Are you ready for the *next generation* of consumers?

Increase your confidence to win competitively and commercially in 2025 and beyond

Capgemini

The lay of the land

Three core trends are rapidly changing the consumer products and retail industries. Trends that must be acted upon now to have an impact later.

1. Your consumer is changing.

Within the next ten years Gen Z will be over 30% of the UK workforce and therefore earning population. What they want is different from previous generations and if you aren't already considering how that will affect your brand, products, and operations in the future, you should start now.

Insights from our 'What Matters to Today's Consumer?' reports show just how radically Gen Z's behaviours are already shifting the dial across the landscape:

• 45% of Gen Zs aged 21 and over reported never having tried alcohol

• 45% already report having used Gen AI in shopping

• 72% lead the way in the purchase of sustainable products

2. Omnichannel (as we know it) is over

Omnichannel was the leading word on the industry's lips for a long time. Now, it's a term of the past. Because a unified front-end is not enough; consumers must be able to seamlessly shop across channels.

• 62% of customers start their shopping journey online and complete it in-store . Which means excellence in a single area is no longer sufficient and separate systems and inventory pools just won't cut it. The future of conversion lies not in focusing on a single channel but in crafting seamless messaging across all of them.

https://www.marketingcharts.com/industries/retail-and-e-commerce-232946

• 85% of Gen Zs discover new products through social media and micro influences . Social commerce now dominates purchasing in that age group, so social strategies must link up to seamless commerce opportunities.

3. The ability to scale fast is a prerequisite for success.

The "TikTokification" of shopping goes beyond just how quickly influencers can spark and fade trends. Digital-first brands are capitalising on viral content by seamlessly integrating commerce capabilities and leveraging agile supply chains to quickly manufacture and deliver new products directly to the consumer. Pure player competitors can get new products to market within a week of identifying a new trend (just look at Shein).

Brands don't need to hop onto every trend on every channel, but they do need to be able to scale fast when a trend takes shape, or else sales will be lost to digital natives. While not every purchase is driven by influencer trends the inability to scale rapidly will leave traditional brands trailing behind.

What does it all mean? In short: if you don't truly understand your consumer in context, fail to engage seamlessly across products, agents, and experts, or can't scale your next big product within six months, then you're on the path to becoming a relic of the past.

https://www.retaildive.com/news/generation-z-social-media-influence-shopping-behavior-purchases-tiktok-instagram/652576/

"By 2028, today's "emerging trends" will be the foundation of how your consumers shop, engage, and interact. Gen Z will be the dominant consumer force. AI-driven commerce will be the standard. Current retail models will be unrecognisable. Waiting is no longer an option. The mandate is clear: act now or get left behind.

"Within these pages you'll find our points of view and recommendations for how to do just that – drawing on insights, expertise, and perspectives from all corners of Capgemini's global business including Capgemini Invent and frog, part of Capgemini Invent.

"Read on to discover how to get ahead now for success later and understand why Capgemini is your business and transformation partner to help you get there."

– Gavin Sotheran,
Head of Consumer Products
Capgemini UK

How to win

Achieving meaningful customer engagements may seem straightforward, but building the internal capabilities to deliver such outcomes is a complex challenge. The key lies in investing in customer-facing capabilities that align with emerging trends, supported by an agile operating model and data-driven systems designed to adapt to changing demands.

To stay ahead, and win commercially, you need to foster a culture of experimentation – exploring and testing new strategies, technologies, and approaches to discover what resonates with your audience – alongside a base of commercial confidence. Achieving this requires a flexible digital foundation that enables rapid adaptation, seamless integration, and scalable innovation to meet evolving customer expectations.

The four pillars of investment to unlock efficiencies and build commercial confidence

1. Personal Experiences and Journey Optimisation – Deliver seamless, personalised experiences that engage consumers across every touchpoint in their journey. By leveraging persona segmentation and new business models, brands can transform every interaction into a meaningful, transactional moment.

2. Insight Driven Commercial Strategy – Drive commercial and revenue growth management success through insight-led trade promotions, category leadership, and data-driven salesforce strategies. This approach ensures optimised spend and sustainable growth by focusing on both effectiveness and efficiency delivering high value ROI.

3. New Product and Services Innovation – Identify, develop, and launch innovative products and services that meet future consumer demands. By leveraging consumer insights, market trends, and agile supply chains, you can adapt your portfolio, bring offerings to market faster, and stay ahead in a competitive landscape.

Underpinned by...

4. A Digitally Enabled Integrated Operating Model – Redefine the value chain with collaboration-driven operating models that break silos between commercial, supply chain, and marketing. Embrace hubs, outsourcing, and innovative ecosystems, leveraging external partnerships to unlock agility, scalability, and next-gen go-to-market strategies.

These pillars must support your focus at every stage of the consumer's purchasing cycle:
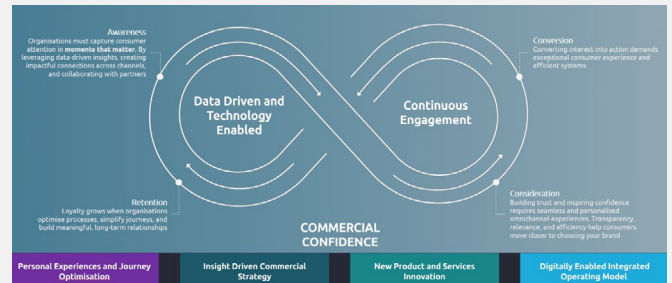
Personal Experiences and Journey Optimisation

Delivering seamless, tailored experiences across every touchpoint builds stronger connections with consumers. By leveraging data-driven insights and persona segmentation, you can transform every interaction into a meaningful and engaging opportunity that drives loyalty and growth.

Use the following questions to explore how well you're doing now vs. where you want to be.

Ask yourself:

• How well are we personalising experiences to resonate with our consumers?

• Are we optimising the entire journey, from inspiration to conversion?

• How effectively are we using persona segmentation to target the right audience?

• Are we leveraging real-time data to engage consumers at the right moment?

• How can we transform every interaction into a transactional opportunity?

Insight Driven Revenue Growth Management

Using data-driven insights to optimise trade promotions, category leadership, and salesforce strategies ensures sustainable growth while meeting consumer needs. Organisations must focus on balancing efficiency and effectiveness to drive value while fostering trust with their consumers.

Use the following questions to explore how well you're doing now vs. where you want to be.

Ask yourself:

- Are we effectively using consumer insights to shape our trade promotions?

- How well do we understand and anticipate consumer demand trends?

- Are we optimising our salesforce and category strategies to drive value?

- Are we balancing commercial success with delivering high-value customer experiences?

- How are we ensuring ROI while maintaining trust and transparency with consumers?

New Product and Services Innovation

Rapidly developing and launching innovative products and services that meet evolving consumer demands is critical to staying ahead. By combining consumer insights, marketing trends, and agile supply chains, you can adapt your portfolio, bring offerings to market faster, and stand out in competitive landscapes.

Use the following questions to explore how well you're doing now vs. where you want to be.

Ask yourself:

- Are we innovating in ways that truly meet future consumer demands?

- How can we bring products and services to market faster without compromising quality?

- Are we leveraging data and insights to create offerings that stand out?

- How are we rethinking our portfolio to adapt to changing consumer preferences?

- Are we exploring new business models, such as subscriptions or product-as-a-service, to stay relevant?

Integrated Operating Model

Redefine the value chain by building innovative ecosystems and forming transformative partnerships. Break down silos between commercial, supply chain, and marketing to create agile, scalable operating models that unlock new opportunities. Embrace collaboration, hubs, and outsourcing to deliver next-gen go-to-market strategies and thrive in an ever-changing market landscape.

Use the following questions to explore how well you're doing now vs. where you want to be.

Ask yourself:

• How well are our operating models aligned with consumer expectations?

• Are we leveraging technology and collaboration to enhance efficiency and agility?

• How effectively are we integrating commercial, supply chain, and marketing functions?

• Are we agile enough to respond to changing market and consumer demands?

• How can we rethink our value chain to drive growth through innovation and collaboration?

How can we help?

As consumer tastes change, technologies evolve, new entrants continue to disrupt, and sustainability ambitions become core, investing in more of the same just won't work. To survive and thrive, you need to challenge the status quo and continuously reinvent.

It all starts with putting your consumers first. What do they want? What do they need? Forward-thinking businesses use their customer knowledge to identify opportunities for new products, services and experiences.

Capgemini can be your independent partner and advisor throughout this shift in approach. A global market leader in customer digital transformation programmes within the consumer products sector, we inspire clients of every size and maturity to make bolder choices across strategies, business models, new ventures, brand, and purpose. With creativity, design, and data, we can help you imagine your future, test the market, and turn your ambition into reality at scale.

We've been the customer transformation partner of many industry-leading businesses, including Nestle, Unilever, Heathrow, Rexel and more.

Plus, we've been named as a 'Leader' in Customer Experience Strategy by The Forrester Wave™: Customer Experience Strategy Consulting Practices, Q4 2022 – ranking highest in the strategy category.

But don't just take our word for it.

Below are some of the very best examples of how Capgemini has revolutionised customer capabilities across the consumer products industry.

Capgemini in action

Deepening customer engagement with **IKEA Retail**

frog and IKEA Retail (Ingka Group) collaborated to transform an underutilised customer club into a core part of its customer engagement strategy. Working with IKEA's growth and marketing stakeholders from both retail and digital, we designed and built the technical solution, helped shape core operational components, and ultimately created a more rewarding experience throughout the project journey. The result is rewards from IKEA Family: a proposition and global rewards framework which operates as a consistent way of recognising customer loyalty, whilst offering local countries flexibility to adjust the ways customers can collect points, as well as the rewards they can access.

Read the full story here.

Creating Consumer Insights at Scale with **Unilever**

Looking to remove business pain points and utilise real-time, actionable insights, frog and Unilever created a state-of-the-art, in-house consumer analytics solution to service Unilever's 53+ markets. The resulting People Data Centre (PDC), delivers consumer trends and product insights as a service, identifying emerging consumer behaviors and attitudes and helping brands capitalise on related opportunities. The PDC has the ability to perform advanced analytics on large amounts of data – including internal business data, traditional market research data, social media, search data, blogs, forums, ratings and reviews sites, and consumer carelines. This pivot away from research agencies to an in-house data center helped save Unilever €30 million a year.

Read the full story here.

Bridging the digital and physical with product digital twins for **L'Oréal**

L'Oréal collaborated with Capgemini to develop and implement a digital twin solution for their products, aiming to enhance consumer engagement by enabling instant access to key information and applications via scannable QR codes. Leveraging Google Cloud, Apigee API Management, and Google BigQuery, this integration connected various essential tools and systems to support the QR codes. The resulting solution drove faster responses to both B2C and B2B consumer needs, enhanced transparency around products, improved connectivity for supporting new product releases, and substantial capacity for scaling the solution.

Read the full story here.

Supercharging digital experiences for **Heathrow**

Heathrow Airport partnered with Capgemini to enhance its digital customer experience, aiming for seamless, personalised journeys for millions of passengers. By leveraging persona segmentation and innovative business models, we helped them address the complexity of multi-channel customer journeys and rising expectations for personalisation. Working with Salesforce, Azure, Databricks, and Power BI, we introduced greater personalisation as well as better utilisation of customer data and analytics. We also helped Heathrow re-launch its VIP service for high-profile travelers. The resulting Salesforce-powered platform drove a 20% increase in customer satisfaction and 30% faster response times.

Read the full story here.

Get in touch

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About Capgemini

Capgemini is a global business and technology transformation partner, helping organizations to accelerate their dual transition to a digital and sustainable world, while creating tangible impact for enterprises and society. It is a responsible and diverse group of 340,000 team members in more than 50 countries. With its strong over 55-year heritage, Capgemini is trusted by its clients to unlock the value of technology to address the entire breadth of their business needs. It delivers end-to-end services and solutions leveraging strengths from strategy and design to engineering, all fueled by its market leading capabilities in AI, generative AI, cloud and data, combined with its deep industry expertise and partner ecosystem. The Group reported 2024 global revenues of €22.1 billion.

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