RETAIL & CPG

2025 CX IMPERATIVES

# Industry Insights for the Experience Economy

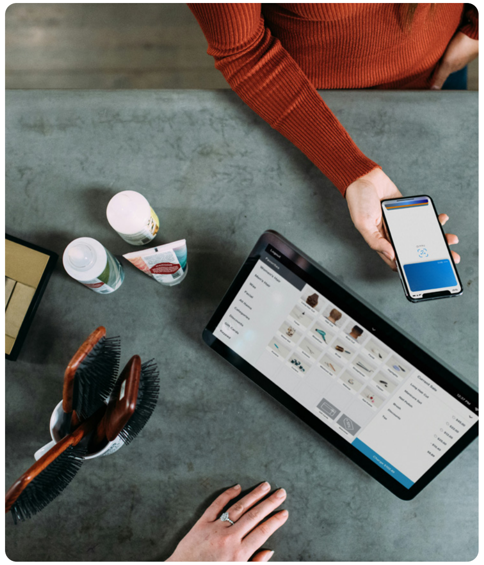
MERKLE

a dentsu company

**Successful brands recognize that it's no longer a matter of knowing everything about your customers** – it's about knowing the right things, including their preferences and expectations for interacting with your company.

Last year, we reported on what consumers want and how brands rise to the occasion to deliver. Now, we've compiled those insights through an industry lens.

**This report addresses the unique challenges and opportunities retail and CPG companies face** with data-driven strategies to enhance customer engagement, personalization, and loyalty. See how you stack up against your industry peers and learn how to stay ahead of evolving customer expectations for long-term business growth.

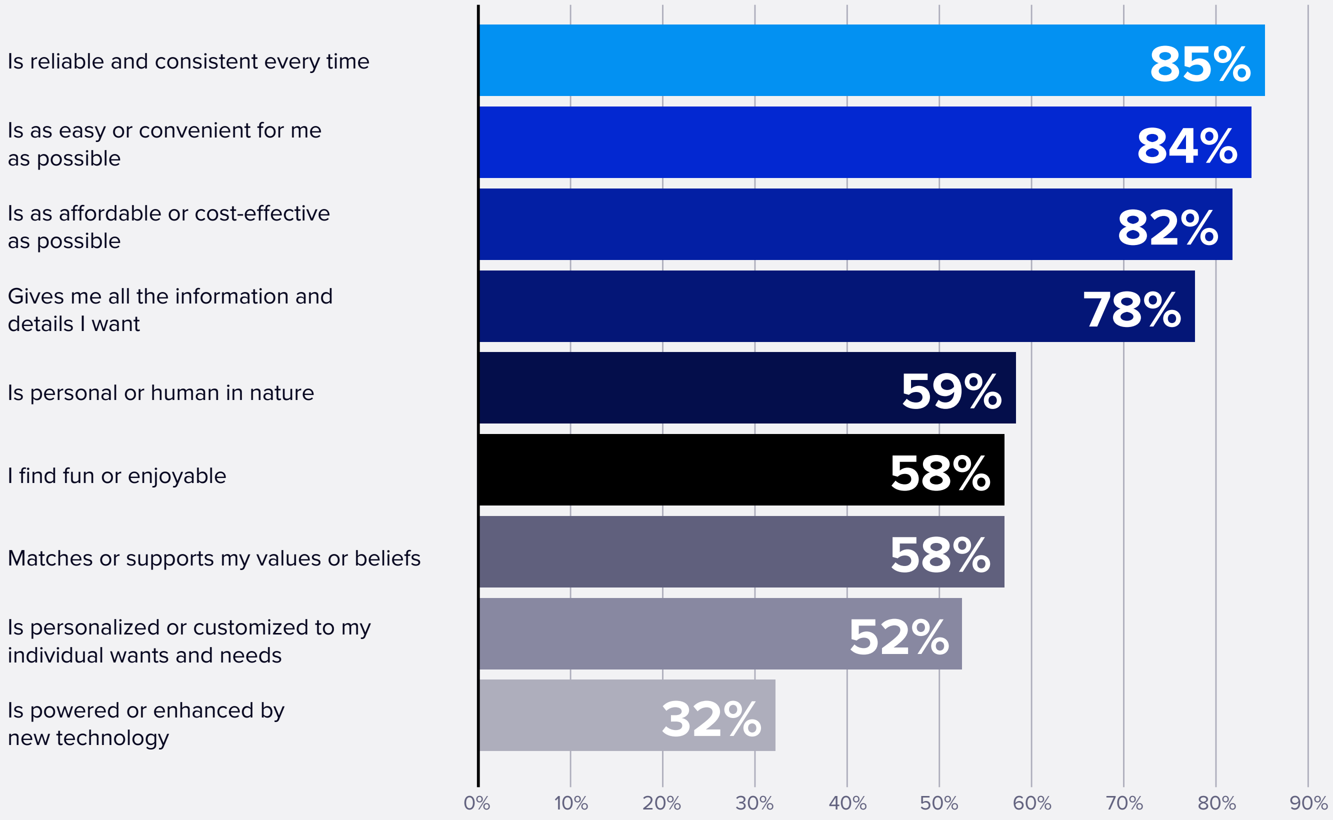


# Retail and CPG customers value **convenience and reliability** in their brand experiences above all else.

Our consumer survey found that reliability and consistency, as well as ease and convenience, are the most important attributes for consumers when interacting with retail and CPG brands. Consumers also value getting all the information and details they want throughout their retail journey, whether that's in the pre-purchase research phase or post-purchase support.

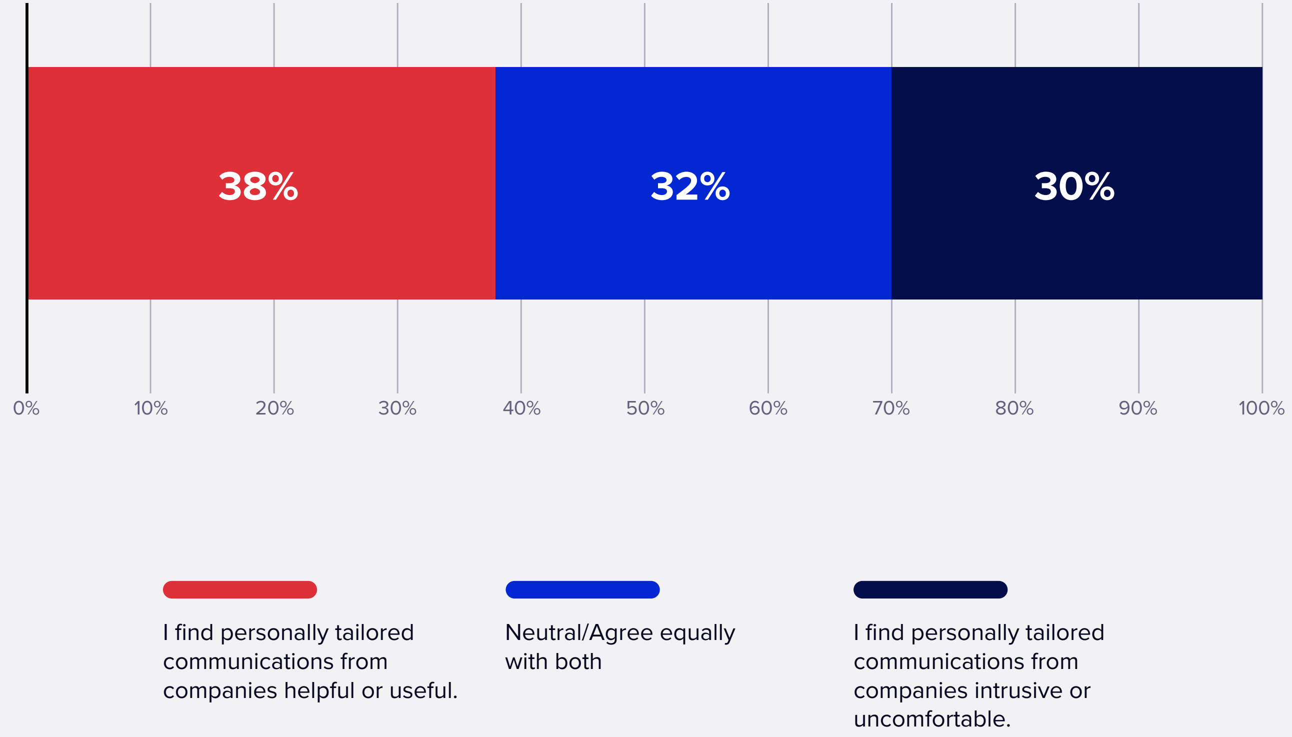
It's worth noting that affordability and cost-effectiveness scored highly across industries, despite it being a less-flexible component of CX for many brands.

**Q:** Thinking about all of the times you have engaged with or purchased from this retail/CPG brand over the past 2-3 years, how important are each of the following aspects when you are engaging with a brand or company in this category? – % very or extremely important



CONSUMER SURVEY

**Q:** Thinking about all the times you've engaged with or purchased from this brand, which of the following pairs of statements do you agree with more?




# Two-thirds of customers feel positive or neutral about tailored communications from retail and CPG brands.

Considering their focus on consistency and convenience, it's understandable why most consumers have neutral or positive feelings toward tailored communications. Brand communications that are personalized using data can deliver relevant content or offers that make the shopper's purchasing process simpler with a more connected experience across touchpoints.

# Human interaction still matters, especially while purchasing and requesting support.

Consumers reported favoring human over digital experiences across every step of the retail and CPG journey, with the greatest preference in the purchasing and support stages. However, companies don't currently prioritize that human touch, instead leaning on more digital engagement across nearly every stage.

In today's connected environment, retail and CPG organizations must remember that experiences don't need to be all human or all digital – when used effectively, technology can enhance the human experience.

## Consumer respondents

**Q:** When interacting with retail and CPG brands, what kind of experience would you most prefer?

| Researching | Evaluating/Selecting | Purchasing | Paying | Requesting Support |
|---|---|---|---|---|
| More human (+6%) | More human (+13%) | **More human (+21%)** | More human (+7%) | **More human (+42%)** |

## Professional respondents

**Q:** What kind of experience does your organization typically deliver to customers right now?

| Researching | Evaluating/Selecting | Purchasing |
|---|---|---|
| **More digital (+48%)** | Equal split (+/- 10%) | More digital (+16%) |

| Requesting Support | Renewing a contract/service | Adding or switching services/solutions |
|---|---|---|
| More digital (+16%) | **More digital (+28%)** | **More digital (+33%)** |

Digital experiences strongly preferred (+20% or more net)

Human experiences strongly preferred (+20% or more net)

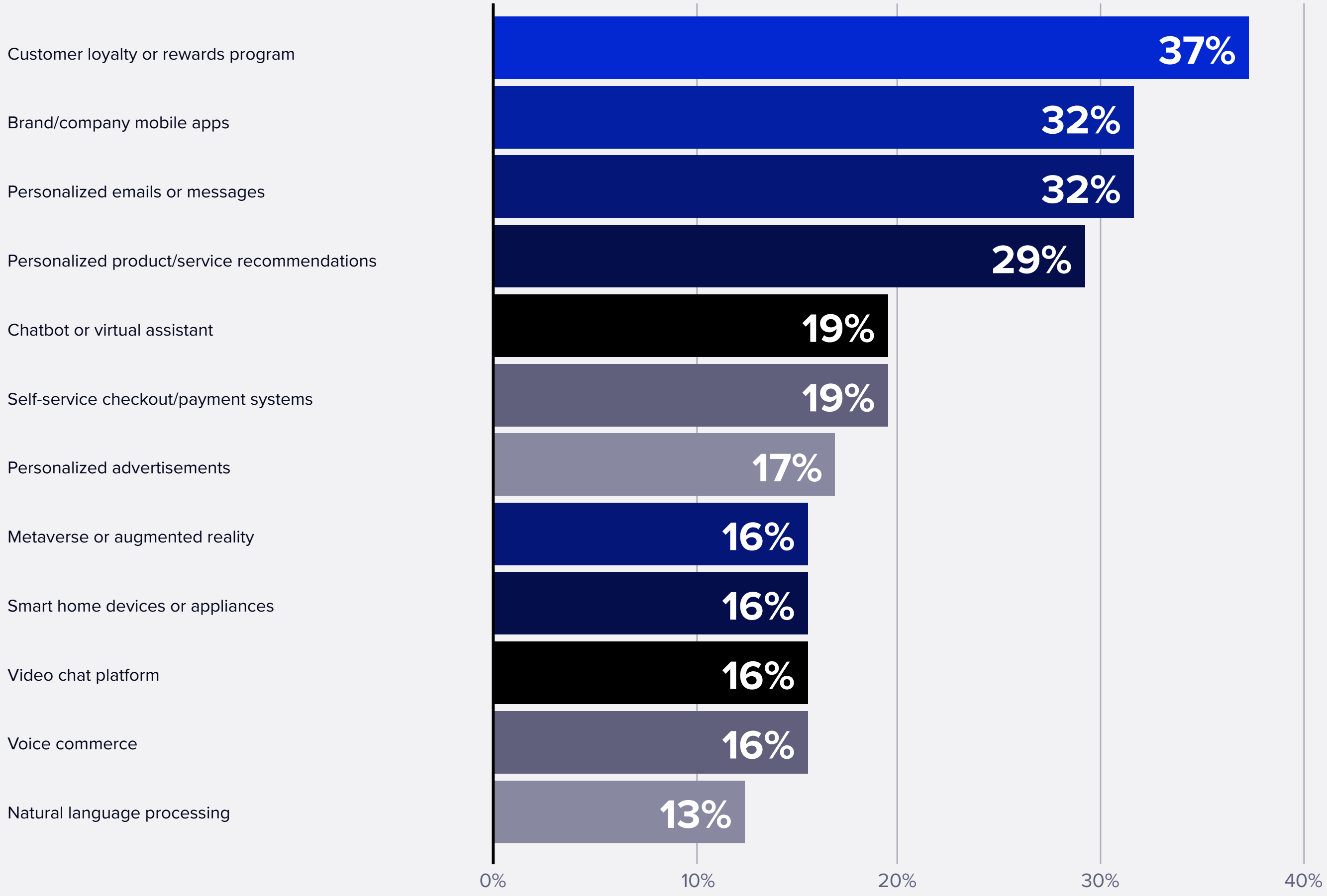
CONSUMER SURVEY

# Consumers are more **excited by customer loyalty** and **rewards programs** than any other CX technology.

Our consumer report noted the importance of the post-purchase experience, which includes loyalty and rewards programs. Retail and CPG companies can lean into this area as the CX tech their consumers are most excited to use.

To nail the post-purchase experience, companies should take note of their customers' overwhelming preference for human interaction for customer support and make sure that's an option.

**Q:** Which of the following CX technologies would you be excited to use or interact with in the future when engaging with a retail or CPG company?

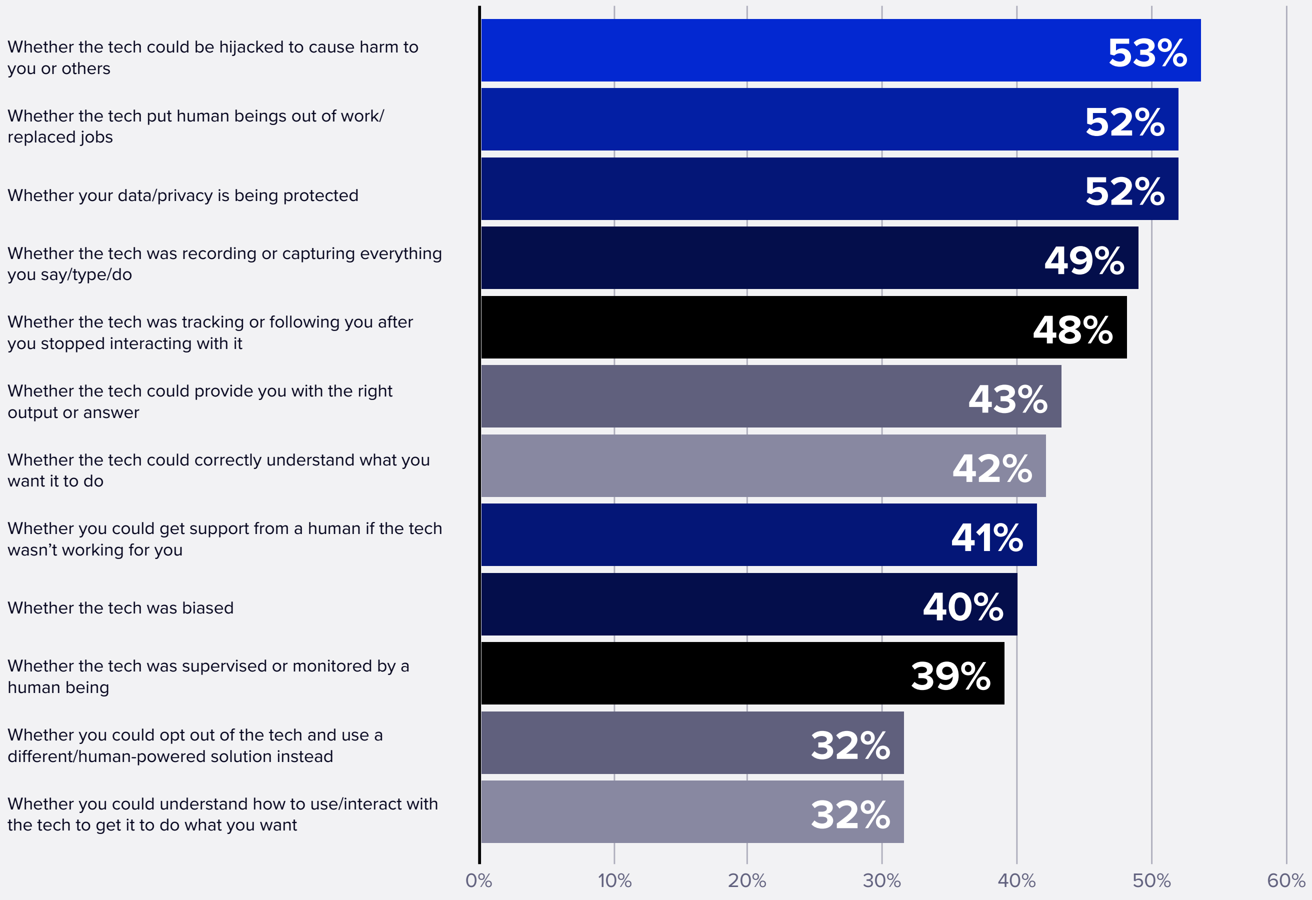


CONSUMER SURVEY

# Consumers' greatest concerns with AI focus on safety and potential harm.

When it comes to AI-powered technology, retail and CPG consumers are most concerned about whether it could be hijacked, its potential to replace human jobs, and data privacy. Though cited less often, there's also some concern about whether AI can effectively solve consumers' challenges.

**Q:** How concerned are you about each of the following issues when interacting with AI-powered technology when engaging with retail or CPG brands? – % very or extremely concerned



PROFESSIONAL SURVEY

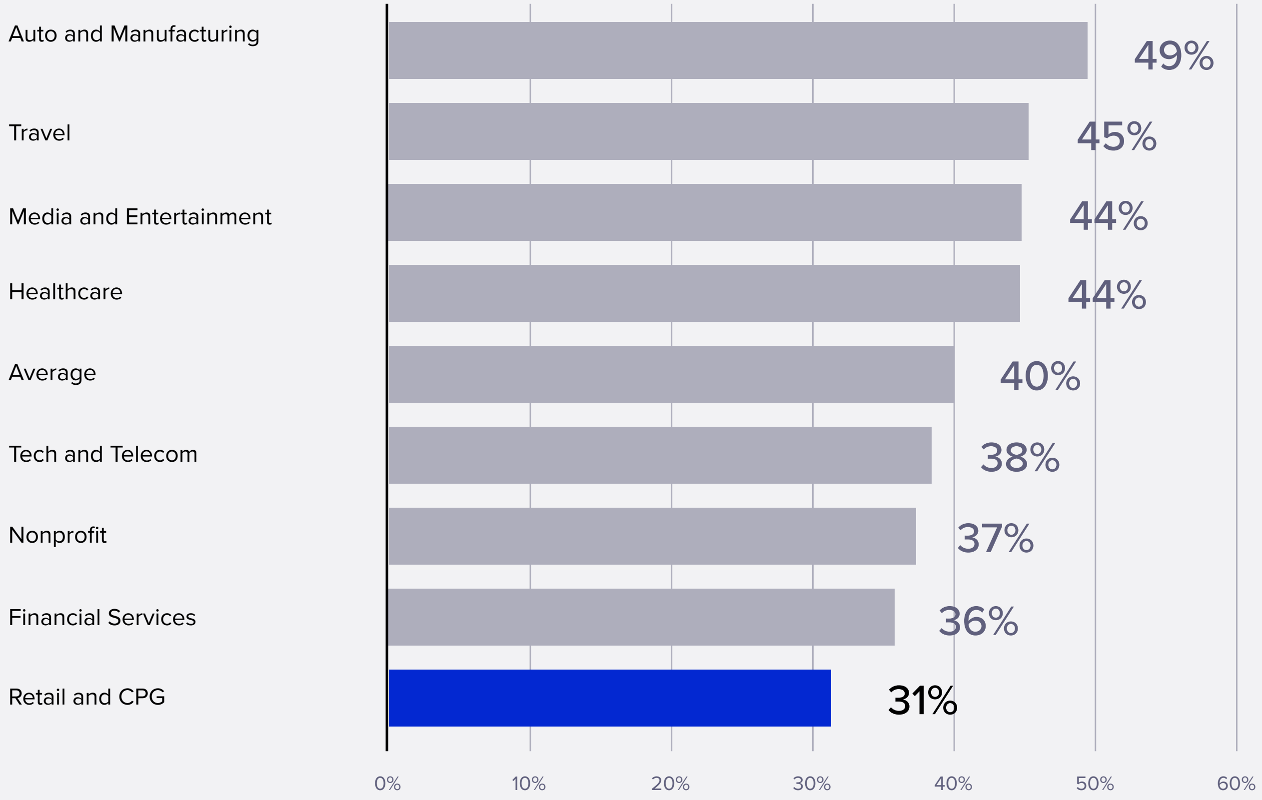
# Less than one-third of retail and CPG respondents strongly agree that their marketing technology is well integrated.

As highlighted in our business leaders' report, well-integrated marketing technology lays the groundwork for introducing emerging technologies quickly and successfully.

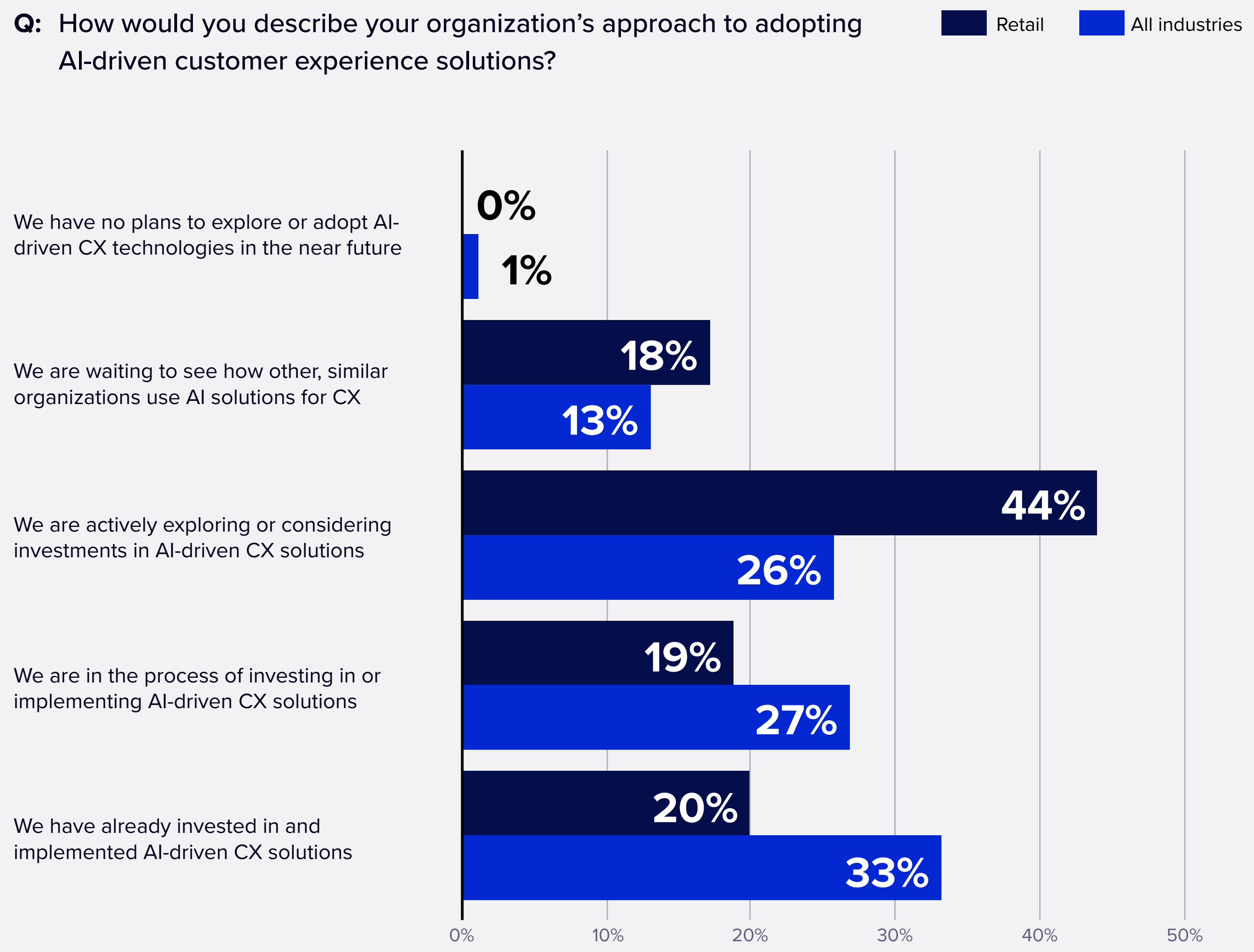
Why? Because this integration allows for the consolidation of data from disparate sources (e.g., digital channels, call centers, offline channels, etc.). Retail and CPG respondents were less confident in their tech integration than other industries, highlighting an area of opportunity to create a stronger foundation for CX.

**Q:** How well do you think each of the following statements describes your organization?

**A:** % strongly agree with "Our marketing technology platforms are very well-integrated (versus disjointed or siloed)"



PROFESSIONAL SURVEY




## Without a well-integrated marketing technology foundation, **retail and CPG organizations are currently in the earlier stages of AI adoption.**

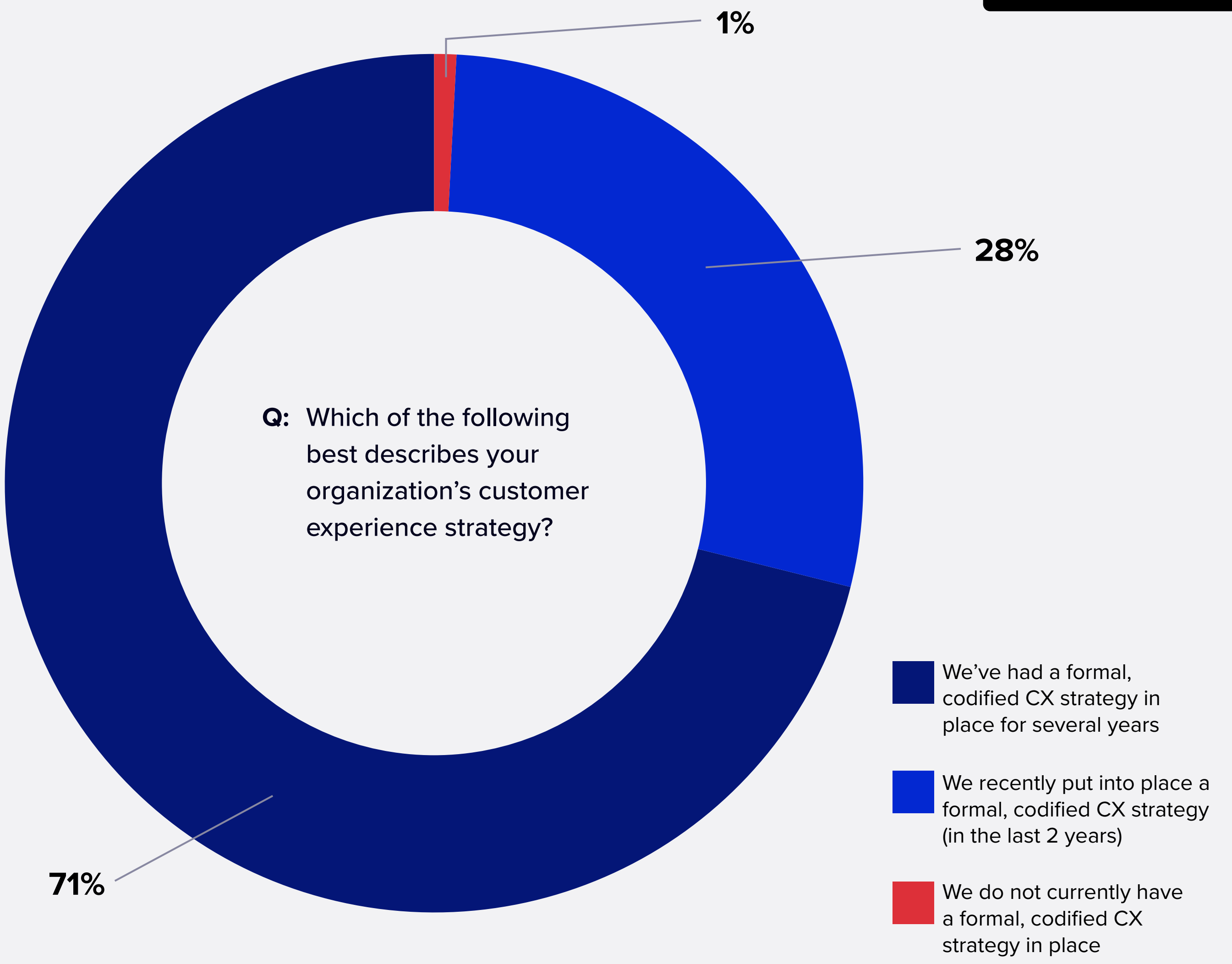
With retail and CPG respondents reporting less strength in their marketing technology integration than other industries, it's not surprising that they are also in the earlier stages of adopting AI. Compared to all respondents, retail and CPG organizations are more likely to be in the wait-and-see and exploratory phases and less likely to have invested in or implemented AI-driven CX solutions.

While some may see this as concerning, it also means that these companies have the opportunity to thoroughly plan their AI strategies so they're more effective once implemented.

# **Nearly all** retail and CPG brands surveyed **have formal, codified CX strategies** in place.

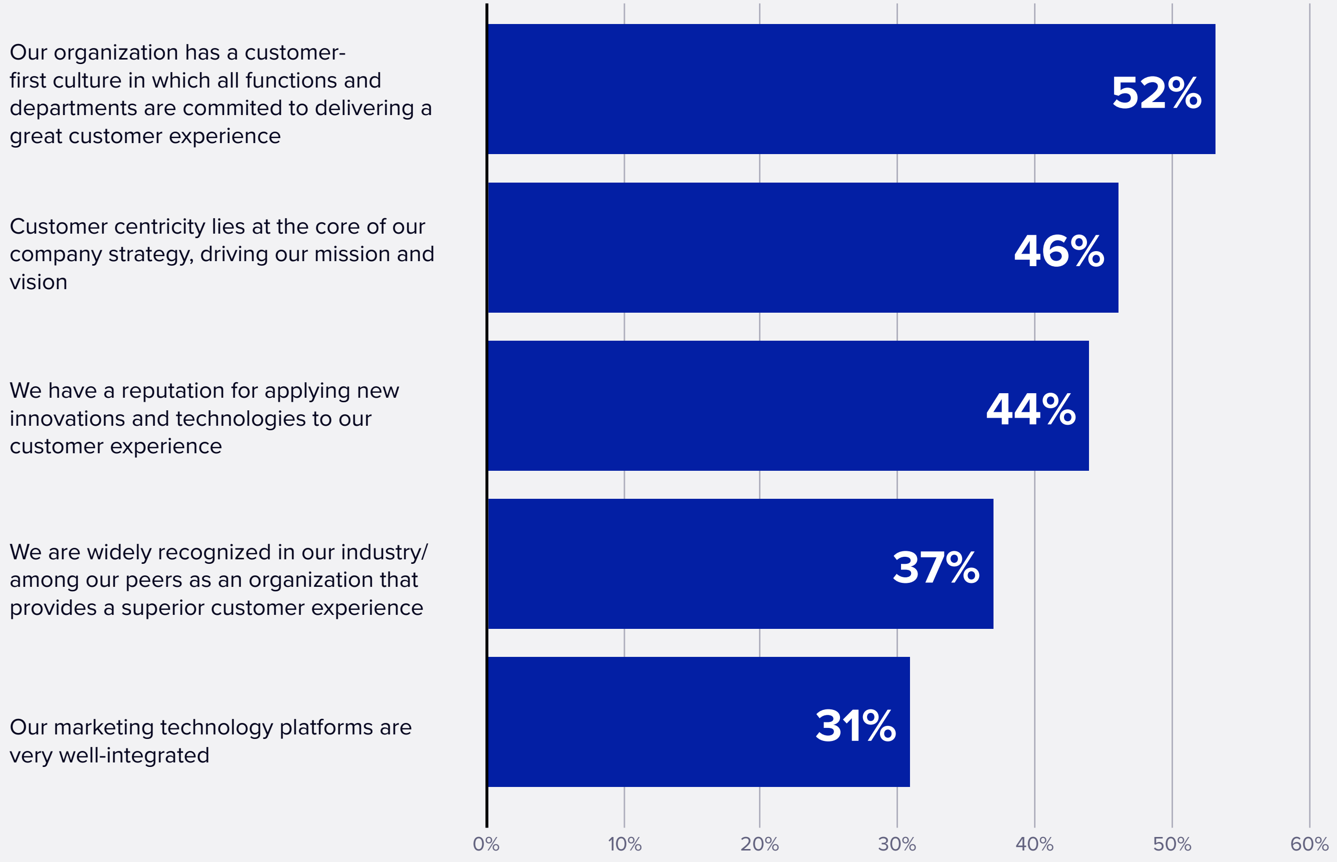
Seventy-one percent of CPG and retail companies in our survey have had formal CX strategies in place for several years, which exceeds the average across industries. Despite this claim, there is a disconnect when it comes to having customer-centric practices throughout the organization.

PROFESSIONAL SURVEY



PROFESSIONAL SURVEY

**Q:** How well do you think each of the following statements describes your organization? – % strongly agree




## Just over 50% of retail and CPG respondents strongly agree that their organization has a customer-first culture.

Ninety-nine percent of retail and CPG respondents reported having formal, codified CX strategies, but they're not always translating to customer centricity. This is an interesting disconnect and highlights the importance of digging beyond codified policies into company culture and practices to understand how well organizations truly follow a customer-first approach.

PROFESSIONAL SURVEY

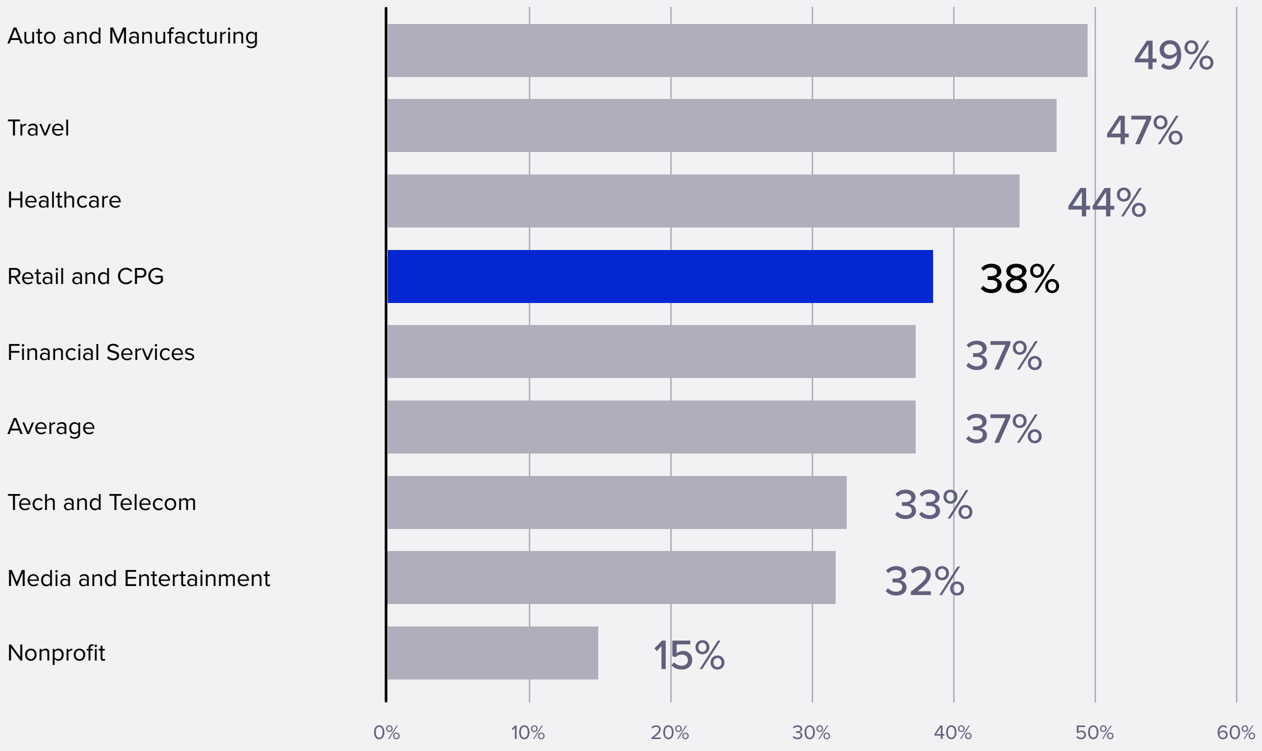
# Retail and CPG base their **decisions more on finances and competitors** than customer feedback.

Another marker of customer centricity is how much a company prioritizes consumer feedback over other factors when making CX investments. Only 38% of retail and CPG respondents reported customer feedback as a top-three driver of their CX investments – a common trend across industries, all of which had less than 50% of respondents indicate that customer feedback was a top driver of CX investment decisions.

As highlighted in our business leaders report, leading CX organizations are more likely to prioritize customer feedback than competitor activity.

**Q:** What are the biggest drivers or factors that influence your organization's customer experience investments?

**A:** % chose "Customer feedback/demands"



# Key considerations

## Don't overlook the basics.

Sure, consumers enjoy exciting experiences and cutting-edge technology, but what they value most in their brand experiences are convenience, ease, and reliability.

That means using data to improve their interactions with your brand and offering human options where customers need it most: for purchases and support. It also means making technology investments with an eye toward simplicity instead of splash - what enhancements will make the shopping experience faster, easier, or more consistent for your customers?

## Use AI thoughtfully to solve real customer or business problems.

Many retail and CPG companies are still in the early stages of AI investment. That means they haven't yet sunk money into AI solutions and can still vet whether their proposed investments will truly improve the customer experience.

Consumers have significant concerns with AI, so a less visible role for AI may be more palatable, whether that's reducing re-stock time with supply chain efficiencies or helping personal shoppers make better recommendations.

## But first, integrate your marketing tech stack.

A well-integrated marketing technology stack forms the foundation for all other CX efforts. It is a must-have if you want data that's connected, clean, and accessible – in other words, data that can actually enhance your CX. Without a well-integrated marketing technology stack, it's hard to fully realize value from other tech investments.

## Connect the dots with your customer across the journey.

Retail and CPG customers want to engage your brand in myriad ways: in person, digitally, through loyalty and reward programs, and so on. They also want consistency and reliability from those experiences. Make sure your communications with the customer acknowledge the interactions you've already had. Forcing a customer to repeat a conversation they already had with your brand is not easy, convenient, or consistent.

## Look beyond codified strategies to deliver CX excellence.

Nearly all retail and CPG respondents reported having codified, formal CX strategies, but after peeling back the layers, there's still work to do when it comes to being a customer-first organization.

One of the first steps for retail and CPG companies is to prioritize customer feedback when it comes to CX investments – only 38% currently do so. Remember, feedback isn't just surveys: customers are giving you feedback every time they interact with your brand to complete a purchase, abandon their cart, or engage (or delete) an email.

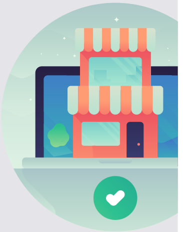
## For further reading

REPORT
**Customer Experience Imperatives**
Read now

REPORT
**CMO Navigator, CX Edition**
Read now

REPORT
**Content Supply Chain**
Read now

BLOG
**Finding Value in AI: A Framework for Practical Adoption**
Read now

REPORT
**2025 Retail Media Industry Report**

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## Methodology

Primary research comprised online surveys of N=820 CX professionals with decision-making influence on customer experience at their organizations and N=2,100 consumers who had a qualifying consumer interaction with one or more brand categories in the past 3 months. Surveys were administered in six languages to professionals and consumers based in 18 countries across North America, Europe, and the Asia Pacific region. Survey fieldwork conducted October-November 2023.

Representation of categories by CX professionals: 18% retail & CPG; 17% tech & telecom; 16% financial services & insurance; 15% automotive and manufacturing; 12% healthcare; 9% media and entertainment; 9% nonprofit; and 9% travel.

Representation of categories by consumers: 73% retailer; 64% restaurant or food service; 60% healthcare provider; 55% financial services; 48% packaged goods; 44% clothing or textile; 44% technology or telecoms; 43% travel or transportation; 43% hospitality; 34% insurance provider; 33% entertainment; 33% electronics or technology; 31% household goods; 31% media brand; 26% nonprofit organization; 21% vehicle manufacturer; 21% software company; 15% outdoor equipment.

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