KPMG 2024 Consumer and Retail CEO Outlook

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Foreword

Amid a turbulent landscape of geopolitical shocks, economic uncertainty and pressure on consumer spending, CEOs in the consumer and retail (C&R) sector are demonstrating a surprising resilience and cautious optimism, as revealed in the KPMG 2024 Consumer and Retail CEO Outlook.

There are multiple explanations for this, but the first one is that C&R CEOs have become masters at navigating change — especially through the COVID-19 pandemic and the subsequent geopolitical challenges and their impacts on supply chains and inflation. C&R CEOs have also had to adapt quickly to the evolving demands from customers and technology developments, transforming operating models and accelerating digitization in response.

But the challenges are far from over. Geopolitical uncertainty clouds CEOs' visibility over global operations, with ongoing supply chain and customer disruptions expected. While big investment decisions may be necessary, they are harder than ever. Despite having more data on consumer behaviors than ever before, C&R leaders face a "too much data, not enough insight" problem, struggling to gain the deeper understanding needed to succeed. This is also where the importance of a diverse and inclusive workforce comes into focus. To truly understand and respond to the needs of a diverse consumer base, C&R businesses need a workforce that reflects this diversity at all levels.

C&R CEOs are also prioritizing workforce growth, with almost all planning to increase headcount over the next three years. Most believe that generative AI (Gen AI) will not reduce the number of jobs, but upskilling will be necessary.

The prevailing mood in the boardroom may be cautiously optimistic, but there is no shortage of issues to test a CEO's resolve. They see growth opportunities for their companies and the industry, but they also recognize the need to stabilize, reset and find new ways to thrive in this unpredictable environment.

The successful organizations will be those who can leverage technology, adapt to evolving ESG expectations and maintain a laser focus on their strategic goals, navigating the complexities of today's market with agility and determination.

Isabelle Allen

Global Head of Consumer and Retail
KPMG International

Key findings

Economic outlook

82%

are confident in their company's growth prospects (v. 77% in 2023)

59%

are optimistic about economic growth (vs 75% in 2023)

Top of mind challenges

Economic uncertainty **58%**

Geopolitical complexities **53%**

Race to embed Gen AI **48%**

Top operational priorities to achieving growth over the next three years:

35% Organic growth

27% M&A

17% Outsourcing

Talent

95%

plan to increase their headcount

38%

are concerned about the number of employees retiring

82%

believe AI will not fundamentally impact the number of jobs- but will require upskilling and the need for existing resources to be redeployed

ESG

44%

see their **ESG strategy** to have the greatest impact in building customer relationships and brand reputation

Top 3 barriers to achieving net zero:

- **Supply chain complexity**
- **Lack of skills**
- **Lack of technology**

Over 3/4

CEOs would divest a profitable part of the business that damages reputation

Technology

In terms of key investment areas for Gen AI,

81% recognized sales and marketing

(a sharp rise from 60 percent in 2023)

48%

believe their organizations are prepared for cyberattacks

Section 1

The big challenges impacting C&R

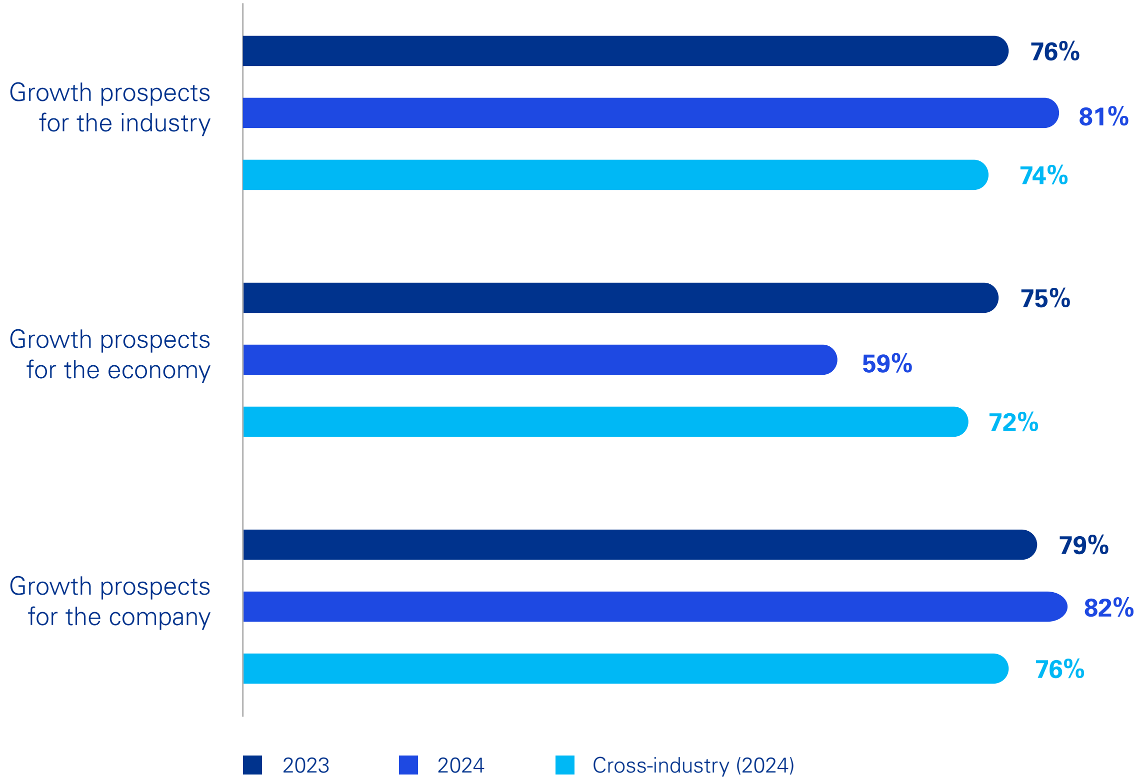
C&R CEOs are increasingly optimistic about the sector's prospects in the years ahead. Their convictions about sector growth continue to strengthen, up to 81 percent from 76 percent in 2023 and above the cross-industry average of 74 percent. This positive sentiment may be fueled by the C&R sector's position within the "real economy," providing essential goods and services that remain relevant even in times of economic uncertainty. What's more, 82 percent are positive about their own company's outlook over the next three years, up from 79 percent last year and above the cross-industry average of 76 percent.

This stands in stark contrast to their more tempered view of growth prospects for the economy; while 59 percent of C&R CEOs express optimism, this is 13 percentage points below the cross-industry average (72 percent).

This sentiment carries over into what they perceive as their biggest challenges, with economic uncertainty at the top at 58 percent. C&R companies rely heavily on consumer spending, which is affected by economic uncertainty. In times of instability, consumers may have less disposable income or prioritize saving and debt repayment over new purchases.

While confident in their ability to influence their own businesses, C&R CEOs remain cautious about external events beyond their control. With several global elections on the horizon — some likely to affect trade and tariffs — geopolitics ranks as their second greatest challenge over the next three years (53 percent).

C&R CEOs' economic confidence



Source: KPMG 2024 CEO Outlook

To explore this further, our Consumer & Retail top risks forecast identifies the top five geopolitical risks facing the C&R sector as persistent global economic headwinds, China's slower growth, the Middle East crisis, corporate culture wars and ungoverned AI.

The race to embrace generative AI (Gen AI) and other disruptive technologies comes in third place — a challenge for almost half of C&R CEOs surveyed. In a competitive market with constrained consumer budgets, brands and retailers must stay at the forefront of consumer experience. Those who leverage Gen AI to enhance their marketing budgets are expected to gain a competitive edge. But the C&R sector often lacks the innovation and tech budgets of other industries, so focusing Gen AI investments in the most value-driven areas will determine success. Achieving this, though, is easier said than done.

In the face of these challenges, more than three-quarters (78 percent) of CEOs say they feel under pressure to secure the long-term prosperity of the business.

Business confidence is up — but threats persist

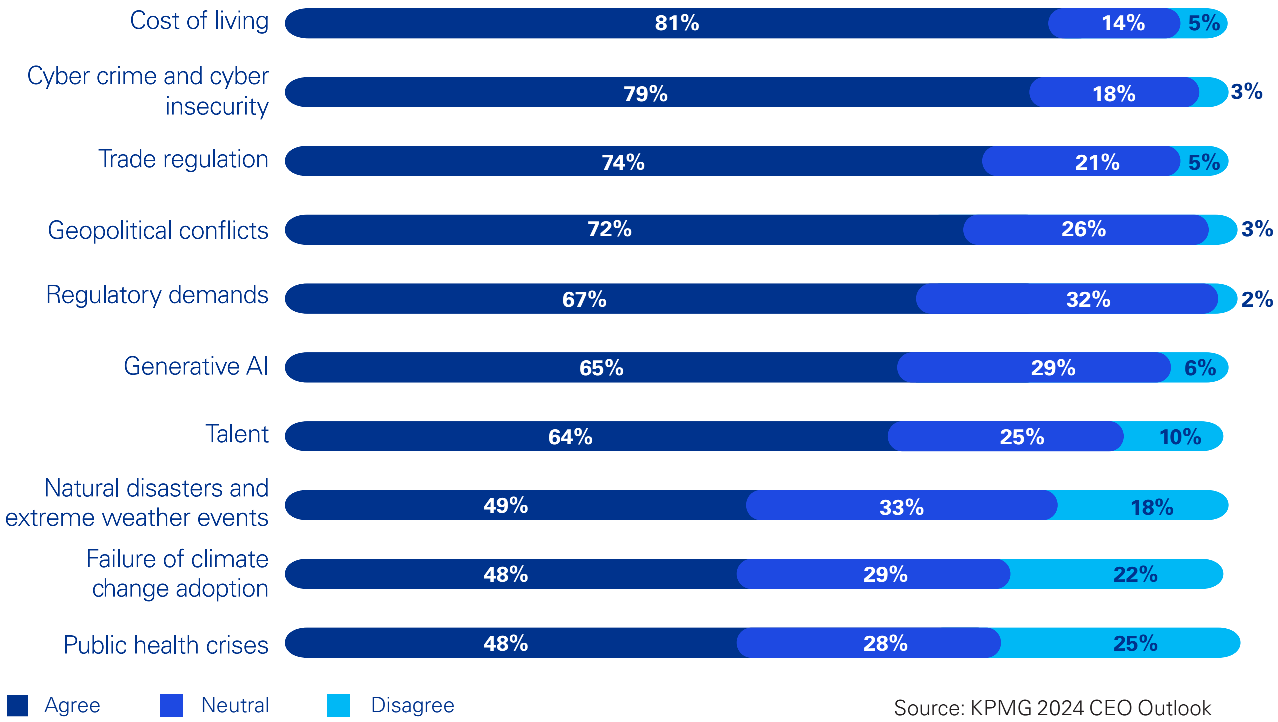
Eighty-seven percent of C&R CEOs expect modest earnings growth — up 14 percentage points from 2023. This is higher than the cross-industry average (76 percent), which shows C&R CEOs have reasons to be positive about the outlook.

Asked about the greatest threats to their organizations' growth over the next three years, perhaps unsurprisingly, supply chain (23 percent) and geopolitics and political uncertainty (20 percent) came out on top.

Top of mind challenges

Economic uncertainty	58%
Geopolitical complexities	53%
Race to embrace and embed generative AI and other technologies	48%
Growth prospects or challenges of your organization	29%
Competition for talent	23%
Changing working patterns	17%
Growing protectionist attitudes in some markets e.g., such as economic decoupling	11%

Impacts to the organizations in the next three years



Source: KPMG 2024 CEO Outlook

When asked about trends likely to negatively impact their organizations' prosperity over the next three years, 81 percent of C&R CEOs cite the cost of living as the top concern, followed by cybercrime and cyber insecurity (79 percent) and trade regulation (74 percent). And while geopolitical conflicts ranks fourth at 72 percent, this concern is most acutely felt by C&R CEOs — ranking 20 percentage points higher than the cross-industry average.

"Every conversation I have had with clients recently starts with the same pressing topic: geopolitics. Its presence in the boardroom is more prominent than ever before, and for consumer and retail businesses, the stakes are particularly high. These businesses face the dual challenge of navigating a world being shaped by global forces, all while operating on the front lines of a deeply polarized consumer base, where taking a stance on societal issues is no longer optional — it's an expectation."

Isabelle Allen
Global Head of Consumer and Retail, KPMG International

Supply chain is a bigger-than-ever threat for CEOs

01 Lingering effects of the pandemic exposed the fragility of global supply chains, revealing vulnerabilities, including over-reliance on single suppliers/regions.

02 Geopolitical instability and conflicts, create uncertainty in global trade. Sanctions, trade restrictions, and disruptions to critical transportation routes, make supply chains less predictable and more expensive to manage.

03 Inflation and economic slowdown put pressure on businesses to control costs and optimize operations. Changes made to the supply chain can create disruption, which directly impacts costs and profitability.

04 Climate change and extreme weather events present risks to production and logistics, disrupting the supply chain.

05 Labor shortages in industries, such as transport and logistics, drive increases in wages and operating costs, and can exacerbate supply chain bottlenecks.

CEOs optimistic about strong company growth

Despite this array of potential headwinds, C&R CEOs have committed to growth strategies and are showing agility in pursuing them. Seventy-four percent say they have adjusted their strategies in response to the interrelated challenges around them, and the remaining 25 percent are planning to do so. When assessing what will be the most important strategy for achieving their organization's growth objectives over the next three years, 35 percent prefer organic growth — compared with the cross-industry average of 23 percent. C&R CEOs are more focused on increasing outputs and sales rather than on strategic alliances (14 percent) and joint ventures (2 percent).

"It is no surprise that growing organically will remain a CEO's preferred strategy. We have been through a period of very dynamic supply price increases and volatility, which the sector has had to actively manage through multiple price increases to customers and consumers. There is now pressure to resume volume growth. We're also seeing a notable rebound in the focus on inorganic growth, reflecting an increasing appetite for mergers and acquisitions to help accelerate core growth in a challenging macroeconomic landscape."

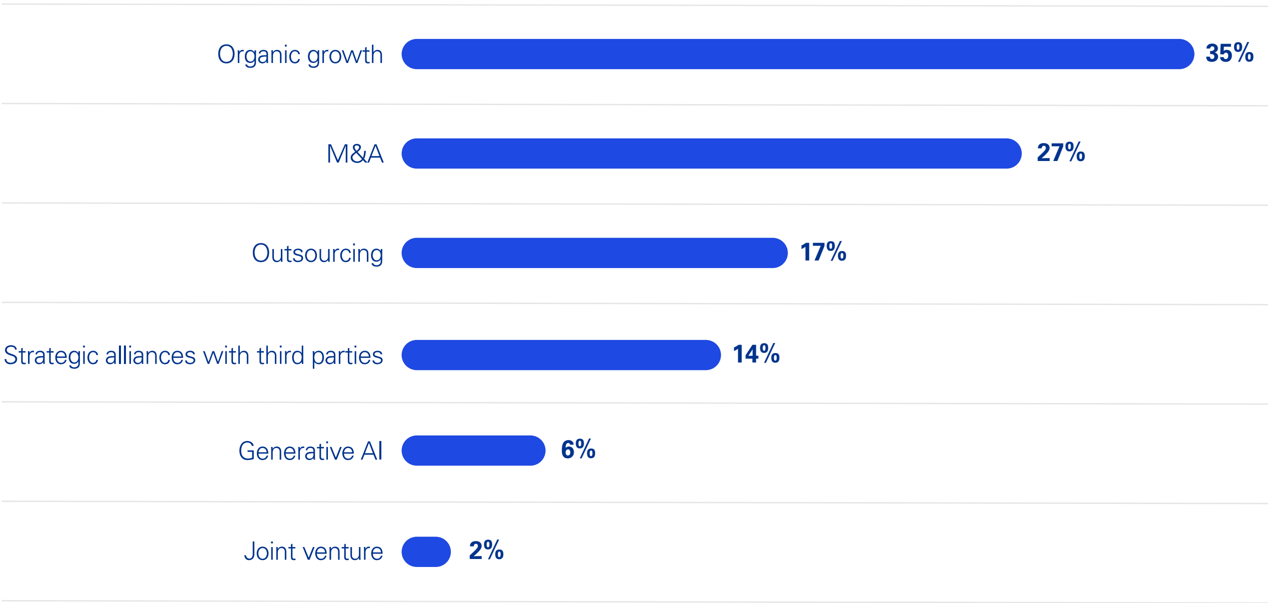
Josh Martin
Head of Global Deal Advisory, Consumer and Retail, KPMG in Switzerland

When asked about their operational priorities for achieving growth objectives, C&R CEOs rank advancing digitization first (18 percent) — new to the top of the list — followed by a focus on organic growth (15 percent) and improving customer experience (13 percent). These priorities highlight the growing significance of customer engagement and technologies like Gen AI in driving business success and seamless experiences. Being customer-centric goes beyond customer experience. After significant investments in consumer and B2B digital experiences, companies can now shift their focus to other areas like new product development, range and loyalty programs to enhance customer-centricity.

Inorganic growth is seeing a rebound, too. More than a quarter (27 percent) of C&R CEOs see mergers and acquisitions (M&A) as the most important strategy for achieving their organization's growth objectives — compared with only seven percent in 2023. In fact, most (89 percent) express moderate to high appetite for M&A over the next three years.

This increased appetite aligns with analysts' bullish expectations for more M&A activity in 2025.
A softening interest rate environment and a narrowing valuation gap between buyers and sellers should boost private equity activity. Corporate players will also drive the rise in M&A, as consumer-packaged goods groups continue to reshape their portfolios to stay relevant and retailers refocus on core operations.

Strategies for achieving organization's growth objectives over the next three years



Source: KPMG 2024 CEO Outlook

Section 2

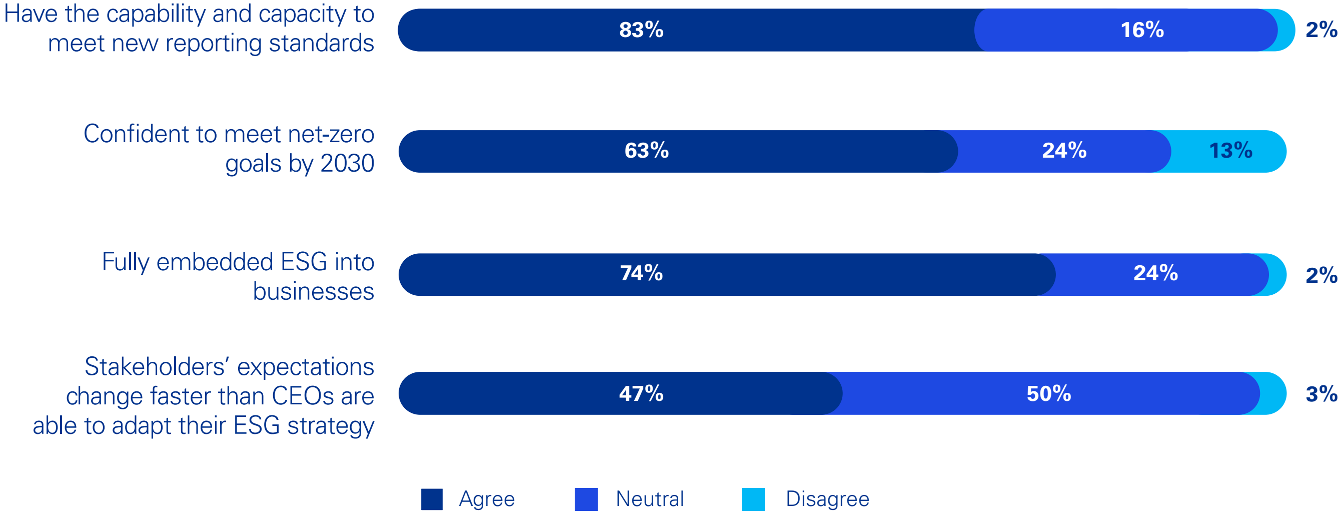
ESG

Social responsibilities: building trust

Environmental, social and governance (ESG) is existential to the C&R sector. Each generation has become more aware of environmental and social inequalities than the generation before them, and make higher demands on the brands they support. CEOs, in turn, understand that mastering ESG is integral to their operations, strategies and building public trust. Failure to do so could threaten their sustainability and reputation.

For 74 percent of C&R CEOs, ESG principles are now fully embedded into their businesses. For C&R companies, sustainability is integrated into tangible aspects such as products, ingredients and operations. This inherent connection has paved the way for a more naturally embedded approach to ESG, as opposed to industries where sustainability functions may have initially emerged as standalone units.

Confidence on ESG capabilities



Source: KPMG 2024 CEO Outlook

"While the initial wave of ESG awareness suggested a seismic shift in consumer priorities, the reality is more nuanced, particularly for western consumers. Much like the decline in animal testing vigilance as cruelty-free practices became standard, there's a growing assumption that companies are inherently embracing ESG principles. This doesn't signify a decline in consumer concern for sustainability, but rather a shift in expectations. ESG is becoming the baseline, with potential for backlash if companies miss the mark. Add to this the cost of living crisis, and it's clear C&R companies are navigating a complex landscape where ESG is driven by regulation, reputation and a recognition of its long-term business value, not by an ability to raise prices or take share."

Linda Ellett
Head of Consumer, Retail & Leisure, KPMG in the UK

What's more, 63 percent say they are confident in meeting net-zero targets by 2030, significantly higher than the 51 percent cross-industry average. This confidence is somewhat surprising given that many C&R companies, in their own climate action plans, acknowledge significant gaps in their roadmaps to net zero. This suggests that despite these challenges, C&R leaders have strong faith in their experienced sustainability teams and the progress made over the past decades.

Because C&R is so closely linked to its consumers and its workforce, the sector places great importance on investment in social and community programs, with 83 percent of C&R CEOs emphasizing the need to engage with communities.

More CEOs are expected to take a stand on socially contentious issues, like political conflict and climate change, demonstrating that they are values-led and purpose driven. Integrity is so important that three-quarters (75 percent) would speak up, even if the board was worried about the risks of taking a public stance. Interestingly, 87 percent of C&R CEOs say they would take an organizational position that may be at odds with their personal beliefs.

Challenges on the net-zero journey

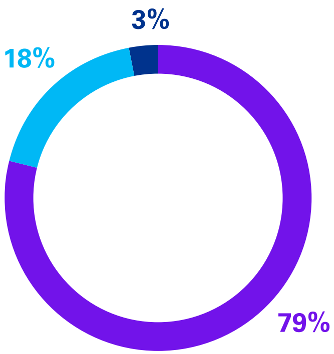
Although CEOs are committed to pursuing net zero, they continue to face significant challenges. In fact, 31 percent cite the complexity of decarbonizing the supply chain. And like other sectors, C&R CEOs say their organizations struggle to access the necessary talent, with 27 percent identifying lack of appropriate skills and expertise to implement solutions. To address this gap, many C&R leaders are investing in upskilling their existing workforce in ESG-related skills, including training programs focused on sustainability practices, ethical sourcing and carbon reduction strategies.

Lack of appropriate technology solutions and the high costs of decarbonization were ranked third and fourth by C&R CEOs, supplanting the lack of internal governance/controls as barriers to achieving net zero.

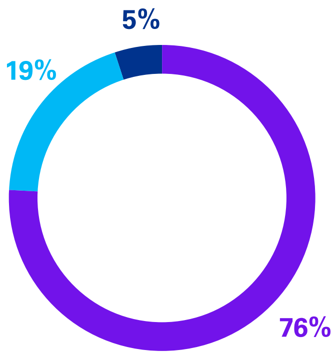
Diversity and inclusion

C&R companies need diverse workforces and leadership teams that reflect the varied customer base they serve — or they risk losing to competitors who do. C&R CEOs agree and continue to make a steadfast commitment to diversity and inclusion (D&I), with 73 percent anticipating greater scrutiny over their D&I performance over the next three years. Proper representation can help companies avoid missed opportunities, strengthen employee engagement and connect with customers more effectively.

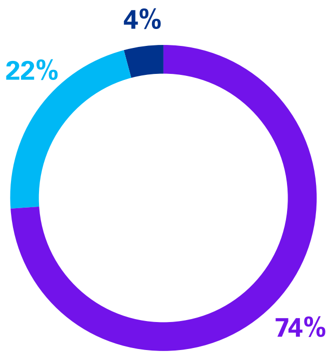
Diversity and inclusion



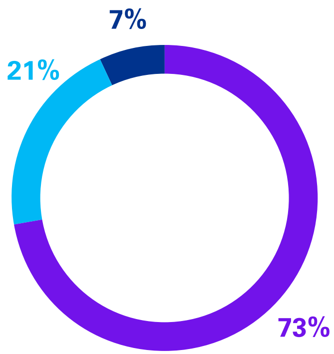
Achieving gender equity in company's C-suite will help to meet growth ambitions



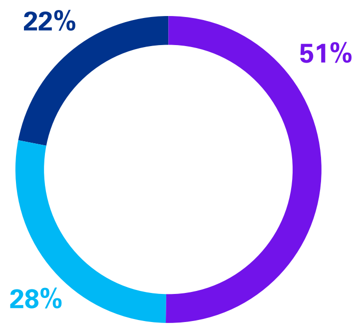
Business leaders have responsibility to drive greater social mobility



Diversity in workplaces requires implementing a change across leadership at the senior level



The scrutiny of organizations' diversity performance will continue to increase over the next three years



Progress on diversity and inclusion has moved too slowly in the business world

● Agree ● Neither agree nor disagree ● Disagree

Source: KPMG 2024 CEO Outlook

Given C&R's large and gender-balanced workforce and consumer base, it's not surprising that more than three-quarters (79 percent) of CEOs say that gender equity in leadership roles is crucial to meeting their growth ambitions — which is in line with the cross-industry average. If the C-suite fails to reflect its audiences, it will come under both internal and external pressure to reform.

Social mobility is key to achieving true diversity and inclusion. Seventy-six percent of C&R CEOs agree that business leaders have a responsibility to drive greater social mobility, slightly below the cross-industry average of 80 percent, highlighting the need for companies to create pathways for talent from all socioeconomic backgrounds to help ensure equal opportunities for success and advancement.

> **"The success of Consumer & Retail companies heavily depends on creative individuals who will continuously seek innovative ways to respond to the fast-evolving needs of consumers. Employers that offer inclusive work environments and equitable opportunities attract the diverse talent needed to appeal to all consumer segments in society. The formula for success here is to ensure your talent is as diverse as your consumers."**

Kristel Boyes
EMA ESG Director, Consumer & Retail
KPMG in the Netherlands

Business value from ESG

CEOs recognize that ESG can bring sizable economic opportunities to their businesses.

Forty-four percent of C&R CEOs now believe that their ESG strategy will have the biggest impact on enhancing brand reputation and building customer relationships over the next three years — an increase of 9 percentage points over 2023 and surpassing the cross-industry average (34 percent). This strong emphasis on the brand-building power of ESG reflects a core truth in the C&R sector: consumer purchasing decisions are often driven by emotion and values alignment. Sustainability and values-driven marketing remain powerful tools for forging these emotional connections and fostering consumer loyalty, making them key considerations for C&R leaders as they shape their ESG strategies.

“For consumer and retail companies, the first step of an ESG strategy is to decide who you are and what you stand for. Those companies that are succeeding have picked a lane, they have a clear narrative and execute consistently against their ambition, desired business practices and value proposition. Ambiguity on these topics is not a friend.”

Isabelle Allen
Global Head of Consumer and Retail, KPMG International

Source: KPMG 2024 CEO Outlook

The next area C&R CEOs see their ESG strategy having the greatest impact over the next three years is in shaping capital allocation, partnerships and M&A strategies (23 percent), up 10 percentage points from 2023.

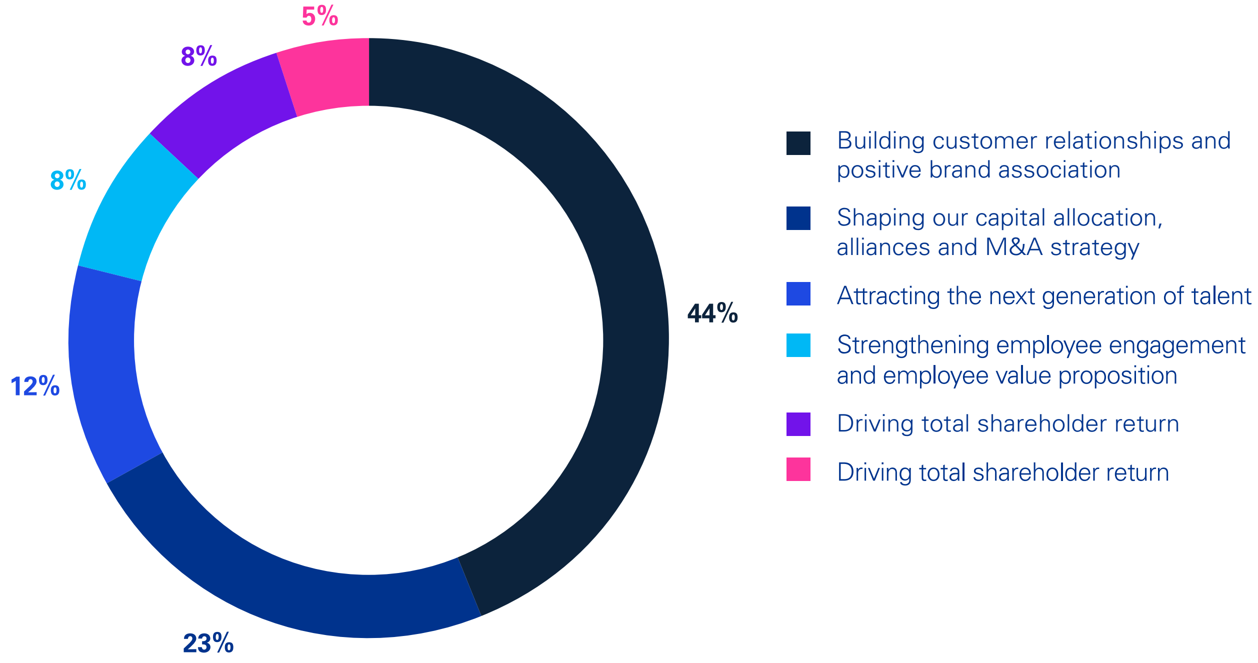
C&R CEOs also recognize that millennials and Gen Z employees prioritize working for companies that align with their personal values. After facing challenges in replacing employees post-pandemic and competing in the war for talent, attracting the next generation (12 percent) was only the third-most important impact of ESG strategy.

For companies that fail to deliver on their ESG commitments to stakeholders, 26 percent of C&R CEOs say the biggest risk is loss of customers, up from 10 percent last year. For almost one-quarter of companies, failure to deliver on ESG creates scope for competitors to gain an advantage. As customers increasingly value sustainability, the KPMG Global ESG due diligence+ study 2024 shows ESG-related improvements as a growth driver and a way to differentiate from the competition.

But for half, keeping up with stakeholder expectations is a challenge. They say stakeholders' ESG expectations change faster than they can adapt their ESG strategies. As a consequence, more than three-quarters of CEOs do not make changes to their climate-related strategies. Instead, they adjust their language and terminology when communicating with stakeholders.

Most C&R CEOs (52 percent, down seven percentage points from 2023) expect a significant return on their ESG investments within three to five years — while 23 percent believe it could happen even sooner.

Impact of ESG strategy over the next three years



Source: KPMG 2024 CEO Outlook

Section 3

Tech and Gen AI

We've seen a significant shift in how C&R companies approach their business models, with many brands now favoring more integrated direct-to-consumer strategies to strengthen relationships with consumers. This change is being driven by technological advancements and increasing demand for seamless, personalized interactions. As a result, these shifts are fundamentally altering C&R CEOs' perspective on growth, emphasizing value creation through digital transformation and customer-centric approaches."

Duleep Rodrigo
US Sector Leader, Consumer & Retail
KPMG in the US

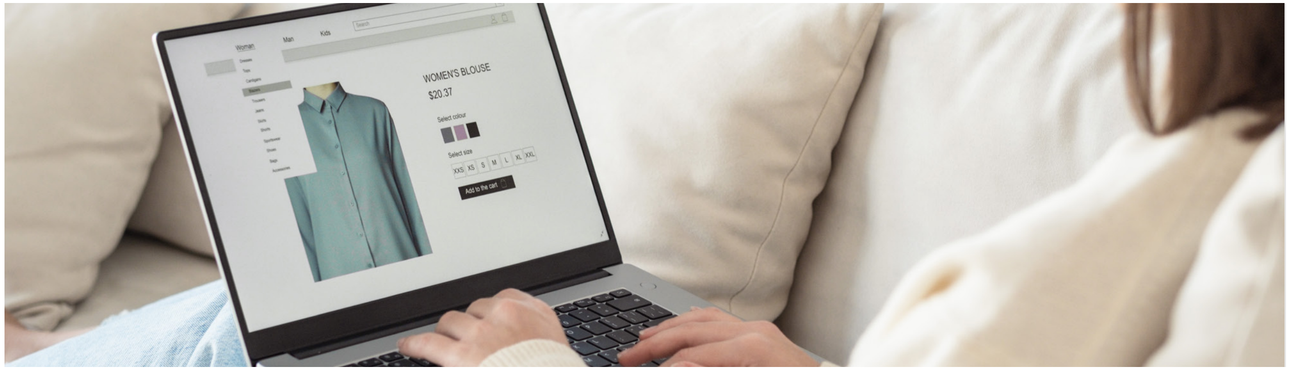
CEOs are increasingly committed to capital investment in transformative technologies. In low-margin businesses like grocery retail, staying ahead with technology can boost profitability by crucial points. At the other end of the spectrum, Gen AI can deliver competitive advantage by increasing consumer engagement and relevance, especially important as digital natives reach purchasing age and demand seamless experiences from brands.

The race to embrace Gen AI

In the race to retain customers, achieve growth and maintain (or improve) margins, Gen AI is emerging as a critical tool for C&R companies. Though slightly lower than their cross-industry peers, and despite ongoing economic uncertainty, 57 percent of C&R CEOs believe transformative technologies and Gen AI are a top investment priority.

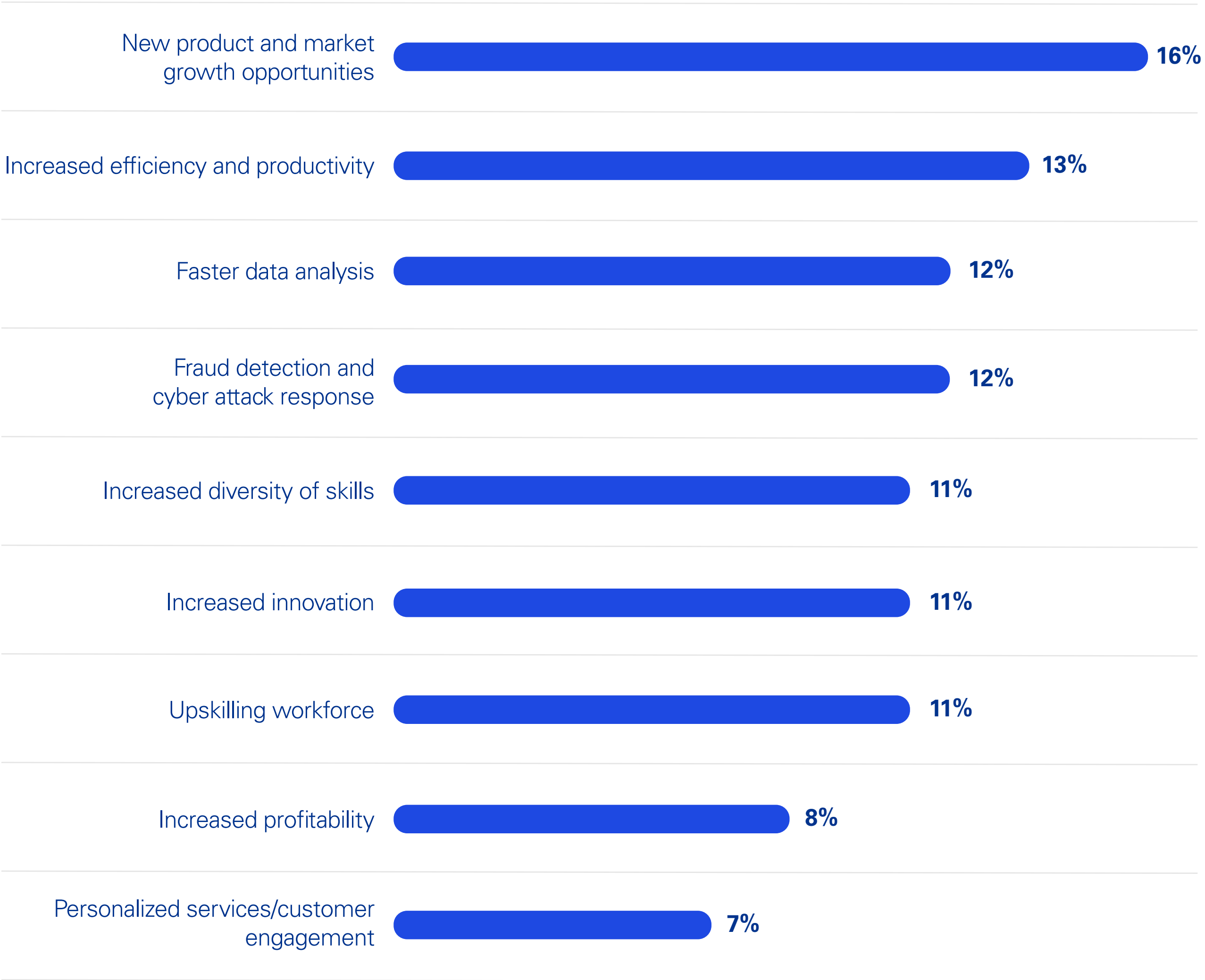
While many large organizations are already exploring the potential of Gen AI, the extent of its implementation varies widely. The focus is now shifting from experimental Gen AI pilots to capturing tangible return on investment, whether through efficiencies and productivity gains, or product development.[1] Just over half (67 percent) of C&R CEOs are confident that they will see a return on their Gen AI investments within three to five years.

In a recent KPMG report, Navigating the future of seamless commerce in Asia Pacific, nearly every company interviewed is either exploring or implementing AI in various areas of their operations, with several executives noting that the rate of uptake is surpassing any previous technology.



[1] Four essential board strategies for maximizing GenAI (kpmg.com)

Benefits of implementing Gen AI



Source: KPMG 2024 CEO Outlook

CEOs recognize the need to embrace the latest technology to stay competitive, and most executive committees have already initiated discussions and put governance structures in place to guide its use. But scaling these projects across the organization remains a challenge. Success requires cultivating a workplace culture where employees view Gen AI as an opportunity — not a threat. Early successes have been seen in small, targeted applications, such as automating repetitive tasks and improving internal processes.

> **“C&R companies are undergoing rapid transformations, driven by a push toward digitalization and enhancing customer experience. As Gen AI increasingly becomes a focal point for investment, organizations need to be mindful of making strategic decisions. CEOs should ensure that these investments not only align with immediate business goals but also deliver sustainable value and improve the overall customer journey.”**

Anson Bailey
Head of Consumer & Retail, Asia Pacific
KPMG China

For 16 percent, new product and market growth opportunities rank as the top benefits of implementing Gen AI (10 percent cross-industry average). In fact, more than in any other sector, 81 percent cite sales and marketing activities as their critical Gen AI investment priority (60 percent cross-industry average). The previous Asia Pacific retail report also underscores this trend, revealing that companies are actively using AI to enhance product recommendations, with consumers expressing high levels of satisfaction.[2] Behind the scenes, the most common AI applications include demand forecasting, supply chain management and the development of marketing content such as writing product descriptions especially for companies with vast product ranges. But despite its advantages, one major issue is that Gen AI can inherit biases from the human-created content it ingests, perpetuating discrimination.

C&R CEOs are now less convinced that increased profitability will be a top benefit of Gen AI (8 percent), down 24 percentage points from 2023. Instead, there is greater recognition for the benefits of faster data analysis, acknowledged by 12 percent of C&R CEOs, five percentage points higher than 2023.

Challenges that CEOs identify with Gen AI implementation have shifted this year too. Amid growing concerns about the ethical use and implementation of AI within the media, C&R CEOs are increasingly aware of the risks tied to its rapid adoption. Sixty-one percent identified ethical challenges as some of the most difficult issues to address when implementing AI within their businesses. In 2023, cost of implementation ranked highest at 58 percent, but this year, it slid to a joint second place (alongside a lack of regulation) at 48 percent.

CEOs recognize the multiple risks presented by Gen AI. Consumers are worried about bias in the underlying models and the use of their data. Employees are concerned about their jobs being replaced by robots. Regulators are focused on privacy concerns and the use of personal data. Sales leaders fret about the impact on their personal relationships with customers. There are several global efforts underway to regulate AI — not least the recently approved EU AI Act, which has extraterritorial reach; but until there is worldwide consensus, C&R CEOs must prepare to carefully govern their own use of AI and automation. This is mirrored by a majority of C&R CEOs (84 percent — the highest of all sectors) that agree that a degree of regulation regarding Gen AI should mirror that of climate commitments.

[2] Navigating the future of seamless commerce in Asia Pacific (kpmg.com)

Readying the workforce

C&R CEOs want to grow their workforce, as they recognize that a lack of talent could constrain their growth and ability to implement new technologies. In fact, 95 percent say they plan to increase headcount over the next three years — the highest percentage among all sectors surveyed. But retention is also a key concern, with 38 percent noting that the number of employees retiring coupled with a lack of skilled workers to replace them has the biggest impact at their organization (far above the 31 percent cross-industry average).

And while there may be a growing concern on the impact of Gen AI on the workforce, 82 percent of C&R CEOs say they do not believe it will impact the number of jobs. But it will require upskilling of existing resources, and 68 percent say they're equipped to upskill their employees to fully leverage the benefits of Gen AI over the next three years.

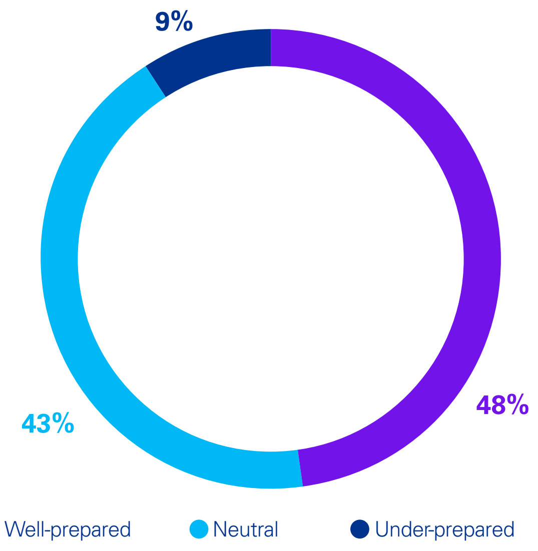
Cyber readiness

Amid the rising frequency and sophistication of cyber-attacks, almost half of C&R CEOs (48 percent) feel their organizations are well-prepared. What's more, fewer CEOs this year describe themselves as under-prepared — only nine percent in 2024, down from 31 percent in 2023.

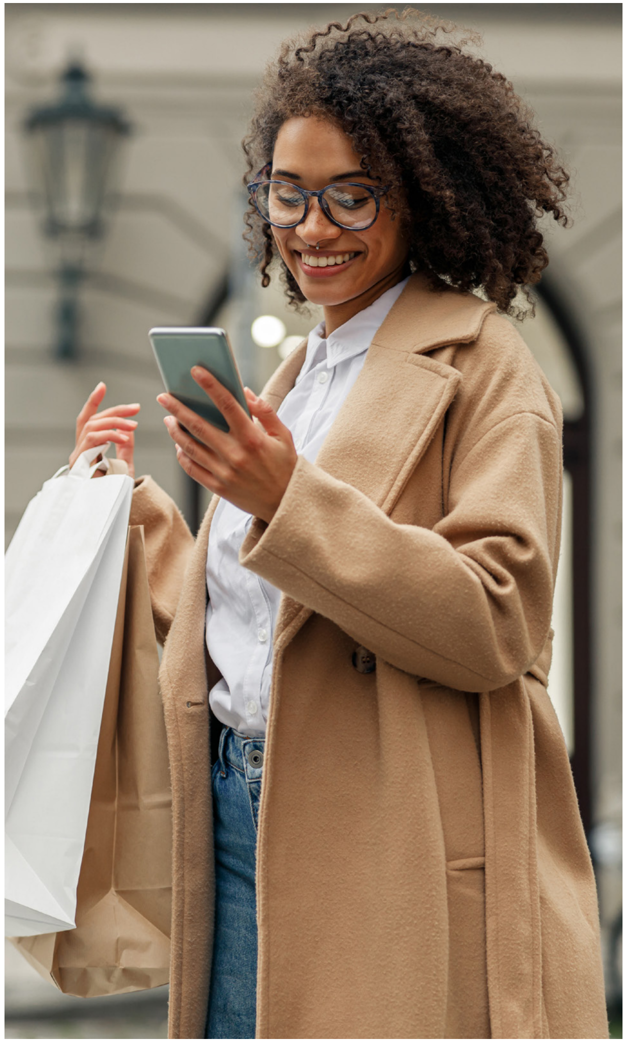
Most C&R CEOs (78 percent) believe that a cybersecurity-focused culture is crucial for AI integration. Yet just 45 percent feel confident that their cybersecurity capabilities can match the pace of AI advances, with C&R lagging all other sectors.

When it comes to preparing for cyber-attacks in the context of Gen AI, it's important to understand the risks involved, such as fraud, and intellectual property concerns. Organizations should implement robust controls to safeguard against these risks and develop a responsible AI framework; this helps mitigate any risks and optimizes AI usage, enabling a more secure deployment across the business.[3]

Preparedness towards cyber attacks



Source: KPMG 2024 CEO Outlook



[3] https://kpmg.com/kpmg-us/content/dam/kpmg/pdf/2023/kpmg-generative-ai-consumer-retail-survey-report.pdf

Key recommendations

How can C&R businesses leverage all the opportunities they're presented with, whilst also managing the risks? Here are advice points to consider for C&R leaders:

Embrace a growth mindset amid uncertainty

- **Build agility and resilience:** Develop contingency plans, diversify sourcing strategies and maintain flexibility to navigate potential disruptions and economic downturns that could impact consumer spending and supply chains.
- **Prioritize organic growth:** Focus on core business strengths and enhance customer experience. Leverage digital advancements to drive sales and market share, and invest strategically in technologies like AI to help optimize operations, personalize customer experiences and unlock new growth avenues.
- **Explore strategic M&A:** Capitalize on softening interest rates and narrowing valuation gaps to acquire businesses that complement existing offerings or provide access to new markets.

Embed ESG as a business imperative

- **Move beyond compliance:** Integrate ESG principles into core business strategies, ensuring they align with your company's identity. Clarity and consistency are key — whether you're a cost-cutter or a value-driven brand, be disciplined in executing against your chosen strategy. This can strengthen brand reputation, customer loyalty and long-term resilience.
- **Address the evolving consumer:** Understand that sustainability is now an expectation, not a differentiator. Authenticity and transparency are essential for building trust and avoiding reputational risks. Decide who you are, and stay consistent.
- **Collaborate for systemic change:** Recognize that achieving ambitious sustainability targets requires industry-wide collaboration. Invest in sustainable sourcing and production practices, and work with partners to drive systemic change, ensuring your ESG strategy resonates clearly with both customers and investors.

Harness the power of AI responsibly

- **Scale AI strategically:** Understand that AI is already playing a significant role in enriching the shopping experience across various sectors — and the market has reacted positively to this integration. Focus on transitioning from pilot projects to enterprise-wide AI implementation, prioritizing areas that deliver tangible ROI and improve customer experience.
- **Prioritize ethics and governance:** Establish clear guidelines for responsible AI use, addressing concerns around bias, data privacy and job displacement.
- **Upskill and empower your workforce:** Provide employees with the necessary skills to leverage AI effectively, fostering a culture that embraces technological advancement.
- **Strengthen cyber resilience:** Prepare for an evolving cybersecurity landscape as AI adoption grows, embedding best practices across the organization to safeguard against emerging threats.

About the KPMG 2024 CEO Outlook

The 10th edition of the KPMG CEO Outlook, conducted with 1,325 CEOs between 25 July and 29 August 2024, provides unique insight into the mindset, strategies and planning tactics of CEOs.

All respondents have annual revenues over US$500M and one-third of the companies surveyed have more than US$10B in annual revenue. The survey included leaders from 11 markets (Australia, Canada, China, France, Germany, India, Italy, Japan, Spain, UK and US) and 11 key industry sectors (asset management, automotive, banking, consumer and retail, energy, infrastructure, insurance, life sciences, manufacturing, technology, and telecommunications). NOTE: Some figures may not add up to 100 percent due to rounding.

This subsection of the global report drills down into the sentiments and experiences of 120 consumer and retail CEOs and identifies the issues that concern them most. We hope it will help you to benchmark your own performance and understand how the sector is likely to navigate the next three years.

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