

## **PRESS RELEASE**

**Date: June 9<sup>th</sup> 2016**

# **Retailers turn to consultants in a bid to compete with the likes of Amazon**

- ***U.S. consulting work grows the fastest in retail - up 10.5 per cent to \$3.8bn***
- ***Consultants increasingly help retailers move to Omni-channel***

The U.S. retail industry was the fastest growing sector for consulting work in 2015 - up 10.5 per cent to \$3.8bn - as retailers turned to consultants to help them shift to Omni-channel in order to compete with digital disruptors such as Amazon.

These findings are published today in a new report from leading global consulting market analysts, Source Global Research (Source), which also revealed that although the retail consulting market accounts for less than 7 per cent of the total U.S. consulting market, it significantly outperformed the wider market in terms of growth. The U.S. consulting market grew by 7.7 per cent to almost \$55bn.

The report says that Omni-channel continues to dominate the agenda for traditional retailers looking to be able to compete effectively with digital natives such as Amazon. Some retailers are taking their time to achieve this, but with ecommerce set to increase its share of the retail market<sup>1</sup>, this is becoming a matter of urgency, and these clients now need to work out how to offer a seamless interface with consumers across multiple channels.

**Ravi Chanmugam, Managing Director, Accenture Strategy, North America at Accenture, said:**

***"We see retailers who have rolled out various aspects of an Omni-channel initiative but are still seeing market share drift to Amazon. They want to know why this is happening and what they need to do differently in order to realize the benefits they were anticipating."***

B.J. Richards, Senior Editor at Source Global Research added:

*"As always, wafer-thin margins are a threat to consulting investment, and issues around consumer confidence and spending could limit retailers' spending power further, bringing the possibility that growth will tail off in 2016. However, with digital disruption continuing to affect this industry, and with customer experience and data & analytics challenges continuing to evolve, our view is that the U.S. retail consulting market will not suffer much."*

For more information on Source reports contact [alice.noyelle@sourceforconsulting.com](mailto:alice.noyelle@sourceforconsulting.com) or telephone +44 (0)20 3178 6443 or visit [www.sourceforconsulting.com](http://www.sourceforconsulting.com).

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**More/...**

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<sup>1</sup> <http://www.emarketer.com/Article/US-Retail-Sales-Near-5-Trillion-2016/1013368>

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**About Source Global Research**

Source Global Research (Source) is a leading provider of information about the market for management consulting. Set up in 2007 and with offices in London and Dubai, Source serves both consulting firms and their clients with expert analysis, research and reporting. We draw not only on our extensive in-house experience, but also on the breadth of our relationships with both suppliers and buyers. All of our work is underpinned by our core values of intelligence, integrity, efficiency and transparency.

Source was founded by Fiona Czerniawska and Joy Burnford. Fiona is one of the world's leading experts on the consulting industry. She has written [numerous books](#) on the industry including: [The Intelligent Client](#) and *The Economist* books, [Business Consulting: A Guide to How it Works and How to Make it Work](#) and [Buying Professional Services](#). Joy Burnford was Marketing and Operations Director at the UK Management Consultancies Association between 2003 and 2010, and prior to that worked for PA Consulting Group and has extensive experience of marketing consulting services. For further information, please visit: [www.sourceglobalresearch.com](http://www.sourceglobalresearch.com)

**Sources**

This report is based on two major sources of primary data:

**Clients of consulting firms:**

Source interview senior end users of consulting in the U.S. to help it to build up a rich picture of how trends in the consulting market are playing out within clients' organizations.

Source also carries out client surveys. For the report, Source surveyed 622 senior clients of consulting firms across the U.S. The majority work for private sector organizations, many of which are multinationals.

Source's survey asks clients similar questions about how they buy consulting services. In particular, this report draws on how they expect their expenditure on consulting services to change over 2016 and into 2017, and what initiatives they'll be working on and how likely that is to drive consulting work. Their responses are just one of the factors that we take into account when forecasting future growth rates.

**Consulting firms:**

The quantitative data contained in this report focuses on consulting done by mid- and large-sized consulting firms (those with more than 50 consultants) and typically includes work they have carried out for mid-and large-sized clients, what Source call "big consulting." It therefore reflects the "addressable" market for the majority of mid- and large-sized consulting firms;

Using this definition, Source has built a bottom-up model of the global consulting market from the information it gets from consulting firms and its own research, and Source then uses it to size the industry and its growth rates. This is based on Source's global model which contains detailed data about almost 1,600 firms, plus higher level estimates about a further 400,000 firms, all with more than 50 consultants apiece, in addition to primary research carried out by Source analysts.

Please note that 2014 baseline figures have changed a little since last year, as Source have refined and implemented improvements to its research methods.

For reference Source is using the following exchange rates in this report this year:

- U.S. dollar to British pound \$1 = £0.66
- U.S. dollar to euro \$1 = €0.88

In addition to Source's quantitative research, it interviewed 32 very senior consultants (typically the most senior person in their country) from most of the leading consulting firms in the country and many smaller local specialists to understand more about how the consulting market is performing, and what the major trends, changes, and challenges are. Throughout the year, Source analysts remain plugged into the global consulting market through its bespoke research and consulting projects, adding further depth to Source's understanding of the consulting industry.