

2025

ISSUE 4

# Guide to Next.



5 Trends Shaping the  
Consumer Products  
Industry in 2025

publicis  
sapient

## GUIDE TO NEXT

2025

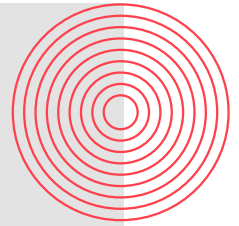


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# Introduction



The consumer products industry is on the cusp of significant transformation as we enter 2025. A confluence of technological advancements, evolving consumer behaviors and economic shifts is reshaping the landscape. Economic pressures, including inflation, have reduced disposable income for many, creating distinct customer segments with a growing emphasis on value.

At the same time, brands are scrambling to stand out and better understand their consumers by harnessing artificial intelligence (AI) to personalize marketing content and surface consumer insights. While some companies are far ahead, creating centralized AI insights centers of excellence, data sharing with retail partners and even building e-commerce marketplaces, many brands are just scratching the surface of generative AI experimentation.

Next year, consumer products brands will have to strategically balance AI-driven transformation on both the back end and front end, reinventing their value propositions and revenue streams to engage with a diverse and constantly changing set of consumers.

**In this report, Publicis Sapient consumer products industry experts break down the top five trends that will shape the consumer products industry a year from now, based on our market research and industry expertise.**

# 01 GENERATIVE AI WILL DRIVE THE CONTENT SUPPLY CHAIN

Creating targeted or personalized marketing content at scale and speed has been challenging for brands, and most consumer products brands haven't been able to execute it effectively. However, in 2025, brands can integrate generative AI content creation tools to automate their content supply chains.

Speed to market is a critical investment for consumer products firms in 2025. With accelerating AI technology, brands are focusing more on efficiency. The content marketing supply chain, which encompasses the entire process brands use to deliver marketing content and personalized experiences, offers significant opportunities for AI integration in the consumer products industry.



01

Economic instability has led to a rise in private-label retail brands, which now hold a more substantial market share, increasing [from 24.7 percent in 2022 to 25.5 percent last year](#). This growth in private-label brands presents a direct challenge to consumer products brands, making personalized content more crucial than ever. Private labels often attract cost-conscious consumers with competitive pricing, and the personalization of marketing content allows established brands to differentiate themselves by highlighting unique value propositions that resonate on an individual level.

ACCORDING TO PUBLICIS  
SAPIENT RESEARCH, 53  
PERCENT OF CONSUMER  
PRODUCTS EXECUTIVES  
IN THE C-SUITE VIEW  
PERSONALIZATION OR  
HYPER-PERSONALIZATION  
AS EXTREMELY (22 PERCENT)  
OR VERY (31 PERCENT)  
IMPORTANT.



Helen Merriott, senior vice president of consumer products, EMEA and APAC, emphasizes the need for brands to communicate their value proposition and differentiate themselves from white-label brands. AI can create personalized, efficient and cost-effective content. For example, a global brand can use AI to develop and adapt marketing content for different regions, analyze performance and generate recommendations for future content.

In 2025, consumer products brands should focus on integrating AI into their content supply chains and getting their workforce on board.

## 02 LEGACY IT AND TRADITIONAL OPERATING MODELS WILL HINDER AI

The drive to modernize operating models and legacy systems has gone to the back burner for many companies in the last year due to economic challenges. However, generative AI is about to change this significantly, acting as a catalyst for more agile operating models and systems modernization. A year ago, discussions around AI transformation were more theoretical. Now, generative AI is rapidly propelling these changes, pushing companies to adopt nimbler operating models, reskill their workforce, restructure their organizations and, in many cases, upgrade legacy systems.

“Generative AI is the forcing function,” says Sabrina McPherson, senior managing director and senior vice president at Publicis Sapient. Companies are starting to see substantial efficiency gains. Tasks that previously took weeks and significant human effort can now be completed in minutes with generative AI. This makes the benefits of operational and IT transformation more tangible and compelling to senior executives. As McPherson highlights, “It’s harder to make the case against change when the benefits are so clear and immediate.”

Today, fragmented business structures create confusion about who should own and fund AI initiatives and how to implement them effectively. There is also a disconnect between the V-suite and C-suite regarding generative AI initiatives, priorities and operating model changes, causing delays between the prototype and production stages.

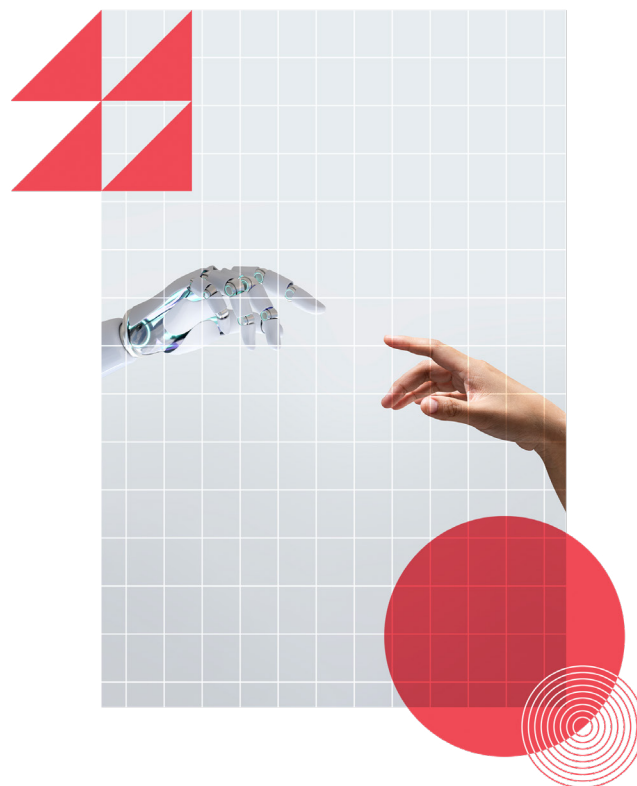




02

For instance, 56 percent of V-suite consumer products leaders believe generative AI is easier to implement than other emerging technologies, while 63 percent of the C-suite think it's more difficult. V-suite leaders place more importance on generative AI in IT, with 40 percent saying it will be extremely important for IT in the next three years, compared to only 9 percent of C-suite leaders.

THIS DIFFERENCE EXTENDS TO TECH MODERNIZATION PRIORITIES: 38 PERCENT OF THE C-SUITE PRIORITIZE SECURITY AND COMPLIANCE, WHILE ONLY 10 PERCENT OF THE V-SUITE DO. CONVERSELY, 25 PERCENT OF THE V-SUITE PRIORITIZE MACHINE LEARNING AND GENERATIVE AI, COMPARED TO JUST 6 PERCENT OF THE C-SUITE.



**Additionally, 44 percent of the C-suite believe their IT systems are very mature, compared to only 25 percent of the V-suite.**

To achieve a return on investment from generative AI, operational models and tech investments are necessary, and C-suite buy-in is crucial. By 2025, the challenge for companies will be shifting from convincing C-suites of generative AI's value to investing in the necessary back-end technology and establishing a digital operating model.

## 03 GEN Z VALUES WILL GUIDE LOYALTY STRATEGIES

As Gen Z (ages 12–27) is projected to increase their spending power to around \$12 trillion globally by 2030, and with Gen Alpha (ages 1–14) following, brands are adapting their digital strategies to foster long-term loyalty. The next generation of consumers values sustainability, purpose and authenticity. Additionally, social media plays a significant role in their shopping habits, with a survey from Walmart and Morning Consult revealing that 55 percent of Gen Z made an online purchase while browsing social media in the last six months, and 44 percent begin their shopping journey with online searches.

This trend benefits consumer products brands, enabling them to connect directly with consumers through online search and social channels, bypassing traditional retailers. However, the challenge lies in navigating saturated platforms like TikTok and Instagram, where sponsored content risks appearing inauthentic and causing consumer fatigue.

"INFLUENCERS ARE THE MODERN-DAY WORD OF MOUTH. DESPITE THE RISING ANTI-INFLUENCER SENTIMENT, THE RECOMMENDATION ASPECT REMAINS STRONG. PEOPLE ARE MORE AWARE NOW, THINKING, 'THESE INFLUENCERS ARE MAKING A LOT OF MONEY OFF OF ME.' AUTHENTICITY IS KEY."

Elizabeth Papasakelariou Group Vice President  
and Managing Partner





03

Interestingly, TikTok users, mainly Gen Z, are less averse to ads compared to users on other platforms. [Thirty-eight percent accept ads in exchange for free content](#), and [28 percent have purchased products](#) promoted by celebrities or influencers.

For 2025, it's vital for brands to ensure their marketing content on social platforms is genuine and meaningful to stand out, with a focus on user-generated content.



## 04 DATA SECURITY WILL BECOME A TOP PRIORITY

In 2025, ensuring data security will be paramount for consumer products firms. Companies across various industries frequently face penalties for consumer data privacy violations and significant data breaches. To navigate this landscape, firms must enhance transparency in data usage, invest in robust security measures and organize their data infrastructures in preparation for upcoming and proposed AI and data privacy regulations.

While many brands focus on acquiring first-party consumer data and integrating proprietary data into AI models, it is equally crucial to prioritize updating data privacy and security safeguards. So far, many brands have experimented with generative AI without integrating potentially sensitive data—only 12 percent of consumer products leaders report doing so. However, as more organizations adopt open-source large language models like OpenAI and Google Gemini, those that can integrate their proprietary data at scale for specific use cases will generate more value over time. This approach, though riskier initially, will establish a foundation for future growth.

Despite these advancements, 50 percent of consumer products executives admit to lacking a comprehensive data strategy or having only partial integration across departments. Only 6 percent possess a mature, fully integrated enterprise data strategy that leverages advanced analytics, AI and modern data collaboration tactics. This lack of maturity presents challenges for the C-suite, as 53 percent of C-suite industry leaders report that data quality, access, silos and privacy concerns significantly impact their organization's growth.

**"The number one priority for consumer products firms next year is getting their data houses in order. It's not the time to focus on gaining access to more data, but to better utilize and safeguard the data you already have," says McPherson.**

04

The EU AI Act, set to take effect in 2026, is unlikely to impact many consumer products brands' use of data within AI due to the noncritical nature of their tools. However, other proposed legislation, such as the U.S. COPIED Act, which aims to require AI tools to let users attach information about their origin, is gaining traction in various regions.

As data becomes increasingly valuable and AI regulation evolves, organizations that can successfully integrate data into their AI solutions while establishing risk mitigation strategies will emerge as leaders in 2025 and beyond.



## 05 HEALTH AND WELLNESS BECOMES 1:1

The health and wellness trend has fundamentally reshaped consumer products, transforming consumer behavior and driving significant growth. In 2025, we'll see this trend expand even more, especially as Gen Z gains purchasing power. The surge in demand for fitness and wellness products, exemplified by the success of brands like HOKA, has made health a core consumer value.

To capitalize on this opportunity, brands must integrate personalized wellness experiences across product categories. While many brands are doubling down on health and wellness-oriented products, the focus is shifting towards personalized health. For example, Unilever's AI-powered personal experiences, like Dove's virtual Scalp + Hair Therapist, are boosting purchases and consumer engagement. Consumers who discover new products on the BeautyHub PRO AI tool are 43 percent more likely [to complete a purchase](#), according to a Unilever press release.

Consumers are also increasingly willing to invest in their overall health, [with spending on wellness products and experiences rising](#). This is especially true for younger generations, who view health and beauty as interconnected aspects of personal care. The convergence of health and beauty is a key trend for 2025, driven by the influence of social media platforms like TikTok.

NielsenIQ reports that health and beauty products are projected to account for 81 percent of TikTok's dollar sales. Gen Z consumers are seeking "clean," cruelty-free items with natural scents, reflecting their overall preference for food that is low in sugar, high in protein and free from artificial ingredients.

By strategically incorporating mental wellness products and services, and by emphasizing the intersection of health and beauty within owned brands, brands can effectively tap into this expanding market and drive sales growth. In order to keep up with the pace of consumer behavior, consumer products firms will need to incorporate AI-powered analytics into their strategy.

# LOOKING AHEAD TO 2025

In conclusion, consumer products companies often have a tendency to start and stop initiatives without giving them enough time to prove their value. This pattern has been seen with direct-to-consumer strategies, influencer marketing and now with generative AI. For these new technologies and business models to truly demonstrate their return on investment, companies need to commit and allow these innovations to take their course.

Just as iconic campaigns like Nike's "Just Do It" didn't become successful overnight, the adoption of generative AI and other advanced technologies requires patience and persistence. By committing fully and allowing these technologies to prove their worth, businesses can achieve the operational efficiency and growth they seek in today's competitive digital landscape.



# CONTACT US

Publicis Sapient is building digital business transformation solutions for consumer products firms, powered by our unique SPEED formula. Our approach combines strategic growth and business value, modern digital product thinking, next-generation customer experience, engineering, data and AI, all while leveraging our premier partnerships with Microsoft, Google, AWS and OpenAI.

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