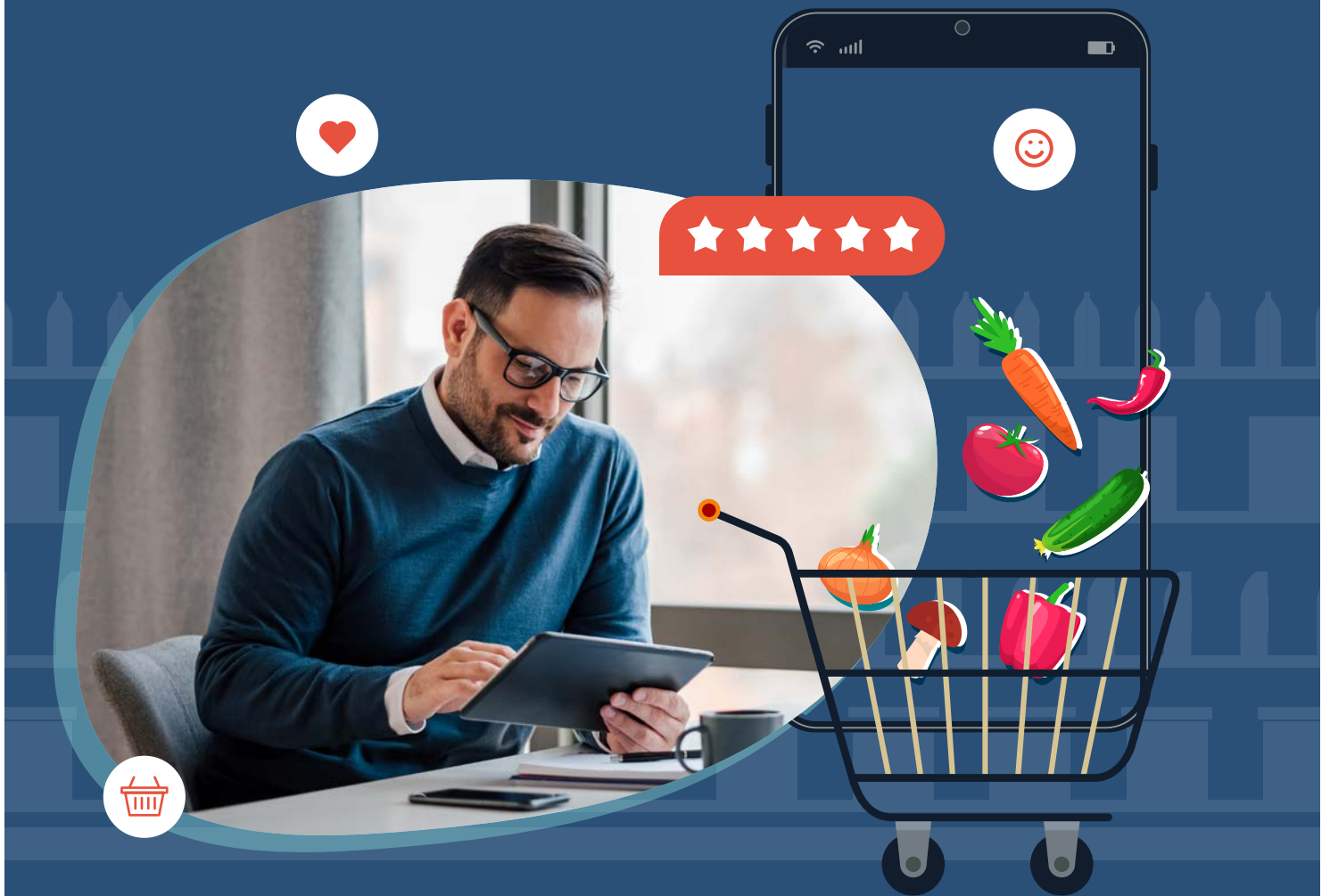


DIGITAL
FOOD & BEVERAGE

AI-Powered Personalization in the Food & Beverage Industry



Sponsored by: **Wunderkind**

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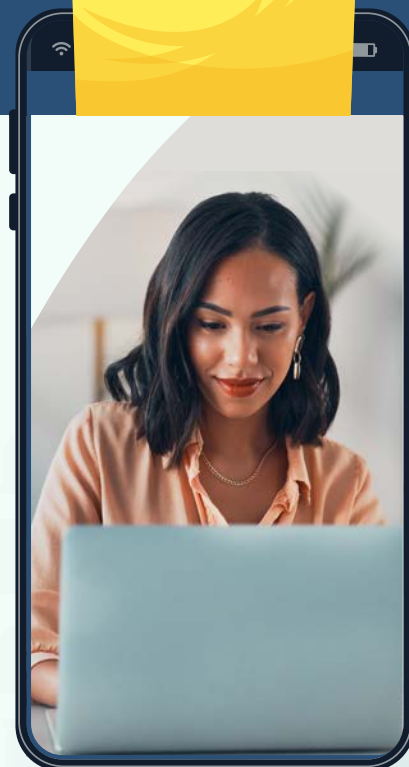


Executive Summary

Food and beverage companies are now actively using AI-driven personalization instead of simply testing it. However, our study shows a clear gap between what companies want to achieve and what they're actually accomplishing. Most brands use AI in limited ways, see modest results, and worry about customer resistance.

Data governance and change management hurdles, rather than budget, are their chief internal obstacles. Despite these limits, leaders believe that AI-powered personalization will be critical to improving customer loyalty and revenue, so they are investing in it accordingly.

As AI maturity increases in the industry, organizations that can deliver it across every customer touchpoint will have an advantage. This report explores the current state of AI personalization in the food and beverage industry, as well as what's ahead for this capability.



Foreword from the Producer

Greetings to all members and friends of the Digital Food & Beverage community, and thanks for your interest in our research. I'm pleased to share our latest insights on AI-powered personalization in our industry.

In this report, we explore the evolving world of AI personalization, uncovering how industry leaders are moving beyond basic product recommendations to create meaningful, contextual experiences that truly resonate with customers. You'll discover practical perspectives from your peers on building consumer trust, overcoming implementation challenges, and creating seamless personalized journeys across every customer touchpoint.

We're grateful for your passion for innovation and commitment to advancing our industry through shared learning and collaboration. And we hope you will join us at Digital Food & Beverage in June 2026, where we'll continue these important conversations about transforming your customer relationships and driving your business forward.



Jonathan Hernandez-Jimenez, MS

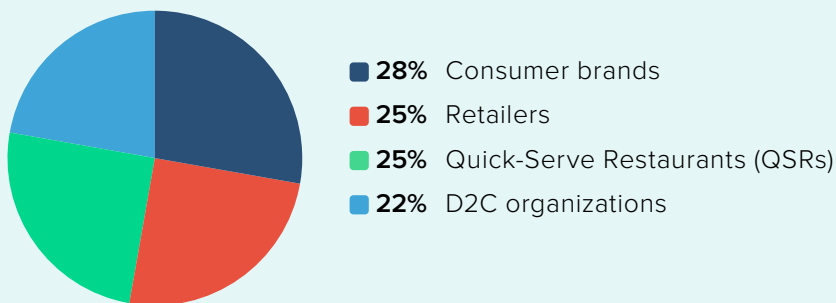
Conference Producer

Digital Food & Beverage

About the Respondents

The survey respondents are senior leaders. Most (64%) are directors, while 13% are in the C-suite. They occupy roles in marketing, customer retention, eCommerce, digital, and analytics.

They work at various types of food and beverage companies, such as:



Key Insights

- 72%** already use AI personalization.
- 70%** using AI personalization say it is only "somewhat effective."
- 64%** use AI personalization for product recommendations and discovery.
- 49%** say efficiency and cost reduction are their biggest business drivers of AI personalization.
- 56%** say customer resistance and skepticism are their most significant challenge.
- 74%** say their AI maturity is only "intermediate."
- 75%** are only somewhat confident that their systems can support planned AI personalization initiatives.

Most of the organizations represented in the report have annual revenues ranging from **\$500 million to \$10 billion or more (73%).**



Practitioner Perspectives

Here's what industry practitioners are saying about artificial intelligence and personalization in the food and beverage industry:



"Having lots of first-party data is valuable, but what matters is how you use it to personalize messaging and measure results. Connecting every customer interaction helps us build an experience centered around the customer. It delivers trusted, repeatable results."



"Personalization matters more than anything else. People want images and information that fit their preferences. It's important to truly know your customers, understand what they care about, and use that knowledge to deliver what matches their needs."



"We can assign a value to customers who use our app features, like adding items to a list or using personalized savings. By segmenting customers based on feature use, we encourage greater engagement, leading to more loyalty and bigger purchases. It's a major boost for us."



"We're learning to understand consumer needs by using foresight and AI tools to see what's coming next. Don't just follow trends—consider how emerging technology and AI will quickly change how customers shop, much like the impact of the internet."



"Precision and personalization are no longer 'nice-to-haves' in this industry. We're rethinking audience engagement—not just online or in-store, but throughout the whole customer journey. Creating this ongoing relevance is the core of our strategy."



Wunderkind

From Clicks to Carts to Customers

How identity resolution is helping CPG brands turn anonymous browsers into loyal buyers.

Every month, thousands of shoppers visit your site — exploring, adding to cart, then disappearing. Up to **95% of this traffic stays anonymous**, and with third-party cookies disappearing, “anonymous” equals lost revenue.

The Challenge

CPG brands have long relied on guesswork, loyalty programs, and cookie-based retargeting. But today’s shoppers demand seamless, personalized experiences.

The Solution

Identity resolution. By recognizing visitors across devices and sessions without a login, brands can:



Trigger cart reminders for unidentified browsers



Deliver real-time personalized offers



Suppress redundant pop-ups for loyalty members

Identity also reveals powerful intent signals — who’s visiting, what they click, the products they return to, and when they’re likely to buy again. With AI, these insights fuel timely, relevant conversations across email, SMS, ads, and onsite.

Ready to Stop Guessing and Start Growing?

Identity resolution is no longer optional — it’s the foundation of modern CPG growth. The brands that know their shoppers are the ones who win.

[Download the full guide](#) and see what identity can do for your brand.

Get the Guide



Brands Enjoy Competent Levels of AI Personalization with Room to Improve

AI-driven personalization technology shows immense potential for improving efficiency and the customer experience in the food and beverage industry. However, while enthusiasm is high, many organizations still struggle to realize the full potential of these capabilities, citing modest effectiveness and persistent operational challenges.

Which of the following statements best describes your organization's current use of AI for personalization in the customer experience?

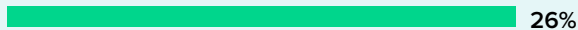
We've implemented AI personalization across multiple customer touchpoints.



We've implemented AI personalization in select areas (e.g., email messaging, product recommendations).



We are planning to implement AI personalization within the next 12 months



We are exploring AI personalization but have no concrete implementation plans.



We have no current plans for AI personalization.



Most of the organizations in the study (72%) have implemented at least one AI-powered personalization solution. Initial efforts typically focused on targeted pilots, such as optimizing written content, deploying on-site product recommendations, or triggering personalized offers. Now, the pace of deployment has quickened.

Approximately 32% of organizations have now extended AI capabilities across multiple customer channels, including web, mobile applications, and loyalty programs, reflecting a broader transition from isolated experimentation to comprehensive orchestration.

Since you've implemented AI personalization, how would you rate the effectiveness of the AI personalization initiatives you've already implemented?

Very effective

19%

Somewhat effective

70%

Not very effective

11%

Not effective at all

0%

Nonetheless, the effectiveness of these initiatives often falls short of organizational aspirations. Seventy percent of adopters rate their current personalization efforts as only “somewhat effective,” while an additional 11% find them “not very effective.”

This gap points to challenges such as incomplete data integration, inadequate training in the use or application of AI, and limited cross-functional collaboration. In many cases, early improvements in performance tend to plateau when AI models remain siloed or lack mechanisms for ongoing refinement and feedback. The challenge then becomes determining what improvements are necessary and relevant from a technical, cultural, and business perspective.

How Leaders Think Their AI Personalization Initiatives Can Improve

Conversations with the respondents also show that food and beverage companies think their AI personalization initiatives need to evolve. Most agree that they must progress basic product recommendations to create more sophisticated, contextual experiences.

Real-Time Adaptation

Many respondents emphasize the need for deeper customer understanding and real-time adaptability.

As one respondent explains, “The AI needs to understand customer intent beyond what the customer clicks on. If a customer is looking at keto-friendly products, everything about the website’s personalization should change according to the taste of the user.”

This reflects a broader desire to move from simple behavioral tracking to comprehensive intent recognition that can transform entire customer experiences based on nuanced preferences and needs.

Customer Loyalty & Ongoing Engagement

Once someone has become a customer, brands want to leverage AI personalization to keep them engaged. AI has immense potential to improve loyalty programs and empower brands to form deeper relationships with customers.

“Our goal would be to make our customer loyalty system more user-centric and rewarding for the customers,” says one respondent.

Similarly, another respondent says, “We want to create a better relationship between personalized marketing, customer service, and loyalty programs.”

Holistic Expansion

The responses reveal a strong focus on expanding personalization beyond marketing into operational excellence and customer lifecycle management. Companies want their AI systems to integrate across departments and touchpoints to deliver seamless experiences.

One respondent captures this holistic vision by saying, “I want our AI to deliver one consistent, personalized experience so that the customer feels recognized and appreciated using any of our channels.”

Supply Chain Optimization and Sustainability

This sentiment echoes throughout the responses, with companies seeking to use AI for everything from supply chain optimization to sustainability.

According to one respondent, “It could analyze the data from supply chain partners to identify potential ethical risks such as unfair labor practices along with maintaining a more responsible supply chain.”

The common thread is a recognition that true personalization requires AI systems that can orchestrate multiple business functions to create unified, meaningful customer experiences rather than isolated personalized features.



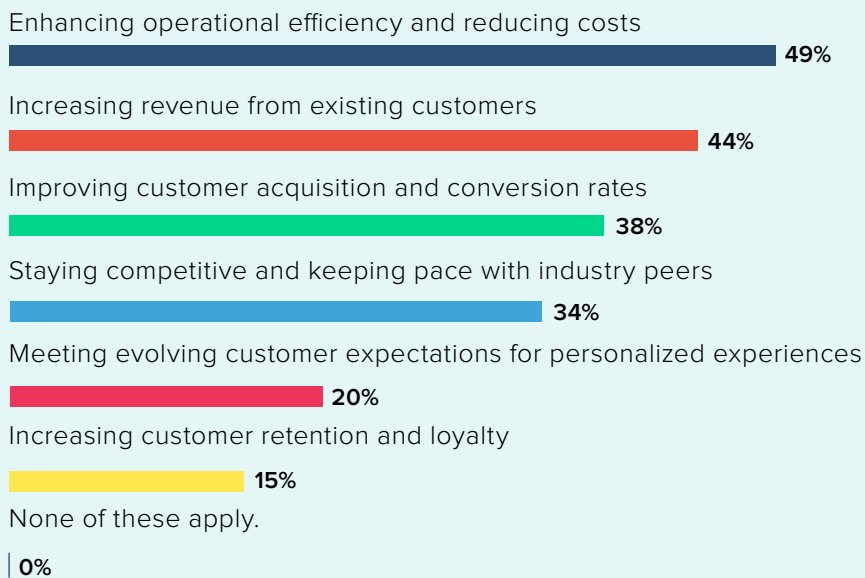
“We wanted to use technology to personalize campaigns and help consumers reduce food waste, so we created a tool that uses AI to instantly customize recipes. For example, you turn your original recipe into a vegetarian, vegan, or low-calorie version. This AI also updates ingredients and step-by-step instructions in real time to match a user’s food preferences and lifestyle.”

— CEO, Digital Food & Beverage 2025

Key Reasons for Investing in AI Personalization

Artificial intelligence is one of the most versatile technologies ever created. As such, food and beverage brands can be motivated by a variety of factors to invest in and implement AI.

Which of the following are the two most important business drivers motivating your organization's investment in AI personalization?



Efficiency and revenue are the two most important business drivers, according to the respondents.

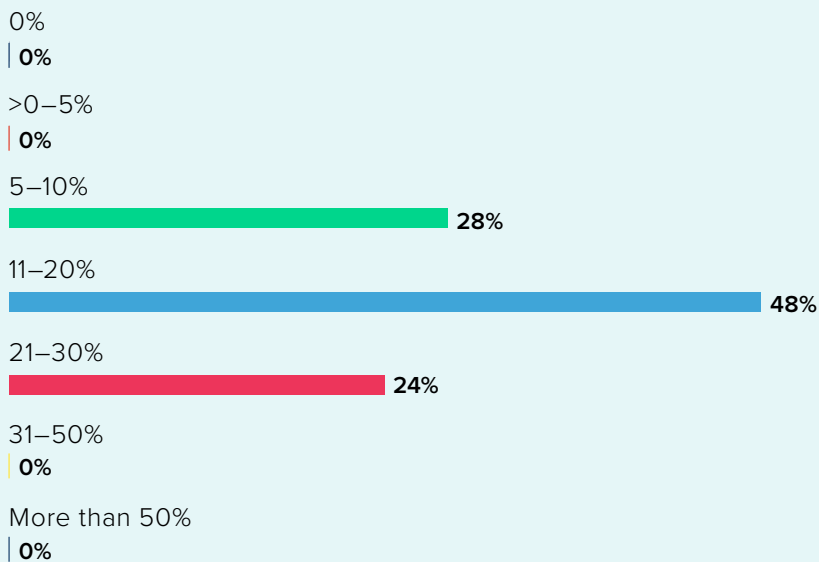
Specifically, about half of the organizations (49%) are focused on reducing costs or accelerating processes. Revenue growth from existing customers ranks next at 44%, indicating that financial and marketing leadership now perceive AI-driven personalization as a dual lever for enhancing both margins and topline expansion.

While overall adoption of AI tools is broad, many brands still haven't realized the full value of their investments. Organizations that move beyond siloed initiatives toward unified decision-making systems are best positioned to achieve results.

AI Skepticism and Ineffective Data Governance Pose Challenges

Investment in AI-driven personalization remains robust across the digital food and beverage sector.

What percentage of your organization's total digital marketing technology budget is allocated to AI personalization initiatives?



Nearly half of surveyed organizations (48%) allocate 11–20% of their digital marketing technology budgets to AI-powered personalization, and an additional 24% devote 21–30%. These figures now rival the budgets allocated to long-standing platforms like email service providers and customer data platforms (CDPs).

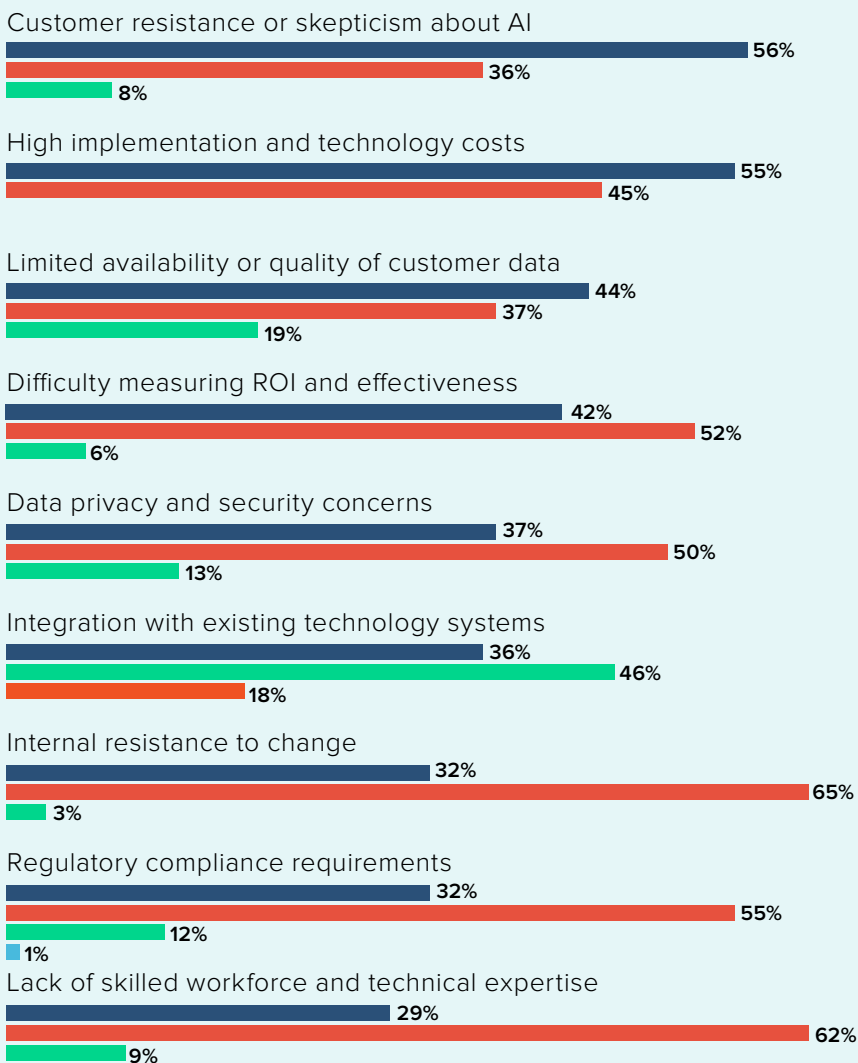
These substantial investments reflect a deep conviction among senior management about the transformative potential of AI within their marketing strategies.

Barriers to Successful AI Adoption and Deployment

Despite broad investments and prioritization among industry leaders, organizations still face significant obstacles to both the adoption and use of AI personalization.

How significant have the following challenges been to your organization's AI personalization efforts?

- Very significant challenge
- Somewhat significant challenge
- Not a significant challenge
- This does not apply.



External resistance stands out as the most pressing concern. At 56%, most of the respondents identify customer skepticism or resistance toward AI-curated experiences as a “very significant” barrier.

Consumers express apprehension due to concerns about how their data is being used, whether AI-generated content is accurate, and the need for human interaction. These sentiments are often heightened by regular media coverage of AI-induced mishaps and scandals.

Operational barriers are also formidable. Implementation and technology costs are cited as very significant challenges by 55%, highlighting the complexity of building scalable AI solutions that require specialized talent, advanced cloud infrastructure, and systematic experimentation. These are challenges that can tax even well-resourced organizations.

Moreover, data constraints are an ongoing problem. A significant portion of the respondents (44%) say issues related to data quality or accessibility are a very significant challenge.

Meanwhile, **42% report very significant difficulties** in demonstrating clear ROI from AI initiatives.



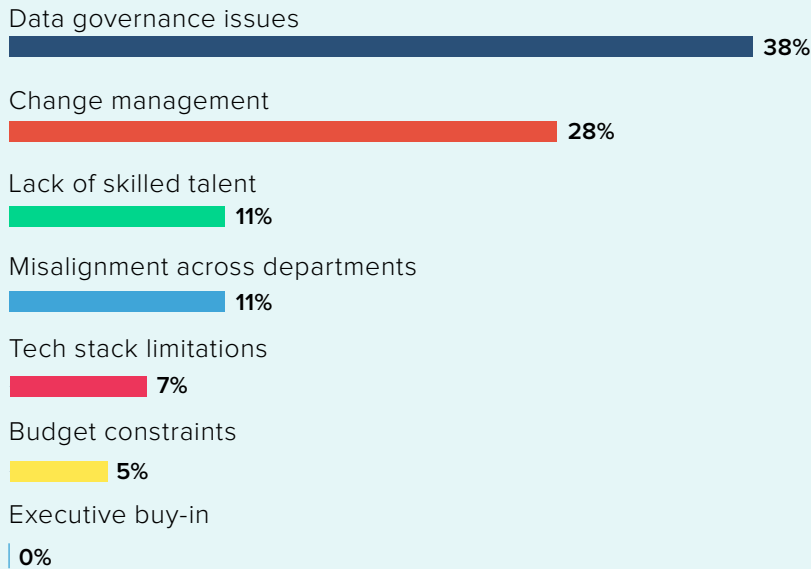
Practitioner Perspectives

Practitioners say AI-enabled personalization is becoming competitive, but brands should proceed cautiously for their customers' sake. Customers must be able to understand how AI-enabled systems use data arrive at their decisions.

They recommend implementing solutions that offer complete transparency to overcome skepticism. This requires documentation of each step of the AI's decision-making and presenting it in a way that is easy to understand.



Which of the following is the biggest internal barrier to AI personalization success?



On the topic of using AI personalization effectively, data governance is a critical internal challenge. More than one-third of the respondents (38%) say it is their biggest internal barrier to AI personalization success.

Effective consent management, robust identity resolution, and rigorous compliance with global privacy frameworks such as GDPR and CCPA are essential.

Importantly, change management (28%) outpaces raw budget constraints (5%) in its impact. This underscores the reality that organizational culture, operational discipline, and executive alignment shape success more than financial investment alone.

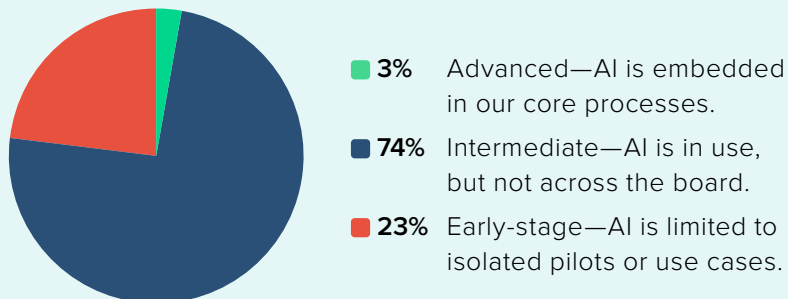
Collectively, these findings spotlight a trust deficit that exists both among consumers—who harbor doubts about data use and AI—and within organizations, where operational and governance challenges stymie progress.

To succeed with personalization, brands need to address both customer concerns and internal challenges. Success requires more than just technology and money—companies must build trust with customers and employees, prepare their organization for change, and create clear, valuable experiences.

Leaders Lack Total Confidence in Their AI Systems but Highlight Diverse Use Cases

The study has shown that brands are seeing some success in AI personalization, but that most organizations are still working to expand their capabilities and overcome cultural barriers. As a result, most leaders believe they have not yet achieved an advanced level of AI maturity.

How would you describe your organization's overall AI maturity level?



Instead, the industry's AI maturity appears stalled at the "intermediate" stage, with 74% of organizations reporting operationalized AI that has yet to become fully pervasive. Only 3% believe they have reached an advanced level where machine-learning models autonomously orchestrate core business functions across multiple channels.




Practitioner Perspectives

Practitioners view AI system sophistication as an ongoing, iterative process. They suggest brands should be "willing to try everything" to maintain adaptability. They also recommend embracing continuous learning and setting specific targets for each new AI personalization initiative.

To what extent do your current marketing systems leverage AI to streamline and automate how you build, optimize, and report on campaigns and customer touchpoints?

Extensively—Our systems apply adaptive learning and decision-making to create unique experiences.

 **7%**

Somewhat—Our systems support automated processes and some contextual experiences.

 **80%**

Not too much—Our systems support rudimentary automation and some campaign variation.

 **13%**

Not at all—We rely mostly on manual processes to build, optimize, and report on campaigns.

 **0%**

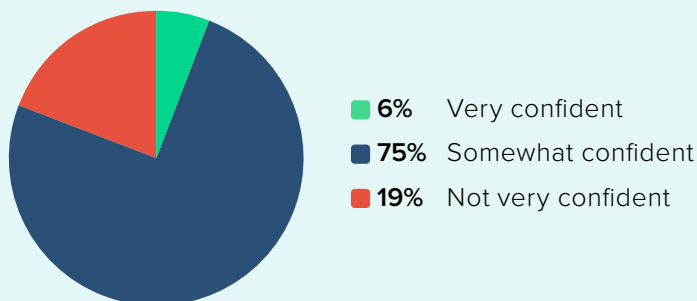
This aligns with how respondents describe the extensiveness of their AI integrations with their marketing technology. All the respondents say their marketing systems leverage AI to streamline and automate how they build, optimize, and report on campaigns and customer touchpoints. However, a significant majority say their marketing systems leverage AI either “somewhat” (80%) or “not too much” (13%).

Most food and beverage brands have systems that support automated processes and some contextual experiences, while a handful only have systems that support rudimentary automation and some campaign variation.

Only 7% say their systems leverage AI “extensively.” These brands have marketing technologies that apply adaptive learning and decision-making to create unique experiences for every customer. This represents the current ideal of AI personalization in the industry, but most brands recognize that they haven’t reached it yet.

Not surprisingly, this limited progress is accompanied by a somewhat limited level of confidence among the respondents, specifically in their systems’ ability to support AI personalization initiatives over the next 12 months.

How confident are you that your current systems and platforms will support the AI personalization initiatives your organization has planned for the next 12 months?



Fully 75% describe themselves as only “somewhat confident” that their current technology stack can support upcoming initiatives over the next 12 months. An additional 19% express low confidence, while just 6% feel highly assured in their readiness.

As a result, many organizations face the risk of promising ambitious capabilities to senior leadership but falling short in execution. As we’ve learned, this is due to fragile data infrastructure, internal cultural issues, and customer skepticism of AI.

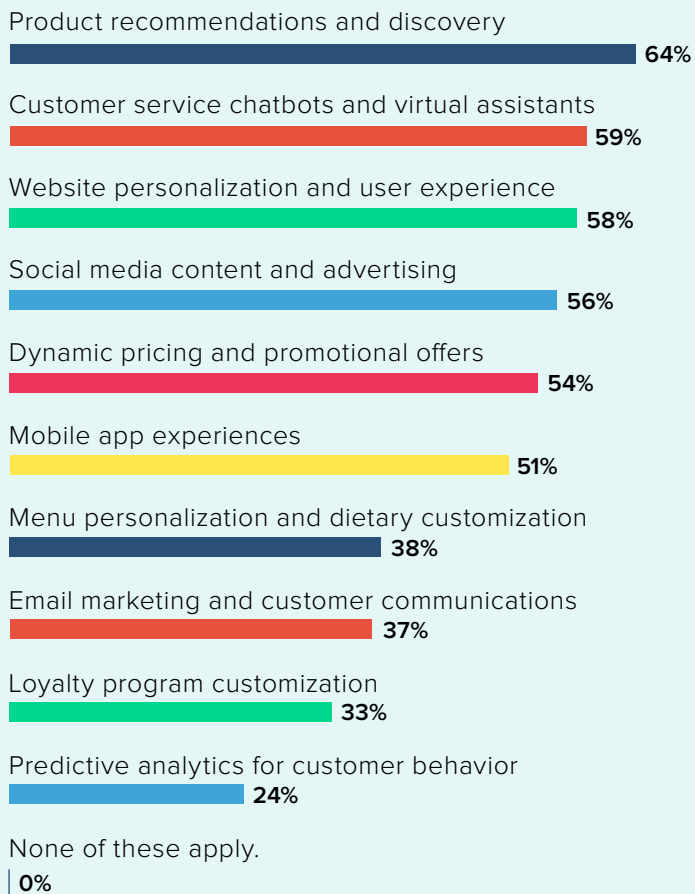
In some cases, this confidence is due to a lack of viable use cases for AI technology. Thankfully, food and beverage brands already have a wealth of examples for how AI-driven personalization can improve various aspects of their businesses.



Successful Use Cases of AI-Powered Personalization

Artificial intelligence is one of the most versatile technologies ever created. As such, food and beverage brands can be motivated by a variety of factors to invest in and implement AI.

In which of the following areas is your organization currently leveraging or planning to leverage AI-powered personalization?



The industry's deployment of AI personalization closely reflects core eCommerce imperatives. Product recommendations remain the leading application (64%), favored for their measurable impact on conversion rates and average order value (AOV).

Other prevalent uses include customer-service chatbots and virtual assistants (59%), website experience optimization (58%), social media content and advertising (56%), and dynamic pricing strategies (54%).

This distribution demonstrates how brands are strategically integrating AI to drive both top-line revenue growth and operational efficiencies.

Furthermore, conversations with food and beverage industry leaders reveal a remarkably diverse landscape of applications for AI-powered personalization that extend far beyond basic product recommendations.

These examples demonstrate how companies are using artificial intelligence to create meaningful connections with customers. They also demonstrate how AI can be used to personalize every stage of the journey, from the point of initial discovery to the post-purchase experience and long-term loyalty.

AI-Powered Assistance Based on Customer Behavior

“Our AI can detect if our customer is having difficulty navigating on our website and then provide them with assistance,” says one respondent. This demonstrates the type of proactive customer experience AI can create when applied effectively to a website, and these types of use cases are emerging across the consumer products sector.

Similarly, companies are deploying sophisticated recommendation engines in B2B contexts that go beyond simple collaborative filtering. Their analyses go beyond the immediate customer to determine what works for the customer’s customer.

“We generate AI recommendations for product assortments for our wholesale clients based on their consumer data,” says a respondent. This capability shows how AI applications are creating value throughout the supply chain based on behavioral and customer data analysis.

Transparency in AI Use and Decision-Making

Another significant trend in the responses is the respondents’ applications of trust factors in their use of AI. To meet customer skepticism regarding artificial intelligence, brands are addressing the issue head-on.

“Our AI shows customers why a product was recommended, which has increased trust among our customers,” a respondent says.

There has been a significant amount of debate about whether AI-generated content should be marked as such. The results suggest that many companies are getting ahead of this discussion. This approach will likely become a benchmark in how companies build consumer confidence in AI systems.

Contextual Recommendations

Hyper-relevant product discovery is one of the most common cases for AI-powered personalization among the respondents. Companies are deploying complementary item suggestions, dynamic search filtering, and context-aware recommendations that consider uncommon factors.

“Our platform offers users suggestions based on the time of day, the meal type, their pre-workout and post-workout habits, and more,” says a respondent.

Similarly, Contextual engagement capabilities leverage real-world data streams—location proximity, weather patterns, cultural events, and traffic conditions—to deliver precisely timed offers and suggestions.

Real-Time Customer Experience Interventions

Lifecycle intervention systems proactively identify at-risk customers and deploy personalized retention strategies, while also optimizing loyalty programs and membership tiers based on individual engagement patterns.

Operational enablers demonstrate AI’s dual role in customer experience and business efficiency. Systems can manage staff allocation based on foot traffic predictions and implement dynamic pricing to minimize food waste while maximizing revenue.

The organizations that will define next-generation AI leadership are those successfully weaving these individual capabilities into cohesive, explainable experiences that deliver consistent value. However, they must do so while maintaining the transparency and control that builds lasting consumer trust.



Case Study: Retail Media AI Personalization Success

The Challenge: A regional grocery retailer needed to move beyond generic product promotions drive purchasing.

The Solution: Using their loyalty program data, they implemented AI to identify shoppers with specific food interests. They then delivered personalized digital campaigns promoting a new premium offerings in these categories.

The Result: The campaign achieved a significant spike in engagement and a measurable sales lift.



Conclusion: What's Next for AI-Powered Personalization for Food & Beverage Brands

AI-powered personalization is now critical for competing in an omnichannel food and beverage market where consumers expect to see relevant products and offers, whether they are online or in-store. The study shows a notable increase in adoption, as well as a significant increase in budget allocation for AI-powered tools.

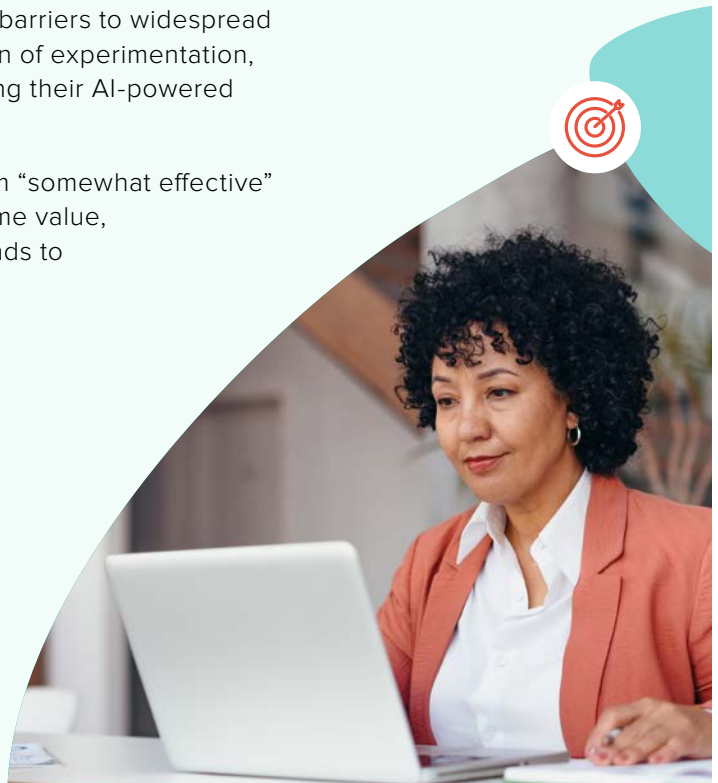
Nonetheless, it also provides brands with some guidance on the road ahead.

Perhaps most importantly, the industry's trust architecture must mature. Organizations need transparent data-governance frameworks, opt-in value exchanges, and explainable AI to counter consumer skepticism of AI, which currently ranks as the number one challenge to adoption and implementation.

Second, platform unification is essential if AI-powered personalization is to truly be ingrained in the customer journey. Integrating isolated recommendation engines with enterprise-wide decisioning tools requires first-party data, real-time identity resolution, and robust data pipelines that enable continuous learning.

Finally, talent and culture are becoming much more important areas for strategic change than tooling and technology implementation. Change management hurdles represent the most significant barriers to widespread usage. Therefore, leadership must use a combination of experimentation, ethical guardrails, and team-based innovation to bring their AI-powered personalization efforts to maturity.

Organizations that excel at these fronts will shift from "somewhat effective" to transformational, unlocking higher customer lifetime value, reduced waste, and agile merchandising that responds to individual intent in milliseconds.



Key Suggestions

1 Prioritize transparency and consent:

Build clear opt-in flows and surface intelligible “why we recommended this” messaging to convert skeptics into advocates.

2 Operationalize data governance:

Institute cross-functional data councils and automated policy enforcement to ensure privacy compliance without throttling innovation.

3 Adopt continuous-learning architectures

Invest in model-ops pipelines that automate feature engineering, A/B testing, and performance monitoring for rapid iteration.

4 Align KPIs with customer value:

Measure personalization success not just by AOV lifts but by holistic metrics such as retention, sentiment, and incremental margin to secure enterprise-wide buy-in.



About the Author



Digital Food & Beverage Insights, the industry research and digital publishing arm of the Digital Food & Beverage conference, delivers cutting-edge data and analysis on trends, challenges, and opportunities among food & beverage brands and retailers. Through comprehensive research reports, webinars, and thought leadership initiatives, we empower senior-level industry executives to make informed strategic decisions and stay ahead in this rapidly evolving commercial landscape. Our deep industry intelligence not only informs food & beverage leaders but also connects innovative solution providers with key decision-makers, fostering a dynamic ecosystem that drives the future of marketing, CX, and commerce in this diverse industry.

For more information, please visit wbrinsights.com.

About Our Sponsor

Wunderkind

Wunderkind is redefining agentic marketing decisioning, where identity meets AI to deliver increased revenue through personalization across channels. Our Autonomous Marketing Platform (AMP) uses a proprietary identity graph — tracking 9B+ devices and 2T+ digital events annually — to transform anonymous web traffic into known customers, without third-party cookies. AMP dynamically triggers messages across email, text, and ads, optimizing creative, channel, and timing in real time. Seamlessly integrating via SDKs, APIs, and natively with ESPs, it fits any stack without requiring replatforming. Brands like Hello Fresh and Godiva rely on Wunderkind to unlock reach and revenue, with \$5B+ in attributable sales annually and consistently top-ranking channel performance.

For more information, please visit wunderkind.co.