COVID-19 and social distancing impact on Retail Customer Experience:
KPMG vision & approach for Large Retail Chains

Digital Transformation for Shut-in Economy
Business Re-modelling

KPMG

Agenda

SHUT-IN ECONOMY AND BUSINESS REMODELLING:

How Customer Experience and Operational Models must evolve to deal with the situation

- COVID-19 outbreak: key figures and forecast

- COVID-19 contagious and social distancing: new retail customer journey & pain points

- KPMG Approach to COVID-19 Retail Customer Experience and Quick Wins

- Beyond the quick-wins: redesign the business models against shut-in economy paradigm

Covid-19 impacts Consumer's wishes, along with several changes in the post lockdown

Thinking to tomorrow: back to normal, Italian wishes after the "lockdown"

39% Go out to eat and drink

36% Meet loved ones and family

33% Meet friends

26% Go for a walk in the city centre or in the countryside/parks

25% Go to the beach or lakeside

15% Go to the hairdresser or beautician

13% Go shopping

13% Go to work or to school

Our everyday life will be radically impacted in the post Covid-19 world

Social Distancing

In the post lockdown world, social interaction will never be the same. People will have to **keep the distance** each-other, avoiding gathering and crowded places, **to prevent the new virus widespread**

More Products & Retailers online

Online retailers are experiencing an extraordinary growth. Consumers will shift more and more their purchasing on the **online channel**. Be online will be an **imperative** for all retailers

Entertainment revolution

Sports, theatres, museums will have to reimage the interaction their audience and visitors **reinventing the entertainment experience**

Distant Learning & Working

Several new platforms for **distance learning** have been implemented. "**Smart working**" is now the new normal. In the future, working and learning habits will evolve thanks to the "lockdown" experience

Source: Ipsos Survey "Italiani & Coronavirus" March 2020, KPMG elaboration

Social distancing will influence our lives for next two years

FLUID SITUATION MAKES PREDICTIONS HARD

The **amount of social distancing needed** to curb the Covid-19 epidemic in the context of seasonally varying transmission **remains unclear**

NOT A ONE-TIME INTERVENTION APPROACH

Harvard's Research team assessed that **one-time interventions will be insufficient** to maintain Covid-19 prevalence within the critical care capacity. **Seasonal variation** in transmission may **facilitate the resurgence** of the virus periodically

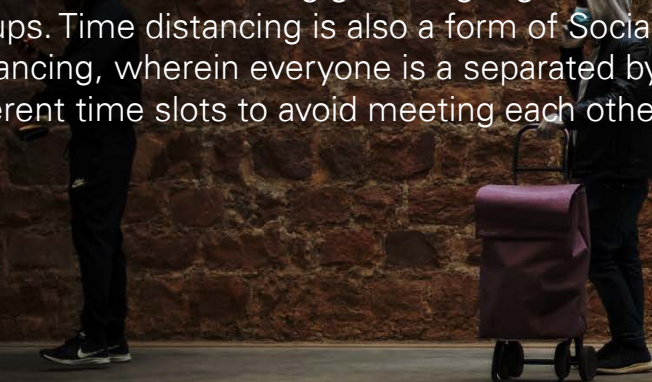**SOCIAL DISTANCING IN 2022 AS GLOBAL WORST CASE SCENARIO**

Without relevant intervention but social distance (e.g. vaccine) **this scenario may drag itself 'til 2022**. Increasing critical care capacity could reduce the duration of the Covid-19 epidemic while ensuring that critically ill patients receive appropriate care

Source:"Social distancing strategies for curbing the COVID-19 epidemic" - Department of Epidemiology, Harvard

Definitions
SOCIAL DISTANCING

noun - Sociology

Social distancing, is a set of non-pharmaceutical interventions or measures taken to prevent the spread of contagion disease by maintaining a physical distance between people and reducing the number of times people come into close contact with each other. It involves keeping a distance of at least two-metres from others and avoiding gathering together in large groups. Time distancing is also a form of Social distancing, wherein everyone is a separated by different time slots to avoid meeting each other

Anthropology of a new customer: emerging lifestyles & personal values

The CODIV-19 health emergency and the related measures to contain the epidemic are leading to a **rapid transition towards new lifestyles and new personal values** strongly guided by the new paradigm of social distancing

EMERGING LIFESTYLES

NEW PURCHASING BASKET MIX
Greater interest in packaged and canned products rather than easily perishable fresh products, such as fruit and vegetables

FOOD AS A WELLNESS VEHICLE
Recovery on the concept of food as a wellness vehicle (distance relationships, solidarity, ways of connecting people …)

HOME RE-DISCOVERY
Rediscovery of the home as an hearthstone and greater attention to family relationships in everyday life

EMERGING PERSONAL VALUES

FUNCTIONAL/SAFETY COMPONENT
In interacting with brands there is no longer the obsessive search for speed and personalization, but mostly security and safety

PLAYFUL/EXPLORATIVE COMPONENT
COVID-19 is forcing us to deal with new processes and people are increasing the propensity to explore, while seeking the playful component

ASPIRATIONAL/EXISTENTIAL COMPONENT
The pandemic is accelerating the review of aspirational aspects and the meaning of individuals' lives d therefore their identity (less status and more identity)

The **psychological aspects are now acquiring greater importance** than other profiling variables (eg. socio-demo or channel usage beause of a channel shift that is quite obliged); more than ever, **it is essential to communicate** to people **with the right languages to gain attention, trust, engagement and loyalty**

Italian Retail Customer is shifting to online due to COVID-19 impacts

COVID-19 impacts are foreseen to **shift consumer demand to the online channels**. This may **irreversibly change customer behavior**, as once people get into the habit of **shopping online**, it becomes a routine and **it is hard to get away from it easily**, **forcing companies to escalate their online presence**
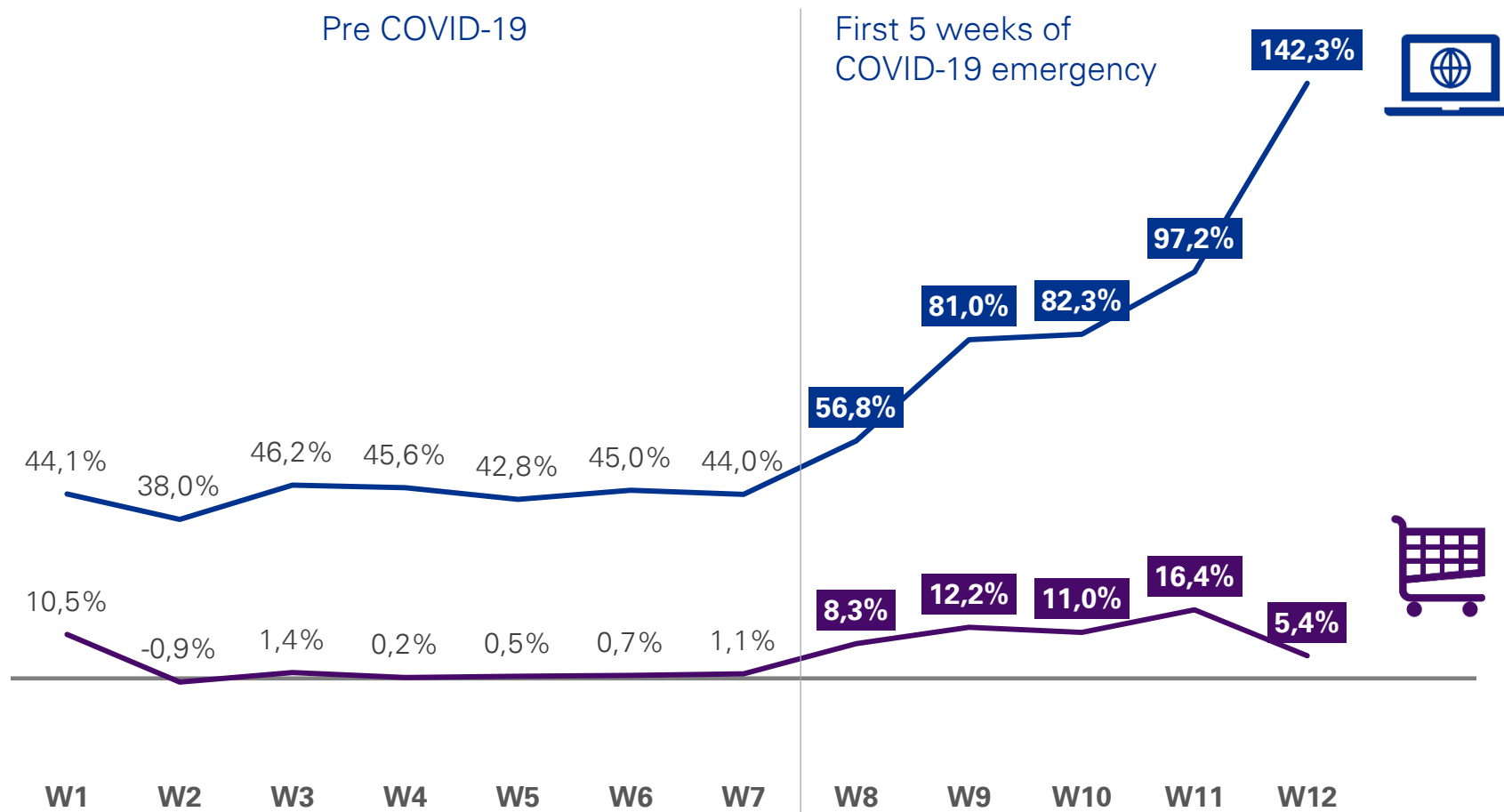
	BEFORE	**NOW**	**NEW APPROACH TO RETAIL**

PHYSICAL STORE

Experiential cornerstone where to:
- Take the adequate time while shopping
- Enjoy multiple touchpoints with the brand
- Look for diversion and get away from indoor activities

Mandatory stop where to:
- Get essential products which, for multiple reasons, cannot be bought online
- Spend as less time as possible to avoid direct contact with people

Stores could be adapted to their new role as soon as possible, by re-designing:
- In-store traffic management and route optimization
- Store layout gravitational path
- Visual merchandising and product displaying evolution

ONLINE CHANNEL

Time & effort reducer, where to:
- Shop in a fast and immediate way
- Gathering the most information in the littlest time
- Look for best prices

Unique channel for diversion
- Online channel is meant to (almost) become independent from the physical one (encompassing the entire commercial funnel)
- Due to COVID-19 limitations, online channels is the brand touchpoint where consumers can spend most of their time

Innovation of online customer experience to encourage home-bound consumers to purchase their products:
- AR/VR to engage the customer and convey information
- UX/UI optimization to meet new customers incoming on digital channel for purchasing journey (not only discovery and social engagement) in a fully digital journey
- Personalized engagement and gamification

FMCG sales has been growing since the beginning of Covid-19 crisis, especially online

Fast moving consumer goods sales by channel in Italy in the first 12 weeks of 2020 (Variation by value vs previous year in the same period – March 2020)

From the beginning of Covid-19 crisis in Italy sales of **Fast Moving Consumer Goods rose steadily compared to the same period of 2019**.

The **online shopping rose** as **people became increasingly interested in reducing their exposure to others**, as the virus appears to be spread via coughs and sneezes

Pre COVID-19

First 5 weeks of COVID-19 emergency

142,3%

97,2%

81,0%   82,3%

56,8%

44,1%   38,0%   46,2%   45,6%   42,8%   45,0%   44,0%

16,4%

12,2%   11,0%

8,3%   5,4%

10,5%   -0,9%   1,4%   0,2%   0,5%   0,7%   1,1%

W1   W2   W3   W4   W5   W6   W7   W8   W9   W10   W11   W12

Source: Nielsen eCommerce tracking, total Italy online and offline

COVID-19 contagious and social distancing: Offline Retail Customer Journey & Pain Points

	Shopping Expedition Plan	Store Access	In-Store life	Return home
BRIEF	The customer gains awareness about the need to buy groceries	The customer goes to supermarket	The customer enters, buys what he needs and exits the store	The customer comes back home and consumes his products
DESCRIPTION	The customer becomes aware that the fridge is empty and so he makes a list of what he needs to buy	The customer leaves the house and waits in the line outside the supermarket respecting the safety distance	The customers enters the supermarket and starts to look for the items on his list and then goes to the cash register to pay	The customers packs up the products purchased in his apartment and starts to consume some of them
CURRENT CUSTOMER PAIN POINTS	1. Leaving the house 2. PPE (Personal Protective Equipment) availability 3. Potential queue to get inside the supermarket 4. Poor visibility of product availability in store	1. Long queues 2. Risk to be exposed to potential infection sources	1. Exposure to potential infection sources, including shelf products and carts 2. Walking through corridors may be time-inefficient for customers 3. Slow product scan and payment with money \cards potentially exposed to risks 4. Image merchandising of non-food retailers is often not effective	1. Infected products packaging 2. Caring actions to customer 3. Remote customer support* 4. Customers sensible to perceived or real disservices, with high probability of posting complaints on social media and generate falls in Brand-reputation

*All the suggested mitigations shall be addressed to a digital customer base that is used to deal with digital devices; ** Not specific for GDO

COVID-19 contagious and social distancing: Online Retail Customer Journey & Pain Points

	Need Awareness	**Retail Screening & Selection**	**On-line Purchase**	**Order Fulfillment**
BRIEF	The customer gains awareness about the need to buy groceries	The customer looks for an online grocery provider	The customer select the products, delivery time and pays the bill	The customer receives the products
DESCRIPTION	The customer becomes aware that the fridge is empty and so decided to do the grocery online	The customer scout the different website/app for doing the online grocery	The customer selects the products he needs, chooses the delivery time and pays the bill	The customer receive the products at home, packs up the products purchased in his apartment and starts to consume some of them
CURRENT CUSTOMER PAIN POINTS	1. Multitude of unstructured marketing communications by many Retailers with negative impacts on Brand considerations 2. Not proper customers awareness solicitation by relevant and timely communications	1. Complex selection of best retailer in terms of product ranges & delivery availabilities 2. Complex interactions for non digital-savvy people 3. Ineffective image merchandising of non-food retailers	1. Website performance issues in terms of browsing speed and accesses 2. Available delivery time slots (often none) shown at the end of checkout process 3. Dissatisfaction sources not properly monitored by traditional analytics solutions 4. Low visibility of food product best-before dates 5. Traditional non-engaging electronics/furniture product images	1. Longer / not respected delivery times 2. Picking and delivery processes as potential sources of risk (e.g. exposure to infection) 3. Higher sensitiveness to disservice perception, causing complaints on social media and falls in brand-reputation

How Quick Wins address emerging off-line customer pain points

Shopping Expedition Plan

Store Access

In-Store life

Return home

CUSTOMER PAIN POINTS

Shopping Expedition Plan
1. Leaving the house
2. PPE (Personal Protective Equipment) availability
3. Potential queue to get inside the supermarket
4. Poor visibility of product availability in store

Store Access
1. Long queues
2. Risk to be exposed to potential infection sources

In-Store life
1. Exposure to potential infection sources, including shelf products and carts
2. Walking through corridors may be time-inefficient for customers
3. Slow product scan and payment with money \ cards potentially exposed to risks
4. Image merchandising of non-food retailers is often not effective

Return home
1. Infected products packaging
2. Caring actions to customer
3. Remote customer support*
4. Customers sensible to perceived or real disservices, with high probability of posting complaints on social media and generate falls in Brand-reputation

QUICK WIN

1. **App/website feature for store visit self booking & engagement**

2. **Provide Gloves, wipes/gel; carts handlers disinfection**

3. **Optimize store layout, leveraging in-store Analytics in gravitational path in order to keep social distancing always on and keep customers safe**

4. **Adopt user-friendly Voice of Customer gathering tools**

5. **Implement Social listening / Crisis detection solutions (sentiment analysis)**

How Quick Wins address emerging on-line customer pain points
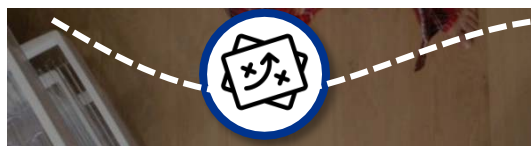
Need Awareness	Retail Screening & Selection	On-line Purchase	Order Fulfillment

CUSTOMER PAIN POINTS

Need Awareness	Retail Screening & Selection	On-line Purchase	Order Fulfillment
1. Multitude of unstructured marketing communications by many Retailers with negative impacts on Brand considerations 2. Not proper customers awareness solicitation by relevant and timely communications	1. Complex selection of best retailer in terms of product ranges & delivery availabilities 2. Complex interactions for non digital-savvy people that are reaching the new channel (in march 75% on ecommerce orders made by new adopters) 3. Ineffective image merchandising of non-food retailers	1. Website performance issues in terms of browsing speed and accesses 2. Available delivery time slots (often none) shown at the end of checkout process 3. Dissatisfaction sources not properly monitored by traditional analytics solutions 4. Low visibility of food product best-before dates 5. Traditional non-engaging electronics/furniture product images	1. Longer / not respected delivery times 2. Picking and delivery processes as potential sources of risk (e.g. exposure to infection) 3. Higher sensitiveness to disservice perception, causing complaints on social media and falls in brand-reputation

QUICK WIN

Need Awareness	Retail Screening & Selection	On-line Purchase	Order Fulfillment
	1. **Conversational commerce** and customer proactive caring to help digital sales browsing **Chat\chatbot to facilitate user's possibility to be reached by CS for proactive support** (e.g. "do you need help?") 2. **Automated content evaluation systems for maximum effectiveness of visual merchandising** (image memorability)	3. **Psychometric analytics in addition to traditional web analytics** 4. **Clear communication of the product BBD policies on the website**	1. **Click&Collect and Store-to-Home solutions improvement** (e.g inventory re-layout, stock optim.) 2. **Clear communication about safety procedures as top priorities, to be respected by all the actors involved in the fulfillment** 3. **Adoption of user-friendly Voice of Customer collection tools + Social listening / Crisis detection solution tools** (sentiment analysis)

KPMG Approach to COVID-19 Retail CX

QUICKWIN ⟳

Activities to be **taken** by the **end of the first month (t_{+1})** with **impacts within 3 months (t_{+3})**

Among aforementioned solutions, we are focusing on those able to deal with the main Covid-related phenomena

QUICK WIN AND POSSIBLE COME-UPS: OVERVIEW

2 quick solution addressing **Changes in people in-store behaviors** and **very long queue times for stores**

App/website for store visit self-booking and engagement

Optimized store layout identified by in-store Analytics

RETAIL STORES

A comprehensive set of as-a-service solutions can be considered to optimize the **Brands' digital properties**

Psychometric analytics & User insights

Automated content evaluation systems for image effectiveness
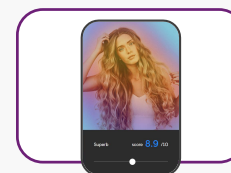
Clear communication of the product AR/VR

User-friendly Voice of Customer gathering tools

DIGITAL PURCHASE

Covid-19 outbreak has introduced the need to leverage **different logistic approaches to ensure business continuity** and provide supplies to customers and population overall
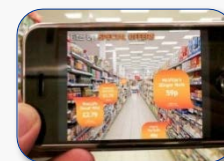
Click & Collect improvement

Home delivery Empowerment

ECOMMERCE

SUPPLY CHAIN

COVID-19 impacts: quick-win program

27MIN
56MIN

COVID-19:
the Age of Queues

ZEROCODA RETAIL APP

Among aforementioned mitigations, we are focusing on one of the main Social Distancing impacts on Customer and Business:
Very long queue times for stores

People is experiencing this discomfort **every day**, with several negative aspect on the quality of life:

Huge waste of time

The social exposition is still considerable, with the related contamination risks

Few alternatives since Online delivery lead-times have been dramatically increased

# ZeroCoda solution –Medium to Long-term prospective capabilities

The app provides a new user-friendly touchpoint for the end-customers and enables the offline channel to leverage on typical online features, improving the overall end-to-end CX and allowing to turn a threat (COVID-19 limitations) into a relevant opportunity to improve CRM strategies

CUSTOMER ENGAGEMENT & LOYALTY

- Reinforce Customer relationship and increase the Brand's value through simple Gamification logics.

  For instance, **non-monetary rewards** such as the **On-time badges** (eg:"Thanks for arriving in time, you unlocked the on-time badge on your profile!") can be earned through the app
- Dedicated integrations with **Company-specific Loyalty programs** can be developed (eg: "Each On-time badge will grant you 10 loyalty points")

PERSONALIZED PROMOTIONS

- The solution supports **personalized promotions** and **coupons** triggered by **specific events**, such as:
  - Providing feedbacks or answering surveys
  - Having earned specific badges
  - Doing checkout on app when exiting the store (eg: get 5% discount on your preferred product to leverage on the next visit)
- Promotions can be also granted by **customer segment**, **preferences**, **stores** and **orders**. Specific integrations with Company system can be developed to ensure promotion alignment.
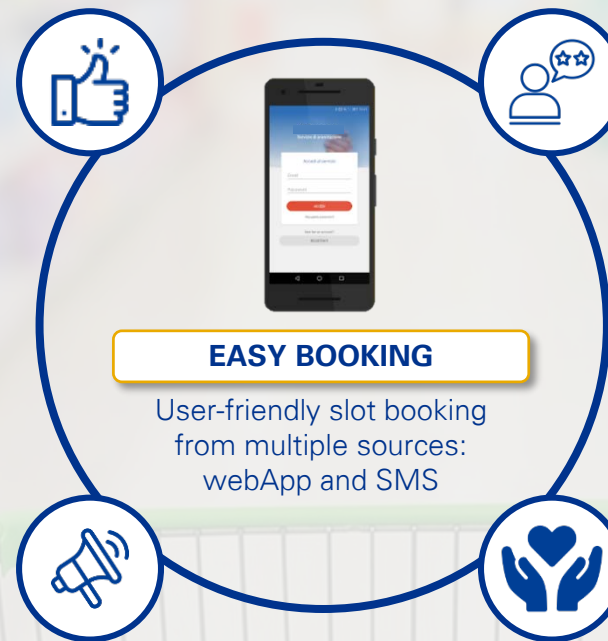
EASY BOOKING

User-friendly slot booking from multiple sources: webApp and SMS

CX MEASUREMENT (VoC)

- Through the app, Customers can be **actively asked** to **provide feedbacks and participate surveys**.

  For instance: "Do you think the safety distance was enough? Are you satisfied by the assortment you found in store?"
- **Incentives to customer participation** is through dedicated rewards (eg: Contributor badge earned when providing feedbacks)
- Collected information further enriches the Customer DB and provides additional inputs to measure CX and satisfaction

SOCIAL MONITORING & ALERTING
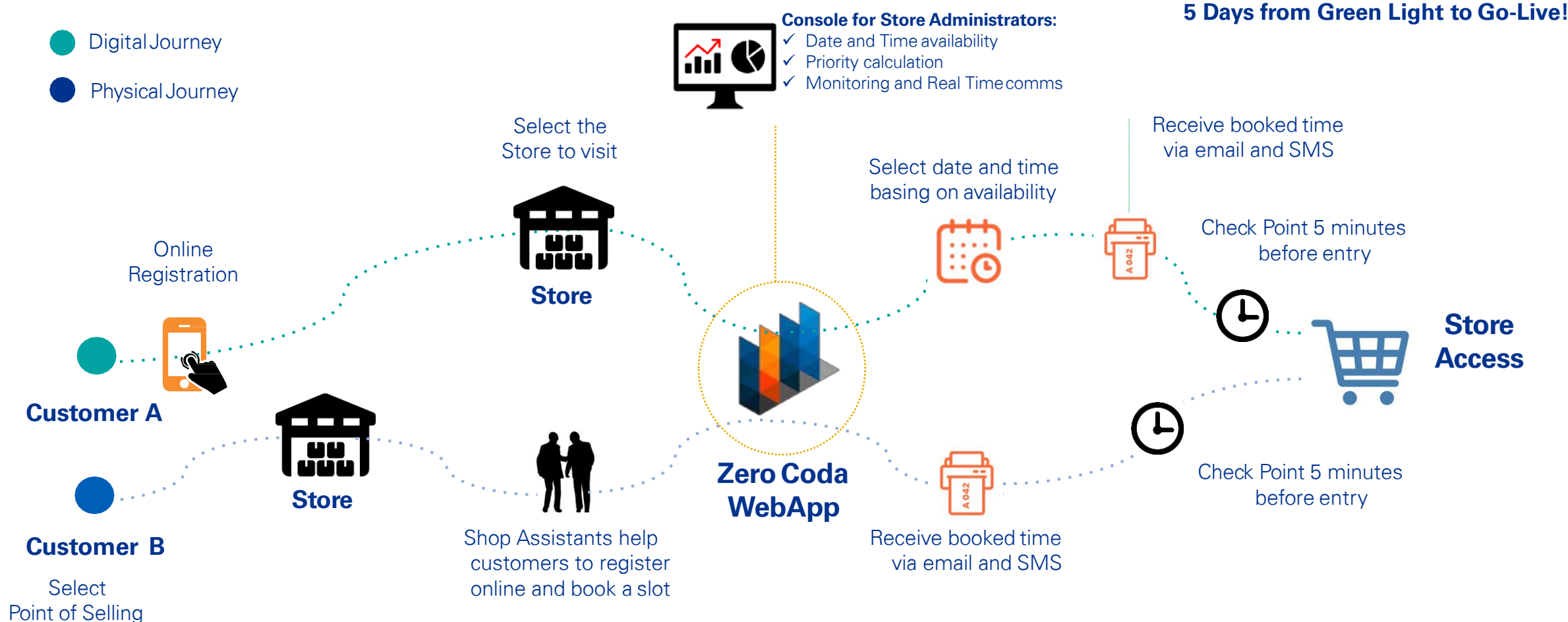
roialty OneVoice

- Real time **monitoring on how and when people are talking about the company**
- Significant **insights in real-time about any product, topic or content**
- **Measure and optimize social media strategy** and determine which content and campaigns work

A NEW KEY TOUCHPOINT FOR CUSTOMER VALUE MANAGEMENT

Quick Win ZeroCoda solution – Supported Customer Journeys

Below the Customer Journeys supported by ZeroCoda WebApp in the Quick Win scenario

5 Days from Green Light to Go-Live!

- Digital Journey
- Physical Journey

Console for Store Administrators:
- ✓ Date and Time availability
- ✓ Priority calculation
- ✓ Monitoring and Real Time comms

Select the Store to visit

Select date and time basing on availability

Receive booked time via email and SMS

Online Registration

Store

Check Point 5 minutes before entry

Customer A

Store

Zero Coda WebApp

Store Access

Customer B

Select Point of Selling

Shop Assistants help customers to register online and book a slot

Receive booked time via email and SMS

Check Point 5 minutes before entry

Quick Win ZeroCoda solution - KPMG Service Offer

KPMG brings a strong value added in ZeroCoda adoption by leveraging a strong Customer Experience expertise

WHERE KPMG BRING DISTINCTIVE VALUE THROUGHOUT ZEROCODA ADOPTION
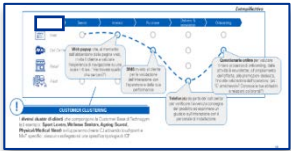
Map **Customer Journeys** on **App-enabled Scenarios** and drive **Use Cases definition**
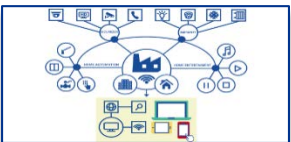
Draft the **Communication Plan** to support the **App Launch**

Provide **Training** and **Change Management support** to Client workforce

Provide **L1 support** to **workforce** and interact with **L2 vendor support**

Supporting the future **App Integrations roadmap with:**

CRM & Marketing Automation Systems

- *Integrated with Company **CRM systems** to **enhance ZeroCoda effectiveness** and **dramatically enrich legacy customer data***

- *Integrated Client's legacy **Marketing Automation solutions** to further **convey traffic to ZeroCoda and** vehiculate its enabled **promotions, discounts, and engagement initiatives***

Company Loyalty Program

- *Integration with **Client-specific Loyalty Management Systems** and related **Loyalty Programs**.*

- *This integration will allow a **real-time ZeroCoda alignment** on Customer's loyalty points balance, earnings and redeeming events with a further enhancement its **engagement effectiveness** and **CX benefits***

Customer Experience Measurement

- *Integrate ZeroCoda with the **legacy Company CX Measurement technologies**, both **in-store** (access counters, shelf sensors, path analyzers) and on **digital properties** (legacy website and mobile app analytics) to get **a full 360 Customer Experience measurement***

COVID-19 impacts: quick-win program

COVID-19:
the age of in-store
social distancing

PEOPLE ANALYTICS
Among aforementioned mitigations, we are focusing on some of the main Social Distancing impacts on Customer and Business: **changes in people in-store behaviors**

Currently, people want to avoid physical contact and exposure to other customers as much as possible

Global pandemic has changed the way consumers want to interact inside the physical store

Overall time spent in store for shopping has become a key priority for the customer

How social distancing is impacting in-store Customer Experience

NEW CUSTOMERS DESIDERATA ABOUT IN-STORE JOURNEY

In order to meet customer's key current priority of spending the littlest amount of time while shopping in store, it is necessary to address 4 major in-store elements:
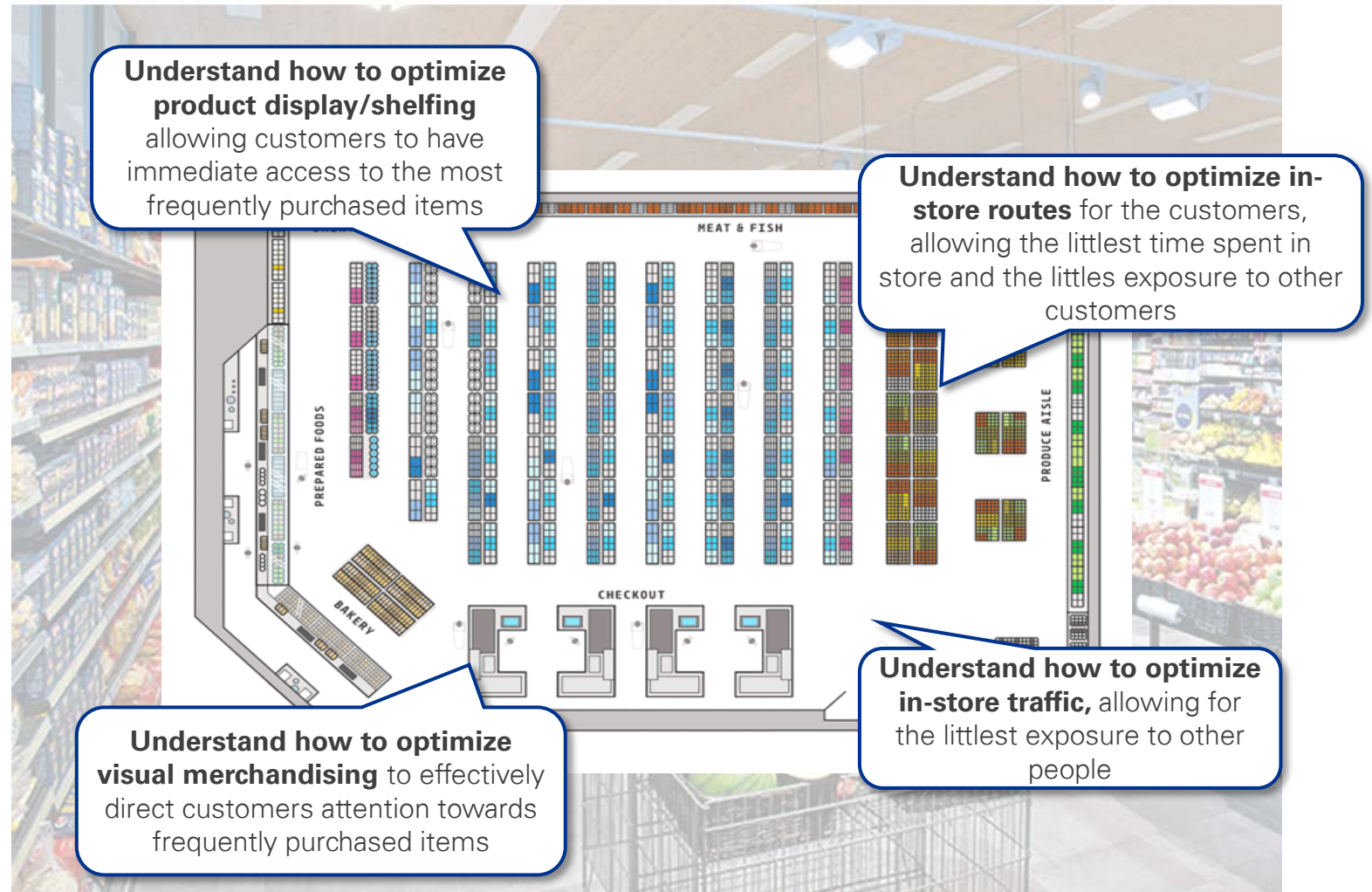
Product display

Visual merchandising

Store traffic

In-store routes

> **Understand how to optimize product display/shelfing** allowing customers to have immediate access to the most frequently purchased items

> **Understand how to optimize in-store routes** for the customers, allowing the littlest time spent in store and the littles exposure to other customers

> **Understand how to optimize visual merchandising** to effectively direct customers attention towards frequently purchased items

> **Understand how to optimize in-store traffic,** allowing for the littlest exposure to other people

COVID-19: the age of channel shift

E-COMMERCE

Among aforementioned mitigations, we are focusing on some of the main Social Distancing impacts on Customer and Business: **shift consumer demand to the online channels**

People get into the habit of shopping online, it becomes a routine and it is hard to get away from it easily

Online channel is meant to (almost) become independent from the physical one (encompassing the entire commercial funnel)

Due to COVID-19 limitations, online channels is the brand touchpoint where consumers can spend most of their time

Introduction on Online Quick-wins

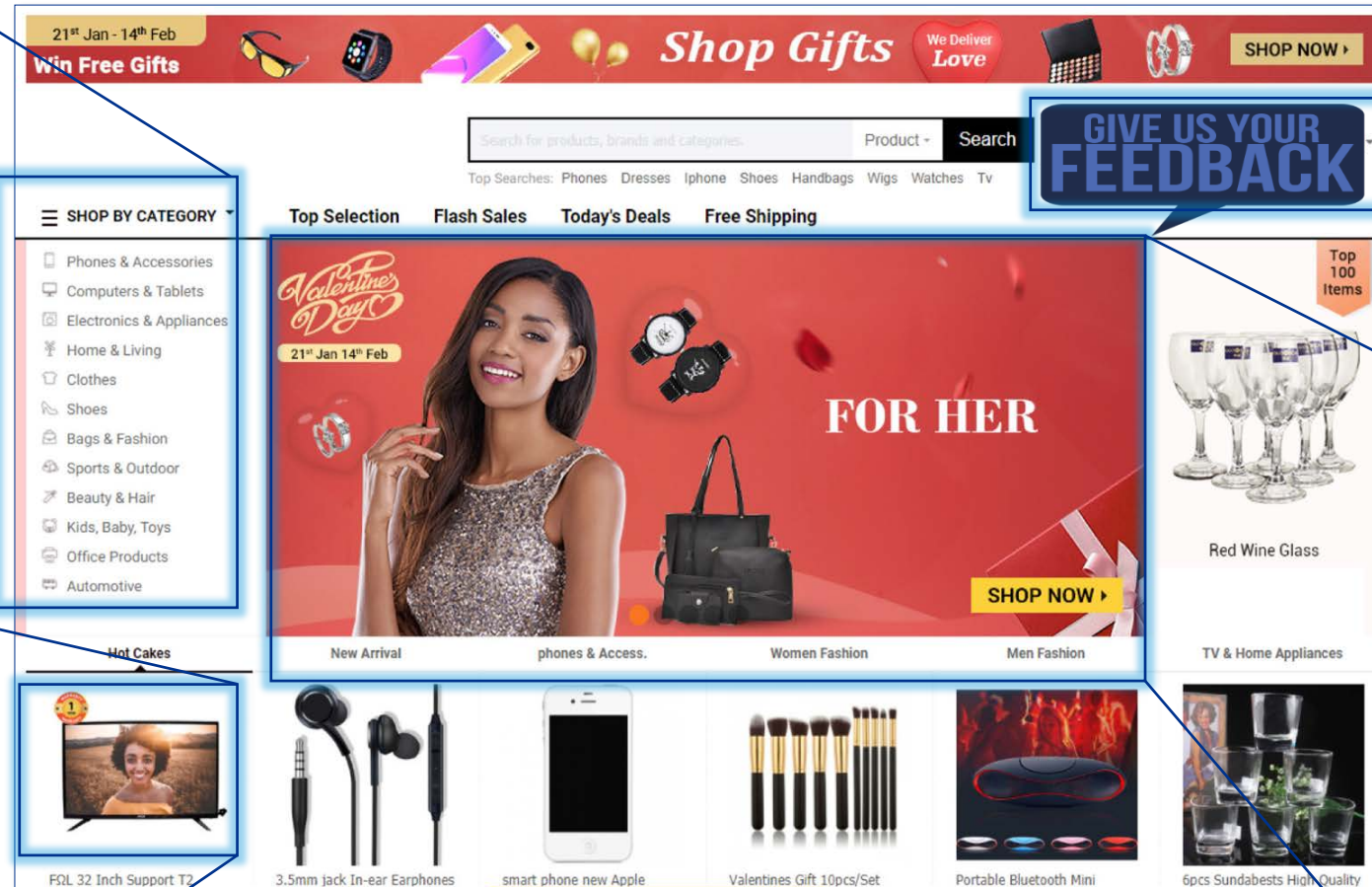**A comprehensive set of as-a-service solutions can be considered to optimize the Brands' digital properties:**

User Insight

Purpose: monitor the online users' **interests**, **preferences and personalities**, in addition to typical web analytics tool's metrics
(e.g: product categories that most attract the customer interest, emotional profile of the browsing visitor)

Get Voice of Customers

Purpose:
To get **users feedbacks and opinions** about the brand digital properties and services, by **user-friendly surveys**

Virtual & Augmented Reality

Purpose: create **Augmented Reality experiences** bringing the product physical qualities in a three-dimensional environment.
(e.g: check how a product would suit in your living room)

Image Effectiveness Analytics

Purpose: evaluate **images effectiveness** by objectively measuring their **memorability** and **impact** on browsing visitors and customers

COVID-19 impacts: quick-win program

COVID-19:
the Age of Pick-Up

SUPPLY CHAIN RESHAPING

Among aforementioned mitigations, we are focusing on some of the main Social Distancing impacts on Customer and Business:
The Disruption of the Store Experience

People are not able to receive food and supplies by the eCommerce channel and new models were introduced everyday:

Lately it's not possible to buy through eCommerce and receive goods due to supply chain constraints

The discomfort is stronger when thinking to the most fragile side of the population (i.e. people in quarantine)

Few alternatives to reduce Online delivery lead-times and ensure online business continuity / New operating models

Supply Chain is a key lever to support the Online Sales and to grasp current opportunities

Selecting the right approach to support online sales was critical before Covid-19 to set up and break even costs.

Covid-19 outbreak has introduced the need to leverage different logistic approaches to ensure business continuity and provide supplies to customers and population overall

Possible approaches to grasp

QUICK WINS TO BOOST E-COMMERCE

Customer Mobility

CLICK & COLLECT

– Evaluate the possibility to manage inventory and prepare **pre-set boxes** to fulfill custom orders

– Assess the possibility to open **In-Store** location to allow customers the picking of supplies

– Assess the possibility to open **Near-Store** location to allow customers the picking of supplies

HOME DELIVERY

– Evaluate the possibility to leverage on **logistic partners / employees** to reach the nearer customers (focus on Last Mile)

– Ensure the **Best Product Mix** in the store according to local demand
– Ensure the **Wider possible Product Mix** in the warehouse

– **Dynamically review** the detailed customer demand by customer/product/area to ensure the replenishment
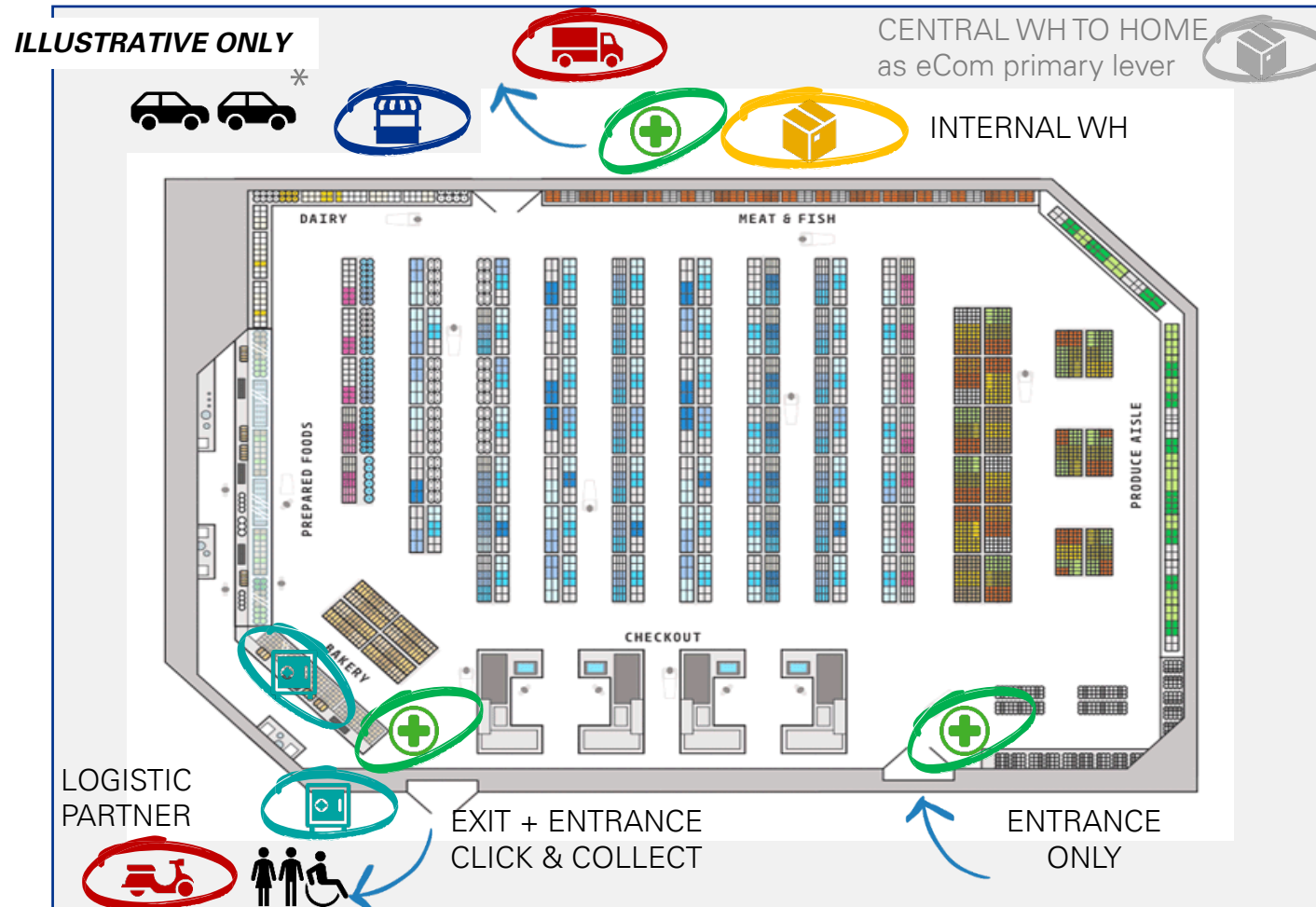
Retailer Mobility

Both approaches must be adopted and differentiated by Area/Store

* Medium-term win considering IT-integration

The "New Normal" Distribution approach – Re-Layout Toolkit

KPMG Vademecum for layout simulations to drive the implementation of alternative distribution models in the new context
Revise current processes and organize new flow, reschedule resources to assign responsibilities on priorities (i.e. orders preparation)

ILLUSTRATIVE ONLY

CENTRAL WH TO HOME as eCom primary lever

INTERNAL WH

DAIRY — MEAT & FISH — PREPARED FOODS — PRODUCE AISLE — BAKERY — CHECKOUT

LOGISTIC PARTNER

EXIT + ENTRANCE CLICK & COLLECT

ENTRANCE ONLY

Sanitizing area set-up
- Introduction of a section equipped with **hand sanitizers** and **disposable gloves distribution** to comply with new hygiene norms – both entrance and exit

Shipping area organization
- Conversion of a back-end area into a dedicated place for operations and logistics outbound activities
- Optimize **space for goods storage**
- Set-up a **space for pre-set boxes preparation**

Pick-up area for click & collect in drive-through mode
- Set-up a **location to facilitate customers in picking up goods by car** under safe conditions

Picking area to enable customer click & collect and store to home collection
- Set-up a **location to facilitate customers in picking up goods by foot** under safe conditions – in-store or near-store
- Enabling facility (ie. Locker) for store to home of lighter supplies / neighbourhood delivery

Logistic partner to enable store to home delivery
- Ideally, near store **light products** delivery can leverage on **local partners, part-time employees, city partners**.
- **Heavier supplies** and **consolidation of orders** must take place from internal WH to **partners** (trucks) on the loading bay side

Order Size should differ by service (Minimum Order Size by approach) *

Quick Win Supply Chain - Service Offer

KPMG brings a strong value added in the Supply Chain support by promoting robust Operating Model expertise

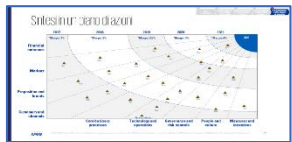## WHERE KPMG BRING DISTINCTIVE VALUE THROUGHOUT THE SUPPLY CHAIN SUPPORT

Quick assessment of **Customer Stores & Logistic Footprint** to define the Painpoints

Driving **Logistic & Supply Chain Use Cases** with focus on quick wins and considering constraints

Quick & Dirty assessment of the opportunity to **leverage on Partners** to overcome / mitigate constraints

Supporting the definition of **Business and Operating priorities** and Scale Up process in the New Normal

Click & Collect - Start-Up & Industrialization
- *Click & Collect Toolkit: starting-up of new features to extend customer Online to Offline experience; set-up of operating models, determine rules to efficiently manage inventory and preparing pre-set boxes to fulfil custom orders on time*
- *Re-Layout configuration solution: re-organization of In-Store space to meet the needs of the evolving context; selection of the best In-Store location for customers picking*

Management & Monitoring of booming volumes
- *Stock Management, Replenishment & Distribution model: tools and methods to ensure the replenishment of warehouses, to prevent stock-out, to react real-time to distribution-to-stores issues and to manage increasing volumes while leveraging new models (Click&Collect)*
- *Service Level resilience solution: tools and models to constantly monitor service KPIs (i.e. order filling rate) to assure the highest service level to customer despite the rapid increase of online orders*
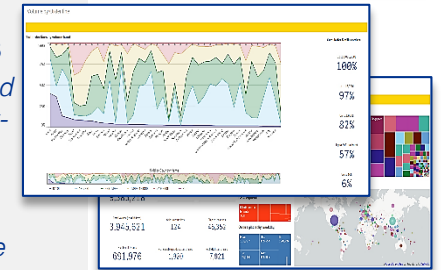
Dynamic Performance Management of Logistic Partners
- *Courier evaluation system: algorithm ensuring the most efficient workload balance amongst a selected subgroup of providers ensuring the service level;*
- *Partnership for renting third-part lockers: assessment and selection of the pick-up points and locations on the demand forecast*

SHUT-IN ECONOMY AND BUSINESS REMODELLING:

How Customer Experience and Operational Models must evolve to deal with the situation

Beyond the quick-wins: redesign the business models against shut-in economy paradigm

Beyond the quick-wins: redesign the business models against shut-in economy paradigm

Our approach is aimed to redesign the **Business and Relationship models** with the customers.

Our **business transformation approach** will be tailored on the **Social Distancing paradigm**, and will be strongly enabled by the implementation of a complete set of both traditional and cutting edge **Digital Solutions**.

SHUT-IN ECONOMY AND NEW BUSINESS MODELS: THE DIGITAL TRANSFORMATION FOR SAVING AND RE-BOOST THE BUSINESS IN COVID-19 AGE

DISCOVERY

Discovery of long term shut-in economy impacts on company business model by:

- Consolidating forecasts on duration and intensity of main shut-in economy restrictions on the specific industry
- Identifying the whole social distancing impact cases suite affecting the business model

BUSINESS RE-MODELLING STRATEGY

Define the new competitive business strategy for ensuring business continuity and growth

- New brand purpose and value proposition to client
- New customer personas addressed and target customer experience strategy
- New on-line strategy
- New multi-media communication strategy
- New value chain & operations key foundations and partnerships
- New internal way of working and employee experience

DIGITAL BUSINESS TRANSFORMATION DESIGN

Design of new business model leveraging on KPMG Connected Enterprise model

- Brand, Product Portfolio and Pricing model innovation
- Customer Experience redesign
- On-line reshaping and seamless commerce design
- Responsive Supply Chain and Operations reshaping
- New Partnership, Alliances, and Vendor Management
- Organization Alignment and People Capability upgrade
- Advanced Analytics and AI new ecosystem design
- New Technology Architecture and Enablement design

2 weeks   *2 weeks*   *8 weeks*

A Global KPMG Task force to respond to the Crisis

A Global Crisis Deserve a Global Response

The COVID-19 health emergency represents a global unexperienced discontinuity in economic, social and geopolitical terms. At this stage, the main priority is the protection of human health.
But it looms also a very severe economic impact following the "lockdown" imposed by the authorities. KPMG is not immune to the dramatic circumstances of the moment. We have converted all our operations and thanks to "smart working" we are able to ensure the continuity of our professional services. We are determined to help the many industrial companies part of the "Made in Italy" and we want to do it to the best of our ability and with an authentic spirit of service.

Our goal is to stand with entrepreneurs and managers, keeping an open dialogue with them and offering availability, skills and solutions, to react together to the crisis.

A Panel of Global Experts…

Julio Hernandez
Partner
Head of Customer Advisory (US)

Rene Vader
Partner
Head of Consumer & Retail (France)

Paul Martin
Partner
Head of Retail (UK)

Roberto Giovannini
Partner
Head of Consumer & Industrial Markets

Massimo Curcio
Associate Partner
Business Consulting CIM Customer Advisory Leader

Alessandro Manzo
Associate Partner
Business Consulting CIM Retail Supply Chain Leader

…Jointly with Italian Experts