



The ROI of Al

in retail and CPG



Methodology

This report is based on a survey conducted by Google Cloud and National Research Group.

585 leaders of global retail and consumer packaged goods (CPG) companies:

150 CEO, CIO

175 CFO, CMO, CTO

161 CISO, CDO, CSO, COO, Director

of Digital Strategy, VP of IT

99 IT Director, Head of Innovation,

Director of Customer Experience/

Service, Marketing Director

Over

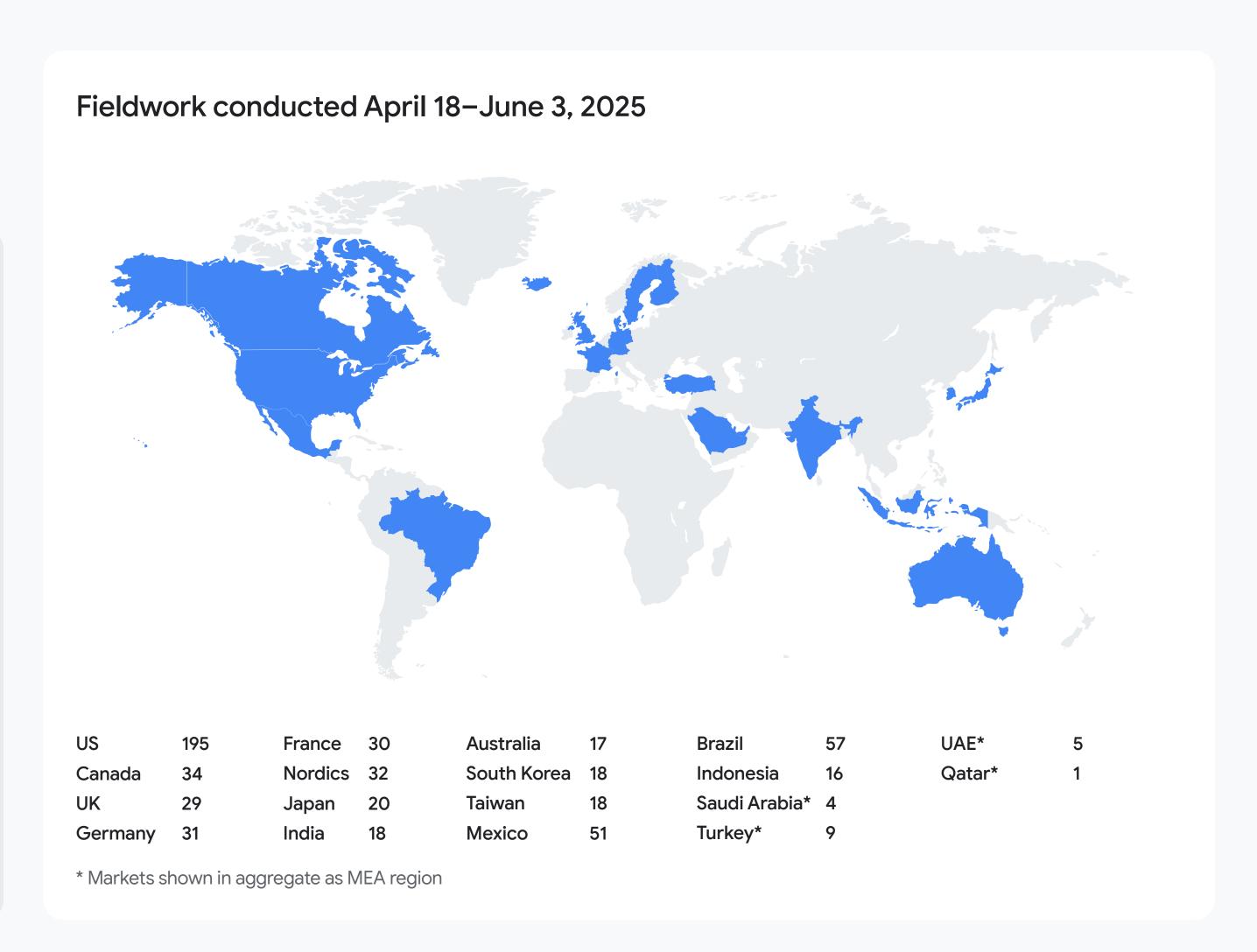
100

full-time employees

Over

\$10M

annual revenue



Executive summary

Our second annual survey of senior leaders in retail and CPG reveals continued ROI from their gen Al initiatives, along with a new focus on agentic Al projects.

Historically, agentic systems have been difficult to implement, requiring laborious, rule-based programming or highly specific training of machine-learning models. Gen Al changes that. In fact, over half of executives are already leveraging Al agents. The use cases span a spectrum of complexity—from single-task agents to multi-agent systems that can take actions on your behalf and under your control. And while this technology is already helping people get more done, many companies are still in the early phases of agentic maturity.

For retailers and CPG brands this trend marks a clear acceleration from planning to action, and using Al to engage consumers wherever they are—streaming, scrolling, and searching.



Carrie Tharp
VP, Global Solutions & Industries, Google Cloud

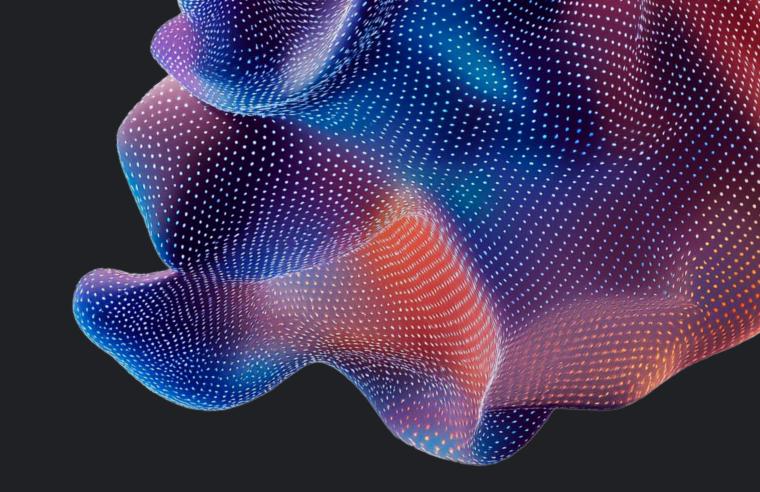
51%

of retail and CPG executives report their organization is leveraging Al agents¹

^{*} Unless otherwise noted, all statistics in this report are derived from the retail and CPG executive survey and only include those who are using gen Al in production.

¹ Retail and CPG executives: n=585; Question: (1) How are Al agents leveraged across the enterprise? (2) How many Al agents does your company currently have deployed in production across your organization?

Key insights in retail and CPG



51%

of executives report their organization has adopted Al agents in production²

47%

of executives report their organization is allocating over 50% of their future Al budget to Al agents³

concern for executives is data privacy and security when evaluating LLM providers⁴

² Retail and CPG executives: n=585; Question: (1) How are Al agents leveraged across the enterprise? (2) How many Al agents does your company currently have deployed in production across your organization?

³ Retail and CPG executives: n=564; Question: What % of your future AI budget is being allocated to agents?

⁴ Retail and CPG executives: n=564; Question: Which of the following factors are MOST important to your company when considering LLM providers?

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The agentic shift



Al agents have arrived

The breadth of agentic Al adoption in the retail and CPG industry is striking.

Implementations range from gen Al-powered chatbots that answer questions, to single-task agents focused on a specific function like creative assistance, to sophisticated multi-agent systems that combine advanced Al models with access to tools so they can take actions on your behalf, under your control.



Definition of Al agents used in the survey

Al agents are specialized LLMs that have specific roles, context, and objectives to independently plan, reason and perform tasks with access to data function call APIs and can interact with other Al agents if needed. These can be pre-built or in-house built agents.



Levels of Al agent maturity

Level 1
Simple tasks

Chatbots

Information retrieval

Image generation

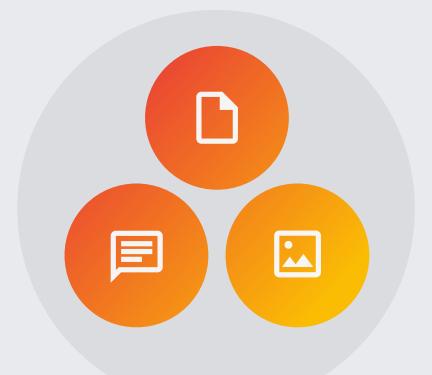


Level 2

Al agent applications

Customer service Al agents

Creative agents



Level 3

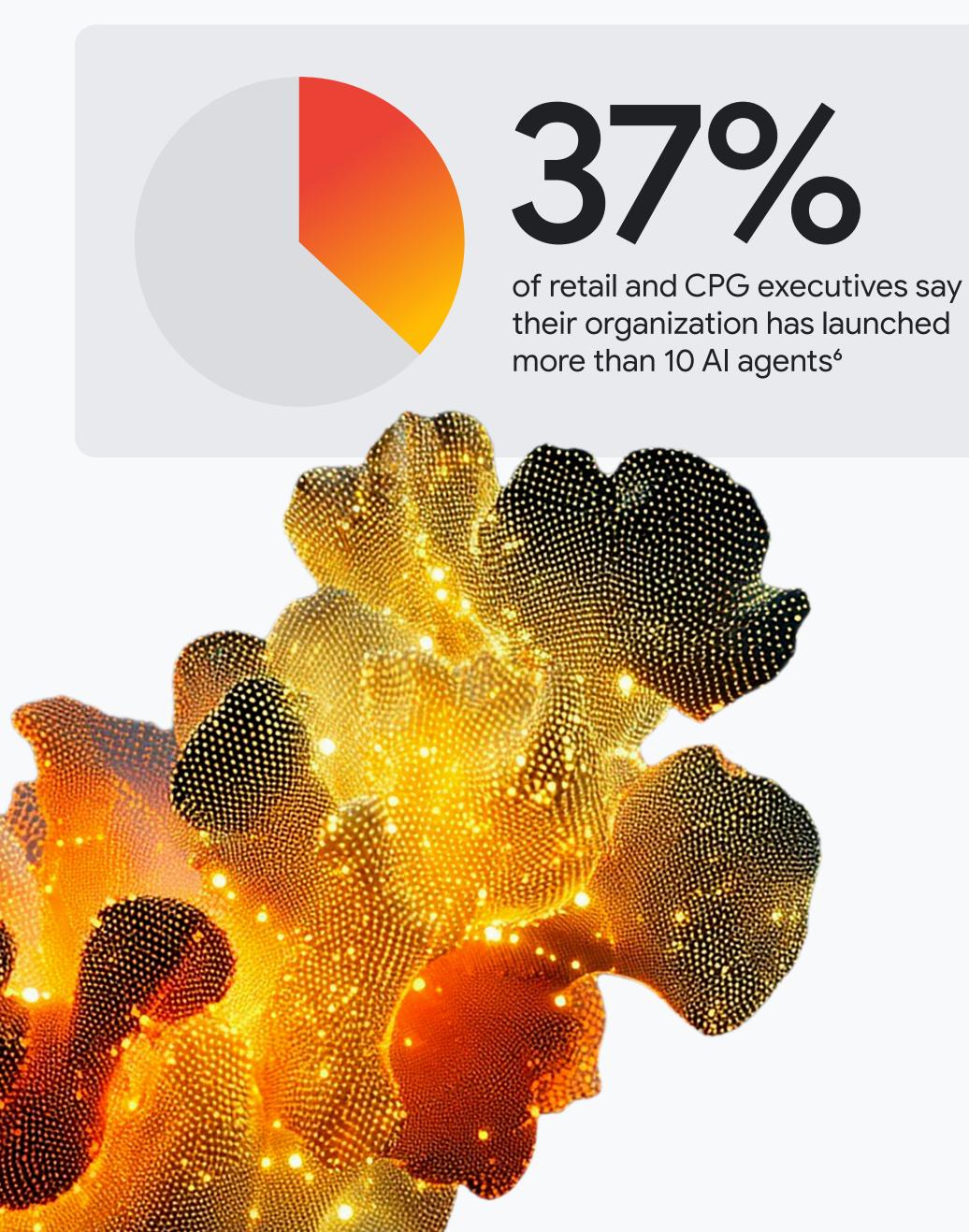
Multi-agent workflows

Agentic workflows

Agent orchestration







How Al agents are being used⁷

39%

use them for quality control

38%

use them for supply chain and logistics

32%

use them for digital fraud prevention

⁶ Retail and CPG executives: n=585; Question: How many Al agents does your company currently have deployed in production across your organization?

⁷ Retail and CPG executives whose organization is leveraging agentic Al: n=300; Question: What use cases has your company deployed Al agents for?



:3wayfair

Al agents are applicable across a wide variety of use cases, and I believe every business has workflows where agentic Al can deliver meaningful value. It accelerates existing processes, driving measurable business impact."



Fiona Tan CTO, Wayfair

Agentic Al use cases in action

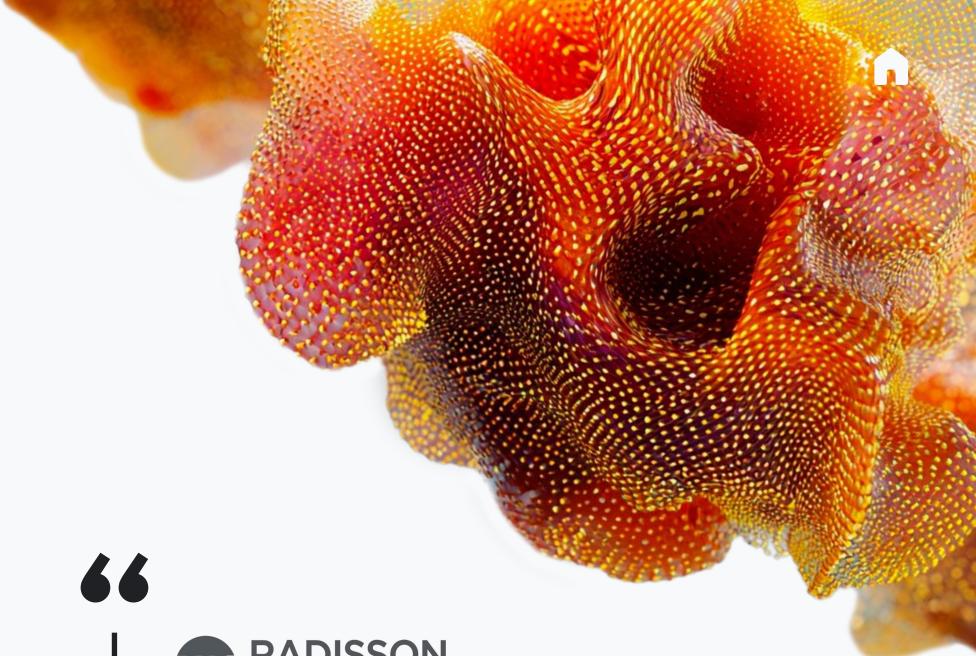
Al agents are now actively tackling core challenges in retail and CPG.

Customer service and experience (47%), marketing (44%), and security operations and cybersecurity (41%) are leading the way.8 These areas closely align with business objectives—customer service directly influences retention and sales, marketing directly drives conversion, and robust security builds essential trust.

Beyond these, industry-specific use cases such as quality control (39%) and supply chain and logistics (38%) also demonstrate high adoption. Interestingly, despite their critical importance, digital fraud agents (32%) have lower, though still significant, adoption.

Other retail-specific agents that often hit the headlines—such as visual merchandising, omnichannel operations, or shopping advisors—are not as widely adopted.¹⁰ These specialized agents often have unique data requirements or integration complexities that inhibit uptake.

Yet they won't be far away. As the early use cases with agentic Al prove their worth, retail and CPG organizations can start laying the foundations for these more complex, industry-specific Al use cases.





For humans, time is invaluable. Al can amplify people's work to save that time. We're entering an era where humans and machines will have a truly symbiotic relationship."



Velit Dundar

VP of Global eCommerce, Radisson Hotel Group

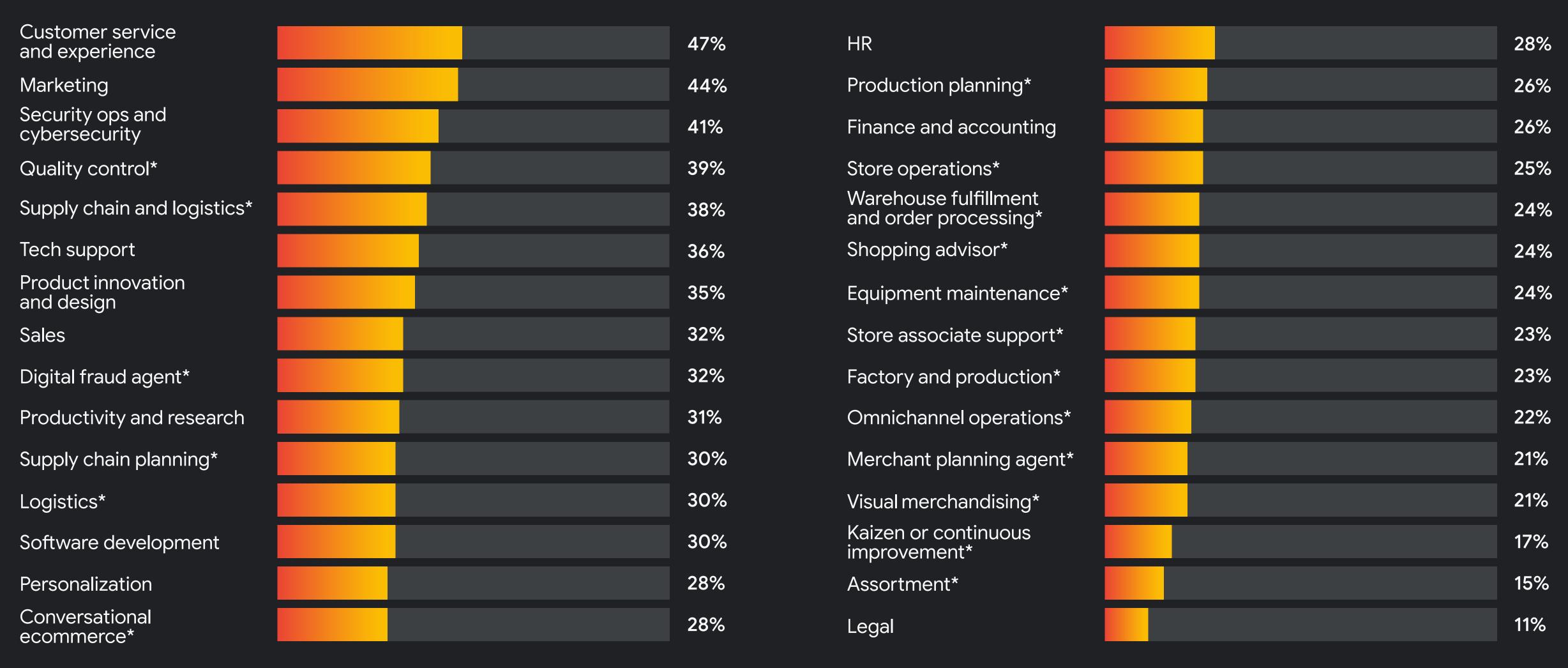
Retail and CPG executives whose organization is leveraging agentic Al: n=300; Question: What use cases has your company deployed Al agents for?

Retail and CPG executives whose organization is leveraging agentic AI: n=300; Question: What use cases has your company deployed AI agents for?

¹⁰ Retail and CPG executives whose organization is leveraging agentic AI: n=300; Question: What use cases has your company deployed AI agents for?



Top AI agent use cases in retail and CPG



Among retail and CPG executives whose organization is leveraging agentic AI: n=300; Question: What use cases has your company deployed AI agents for? *Use cases specific to retail and CPG industry







Regardless of the industry or your customer base, your competitors will use Al agents. Therefore, you must find a way to use it to your competitive advantage."



Peter Laflin

Data & Analytics Director, Morrisons



The ROI of Al agents

Al agent use cases already show ROI in customer service and experience (33%), marketing (32%), and security operations and cybersecurity (26%).¹¹

Notably, supply chain and logistics stands out as the top industry-specific use case delivering ROI, ranking fourth overall.¹² The ability of AI agents to optimize complex operations—from predictive demand forecasting and inventory management to efficient route planning and warehouse operations—can positively impact costs and delivery speeds.





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For maximum impact, focus Al agents on your most complex and friction-filled processes—this is where you'll unlock the greatest value."



Fiona Tan
CTO, Wayfair

¹¹ Retail and CPG executives whose organization is leveraging agentic AI: n=300; Question: Which of the AI agent types that your company has deployed have seen ROI? ¹² Retail and CPG executives whose organization is leveraging agentic AI: n=300; Question: Which of the AI agent types that your company has deployed have seen ROI?



15%

15%

15%

14%

14%

12%

12%

12%

11%

11%

11%

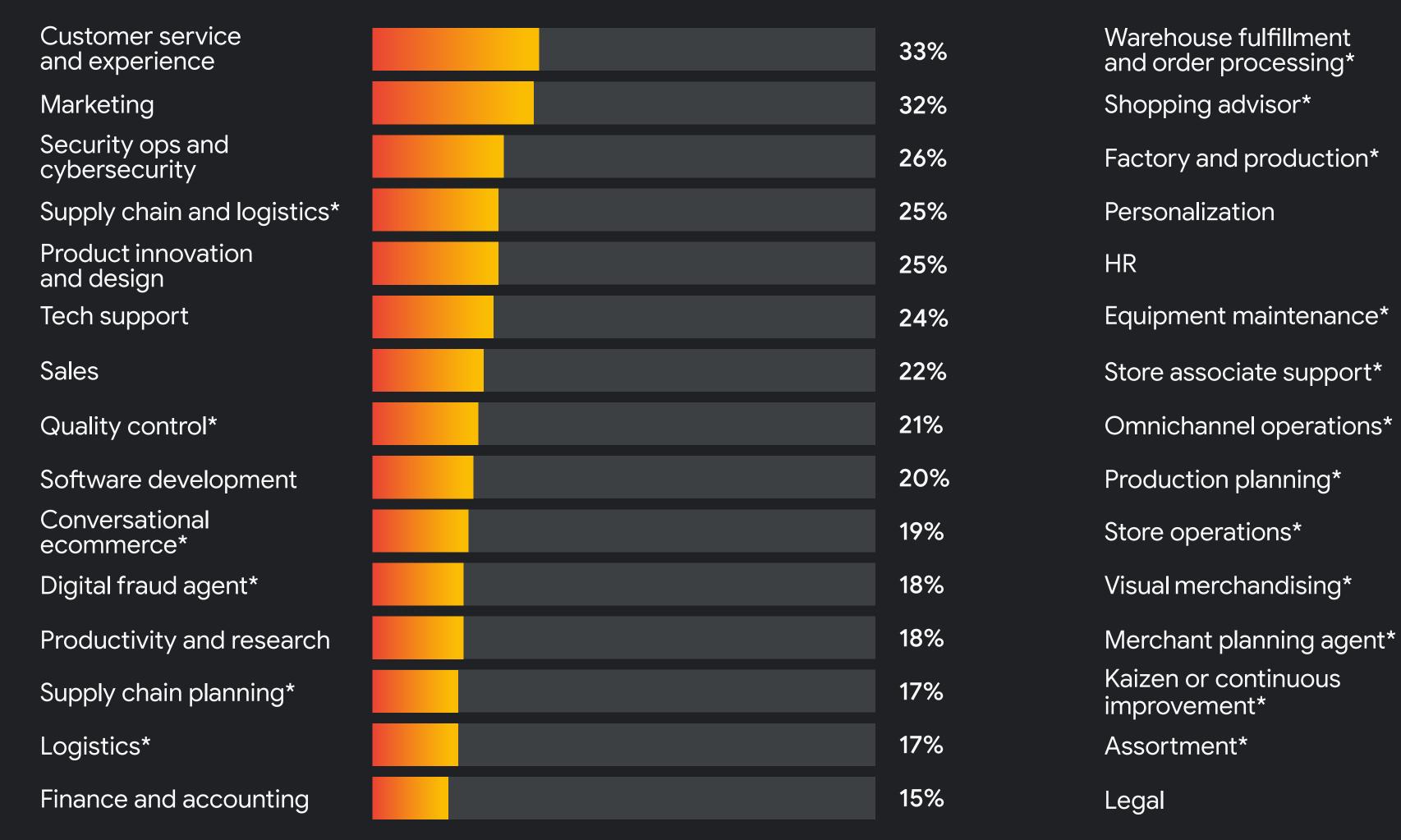
10%

9%

7%

5%

Top AI agent use cases that have already shown ROI



Among retail and CPG executives whose organization is leveraging agentic AI: n=300; Question: Which of the AI agent types that your company has deployed have seen ROI?
*Use cases specific to retail and CPG industry

02

5 proven areas where Alis delivering ROI

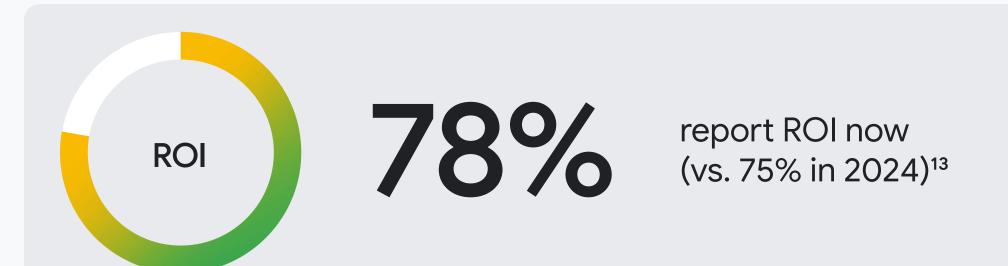


While Al agents represent the new frontier, the foundational value of gen Al continues to deliver compounding returns.

Our research shows five key areas where gen Al continues to drive significant impact for retailers and CPG brands. While 2024 proved gen Al's real-world impact, 2025 is all about building on that success.



Our survey assessed the direct value of gen Al across key areas using these 3 measures:





31%

of those reporting increased revenue estimate gains of more than 10% (vs. 30% in 2024)¹⁴



54%

note their average time to market from idea to use case in production is between 3–6 months (vs. 50% in 2024)¹⁵

¹³ Retail and CPG executives: 2024: n=248, 2025: n=585; Question: In what timeframe do you expect gen AI to deliver ROI to the following areas of your business?

Retail and CPG executives reporting increased revenue from gen Al solutions: 2024: n=103, 2025: n=244; Question: (1) In what ways did your company experience business growth as a direct result of gen Al? (2) Based on your past/existing gen Al initiatives, how much did gen Al directly increase overall annual company revenue?

¹⁵ Retail and CPG executives: 2024: n=248, 2025: n=584; Question: What is the average time to market from idea to use case in production?



Top gen Al impacts across business areas

Business benefits are used to measure the health of technology transformation initiatives and serve as leading indicators of financial performance.

01

Productivity

02

Customer experience

03

Marketing

04

Business growth

05

Security

72%

of retail and CPG executives report improved productivity from gen AI (+1pp YoY) 68%

report improved customer experience from gen AI (+11pp YoY) 59%

report meaningful impact to marketing from gen AI (new to 2025)

56%

report business growth from gen AI (-2pp YoY)

49%

report security improvements from gen AI (-6pp YoY)



Productivity

Retail and CPG organizations report tangible improvements in gen Al-driven productivity.

Among those reporting increased productivity, executives indicated a jump in non-IT staff productivity as well as faster time to market.¹⁶

In an industry driven by dynamic consumer preferences, this reflects Al's growing role across the entire operational journey, from supply chain to customer fulfillment—ultimately driving efficiency and market responsiveness.

However, fewer executives reported that productivity at least doubled. This may suggest that while broad productivity gains are easier to achieve, the leap to doubling efficiency requires deeper, more complex integrations that organizations are still navigating.

report gen Al has improved productivity (vs. 71% in 2024)¹⁷

34%

indicate their employee productivity at least doubled as a result of gen Al (of those reporting increased organizational productivity) (vs. 47% in 2024)18

^{72%}

¹⁶ Retail and CPG executives reporting improved productivity from gen Al solutions: 2024: n=176, 2025: n=409; Question: (1) When gen Al helped your employees increase productivity, what was the approximate average % increase in their productivity over a sustained period of time (e.g., several months)? (2) In what ways did gen AI directly increase productivity for your company? ⁷ Retail and CPG executives: 2024: n=248, 2025: n=585; Question: In which of the following areas have your gen Al solutions created meaningful impact?

¹⁸ Retail and CPG executives reporting improved productivity from gen Al solutions: 2024: n=177, 2025: n=421; Question: When gen Al helped your employees increase productivity, what was the approximate average % increase in their productivity over a sustained period of time (e.g., several months)?

Improved employee productivity resulting from gen Al solutions



Among retail and CPG executives reporting improved productivity from gen Al solutions: 2024: n=176, 2025: n=409; Question: In what ways did gen Al directly increase

Key area where AI is driving ROI

saw ROI on gen AI use cases for individual productivity (emails, documents, presentations, meetings, chat) (vs. 29% in 2024)19



Kraft*Heinz*

With the help of gen Al, a creative process that previously took eight weeks can now be completed in eight hours."



Justin Thomas

Head of Digital Experience and Growth, The Kraft Heinz Company

¹⁹ Retail and CPG executives whose organization is currently using or planning to use gen Al for individual productivity: 2024: n=236, 2025: n=561 Question: In what timeframe do you expect gen AI to deliver ROI to the following areas of your business?



In the highly competitive retail and CPG markets, brands are on a constant quest to boost loyalty and enhance customer experiences.

For those already seeing results, gen Al is proving to be a primary engine for customer engagement and satisfaction.

While initial opportunities yielded significant gains, fewer respondents now report more than 6% improvement.²⁰ This suggests that achieving the highest incremental gains may require retailers and CPG organizations to explore more complex approaches, such as data, channel, and ecosystem integrations.

68%

report gen Al has improved customer experience (vs. 57% in 2024)²¹

80%

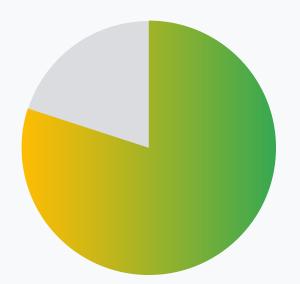
indicate improvement in customer experience of 6% or more (of those reporting improved customer experience) (vs. 91% in 2024)²²

²⁰ Retail and CPG executives reporting improved customer experience from gen Al solutions: 2024: n=141, 2025: n=390; Question: (1) In what ways did your company experience improved user experience as a direct result of gen Al? (2) Based on your past/existing gen Al initiatives, how much did gen Al directly improve user experience?

²¹ Retail and CPG executives: 2024: n=248, 2025: n=585; Question: In which of the following areas have your gen Al solutions created meaningful impact?

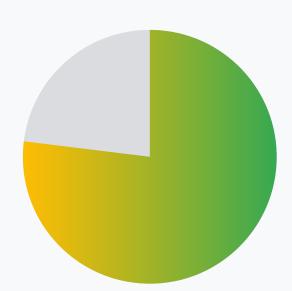
²² Retail and CPG executives reporting improved customer experience from gen Al solutions: 2024: n=141, 2025: n=390; Question: (1) In what ways did your company experience improved user experience as a direct result of gen Al? (2) Based on your past/existing gen Al initiatives, how much did gen Al directly improve user experience?

Improved customer experience resulting from gen Al solutions



80%

increased user engagement (i.e., engagement score, traffic or click through rate (CTR), time on site) (-2pp YoY)



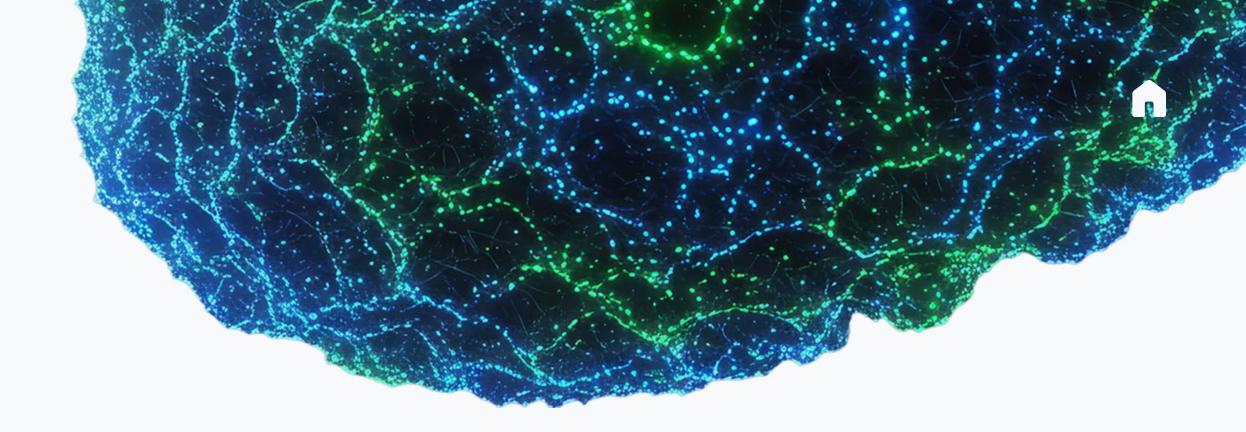
77%

improved user satisfaction/ Net Promoter Score (-1pp YoY)

Among retail and CPG executives reporting improved customer experience from gen Al solutions: 2024: n=142, 2025: n=397; Question: In what ways did your company experience improved user experience as a direct result of gen Al?

Key area where Al is driving ROI

saw ROI in gen AI use cases for customer experience and field service (including chat, call centers, and in-field technician support) (vs. 40% in 2024)²³







Al is pivotal in meeting consumer demand for personalized experiences, elevating their journey across every touchpoint to drive loyalty and improve retention."



Velit Dundar VP of Global eCommerce, Radisson Hotel Group

²³ Retail and CPG executives whose organization is currently using or planning to use gen AI for customer experience and field service: 2024: n=237, 2025: n=569; Question: In what timeframe do you expect gen Al to deliver ROI to the following areas of your business?

:3wayfair

Our Al agents work hand-in-hand with our customer service team, seamlessly blending the contextual understanding and efficiency of advanced Al with the empathy and expertise of our human agents. This collaboration ensures that our customers receive quick, consistent support while also benefiting from a personalized, human touch."



Fiona TanCTO, Wayfair



Marketing

The retail and CPG landscapes are characterized by a proliferation of products, sales channels, and advertising formats all vying for consumers' limited attention.

To engage consumers wherever they are—streaming, scrolling, and searching—marketers can use gen Al to rapidly generate realistic product images, countless variations of ad creatives, and targeted promotional narratives, maximizing audience relevance and increasing conversion.

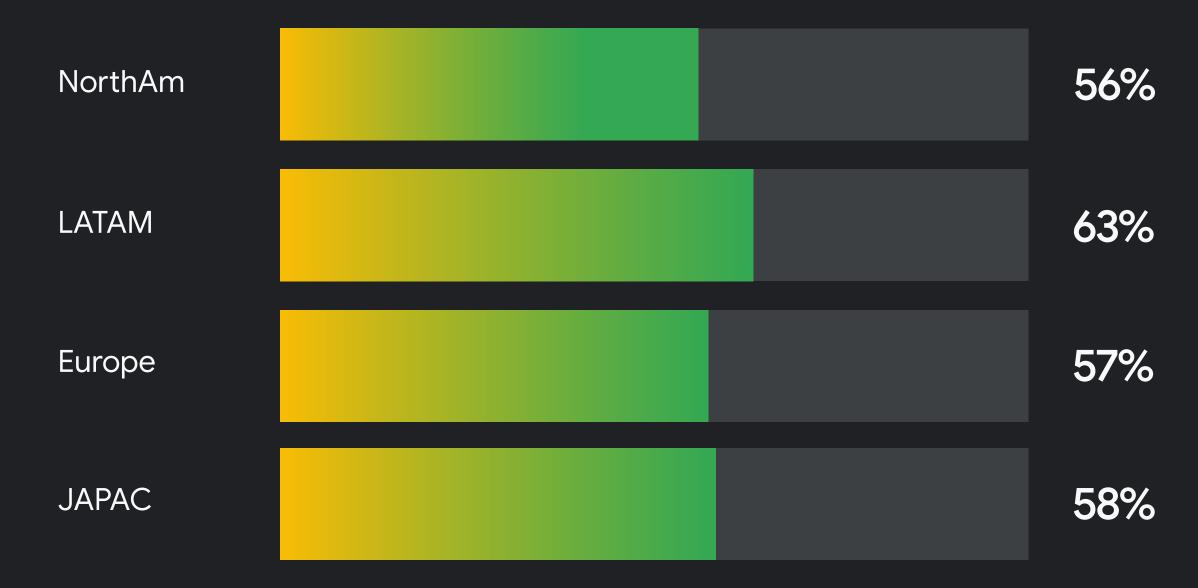
report gen Al has resulted in meaningful impact to marketing outcomes (new to 2025)²⁴



Agoda uses Google Cloud's gen Al that helps deliver 90% cost savings by creating 20,000+ hyper-realistic images using Imagen in just 80 hours as compared to 500 hours when sourcing from online marketplaces.

Read case study

Improved marketing resulting from gen Al solutions across regions



Among retail and CPG executives: NorthAm: n=229, LATAM: n=108, Europe: n=122, JAPAC: n=107; Question: In which of the following areas have your gen Al solutions created

Key area where AI is driving ROI

saw ROI in gen AI use cases for sales and marketing (field sales activities, marketing operations and content creation) (vs. 29% in 2024)²⁵

²⁴ Retail and CPG executives: 2025: n=585; Question: In which of the following areas have your gen Al solutions created meaningful impact? ²⁵ Retail and CPG executives whose organization is currently using or planning to use gen AI for sales and marketing: 2024: n=233, 2025: n=559; Question: In what timeframe do you expect gen Al to deliver ROI to the following areas of your business?

Business growth

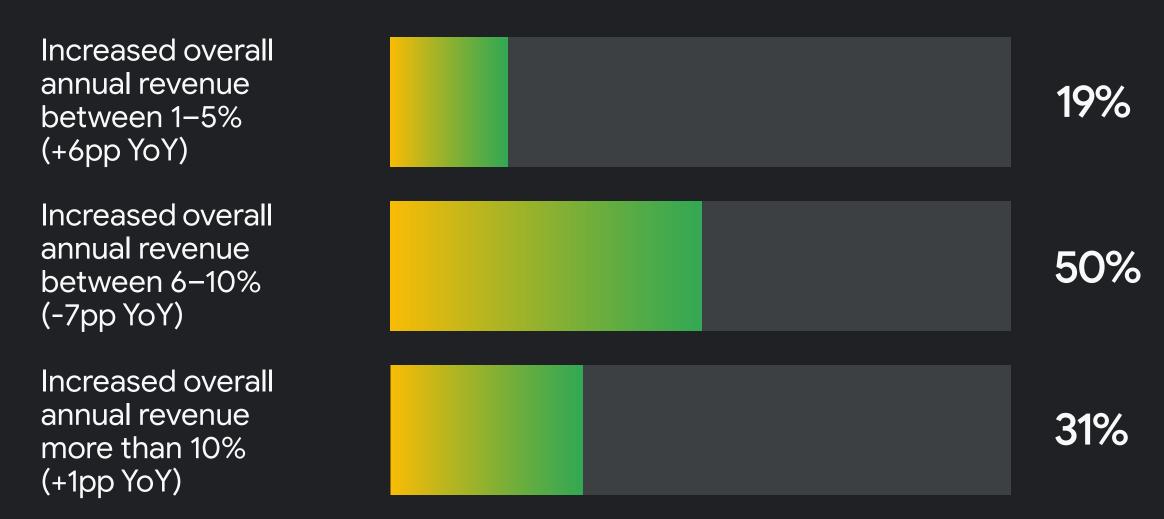
Gen Al's impact on business growth is more subdued this year.

Slightly fewer executives reported business growth resulting from gen Al.26 This decline could indicate a maturation in how the technology is being applied. The retail and CPG industry may shift to more agentic processes and streamlined workflows, where gen AI is no longer a standalone tool for initial ideation, but is integrated to create efficiencies that accelerate every step of the new product development lifecycle.

Among those reporting that gen Al has resulted in business growth, 74% have seen an increase in revenue,27 with a slight uptick in those reporting over 10% growth.²⁸

report gen Al has resulted in business growth (vs. 58% in 2024)²⁹

Revenue growth resulting from gen Al solutions



Among retail and CPG executives reporting increased revenue from gen Al solutions: 2024: n=103, 2025: n=244; Question: (1) In what ways did your company experience business growth as a direct result of gen Al? (2) Based on your past/existing gen Al initiatives, how much did gen Al directly increase overall annual

business growth as a direct result of gen Al?

²⁶ Retail and CPG executives: 2024: n=248, 2025: n=585; Question: In which of the following areas have your gen Al solutions created meaningful impact? ²⁷ Retail and CPG executives reporting business growth from gen Al solutions: 2024: n=144, 2025: n=330; Question: In what ways did your company experience

²⁸ Retail and CPG executives reporting increased revenue from gen Al solutions: 2024: n=103, 2025: n=244; Question: (1) In what ways did your company experience business growth as a direct result of gen Al? (2) Based on your past/existing gen Al initiatives, how much did gen Al directly increase overall annual company revenue? 29 Retail and CPG executives: 2024: n=248, 2025: n=585; Question: In which of the following areas have your gen Al solutions created meaningful impact?

Kraft Heinz

With gen Al, Kraft Heinz's R&D and marketing teams can test new product concepts in consumer research testing that uses product imagery and launch new products faster, saving tens of thousands of hours to deliver high-volume, personalized, on-brand content."



Justin Thomas

Head of Digital Experience and Growth, The Kraft Heinz Company





Security

Given the high value of customer data, gen Al's ability to improve the security posture for retail and CPG organizations is critical.

Among those reporting an improved security posture, 77% state that gen Al solutions can significantly enhance their ability to integrate intelligence and response, while 73% say it helps identify threats.³⁰

Yet fewer executives report that gen Al has resulted in meaningful impact to their organization's security operations.³¹ This suggests that while gen Al continues to deliver foundational benefits, the industry is increasingly turning to specialized agentic Al to address more complex security challenges. It's no surprise, then, that security operations and cybersecurity is a leading agentic Al use case (41% adoption).³² This indicates that the industry is shifting towards layered defense to ensure brand trust and the safeguarding of vast consumer data.

49%

report gen Al has resulted in meaningful impact to security posture (vs. 55% in 2024)³³

Improved security resulting from gen Al solutions

77%

improved intelligence and response integration

73%

improved ability to identify threats

61%

reduction in time to resolution

57%

reduction in number of security tickets

Among retail and CPG executives reporting improved security posture from gen Al solutions: 2024: n=136, 2025: n=284; Question: Based on your past/existing gen Al initiatives, how did gen Al directly improve your company's security posture?

³⁰ Retail and CPG executives reporting improved security posture from gen Al solutions: 2024: n=136, 2025: n=284; Question: Based on your past/existing gen Al initiatives, how did gen Al directly improve your company's security posture?

³¹ Retail and CPG executives: 2024: n=248, 2025: n=585; Question: In which of the following areas have your gen AI solutions created meaningful impact?

³² Retail and CPG executives whose organization is leveraging agentic Al: n=300; Question: What use cases has your company deployed Al agents for?

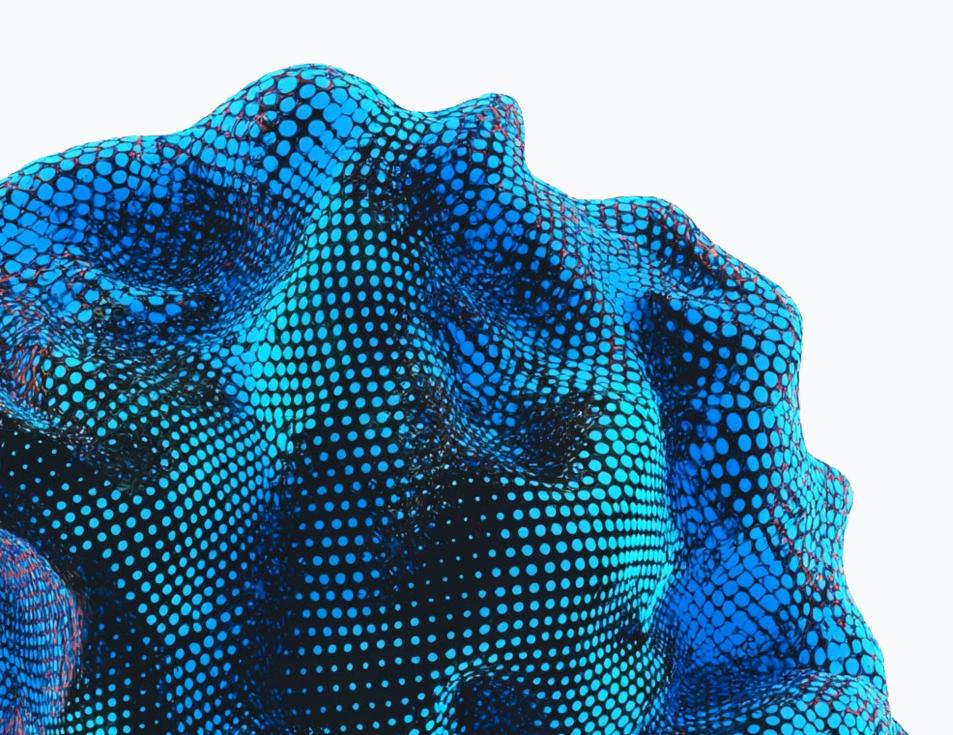
³³ Retail and CPG executives: 2024: n=248, 2025: n=585; Question: In which of the following areas have your gen Al solutions created meaningful impact?

03

nvestinthe Al-ready future

The maturation of Al signals a shift in business priorities.

As retailers and CPG brands make progress on foundational goals like operational efficiency, customer experience, and competitiveness, business objectives are shifting. The focus is now moving toward the next wave of innovation, with Al agents emerging as a new strategic objective.



Top business objectives to pursue with gen Al within the next 2-3 years



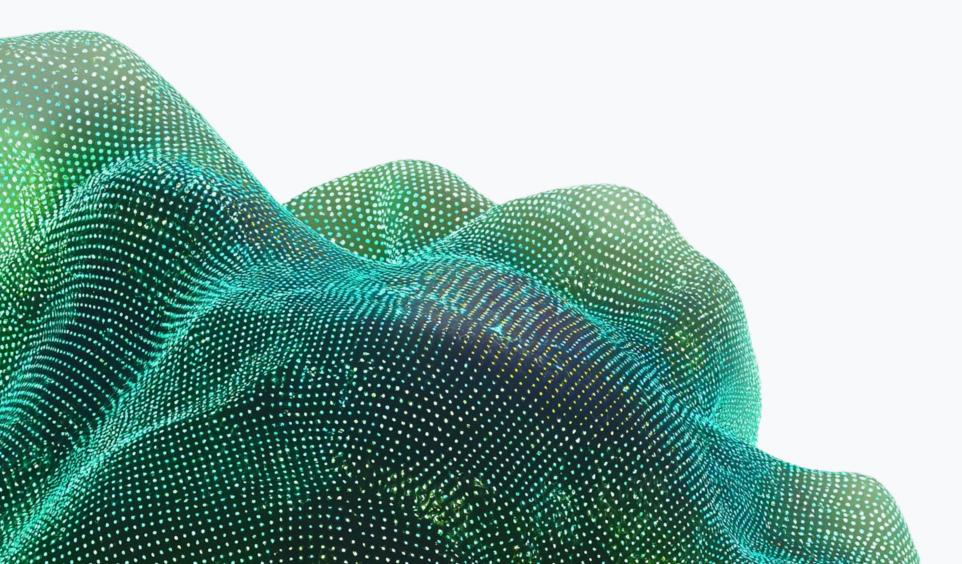
Among retail and CPG executives: 2024: n=248, 2025: n=585 Question: In light of recently completed gen AI initiatives, which of the following business objectives are you planning to pursue with gen Al within the next 2–3 years?



Al budgets are following suit

Al is now a mission-critical enterprise investment evidenced by two clear trends.

Overall spending on AI is rising, even as technology costs fall. These investments are increasingly funded by reallocating capital from non-Al budgets,34 in addition to 25% mean percent of total annual IT spend already allocated for Al.³⁵



report their organization's gen Al spend has increased as technology costs fall (new to 2025)³⁶

50%

report their organization is reallocating non-Al budget to fund gen Al investments (vs. 42% in 2024)³⁷

report their organization is allocating 50% or more of their future Al budget to Al agents (new to 2025)³⁸

³⁴ Retail and CPG executives: 2024: n=248, 2025: n=585; Question: What is your approach to funding gen Al?

³⁵ Retail and CPG executives: n=565, Question: What % of your total annual IT spend is allocated for AI? AI expenses would include talent, AI software licenses, Al hardware and infrastructure, Al application development. Please exclude data and Bl analytics that are not directly using Al or ML.

³⁶ Retail and CPG executives: n=585; Question: Did the decreasing costs of AI technology (model training and operating) change your spending on gen AI?

³⁷ Retail and CPG executives: 2024: n=248, 2025: n=585; Question: What is your approach to funding gen Al?

³⁸ Retail and CPG executives: n=564; Question: What % of your future AI budget is being allocated to agents?

ROI needs C-suite sponsorship

Al initiatives in retail and CPG often require deep, cross-functional collaboration between commercial, supply chain, customer-facing, and technology teams.

To enable this, C-suite sponsorship is critical.

Top-level alignment can enable organizations
to navigate once-in-a-generation decisions on
the fundamental nature of product innovation,
omnichannel commerce, and consumer relationships.

C-level sponsorship remains more strongly correlated with seeing ROI on gen AI



Among retail and CPG executives who report their organization has comprehensive C-level sponsorship and clear corporate vision for gen Al objectives: n=230; Retail and CPG executives who do not report their organization has comprehensive C-level sponsorship and clear corporate vision for gen Al objectives: n=355; Question: In what timeframe do you expect gen Al to deliver ROI to the following areas of your business?



Key challenges to consider

For many organizations, the top challenges with Al are rooted in the foundational work required to support them.

In retail and CPG, meeting the high standards for data security is paramount, given the critical need to protect customer data across every touchpoint.

The solution lies in adopting a modern, integrated data strategy that prioritizes strong governance and security protocols from the start. This approach ensures that data is both accessible for innovation and secure throughout the entire Al lifecycle.

Top 3 considerations for LLM providers

Data privacy and security

36%

Cost

31%

Integration with existing systems

Among retail and CPG executives: n=585; Question: Which of the following factors are MOST important to your company when considering LLM providers?

04 Yournext Stelos

The Alagent ROI checklist

- Find your executive champions. Cultivate C-suite sponsorship to advocate for Al initiatives, clear roadblocks, and align to results.
- Demonstrate value to secure Al budget. Build a <u>compelling business case</u> for why Al deserves its own investment.
- Create your Al rulebook now, not later. As Al use grows, so do the risks. Establish clear, enterprise-wide guidelines to address customer data privacy, responsible personalization, and ethical sourcing.
- Start with the biggest wins. Not all Al projects are created equal. Focus your energy on building <u>Al agents</u> that can automate repeatable tasks to deliver clear ROI.

- Build trust in Al from day one. First, get your data house in order with a robust data governance and enterprise security framework. Second, always keep a human-in-the-loop.
- Give your Al agents the tools to be useful. For an Al agent to do the work, it needs access to your internal enterprise systems, like your inventory management systems, ecommerce platforms, and customer relationship management systems. Grant it secure, governed access.
- Invest in your talent and internal Al education program to build and manage the Al agents so they can handle the sensitive data, such as customer, inventory, or omnichannel data. The most successful companies don't just buy technology, they build skills.

Google Cloud

See where your business could realize ROI from Al.

