



State of Generative AI in the Consumer Industry

AI That Sells Itself:

Unlocking Consumer Industry Potential

November 2025

Deloitte AI Institute™

Deloitte's State of Generative AI in the Enterprise Quarter four report



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Executive Summary

As organizations in the Consumer industry increasingly recognize the transformative potential of generative AI, they are embarking on a complex journey characterized by both promise and challenges. The current landscape highlights a growing emphasis on operational efficiency and customer engagement, yet organizations must confront significant barriers to adoption, including regulatory compliance, risk management and talent shortages.

A notable portion of executives are prioritizing improvements in efficiency and productivity, indicating a strong drive towards optimizing operations. However, the complexities of generative AI implementation present challenges that require careful navigation. Concerns regarding compliance with evolving regulations and the inherent risks associated with data misuse underscore the

necessity for robust governance frameworks. Additionally, cultural resistance among employees, along with difficulties in attracting specialized talent, further complicate efforts to scale AI initiatives.

Moreover, while many organizations express a desire to explore the benefits of generative AI, apprehension regarding the reliability of these technologies persists. Issues such as inaccuracies and biases remain a point of concern, hindering broader adoption and undermining consumer trust. Despite these challenges, there is noteworthy enthusiasm for advanced applications of generative AI, with many organizations eager to develop autonomous systems and leverage cross-functional collaboration to foster innovation.

This report provides a comprehensive overview of the current state of generative AI adoption within the Consumer industry, focusing on strategic goals, challenges and technological interests. By addressing the intricacies of implementation and the critical barriers organizations face, it aims to equip senior executives and decision-makers with actionable insights. As the landscape continues to evolve, embracing a proactive and strategic approach will be key for organizations seeking to unlock the full potential of generative AI and ensure sustainable, long-term growth in an increasingly competitive market.

Foreword

We are witnessing a significant period in the advancement of technology, as generative AI transitions from experimental applications to tangible real-world effects. Within the global consumer industry, this transformation extends beyond the adoption of novel tools; it necessitates a fundamental reassessment of how value is created, delivered and maintained in a dynamic environment.

In my conversations with industry leaders over the past year, it has become clear that generative AI has moved beyond early enthusiasm to deliver measurable outcomes. Consumer businesses now utilize these technologies to personalize customer interactions, enhance operational efficiency and create new opportunities for growth and market differentiation.

However, such transformative change is accompanied by notable challenges. Issues pertaining to data privacy, ethical deployment and responsible innovation require dedicated leadership and comprehensive governance frameworks.

What sets the Consumer industry apart is its direct interface with people, enabling organizations to engage with consumers in ways that both reflect and shape behavior across diverse groups. This year's findings highlight this influential role that global consumer organizations occupy at the nexus of technology and society, driven by evolving consumer behavior. Early adoption of generative AI enables consumer organizations to secure competitive advantages through market foresight, agile responses and the delivery of innovative products and services tailored to different consumer groups.

As organizations spearhead this evolution, it remains imperative that they uphold trust, transparency and inclusivity to fully realize the potential of generative AI on a worldwide scale.

Anticipating continued rapid change, those organizations positioned to succeed will be distinguished by their willingness to pursue bold innovation while maintaining a steadfast commitment to value realization, ethics and human-centered principles. Navigating this emerging landscape calls for collaboration among brands, technology partners, regulatory bodies and stakeholders.

We invite you to review the insights presented in this report, which reflect both the opportunities and complexities associated with generative AI in the consumer sector. Through collective effort, we can foster a future where innovation aligns with responsibility, ensuring sustainable value for consumer businesses and their customers.

Learn more about the series and sign up for updates at

<http://deloitte.com/us/state-of-generative-ai>

– Nicola Johnson, Global Consumer Industry Leader



+ Adoption and Implementation of Generative AI

Adoption and Implementation of Generative AI

The integration of generative AI technologies marks a transformative shift for organizations in the Consumer industry. As businesses seek improved operational efficiency and enhanced customer engagement, understanding the current state of generative AI adoption is essential. This chapter examines organizations' readiness, adoption across functions, workforce preparedness, deployment pace and technological utilization.

Readiness levels for leveraging generative AI vary across the consumer industry. While 42% of organizations report strong preparedness in technology infrastructure, this still falls short of the global average of 47% (figure 1). More concerningly, only 18% express confidence in their risk and governance frameworks—significantly below the global average of 24%. This disparity reveals vulnerabilities that may hinder effective AI integration.

Level of preparedness

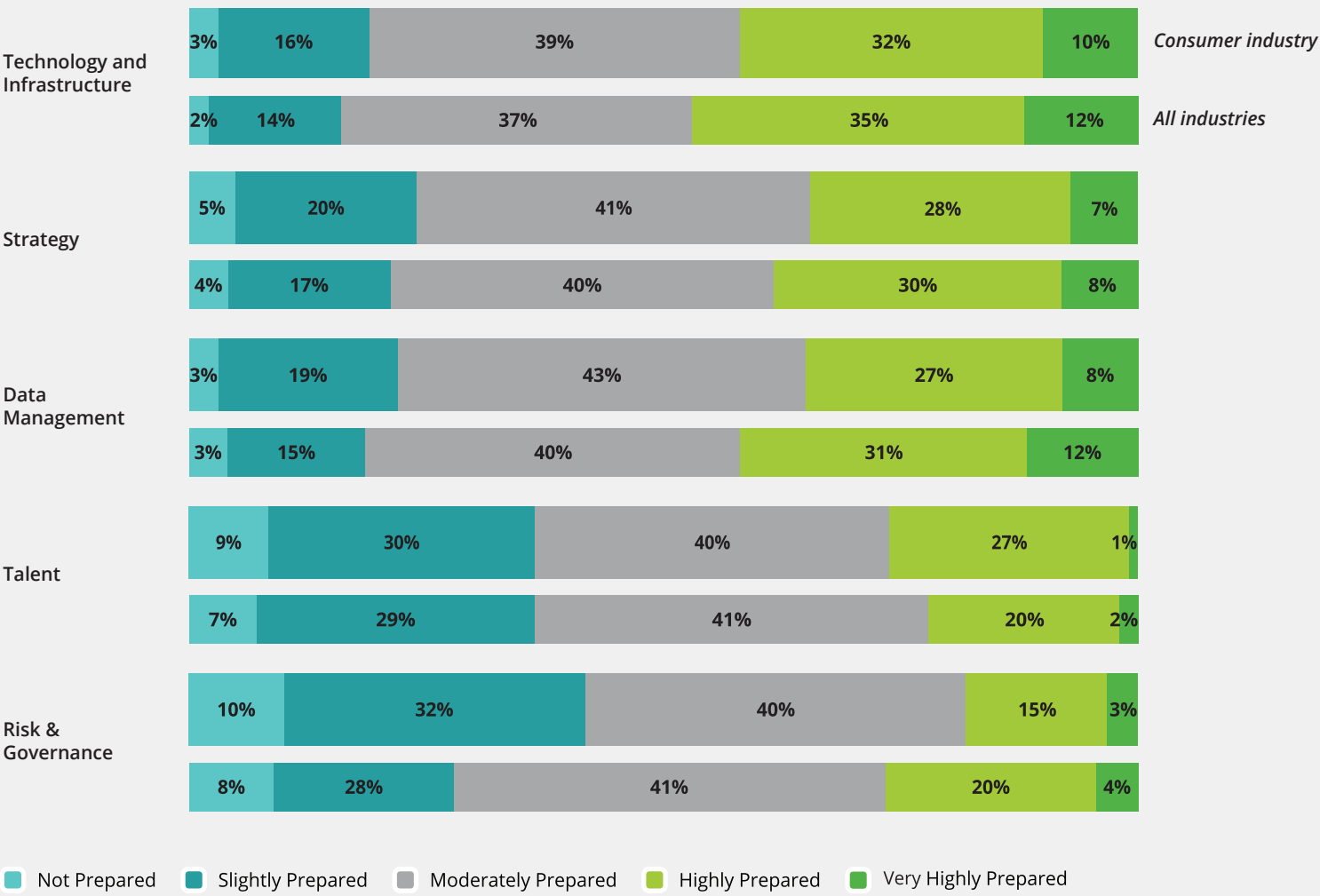


Figure 1 Q: Consider the following areas. For each, rate your organization's level of preparedness with respect to broadly adopting generative AI tools/applications.

Adoption and Implementation of Generative AI

Data management preparedness stands at 35%, acknowledging the foundational role of data in generative AI success but still trailing the global average of 43%. The emphasis on technology infrastructure reflects an awareness of the need for adaptive tools, but risks in governance may stall progress. Organizations must prioritize enhancing risk frameworks to fully leverage generative AI.

In terms of adoption landscape, the Consumer industry exhibits strengths in marketing, sales and customer service, with 20% of respondents achieving “at scale” implementation, outpacing the global average of 14% (figure 2). Adoption in IT/cybersecurity is lagging, with only 18% reporting at scale implementation, compared to a global average of 26%. This suggests that foundational support is being overlooked. The disparity in adoption rates underscores a strategic imbalance. Aligning funding towards both customer-facing functions and back-end support is crucial for the sustainable advancement of AI technologies.

Level of GenAI adoption

Respondents selecting ‘at scale implementation’

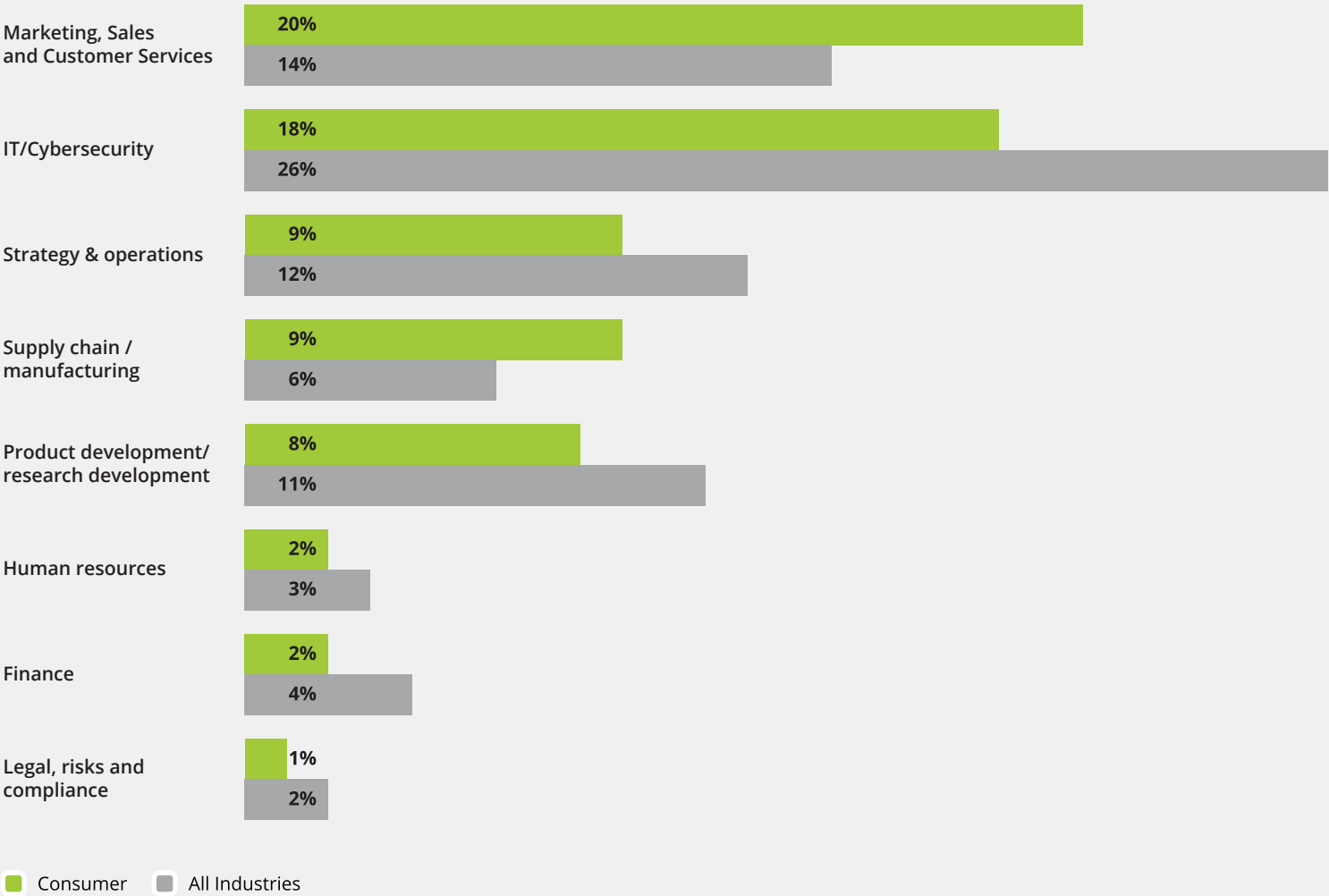


Figure 2

Q: What is your organization's current adoption level of generative AI across the following functions?

Adoption and Implementation of Generative AI

Workforce readiness is critical for successful generative AI adoption. While 37% of organizations are working to educate their workforce on generative AI, this remains below the global average of 43%. Concurrently, only 31% are focused on reskilling employees, which lags behind the global average of 40%. Recruiting specialized talent hovers at 31%, marginally below the global average of 33%. Investing in workforce development, including education and recruitment, is vital for maximizing generative AI potential while ensuring smooth integration.

The pace at which generative AI is being adopted reveals a troubling trend. Only 43% of organizations reported adopting generative AI “Somewhat or very fast,” against a global average of 52%, positioning the Consumer industry at the bottom part of all industries. This slow pace reflects apparent hesitance that may stem from inadequate preparation in technology infrastructure and risk governance. The connection between preparedness

and adoption rates is clear. Higher levels of readiness lead to quicker implementation.

Insights from the survey reveal a complex relationship between preparedness, workforce efforts and adoption rates. Low levels of readiness, especially in Talent and Risk & Governance, hinder organizations from fully maximizing the advantages of generative AI. The inconsistencies in adoption across functions further emphasize a need for more inclusive strategies that prioritize both customer engagement and internal efficiency.

A balanced and strategic approach to generative AI adoption is necessary. Organizations should enhance their technological infrastructure, develop comprehensive talent strategies and strengthen risk governance frameworks. Moreover, promoting cross-functional engagement and investing in continuous workforce learning will be crucial in fostering an environment conducive to generative AI success.





+ Challenges and Barriers to AI Adoption

Challenges and Barriers to AI Adoption

As organizations across the consumer industry recognize the potential of generative AI, they face significant challenges in adoption. This chapter explores critical barriers faced by organizations in successfully implementing these technologies. Key areas of concern include regulatory compliance, risk management, cultural resistance and talent shortages. These challenges must be addressed to avoid stagnation in AI projects and ensure successful adoption.

For consumer organizations, regulatory compliance and risk management underpin their license to operate in an evolving AI landscape. Thirty-two percent of respondents flagged compliance as a barrier compared with 38% across industries, while 29% cited risk management, just below the 32% average (figure 3). These figures may be lower than in other industries, but the reputational and operational stakes in the consumer industry mean even minor missteps can carry outsized consequences, prompting a governance-first approach before scaling AI.

Barriers of adoption

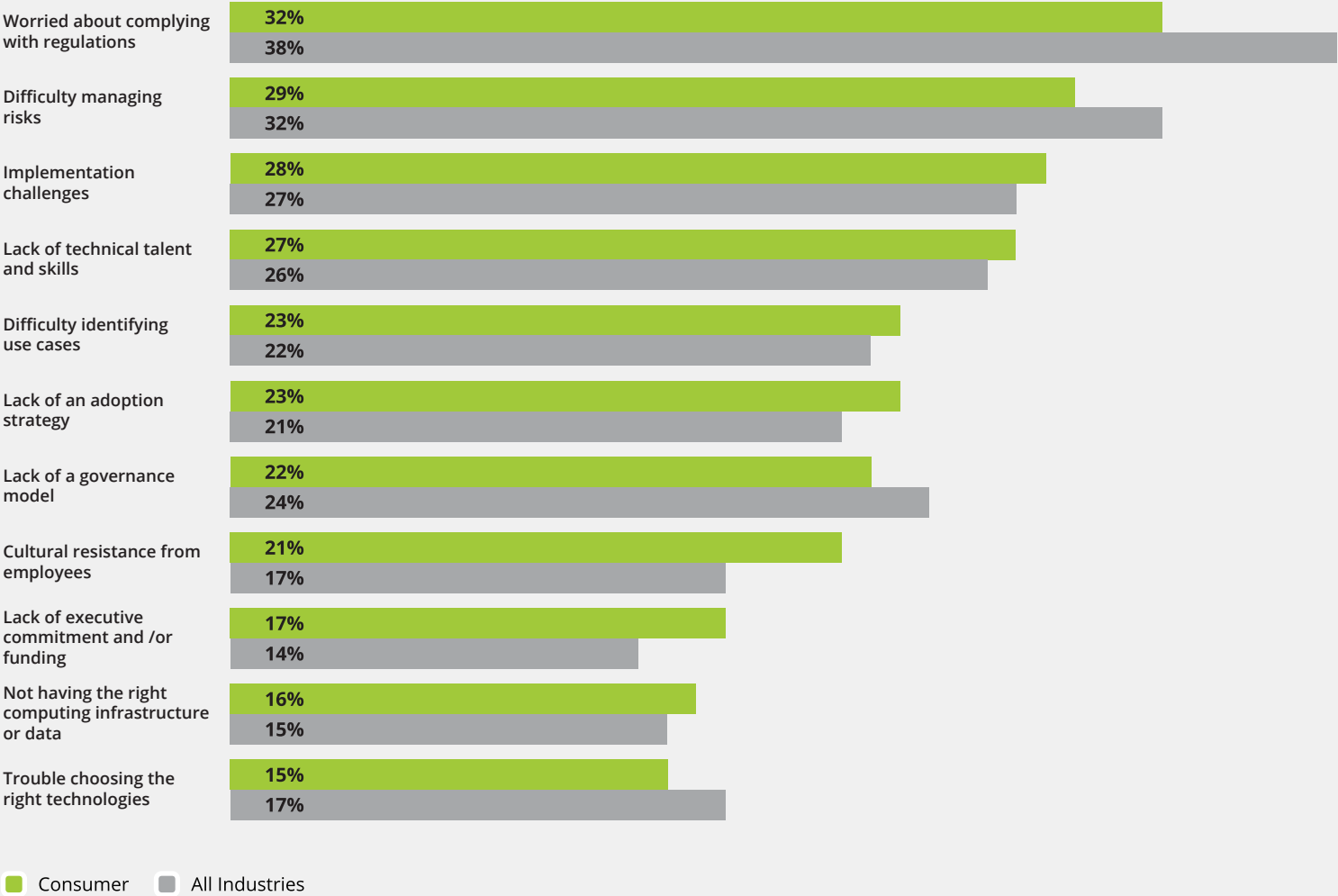


Figure 3

Q: What, if anything, has most held your organization back in developing and deploying generative AI tools/ applications?

Challenges and Barriers to AI Adoption

The sharpest difference is cultural, with 21% of consumer respondents reporting employee resistance to AI adoption versus 17% across industries. This resistance can stall transformation even when technology and governance structures are in place. Overcoming it will require a compelling narrative about AI's value, supported by leadership commitment and early, visible successes.

Beyond compliance and culture, consumer organizations highlight several marketplace impediments that could slow generative AI adoption over the next two years. Not achieving expected value tops the list, with 40% citing it as the primary concern, reflecting skepticism about AI's ability to deliver on its promises. Mistakes or errors causing real-world consequences follow at 33%, slightly below the cross-industry average of 35%. Availability of sufficient high-quality data is also seen as a challenge by 31% of respondents,

in line with broader trends. These factors illustrate that while interest in generative AI is strong, practical concerns about value, risk and data quality remain significant barriers to market growth.

Despite these challenges, organizations display a willingness to engage with technological advances. Interest in Agentic AI, which stands at 52%, matches the cross-industry average and reflects broad recognition of generative AI's transformative potential when effectively harnessed. Similarly, 46% express a desire for multimodal capabilities, slightly above the industry average of 44%, indicating an ambition to extend AI applications beyond traditional boundaries. This openness signals significant growth potential if AI technologies are deployed responsibly (figure 4).



The journey toward generative AI adoption is filled with significant barriers that organizations must confront. Addressing regulatory compliance, risk management, cultural resistance and technical expertise is essential for unlocking the potential benefits of generative AI. Organizations need to craft cohesive strategies that prioritize innovation,

talent development and risk management, creating an environment conducive to successful AI adoption. By recognizing these intertwined challenges, organizations can move toward a future of enhanced operational efficiency and innovation.

AI technology development

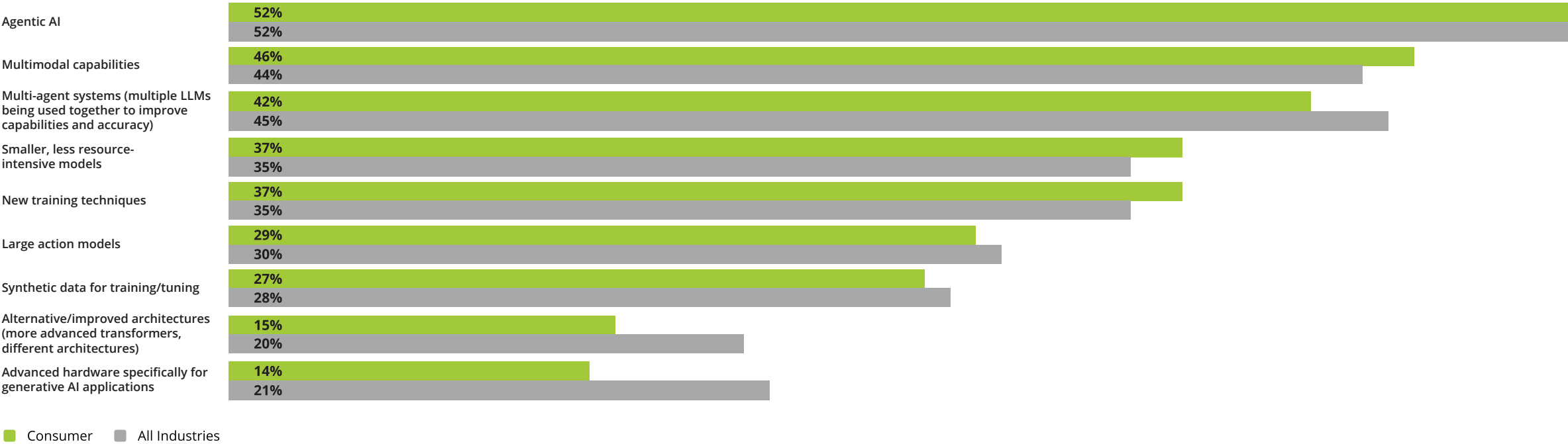


Figure 4

Q: What generative AI technology developments is your organization most interested in?



+ Strategic Goals and
Technological Interests
in Generative AI

Strategic Goals and Technological Interests in Generative AI

Generative artificial intelligence (AI) is transforming the Consumer industry. Businesses see it as a powerful tool for innovation and value creation. Efficiency, cost management and improved customer relationships are key goals as organizations embrace digital transformation. Aligning these objectives with generative AI advancements sets the groundwork for operational success and fosters a culture of continuous improvement.

The primary benefit anticipated from generative AI is enhanced efficiency and productivity. Fifty-five percent of Consumer organizations recognize this as crucial, mirroring the global trend of 54%. This highlights the industry's need to optimize workflows and automate processes in a competitive marketplace. Companies are strategically leveraging AI solutions to improve productivity, aiming for greater market share and profitability.

Cost reduction ranks as the second-most significant benefit, with 34% of Consumer respondents indicating this priority, well above the global average of 29% (figure 5). This reflects a drive to streamline operations and manage expenses effectively. Generative AI can refine resource allocation and minimize waste, addressing financial challenges and laying the groundwork for sustained profitability in uncertain economic climates.

Enhancing customer relationships is also a notable goal, with 28% of respondents acknowledging its importance, surpassing the global average of 23%. This focus indicates an awareness of the vital role customer engagement plays in the consumer industry. By deploying AI tools to strengthen these relationships, organizations position themselves to enhance customer loyalty and satisfaction.

Desired benefits from generative AI

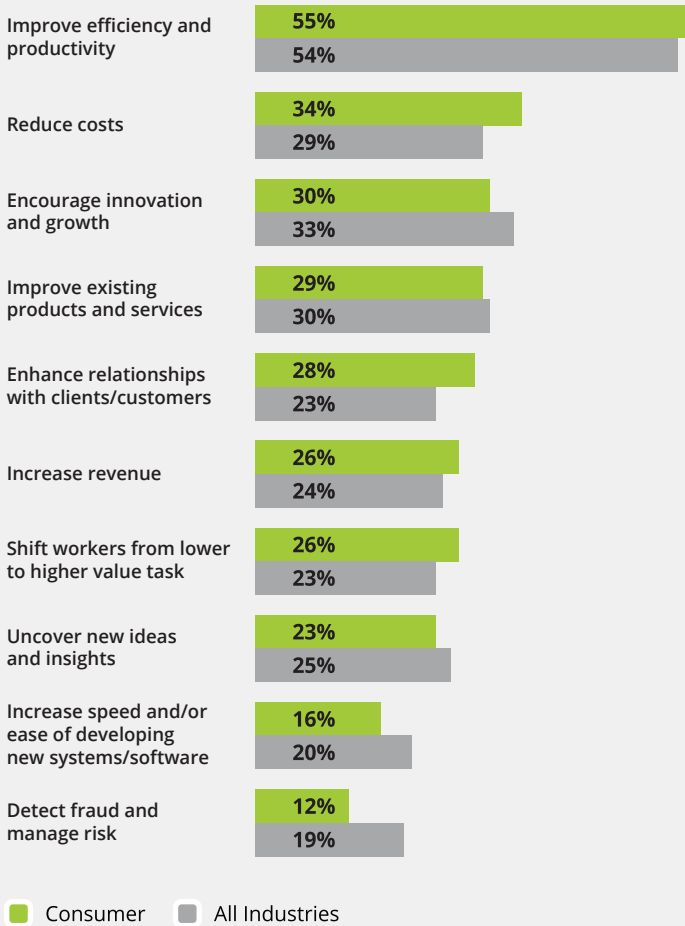


Figure 5

Q: What are the key benefits you hope to achieve through your generative AI efforts?

Strategic Goals and Technological Interests in Generative AI

Ensuring software quality in AI-driven development requires a comprehensive approach and consumer organizations are taking multiple coordinated steps to achieve this. Cross-functional collaboration stands out as a foundational strategy, with 54% of consumer respondents prioritizing it—above the 49% average across industries (figure 6). By breaking down silos between departments, organizations create an environment that supports smoother implementation of generative AI initiatives, resulting in enhanced software development and improved service offerings.

This collaborative culture naturally supports another key pillar, strengthening testing and validation protocols. Among the leading strategies for AI-driven software quality, 46% of consumer organizations adopt enhanced quality assurance measures, trailing the cross-industry average of 52%, leaving them slightly less advanced in formalizing testing and validation protocols. Closing this gap could help build confidence in AI outputs and reduce risks inherent in AI-driven software development. Strong testing processes combined with cross-departmental alignment help ensure that AI solutions meet operational standards and customer expectations.

Software development strategies

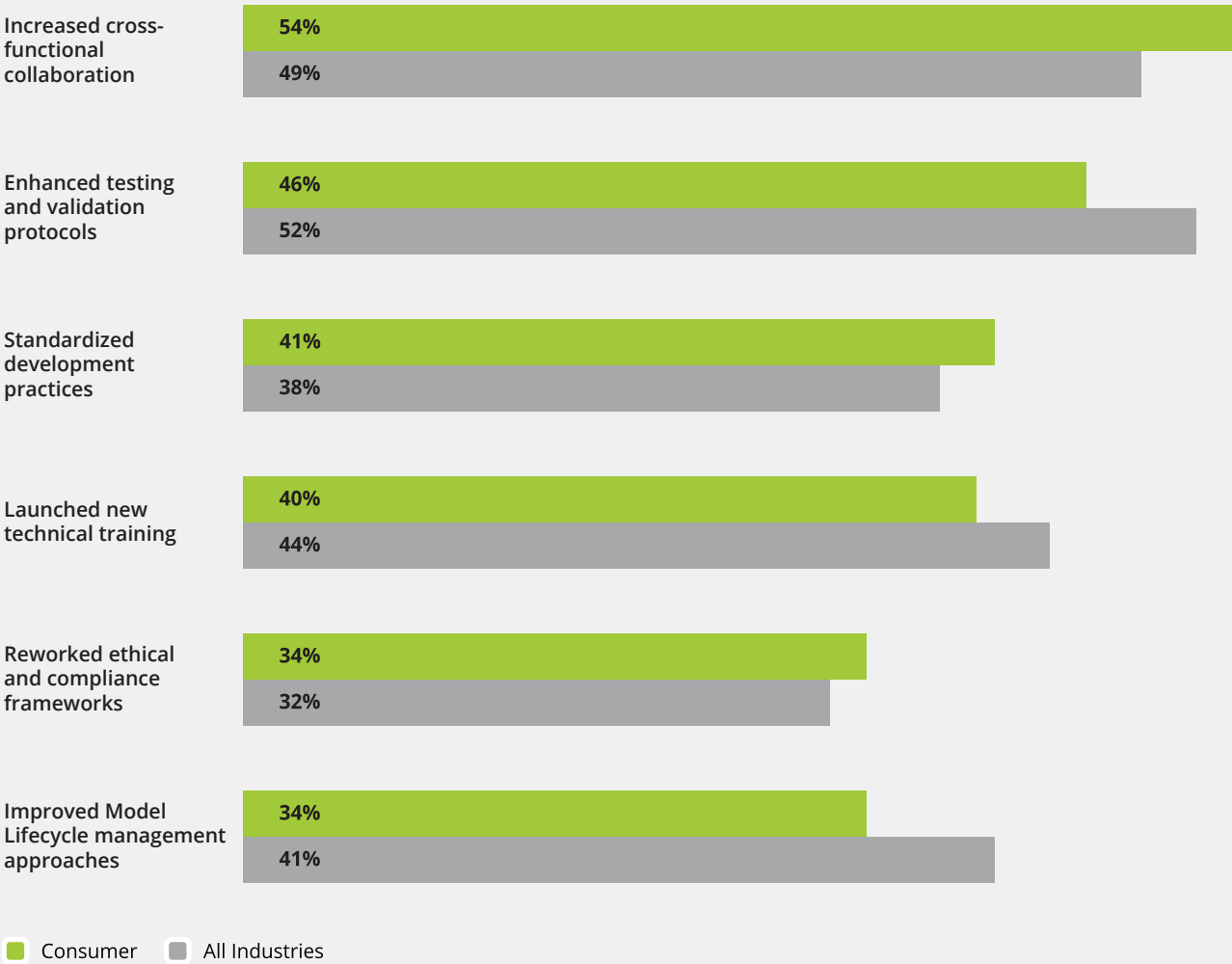


Figure 6 Q: What strategies has your organization implemented to address GenAI-driven software development quality needs?

Strategic Goals and Technological Interests in Generative AI

Despite these strengths, consumer companies lag in improved model lifecycle management, with only 34% emphasizing this approach compared to 41% across all industries. This suggests a disconnect between collaborative development and the long-term management of AI models, which is essential to maintaining consistent quality and adapting to evolving requirements. Addressing this gap by integrating lifecycle management practices into the broader AI quality framework would create a more resilient and sustainable AI deployment strategy.

Supporting these technical and process initiatives is a commitment to employee skill development. Forty percent of consumer respondents have launched new technical training programs, slightly trailing the 44% cross-industry average. As collaboration, testing and lifecycle management evolve, ongoing training ensures staff remain equipped to navigate complex AI systems, fostering a culture of continuous learning that underpins sustained innovation.

The promise of generative AI also extends into software development quality and performance. A striking 68% of Consumer respondents report a positive impact on data quality due to generative AI initiatives. Organizations leveraging high-quality data are better equipped to meet customer needs accurately, translating into operational efficiency and stronger customer relationships.

The Consumer industry's perspective on AI adoption reflects a complex interplay of anticipated benefits, significant barriers and strategic technological interests. Organizations are motivated by clear goals focused on efficiency, cost reduction and customer engagement, yet they face daunting challenges. Navigating this landscape requires a strategic approach, emphasizing collaboration, training and data quality. Embracing generative AI is not just about leveraging tools; it is a commitment to driving innovation and sustainable growth in a rapidly evolving market.



Looking Ahead: Embracing the Future of Generative AI in the Consumer Industry

As organizations within the Consumer industry stand on the precipice of an AI revolution, a strategic, forward-looking approach is paramount for successful integration and long-term growth. This journey necessitates a keen focus on addressing key barriers, particularly those surrounding risk governance, data management frameworks and compliance with evolving regulations. By taking proactive measures to confront these challenges, organizations can position themselves not just as participants but as leaders in responsible innovation, defining the standards for AI deployment within ethical and legal parameters.

Building robust governance structures is essential in navigating the uncertainties of risk management. By fostering transparency and ensuring the integrity of AI-generated results, organizations can instill trust among

stakeholders, ensuring that data ethics and security are at the forefront of AI initiatives. Open dialogue regarding the reliability of AI models will create a culture of confidence, alleviating concerns about biases and inaccuracies that could undermine public trust.

Moreover, closing the talent gap is critical for maximizing generative AI capabilities. Organizations should prioritize reskilling current employees while attracting new technical talent adept in AI technologies. Partnerships with educational institutions and innovative training programs can help create a pipeline of qualified professionals aligned with AI project demands. Internally, cultivating a culture of continuous learning and development will empower employees to embrace generative AI technologies and transform their skepticism into curiosity and engagement.

In parallel, organizations must strive for excellence in data management, ensuring high-quality data governance and integrity. Clear policies surrounding data use and compliance will enhance stakeholder trust in AI deployments. Transparent communication about data practices will also alleviate concerns and promote confidence in the organization's AI initiatives.

To successfully navigate the complexities of generative AI, fostering a culture of collaboration across functions is essential. Dismantling operational silos and promoting teamwork among customer-facing functions and support areas—such as Finance, Legal and Human Resources—will result in a more integrated approach, ensuring that every department contributes to and benefits from AI advancements.

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About the Deloitte AI Institute

The Deloitte AI Institute™ helps organizations connect all the different dimensions of the robust, highly dynamic and rapidly evolving AI ecosystem. The AI Institute leads conversations on applied AI innovation across industries, using cutting-edge insights to promote human-machine collaboration in the Age of With™.

The Deloitte AI Institute aims to promote dialogue about and development of artificial intelligence, stimulate innovation, and examine challenges to AI implementation and ways to address them. The AI Institute collaborates with an ecosystem composed of academic research groups, startups, entrepreneurs, innovators, mature AI product leaders and AI visionaries to explore key areas of artificial intelligence including risks, policies, ethics, future of work and talent, and applied AI use cases. Combined with Deloitte's deep knowledge and experience in artificial intelligence applications, the institute helps make sense of this complex ecosystem and, as a result, delivers impactful perspectives to help organizations succeed by making informed AI decisions.

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Methodology

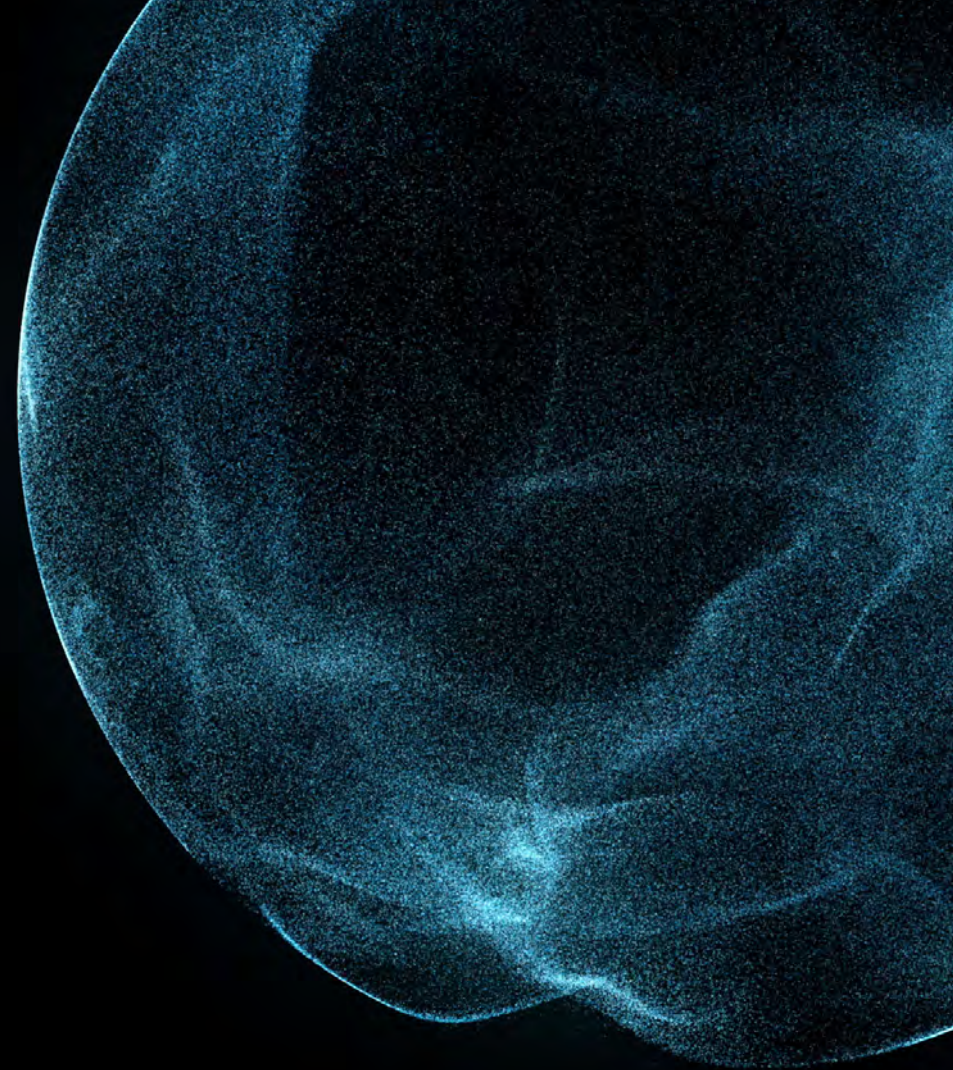
To obtain a global view of how Generative AI is being adopted by organizations on the leading edge of AI, Deloitte surveyed 2,773 leaders between July and September 2024.

Respondents were senior leaders in their organizations and included board and C-suite members, and those at the president, vice president and director levels. The survey sample was split equally between IT and line of business leaders. Fourteen countries were represented: Australia (100 respondents), Brazil (115 respondents), Canada (175 respondents), France (130 respondents), Germany (150 respondents), India (200 respondents), Italy (75 respondents), Japan (100 respondents), Mexico (100 respondents), the Netherlands (50 respondents), Singapore (75 respondents), Spain (100 respondents), the United Kingdom (200 respondents), and the United States (1,203 respondents).

All participating organizations have one or more working implementations of AI being used daily. Plus, they have pilots in place to explore Generative AI or have one or more working implementations of Generative AI being used daily. Respondents were required to meet one of the following criteria with respect to their organization's AI and data science strategy, investments, implementation approach and value measurement: influence decision-making, are part of a team that makes decisions, are the final decision-maker, or manage or oversee AI technology implementations.

All statistics noted in this report and its graphics are derived from Deloitte's fourth quarterly survey, conducted July – September 2024; The State of Generative AI in the Enterprise: Now decides next, a report series. N (Total leader survey responses) = 2,773

The survey data was supplemented with case studies and qualitative findings derived from 15 interviews with executives and AI and data science leaders at large organizations across a range of industries.





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