

THE NEXT BIG THING

ARTIFICIAL INTELLIGENCE

BY LISA JOHNSTON

CGT introduced The Next Big Thing reports almost two years ago to provide consumer goods and retail leaders with future-looking snapshots of important topics. Rather than a collection of fringe use cases, they aim to supply useful, measured previews into what will impact the industry.

Artificial intelligence was already advancing at a dizzying pace at their conception, and the rate of change has only intensified. As a result, compiling a quick view of big things in AI is one part delightful journey, one part fool's errand.

Investments in AI are sprawling: 35% of total AI spend is expected to occur outside IT budgets by 2027, according to an October 2025 IBM report, underscoring that its impact is enterprise-wide rather than confined to technical teams.

What's more, generative AI's breakout moment has evolved into something far more sophisticated: the rise of agentic AI. As companies move beyond content creation and chat-based experimentation, some are turning focus toward autonomous systems that can take action across the enterprise and with consumers.

Still, caution and skepticism remain, as not every headline materializes into something meaningful.

For now, read on for a look at the latest developments shaping AI's next chapter, and visit [ConsumerGoods.com](https://www.ConsumerGoods.com) for additional Next Big Thing reports.

AGENTIC COMMERCE FINDS ITS WAY

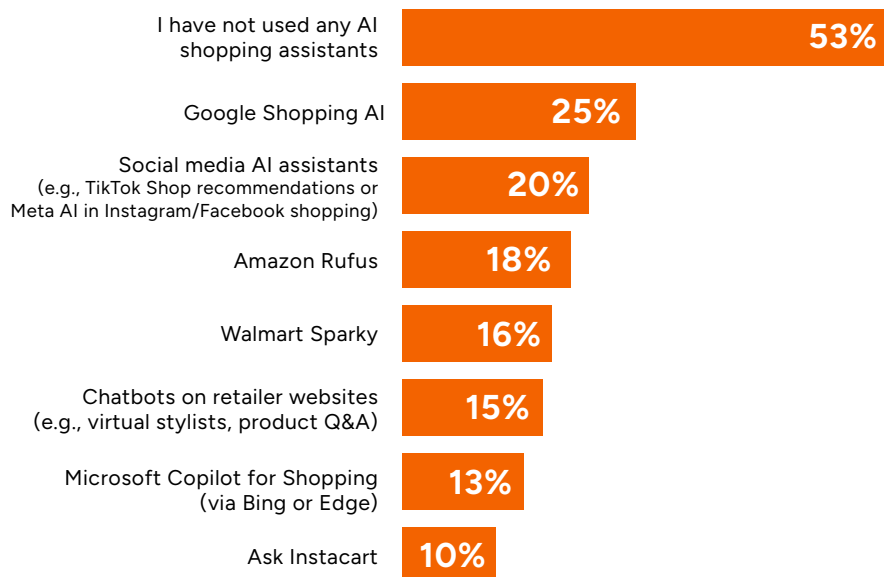
As a fierce debate rages about what constitutes true agentic technology retailers including Walmart, Amazon and Target are exploring everything from AI-assisted shopping to AI agents that can discover and transact on behalf of consumers. Consumer appetite for the technology admittedly paints mixed results, and some analysts remain sensitive to former hype-that-wasn't trends like voice commerce and the metaverse. Still, up to \$1 trillion in retail revenue could be orchestrated by agentic commerce by 2030 in the United States, [McKinsey & Co.](#) projected.

Also up for debate: Just how much retailers risk when building partnerships with AI platforms that could cannibalize owned channels and trade discovery for data ownership. True autonomous shopping requires a set of consumer behaviors and retailer incentives that simply don't exist today, analyst Andrew Lipsman has [argued](#), and Financial Times writer Pan Kwan Yuk succinctly [called](#) it a double-edged sword, noting that "retailers must hope they are not trading one set of gatekeepers for another."

The lack of broad consumer adoption speaks to underlying confusion and mistrust, but also a byproduct of limited exposure and early encounters with a still-nascent technology that will inevitably advance. When it comes to retailer risk, Emarketer analyst Sarah Marzano [pointed out](#) that past shifts in commerce demonstrate that shoppers don't abandon existing trusted channels. "Their habits, preferences and expectations are deeply ingrained. Even as new channels emerge, incumbent channels continue to grow because they serve needs that remain constant."

In fact, the success of ChatGPT and similar platforms to influence and monetize the purchase journey actually requires that retailers also succeed, she stressed. "Retailers provide the curation, infrastructure and trust that shape shopping decisions. Those ingredients still matter, even when consumers transact in new channels."

Consumer Use of AI Shopping Assistant Tools When Shopping Online



Source: *The Path to Purchase Institute*, August 2025

RETAIL MEDIA AND DISCOVERY

Brands and retailers are cognizant of AI's ability to optimize media spend, personalize digital-shelf placements and automate workflows, and OpenAI's new ChatGPT shopping research feature signals just how fast AI-influenced discovery may move from theory to priority. Released on the eve of Black Friday, the tool conducts multimodal product research and generates personalized buyer's guides.

Walmart has begun testing how it can marry shopping agents with retail media, according to [The Wall Street Journal](#). The retailer reportedly completed a pilot with several advertisers for a new Sponsored Prompt ad format inside Sparky, its AI shopping agent. Users who clicked a Sponsored Prompt on Walmart.com received a Sparky-generated answer and a click-to-buy product ad.

The moves also indicate potential tension in the evolution of retail media strategies. Many brands are focusing on GEO (generative engine optimization) or ACO (agentic commerce optimization) to ensure they surface in LLM search, analyst Kiri Masters [noted](#), but agentic commerce requires more than robust discovery tactics. Autonomous agents also need canonical product data, complete attributes and rich context to choose a product and complete the purchase.

As a result, the majority of agentic commerce readiness currently sits with retailers. Brands can supply structured content, specs and review data, but retailers control how product cards are parsed, tagged and surfaced to AI agents.

**\$3
BILLION**

U.S. online sales driven by AI and agents on Black Friday 2025. This includes consumers engaging with AI-enabled predictive product recommendations, orders from traffic referred by AI search tools and orders inspired from conversations with brand-owned shopper agents.

Source: Salesforce

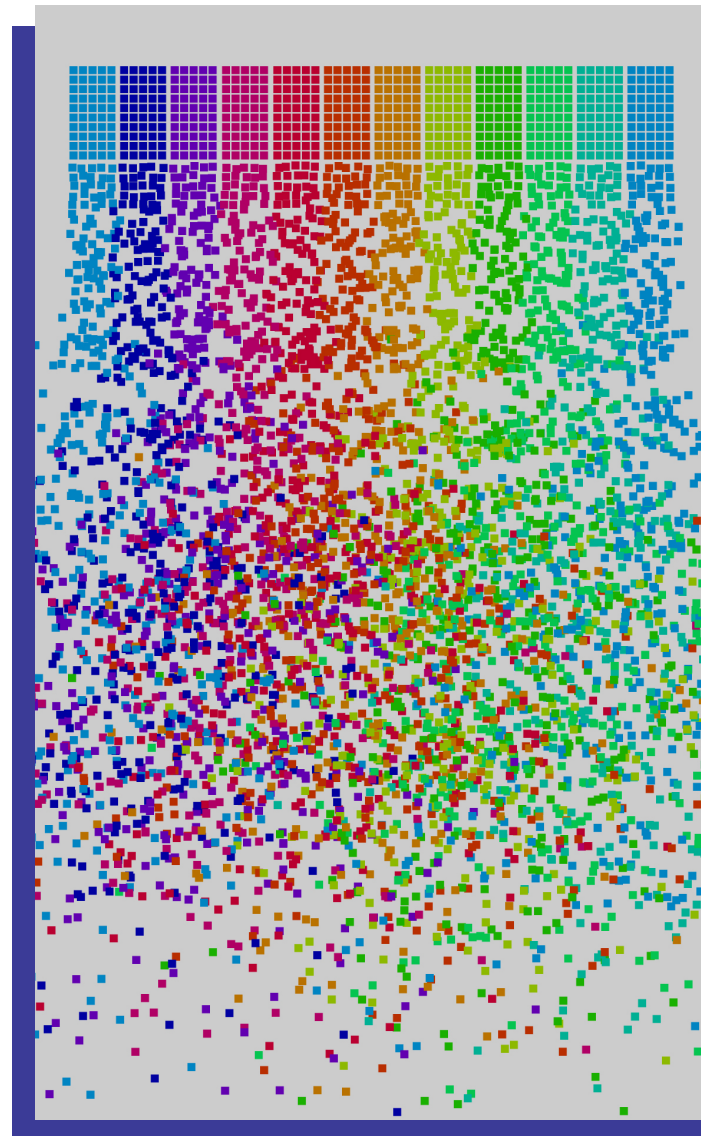


ACCELERATING CONSUMER UNDERSTANDING

The next phase in retail and CPG generative AI includes more accurately modeling how shoppers think, act and make decisions, according to Columbia Business School research published in [Harvard Business Review](#). While still carrying limitations, synthetic personas and digital twins are gaining ground as credible stand-ins for real consumers because they offer organizations a way to pressure-test ideas before anything hits shelves or screens.

Instead of waiting weeks for surveys or focus groups, marketers and product leaders can run fast, low-cost simulations that reveal how different segments might respond to new products, pricing or creative. The benefit: Tighter learning loops, fewer blind spots, and a clearer read on what's likely to be a hit or miss without having to invest in full-scale development or activation.

[Lavazza Group](#) is piloting synthetic personas to speed up early-stage marketing and product testing. The coffee company is exploring interactive, data-grounded consumer profiles built from its segmentation research and proprietary insights. Teams can chat with these AI shoppers to test messaging, creative, packaging or product ideas, upload assets for feedback, and filter responses by region.



88%

Accuracy of early digital-twin models compared with human responses.



1/2 OF THE TIME

How often the AI twins behaved like humans in 17 classic behavioral economics experiments.

Source: Columbia Business School, *A Mega-Study of Human Digital Twins Reveals Strengths, Weaknesses and Opportunities for Further Improvement*, September 2025

AGENT-DRIVEN SUPPLY CHAIN PLANNING

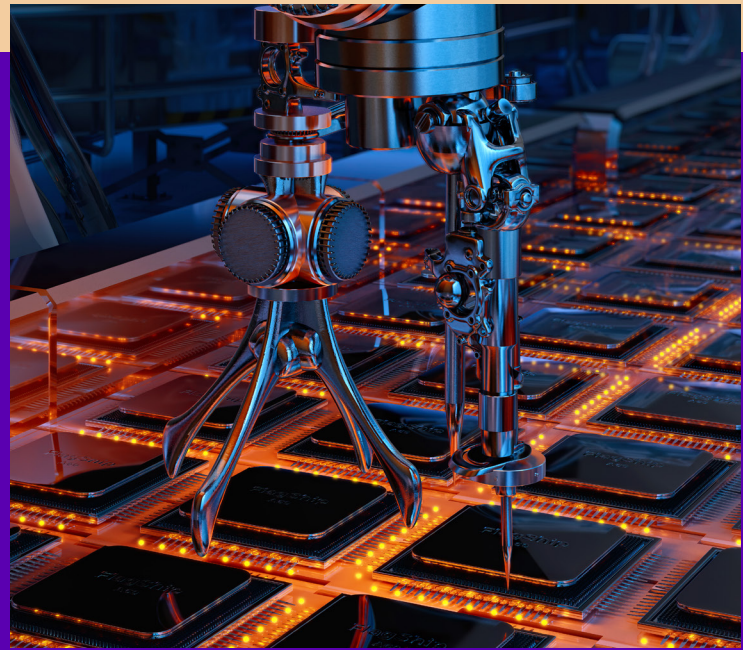
Manufacturers and retailers have shifted from exploration to adoption of artificial intelligence in the supply chain, with notable progress in forecasting, replenishment automation and supplier-retailer collaboration, according to *CGT's November 2025 Supply Chain Tech Study*. In fact, 62% of manufacturers named AI/ML the single technology they expect to drive the most supply chain growth in the next 12-18 months.

Recent remarks from Lidl CEO Joel Rampoldt illustrate the priority. "Supply chain is one of those areas where — in our company, and I think in many companies — there's still too many instances of too many humans having to touch every decision," he told *CGT*. "When what you really want is AI making partially formed, 80% decisions and then having smart humans oversee [them and make adjustments]."

Fifty-three percent of manufacturers already rate AI/ML for supply chain planning as "very or extremely important" in *CGT's* study, and agentic AI is expected to snake its way throughout the supply chain to further enable faster decision making and reduce downstream disruptions. Half of cross-functional supply chain management solutions will use intelligent agents to autonomously execute decisions in the ecosystem by 2030, according to Gartner.



"Agentic AI represents a revolution from robotic process automation as the AI agents will autonomously complete tasks without relying on explicit inputs or predefined outcomes. Agents will continuously learn from real-time data and adapt to evolving conditions and complex demands. Chief supply chain officers at the forefront of this next wave in the evolution of generative AI can achieve maximum value." — Kaitlynn Sommers, Senior Director Analyst, Gartner



SCALING MULTI-AGENT ARCHITECTURES

For CPG and retail executives, the transition from isolated AI experiments to agentic systems at scale is the next big leap, involving modular agents, orchestration layers, human oversight and ROI measurement. For example, *Levi Strauss & Co.* is building an agentic "super-agent" that coordinates specialized sub-agents across IT, HR, operations and retail. After consolidating workloads into a modern cloud environment and introducing intelligent automation for security and policy management, Levi's is currently testing the super-agent ahead of a 2026 launch. Already live include consumer-facing AI tools like the Outfitting engine, which generates personalized looks using inventory, browsing and purchase data, and the Stitch assistant, which gives store teams instant access to product knowledge and training.

Zooming out, the AI stack is consolidating across cloud, hardware and model layers, which leaves most industries increasingly dependent on a small number of vertically integrated providers, noted Lynn Wu, associate professor at the University of Pennsylvania, as **reported** by the MIT Sloan School of Management. For retailers and CPGs, concentration can raise concerns about interoperability and long-term costs during scaling. All companies should be selective about AI and tool adoption and, importantly, they must control their own data pipelines and avoid becoming dependent on a few dominant providers, Wu stressed.

Ekta Chopra, chief digital officer of E.l.f. Cosmetics, **highlighted** customer relationship management systems as in particular need of evolution. With agents potentially owning the first touch, recommendation and purchase decision, CRMs must be able to capture agent-mediated intent, conversational preferences, purchase triggers and post-purchase feedback routed through AI. "If you don't control this loop, you lose your consumer insight edge," wrote Chopra.

A large, bold, purple number '61%' is centered on an orange background with a subtle grid pattern. The number is surrounded by small, faint orange dots.

Consumer goods companies that plan to develop or implement AI agents within 12-18 months, making them respondents' top investment priority.

Source: CGT, Sales & Marketing Tech Study, September 2025

MULTIMODAL SYSTEMS FOR PRODUCT INNOVATION

Beyond back-office automation, AI systems combining text, image, video, sensor and behavior data are being increasingly explored for product and packaging innovation. Personal care product companies such as Unilever are using AI to slash R&D timelines for science-based products, while confectionery companies like **Barry Callebaut** are investing to guide innovation based on taste, texture and sustainability.

Elsewhere, Mattel is **testing** OpenAI's Sora 2 video model to turn product sketches into early concepts. Already **popular in China**, AI-enabled toys are also making their way to U.S. shelves, albeit with mixed results. (Folotoys caused headlines in November when a consumer advocacy group reported the plush toys would tell children how to find knives.)

The text '80 YEARS' is written in a large, bold, purple font. It is surrounded by a decorative orange dashed border and a sunburst-like pattern of orange lines radiating from behind the text.

Amount of consumer data The Estée Lauder Cos. made accessible for employees to leverage within its internal generative AI ecosystem to streamline R&D.

Source: The Estée Lauder Cos.