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Together makes progress

Winning with retail: Growth through collaboration in the era of the value-seeking consumer

Contents

A growth imperative for both retailers and consumer packaged goods companies (CPGs)

The value-seeking consumer has reshaped demand—and delivering sustained topline growth has become harder and more urgent for both retailers and CPGs.

Over the past several years, price-led revenue expansion has largely peaked, and industry volume trends remain negative[1]. At the same time, consumer behavior is shifting rapidly. Deloitte's Value-Seeking Consumer research[2] shows that 4 in 10 Americans exhibit cost-conscious or deal-driven behaviors, and nearly 30% of them are high-income households. In other words, value-seeking is now mainstream: Consumers want affordability and quality, efficiency and authenticity—simultaneously.

Despite sitting on opposite sides of the shelf, retailers and CPGs are now grappling with the same question: Where will we find the next wave of revenue growth?

We believe the answer lies at the intersection between retail and CPG systems, data, and commercial decisions. Our ***Retail–CPG commercial collaboration benchmark survey*** (see methodology) reveals that while companies have made progress (73% increased collaboration over the past five years and 86% saw higher sales), many remain stuck in cycles of incremental improvement rather than unlocking step-change value. The desire is clear from the respondents: Companies want to collaborate 1.2–2x more than they do today. And the upside is meaningful. We believe advanced collaboration actions can deliver middle single-digit top-line growth in industries struggling to achieve positive growth.

This is an opportunity: Collaboration as the next growth engine—unlocking relevance, resilience, and real demand in the era of the value-seeking consumer.

Collaboration as the new growth engine

Future growth will be driven not by deeper discounts or larger portfolios, but likely from **shared intelligence and collaborative execution.**

Through our analysis of ***Deloitte's Retail-CPG commercial collaboration benchmarking survey results and client case studies***[3], we see five major opportunity areas to unlock transformational value from commercial collaboration.

1. **Are you planning jointly or simply exchanging plans?**
   Moving from annual rituals to real-time, artificial intelligence (AI)-supported Joint Business Planning (JBP).

2. **Do you have shared Revenue Growth Management (RGM) or separate efforts influencing the same shopper?**
   Aligning investment via joint analytics to drive growth and margin improvement.

3. **Are you designing innovation <u>with</u> your partners or <u>for</u> them?**
   Using shared data and predictive models to co-create incremental growth.

4. **Are your Route to Market (RTM) networks working together or in parallel?**
   Building connected, resilient networks that reduce cost-to-serve.

5. **Are teams structured and incentivized to win together or stuck trying to win alone?**
   Automating work and aligning teams to drive true collaboration.

1. Joint Business Planning (JBP)

Moving from annual rituals to real-time, AI-supported JBP

Current challenge

JBP was consistently rated by retail and CPGs respondents as **the most impactful area of collaboration**, yet it remains one of the least transformational in practice.

While JBP is nearly universal, it often reinforces existing ways of working instead of driving breakthrough growth. The barriers are often structural.

- **Goal misalignment** is the top constraint, cited by **56% of retail** and **73% of CPGs** survey respondents.
- More than 50% of companies responding to the survey suggest **data-sharing is too time-consuming and complex.**
- **Fragmented omnichannel planning** persists, with only **18%** of companies in the survey conducting fully integrated planning across channels.

The result: JBP becomes an annual negotiation, not a mechanism for continuous, profitable growth.

Collaboration opportunity

Retailers and CPGs can redefine JBP as a **real-time alignment system**, supported by shared data, transparent targets, and AI-enabled decision-making. This modernized model should include:

- **Joint access to commercial goals, forecasts, and consumer signals**, ensuring both retailers and CPGs work from the same live fact base.
- **Technology platforms to standardize data-sharing and scenario modeling**, reducing the friction that has historically limited collaboration.
- A path toward **"agentic JBP"**, in which AI co-pilots synthesize data, surface misalignments early, and simulate category growth scenarios optimized for total value.

This shifts JBP from a static planning exercise to a dynamic, always-on collaboration engine.

Impact potential

- **~2x increase** in the ability to identify growth potential
- **20%–40% forecast accuracy improvement**, 75% faster alignment
- Transparent, data-driven reconciliation of competing goals
- Stronger trust through continuous visibility

2. Revenue Growth Management (RGM)

Aligning investment via joint analytics to drive growth and margin improvement

Current challenge

Retailers and CPGs are increasingly focused on utilizing RGM levers as a primary mechanism for commercial growth. Deloitte analysis indicates more than 80% of CPG companies highlight RGM as an important focus, based on publicly available comments[4]. However, the analysis and execution of these decisions remain somewhat disconnected across retailers and CPGs. These disconnects include:

- **80% of retailers surveyed expect (at least) quarterly pricing refreshes versus 58% of CPGs.**
- **75% of retailers surveyed anticipate the need for store-level pricing versus 57% of CPGs.**

Opportunity space

A collaboration opportunity involves a move from episodic decision-making to a shared, analytics-driven commercial system built on:

- **Aligned views of demand elasticity, incrementality, and category return on investment (ROI).**
- **More frequent and more granular recommendations** enabled by new data sets, automation, and AI.
- **Joint measurement and post-event and execution analysis** to close the loop and continuously refine decisions.

When retailers and CPGs align on a common RGM vision, they can improve not only price perception and promotional efficiency, but also category growth, profitability, and the shopper experience.

Impact potential

- **3%–5% improvement** in top-line growth
- **5%–10% improvement** in trade/promo effectiveness
- **2–3x faster pricing** and promotion refresh cycles
- More granular, localized, and targeted RGM recommendations

3. Innovation

Using shared data and predictive models to co-create incremental growth

Current challenge

With price-led growth reaching its limits and competition intensifying, especially from private labels, **innovation is a strategic lever for market performance.** Yet often, the innovation process only becomes collaborative once the most material decisions have been made.

Today, **only 19% of CPG survey respondents involve retailers during early-stage ideation**. Meanwhile, **44% of retailers surveyed prefer ideation-stage involvement** (a number that climbs to **80%** when including both ideation and development). This misalignment can slow cycle times, raise risk, and reduce the odds of delivering innovation that truly meets emerging consumer needs.

In short, innovation is as important as ever, but the innovation model is not built for the dynamics of the value-seeking consumer or the realities of omnichannel retail.

Collaboration opportunity

CPGs often collaborate more deeply with retailers on incremental innovation (e.g., pack-price architecture), suggesting the foundation exists for a more holistic, joint approach. A more collaborative innovation model could include:

- **Broader use of first-party data from both sides**—retailer loyalty and media signals combined with CPG consumer insights and category drivers—to identify unmet needs earlier.
- **Joint ambition-setting around category growth**, including selective exclusivity by retailer, channel, or shopper mission where it creates true incrementality.
- **AI-enabled concepting and design**, where machine learning integrates demand signals, manufacturing constraints, and shelf realities to accelerate development and reduce failure rates.

This shifts innovation from isolated pipelines to **co-created, data-led portfolios** aligned to where consumer demand is actually forming.

Impact potential

- **2x faster** innovation cycles
- **Higher launch success rates** and reduced failure risk
- Earlier retailer engagement driving greater shelf velocity
- Innovation more aligned to real, emerging consumer missions

4. Route to Market (RTM)

Building connected, resilient networks that reduce cost-to-serve

Current challenge

RTM decisions affect availability, cost-to-serve, and service levels—core drivers of margin and overall shopper satisfaction. Both retailers and CPGs cite operational efficiency (No. 1 benefit) and profitability as key aspects of an effective route-to-market strategy. However, these organizations also recognize this as the area with the largest gap between current and desired level of collaboration. Fundamental misalignment persists:

- **80% of CPGs surveyed believe they understand and align to retailer priorities, but only 47% of retailers agree.**
- **63% of CPGs surveyed say their RTM activities are primarily reactive**, driven by daily firefighting rather than strategic, future-oriented planning.

As a result, retailers and CPGs frequently "speak different languages" about service levels, investments, and total cost-to-serve—limiting the industry's ability to build more efficient, resilient networks.

Opportunity space

An RTM opportunity begins with a **shared view of priorities** and a commitment to building a **lower-cost, higher-service value chain** together. Improving RTM outcomes involve a strategic, multi-year approach grounded in transparency and joint decision-making. This evolution may include:

- **Multi-year planning processes** that support long-lead investments in network design, customer service models, and fulfillment capacity.
- **Greater transparency** into major retailer investments—such as digital commerce infrastructure or multichannel fulfillment—that allow CPGs to adapt RTM strategies in lockstep.
- **Forward-looking scenario planning** (e.g., direct-store delivery versus warehouse models, field sales structures, omnichannel service tiers) to identify the most efficient and sustainable service models for both parties.

This shift from short-term bias to long-horizon planning can establish the foundation for **real, shared cost reduction and improved service reliability.**

Impact potential

- **5%–7% operating margin improvement**
- **Improved service reliability** and on-shelf availability
- Shared visibility and real-time agility across channels
- Reduced duplication of logistics, inventory, and labor

5. Talent

Automating work and aligning teams to drive true collaboration

Current challenge

As growth becomes harder to unlock, both retailers and CPGs are increasingly constrained by capacity bottlenecks and administrative burdens. These constraints can directly limit collaborative potential.

- **67% of retail and CPG leaders surveyed believe they lack the resources** required for effective collaboration.
- **62% say their incentives are not aligned to** support joint outcomes.
- Nearly 50% report that category managers (retail) or account managers (CPGs) spend **more than half their time** on routine administrative tasks.

This environment fuels a broader **perception gap**: While **roughly 90% of retailers** want stronger collaboration with CPG partners, CPGs perceive "a lack of desire" from retailers as the most prominent barrier. Capacity constraints, not willingness, may be the true culprit.

Opportunity space

Closing the perception gap may require **new ways of working** and **modern technologies** that free teams to focus on value creation rather than administration. This evolution may include:

- **AI automation** of administrative and repetitive tasks such as data wrangling, reporting, reconciliation, and plan updates, so teams can focus on decisions rather than preparation.
- **Common, transparent key performance indicators (KPIs)** (e.g., total category growth, profitability, shopper satisfaction, joint ROI) that align incentives across the value chain.
- **Reoriented team structures and rhythms**, including more frequent touchpoints, shared analytics environments, and decision cycles that match consumer and market timing.

Together, these changes pave the way for **Joint Growth Offices (JGOs)** or similar cross-company teams built around shared outcomes and real-time collaboration.

Impact potential

- **20%–40% productivity gains**
- At least **20% time savings** through automation and streamlined decisioning
- **Faster, more aligned decisions** driven by shared metrics and data
- Stronger cross-company trust and more consistent growth execution

Where to start

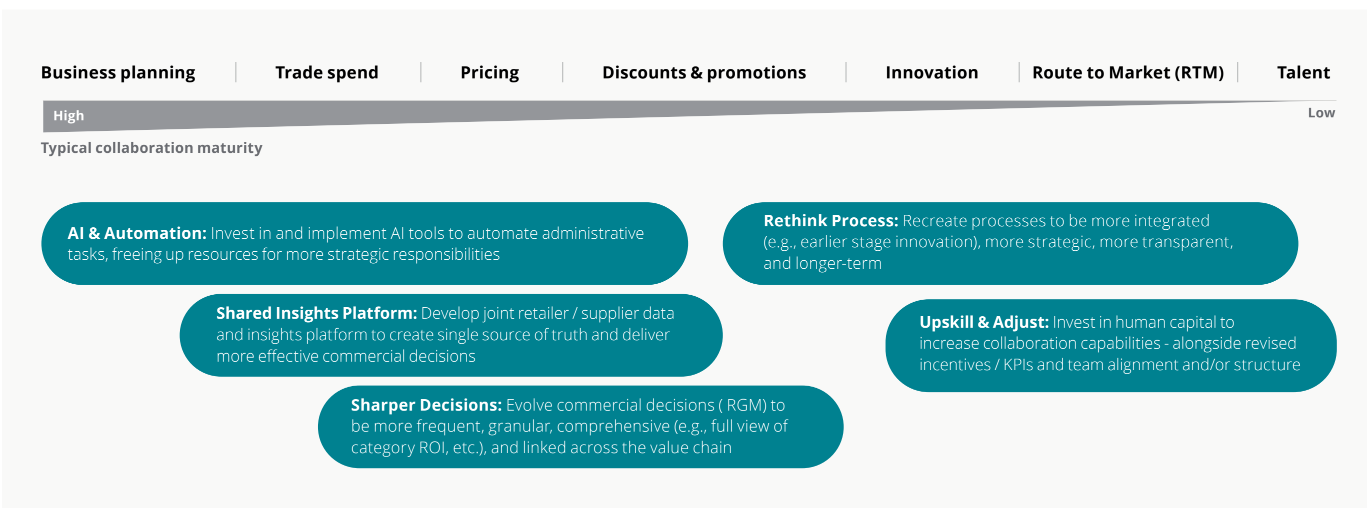
Most organizations recognize the value of deeper collaboration, but the path forward can feel complex. The fastest progress may come from **focusing on a few high-impact moves that build momentum across the system.** Knowing where to start often depends on an organization's current maturity, overall strategic position, and the value associated with collaboration investments. As organizations assess capabilities and contemplate the path forward, we see a series of common initiatives, which span across the major areas of commercial focus (see chart below).

To be clear, this is not about adding complexity, expanding teams, or forcing rigid processes, but rather enabling better, faster decisions on shared outcomes.

Deloitte's Commercial team can help accelerate these outcomes through a range of targeted, high-impact offerings including:

- A rapid assessment and benchmarking of commercial collaboration maturities.
- An Executive Acceleration Lab focused on prioritizing capabilities and better understanding of how collaboration drives growth.
- A suite of insights, analytics, and technology—driven by ConvergeCONSUMER—to help facilitate collaboration.

Our analysis points to several key opportunities, which can accelerate commercial collaboration—grounded in value potential and an organization's current capabilities.



Starting point initiatives to drive collaboration, which can be applied across opportunities over time.

1. Source: Deloitte's analysis of client case studies and the Retail-CPG commercial collaboration benchmarking survey with 90 senior leaders from the Retail and Consumer Products companies with $500M+ in US revenue. The respondents were mainly from the Commercial, Sales and Merchandising job functions.
2. Opportunity mapping and examples are representative and non-exhaustive. Most opportunities apply across collaboration areas.

To recap…

Growth is no longer unlocked by isolated decisions or siloed capability building. The future requires retailers and CPGs working together, creating multiple points of collaboration, sharing insights, and operating from one shared source of truth.

We believe the companies building collaboration into their commercial operating system will outpace an industry defined by lower growth, cost pressure, shifting demand, and increasing complexity. Those not focused on effective collaboration will likely struggle with growth and margin expansion and miss opportunities only joint action can capture.

The next era of advantage belongs to the organizations that treat collaboration not as an initiative, but as an organizational imperative[5]—one that drives relevance, resilience, and sustained growth.

What the future of collaboration could look like

A leading retailer and a major CPG operate a shared insights platform that securely connects their loyalty data, category drivers, supply forecasts, and trade performance into a unified, federated "source of truth." Both organizations access the same real-time view eliminating conflicting versions of demand, profitability, and incrementality.

AI continuously analyzes the combined data set, surfacing emerging shopper missions, identifying pricing or margin misalignment, and recommending coordinated actions across promotions, innovation, and supply. Teams across the organizations work from aligned dashboards, synchronized forecasts, and common KPIs, enabling faster, more confident decisions.

When the platform detects a new consumer behavior, each team rapidly evaluates concepts and aligns on which opportunities to pursue. When elasticity shifts or promotional performance deviates, both sides receive the same system-generated recommendations, allowing for near-simultaneous adjustments to pricing, promotions, and retail media activation.

Shared RTM analytics guide inventory placement, fulfillment routes, in-store execution, and service levels across channels. While the retailer and CPG execute independently, their decisions are coordinated through predictive insights, transparent constraints, and scenario modeling, reducing cost-to-serve and improving availability.

The result is a future where retail and CPG teams remain distinct but deeply aligned. Collaboration becomes the operating system that drives more precise actions, stronger category growth, and value neither side could unlock alone.

Methodology

Retail-CPG commercial collaboration benchmarking survey

We conducted a benchmarking survey[1] with **90 senior leaders** from the following profile:

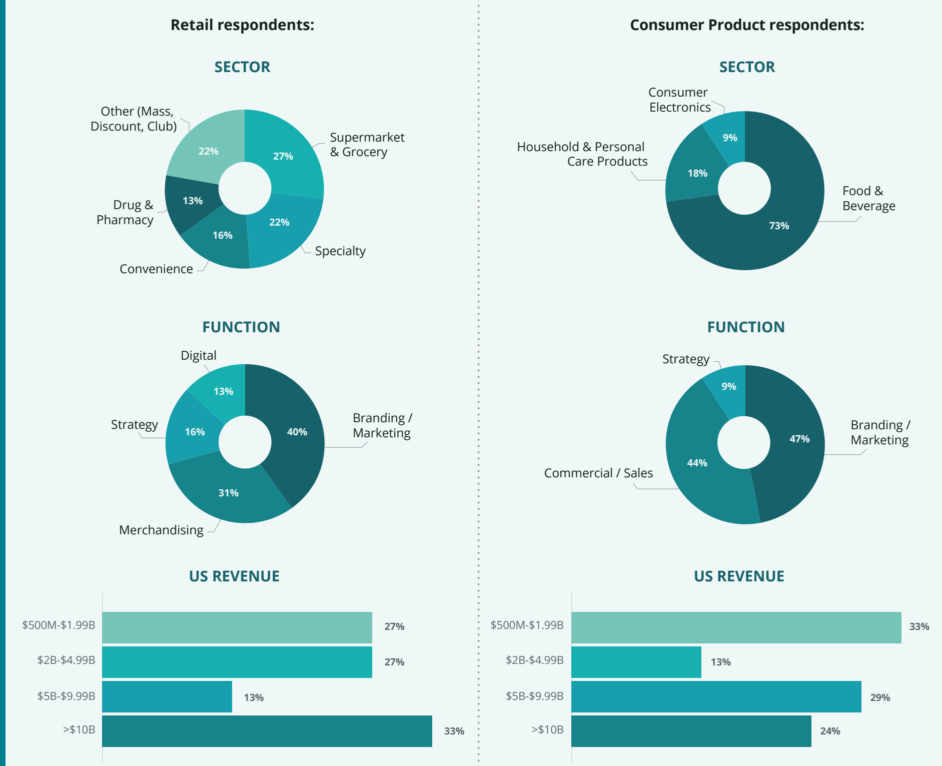
Retail or Consumer Products industry
50% from each industry

Commercial functions
E.g., Merchandising, Commercial/Sales

Significant business in U.S.
Focus on companies that have $500M+ in US revenue

The survey focused on **collaboration practices, benefits, and challenges across various commercial areas:**

1. Overall Retail-CPG collaboration
2. Data and analytics
3. Business planning
4. CPG product innovation
5. Trade spend
6. Pricing, discounts, and promotions
7. Route to Market (RTM)
8. Operating model



1. About the survey: The survey was conducted with 45 retail and 45 CPG leaders (senior managers and above) to better understand commercial collaboration between the two entities. The survey was deployed in October 2025 by Deloitte and conducted online by an independent research company.

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Endnotes

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