APAC Thought Leadership

Asia Channel Dynamics : Evolving Consumer Trends and Preferences

June 2025

Source: NIQ APAC Consumer Panel FY2024

NielsenIQ

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Contents

Channel Dynamics Thought Leadership

The pathways through which consumers access their daily Fast Moving Consumer Goods (FMCG) from groceries and beverages to personal care items are constantly evolving.

This report unpacks key insights drawn from actual purchase data of over 18,000 households across five diverse Asia markets: Indonesia, Singapore, Thailand (Urban), Philippines, and Hong Kong highlighting where consumers prefer to shop, the reasons behind their choices, and how retailers and brands can strategically respond to these evolving channel dynamics.

NIQ

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Key Insight by Market

Though total APAC's contribution is coming mainly from General Trade, markets like Hong Kong, Singapore, and Thailand are all focusing more on Modern Trade. Meanwhile General Trade shows higher contribution from Indonesia and Philippines.

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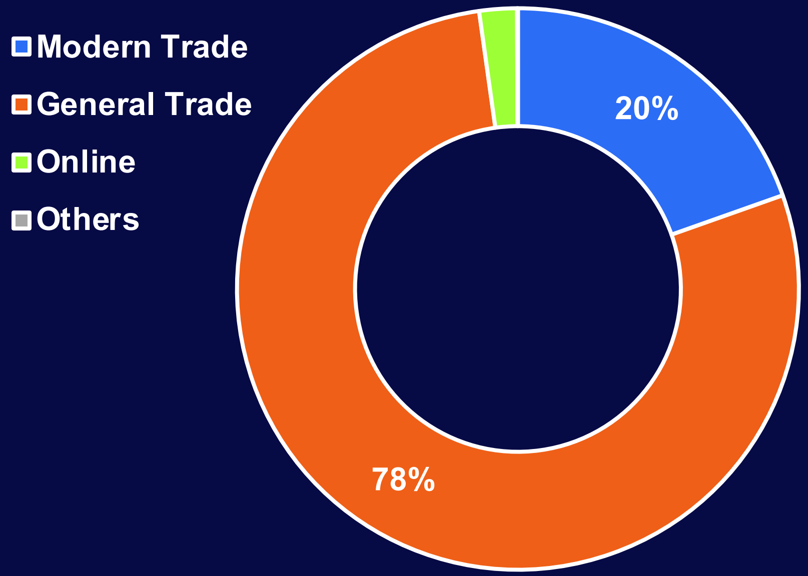
A Snapshot of Regional Diversity

A closer look at individual markets reveals unique channel dynamics and consumer trends:

%Expenditure – Total APAC FMCG Sales



Source: NIQ Consumer Panel Services 2024

- **Hong Kong:** Supermarkets continue to be the primary channel for FMCG purchases but are currently experiencing a period of stagnation in growth. Smaller retail channels tend to compete amongst themselves, having a relatively minor impact on the established key account channels.
- **Singapore:** While supermarkets remain the main channel, the rising cost of living is a significant factor influencing consumer behavior. This has led to an increased popularity of cross-border shopping as consumers seek more affordable pricing options.
- **Indonesia:** The FMCG market in Indonesia is heavily reliant on the General Trade channel. However, there is a notable positive trend in the Minimarket segment, which is showing growth driven by an increase in buyer penetration (+1.8%).
- **Thailand:** The Modern Trade sector in Thailand is witnessing intensified competition. This is largely fueled by the aggressive expansion of the CJ chain within the Supermarket segment, challenging established players.
- **Philippines:** Sari-Sari stores (small, neighborhood convenience stores) not only remain the biggest player in the Filipino FMCG landscape but are also continuing to grow. This growth is partly attributed to consumers adapting to higher prices within these accessible local outlets.

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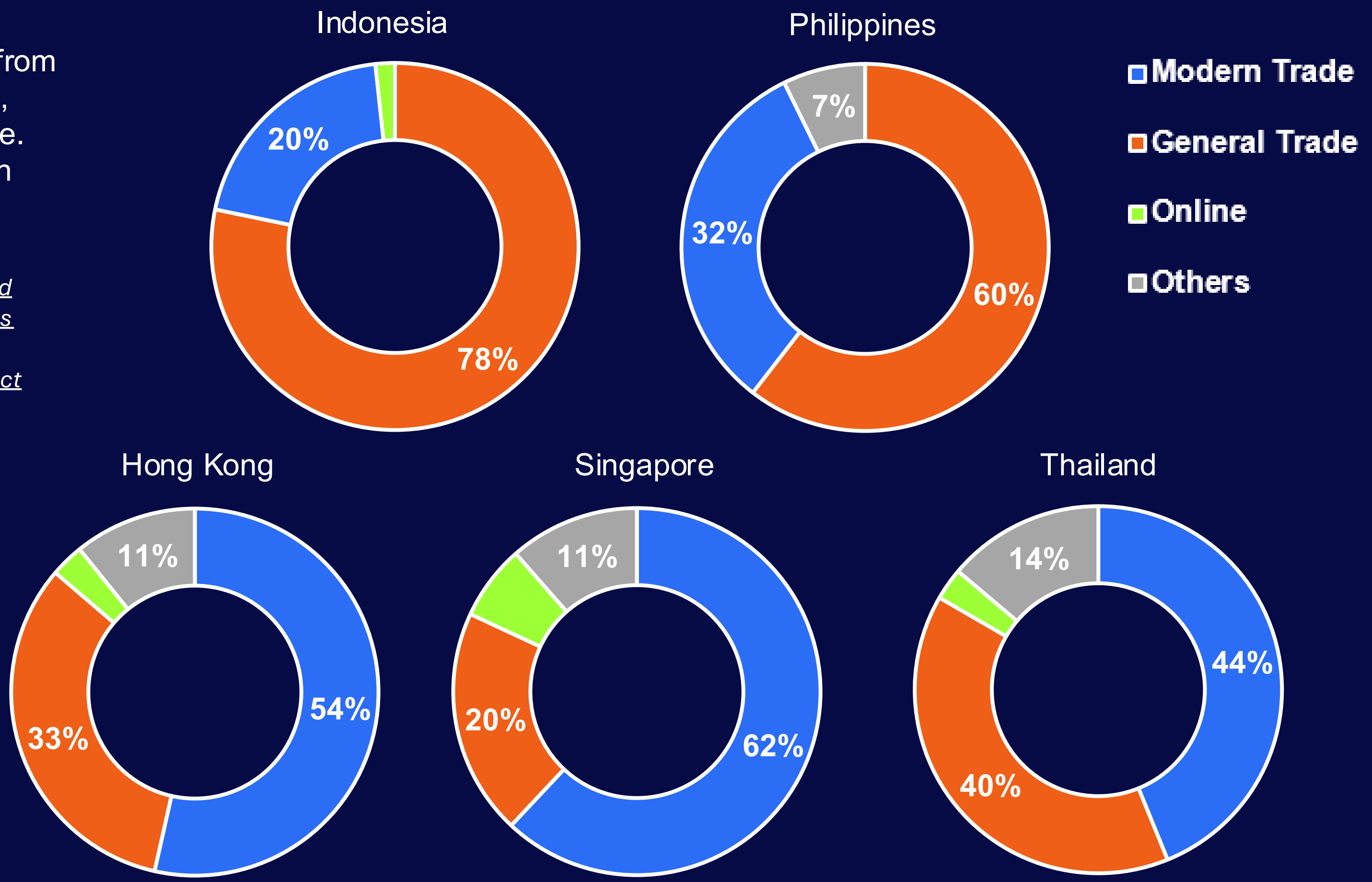
A Snapshot of Regional Diversity

Though total APAC's contribution is coming mainly from General Trade, markets like Hong Kong, Singapore, and Thailand are all focusing more on Modern Trade. Meanwhile General Trade shows higher contribution from Indonesia and Philippines.

Disclaimer: The channel percentage contribution above is based on Consumer Panel Data, covering in home consumption across Modern Trade, General Trade, and other channels that are not covered in Retail Measurement Services like E-Commerce, Direct Sales, etc.

%Expenditure – Total FMCG Sales



Source: NIQ Consumer Panel Services 2024 | Data Ending Full Year 2024, Based on 5 Markets

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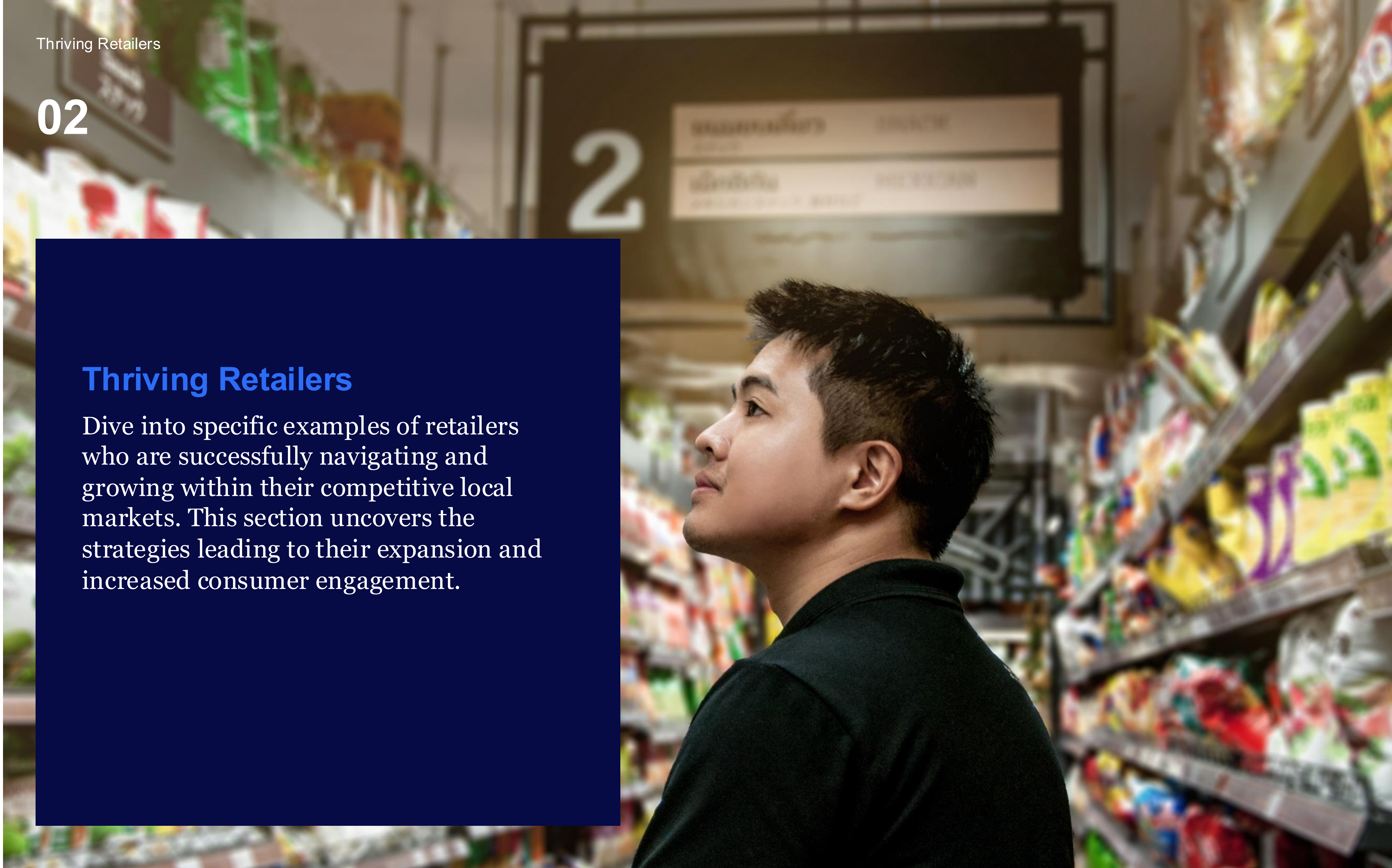

Thriving Retailers

Dive into specific examples of retailers who are successfully navigating and growing within their competitive local markets. This section uncovers the strategies leading to their expansion and increased consumer engagement.

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Alfamart secures big gains of +4% sales growth with a surge in new buyers

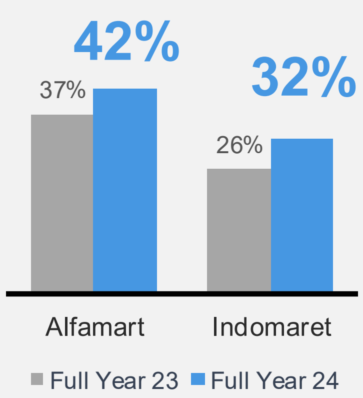
Indonesia - Alfamart's Strategic Gains in the Minimarket Sector:

Alfamart has emerged as a significant success story within Indonesia's competitive minimarket sector. The retailer achieved a notable +4% sales growth, primarily driven by a surge in new buyer acquisition. A key factor in this success has been Alfamart's enhanced promotional activities. In Full Year 2024, Alfamart surpassed its key competitor, Indomaret, in "% Value on Deal" (42% for Alfamart compared to 32% for Indomaret), effectively attracting new consumers. This translated to an increase in market penetration for Alfamart, rising from 28% in Full Year 23 to 30% in full year 2024.

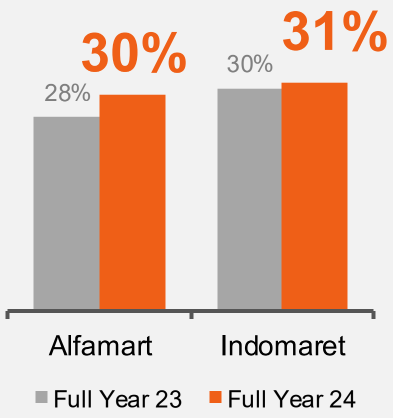
Source: NIQ Consumer Panel Services | Indonesia | Data Ending Full Year 2024, Alfamart Market Share% in Minimart: 32% (+1%pt)

The retailer boosted promotions this year, surpassing Indomaret, and gaining new consumers

*% Value on Deal**



% Penetration



***%Value on Deal:** The proportion of total expenditure purchased on promotion by households
***Disclaimer:** Promotion data in Homepanel is based on panelists' self-reported claims

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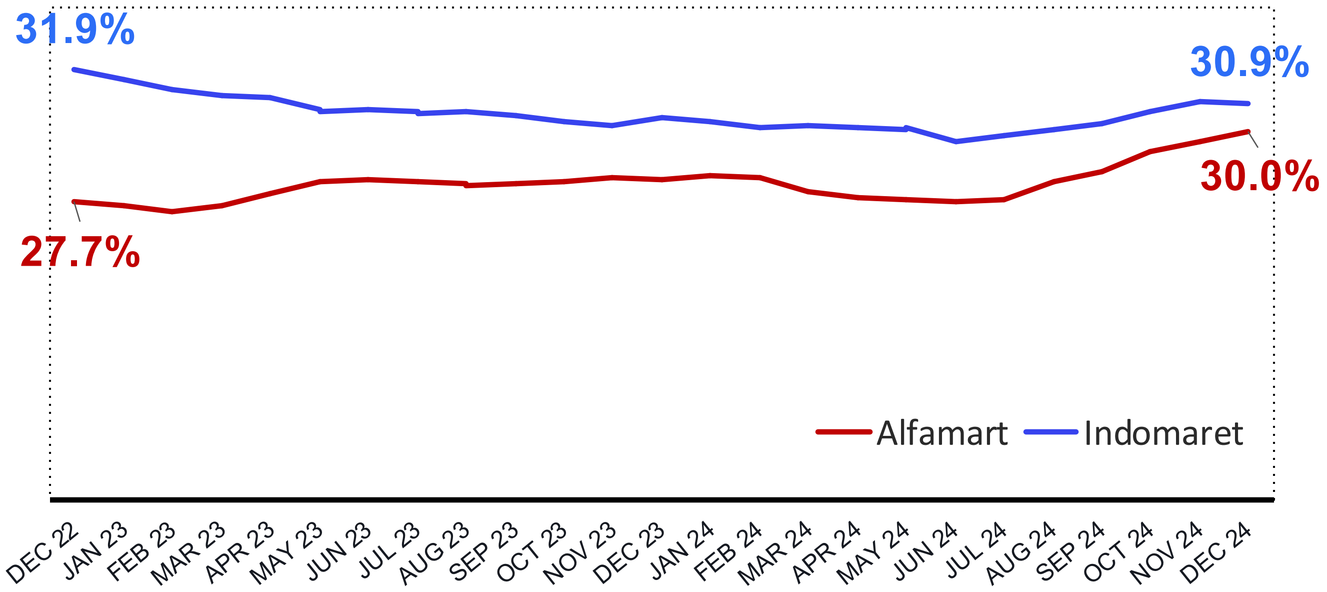
Alfamart gains new buyers, while Indomaret's recruitment slows down

The data indicates that Alfamart's growth is largely due to successful new buyer recruitment, where Indomaret has seen a slowdown. These new Alfamart customers are predominantly being drawn from two sources: the broader General Trade channel and Independent Minimarkets. The Upper-Middle income demographic has been identified as a key driver fueling this buyer growth for Alfamart. Strategically, Alfamart has also seen strong performance in the Homecare product category, which experienced the highest level of promotion and grew by +6%, particularly through sales of Dishwashing Liquid and Laundry Detergent. Beyond promotional offers, Alfamart employs a membership program to foster consumer loyalty and repeat business.

Trended - %Penetration



Where are new Alfamart buyers coming from?

1. Other Channel: General Trade
2. Within Minimarket: Independent Minimarket (2024 share: 41.8% within Minimarket, share growth: -1.4%)

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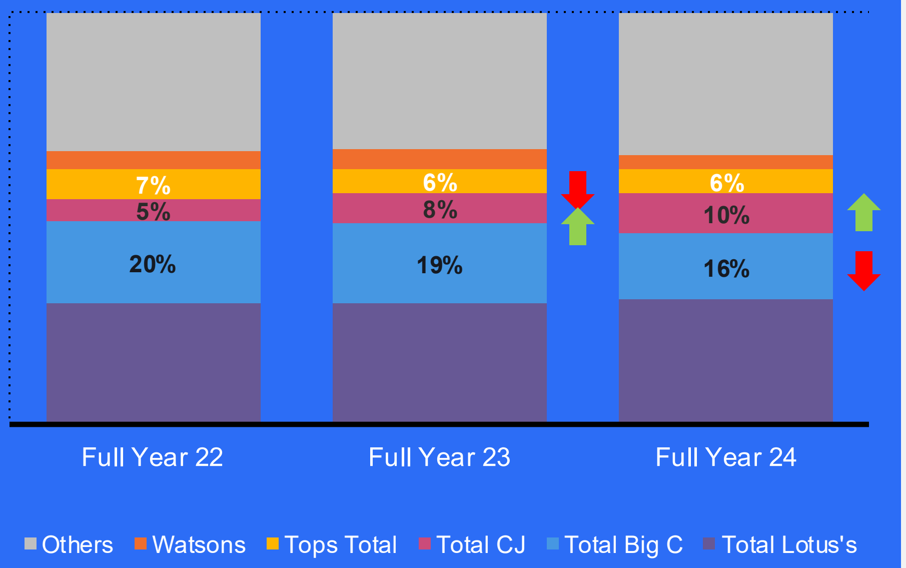
An emerging star in the Super/Hypermarket sector

In Thailand, we see another retailer growing, but within Super/Hypermarket. As the main channel, Super/Hypermarket is showing declining trend this year – However, a retailer coming from CJ managed to defy this trend and even growing rapidly this year. The growth from CJ has been happening even in year 2022, where CJ used to be in the 4th place below Tops. In 2023, CJ has surpassed Tops' share and continues to grow through 2024, growing 2x in buyer base. A similarity with Alfamart in terms of strategy comes from higher promotion this year from CJ compared to the top 2 retailers – Lotus and Big C.

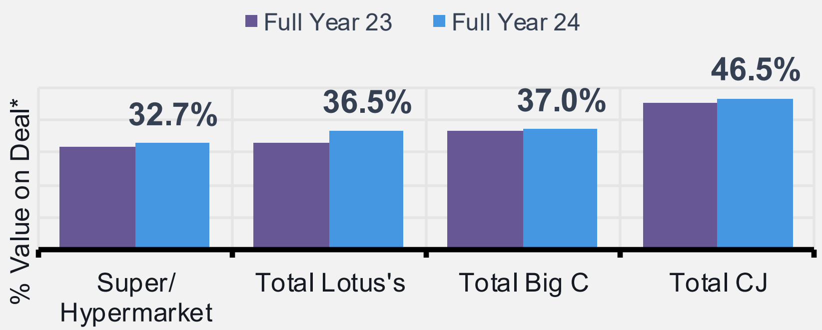
%Value Share – Super/Hypermarket by Banner



GR%	full year 2024 vs 23
Super/ Hypermarket	-10.5%
Total CJ	+13.2%

Penetration: 35.1% (+10.6pts vs Full Year 2023)

CJ successfully attracts new consumers through **higher promotion**



***%Value on Deal:** The proportion of total expenditure purchased on promotion by households
***Disclaimer:** *Promotion data in Homepanel is based on panelists' self-reported claims*

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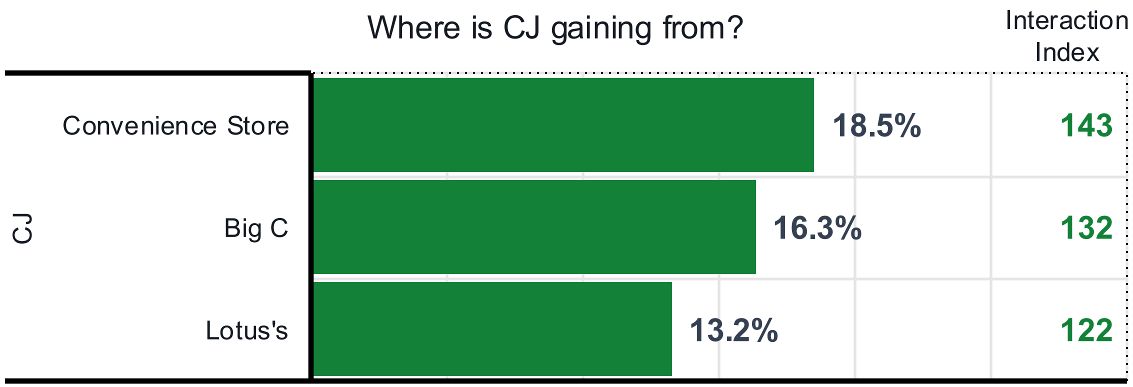
How has CJ’s growth impacted other channels?

CJ's growth is notably impacting other retail channels, particularly Convenience Stores, from which CJ is gaining 18.5% (Interaction Index: 143), likely due to shared similarities in their market positioning. Among super/hypermarket competitors, CJ is also drawing sales from Big C (16.3%, Interaction Index: 132) and Lotus's (13.2%, Interaction Index: 122). However, Lotus demonstrates greater resilience compared to Big C. This resilience is supported by Lotus's 39% loyalty rate and a fresh food contribution that is significantly larger—10 times more—than CJ's. A key aspect of CJ's strategy is its prioritization of the Personal Care segment. This focus has resulted in positive growth, with CJ's sales contribution from Personal Care being 1.6 times higher than that of Lotus and Big C.



Read me!

1. - Loyalty Rate: The proportion of expenditure allocated to a specific retailer by households purchasing within Supermarket
2. - Interaction index: A metric within gain/loss analysis comparing the consumption movement to the share size of the competitive channel/retailer

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Flourishing Channels

Beyond individual retailers, certain shopping channels are experiencing significant growth. This part of the report will focus on these burgeoning channels and the consumer trends driving their popularity.

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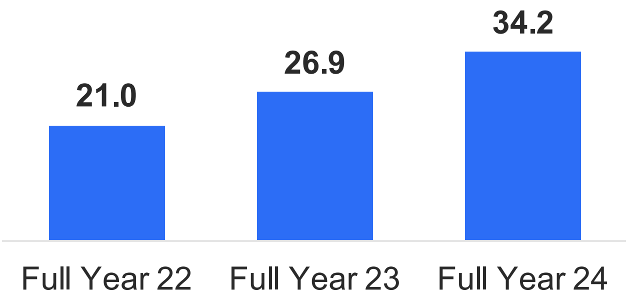
Singapore - The Ascendancy of Cross-Border Shopping

Singapore, a market predominantly characterized by Modern Trade and a high cost of living is witnessing a significant number of consumers looking for more affordable options, especially in essential categories. This has led to buyers exploring cross-border shopping, which has grown by over 20% – As of now, 1 out of 3 Singaporean households are participating in cross border shopping. The growing consumers are driven by Lower Income in Small-Medium sized households. Consumers mainly look for grocery & cooking aids and show higher preference towards Body & Face Care and Home & Laundry Care

%Penetration: *Shop outside Singapore*



Intensified threat: **1 out of 3** Singapore Households engage in cross border shopping

Source: NIQ Consumer Panel Services | Singapore | Data Ending Full Year 2024

32% of Cross Borders sales goes to **Grocery & Cooking Aids**

(growth: +42.6%)

The share of total sales from **Body & Face Care** and **Home & Laundry Care** is **2x as large** outside Singapore.

Who are the main drivers?

- Lower Income
- Small-Medium sized households

%Expenditure 2024	**Within Singapore**	**Outside Singapore**
Body & Face Care	5.7%	11.8%
Home & Laundry Care	4.7%	9.3%

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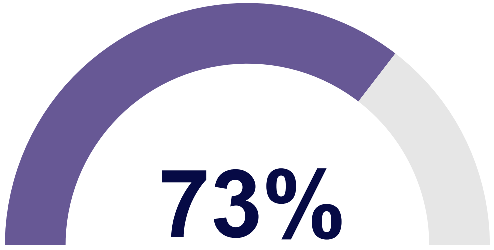
Which channels are losing to Shops outside of Singapore?

This consumer shift towards cross-border purchasing has inevitably impacted domestic retail channels, especially channels frequented by Lower Income. Deep Discounted stores, despite being a smaller channel overall, have experienced a greater interaction in terms of losses to cross-border shopping. A compelling statistic is that 73% of the sales growth in shops outside Singapore is attributed to trial buyers, indicating a growing willingness among consumers to explore this channel.

The movement of Lower Income buyers has also affected channels like Deep Discounted



+73% of sales growth comes from trial buyers to the channel

Source: NIQ Consumer Panel Services | Singapore | Data Ending Full Year 2024

Channels Impacted	Interaction Index with Cross Border Shopping
Deep Discounted	523
Online	159
Minimarket/ Provision	141
Supermarket	61

Interaction Index = A calculation based on the movement of focus channels relative to the size of the interaction channel's share

What's the implication?
100 = Indicates the gains/losses are 'expected' based on the size of the product
>100 = Indicates the value gains/losses are more than expected, thus the interaction between the channels is high
<100 = Indicates the value gains/losses are lower than expected, thus the interaction between the channels is low

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Sari Sari Stores remain strong in the Philippines, despite rising prices

Taking 52% of total sales in Philippines & growing by +5%, driven by Middle Income adapting to price hikes, while consumption remains stable

What are Filipino consumers buying in Sari Sari Stores?

%Value Share	Supercategory	Value/Trip	Value/Trip Growth
23.6%	Beverage	₱42.09	10.5
12.1%	Prepared Cooking/Food	₱38.66	6.6
10.9%	Cooking/Culinary Aid	₱29.22	9.3
10.8%	Household/Laundry Care	₱41.14	11.7
10.6%	Confectionary/Snack	₱31.37	10.2

Total Philippines track 18 supercategories and 101 categories

Source: NIQ Consumer Panel Services | Philippines | Data Ending Full Year 2024

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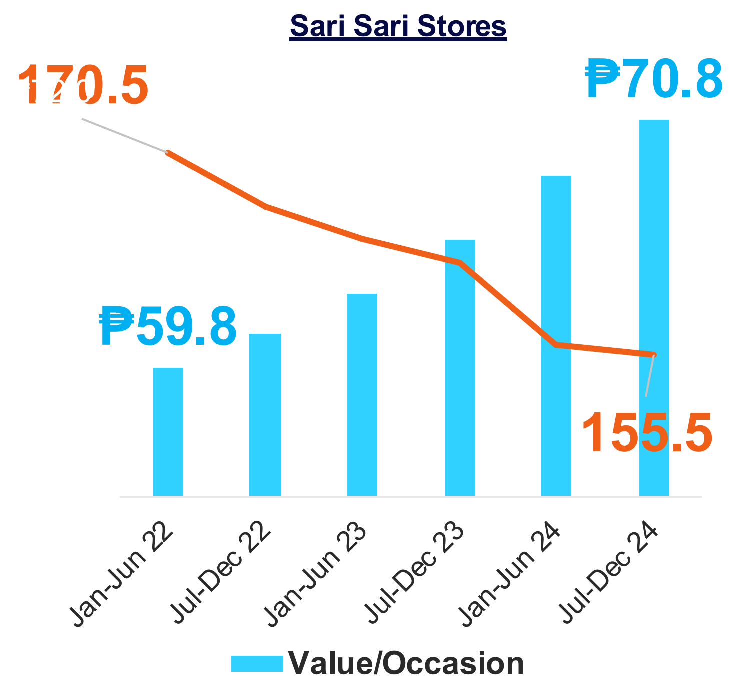
With rising prices, consumers reduce trip frequency, yet overall spending increases



Source: NIQ Consumer Panel Services | Philippines | Data Ending Full Year 2024

Sari-sari stores remain a dominant force in Philippine retail, growing 5% in 2024—largely driven by price inflation. Their proximity makes them a go-to for urgent essentials, especially among budget-conscious shoppers who favor affordable sachets and small packs. Post-pandemic, these stores have expanded beyond basics, prompting consumers to shop for future needs and spend more per visit (+18% vs. Jan–Jun 2022), though they shop less often. The Household & Laundry Care category is a notable performer, growing by +9.5% compared to Year 2023. Within this, brands like Ariel have successfully navigated price increases by implementing strategies such as downsizing product packaging, which has gained significant traction with consumers.

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04

Dominant Channel at a Standstill

Not all established channels are maintaining their growth momentum. This section examines a key market where the traditionally dominant supermarket channel is facing stagnation, exploring the contributing factors and shifts in consumer behavior.

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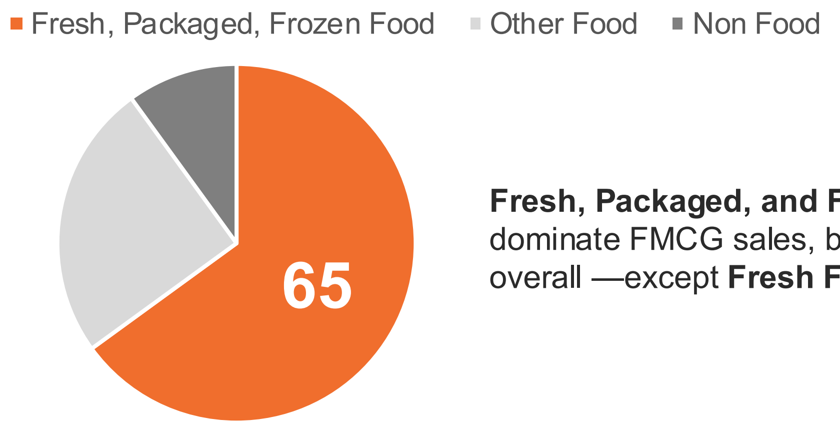
Hong Kong: Supermarket remains the priority, but consumers manage their budget more carefully

While supermarkets remain the primary FMCG channel in Hong Kong, they are currently facing a period of growth stagnation, evidenced by a modest -3% decline in overall spending within the sector. The Fresh, Packaged, and Frozen Food categories, which dominate FMCG sales, are experiencing a slowdown in growth. An exception to this trend is Fresh Food sales among the Upper Socio-Economic Status (SES) demographic, which continues to show some resilience. In contrast, Non-Food items, contributing 10% to total FMCG sales, are still exhibiting growth at +3.5%, primarily driven by sales of Non-Prescription Medication.

FMCG Value Contribution (%)



Fresh, Packaged, and Frozen Food dominate FMCG sales, but **slowing down** overall —except **Fresh Food in Upper SES**

Did you know? Cross-border shopping is an alternative choice in Hong Kong, offering better deals to consumers

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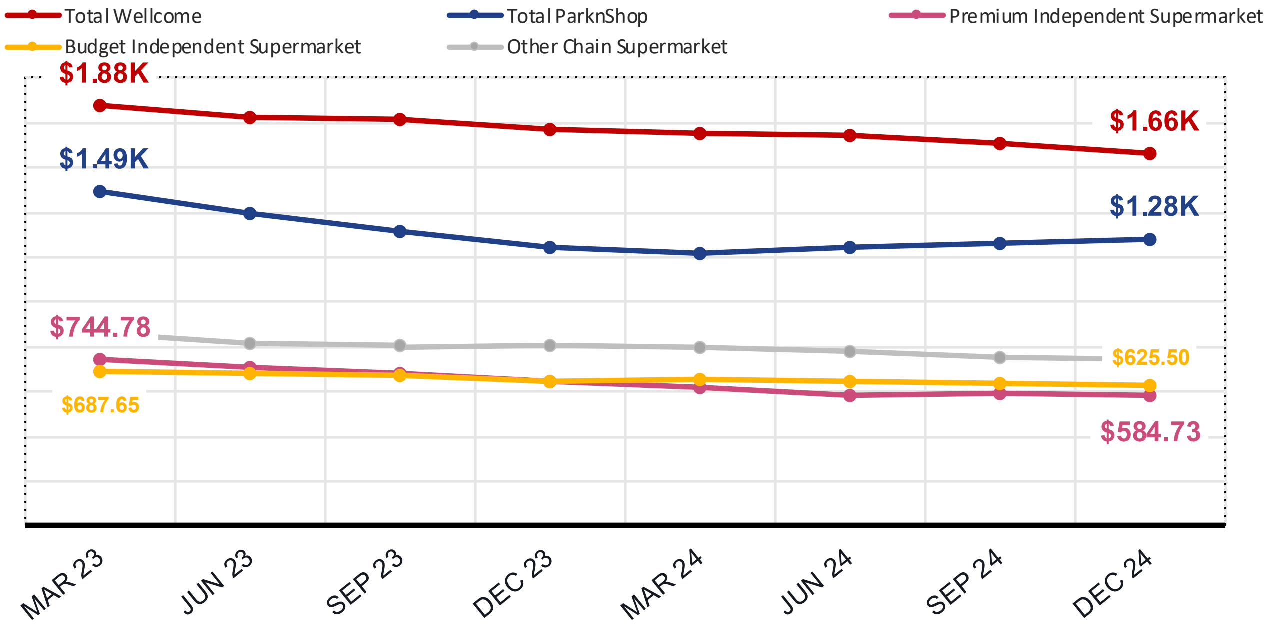
Hong Kong: Despite the overall stagnation in the supermarket sector, the dynamics among individual retailers remain active.

For instance, ParknShop recorded a +3% sales growth (Dec 2024 vs Dec 2023). Conversely, Wellcome experienced a -6% decline, and Premium Independent Supermarkets faced a more substantial drop of -9%. The decline in Premium Supermarkets is linked to consumers having more limited purchasing power, coinciding with a societal shift towards more dining out and travel, which reduces in-home cooking. Wellcome's downturn is attributed to Lower-Income buyers reducing their shopping frequency and, in some cases, switching their patronage to ParknShop and Budget Independent Supermarkets. It is also important to note that cross-border shopping presents an increasingly viable alternative for Hong Kong consumers seeking better deals. On average, a Hong Kong consumer visits approximately six different supermarket chains, indicating a willingness to shop around.

Trended – Value/Buyer – Total Fresh, Frozen, and Packaged Food



Fun Fact! Hong Kong consumers visit an average of 6 supermarket chains

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05

In-Depth Look at Online

The digital marketplace continues to evolve rapidly. This section provides a closer examination of e-commerce trends for FMCG products across the surveyed APAC markets, highlighting growth variations, consumer adoption levels, and leading product categories.

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Non-Food Leads Online Sales in Indonesia, Philippines, and Thailand, While Food Dominates in Singapore and Hong Kong

The online channel for FMCG products in the APAC region presents a diverse landscape, with varying growth rates and levels of consumer adoption across different markets:

	Hong Kong	Indonesia	Philippines	Singapore	Thailand (Urban)
%Val Growth	-7.9%	+29.3%	+10.9%	-4.9%	+11.8%
Penetration	33.5%	21.8%	8.5%	52.0%	33.5%
Penetration Change	-7.9pts	+3.9pts	-0.1pts	-3.3pts	+1.5pts
Top Categories (%Penetration)	1. Toilet Tissue 2. Instant Noodle & Pasta 3. RTD Tea 4. Sauce 5. Fruit	1. Skincare 2. Cosmetics 3. Toilet Soap 4. Cologne 5. Face Powder	1. Toilet Soap 2. Liquid Shampoo 3. Laundry Products 4. Cooking Oil 5. Lotion	1. Fresh Vegetables 2. Fresh Fruits 3. Liquid Soap 4. Laundry Detergent 5. Processed Chilled/Frozen Packaged Food	1. Detergent 2. Fabric Softener 3. Toothpaste 4. Liquid Milk 5. Ready to Cook
Buyer Growth Leaders: *Recruitment Opportunity*	1. Packaged Food 2. Instant Coffee 3. Mouth Rinse 4. Preserved Snack 5. Sun Tan	1. Skincare 2. Toilet Soap 3. Facial Tissues 4. Cologne 5. Face Powder	1. Instant Noodles 2. Cologne 3. Laundry Products 4. Toothpaste 5. Disposable Diapers	1. Toilet Care 2. Hair Conditioner/ Treatment 3. Coffee 4. Hand & Body Moisturizer 5. Facial Tissue	1. Fabric Softener 2. Instant Coffee 3. Snacks 4. RTE Bakery 5. Ready to Cook

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Shopee leads online sales across most markets, excluding Hong Kong, while Social Commerce gains competitive momentum

Shopee has established itself as the leading online retail platform across most of the surveyed APAC markets, including Indonesia, Singapore, and Thailand. The exception is Hong Kong, where HKTV Mall holds the top position with 17.2% penetration, followed by the online platform of the supermarket chain Wellcome (12.2%).

A significant emerging trend is the growth of Social Commerce. Platforms like TikTok Shop are gaining considerable momentum, particularly in markets such as Indonesia (achieving 3.1% penetration, a +3.1 percentage point increase) and Thailand (where Social Network Channels collectively have 6.6% penetration, a +0.7 percentage point increase). The growth of platforms like TikTok Shop is attributed to several factors:

- **Live Commerce Boom:** Features like flash sales and real-time engagement during live streams are highly attractive to consumers.
- **Youthful Appeal:** These platforms effectively attract a younger demographic that prefers engaging, creative, and interactive content over traditional advertising methods.

Country	Top Online Retailer	%Penetration (Full Year 2024)
Hong Kong	1. HKTV Mall	17.2% ↓
	2. Wellcome	12.2% ↓
	3. Taobao	3.9% ↑
Indonesia	1. Shopee	15.7% ↑
	2. Lazada	4.3%
	3. Tokopedia	3.6% ↑
Singapore	1. Shopee	23.0% ↑
	2. Fair Price	14.5% ↑
	3. Lazada	11.6% ↑
Thailand (Urban)	1. Shopee	11.3% ↑
	2. Lazada	6.6%
	3. Tesco Lotus	5.3% ↑

Source: NIQ Consumer Panel Services | APAC | Data Ending Full Year 2024

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06

Adapting to Evolving Landscapes: Strategic Takeaways

The dynamic shifts in consumer behavior and channel performance across the APAC region present both challenges and opportunities. These takeaways aim to guide businesses in effectively tailoring their approaches to meet evolving consumer demands and capitalize on emerging market trends.

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Strategic Takeaways

Thriving Retailers

Retail Expansion Trends:

- Indonesia: Alfamart's success through offering effective promotion yield high returns. Collaborate on tailored promotional strategies supported by membership program to engage more buyers.
- Thailand: Total CJ focuses on Personal Care to gain new buyers. Utilizing industry-focused strategy could help retailers reach more consumers.

Flourishing Channels

Channel Growth Trends:

- Singapore: Prioritize offering competitively priced products in Essential categories to capture Lower-Income and Small-Medium sized households engaging in cross-border shopping.
- Philippines: Adapt product offerings and packaging sizes to suit Middle Income in Sari-Sari Stores, ensuring affordability and convenience.

Dominant Channel at a Standstill

Hong Kong Retail Overview:

- Supermarkets face slower growth as tightening budgets impact Fresh, Packaged, and Frozen Food sales in Wellcome and Premium Independent Supermarkets.
- Opportunity to emphasize value-for-money options within Fresh, Packaged, and Frozen Food to appeal to constrained shoppers.

In-Depth Look at Online

E-Commerce Trends:

- Shift marketing efforts to online platforms, mainly in Shopee – Emphasizing ease of purchase, exclusive deals, and brand authenticity to attract digital-savvy consumers.
- Tap into platforms like TikTok Shop to target younger generations with engaging content, influencer partnerships, and personalized offers.

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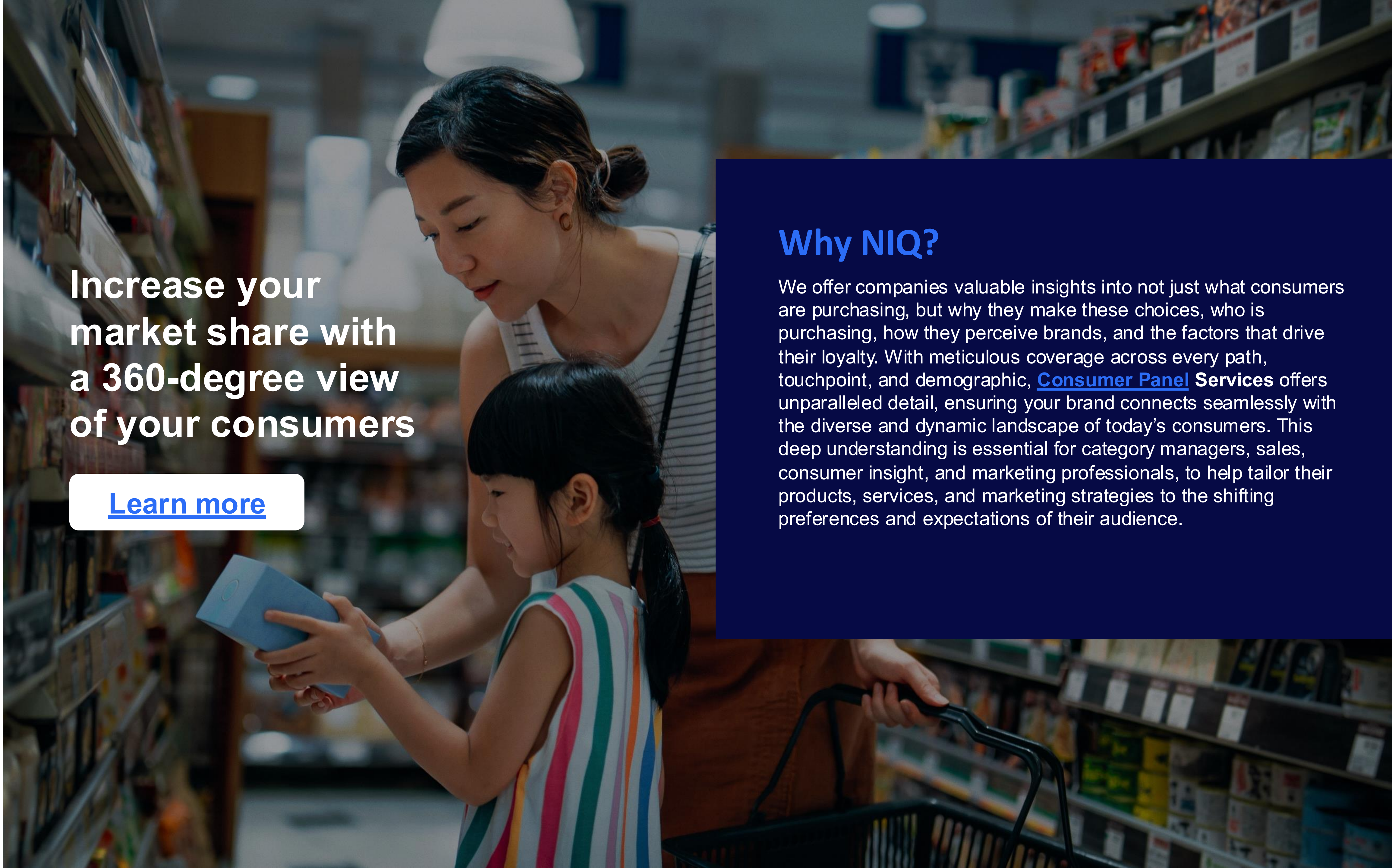

Increase your market share with a 360-degree view of your consumers

[Learn more]

Why NIQ?

We offer companies valuable insights into not just what consumers are purchasing, but why they make these choices, who is purchasing, how they perceive brands, and the factors that drive their loyalty. With meticulous coverage across every path, touchpoint, and demographic, Consumer Panel **Services** offers unparalleled detail, ensuring your brand connects seamlessly with the diverse and dynamic landscape of today's consumers. This deep understanding is essential for category managers, sales, consumer insight, and marketing professionals, to help tailor their products, services, and marketing strategies to the shifting preferences and expectations of their audience.

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For more information, please visit www.niq.com.