



Winning in the digital economy

The future of commerce



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About KPMG's 'future of'

Disruption has become a constant condition of doing business. The organizations that win are those that not only adapt to continuous change but become the drivers of change.

KPMG's 'future of' program distills our insights on sustained organizational readiness across the front, middle, and back office. It demonstrates our commitment to helping clients identify and act on opportunity, with focused solutions that can help them achieve tangible results.

We are sharing our insights through a stream of 'future of' publications such as this one. Each will assess the emerging developments we expect to shape businesses during the next three to five years as well as share perspectives on the capabilities KPMG believes will be necessary to respond effectively.

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Executive summary

The future of commerce

The accelerating growth of digital commerce has reshaped the state-of-play across all sectors, upending assumptions about brand loyalty. The days of ‘build it and they will *come and stay*’ are gone, proven by digital native companies that have quickly acquired market share, margin and scale. To compete in this digital economy, established companies need to find equally effective ways to promote, deliver and support their products. The new table stakes: serving customers how, where, and when they want – at a fair price.

As digital channels become increasingly important drivers of the metrics that matter—overall revenue, margin and cost-to-serve – those who don’t rise to this challenge run the risk of becoming obsolete. As it is, many C-suites have watched a competitive divide open up between recognized leaders that have embraced digital commerce, and peers that haven’t.

What it takes to win is a moving goalpost, as today’s innovation becomes tomorrow’s mainstream practice. “Seamless and flexible response to changing customer expectations” will remain a common North Star. But best-of-breed digital tools and business models will continue to evolve, tempered by sector and company-specific considerations.

In this paper, we explore how these themes operate across the four customer-centric pillars of the future of commerce:

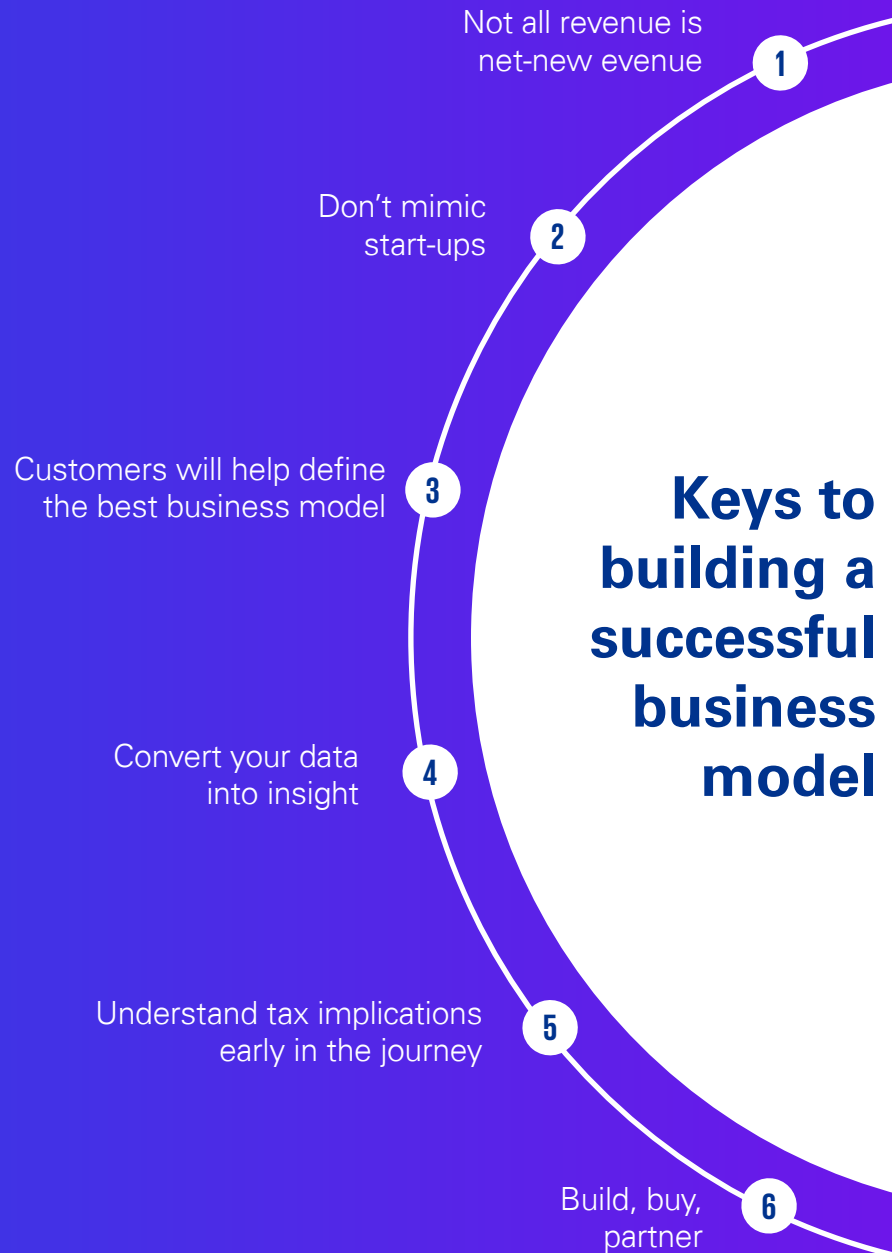
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Sam Ganga
**National Consulting Leader,
Consumer & Retail, KPMG LLP**
E: sganga@kpmg.com
T: 312-961-7289

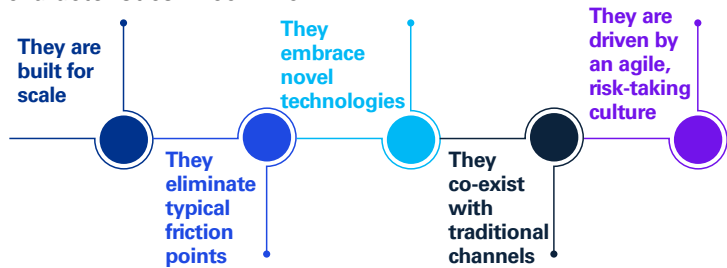
Elevating your business model

In today's hyper-competitive environment, where customer loyalty lasts only as long as the current interaction, businesses must find new ways to engage customers and drive profitable growth.



Businesses that pioneered commerce-powered business models are now reaping the rewards, expanding into new markets, or increasing share in existing ones.

If we look to recent history, the results of this approach are clear. Netflix, Amazon, Uber: all three have harnessed commerce-powered business models and technology in exceptional ways to redefine customer expectations and reshape entire industries. And whether it's direct-to-consumer, click-and-collect, or subscription-based, successful business models have five disruptive characteristics in common.

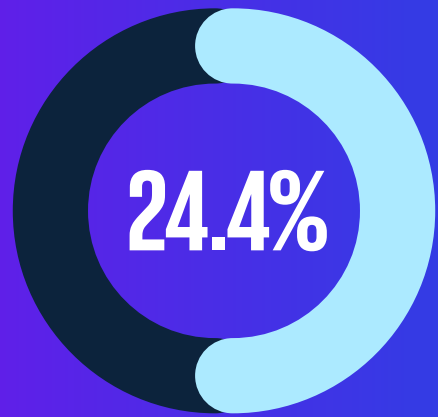


To compete in this ever-shifting digital economy, there is only one choice – to disrupt, or face disruption. If you choose to disrupt, you will need to redefine your business model, making it customer-centric, digital and data driven, and your implementation will ultimately depend on strong leadership and an agile culture.

1

Not all revenue is net-new revenue

As you move toward a commerce-powered business model, you may find that revenue is at first 'cannibalized' from existing channels. Experience shows, however, that over time, you will see a shift toward new revenue—whether it's from customers who would not have engaged through traditional channels, or from an increased number or value of transactions per month. Forrester predicts that more than \$3 trillion worth of goods and services will be sold and delivered through digital channels by 2027 within B2B industries alone.* Maximizing the value of this shift will depend on defining a business model with effective metrics of success—including clear insight into value drivers impacting everything from customer engagement to finance and operations.



is the forecast percentage of total U.S. B2B sales that will come from e-commerce spending, up from 16.0 percent in 2021, and an estimated 18.5 percent in 2023.

*Forrester's 2022 B2B eCommerce Forecast, US

2

Don't mimic start-ups

Metrics of success will differ depending on your status as a traditional company, digital start-up or something in between. Traditional companies will often try to beat digital natives at their own game, but, in our experience, this is almost always a lost cause. Start-ups are measured by different financial yardsticks – if they show growth in customer acquisition and revenue, they will continue to be well funded, irrespective of their bottom line. Traditional companies, especially those that are publicly traded, do not have that luxury. They must build on their existing strengths to forge a differentiated strategy.

Whether it's your geographical storefront coverage; the purchasing power of your supply chain; or the breadth and depth of your product portfolio, building your business model around your strengths will help to create a competitive advantage. Take, for example, a company with long-established relationships with their distribution channel. By capitalizing on the strength of these relationships, and building a subscription-based B2B2C model, a traditional company could win market share from digital natives selling direct to consumer.

3

Customers will help define the best business model

It's not just your existing strengths that you should draw on. Before designing your new business model, it is essential to collect and analyze data on current and future customers to understand their preferences, as well as uncover needs and future behaviors they cannot articulate yet. For this purpose, many businesses tend to rely on the results of past satisfaction surveys, or on the 'voice of the business' as a proxy for the 'voice of the customer.' This is not enough, however, and it will lead to poor business outcomes. The strongest business models focus on what your desired customers value most, and to create an accurate picture of these preferences, any investigation should be unconstrained by the limits of your current product or service portfolio. It is the insights you generate at this stage that will begin to form the basis of your commerce-powered business model.



"A digital business model might introduce an **online marketplace** or **digital hub**, facilitating **connections between local food producers and consumers.**"

Source: Food supply chain and business model innovation, MDPI

4

Convert your data into insight

Whether it is information about transactions, customer behavior, paths to purchase or simply customer visits, commerce-powered business models will provide a digital trail of immense value. Successful companies will use this data to their advantage by investing in analytics, AI and machine learning, and they will use them to generate insights, drive decisions and steer investments. The collection and analysis of this customer data should be a fundamental part of your business model, as companies strive to win customer loyalty with unique and engaging experiences.

5

Understand tax implications early in the journey

Designing a new business model will, of course, also open many companies up to a new regulatory environment that must be managed before implementation can begin. Perhaps the biggest impact a commerce-powered business model has from a tax perspective is on a company's value chain. As the world moves from one driven by products to one driven by the customer experience, the new capabilities, processes and digital assets created will not only drive revenue, they will also significantly shift the allocation of profit within an organization. Profits will increasingly be driven by these new capabilities, and less by older profit drivers such as product design or patents. For multinational companies whose operations span multiple tax jurisdictions, tax footprint planning becomes a means to pre-empt any downward drag on anticipated financial benefits. When digital value creation is aligned with finance and tax, such operational forethought can drive long-term tax savings, which means more after-tax cash to fund the necessary investments in digital capabilities.

When a multinational healthcare and life sciences company planned its top-to-bottom digital-commerce transformation, it integrated target operating models for finance, tax, IT, HR and business operations into the roadmap. Tactical ROI "quick wins" helped fund its journey from vision to operational reality.

6

Build, buy, partner

Decades ago, Peter Drucker coined the phrase ‘culture eats strategy for breakfast,’ but it rings especially true in a digital economy. All successful change requires cultural agility: a readiness to fail fast, an appetite for innovation and a measured approach to risk. The implementation of a new business model will impact most, if not all, aspects of your enterprise—from marketing and sales to supply chain and finance.

But the path to success does not have to be based on organic initiatives that come from within. Your new model might require acquisitions, partnerships or co-builds with innovation leaders, or even a newco that can step beyond legacy mindsets and capabilities. The acquisition of a company that has a ready-to-operate commerce-driven business model might seem like the easy solution, but the synergy benefits will remain elusive if the cultural fit is poor. Each approach will have its own advantages and disadvantages: the right answer is the one that works for you.



Nike has used targeted M&A to enhance its ecommerce model and reach a goal of 50 percent of total sales from digital channels; acquisitions include Zodiac (data & predictive analytics), Celect (demand-sensing), Invertex (3D foot scanning), and Datologue (machine learning).

Sources:

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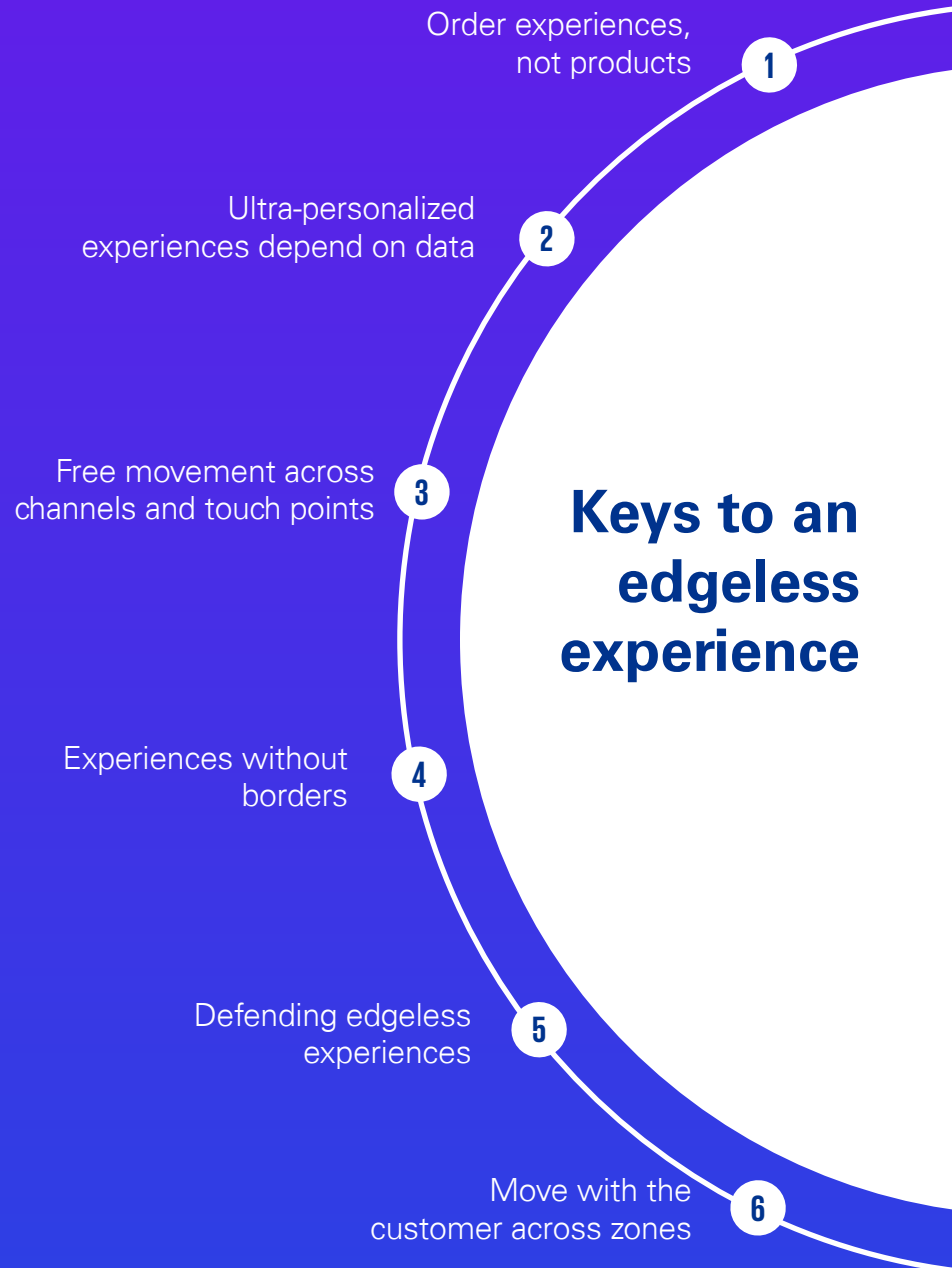
In brief

- ▶ Leverage digital channels to generate new revenue over time
- ▶ Identify and incorporate existing strengths to differentiate from competitors
- ▶ Use the voice of the customer to design your new business model
- ▶ Think beyond your current portfolio of products and services
- ▶ Invest in analytics, AI and machine learning to augment decision making
- ▶ Identify any potential tax impacts and opportunities on the company value chain
- ▶ Consider acquisitions and partnerships to challenge legacy mindsets and capabilities



Curating edgeless experiences

Commerce-powered business models must be built around an understanding of what your customer values most—product, price, convenience, experience or discovery.



Imagine a target state powered by the confluence of AI and mobile innovations, in which customers shop, buy and access service when, where and how they want. In which paths to purchase are inspired by and for individual customers. And in which customer touchpoint is the defining predictor of future purchase behavior.

For the most advanced digital commerce companies, this is all current state. One US industrial-parts distributor uses smart vending machines on factory floors to deliver high-touch, customer experiences – calibrated by buyer type, purchase history, and inferred product knowledge. When customers order from a catalogue of 11 million products; the machines connect the data to automated delivery, and to the company's mobile app and website, for additional services.

Reducing friction means eliminating pain points to create a seamless, personalized experience across physical and digital channels, in real time. To achieve this edgeless experience, we need to fully understand the customer journey by analyzing their digital trail and identifying their pain points, all while maintaining data privacy and cultivating trust.

1

Order experiences, not products

An edgeless experience is an interaction model for which there is no clearly defined start, middle or end. It is a holistic experience in which a customer can engage with a brand, and their partners, effortlessly across channels when, where and how they prefer. It is a paradigm shift where the customer now orders experiences rather than products. As the customer moves between discovery, purchase and service interactions, AI-powered analytics connect all channels in real time, to facilitate the edgeless experience.



Delivering frictionless experiences will depend on your ability to **generate predictive insights**. When you get this right, your workflow will become seamless. Ordering service and replacement parts, for example, becomes frictionless when companies **leverage IoT and analytical models** to predict wear and tear on their equipment. These insights can be used to create a more efficient workflow—saving time and energy by packaging and shipping all the parts needed directly to service technicians.

2

Ultra-personalized experiences depend on data

These edgeless experiences depend on data-driven decision making that requires contextual frameworks factoring in temporal, spatial and situational relationships. Many organizations are already strained or even paralyzed by the complexities of data capture, data mining and the real-time synthesis of data insights, but these complexities will only grow as we evolve into edgeless commerce. The companies that will be successful in doing this tomorrow are investing now in the platforms and skills needed. Parsing the signals from the noise, they will provide ultra-personalized, frictionless experiences, leading to a resurgence of loyal customers and long-term engagement.

3

Free movement across channels and touch points

Customers expect to interact with your different business units as though they are a single entity. They expect frictionless experiences across channels and touchpoints; they expect their personal data to feed through the platforms and applications they use; and they assume that manufacturing, inventory and logistics will align automatically so they can receive their order whenever and wherever they want. One of the principal barriers to this organizational agility is a disconnect between the ways your customers interact with your business and the way your business is organized internally. Most companies organize their operations into siloed functions, but unforeseen breaks in the customer experience can have serious top-line implications. In the future, we will see more companies reorganized “from the customer inward,” so that all internal functions and roles are defined by and oriented to end-customer impact.



Many B2B companies sell and service their customers independently across business units. To employees, the company **comprises multiple departments, divisions and business units.** But to the customer, the company is a single entity—they expect perfect alignment, and a clear understanding of the relationship between functions.

4

Experiences without borders

By studying how customers interact across channels and use platform capabilities, it is possible to identify and eradicate potential pain-points. Customers who trust the companies they are transacting with will provide infinite personal data in exchange for perceived value and seamless transactions. This data, in conjunction with predictive AI capabilities, can then be used to further personalize promotions and recommendations, driving loyalty and engagement. In the future, 'frictionless' will mean never asking the customer for the same piece of data twice. This maturity will be challenging for most organizations, but especially those with workflows focused on gathering information that's good for the enterprise, rather than the customer experience.

5

Defending edgeless experiences

While the data generated by edgeless experiences enables an unprecedented level of personalization, it is also more open to attack. Edgeless experiences are, by definition, more open and exposed than traditional customer experiences, and customers need to feel safe to use your digital platforms. It's also important to remember that with increased data about your customers comes increased responsibility for managing and using that data. Regulations have emerged in the US, EU and various South American and Asian countries that provide consumers unprecedented rights around visibility, access and control of their data. To comply with these regulations, you will be required to design interfaces where customers have visibility and editing access to manage what data you have about them and how it can be used to market and serve.

As customer data flows rapidly across platforms to deliver edgeless experiences, the enterprise risk landscape expands. In the digital commerce age, cyber security and fraud management must be investment priorities, to not only prevent immediate disruption, but protect the business and customers against reputational liability.

6

Move with the customer across zones

To visualize an edgeless experience, it may help to picture your customer interacting with your brand across different 'zones' in their lives. Imagine, for example, an artisanal baker who is proactively sent a weekly list of AI-recommended items and recipe videos based on past order history while at home (Zone 1). The baker can review this order, watch the videos and add all the recipe ingredients to her cart with one click. On the way to work in the morning, through natural conversation in her car (Zone 2), the baker can review and submit her order. At the bakery later (Zone 3), when she realizes she needs an additional ten bags of flour, she can check the status of her order via her virtual assistant, add the additional bags of flour and change the shipping priority to next day through third-party logistics.

This is edgeless commerce at work: the baker's transaction progressed without a break as she moved from her home, to car, to bakery. She engaged with her supplier, hands-free, when and how she needed, ensuring she had the materials necessary to serve her customers. Compare this with the traditional business model, where the baker would have to carve out time to phone, email or submit the order online. It is usually difficult to connect with a live salesperson or check product availability; delivery schedules are rigid; and the status of an order is often unclear.

You could replace the baker in this scenario with a mechanic, a doctor or any other service-provider: regardless of industry, the story remains the same. The challenges and complexities of designing, building and delivering a truly edgeless experience are industry-agnostic and not constrained by limitations in technology. The obstacles faced are all inherently present in the traditional business model.

An edgeless experience is an interaction model for which there is no clearly defined start, middle or end.

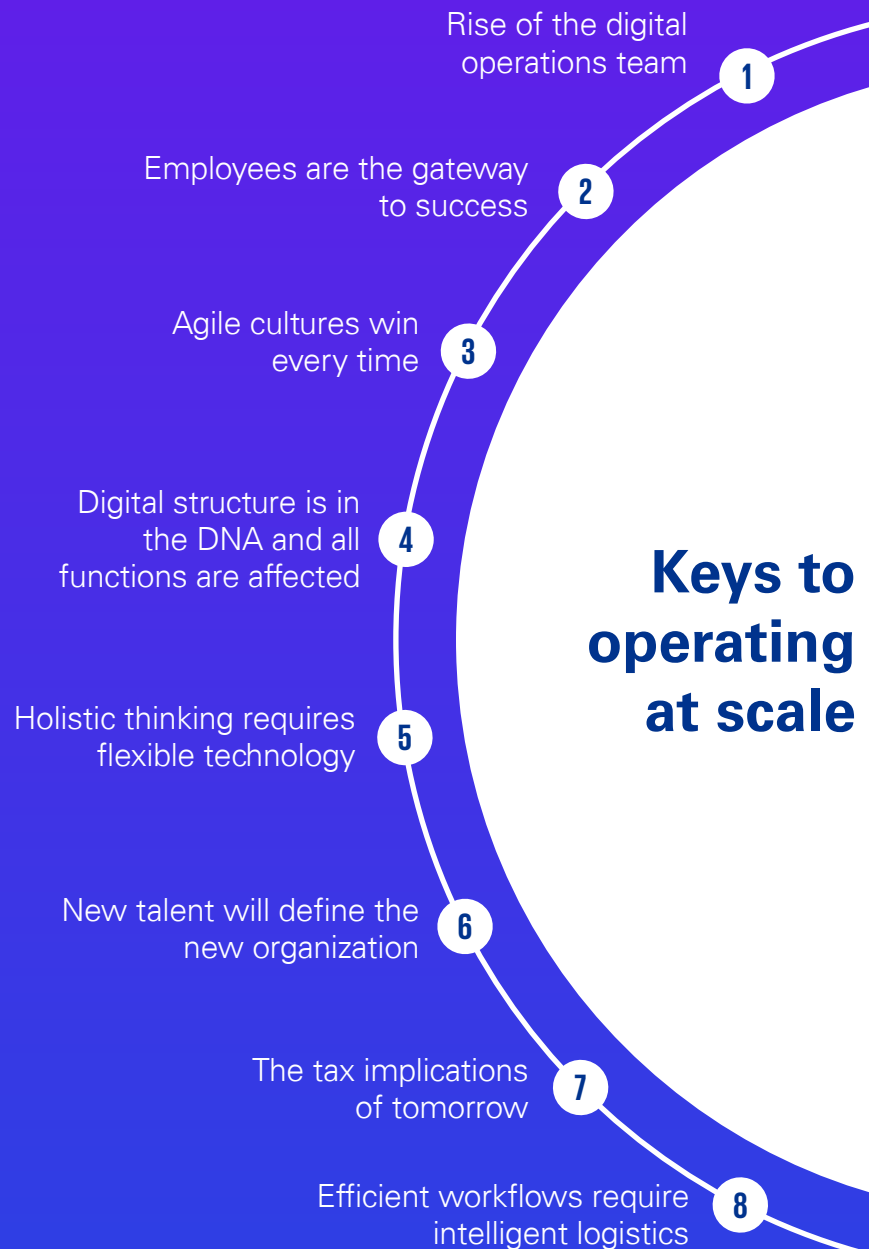
In brief

- ▶ Invest in data capture, data mining and real-time synthesis of data insights
- ▶ Eliminate siloed working that causes breaks in the customer experience
- ▶ Study customer interactions across channels to identify and remove pain points
- ▶ Use predictive AI to power personalized experiences
- ▶ Protect customer data to cultivate trust in edgeless commerce
- ▶ Design and build your customer experiences across the different 'zones' of their lives



Operating at scale

Few businesses know how to move from envisioning to enabling a digital future—how to ride the fundamental inflection point from start-up and growth to scale and profitability.



It is clear that edgeless experiences will need to be featured in any commerce-powered business model, and most leaders understand intuitively that some combination of customer-centricity, data and mobile commerce will be critical to success in the digital economy.

Scaling your commerce operations while maintaining edgeless experiences will require a seamless organizational structure. That means integrating and coordinating across functions for maximum oversight, while showing each employee how they fit into the wider customer experience. This connected enterprise will require an agile culture, a digital structure and flexible technologies to reduce technical debt and maximize workflow efficiency.

1

Rise of the digital operations team

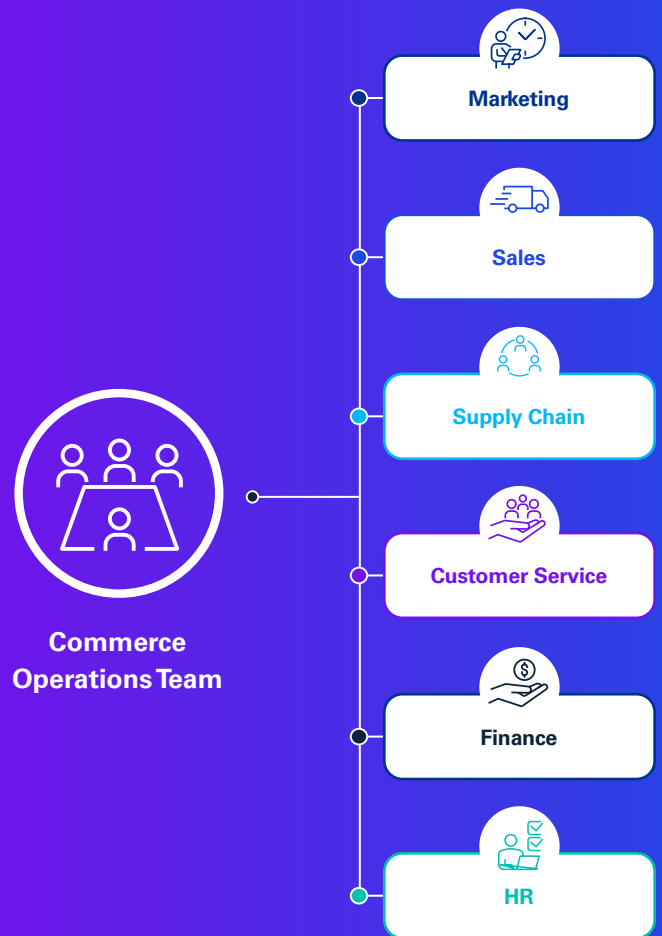
In getting to benchmarks of best digital practice, every sector, channel, company and even discrete internal function will face its own maturity journey. The most successful companies, for example, will create digital operations teams spanning disciplines and functions, responsible for designing and developing the digital assets, applications and platforms that will be needed to support the commerce-powered business model. They'll also pay close attention to the soft factors – behavior and culture – that drive internal adoption of the products and services the new teams create. The B2B payments landscape offers a case in point: Here, customer data integration – from businesses, lenders, and suppliers – is seen as an opportunity to amplify value for all parties. Securing buy-in from long-established functions such as A/P, spend management, or payment processing is essential if the commerce model built around the customer is to move benchmarked vision, to operational reality.



2

Employees are the gateway to success

Agile cultures are reinforced through shared ideology, common language, reciprocal support and a strong belief in the mission. Aligning your employee experience with that of your customers, then, will help you to deliver on your brand promise as your business scales. Employees are the gateway to knowing and serving your customers. If a hotel receptionist is empowered to fix customer problems without a chain of approval, their job satisfaction grows and so do guest ratings. People want to do a good job: when your employees understand how they fit into the bigger picture, a strong sense of purpose will reinforce the brand at every touchpoint, and your customer experience will be seamless. To operate at scale in this environment, you will need a commerce operations team to coordinate and integrate your more traditional operations in marketing, sales, customer service, supply chain and finance, until a digital culture permeates the entire organization.



3

Agile cultures win every time

If you are going to build, test and scale new business models at pace, you must be intimately tuned in to your employees, customers, competitors and partners. This knowledge, in the hands of senior leadership that promotes and exemplifies the courage to take reasonable risks, will make it easier to begin the iterative process of implementing any new model at scale.

These leaders must step in when needed to redirect teams, empower others by activating networks and manage organizational dynamics to drive results. And they must continue to articulate when behaviors and processes need to change as the business grows and priorities shift over time.

4

Digital structure is in the DNA and all functions are affected

The digital workforce will require holistic thinkers who can leverage data, interpret real-time analytics and navigate the changing interplay between technology and business. As more of this talent moves into leadership roles, there will be an increased focus on evolving business models, marketplace platforms, microservices, dynamic supply chains and flexible technology.

Traditional operations will permanently change. Sales and service transactional responsibilities will be augmented by AI and bots. Marketing analysts will be augmented with real-time machine-learning algorithms. And today's global supply chain optimization focus will shift to an economic national microservice, capable of running multiple work processes in parallel while leveraging contract manufacturing. Access to data scientists and software engineers will be critical, and every organization will have functional and technical architects thinking across front, middle and back-office functions, accounting for all digital customer and employee interaction points.



Today's market-leaders are already working with optimization specialists to design solutions that will not only improve supply chain visibility but will also facilitate collaboration and augment cross-functional decision making, enabling them to manage more complex networks more efficiently.

Source: KPMG, The road to everywhere: The future of supply chain, October 2019

5

Holistic thinking requires flexible technology

Deploying flexible technology will be critical for scale, as it will reduce technical debt while freeing highly paid software engineers to focus on innovation. Future architecture will feature tools like conversational commerce, visual search, microservices, third-party APIs and blockchain technologies. But just because you can build something in-house, it doesn't mean you should: headless commerce and API access to off-the-shelf applications will decrease your time to market and expand direct-to-consumer and third-party marketplace offerings. With a flexible technology landscape, you will also unlock access to information about your customers, products and services—often curated and secured but inaccessible and underutilized due to rigid, antiquated policy, applications or architecture.

6

New talent will define the new organization

Advancing technology and changing market conditions will demand new skills and capabilities that can't always be bought or upskilled. The traditional models used to think about building or buying talent will no longer work in this fluctuating landscape. Instead, a real-time, scenario-based approach may be better suited to manage your ongoing talent needs. For example, if you have a particular problem with retaining data scientists, then you should assume a high turnover rate and build a pipeline of talent into your recruitment model to replace those who leave. If instead the problem is that there are no talent pools nearby, then you might use rotational models to attract and retain talent. This agile approach ensures that any possible scenario is accounted for, and recruitment can flex to match the changing needs of your organization.



7

The tax implications of tomorrow

In a geopolitical environment characterized by both abrupt disruption and continued uncertainty, tariffs and regulations will change frequently. Part of the investment in commerce-driven business models is data-driven tax platforms, capable of automatically calculating – and logging – the tax implications of a transaction end-to-end, in every jurisdiction their customers are based. As court cases such as *Landis+Gyr Midwest, Inc. v Wash. Dep’t. of Revenue* demonstrate, businesses are still contending with questions of remote sales tax interpretation and applicability, five years after *Wayfair v. South Dakota*. The ground will continue to shift, as litigation moves through state and federal courts, and as state legislatures and regulators arrive at their own resolutions. Tax compliance platforms must be agile enough to keep up. Multinational companies must fold in the added dimension of cross-border tax, including how taxing rights are allocated, as new taxes are levied on digital platforms, digital services, and direct sale imports. This will exponentially increase the complexity of tomorrow’s tax calculations and compliance burdens, and it must be factored into your operational considerations.

8

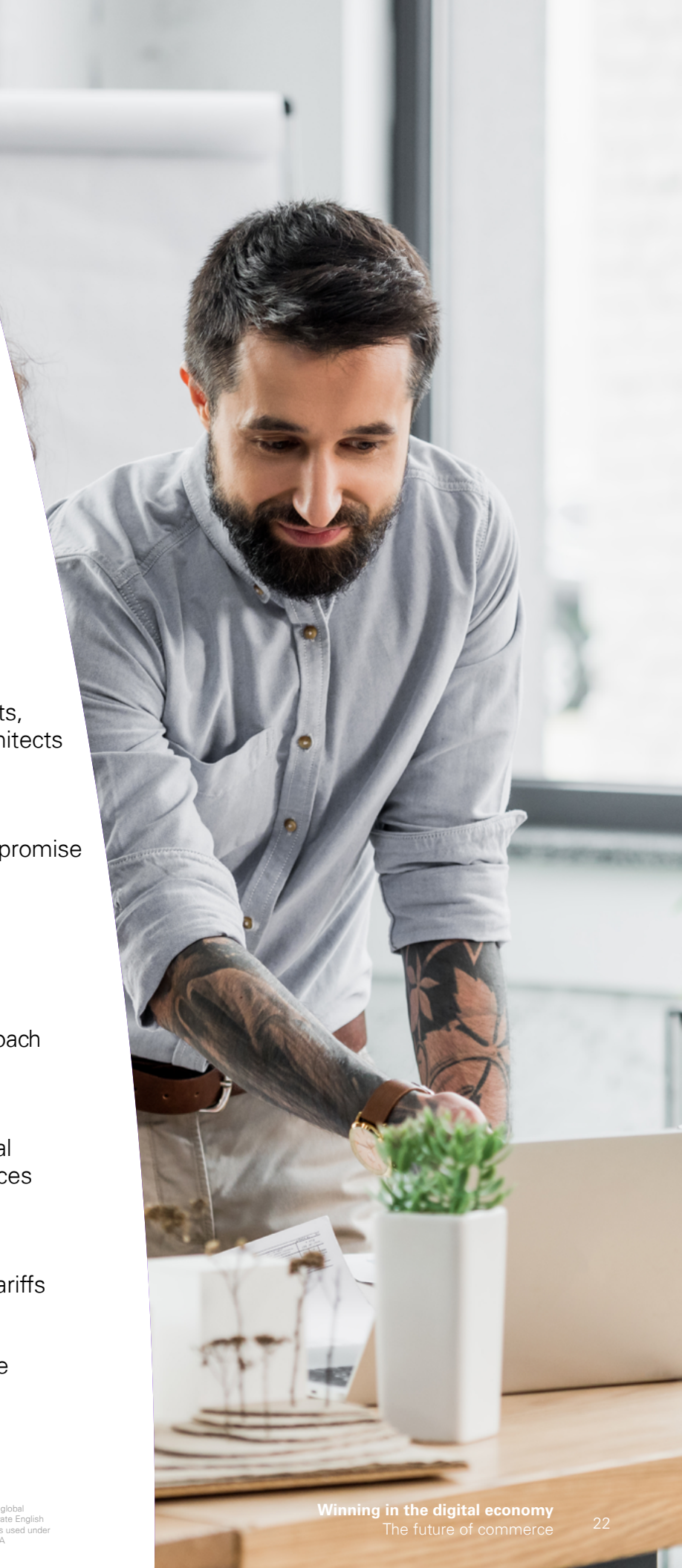
Efficient workflows require intelligent logistics

As your business grows, reducing waste will require advanced analytics, intelligent logistics and smart, scalable production techniques and partnerships. As your customers buy and return more, and as speed-to-market and product development cycles accelerate, the risk of obsolete inventory will become more pressing. Your digital business platforms can help mitigate both these threats—as well as track the level of risk you’re operating with in real time—but you will need to develop sophisticated capabilities to get the best results.



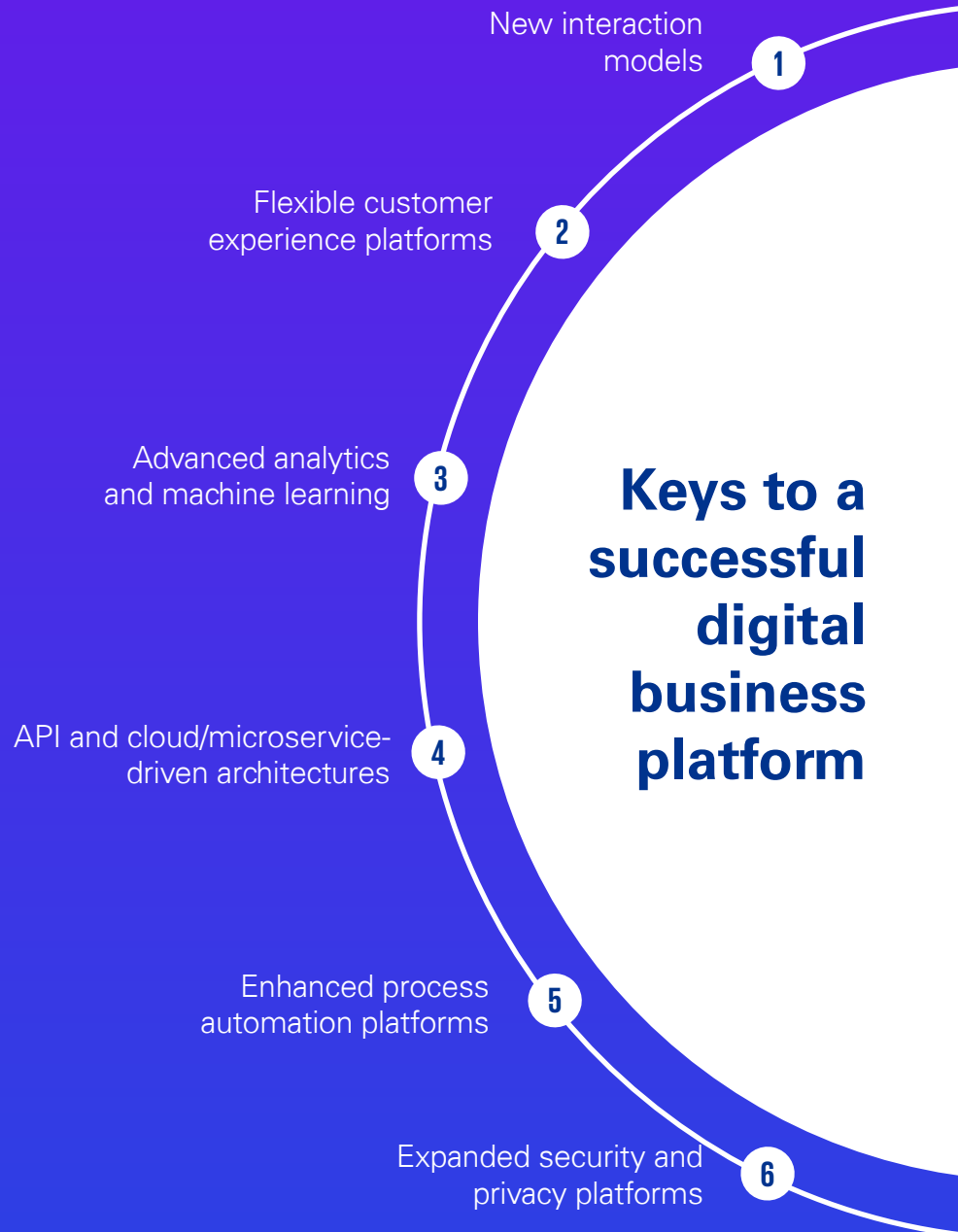
In brief

- ▶ Coordinate your functions with a commerce operations team
- ▶ Prepare your pipeline of data scientists, software engineers and technical architects
- ▶ Align your employee and customer experiences to deliver on your brand promise
- ▶ Deploy flexible technology to reduce technical debt
- ▶ Use a real-time, scenario-based approach to manage changing talent needs
- ▶ Share single-source data across digital platforms to scale edgeless experiences
- ▶ Regularly review your tax calculation platforms to keep up with changing tariffs
- ▶ Employ intelligent logistics to mitigate waste in your supply chain



Enabling digital business platforms

New business models, evolving edgeless experience expectations and the need to operate digitally at scale are driving the need for new and expanded platform capabilities.



Companies that are willing to make investments in the technologies, operating models and resources required to bring these digital platform capabilities to market will emerge as the new leaders. Experimentation and innovation management will be key to ensuring that platform investments are effectively aligned with your new business objectives.

To ensure your business will be able to deliver engaging customer experiences as expectations and markets change, you will need to establish your priorities over the next 18 to 36 months. There are countless new and emerging technologies to leverage, and as you start to reshape your business for the future, you will need to determine which of these capabilities are relevant to your own strategy—and where to invest first.

1

New interaction models

The rapid advance of new technologies – visual and voice search, augmented reality, 3D printing, biometric sensors, drone deliveries, IoT-based auto-replenishment in the home – contain the potential to power customer interactions that go well beyond ‘shop, buy and fulfill.’ When companies become able to combine them with new manufacturing and delivery facilities, they are positioned to set a new standard for edgeless customer experiences. The component platforms may be acquired from existing or yet-to-be-born third parties, but the ‘secret sauce’ will be in the orchestration of the parts, based on deep customer knowledge.



A US retailer lets customers check in-store product availability on its mobile app, integrates those queries with inventory sensors and cameras on the sales floor, then sends alerts to floor sales staff so products are stocked when customers arrive.

2

Flexible customer experience platforms

To deliver personalized experiences that are based on customer preferences and are aligned with brand promise and business model objectives, flexible customer experience platforms will be required. These preferences will be bespoke, predictive and/or prescriptive, with content-driven experiences and new interaction capabilities replacing today's shop and browse experiences. 'Headless commerce' architectures, driven by advanced analytics and machine-learning insights, will decouple the front-end experience from back-end fulfillment and settlement processes.

3

Advanced analytics and machine learning

The world of platforms and marketplaces poses unique opportunities for companies to use data as a strategic differentiator to create predictive and prescriptive experiences for their customers. Mining and leveraging data across the front, middle and back offices of your organization, in addition to social and third-party data, creates better commerce insights.

Traditional web analytics based insights will be table stakes for meeting customer expectations. Experiences will be shaped not just by customer behaviors, but by deeper social, psychographic, demographic, ethnographic, community, environmental and predictive factors. Pricing, promotions, recommendations and enriched content will all be enabled in real time and 'near real time' by customer insights and profitability metrics emerging from networks of advanced analytics, machine learning and AI.



How to activate

Enable No-Click Commerce for parts and services, based on remote monitoring of wear and tear.

4

API and cloud/microservice-driven architectures

Seamless customer interactions will be fueled by new API and cloud/microservice-driven architectures across enterprise functions and third-party platforms. This means companies can 'plug and play' product and service assortments, supply chain and fulfilment capabilities, settlement capabilities and expanded, value-added offerings from third parties. Customer experiences will be unencumbered by technical nuances and legacy capabilities. API and cloud-ready, microservices-based architectures will allow companies to integrate and connect capabilities inside and outside the enterprise, on demand: this in turn will help them to integrate processes, foster new partnerships and deliver edgeless transactions, swiftly, profitably and at scale.

5

Enhanced process automation platforms

Agile and frictionless experiences will be delivered by enhanced process automation across front, middle, back-office and third-party processes. Companies will rely much less on manual, labor-based workflows to deliver products and services, automating manual processes wherever it is profitable and viable to do so. Process automation will reduce cost-to-serve, accelerate time-to-serve and streamline the integration of processes to create a truly connected enterprise. Process automation platforms will continue to evolve and drive workflow efficiencies across the customer value chain.

6

Expanded security and privacy platforms

To instil customer trust, expanded security and privacy platform capabilities must be embedded as an essential component of edgeless experience delivery. The more customers share data (especially voice and biometric data), the more important that trust becomes. However, as commerce becomes more conversational, and authorizing payment becomes less formal, so the risk of fraud grows. Edgeless customer experiences must be balanced with robust cyber-security protocols that keep legitimate users and business intelligence safe from criminals. As companies move to the cloud and explore novel AI and machine-learning technologies, the demarcation lines between third parties and business partners are blurred. They need to think carefully about how and where data is stored, how it is used and whether it is adequately protected: that includes giving the customer visibility and control of how their data is used.



How to activate

Enable CPO capabilities and processes for direct sales, partner ecosystems and end buyers.

In brief

- ▶ Expand beyond traditional interactions with interaction model platforms
- ▶ Power predictive customer experiences with flexible customer experience platforms
- ▶ Inform headless commerce with advanced analytics and machine learning
- ▶ Integrate capabilities using API and cloud/microservice-driven architecture
- ▶ Accelerate time-to-serve with process automation platforms
- ▶ Protect your customer data with enhanced security and privacy platforms



Getting there



Do you have a plan to get your fair share of the digital economy?

Success in the digital economy will be hard to achieve. Legacy technology platforms, operating models, measurement systems and security concerns will make transformation a costly task for many companies. It will take time. It will require ambition and commitment. But for companies that establish a common vision, a self-funding business case and organizational buy-in, the rewards will be significant.

Commerce-powered business models spark disruption.

Your business model is the first and fundamental building block in the creation of your future-focused enterprise: it differentiates your business from the pack; it delivers economic value to the organization and your shareholders; and it is supported by an operating model that can scale with your growth.

Edgeless experiences fulfill the potential of digital commerce.

This is no longer just a more efficient way of doing business that recreates conventional transactions online. The nexus between customer-centricity, data analytics and functionally integrated organization is making amazing new things possible. One striking aspect of that new reality is how seamlessly such radical innovation slots into the way people want to live. Another key factor is the ability (and necessity) to deliver such richness, choice and personalization at scale—consistently and profitably.

Operating at scale makes customer-centricity profitable.

There is an important balance to be drawn between meeting customer expectations and operating at a profit. Sustainable growth obviously demands the ability to deliver at increasing volume, but it also implies the agility to respond to (and capitalize on) changes in customer demand and market conditions. For example, operating at scale might require the ability to fulfill smaller, more frequent orders – if that’s what customers want. That differentiated customer experience, shaped by insight and seamlessly delivered, relies on new digital business platforms.

Digital business platforms keep you ahead of the curve.

These platforms make new and exciting things possible, from edgeless experiences for customers through to big advances in organizational efficiency and agility. If you’re willing to invest in the technologies, operating models and resources required to implement these digital platform capabilities, you could emerge as the new market leaders.

The time is now. The future is yours.

How KPMG can help

KPMG recognizes that today's business leaders don't just need solutions; they need reliable partners. Whatever your sector, KPMG can add value at any point in your business transformation journey.

Our multidisciplinary teams combine deep industry expertise with an agile approach to help you unlock existing value within your enterprise and enhance your capabilities to achieve sustainable growth in the future. With our expansive suite of frameworks, methodologies and tools, we can help you to review, design and optimize your commerce function to win in the digital economy.

Curate edgeless experiences at scale

The divisions between front, middle and back offices are collapsing. Future-focused businesses are shaping new operating models in which every part of the organization, from sales to the supply chain, is working with every other element to deliver against the customer promise.

KPMG Connected Enterprise is our customer-centric and enterprise-wide approach to digital transformation. It focuses every process, function and relationship of the organization on a single purpose, harnessing the power and potential of customers to fuel profitable and sustainable growth.

KPMG Connected Commerce solutions help you succeed, grow and unlock new sources of revenue in the digital economy by creating new business models. Our advisors can support you with:

Business model ambition, strategy and roadmap: leveraging digital business platforms to identify new business models, along with a business case and target operating model to drive profitable growth.

Commerce experience assessment: assessing and analyzing your commerce vision and overall customer experiences to understand your current organizational, cultural and technology challenges, and to identify opportunities for improvement.

Digital capabilities assessment and design: designing an integrated business and technology architecture, addressing current gaps and future requirements, aligning your business processes to customer needs and preparing your organization to embrace a digital culture.

Commerce solution implementation: implementing your digital commerce solution, advising you on the adoption of an agile, integrated approach and supporting you with prioritizing your operations initiatives throughout the implementation lifecycle.

How KPMG can help

KPMG Powered Enterprise | Commerce brings together industry-leading practices and processes, pre-configured, cloud-based technology applications and a next-generation delivery framework to help you accelerate your transformation journey, from setting your initial ambition and validating your operating models to delivering seamless, digital customer experiences at scale.

- Bring **cutting-edge service model and organizational design** to your business, reducing costs and opening new revenue streams.
- Utilize **comprehensive process taxonomies** to build a holistic view of the organization, incorporating backend processes, middle-office functions and customer expectations and experience into a single, end-to-end performance overview.
- Deploy **a human-centric design approach to change management** that focuses on experiences to engage and empower key stakeholders throughout the transformation process.
- Combine **advanced data models, KPI libraries and reporting protocols** with market-leading functional processes to improve consistency and minimize risk.
- Leverage **robust controls and compliance catalogs** to avoid fraud, waste and abuse. The result is reduced implementation risk, a clear, consistent return on investment with top-decile performance and a solid platform for continuing business evolution.

Navigate the digital future: A KPMG Future of Commerce client experience day brings teams together to design strategies, ideate, and align on how to move their organization forward in the midst of unknowns and dynamic market conditions. These sessions are designed to encourage break-through thinking and exploration of innovation solutions and can be delivered virtually or in-person at your office or one of the KPMG Ignition Centers globally. Contact KPMG to schedule a session today.



Contact us



Sam Ganga
National Consulting Leader,
Consumer & Retail, KPMG LLP
E: sganga@kpmg.com
T: 312-961-7289



David Martin
Principal, Connected Commerce
KPMG LLP (US)
E: davidmartin1@kpmg.com
T: 617-852-8245



Kevin Doohan
Principal, Connected Commerce
KPMG LLP (US)
E: kdoohan@kpmg.com
T: 773-991-1844



Jason Mowery
Managing Director, Connected
Commerce
KPMG LLP (US)
E: jmowery@kpmg.com
T: 949-533-7554

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