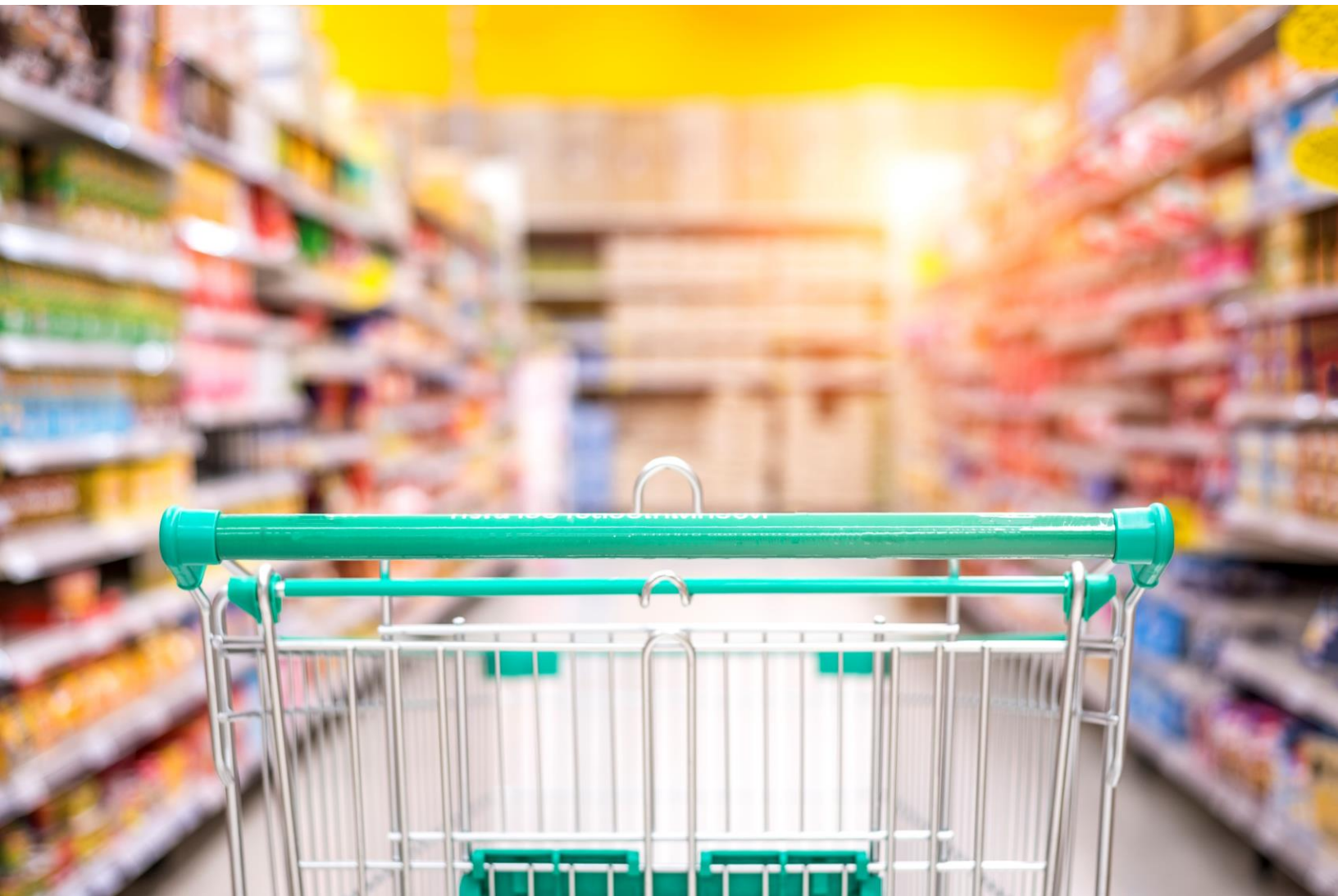


Top 10 Consumer Packaged Goods (CPG) Industry Trends to Watch in 2024



About Softengine



A Client-First Approach to ERP

Softengine is a leading Gold Partner for Acumatica and SAP, with a focus on customer success and innovation. We have earned prestigious awards, including SAP Business One Global Solution Partner of the Year, showcasing expertise in areas like cloud innovation and industry-specific solutions.

Our team blends business and technology expertise to tailor solutions to unique business needs, ensuring a smooth transition without disruptions.

Whether it's Acumatica or SAP Business One, Softengine aims to provide a solid infrastructure for future success, driven by an unwavering commitment to customer success.



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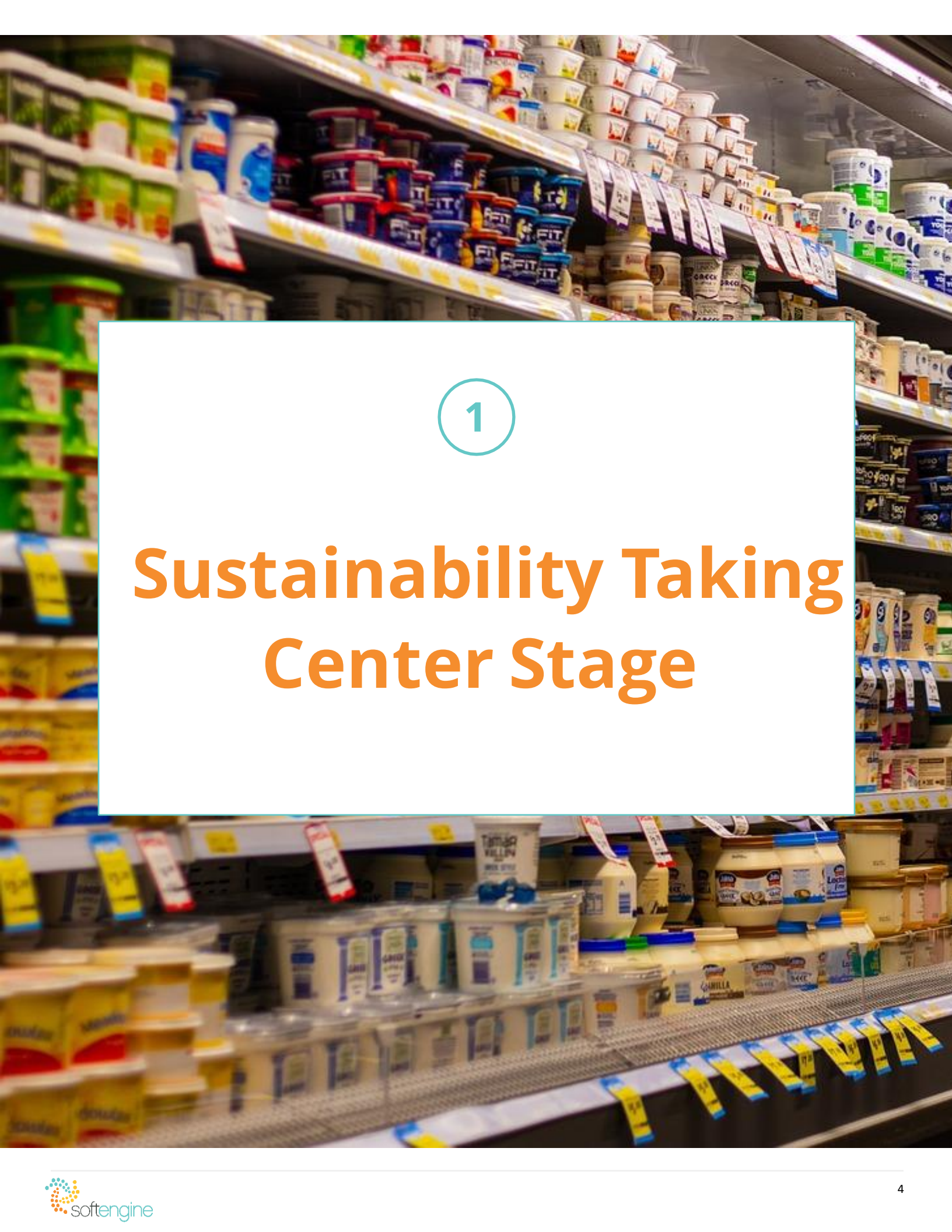
Navigating the Future: Key Trends Shaping the CPG Industry in 2024

Welcome to "Top 10 CPG Industry Trends to Watch in 2024," a Softengine eBook designed to explore the dynamic and ever-evolving world of Consumer Packaged Goods (CPG). As we navigate through a rapidly changing market landscape, staying ahead of industry trends is crucial for businesses to thrive and succeed. This eBook explores the most significant trends that are shaping the CPG industry in 2024, providing you with valuable insights and actionable strategies to leverage these trends for growth and innovation.

The CPG industry is at a pivotal moment, with consumer preferences and behaviors evolving faster than ever. From sustainability and health consciousness to digital transformation and personalization, the trends discussed in this eBook reflect the profound shifts in the way consumers interact with brands and products. Whether you are a seasoned industry professional, an entrepreneur, or simply someone interested in the latest market developments, this eBook offers a comprehensive overview of the trends that will define the CPG landscape in the coming year.

Each chapter is dedicated to a specific trend, offering a deep dive into its implications, driving forces, and potential opportunities. We explore how leading companies are adapting to these trends and provide practical examples and case studies to illustrate their impact. Our goal is to equip you with the knowledge and insights needed to navigate these trends effectively, helping you stay ahead of the competition and meet the evolving needs of your consumers. Let's embark on this journey together and uncover the top trends that will shape the future of the CPG industry in 2024.

Here at Softengine, we are passionate about how ERP solutions are catalysts for transforming operations for the CPG industry and beyond and we hope this resource helps provide insight into where this dynamic industry is going!



1

Sustainability Taking Center Stage

Sustainability Taking Center Stage

The shift towards sustainability in the CPG industry is not just a passing trend but a fundamental transformation driven by increasing consumer awareness and environmental concerns. Companies are making significant strides in reducing their carbon footprints by adopting sustainable practices across their supply chains. This includes using renewable energy sources, reducing water usage, and minimizing waste during production. Brands are also investing in carbon offset programs to mitigate their environmental impact.

Sustainable Packaging

Sustainable packaging is at the forefront of this movement. Consumers are demanding packaging solutions that are recyclable, compostable, or made from recycled materials.

Innovations such as biodegradable plastics, paper-based bottles, and edible packaging are gaining traction. Brands are also adopting minimalistic packaging designs to reduce material usage and waste, aligning with the principles of a circular economy.

Environmentally Friendly Sourcing

Furthermore, sourcing ethically and sustainably has become a priority. Companies are working closely with suppliers to ensure that raw materials are sourced in an environmentally friendly manner. This includes supporting fair trade practices and ensuring that suppliers adhere to sustainable farming and harvesting methods. Transparency in sourcing not only helps protect the environment but also builds consumer trust and loyalty.



2

Focus on Health and Wellness

Focus on Health and Wellness

Health and wellness continue to be a dominant trend in the CPG industry as consumers become more health-conscious and prioritize their well-being. There is a growing demand for products that offer functional health benefits, such as immunity-boosting ingredients, probiotics, and superfoods. Consumers are increasingly looking for food and beverage options that support their overall health, including mental health, digestive health, and heart health.

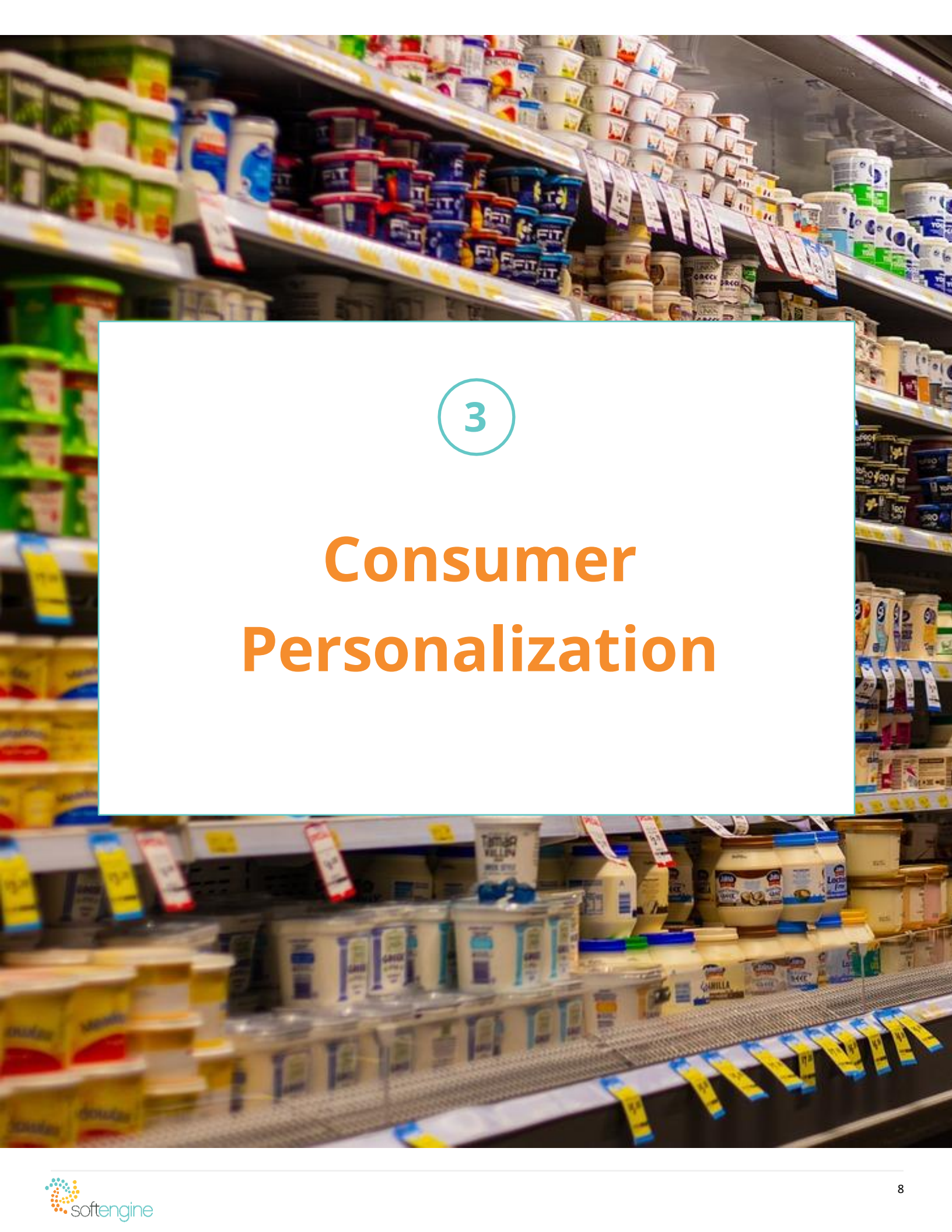
Plant Based Products

Plant-based products are at the center of this health and wellness revolution. The rise of veganism and vegetarianism has driven the development of plant-based alternatives to traditional meat and dairy products.

Companies are investing in research and development to create plant-based products that not only meet the nutritional needs of consumers but also mimic the taste and texture of their animal-based counterparts.

Health-Focused Personal Care and Beauty Products

In addition to dietary products, there is a surge in demand for health-focused personal care and beauty products. Consumers are seeking products that are free from harmful chemicals and packed with natural and organic ingredients. Brands are responding by launching skincare, haircare, and hygiene products that cater to specific health needs and promote overall wellness. This holistic approach to health and wellness is reshaping the CPG landscape and driving innovation across product categories.



3

Consumer Personalization

Consumer Personalization

Personalization in the CPG industry is being revolutionized by advancements in data analytics and artificial intelligence. Brands are leveraging consumer data to offer personalized product recommendations, marketing messages, and shopping experiences. By analyzing purchase history, preferences, and behavior, companies can tailor their offerings to meet the unique needs and preferences of each consumer, enhancing customer satisfaction and loyalty.

Personalized Nutrition and Products

Personalized nutrition and beauty products are gaining popularity as consumers seek customized solutions for their specific health and wellness goals.

For example, personalized vitamin subscriptions based on individual health assessments and DNA analysis are becoming mainstream. Similarly, skincare brands are offering products tailored to the unique skin types and concerns of consumers, using AI-driven diagnostics to recommend the most suitable products.

DTC Brands

The rise of direct-to-consumer (DTC) brands has further fueled the trend of personalization. DTC brands have the advantage of a direct relationship with their customers, allowing them to gather detailed insights and feedback. This enables them to continuously refine and personalize their offerings.



4

E-commerce Market Expansion

E-commerce Market Expansion

The pandemic accelerated the shift towards e-commerce, and this trend is set to continue shaping the CPG industry in 2024. Consumers have become accustomed to the convenience of online shopping, prompting CPG brands to invest heavily in e-commerce platforms. Companies are enhancing their online presence through user-friendly websites, mobile apps, and seamless checkout processes to provide a frictionless shopping experience.

DTC E-commerce

Direct-to-consumer (DTC) channels are becoming increasingly important as brands seek to build stronger relationships with their customers. By bypassing traditional retail channels, brands can gather valuable consumer data, offer personalized experiences, and increase profit margins.

Various Omnichannel Strategies

Omnichannel strategies are crucial for meeting consumers wherever they choose to shop. Brands are integrating their online and offline channels to create a cohesive and convenient shopping experience. This includes options like buy online, pick up in-store (BOPIS), same-day delivery, and enhanced customer service across all touchpoints. The integration of advanced technologies such as augmented reality (AR) and virtual reality (VR) is also enhancing the online shopping experience, allowing consumers to visualize products before making a purchase.



5

Transparency and Traceability

Transparency and Traceability

Transparency and traceability have become paramount in the CPG industry as consumers demand to know more about the products they purchase. Brands are responding by providing detailed information about their sourcing, manufacturing processes, and supply chains. This includes clear labeling of ingredients, nutritional information, and the environmental impact of products. Consumers are increasingly looking for brands that are honest and open about their practices, fostering trust and loyalty.

Modern Technology

Blockchain technology is playing a significant role in enhancing transparency and traceability. By using blockchain, companies can create a completely accurate record of every step in their supply chain, from raw material sourcing to the final product.

This ensures that consumers can verify the authenticity and origin of products, reducing the risk of fraud and enhancing food safety. For example, consumers can scan a QR code on a product to access detailed information about its journey from farm to table.

Sustainable Sourcing

Ethical and sustainable sourcing is another critical aspect of transparency. Brands are working closely with suppliers to ensure that raw materials are sourced responsibly, supporting fair trade practices and minimizing environmental impact.

Certifications such as Fair Trade, Organic, and Rainforest Alliance are becoming more prevalent, helping consumers make informed choices. Companies that prioritize transparency and traceability are not only meeting consumer demands but also positioning themselves as leaders in ethical business practices.



6

Innovation in Packaging

Innovation in Packaging

Packaging innovation is a key trend in the CPG industry, driven by the need for sustainability, convenience, and enhanced consumer experience. Companies are exploring a range of eco-friendly packaging solutions to reduce environmental impact. This includes using biodegradable and compostable materials, such as plant-based plastics and paper-based alternatives. Brands are also focusing on reducing packaging waste through minimalistic designs and reusable packaging options.

Smart Packaging

Smart packaging is an emerging trend that leverages technology to improve product freshness, safety, and convenience. Packaging with embedded sensors can monitor the condition of perishable goods, providing real-time information about temperature, humidity, and freshness.

This not only helps reduce food waste but also ensures that consumers receive high-quality products. Additionally, smart packaging can enhance the consumer experience by offering interactive features, such as QR codes that provide product information, recipes, and promotions.

Functional and On the Go Packaging

The design and functionality of packaging are evolving to meet the demands of modern consumers. Brands are creating packaging that is easy to open, resealable, and suitable for on-the-go. Innovative designs that enhance the usability and convenience of products are gaining popularity. Packaging aesthetics play a crucial role in attracting consumers, with brands investing in designs that reflect their values and resonate with their target audience.



7

Digital Marketing and Influencer Collaboration

Digital Marketing and Influencer Collaboration

Digital marketing has become a cornerstone of brand strategy in the CPG industry, with a focus on engaging consumers through social media, content marketing, and influencer collaborations. Brands are leveraging social media platforms to connect with their audience, share brand stories, and promote their products. This includes creating engaging content, running targeted ad campaigns, and using social listening tools to understand consumer sentiment and trends.

Influencer Marketing

Influencer marketing has emerged as a powerful tool for reaching and engaging consumers. Collaborating with influencers who align with the brand's values and target audience allows companies to tap into their followers' trust and loyalty. Influencers can create content that showcases the brand's products in real-life settings, driving credibility.

Micro-influencers, with their smaller but highly engaged audiences, are particularly effective for niche markets and personalized recommendations.

Content Marketing

Content marketing is another critical component of digital marketing strategies. Brands are creating valuable and informative content that educates consumers, addresses their pain points, and provides solutions. This includes blog posts, videos, tutorials, and user-generated content. By offering valuable content, brands can establish themselves as industry experts, build trust with their audience, and drive organic traffic to their websites. The integration of data analytics and AI enables brands to optimize their digital marketing efforts, ensuring that they reach the right audience with the right message at the right time.



8

Rise of Private Labeled Brands

Rise of Private Labeled Brands

The rise of private labels is reshaping the CPG landscape, driven by retailers seeking to offer quality products at competitive prices. Private label products, also known as store brands, are gaining market share as consumers become more price-sensitive and open to trying alternatives to national brands. Retailers are investing in the development of private label products that meet or exceed the quality of national brands, offering consumers excellent value for money.

Greater Control

One of the key drivers of the growth of private labels is the ability of retailers to control the entire product development process. This includes sourcing raw materials, manufacturing, and marketing, allowing them to offer unique products that cater to the specific needs and preferences of their customers.

By leveraging their insights into consumer behavior and trends, retailers can create private label products that resonate with their target audience and fill gaps in the market.

Strategic Branding and Marketing

The success of private labels is also driven by strategic branding and marketing efforts. Retailers are creating distinct and appealing brand identities for their private label products, investing in attractive packaging, and promoting them through in-store displays and digital channels. By positioning private labels as high-quality and affordable alternatives to national brands, retailers are building consumer trust and loyalty. The rise of private labels presents both challenges and opportunities for CPG brands, prompting them to innovate and differentiate their offerings to stay competitive.



9

Convenience and On the Go Products

Convenience and On the Go Products

The demand for convenience and on-the-go products continues to grow as consumers lead increasingly busy lifestyles. This trend is driving innovation in the CPG industry, with brands developing products that offer quick and easy solutions for meals, snacks, and personal care. Portable and single-serve packaging formats are gaining popularity, allowing consumers to enjoy their favorite products wherever they are.

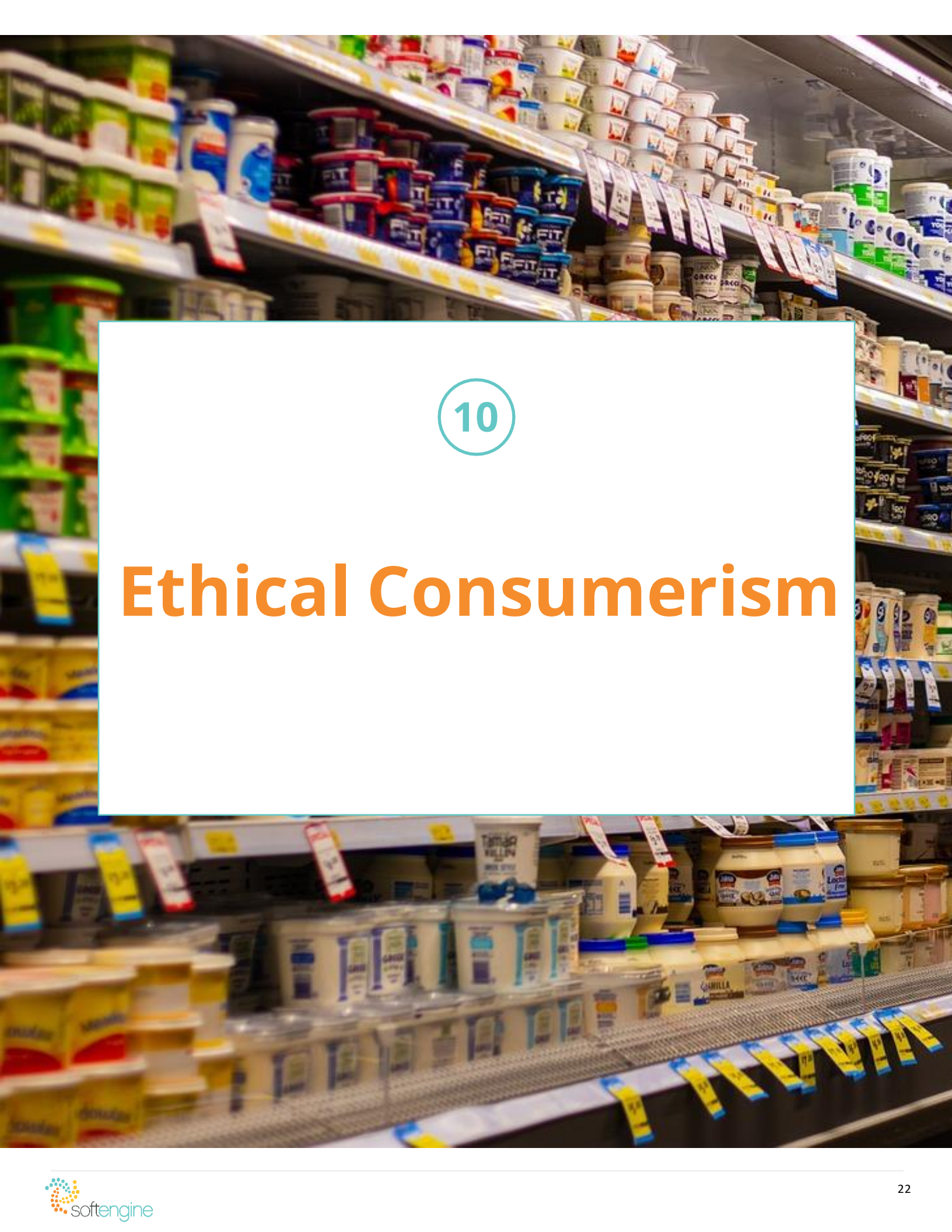
Ready-to-Eat

Ready-to-eat meals and meal kits are at the forefront of this trend, offering consumers convenient options that save time and effort. These products cater to the growing demand for home-cooked meals without the hassle of preparation, providing pre-portioned ingredients and easy-to-follow recipes.

Additionally, snack bars, protein shakes, and other on-the-go snacks are becoming staples for busy consumers looking for quick and nutritious options throughout the day.

Travel Sized Personal Care and Household

Convenience is also a key factor in the personal care and household products categories. Brands are developing products that simplify daily routines, such as travel-sized toiletries, pre-moistened cleaning wipes, and multipurpose household cleaners. The focus is on providing effective solutions that fit seamlessly into consumers' lives, enhancing their convenience and efficiency. As the pace of life continues to accelerate, the demand for convenient and on-the-go products is set to rise, driving further innovation in the CPG industry.



10

Ethical Consumerism

Ethical Consumerism

Ethical consumerism is emerging as a significant trend in the CPG industry, driven by consumers who prioritize values and ethics in their purchasing decisions. This shift reflects a broader societal move towards conscious consumption, where consumers are not just interested in the quality and price of products but also in the ethical practices of the companies behind them. Issues such as fair trade, labor rights, animal welfare, and environmental impact are becoming critical considerations for a growing segment of the market. Certifications such as Fair Trade, Rainforest Alliance, and B Corporation status are becoming more influential in guiding purchasing decisions.

Value Alignment

Consumers are increasingly seeking out brands that align with their values and demonstrate a commitment to ethical practices..

This includes supporting fair trade and humane working conditions throughout the supply chain, ensuring that workers are paid fairly and work in safe environments. Additionally, animal welfare is a critical component of ethical consumerism, with a rising demand for cruelty-free cosmetics, plant-based foods, and products sourced from farms with high animal welfare standards

Consumer Loyalty

Ethical consumerism benefits both society and businesses.

Companies that adopt ethical practices often enjoy higher levels of trust and loyalty from consumers, leading to increased customer retention and positive word-of-mouth. By prioritizing ethical consumerism, CPG companies can build stronger, more loyal relationships with their customers, differentiate themselves in a crowded marketplace, and make a positive impact on the world.

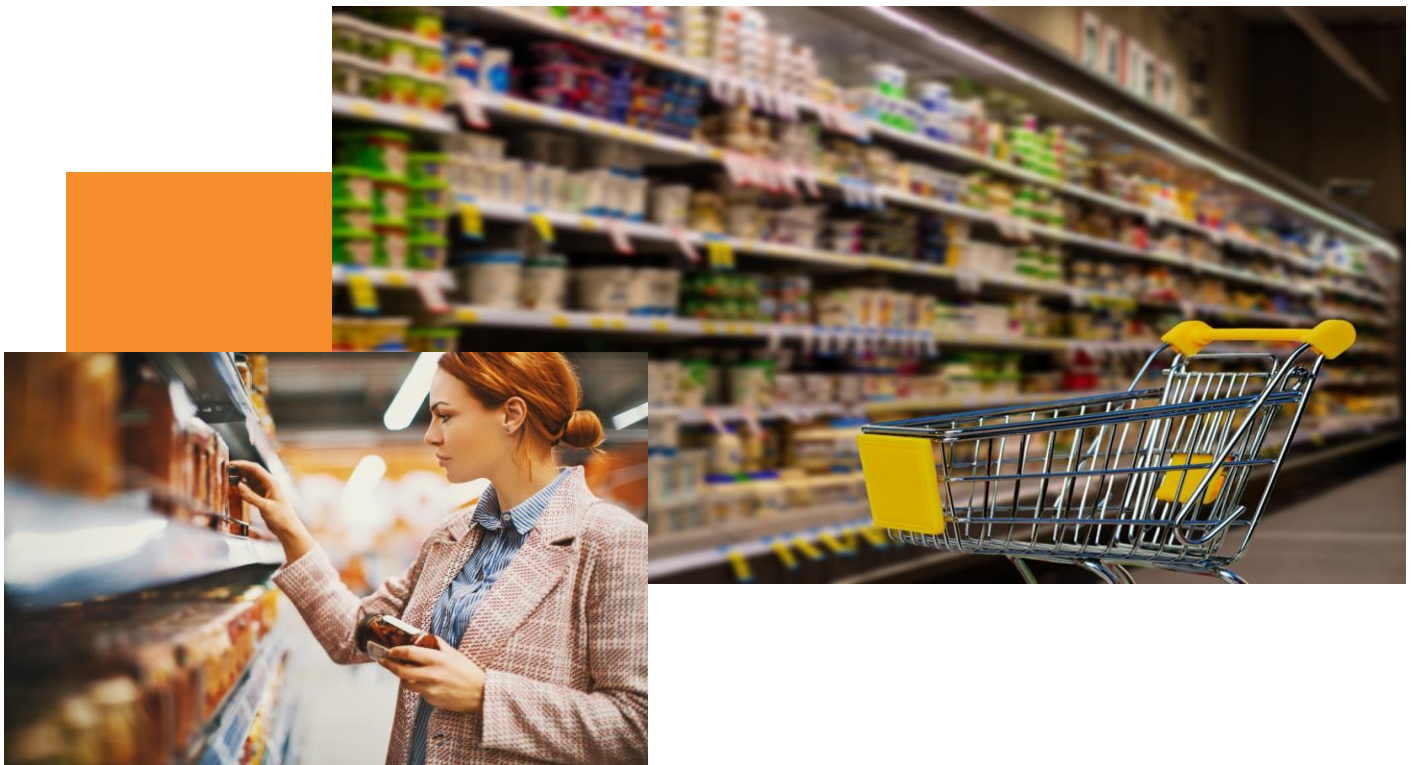
Embracing Change: Leveraging Trends for Success in the CPG Industry

As we conclude our exploration of the top 10 CPG industry trends to watch in 2024, it is clear that the landscape of consumer packaged goods is undergoing a transformative period. The trends we have discussed—from sustainability and health and wellness to digital marketing and the rise of private labels—highlight the dynamic nature of the industry and the need for continuous innovation and adaptation.

These trends not only reflect current consumer preferences but also point towards the future direction of the market. Embracing these trends offers significant opportunities for growth, differentiation, and enhanced consumer engagement. Brands that prioritize sustainability, leverage data for personalization, and invest in e-commerce and digital strategies are well-positioned to succeed in this evolving market.

Moreover, transparency, innovation in packaging, and a focus on health and safety will be key drivers in building trust and loyalty among consumers. As the industry continues to evolve, staying informed and agile will be essential for businesses to navigate challenges and capitalize on emerging opportunities.

We hope this eBook has provided you with valuable insights and practical guidance to help you navigate the top trends shaping the CPG industry in 2024. The journey towards adapting to these trends requires a proactive approach, an openness to change, and a commitment to meeting the ever-changing needs of consumers. By staying ahead of these trends, you can position your brand for success in the dynamic and competitive world of consumer packaged goods. Thank you for joining us on this exploration, and we wish you the best of luck in leveraging these trends to achieve your business goals.



CPG Insights for Success!

Building a Foundation for CPG Success!

Now that you're equipped with the latest insights into the top trends shaping the CPG industry, it's time to take action. Implement these strategies and innovations, tailor them to your unique business needs, and watch as they elevate your products and brand from concept to market leadership.

What are you waiting for? Embrace these trends, leverage the power of forward-thinking strategies, and embark on a journey of excellence in the CPG industry.

Your success is on the horizon. Let's shape the future of consumer packaged goods together.

Contact us at info@softengine.com to start your ERP transformation journey today!

Book Your Demo Today!



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