



From concept to consumer

Unlocking GenAI value in Retail and Consumer Products

Deloitte AI Institute™

About the Deloitte AI Institute™

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

The Deloitte AI Institute aims to promote a dialogue 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, start-ups, 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, deliver impactful perspectives to help organizations succeed by making informed AI decisions.

No matter what stage of the AI journey you’re in; whether you’re a board member or a C-Suite leader driving strategy for your organization, or a hands on data scientist, bringing an AI strategy to life, the Deloitte AI institute can help you learn more about how enterprises across the world are leveraging AI for a competitive advantage. Visit us at the Deloitte AI Institute for a full body of our work, subscribe to our podcasts and newsletter, and join us at our meet ups and live events. Let’s explore the future of AI together.

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Executive summary

GenAI is emerging as a powerful force across the Retail and Consumer Products (RCP) landscape, but most organizations are still in early stages of adoption. Deloitte's 2025 GenAI in Retail and Consumer Products survey reveals a sector charged with ambition but facing a critical capability gap. While pockets of innovation are showing early success, especially across marketing, customer service, e-Commerce, and R&D business functions, the broader journey remains nascent.

Leading RCP organizations are beginning to realize value through targeted pilots, improved personalization, faster time-to-market, and measurable ROI, yet scalable transformation requires more than experimentation. It demands executive leadership, disciplined use case prioritization, internal talent investment, and a clear governance model. Importantly, the biggest barrier isn't cost; it's comprehension. Without widespread GenAI fluency across functions and levels, adoption will likely stall.

The imperative is clear: organizations that move with speed, intent, and structure will gain competitive edge; those that wait will fall behind. GenAI isn't a future disruptor. It's a present-day differentiator and the time to act is now.

From concept to consumer: Unlocking GenAI value for Retail and Consumer Products organizations

WHAT IS THE STATE OF GENAI WITHIN RETAIL AND CONSUMER PRODUCTS SUB-SECTORS?

Deloitte's 2025 *GenAI in Retail and Consumer Products* survey revealed several compelling insights, offering a clear window into how surveyed RCP leaders are thinking about the future of this transformative technology, particularly in the near term. **Five key findings emerged from the survey.**

First, while enthusiasm is high, most RCP organizations remain in the early stages of GenAI adoption, signaling both the vast potential ahead and the critical importance of building foundational capabilities now.

Second, RCP organizations are directing GenAI efforts in business functions that rely more on creativity, interpretation, and contextual decision-making. Functions such as marketing/branding, customer service, eCommerce, and R&D are at the forefront—not because they are fully digitized, but because they present the greatest opportunity to drive competitive advantage. By targeting these areas, organizations can harness GenAI to generate new ideas, content, experiences, and insights and demonstrate value, build confidence and create momentum for broader transformation.

Third, RCP organizations are making significant

investments and seeing early success. Some forward-thinking RCP organizations are piloting GenAI use cases and reporting tangible benefits in efficiency, personalization, and speed to market, proving that even modest beginnings can unlock real value.

Fourth, GenAI is emerging as a true team sport across multiple functions of an organization, but meaningful transformation requires an executive leader as a team captain.

Lastly, despite growing adoption, a significant knowledge gap persists. Many RCP organizations still lack a clear understanding of what GenAI can do, where to apply it, and how to operationalize it effectively. This final insight underscores a crucial imperative: achieving GenAI's full potential will require intentional capability-building, education, and cross-functional alignment across the enterprise.

The survey examines where RCP organizations are currently on their GenAI journey along with potential risks to successful adoption. **Here are the results.**



A GenAI primer

GenAI is a part of the AI spectrum of technologies and is used to generate new information from a variety of data sources. It operates synergistically with other AI technologies, augmenting them by creating outputs in the form of text, code, voice, images, video, and even business processes. The technology is continuously evolving, improving its capabilities as it ingests and trains on new data. While this adaptability is a core strength of this technology, it also necessitates RCP organizations to remain vigilant in monitoring and governing the application and adoption of GenAI, ensuring alignment with business goals, ethical standards, and regulatory frameworks.

1 Organizations are in the early stages of GenAI adoption

Despite growing enthusiasm for GenAI, most RCP organizations remain in the early stages of GenAI adoption, with varying levels of maturity and application across functions and business units. While experimentation is underway, only a few have been able to translate their efforts and investments into significant enterprise-wide value. Our survey revealed:



85% of Consumer Products and 76% of Retail organizations are still in the early exploration phase, with limited measurable business impact to date.



25% of Retail and 15% of Consumer Products organizations currently identify themselves as leading in GenAI space.

These results underscore a substantial opportunity for both sub-sectors to accelerate progress, moving from isolated pilots to scalable, integrated solutions that unlock sustainable value.

For most, the GenAI journey is just beginning, and the potential upside is still largely untapped.



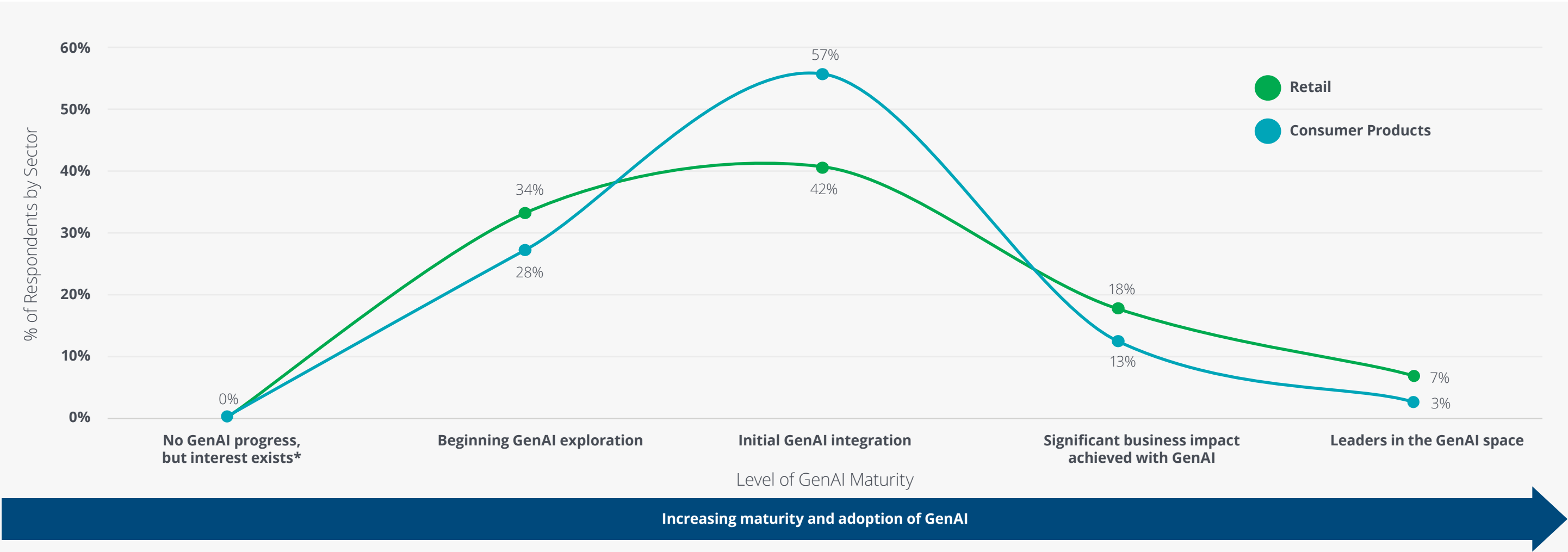
Most Retail and Consumer Products organizations are in the initial stages of GenAI adoption

Across both Retail and Consumer Products, most organizations are in the initial stages of GenAI integration, though Retail has a slight edge over Consumer Products in value realization.

To move forward successfully with GenAI, RCP leaders should take a deliberate and strategic approach, beginning with defining a clear enterprise-wide vision, identifying high-value use cases aligned to business priorities, and establishing

a strong governance and risk management framework to guide responsible innovation. Equally important is investing in the right talent, operating models, and scalable infrastructure to support rapid iteration and deployment. Leadership should also address the

organizational and cultural barriers that often stall progress, shifting focus from isolated experimentation to measurable value realization. These foundational elements are essential for scaling GenAI capabilities as organizational maturity evolves.



*Please note only survey recipients that had started their GenAI journey participated in this survey.

2 Focus GenAI Investment in high-impact, value-generating functions

To maximize the impact of GenAI, RCP leaders should start with prioritizing integration of GenAI within functions that rely more on ideation, pattern recognition, data analysis and synthesis, and contextual reasoning. For Retail organizations, high-value opportunities lie in business functions such as e-commerce, in-store and omni-channel experiences, and marketing—functions that rely heavily on personalization, dynamic content, and responsive decision-making.

Our survey findings highlight that Retail organizations are gaining traction with GenAI adoption in consumer-facing functions:



65% of respondents report some level of GenAI adoption within eCommerce, **with 17% indicating widespread use.**



59% have implemented GenAI in Marketing and Branding, reflecting its potential to drive more relevant, data-driven engagement across channels.

For Consumer Products organizations, early momentum is building in functions where customer centricity and innovation cycles are paramount:



70% report GenAI adoption within Marketing and Branding, including **9% who have widely deployed these capabilities.**



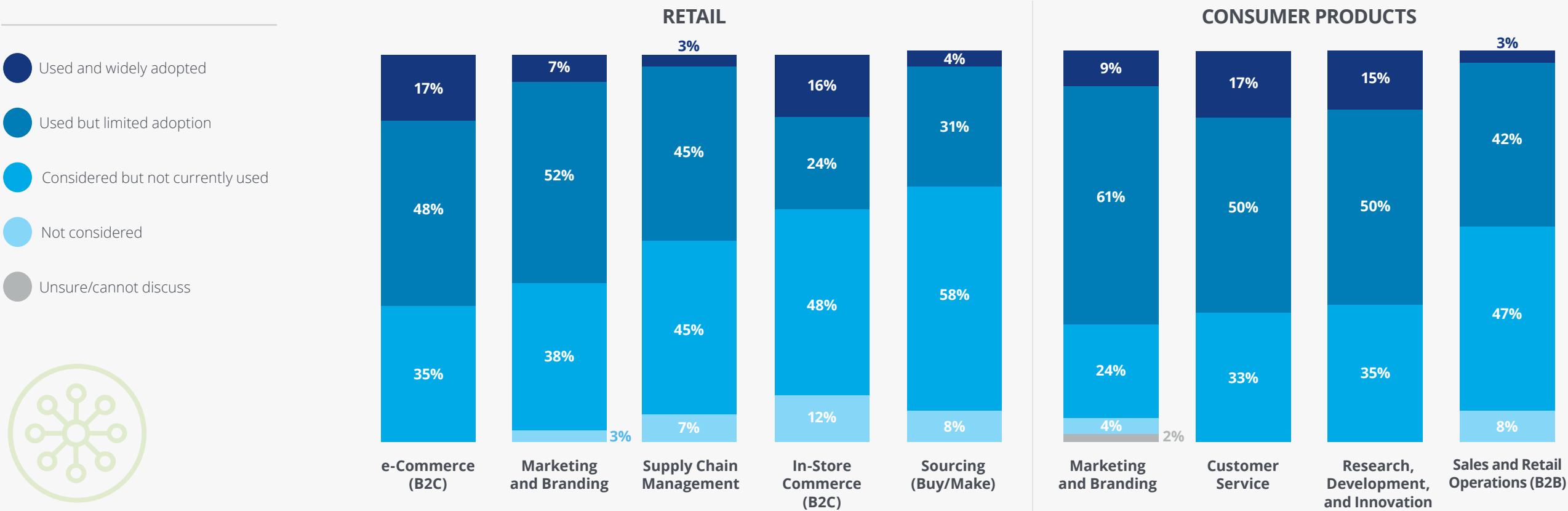
Over 50% are now using GenAI in both Customer Service and Research, Development, and Innovation, where the technology is accelerating feedback loops, enabling faster concept testing, and supporting tailored consumer experiences.



However, adoption alone is not enough. To drive meaningful transformation, **RCP organizations should go beyond implementation and focus on quantifying and articulating business value.** That means aligning GenAI use cases to key financial levers, such as revenue uplift, SG&A efficiency, and cost of goods sold improvements, and embedding robust

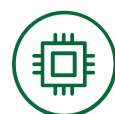
value measurement frameworks from the outset. Clear demonstration of business impact through key financial levers is essential to secure ongoing and growing executive support and unlock budget for broader, cross-functional GenAI initiatives that drive long-term competitive advantage.

GenAI adoption varies across business functions



3 Investments in GenAI are surging with early successes

Investment momentum for GenAI in the retail and consumer products sub-sectors is accelerating, outpacing projected growth in overall IT spend and signaling rising confidence in GenAI as a long-term strategic and enterprise-wide value enabler. RCP leaders are clearly positioning GenAI as a top investment priority in 2025-26:



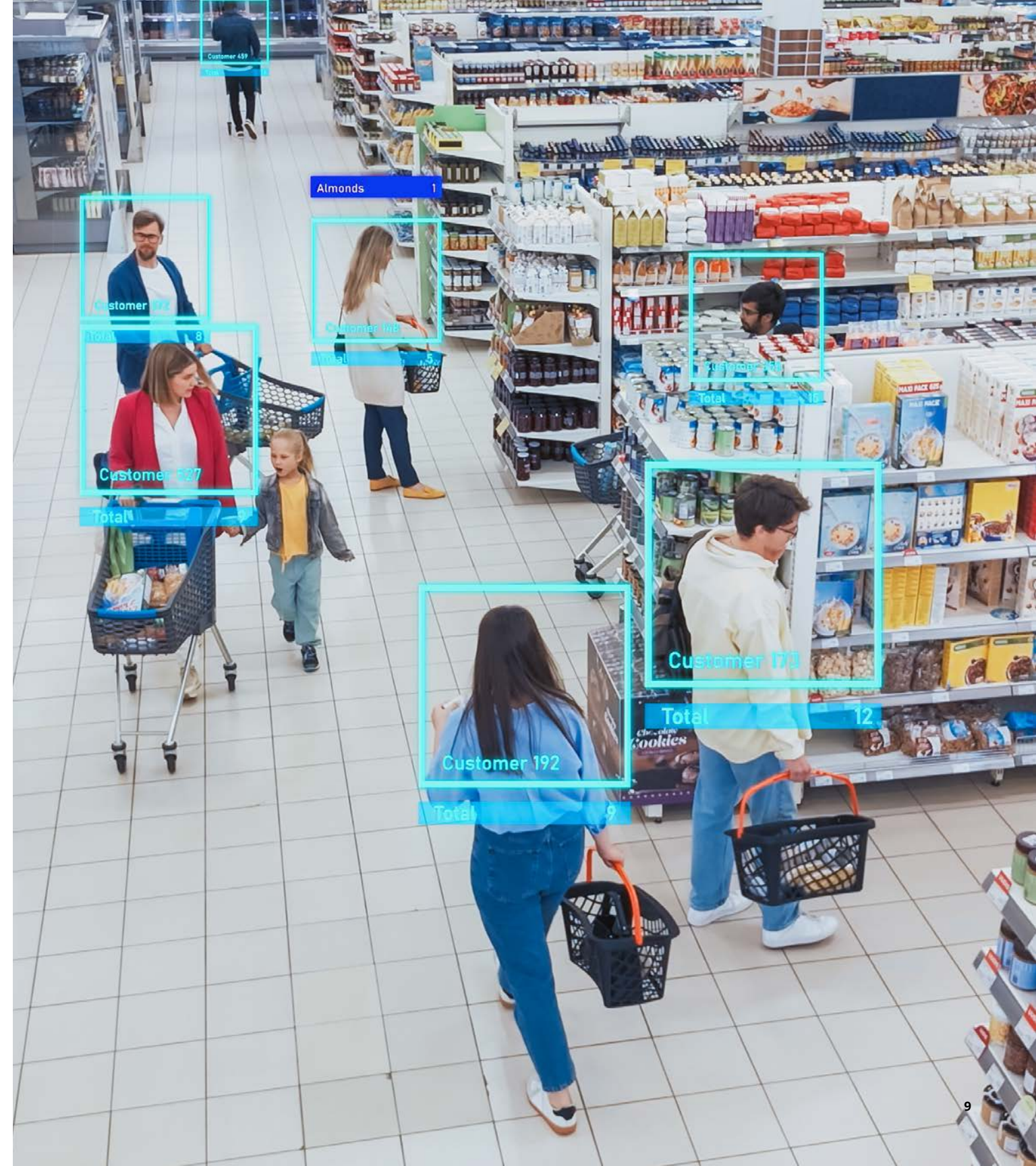
97% of respondents plan to either maintain or increase their GenAI investments next year, highlighting the sub-sectors' strong conviction in the technology's transformative potential



Nearly 50% anticipate increasing their GenAI budgets by 10% or more, a rate more than three times higher than planned growth for general IT spend.¹



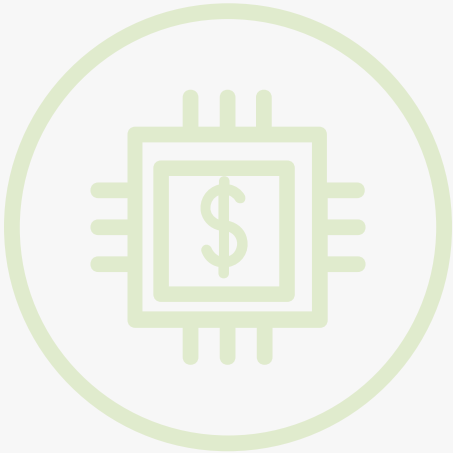
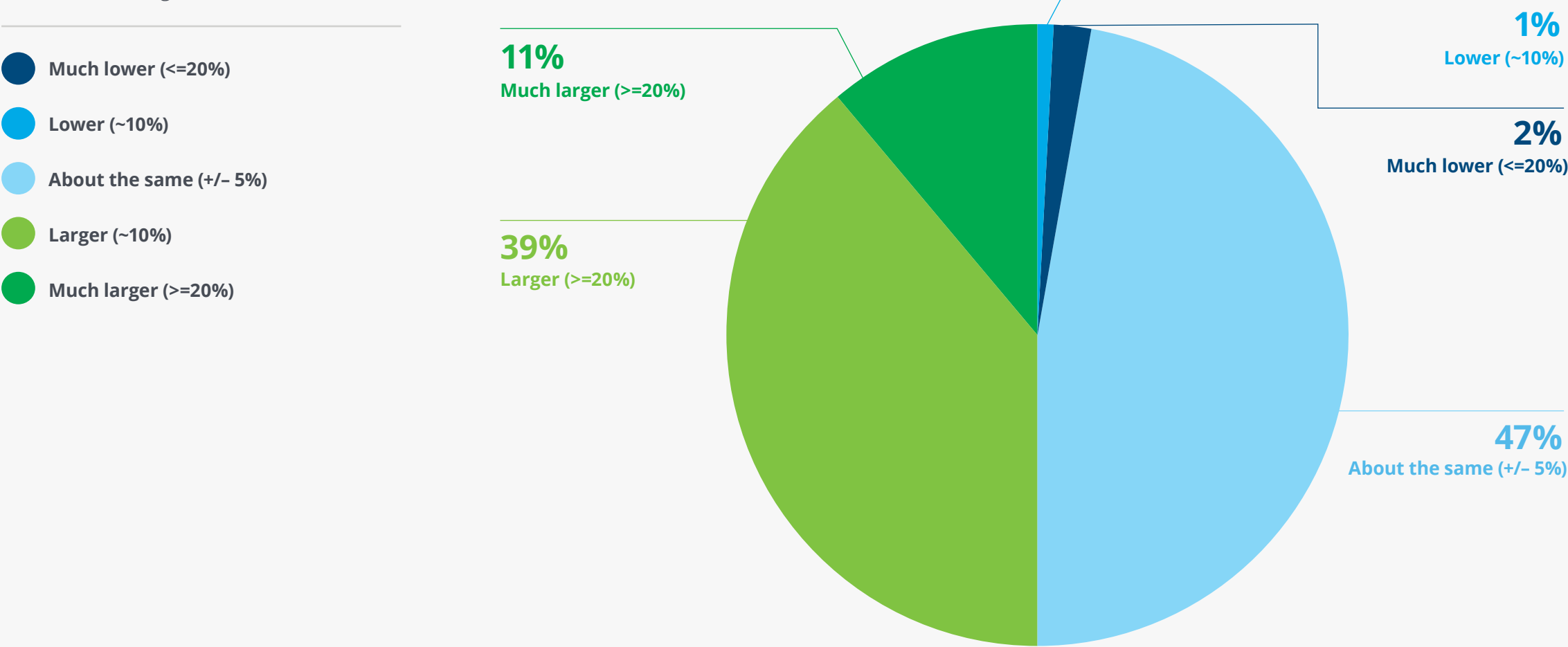
Only 11% of organizations plan to increase their GenAI budgets by 20% or more, suggesting that while most organizations recognize GenAI's strategic importance, few are yet making bold, enterprise-scale investments. This indicates a cautious approach as organizations continue to test value and manage risk before scaling aggressively.



RCP companies are showing sustained growth for their 2025 GenAI budgets

IT spending in this sector is projected to rise by another 3.1% in 2025*; however, most companies plan to either maintain or moderately increase their GenAI budgets this year, with nearly half anticipating an increase of at least 10%.

2025 GenAI Budget Outlook



*Source: Gartner "IT Key Metrics Data 2025: Industry Measures—Consumer Products Analysis" (December 2024)



Clearly, RCP organizations are recognizing and realizing the business value of GenAI, which is fueling expanded GenAI budgets across the sub-sectors. As GenAI technologies mature, RCP leaders should allocate sufficient resources to support infrastructure, talent, and platforms necessary to scale impact and maintain competitive advantage.

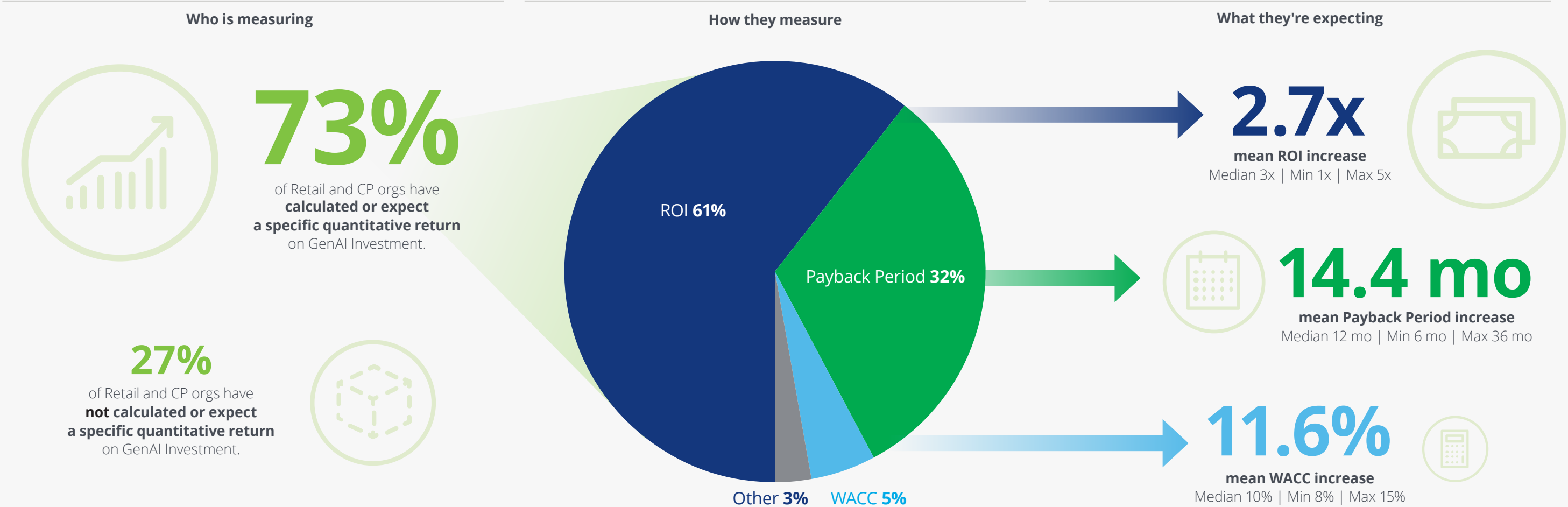
To help ensure returns are well-defined and measurable, RCP organizations are applying structured, quantitative business case methods to assess and prioritize GenAI investments.

- **73% of RCP leaders treat GenAI investments and associated Return on Investment (ROI) with the same financial rigor as other enterprise technologies.**
- **ROI is the most widely used metric** to communicate value expectations, with the average threshold set at nearly 3x ROI for GenAI projects to gain executive approval.
- The **average payback period**, the second most commonly used evaluation metric, **is just one year**, reflecting both the rapid implementation cycle and the near-term value potential of GenAI compared to more traditional technology deployments.

These results signal a growing maturity in how GenAI investments are evaluated, reinforcing GenAI's position not as a speculative innovation, but as a disciplined, results-driven capability with meaningful returns.

RCP leaders and experts expect a 2.7x ROI for GenAI investments

When evaluating GenAI investments specifically, our findings reflect similar return expectations and risk tolerance across commonly used metrics such as ROI and Payback Period, compared to industry average hurdle rate of 12.6%* for digital programs.



*Source: Data reflects an October 2024 survey administered by Deloitte of 121 C-suite—Director level Transformation Executives at various retail and consumer products companies. The average hurdle rate is a weighted average, calculated by multiplying the midpoints of several consecutive hurdle rate ranges by the percentage of respondents within that range, and then summing the products of those numbers. Digital program investments are defined as investments in changes to business processes, operations, or customer experiences using digital technologies.



How are RCP leaders evaluating use cases prior to implementation?

Survey results reveal ROI expectations of Retail organizations:



43% expect a ROI multiple (e.g., two times, three times, etc.)
to invest



24% expect a payback period (e.g., six months, one year, etc.)
to invest



33% have no threshold for investments

Whereas, expectations of Consumer Products organizations are:



33% expect a ROI multiple to invest



15% expect a payback period to invest



43% have no threshold for investment

As with any emerging investment area, it is important for RCP organizations to rigorously measure the financial performance of GenAI initiatives to ensure capital is deployed efficiently and effectively. While early results are promising, GenAI remains a nascent technology, and as such, RCP leaders should apply thoughtful, measured expectations when setting investment thresholds. Many use cases may require

longer than one year to deliver meaningful returns, and in some instances, conventional evaluation methods may overstate potential impact. **A balanced approach that combines disciplined financial governance with an openness to iterative learning will be key to maximizing long-term GenAI value while managing risk.**

4 GenAI is a team sport, but it does require a captain

Successful and long-term adoption of GenAI requires more than experimentation—it demands leadership. A scalable and effective GenAI strategy needs executive mandate, clear decision rights, and close alignment between business and technology stakeholders.

While GenAI initiatives often span functions and business units, they generally thrive when there is a “captain”—typically from the C-suite—who can champion the vision, secure investment, and ensure use cases are aligned with strategic objectives of the business and organization.

For RCP organizations, transitioning from exploration to scaled GenAI implementation, GenAI decision-making is distributed across leadership roles, with varying degrees of influence. Our survey revealed:

- **54% of RCP organizations cite IT leaders** (CIOs, CTOs, and VPs of Data and Analytics) **as the primary decision makers** for GenAI investments, reinforcing the central role of technology leadership in shaping infrastructure and platforms,

- **49% report that Operations leaders** (COOs, VPs of Supply Chain) **are key decision-makers**, reflecting GenAI's growing role in driving operational efficiency and intelligent automation,
- **43% place GenAI investment responsibility with the CEO**, highlighting that from many, GenAI is viewed as a strategic business transformation priority, rather than a technology initiative,
- **In contrast, 7% report Procurement and Vendor Management leaders as key stakeholders**, signaling that GenAI investments are not seen as routine IT purchases,

Given GenAI's cross-functional reach and multi-owner complexity, having a clear owner to drive a tight collaboration between technology leaders and business executives is critical.

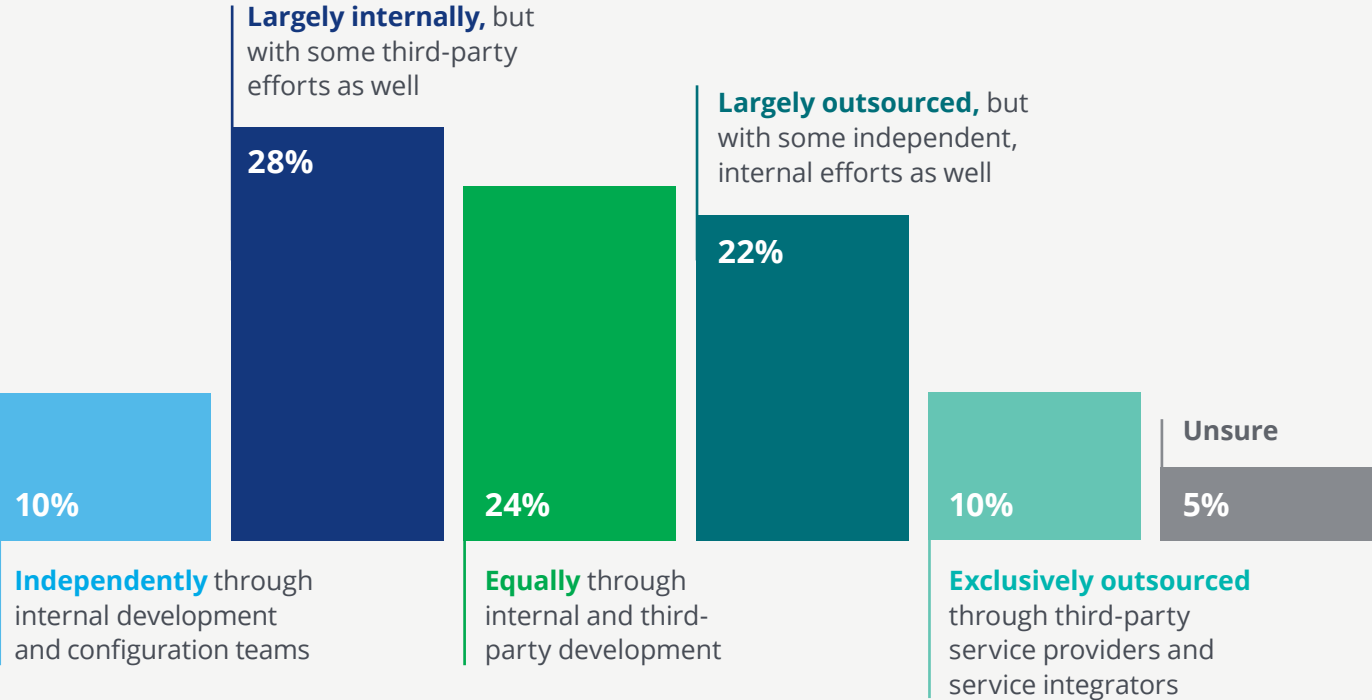


Successful GenAI implementation also requires RCP organizations to make strategic decisions about internal development vs. third-party solutions, optimal partnership strategies, and building the right capabilities to scale GenAI adoption effectively.

- **Our survey findings also highlight that the majority of RCP organizations recognize the need for some level of third-party support to scale GenAI initiatives successfully:** In both retail and consumer products sub-sectors, over half of the respondents indicated that their implementation model involves “exclusively third party,” “largely third party,” or “equal internal and third party” support across all GenAI functions.
- **Consumer Products organizations demonstrate a greater reliance on third-party support across the GenAI technology stack,** with higher percentages of respondents selecting “largely third party” or “exclusively third party” support compared to their Retail counterparts.
- **The most third-party-dependent-area across the sub-sectors is cloud and data platform enablement.** For this function, 64% of Retail and 67% of Consumer Products respondents report reliance on third-party involvement at a moderate to high level.

These findings indicate that while some RCP organizations may aspire to build GenAI capabilities internally over time, most acknowledge that reaching scale and speed in the near term will require strategic external partnerships. RCP organizations should carefully assess where to invest in proprietary capability-building versus where to leverage ecosystem partners to accelerate innovation, manage risk, and control costs.

How organizations are planning to implement GenAI solutions



Most RCP organizations are not experts in the GenAI space, which makes it both practical and prudent to seek assistance from experienced third-party providers. For leaders aiming to scale GenAI effectively within their organization, technology partnerships play a vital role. However, it is important not to over-index on external technology solutions alone. Long-term success hinges on balanced investment: establishing the right internal infrastructure, cultivating GenAI-fluent talent, and embedding capabilities across the organization. Ultimately, it’s not just machines that drive value—it’s humans *with* machines.

5 Lack of understanding GenAI is the biggest risk to its adoption

According to RCP leaders across both retail and consumer products sub-sectors, the most prevalent risk to GenAI adoption is a widespread lack of understanding about the technology – how it works, where it applies, and how to manage it responsibly. Improving GenAI fluency across the enterprise is not just beneficial, it is essential for success.

Another key barrier is the lack of clear roles and responsibilities, with several respondents identifying it as a major risk, reflecting the challenge of cross-functional ownership in GenAI programs and the need for clearly defined governance models.

In addition, lack of in-house expertise and/or sole dependency on external vendors is identified as a common key risk across retail and consumer products sub-sectors, highlighting potential aspiration for RCP organizations to become self-dependent with GenAI technology over time.

Notably, cost is not widely viewed as a primary risk—an insight that reflects a growing recognition of GenAI's potential to deliver measurable ROI. The emphasis has shifted: success depends less on financial constraints, and more on leadership, clarity, and capability.



How RCP executives view the risks for GenAI adoption

For both Retail and Consumer Product organizations, the lack of knowledge or interest about GenAI was the leading risk identified by respondents; unclear roles and responsibilities and fear of job displacement were two other common risks.

Enterprise-wide GenAI awareness is a critical enabler of successful adoption for an organization. It's not just senior leaders or technical teams that should understand the technology – it's the entire organization. For GenAI to truly scale and deliver impact, RCP leaders should prioritize workforce education, ensuring that employees at all levels

understand how GenAI functions, where it fits into business workflows, and how it can unlock real value.

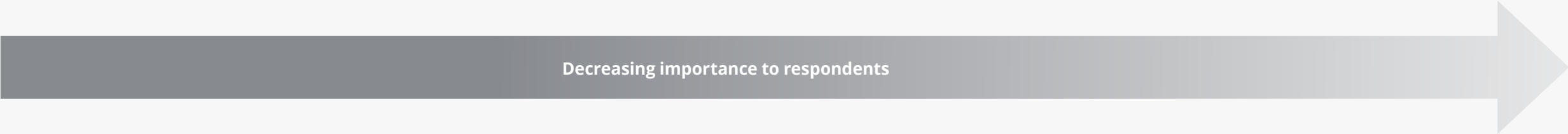
Embedding GenAI fluency across the workforce fosters a culture of innovation, efficiency, and adaptability. Equally important is the need for clearly defined roles, responsibilities, and governance

structures, which help prevent confusion, establish accountability, and align efforts across business and technology teams.

Organizations should not underestimate the transformative power of a well-informed workforce on GenAI, supported by clear structure and governance. Why?



	1st risk	2nd risk	3rd risk	4th risk	5th risk	6th risk
Retail	Lack of knowledge or interest about Generative AI	Lack of in-house expertise or dependency on external vendors	Unclear roles, responsibilities, and decision rights surround Generative AI	Fear of job displacement	Challenges regarding technical integrations	Perceived cost implications
Consumer Products	Lack of knowledge or interest about Generative AI	Unclear roles, responsibilities, and decision rights surround Generative AI	Poor data quality, granularity, and/or organization	Fear of job displacement	Perceived cost implications	Lack of in-house expertise or dependency on external vendors



What are the value creation opportunities for GenAI within Retail and Consumer Products?

GenAI is a catalyst for creativity, discovery, and human augmentation. It enables people to imagine, invent, create, discover, and extend their thinking and operating abilities. It has the potential to transform every function of an RCP organization. From product development and marketing to supply chain, finance, and customer experience, the reach of GenAI is truly enterprise wide.

Yet, despite this broad potential, adoption remains uneven across business functions. **Most functions have yet to operationalize GenAI at scale, but the outlook is clear: across the board, RCP leaders anticipate tangible benefits in both revenue growth and cost savings.**



Take a look at these value estimates for scaling GenAI via function-specific use cases.

Compared to Consumer Products, functions within Retail companies expect to see much more impact along revenue growth and cost reduction. Within Retail, e-Commerce appears to be a key driver

of revenue uplift and cost reduction. Within Consumer Products, Customer Service is expected to generate more impactful cost reductions than any other function.

RETAIL

Estimates for revenue increase

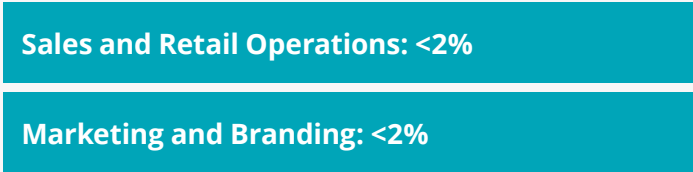


Estimates for cost reduction

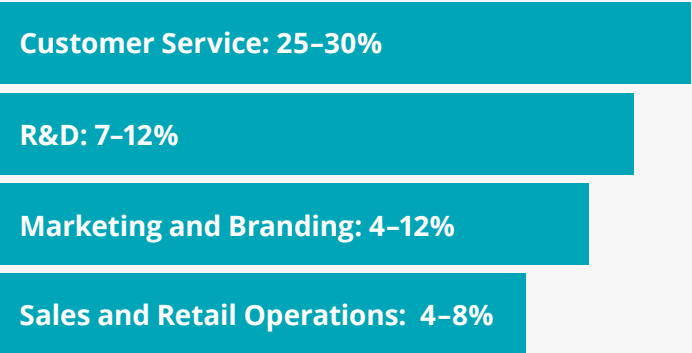


CONSUMER PRODUCTS

Estimates for revenue increase



Estimates for cost reduction



What are RCP organizations doing with GenAI already?

Quick wins



Hyper-personalized shopping assistants and targeted promotions



In-store clienteling



Audience segmentation, copy generation, brand monitoring and sentiment analysis



Real-time responses and automated ticket triaging



Data analysis

Fast follows



Sourcing and cost model optimization



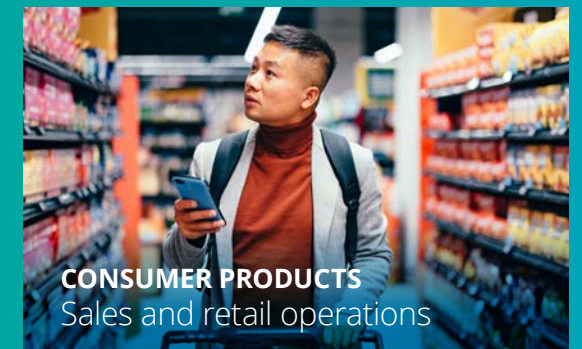
Demand forecasting, warehouse automation, and route optimization



Quote and invoice generation



Design concepts, feasibility assessments, competitive and trend analysis



Targeting strategies, demand patterns, and sales forecasts

DEEP DIVE

Quick wins for GenAI use cases

Value creation opportunities for GenAI within RCP

Based on Deloitte's experience in the market, here are a few of the quick wins RCP companies are realizing with the rollout of GenAI.



Hyper-personalized shopping assistants and targeted promotions

Retail organizations are leveraging GenAI to deliver hyper-personalized shopping assistants that offer tailored product recommendations and bundled products to customers based on their shopping history, preferences, and contextual needs. GenAI is also being used to generate deeper customer insights and drive highly targeted promotions, including dynamically generated product descriptions and visuals personalized to each individual customer's preferences. The goal of these use cases is to cultivate more meaningful, data-driven relationships that increase customer loyalty, improve retention, and drive higher lifetime value.



In-store clienteling

Retailers are also expanding their use of in-store clienteling capabilities with GenAI to empower sales associates with real-time access to customers' holistic profiles and product details. This use case could help with more personalized, informed, and engaging in-store interactions between store associates and customers. GenAI-powered store operations assistants are transforming back-of-house efficiency and frontline productivity by providing frontline associates with quick access to information on sales performance, inventory levels, store policies, and task prioritization.



Audience segmentation, copy generation, brand monitoring and sentiment analysis

Marketing teams across RCP organizations are embracing GenAI to streamline routine tasks such as generating product descriptions, marketing copy, and social media posts. GenAI is also providing audience segmentation and targeting metrics to power end-to-end campaigns directed at those most likely to consume. Automated brand monitoring and sentiment analysis are enabling marketers to gather real-time feedback from social and digital channels, enabling brands to remain agile and deeply attuned to changing consumer perceptions.



Real-time responses and automated ticket triaging

Customer Products organizations are increasingly leveraging GenAI to deliver real-time insights that enable faster, more precise responses to customer inquiries, improving both satisfaction and operational efficiency. In addition, automated ticket triaging powered by GenAI is accelerating issue resolution by categorizing and routing customer requests to the appropriate teams or solutions more efficiently.



Data analysis

The Research and Development (R&D) functions of Consumer Products organizations are leveraging GenAI to synthesize vast amounts of structured and unstructured data into polished and actionable analytics, which in turn, is accelerating the pace of innovation and experimentation.

DEEP DIVE

GenAI use cases as fast follows

Beyond the quick wins, GenAI can enable a variety of fast follows for RCP companies.



Sourcing and cost model optimization

Retailers can leverage GenAI to drive smarter, faster decision-making across the supply chain and product development lifecycle for their private label brands. GenAI can help organizations identify new sourcing opportunities, benchmark supplier performance, and optimize cost models to reduce inefficiencies and waste. Merchandising also represents a major untapped opportunity where many retailers continue to face challenges. GenAI can deliver significant lifts in functions such as assortment planning, pricing, allocation, and space optimization by generating insights, automating decisions, and unlocking greater precision at scale.



Demand forecasting, warehouse automation, and route optimization

GenAI can improve effectiveness and efficiency of retail supply chains through inventory and demand forecasting based on troves of data, including market trends and consumer sentiment. In addition, GenAI can improve efficiency with real-time route optimization based on real-time data (e.g., traffic and updated delivery priorities) and warehouse automation from generated optimal picking paths.



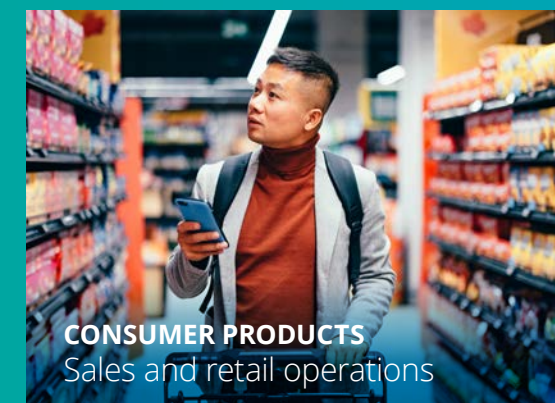
Quote and invoice generation

In wholesale and distribution organizations, sales support, and customer service teams often spend a significant amount of time on generating quotes and orders from unstructured inputs, such as e-mails, texts, photos, handwritten notes, technical diagrams and drawings. GenAI can streamline this by interpreting visual and textual data, identifying products, generating bills of materials, and producing quotes with pricing and availability, helping drive efficiencies, typically accounting for SG&A costs that are 5-7% of sales.



Design concepts, feasibility assessments, competitive and trend analysis

GenAI can be deployed in product design optimization and new product development (NPD) within RCP organizations. By generating design concepts, feature variations, and visual assets based on input parameters, GenAI can enhance the creative brainstorming process, enabling teams to explore a wider range of innovative possibilities in less time. GenAI can also support data-driven feasibility assessments, synthesizing insights from consumer sentiment, competitive benchmarking, and market trend analysis.



Targeting strategies, demand patterns, and sales forecasts

By delivering advanced growth analysis and customer insights, GenAI can help commercial teams of Consumer Products organizations refine their targeting strategies, align offerings with evolving consumer preferences, and identify whitespace opportunities in the market. It can support product assortment optimization, using predictive analytics to align product mix with inventory levels, regional demand patterns, and sales forecasts, ensuring the right products are in the right channels at the right time.

How should Retail and Consumer Product organizations realize GenAI's full potential?

For RCP companies to realize GenAI's full potential, they should first put a well thought out AI strategy in place, **enabled by four strategic capability pillars:**

1

Strategy

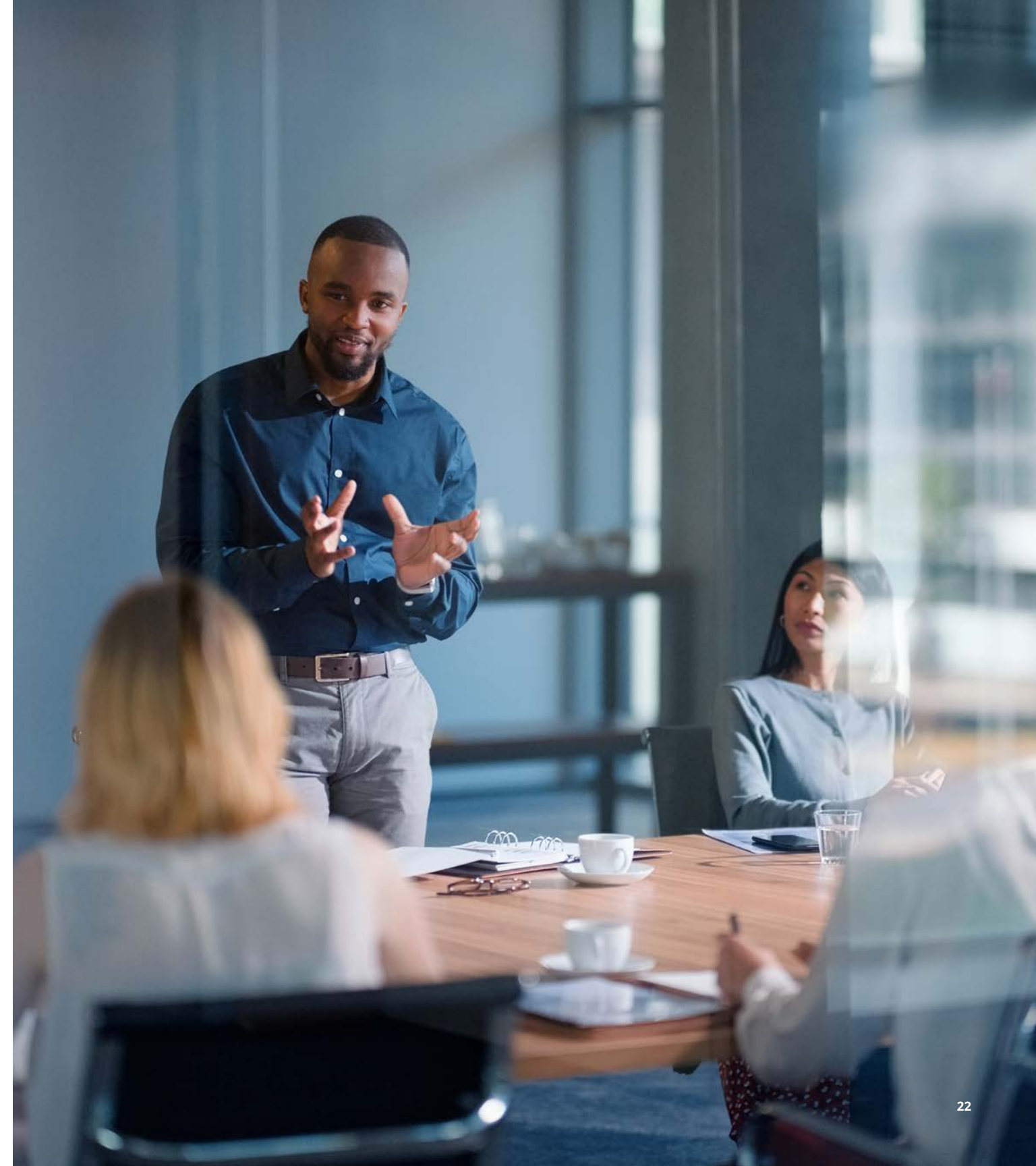
Align on the ambition and set the tone

Realizing GenAI's potential starts with a clear north-star strategy that defines where and how value will be created. **RCP leaders should articulate the ambition, prioritize business outcomes, and establish measurable value metrics** that tie GenAI efforts to enterprise objectives.

GenAI should be deployed where it drives real business value, not just where it's possible. **Organizations should focus on the use cases they *should* do, not just those they *could* do, by aligning GenAI investments to high-impact outcomes.**



Strategically, value realization should be the primary driver for continued funding, guiding prioritization and proving GenAI's role as a core enterprise capability. A focused, results-driven strategy ensures GenAI moves beyond experimentation phase and becomes a sustainable source of competitive advantage for an organization.



2

Intake

Prioritize GenAI use cases and solutions

To scale GenAI effectively, RCP organizations should establish a disciplined and value-oriented intake process, one that goes beyond technological novelty and focuses on business impact. This means distinguishing between use cases that could be built versus those that *should* be built, based on strategic alignment and return potential. High-priority use cases are those that support core value drivers such as revenue growth, operational efficiency, employee productivity, and customer experience enhancement. For example, a leading household goods manufacturer prioritized building a GenAI-powered marketing assistant to streamline digital asset creation. The solution generates highly customizable marketing materials, including social media campaigns and product photoshoots that are projected to reduce the time spent creating product-related imagery by 90%. This is just one example of how focused use cases can deliver material efficiency gains and business value.

To guide prioritization, RCP organizations should implement a structured use case evaluation framework that addresses key value questions, among other feasibility and risk ones:

- Does the use case align with strategic business goals?
- Does it generate tangible, measurable ROI?
- How can we optimize investments and avoid duplication across functions?



Use cases should build on existing AI investments (e.g., infrastructure, capabilities) and address priority, high-impact business areas and functions. For example, in Deloitte’s experience, a leading food and beverage company is streamlining product innovation by building a GenAI tool that generates new product recipes and feasibility assessments using historical recipe manuals and production line data. The solution will accelerate time-to-market and improve return on existing manufacturing assets.

To maximize impact, value of use cases to be prioritized should be aligned to one or more of these three value dimensions:

Growth: Create innovative and differentiated offerings or services or products that dominate the market.

Profitability: Improve bottom-line margins by doing more with less, at scale.

Experience: Provide customized and meaningful experiences to customers and employees.

Metrics for evaluating GenAI use cases

GROWTH	
	Sales Growth Conversion Rate, AOV, Customer Acquisition
	Market Expansion Market Penetration, Customer Acquisition Rate
	Financial Performance Revenue Growth, ROI
PROFITABILITY	
	Profitability and Margin Improvement SG&A, COGS/M as % of Revenue, ROA
	Stakeholder Value EPS, EBITDA, Revenue CAGR
	Product, TA, Portfolio & Pipeline Performance Profitability, P&Ls, Margins
EXPERIENCE	
	Customer/Employee Satisfaction NPS, CSAT, eNPS, Customer Acquisition/Retention Rate
	Brand Loyalty and Customer Value CLTV, Foot Traffic, AOV
	Operational Efficiency Resource Efficiency, Time to Market



3

Delivery

Establish a well-coordinated approach to execute GenAI vision

RCP organizations should pursue holistic capabilities of the AI spectrum to achieve significant value from their efforts and investments. To fully capture GenAI's transformative potential, RCP organizations should invest in the capabilities, talent, partnerships, and infrastructure that turn strategy into sustained execution. Beyond that, delivery should not be just about deploying technology; it should be about empowering people. And that begins with workforce education and AI fluency, ensuring that employees across levels understand how to use, trust, and benefit from GenAI.

A robust partner ecosystem is also important. With over 65% of GenAI applications currently outsourced,² many RCP organizations are discovering gaps between vendor capabilities and enterprise requirements. Selecting the right technology partners that are aligned to strategic use cases, data governance standards, and long-term scalability, is important to ensure delivery success.

In addition, RCP organizations have the challenge of overcoming the scaling gap: 90% of enterprises implementing GenAI struggle to reach the production phase.³

In short, a well-oiled delivery engine, grounded in business alignment, talent readiness, and ecosystem orchestration, is critical to make GenAI a sustained, enterprise-wide capability rather than a series of disconnected experiments.



4

Control

A balanced approach to governance

As GenAI adoption accelerates in an RCP organization, governance becomes a foundational enabler—not a constraint. It is required to ensure the application of GenAI capabilities in a trustworthy, reliable, and compliant manner to mitigate risks without stifling innovation. **Effective governance should go beyond traditional IT oversight. It requires a multidisciplinary model that brings together legal, compliance, risk, tax, cybersecurity, and business leaders to address the unique risks and obligations GenAI introduces.**



To scale GenAI responsibly, organizations should elevate governance as a strategic differentiator that enables trust, protects brand equity, and supports long-term value creation. By embedding controls upstream in the GenAI lifecycle, across data sourcing, model training, deployment, and monitoring, organizations could focus on safety and sustainability, without stifling innovation. As regulatory expectations evolve and AI risks become more visible, organizations that invest in proactive, transparent, and robust governance, will likely be better positioned to deploy GenAI at scale and gain stakeholder confidence.

Governance also typically signals organizational readiness. When clear policies, review processes, and accountability structures are in place, teams can adopt GenAI with confidence and clarity. This helps in reducing friction and accelerating adoption across the organization. The goal of an organization should be to unlock the value of GenAI responsibly and consistently.

GenAI is a breakthrough technology—a powerful catalyst transforming the Retail and Consumer Products industry. To fully harness its potential, RCP organizations should approach implementation with a clear strategy, targeted use cases, scalable delivery infrastructure, and robust governance. Those that do, will likely not only unlock meaningful business impact and operational efficiency today but also position their enterprise for sustained leadership in an increasingly AI-enabled world.



Survey methodology

To better understand tomorrow, Deloitte surveyed 168 of today’s GenAI leaders across the Retail (89) and Consumer Products (79) sub-sectors.

Screening criteria

Respondents were screened to ensure they met the following criteria before beginning the survey:

- 01. Their organization was aligned to either retail (including wholesale distributors in the context of this report) or consumer products industries.
- 02. Their organization was aligned to specific sub-sectors we were interested in (listed below).
 - A. Retail (Wholesale & Distribution, Drug & Pharmacy, Grocery & Convenience Stores, Mass Retailers & Discounts, Specialty & Department Stores).
 - B. Consumer Products (Agribusiness, Apparel & Footwear, Food & Beverage, Personal & Household Goods).
- 03. Respondents met our seniority requirement: Senior Management (e.g., Senior Director, Senior Manager, Senior Officer), Executive Leadership (e.g., EVP, SVP, VP), or C-Suite (e.g., CEO, COO, CFO, CIO).
- 04. Organization had some level of GenAI interest or had begun implementing GenAI.
- 05. Their business function aligned with a pre-determined list of functions within each sub-sector (listed below). Individual functions across the retail and consumer products value chains were selected for survey based on their relative applicability of GenAI technology. These functions typically involve activities like ideation, pattern recognition, data analysis and synthesis, and/or contextual reasoning.
 - A. Retail: Sourcing (Buy/Make), Supply Chain Management, E-Commerce (B2C), In-Store Commerce (B2C), Marketing and Branding
 - B. Consumer Products: Sales and Retail Operations (B2B), Customer Service, Research, Development, and Innovation, Marketing and Branding
- 06. Their function was already using or was thinking about using GenAI for their selected business function (listed above).

Respondents breakdown

By sector & subsector

	N	% Total
Retail	89	53%
Wholesale & Distribution	19	11%
Drug & Pharmacy	4	2%
Grocery & Convenience Stores	21	13%
Mass Retailers & Discounts	12	7%
Specialty & Department Stores	33	20%
Consumer Products	79	47%
Agribusiness	2	1%
Apparel & Footwear	11	7%
Food & Beverage	33	20%
Personal & Household Goods	33	20%

By title/seniority

	N	% Total
C-Suite (CEO, COO, CFO, CIO, etc.)	36	21%
Executive Leadership (EVP, SVP, VP, etc.)	68	40%
Senior Management (Sr. Director, Sr. Manager, Sr. Officer, etc.)	64	38%

By organization’s 2024 annual revenue

	N	% Total
<US\$500M	50	30%
US\$500M to US\$999B	23	14%
US\$1B to US\$4.99B	39	23%
US\$5B to US\$9.99B	20	12%
US\$10B to US\$24.99B	17	10%
US\$25B to US\$50B	11	7%
>US\$50B	8	5%

By organization’s # of global employees

	N	% Total
<500	48	29%
500 to 999	10	6%
1,000 to 4,999	32	19%
5,000 to 9,999	22	13%
10,000 to 50,000	38	23%
>50,000	18	11%



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Endnotes

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