AI Governance Alliance

In collaboration with Accenture

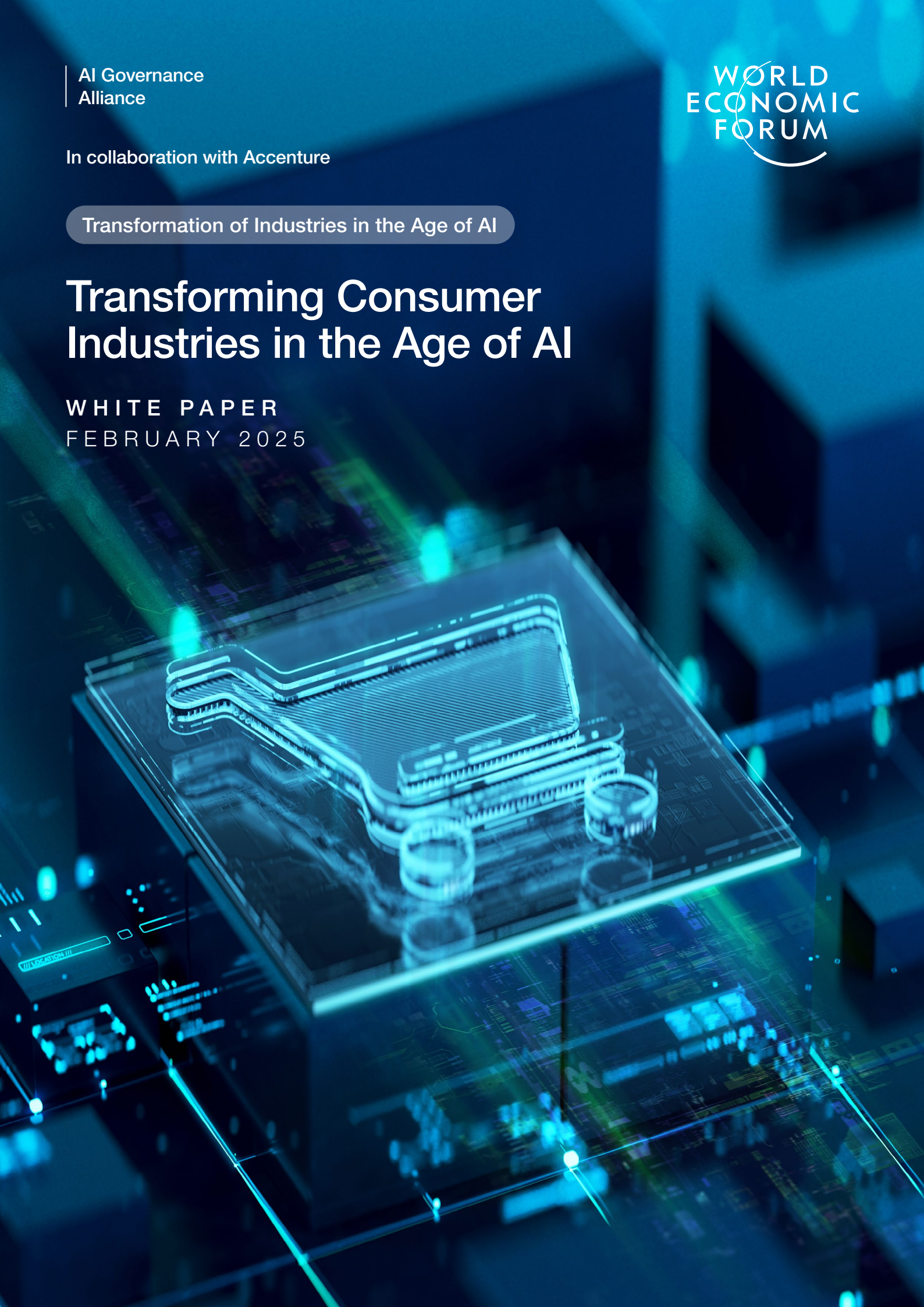
WORLD ECONOMIC FORUM

Transformation of Industries in the Age of AI

Transforming Consumer Industries in the Age of AI

WHITE PAPER

FEBRUARY 2025



Images: Getty Images

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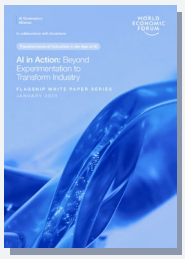

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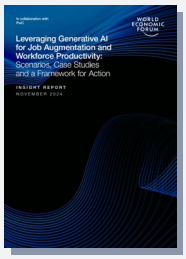

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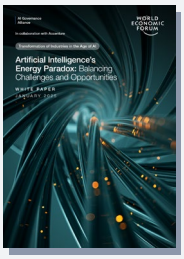

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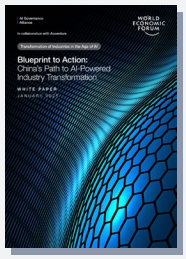

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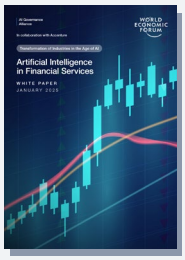

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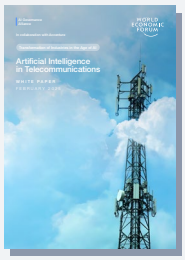

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Transforming Consumer Industries in the Age of AI

Additional reports to be announced.

As AI continues to evolve at an unprecedented pace, each paper in this series captures a detailed snapshot of the landscape at the time of writing. Recognizing that ongoing shifts and advancements are already in motion, the aim is to continuously deepen the understanding of AI's implications and applications through collaboration with the community of World Economic Forum partners and stakeholders engaged in AI work.

Together, these papers offer a comprehensive view of AI's current development and adoption, as well as a view of its future impact potential. Each paper can be read standalone or alongside the others, with common themes emerging across industries.

Preface

In 2024, the World Economic Forum's Centre for the Fourth Industrial Revolution launched a cross-industry initiative called the AI Transformation of Industries. As an active participant, the Consumer Industries community undertook an initiative called the **AI Transformation of Industries – Consumer Industries Deep Dive**, with Accenture as its knowledge partner. During the 2024 Annual Meeting in Davos, the chief executive officers of the Consumer Industries Governors community championed this effort, asking a pivotal question: **How can industry leaders drive growth and transformation in the age of artificial intelligence (AI) and generative AI (genAI) responsibly, benefiting both business and society?**

Fast forward to today, and the robust results of this initiative continue to emerge, reflecting a period of rapid and profound change. The insights presented in this white paper capture a point in time in this fast-evolving environment, delivering a forward-thinking perspective. They stem from extensive primary research conducted in the second half of 2024, including interviews with executives driving AI-powered programmes of change across their organizations, and workshops with more than 70 companies. They also draw on secondary research from a diverse group of stakeholders, including consumer industries (agribusiness, consumer goods, retail) and related ecosystems such as technology, academia and government. Together, they provide actionable roadmaps for the strategies needed to transform value chains completely using AI technologies, elevating consumer experiences and ultimately enhancing lives. They additionally highlight critical opportunities for collective action to unlock AI's full potential responsibly, by grounding transformative change in trust.

The urgency of pursuing these strategies and seizing these opportunities is clear. Consumer adoption of genAI is expected to lead to the most significant shift in purchasing decisions in decades. Companies that reinvent themselves with AI technologies, including genAI, looking beyond incremental improvements and cost reductions, will emerge as performance frontrunners. These organizations will also establish a new blueprint, setting norms for how people collaborate with intelligent machines, redefine roles and approach employee recruitment and development, as well as how they serve customers, consumers and communities.

On behalf of the Forum's AI Transformation of Industries – Consumer Industries Deep Dive initiative team, the authors extend their sincere appreciation to everyone who contributed to this paper. This includes the Forum and Accenture teams, as well as all participants and Forum partners who shared their thoughts through interviews and during workshops.

Executive summary

Realizing the potential of today's technologies requires bold, responsible leadership, visionary strategies and ecosystem-wide collaboration.

Artificial intelligence (AI) technologies, particularly generative AI (genAI), are beginning to transform how people work, shop and live. These advancements promise exponential productivity gains by automating and augmenting routine tasks. More broadly, they open opportunities for complete enterprise reinvention, enhancing creativity and enabling organizations to refine offerings, bolster innovation and create new value. To ensure long-term impact, it is crucial that growth and transformation driven by AI technologies are pursued responsibly, maximizing benefits for both businesses and the consumers they serve.

Within the next five years, many organizations are expected to reimagine every part of their value chain. Moreover, AI's evolution is accelerating with innovations such as agentic AI, which stands to change the very nature of how work gets done. Agentic AI can take proactive actions without human oversight, executing tasks independently and streamlining decision-making processes. At scale, it will integrate proprietary data to deliver actionable insights, refine strategies and drive value creation.

No longer just a tool, AI will become an intuitive collaborator, augmenting human decision-making and cultivating empathetic, human-like interactions. When combined with technologies such as 5G, the internet of things (IoT) and quantum computing, it will redefine how humans and technology interact.

Meanwhile, consumer adoption of AI technologies is poised to trigger the most significant shift in purchasing behaviour in decades. Future readiness is crucial, as people born into this era of connectivity (the genAI generation) expect increasingly seamless and hyper-personalized purchasing experiences.

Most organizations are still experimenting with the technology in isolated areas, focusing on efficiency gains. Scaling its transformative potential will require a more visionary approach, using new frameworks (called "**mega processes**" in this paper) to rethink traditional business functions such as **strategic planning**, **innovation and growth**, **customer and consumer engagement**, and **operations and supply chain management**.

It will also require a focus on three critical enablers:

1. **People, talent and leadership**: With 40-60% of activities expected to be automated or augmented by genAI across consumer industries, leaders must empower employees to transition successfully.

2. **The digital core**: Companies need to integrate processes, data and infrastructure to support dynamic operations.

3. **Responsible AI practices**: Leaders must prioritize trust, transparency, data governance and environmental sustainability.

Ultimately, leaders across industries and the public sector will also need to align and collaborate around a set of unified goals. Key areas for the Consumer Industries community to discuss and debate include:

- **Achieving sustainability targets**: Using AI to address challenges such as Scope 3 emissions.

- **Advancing cross-industry data sharing**: Tackling industry pain points and unlocking new value.

- **Empowering workforce transitions**: Equipping people with the skills and tools needed for the future of work.

- **Establishing self-governance**: Building trust through harmonized standards for consumer data privacy, algorithmic fairness and ethical AI use in marketing.

By aligning priorities and cultivating collaboration across public and private sectors, the consumer industries can create a resilient and inclusive future where efficiency improves, innovation thrives and trust grows.

Introduction

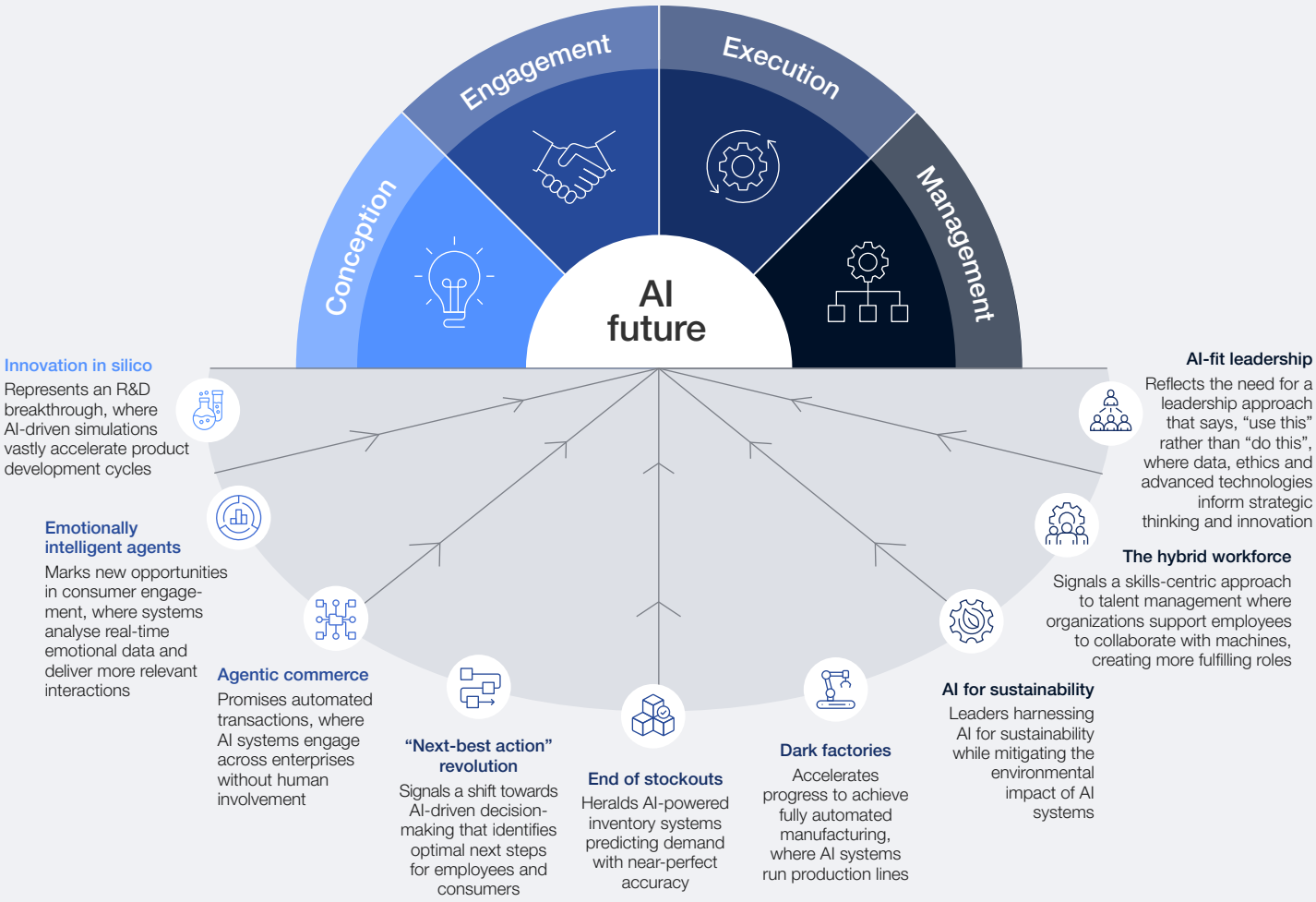
Using the full potential of AI technologies to reinvent the consumer industries relies on making responsible decisions now.

A time of transformative change

The consumer industries' value chain, across all key sectors – agribusiness, consumer goods and retail – is on the brink of change that will have a transformative and lasting effect on business, people and society. For consumers, artificial intelligence (AI) technologies, including generative AI (genAI), hold the promise of reshaping expectations and experiences that align with their evolving needs and values. For businesses, they herald a future with unprecedented value creation, not only from cost efficiencies but also from unlocking new revenue streams, improving sustainability and enhancing consumer and customer experiences.

As forward-thinking businesses progress beyond experimentation to scaling new ways of operating end-to-end, they will recast everything from how products and services are conceived to how teams of people execute their work, how leaders manage and how consumers engage (Figure 1).

FIGURE 1 **Types of change under way and anticipated**

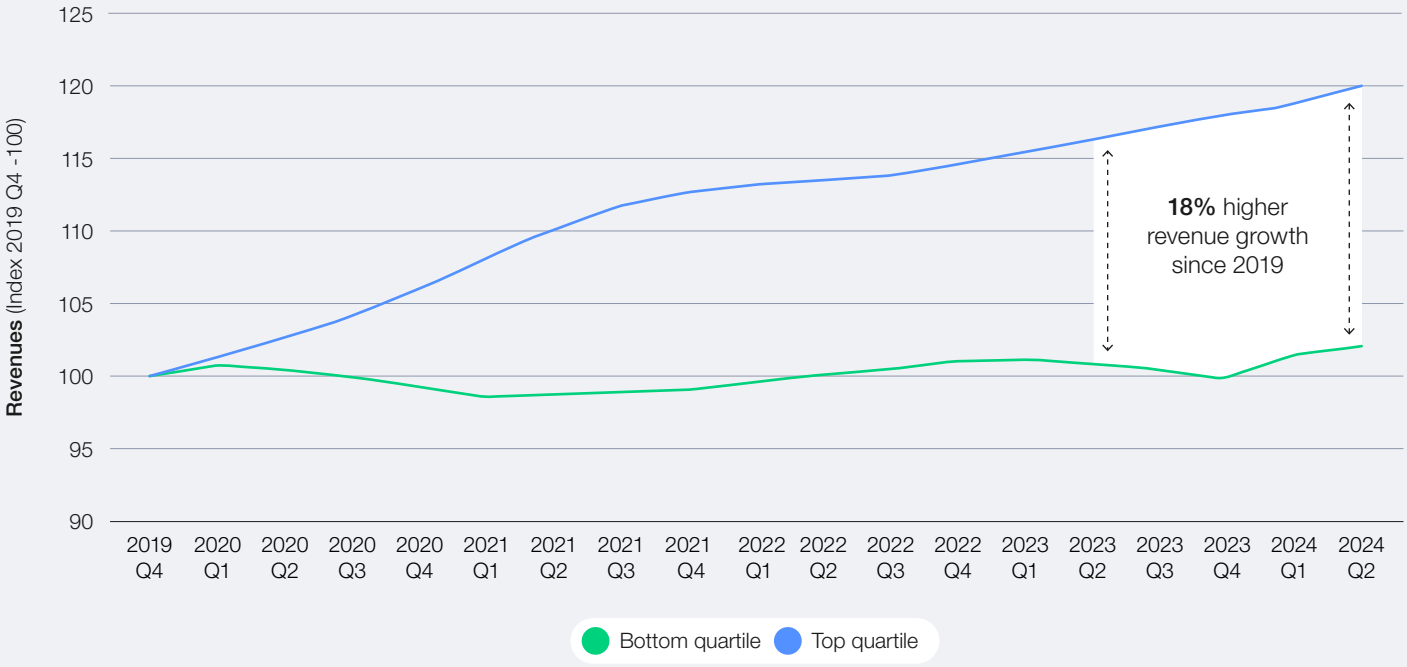


Source: Accenture.

Adoption is nascent, but correlates with greater revenue growth

Consumer industries remain in the very early stages of their AI transformation. While the emergence of large language model (LLM)-powered genAI technologies has driven a notable ramp-up in adoption – with 83% of companies accelerating their reinvention strategies over the past year – no organization has yet come close to fully realizing AI's potential.[1] The depth of change required is so profound that even industry leaders are only beginning to scratch the surface. However, the rewards earned by the small set of companies in consumer industries that have gone the furthest in implementing AI throughout their value chains are telling (Figure 2).[2]

FIGURE 2 **Greater AI adoption has already led to greater revenue growth**



Note: AI maturity evaluated using Accenture's AI Index. The index incorporates more than 30 individual metrics sourced from more than 10 diverse data sets, encompassing 118 consumer industries companies worldwide totalling $4.9 trillion in total revenue as of 2023.

Source: Accenture AI Maturity Index.

A profound economic opportunity

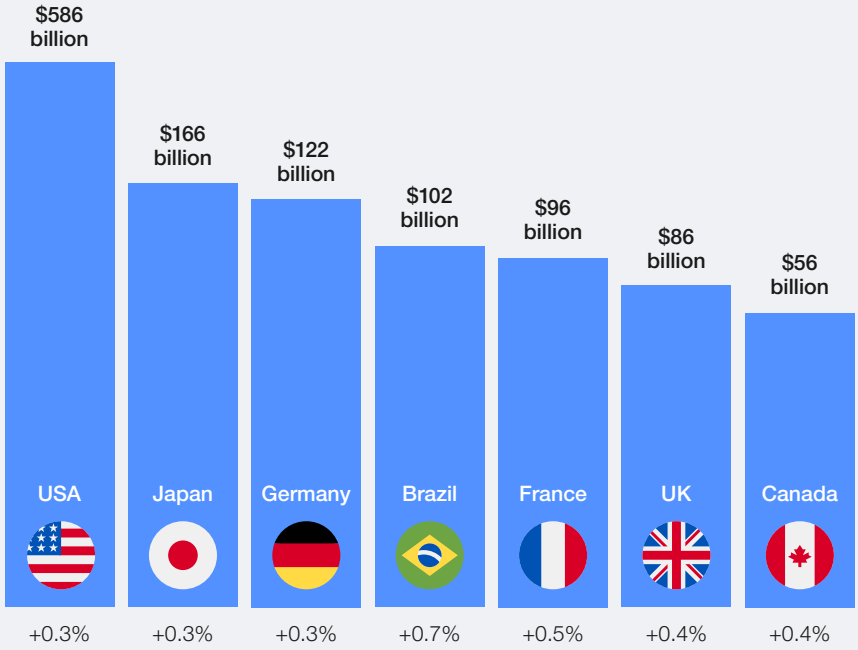
Looking ahead, the projected economic impact of AI's transformative power grows exponentially, even over a relatively short period of time. In consumer industries, adopting genAI in a people-centric and responsible manner (focusing on enhancing rather than replacing jobs) could yield an extra $1.2 trillion in economic value by 2038 across just seven nations (Figure 3).[3]

FIGURE 3 **Estimated genAI economic contribution in consumer industries to gross domestic product (GDP) growth by 2038 in US dollars**

A responsible, people-centric approach to genAI could unlock at least **$1.2 trillion** across seven geographies for consumer industries, adding from 0.3 to 0.7 percentage points to the baseline annual growth scenario by 2038.

Developed markets lead in absolute gains: Economies with more sophisticated digital infrastructures are projected to see the highest absolute dollar value.

Emerging markets see highest growth rates: GenAI's transformative power serves as a "great leveller", illustrating genAI's potential to enable rapid productivity gains and workforce transformation.



Source: Accenture.

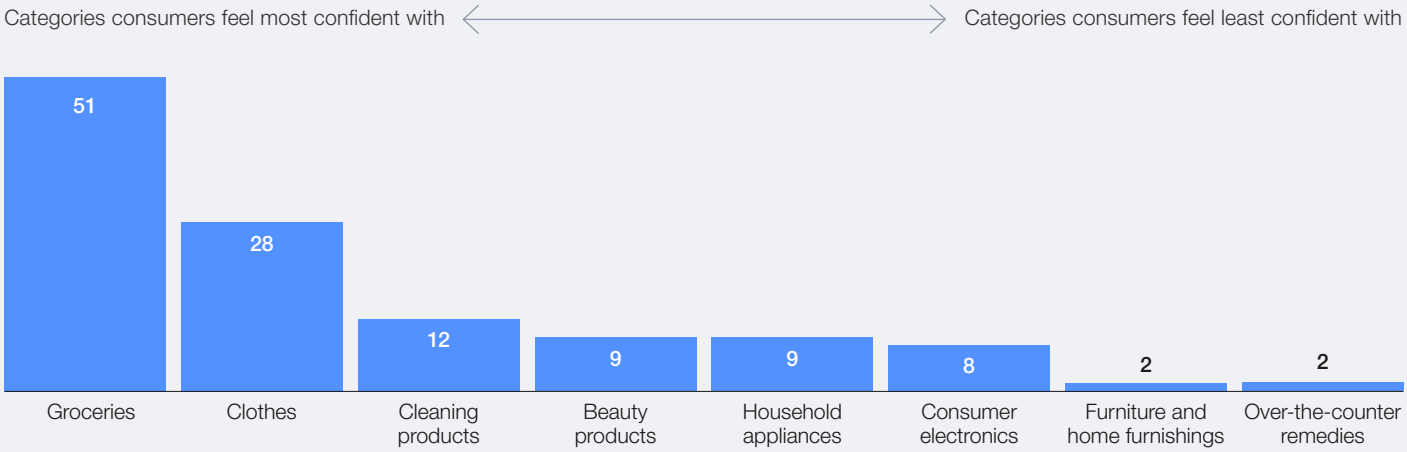
Consumers are open to the potential of AI, spurring transformation

In the short term, most companies will continue experimenting and piloting projects, focusing on no-regret initiatives in areas such as marketing and customer service. As they do, they will increasingly find themselves better able to meet and exceed consumer expectations. That's good news because customer motivations, behaviours and concerns are evolving at speed, right along with technology.

There is a clear movement among consumers towards more informed and deliberate decision-making. Yet a significant majority (75%) say they feel bombarded by advertising and options.

Almost just as many (74%) have even walked away from making a purchase because they felt overwhelmed, according to Accenture's Consumer Pulse Research.[4] Essentially, consumers say they are faced with too many factors to consider and compare before they make a purchase decision – a phenomenon they also note isn't confined to high-stakes purchases. Purchasing a beauty product can be as fraught with stress as buying an appliance. Consumer confidence in shopping leaves room for significant improvement. Although they are more confident purchasing groceries, their confidence drops off rapidly in other areas (Figure 4).[5]

FIGURE 4 | **Relative confidence in decision-making**



Source: Accenture Consumer Pulse Research 2024; Question: Thinking about how you make purchase decisions, which category in this selection do you feel most confident in making the right choice for you and which do you feel least confident in making the right choice? (n = 19,050).

Gen Z and Millennials demonstrate the strongest interest in AI-led assistants, with interest levels at 60% and 58%, respectively.

The silver lining is that consumers continue to consume – albeit in new ways enabled by technology. For instance, more than half of consumers (51%) are open to using conversational AI solutions (e.g. AI assistants) to simplify their purchasing decisions.[6] Retailers are seeing a shift from product-based to need-based searches driven by AI, highlighting a growing trend of consumers seeking AI-driven solutions to streamline their shopping experiences.

Companies that can cut through the noise with compelling, trustworthy and personalized AI-powered solutions will be better positioned to secure a share of consumers' attention and spending than others. The ability to do so will also help them continue to grow, even amid rapidly evolving trends.

Gen Z and Millennials demonstrate the strongest interest in AI-led assistants, with interest levels at 60% and 58%, respectively, and their interest reflects a broader trend among younger generations.[7] These individuals increasingly seek involvement and experience alongside greater convenience and reduced stress. Raised in an era of constant connectivity, they expect brand engagement to reflect their values while providing seamless and intuitive digital interactions.

Furthermore, the convergence of Gen Z and Gen Alpha (born 2010-2024) is creating what Gartner has called a "trillion-dollar merger" that will profoundly influence spending patterns. Gen Alpha is growing up in a world where genAI assistants will be the norm. Their expectations will pave the way for what Gartner calls "machine customers", through which AI makes decisions autonomously on a consumer's behalf.[8]

Strategic insights and actionable frameworks for AI transformation of consumer industries

As consumer needs evolve, so does the need to meet them more effectively with technology. To support AI- and genAI-driven growth and transformation in the consumer industries, this white paper presents practical "adoption-in-action" use cases from community interviews and workshops. It also explores strategic frameworks that will drive the complete transformation of enterprises as AI technologies continue to advance.

Additionally, the paper highlights the challenges of developing and supporting the necessary components to scale AI use, such as leadership and talent readiness, robust digital infrastructure and responsible AI practices. For example, with genAI expected to transform 40-60% of all working hours across consumer industries, responsibility for employee welfare weighs heavily as companies find that they can do more with less.[9] Executives must also keep the greater community and societal implications of these advances top of mind, working to ensure that the people they may no longer need in any given function are well-equipped to shift to other positions and be competitive in the greater marketplace.[10]

Finally, the paper explores the significant potential of and need for collective action in shaping the future. It emphasizes the need to mobilize AI to address global challenges such as sustainability (particularly Scope 3 emissions), facilitate cross-industry data sharing, cultivate industry self-governance to build trust and support the workforce through the transition to an AI-enabled future of work.

1 Taking stock of the adoption journey

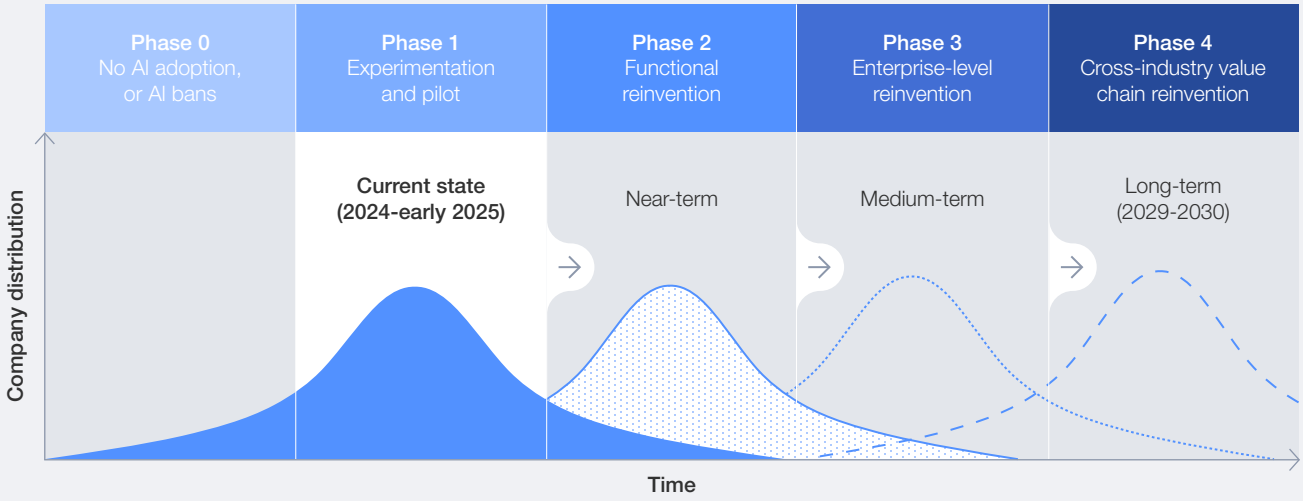
Most companies are in the early stages of AI adoption, but leaders are demonstrating valuable learnings and delivering early-stage results.

1.1 Early stages of adoption, with a roadmap emerging

While most companies are just beginning their reinvention journey, a common roadmap is emerging (Figure 5). Currently, about 10-15% of companies are in phase 0 – they are cautious or resistant, often due to resource constraints or leadership discomfort with technology.

About 70% are in phase 1, experimenting with AI and piloting isolated use cases but largely maintaining traditional human-only processes. Leaders (10-15%) are working across phases 1 and 2, experimenting, piloting, reinventing functions, beginning to form use cases, rethinking complete processes and exploring how AI can drive both growth and operational transformation. By 2029-2030, large-scale organizational transformations are expected as some companies reach phase 4 and AI becomes integral to operations and strategy.

FIGURE 5 **Phases of AI-driven reinvention and adoption progression**



Where companies fall	Laggards 10-15%	Transformers 70%	Leaders 10-15%	Not yet achieved by any consumer industries company	
Phase summary	Organizations have not yet embarked on their AI journey due to barriers such as regulatory constraints, organizational risk aversion or a lack of awareness of AI's potential.	Organizations are running multiple AI experiments, which are often disconnected from the core business strategy and might be driven by individual teams or tech-savvy leaders.	Companies have begun to see measurable value from deploying AI at scale within a specific business domain such as marketing, supply chain or customer service.	Companies are connecting AI initiatives across multiple functions throughout the organization, supported by foundational infrastructure, data governance and workforce upskilling.	AI initiatives extend across the entire value chain, promoting innovative collaborations with partners, supplier and even competitors.

Consumer industries adoption curve

Source: Accenture.

1.2 AI adoption-in-action use cases

> GenAI is accelerating the time to market for early adopters in consumer goods by 25-50% within the R&D functions.

Within consumer industries, the environment is highly dynamic as companies explore the possibilities of AI technologies. However, each company is on its own unique journey of AI-driven transformation. Many are actively identifying opportunities to demonstrate proof points for positive business impact, including return on investment (ROI). Others are raising the bar on innovation, enhancing consumer engagement through hyper-personalization and improving customer service operations. In the retail sector, some are uncovering high-potential new revenue streams. The following are just a few examples of adoption in action:

Navigating the early stages of AI adoption

Many companies struggle with fragmentation in their AI efforts, launching numerous uncoordinated initiatives without aligning them with a strategic vision. To overcome that challenge, some have established an AI task force or AI leadership office, responsible for mapping the AI transformation journey, identifying priority applications, creating employee training frameworks and ensuring responsible adoption. Mexican retailer **Coppel** developed an AI capability framework to kickstart its transformation journey. The framework helps executives identify use cases to prioritize in areas including supply chain management, retail operations, customer service and credit risk assessment. By mapping the impact of 185 AI technologies and tools against 160 retail and financial services sub-domains, the company continuously evaluates the pace of AI evolution and its domain impact. This analysis is then transformed into AI application agendas that inform business decisions, identify synergies and ensure a structured, long-term approach to AI implementation.

Research and development

Combined technologies and unique partnerships are already demonstrating significant potential for value delivery – making innovation faster and better. GenAI is accelerating the time to market for early adopters in consumer goods by **25-50%** within the R&D functions. For instance, **Unilever** is revolutionizing its research and development (R&D) by collaborating with **Microsoft** to transform material discovery, ingredient formulation and product development while drastically reducing timelines and unlocking new possibilities for consumer goods innovation. Microsoft's Azure Quantum Elements is accelerating the scientific discovery process by combining advancements in high-performance computing, AI and, in the future, quantum computing. This allows Unilever scientists to analyse vast numbers of molecules, optimize ingredient ratios, predict outcomes using simulations rather than physical manufacturing and enable cost-effective innovation.[11]

Nestlé is revolutionizing product innovation with a proprietary genAI-based tool that presents a range of concepts in a little over a minute, drawing on information from more than 20 Nestlé US brands and real-time market trends. The tool has accelerated Nestlé's product ideation process from six months to six weeks.[12]

Marketing

Some businesses are also using "synthetic consumers" (digital twins) to test new propositions and accelerate time to market. Meanwhile, beauty company **L'Oréal** is among those businesses using AI to develop and deliver new customer experiences. L'Oréal is using advanced science, data, AI and genAI to connect more personally with customers and deliver innovations that anticipate each customer's needs. In doing so, the company is shifting its mantra from "beauty for all" to "beauty for each". This move is enabling the company to develop a host of augmented products, smart devices, mobile apps, online platforms and digital services, from new AI-powered assistants and diagnostic tools to handheld devices that help people enjoy salon-quality hair colouring at home.[13,14]

Sales

Mumbai-based **Welspun Living**, a flagship company of Welspun World and a global leader in textiles and home solutions, has optimized its sales operations by integrating AI-powered tools and real-time data platforms to boost distributor and dealer performance across its over 20,000 retail stores in over 500 districts across India. A centralized data platform now aggregates sales data and synthesizes key performance indicators, enabling sales teams, field managers and regional leaders to monitor performance and provide targeted recommendations. Mobile applications equipped with AI-driven algorithms further enhance the process by analysing photographs of store shelves to evaluate product placement and visibility. This analysis assesses Welspun's shelf share against competitors, helping the company improve brand visibility and optimize marketing investments.

> AI-derived insights have driven a 7-10% increase in top-line revenue for distributors and dealers within just a few months.

As Puesh Rajiv Ajmani, President and Global Chief Digital Officer of Welspun Living, explained, "These insights have driven a 7-10% increase in top-line revenue for distributors and dealers within just a few months, showcasing the success of Welspun Living's digitally enabled sales strategies."[15]

> AI technologies are driving transformative shifts in e-commerce and search, particularly for small businesses with a genAI-powered search engine, demonstrating a 40% increase in purchase intent.

Merchandising

Retail has evolved beyond just online and in-store shopping, or even a mix of both. It now involves reaching customers in new environments with new experiences. **Walmart** has unveiled its strategy to accelerate adaptive retail, focused on creating hyper-personalized, convenient and engaging shopping experiences. The company is leveraging proprietary AI, genAI, augmented reality (AR) and immersive commerce platforms across its apps and virtual environments. Key initiatives include the development of Wallaby, a series of retail-specific LLMs trained with decades of Walmart data to create highly contextual and tailored customer interactions.[16]

Walmart's Content Decision Platform uses AI and genAI to create personalized shopping experiences on walmart.com, predicting the type of content customers would like to see and creating unique homepages for each shopper. This technology will be launched in the US by the end of next year and expanded to Canada and Mexico.

To meet shoppers where they are and as they are engaged in activities like gaming, Walmart has created an AR platform named Retina, which uses AI, genAI and automation to generate thousands of 3D assets and immersive commerce APIs. These technologies allow Walmart to extend its shopping experience into new virtual social spaces, creating new revenue opportunities.[17]

AI technologies are also driving transformative shifts in e-commerce and search, particularly for small businesses. Recently, **Alibaba Group** unveiled Accio, a genAI-powered search engine for Europe and the Americas, challenging traditional search engines by shifting from keyword-based to intent-driven, contextual results. Leveraging Alibaba's proprietary LLM (Tongyi Qianwen), Accio delivers more interactive and tailored results, raising expectations for AI features and creating new monetization opportunities. With a few text or image prompts, it enables businesses to optimize sourcing, analyse consumer trends (including product popularity) and project profits, without requiring in-house AI capabilities, democratizing access to cutting-edge technology. The tool has demonstrated a 40% increase in purchase intent compared to traditional methods.[18]

Customer service

On the field operations front, **Ecolab**, which offers water, hygiene and infection prevention solutions and services, is actively transforming its field service operations using AI, helping to improve efficiency for its over 25,000 field service agents deployed globally. By harnessing AI, Ecolab aims to streamline onboarding, reduce training time and minimize manual troubleshooting, allowing associates to focus on higher-value tasks. As Sam Hsu, Ecolab's Executive Vice-President of Strategic Planning, noted, "AI can help technicians address customer issues independently without escalation to higher-level support." The impact includes faster issue resolution, increased service coverage and improved workforce retention from AI-driven job satisfaction.[19]

All these examples demonstrate the power of advanced technologies in use today. However, the industry is rapidly entering a new and even more exciting stage as it strives to stay apace with the technology's expanding capabilities. The next chapter reviews the AI evolution to date – and previews what's emerging.

2 The trajectory of AI technologies

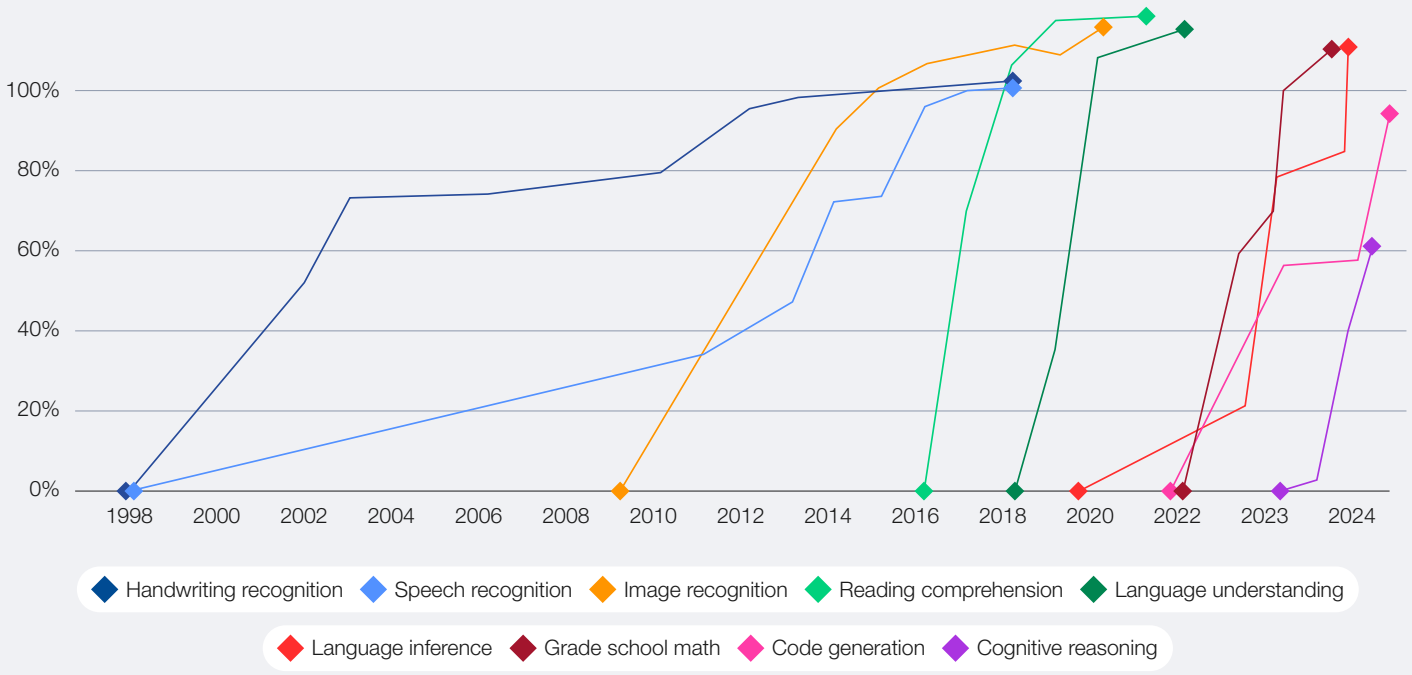
AI has entered its third wave – agentic AI – where agents can make decisions with minimal human oversight and execute complex tasks.

2.1 AI evolution

To get a better sense of what's to come, it's useful to take a quick look at the waves of AI evolution to date. The first wave was predictive, enabling businesses to forecast trends and make data-driven decisions. The second wave saw the emergence of a game-changer, LLMs powering genAI to enable content generation and conversational interactions. AI now more closely mimics human performance than ever before, and the technology is accelerating more rapidly (Figure 6). [20,21]

FIGURE 6 **AI is reaching and exceeding human-like capabilities**

Within each domain, the initial performance of the AI is set to 0. Human performance is used as a baseline, set to 100%. When the AI's performance crosses the 100% line, it scored more points than humans.



Source: Accenture analysis; Stanford University. (2024). *Artificial Intelligence Report 2024*.

Now, the industry has entered its third wave, agentic AI, where AI systems can autonomously interact with each other to make and execute goal-oriented decisions.

The number of companies with fully modernized, AI-led processes has nearly doubled from 9% in 2023 to 16% in 2024, according to a recent Accenture report. Already, compared to peers, these organizations are achieving 2.5 times higher revenue growth, 2.4 times greater productivity and 3.3 times greater success at scaling genAI use cases.[22]

2.2 From answering questions to making decisions and taking action: AI agents

Think of the evolution of AI use as a spectrum. AI-powered assistants are tools that answer questions and make recommendations when prompted to do so – a chatbot, for example. They respond to rule-based directions within a set of pre-defined tasks. What's emerging now are autonomous "agents" and "agentic" teams that can take initiative after an initial prompt or directive. They can interact with the environment and with other systems, applying reasoning to identify the best solution among a host of alternatives and following through to achieve specific objectives. AI agents can strategize, develop workflows and execute (Figure 7). According to Gartner, by 2028, one-third of interactions with genAI will use autonomous agents.[23]

For consumers, agentic abilities inform personalized algorithms that can anticipate an individual's needs, sort through preferences, determine the best option and place orders, freeing up valuable mind space and time.

A recent **Salesforce** publication offered a practical analogy: "If a chatbot is akin to a vending machine, an AI agent is like a personal chef with an impressive repertoire of recipes (vast knowledge base), an ability to understand complex dish requests (natural language processing) and the ability to create new meals that adapt to your preferences (ability to learn from historical data)."[24]

FIGURE 7 **AI agent progression**

Source: Accenture.

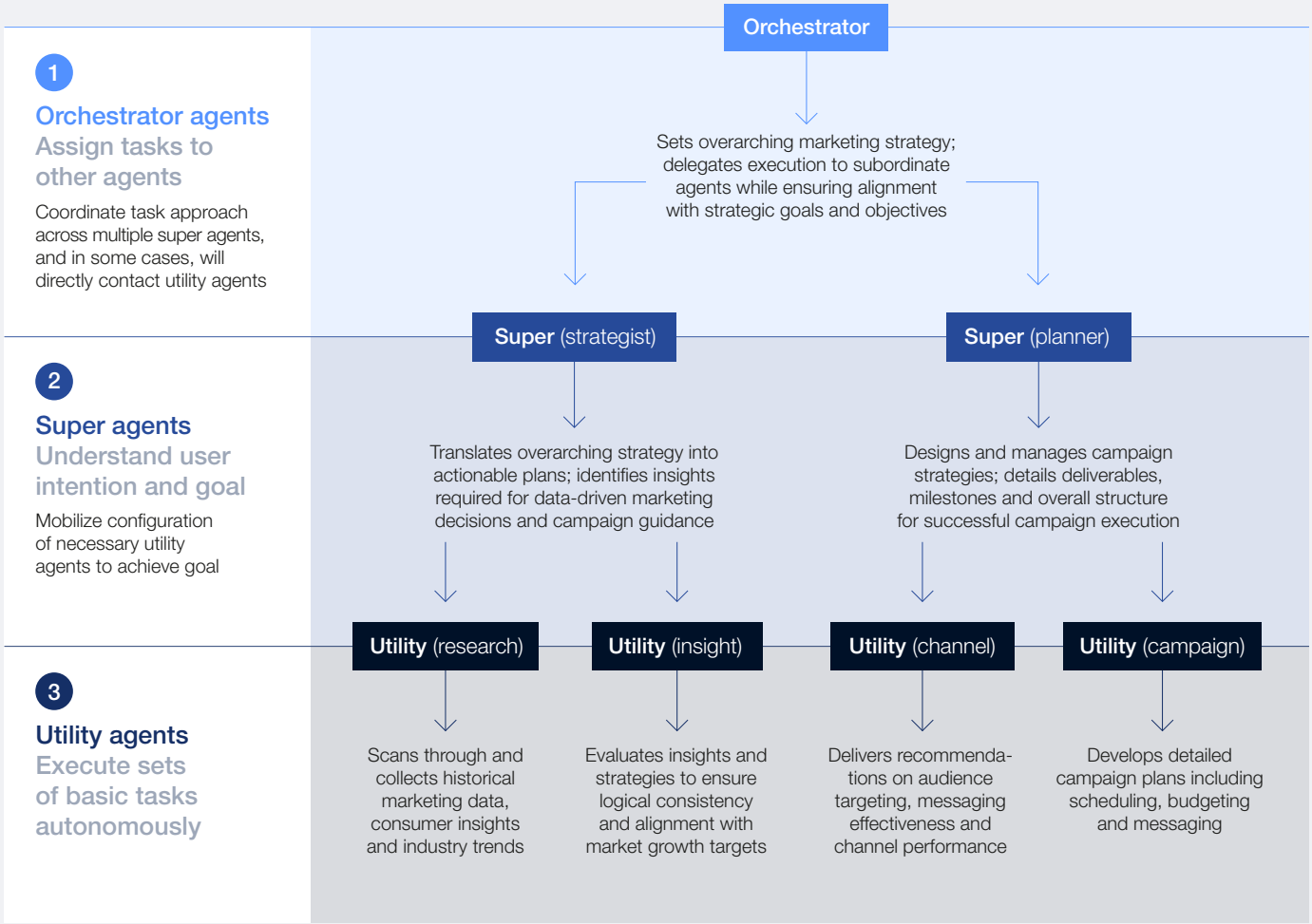
2.3 Agentic teams as collaborators

The critical advances that drive AI to its potential will come as companies continue to pivot from using AI as a tool to using agentic teams as collaborators. The rapid advancements in reasoning and cognitive capabilities in genAI models open the door to ubiquitously available autonomous agents (and teams) operating alongside humans in hybrid workforces. Mirroring human organizational structures, for example, each AI agent can hold a different purpose, rank and role – from "orchestrators" (assigning and coordinating tasks) to "super agents" (mobilizing other agents to achieve goals) and "utility agents" (executing sets of tasks). In this way, they can work together to execute entire business workflows.

Figure 8 offers an example of an agentic network supporting marketing workflows. Deploying agents in these ways could drive a 25-35% reduction in manual steps and a 6% cost decrease while achieving a 25-55% increase in speed to market.[25]

FIGURE 8 **Embedding agentic AI into marketing workflows**

Prompt: How can we increase the market share of our new product by 5% in the next 12 months?



Source: Accenture AI refinery powered by Nvidia.

2.4 The rewards of investing strategically are apparent even as the bar continues to rise

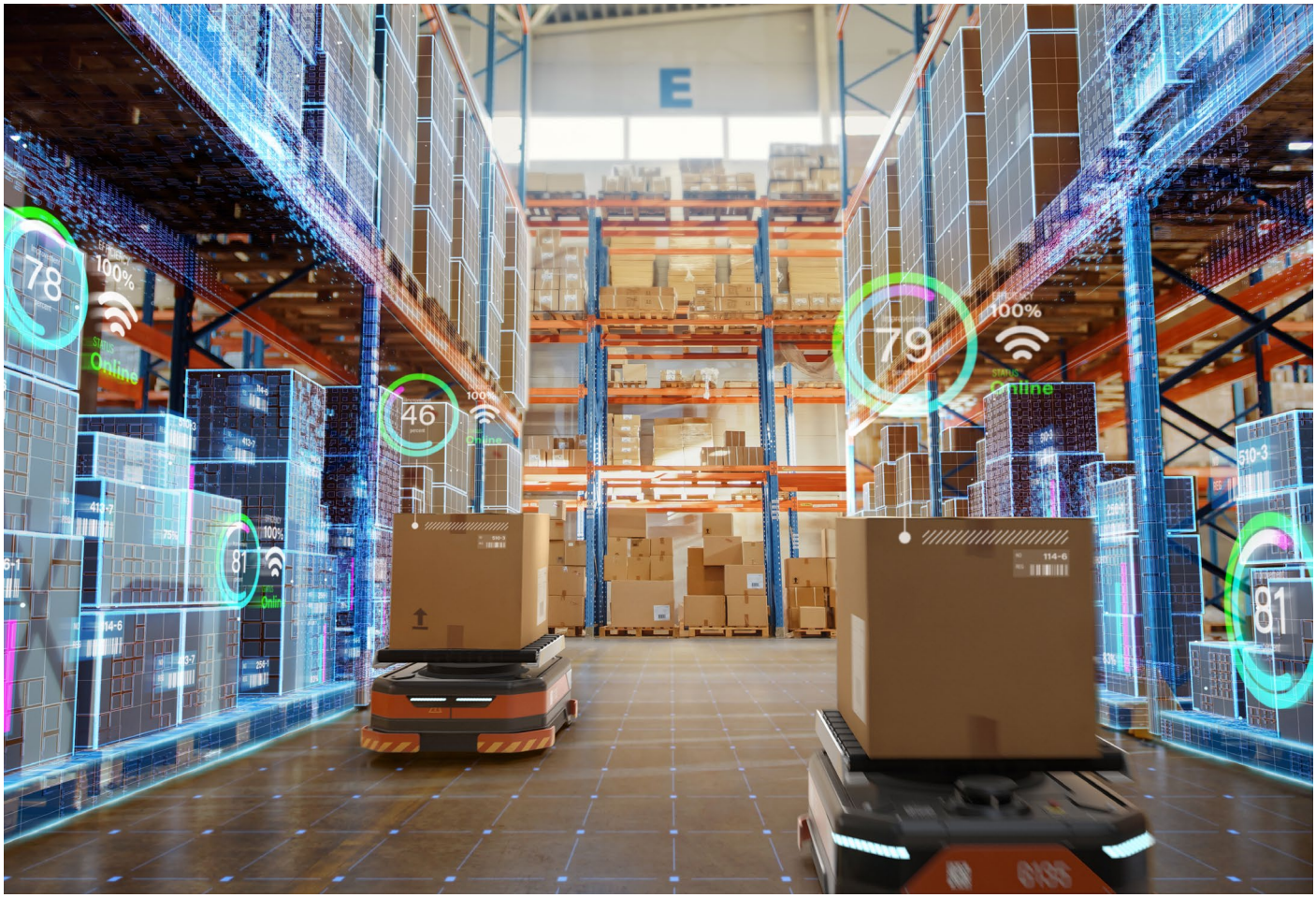
> The IT department of every company is going to be the HR department of AI agents in the future.

According to Jensen Huang, Founder and Chief Executive Officer of NVIDIA, AI agents will be a multi-trillion-dollar opportunity.[26] Leaders who recognize and invest in agentic architecture as a strategic imperative will be well-positioned to shape the future of their industries. Overall, one in three companies is already pivoting towards innovating with agentic AI, and those that are moving most swiftly are already carving out a competitive edge. It is also important to note that, with the increased autonomy introduced by agentic networks, a new set of risks may emerge, further emphasizing the need for responsible deployment planning. As stated by Huang, "The IT department of every company is going to be the HR department of AI agents in the future."[27]

In the next few years, the use of AI with other leading and emerging technologies will only accelerate. The combinatorial power of AI and cloud, edge, 5G, IoT, spatial or quantum computing will enable unprecedented agility, responsiveness and scalability. For example, consumer packaged goods companies can use IoT sensors in production facilities to feed real-time data into genAI systems, enabling self-optimizing supply chains that respond in near-real time. Edge computing can localize AI processing on the factory floor, reducing latency for time-sensitive quality control tasks like detecting contaminations in production. These technologies also drive each other forward – Google's AI-designed the Willow chip, for example, demonstrates how quantum computing advancements can solve complex optimization challenges, transforming areas like ingredient sourcing, inventory management and even dynamic pricing models.[28]

Another wave of AI – physical AI – is already taking shape. Physical AI stands to enable autonomous machines like robots to perform complex actions, redefining industrial digitization. As highlighted by NVIDIA's work with KION Group and Accenture, AI-powered robots and digital twins are already transforming supply chains and unlocking value in the warehouse and distribution centre market (worth $1 trillion), paving the way for software-defined, fully automated operations.[29]

Ultimately, the leading companies will be those that understand these technologies better than others and get their organizations to adopt (and adapt to) them faster and more effectively than the competition. Doing so requires a new approach to strategy, which is explored in the next chapter.



3 A framework for planning end-to-end transformation

An enterprise-wide view will unlock the full potential of AI to drive business transformation that supports creativity, innovation and growth.

3.1 The need for a strategic framework

Unlocking the full transformative value from AI, genAI and combinatorial technologies requires big-picture planning and a willingness to explore the possibilities. Regardless of the consumer industries domain in which a company resides, its leaders need to be thinking about harnessing AI and other technologies to affect enterprise-wide transformation. Figure 9 shows the possibilities coming into view across the three consumer industries domains: **grow and gather** (e.g. agribusiness); **create and shape** (e.g. consumer goods manufacturing); and **connect and serve** (e.g. retailing).

FIGURE 9 **Transformation opportunities by domain**

Grow and gather

Responsibilities including harvesting, sourcing and trading

Harvesting will be transformed through autonomous machines, maximizing yields while minimizing environmental impact. This demands a new level of understanding between farmers, agronomists and technologists to integrate advances into agricultural practices.

Autonomous negotiation and real-time market prediction will revolutionize **sourcing**. This leap forward requires collaboration between procurement teams and suppliers to enable data-driven decisions in the future.

Revolutionized **trading** requires real-time predictive insights automating decision-making and simulating market scenarios. Traders will harness AI to predict price fluctuations, optimize trades and identify new market opportunities with greater precision.

Create and shape

Responsibilities including design, development and production

The next frontier in **design** involves co-creating revolutionary products and synthesizing trends and individual preferences. To do so, designers, data scientists and consumers will need to collaborate in a "phygital" space (blending the digital and physical worlds).

Product **development** and R&D processes will accelerate (and cut costs) through advanced simulation and testing. Harnessing this potential requires new levels of collaboration among R&D teams and market researchers.

The factory of the future will thrive at the intersection of manufacturing and sustainability. It will revolutionize **production** lines through predictive maintenance, reducing downtime and extending equipment life.

Connect and serve

Responsibilities including distribution, selling and marketing

Hyper-personalization will elevate **marketing**, crafting unique brand experiences for each consumer across all touchpoints. Balancing personalization with consumer trust through responsible data use will be critical to its success.

Future **distribution** systems will feature self-adjusting, predictive supply chains that anticipate and fulfil needs before they arise. These require increasingly agile logistic networks built through deepened collaboration with consumer goods manufacturers.

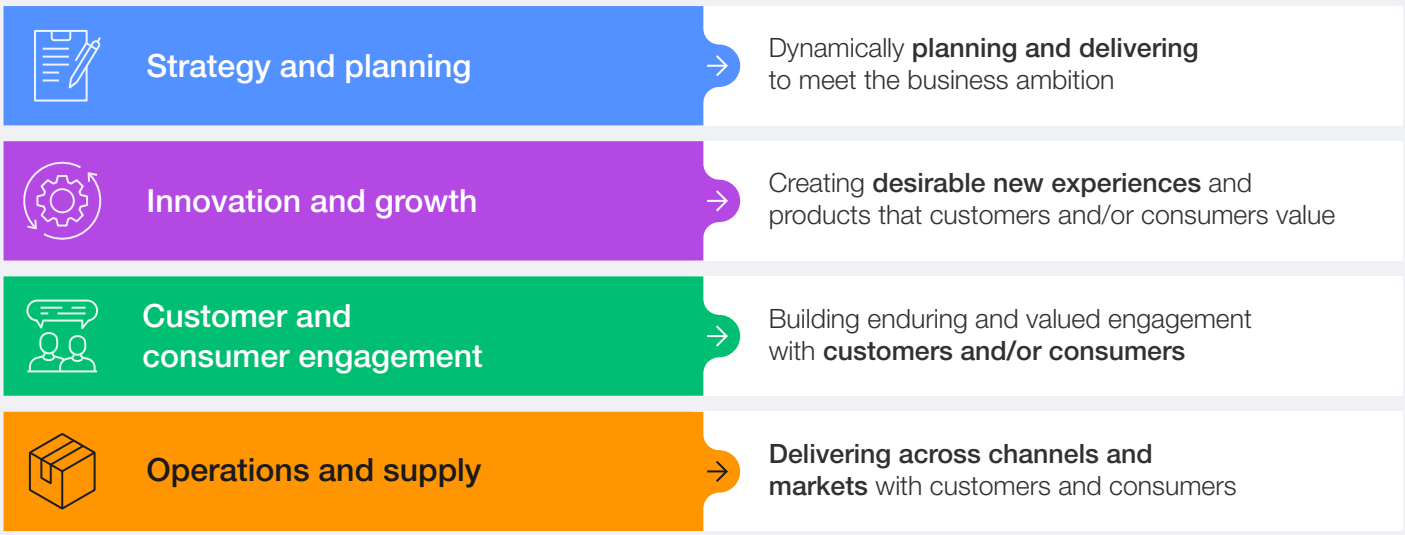
The future of **selling** involves understanding and anticipating customer needs with human-like empathy and enhanced knowledge. Such a future requires cohesion between sales professionals and advanced technologies to enhance (not replace) human interaction.

Source: Accenture.

To achieve these advances, it's useful to think about the four core capabilities – integral to the way a company functions in a new way – as fluid, AI-enhanced processes. These "mega processes" are: strategy and planning, innovation and growth, operations and supply, and customer and/or consumer engagement (Figure 10).

Broadly speaking, these processes apply to all companies, though companies in different domains should adapt them according to their individual business models and strategies. Figures 12, 14, 16 and 18 illustrate the mega process concept for each area and the potential outcomes of this reinvention. Consider each in turn:

FIGURE 10 **Mega processes**



Source: Accenture.

3.2 Strategy and planning

In the next three to five years, companies may increasingly transform their strategy development processes into "living organisms". A company's strategy may evolve dynamically as genAI tools, agents and teams help executives sort, analyse and derive insights from real-time data on consumer preferences and global trends. Traditional, static strategy-setting exercises conducted annually will give way to an ongoing, AI-powered adaptation process where strategic priorities continuously shift to match consumer demand, market disruptions and sustainability goals.[30]

Several tools are driving this shift. Enterprise digital twins, for example, enable companies to simulate and optimize their entire value chain. These tools can provide real-time visibility of the business's performance. They can also integrate marketing, commercial, finance, supply chain and environmental, social and governance (ESG) functional plans. AI-enabled processes can monitor patterns, trends and signals to flag deviations from the plan and suggest appropriate actions. GenAI-enabled executive co-pilots and agentic teams distil the messaging so executives can act quickly on what they learn.

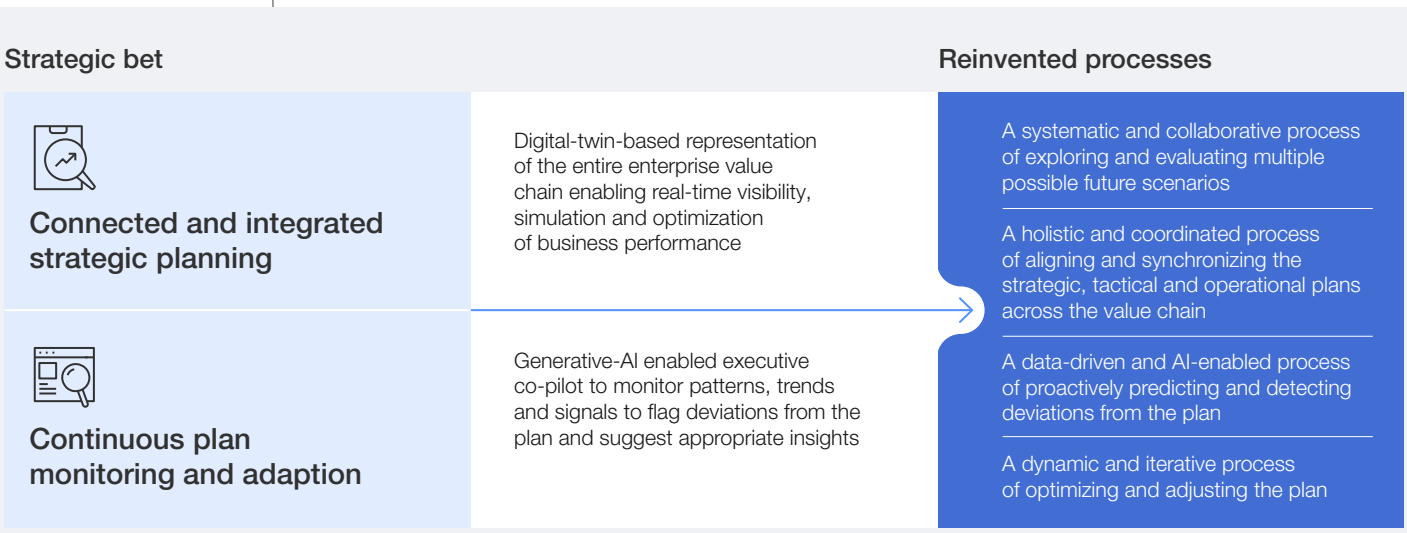
FIGURE 11 **Projected impact of AI transformation of strategy and planning mega process**

10-20%	5-10%	15-30%
revenue uplift	cost reduction	earnings before interest, taxes, depreciation and amortization (EBITDA) impact

Source: Impact analysis of genAI from over 1,800 Accenture client engagements, including companies in the consumer industries.

Imagine a strategy team that uses such tools to inform their decision-making and then communicate and collaborate directly with R&D, marketing, supply chain and ESG executives. One of the biggest long-standing hurdles to transformation, according to the Forum's community partners, is functional segregation. Deploying today's technologies may finally provide a means of breaking such segregation down. Based on pilot performances, companies could see revenue uplifts of up to 20%, cost reductions of as much as 10% and an increase of between 15% and 30% in earnings before interest, taxes and amortization (EBITA) impact resulting from these activities.[31] Figure 12 illustrates this concept.

FIGURE 12 **Top areas where AI technologies can drive value in strategy and planning practices**



Source: Accenture.

3.3 Innovation and growth

Innovation and growth, as a mega process, takes on different forms and different levels of urgency in different consumer industry domains. Nonetheless, it is integral to all.

Focusing on consumer goods manufacturers, for example, it's crucial to imagine the fulfilment that can come with leading a team that can create, prototype and test products within hours of identifying new consumer needs. Additionally, it's essential to consider the potential of enhanced collaboration with supply chain partners, which would facilitate the sharing of the latest data about new material combinations and costs. In this way, companies can realize added value through greater speed to market, increased success rates of innovations and reduction in waste and unnecessary spending. The results of pilot projects, projected to scale, show a 50% faster time to market, an increase in innovation success rates of 50-70% and a 20% decrease in time spent on incremental innovation-related activities.[32]

FIGURE 13 **Projected impact of AI transformation of the innovation and growth mega process**

50%	50-70%	20%
faster time to market	increased success rate of innovation	decrease on time spent on incremental innovation activities

Source: Impact analysis of genAI from over 1,800 Accenture client engagements, including companies in the consumer industries.

Building on these capabilities, companies could then deploy AI to drive the next wave of growth through more disruptive innovation and market expansion. In this way, innovation would become a constant loop of ideation, real-time co-creation with consumers and near-instant scaling. AI and genAI can synthesize a larger set of real-time market and consumer insights to recommend which product features – such as ingredients, packaging, recipes and shelf presentations – are most important to which consumers, why, and what they will pay for them. Just as manufacturers are creating synthetic consumers, producers are already using in silico R&D for raw material discovery and ingredient formulation. Figure 14 illustrates how AI technologies can accelerate innovation growth and make it more effective.

FIGURE 14 **Top areas where AI technologies can drive value in innovation and growth practices**

Source: Accenture.

3.4 Customer and consumer engagement

With the integration of AI, emerging technologies and new ways of working, companies can unlock a long-promised dream: genuine customer and consumer relevance.

Ultimately, growth will come from targeting customers and consumers far more precisely than ever before so they experience less waste and frustration, making the right consumption experience consistently attainable. This will also derive from being able to access consumers who were not previously cost-effective to reach, particularly in more remote locations in less-developed areas. Both drivers involve advanced supply chain relationships. First, however, organizations need to be able to identify those hyper-personalized micro-segments.

FIGURE 15 **Projected impact of AI transformation of customer and consumer engagement mega process**

60%	10-15%	20%
reduction in content production costs	increase in brand NPS (net promoter score)	increase in conversion rate

Source: Impact analysis of genAI from over 1,800 Accenture client engagements, including companies in the consumer industries.

GenAI supports this pursuit by enabling companies to analyse vast amounts of structured data (customer relationship management databases) and unstructured data (consumer feedback) in real time. Supported by multimodal models (a form of AI that processes and integrates information from multiple data types), machine learning and prescriptive analytics, companies can rapidly design and deliver tailored experiences that reach consumers and customers at precisely the right moment – driven by seasonal trends, behavioural patterns and evolving preferences.

New value opportunities also grow more attainable with each interaction between customers, consumers, sales and customer service representatives, and AI-powered digital assistants (soon-to-be agents).

These agents become more attuned and effective the more they are used. They also free up significant time by automating manual, labour-intensive tasks, allowing teams to focus on higher-value activities such as engaging directly with customers and/or consumers, and strategic planning. Projected impacts include a 60% reduction in content production costs, a 10-15% increase in brand net promoter scores and a 20% increase in conversion rate.[33]

Imagine the owners of a small grocery store who have struggled with shifting consumer preferences and slow-moving products, but now use an intelligent sales assistant to review real-time insights into local trends. If the app highlights popular items that match their patrons' needs, they can collaborate in real time with supply chain partners to adjust their inventory with confidence. Figure 16 illustrates how AI supports far more relevant connections with customers and consumers.

FIGURE 16 **Top areas where AI technologies can drive value in customer and consumer engagement practices**

Strategic bet		Reinvented processes
Precise customer/consumer profiling and segmentation	AI-powered real-time customer/consumer needs-spotter, supported by advanced behavioural and cluster analyses and segmentation capabilities, that creates individual customer/consumer profiles and consolidates them into multi-dimensional segments	An AI-powered and data-driven process that enables nuanced consumer profiling in real time, enhancing accuracy and personalization
Agile brand experience design and development	Modular content management and production platforms/solutions that help a company engage with its target audience and partners across marketing, commerce and social channels in meaningful ways that they welcome and even seek	A dynamic content creation process that uses AI to deliver real-time adaptations based on user interactions
Augmented sales enablementand execution	AI-enabled "intelligent sales coaches" supporting field sales/customer service representatives, offering personalized advice on their sales pitches and suggesting next-best actions while automating many non-customer-facing activities	An AI-empowered, real-time sales and customer/consumer service interaction process that makes customer engagement easy and enjoyable for all

Source: Accenture.

3.5 Operations and supply

Soon, companies will be able to operate fully autonomous, AI-driven supply chains that predict demand and proactively reconfigure in real time to meet customer and consumer needs. They will link manufacturing, sourcing, logistics and retail with interconnected AI-powered systems, creating a seamless, self-optimizing value chain. That means their supply chains will be anticipatory as well as reactive. They will self-adjust to ensure optimal stock levels, transparent sourcing and zero downtime.

FIGURE 17 **Projected impact from AI transformation of operations and supply mega process**

25-31% improvement in labour efficiency	10-15% reduced inventory carrying costs
15-25% lower cost of goods sold	15-25% improvement in on-shelf availability

Source: Impact analysis of genAI from over 1,800 Accenture client engagements, including companies in the consumer industries.

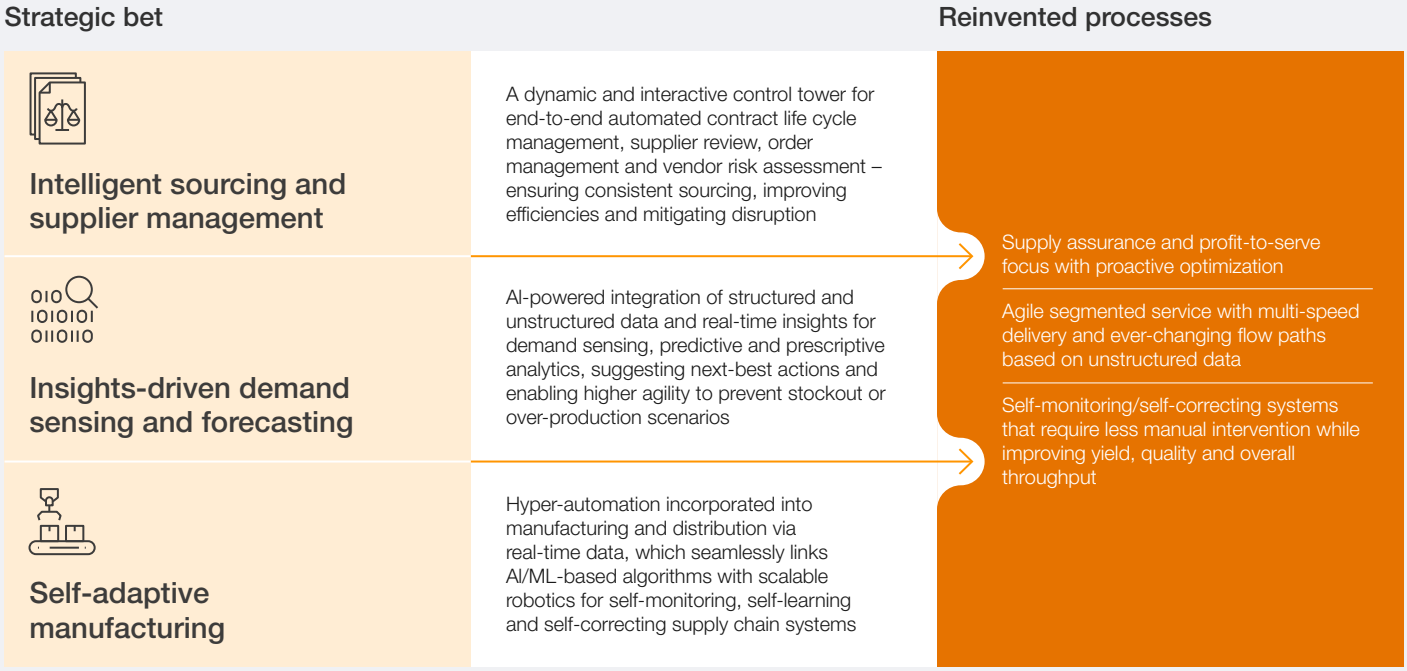
For example, by harnessing genAI with traditional advanced analytics and machine learning, supply chains will analyse both structured data (such as available inventory) and unstructured data (such as social media insights) simultaneously to prescribe orders directly to partners in real time. Further upstream, by integrating genAI and predictive analytics, agribusinesses can work closely with suppliers to optimize sourcing decisions and increase transparency throughout the value chain. In turn, suppliers can provide consumer packaged goods companies with real-time insights into raw material quality, sustainability practices and ingredient availability, enabling smoother transitions to production.

Lastly, self-adaptive manufacturing means keeping pace with fluctuating demand, especially for companies managing brownfield manufacturing estates, filled with lots of sites, equipment and personnel. By harnessing AI, robotics and computer vision, manufacturing processes can automatically adjust in real time – fine-tuning machine settings, ingredient ratios and processing parameters as needed. The projected impact of such activities includes a 25-31% improvement in labour efficiency, a 10-15% reduction in inventory carrying costs, a 15-25% reduction in costs of goods sold and a 15-25% improvement in on-shelf availability.[34]

Picture a supply manager who used to spend most of their time dealing with product shortages and operational issues during high-demand seasons. Next year, that same manager may be able to oversee a system that predicts demand surges, adjusts production schedules accordingly and reroutes shipments as needed. When the system identifies a spike in demand, the supply manager can collaborate with other suppliers to ensure they are all on the same page, even to the point of alerting farmers to adjust harvest schedules to reduce waste and optimize production. Figure 18 illustrates how an AI-augmented approach can make operations and supply more automated, agile and resilient.

> By integrating genAI and predictive analytics, agribusinesses can work closely with suppliers to optimize sourcing decisions and increase transparency throughout the value chain.

FIGURE 18 | **Top areas where AI technologies can drive value in operations and supply practices**



Source: Accenture.

The adoption of such comprehensive thinking is at an early stage overall. More than a third (35%) of consumer industries executives, however, are adopting AI and genAI initiatives in the area of customer and consumer engagement, followed by 23% in operations and supply and 21% in innovation and growth, with strong results. Strategy and planning is an emerging area where adoption hasn't yet taken hold, though this may change in the coming years.[35]

3.6 Intensifying cross-domain collaboration

Each mega process implies and anticipates amplified and deepened connections across domains within the consumer industries. In fact, these connections may present early opportunities for significant differentiation. The ability to work faster and better within an enterprise goes hand-in-hand with the ability to extend those collaborative properties up and down the value chain. With that in mind, executives should also be exploring and evaluating future cross-domain scenarios, asking questions such as: "What pain points might be addressed through more expansive data sharing?" and, "In what ways could companies across domains increase their transparency in other areas to support customer and consumer engagement?".

If a company wants to drive strategic differentiation, its leaders first need to get their own house in order, harnessing AI to break down internal segregation and advance and accelerate workflows. The next frontier is more focused on reaching out to others in the value chain, working at the leadership level to establish rules that enable breakthrough levels of collaboration, innovation and growth.

4 Enabling reinvention

Scaling AI requires balance across three pillars of reinvention: leadership and people, technological readiness, and unwavering commitment to responsibility.

4.1 Leading people through the change

Today's organizations have an extraordinary opportunity to make these emerging forms of work far more interesting than the kinds of work they are replacing, while supporting employees to thrive in the AI-enabled environment. With that opportunity comes an extraordinary leadership responsibility, compelling executives to reconsider who they need to be and what they need to do.

Who leaders need to be

As Chet Kapoor, Chairman and Chief Executive Officer at the AI platform company **DataStax**, described, there is a rising need for a new leadership profile that combines powerful thinker (strategic)/builder (technical)/value creator (champion) mindsets.

> **Companies needed a tech-savvy, process-driven and analytically focused leader – typically a chief information officer (CIO) or a chief technology officer (CTO). The guiding principle for adoption was simple: Heavy training leads to better use. GenAI is changing those beliefs. Not only do people learn and interact with technology differently, but there is also no roadmap or manual and the opportunities are unlimited. The new rule? 'Heavy use leads to better training.' This shift demands a different style of leadership … While some organizations might find one leader, like a modern CIO, to handle the full scope, it's just as possible to approach genAI leadership as a partnership, with multiple leaders bringing their unique strengths to the table (and drawing on AI to amplify them).[36]**
>
> Chet Kapoor, Chairman and Chief Executive Officer, DataStax.

> Based on a recent survey, 95% of leaders agreed that genAI will in fact create new jobs in their workforce. However, with 58% of workers citing job displacement as a concern, leaders will need a new organizational construct – one that cultivates continual change with the long term in mind.

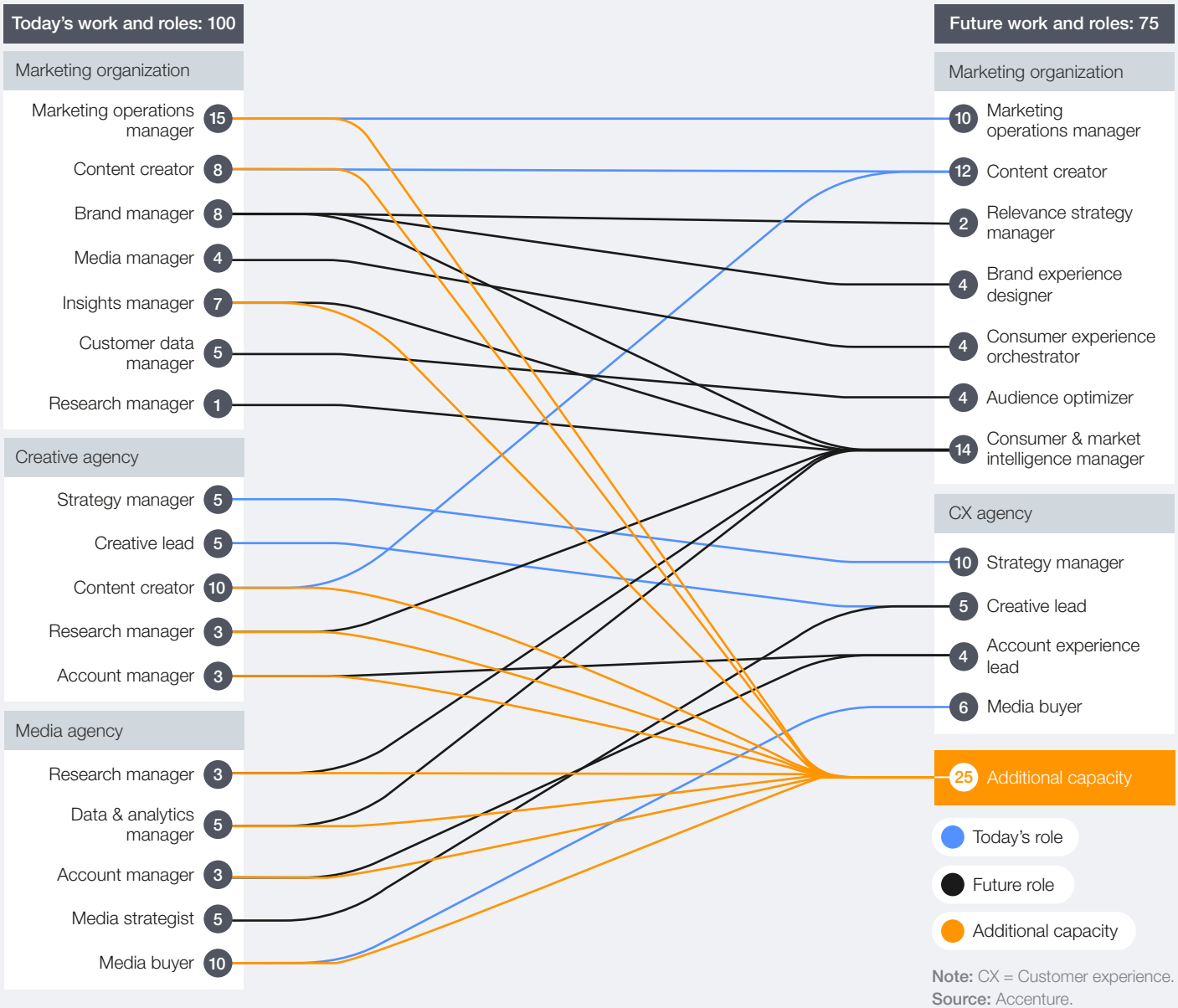
What leaders need to do

The reality is that the impact on jobs will likely be complex and multifaceted, with AI expected to drive job creation, job displacement and job evolution. Based on a recent survey, 95% of leaders agreed that genAI will in fact create new jobs in their workforce.[37] However, with 58% of workers citing job displacement as a concern, leaders will need a new organizational construct – one that cultivates continual change with the long term in mind.[38] AI-driven automation and reinvention can create clear short-term opportunities to cut costs through headcount reduction. Leaders need to balance those opportunities with their vision for the reinvented enterprise, first considering future needs and emerging roles rather than cutting headcount prematurely.

This construct should centre on skills-based careers in a hybrid (human-plus-machine) workforce, where organizations map the AI skills needed for future roles. For example, there's a rising need for individuals who can work fluently with LLM models to develop those models' specialities, setting up their training and maintenance. Leaders will need to lean towards redeployment rather than replacement while reaffirming what they already know – that, ultimately, a company cannot reach a market leadership position through cost-cutting. A far more powerful differentiator, highly efficient resource allocation, yields better value through innovation.

Consider, for example, a conservative view of how roles and work could shift in an AI-augmented marketing function (Figure 19). A brand manager might become a relevance strategy manager, a brand experience designer or a consumer market intelligence manager, with skills including AI-driven market insight and segmentation. These shifts would create additional capacity, which leaders could potentially redeploy to areas supporting new value creation.

FIGURE 19 **Illustrative examples of how work and roles might be reallocated in a generative AI future, freeing capacity in the marketing function**



Note: CX = Customer experience.
Source: Accenture.

of genAI projects will be abandoned after proof of concept due to poor data quality, inadequate risk controls and escalating costs.

Essential leadership practices

Two practices can help leaders move more effectively through this reinvention:

Demonstration: Findings from interviews conducted for this white paper reveal that while many leaders recognize the importance of AI, they also lack the time or willingness to engage directly. This behaviour hinders broader adoption. Senior leaders must role-model AI adoption to drive organizational transformation by proactively and frequently collaborating with teams to cultivate best practices and identify new opportunities. They must become adept at using automation, data and algorithms to guide their decision-making.

Empowerment: Enabling employees to experiment with AI in a risk-free environment and offering comprehensive (and increasingly personalized) training will build confidence and cultivate innovation. Regular surveys, pulse checks and open channels of communication – with responsive actions – will help employees feel heard and supported as they navigate the changing landscape of work.

One Asia-based company within the community implemented an adaptive AI training programme to ensure all employees, including non-tech staff, are "AI-ready". The company ran a "Monday practice, Friday feedback" cycle, where employees learned about AI tools and provided feedback on their usefulness. After completing the programme, only 40% of employees feared that AI could displace their roles, down from 85% before the programme.

Training that cultivates critical thinking, adaptability and creativity – skills that are crucial in an AI-driven environment – is also important. AI academies, seminars and hands-on workshops can be instrumental in equipping employees with the knowledge they need to thrive.

> **AI allows people to bring their magic and build extraordinary results beyond average outcomes. When measuring productivity gains, in some areas the company is seeing double-digit increases when AI is embedded into workflows.**
>
> Raheel Khan, Senior Vice-President, Foresight and Growth Intelligence, The Estée Lauder Companies

4.2 Digital core

As leaders race to scale AI across their operations, they are running into a common barrier: outdated data strategies and patchy information technology (IT) infrastructure that can't handle the demands of modern AI. Despite 45% of consumer goods and retail executives believing they can scale genAI enterprise-wide in 6-12 months, only 13% are extremely confident that their current digital foundations can support AI deployment at scale.[39] In fact, at least 30% of genAI projects will be abandoned after proof of concept due to poor data quality, inadequate risk controls and escalating costs, according to Gartner.[40]

What they need is a cohesive, AI-ready **digital core** (a term coined by Accenture to describe the technological capability needed to empower reinvention ambitions). Reduced to its essentials, a digital core comprises sophisticated digital platforms, a seamless data and AI backbone, and a secure foundation based on radical new engineering principles (Figure 20).[41]

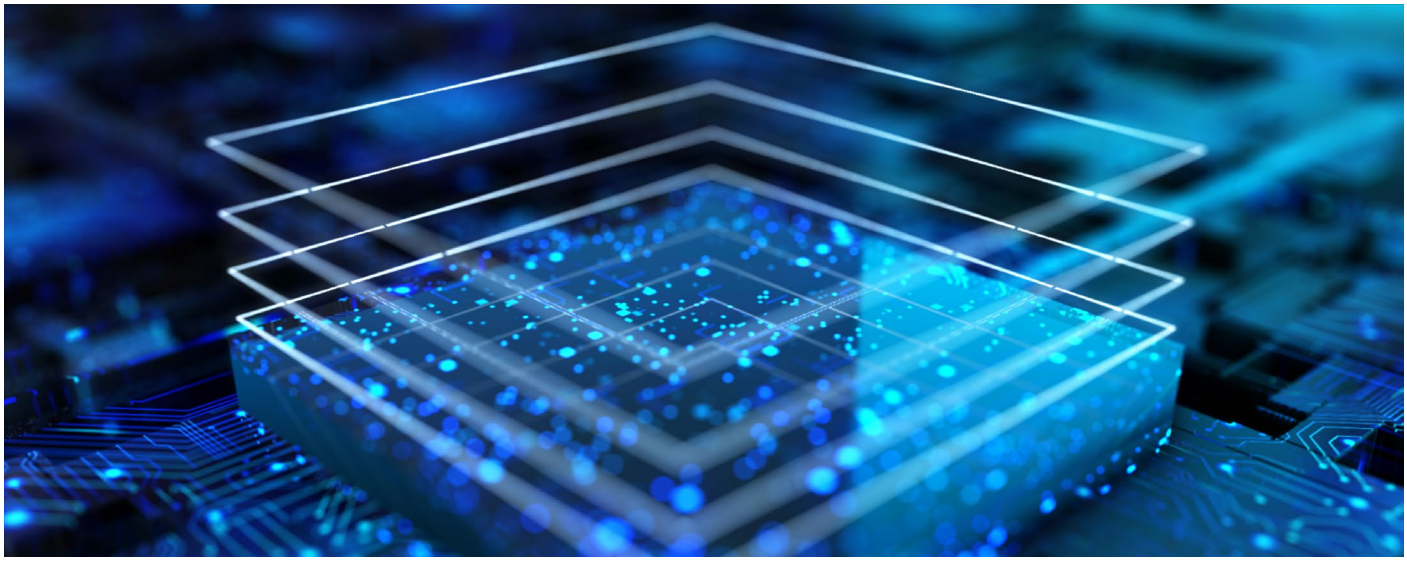


FIGURE 20 | **Components of a digital core**

Digital platforms

Combining applications into platforms that generate new sources of value.

Data and AI backbone

Data: Information about a business and its customers that is accessible and usable.

AI: Artificial intelligence used to boost productivity, create content and more, including enhancing cloud and edge computing.

Digital foundation

Cloud-first infrastructure: Flexible infrastructure that can be a mix of public cloud, private cloud and edge computing.

Continuum control plane: A command-and-control centre that provides visibility into key parts of the entire tech stack.

Security: Embedding cybersecurity practices to maximize resiliency.

Composable integration: The ability to connect all parts of the digital core so they can work together.

Source: Accenture.

To derive true value from AI, genAI and other advanced technologies, leaders must assess how their digital core supports their strategic goals. For example, consumer industry companies aiming to enable hyper-personalized consumer profiling and segmentation need to be sure that each layer of their digital core is equipped to support this level of personalization at scale.

4.3 Responsible AI

Only 35% of consumers currently trust how organizations are implementing AI technologies.

High standards of trust, transparency and sustainability in every AI- and genAI-related initiative are non-negotiable – they are the bedrock of trust. However, although 95% of businesses recognize the potential impact of regulations such as the EU AI Act, only 6% have taken steps to establish responsible AI foundations or implement guiding principles. Automated ESG tracking and optimization already have a **35%** adoption rate across consumer industries, indicating businesses are increasingly recognizing the importance of responsible AI and moving towards its widespread implementation.[42] Even so, this gap is particularly concerning given that only 35% of consumers currently trust how organizations are implementing AI technologies.[43]

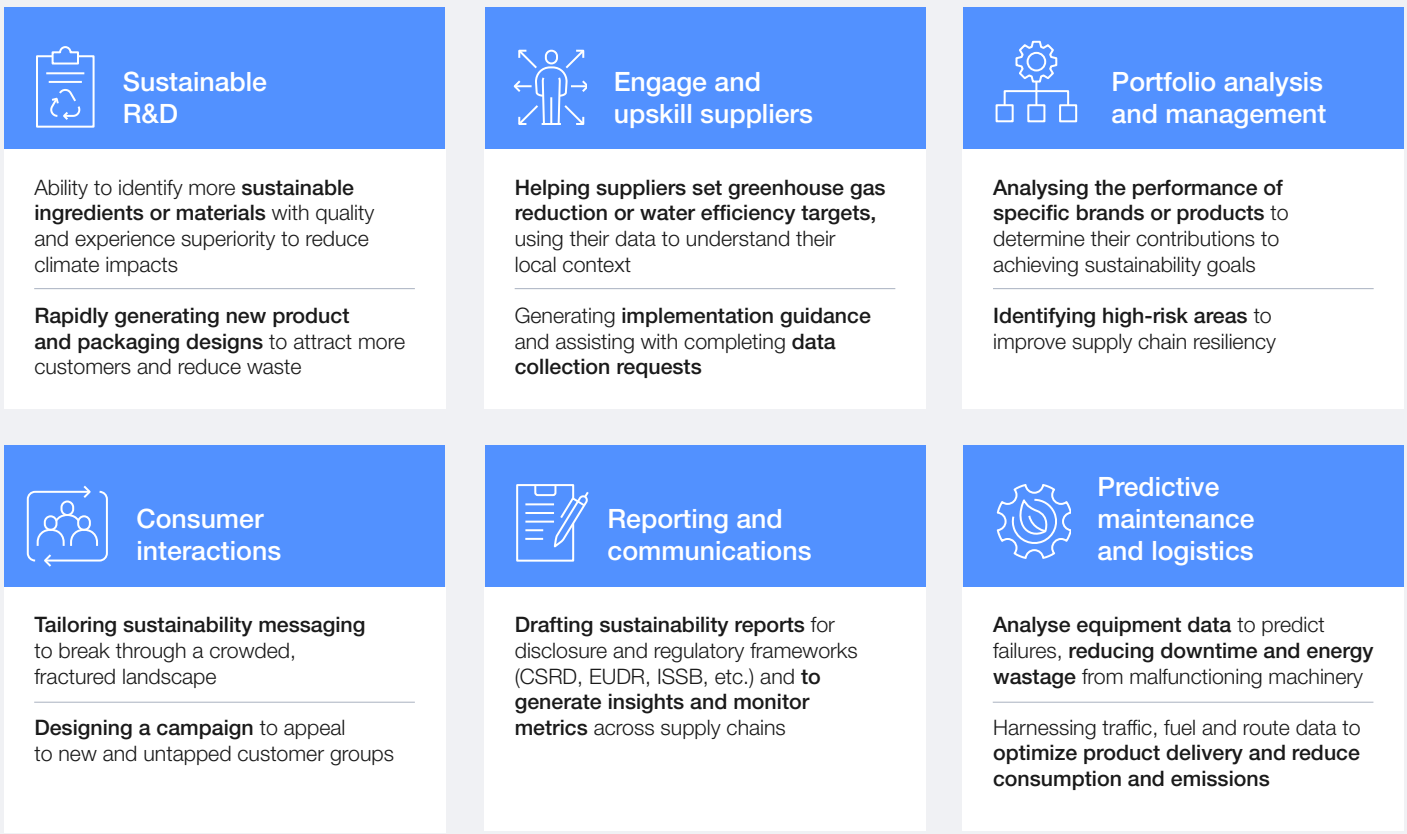
Focusing on three areas will help companies operationalize responsible AI:

Trust, bias and transparency: AI models have the potential to reflect biases inherent in their training data, such as existing social inequalities and stereotypes. For example, AI's dominance in English-speaking markets marginalizes non-English users, especially in the Global South. This is particularly risky for consumer industry companies, where biased AI outputs can directly impact consumer trust, damage brand reputation and lead to regulatory scrutiny. Integrating human-by-design principles – such as fairness, transparency, explainability and accuracy – is crucial to mitigating unintended consequences and biases.

Data and governance: Consumers expect meaningful value in exchange for sharing their data, but growing concerns over privacy and accuracy can quickly lead to trust issues. Maintaining trust requires reflection on data governance through a consumer-centric lens, and an emphasis on transparency and safety. Educating consumers about the amount and type of data collected can support them in making informed choices.

Sustainability: Even though AI technologies require an enormous amount of energy, they can also help companies mitigate those needs. AI has the potential to address sustainability challenges confronting business and society by optimizing processes and reducing resource consumption. It can act as an accelerator in achieving net-zero goals across multiple dimensions (Figure 21).

FIGURE 21 | **Examples of AI tackling sustainability challenges**



Source: Accenture.

> Responsible AI adoption that integrates sustainability as a core principle will ensure that AI systems are developed and deployed with a focus on minimizing ecological impact.

AI is critical to sustainability, according to Athina Kanioura, **PepsiCo's** Chief Strategy and Transformation Officer. "As a company, we are making significant commitments in the sustainability space," she notes. "But with this ambition, we need the right enablers, and AI becomes an enabler of how we protect the environment." Kanioura highlights farming communities as a key area for AI-driven transformation, with PepsiCo helping farmers use AI in the field. Potato growers in North America, Latin America and Europe have gathered over a million data points, from seed selection to water use. Through machine learning, farmers improve productivity and optimize yields while promoting sustainability by reducing water, pesticides and greenhouse gas emissions. As more data is collected, PepsiCo's farming practices become increasingly sustainable.[44]

While harnessing AI for environmentally positive outcomes is essential, responsible AI adoption that integrates sustainability as a core principle will ensure that AI systems are developed and deployed with a focus on minimizing ecological impact, especially in light of the high energy demands of AI systems. To that end, "sustainable-by-design" approaches include:

1. **Improving energy efficiency**: Prioritizing energy-efficient AI designs through algorithm optimization, advanced silicon technologies and AI support itself to enhance energy management across operations
2. **Advancing low-carbon materials**: Integrating sustainable materials into AI infrastructure, including green construction components, decarbonized supply chains and innovative fuels, to reduce overall carbon footprints
3. **Creating sustainable data centre operations**: Adopting efficiency and circularity innovations, with a focus on renewable energy, minimizing water use and implementing systems for carbon capture and water replenishment

Another vital input to ensuring responsible AI use is collective action, covered in the final chapter.

5 Opportunities for collective action

Key priorities are AI-driven business value delivery, environmental benefits and the need to strengthen society at its weakest points.

5.1 Which priorities, and when?

In the near term, as business leaders learn more about AI potential for their companies, they will be focused on where to invest and what to prioritize to earn the returns they expect. The community has the opportunity, meanwhile, to look up and out, and pave the way for industry actors to move from ideas to action as easily and responsibly as possible. This is a chance to harmonize efforts and establish standards and practices that benefit businesses, the environment and society – encompassing both consumers and the workforce.

AI for sustainability

Sustainability, particularly managing Scope 3 emissions (which account for over 80% of consumer industries' emissions), poses significant challenges for consumer industries, particularly for those that rely on complex, multi-tiered supply chains and external partners.[45] Fortunately, AI presents new opportunities to interconnect industry supply chains and enable transparent, efficient operations across sectors.

Collective action thought starter

Support the development of an AI-enabled shared logistics platform where companies can exchange anonymized data about empty trucks, for example, or underused containers. Through enhanced supplier collaboration, this platform would help companies optimize resources and track emissions more effectively.

Cross-industry data sharing

With diverse data practices and proprietary formats across companies, seamless data sharing has become a significant challenge for consumer industries. Moving forward, industry-wide standards for data sharing and interoperability would enable industry-wide collaboration, reducing redundancy, ensuring greater efficiency across the entire industry value chain and enabling consistent, high-quality data to inform more robust and accurate AI models. What's needed is a clear articulation of value, with savvy data use becoming a competitive edge across the industry.

Collective action thought starter

Define a unified framework for data sharing and auditing, allowing for seamless and secure industry collaboration. By harnessing AI models such as Global Standards One, or using approaches such as data clean rooms, companies can share supply chain and consumer data safely, improving trust and efficiency without creating competitive risks.

Empowering workforce transition

Developing a skilled workforce capable of supporting AI-driven transformation is essential in the age of AI and genAI. Yet, current reskilling initiatives are often segregated, and industries lack an overarching framework for talent development that addresses rapidly evolving skill requirements. Consumer industries can work together to develop a shared framework for reskilling and upskilling, for example, harnessing AI to enable faster, targeted training. The industry can also pursue public-sector-supported AI initiatives to accelerate efforts.

Collective action thought starter

Establish a "standardized skills framework" to guide workforce reskilling and upskilling in the age of AI. This framework would ensure alignment on the critical skills required to thrive in an AI-driven landscape, allowing companies to collectively adopt best practices for talent development and workforce transitions.

Industry self-governance to build trust and transparency

Consumers remain wary and confused about AI's role in their daily interactions, with only a third trusting how organizations are implementing it. For consumer industries, this raises the question of how to communicate AI's value transparently and address privacy concerns to build lasting trust. Given that 90% of AI's success depends on the quality and reliability of data, an industry-wide approach to transparent communication is essential to cultivate consumer confidence.

Collective action thought starter

Establish the "rules of the game" to build trust through the harmonization of standards. This includes dimensions around data privacy, security and sharing, mitigation of algorithm biases in LLMs, and supporting consumer adoption by clearly communicating how AI and genAI are being harnessed.

Conclusion

The future of consumer industries holds vast opportunities and challenges alike. The integration of AI technologies could present transformative potential across every aspect of the value chain if executives use mega processes to focus their efforts. This evolution is not about layering technology on to old processes – it's about people using more powerful forms of technology than they have ever had at their fingertips before to elevate their capabilities and tap into new sources of creativity. Adopting AI with a people-centric approach, prioritizing skill development and responsible AI governance, is vital.

Ultimately, as AI continues to reshape consumer industries, organizations that align technological innovation with these values will be better positioned to lead in an increasingly competitive environment. The convergence of advanced technologies and the need for responsible adoption will determine not only business success but the industry's role in building a future that is economically viable, inclusive and sustainable. By cultivating a new model of collective change, consumer industries can use AI to create lasting value for businesses, consumers and society at large.

Businesses embracing AI in this way will not only streamline operations but also open new avenues for growth and innovation, propelling the future of consumer industries into a more intelligent, data-driven and, yes, **human** era.

Contributors

Lead authors

Karen Fang Grant
Global Industries Research Lead, Accenture

Zara Ingilizian
Head, Consumer Industries, Health Healthcare Industries; Member of the Executive Committee, World Economic Forum

Oliver Wright
Global Consumer Industries Lead, Accenture

Project team

Thomas Beckley
Consumer Industries Fellow, Growth & Strategy Lead, Accenture

Emma Blackburn
Research Senior Principal, Consumer Insights, Accenture

Tomás Castagnino
Managing Director, Economic Research, Accenture

Hannah Davin
Community Specialist, World Economic Forum

Maria Florencia Espinosa
Research Associate Manager, Accenture

Jill Hoang
Initiatives Lead, AI and Digital Technologies, Centre for the Fourth Industrial Revolution Digital Technologies, World Economic Forum

Michael Hughes
Director, Sustainability Strategy & UN Programs Lead, Accenture

Regina Fazio Maruca
Senior Editor, Research, Accenture

Javier Rodriguez
Consumer Industries Research, Growth & Strategy, Accenture

Maria Belén Rubio
Research Manager, Accenture

Amar Subramanian
Managing Director, Global Consumer Industries Reinvention Lead, Accenture

Praveen Tanguturi
Principal Director, Global Data & AI Research Lead, Accenture

Nevine El-Warraky
Senior Managing Director, Global Products & Consumer Industries Lead, Accenture Song

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Gap

Gartner

Google

Grab

H&M Hennes & Mauritz

Hepsiburada

HowGood

iGenius

INGKA SERVICES

Jio Haptik Technologies

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Walmart

Welspun Living

Writer

Wumart Stores

Production

Louis Chaplin
Editor, Studio Miko

Laurence Denmark
Creative Director, Studio Miko

Charlotte Ivany
Designer, Studio Miko

Jay Kelly
Designer, Studio Miko

Endnotes

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World Economic Forum
91–93 route de la Capite
CH-1223 Cologny/Geneva
Switzerland

Tel.: +41 (0) 22 869 1212
Fax: +41 (0) 22 786 2744
contact@weforum.org
www.weforum.org