Retail and Consumer Packaged Goods (RCPG) State of the Market: Seeking Balance Between Operational Efficiency and Customer Experience

June 2024: Complimentary Abstract / Table of Contents

State of the Market Report
Retail and CPG Information Technology

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Introduction

Despite uncertain macroeconomic conditions and margin pressures, RCPG enterprises continue to prioritize technology investments. In response to market dynamics, they exhibit resilience by focusing on investments aimed at achieving a balance between operational efficiency and consumer experiences. Enterprises are increasingly embracing digital strategies to increase their competitive edge, enhance operational efficiency, streamline processes, provide personalized omnichannel experiences to consumers, and drive growth. They are strategically allocating investments toward modernizing their IT systems across the entire value chain, leveraging technologies such as AI/ML, cloud computing, IoT, and automation.

This report provides comprehensive coverage of the RCPG IT services market and analyses it across various dimensions such as market overview, adoption trends, typical deal characteristics, and evolving market scenario.

We focus on:

- Forces shaping the future of IT services in the RCPG industry
- RCPG supply chain IT services market overview and adoption trends
- Trends in RCPG IT transformation deals
- Evolving RCPG buyer objectives

Scope of this report

Geography: Global

Services: RCPG IT services

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Overview and abbreviated summary of key messages

RCPG enterprises are prioritizing technology investments to enhance operational efficiency and consumer experiences, despite macroeconomic uncertainties and margin pressures. They are embracing digital strategies, such as AI/ML, cloud computing, IoT, and automation, to streamline processes, improve competitiveness, and provide personalized omnichannel experiences.

Some of the findings in this report, among others, are:

RCPG IT services market overview

- RCPG IT services market is growing steadily driven by investments in operational efficiency and consumer experience
- RCPG IT services market is primarily driven by the application services segment, which accounts for one-third of the market size

RCPG IT services deal characteristics

- While RCPG enterprises primarily favor FTE-based pricing models for their IT service deals, they are increasingly embracing outcome-based pricing to realize more value from IT service investments
- RCPG enterprises prefer an offshore-heavy FTE model for cost-saving purposes and to leverage a global talent pool
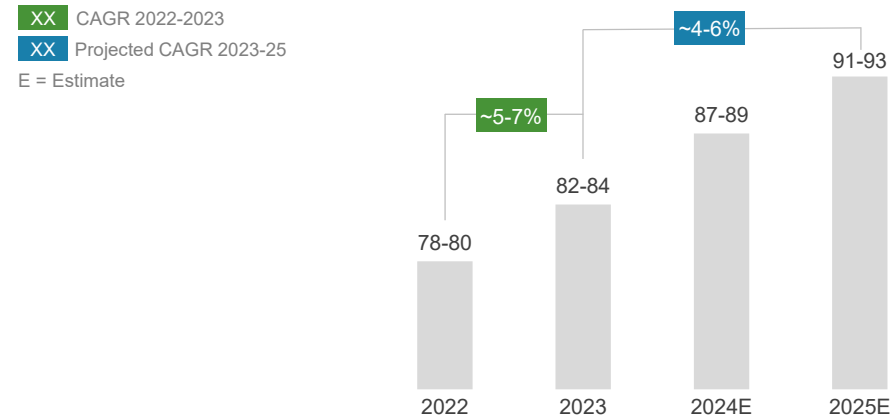
Technology trends

- RCPG enterprises are prioritizing cloud investments and AI/ML use cases are gaining the most traction
- Enterprises are experimenting with emerging generative AI solutions to drive efficiencies across the value chain and gain a competitive edge
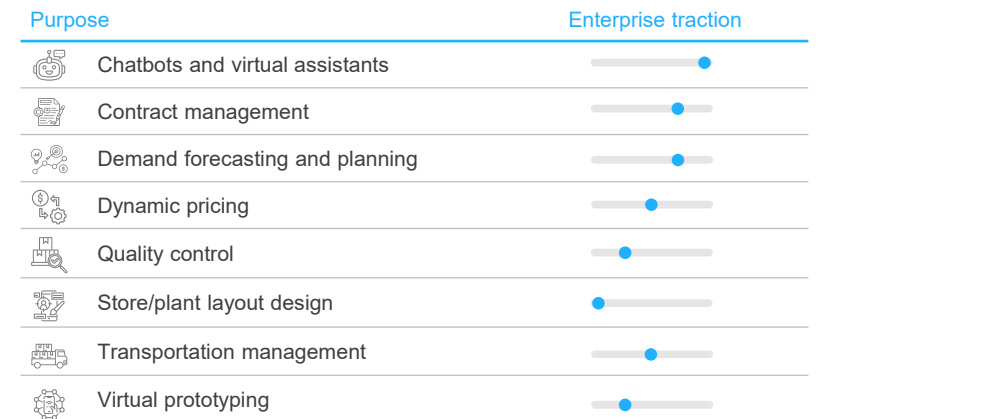
Market tends

- Despite uncertain macroeconomic conditions RCPG enterprises continue to remain resilient with a focus on increasing operational efficiency and delivering omnichannel customer experiences
- Resilient supply chains is a key focus area for RCPG enterprises to drive operational efficiency

This study offers seven distinct chapters providing a deep dive into key aspects of RCPG market; below are four charts to illustrate the depth of the report
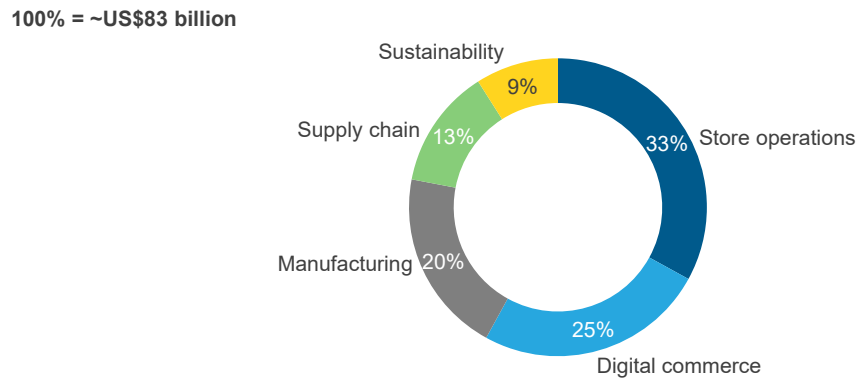
Retail CPG IT services market

Low ▬▬▬▬▬ High

| XX | CAGR 2022-2023 |
| XX | Projected CAGR 2023-25 |

E = Estimate

~4-6%

91-93

~5-7%

87-89

82-84

78-80

| 2022 | 2023 | 2024E | 2025E |

Enterprise traction of generative AI use cases

Purpose	Enterprise traction
Chatbots and virtual assistants	
Contract management	
Demand forecasting and planning	
Dynamic pricing	
Quality control	
Store/plant layout design	
Transportation management	
Virtual prototyping	

RCPG IT services market – by value chain segment

100% = ~US$83 billion

Sustainability — 9%

Supply chain — 13%

Manufacturing 20%

Store operations 33%

Digital commerce 25%

Top priorities of RCPG enterprises

Supply chain

Store operations

Manufacturing

Consumer shopping behavior

Omnichannel experience

Research calendar
Retail and CPG Information Technology

Published   Current release   Planned

Reports title	Release date
Delivering a Resilient Supply Chain Ecosystem for Retail and Consumer Packaged Goods (CPG) - State of the Market 2023	December 2023
Driving Sustainability in Retail and CPG Industry: A Business Model Transformation Approach	January 2024
Retail IT Services PEAK Matrix® Assessment 2024	January 2024
Retail IT Services – Provider Compendium 2024	March 2024
Consumer Packaged Goods (CPG) IT Services PEAK Matrix® Assessment 2024	March 2024
Consumer Packaged Goods (CPG) IT Services - Provider Compendium 2024	April 2024
Retail and Consumer Packaged Goods (RCPG) State of the Market: Seeking Balance Between Operational Efficiency and Customer Experience	June 2024
Enterprise Pulse for IT Services 2024 – Retail and CPG Industry	Q3 2024
Retail Trailblazers: Start-ups Redefining Unattended Checkout Operations	Q3 2024
Store-Tech Trailblazers: Start-ups Combating Retail Shrinkage	Q3 2024
Reimagining the Retail and CPG Value Chain with AI	Q3 2024
Retail and CPG Data, Analytics, & AI Services PEAK Matrix® Assessment 2024	Q3 2024
Retail and CPG Data, Analytics, & AI Services – Provider Compendium 2024	Q3 2024
Retail and CPG Data, Analytics, & AI Services State of the Market 2024	Q4 2024
Supply Chain IT Transformation Services for Retail and CPG PEAK Matrix® Assessment 2024	Q4 2024

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