

Driving Sustainability in Retail and CPG Industry: A Business Model Transformation Approach

January 2024: Complimentary Abstract / Table of Contents



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Introduction

With increasing customer preferences for environmentally friendly products and evolving government regulations, Retail and Consumer Packaged Goods (RCPG) enterprises are being compelled to embrace sustainable practices. This includes the implementation of reduction of carbon emissions, water optimization, and the minimization of waste, as they aim to shift toward a more responsible and sustainable business model. Environmental, Social, and Governance (ESG) initiatives also enable enterprises to improve brand value and enhance efficiency and is a vital focus for purpose-driven enterprises.

Enterprises are actively engaging with the rapidly evolving ecosystem of sustainability technology to expedite their ESG journeys. They utilize emerging technology for tasks such as monitoring ESG data, monitoring of water usage, incorporating circular economy practices into production processes, reducing carbon footprints, and addressing various other sustainability challenges.

This report provides comprehensive coverage of sustainability initiatives of leading retail and CPG organizations, and the IT solutions that help enterprises achieve their ESG goals.

In this research, we focus on:

- Evolution of sustainability in RCPG
- Emerging areas in sustainability solutions
- Key recommendations for embedding sustainability

Scope of this report



Geography
Global



Industry
Retail and CPG industry



Services
Sustainability

Overview and abbreviated summary of key messages

This report provides a deep dive into the rising significance of sustainability services in the RCPG market and how technology and IT solutions are helping enterprises navigate the complex journey toward a net zero.

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

Evolution of sustainability services in the RCPG market

- High regulatory maturity and digital awareness among RCPG enterprises is driving the adoption of sustainability services in developed economies
- Among technology-driven sustainability initiatives, CPG firms are focusing on ESG data reporting and net-zero strategy
- Global players pursuing sustainability goals are faced with several challenges due to the complex nature of scope 3 emissions and sustainability mandates

Emerging areas in sustainability solutions

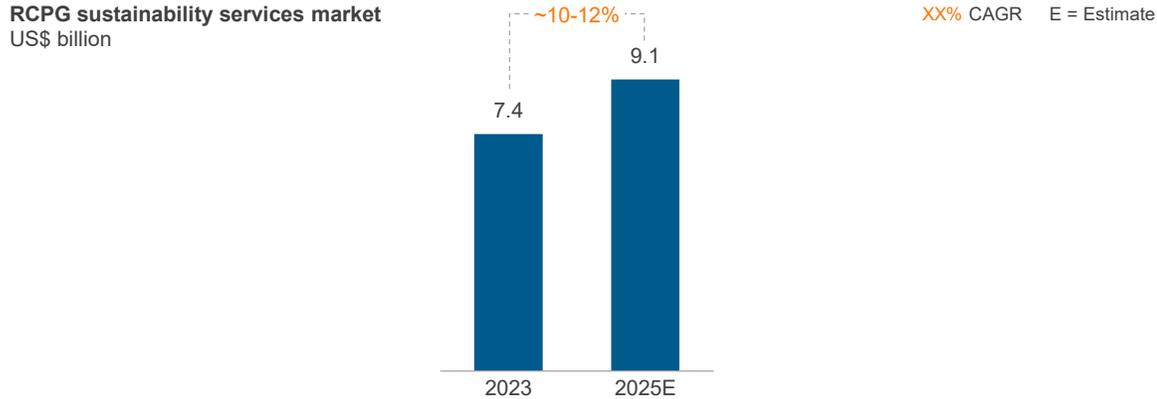
- Sustainability considerations are propelling new models of business by driving transformative changes in operational practices
- ESG data management and supply chain visibility are the top use cases being prioritized by RCPG enterprises going into 2024
- Other prominent use cases include climate risk analytics, circular economy, and sustainable experience

Key recommendations for embedding sustainability

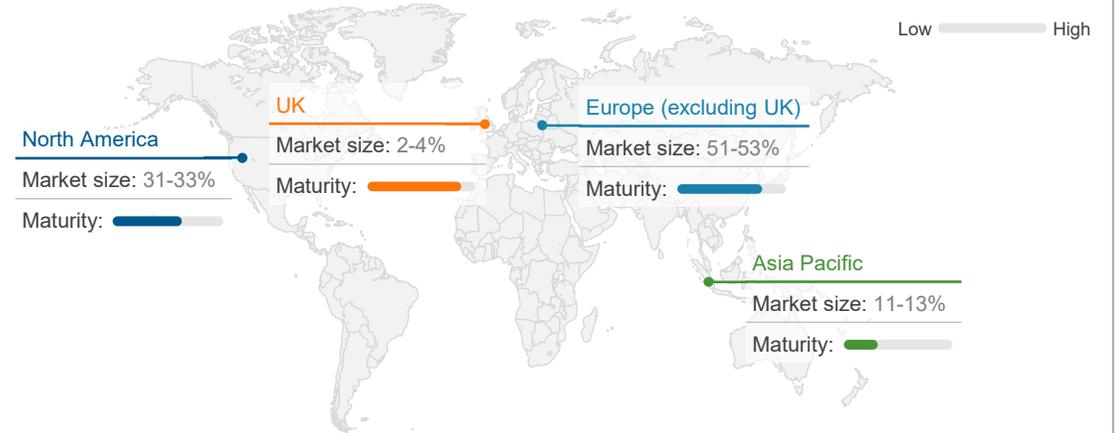
- RCPG enterprises must follow the commit, define, invest, and sustain framework to build robust business models in this era of disruptions
- Service providers need to be cognizant of various industry-specific challenges and go-to-market with robust contextualized solutions for this high potential sector

This study offers five distinct chapters providing a deep dive into key aspects of sustainability services in the retail and CPG market; below are four charts to illustrate the depth of the report

RCPG sustainability services market size and growth



Adoption trends for RCPG sustainability services – by geography



Sustainability services use cases with the highest adoption across the RCPG market

Use cases	Description	Current adoption
ESG data management	Enterprises are focusing on ESG data collection and dashboarding services to generate insights on optimizing ESG footprint. ESG-related auditing and compliance management service demand is also gaining momentum.	●●●●●
Supply chain traceability	Supply chain traceability solutions are empowering enterprises to deliver on their ethical sourcing, sustainability, and consumer trust fronts.	●●●●○
Climate risk analytics	Enterprises are partnering with service providers for generating roadmaps for their climate risk assessments and net-zero strategy.	●●○○○
Circular economy	Circular economy practices such as sustainable packaging, recycling products, analyzing water wastage, and minimizing consumption are also gaining traction in the sustainability services market.	●●●○○
Sustainable experience	Sustainable experience solutions such as digital labels and QRs and are increasing consumer trust and enhancing brand loyalty.	●●○○○

Low ○○○○○ High
Current adoption

Everest Group framework to guide RCPG enterprises



Research calendar

Sustainability Technology and Services

Published Planned Current release

Reports title	Release date
A Primer on Sustainability Software Provider Landscape: Role of Technology in Driving Sustainability Momentum	May 2023
From Efficiency to Responsibility: How Enterprises Are Leveraging Technology to Drive Sustainability	May 2023
Sustainability in Applications – Paving the Way for a Greener IT Landscape	June 2023
Insuring a Sustainable Tomorrow: How the Insurance Industry is Driving Positive Change	July 2023
Net Zero Consulting Services PEAK Matrix® Assessment 2023	July 2023
Net Zero Consulting Services Provider Landscape – Provider Compendium	September 2023
A Provider's Playbook to Bridging the Sustainability Skills Gap	November 2023
Mapping the Carbon Mitigation Landscape: Carbon Emission Management Trailblazers	December 2023
Driving Sustainability in Retail and CPG Industry: A Business Model Transformation Approach	January 2024
Unveiling the Carbon Frontier: A Comprehensive Analysis of Players in the Carbon Offset and Carbon Capture Technology Spaces	Q1 2024
Sustainability Enablement Technology Services PEAK Matrix® Assessment 2023	Q1 2024
Sustainability Enablement Technology Services Provider Landscape – Provider Compendium	Q1 2024
Supply chain and circularity: Harnessing Technology for Sustainable Solutions	Q1 2024
Unlocking Sustainability with GenAI: A Service Provider's Guide to Propagating the Sustainability Agenda for Clients	Q2 2024
Sustainability Services: State of the Market 2024	Q2 2024

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Research calendar

Retail and CPG Information Technology

Published Planned Current release

Reports title	Release date
Cautious Optimism Amid Disruption – 2023 Key Issues, Enterprise IT Perspective	March 2023
Digital Effectiveness in the Retail Industry Identifying Retail Leaders in the Connected Commerce Era	June 2023
Supply Chain Transformation Services for Retail and CPG PEAK Matrix® Assessment 2023	September 2023
Supply Chain Transformation Services for Retail and CPG - Provider Compendium 2023	October 2023
Digital Effectiveness in the Consumer Product Goods Industry Identifying Food & Beverage Leaders	October 2023
Delivering a Resilient Supply Chain Ecosystem for Retail and CPG – State of the Market 2023	December 2023
Driving Sustainability in Retail and CPG Industry: A Business Model Transformation Approach	January 2024
Retail Trailblazers: Start-ups Redefining Unattended Checkout Operations	Q1 2024
Retail IT Services PEAK Matrix® Assessment 2024	Q1 2024
CPG IT Services PEAK Matrix® Assessment 2024	Q1 2024
Retail IT Services – Provider Compendium 2024	Q1 2024
CPG IT Services – Provider Compendium 2024	Q1 2024
Retail and CPG IT Services – State of the Market 2024	Q1 2024
Reimagining Retail and CPG Value Chain with Generative AI	Q1 2024

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