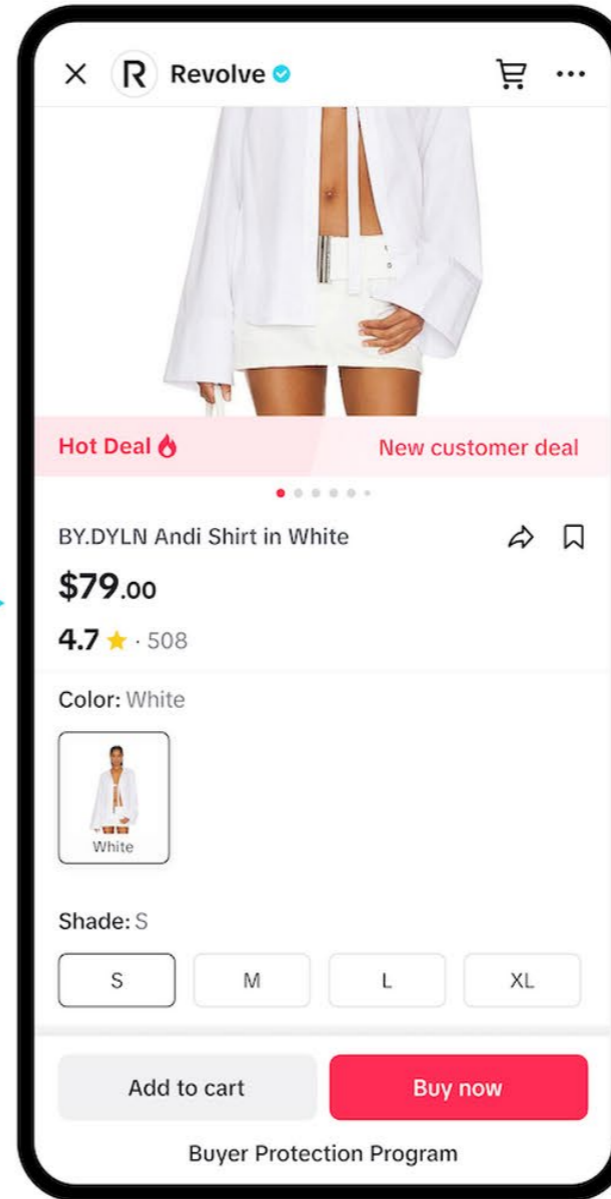
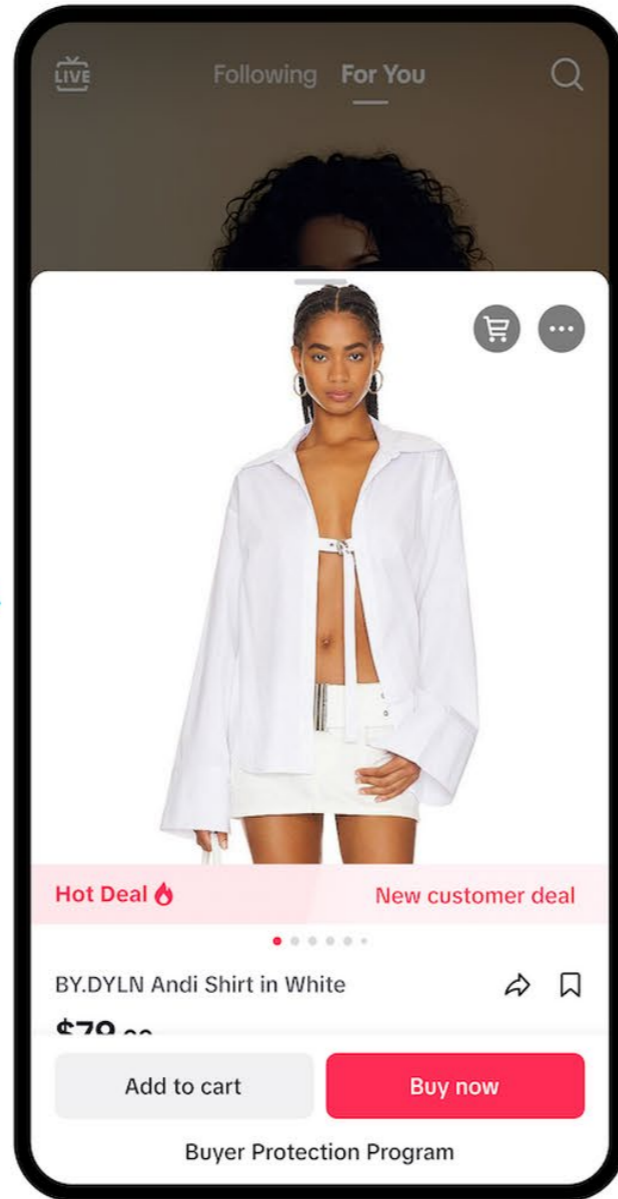
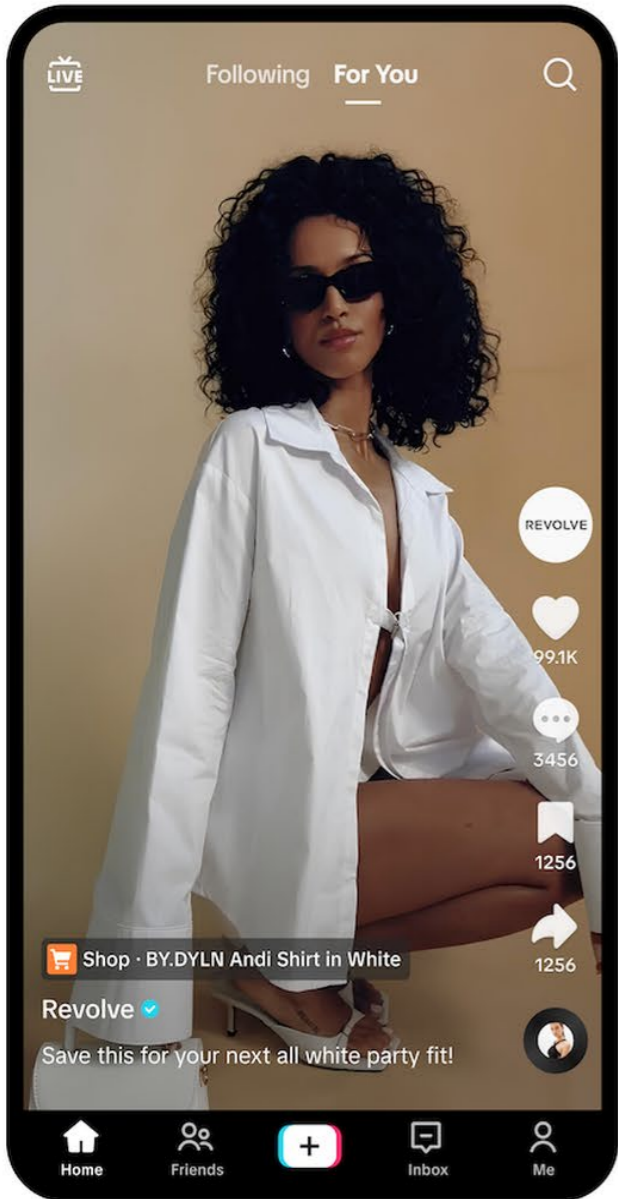


Source: Statista 2024



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TikTok Shop. 1.1bn US users since Sept 23



SHEIN (*Sheen*). Socially Digital Retail perfected?

SALE | All Under \$15.95! New in Hoodies | Knitwear | Outerwear

SHEIN

Dress

Account, Cart, Heart, Headphones, Globe

Categories ▾ New In Sale Women Clothing Curve Home & Kitchen Kids Jewelry & Accessories Underwear & Sleepwear Beauty & Health Men Fashion Shoes Bags & Luggage Home Textile & Sewing Sports & Outdoors Toys & Games Baby & Maternity < >

Home / All Under \$15.95

Filter

Sort By Recommend ▾ Pullovers Long Sleeve Plain Round Neck Crop Slim Fit Sleeveless Loose Black Letter

Category

- Women Clothing +
- Women Plus Clothing +

Size

- one-size XXS
- XS S
- M L
- + View More

Color



Material



SHEIN LUNE Plaid Print Gigot Sleeve Zipper ...
★★★★★ (1000+)
AU\$10.25 -27%



SHEIN LUNE Drawstring Hem Solid Coat
★★★★★ (1000+)
AU\$7.25 -27%



Heart & Skeleton Printed Crew Neck Casual ...
AU\$11.50 -28%



SHEIN Essnce Plus Figure Graphic Asymmet...
AU\$11.50 -28%



SHEIN LUNE Striped Print Drawstring Hoodie
★★★★★ (500+)
AU\$10.17 -40%



RU AI?



AI by the numbers

Spending by 2027
on Generative AI

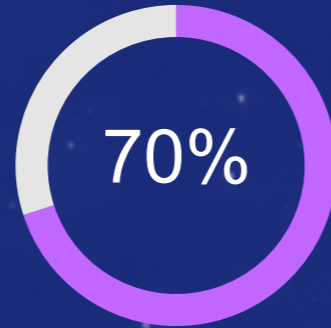
\$143B

Where for C&R?:

66% Customer analysis & personalisation

64% Trend/predictive analysis for inventory management

62% Content generation (marketing & product)



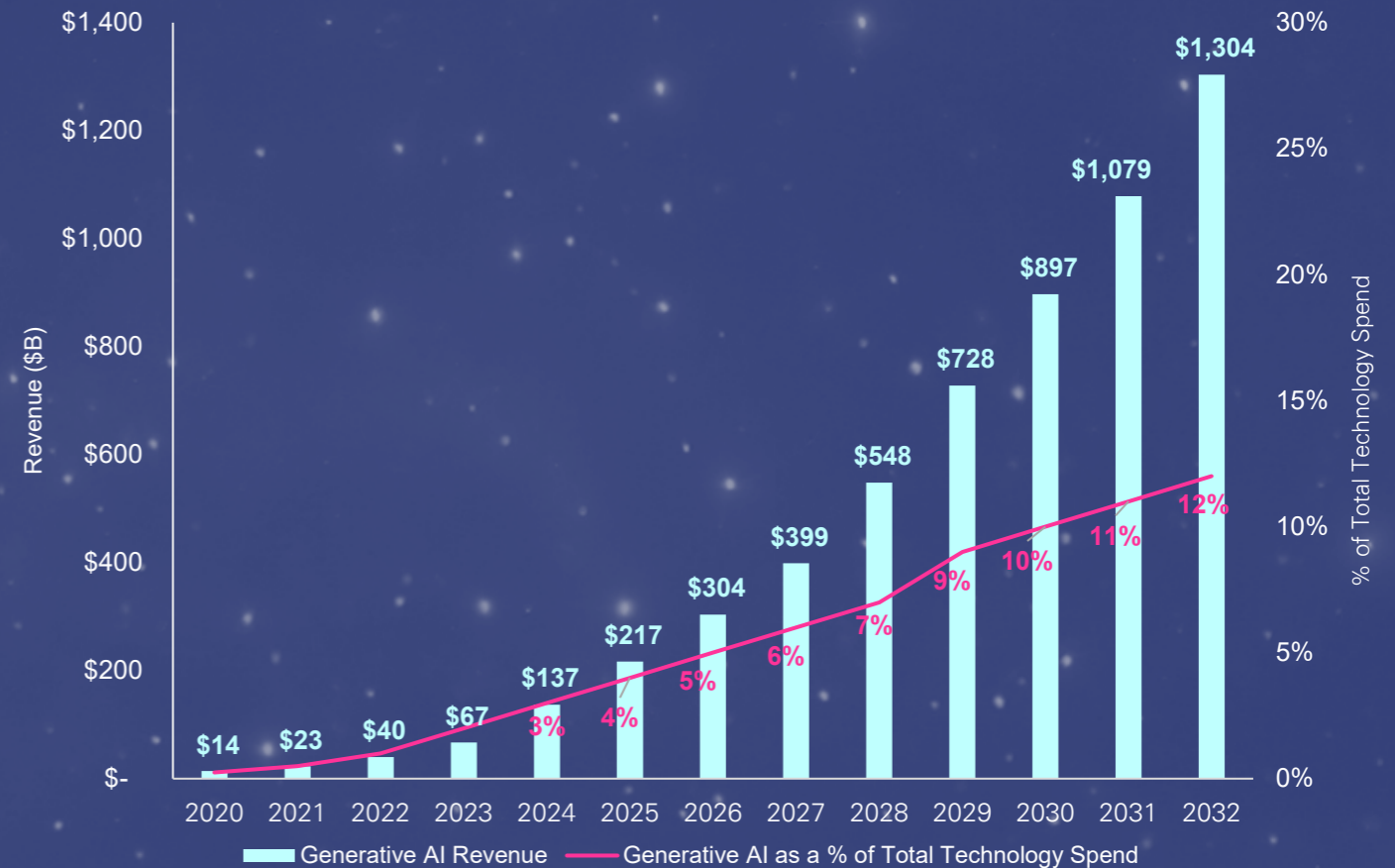
C&R Execs say Gen AI will transform **marketing** and **sales**

Top barriers?

- 1** Lack of skilled talent 
- 2** Costs / lack of investment 
- 3** Lack of clear business case 

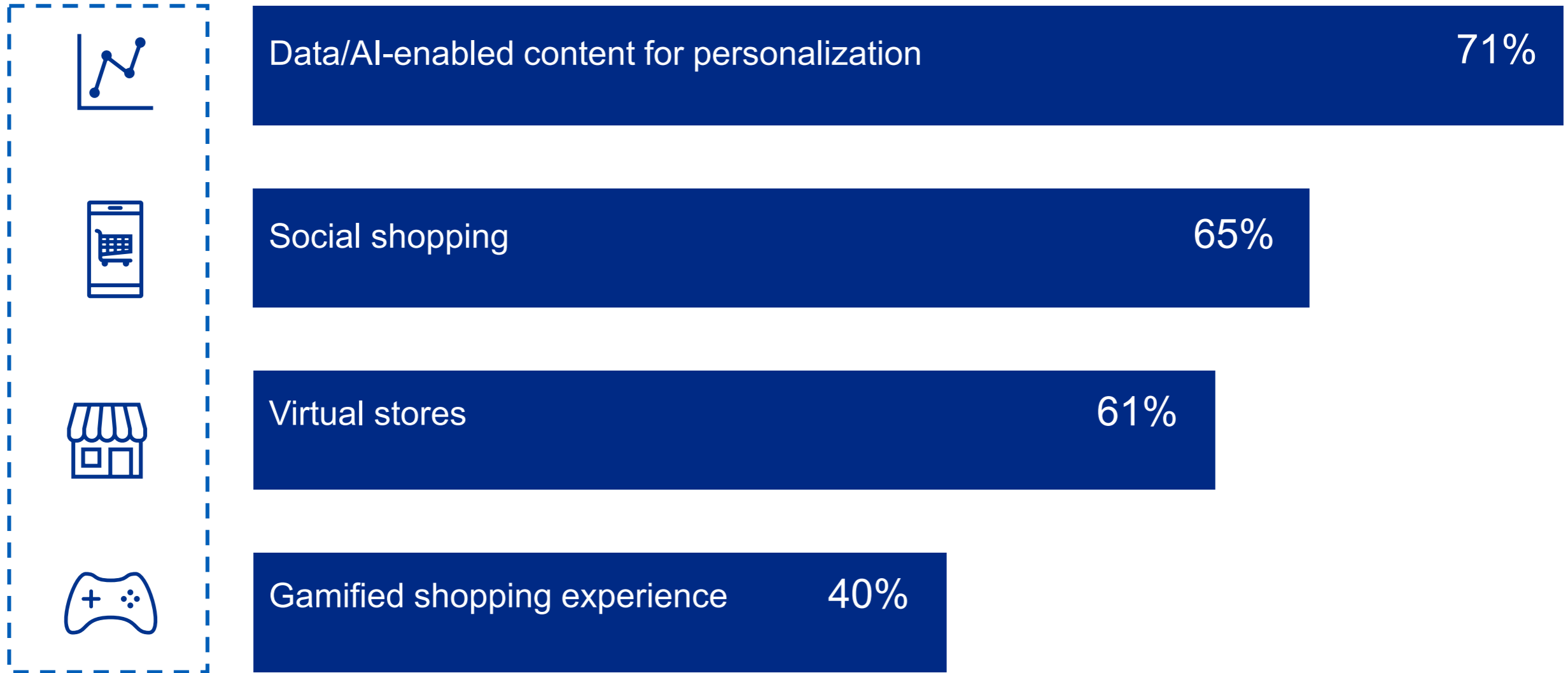
Source: KPMG

Generative AI Revenue



Source: Bloomberg, Generative AI to Become a \$1.3 Trillion Market by 2032, Research Finds, 2023

Where is the retail investment going?



Source: Insider Intelligence/emarketer + Coresight US Research Aug 2023



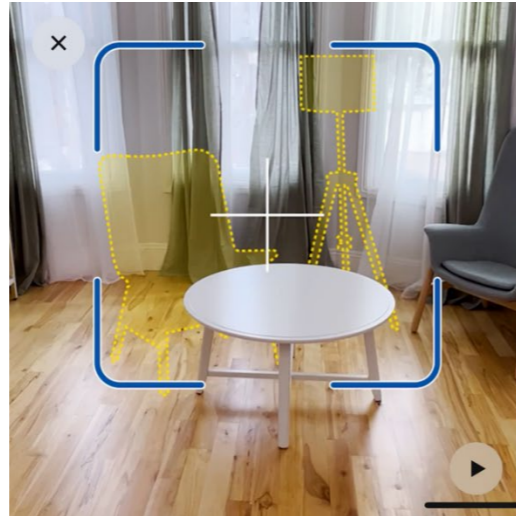
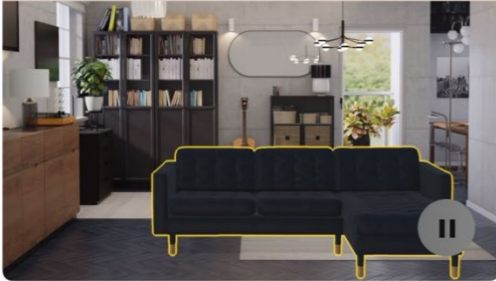
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Ikea Kreativ: redesign your home in minutes

× IKEA Kreativ 📷

Design a showroom
Start with an empty (or pre-designed) showroom and make it your own.

Try it out →



1 of 3

Get ready

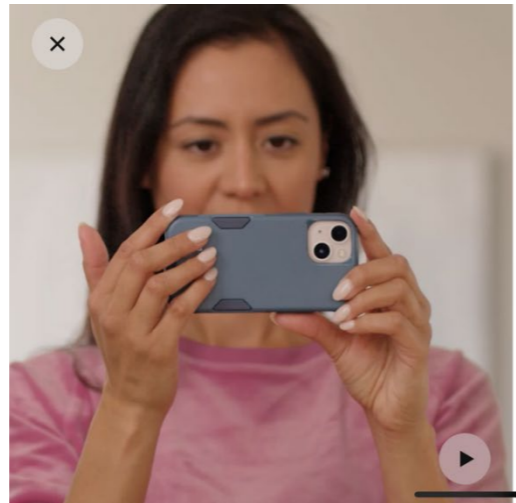

- Move back to get a great angle
- Ensure space is free of people and personal content
- Centre the project in view and begin

Next step



Design in your own space
Scan your room and design in an immersive experience that brings your vision to life

Get started →

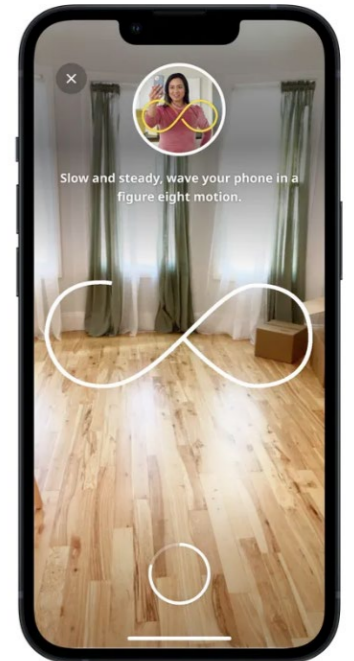
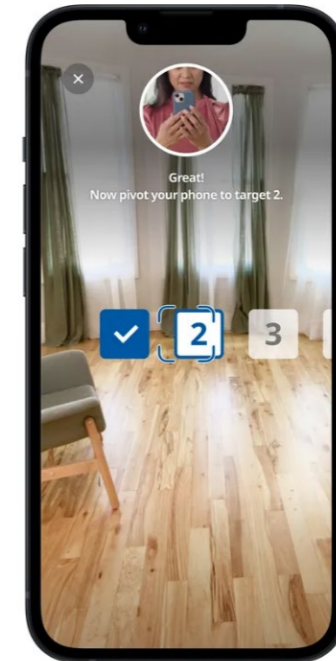


2 of 3

Take a photo

- Ensure it's the widest possible view
- Snap your photo

Start



Retail. Automation & AI use cases

Marketing

Customer Service

Supply Chain

Inventory

Buying & Forecasting

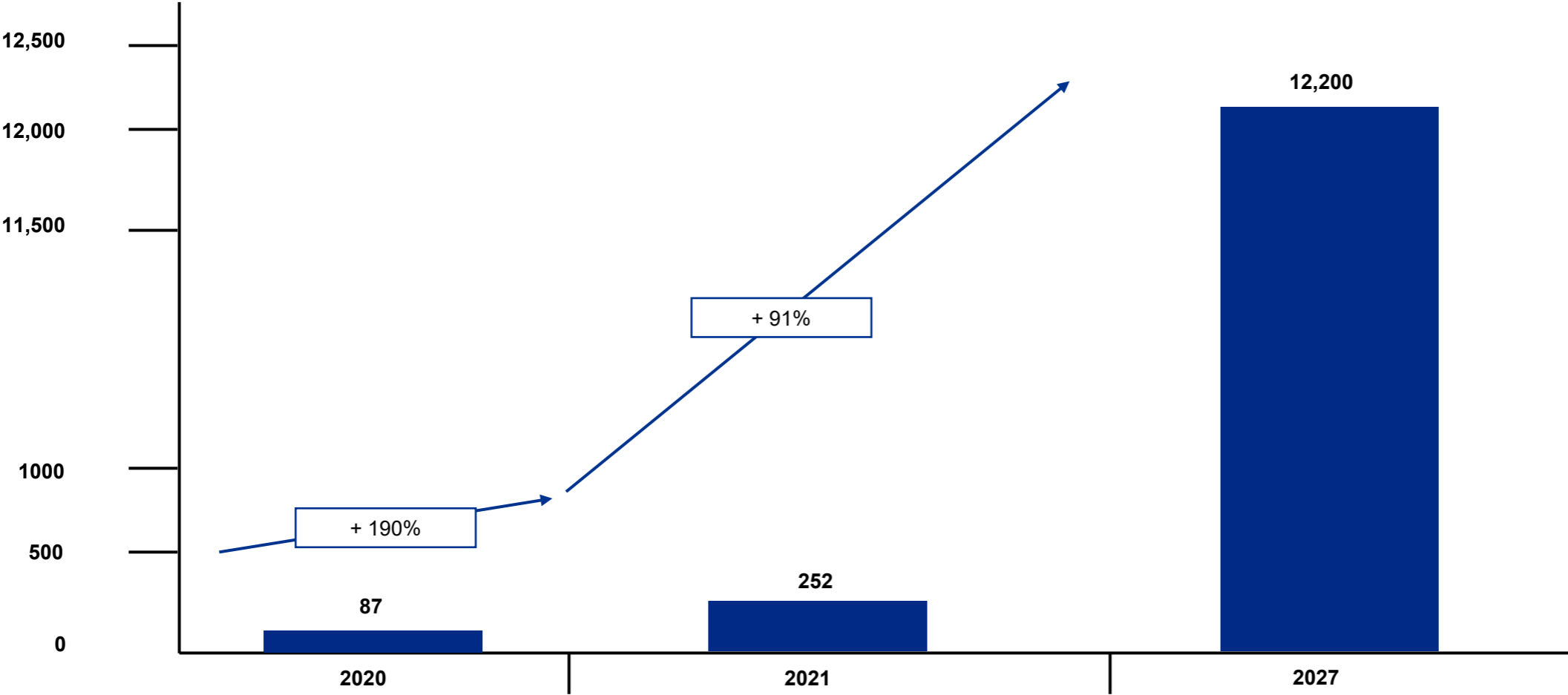


**Let's get
physical**



Frictionless retail

Number of frictionless retail store, worldwide

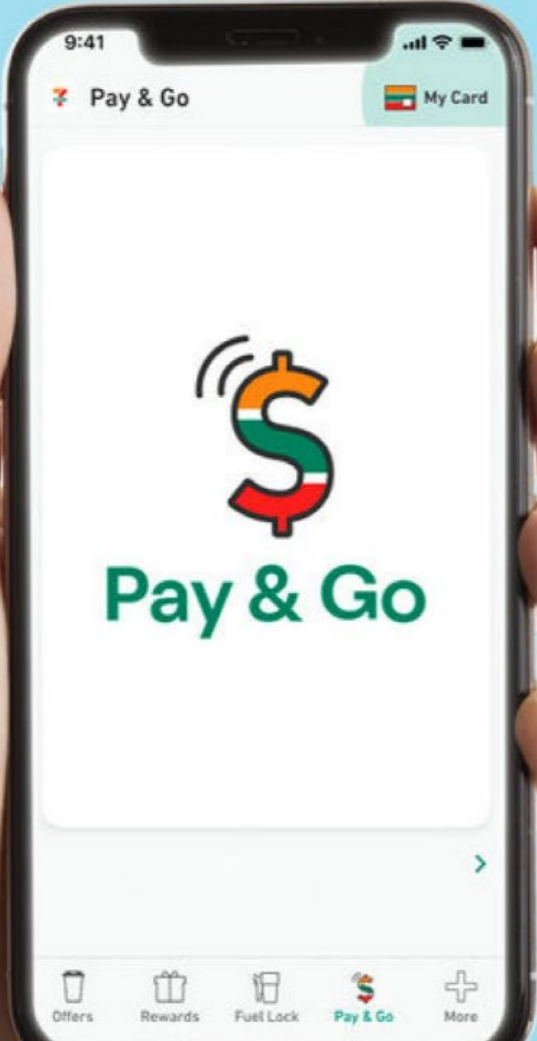


Source: PWC UK report



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7-Eleven Pay and Go store



Skip the queue with My 7-Eleven Pay & Go.

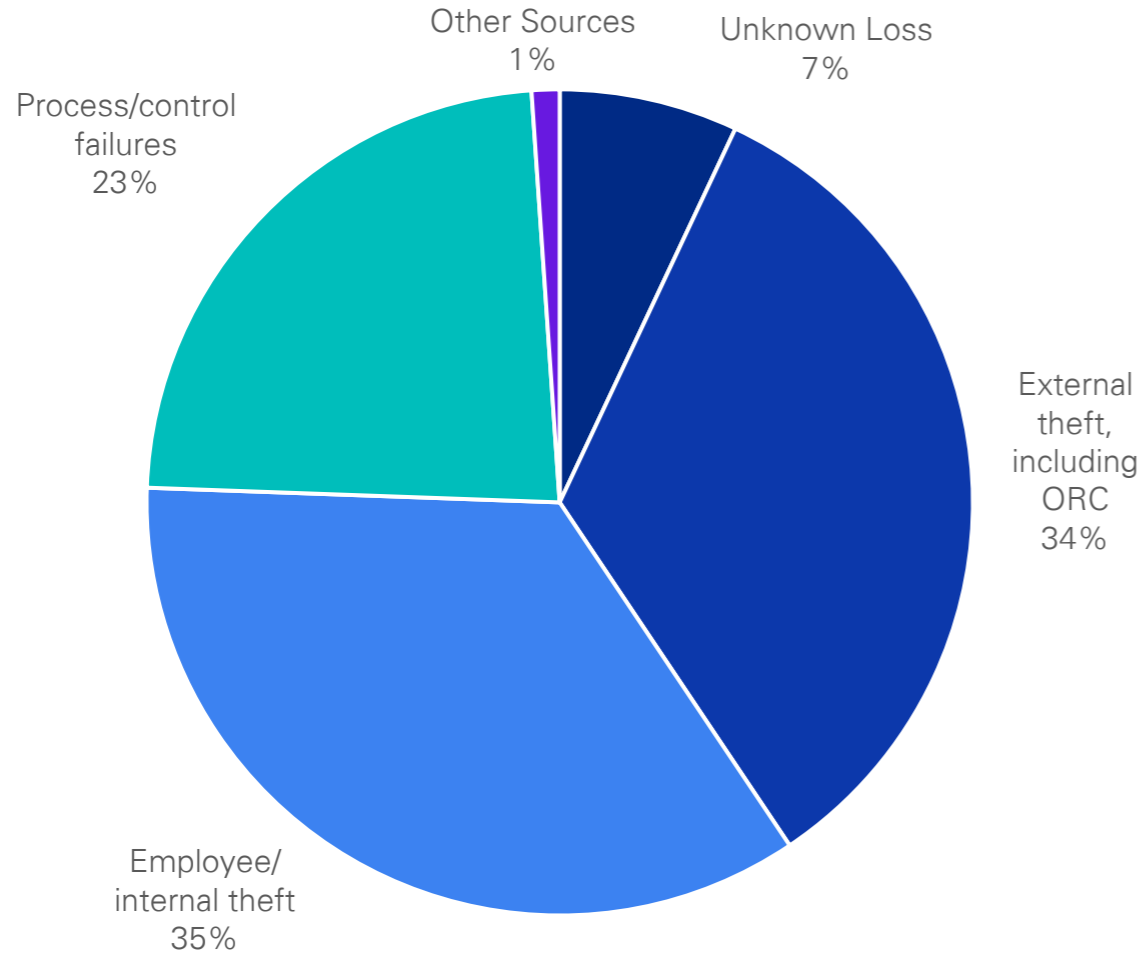
Pay for fuel on the app using Fuel Up, or Shop in-store using the app to scan your products* and check yourself out.

[Download on the App Store](#) [GET IT ON Google Play](#)



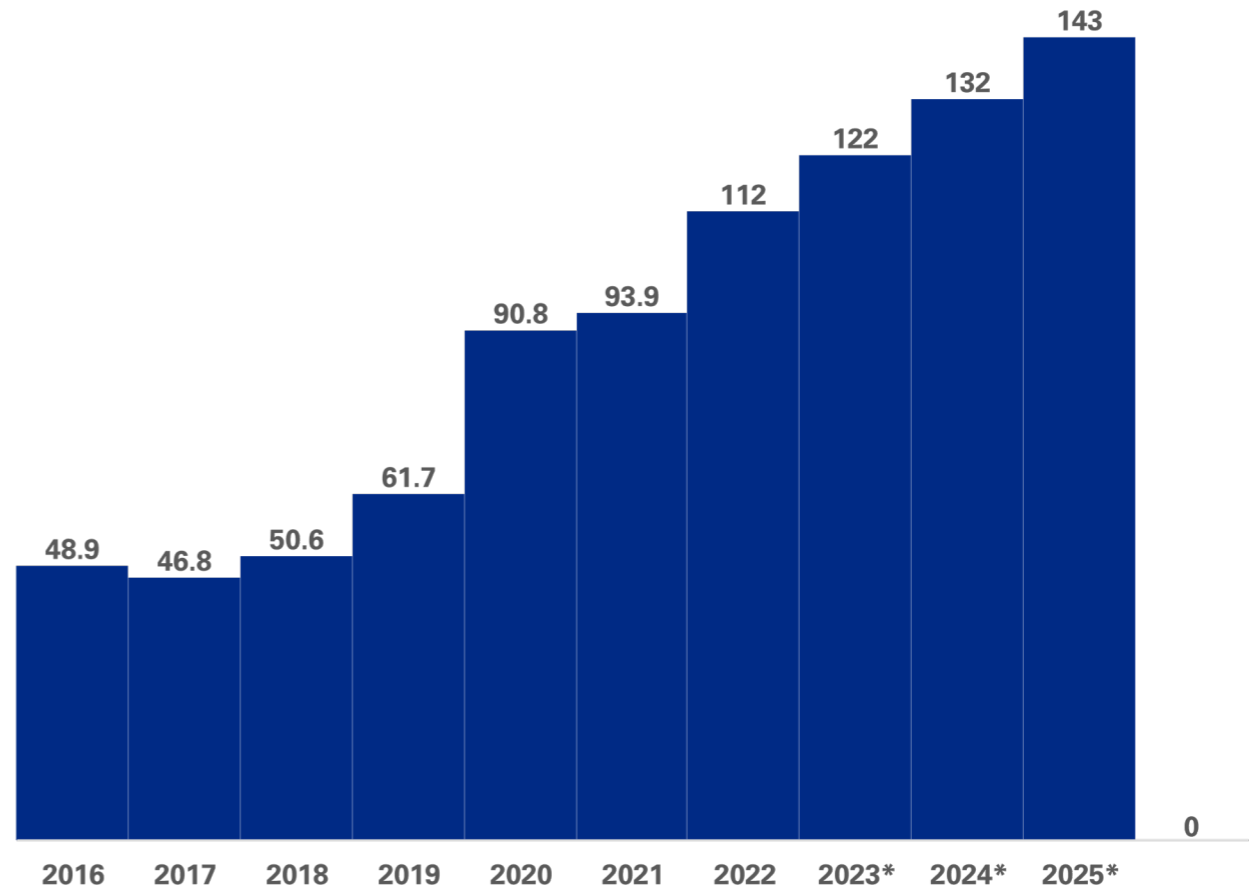
Retail crime on the rise

Shrinkage



Source: National Retail Federation (U.S. data)

Retail sales revenue lost to theft In billion USD

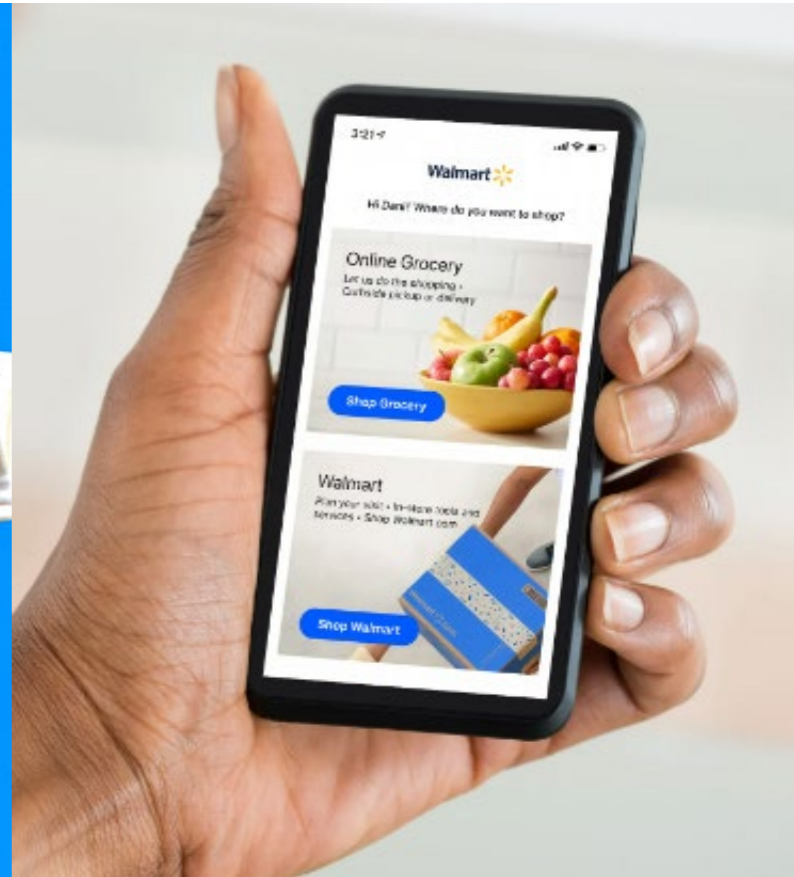


Source: 2022 Retail Security Survey, National Retail Federation (U.S. data)

Uniqlo Self Checkout. Just Bin it.



Sky High Ambitions: Walmart Makes Drone Delivery Real in '24



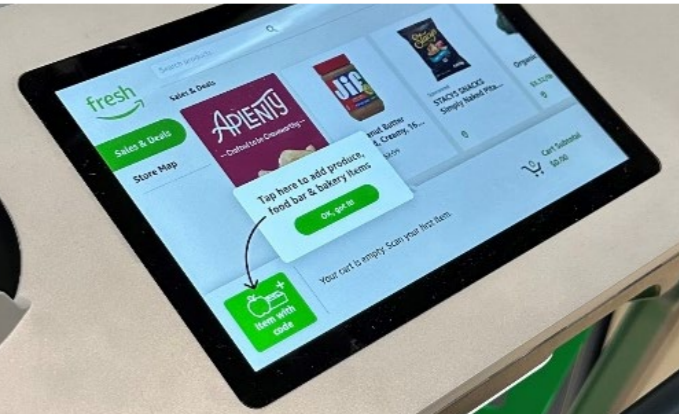
Amazon One Palm Pay



Amazon Dash Cart. Scan and go.




**Dash
Cart**
technology by
amazon



Retail Media is the new oil

A photograph of a Walmart store exterior. The building has a prominent blue sign with the word "Walmart" in white, 3D letters, and the yellow sunburst logo to the right. The address "600" is visible on the left side of the building. The entrance features glass doors and windows. Several shopping carts are parked outside, and a few people are visible near the entrance. The sky is overcast.

Walmart

“... grew sales by nearly 40% year-over-year in the fiscal first quarter of 2024... Walmart’s global ad sales last year hit \$2.7 billion. “

A man with grey hair, wearing a dark suit jacket over a light-colored striped shirt, stands in a modern office environment. He is smiling slightly. The background features large green plants, a wooden counter, and a coffee cup. The text is overlaid on the left side of the image.

2. Angus McKay
CEO & Managing Director
7- Eleven

3. Q&A



KPMG retail team



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