

Consumer Pulse: 2023 Outlook



With two-thirds of consumers plan to reduce their non-essential spending in 2023. Within this challenging environment, where should Consumer and Retail businesses be focusing in order to find opportunities for growth?

How are consumers feeling?



What do consumers say they are cutting back on in 2023?



What do they expect to be spending more on?



What's influencing their purchasing decisions?

As seen previously throughout 2022, price and quality 60% remain the overwhelming top 2 purchase considerations for consumers, with sustainability and convenience also playing a key role.

December



Shift in gift buying plans

Whilst price will be the main purchasing driver of goods, consumers are still searching for quality gifts that either bring practical help to the recipient or give them a treat experience that brings a break from the stresses of day to day life.



What does this mean for consumer business leaders?

Be customer-centric

In these times of uncertainty and with consumers changing their opinion on spending every month, understanding your customers will be critical.

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Reshape your costs to find growth

Fundamental shifts in customer values mean your business can no longer rely on the traditional sales functions. Instead, businesses need a new approach to sales and customer relationship management with insights, connection and transformation.

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Digitise your business

The emerging new customer is accelerating change - they seek a seamless digital experience and additional value from every transaction. We can provide a fresh perspective for your customer experience and redirect your focus on where it needs to be, rather than where it is.

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Harmonise pricing and profit

Our research shows that only 40% of promotional activity is effective. Suppliers and retailers can unlock a sales and margin uplift, by working on their pricing and promotion strategy together.

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KPMG surveyed 3000 consumers from across the UK at the beginning of December 2022 about their spending and saving plans for the coming year.

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