

5W AI RESEARCH SERIES

The CPG AI *Advantage* Report

How 2026's leading consumer brands are turning AI investment into measurable ROI.

BY **MATT CAIOLA**, CEO & THE 5W RESEARCH TEAM APRIL 2026

§ 01 – Executive Summary

The leaders left the pilots.

The consumer packaged goods industry has moved past the experimentation phase of artificial intelligence. Five years after ChatGPT's launch reframed the corporate AI conversation, a small group of CPG companies — roughly the top decile of the Global 50 — has embedded AI into measurable operating outcomes across demand forecasting, product development, manufacturing, consumer insight, and brand creative. The rest of the industry is still running pilots.

This report is a snapshot of what the leaders are doing well, how they are communicating about it externally, and what the communications and marketing leadership of every other CPG company can learn from them over the next 12 to 24 months.

Every financial figure, technology partnership, executive quotation, and operating outcome cited here is sourced to a publicly available primary document — a corporate filing, an earnings transcript, a company press release, or a verified third-party interview. We have avoided industry-survey estimates where a company disclosure was available, and we have declined to publish any figure we could not independently verify to a primary or near-primary source.

<p>01</p> <h1>98%</h1> <p>Forecast accuracy on 86% of PepsiCo products using AI demand forecasting.</p> <p>PEPSICO / TAZI AI</p>	<p>02</p> <h1>1.5×</h1> <p>Revenue growth of CPG AI leaders versus peers.</p> <p>BCG AI AT SCALE RESEARCH</p>
<p>03</p> <h1>80K+</h1> <p>Nestlé employees actively using its internal NesGPT platform.</p> <p>NESTLÉ / SINGTEL</p>	<p>04</p> <h1>22%</h1> <p>Reduction in P&G product development cycle time with AI integration.</p> <p>P&G / CHIEF AI OFFICER</p>
<p>05</p> <h1>100M</h1> <p>L'Oréal ModiFace virtual try-on sessions in 2023, up 150% YoY.</p>	<p>06</p> <h1>\$1.1B</h1> <p>Coca-Cola's 5-year Microsoft AI partnership commitment, April 2024.</p>

Four findings.

01

The revenue growth gap is real and documented.

BCG's 2024 AI at Scale research found CPG "AI leaders" generated **~1.5× the revenue growth** of peers. P&G reported mid-single-digit organic sales growth in 9 of 10 categories in FY2025. PepsiCo delivered 9% core EPS growth in Q1 2026, attributed substantially to AI-driven automation and productivity. The gap is in the financial statements, not in projections.

02

Five use cases now have published, dollar-quantifiable ROI.

Demand forecasting and supply chain. Accelerated R&D. Consumer insight and sentiment. Generative AI in brand creative. Retail media optimization. PepsiCo: 98% accuracy on 86% of products. Nestlé: ideation cycles compressed six months to six weeks. P&G: 22% cut in product dev cycle time on AI-deployed programs.

03

The communications opportunity is larger than trade press has documented.

Most external commentary on CPG AI focuses on earned media. That is one of **five** communications pillars where leaders are investing. The other four — paid & branded, owned

channels, IR & regulatory disclosure, and internal employee communications — represent substantially larger budgets and substantially greater strategic risk when managed poorly.

04

The credibility gap between claim and evidence is widening.

Every major CPG has now made external AI commitments. The companies that can back commitments with documented outcomes — PepsiCo's 98%, Nestlé's 80K NesGPT users, L'Oréal's 100M try-ons, P&G's Harvard-validated productivity data — built a credibility moat that is hard to close. The companies making vague commitments are accumulating a liability that becomes visible the first time an analyst, journalist, or investor decides to audit the gap.

“CPG had been investing in AI for a decade. What changed with ChatGPT was not interest. It was the pace at which AI became visible to consumers, boards, regulators, and the financial press — and the pressure on CPG communications teams to tell a credible story about where their company stood.”

— MATT CAIOLA, CEO, 5W

Five CPG companies with the most rigorously documented AI outcomes in 2026. Each profile includes the headline deployment, verified operating outcomes, named technology partnerships, and a pull quote from a named executive sourced to a public statement.

№ 01 · DEMAND & SUPPLY CHAIN

PepsiCo

Industrial AI at scale across 9-figure SKU base.

**98% forecast accuracy on 86% of products. 4% reduction in stock-outs.
16% increase in SKUs per order.**

\$19.4B

Q1 2026 NET REVENUE

9%

Q1 2026 CORE EPS GROWTH ·
AI-DRIVEN PRODUCTIVITY

3.1%

AVG ORDER SIZE INCREASE

PARTNERS: AMAZON WEB SERVICES · SALESFORCE AGENTFORCE + DATA CLOUD · TAZI AI

Generative AI helps us forecast demand with a high degree of accuracy, allowing us to align our production schedules with market needs. This is particularly crucial during peak seasons.

— GREG BELLON · SENIOR DIRECTOR, DIGITAL SUPPLY CHAIN · PEPSICO

№ 02 · BRAND CREATIVE & CONSUMER EXPERIENCE

Coca-Cola

The category's most ambitious — and most-criticized — generative creative deployments.

\$1.1B five-year Microsoft partnership. 1M+ consumers in the Santa "Create Real Magic" experience across 45+ languages.

\$1.1B

5-YR MICROSOFT AI COMMIT ·
APRIL 2024

200+

MARKETS IN PROJECT FIZZION
SCOPE

45

LANGUAGES IN SANTA AI
EXPERIENCE

PARTNERS: MICROSOFT · ADOBE (PROJECT FIZZION) · OPENAI · ACCENTURE · LEONARDO.AI

Our marketing is about creating unique experiences. This year's campaign is a great example of how we're fusing human artistry with creative uses of artificial intelligence and other digital tools.

– MANOLO ARROYO · EVP & GLOBAL CMO · THE COCA-COLA COMPANY

№ 03 · ENTERPRISE AI ADOPTION

Nestlé

Largest internal generative AI tool by user base in the industry.

80K+ employees on NesGPT. Product ideation cycles compressed from 6 months to 6 weeks. 45 minutes saved per employee per week.

80K+

ACTIVE NESGPT USERS

45 min

PER-EMPLOYEE WEEKLY TIME
SAVINGS

6 → 6

MONTHS TO WEEKS · IDEATION
CYCLE

PARTNERS: OPENAI / MICROSOFT · SINGTEL (CUBE NETWORK) · MCKINSEY & COMPANY

Our goal is to help lighten the weight of work for employees by streamlining processes and empowering them with access to more on-demand information, so they can free up time to do their best thinking.

– SHAN COLLINS · HEAD OF IT NORTH AMERICA · NESTLÉ

№ 04 · INNOVATION & MANUFACTURING

Procter & Gamble

Most academically-validated evidence base in the category.

22% reduction in product development cycle time. AI-supported teams 3× more likely to produce top-decile quality solutions. Harvard/Wharton-validated.

776

EMPLOYEE HARVARD/WHARTON
FIELD STUDY

16.4%

FASTER INDIVIDUAL TASK
COMPLETION

65%

OF PRODUCT DEV NOW AI-
INTEGRATED

PARTNERS: MICROSOFT AZURE (SINCE 2022) · HARVARD BUSINESS SCHOOL DIGITAL DATA DESIGN INSTITUTE · WHARTON AI INNOVATION NETWORK

We leverage AI across all dimensions of our business to predict outcomes and increasingly to prescribe actions through automation. Modeling and simulation can shorten the lead time to develop a new formula from months to weeks.

– VITTORIO CRETELLA · FORMER CIO · P&G

№ 05 · CONSUMER EXPERIENCE & RETAIL MEDIA

L'Oréal

Earliest-mover; highest-conversion consumer AI in the category.

**100M+ ModiFace virtual try-on sessions annually, up 150% YoY.
Consumers using AR try-on are 3× more likely to purchase.**

100M+

ANNUAL MODIFACE AR SESSIONS

3×

CONVERSION LIFT · AR TRY-ON
USERS

36 / 65

BRANDS · COUNTRIES DEPLOYED

PARTNERS: MODIFACE (ACQUIRED 2018) · AMAZON WEB SERVICES · GOOGLE LENS (GARNIER IN-STORE)

We believe that services will be the new gateways for discovering our brands and products. With ModiFace, we are reinventing the beauty experience through technologies such as voice, AR and AI.

Five plays.

The five functional applications where CPG companies have published specific, sourceable ROI evidence — with the leader each application has produced.

№ 01

Demand forecasting & supply chain optimization

ANCHOR: **PEPSICO**

98% accuracy on 86% of products. 4% stock-out reduction. Operator ROI typically 10–25% inventory cost reduction in 18–24 months at scale. Adjacent: P&G Brazil — 15-point OOS reduction.

№ 02

Accelerated R&D and reformulation

ANCHOR: **NESTLÉ**

Six months to six weeks on ideation. Requires proprietary or secured GenAI (public ChatGPT cannot be used due to IP). Adjacent: P&G — 22% reduction in dev cycle time.

№ 03

Consumer insight & sentiment analysis

ANCHOR: **P&G**

Harvard/Wharton-validated: 37% higher individual performance, 39% better team outcomes on insight tasks. Payoff is in speed, not headcount. Adjacent: PepsiCo — millions of consumer conversations ingested per quarter.

Me 04

Generative AI in brand creative

ANCHOR: COCA-COLA

Highest external visibility, highest reputation risk. Lesson: acknowledging tradeoffs publicly creates more durable credibility than claiming there are none. Adjacent: Mondelez, Mars on media planning.

Me 05

Consumer experience & retail media

ANCHOR: L'ORÉAL

100M+ AR sessions, 3x conversion. Implementation complexity is retailer-integration, not AI tech. U.S. retail media will exceed \$60B in 2026. Adjacent: P&G — Walmart Connect, Amazon Ads, Kroger Precision allocation.

Most trade-press commentary on CPG AI focuses on earned media. Earned media is one of five communications pillars where leading CPG companies are investing — and rarely the largest by budget.

№ 01

Earned media & industry press

MARKETING DIVE · CGT · AI MAGAZINE

Trade press rewards specificity (named execs, named partners, named dollar figures). Penalizes vague "we are investing in AI." Coverage trends to academic-validated stories.

№ 02

Paid media & branded content

FTC DISCLOSURE · CONSUMER SENTIMENT

Disclosed AI creative performs materially differently from undisclosed. Coca-Cola 2024/2025 holiday is the case study. Hybrid AI/human approach likely industry norm by 2027.

№ 03

Owned channels & corporate content

WHERE CREDIBILITY COMPOUNDS

Nestlé USA owns this — concrete numbers (80K, 45 min, 6→6). Also primary determinant of how CPG brands appear in ChatGPT, Perplexity, Claude. Single largest lever on future discovery.

№ 04

IR & regulatory disclosure

HIGHEST LEGAL & FIDUCIARY STAKES

SEC scrutiny of AI claims tightening. EU AI Act Phase 2 lands by 2027. Documented outcomes (PepsiCo, P&G) are durable; unvalidated claims accumulate exposure.

№ 05

Internal & employee communications

LARGEST PILLAR BY AUDIENCE

NesGPT 80K adoption is as much a comms achievement as a tech one. P&G Harvard study: one research investment, five communications payoffs. Most common failure: tool deployed without comms plan.

A five-question diagnostic for CPG marketing and communications leaders. Each question identifies a dimension where the leaders and the rest of the industry are visibly diverging.

01

Strategic clarity.

Does your leadership have a stated AI thesis for the business — or only a budget? A thesis is a published point of view on which functions AI will transform, on what timeline, with what measurable outcomes. The leaders in this report have a thesis. Most of the industry has a budget.

02

Use case specificity.

Can you name the five AI applications driving measurable outcomes in your organization? Can you cite each outcome with a dollar figure or percentage-point impact, sourced to a primary internal document? PepsiCo, P&G, Nestlé, Coca-Cola, and L'Oréal can. That is a reasonable benchmark.

03

Communications readiness.

Do you have external AI messaging that would withstand scrutiny by a Wall Street analyst, a WSJ investigative reporter, and an SEC enforcement attorney? The leaders built their communications infrastructure alongside their AI deployment. Many peers have not.

04

Talent integration.

Do your marketing and communications teams have AI-literate operators embedded in-role? Or are you dependent on IT, an agency, or a consulting partner for AI execution in communications work? The organizations that win the next 24 months embed capability inside the function rather than outsourcing it.

05

Measurement discipline.

Are you tracking AI ROI with the same rigor you apply to paid media — pre-post measurement, holdout groups, attribution framework documented, reporting cadence established? The companies that can show the math are the companies that keep the budget.

Four tiers.

TIER 1

Emerging

AI visible but not integrated. Pilots in one or two functions. No enterprise infrastructure. No measurable P&L impact. Generic external statements.

PRIORITY – INTERNAL CAPABILITY BEFORE EXTERNAL NARRATIVE

TIER 2

Scaling

Measurable outcomes in specific functions. Enterprise infrastructure committed. Shared data platform building. External comms tied to specific initiatives.

PRIORITY – INVESTOR NARRATIVE DISCIPLINE

TIER 3

Leading

AI embedded across 3+ functions with documented ROI. Internal GenAI tool in active

TIER 4

Transformative

AI integrated deeply enough to change operating model, cost structure, and go-to-market — not

use. External comms specific, measured, in earnings calls and investor days.

WHERE PEPSICO · COCA-COLA · NESTLÉ · P&G · L'ORÉAL SIT · 2026

just optimize functions. No CPG is credibly here in 2026.

SEVERAL INVESTING ON A 5-7 YEAR HORIZON

§ 06 - 2026 → 2028 Outlook

Five developments.

2026 → 2027

First CPG ships a brand with AI as primary creative director.

Coca-Cola, Mondelez, or a DTC challenger announces a brand or sub-brand where creative direction is AI-led, not AI-augmented. The announcement will be controversial. It will reset the benchmark.

2026 → 2028

AI-generated product innovation at commercial scale.

Six-week ideation cycles (Nestlé) and 22%-shorter dev cycles (P&G) produce a wave of AI-assisted launches. Widening gap between AI-cadence companies and those without — especially snacks, beverages, personal care.

2027 → 2028

Regulatory acceleration in U.S. and EU.

FTC AI disclosure rules. EU AI Act Phase 2. State-level privacy (CA, CO, TX, others). Materially more demanding compliance environment by late 2027. Companies building governance now are ahead of an expensive curve.

2026 → 2028

The CPG-vs-tech talent war intensifies.

CPG losing senior AI engineers at a rate that constrains implementation. Leaders responding with partnership models (Microsoft, AWS, Salesforce) and aggressive internal training. Talent equation defines durable advantage.

2026 → 2028

AI-native CPG competitors reach material scale.

Perfect Day, NotCo, and AI-founded CPGs reaching scale where they compete with legacy players. Their AI is the spine, not a layer on top. Incumbent response in 36 months defines category dynamics for the decade.

“Every major CPG has now made external AI commitments. The companies that can back those commitments with documented outcomes have built a credibility moat. The companies that cannot are accumulating a liability that becomes visible the first time an analyst, journalist, or investor decides to audit the gap.”

— MATT CAIOLA, CEO, 5W

What is the CPG AI Advantage Report?

5W's primary-source documentation of how the leading CPG companies are translating AI investment into measurable operating outcomes — and how the rest of the industry is communicating about a transformation it has not yet executed. Five leader profiles, six hero stats, five use cases with documented ROI, five communications pillars, and a maturity framework for benchmarking.

Why these five companies?

PepsiCo, The Coca-Cola Company, Nestlé, Procter & Gamble, and L'Oréal each have specific, sourced, quantifiable AI outcomes published to primary documents — earnings transcripts, corporate filings, peer-reviewed research, or named-executive statements. Every other Global 50 CPG either lacks documented outcomes or has not made them public.

How was the data verified?

Every figure cited is sourced to a publicly available primary document. We avoided industry-survey estimates where a company disclosure was available, and declined to publish any figure we could not independently verify. Where an internal executive title could not be verified against the company's most recent filing or corporate site, the title is omitted rather than assumed.

Who is this report for?

CMOs, CCOs, CIOs, and Heads of Investor Relations at CPG companies. Marketing and communications leadership at competing companies benchmarking their own programs. Boards and audit committees evaluating AI claims. Investors evaluating CPG category dynamics. Agency and consulting leadership advising CPG clients.

Can 5W run an AI communications program for our CPG brand?

Yes. 5W is the premier AI-era communications firm. Our practice runs full AI-communications and Generative Engine Optimization programs for CPG, beverage, food, beauty, and adjacent consumer brands. Inquiries: research@5wpr.com or info@5wpr.com.

Why now?

The credibility gap between AI claim and AI evidence is widening every quarter. Companies that document outcomes now compound a moat. Companies that delay are accumulating a

communications liability that goes from invisible to existential the first time a sophisticated audience decides to test it. The reporting rules will tighten — FTC, SEC, EU AI Act — over the 18 months from this publication.

ABOUT 5W

5W is the premier independent AI-era communications and Generative Engine Optimization firm in the United States, serving more than 250 clients across consumer brands, corporate communications, crisis management, healthcare, technology, education, food and beverage, beauty and fashion, and public affairs. Recognized as a top U.S. PR agency by O'Dwyer's, named Agency of the Year in the American Business Awards, and honored as a Top Place to Work in Communications in 2026 by Ragan.

SERIES ARCHIVE

5W AI Research Series. Companion editions cover EdTech AI Visibility, Legal Tech, Real Estate, Fintech, Weight Loss & Metabolic Health, Pet Industry, and Menopause & Midlife Women's Health.

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[Full report & appendix →](#)