



Forecasting the comeback

Using advanced analytics to plan for the return of retail



As retail stores begin reopening following COVID-19 shutdowns, accurate forecasts on how demand will materialize are perhaps the most critical organizational activity. Which customers will return, and when? What channels will they adopt? How do I staff the stores?

Leveraging advanced data analytics and our store specific datasets can provide insight during this uncertain time and help you plan for maximizing cash and profitability.



Reduce the cost structure



Retool the business



Forecast new demand



Create a cash buffer for uncertainty

Forecasting demand is a gating requirement for effective recovery execution

Our demand forecasting engine provides much needed clarity on the forecast to enable effective recovery business planning

Our Retail Demand Forecasting Engine

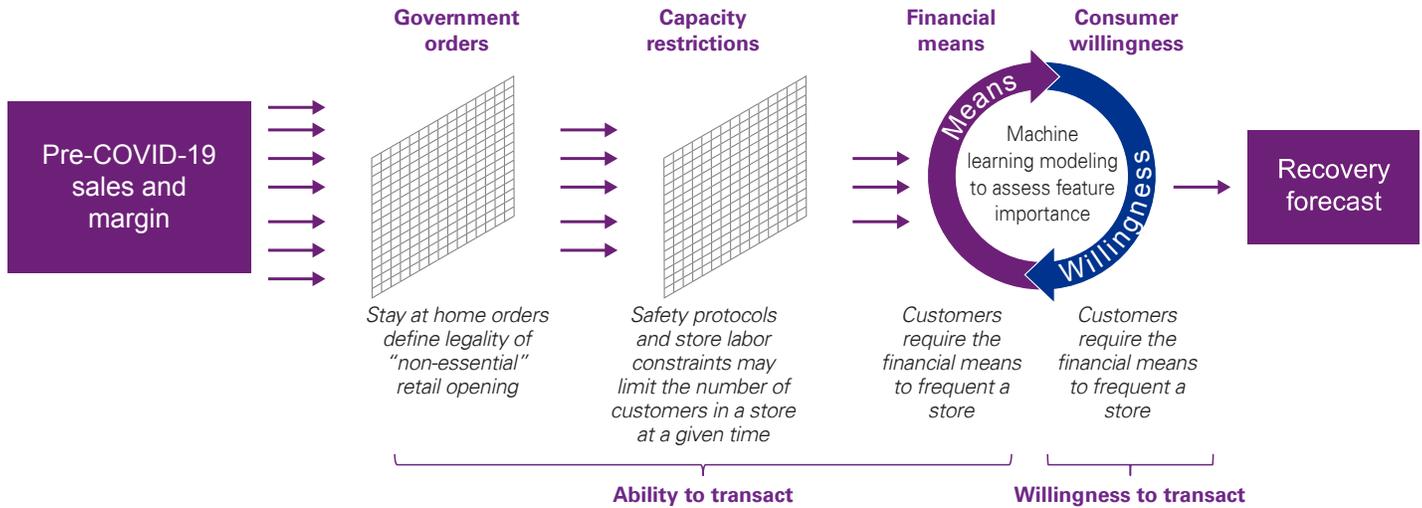
- Provides you with **increased confidence** on the recovery forecast
- **Simple and digestible** approach to address a highly nuanced and localized problem statement
- **Transparent modeling** method avoids “black box” outcomes and ensures management is driving input assumptions
- Incorporates KPMG **proprietary datasets** on local trade area economics, COVID-19 instances and foot traffic trends
- Refreshed on an ongoing basis as the model **“learns” from human behaviors** across the country
- Adaptable to changing COVID-19 responses including a **second wave shutdown**
- **Custom built** for the Retail and Restaurant sectors by our dedicated Strategy and Analytics team

Better forecasting drives improved decision making

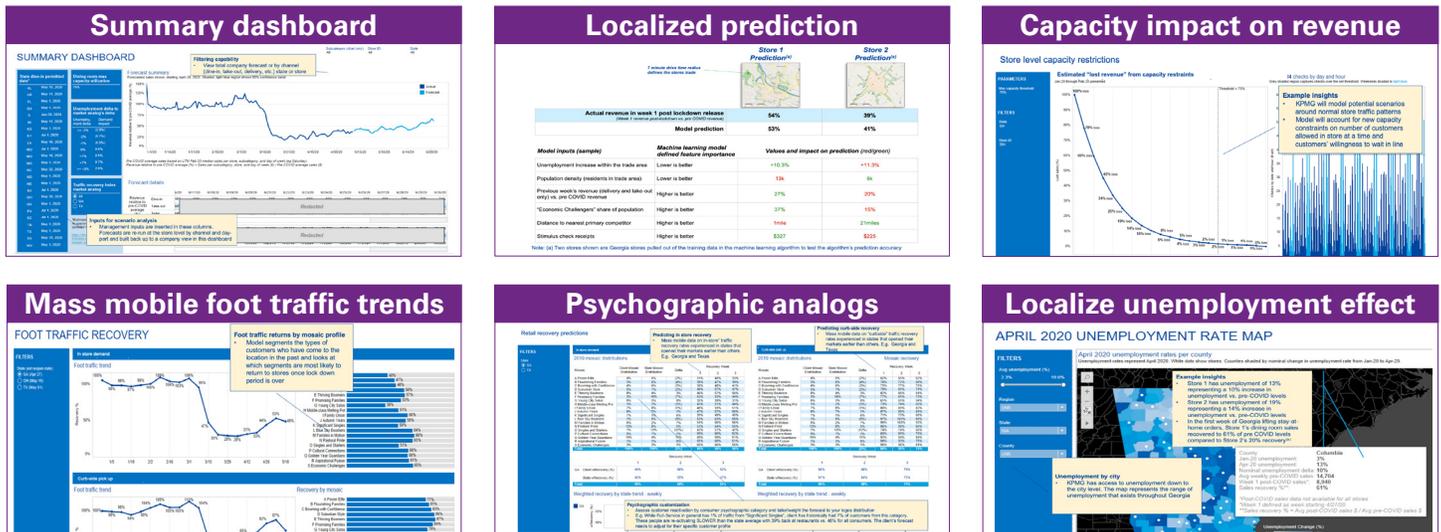
- ▲ **How do I maximize profitable revenue going forward?**
 - **Markets** – where should I reopen vs. not?
 - **Customers** – who is returning and what do they want?
 - **Assortment Mix** – what types of items should I offer vs not?
 - **Channel Mix** - how will reopening stores impact omni demand?
 - **Pricing & Promotion** – how do I incent customers to return to my destinations vs. competitors?
 - **Marketing** – when should I turn on marketing and where should it be focused?
- ▲ **How do I more effectively manage cost?**
 - **Store Labor** – how do I scale up staffing and support based on COVID-19 capacity guidelines and trends?
 - **Operations** – how do I change operations to accommodate social distancing?
 - **Inventory** – how do I manage excess inventory from the shutdown period?
 - **Supply Chain / Logistics** – how do I manage fulfillment costs given the dramatic shift to e-commerce and delivery?
- ▲ **How do I better manage capital?**
 - Should we continue with store openings? Should we permanently close unprofitable stores and markets?
 - How much additional financing do we need as an enterprise?

Our approach

Our approach to retail forecasting post COVID-19 is based on assessing four primary filters that determine whether a customer has the “ability” and the “willingness” to make a trip.



Sample analytic building blocks from the Retail Demand Forecasting Engine



If you would like more information on how KPMG can assist your organization to navigate through the recovery towards the new reality, please contact:

 **Scott Rankin**
Principal
T: 508-277-3530
E: scottrankin@kpmg.com

 **Sunder Ramakrishnan**
Managing Director
T: 617-905-6397
E: hsramakrishnan@kpmg.com

 **Julia Wilson**
Managing Director
T: 404-805-2110
E: juliawilson@kpmg.com

kpmg.com/socialmedia



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