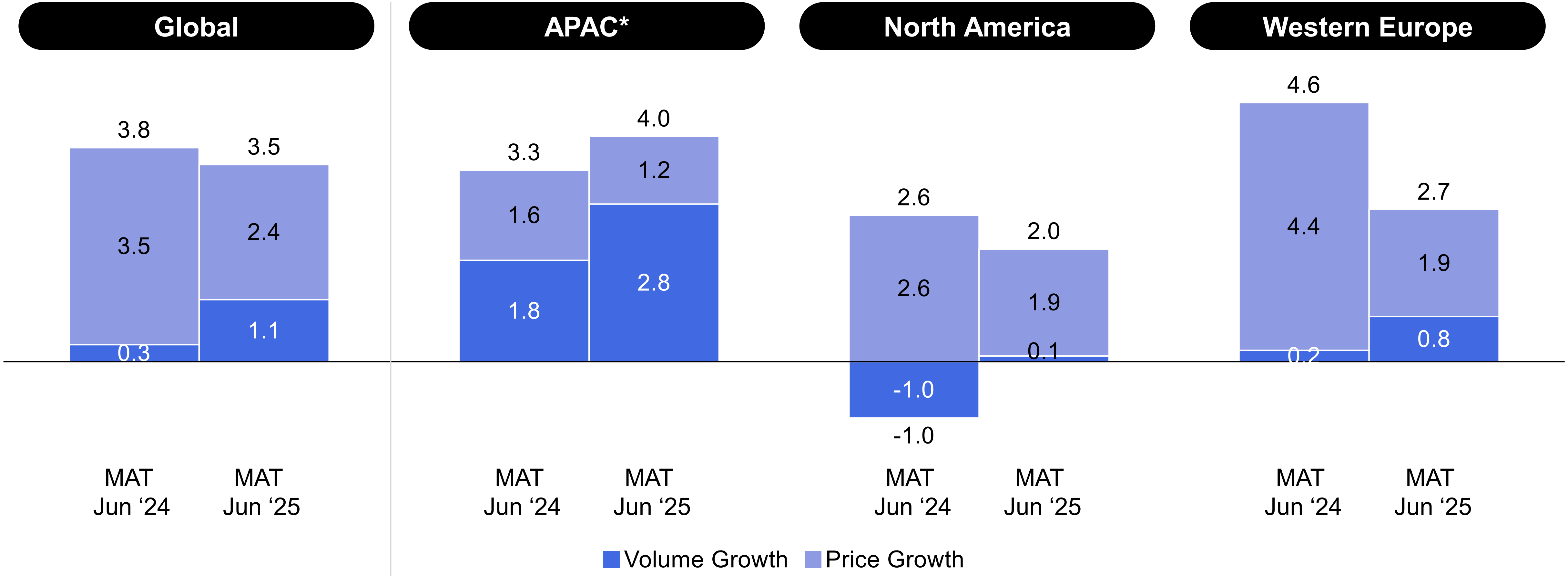
Southeast Asia: What's Happening with Consumers and Consumer Products

FMCG growth in APAC is predominantly volume driven, while North America and Western Europe are mainly driven by price

FMCG value growth by region (percentage, Moving Annual Total Jun '25)



Note: *APAC data covers offline channel, plus China B2C e-commerce channels such as JD and Tmall, as well as e-commerce channels in Singapore and Australia
Source: NielsenIQ

Trends in Southeast Asia - Key messages

1 Macro Headwinds Bite, but Investors Optimistic

Consumer confidence softens, but FDI flows and deals robust

2 Speed Breaker to Price-Led Growth

The new game is category expansion and demand creation

3 Increasing Bipolarization Amid Flight to Affordability

Consolidated shopping occasions while the middle shrinks

4 Local Heroes Rise

Holding over half of FMCG value and expanding regionally, posing threat to MNCs

5 Channel Complexity at an All-Time High

On-Trade steadies, Off-Trade accelerates, with new digital sub-channels rising

6 Scroll to Shop

Social commerce no longer a sideshow; TikTok Shop drives ~20% of e-Commerce

7 AI is a Game Changer

Every step from plant to purchase, supply to shelf is now influenced by algorithms

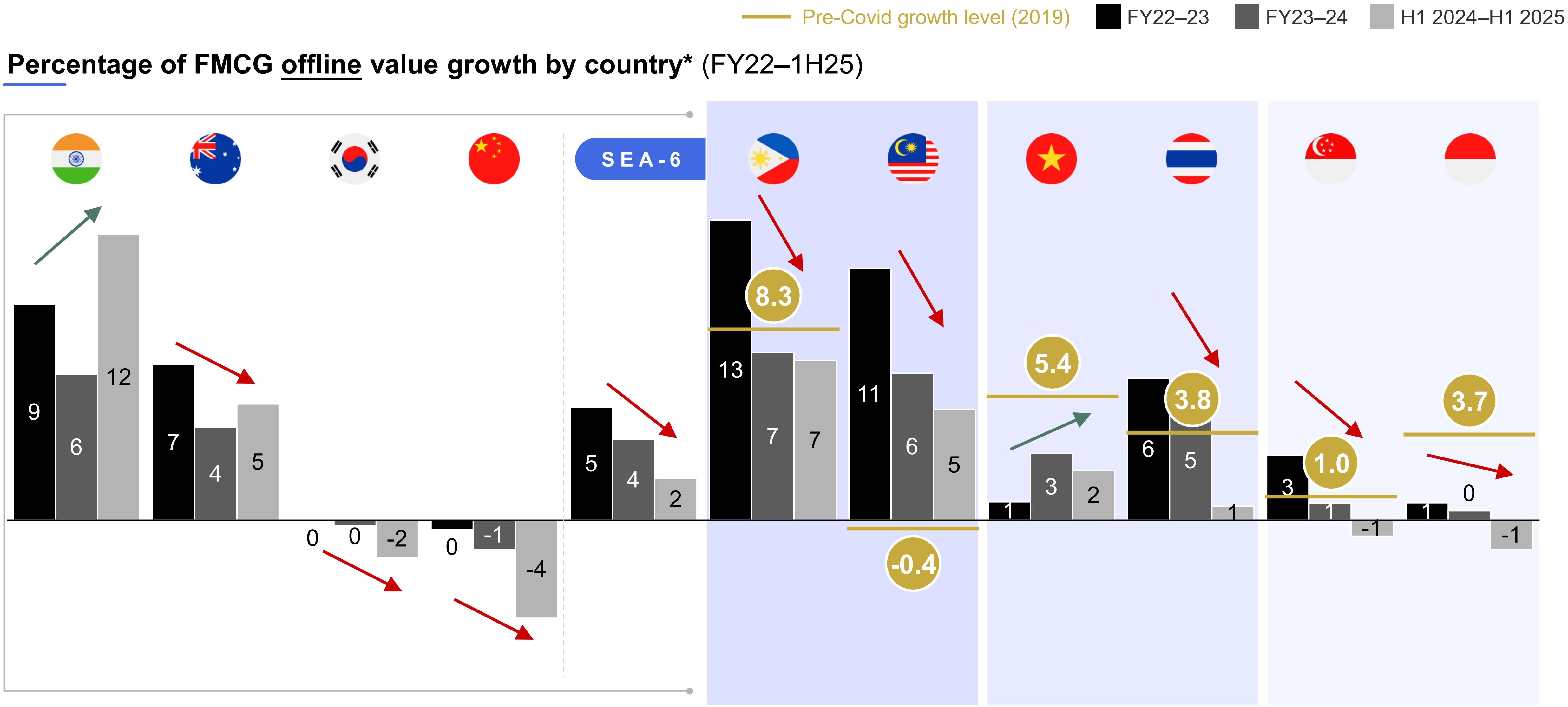
8 ESG a Preference-Action Gap

Consumers are primarily focused on “what is good for me”

1

FMCG value growth slowing down across Asia-Pacific, except for India

Percentage of FMCG offline value growth by country* (FY22–1H25)

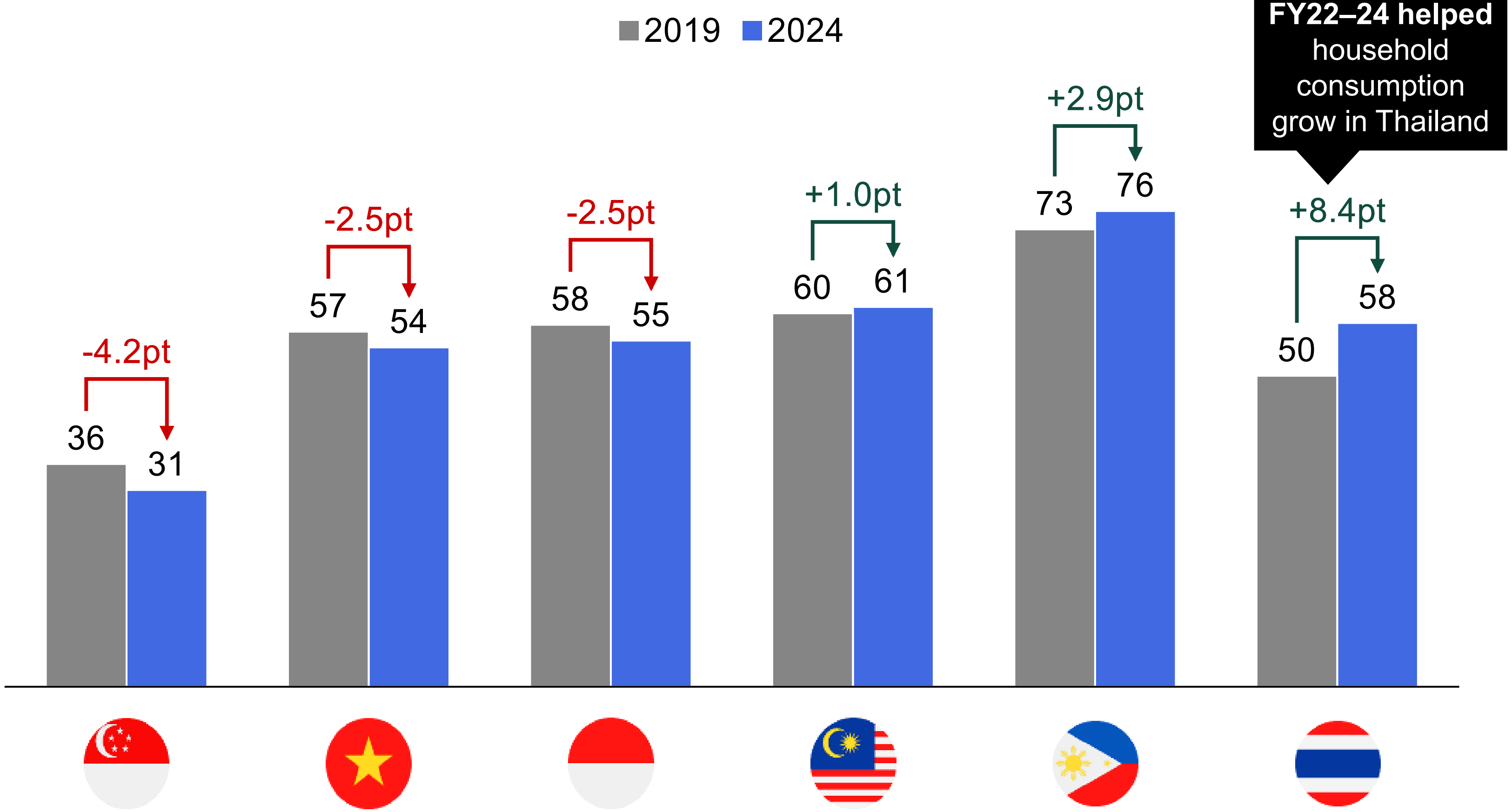


Notes: *Offline only; FMCG includes Alcohol, Baby Products, Beauty and Cosmetics, Beverages, Dairy, Frozen Foods, Household Products, Laundry Products, Oral and Personal Care, OTC and Health Supplements, Packaged Foods, Pet Foods and Care, Snacks and Confectionery, Tobacco | Source: NielsenIQ

1 Households show weaker sentiment; leaders remain divided on short-term prospects

Household consumption
(percentage of GDP, 2019–24)

Strong rebound of international tourism during FY22–24 helped household consumption grow in Thailand



View from consumers

43% of SEA consumers stated that they are likely to **cut out-of-home expenditures** to save money

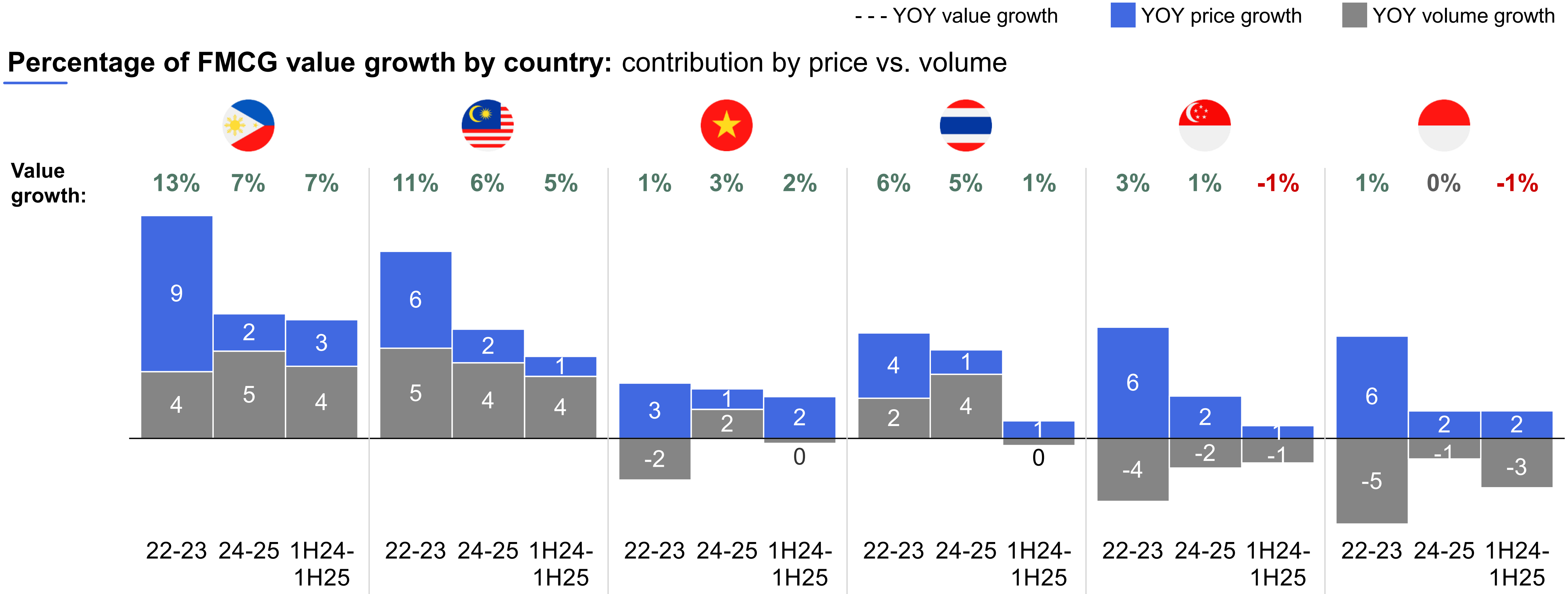
View from the top

52% of CXOs expect **2026 growth to be same or lower compared to 2025** for their business

Sources: Bain CXO survey conducted in August 2025; World Bank; NielsenIQ Q1 2025

Price-led growth post COVID has slowed

Percentage of FMCG value growth by country: contribution by price vs. volume



Contribution from price growth (percentage)	**70%**	**30%**	**39%**	**52%**	**31%**	**24%**	**-**	**41%**	**-**	**62%**	**28%**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

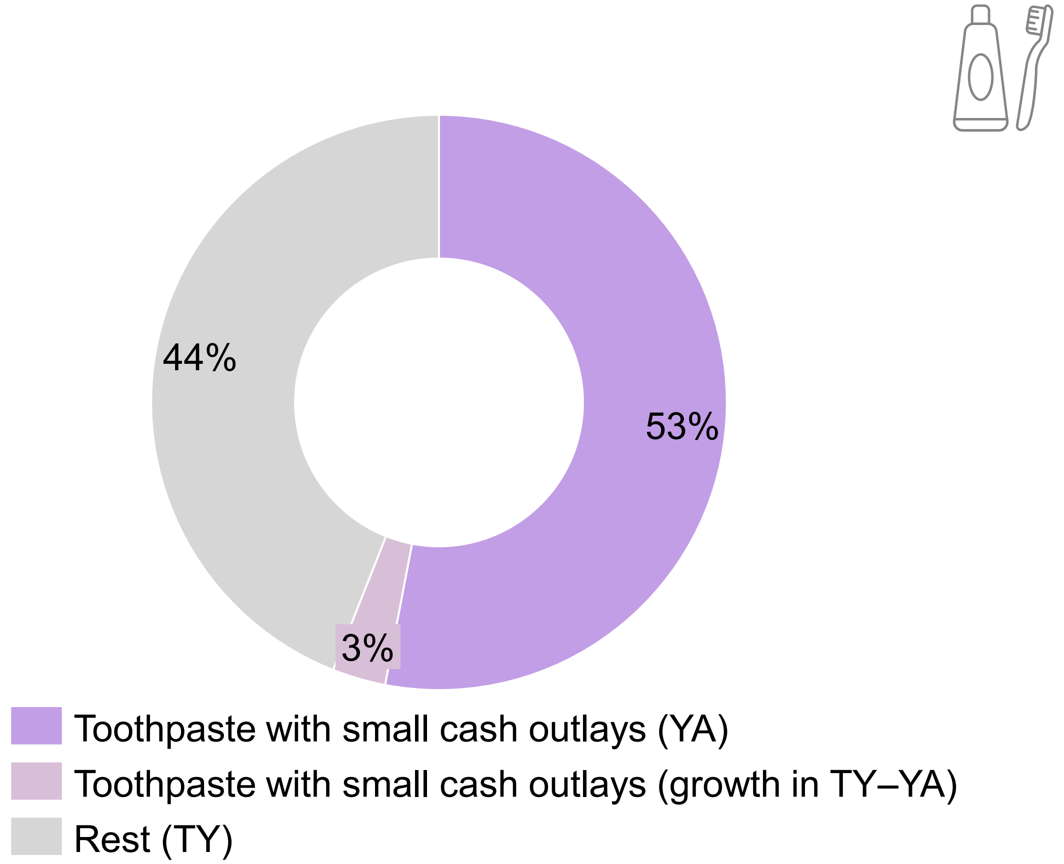
Note: FMCG includes Alcohol, Baby Products, Beauty and Cosmetics, Beverages, Dairy, Frozen Foods, Household Products, Laundry Products, Oral and Personal Care, OTC and Health Supplements, Packaged Foods, Pet Foods and Care, Snacks and Confectionery, Tobacco | Source: NielsenIQ RMS data to June 2025

3 Consumers move toward affordability with a range of actions amid macro headwinds

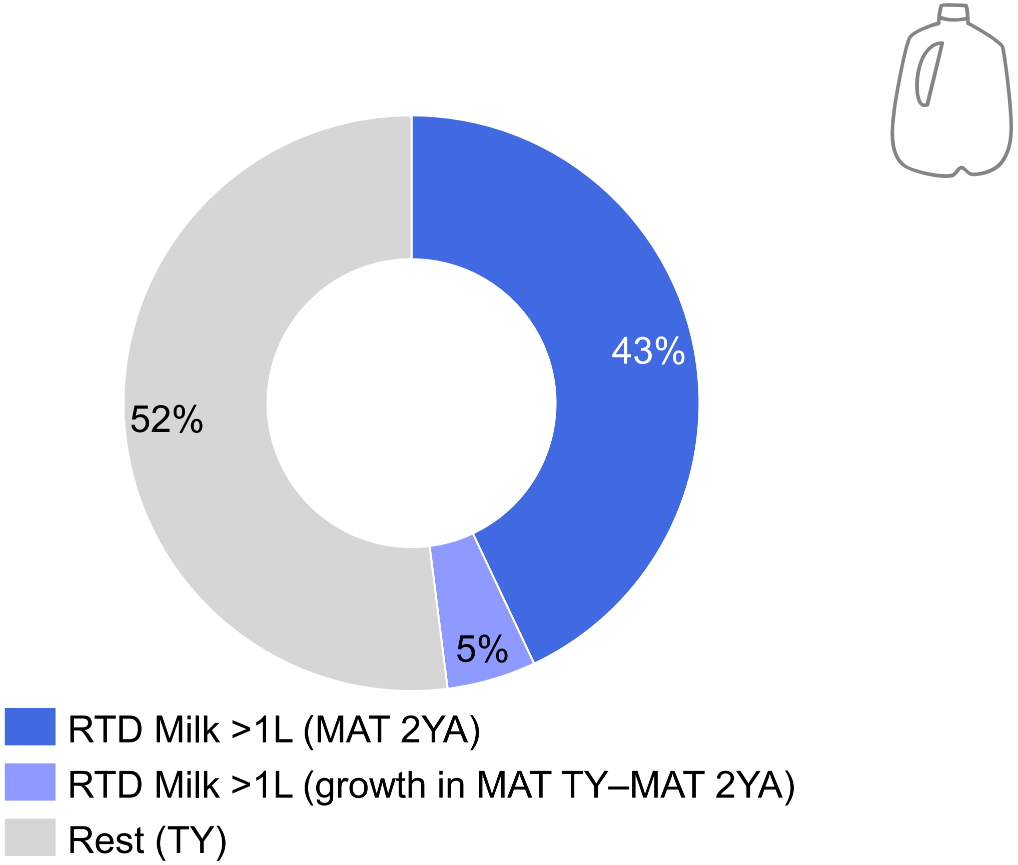
Source: NielsenIQ

3 Growing salience of smaller cash outlay and multi-serve packs to address affordability

+3 ppt volume share contribution from Toothpaste packs with small cash outlays (sachets, small/mid tubes)



+5 ppt value share contribution from RTD Milk multi-serve pack sizes (>1L)

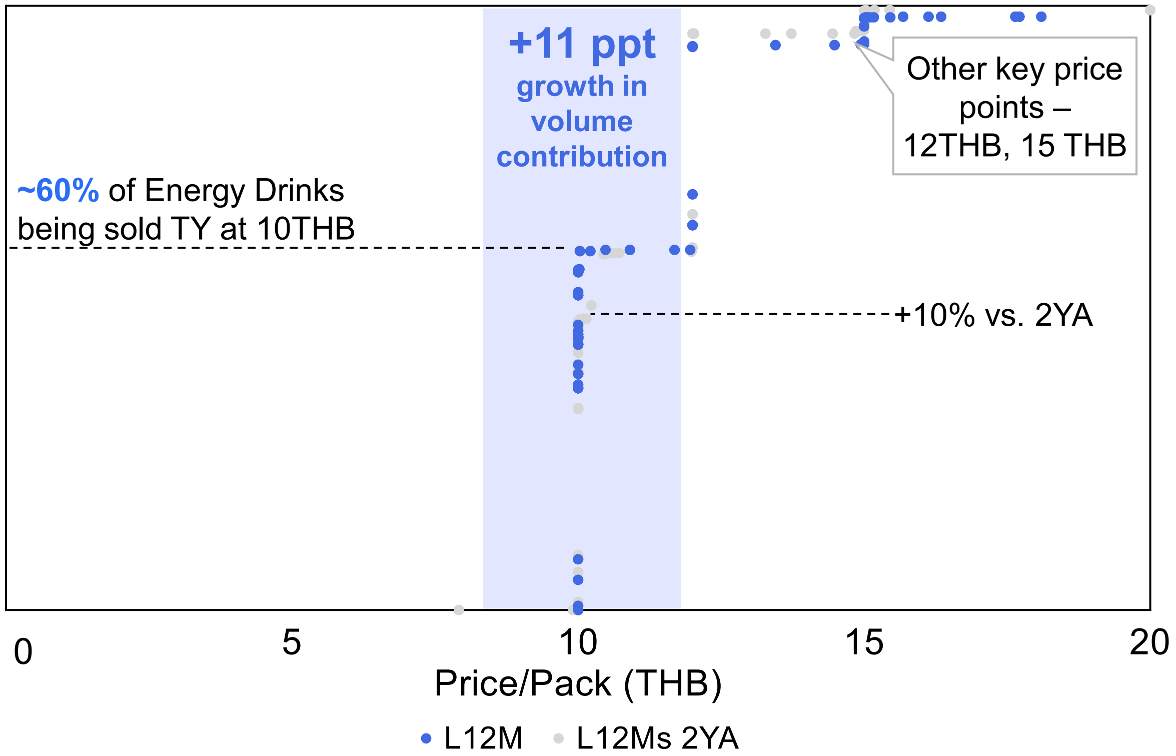


Notes: MAT = Moving Annual Total; TY = This Year; YA = Year Ago; 2YA = Two Years Ago
Source: NielsenIQ RMS data to June 2025

3 Cash outlays and magic price points continue to dictate what price brands can play

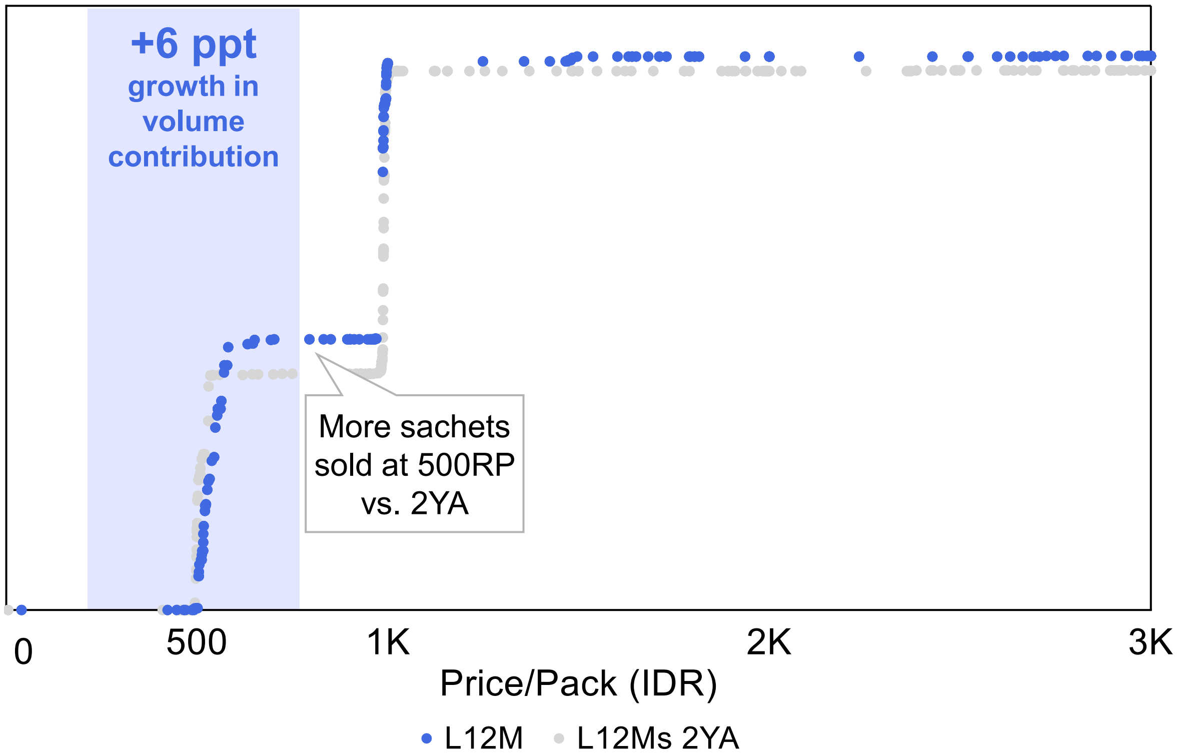
Thailand: In Energy Drinks, 10THB packs drive highest volume (~60%)

Volume contribution (percentage)



Indonesia: In Shampoo, 500/1K IDR packs drive highest volume (>90%)

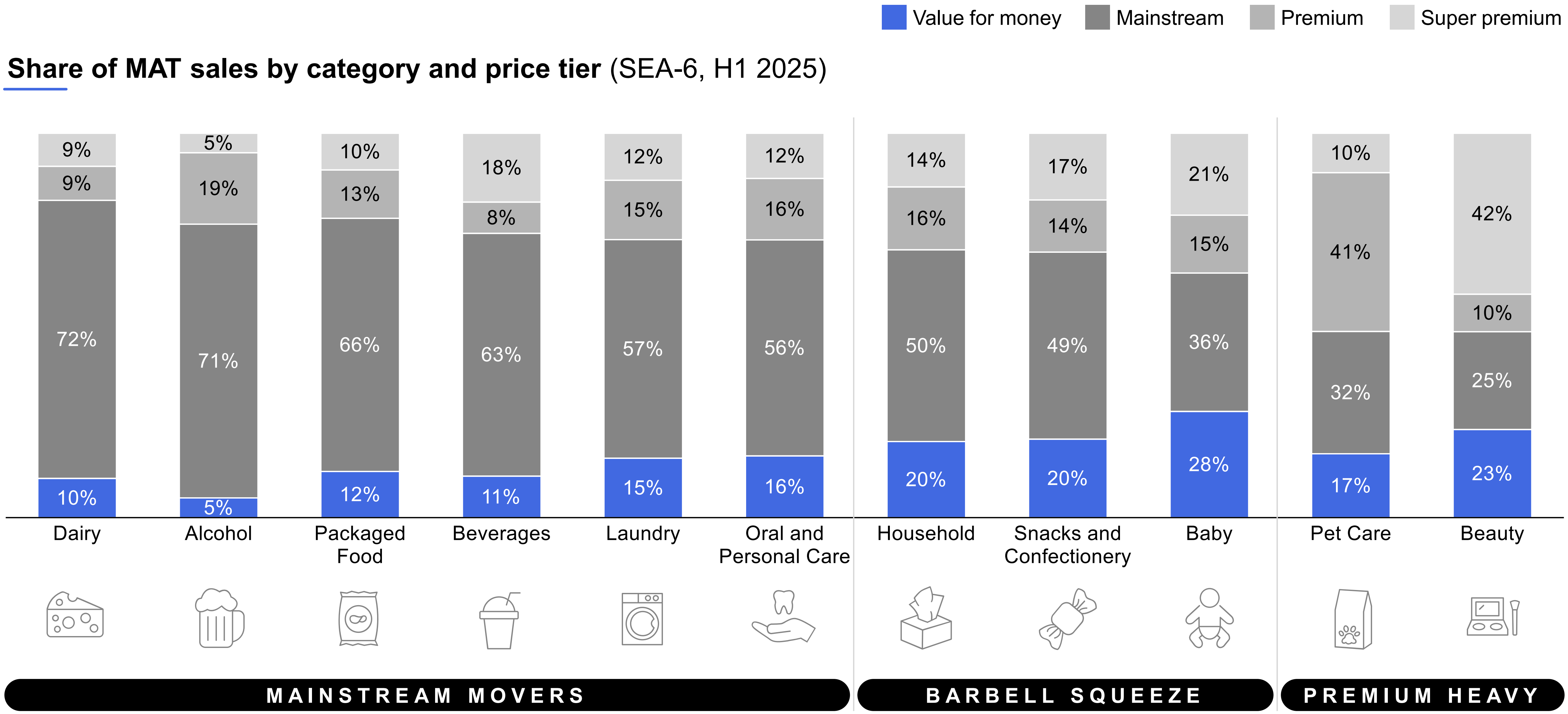
Volume contribution (percentage)



Notes: TY = This Year; YA = Year Ago; 2YA = Two Years Ago
Source: NielsenIQ RMS data to June 2025

3 SEA remains mainstream-heavy, but premium tiers capture significant share in "good for me/my family" segments: Beauty, Pet, and Baby

Share of MAT sales by category and price tier (SEA-6, H1 2025)



Notes: MAT= Moving Annual Total; Value for money = price index under 80; Mainstream = 81–120; Premium = 121–160; S=uper premium ≥ 161
Source: NielsenIQ RMS data to June 2025

3

Consumers are polarizing, trading up in Beauty and Baby, trading down in Household and Laundry, and moving mainstream for Beverages and Packaged Food

Share change in MAT sales by category and price tier (H1 2023–H1 2025)

		Value for money	Mainstream	Premium	Super premium
TRADING UP	Beauty	-1.8%	-0.4%	0.1%	2.1%
	Baby	-0.3%	-2.4%	0.8%	1.9%
	Dairy	-0.2%	-1.3%	0.5%	1.0%
BARBELL TREND	Personal Care	0.6%	-1.2%	-0.1%	0.7%
	Snacks	0.5%	-1.3%	0.4%	0.5%
MAINSTREAM GROWTH	Pet Care	-1.9%	3.5%	-3.1%	1.5%
	Alcohol	-0.4%	2.5%	-1.6%	-0.5%
	Beverages	0.0%	1.7%	-0.8%	-0.9%
	Packaged Food	-0.3%	0.5%	0.3%	-0.4%
TRADING DOWN	Household	0.9%	0.1%	-0.3%	-0.7%
	Laundry	0.8%	-0.2%	0.5%	-1.1%

Notes: MAT= Moving Annual Total; Value for money = price index under 80; Mainstream = 81–120; Premium = 121–160; Super premium ≥ 161
Source: NielsenIQ RMS data to June 2025

Top three players gained more share in SG and MY, whereas TH and VN saw the rise of challengers

< -0.5 ppt | -0.5 to <-0.1 ppt | -0.1 to +0.1 ppt | >+0.1 to <+0.5 ppt | ≥+0.5 ppt

Share changes for top three brands across categories (ppt)

VOLUME SHARE CHANGE VS. 2YA

CATEGORY	1					
Alcohol		-1.3	0.2	2.6	1.6	
Baby	-1.5	0.7	-0.7	1.9	0.1	1.4
3 Beauty and Cosmetics	-0.7		0.6	1.7	1.0	7.2
Beverages	1.0	-0.4	-2.4	2.1	0.1	-0.1
2 Dairy	-0.7	-0.8	-0.2	-1.5	-1.9	-0.5
Frozen	0.8		-0.8	-1.1	3.4	
Household Products	0.3	0.6	-0.8	-0.1	-0.3	1.3
Laundry Products	0.2	-1.7	0.0	-0.2	-0.3	0.1
Oral and Personal Care	-0.3	0.2	-1.3	0.1	0.3	0.4
OTC and Health Supplements	0.2		0.3		0.9	2.4
Packaged Food	-2.0	-0.7	0.5	-0.1	0.5	2.4
Petfood and Care				0.7	3.5	1.6
Snacks and Confectionery	-0.5	-1.4	-1.8	0.4	-1.7	-0.9

Note: 2YA = Two Years Ago | Source: NielsenIQ

COMMENTARY

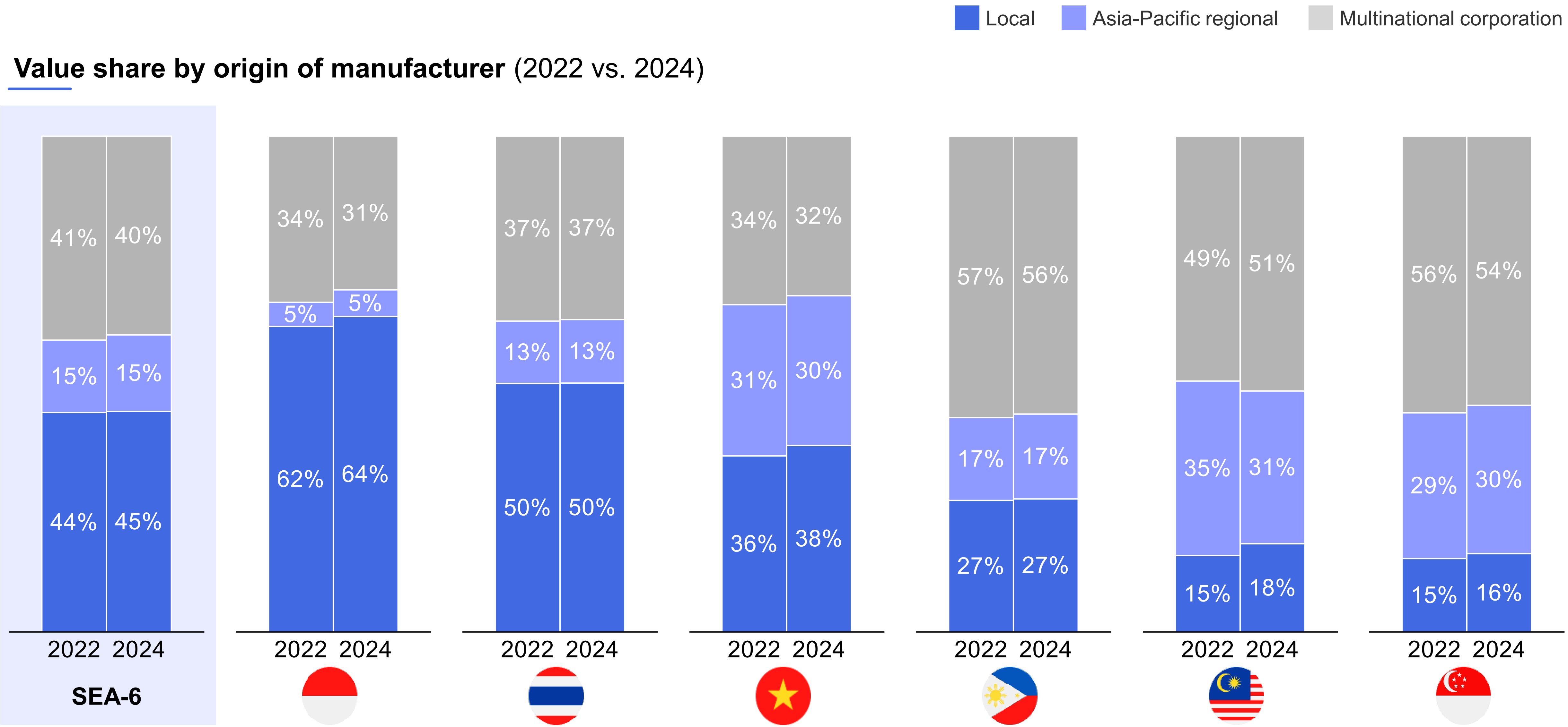
1. Indonesia, Vietnam, and Thailand **experienced highest market share volatility**

2. As **categories commoditize**, these categories experienced highest share volatility

3. Consumers continue to **rely on tried and tested brands**

4 FMCG stronghold of Local/Regional companies commanding more than 50% of market share; especially in Indonesia, Thailand and Vietnam

Value share by origin of manufacturer (2022 vs. 2024)



Notes: Excludes private labels; Based on manufacturers within top 80% of sales
Source: NielsenIQ RMS data to June 2025

4 Poised for regional play, leading local brands have been expanding across borders on the back of strong domestic traction

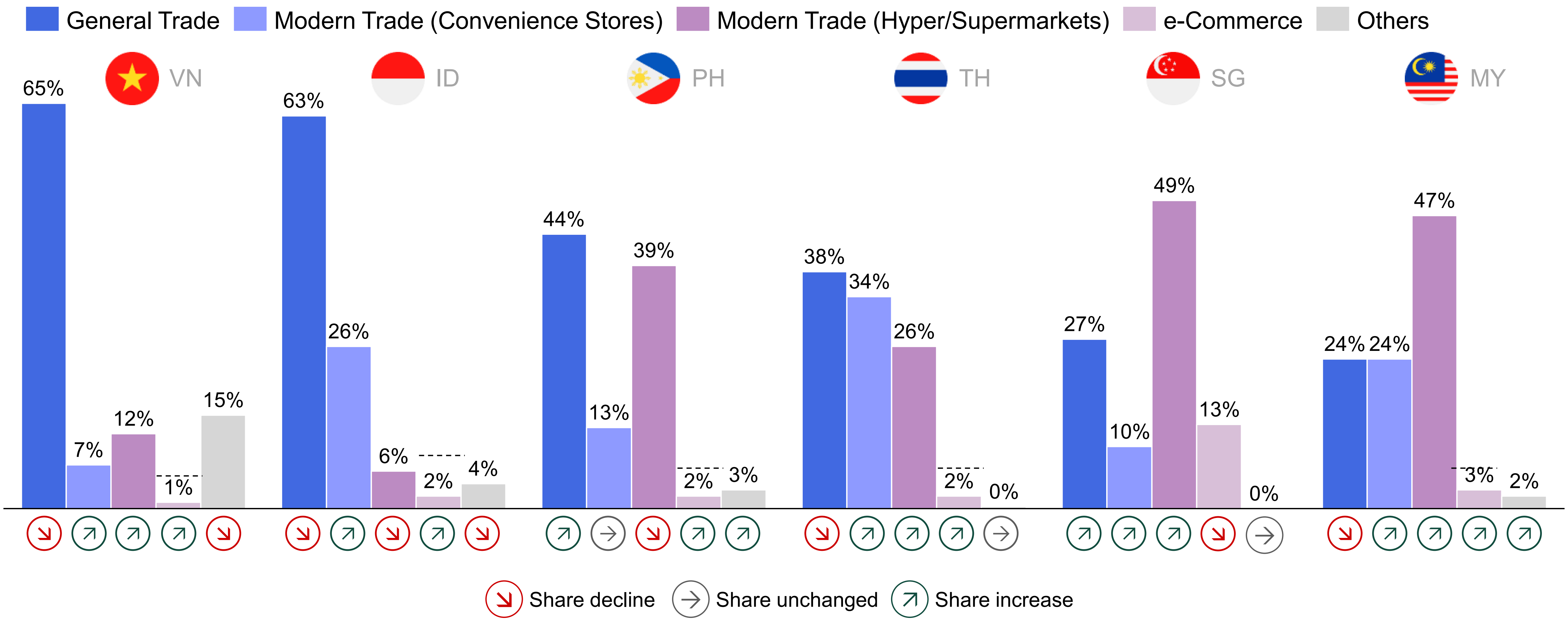
/EXAMPLES

	Yeo's	Universal Robina	Indofood	OSOTSPA
Origin				
Description	• Packaged Food and Beverages brand with core consumer market in Malaysia • Top-two player in Malaysia and Singapore with ~18% share in Asian specialty drinks	• Leading Food and Beverages brand with strong presence in snacks, beverages, and instant noodles • Top player in the Philippines with ~54% share in ready-to-drink tea	• Packaged food leader with noodles, dairy, snacks, beverages, seasonings brands • Market leader in SEA with ~56% share in instant noodles	• CPG company with beverage, personal care, healthcare, and confectionery brands • Top-three player in SEA with ~13% share in energy drinks
Revenue outside of primary market	78%	31%[1]	24%	24%
Presence in SEA-6				

Note:(1) For Universal Robina, Business Segment Branded Consumer Foods (BCF) was included, and Business Segment Agro-Industrial and Commodity foods (AIC) was excluded
Sources: Company Annual Reports; NielsenIQ RMS data to June 2025

5 General trade declining but salient; modern trade growth fueled by smaller formats and discounters; e-commerce small and gaining traction in few categories

Estimated FMCG sales by channel by SEA countries

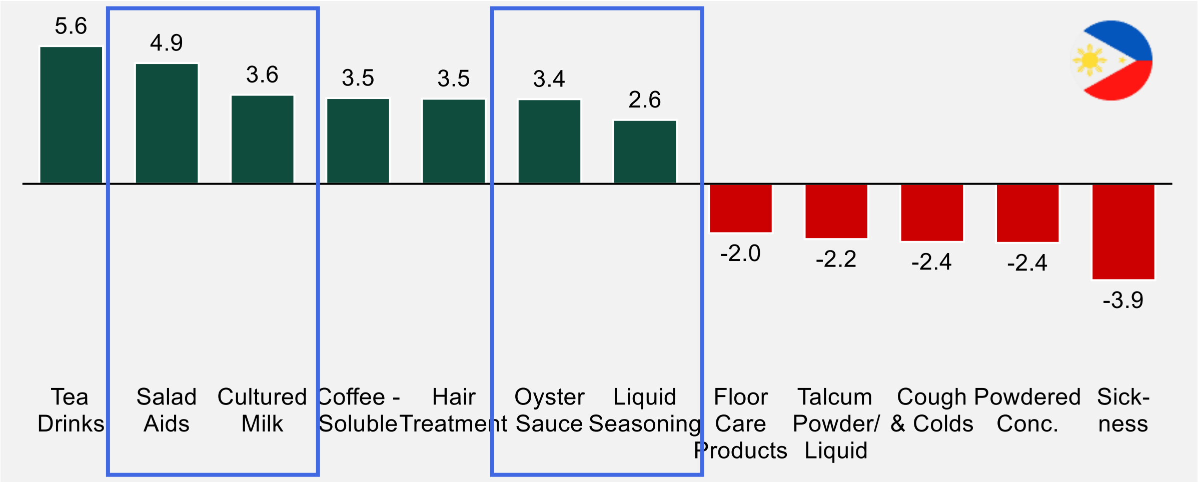


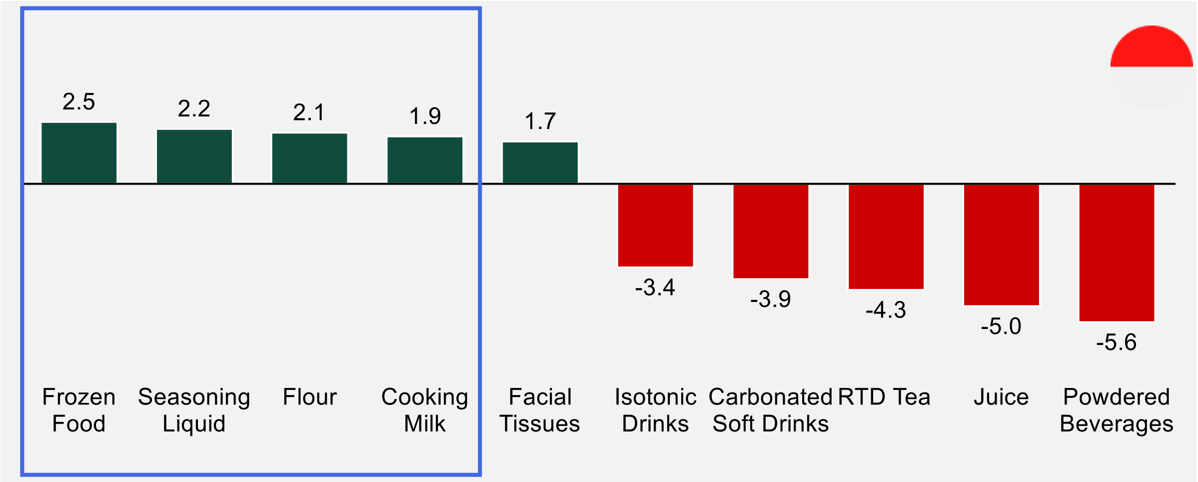
Notes: Changes in channel share is calculated based on 2022–23 moving annual total (MAT) vs. 2023–24 MAT; Various sources of data for e-Commerce channel exist with a wide range – Shown in the charts above are data from GlobalData (except Singapore from Nielsen), while other channels are proportionally scaled from Nielsen data; Others includes Cosmetic Stores, HORECA (for beverages), and Specialist Baby Stores | Sources: Nielsen; GlobalData

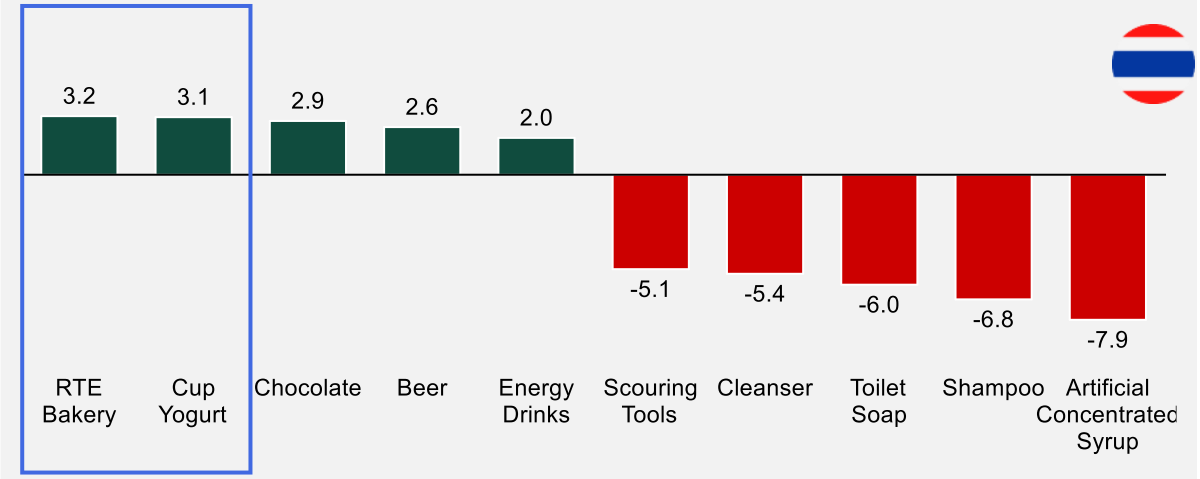
5 Shopping patterns indicate a shift to in-home categories like cooking ingredients and frozen products

Penetration gainers Penetration drainers

Category trends (household penetration change across categories, TY vs. YA)





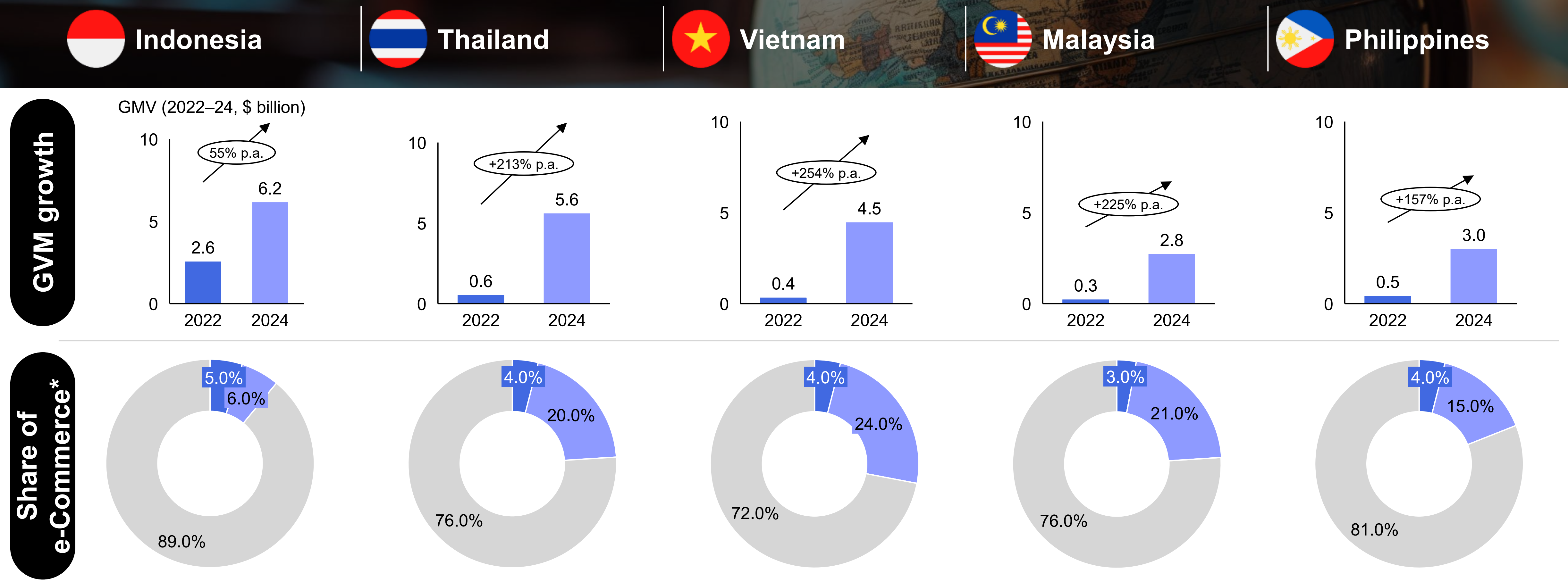


Notes: TY = this year; YA = year ago; RTD = ready-to-drink; RTE = ready-to-eat | Source: NielsenIQ

6 TikTok Shop has emerged as one of the leading e-Commerce marketplaces, experiencing the fastest growth across SEA markets

TikTok's market share (%, 2022) | TikTok's market share change (ppt, 2022–24) | Other e-Commerce players' share (%, 2024)

TikTok Shop's GMV across SEA countries (2022–24, $ billion)



Notes: GMV estimate covers only transactions by Shopee, Lazada, TikTok Shop, Tokopedia Bukalapak, Blibli, Tiki, Amazon SG, and Sendo; GMV includes orders where payment is made, including canceled, returned, and refunded orders; *Share of e-Commerce in ID excludes shares from Tokopedia (~30% e-Commerce); Source: Momentum Works

7 AI is becoming the new shopping partner for Southeast Asia consumers, transforming the purchasing journey

DISCOVER | DECIDE | BUY | RE-BUY

CONSUMERS

Where AI adds value for SEA shoppers[1]

~85% of SEA shoppers are already using or looking to use AI in their shopping journey

	DISCOVER	DECIDE	BUY	RE-BUY
Where AI adds value for SEA shoppers[1]	50% Tells me about new products	57% Helps me compare brands	46% Saves me time and can decide for me	54% Advises on the best product for my needs

BRANDS

	DISCOVER	DECIDE	BUY	RE-BUY
Traditional	Brand campaigns, store presence, mass media	Brand reputation, price, in-store promotions	In-store activations, trade incentives, pricing	Loyalty cards, repeat promos, convenience
AI-enabled	AI-curated feeds, 1:1 marketing, influencers, social commerce	Product reviews and comparisons, chatbot advice, personalized recommendations	Seamless omnichannel, smart pricing, instant checkout	Predictive replenishment, AI-driven offers, subscriptions

Note: (1) Figures denote percentage of respondents who selected each option in response to the question “Which generative AI assistance would help you?”
Source: NielsenIQ

8 Southeast Asia prioritizes affordability amid pricing and economic concerns; meanwhile, boardrooms shift sustainability focus elsewhere

Rising food and utility costs, alongside economic concerns, are top SEA consumer priorities, while environment and sustainability lag behind

TOP CONCERNS IN SEA 2025

#1	#2	#3
Food prices	Economy	Physical health
Food prices	Utility	Economy
Food prices	Utility	Healthcare
Food prices	Utility	Job security
Food prices	Economy	Utility
Economy	Food prices	Physical health*

For leadership, sustainability slips down the agenda

of companies out of 53 global consumer product and retail companies analysed are **not on track to achieve their emission targets**

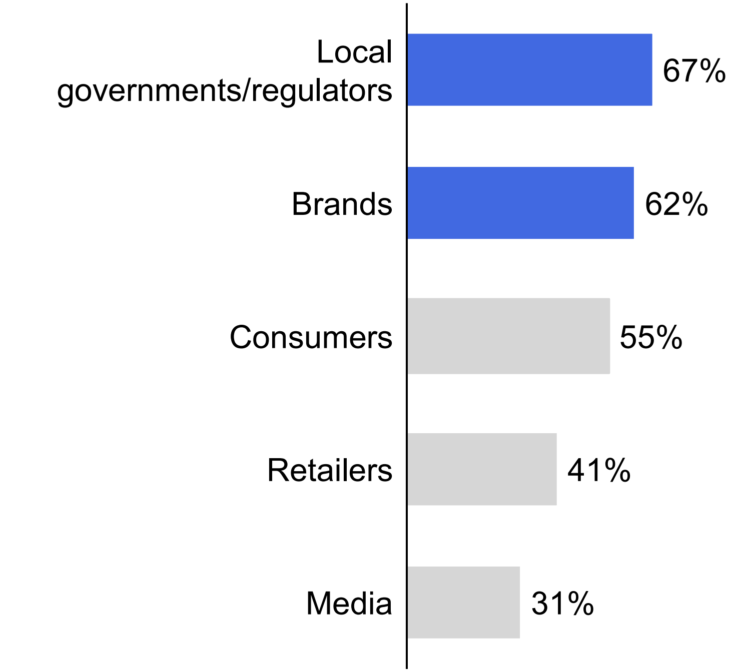
of global CPGs **list ESG as a top priority** amid a shift in focus to AI, growth, and politics

Note: *"COVID" was the actual #3, though likely impacted by the survey timing during which there was a COVID surge; A company is on-track if last progress update implies all targets will be met, assuming linear progress Sources: CXO interviews; Nielsen; CDP; Bain analysis

Price and convenience trump sustainability, consumers remain open to pay premiums for “good-for-me” options

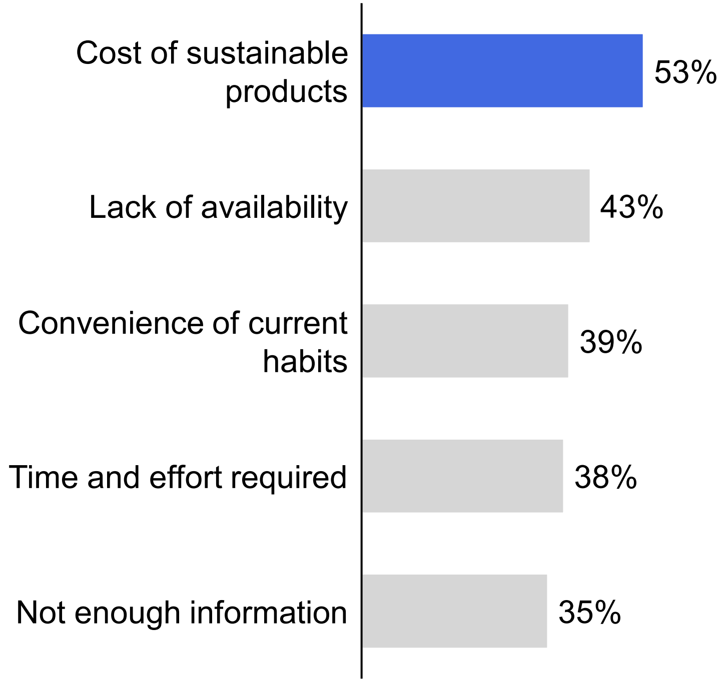
Governments and brands expected to lead on sustainability

Q: Who do you think is responsible for driving sustainability?



Cost is the top barrier to sustainable consumption …

Q: What stops you from being sustainable?



… yet consumers are open to spending more on health and premium brands

/ SELECT EXAMPLES

55%

of SEA consumers say they are willing to **pay more for low/ no sugar Beverages**

52%

of SEA consumers say they’re likely to treat themselves by **upgrading to a premium brand with safety/ hygiene claims in Personal Care**

Source: NielsenIQ Q1 2025

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Implications: Questions to ponder for SEA Management teams

1

Ambition, Strategy, and Funding

- Are we clear on our must-win battlefields (consumer segments, markets, regions, channels, etc.)?
- Are those battlefields well funded?

2

Right to Win and Obsession with the Local Consumer

- Do we need to re-think our right to win with our local consumers?
  - Price-value equation
  - Functional delight
  - Emotional resonance
  - Cost competitiveness
  - ……

3

Route to Consumer

- Are we still thinking channels vs. journeys?
- Do we have the right capabilities, tech, data, and operating model to navigate this complexity?

4

AI-Enabled, ‘Scale Insurgent Disruptor’

- Are we drifting into a “struggling bureaucracy”? How good is our decision velocity (speed x quality)?
- Do we know our capability gaps and are they covered?

THANK YOU