

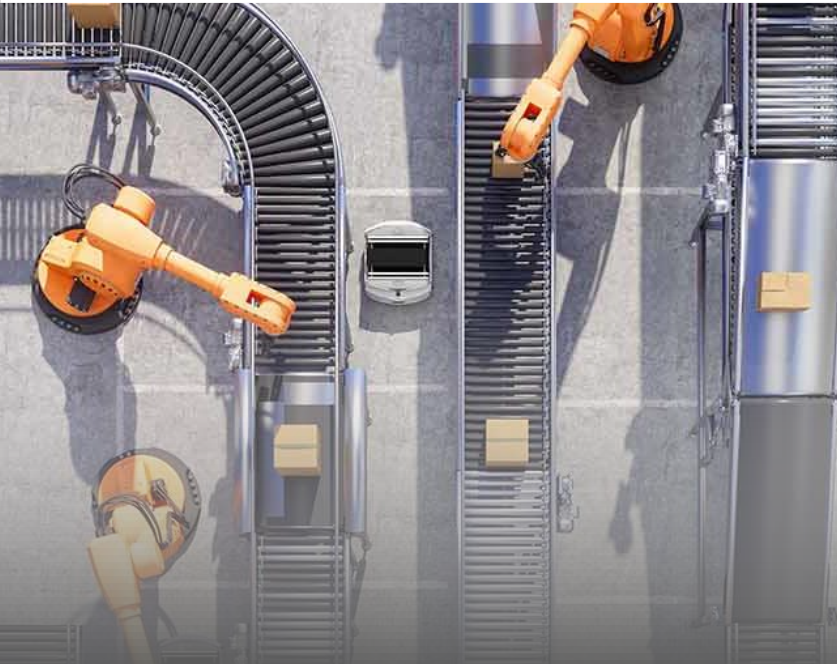
The Future of Consumer Products & Retail

Provocations on the industry and implications for sustainability

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Joëlle de Montgolfier

February 2026

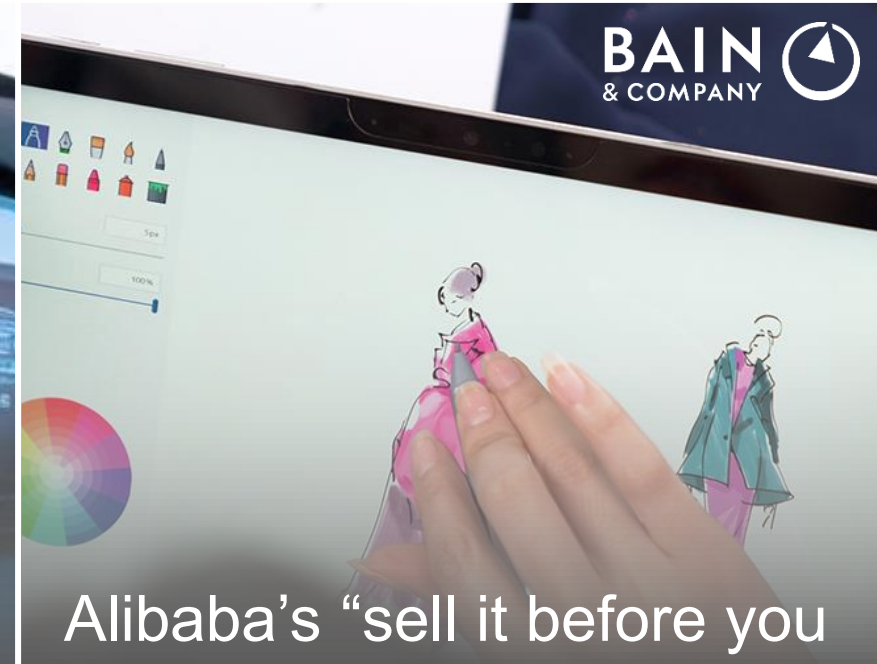
Just in the last year



Amazon have deployed their 1 millionth robot, now nearly equal to its human workforce



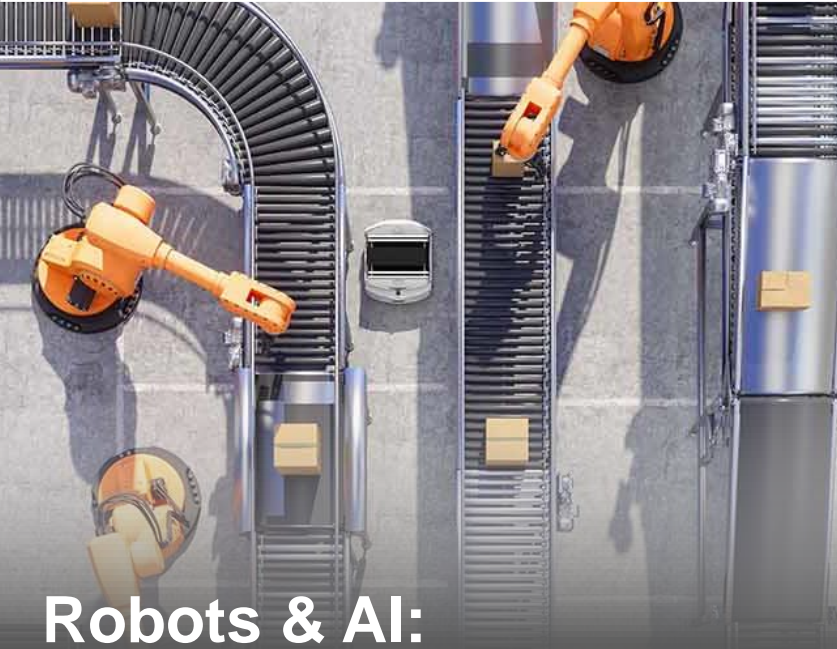
Smart eyewear sales accelerate. Users can look up product info and add items to shopping lists using voice/AI



Alibaba's "sell it before you make it" tech simulates products and only manufactures those with high consumer engagement

With this extreme change, what is the role of "sustainability"?

Are we addressing the right questions?



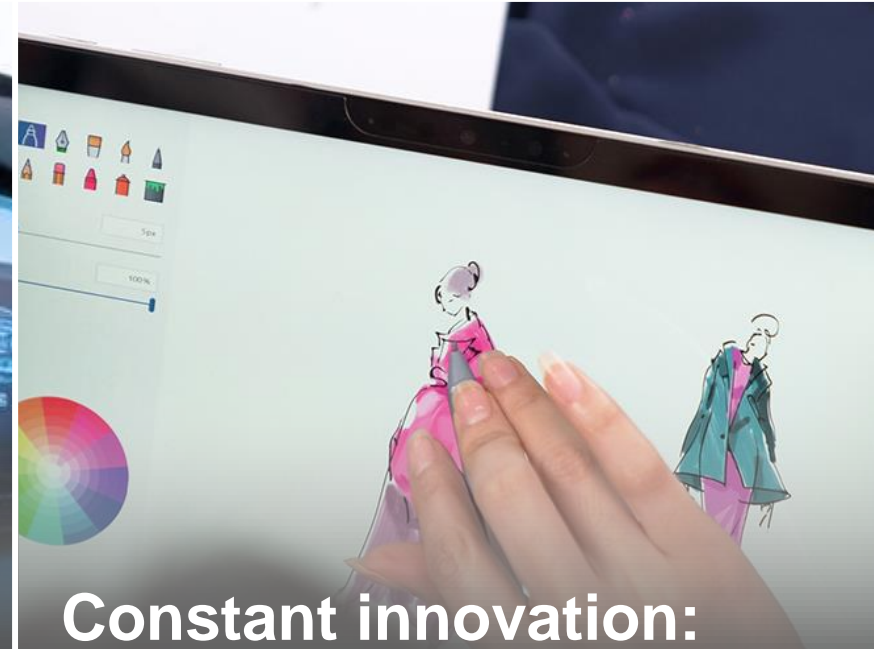
Robots & AI:

How do we **re-imagine sustainable production & livelihoods** in an automated world?



Consumers:

How can we solve fundamental **consumer challenges** for a better world?



Constant innovation:

How do we build the **next generation** of products to be sustainable by design?

Let's assess where we stand as an industry on "Sustainability"

Intent

Goals

- Net-zero / Science Based Targets
- Circularity & sustainable sourcing
- Improved livelihoods

Capability

- Central sustainability functions
- Embedded capability (in supply chain, R&D, marketing, finance, etc.)

Business case

- Operational efficiency focus
- Brand building & reputation
- Get ahead of regulation / first-mover advantage

Progress



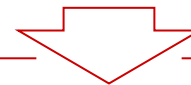
- High ambition for voluntary action
- Raised the bar beyond regulation
- Comprehensive approach



- Massive increase in understanding & skills
- Focus on retrofitting the current business
- Lacking influence & behind plan



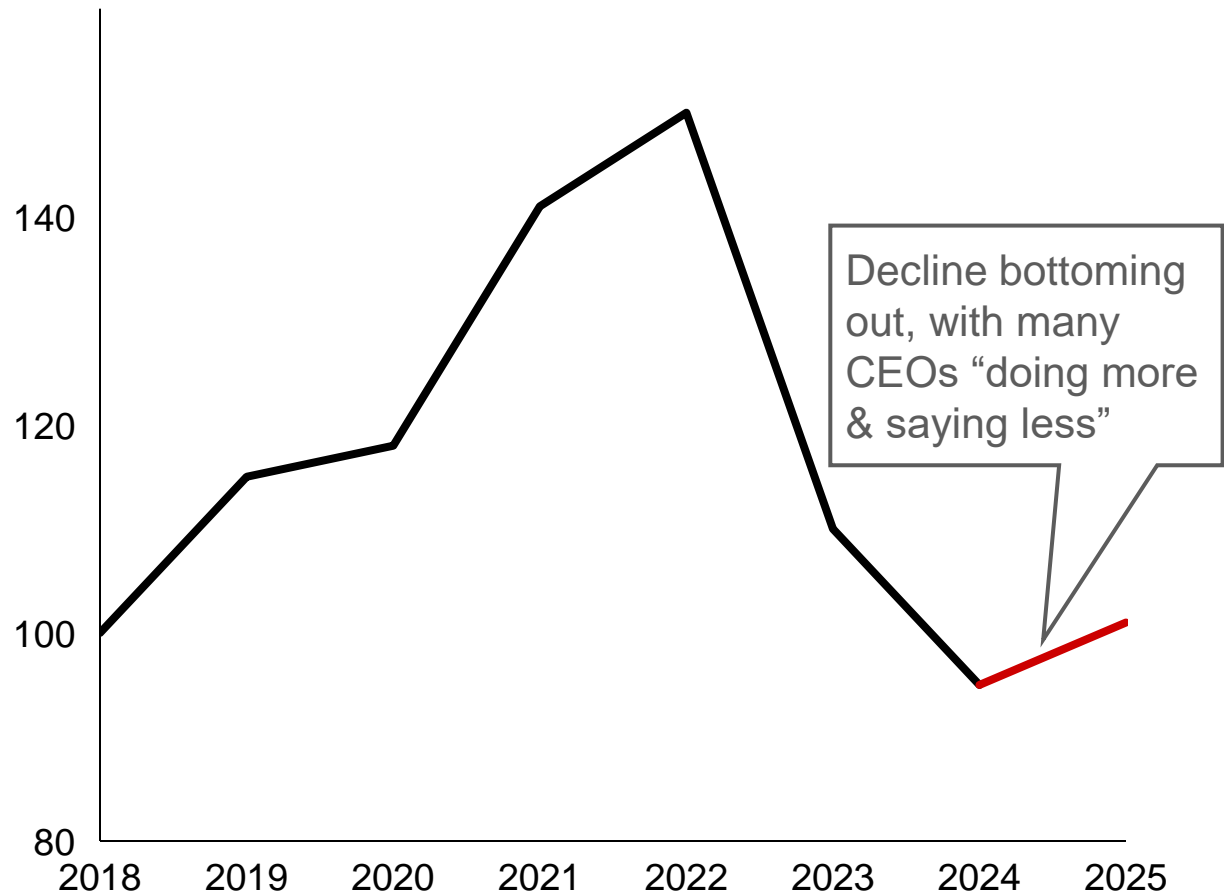
- High costs for transformative action
- Weak consumer pull (beyond insurgents)
- Breakdown of consensus (e.g. DE&I)
- Little regulatory advantage (slow change)



Most companies significantly behind plan & today's sustainability agenda increasingly disconnected from growth, profitability & industry priorities

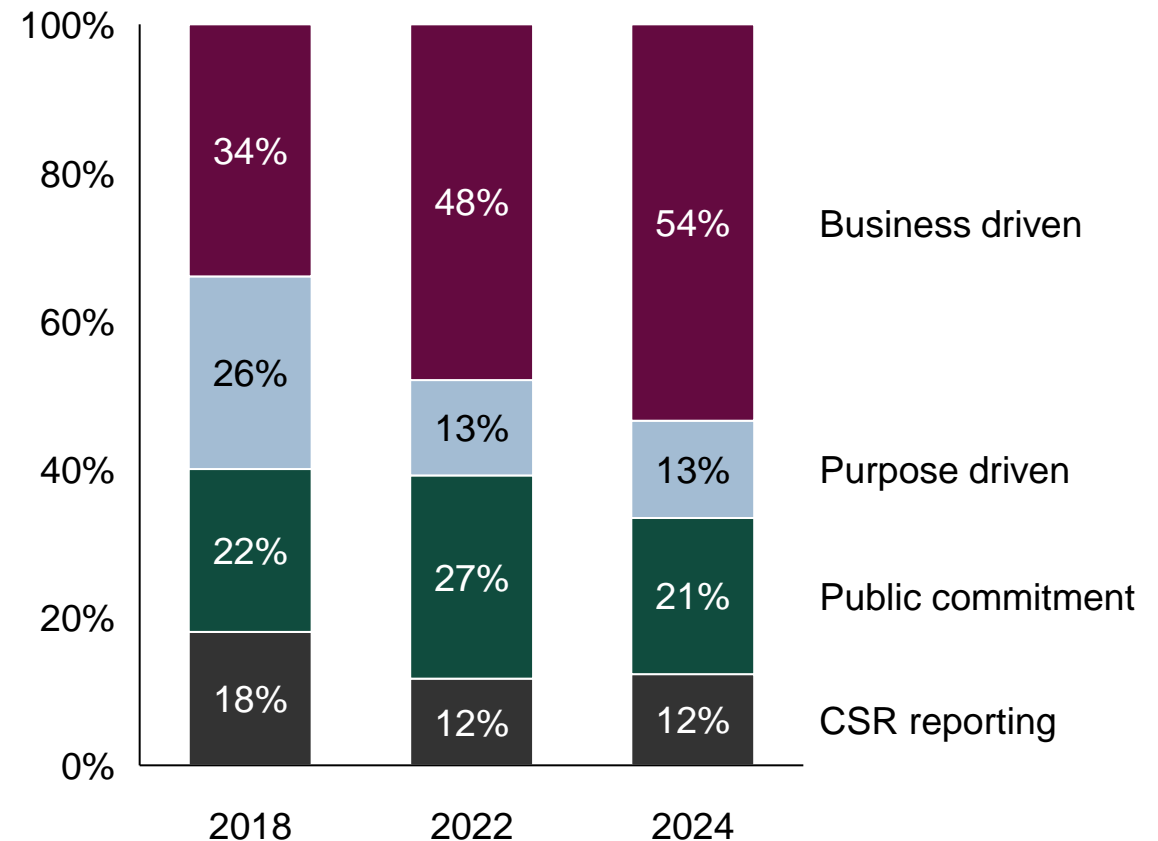
Sustainability relevance depends on tangible link to business performance

Importance of Sustainability according to CEOs



CEOs link sustainability to business performance

Share of sustainability mentions by CEOs



Source: Bain analysis, based on aggregation of publicly available CEO surveys (IBM, Gartner, PwC, KPMG) and ~2k audio/video files across major conferences, earning calls, podcasts, etc. Note: assessment of sustainability mentions assessed CEOs lead the top 50 companies by market capitalization in each of the Americas, EMEA, and APAC regions, totaling 150 CEOs. 35k+ statements analysed.

Potential future directions on the role of “Sustainability”

1 Incremental performance improvement

- Focus on **improving ‘how’ the industry operates** (i.e. lower carbon, more circular etc.)
- Reset voluntary goals & **focused / narrowed ambition**
- Do what is **affordable** to maximize short-term profitability
- Move **in-line** with regulation / the market

2 Re-invention

- Focus on **‘what’ the industry delivers** for society (fundamentally better products)
- New goals to capitalize on the potential of **new technology**
- Create **new sustainable markets** with the potential for future profit
- Move **ahead** of the market to stimulate demand



Do we focus enough on ‘Reinvention’ – architecting sustainable value in a disrupted industry?

Our backdrop is a Consumer & Retail sector under immense pressure as “uncertainty becomes the only certainty”

1

Macro headwinds & supply insecurity

2

Proliferating consumer expectations

3

Changing competitive dynamics

4

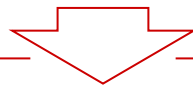
Cost pressures & underutilized assets

5

Limited growth in the core

6 All accelerated by tech, AI and innovation

Provocations on the future of Consumer Products & Retail



What could these industry shifts mean for sustainability?

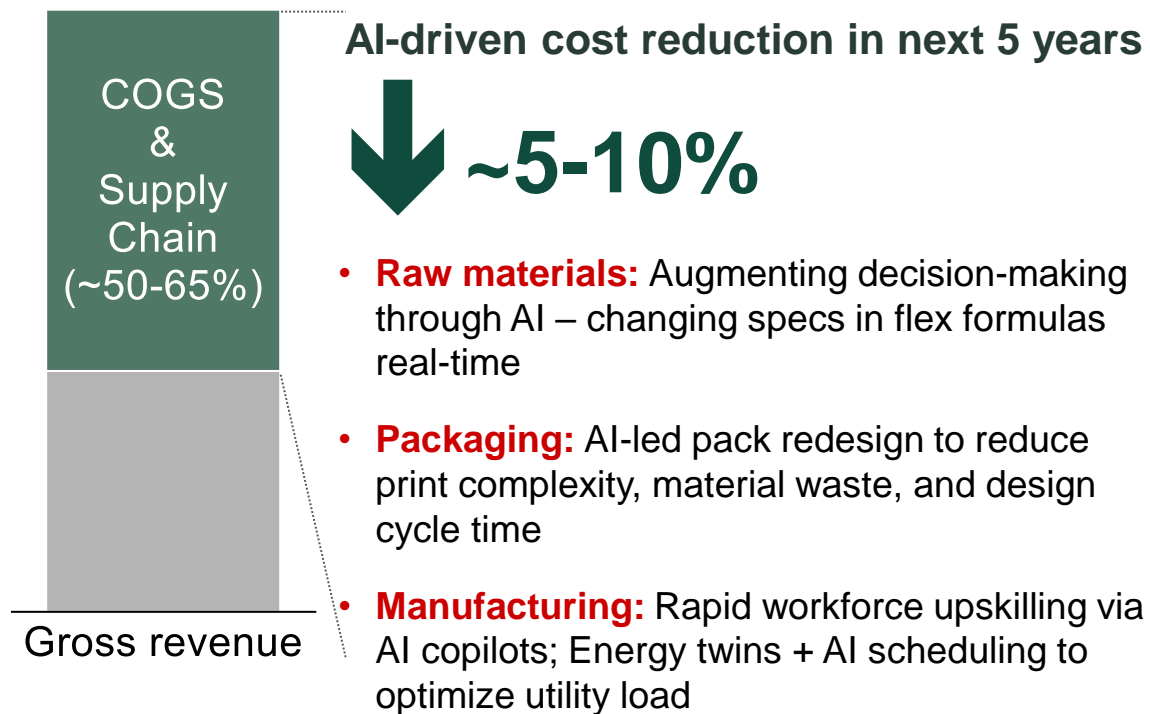
1 AI can unlock step-change cost efficiency, leaders will gain significant margin advantage

/ SUPPLY CHAIN



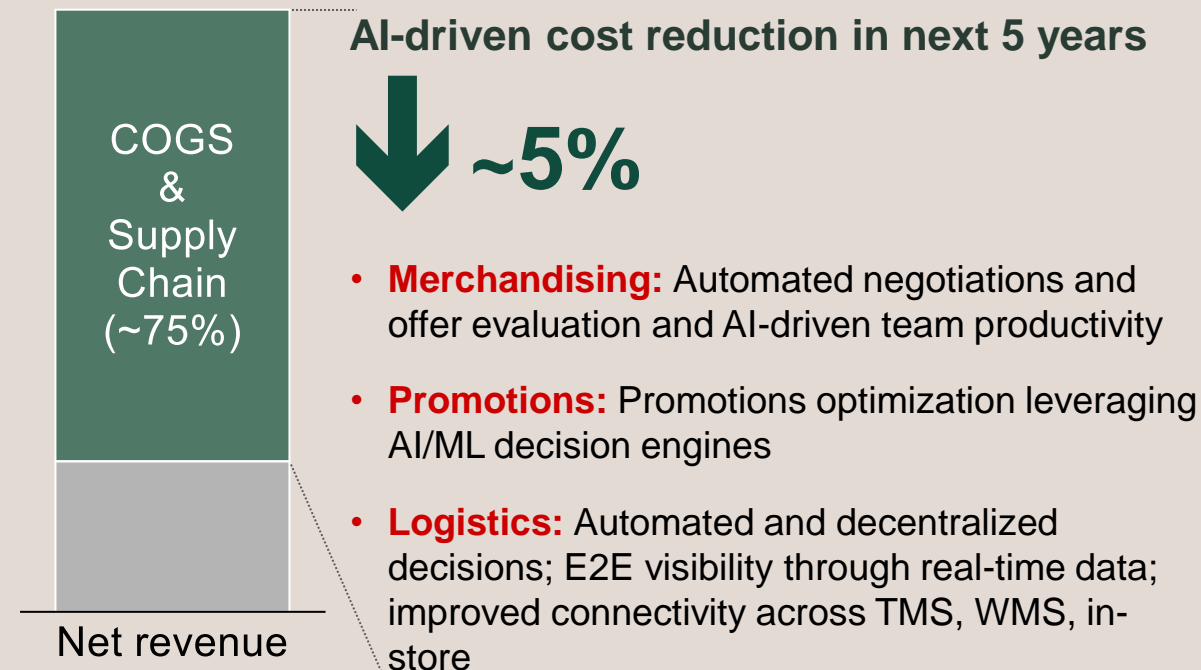
Manufacturers

Manufacturer cost profile today, illustrative
% of Gross Revenue



Retailers

Grocer cost profile today, illustrative
% of Net Revenue



1 Urgent need to use AI to ensure sustainable options are cost-competitive (whilst also addressing new challenges)

Opportunities

Footprint reduction

- AI-led sustainable product design
- AI optimised sell-through and reduced waste
- Reimagined networks for efficiency & carbon

CITRINE  **one • five**
INFORMATICS

Illustrative examples

Circularity at scale

- AI-led sorting & recycling at scale
- Digital passports enabling authentication, 2nd life value



ZENROBOTICS



Potential challenges?

Workforce disruption

- Upskilling & retention of an AI & robotics-enabled workforce
- Livelihoods protection upstream



Provocations on the future of Consumer Products & Retail

Supply Chain:
AI & robots run
the industry

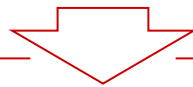
1

Consumers:
“Loyal”
shoppers will
cheat with AI
shopping agents

2

Competition:
CPGs & Grocers
compete on
relevance & value

3



What could these industry shifts mean for sustainability?

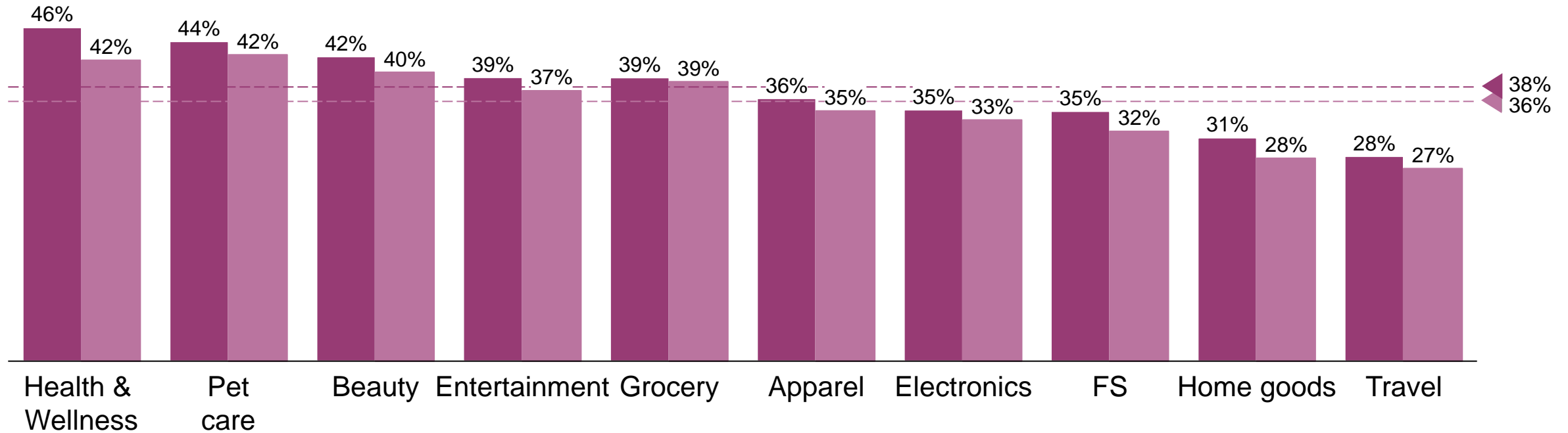
2 Already, shoppers are using AI tools to research and compare



Gen AI use for research/ getting recommendations and comparison

PERCENTAGE OF SHOPPERS WHO GO ONLINE FOR SHOPPING ASSISTANCE

■ Research/ get recommendations
■ Compare brands/ products/ services

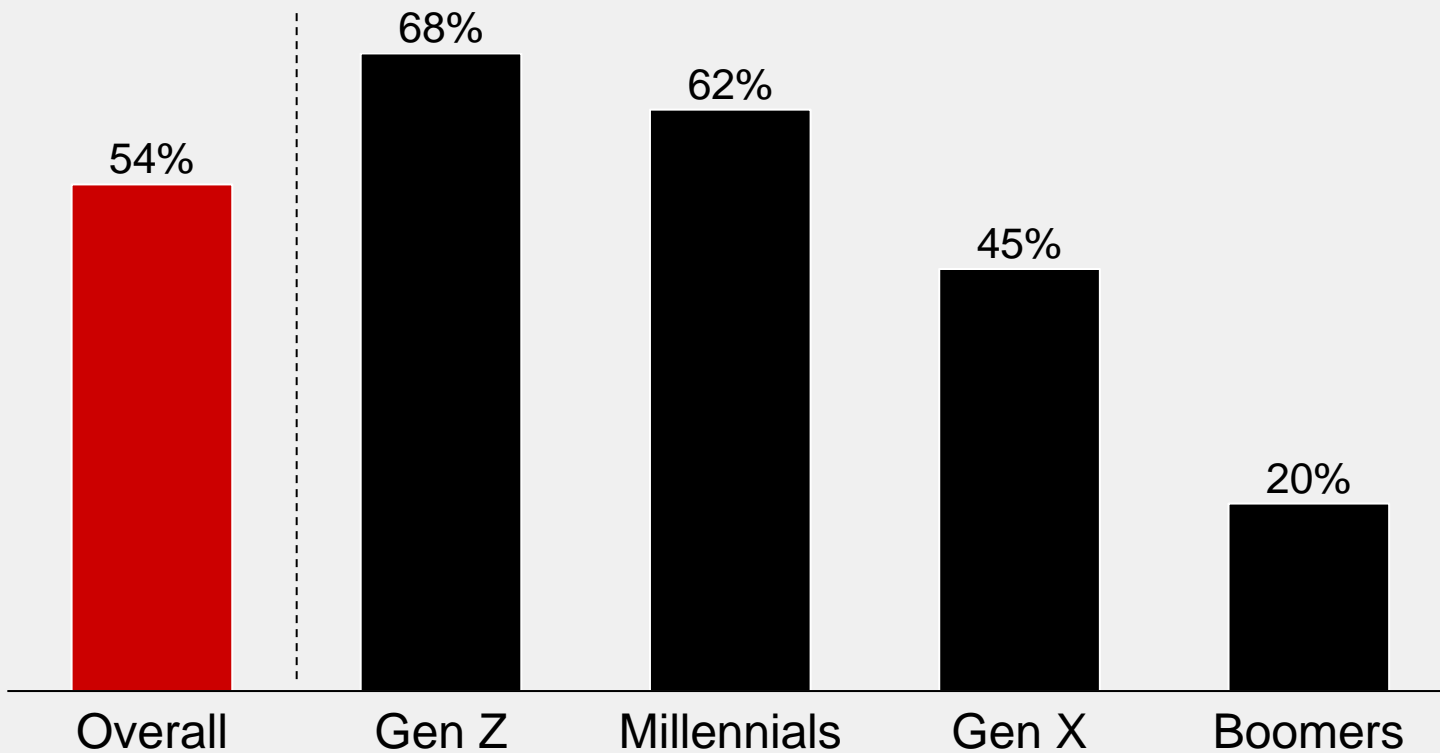


Notes: Only shown to respondents who go online to help with shopping; Options "Others" has been excluded; % of respondents for complete purchase is sum of respondents who selected options "Yes, I use it regularly" and "Yes, I have used, but do not use regularly"; Categories are sorted by overall trust, measured as the sum of respondents selecting 4 (somewhat trust) or 5 (completely trust) across three options: "Research / get recommendations", "Compare brands/products/services" and "Complete purchase/ place order" for the question "When shopping for a category, to what extent do you trust Gen AI to give reliable, unbiased shopping advice?". The totals are ranked in descending order

Source: Bain Dynata Gen AI Consumer Survey, Sept 2025 (Europe, Qualified valid N = 7298; UK N = 1503; France N = 1502; Germany N = 1502; Spain N = 1440; Portugal N = 1351)

2 AI is being widely used by shoppers for sustainability-related advice...

% of AI users having used AI to help them live more sustainably



Note: Response to the question "In the past 12 months, have you used any AI tools or services for the purpose of helping you live more sustainably?"

...especially in fast-growing markets

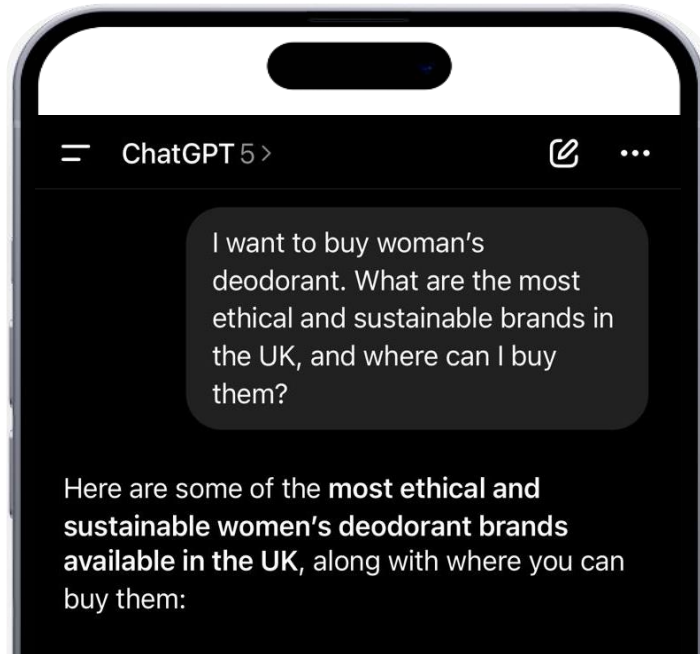
→ ~68%
of AI users in
fast-growing markets

→ ~34%
of AI users in
developed markets

have used AI to help
live more sustainably

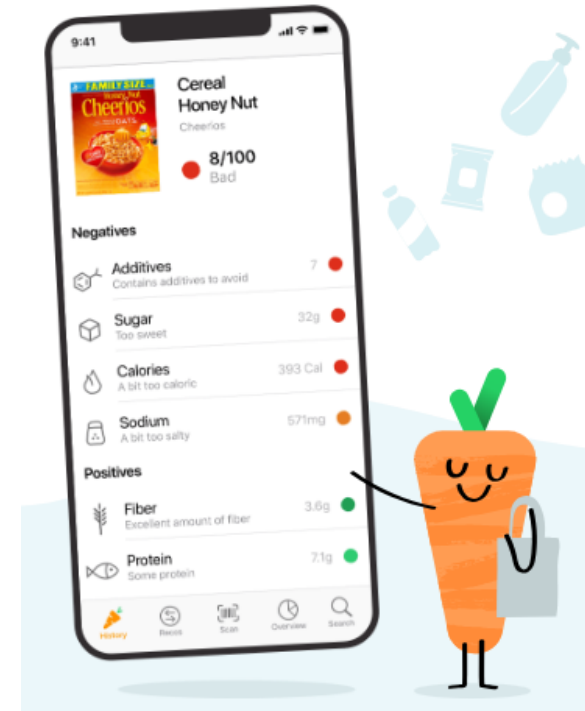
2 Urgent need to optimize your product (not corporate) sustainability performance & data for AI-led discovery

LLMs driving shopping choice



- **Top brands are insurgents:**
 - Wild, Nuud, AKT, Fussy, Salt of the Earth
- **Major CPGs brands not surfaced**

Apps providing transparency “outside-in”



- **Independent ratings**
- **“Healthier choices”**
- **High adoption in-store**

Sustainable choices will be ranked, filtered & promoted by AI

Provocations on the future of Consumer Products & Retail

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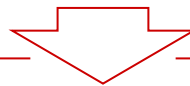
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compete on
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What could these industry shifts mean for sustainability?

3 CPGs and Retailers compete directly

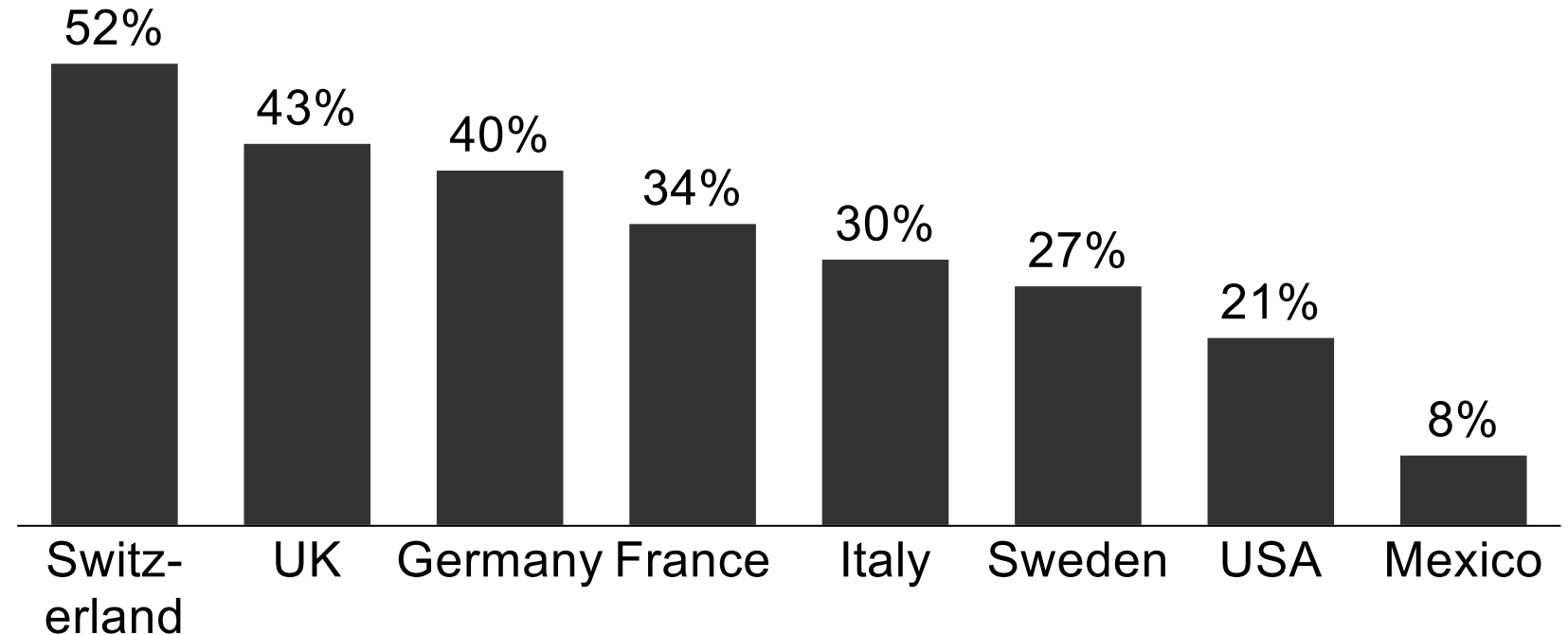
49%

EU shoppers actively seek out private label

48%

US shoppers actively seek out private label

Private Brand value share of Grocery sales, 2025



Private label is growing faster than national brands

~2x faster in the US (L3Y)

+1pts share gain in EU in L3Y

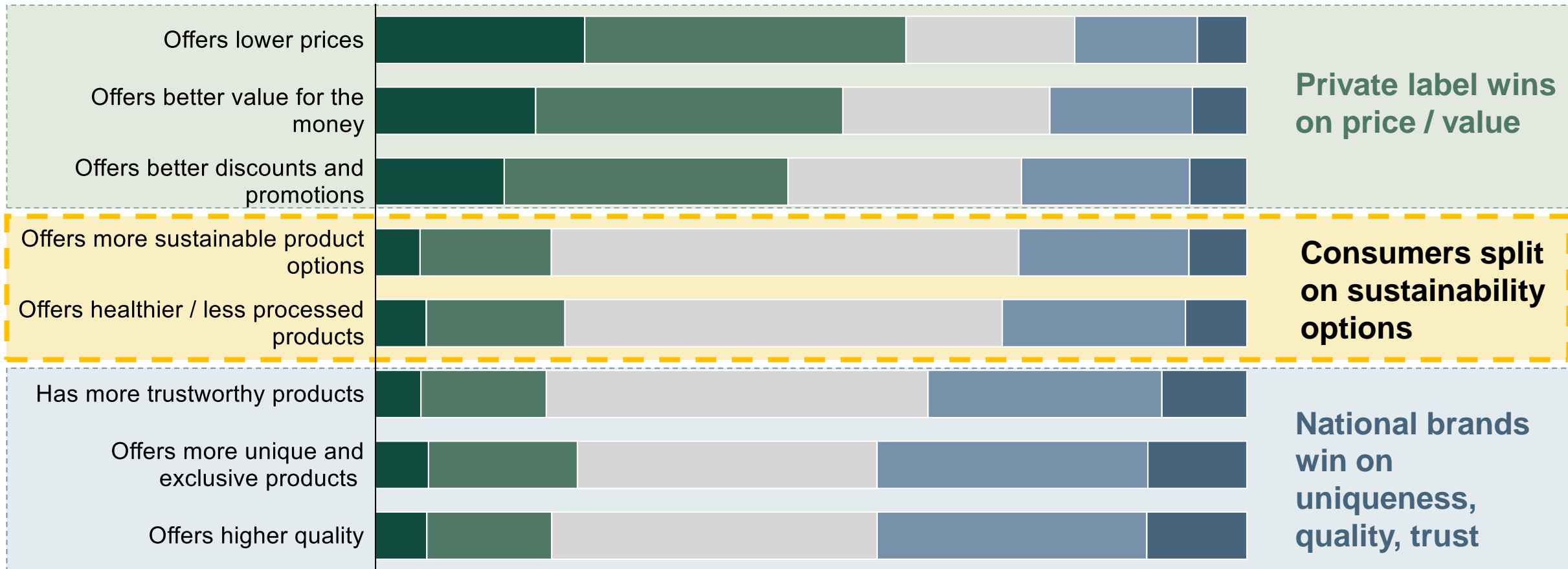
3 Sustainability & health is a key battleground for relevance

Private Brand versus National Brand comparison

% respondents (US)

Better describes
Private Label

Better describes
National Brand

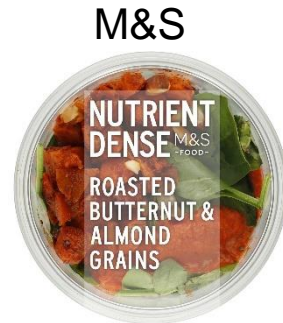


3 Urgent need to compete through sustainable product propositions

/EXAMPLES

Retail

Products for GLP-1 Users



Morrisons

CPGs



Conagra



Engagement on environment

Filters & category-wide labels



Specific product claims



Huge opportunity for a more impactful and commercially-relevant approach to sustainability

From foundations



Voluntary action



Corporate goals “how we operate”

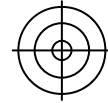


Mitigating negative impact

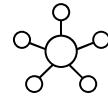


Managing risk

To future priorities



Competitive advantage in a disrupted industry



Product re-design “what we sell”



Future profit pools



Building resilience

BAIN & COMPANY 

