



RCPG ecosystem strategies for the hybrid world

EY's holistic approach to the
future of retail

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The Situation: Consulting and advisory firms have an essential role in the retail and consumer packaged goods (RCPG) ecosystem. While a recent Top 10 report highlighted IT and business process service providers, EY is coming to market as a holistic transformation partner working across the ecosystem. For customers, EY can build a client marketplace that includes products and services, expanding into the managed services realm as a high-value partner helping RCPG clients develop and execute on a bold vision. EY's mission is to help CPG and retail companies reimagine their business models, generate the right insights to build differentiated, high-impact customer experiences that add long-term value to the customer, the RCPG firm and society.

Addressing a changing landscape of consumer behaviors in a hybrid world

Successful RCPG firms have been riding a wave of massive shifts in consumer focus and behaviors for two years. The tremendous uplift in e-commerce is one of the more obvious; firms have been challenged to create digital experiences complementing and augmenting a return to physicality. A laser focus on sustainability is another key trend, where brands require transparency and consumers are much more attuned to spending responsibly. Service providers of all shapes and sizes are challenged to help their RCPG clients acclimate to these new realities while combating challenges like supply chain disruption and the need to evolve to be ready for future business needs. EY has chosen to double down on the last point, tailoring services to ensure RCPG companies can be future ready.

EY's framework and innovation spaces for the future of retail

EY set up its portfolio along key areas including business growth, personalization, purpose, and long-term value (sustainability), and supply chain agility. Additionally, to address the unique challenges RCPG firms face today, EY follows the "3I" framework, aimed at fulfilling consumer needs for invisibility, indispensability, and intimacy. The 3I framework uniquely views consumer needs at a high level, focusing on their desires for ease, purpose, and fulfillment rather than the traditional personalization efforts we see in this space. By mastering the Is, retailers stand to improve their brand perception, loyalty, and differentiation.

To help bring these ideas to life, EY invested in a series of innovation spaces, including the EY retail tech center, EY wavespace, and an innovation hub to bring together clients with retail experts and technologists to tackle these challenges hands on.

Technology value comes to life for business outcomes

With its global 58,000-strong team of RCPG-focused practitioners, EY is creating value for clients in various forms by leveraging emerging technology. As a transformation partner EY helps RCPG firms ensure that technology delivers value faster. When building the transformation roadmap, EY focuses on the long-term business benefit. Their strength is a holistic and agnostic approach. Clients can also rely on independent advice and unique insights from global alliance partnerships (e.g. with SAP, Microsoft, Adobe, ServiceNow to name a few) and therefore help clients find the best technology solutions for their future purpose. For example:

- **Targeting for an inside-out approach to experience:** EY worked with an American chain of convenience stores as a global transformation partner to design and deliver "Store of the Future" capabilities like seamless checkout, intelligent video analytics, and strategic use of the internet of things. Notably, the project with a US gas and convenience retailer goes beyond a focus on omnichannel customer experience to target enhancements to its store associate engagement to align with customer experience initiatives. Increased engagement includes training on new tools and platforms and soft-skill training on identifying customer pain points and empowering associates to be more customer centric.
- **Pivoting to take advantage of the direct-to-consumer trend:** EY worked with a global alcoholic beverage company to establish a direct-to-consumer e-commerce platform to continue selling beer as the pandemic quickly changed its normal operating conditions. This engagement enabled the client to capitalize on the major shifts in alcohol buying behavior through new D2C platforms.

The Bottom Line: EY aims to provide holistic capability in the RCPG ecosystem

Moving forward, you will likely see HFS feature more Big Four participants in our HFS Top 10 reports generally as we broaden our research scope and provide a more holistic view of how buyers want to buy rather than how markets are segmented. What's relevant from EY is not just its advisory and consulting capabilities; it's also its tax, assurance, strategy, and transactions that help it fulfill this holistic approach. The full EY proposition helps deliver value. EY is taking a big-picture view to drive growth, unlock new value sources, and prepare RCPG firms for the future of retail.

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Melissa O'Brien is Research Leader and Head of Research Operations at HFS Research. Melissa leads HFS' research initiatives for all things customer experience, including contact center, digital marketing and sales, CX design and conversational AI. Her industry research focuses on key services dynamics within retail, CPG, travel and hospitality firms. Melissa also looks after operations across all research coverage areas, helping HFS realize our own version of OneOffice.

Melissa brings both hands-on industry and analyst experience to her role at HFS.



About HFS

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HFS Research introduced the world to terms such as “RPA” (Robotic Process Automation) in 2012 and more recently, the HFS OneOffice™. The HFS mission is to provide visionary insight into the major innovations impacting business operations such as Automation, Artificial Intelligence, Blockchain, Internet of Things, Digital Business Models and Smart Analytics.

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