

MAY 2024

Top CPG Trends: How Evolving Values Create an Opportunity for Growth

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The CPG sector, perhaps more than any other industry, is profoundly impacted by even the smallest shifts in consumer behaviors and expectations. Being able to forecast consumer spending is highly dependent on a wide spectrum of both micro- and macro-trends in society—from how and where people work and live to challenges like climate change, economic tensions, geopolitical forces, and more.

[Bain & Company](#) recently released an in-depth study into future challenges and opportunities that face the CPG sector and impact consumer spending patterns. Their report revealed eight trends, detailed below, each of which emphasizes how critical it is for consumer leaders to keep pace with the rapid evolution of society. With every change comes an opportunity for growth, innovation, and profit—but there is also a bigger question at hand. What role will CPG play in shaping the fabric of society in decades to come?

Increasing Relocation

The U.S. moving rate is at an all-time low, but this is expected to change, with more and more people moving between cities, states, and even countries. The pandemic was a big catalyst in recent years; with [increasing numbers](#) of employees working remotely, people are more free to move. Last year, the top three motivations for moving were cost of living, family proximity, and remote work flexibility. There has also been a shift in Americans moving away from urban centers, choosing instead to settle in the suburbs or the country.

Regardless of why they're moving, leaders in consumer will need to consider how this impacts the demographic of their customers and how that in turn may require changes to their store formats, distribution networks, type and tiers of products and offerings, pricing, marketing, and more.

Redefined Households

From 1940 to 2020, the [number of one-person households](#) more than tripled from 7.7% to 27.6%—and that is only expected to increase. Families are also more diverse, with single parent, blended, “chosen”, and multigenerational families all increasing in number.

CPG companies will need to pivot their offerings accordingly. Options like single-serve products will be increasingly popular, while other family-oriented products and offerings will need to evolve to accommodate the shifting shape of families.

Aging Population

The number of retirement-aged Americans has grown five times faster than the size of the overall population in the last 100 years, according to the most [recent Census](#). People 65 and older represent 16.8% of the population.

[Bain & Company](#) points out that this aging population typically fits into two categories: those who require increasing levels of support, and those who, thanks to improved health, continue to work, travel, and consume. As a result, CPG leaders need to think outside of the norm when serving their products and offerings to this aging population: many are looking for refreshed purpose and upskilling or are simply exploring the new reality of delayed old age.

Environmental Sustainability

Climate change is top of mind for many consumers, particularly as extreme weather events continue to affect people around the world. More people are beginning to connect the dots of their own consumption with these worldwide events, which will directly impact their buying behaviors across all industries.

Conventional CPG models will struggle to serve the consumers who are intentionally slowing down. Local, sustainable, rent-able, repairable, shareable—these are all buzzwords that are feeding this growing group of consumers. Leaders will need to adapt.

Automating Monotony

With the rise of AI and automation in the public eye, more consumers are looking for solutions to automate transactional tasks like repeat purchases or to accelerate decision making. The root motivator behind this growing trend is the desire to free up more time for leisure activities—[studies reveal](#) a big decline in the amount of leisure time in the U.S., despite greater spending.

CPG leaders must consider how this impacts buying behaviors. How can organizations leverage technology to help make buying decisions more efficient? How does this pursuit of leisure time change the way organizations advertise their products and offerings?

Rising Entrepreneurship

The broad array of digital and AI-driven tools at the disposal of the average consumer has changed how many people are approaching work. An increasing number of people are

dabbling with entrepreneurship, creating and distributing products that compete directly with the traditional CPG sector.

Just because they are competitors, doesn't mean the CPG can't support them. In fact, this group of "originators" is a demographic that companies can incorporate and support as they adjust their business models.

Holistic Health

The [wellness market has been growing](#) at an unprecedented rate across the globe, with consumers, especially Millennials and Gen Z, spending more than ever to improve their physical, mental, emotional, and spiritual health. This greater desire to control one's health is fueling countless innovations and investment opportunities across the CPG sector.

Leaders will need to keep pace with both the science and the megatrends that are impacting this market in order to stay relevant. In the wellness market more than any other, there is also a question of ethics that surrounds accessibility, affordability, privacy, and more.

Social Lifestyles

One of the most dramatic downsides to the evolution of technology is the growing "[loneliness epidemic](#)." Exacerbated by the pandemic, the increase of poor social connection and isolation has left many consumers feeling disconnected.

Bain & Company calls for companies to play a role in repairing social infrastructure and creating new opportunities for connection. Focusing on the customer experience—especially in-person or otherwise "live" interactions—will be critical.

CPG's Role in Creating a Better World

These eight trends presented by [Bain & Company](#) represent a range of opportunities and challenges for CPG leaders. However, beyond the drive to make a profit by reaching new groups of consumers or innovating new products to meet shifting demands, there is a growing desire—both within consumers and business leaders—for companies to help [make a positive impact](#) on the world.

As consumer demographics shift and values evolve, it's clear that CPG organizations can help shape the fabric of society for the better. Whether that's creating a more equitable consumer

landscape, focusing on more sustainable products, or partnering with local communities, business leaders have a tremendous opportunity at hand to commit to profound change.

How is your organization responding to these evolving trends?