

# Top trends to watch in Retail, Consumer Goods & Wholesale

Read on for CGI client insights  
on how to accelerate your digital journey  
to deliver on your brand promise



**2022** CGI VOICE  
OF OUR CLIENTS

**CGI**

# Enhancing the customer experience across channels

## Impact of macro trends

The majority of executives (71%) say digital technology acceleration has a high impact on their organizations. This reflects pressure to transition from multichannel to omnichannel sales, workforce shortages and physical supply chain disruptions. Digital leaders (organizations producing expected results from their digital strategies) cite higher impacts compared to peers that are building or launching their digital strategies. Digital leaders also cite high impacts from supply chain reconfiguration and deglobalization.

## Top of mind for clients

Retail, consumer goods and wholesale organizations are looking to deliver seamless and personalized customer experiences across the omnichannel journey. Data sits at the heart of their transformation, enabling them to better understand customers, optimize operations, and deliver a consistent set of offerings and tailored experiences across channels. Progress in producing expected results from digital strategies slowed this year. However, digital leaders continue to outpace those still building or launching digital strategies (digital entrants) when it comes to business

model agility, use of managed services, IT modernization and cloud migration.

The importance of environmental sustainability to creating future value for stakeholders grew this year, while talent shortages and cultural change are top constraints to achieving business priorities.

## About the insights

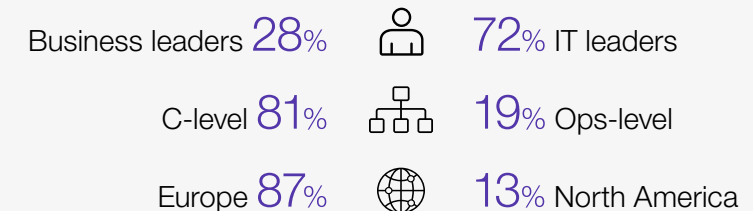


Each year, we meet with client executives from around the world to get their views on the trends affecting their organizations and industries. Through the CGI Voice of Our Clients, we analyze these findings to provide actionable insights by industry to benchmark best practices, including the attributes of digital leaders.

In 2022, we met with 1,675 business and IT executives.

**This summary report shares sample insights from 107 retail, consumer goods and wholesale client executives.**

## Interview demographics



# Top trends and priorities

Becoming digital organizations and improving the customer experience continue to dominate top trends and priorities in this industry. Making the shift to omnichannel sales and driving supply chain agility are cited as competitive differentiators, especially by digital leaders. Human challenges are the top constraint to achieving business priorities.

## Key takeaway

Digital leaders look to leverage actionable data and automation to address supply chain and workforce challenges, and make insights-led decisions for a sustainable future.

	Top trends	Top business priorities	Top IT priorities
1	Becoming digital organizations	Improve the customer experience	Improve the customer experience
2	Omnichannel is now the new normal	Improve supply chain agility	Drive IT modernization
3	Digitization and optimization of the supply chain	Invest in (new) products or services	Implement agile supply chains

The industry trends capture key drivers with the greatest impact on the clients' industry. The business priorities represent how clients are addressing the industry trends, and the IT priorities reflect the technology areas of focus to address the trends and achieve the business priorities.

# Digital progress in Retail, Consumer Goods & Wholesale

In 2022, 100% of executives say they have a digital strategy in place. Further, more are producing results from their digital strategies this year (24% versus 22% in 2021). Overall, an average of 25% of executives are producing results from their digital strategies across all our clients' industries.



# Digital leaders in Retail, Consumer Goods & Wholesale

In examining insights from the 24% of digital leaders who are producing results from their digital strategies, some common attributes emerge.

The table compares responses from the digital leaders to those from executives whose organizations are still building or launching digital strategies (digital entrants).



# Key findings from our interviews with Retail, Consumer Goods & Wholesale executives

1.

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## **Business models are not agile enough.**

Only 28% of retail, consumer goods and wholesale executives overall say their business models are highly agile to address their digitization needs, compared to 67% of digital leaders.

2.

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## **Demographic shifts matter.**

Nearly half of executives say that changing social demographics, including aging populations, talent shortages and increased rotation, has a high impact on their organization.

3.

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## **People strategies are key to achieving business priorities.**

For the first time, recruiting and retaining talented employees (“war for talent”) emerges as the top-cited constraint to achieving business priorities, tied with cultural change and change management, which persists as a barrier.

4.

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## **The importance of environmental sustainability grows.**

This year, 68% of executives feel strongly that environmental sustainability is core to how they will create future value for customers—well above the all-industry average of 48%. Similar to last year, significantly more European executives cite this (69%) than their North American counterparts (57%).

5.

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## **A consistent omnichannel experience is key for digital leaders.**

In 2022, 100% of digital leaders cite omnichannel as the most impactful industry trend, compared to digital entrants who say it is the third most-impactful trend.



## 6.

### **Digital leaders adopt an ecosystem approach to drive results.**

In 2022, 38% of digital leaders say their digital strategy extends to their wider ecosystem, compared to 18% of digital entrants.

## 7.

### **Digital leaders outpace others in automation.**

For simple, robotic and enhanced process automation, digital leaders are more than 20 percentage points ahead of digital entrants at the “in-progress or done” stages. However, both face difficulty in implementing big data initiatives that underpin artificial intelligence.

## 8.

### **Reducing OpEx to fund transformation is still a challenge.**

Only 12% of executives are decreasing OpEx IT budgets, while 28% say their budgets are flat. Fewer executives (30%) are increasing CapEx IT budgets compared to last year (46%).

## 9.

### **Digital leaders modernize and migrate to the cloud more.**

Digital leaders are three years ahead of digital entrants with IT modernization and two years ahead with cloud migration for infrastructure as a service (IaaS) or platform as a service (PaaS).

## 10.

### **Managed services for applications is expected to rise.**

More than 50% of executives say they plan to rely on substantial or fully managed services for IT applications over the next 3 years. Notably, more executives (25%) plan to invest in fully managed services over the next 3 years, compared to 8% currently.



# 5 recommendations for delivering on your brand promise

## 1. Make better use of data to drive insights-led decisions that enhance the customer experience.

Transformation requires deep data management to unlock access to information and realize the benefits of automation, particularly artificial intelligence. Moving to the cloud can accelerate information sharing across the organization and lead to efficiencies and cost savings. However, we recommend first improving the quality, availability and completeness of data at the source and setting up the right enterprise data strategy and infrastructure to transform data into intelligence.

## 2. Advance automation and life-long learning to address workforce shortages.

Exacerbated by the pandemic, retail, consumer goods and wholesale organizations are competing for top talent in a global job market marked by unprecedented attrition (the “Great Resignation”) and career changes (the “Great Re-shuffle”). Equitable work-life opportunities and well-being have become standard expectations. Automating repetitive and mundane tasks frees employees to manage strategic and value-driven work that is more fulfilling. In addition, prioritizing learning opportunities will support employees’ career development while building a future-ready and agile workforce.





### 3. Use more managed IT services to drive transformation and agility.

Today, retail, consumer goods and wholesale organizations must operate with quality and efficiency in an increasingly complex environment of technology, processes, systems and software. An effective managed IT services partnership enables you to build the robust and secure IT supply chain required to increase agility, scalability and resilience. It also allows you to address the current labor crisis and redirect resources (both money and people) to focus on business transformation initiatives while ensuring operational excellence with discipline and continuous improvement.

### 4. Include more product sustainability attributes to inspire better consumer choices.

Sharing sustainability information transparently via product labels and descriptions puts organizations in a position to influence sustainable customer behavior in the push toward a circular economy. Organizations must look to expand social and product life cycle information to include attributes such as materials, wages, packaging, care instructions, upcycling, end-of-life recycling and the product's carbon footprint at every stage of the supply chain journey.



#### Case in point



#### **Committing to sustainable and responsible consumption**

To meet the requirements of the Anti-Waste and Circular Economy law, a multinational electronics and entertainment products retailer needed to adapt its business tools and help marketplace vendors comply with the law. It also needed to define its operational business targets and manage a compliance program for all impacted business departments. Our compliance expertise, as well as our experience across marketplaces and in collaborating with collections organizations, helped the client comply with the law.

## 5. Optimize product availability across the omnichannel distribution network.

Meeting customer demands and delivering on your brand promise calls for ensuring data quality and accuracy of inventory across systems, including stores, warehouses and procurement. It also requires implementing centralized and real-time inventory visibility across the omnichannel distribution network, including partner networks. We recommend applying artificial intelligence and machine learning algorithms to forecast sales and optimize inventory at each node of the distribution network, as well as near customer consumption points, to meet demand, minimize costs and close “last mile” gaps.

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Read more about the 2022 CGI Voice of Our Clients insights:

- > [What digital leaders do to accelerate results](#)
- > [Impacts of macroeconomic trends](#)



### Case in point



#### **Improving inventory accuracy to increase sales and deliver on the customer promise**

A global fashion retailer with fast-growing e-commerce sales was challenged in meeting its customer promise, resulting in lost sales, overstock and wastage. We helped it reverse this trend and achieve substantial improvements through operational and technology enhancements, including greater inventory accuracy, positioning and visibility.

# Insights you can act on

Founded in 1976, CGI is among the largest IT and business consulting services firms in the world. We are insights-driven and outcome-based to help accelerate returns on your IT and business investments. Our insights represent deep knowledge of industry trends and your business and IT priorities.

For the latest [CGI Voice of Our Clients](#) industry insights, and to consult with one of our experts, please [contact us](#).

