# Trends Redefining the CPG Industry in 2024

The Consumer Packaged Goods (CPG) industry's value is predicted to reach **$18.94 trillion by 2031** reflecting a 5.1% CAGR from 2022 to 2031.[1]

**In 2024 beyond,** achieving growth depends on actively implementing data-driven strategies prioritizing innovation, sustainability, and market-driven approaches.

## 6 CPG Industry Trends to Watch Out For in 2024

### Consumers Are Economizing and Splurging Cautiously

**40%**

40% percent of consumers, especially GenZ-ers and millennials, intend to splurge cautiously in the upcoming months.[2]

**79%**

79% of consumers are trading down when they shop to save money.[2]

**28%**

28% of US consumers have reduced food spending to save money.[2]

Gen Zers and millennials show a sharper decline in food spending than older demographics.[2]

### Continued Priority: Investments in Digital Initiatives and Business Transformation

In 2024, CPGs will invest in integrated business planning and smart manufacturing.[3]

Around 60% of leading CPG players actively integrate technology, data, and science into their planning processes.[3]

This investment aims to enhance understanding of consumer signals, drive the entire planning cycle, and optimize manufacturing processes.

They utilize data and analytics, prioritizing generative AI for faster decision-making.

### Experimentation with AI Continues

**48%**

48% of US consumers believe AI will streamline online shopping through chatbots and AI-optimized websites.[4]

Generative AI is a pivotal aspect in every CPG's plans, with an estimated one-quarter of productivity gains expected from these tools in the next year or two.

Generative AI proves impactful across the CPG value chain, spanning product innovation, R&D, and hyper-personalized digital marketing.

Enhanced customer service is achievable by analyzing queries and suggesting tailored solutions through customer contact centers.

### The Rise of Online Shopping, Hyper-personalization and Convenience

CPG firms embrace the rising e-commerce trend, with DTC brands establishing direct online consumer relationships.

CPGs are leveraging advanced data analytics and AI to deliver personalized experiences.

The surge in online shopping drives CPGs to overhaul distribution and optimize digital storefronts.

Hyper-personalization, spanning product recommendations to packaging, is crucial for effective marketing.

### The Inflation-Led Dilemma: Sustainability vs Affordability

**53%**

of global consumers actively seek ways to reduce food and drink expenses.5

This shift impacts brand loyalty, prompting the exploration of diverse shopping options.

Consumers use strategies like promotional offers to afford purchases without compromising.

In 2023 45% of US consumers prioritized ESG factors, a decline from 57% in 2022. While lower than global averages, this indicates a noteworthy consideration for ESG factors despite inflation.

**88%**

Private-label products making ESG-related claims dominate, capturing a larger share (88% of product categories).[6]

This shows that consumers opting for private-label brands may seek affordable ESG-friendly choices.

### Product Labels Matter: Better-For-You CPG Market Set to Grow

**2/3**

Two-thirds of American adults are willing to eat and pay more for ultra-processed foods featuring nutritious ingredients.

**59%**

Globally, 59% of consumers are paying increased attention to ingredient listings, seeking authenticity and 'free-from' claims.[5]

**70%**

Gen Xers lead the demand for products supporting healthy aging, with 70% of them recognizing changes in their bodies.[4]

The Better-For-You (BFY) CPG market will undertake digital transformation initiatives to improve customer engagement, simplify supply chains, and gather data for personalized product development.[7]

Partner with **LatentView Analytics** to analyze real-time data to gain insights into consumer behavior and outline data-driven strategies.