An Inside Look

Asia Pacific

Small & Medium Business Overview

NielsenIQ

June 2025

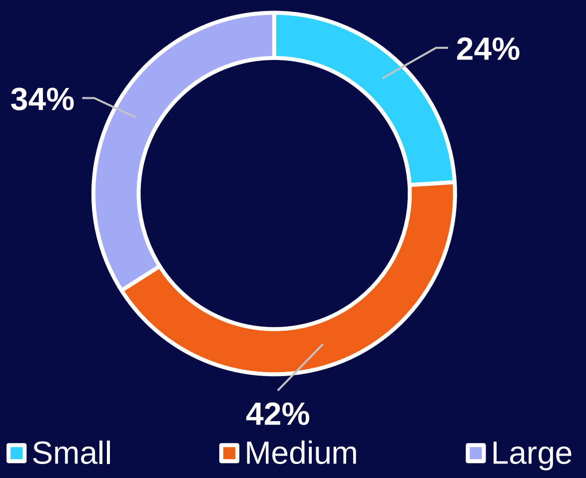
About the survey

- NIQ's An Inside Look is a global survey to a digital panel comprising of business owners from 47 markets representing approximately $26 billion* in FMCG sales value. It was designed to understand the realities faced by SMBs in today's economic and retail landscape.
- Fieldwork: April 1 to May 31 of 2025.
- Regions represented: Asia Pacific, including countries from India, China, China HK&TW, Korea, Indonesia, New Zealand, Malaysia, Vietnam, Philippines and Thailand.
- **This regional report** delivers an overview of the Asia Pacific (APAC) respondents representing approximately $7.9 billion* in FMCG sales value.

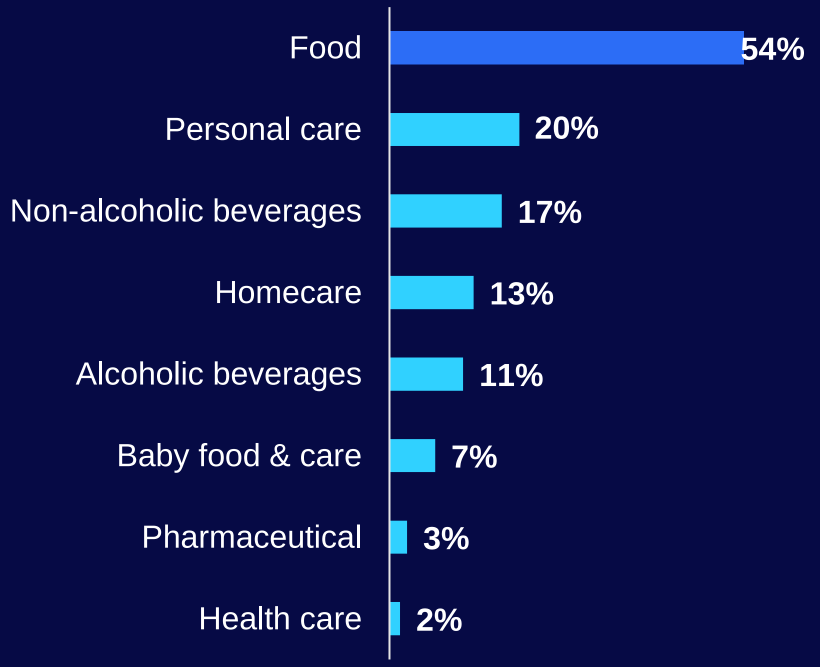
** Based on NIQ RMS segmentation for small and medium businesses*

About the respondents

Respondents Business Size (APAC)



Category breakdown (APAC)



Specific Category for food

- Snack - 36%
- Ambient Food - 21%
- Frozen Food - 14.19%
- Dairy - 12%
- Fresh Food - 9%

Total sample size：187. Large (Av Annual Rev > USD 500 million)=63; Medium (Av Annual Rev > USD 16 million)=79; Small (Av annual rev > USD 2.5 million) =45

NIQ

Key findings in 2025

- **Key Challenges and Risks:** **SMBs** in the APAC regions face significant challenges in diversifying channels, attracting and retaining consumers. At the same time, the top risks SMBs anticipate in the next 12 months include changes in consumer behavior, reduction in margins and changes in distribution channels . The concerns on inflation have been decreasing compared with 2024 but still poses potential risks.
- **How to deal with the Challenges and Risks:** Manufacturers are prioritizing product portfolio optimization and strategic marketing investments to enhance competitiveness and address challenges such as channel diversification and margin decline risks.
- **Growth strategies:** Small Companies focus on expanding their revenue base and exploring new channels; Medium-Sized companies adopt multi-product or category strategies to drive growth.
- **Future focus on channels**: Small businesses aim to maintain their core online operations while cautiously expanding into traditional trade channels, adopting hybrid models to bridge digital and physical channels. Overall, online stores and small-to-medium physical stores remain critical sales channels for SMBs.
- **Attitude towards data:** SMBs in the APAC region recognize the importance of data in their decisions, with a notable 23% growth for small size companies choosing to buy market data compared with 2024.
- **Insights they want to get:** **Consumer Behaviors，Channel Dynamics and Market Performance.**

Survey Results

Respondents from Asia Pacific

Align with overall trends, for SMB clients, channel diversification and attracting & retaining customers are among their biggest challenges.

- **What main challenges is your business currently encountering?**

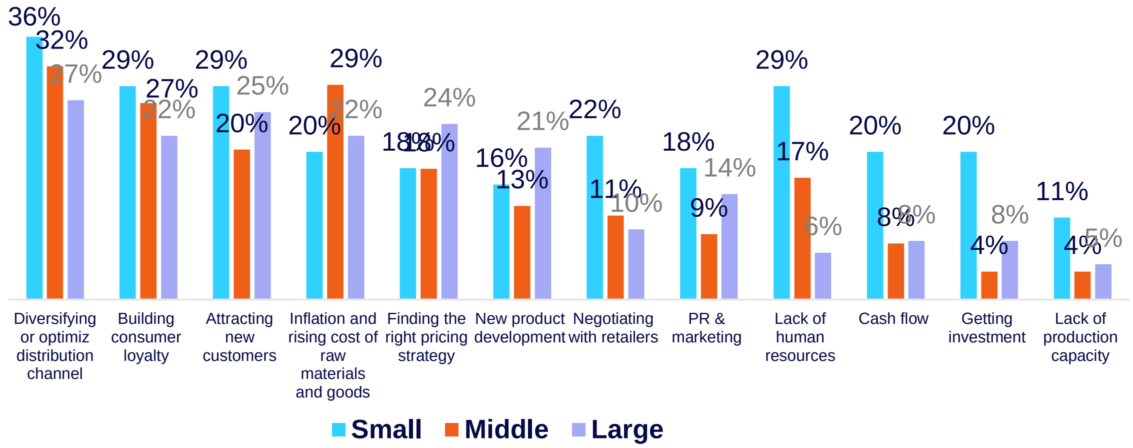
Top 3 – Main Challenge(Overall)

31% 1. Diversifying or optimizing distribution channel

26% 2. Building consumer loyalty

26% 3. Attract new consumers

No.1 challenge for SMB clients in 2024 is Inflation and rising cost of materials



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For SMB clients, they forecasted there might be business risks on the margin decline, consumer behavior and channel changes.

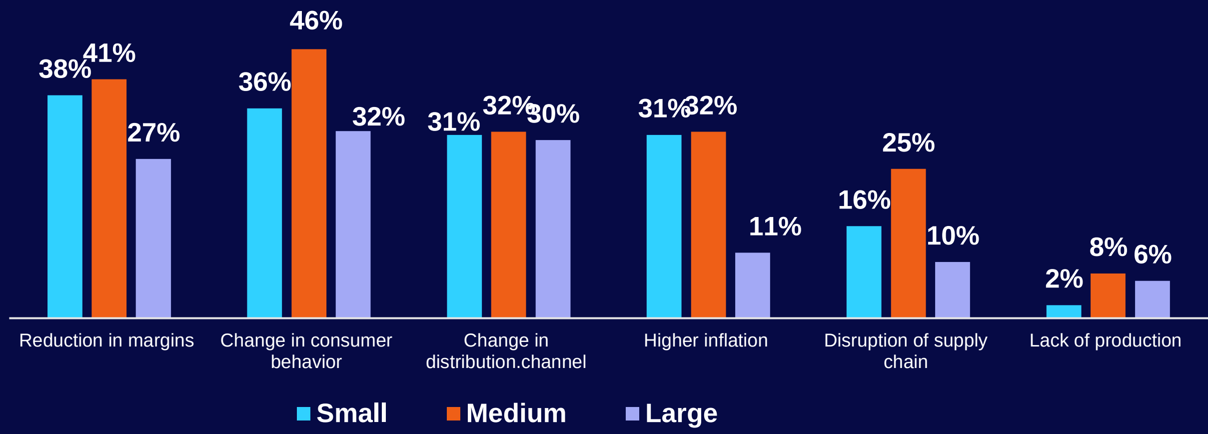
- **What main risks will your business face in following 12 months?**

Top 3– Main Risks (Overall)

39% 1. Change in consumer behaviors

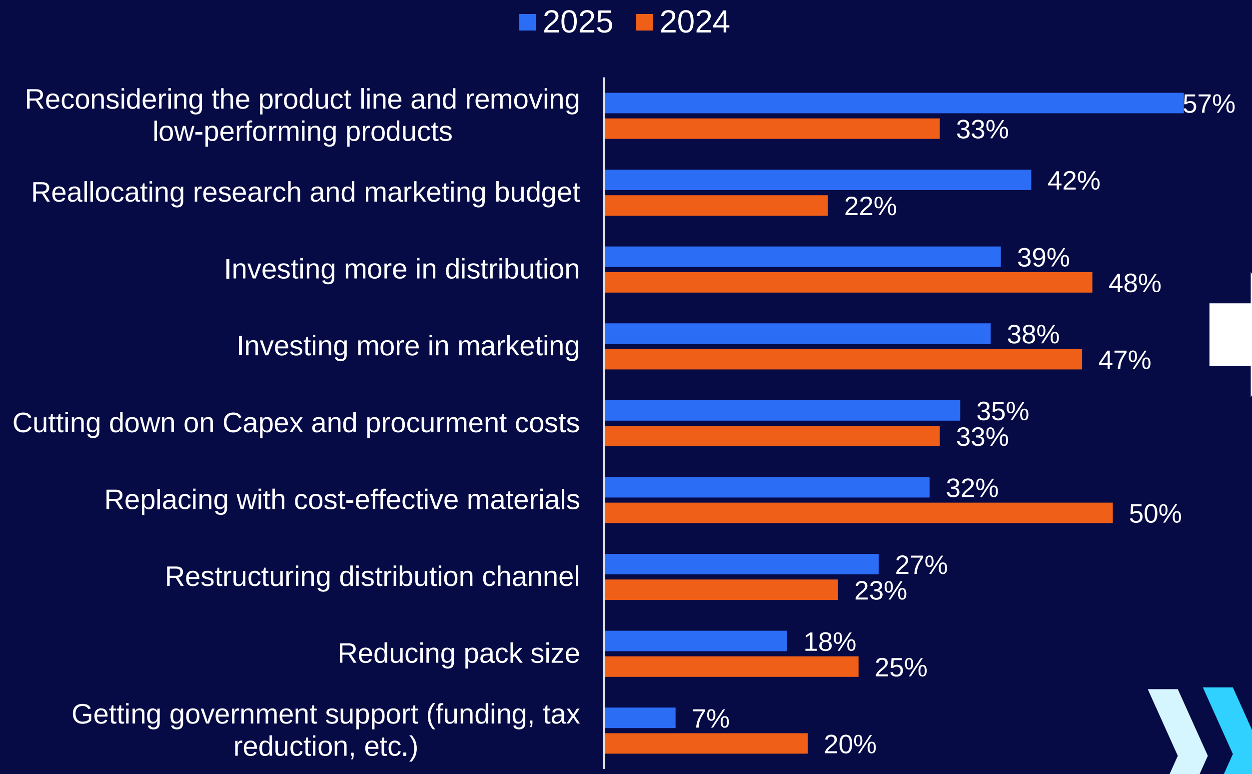
35% 2. Reduction in margins

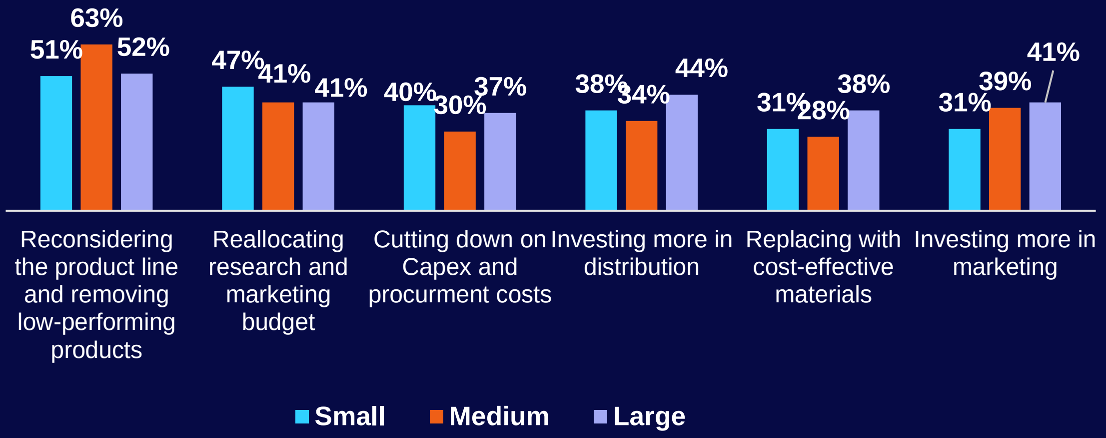
31% 3. Change in distribution channels



To deal with the challenges of channel diversification and margin decline risks, manufacturers are now prioritizing product portfolio optimization and strategic marketing investments to enhance competitiveness compared to last year.

How do you plan to deal with those challenges in 2025?





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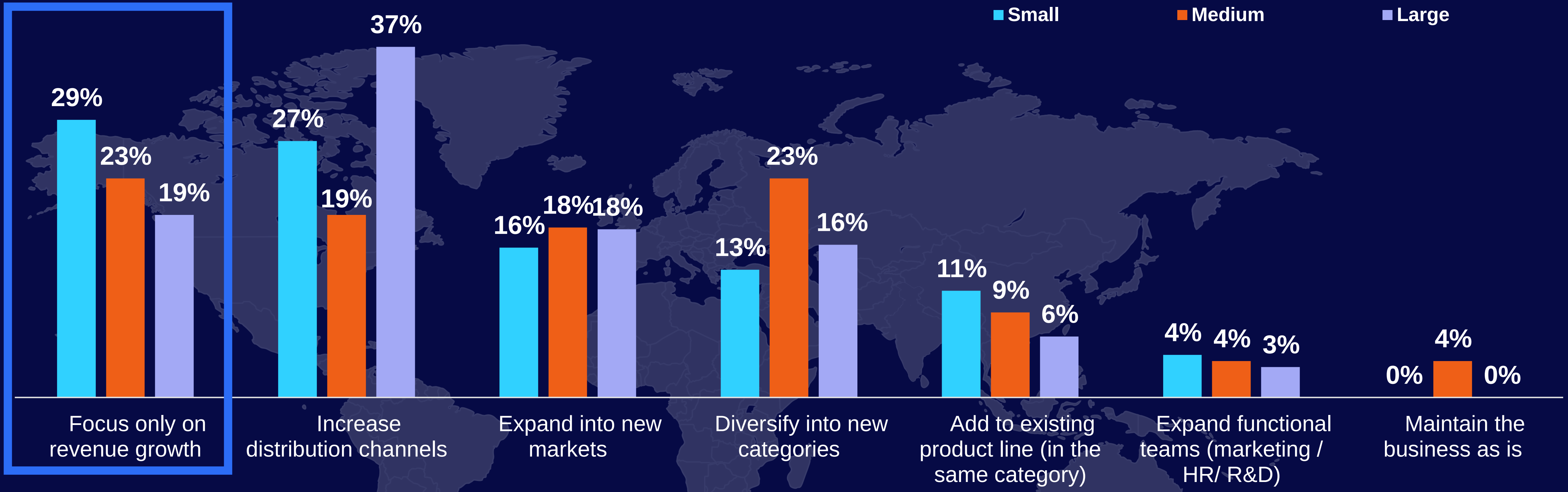
The right products in the right place

NIQ can support your product line and assortment decisions.
Know how!

NIQ

For large and small companies, their approaches primarily focus on revenue growth by expanding new channels. However, for middle-sized companies, the strategy shifts towards relying on expanding product lines to achieve growth.

What is your next step for growth?



	Focus only on revenue growth	Increase distribution channels	Expand into new markets	Diversify into new categories	Add to existing product line (in the same category)	Expand functional teams (marketing / HR/ R&D)	Maintain the business as is
2025 Total	**23%**	**27%**	**17%**	**18%**	**9%**	**4%**	**2%**

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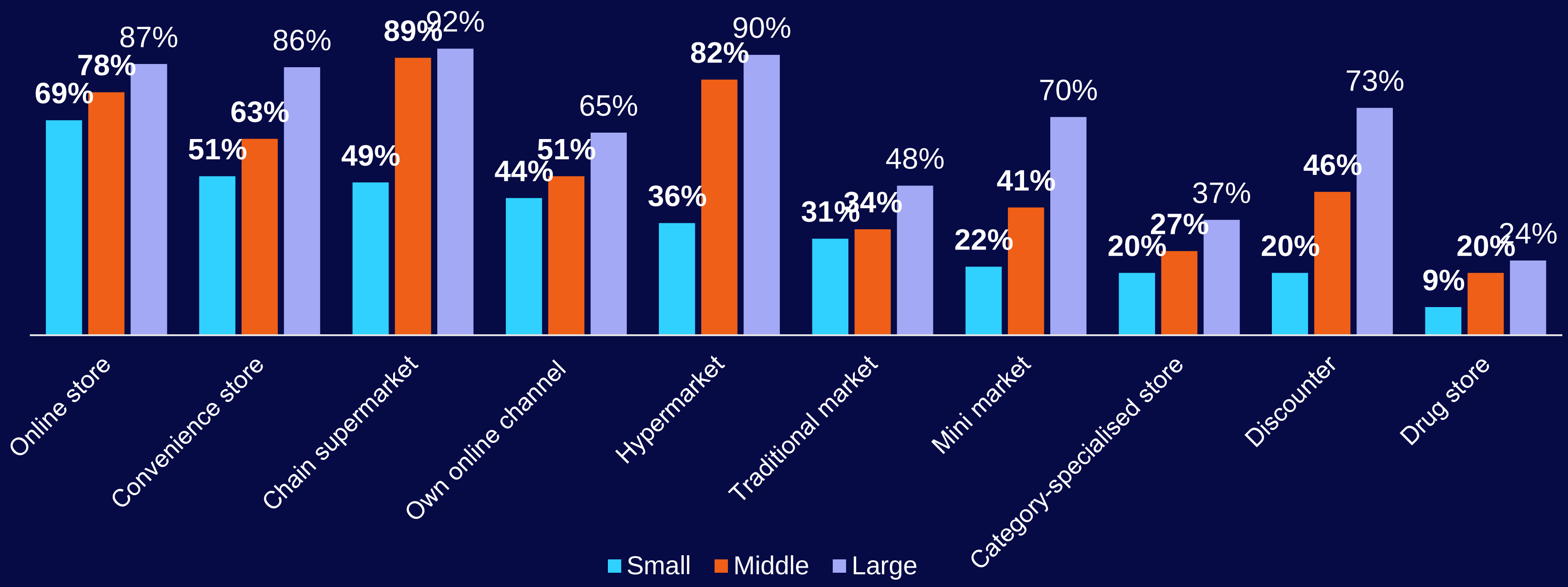
For SMBs, Online stores and small-to-medium physical stores remain the most critical sales channels; Large companies has more various channel visibility and offline channels are their focus.

What channels are you represented in?



Top 3 – Small (APAC)

Online store, Convenience store & Chain supermarket, Own online channel

Top 3 – Medium (APAC)

Chain supermarket, Hypermarket, online channel

Top 3 – Large (APAC)

Chain Supermarket, Hypermarket, online, convenience store and discount channels

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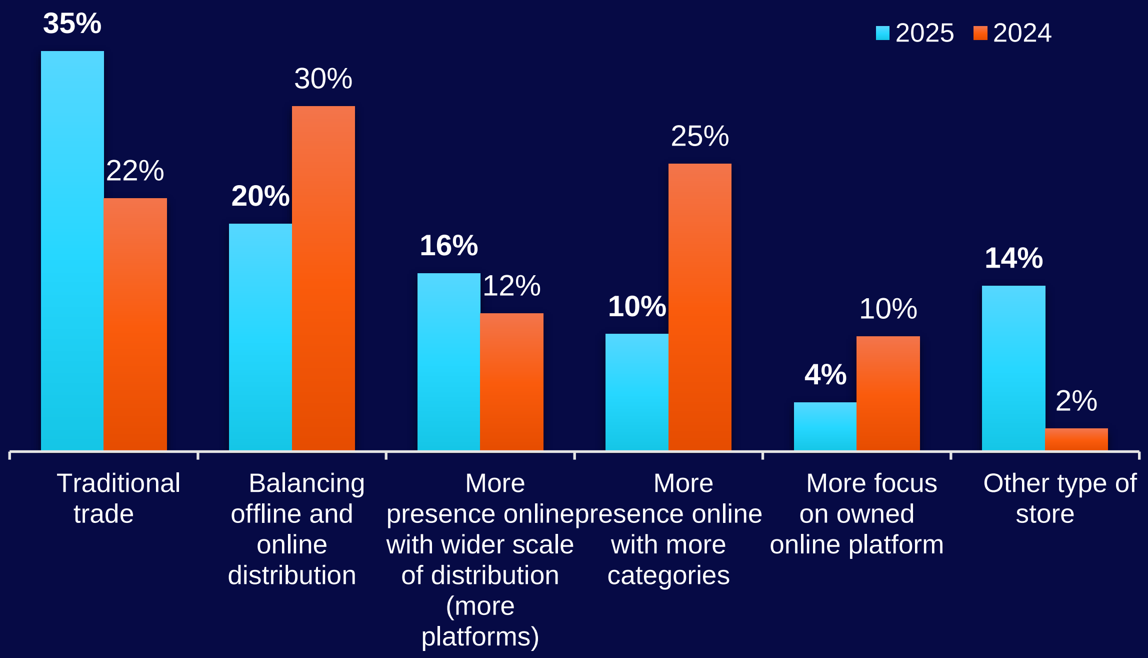
Companies are rebalancing priorities toward traditional trade channels while maintaining omni-channel integration as a secondary strategic pillar;

This represents a partial return to fundamentals after years of digital-first approaches.

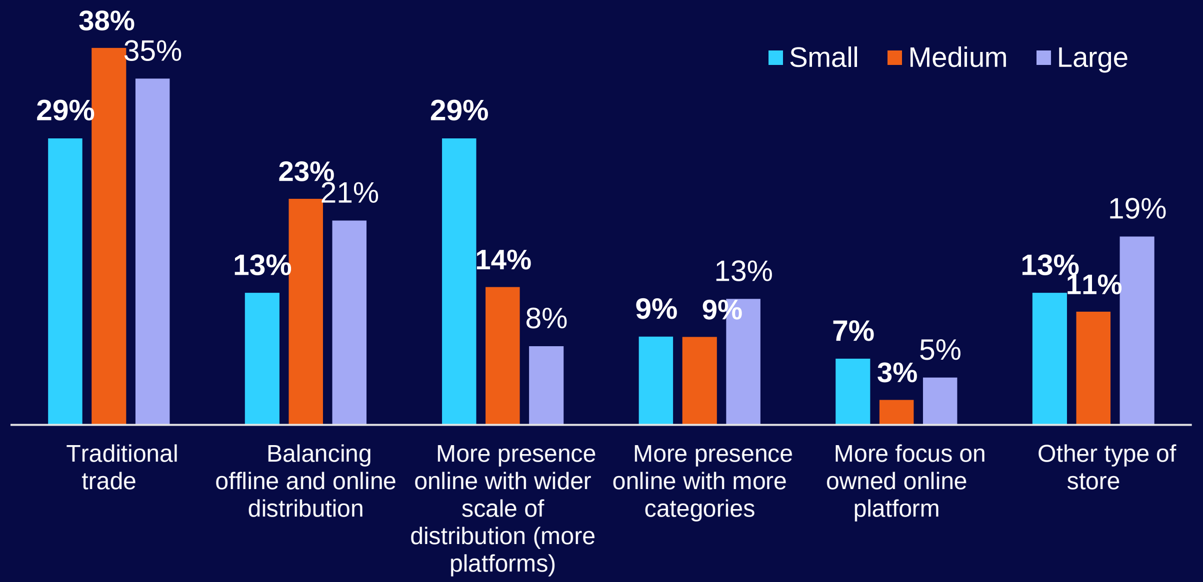
What is the primary area of focus of your channel / distribution strategy in the next 12 months?

APAC



By size

Small Businesses:Maintain core online operations while cautiously expanding into traditional trade. Adopt hybrid models to bridge digital and physical channels



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Compared with last year, Data-driven decision making has gained significant traction， but persistent for free data; A notable 23% in research data purchases among SMBs reflects the importance of premium data.

Please specify what tools you use when negotiating with retailers.

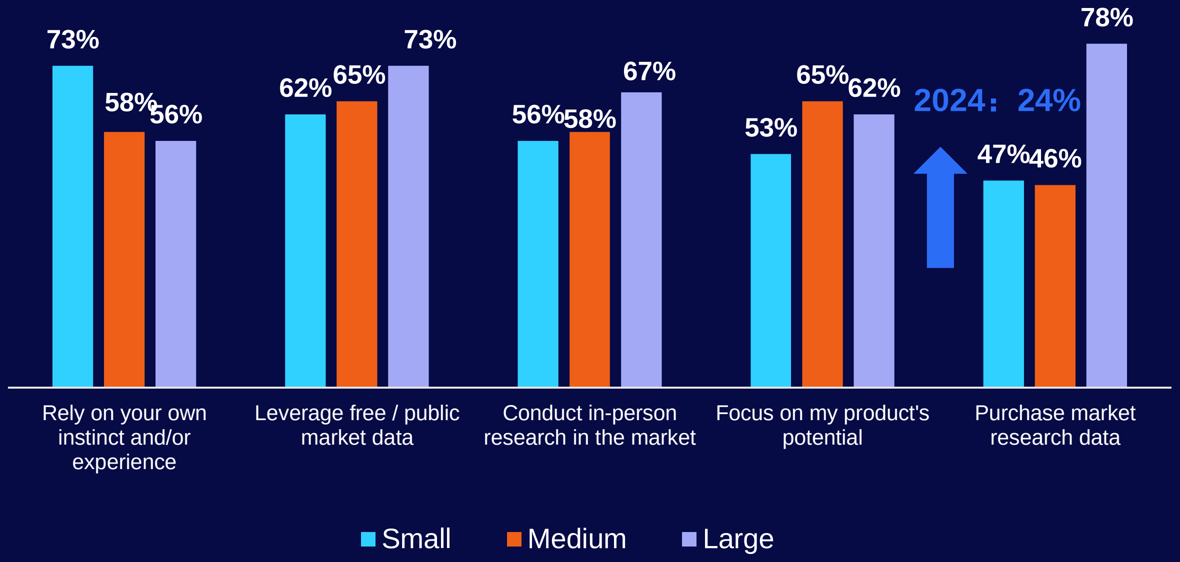
All companies

#1 Leverage free / public market data 67% (2024 #3) :

#2 Rely on your own instinct and/ or experience **62% （2024 #2）**

#3 Focus on my product's potential 61%（**2024 #3**）

By size



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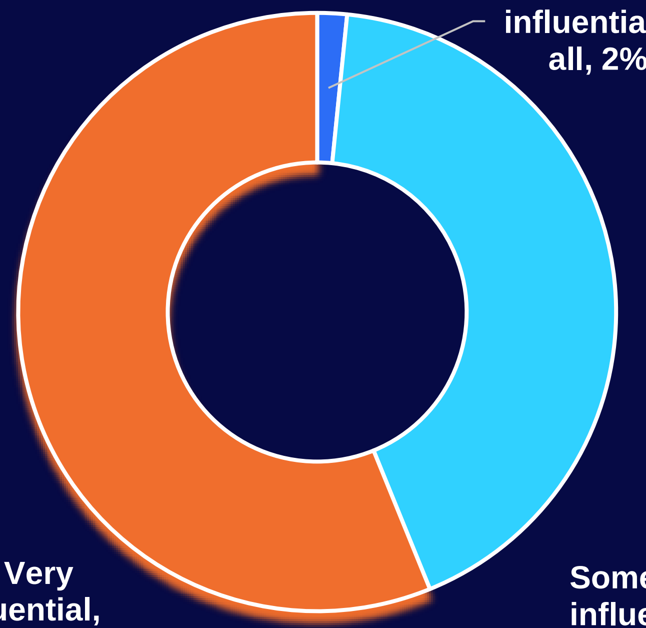
NIQ can support your decisions with trusted data. Know how!

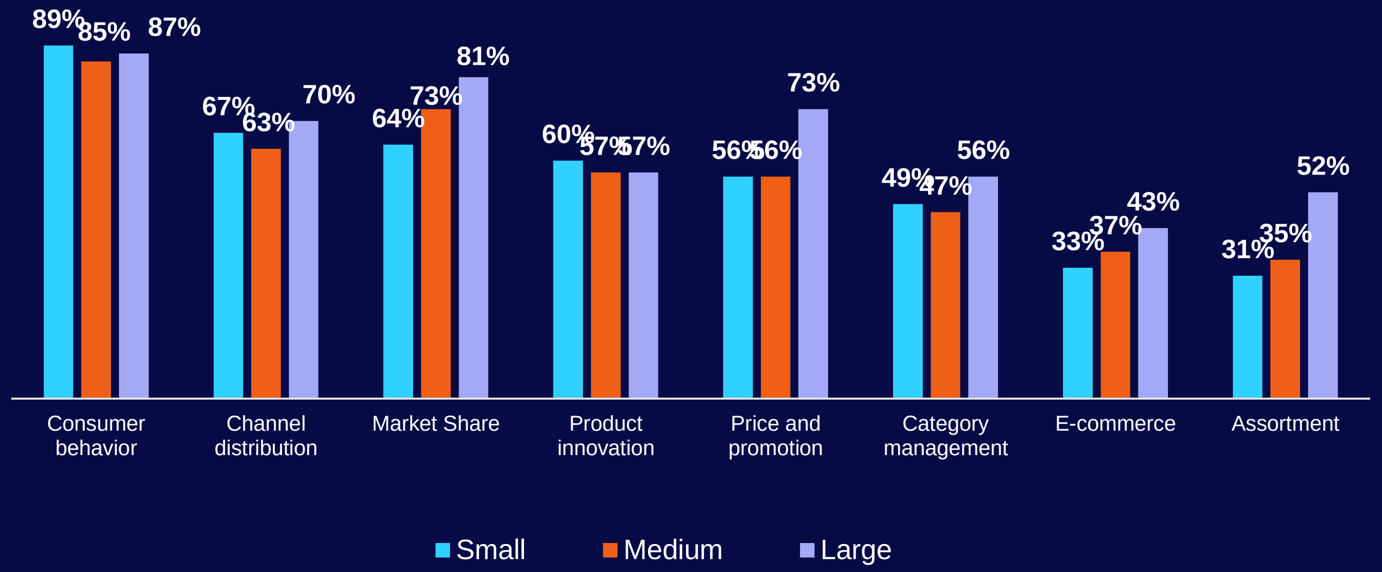
NIQ

SMBs prioritize insights into consumer behavior, channel dynamics, and market performance, while big enterprises focus on strategic pricing&promotion effectiveness, and category optimization.

How much have data and insights contributed to your business success?



What topics are you most interested in?



The answers that you need come in the data

Which in turn can build the map to growing your business.

Contact NielsenIQ **to know how!**

98%

of survey respondents recognize the importance of data in their decisions. What about you?

***NielsenIQ for SMBs** offers affordable, easy access to data and insights, giving your business a comprehensive view of the market, consumers, and competitors. Ready to grow?*

LET'S TALK!

NIQ SMB Solutions

Decoding Success for SMBs !

Understand **your** Customers

Key Questions:

- How have consumers' lifestyles, preferences and values evolved?
- What plans, expectations and decisions define consumers' future outlook to guide long-term business planning?
- What key demographic, psychographic or attitudinal behaviors differentiate your target consumers?
- How can your business attract new shoppers and encourage existing shoppers to buy more?

Solutions:

Consumer behavior and insight

NIQ Consumer & Shopper Insights: Homescan

Adapt to dynamic channels

Key Questions:

- What is growth-driving trends, product attributes, and shopper preferences online and in stores/
- What consumers search for online?
- How can I track performance to simplify cross-channels decisioning with a harmonized dataset?
- How can I track my online business performance?
- How to do product innovation based on current market trends?

Solutions:

Market Measurement Solutions

Enhance Product Strategy with Development Solutions

Optimize your marketing investment

Key Questions:

- How can you develop the best price and promotion strategy aligned to polarized consumers?
- How can you target your highest value opportunities with a hyper-local level of precision?
- How can you optimize your product mix across the entire store to align to consumers new views on 'discount'?

Solutions:

NIQ Revenue Management: Revenue Optimizer & Business Drivers Models

NIQ Route-to-Market:Precision Areas

NIQ Assortment & Merchandising

Thank you.

[*Contact Us.*]

For more information, please check out.

NielsenIQ official website: nielseniq.com

Small and medium-sized businesses webpage

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