2026 KPMG Global

Consumer & Retail

CEO Outlook



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Foreword

Consumer and retail CEOs face no shortage of growth opportunities. Yet capturing them requires leaders to successfully navigate an increasingly complex landscape shaped by climate volatility, geopolitical tensions, cyber threats, AI and changing consumer expectations. These issues may differ in nature, but they share a common characteristic: they are forcing leaders to make increasingly deliberate choices about where to focus investment, resources and attention.

This year's Consumer & Retail CEO Outlook explores how leaders are approaching these decisions. The findings provide a snapshot of sentiment across the sector, highlighting where CEOs see the greatest risks and opportunities, how perspectives have evolved since last year, and where views differ from those of leaders in other industries.

Unsurprisingly, given the global landscape of conflict and trade friction, supply chain resilience remains a primary concern. Surveyed consumer and retail CEOs stand apart from their peers in the weight they attach to this risk, ranking it higher than leaders in any other sector, including automotive and industrial manufacturing.

Beyond supply chain risk, the findings point to a broader set of opportunities and challenges shaping the sector's agenda.

AI and GLP-1s are among developments commanding attention. Both have potentially significant implications for consumer behavior, business models and long-term growth, yet neither comes with a predetermined outcome. The challenge for leaders is understanding where these developments are likely to create genuine value, what investment they require and how quickly their effects will be felt.

One of the clearest messages from this year's findings is that confidence and pressure are rising in parallel. While consumer and retail CEOs remain confident in their growth prospects, they also face greater pressure than leaders in other sectors to secure their organizations' long-term prosperity. Reflecting this reality, responding CEOs identify strategic foresight and scenario planning as the most important leadership capability in 2026.

There is no single blueprint for success. However, the organizations best positioned for long-term growth will likely be those that remain clear about who they serve, where they compete and how emerging opportunities align with what truly differentiates their business.



Isabelle Allen
Global Head of Consumer, Retail & Leisure
KPMG International

Source: KPMG International, 2026 KPMG Global CEO Outlook, survey of 1,400 CEOs, fieldwork August–September 2026.

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About the research

The 12th edition of the KPMG Global CEO Outlook, conducted with 1,400 CEOs between August and September 2026, provides insight into the mindset, strategies and planning tactics of CEOs.

This report focuses exclusively on the 120 consumer and retail CEOs surveyed. Where year-over-year comparisons are made (e.g., 2026 vs. 2025), the data is drawn from questions in previous editions of the KPMG CEO Outlook survey. While the consumer and retail company sample size and composition are broadly consistent, minor variations may affect comparability.

All consumer and retail respondents oversee companies with annual revenues greater than US$500 million, and nearly half of the companies surveyed have more than US$10 billion in annual revenue. The complete survey included CEOs from 12 key markets (Australia, Canada, China, France, Germany, India, Italy, Japan, Netherlands, Spain, the UK and the US) and 13 industry sectors (asset management, automotive, banking and capital markets, consumer and retail, energy and natural resources, healthcare, infrastructure and transportation, insurance, industrial manufacturing, life sciences, media, technology, and telecommunications).

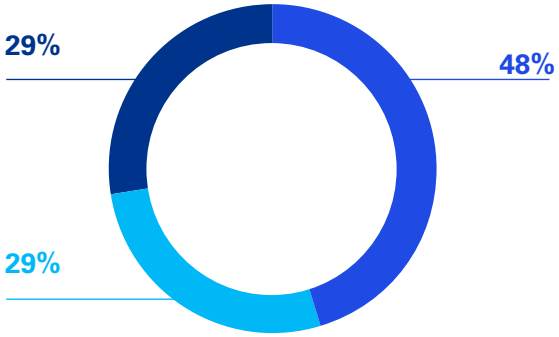
Note: Some figures may not add up to 100 percent due to rounding. Percentages shown represent responses from the consumer and retail (C&R) sector unless otherwise stated.

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Key findings

Growth and economic outlook

Leading risks to growth over the next 3 years



- Supply chain resilience
- Global economic uncertainty
- Pressure for production to meet demand

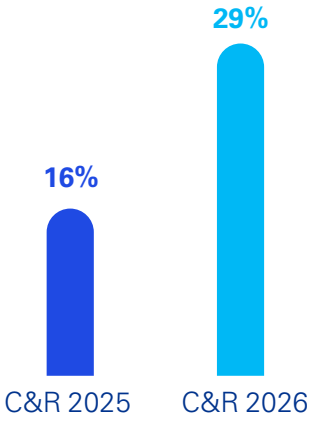
84% C&R | **81%** Global

of CEOs remain confident in their industry's growth prospects

Consumer-driven transformation

100%

taking action in response to health-led consumer shifts



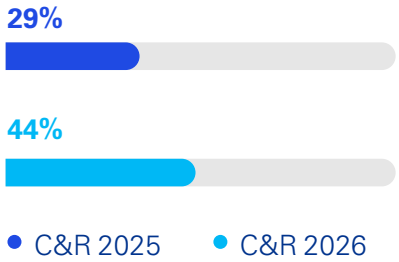
prioritizing improving the customer experience

Tech and AI

54% expect AI to move beyond recommendations

71% C&R | **66%** Global

confident their organizations are moving at the right pace, or ahead of the curve, on AI

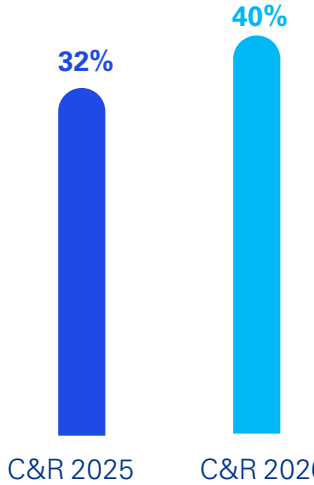


have increased their investment in cybersecurity and digital risk resilience

Workforce

72% C&R | **57%** Global

agree AI has prompted a rethink of employee training and development



are concerned about bridging the gap between existing and future workforce capabilities

Sustainability

62%

say sustainability is fully embedded in their business, down 12pp since 2024

68% C&R

64% Global

say stakeholder expectations on sustainability evolve faster than strategy can adapt

Source: KPMG 2026 C&R CEO Outlook, KPMG International, November 2026.

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Economic outlook and business confidence

More than five in six consumer and retail CEOs surveyed are confident about the sector's growth prospects.

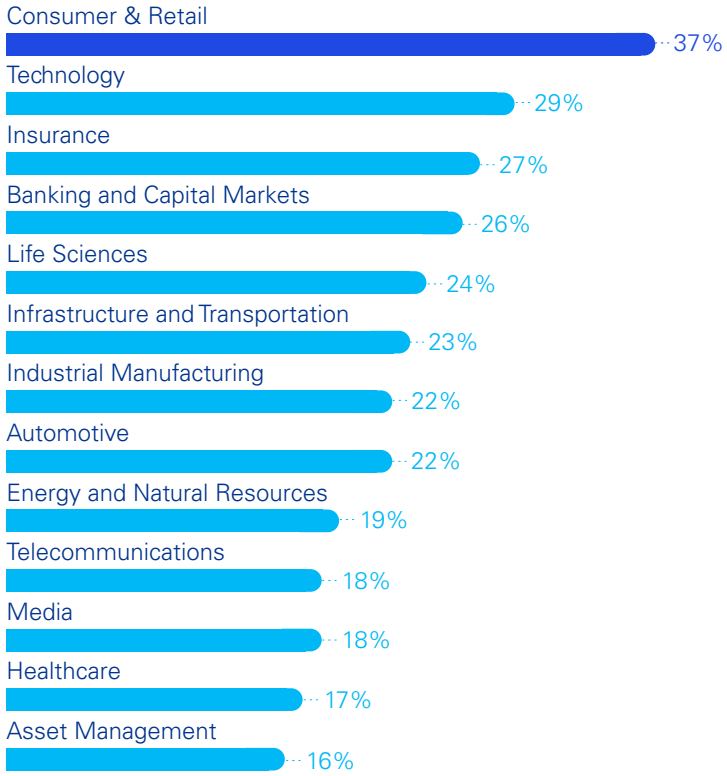
Confidence in the sector's growth prospects has strengthened over the past year, rising from 78 percent in 2025 to 84 percent in 2026. As a result, consumer and retail CEOs rank among the most optimistic leaders surveyed.

Respondents claiming to be 'very confident' rose 11 percentage points, from 26 to 37 percent year-on-year, the highest proportion of any industry surveyed and 14 percentage points above the cross-sector average.

CEOs' confidence in their own organizations' growth prospects has also strengthened, rising to 83 percent from 77 percent in 2025 and surpassing the 82 percent reported in 2024. Expectations of earnings growth have increased too. The proportion of consumer and retail CEOs expecting their organizations to achieve annual earnings growth of at least 5 percent over the next three years increased from 14 percent in 2025 to 35 percent in 2026.

By contrast, their views on global economic growth remain largely unchanged, with 64 percent of respondents expressing confidence, compared with 65 percent in 2025. The divergence highlights a sector that continues to see increased opportunities ahead, even as broader economic uncertainty persists.

Percentage of CEOs 'very confident' in their sector's three-year growth prospects



Source: KPMG 2026 C&R CEO Outlook, KPMG International, November 2026.

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Responding to changing consumer expectations

Consumer preferences continue to evolve, prompting a wide range of responses across the sector.

While confidence in company and sector growth has strengthened, consumer and retail CEOs surveyed continue to face pressure to secure the long-term prosperity of their organizations. More than four-fifths report feeling increased pressure, up from 76 percent in 2025.

82%

of consumer and retail CEOs feel under more pressure to ensure the long-term prosperity of their business.

Against this backdrop, improving customer experience remains the leading operational priority among consumer and retail respondents for a second consecutive year. The proportion identifying it as a priority increased from 16 percent in 2025 to 29 percent this year, compared with 13 percent across all sectors.

#1

Improving customer experience ranks highest among operational priorities for the second consecutive year.

Source: KPMG 2025 C&R CEO Outlook, KPMG International, February 2026.

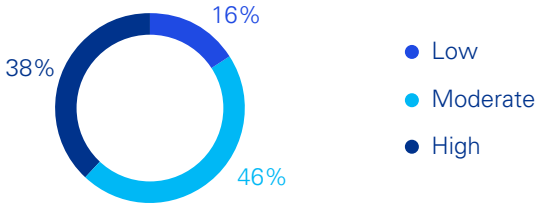
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The health and wellness opportunity

Responses to health-led shifts in consumer behavior illustrate how consumer and retail CEOs are adapting to changing demands. Though all CEOs surveyed report taking action, approaches vary: product portfolio adjustments (66 percent); investment in health, wellness and lifestyle-led propositions (57 percent), and brand strategy changes (55 percent). Organizations are also pursuing pricing changes, portfolio repositioning and selective M&A activity.

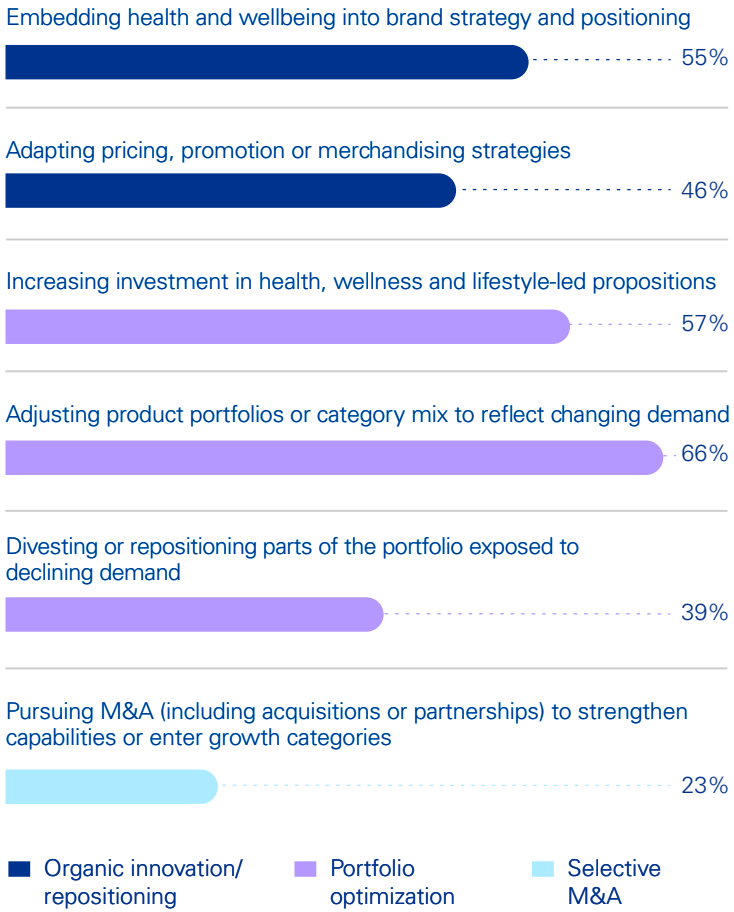
Willingness to adapt is reflected more broadly in CEOs' appetite for growth opportunities. More than three-quarters (77 percent) say they are maintaining or increasing their level of risk-taking to capture opportunities. Eighty-four percent report a moderate or high appetite for mergers and acquisitions (M&A), with the proportion reporting a high appetite for M&A up from 35 percent in 2025 to 38 percent this year.

M&A appetite over the next three years



Source: KPMG 2026 C&R CEO Outlook, KPMG International, November 2026.

Responses to health-led shifts in consumer behavior



Source: KPMG 2026 C&R CEO Outlook, KPMG International, November 2026.

> "CEOs are signaling continued appetite for M&A in the sector. The pace of change in consumer preferences is high, and businesses are responding by making strategic acquisitions, developing partnerships, and divesting or repositioning brand and product portfolios. The long-term consumer trend of an increased focus on health and wellness is accelerating and impacting many aspects of the sector from food and beverage, pet care, beauty and VMS, but also into apparel and retail. In today's market, a high willingness to deploy capital should be matched by a clear value creation strategy."

Nick Wansbury
Partner, Consumer & Retail Deal Advisory
KPMG UK

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Building resilience for long-term growth

Supply-chain resilience remains a top concern within a broader investment agenda.

Nearly half (48 percent) of consumer and retail CEOs surveyed identify supply-chain resilience as a threat to growth, compared with 24 percent across all sectors. It remains the highest-ranked threat to growth among consumer and retail respondents for a second consecutive year and represents the largest variance from the all-sector benchmark identified in this year's survey.

Investment priorities reflect this concern. Forty-four percent of consumer and retail CEOs cite supply-chain resilience and operational continuity as an investment priority over the next three years, compared with 25 percent across sectors.

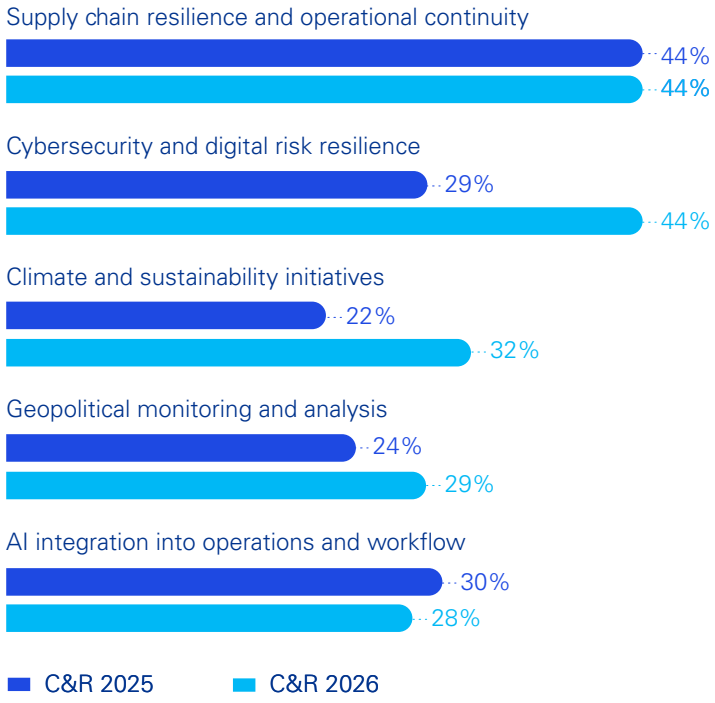
Source: KPMG 2026 Global CEO Outlook, KPMG International, October 2026.

> "Resilience starts with staying close to the customer. This means understanding how needs and shopping habits differ from one market to another. Leaders need to connect local consumer insight with regional supply-chain capabilities, trusted partnerships and empowered frontline teams. AI can help anticipate demand and improve execution, but technology alone cannot deliver trust. The opportunity is to build an ecosystem that responds to changing expectations while delivering consistently on value, convenience and experience. This can turn resilience into a foundation for long-term growth."

Alice Yip
Head of Consumer & Retail, Hong Kong SAR
KPMG China

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Top 5 areas of increased investment to mitigate business risks



Source: KPMG 2026 C&R CEO Outlook, KPMG International, November 2026.

However, supply chain resilience is no longer the sector's sole standout investment priority. Consumer and retail CEOs are investing equally heavily in cybersecurity and digital risk resilience in 2026, reflecting the reality that operational disruption can now originate from both physical and digital sources.

The broader investment profile is also revealing. While consumer and retail CEOs place significantly greater emphasis on supply chain resilience and operational continuity than their cross-sector peers (44 percent vs. 25 percent), they are also considerably more likely to invest in climate and sustainability initiatives (32 percent vs. 18 percent).

By contrast, investment in workflow AI integration has fallen marginally year-on-year and now sits below the cross-sector average (28 percent vs. 32 percent), indicating that leaders may be becoming more deliberate about where AI investment can deliver the greatest impact.

> "In many mature consumer markets, leaders are facing a combination of slower volume growth, shifting consumer behaviors and greater uncertainty across global supply chains. It's why we're seeing investment priorities align with perceived risks. Whether it's supply chain capabilities, cybersecurity or operational continuity, organizations are investing in the areas they believe can help protect growth, respond faster to disruption and remain competitive in a more complex operating environment."

Duleep Rodrigo
Americas Sector Leader, Consumer, Retail & Hospitality
KPMG US

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Pursuing value from AI

Attention shifts towards value creation and trust as AI is increasingly embedded into organizations and the customer-buying journey.

At a strategic level, consumer and retail CEOs surveyed remain committed to AI investment. Agreement that AI is a top investment priority increased from 64 percent in 2025 to 71 percent this year.

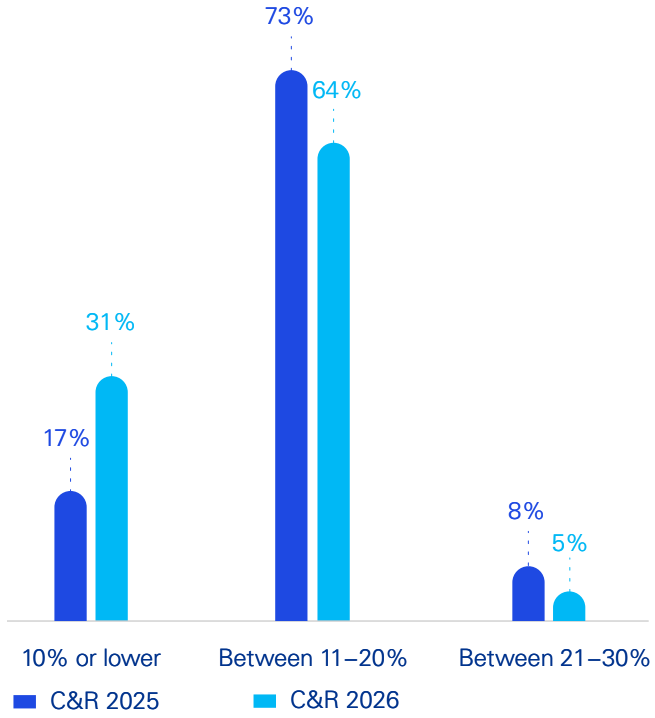
At the same time, the findings suggest a more targeted approach to deployment. Increasingly, organizations are selective about where AI investment is directed, while expectations around returns are becoming more measured. Fewer CEOs expect AI to deliver returns within the first year, declining from 16 percent in 2025 to 11 percent this year. By contrast, those expecting returns within one to three years increased from 68 percent to 73 percent.

Confidence in AI implementation is growing, even as expectations for returns become more measured. Over seven in ten (71 percent) consumer and retail CEOs believe their organization is moving at the right pace or ahead of the curve on AI, while agreement that organizational data is ready for safe AI integration increased from 64 percent in 2025 to 80 percent this year.

Source: KPMG 2025 C&R CEO Outlook, KPMG International, February 2026.

71% say AI remains a top investment priority over the next three years.

Percentage of budget allocated to AI over next 12 months



Source: KPMG 2026 C&R CEO Outlook, KPMG International, November 2026.

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Will AI become the next shopper?

As organizations become increasingly confident in their ability to implement AI internally, many consumer and retail CEOs also expect it to become more influential in consumer decision-making.

More than half (54 percent) expect AI to move beyond recommendations and play a more active role across the purchasing journey. The debate is increasingly shifting from whether or not AI will influence purchasing decisions to how far that influence will extend towards transacting.

Expected role of AI in consumer decision-making over the next 3-5 years



Source: KPMG 2026 C&R CEO Outlook, KPMG International, November 2026.

> "The traditional, linear customer journey has been obsolete for some time. But AI is adding a new, more playful and certainly more conversational and personalized experience, with consumers increasingly discovering, evaluating and purchasing through AI. As technology plays a greater role across the journey, trust and transparency become even more critical. The challenge for retailers is not simply adopting AI themselves but ensuring they are in the right place for where their customers want to find and buy from them."

Linda Ellett
Head of Consumer, Retail & Leisure
KPMG UK

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Preparing the workforce of the future

Organizations are investing heavily in talent, training and role redesign, yet concerns about future skills requirements continue to rise.

As AI adoption increases, attention across consumer and retail organizations is turning to the people and capabilities needed to support implementation at scale. Nearly three-quarters (72 percent) of CEOs say AI has prompted a rethink of employee training and development, compared with 57 percent across all sectors.

Organizations are placing greater emphasis on hiring AI and technology talent, retaining and retraining high-potential employees, and redesigning roles and career paths around AI collaboration.

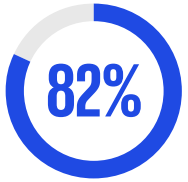
As AI becomes more embedded in day-to-day activities, workforce resistance appears to be becoming less of a concern. Around one-quarter of consumer and retail CEOs cite workforce resistance as an obstacle to AI adoption, down from 29 percent in 2025.

Source: KPMG 2025 C&R CEO Outlook, KPMG International, February 2026.

Yet concern about future workforce capabilities continues to grow. The proportion of consumer and retail CEOs focusing on bridging the gap between existing skills and future workforce needs increased from 32 percent to 40 percent year-on-year, compared with 36 percent across all sectors.

> "The AI challenge is no longer simply about adoption, it's about readiness. Organizations that invest now in skills, roles and workforce capability may be better positioned to turn AI investment into sustainable business value."

Cath Jowett
National Sector Lead, Consumer & Retail
KPMG Australia



hiring new talent with AI and tech capabilities (vs. 60% last year)



redesigning roles and career paths (vs. 73% last year)



focusing on retaining and retraining high-potential talent (vs. 71% last year)

Source: KPMG 2026 C&R CEO Outlook, KPMG International, November 2026.

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Sustainability and the challenge of scale

Sustainability continues to shape investment and innovation decisions, but embedding it fully across complex value chains remains a challenge.

Despite sustainability playing a growing role in investment decisions and product innovation, fewer consumer and retail CEOs now describe it as fully embedded and critical to long-term success.

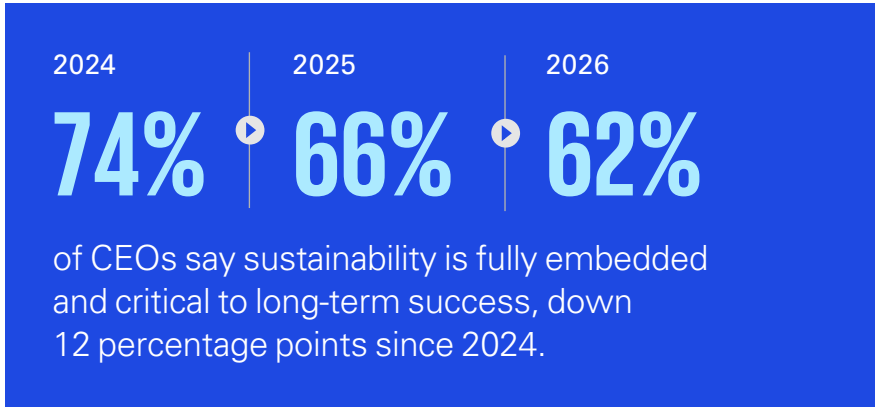
Rather than signaling reduced commitment, this may reflect a growing recognition of the challenges involved in embedding sustainability at scale. While fewer CEOs describe sustainability as fully embedded, sustainability is playing a larger role in business decision-making.

The proportion of responding CEOs integrating sustainability costs and potential returns into major capital decisions increased from 25 percent in 2025 to 33 percent this year. Meanwhile development of sustainable products and services rose from 41 percent to 56 percent, exceeding the all-sector average of 45 percent.

The challenge is that many sustainability outcomes depend on factors beyond an organization's direct control. For a second consecutive year, consumer and retail CEOs identify the complexity of decarbonizing supply chains as the leading barrier to achieving net-zero ambitions. At 38 percent, this remains 16 percentage points higher than the survey's all-sector figure of 22 percent.

Stakeholder expectations continue to add further pressure. More than two-thirds (68 percent) of consumer and retail CEOs say sustainability expectations are evolving faster than their organizations can adapt, up from 63 percent in 2025.

This year's findings continue to underscore the practical challenges of embedding sustainability at scale across complex and interconnected value chains, while organizations balance a range of competing priorities across growth, resilience and transformation.



Source: KPMG 2026 C&R CEO Outlook, KPMG International, November 2026.

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Looking ahead

Consumer and retail organizations are entering a period in which growth, resilience, technology, workforce capability and sustainability are becoming increasingly interconnected. As leaders navigate the next 12–24 months, the challenge is not a lack of opportunity, but deciding where to focus.

Questions for your boardroom

01

Where will your next phase of growth come from?

Confidence in company and sector growth has strengthened, yet pressure to secure long-term prosperity continues to rise. Where can your organization create the greatest value while responding to changing consumer expectations?

02

What capabilities will define your resilience?

Supply-chain resilience remains a leading concern, but organizations are increasingly investing beyond operations alone. Which capabilities will be most important in helping your business adapt and perform in an increasingly interconnected environment?

03

How will you determine value from AI?

AI remains a major investment priority, but attention is increasingly turning from adoption to implementation. Where can AI create the greatest value for your organization, and what capabilities are needed to achieve it?

04

How might AI reshape the consumer relationship?

Many consumer and retail CEOs now expect AI to play a more influential role in purchasing decisions. As AI becomes more embedded in the consumer journey, how could it change the way consumers discover, evaluate and purchase your products?

05

Can you turn sustainability ambition into measurable progress?

Stakeholder expectations continue to evolve, while delivering outcomes across complex value chains remains challenging. How will you balance ambition with execution and deliver meaningful progress?

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