

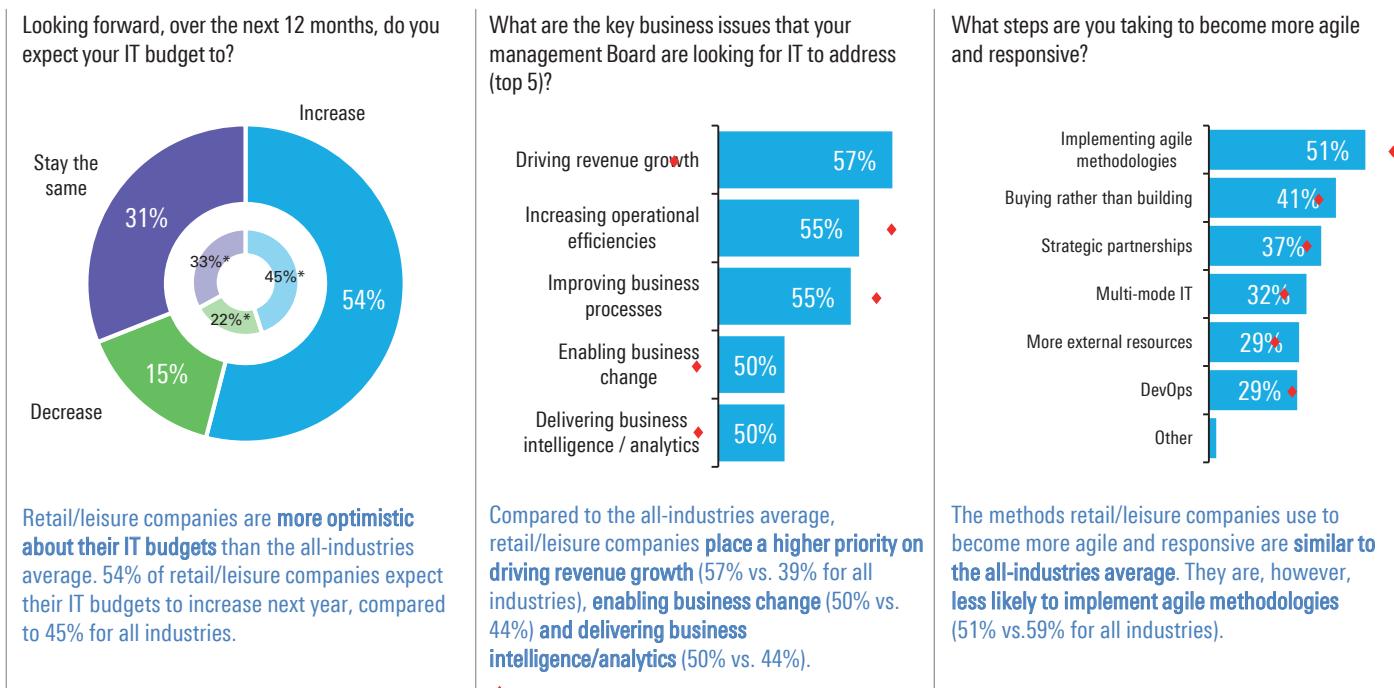
CIO Survey 2016

Retail/Leisure Sector Findings

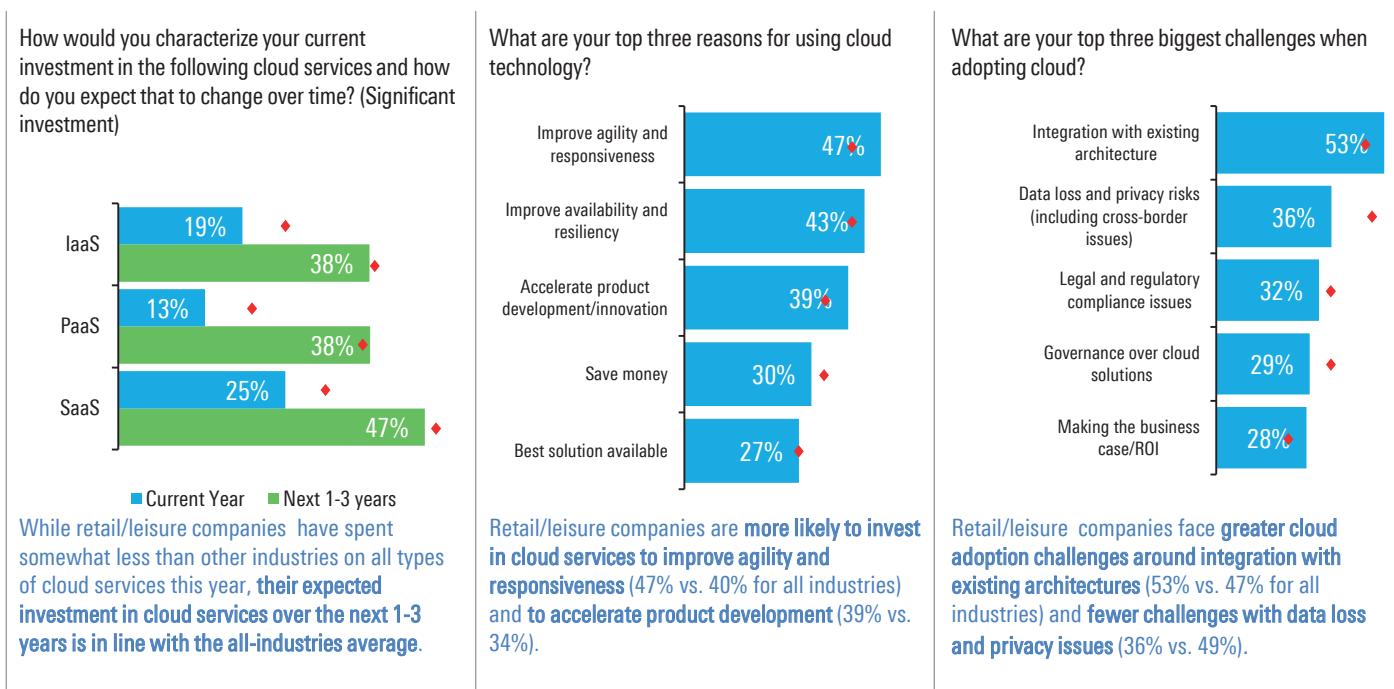
The Harvey Nash / KPMG CIO Survey is the largest IT leadership study in the world. Almost 3,400 respondents across 82 countries representing over US\$200bn of IT budget spend.

This **Retail/Leisure industry** sector snapshot provides survey responses from over 180 Retail/Leisure companies on some of the key topics and highlights several areas where this sector's responses were significantly different from those from across all industries.

KEY TOPICS

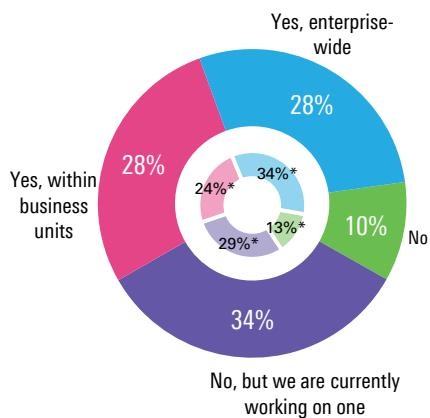


CLOUD



DIGITAL DISRUPTION

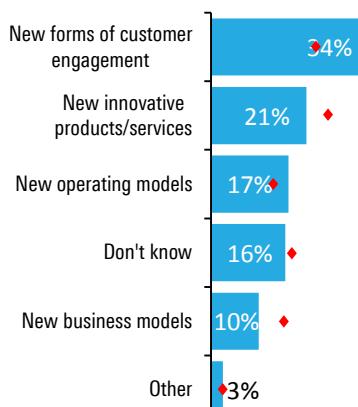
Does your organization have a clear digital business vision and strategy?



Retail/leisure companies are roughly **equally likely to have a digital strategy as all industries**, but these strategies are more often within business units (28% vs. 24% for all industries) and less often enterprise-wide (28% vs. 34%)

*All-industries average

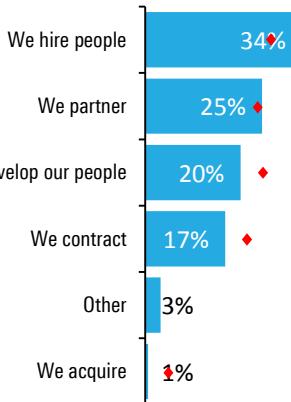
If you are currently experiencing digital disruption, what is the primary source of disruption?



Retail/leisure companies are **more likely to face digital disruption from new forms of customer engagement** (34% vs. 23% for all industries).

◆ All-industries average

What is the primary method you use for coping with digital disruption?



Retail/leisure companies are **more likely to hire people to cope with digital disruption** (34% vs. 26% for all industries), and **somewhat less likely to develop people** (20% vs. 25%) or **contract** (17% vs. 21%)

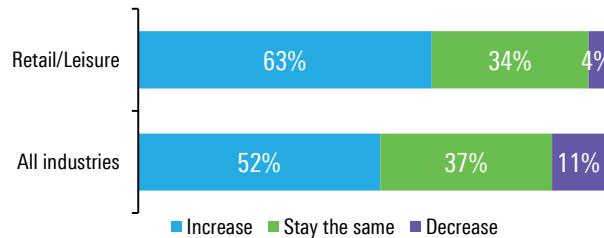
SIGNIFICANT DIFFERENCES

Do you believe your Board recognises the risks posed by cyber attack, and is doing enough about it? (% that responded 'Yes')



Retail/leisure respondents are **less confident that their management Boards adequately address cybersecurity**. Just 59% believe that their Boards recognize the risks posed by cyber attack are and doing enough about it, compared to 68% for all industries.

How do you expect your spend on outsourcing to change over the next 12 months?



Retail/leisure companies **have more aggressive plans to outsource** than the all-industries average. 63% report that they plan to increase their outsourcing spend over the next 12 months, compared to 52% for all industries.

CONCLUSIONS

It is no surprise that CIOs from Retail and Leisure organizations are seeing Customer Engagement as the main source of digital disruption. Digital innovation is creating a significant advantage for forward-looking companies that realize consumers are quickly coming to expect seamless, customer-centric, and fully integrated experiences as an industry standard.

CIOs in these sectors said they were relatively more optimistic about their IT budgets increasing than the other sectors were. However, the Retail and Leisure executives were less likely than those in other sectors to say their digital strategy spans the entire enterprise. This is concerning since to be truly successful, Retail and Leisure companies need to be investing in fully integrated, "omni business" models that span not only across sales channels, but throughout the entire organization. Retail and Leisure CIOs need to ensure their investments are focused on enterprise-wide integration and solutions in the coming year.

FURTHER INFORMATION

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