

# NIQ 2024 APAC *Consumer Outlook*

Navigating the 2024 pressure points to growth

NIQ Thought Leadership  
February 2024



# Key questions to anticipate outcomes ahead



How much pressure will consumer wallets be under in 2024?



How will consumers respond in 2024?



How do you find pockets of growth?



What does this mean for business leaders?

## Section 1: Consumer pressure points



How much pressure will consumer wallets be under in 2024?



How will consumers respond in 2024?

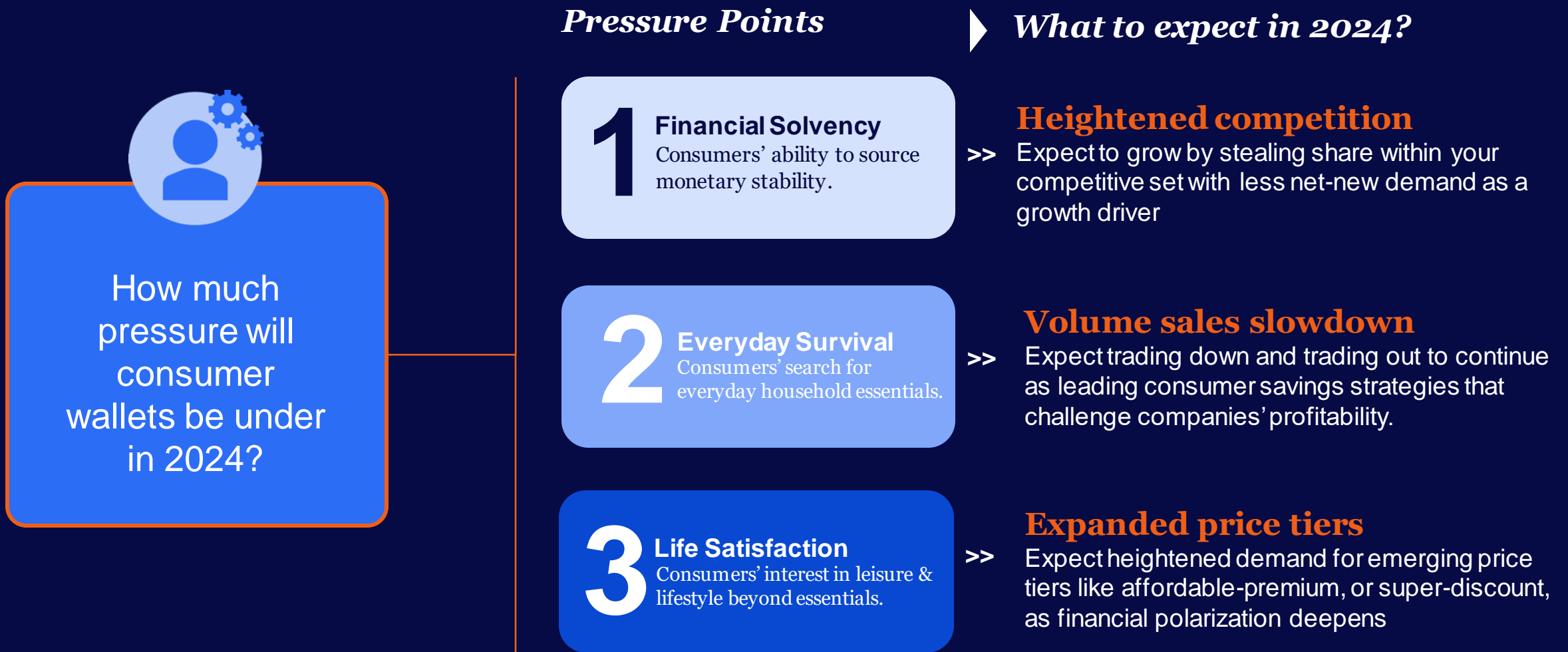


How do you find pockets of growth?



What does this mean for business leaders?

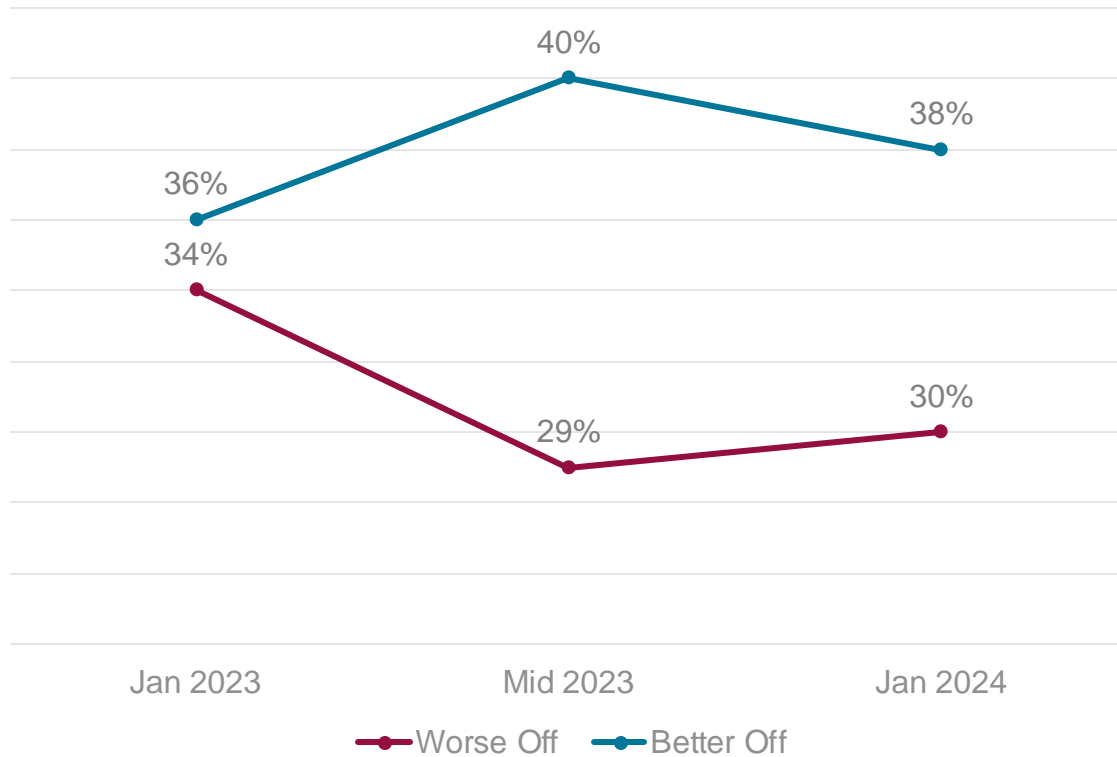
## Dissecting the core consumer pressure points of 2024 and beyond



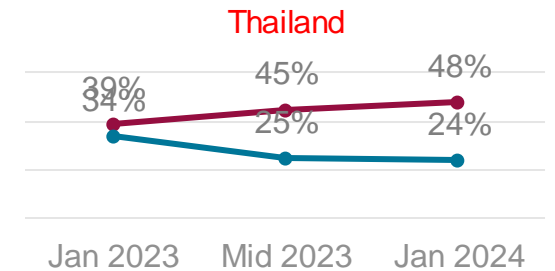
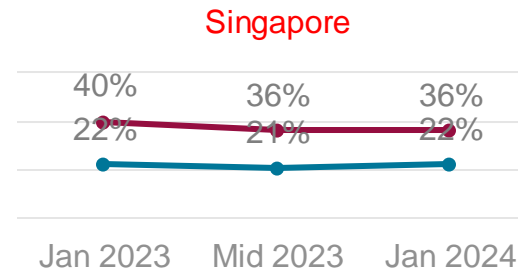
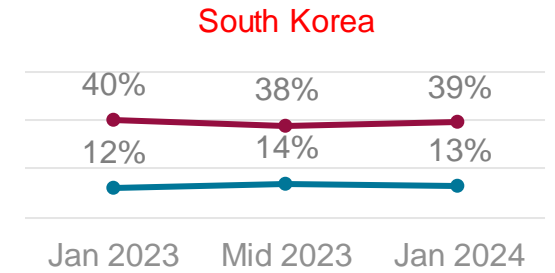
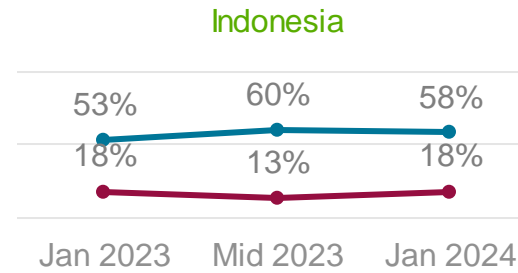
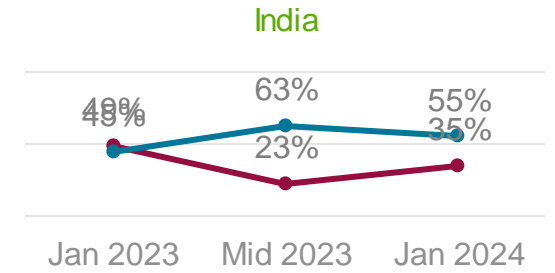
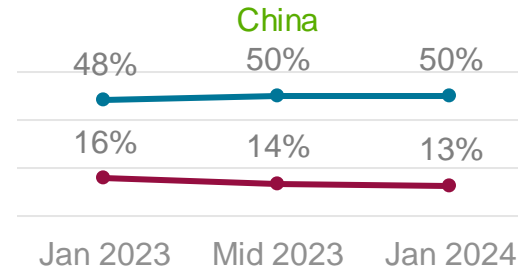
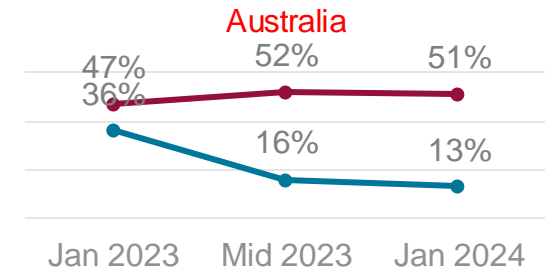
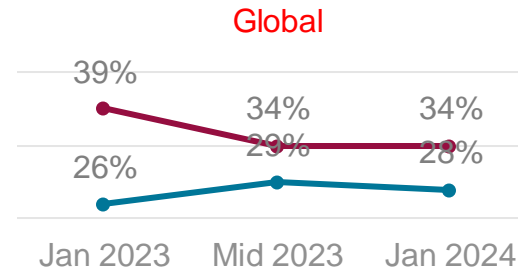
# Polarized financial situations remain

30% of consumers feel worse off, but less so than a year ago

## APAC Consumer financial position Sentiment year-over-year (% respondents)



Source: NIQ Consumer Outlook 2024, APAC  
Q: Compared to a year ago, is your household better off or worse off financially  
Green markets are more better off and red more worse off



# APAC Consumers can't escape the cost-of-living crisis

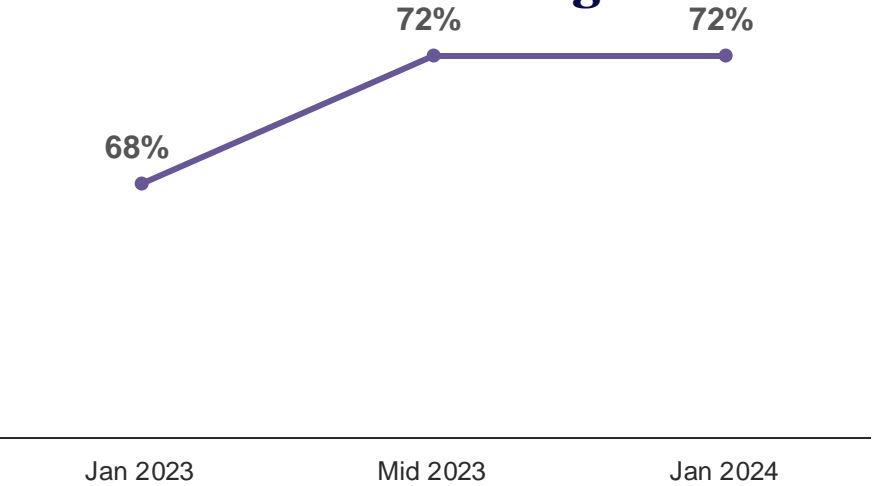
Causes of worsening financial situations among consumers



Of the 30% of consumers who are worse off this year...

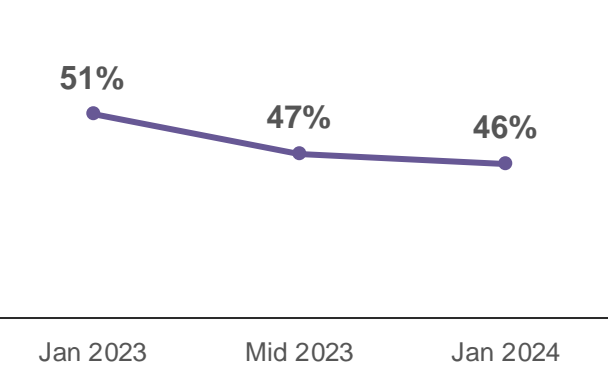
# 77%

## Increased costs of living



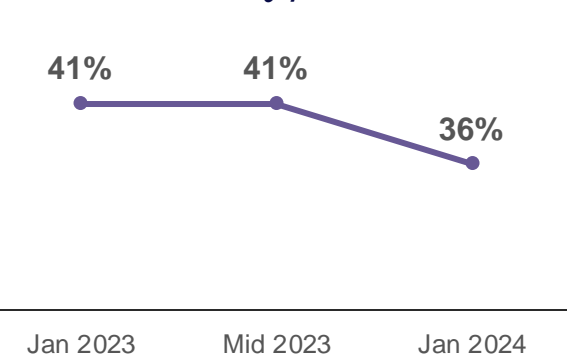
# 41%

## Economic slowdown



# 32%

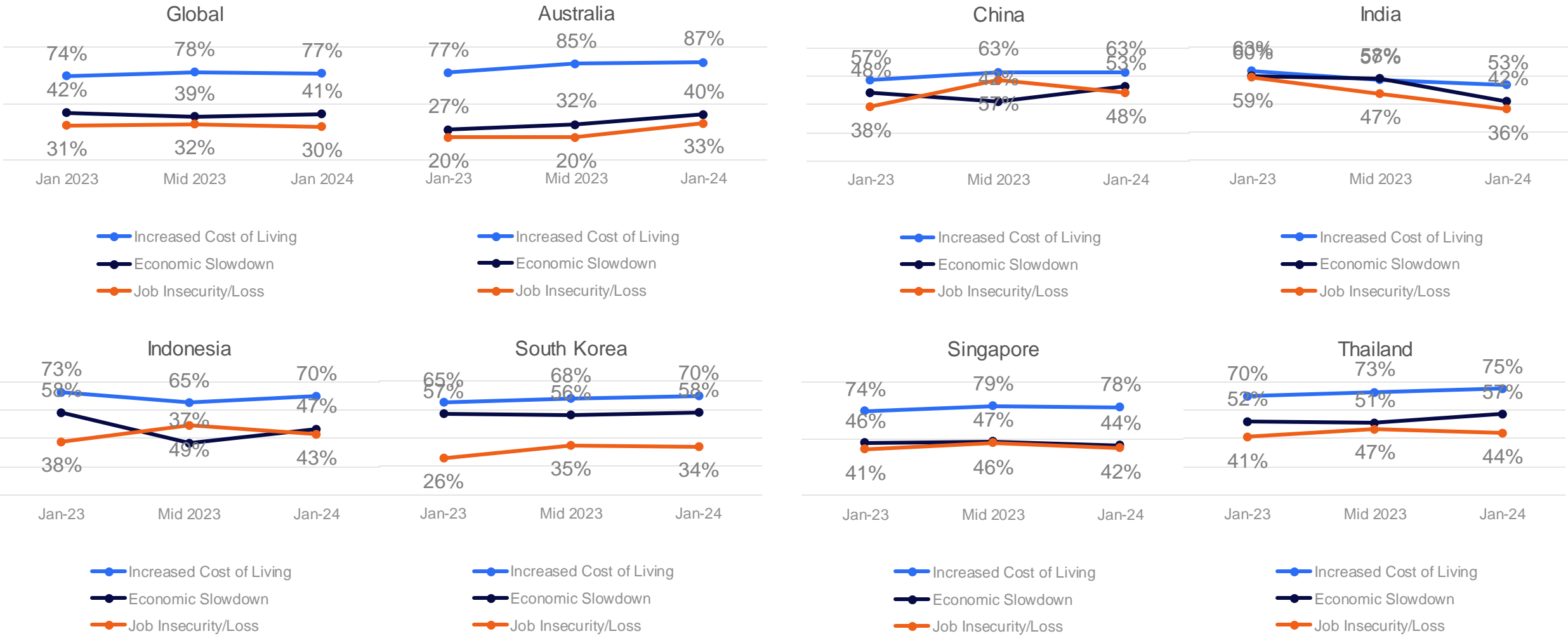
## Job insecurity/loss



Source: NIQ Consumer Outlook 2024, What has been the cause of your worsening situation?

# Cost of Living continues to increase in Australia, South Korea and Thailand


## What has been the cause of your worsening situation?

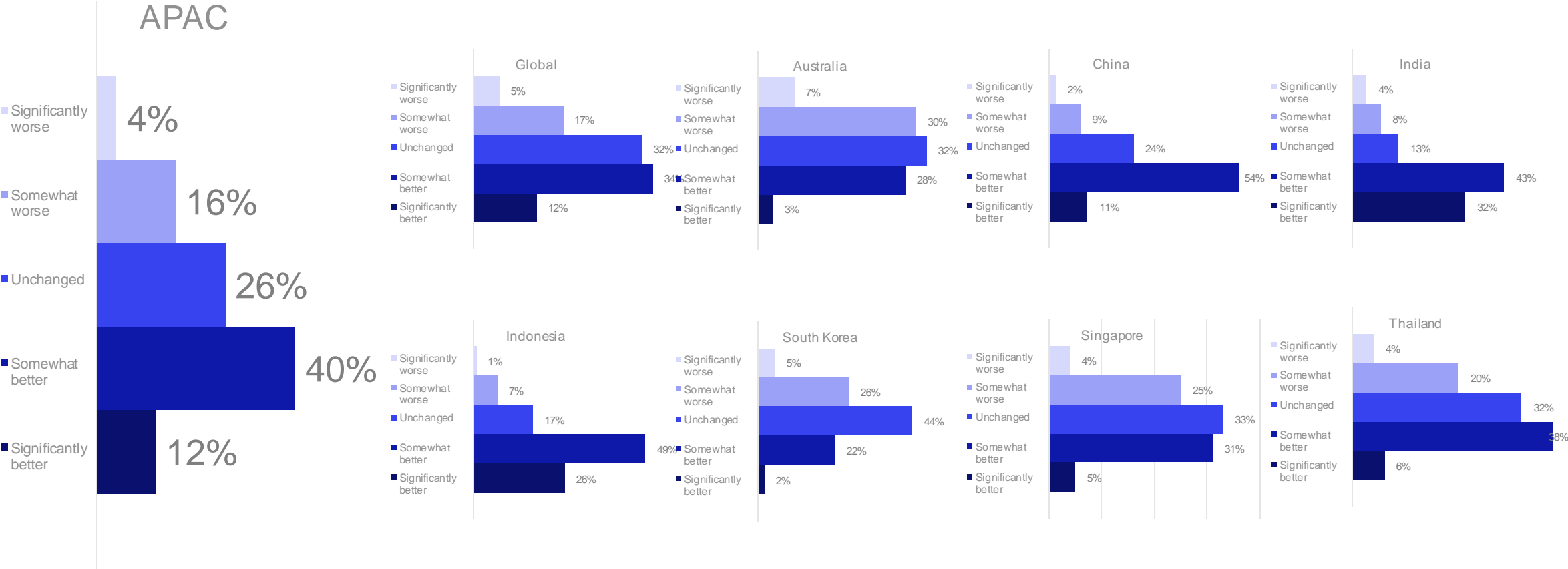


Source: NIQ Consumer Outlook 2024, APAC

# But there is optimism that finances will improve

Where do you believe your household finance situation will be by the end of 2024 compared to today?

**55% of APAC consumers are optimistic their financial situation will be better by the end of 2024** 



Source: NIQ Consumer Outlook 2024, APAC



# 2024 Outlook at-a-glance:

Charting the future aligned to consumer solvency, survival and satisfaction

## Scenarios Scorecard of 2024 Consumer Pressure Points

Macro-economic impact

Consumer impact

Industry impact

Overall Assessment

#1

Financial Solvency

**Outlook on financial inflows**  
(e.g. employment, income / wages)

**The state of borrowing**  
(e.g. Mortgage, rental, debt, interest rate, etc.)

#2

Everyday Survival

**Commodity-driven costs**  
(e.g. Petrol, transport, commuting, electricity, etc.)

**Household essentials**  
(e.g. Food, grocery & Household goods)

#3

Life Satisfaction

**Leisure**  
(e.g. Entertainment, Travel, recreation, etc.)

**Lifestyle**  
(e.g. Tech, durables, apparel, home décor, etc.)

**Stable employment**  
**Decelerated inflation** Stalled retail growth  
**Insurance costs** Mortgage rates  
**Wages lag inflation growth**

*Many swirling factors for assessment:*

Household debt Manufacturer cost increases  
**Rising fuel prices** Air travel price increases  
Rising restaurant costs Streaming services to charge more  
**Replacement cycles of Non-essentials**

*And more...*

Note: This NIQ assessment follows a Delphi methodology of expert opinion and is driven by the NIQ original framework. The NIQ Global Thought leadership team have conducted and used desk based research, NIQ proprietary data and Macroeconomic forecasts to give a point of view. The assessment is based on Global averages and recognizes ratings would need to be adjusted based on region, country or consumer type. The assessment is directional in nature and does not claim any degree of certainty.

# Financial solvency remains tested, but could improve aligned to interest rates & unemployment

Resilient, but polarized financial circumstances are colliding with a challenged state of borrowing right now

## Scenarios Scorecard of 2024 Consumer Pressure Points



### 1 Financial Solvency Consumers' ability to source monetary stability.

#### Overall Assessment

**Mid-High**  
Slightly worsening



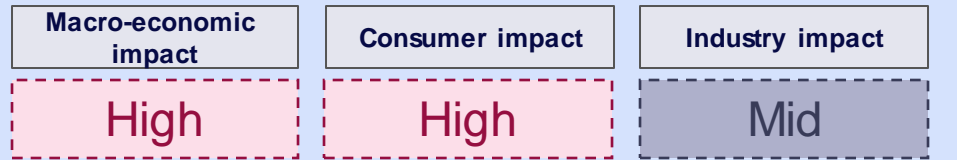
#### Outlook on financial inflows (e.g. employment, income / wages)

Across regions, unemployment is expected to remain stable in 2024 and remains comparatively low relative to figures of the last decade. At the consumer level, however, wages appear much less buoyant. In many markets, the forecasted increase in consumer prices leads expectations for local market wage growth – signaling continued pressure on consumer purchasing power this year. Without a lift in consumer purchasing power, companies will face heightened competition for share of consumer wallets. Guiding our high-impact assessment at the industry level, for brands, manufacturers and retailers.



#### The state of borrowing (e.g. Mortgage, rental, debt, interest rate, etc.)

Globally the cost of borrowing has remained substantially higher than the previous five years and though many remain hopeful that interest rates will ease in the back half of 2024, until that happens there remains a high prevailing impact on macro-economic and consumer spending. Industry players are still benefitting from inflated purchase prices, however, as volume growth continues to lag, the stable state of borrowing could quickly worsen for brands, manufacturers and retailers.



Source: NIQ Foresight assessment

# The compounding effect of inflation will pressure everyday survival, even amid deceleration

Commodity costs are forecasted to rise and this will hamper consumers and industry players who were already struggling

## Scenarios Scorecard of 2024 Consumer Pressure Points



### 2 Everyday Survival Consumers' search for everyday household essentials.



#### Overall Assessment

**High**  
Worsening

#### Commodity-driven costs (e.g. Fuel, transport, travel, commuting, electricity, etc.)

Off the back of climbing oil prices, all sectors associated with travel (from supply-chain, to airlines, tourism, auto industry and beyond) will experience additional cost pressures in 2024, much of which will be passed on to consumers. Fuel prices may be the most influential factor on everyday spending, as forecasted gas prices per litre are expected to be 8-12% higher in Q3 2024 compared to the year prior. The future remains unclear and nuanced related to public transportation, as many governments admit there are long-term challenges to infrastructure and costs to consider. Most are posturing to resist price increases unless absolutely necessary.

Macro-economic impact	Consumer impact	Industry impact
High	High	High

#### Household essentials (e.g. Food, grocery & Household goods)

Given forecasts for rising commodity-driven costs, and the volatility of extreme weather and geo-political crisis, there are various examples of household essentials that could be under more pressure in 2024. From shortages, to transport expenses, and everything in between, there remains a cumulative and compounding effect of added costs to consumer wallets. Average global CPI is expected to increase by 5.8% in 2024 according to IMF, and this is on top of historically high growth rates of the last 2 years (6.9% - 8.7%). While media may be quick to call out perceived "declines", inflation is merely decelerating, and manufacturers / brand owners should be weary to take big price hikes all at once given pressure from retailers (and consumers) to keep prices as low as possible in this environment where price pressure is felt across all areas of spending.

Macro-economic impact	Consumer impact	Industry impact
Mid	High	High

Source: NIQ Foresight assessment

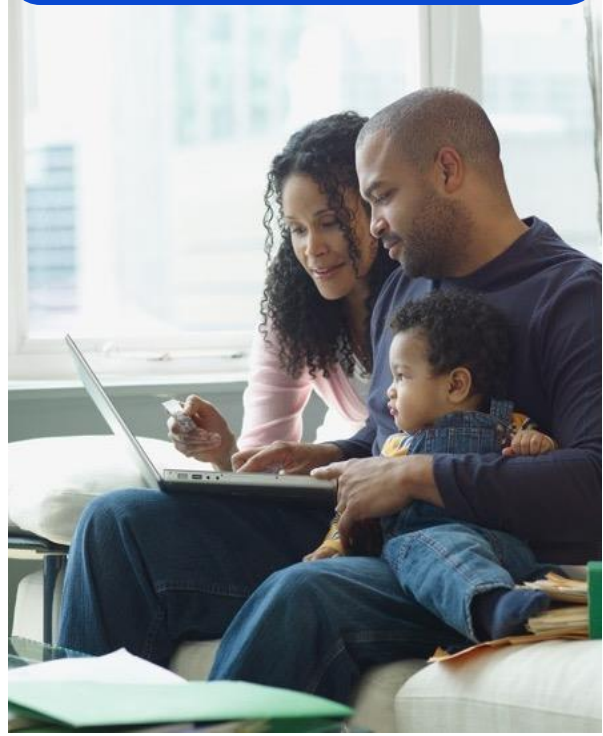
# Replacement cycles since pre-COVID may drive some small-scale resurgence in lifestyle spending

Consumers may choose to allocate some of their rebounding savings towards leisure and lifestyle needs they've put off for some time

## Scenarios Scorecard of 2024 Consumer Pressure Points



### 3 Life Satisfaction Consumers' interest in leisure & lifestyle beyond essentials.



**Overall Assessment**

**Mid-Low**  
Slightly improving

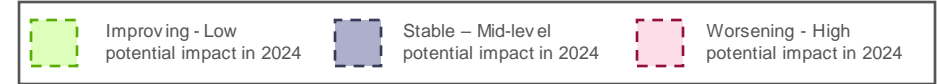
	Macro-economic impact	Consumer impact	Industry impact
<b>Leisure</b> (e.g. Entertainment, recreation, etc.)  Industry experts anticipate travel industry growth may recover to pre-COVID levels, as fares and accommodation costs are forecasted to climb. Some regions, like Asia, are exceptions here, where travel growth still lags behind 2019 activity. On top of the additional costs of living and inflation on essentials, households are also having to contend with higher costs for entertainment expenses. In-home streaming services like Netflix, Disney and HBO are all examples where big global players are having to raise their fees and pass additional cost onto consumers. Consumers will continue to juggle what forms of recreation and entertainment expenses they can fit into already squeezed household budgets.	Low	Mid	Mid

	Macro-economic impact	Consumer impact	Industry impact
<b>Household essentials</b> (e.g. Food, grocery & Household goods)  On the front of broader lifestyle expenses, including the broad scope of technology, durables, apparel, décor and more, this could be a more promising year compared to the last few. Despite compounding costs of living, some areas of lifestyle spending are becoming more imminent priorities as time since COVID-related disruptions goes on. Almost four years after the pandemic, replacement cycles will kick in, especially for faster-moving categories like smartphones and clothing. Add to the mix that major sporting events and elections will drive new outlooks on lifestyle spending, it makes sense that many anticipate at least some signs of optimism and resurgence in 2024.	Low	Mid	Low

Source: NIQ Foresight assessment

# 2024 Outlook at-a-glance:

Charting the future aligned to consumer solvency, survival and satisfaction



## Scenarios Scorecard of 2024 Consumer Pressure Points

<b>#1</b> <b>Financial Solvency</b>	<b>Outlook on financial inflows</b> (e.g. employment, income / wages)	<b>The state of borrowing</b> (e.g. Mortgage, rental, debt, interest rate, etc.)
	<b>Commodity-driven costs</b> (e.g. Petrol, transport, commuting, electricity, etc.)	<b>Household essentials</b> (e.g. Food, grocery & Household goods)
<b>#2</b> <b>Everyday Survival</b>	<b>Leisure</b> (e.g. Entertainment, Travel, recreation, etc.)	<b>Lifestyle</b> (e.g. Tech, durables, apparel, home décor, etc.)
	<b>Life Satisfaction</b>	

Macro-economic impact	Consumer impact	Industry impact	Overall Assessment
Low	Mid	High	Mid-High Slightly worsening
High	High	Mid	High Worsening
High	High	High	
Mid	High	High	Mid-Low Slightly improving
Low	Mid	Low	
Low	Mid	Mid	

Source: NIQ Foresight assessment

Note: This NIQ assessment follows a Delphi methodology of expert opinion and is driven by the NIQ original framework. The NIQ Global Thought leadership team have conducted and used desk based research, NIQ proprietary data and Macro-economic forecasts to give a point of view. The assessment is based on Global averages and recognizes ratings would need to be adjusted based on region, country or consumer type. The assessment is directional in nature and does not claim any degree of certainty.

## Evaluating core consumer pressure points of 2024 and beyond

### Pressure Points

### Assessment

### What to expect in 2024?

### Why?

**1 Financial Solvency**  
Consumers' ability to source monetary stability.

**Mid-High**  
Slightly worsening

**Heightened competition**  
Expect to grow by stealing share within your competitive set with less net-new demand as a growth driver

- Soft growth momentum seen in many markets headed into 2024
- Inflation long-haul still felt by consumers, income stagnation not helping lost consumer purchasing power

**2 Everyday Survival**  
Consumers' search for everyday household essentials.

**High**  
Worsening

**Volume sales slowdown**  
Expect trading down and trading out to continue as leading consumer savings strategies that challenge companies' profitability.

- Lower levels of inflation inevitably leads to lower retail dollar growth as price increases no longer make up for lost unit volume sales
- Consumers have lived with inflationary pressure for so long now that lasting habits are forming around spending more, for less volume of product

**3 Life Satisfaction**  
Consumers' interest in leisure & lifestyle beyond essentials.

**Mid-Low**  
Slightly improving

**Expanded price tiers**  
Expect heightened demand for emerging price tiers like affordable-premium, or super-discount, as financial polarization deepens

- Consumer values for specific product attributes remain strong, but emerging demands for diverse assortment of these options cannot be ignored
- Consumers are seeking to blend "affordability" with desires for proactive health, enticing innovations and authentically sustainable options

## Section 2: State of consumers & future intentions



How much pressure will consumer wallets be under in 2024?



How will consumers respond in 2024?

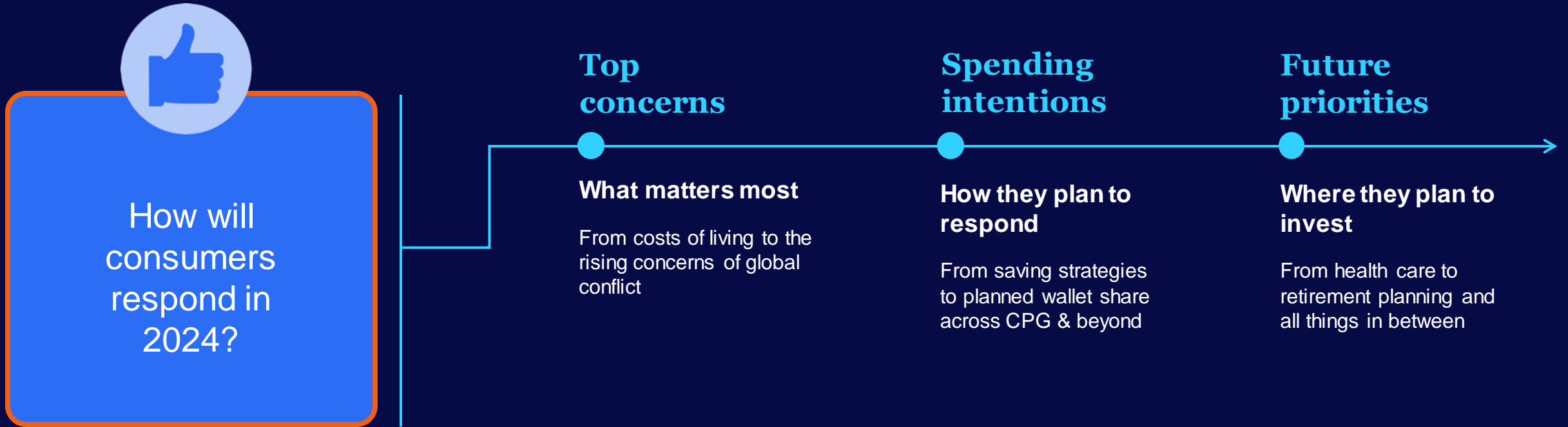


How do you find pockets of growth?



What does this mean for business leaders?

# Assessing the state of consumer sentiment & future intentions





Heading into 2024,

## The state of consumers is *pressured*

- **Consumers have been tested** in more ways than one over the past year and beyond.
- **Resilience** is emerging through change as consumers shift survival tactics into long-term behavioral shifts.
- This year, expect: continued polarization between the financially insulated and insecure and a renewed focus on planning for proactive health & retirement.

Resilient

Uneasy

Future focused



# Rising costs of living remain top of mind for consumers

Concerns about geo-political crisis climb to the forefront this year

## Top 10 concerns among APAC consumers

			Ranking change vs. Mid 2023
1	Increasing food prices	33%	== same
2	Economic downturn	22%	== same
3	Increasing utility bills eg electricity, gas, heating	17%	== same
4	Global warming / climate change/environment	14%	↑ was #5
5	Job security	12%	↓ was #4
6	Global conflict / Escalation of crisis / War	11%	↑ was #12
7	Self / Family welfare / happiness	10%	↑ was #10
8	COVID-19 (resurgence of known variants or threat of new variants)	10%	↓ was #6
9	Increased housing costs i.e. (i.e. rental rates, housing shortages, etc.)	10%	↓ was #7
10	Rising interest rates / Ability to service debt / financial commitments	9%	↓ was #8



Source: NIQ 2024 Consumer Outlook vs Mid-Year 2023 Survey, APAC

# Worries over global conflict mainly in driven by India, Indonesia and Singapore within APAC

Sustainability is also a top concern in India and Indonesia

## Top 10 concerns among APAC consumers

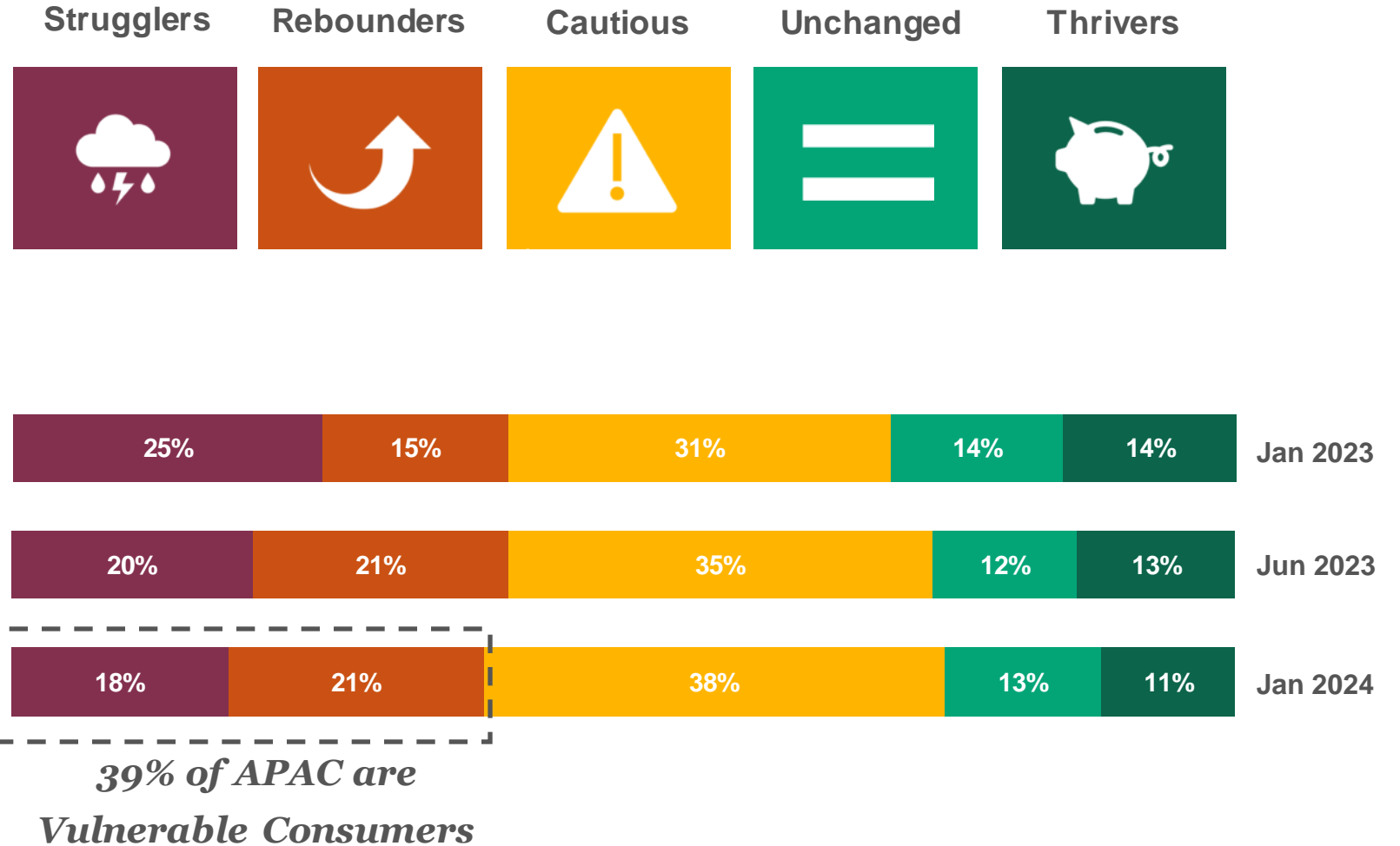
	Global	APAC	Australia	China	India	Indonesia	S. Korea	Singapore	Thailand
1	Increasing food prices	Increasing food prices	Increasing food prices	Economic downturn	Increasing food prices	Increasing food prices	Increasing food prices	Increasing food prices	Increasing utilitybills
2	Increasing utilitybills	Economic downturn	Increasing utilitybills	Increasing food prices	Global warming / climate change/environment	Economic downturn	Economic downturn	Economic downturn	Increasing food prices
3	Economic downturn	Increasing utilitybills	Increased housing costs (i.e. rental, housing shortages, etc.)	Job security	Job security	Global warming / climate change/environment	Increasing utilitybills	Increasing utilitybills	Economic downturn
4	Global conflict / Escalation of crisis / War	Global warming / climate change/environment	Rising interest rates / Ability to service debt / financial commitments	COVID-19 (resurgence or threat of new variants)	Self / Family welfare / happiness	Political unrest	Rising interest rates / Ability to service debt / financial commitments	Job security	Increasing transport prices
5	Global warming / climate change/environment	Job security	Increasing transport prices	Other health threats / issues (non-COVID related)	Global conflict / Escalation of crisis / War	Global conflict / Escalation of crisis / War	Self / Family welfare / happiness	Global conflict / Escalation of crisis / War	Rising interest rates / Ability to service debt / financial commitments
6	Increased housing costs (i.e. rental, housing shortages, etc.)	Global conflict / Escalation of crisis / War	Global warming / climate change/environment	None of the above, I have no concerns	Increasing utilitybills	COVID-19 (resurgence or threat of new variants)	Job security	Increased housing costs (i.e. rental, housing shortages, etc.)	Global warming / climate change/environment
7	Self / Family welfare / happiness	Self / Family welfare / happiness	Economic downturn	Global warming / climate change/environment	Increased housing costs (i.e. rental, housing shortages, etc.)	Ability to provide basics (food/shelter) for myself/family	Other health threats / issues (non-COVID related)	Global warming / climate change/environment	Job security
8	Ability to provide basics (food/shelter) for myself/family	COVID-19 (resurgence or threat of new variants)	Global conflict / Escalation of crisis / War	Self / Family welfare / happiness	Increasing transport prices	Increasing transport prices	Global warming / climate change/environment	Rising interest rates / Ability to service debt / financial commitments	COVID-19 (resurgence or threat of new variants)
9	Job security	Increased housing costs (i.e. rental, housing shortages, etc.)	Ability to provide basics (food/shelter) for myself/family	Increasing utilitybills	Economic downturn	Increasing utilitybills	Ability to provide basics (food/shelter) for myself/family	COVID-19 (resurgence or threat of new variants)	Global conflict / Escalation of crisis / War
10	Increasing transport prices	Rising interest rates / Ability to service debt / financial commitments	COVID-19 (resurgence or threat of new variants)	Increased housing costs (i.e. rental, housing shortages, etc.)	Risk of crime (including cyber/physical)	Risk of crime (including cyber/physical)	Increased housing costs (i.e. rental, housing shortages, etc.)	Self / Family welfare / happiness	Ability to provide basics (food/shelter) for myself/family

Source: NIQ 2024 Consumer Outlook vs Mid-Year 2023 Survey, APAC

# Steady and polarized

The cautious middle of global consumers persists – but **continued polarization** as the most affluent rise and the **most** vulnerable show signs of rebound

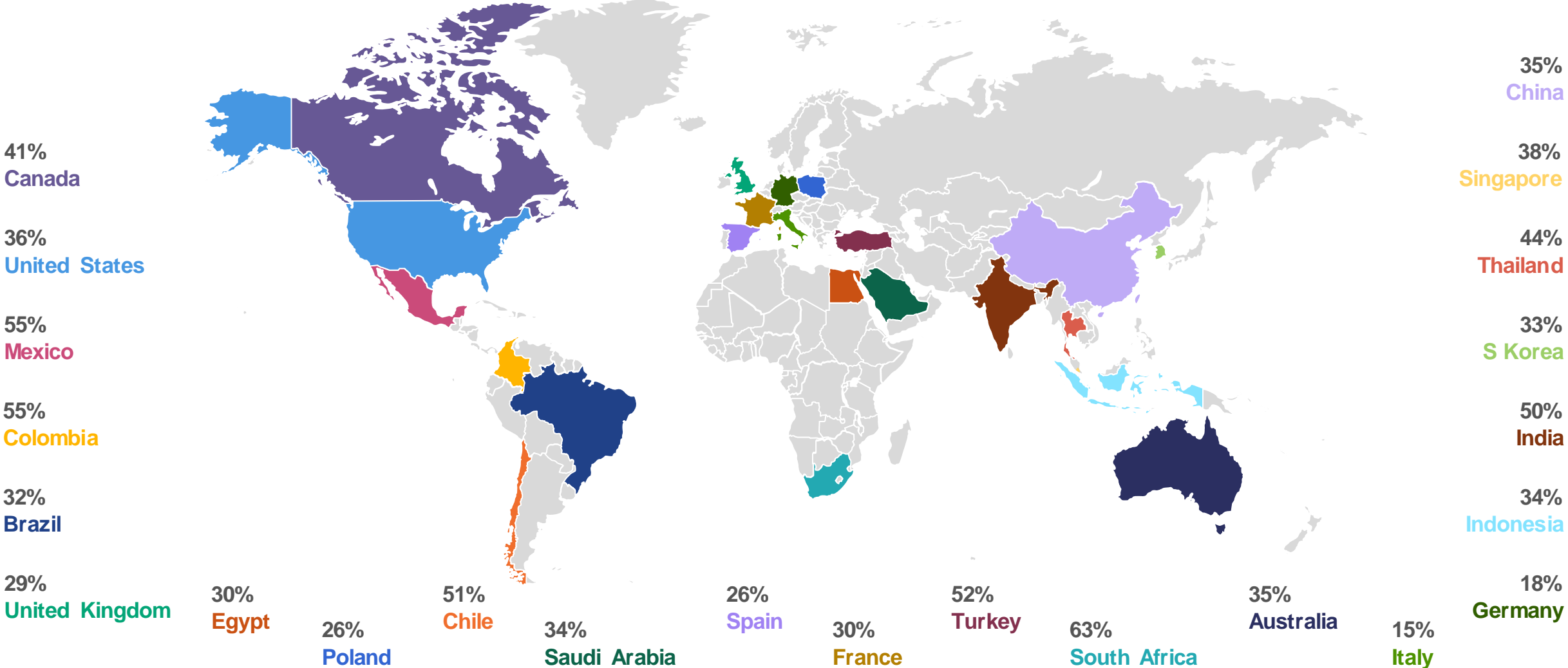
## Playing the field of financially polarized consumer groups *The APAC Economic Divide - Tracking financial situations and responses*



Source: NIQ 2024 Consumer Outlook vs. 2023 Mid-Year Outlook vs. January 2023 Consumer Outlook vs. 2022 Mid-Year Outlook, APAC

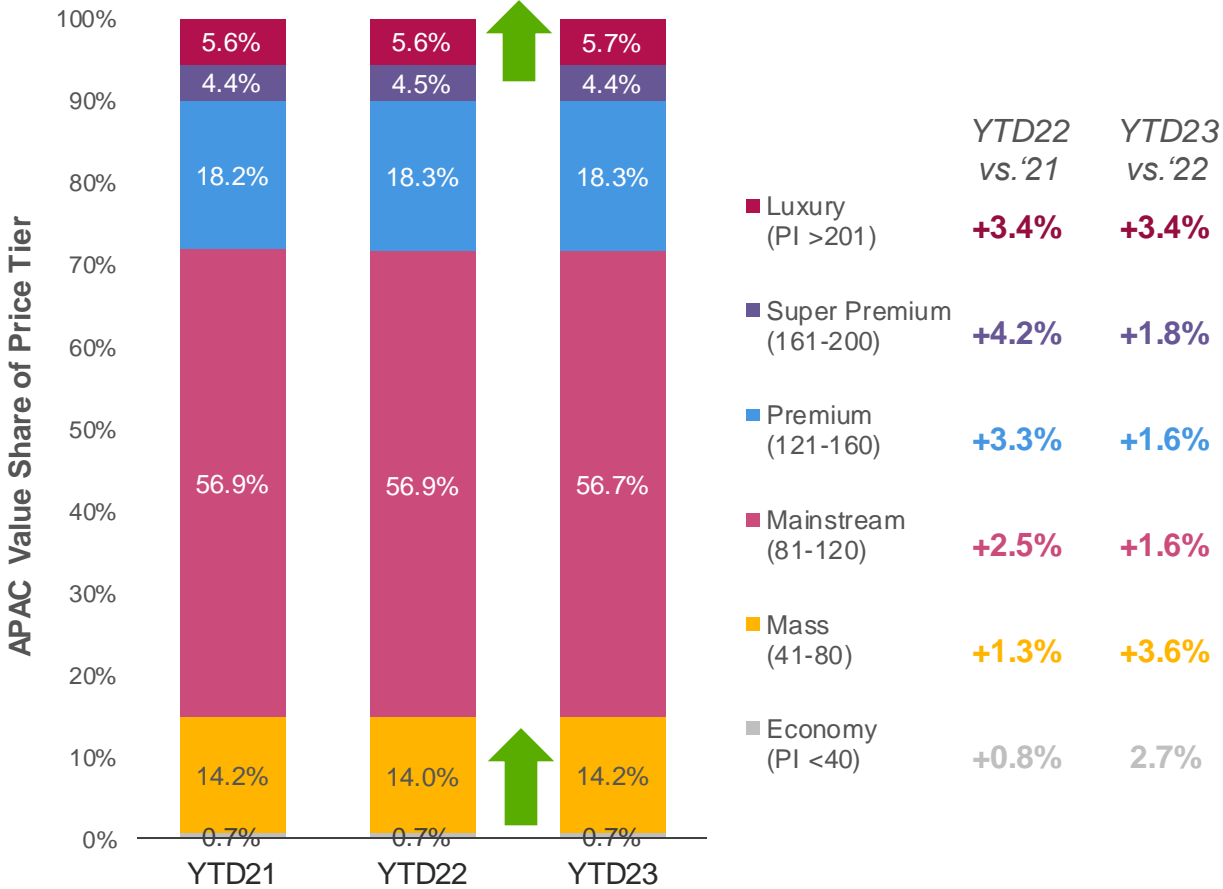
# % Vulnerable Consumers around the Globe

Global 38%



Source: NIQ Consumer Outlook 2024

# Polarizing dynamics highlights the need to innovate for both thrivers and strugglers

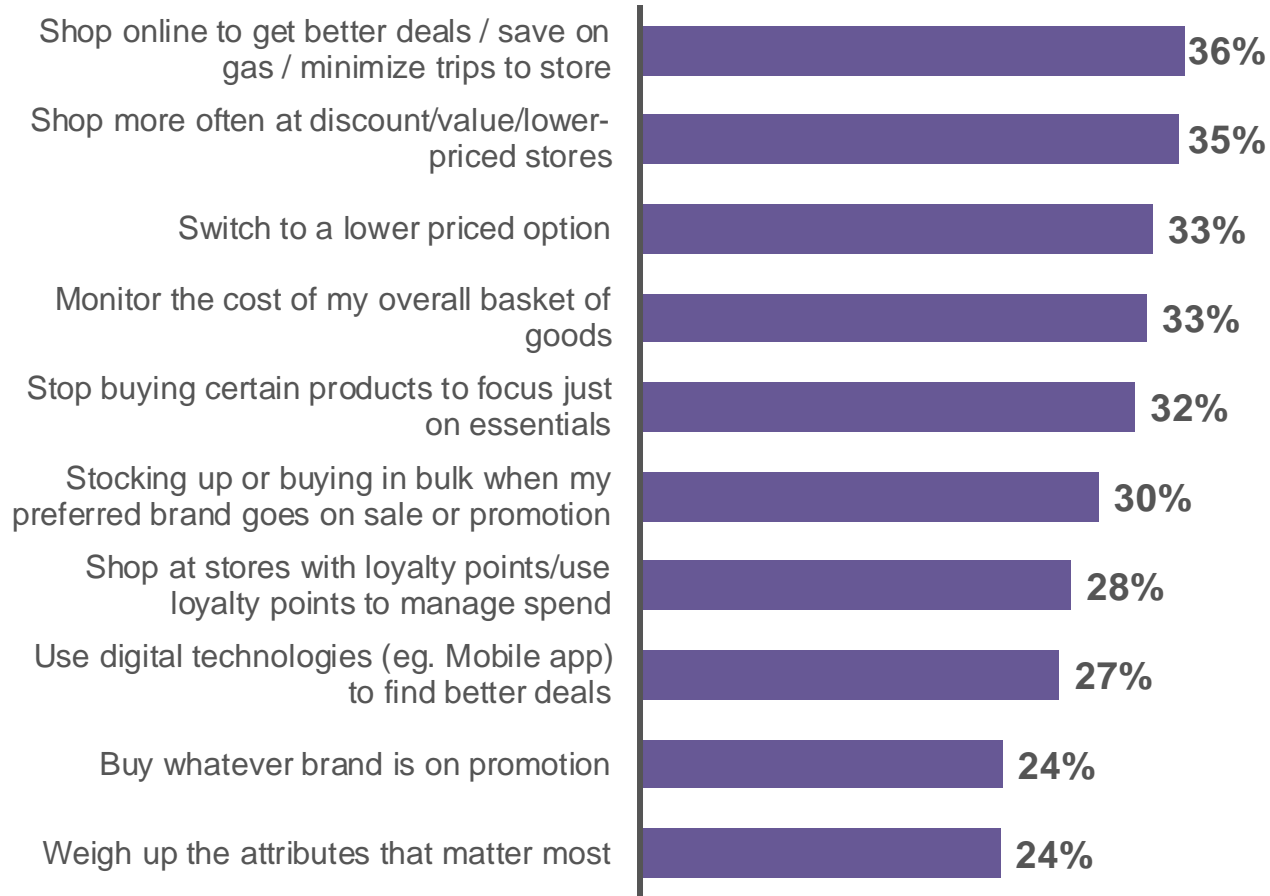


<b>Luxury</b>	Alcohol +17% Pet +13% OTC & Health supplements +7%
<b>Super Premium</b>	Frozen +6% Laundry + 17% Snacks & Confectionery +11%
<b>Premium</b>	Beverages 12%
<b>Mainstream</b>	OTC & Health supplements +7%
<b>Mass</b>	Household +6% Pet +13%
<b>Economy</b>	Tobacco +44% Dairy & Bakery +38% Packaged Food +6%

PI = Price Index (Brand to the Category)  
 Source: NIQ RMS data to September 2023

# APAC Consumers have adopted a range of strategies to manage their FMCG spending

## Top 10 consumer saving strategies for FMCG – APAC



**94%**  
of APAC consumers  
have changed how they  
have shopped for FMCG  
in order to manage  
expenses

**4.4**  
Average # of saving  
strategies per APAC  
shopper

Source: NIQ 2024 Consumer Outlook, APAC

# Shopping online to save is top in China, India, South Korea and Thailand

## Top 10 consumer saving strategies for FMCG – APAC

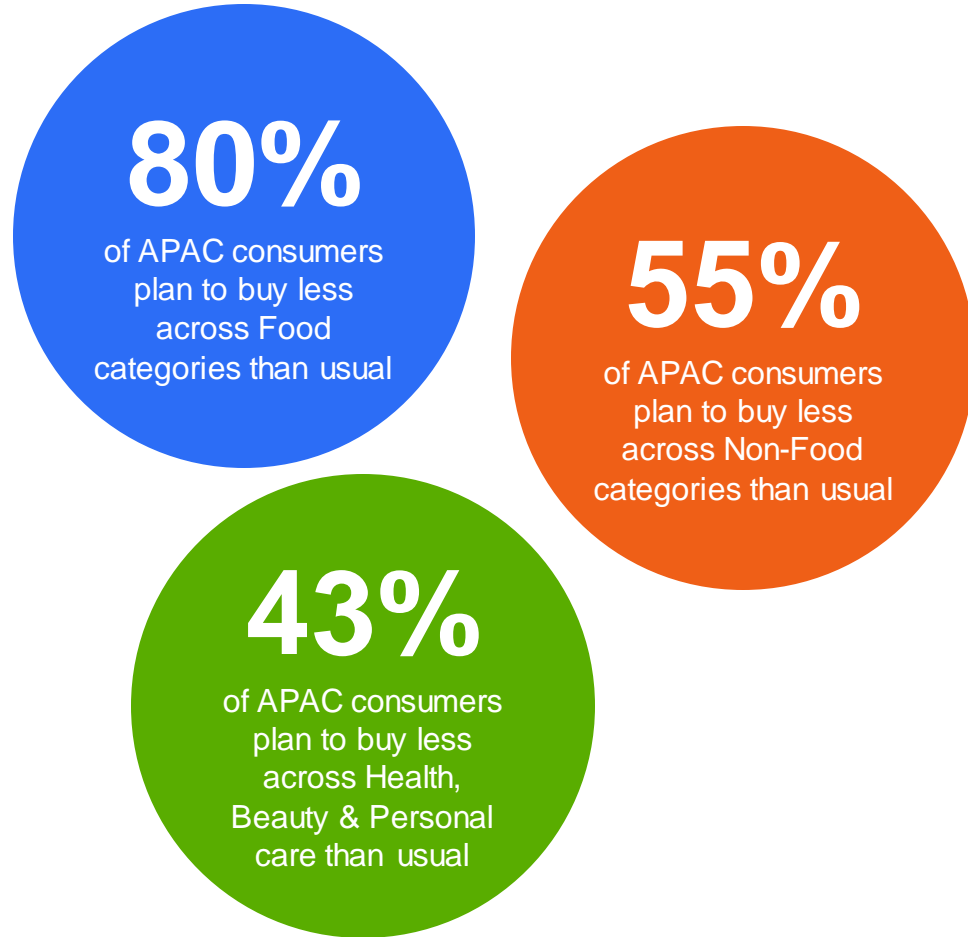
	Global	APAC	Australia	China	India	Indonesia	S. Korea	Singapore	Thailand
1	Switch to lower priced option	Shop online to get better deals	Switch to lower priced option	Shop online to get better deals	Shop online to get better deals	Monitor the cost of my overall basket of goods	Shop online to get better deals	Switch to lower priced option	Shop online to get better deals
2	Shop more often at discount/value/lower-priced stores	Shop more often at discount/value/lower-priced stores	Stocking up or buy in bulk when preferred brand is on promotion	Stocking up or buy in bulk when preferred brand is on promotion	Use digital technologies (eg. Mobile app) to find better deals	Shop online to get better deals	Shop more often at discount/value/lower-priced stores	Shop more often at discount/value/lower-priced stores	Stop buying certain products to focus just on essentials
3	Buy whatever brand is on promotion	Switch to lower priced option	Buy whatever brand is on promotion	Weigh up the attributes that matter most	Shop more often at discount/value/lower-priced stores	Switch to lower priced option	Switch to lower priced option	Buy whatever brand is on promotion	Shop more often at discount/value/lower-priced stores
4	Stop buying certain products to focus just on essentials	Monitor the cost of my overall basket of goods	Monitor the cost of my overall basket of goods	Shop more often at discount/value/lower-priced stores	Monitor the cost of my overall basket of goods	Stop buying certain products to focus just on essentials	Shop at stores with loyalty points	Shop at stores with loyalty points	Weigh up the attributes that matter most
5	Monitor the cost of my overall basket of goods	Stop buying certain products to focus just on essentials	Shop at stores with loyalty points	Monitor the cost of my overall basket of goods	Stop buying certain products to focus just on essentials	Shop more often at discount/value/lower-priced stores	Buy whatever brand is on promotion	Shop online to get better deals	Switch to lower priced option
6	Stocking up or buy in bulk when preferred brand is on promotion	Stocking up or buy in bulk when preferred brand is on promotion	Stop buying certain products to focus just on essentials	Use digital technologies (eg. Mobile app) to find better deals	Shop at stores with loyalty points	Use digital technologies (eg. Mobile app) to find better deals	Stocking up or buy in bulk when preferred brand is on promotion	Stocking up or buy in bulk when preferred brand is on promotion	Shop at stores with loyalty points
7	Shop at stores with loyalty points	Shop at stores with loyalty points	Shop more often at discount/value/lower-priced stores	Stop buying certain products to focus just on essentials	Stocking up or buy in bulk when preferred brand is on promotion	Stocking up or buy in bulk when preferred brand is on promotion	Substitute or trade-out for a lower priced alternative (eg. A different cut of meat)	Stop buying certain products to focus just on essentials	Buy whatever brand is on promotion
8	Shop online to get better deals	Use digital technologies (eg. Mobile app) to find better deals	Opt for private label/store brands	Shop at stores with loyalty points	Buy larger sizes	Buy whatever brand is on promotion	Stop buying certain products to focus just on essentials	Monitor the cost of my overall basket of goods	Use digital technologies (eg. Mobile app) to find better deals
9	Substitute or trade-out for a lower priced alternative (eg. A different cut of meat)	Buy whatever brand is on promotion	Substitute or trade-out for a lower priced alternative (eg. A different cut of meat)	Buy whatever brand is on promotion	Only changed brands if the price of my preferred brand increases	Shop at stores with loyalty points	Monitor the cost of my overall basket of goods	Use digital technologies (eg. Mobile app) to find better deals	Monitor the cost of my overall basket of goods
10	Use digital technologies (eg. Mobile app) to find better deals	Weigh up the attributes that matter most	Buy larger sizes	Buy larger sizes	Switch to lower priced option	Substitute or trade-out for a lower priced alternative (eg. A different cut of meat)	Use digital technologies (eg. Mobile app) to find better deals	Only changed brands if the price of my preferred brand increases	Stocking up or buy in bulk when preferred brand is on promotion

Source: NIQ 2024 Consumer Outlook, APAC



# “Less is more” – Prevalent consumer behaviours and attitudes impacting global volume growth

*If prices continue to rise / remain high...*



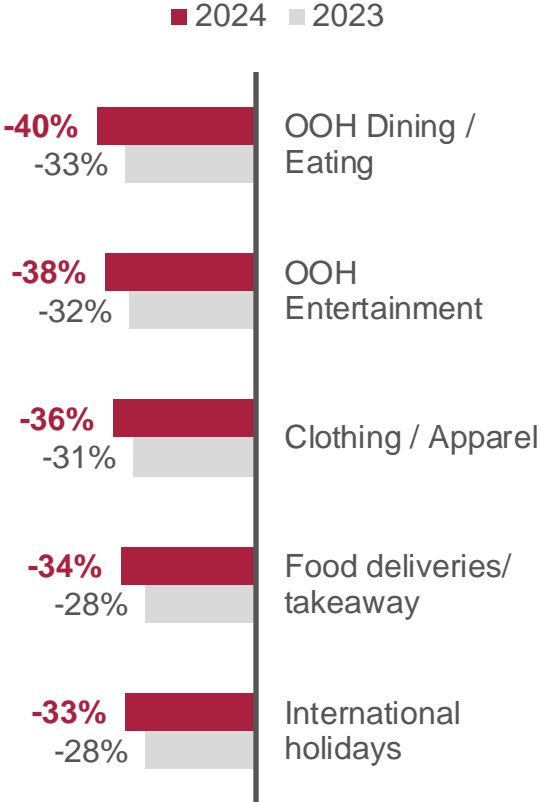
- 50% Only buy what they need
- 32% Only have enough money for essentials
- 23% Eating leftovers more often
- 18% Buying smaller sizes to save money
- 16% Are skipping meals
- 14% rely on food banks / charity

Source: NIQ 2024 Consumer Outlook, APAC

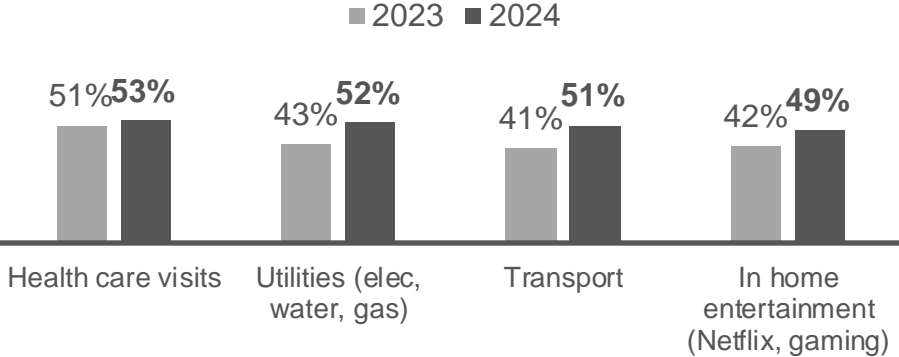
# Wallet shifts favor spending more on life essentials

Survival instincts reign supreme, but in some cases, fewer consumers intend to cut back on discretionary categories than in 2023 (e.g., Clothing / Apparel)

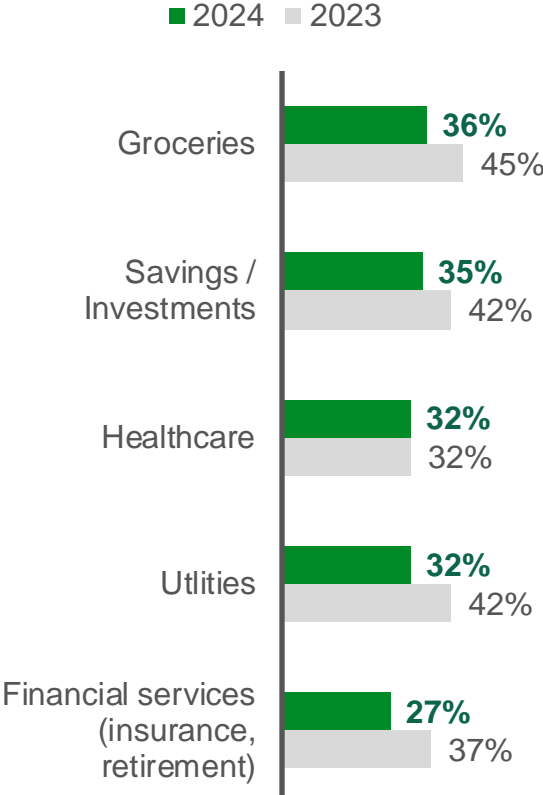
## Spending less



## Same as before



## Spending more

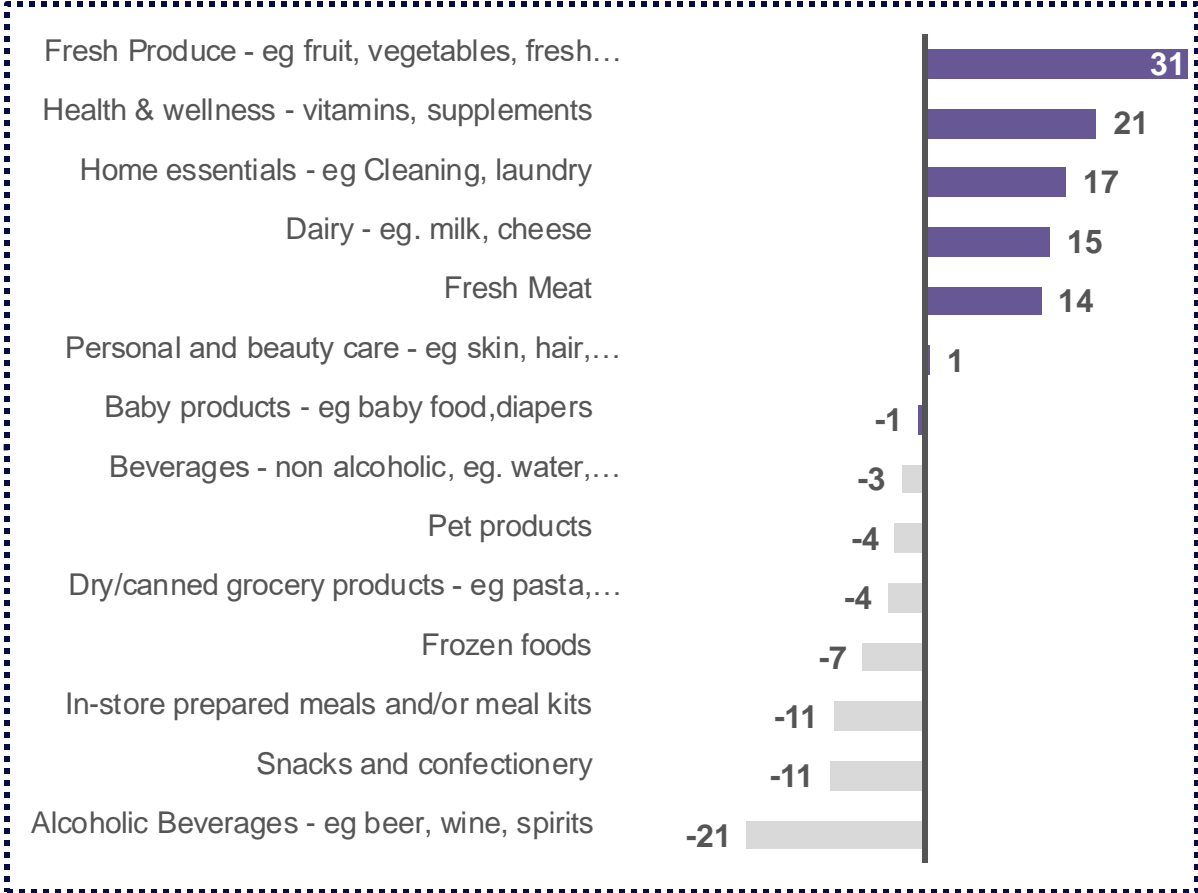
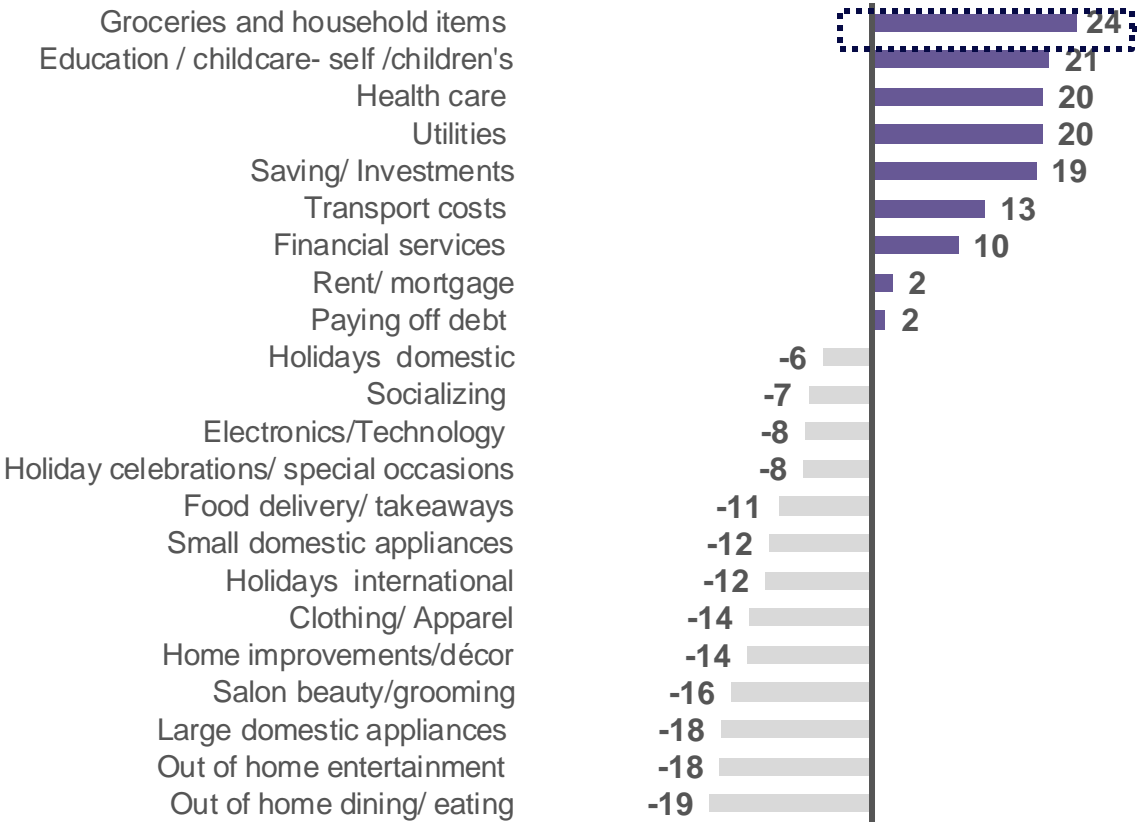


\* = comparison data from mid-2023, instead of Jan 2023  
 Source: NIQ Consumer Outlook 2024, compared to metrics from 2023 study (or, Mid-year 2023 w here required), APAC  
 Interpreted as: "42% of global respondents plan to spend less on Out-of-home (OOH) Dining and Eating in the next 12 months, compared to 44% who said the same back in 2023."

# Discretionary spending remains under APAC consumers' scrutiny

FMCG retains essential positioning among consumers, particularly fresh foods and wellness products

## APAC Spending intentions for next 12 months net change in spending (pt. change)



Source: NIQ Consumer Outlook 2024, APAC  
Change in spending calculated by subtracting % of respondents who are spending less from % of respondents who are spending more

## Section 3: Finding pockets of growth



How much pressure will consumer wallets be under in 2024?



How will consumers respond in 2024?



How do you find pockets of growth?



What does this mean for business leaders?

# Finding pockets of growth amidst consumer scrutiny



How do you find pockets of growth?

## Momentous moments

Growth from a year with far more societal events scheduled than before

## Redefined consumer values

Growth from the emergence of new consumer need states and value systems

## 'Better for' health evolution

Growth from the resurgence and diversification of health attribution

## Innovation as a catalyst

Growth from continuous investment in innovation to combat volumetric slowdown

## Price Tier shifts

Growth from an expanded focus on value channels, value across price tiers and value consumption

## Dynamic channels

Growth from dynamic emerging sources: discounters, traditional trade & socially connected online avenues

# But first, the global backdrop – what societal events are top of mind for consumers in 2024?



Starting with Taiwan in January and running through the US presidential election in November, the year will bring 40 national elections



COMMENTARY / GLOBAL 01 JANUARY 2024 20+ MINUTES

## 10 Conflicts to Watch in 2024

More leaders are pursuing their ends militarily. More believe they can get away with it.

Conflicts in Ukraine, Gaza and Sudan are accompanied by hotspots in Middle East, South China sea, Ethiopia and Azerbaijan will continue to make headlines



Argentina, Egypt, Ethiopia, Iran, Saudi Arabia and the United Arab Emirates have all been invited to become members of BRICS., prompting new alliances and tensions



An extra three million people are expected in Paris for the Olympic Games in 2024 increasing tourism spending by up to \$4 billion



UEFA European Championships in June and July attracts a cumulative audience of over 5 Billion

# Changing tides: Costs of living and ways of working



## Singapore ranks as joint world's most expensive city

Singapore maintains its top ranking for the 9<sup>th</sup> time in the last 11 years, tying with Zurich, overtaking New York (which ranks third overall)

[Read more >>](#)



## Parents are employing their children as care givers

Chinese youth unemployment reached record highs in 2023 that some parents are paying their adult kids to be 'full-time children'

[Read more >>](#)



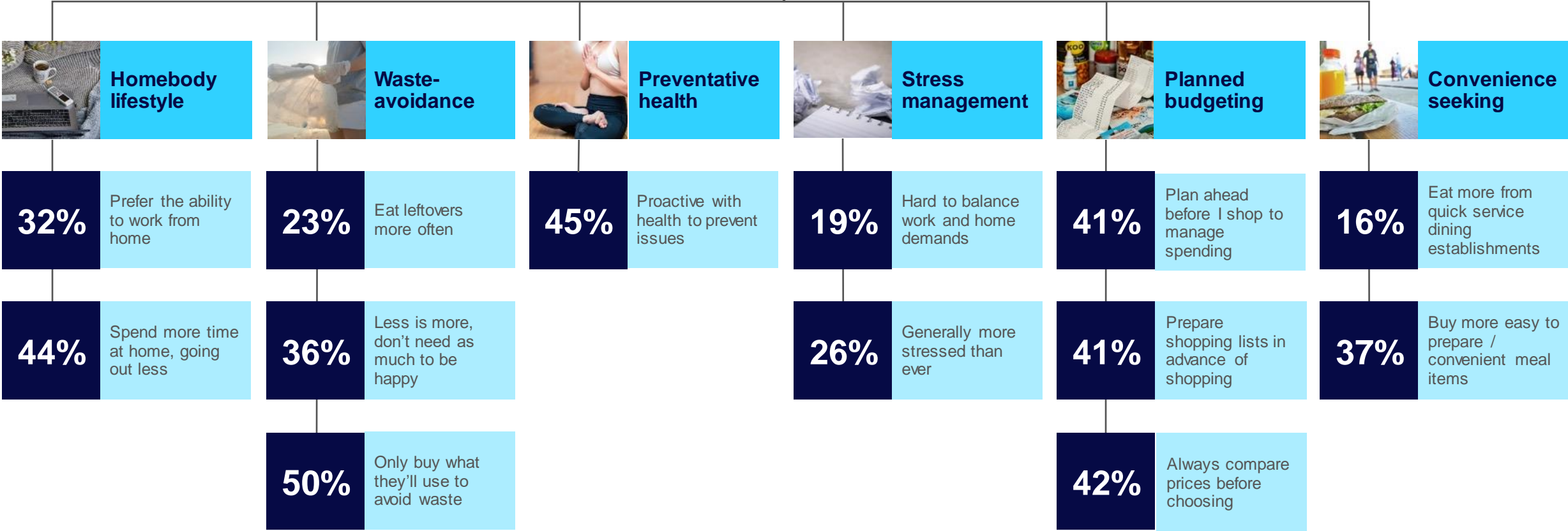
## Gen Z side hustlers carve a niche for themselves amid tough APAC job market

Some have turned to using their side jobs to keep their passion alive while ensuring they can bring in a stable income from their main employment.

[Read more >>](#)

# Pressured APAC consumers have morphed their ways of working and living

Expect a year of redefined consumer *values*



Source: NIQ Consumer Outlook 2024, APAC



# APAC Consumers are developing new habits and are calculated in their approach to shopping

## APAC shopping values and habits over the past year. % who agree

### Where

**32%** The amount of offers and good deals determines where I do my shopping

**29%** I make most of my decisions on what to buy in store

**25%** I do most of my everyday shopping online

**22%** I shop around at different stores for groceries more now than year ago

**18%** I have shopped via social media channels

### How

**42%** I always compare prices between different brands before choosing

**41%** I plan ahead before I go shopping to manage my spending

**41%** I typically prepare a shopping list in advance of shopping

**22%** I use my phone in store to help make purchase decisions

### What

**32%** Lower prices can persuade me to buy something other than my usual brand

**23%** I am more brand loyal buying the same brands I am already familiar with

**19%** I buy a greater variety of brands than ever before

Source: NIQ 2024 Consumer Outlook, APAC

## Growing around ‘*The Big Squeeze*’

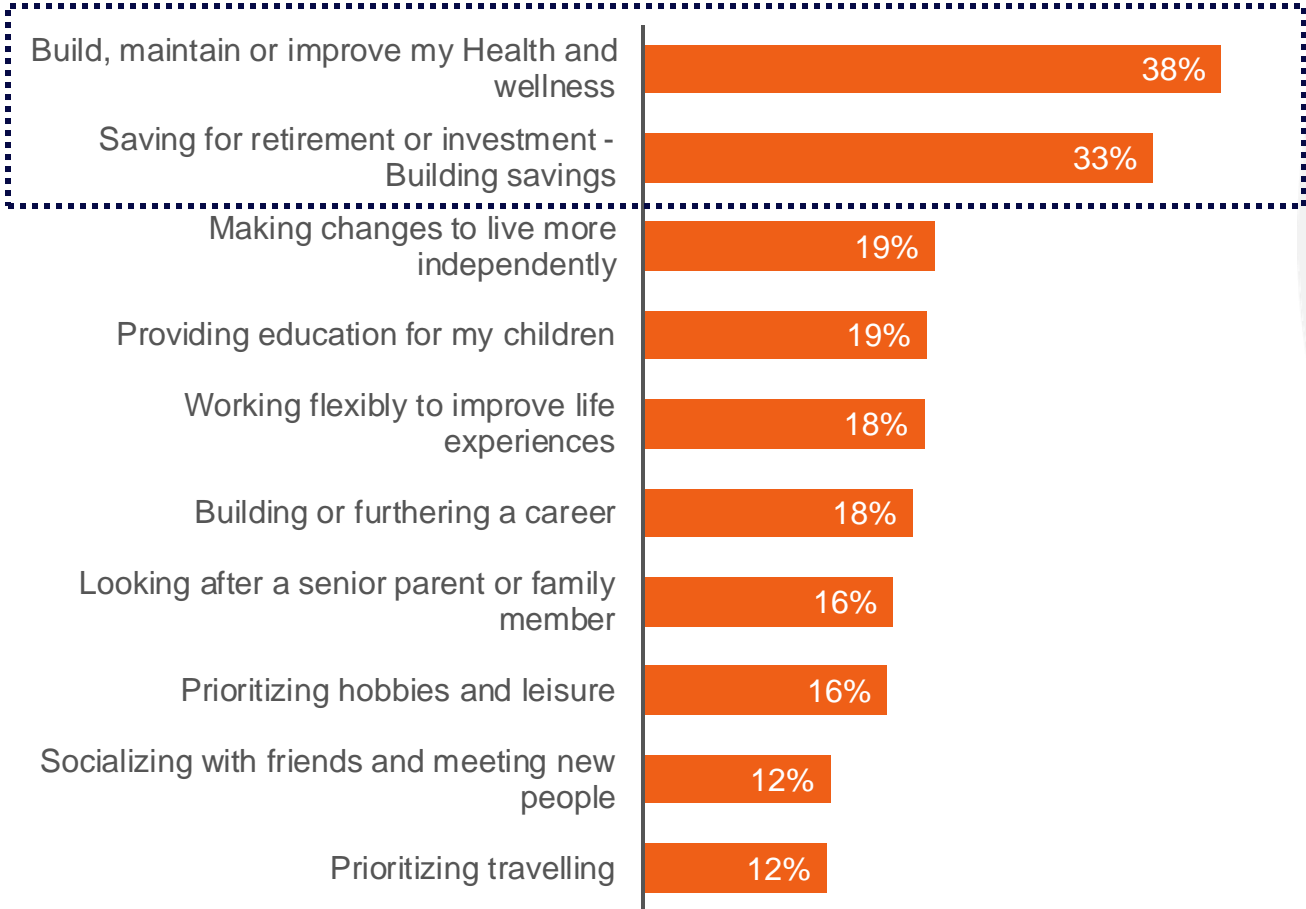
With pressures felt from multiple angles, **consumers are pivoting** around emerging challenges to get by. These maneuvers create **green shoots of opportunity** that companies can harness to weather the storms ahead.

Although there is an expectation the challenging consumer environment will persist, there have been **pockets of growth** across the last few years that highlight winning strategies.

Let’s review them...

# Healthy living and building for retirement are the top life priorities influencing consumers

## Top 10 influencers on consumers - APAC



Source: NIQ 2024 Consumer Outlook, APAC, Top 3 priorities of consumers

# Consumers are planning for their future, either through their health or wealth

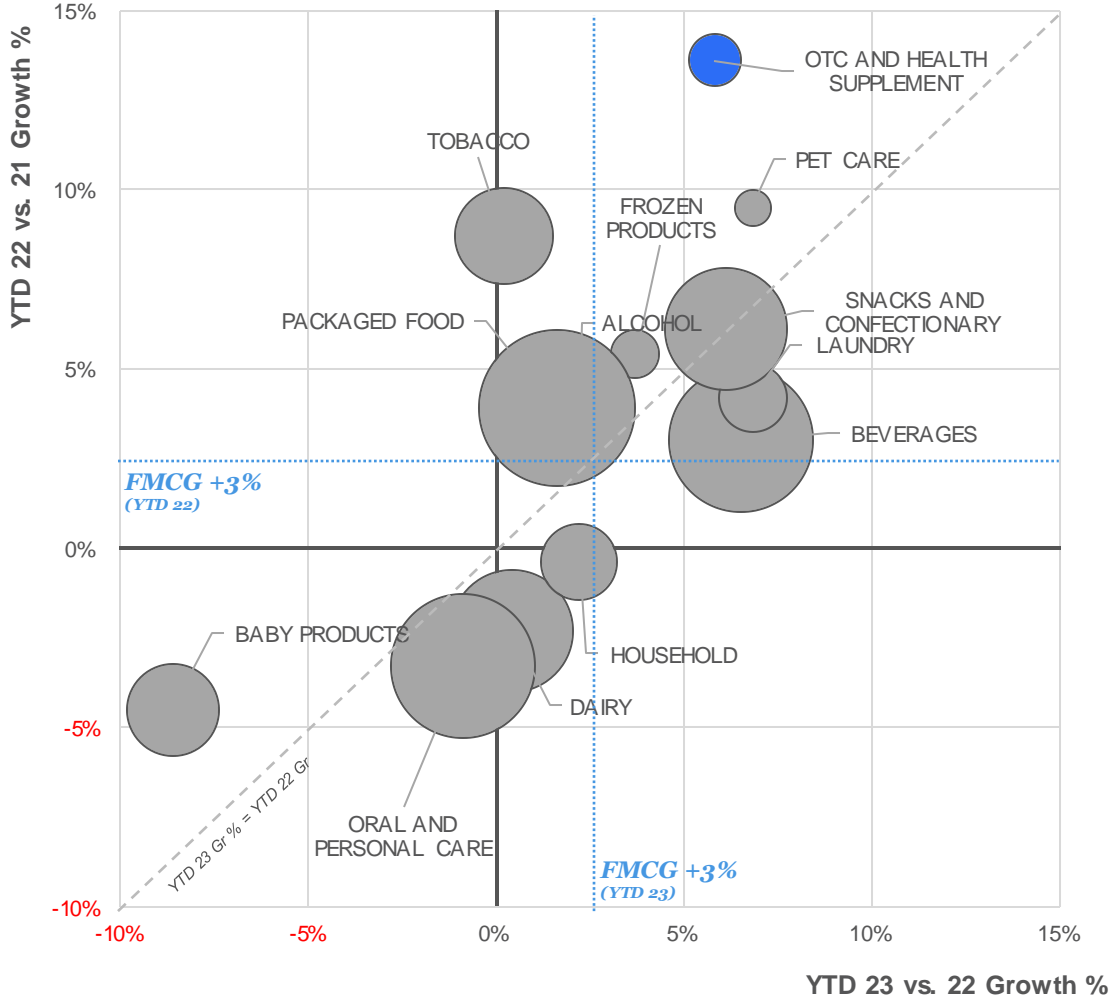
## Top 10 influencers on consumers - APAC

	Global	APAC	Australia	China	India	Indonesia	S. Korea	Singapore	Thailand
1	Build, maintain or improve my Health and wellness	Build, maintain or improve my Health and wellness	Build, maintain or improve my Health and wellness	Build, maintain or improve my Health and wellness	Build, maintain or improve my Health and wellness	Saving for retirement or investment - Building savings	Build, maintain or improve my Health and wellness	Saving for retirement or investment - Building savings	Build, maintain or improve my Health and wellness
2	Saving for retirement or investment - Building savings	Saving for retirement or investment - Building savings	Saving for retirement or investment - Building savings	Saving for retirement or investment - Building savings	Saving for retirement or investment - Building savings	Build, maintain or improve my Health and wellness	Saving for retirement or investment - Building savings	Build, maintain or improve my Health and wellness	Saving for retirement or investment - Building savings
3	Providing education for my children	Making changes to live more independently	Prioritizing hobbies and leisure	Prioritizing hobbies and leisure	Working flexibly to improve life experiences	Providing education for my children	Growing your family	Working flexibly to improve life experiences	Looking after a senior parent or family member
4	Working flexibly to improve life experiences	Providing education for my children	Socializing with friends and meeting new people	Providing education for my children	Providing education for my children	Working flexibly to improve life experiences	Prioritizing hobbies and leisure	Making changes to live more independently	Making changes to live more independently
5	Making changes to live more independently	Working flexibly to improve life experiences	Prioritizing travelling	Looking after a senior parent or family member	Making changes to live more independently	Making changes to live more independently	Working flexibly to improve life experiences	Prioritizing travelling	Building or furthering a career
6	Prioritizing hobbies and leisure	Building or furthering a career	Working flexibly to improve life experiences	Making changes to live more independently	Helping people in my community	Building or furthering a career	Building or furthering a career	Prioritizing hobbies and leisure	Prioritizing hobbies and leisure
7	Building or furthering a career	Looking after a senior parent or family member	Providing education for my children	Building or furthering a career	Growing your family	Socializing with friends and meeting new people	Making changes to live more independently	Looking after a senior parent or family member	Growing your family
8	Socializing with friends and meeting new people	Prioritizing hobbies and leisure	Continuing to support my adult children	Prioritizing travelling	Building or furthering a career	Looking after a senior parent or family member	Looking after a senior parent or family member	Providing education for my children	Working flexibly to improve life experiences
9	Prioritizing travelling	Socializing with friends and meeting new people	Making changes to live more independently	Socializing with friends and meeting new people	Looking after a senior parent or family member	Continuing to support my adult children	Prioritizing travelling	Building or furthering a career	Providing education for my children
10	Looking after a senior parent or family member	Prioritizing travelling	Living alone	Working flexibly to improve life experiences	Socializing with friends and meeting new people	Helping people in my community	Buying a home	Retiring from work	Living alone

Source: NIQ 2024 Consumer Outlook, APAC, Top 3 priorities of consumers

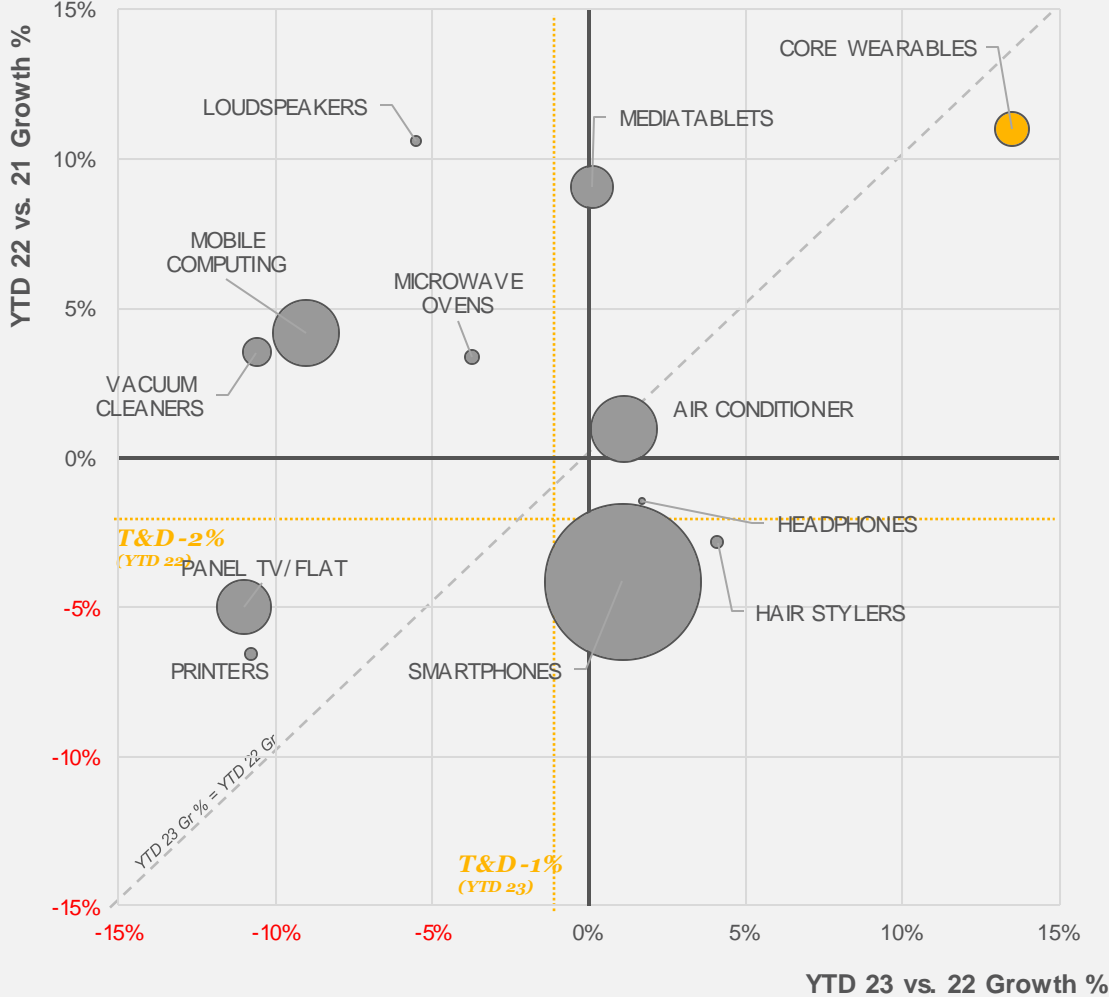
# Consumer Health continues to outperform whether it be FMCG or Tech and Durables

APAC FMCG Super-Category Contribution and Value Growth Performance



Source: NIQ RMS data to September 2023

APAC Key T&D Categories Contribution and Value Growth Performance



Source: GfK POS Panel data to June 2023

# Health needs are evolving and offer holistic opportunities for growth in APAC

Examples of FMCG and T&D health trends



## Evolving Health Needs

Adult Diapers +33% in Malaysia  
Adult Special Nutritional Drinks +24% in Singapore  
Anti-Hangover supplements +138% in Hong Kong



## Healthy Hydration

Flavoured Water +207% in Hong Kong  
Non-alcoholic beer +44% in Malaysia  
Sports drinks +18% in New Zealand



## Asian Expertise

Birds nest +22% in Thailand  
Seaweed +29% in Vietnam



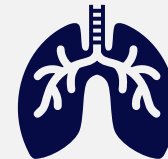
## Doctor on the Wrist

Blood O2 Feature +20% in China  
ECG Feature +40% in Indonesia  
Blood Pressure Measurement +35% in Malaysia



## Hygiene hits Home

Vacuum Cleaners +14% in Singapore



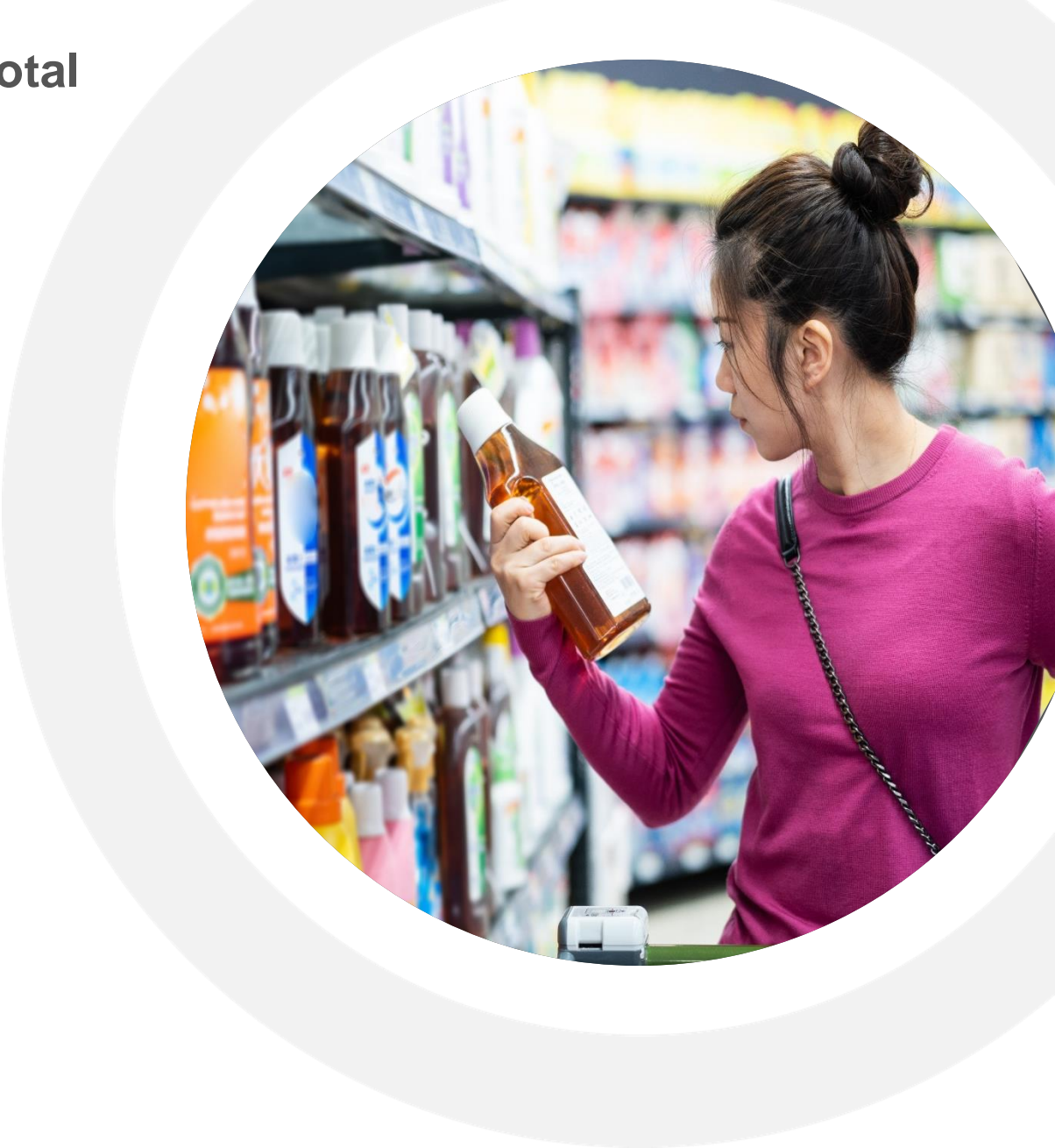
## Enhancing Respiratory Health

Air Purifiers +122% in Thailand

Source: NIQ data to September 2023

# Consumers are willing to try products focused on total wellness of body, mind and planet

## Willingness to try different options - APAC



Source: NIQ 2024 Consumer Outlook, APAC

# Opportunities to innovate holistically to capture the APAC consumers' needs

## Willingness to try different options - APAC







	Global	APAC	Australia	China	India	Indonesia	S. Korea	Singapore	Thailand
1	Choose a product because it is better for your health	Choose a product because it is better for your health	Choose a product because it is better for your health	Choose a product because it is better for your health	Trial a new product that has been designed to assist with my health and wellness goals	Choose a product because it is better for your health	Choose a product because it is better for your health	Choose a product because it is better for your health	Choose a product because it is better for your health
2	Start, maintain, or increase mental wellness practices or take products that help with relaxation and anti-stress	Start, maintain, or increase mental wellness practices or take products that help with relaxation and anti-stress	Start, maintain, or increase mental wellness practices or take products that help with relaxation and anti-stress	Trial a new product that has been designed to assist with my health and wellness goals	Start, maintain, or increase mental wellness practices or take products that help with relaxation and anti-stress	Start or increase vitamins and supplements to help your energy levels or general wellbeing	Start, maintain, or increase mental wellness practices or take products that help with relaxation and anti-stress	Start, maintain, or increase mental wellness practices or take products that help with relaxation and anti-stress	Trial a new product that has been designed to assist with my health and wellness goals
3	Trial a new product that has been designed to assist with my health and wellness goals	Trial a new product that has been designed to assist with my health and wellness goals	Trial a new product that has been designed to assist with my health and wellness goals	Start or increase vitamins and supplements to help your energy levels or general wellbeing	Start or increase vitamins and supplements to help your energy levels or general wellbeing	Start, maintain, or increase mental wellness practices or take products that help with relaxation and anti-stress	Choose a product because it helps with weight management or weight loss	Start or increase vitamins and supplements to help your energy levels or general wellbeing	Start or increase vitamins and supplements to help your energy levels or general wellbeing
4	Start or increase vitamins and supplements to help your energy levels or general wellbeing	Start or increase vitamins and supplements to help your energy levels or general wellbeing	Start or increase vitamins and supplements to help your energy levels or general wellbeing	Start, maintain, or increase mental wellness practices or take products that help with relaxation and anti-stress	Choose a product because it is better for your health	Choose a product or service because it has sustainable credentials	Start or increase vitamins and supplements to help your energy levels or general wellbeing	Trial a new product that has been designed to assist with my health and wellness goals	Start, maintain, or increase mental wellness practices or take products that help with relaxation and anti-stress
5	Choose a product or service because it has sustainable credentials	Choose a product or service because it has sustainable credentials	Purchase a product that helps me or a family member to sleep	Choose a product or service because it has sustainable credentials	Choose a product because it helps with weight management or weight loss	Trial a new product that has been designed to assist with my health and wellness goals	Choose a product or service because it has sustainable credentials	Choose a product or service because it has sustainable credentials	Choose a product or service because it has sustainable credentials
6	Purchase a product that helps me or a family member to sleep	Choose a product because it helps with weight management or weight loss	Choose a product because it helps with weight management or weight loss	Purchase a product that helps me or a family member to sleep	Choose a product or service because it has sustainable credentials	Choose a product because it helps with weight management or weight loss	Purchase a product that helps me or a family member to sleep	Choose a product because it helps with weight management or weight loss	Purchase a product that helps me or a family member to sleep
7	Choose a product because it helps with weight management or weight loss	Purchase a product that helps me or a family member to sleep	Choose a product or service because it has sustainable credentials	Choose a product because it helps with weight management or weight loss	Purchase a product that helps me or a family member to sleep	Purchase a product that helps me or a family member to sleep	Trial a new product that has been designed to assist with my health and wellness goals	Purchase a product that helps me or a family member to sleep	Choose a product because it helps with weight management or weight loss

Source: NIQ 2024 Consumer Outlook, APAC



**Maintaining APAC consumer and shopper loyalty will be a challenge in 2024**

## Saving motivators for Consumers around APAC

	Seek lower prices	>	89%
	Reduce overall spending	>	72%
	Switch stores	>	72%
	Brand/Product switch	>	71%
	Switch size	>	51%
	Prioritize needs	>	44%

Source: NIQ Consumer Outlook 2024, APAC

# To save money APAC shoppers are looking for lower prices

## Saving motivators for Consumers around APAC

	Global	APAC	Australia	China	India	Indonesia	S. Korea	Singapore	Thailand
1	Seek Lower Prices	Seek Lower Prices	Seek Lower Prices	Seek Lower Prices	Seek Lower Prices	Seek Lower Prices	Seek Lower Prices	Seek Lower Prices	Seek Lower Prices
2	Product/Brand Switch	Reduce Overall Spending	Product/Brand Switch	Reduce Overall Spending	Store Switch	Reduce Overall Spending	Store Switch	Product/Brand Switch	Product/Brand Switch
3	Reduce Overall Spending	Store Switch	Reduce Overall Spending	Store Switch	Reduce Overall Spending	Product/Brand Switch	Product/Brand Switch	Reduce Overall Spending	Store Switch
4	Store Switch	Product/Brand Switch	Store Switch	Product/Brand Switch	Product/Brand Switch	Store Switch	Reduce Overall Spending	Store Switch	Reduce Overall Spending
5	Switch size	Switch size	Switch size	Switch size	Switch size	Switch size	Switch size	Switch size	Prioritize Needs
6	Prioritize Needs	Prioritize Needs	Prioritize Needs	Prioritize Needs	Prioritize Needs	Prioritize Needs	Prioritize Needs	Prioritize Needs	Switch size

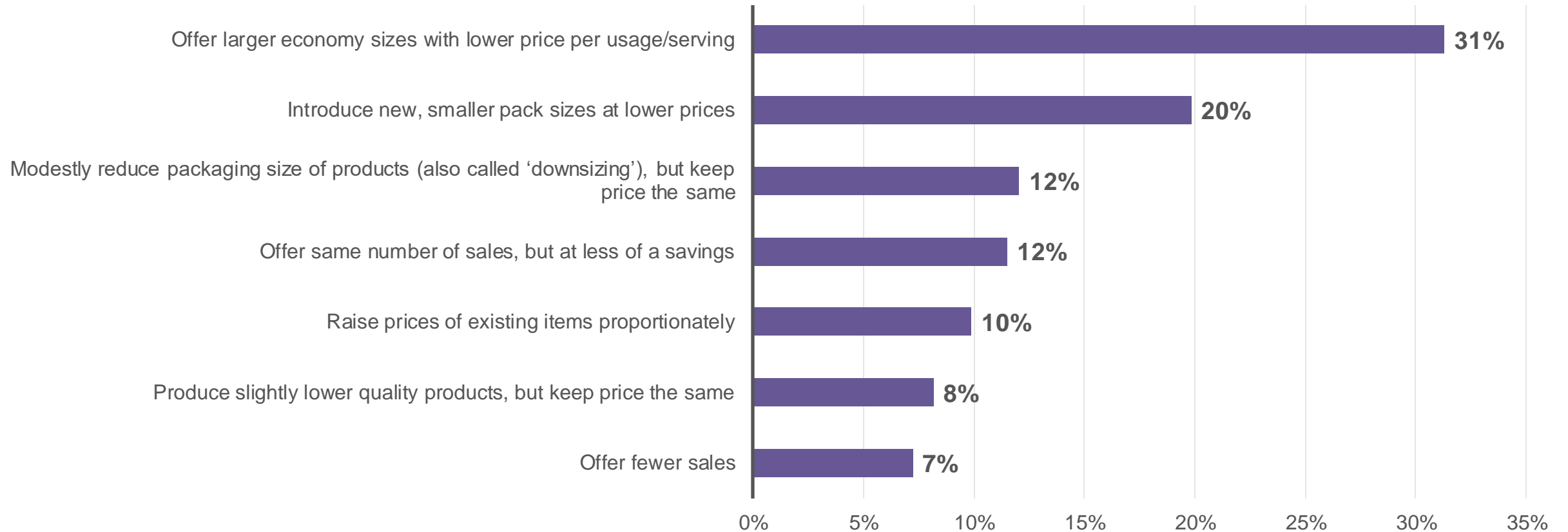
Source: NIQ 2024 Consumer Outlook, APAC

Listening to the voice of consumers can guide companies on how to most effectively 'take price'

## APAC consumers signal that they would prefer companies offer value for money if prices continue to go up

*If prices continue to increase/remain high in the next 3 months...*

What actions would you prefer your brands and retailers take, related to the products you purchase?



Source: NIQ Consumer Outlook 2024, APAC

# APAC Consumers are willing to pay extra if they get more value for money

*If prices continue to increase/remain high in the next 3 months...*

What actions would you prefer your brands and retailers take, related to the products you purchase?

	Global	APAC	Australia	China	India	Indonesia	S. Korea	Singapore	Thailand
1	Offer larger economy sizes with lower price per unit	Offer larger economy sizes with lower price per unit	Offer larger economy sizes with lower price per unit	Offer larger economy sizes with lower price per unit	Introduce new, smaller pack sizes at lower prices	Offer larger economy sizes with lower price per unit	Offer larger economy sizes with lower price per unit	Offer larger economy sizes with lower price per unit	Offer larger economy sizes with lower price per unit
2	Introduce new, smaller pack sizes at lower prices	Introduce new, smaller pack sizes at lower prices	Introduce new, smaller pack sizes at lower prices	Introduce new, smaller pack sizes at lower prices	Offer larger economy sizes with lower price per unit	Introduce new, smaller pack sizes at lower prices	Introduce new, smaller pack sizes at lower prices	Introduce new, smaller pack sizes at lower prices	Offer same number of sales, but at less of a savings
3	Offer same number of sales, but at less of a savings	Modestly reduce packaging size of products (also called 'downsizing'), but keep price the same	Offer same number of sales, but at less of a savings	Offer same number of sales, but at less of a savings	Modestly reduce packaging size of products (also called 'downsizing'), but keep price the same	Modestly reduce packaging size of products (also called 'downsizing'), but keep price the same	Modestly reduce packaging size of products (also called 'downsizing'), but keep price the same	Modestly reduce packaging size of products (also called 'downsizing'), but keep price the same	Introduce new, smaller pack sizes at lower prices
4	Modestly reduce packaging size of products (also called 'downsizing'), but keep price the same	Offer same number of sales, but at less of a savings	Raise prices of existing items proportionately	Modestly reduce packaging size of products (also called 'downsizing'), but keep price the same	Raise prices of existing items proportionately	Raise prices of existing items proportionately	Produce slightly lower quality products, but keep price the same	Offer same number of sales, but at less of a savings	Raise prices of existing items proportionately
5	Raise prices of existing items proportionately	Raise prices of existing items proportionately	Modestly reduce packaging size of products (also called 'downsizing'), but keep price the same	Raise prices of existing items proportionately	Offer same number of sales, but at less of a savings	Offer same number of sales, but at less of a savings	Offer fewer sales	Offer fewer sales	Modestly reduce packaging size of products (also called 'downsizing'), but keep price the same
6	Produce slightly lower quality products, but keep price the same	Produce slightly lower quality products, but keep price the same	Produce slightly lower quality products, but keep price the same	Produce slightly lower quality products, but keep price the same	Offer fewer sales	Produce slightly lower quality products, but keep price the same	Offer same number of sales, but at less of a savings	Raise prices of existing items proportionately	Offer fewer sales
7	Offer fewer sales	Offer fewer sales	Offer fewer sales	Offer fewer sales	Produce slightly lower quality products, but keep price the same	Offer fewer sales	Raise prices of existing items proportionately	Produce slightly lower quality products, but keep price the same	Produce slightly lower quality products, but keep price the same

*Emerging disruptor:*

# Our new tech reality

**Generative AI will transform ways of working and living in society, and new tools and advances could raise global GDP by 7%**



Source: Goldman Sachs Research, 2023



## Section 4: Summary & Leadership takeaways



How much pressure will consumer wallets be under in 2024?



How will consumers respond in 2024?



How do you find pockets of growth?



What does this mean for business leaders?

# 5 Keys to Success in 2024

*Slow growth needs a fast response*

## 1. Expanding the “Value” Concept

Lower price tiers, private label & compelling promotional offers online and offline continue to resonate with consumers.

**We are seeing polarization of price tiers in APAC with mass (+0.2pt) and luxury (+0.1pt) both growing.** No matter whether consumers are trading up or trading down, it will be important to show the value for money proposition due to the economic conditions.

## 2. Maximizing moments @ Home

Occasions like The Olympics, European Championships and even election coverage will be key events and influences in 2024. **49% of APAC consumers plan to spend the same as usual in 2024 on in-home entertainment BUT** Sales of categories like beverages and snacks usually spike during these events and presents marketers an opportunity to be relevant in the news cycle.

## 3. Relentless Innovation

Innovation can be a driver of growth, our data shows that its impact can be exponential: when innovation sales grow, a company is 1.8 times more likely to grow overall sales, as compared with companies whose innovation sales are stagnant or declining. **59% of APAC consumers are positive to a new or innovative product that assists their health and wellness needs**

## 4. Playing to Channel Dynamics

As omni journeys spread, it's essential to be precise about where people buy and capitalize on key global channels. Discounters, Traditional trade and E-com have consistently delivered above market growth. **72% of APAC consumers report they are store switching more to manage costs.** Understanding the channels that resonate most with shoppers while pinpointing which categories are more successful, where, can turbo boost growth.

## 5. Unlocking retail & AI-driven collaboration

Prioritize collaboration. When you collaborate effectively, you can better personalize your efforts to exceed consumer expectations, and AI has proven to be an effective tool to enable and scale collaborative and customized efforts.

# Words of Wisdom: Growing in a declining market



## Promote with purpose

Don't sacrifice tomorrow by giving away today



Balancing **sustainability and profitability** is crucial in a slowing market. Focusing on short-term volume can harm long-term profitability.



## Maximize assortment

Don't be lost, because you weren't found



Value retailers are rising due to demand for affordability. Businesses can adapt marketing and products for diverse consumer needs and **differentiate with a varied and expanded price-tiered assortment.**



## Innovate to stay relevant

No news, could become your bad news



Private Label growth involved innovating beyond basic value concepts. Brands must **reevaluate their positioning, and innovate how they appeal to consumers.**



# Key Findings: Growing in a declining market



## Reach consumers where they are

It's the wrong time to miss the right place



Consumers move fluidly across channels to fulfil their needs, meaning growth will come from a **balance of both online and in-store strategies**.



## Make shopper-centric decisions

Personalize your approach to providing value



Growth in pressured times requires **navigating consumer "trade-offs"**. Use the voice of the consumer to guide actions you need to cut costs.



## Be proactive & precise with wellness

Uncover holistic, lifestyle-driven, attribute-focused growth



Companies need to harness the power of the right messaging and product attribution to **convert on consumers' interest in their health & longevity**. Win with discerning wellness consumers of today.

***The Full View at your Fingertips***

**With a best-in-class data partner, unleash the most trusted and comprehensive data to reveal **new pathways to growth**.**

**[>>> Read more on NIQ.com](https://www.niq.com)**

Coming *into view*

