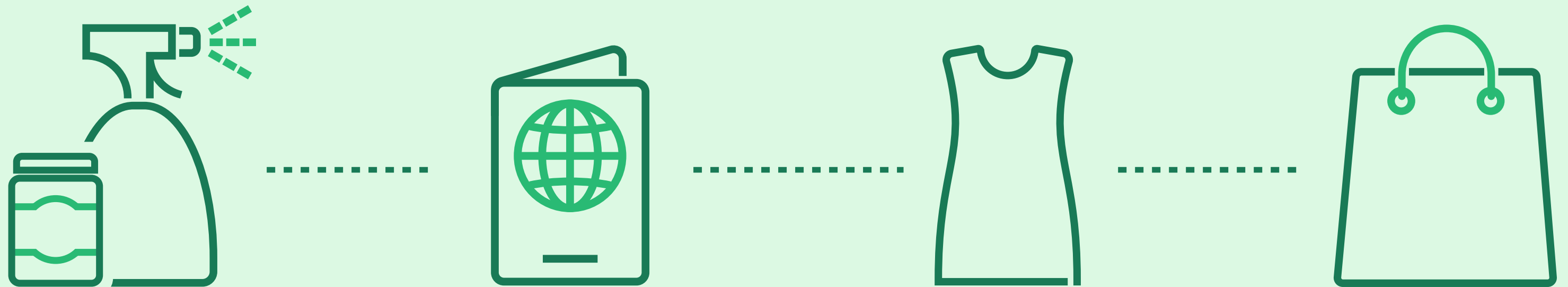


CONSUMER PRODUCTS

What the Data Tells Us About Digital Transformation, by Industry



The key findings for consumer products companies

Only about a quarter of consumer products companies have successfully executed a digital transformation (well below the 35% cross-industry average), and 20% more than average have created only limited long-term change.

Most companies demonstrate leadership commitment, but many fall short on agile governance and developing a business-led modular tech platform.

The top digital transformation objectives include accelerating sales and marketing, digitizing the consumer experience and journeys, and digitizing the supply chain.

Companies that are further along in their transformation journeys shift the focus from digital reengineering to growth and innovation, cybersecurity, and further acceleration of digital marketing.

Priorities for the future are next-generation marketing, smart sales, next-generation customer service, and digitizing support functions and operations.

Within each area, leaders often have different priorities than the broader industry: consumer trend detection in next-generation marketing, demand forecasting in smart sales, query handling using chatbots in next-generation customer service, and full order-to-cash digitization in digital support functions.

The importance of ESG for consumer products is in line with other sectors, with a fairly even weighting among environmental, social, and governance priorities.

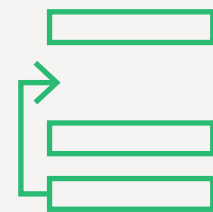
The data in more depth



**Rates of success
in digital
transformation**



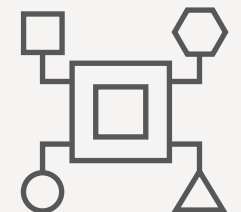
**Topics of focus for
consumer products
companies**



**Top priorities for
the future**



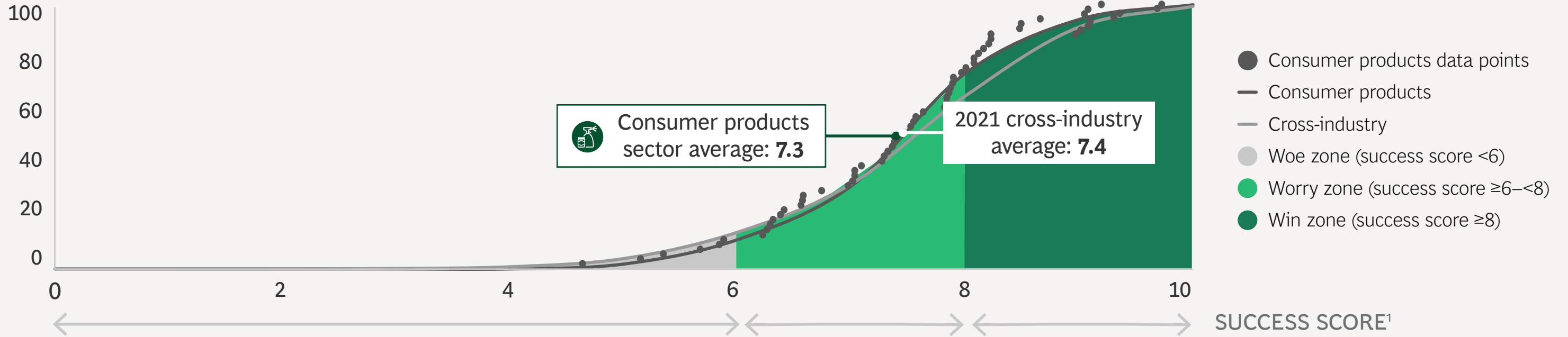
**The critical
human and
tech enablers**



**The role of ESG
in digital
transformation**

The number of consumer products digital transformation winners lags the cross-industry average, while the worry zone is 1.2 times larger

CASES BELOW SUCCESS SCORE (%)



2021 BCG Global Digital Transformation Survey overall

13%

52%

35%

Consumer products sector

11%

63%

26%

Limited value created (<50% of target); no sustainable change

Value created but total targets not met; limited long-term change

Target value met or exceeded; sustainable change created

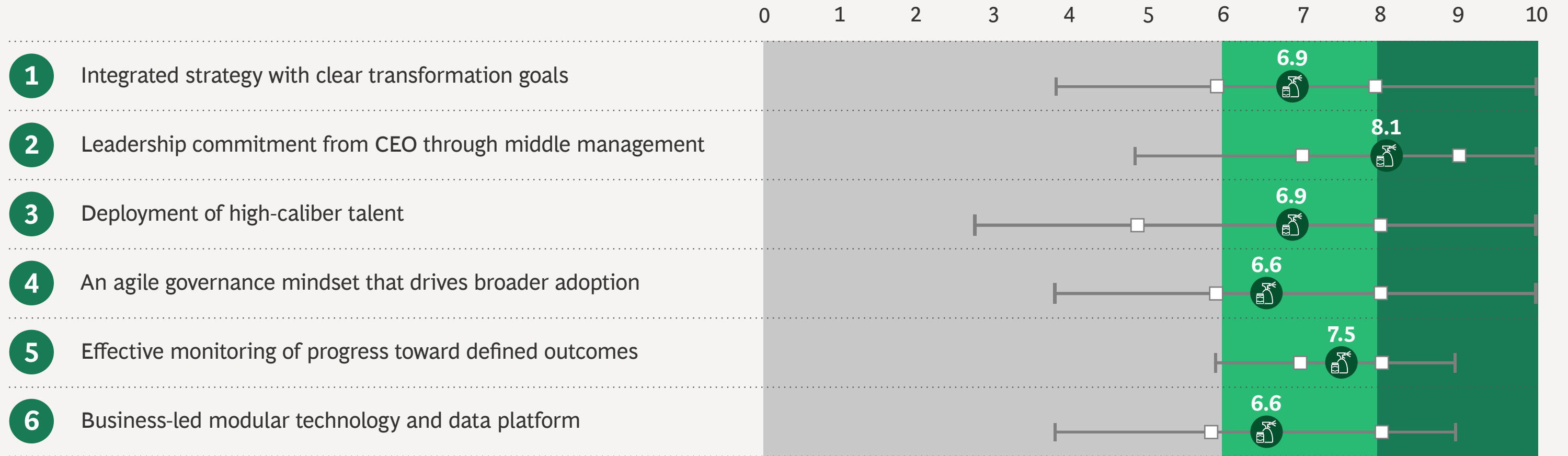
Source: 2021 BCG Global Digital Transformation Survey.

Note: Survey question: "Across the following dimensions, please rate your organization's digital transformation experience to date on a scale of 1 to 10, using the guidelines in the table below."

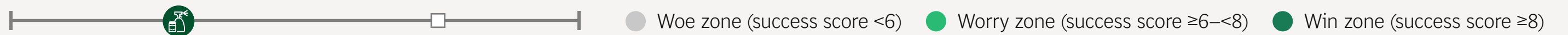
¹Success score is calculated from respondents' answers on six dimensions of transformation: strategy; leadership; talent; agility; monitoring; and tech and data.

Consumer products companies show leadership commitment but struggle for an agile governance mindset and business-led modular tech platforms

DISTRIBUTION OF SUCCESS SCORES ON INDIVIDUAL KEY FACTORS¹



Lower extreme Consumer product average Upper or lower quartile Upper extreme



Source: 2021 BCG Global Digital Transformation Survey.

Note: Survey question: “Across the following dimensions, please rate your organization’s digital transformation experience to date on a scale of 1 to 10 using the guidelines in the table below.”

¹Success score is calculated from respondents’ answers on six dimensions of transformation: strategy; leadership; talent; agility; monitoring; and tech and data.

Objectives for consumer products companies include sales and market acceleration, customer experience and journeys, and a digital supply chain

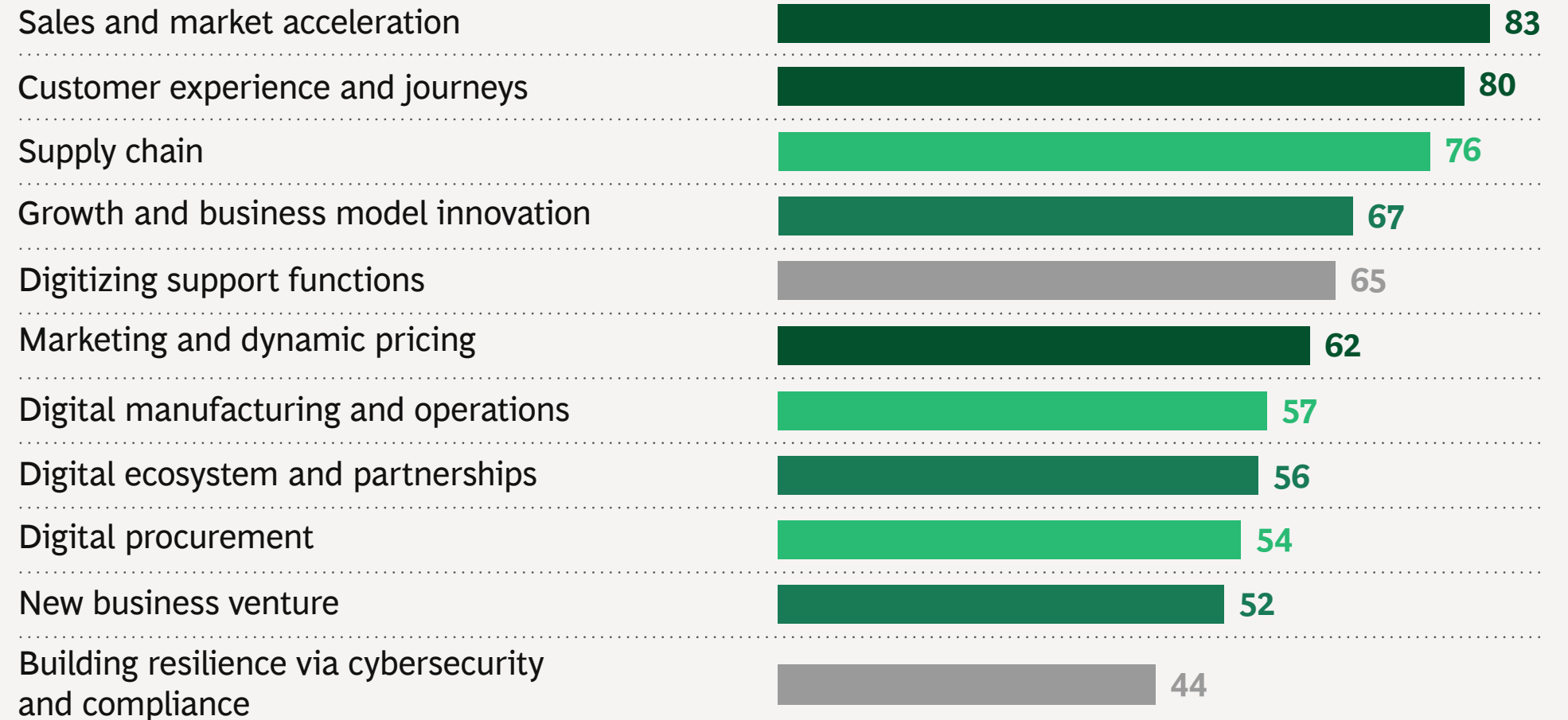
Strategic objectives

SHARE OF RESPONDENTS (%)



Scope of digital transformation¹

SHARE OF RESPONDENTS (%)

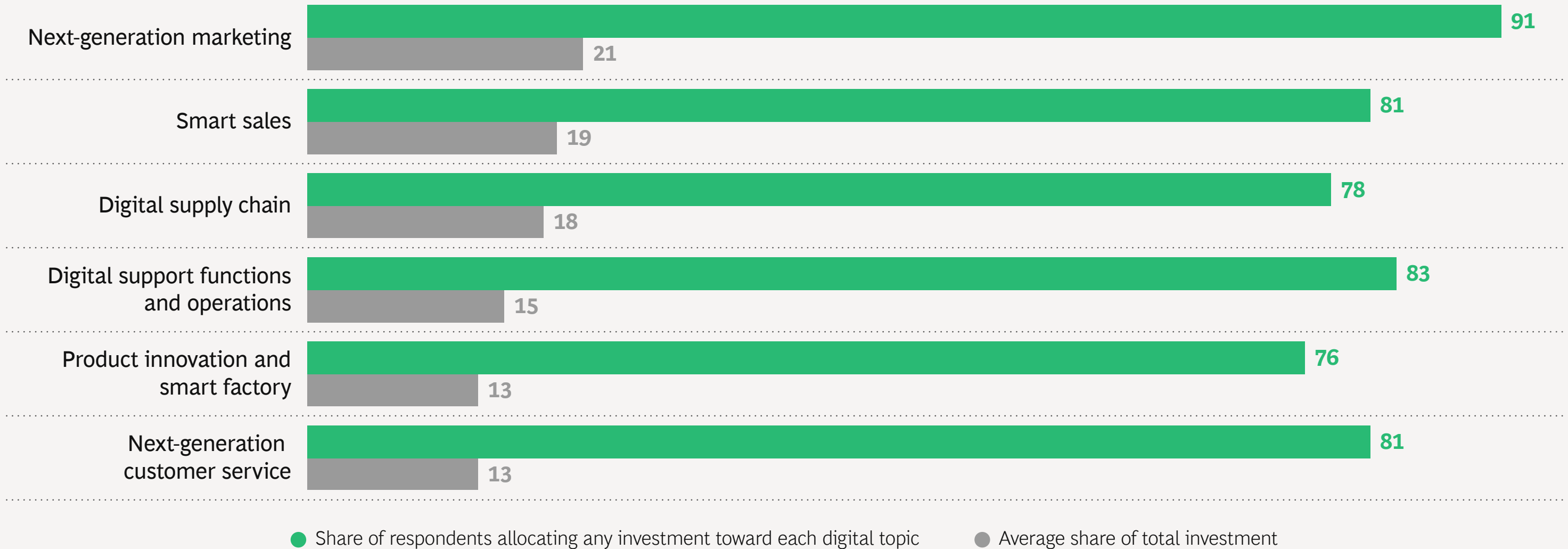


Source: BCG Global Digital Transformation Survey, 2021, n = 54.

¹Respondents were asked to select all priorities that applied.

The top investment priorities for consumer products companies are next-generation marketing and smart sales

PLANNED SHARE OF WALLET SPENDING ALLOCATED ACROSS DIGITAL TOPICS IN THE NEXT TWO TO THREE YEARS (%)¹

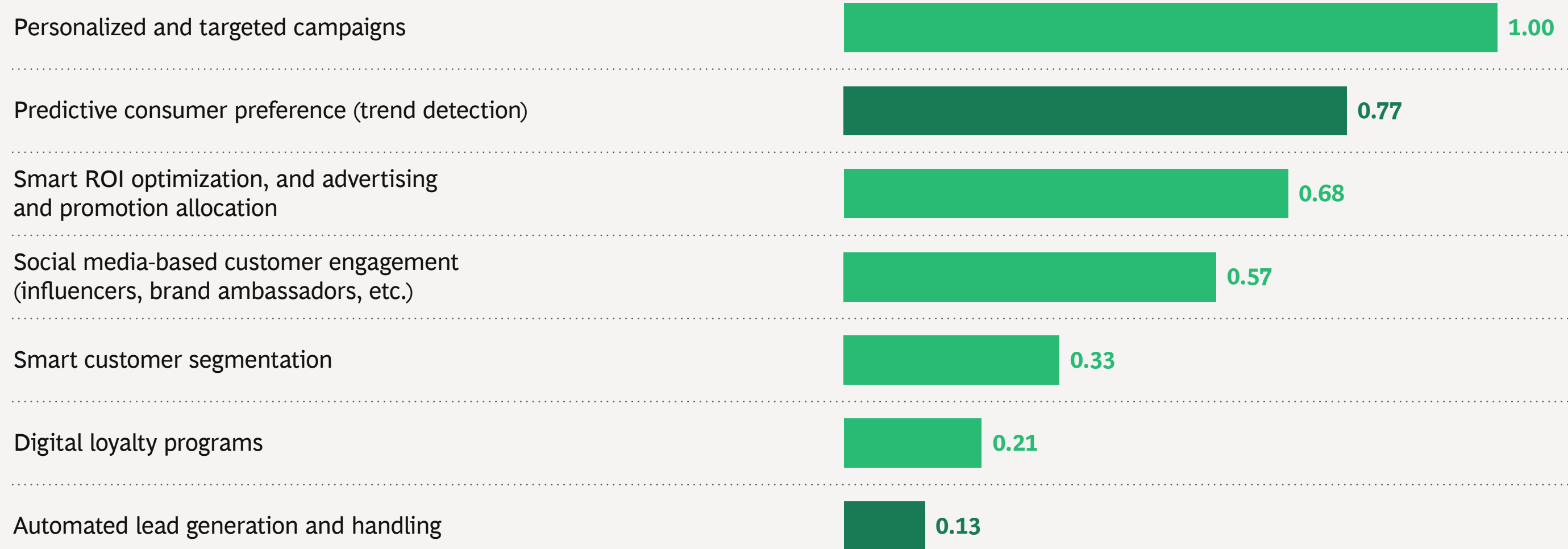


Source: 2021 BCG Global Digital Transformation Survey.

¹For example, the uppermost pair of bars can be read as “91% of consumer products respondents plan to invest in next-generation marketing, allocating an average 21% of total digital investment.”

Consumer products companies' digital priorities: Next-generation marketing

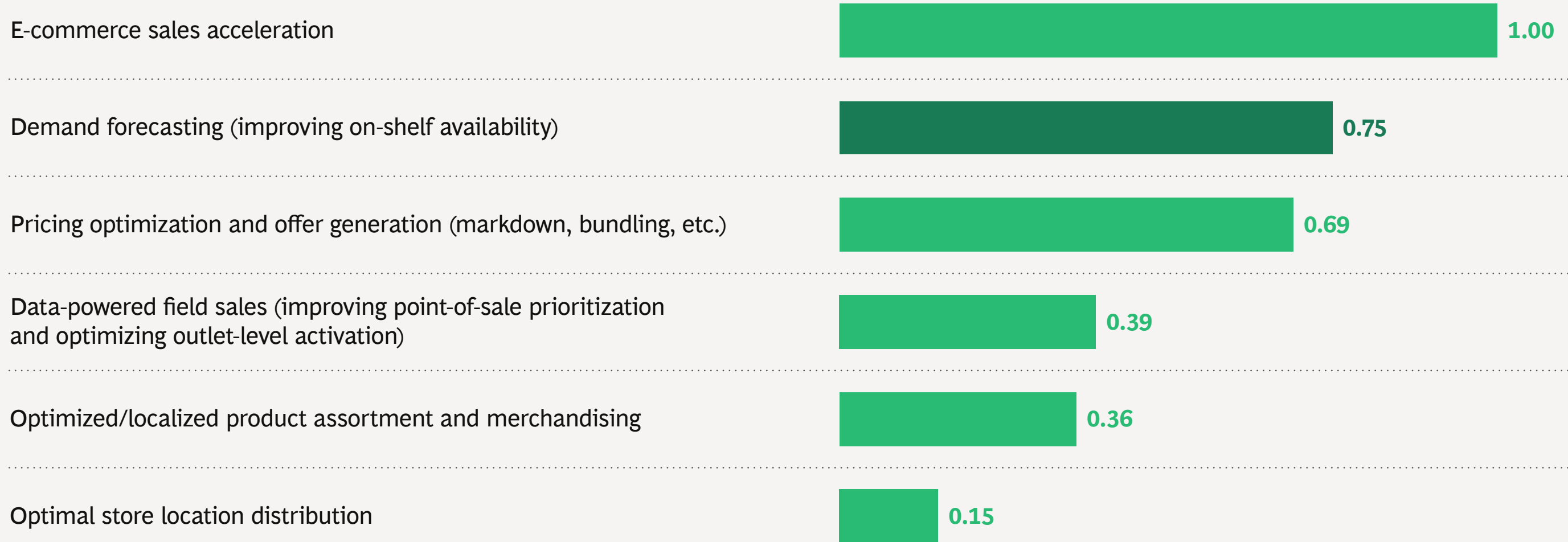
Digital initiatives (bars indicate relative prioritization of initiatives)



● Relative prioritization for all consumer products companies ● Top priorities for win-zone companies

Consumer products companies' digital priorities: Smart sales

Digital initiatives (bars indicate relative prioritization of initiatives)

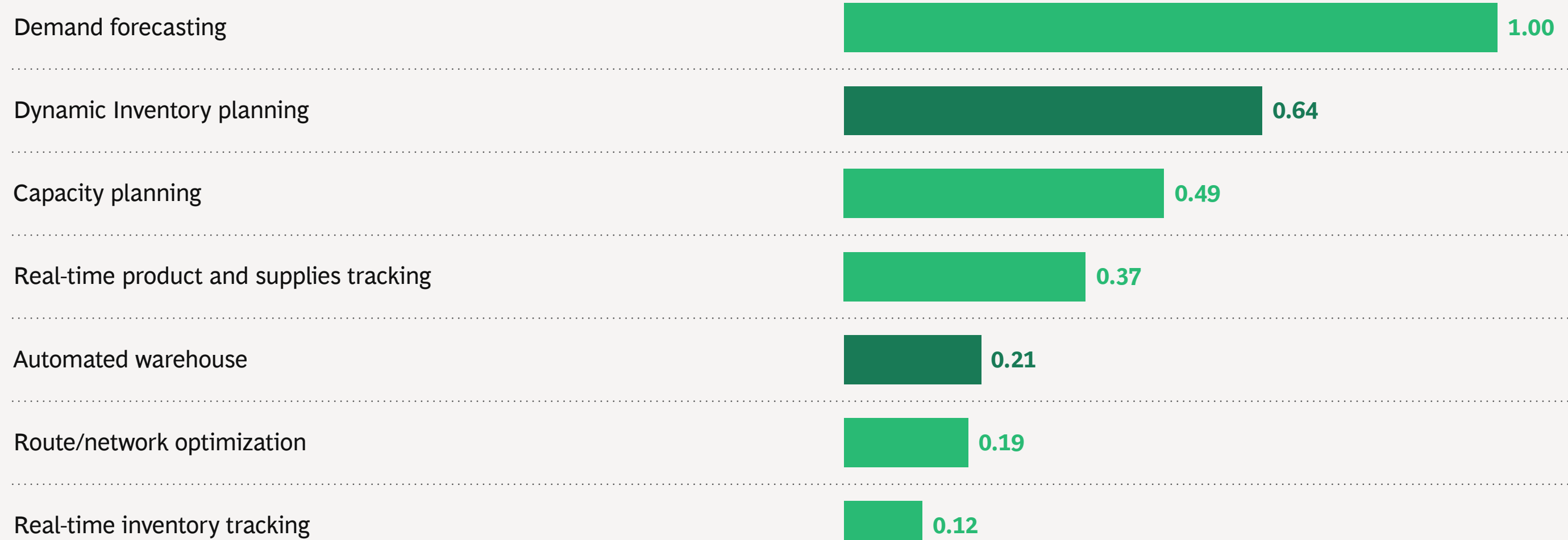


● Relative prioritization for all consumer products companies

● Top priorities for win-zone companies

Consumer products companies' digital priorities: Digitizing the supply chain

Digital initiatives (bars indicate relative prioritization of initiatives)

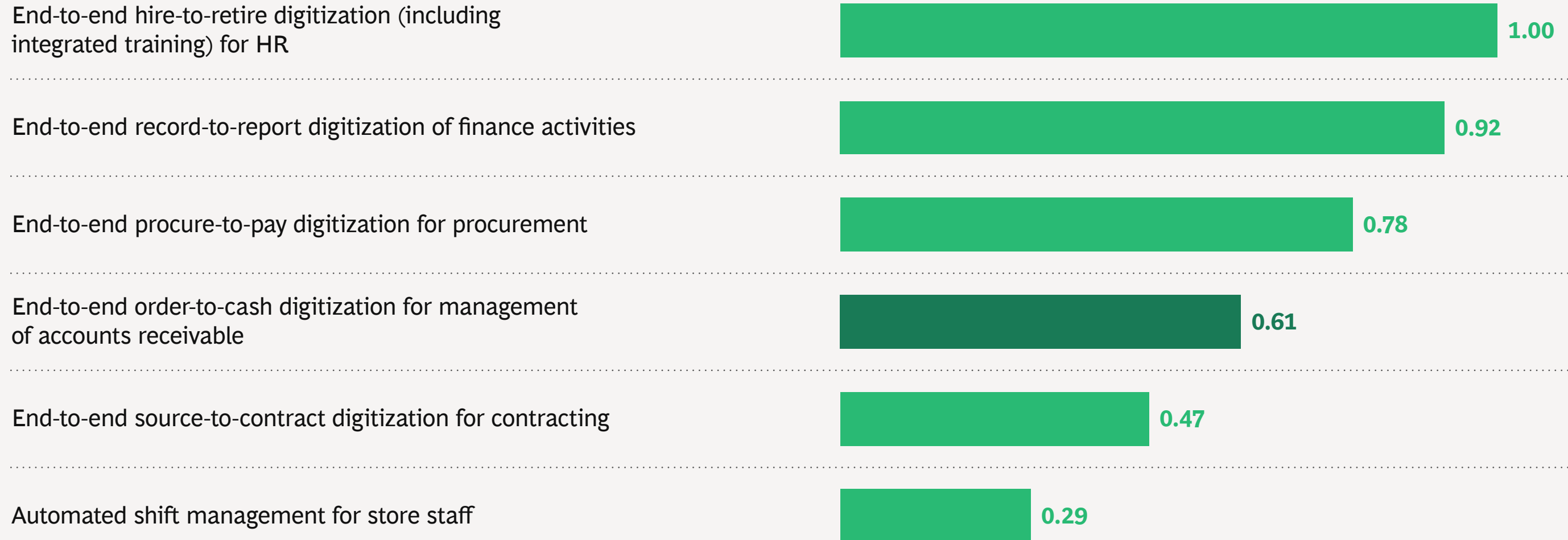


● Relative prioritization for all consumer products companies ● Top priorities for win-zone companies

Source: 2021 BCG Global Digital Transformation Survey, n = 54.

Consumer products companies' digital priorities: Digitizing support functions and operations

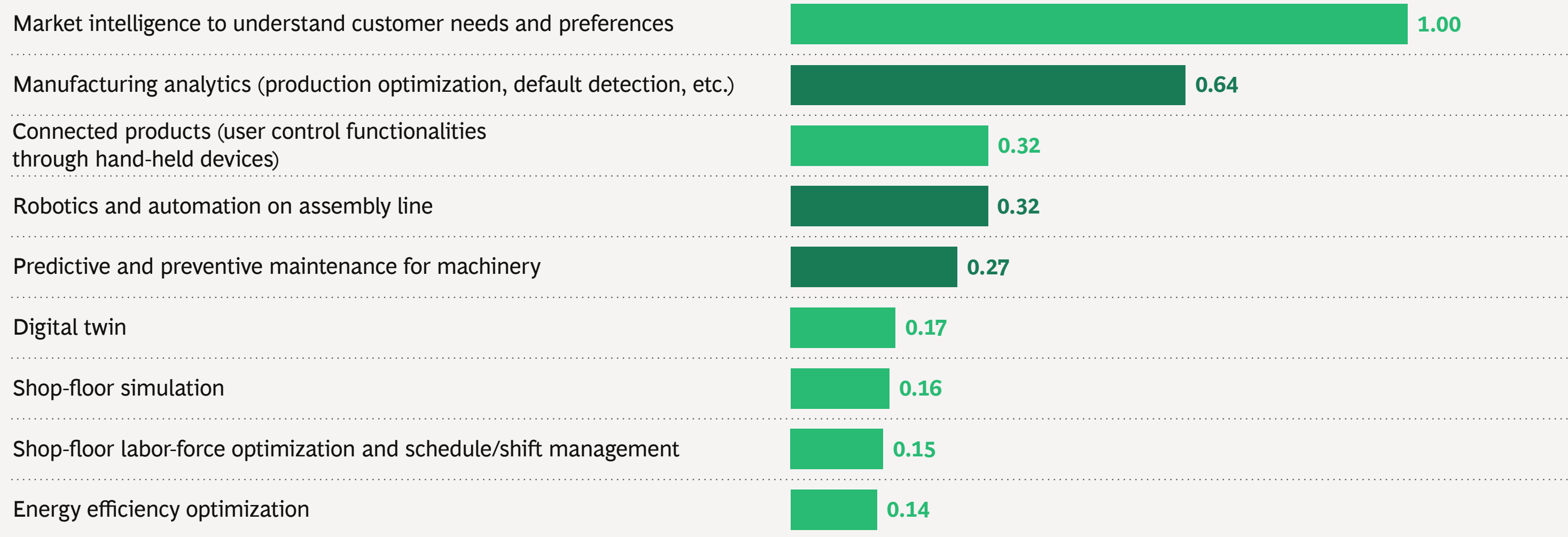
Digital initiatives (bars indicate relative prioritization of initiatives)



● Relative prioritization for all consumer products companies ● Top priorities for win-zone companies

Consumer products companies' digital priorities: Product innovation and smart factory

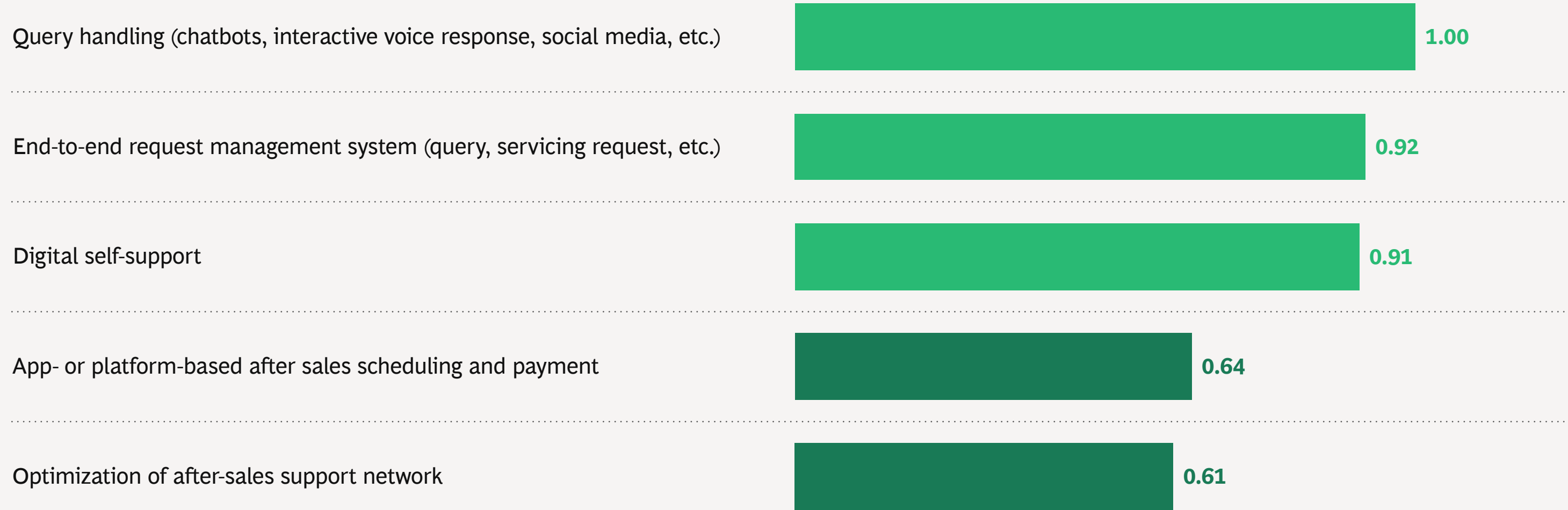
Digital initiatives (bars indicate relative prioritization of initiatives)



● Relative prioritization for all consumer products companies ● Top priorities for win-zone companies

Consumer products companies' digital priorities: Next-generation customer service

Digital initiatives (bars indicate relative prioritization of initiatives)



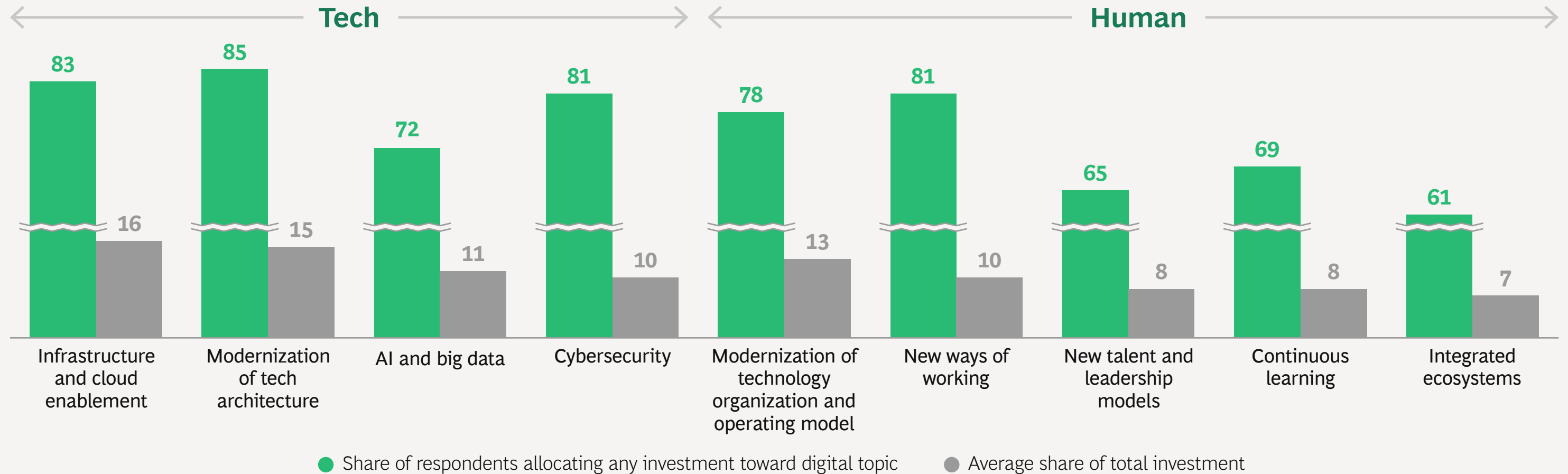
● Relative prioritization for all consumer products companies ● Top priorities for win-zone companies

Source: 2021 BCG Global Digital Transformation Survey, n = 54.

Consumer products companies intend to invest across broad range of tech and human enablers

Eight out of ten consumer products companies plan to invest in AI and big data, infrastructure and cloud enablement, cybersecurity, and continuous learning, allocating about 50% of total digital enablers spending to these areas

PLANNED SHARE OF WALLET SPENDING ALLOCATED ACROSS ENABLER DIGITAL TOPICS IN THE NEXT TWO TO THREE YEARS (%)¹

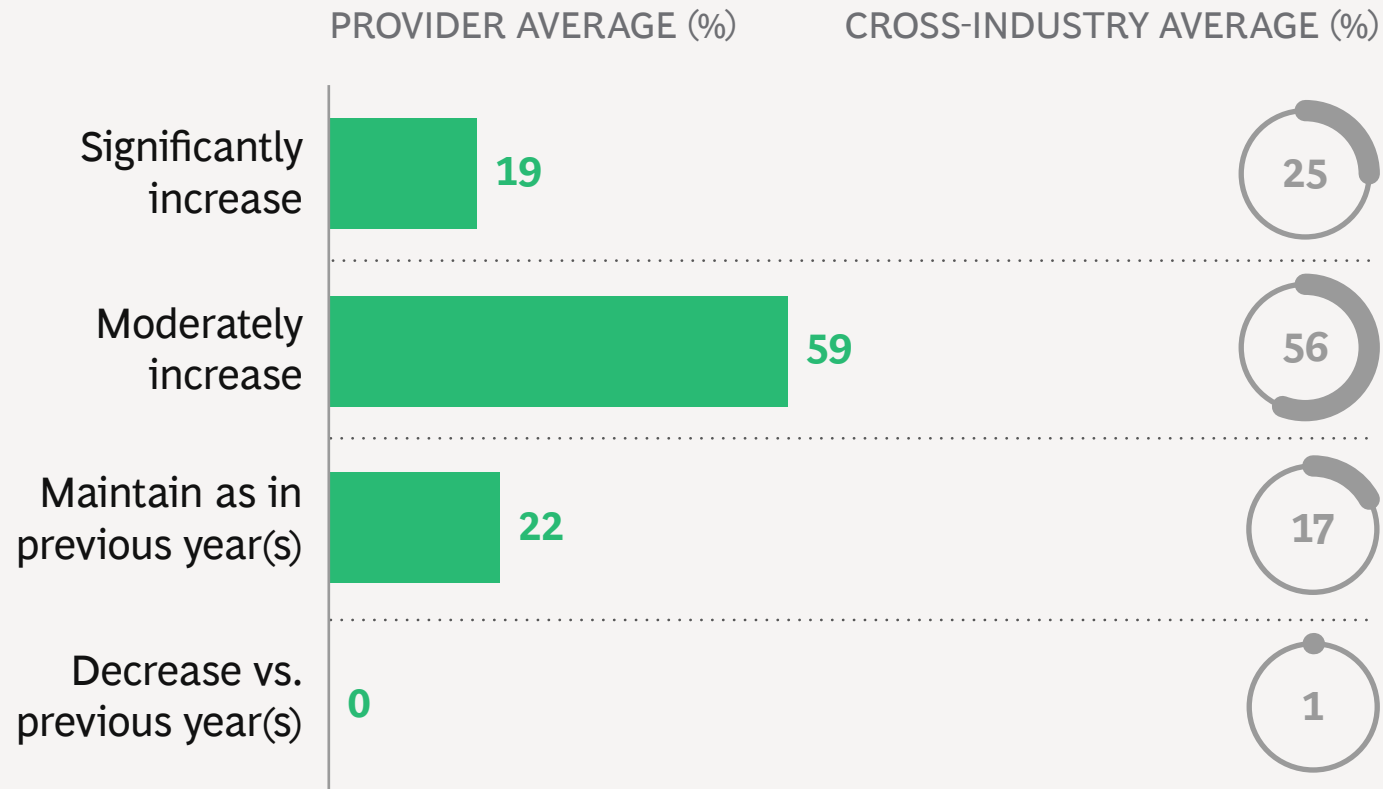


Source: 2021 BCG Global Digital Transformation Survey, n = 54.

¹For example, the leftmost pair of bars can be read as “83% of consumer products respondents plan to invest in AI and big data, allocating an average 16% of their total digital enablers spending.”

About 78% of consumer products companies plan to invest more in ESG, near the cross-sector average

Share of respondents planning to increase/decrease/maintain investment toward ESG in coming years



Source: 2021 BCG Global Digital Transformation Survey, n = 54.

... with relatively equal weighting for E, S, and G

Leading digital initiatives being prioritized to support E, S, and G goals



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