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From Pilot to Powerhouse: The future of AI in CPG

WHITE PAPER
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FROM PILOT TO POWERHOUSE: THE FUTURE OF AI IN CPG

EXECUTIVE SUMMARY

The AI moment is now, and for the CPG industry, the cost of waiting is greater than the risk of acting.

Artificial intelligence is reshaping the consumer-packaged goods (CPG) industry, not as a futuristic promise, but as a present-day force driving transformation. From predictive analytics to content generation and field sales optimisation, AI is moving from pilot projects to enterprise strategies.

The pace of adoption is accelerating rapidly. In 2025, 78% of companies report using AI in at least one business function, with 71% already integrating generative AI regularly. However, while experimentation is widespread, scaling success remains elusive. Interviews with senior leaders across global CPG organisations reveal that AI's true value lies not in efficiency alone, but in enabling growth, innovation, and agility.

Most companies begin with marketing and media use cases, where generative AI boosts content velocity, localization, and campaign effectiveness. But strategic maturity comes when AI becomes embedded across commercial functions; from revenue growth management to supply chain forecasting and employee enablement. Tools like Microsoft Copilot are bridging capability gaps and sparking enterprise-wide interest, but only where training and functional ownership exist.










Scaling AI across global markets requires navigating governance, legal oversight, and organizational readiness. Companies that succeed are those that blend centralized AI roadmaps with local experimentation, backed by robust governance models, phased playbooks, and capability sprints.


Yet significant challenges persist. Many organisations face talent shortages, fragmented pilots, and internal resistance, particularly among non-digital teams. A lack of clear KPIs, inconsistent training, and overreliance on agencies has led to disjointed progress. Leaders highlight the emotional toll of AI transformation: fear of job loss, lack of clarity, and pilot fatigue.

Despite this, visionary CPG leaders are positioning AI as a catalyst for long-term value creation. They see the rise of agentic AI; autonomous systems that negotiate, optimize, and make frontline decisions, as the next frontier. These pioneers are clear: capability is the new currency, governance must evolve with ambition, and people must be placed at the heart of every solution.

To move from pilot to powerhouse, CPG companies must align AI initiatives with strategic goals, embed literacy and leadership at every level, and focus on solving significant business challenges, not just deploying tools.

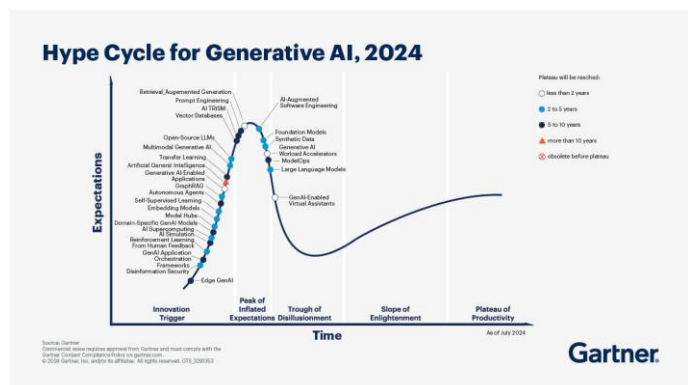
REASONS TO BELIEVE:

-  In 2025, 78% of companies report using AI in at least one business function – up from 55% in 2023.
-  71% of companies (68% of CPG & Retail) are regularly using generative AI in at least one business function.
-  63% of organizations use GenAI to generate text, and over a third use it to create images.
-  Companies that have fundamentally redesigned workflows around AI are reporting the greatest bottom-line impact.
-  Organizations with well-defined KPIs for AI projects see significantly higher EBIT impact.
-  28% of companies now have the CEO directly overseeing AI governance, a practice linked to higher profitability.
-  ChatGPT reached 800 million weekly active users in just 17 months – an 8x growth rate since launch.
-  Global generative AI adoption is scaling faster than the internet did, reaching 90% penetration outside North America in just three years.
-  5.5 billion people now have internet-connected devices, fueling AI's accelerated global reach.

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Sources: McKinsey & Company, The State of AI: How Organisations Are Rewiring to Capture Value (2025); BOND, Trends: Artificial Intelligence 2025

While enthusiasm for AI remains high, many leaders acknowledge the need to move beyond the hype cycle and focus on sustainable, long-term value creation.



INTRODUCTION:

The consumer-packaged goods industry is no stranger to transformation. As consumer expectations rise and supply chains become more complex, companies are turning to artificial intelligence not as a luxury, but as a necessity. From demand forecasting and supply chain optimisation to personalized marketing, content creation and product innovation, AI is reshaping how global CPG companies operate.

Yet, the journey is far from uniform. While some organisations are embedding AI across functions and geographies, others remain cautious, navigating questions around data quality, talent, and governance. This white paper captures real-world insights from executive leaders who are actively shaping this transformation.

SECTION 1 : STRATEGIC USE OF AI IN CPG

Artificial intelligence is increasingly being woven into the fabric of how global



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CPG companies operate, but the journey is far from uniform. As one executive put it, “Forget AI for a second, what’s the problem you’re solving? Then ask if AI is the right tool.” This pragmatic mindset reflects the strategic maturity emerging across the sector.

Early AI initiatives in CPG often began in marketing, where tools like Pencil.ai and internal GPT platforms enabled content adaptation and multilingual asset creation at scale. Executives described tangible successes, such as refreshing over 100 product description pages in five minutes, a task that previously took weeks. “We’ve already seen a 21% lift in search ranking,” one leader shared, highlighting the impact on SEO performance.

But AI's reach extends well beyond content. In commercial functions, machine learning models are optimizing promotions, improving field sales targeting, and enhancing demand forecasting. One company’s use of weather data, historical sales, and retail patterns to create real-time sales predictions stood out: “You can say, ‘show me weather-related sales uplifts across three years,’ and it just does it.”

In people and culture, firms are launching AI-enabled career navigation tools to help employees chart learning paths and internal mobility options. Others are testing AI-powered assistants that summarize meetings, suggest learning content, or even draft development plans.

Strategically, leaders are evolving from isolated use cases toward integrated AI roadmaps. In some organisations, centralized digital teams define ‘big bets’ in areas such as customer investment, RGM, and insights. “We must own the model, it’s our algorithm for growth,” emphasised one executive, underscoring the desire to retain strategic IP even when collaborating with external agency partners.

Generative AI is also creating buzz; particularly in creative production, chatbot assistants, and eCommerce copywriting. However, leaders remain cautious. A recurring theme is that GenAI is only useful when it solves a real problem. “Right now, the biggest wins are in precision media and spend optimisation - creative AI will come but its phase two,” said a senior leader in media planning.


AI has shown particular promise in seasonal marketing, where it enables agile updates for back-to-school, holiday, and summer campaigns. “It’s probably been the most successful pilot I’ve run so far,” one interviewee reflected. Pilots are now giving way to phased rollouts in areas such as creative asset grading, brand storytelling, and media spend optimisation.

Still, the benefits are not universal. While leaders in marketing and insights departments are often early adopters, sales and other functions have been slower to engage. That said, there are promising signs: AI is being tested to prioritize store-level visits, support pricing elasticity models, and even optimize field sales coverage.

Tools like Microsoft Copilot are playing a pivotal role in building foundational AI fluency. “Copilot is helping people build skills so they can start to envision bigger ideas,” one transformation lead shared. From summarizing meetings to drafting reports, these tools are accelerating the shift from experimentation to enterprise-scale impact; unlocking efficiencies, enhancing decision-making, and fueling growth across the business.

In sum, strategic AI use in CPG is transitioning from experimentation to integration. It spans the marketing funnel, the supply chain, and the employee experience. The most forward-looking firms are tying their AI strategy to real business outcomes—be it revenue growth, cost reduction, or workforce enablement. As one executive summed up: “We are leveraging AI for growth

and if it comes with efficiencies that's great but its really refuelling growth.”



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SECTION 2: SCALING AI ACROSS BORDERS

While the promise of AI in the CPG industry is undeniable, scaling it across regions and markets remains a formidable challenge. Organizational structure, regulatory complexity, digital maturity, and cultural readiness all influence how far and how fast companies can embed AI across their value chains.

A recurring theme in interviews was the tension between centralized governance and local experimentation. In companies with mature digital strategies, AI initiatives are guided by centralized roadmaps developed by cross-functional teams; including digital, IT, legal, and business stakeholders. One executive described this as “building a digital backbone,” a structured foundation that enables consistent AI rollout and learning across markets.

However, the need for localized innovation often clashes with central control. “AI is being driven from within the teams who use it. That helps adoption, but makes consistency harder,” said one marketing leader. In such decentralized environments, pilots emerge organically in different functions and countries, sometimes resulting in duplication of effort or inconsistent standards. As one global lead noted, “Each market is briefing the same work to different agencies. We need consistency.”

A best practice emerging from leading firms is the establishment of structured intake portals and AI councils that collect, evaluate, and prioritize AI initiatives. These forums help avoid redundant investments and identify scalable use cases. Some companies have also begun phasing their rollouts; starting with media or content before moving into more complex areas like analytics or RGM.

Legal and compliance oversight play a significant role in shaping deployment timelines. In regulated sectors like alcohol and health-related categories, every AI-generated output, whether image or copy, must pass through legal review. “If

a vendor says they're doing AI imagery, legal have to meet with them," explained one executive. Governance, while crucial, often slows the pace of experimentation.

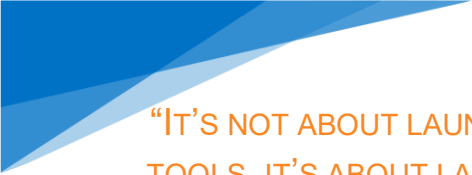
Access to AI tools varies by role and geography. In many companies, advanced tools such as GPT-based assistants are available to senior leaders and central office teams, but not yet to field sales staff. As one digital transformation lead put it: "This is the start of centralizing everything, it's how we learn from each market and drive scale."

Companies are increasingly aware of the need to manage AI deployment in phases to avoid tool fatigue. "We're not running before we can walk," was a commonly held view from many executives. Many leading organisations have developed AI playbooks, capability matrices, and vendor sprints to coordinate efforts and benchmark progress.

MANY LEADING ORGANISATIONS HAVE DEVELOPED AI PLAYBOOKS, CAPABILITY MATRICES, AND VENDOR SPRINTS TO COORDINATE EFFORTS AND BENCHMARK PROGRESS.

Despite efforts to harmonize approaches, cultural differences across regions still pose barriers. Markets like APAC and Latin America show strong interest in building capability, while others lag in adoption. In some cases, fear of job displacement or lack of AI literacy slows enthusiasm, particularly in frontline or non-digital roles.

The most successful organisations are those that blend global consistency with local agility, embedding AI where it delivers real value, while ensuring that governance, capability, and enablement keep pace. As one interviewee put it, “It’s not about launching more tools, it’s about launching the right tools, with the right support, at the right time.”



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SECTION 3: CHALLENGES AND ENABLERS

As CPG companies embrace AI, they encounter a complex web of organizational, technical, and cultural barriers that inhibit momentum. While the potential is clear, unlocking it at scale demands more than technology, it requires readiness across people, process, and mindset.

Talent and capability remain some of the most pressing gaps. Two kinds of roles are critical but often under-resourced: technical builders (data scientists, AI engineers) and functional users (marketers, sales teams, RGM leads). “If we had four people instead of one, we’d be six months ahead,” remarked one senior marketer, voicing a common frustration about bandwidth constraints. Across interviews, a lack of digital fluency and prompt literacy in non-technical teams emerged as a key limitation.

The introduction of tools like Microsoft Copilot and internal GPT interfaces has raised expectations, but adoption lags without strong enablement. “Some leaders haven’t even tried ChatGPT. We’re trying to break the seal,” said one transformation lead. Copilot licenses are often rolled out without accompanying

ORGANISATIONS THAT HAVE SEEN EARLY SUCCESS TEND TO OFFER STRUCTURED ONBOARDING, FUNCTIONAL TRAINING MODULES, AND AI CHAMPIONS WITHIN EACH BUSINESS UNIT.

guidance, leading to underuse and scepticism. Organisations that have seen early success tend to offer structured onboarding, functional training modules, and AI champions within each business unit.

Legal and compliance functions play a dual role, as both enablers and gatekeepers. Their involvement ensures ethical and regulatory guardrails, particularly in sensitive sectors like alcohol or personal care. However, many executives cited the burden of lengthy approval cycles. “Everything has to be

approved before deployment, with human review built into every generative use case,” shared one leader. This need for oversight is compounded when external partners are involved, requiring procurement-driven risk assessments and data ownership audits.

AI pilot fatigue is another major concern. In the rush to experiment, many companies have launched dozens of uncoordinated pilots, each solving narrow problems or lacking clear KPIs. “We’re building a lot without strategy. It’s like the early days of websites,” said one executive. This proliferation has led to duplicated agency work, wasted investment, and burnout among lean innovation teams.

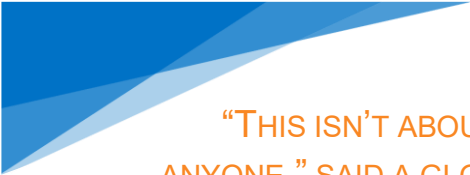
Despite these challenges, there are powerful enablers. AI councils, digital intake portals, and capability mapping efforts have helped organisations gain visibility into what’s being evaluated, where, and why. Some companies are building phased playbooks; starting with high-impact, low-risk initiatives like content generation before expanding into creative optimisation or insights automation.

External partners are playing a critical role. Firms like Deloitte, BCG, and Accenture are co-developing models, while content automation is increasingly outsourced to vendors like Shuttle Rock, Grip, or Talkoot. Yet, over-reliance on agencies can fragment ownership and slow long-term capability building.

The most sobering challenge is the emotional one: fear. Resistance persists among employees concerned about job displacement, overwhelmed by unfamiliar interfaces, or unclear on the 'why' behind AI initiatives. Reframing AI as

RESISTANCE PERSISTS AMONG
EMPLOYEES CONCERNED ABOUT JOB
DISPLACEMENT

augmentation, not automation, is critical. “This isn’t about replacing anyone,” said a global head of digital. “It’s about giving people superpowers.”



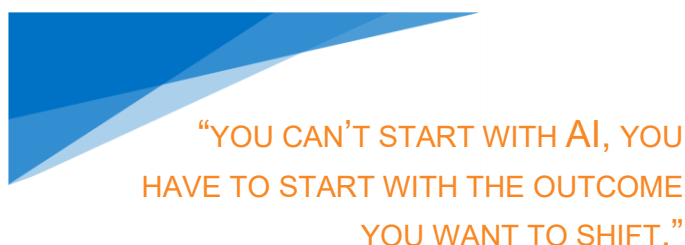
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Bridging these gaps requires long-term commitment: from senior sponsorship and cultural alignment to technical upskilling and clear measurement. Organisations that treat AI as a business transformation, not just a tech deployment, are the ones most likely to thrive.

SECTION 4: EXECUTIVE VISION AND INDUSTRY OUTLOOK

Executives emphasize personalisation, agility, and solving complexity at scale. The use of A.I. in the CPG industry is still in its infancy; few companies are meaningfully ahead. Hype is a risk, leaders are pushing teams to focus on business-first use cases, not novelty. DEI and bias risks are flagged, particularly in generative content and consumer-facing AI.

Some leaders frame AI as a pillar of long-term commercial transformation, not a



standalone technology trend. One interviewee described the importance of “decision augmentation, not automation for its own sake.” Another stressed that “you can’t start with AI, you have to start with the outcome you want to shift.”

Firms with higher maturity use AI in RGM modelling, knowledge surfacing, and predictive content design loops. Others are applying AI to trend prediction and behaviour modelling to shift from reactive to proactive demand generation. “AI should solve your biggest pain, not just appear on a slide,” said one marketing executive.

Additional leaders point to productivity-focused use cases as dominant today, especially where master data gaps make AI a crutch for operational workarounds. A robust framework divides use cases across front-office (CX, marketing, translation, content), back-office (service desks, analytics), product design, and integrations (SAP, Adobe, etc.).

Executives repeatedly highlight the importance of critical thinking in deployment: “Just because you can doesn’t mean you should.” Successful adoption depends on business-first framing, strong governance (e.g., GenAI councils, tech-pass procurement reviews), and an understanding of decision flows within the organization. “Know who really makes decisions, then build around that.”

Change management and capability building are lagging areas. Teams often lack broad training or show fear-based resistance (“using AI feels like cheating”). Leaders are calling for clearer role distinctions (platform vs. product), better literacy, and tailored adoption paths that recognize function-specific needs and sensitivities.

At many companies, the journey started with analytics and expanded into process optimisation and content generation. AI is increasingly used for field sales enablement, guiding next-best actions utilising image recognition.


However, scaling is challenged by poor data quality, legacy systems, and talent shortages. Strategic partnerships with startups are vital yet complex.

Organisations are prioritizing responsible AI, with internal committees ensuring ethical brand representation and compliance.

SCALING IS CHALLENGED BY POOR DATA QUALITY, LEGACY SYSTEMS, AND TALENT SHORTAGES.

Future-focused executives foresee agentic AI disrupting key commercial processes like retailer negotiations, predicting that strategic decision-making will shift toward managing AI agents. “Account managers won’t negotiate, agents will. The winners will be the ones who build the best agents.”

Leaders emphasize the need to start with specific value cases, focus on data hygiene, and build iteratively rather than waiting for perfect conditions. “Be clear on your use cases. Build with people. And get your data right, now.”

A decorative graphic consisting of several overlapping blue triangles and quadrilaterals, creating a dynamic, abstract shape in the top left corner.

. “BE CLEAR ON YOUR USE CASES.
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CONCLUSION & RECOMMENDATIONS

The findings from this white paper point to a sector on the cusp of transformation. AI has moved from experimentation to strategic integration across marketing, commercial, and operations functions in many leading CPG firms. Yet the pace and depth of this adoption are uneven, reflecting differences in leadership vision, internal capability, and external readiness.

Executives are no longer debating whether to adopt AI; but how, where, and to what end. The most successful organisations are those that treat AI not as a discrete project, but as a core enabler of growth, agility, and insight. They invest in foundational infrastructure and talent while aligning initiatives with significant business outcomes.

KEY TAKEAWAYS INCLUDE:

- AI is transforming CPG marketing and commerce. From content generation and campaign personalisation to revenue management and media optimisation, AI is creating tangible impact. Brands that focus on scalable, high-impact use cases; especially in digital shelf, consumer insight, and product content, are seeing clear returns.
- Capability is the new currency. Success depends not just on tools, but on the teams using them. Organisations that provide prompt literacy training, executive coaching, and AI champions within business units are better positioned to embed AI into daily decision-making.
- Governance must evolve with ambition. Legal, data, and compliance leaders are right to ensure responsible use, but innovation cannot be strangled by fear. Companies that establish clear playbooks, use-case intake portals, and ethical review panels can balance pace and protection.
- Cultural readiness is as critical as technical readiness. Fear of job loss, lack of role clarity, and pilot fatigue can derail even the most promising efforts. Leaders must communicate that AI is a partner, not a replacement; and create space for experimentation, learning, and cross-functional collaboration.
- Don't let perfection block progress. Several executives emphasised the importance of "failing forward" and learning quickly. Small pilots aligned to priority business problems are more valuable than broad, unfocused initiatives.

TO ACCELERATE IMPACT, WE RECOMMEND:

- **Develop** an AI maturity framework across strategy, governance, capability, and performance.
- **Clarify** ownership and accountability for AI at global and regional level.
- **Focus** on fewer, higher-value use cases that align with growth or operational imperatives.
- **Invest** in upskilling and embed AI literacy into all levels of the organization.



- **Create** an innovation infrastructure that includes safe environments for testing and scaled deployment.
- **Strengthen** governance with principles for responsible AI and mechanisms to monitor bias, risk, and compliance.
- **Keep** people at the centre. Ensure human oversight, maintain transparency, and prioritize experiences that empower rather than replace.

As AI continues to evolve, its role in shaping the future of consumer engagement, operations, and innovation will only grow. Those who lead with purpose, pragmatism, and people will define the next generation of success in the CPG industry.

ACKNOWLEDGEMENTS

I would like to express my sincere thanks to all the senior executives and industry leaders who generously shared their time, perspectives, and experiences for this white paper. Your openness, thoughtfulness, and candour have been instrumental in shaping a well-rounded and forward-looking view of AI in the CPG industry.

Your insights not only highlighted the current realities but also illuminated the path forward, offering both inspiration and practical wisdom to those navigating this critical inflection point.

Thank you for your invaluable contribution.

ABOUT THE AUTHOR

Simon Miles



Simon is the Founder and CEO of Lighthouse Advisory.

I help CPG brands and retailers navigate the evolving digital landscape, with a focus on growth, innovation, and practical transformation.

After 17 years at Coca-Cola, leading digital marketing, and eCommerce across regions, I launched Lighthouse Advisory to partner with leaders on strategy, capability-building, and commercial excellence.

