Consumer Goods Industry Report

While winning approaches to 2024 may revolve around fundamentals like price, volume, and mix, consumer products leaders will also likely confront newer challenges like generative AI, weight-loss drugs, or emerging regulations. Learn more in our 2024 consumer products industry outlook.

A new playbook for consumer products companies

For the last few years, the playbook for consumer products companies—spanning food and beverage, household goods, personal care, and apparel—centered on price taking. Input costs rose dramatically, so price had to follow—to near-unprecedented levels.

That strategy seems to have worked for several companies: Looking at the highest performers among the global top 100 companies in the consumer products industry by revenue, we see they were able to raise prices as much as, if not more than, others, with smaller hits to volume and more margin growth. The larger group of these “Profitable Growers,” reveals important lessons about pricing power, revenue growth management (RGM), innovation, supply chain smarts, and a willingness to prune and refresh their business portfolio and product set perpetually.

Those lessons will likely be as important in 2024, but the world is changing. Further significant price increases might not be possible in an uncertain economy where retailers are pushing back, and consumers are unwilling to pay more and often trade down.

So, what new growth formula might cut the tension? If price has run its course, companies may need to pivot to volume. But not all volume is equal. Companies that aspire to Profitable Grower status in 2024 might consider profitable volume. That means paying renewed attention to executing a plan that carefully grows volume with an innovative and more profitable product mix while retaining as much pricing as practical.

For our 2024 Consumer Products Industry Outlook, we’ve created a profitable volume playbook, derived from financial performance and earnings transcript analysis, subject-matter specialist interviews, and a global survey of 250 consumer products executives. Its components include moves to boost both volume and profitability:

Volume

Targeted advertising and promotion

Precision growth management

Opportunistic M&A

Profitability

A rebalanced mix

Strategic innovation

Enhanced operations and supply chain

Of course, these factors are intertwined: mix affects price, price affects volume, and so on. The key is finding the right balance among them to drive profitable volume. Each leadership team in the C-suite should own part of the agenda to hit the mark (see role-based questions provided in “agenda for actions”).

Our 2024 consumer products industry outlook also includes a series of deep dives that span:

A macro-economic outlook

A view from the industry’s subsectors

Executive perspectives on Gen AI and GLP-1

A review of emerging regulations

The mega trends affecting the industry’s long-term future