NIQ | BAIN & COMPANY

2025 APAC Consumer Products Report

- APAC is now one of the **fastest-growing consumer powerhouses** in the world. Its **vast scale** and **diversity** mean it can no longer be treated as a footnote. Yet, many global leaders still rely on assumptions or anecdotes instead of a consolidated fact base.

- The **NIQ Bain CP APAC Report** intends to **debunk myths** and **bring clarity**, providing CEOs and regional leaders a sharper and data-driven lens for decision making.

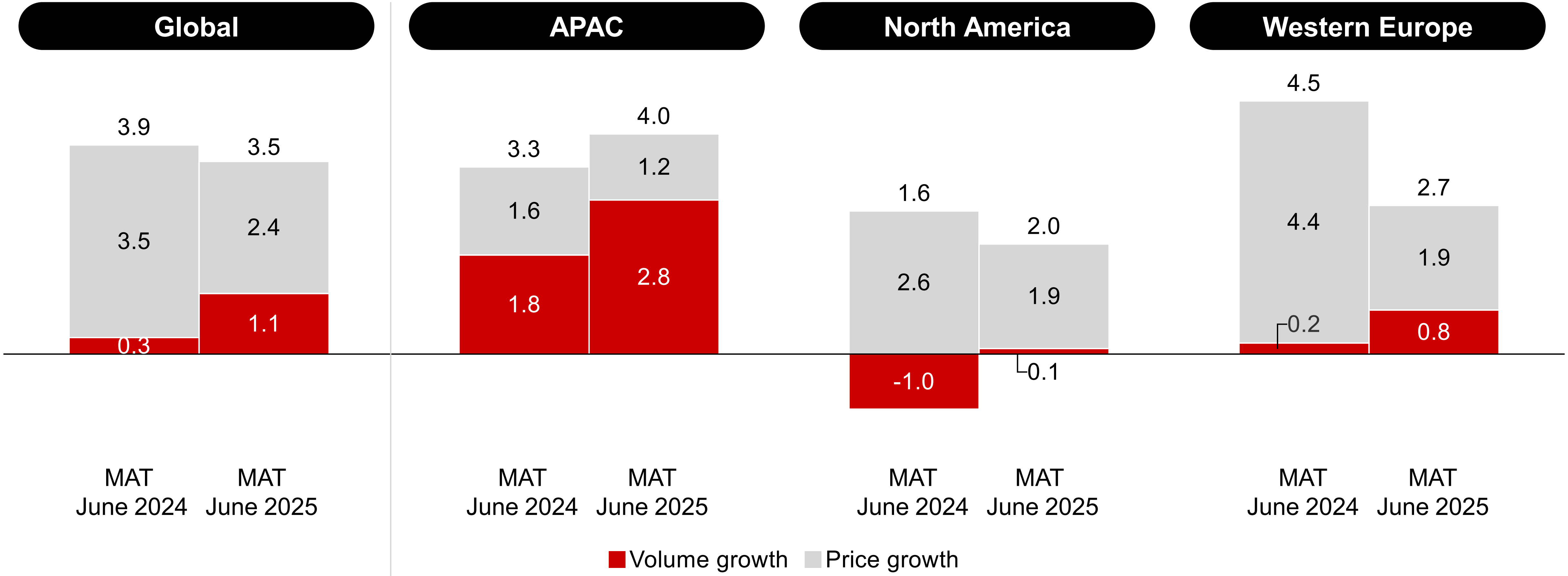
- We hope the insights spark **fresh thinking** and help **address some of the pressing questions** that consumer packaged goods (CPG) leaders are asking about APAC today:
  - Where will APAC's growth truly come from?
  - How should CPGs navigate divergent market trajectories (India vs. Southeast Asia vs. China)?
  - Are consumers trading down or paying more for value?
  - Can multinational corporations (MNCs) still win as local heroes rise?
  - How should CPGs adapt to the changing channel landscape, especially disruptive forces such as social commerce, quick commerce, and AI?
  - What operating model enables both agility and scalability?

Executive Summary

- The Asia-Pacific region is expected to lead the world in private consumption by 2035. For global CPG companies, **succeeding in this region is not optional—it is imperative.**
- Yet, APAC's vast diversity presents both immense opportunity and significant complexity. There is **no one-size-fits-all playbook** for winning across its markets.
- Amid the complexity, **six major trends** are reshaping the consumer products sector in the region. While not all are universally applicable, these trends reflect the dominant dynamics shaping markets and offer essential insights for CPG leaders pursuing sustainable growth.
  - **Shifting market dynamics:** Markets are evolving differently under broader macro shifts.
  - **Diverging consumer preferences:** No uniform pricing trend—value dictates willingness to pay.
  - **Increasing channel complexity**: Social, quick commerce, and AI reshape go-to-market.
  - **Rising local heroes:** Local players rise across most developing markets.
  - **Scaling agility as the next differentiator:** Scalability increasingly defines success in today's fast-paced, uncertain world.
  - **AI as a game changer:** AI transforms the value chain.
- To build lasting competitive advantages, CPGs must **deeply understand local nuances** and **tailor strategies and route-to-market**, balance agility with scalability, and accelerate their AI transformation efforts.

Despite recent volatility, FMCG in APAC continue to grow on volume, while North America and Western Europe are mainly driven by price

FMCG value growth by region (percentage, MAT June 2024 and June 2025)



Notes: MAT is moving annual total; APAC data covers offline channel, plus China e-commerce channels such as JD and Tmall, as well as e-commerce channels in Singapore and Australia
Source: NielsenIQ

Across APAC markets, performance varies significantly

FMCG year-on-year growth by market

Market	**Value growth** (percentage)		**2025 H1 value share** (percentage)		**2025 H1 value growth** (percentage)			
	2024	2025 H1	Online	Offline	Online	Offline	Volume	Price
Mainland China	2.8%	4.7%	40.9%	59.1%	21.1%	-4.3%	-3.4%	-0.9%
India	7.2%	13.7%	4.2%	95.8%	54.5%	12.4%	6.2%	6.2%
Southeast Asia-6	3.5%	1.8%	N/A	N/A	N/A	1.8%	1.3%	0.5%
Japan	2.8%	2.4%	N/A	N/A	N/A	N/A	N/A	N/A
South Korea	2.6%	2.7%	41.7%	58.3%	10.0%	-1.6%	-4.0%	2.4%
Australia	5.5%	6.1%	10.9%	89.1%	16.2%	5.0%	3.0%	2.0%

Notes: Japan is not covered by NIQ, therefore the data for Japan is sourced from Euromonitor, growth refers to 2023–24 and 2024–25 (estimated) retail sales value of fast-moving consumer goods, covering all channels; for Mainland China and South Korea, the data covers commonly tracked categories across offline and online channels, i.e., 60 categories for China and 73 for Korea; for Southeast Asia, only offline data is included due to NIQ data availability; Australia data is based on the consumer panel
Sources: NielsenIQ; Euromonitor

Six dominating trends observed in the region

1 Shifting Market Dynamics

APAC remains critical; however, each country is evolving differently under broader macro shifts.

2 Diverging Consumer Preferences

There is no one-size-fits-all pricing trend across markets or categories. Consumers are price-conscious for certain categories in some markets, yet willing to pay for value in others.

3 Increasing Channel Complexity

Emerging channels, such as social commerce, quick commerce, and AI, are reshaping CPGs' go-to-market strategies.

4 Rising Local Heroes

Asia is a market largely dominated by Asian brands, with local players continuing to gain share across most developing markets.

5 Scaling Agility as the Next Differentiator

For multinationals, agility remains critical, but scalability is becoming an increasingly important edge in today's fast-paced, uncertain world.

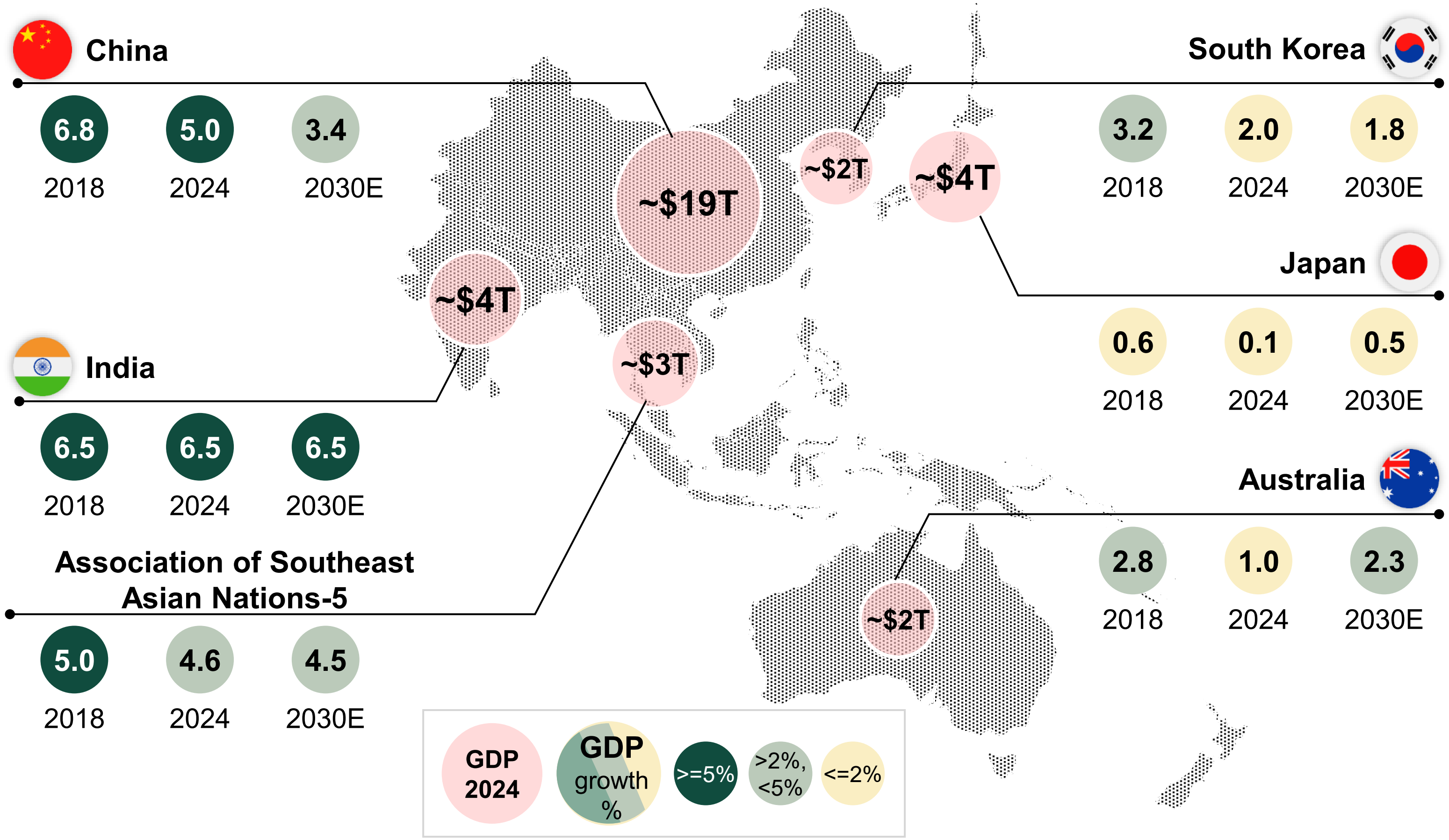
6 AI as a Game Changer

AI is transforming CPGs across key components of the value chain, unlocking efficiencies and new growth opportunities.

Shifting Market Dynamics | Asia-Pacific countries have evolved differently under broader macro shifts, yet Asia remains central to global economic growth

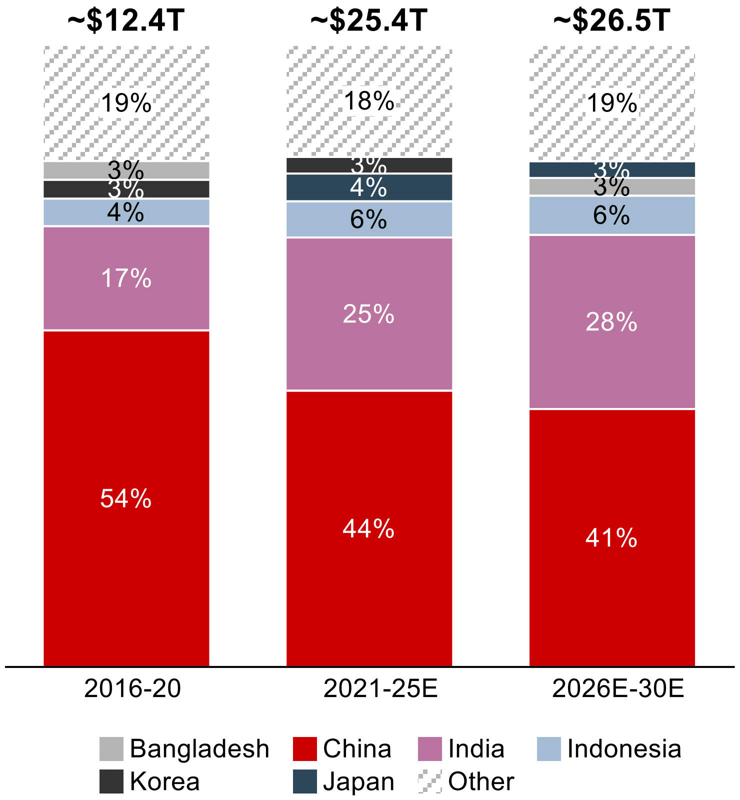
1

Growth continues across APAC, driven by developing markets



China remains the largest driver; India's contribution is rising

GDP growth contribution* by market in APAC

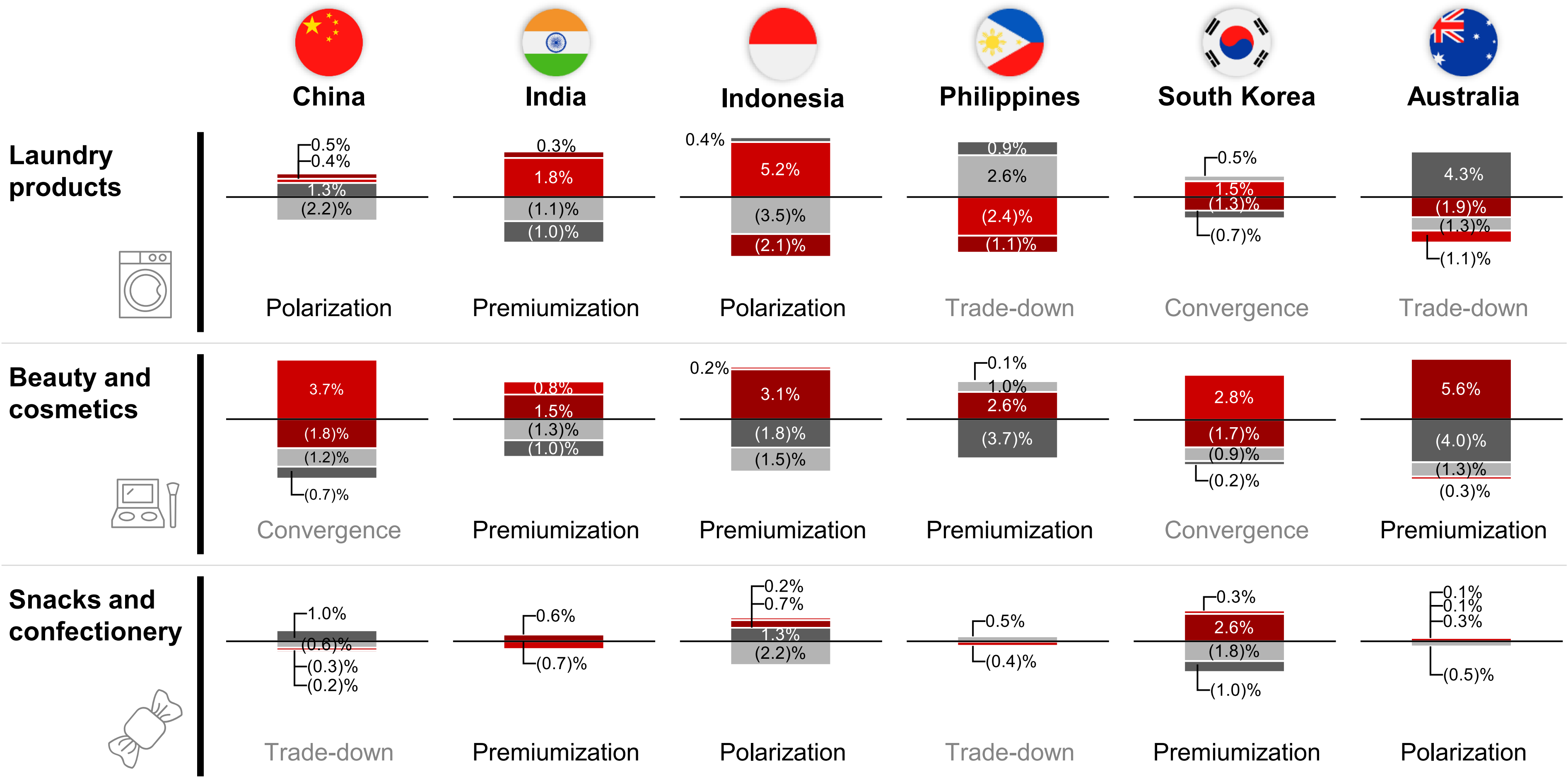


Notes: *GDP growth contribution is calculated based on purchasing power parity, using international dollars; when following a year, E is estimated
Source: IMF; Bain analysis

2 **Diverging Consumer Preferences** | Across the Asia Pacific region, consumer pricing preferences vary by country and category

Value for money (PI <=80)
Mainstream (80< PI <=120)
Premium (120< PI <=160)
Super-premium+ (PI >160)

Market share change by price segment by category by market (percentage, offline only, MAT June 2025 vs. MAT June 2023)



HIGHLIGHTS

Contrary to anecdotal perceptions that APAC consumers are uniformly becoming more value-conscious, our analysis shows that **consumer preferences diverge significantly.**

No market in our study showed a consistent trade-down trend across all categories, and **no category** displayed **the same pattern** across all markets.

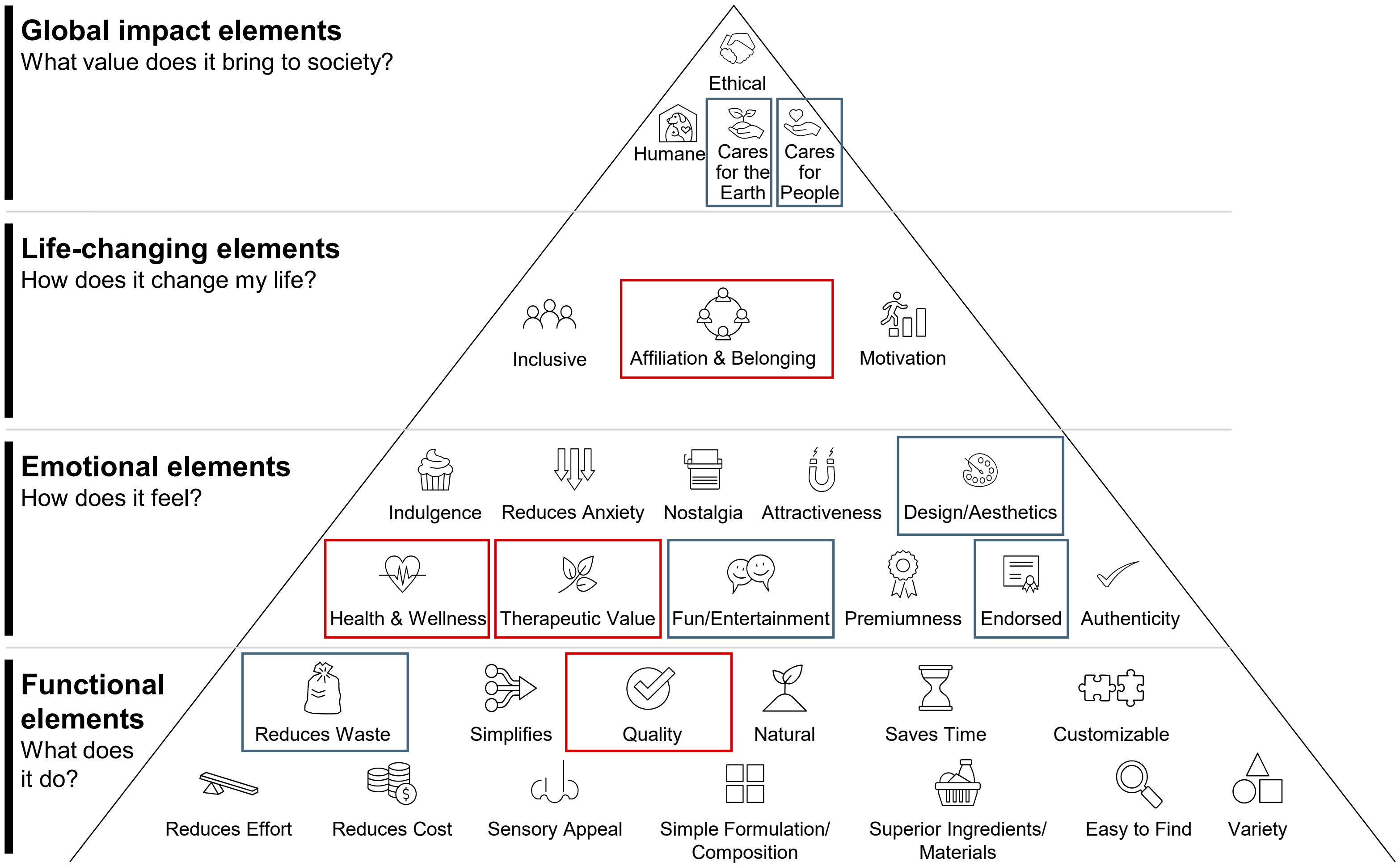
Therefore, brands must **localize their strategies** and **tailor their value propositions** to distinct consumer needs and market dynamics.

Notes: MAT is moving annual total; polarization is both value-for-money and premium/super-premium segments gained share; premiumization is premium and/or super-premium segments gained share; convergence is premium and/or mainstream segments gained share at the expense of others; trade-down is value-for-money (and mainstream) segments gained share
Source: NielsenIQ; Bain analysis

Diverging Consumer Preferences | Brands still have room to grow in the premium segment by offering elevated value propositions

2

Bain's Elements of Value in Consumer Products



who gives a crap

- Premium toilet paper, gaining 1.7 points vs. two years ago*
- Ecofriendly bathroom essentials that feel good and do good (50% of profits donated to nonprofits)

Key values delivered

POCARI SWEAT

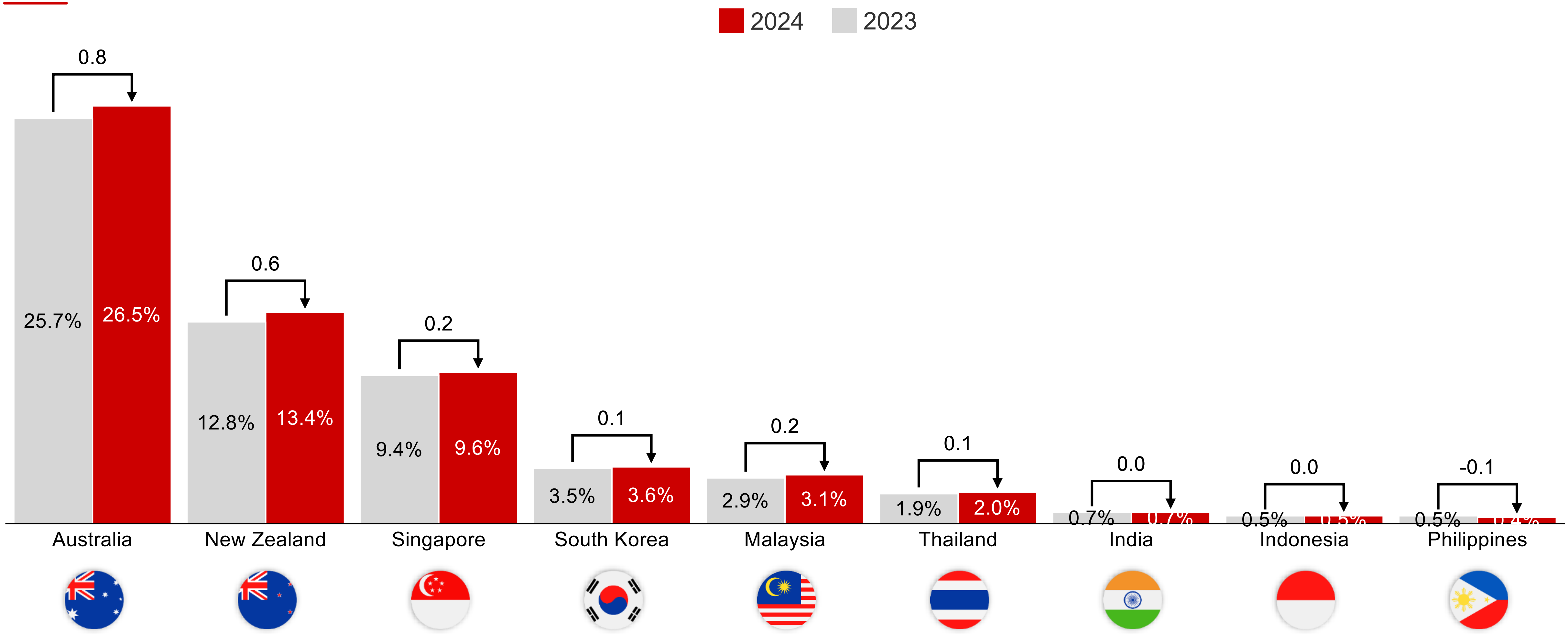
- Premium sports drink, gaining 5.3 points vs. two years ago*
- Riding on the growing health trend, emphasizes its benefits in rehydration and electrolyte replenishment

Key values delivered

Note: *Share growth reflects comparison of MAT June 2025 vs. MAT June 2023
Sources: Bain experience; NielsenIQ; Bain analysis

2 Diverging Consumer Preferences | Private label share continues to rise across most Asian markets

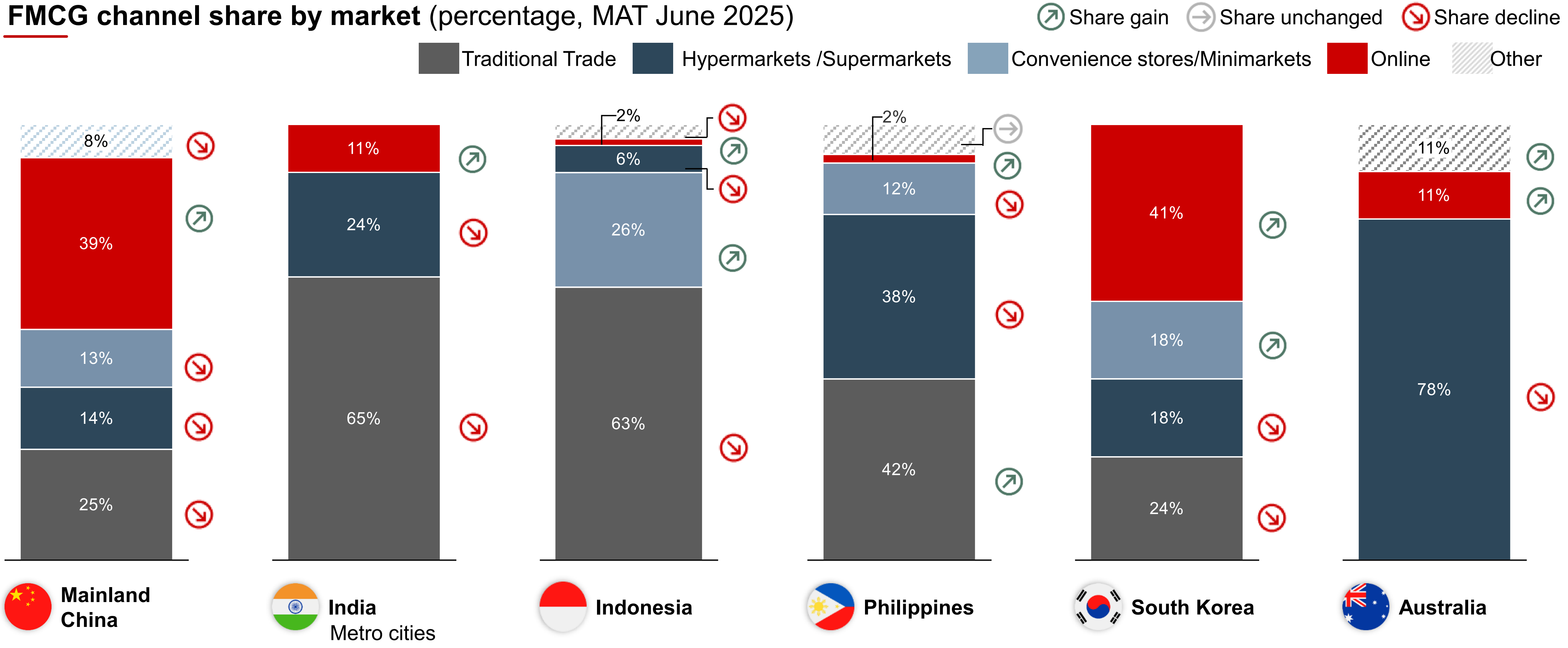
Private label value share (percentage, 2024 vs. 2023)



Notes: Annual period ended fourth quarter 2024, via Quarter by Numbers Global Summary Report; figures exclude China
Source: NielsenIQ

3 **Increasing channel complexity** | Diverse channel landscape across APAC markets

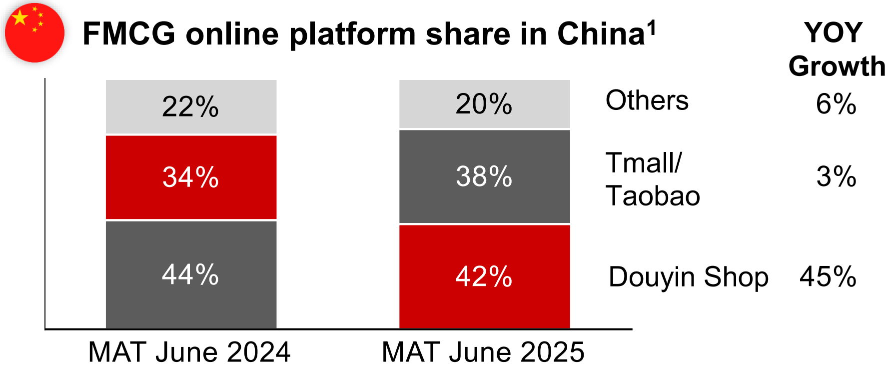
FMCG channel share by market (percentage, MAT June 2025)

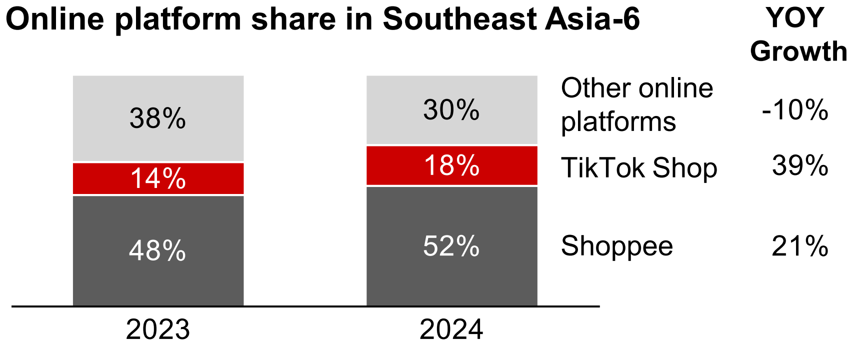


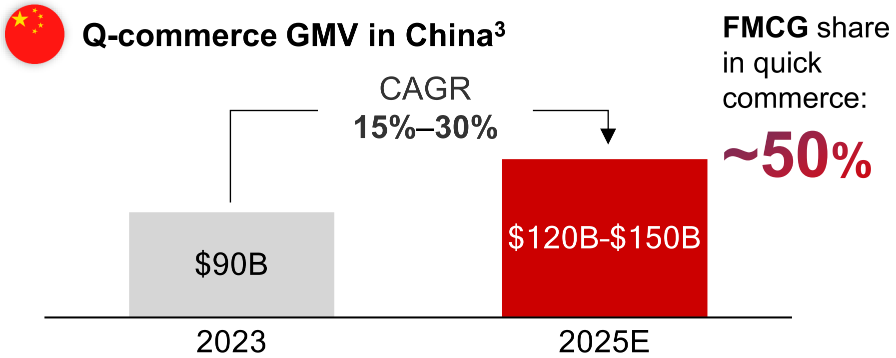
Notes: MAT is moving annual total; Indian "hyper/super" refers to total modern trade; for Indonesia and Philippines, various data sources for e-commerce channel exist with a wide range—shown in the charts above are data from GlobalData, while other channels are proportionally scaled from NielsenIQ data; other channel includes drugstores, pharmacies, cosmetics; in South Korea and Mainland China, the share is based on commonly tracked categories across offline and online channels; share change refers to share in MAT June 2025 vs. MAT June 2024
Sources: NielsenIQ; GlobalData

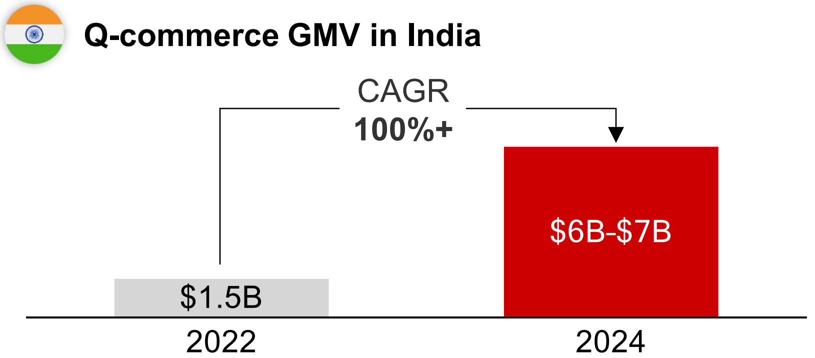
Increasing channel complexity | Emerging channels are reshaping the go-to-market model, while consumers are more open to AI involvement in shopping decisions

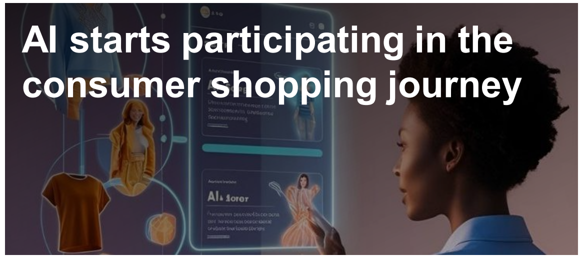
3

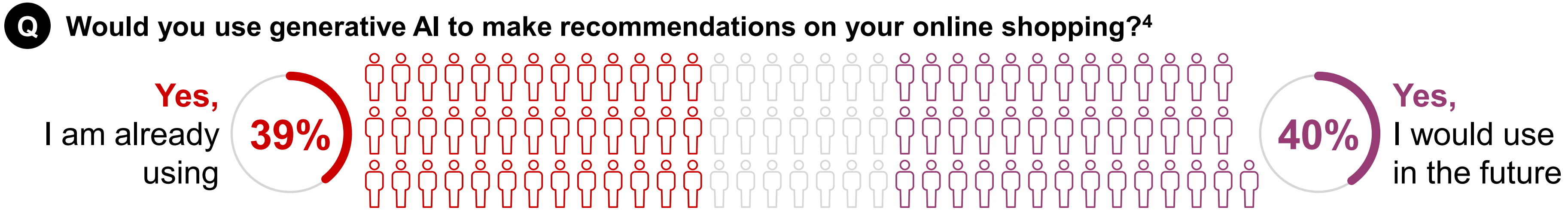












Notes: 1) Based on NIQ tracking data, not including PDD; 2) Q-commerce is a retail format in which orders are placed online in real time and fulfilled offline in 30 minutes to one hour by using local retail supply to meet immediate local demand; 3) Chinese Yuan to US dollar conversion rate, July 12, 2025; 4) NIQ APAC Omnichannel Report June 2025; MAT is moving annual total; FMCG is fast-moving consumer goods
Sources: NielsenIQ; literature research; analyst reports, Momentum Works; Bain "How India Shops Online 2025"; Bain analysis

Increasing channel complexity | Case studies: Incumbents use social commerce to rejuvenate brands, while insurgents use it to leapfrog competitors

3

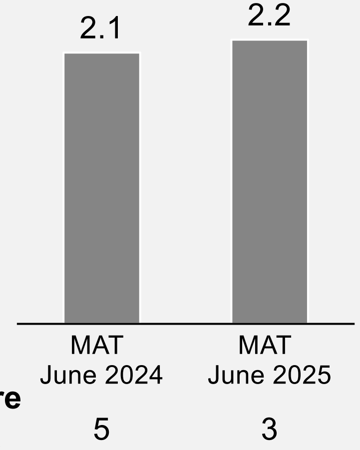
KANS 韩束

Local incumbent beauty brand, successfully rejuvenated by adopting the Douyin-first strategy

#1 Beauty brand on **Douyin Shop** in 2024

#3 Beauty brand **omnichannel** in MAT June 2025

Market share in Beauty in China (percentage)



Key success factors

- **Douyin-first strategy** since 2023
- **Fit-for-Douyin playbook**
  - Products: TikTok Consumer insights-driven innovations and hero products
  - Content: High volume of creative content at speed (e.g. mini-dramas, key opinion leader seedings)
  - Operations: Dual engine of key opinion leader livestreaming and brand self-broadcasting
- Agile, cross-functional in-house teams

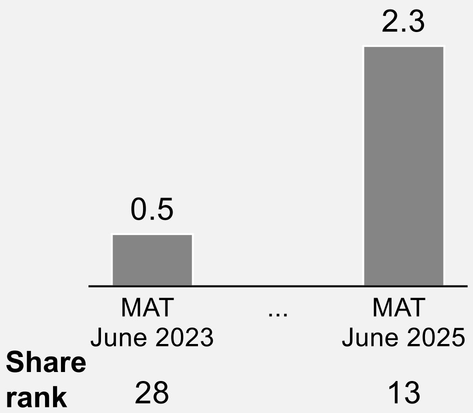
SKINTIFIC

TikTok-native beauty brand, introduced by a Chinese company in Indonesia, scaled rapidly on TikTok Shop and subsequently expanded into mainstream e-commerce and offline

#1 Beauty brand on **TikTok Shop** in 2023

#13 Beauty brand **offline** in MAT June 2025

Market share in Beauty in offline in Indonesia (percentage)

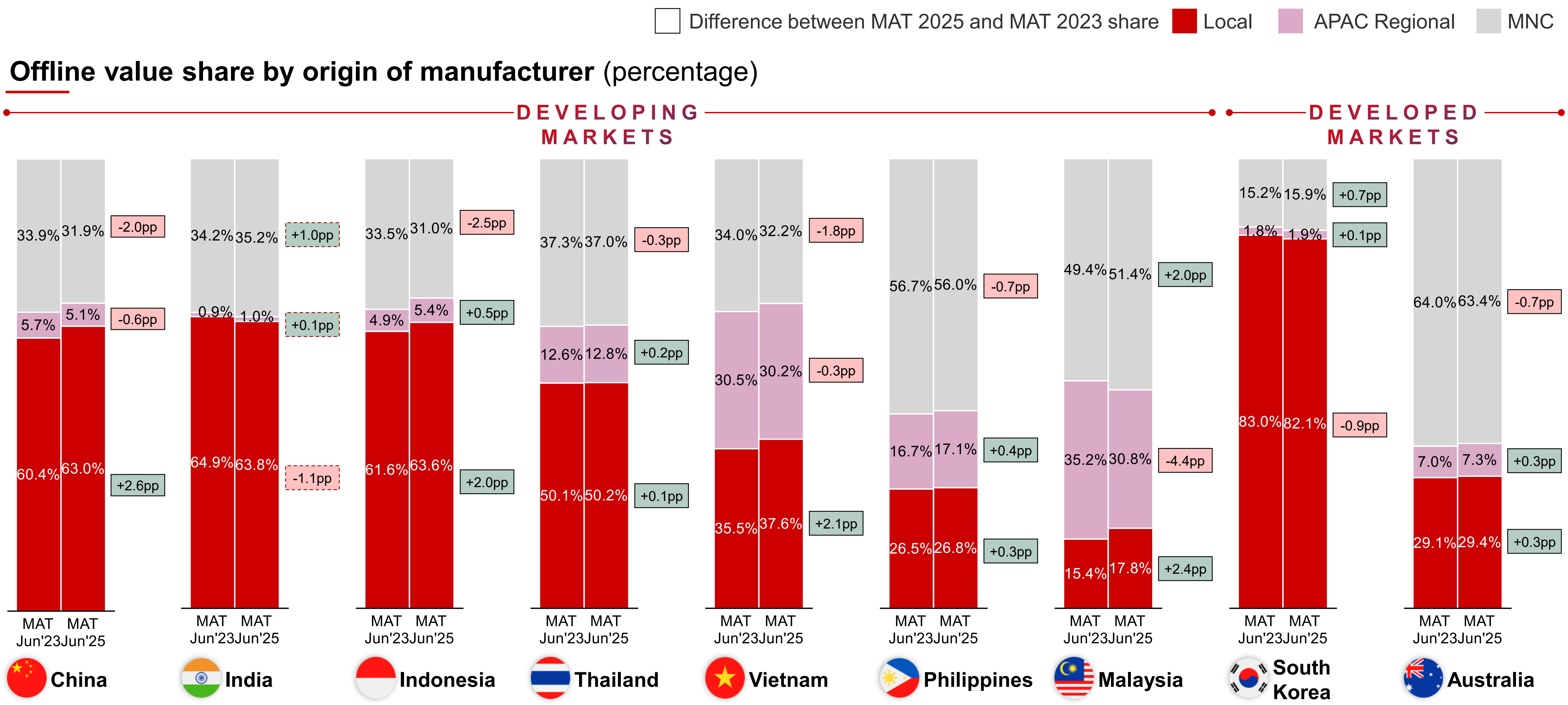


Key success factors

- **Designed for Indonesian** consumers, with halal-certified products catering to the Muslim community
- **A proven, China-honed social commerce playbook**
- Amplification through **local insights and execution**

Note: MAT is moving annual total
Sources: Literature research; NielsenIQ; Bain analysis

Rising local heroes | Asia is a market largely dominated by Asian brands, with local players continuing to gain share across most developing markets



Notes: MAT is moving annual total; excludes private label; based on manufacturers within top 80% of sales; MNC is multinational corporations and refers to companies headquartered outside Asia-Pacific; local refers to manufacturers based in the domestic market; APAC Regional refers to companies headquartered within Asia-Pacific but outside the local market; the origin of each manufacturer is categorized based on its latest ownership status and remains consistent across all years
Source: NielsenIQ

Rising local heroes | Case studies: Local brands have significantly raised their game across innovation, marketing, sales, digitalization, etc.

4

EASTROC

Chinese beverage company targeting blue collar consumers. It **tripled** revenue from **¥4.9B** in 2020 to **¥15.8B** in 2024.

Key success factors

	FROM	TO
Portfolio diversification	**One-product play** **95%** revenue from energy drinks for over two decades	**Portfolio play** Expanded portfolio to other beverage categories, such as ready-to-drink coffee, ready-to-drink tea, etc., contributing **22% of revenue** in the first half of 2025
Geography and channel expansion	**Regional play** Mainly focused on South China	**National play** Expanded nationally, with **over 3,200 distributors, distributed to 4.2-plus million retail outlets** by the first half of 2025, and doubled down in gas stations and stores close to construction sites
Digitally transformed route to market	**Traditional approach** Low visibility, delayed response to market	**Digitalized route to market** Adopted a **five-code-in-one** digital tool to enhance visibility and collect input for demand generation

Beryl's®

Malaysian chocolate company. It grew its market share in the chocolate category **from 3.4% to 7.1%** within two years, becoming the **No. 4 player** in Malaysia.

Key success factors

	FROM	TO
Assortment expansion	**Narrow** Focused on core variants (e.g., tiramisu) and standard pack sizes	**Wide** Introduced **locally relevant flavors** (such as durian) across **multiple pack sizes** and premium, gift-ready packaging
Elevated brand experience	**Traditional campaigns** Mainly used television, roadshows, festival-driven promos	**Integrated, digitalized activations** Omnichannel approach and high use of **social marketing**
Distribution expansion	**Traditional retail focus** Sales primarily via supermarkets and duty-free	**Omnichannel** Doubled down in **hyper markets** (numerical distribution reached 86% in MAT August 2025 vs. 41% two years ago); launched **flagship stores** and **DTC e-commerce**

Notes: MAT is moving annual total; DTC is direct-to-consumer | Sources: Company annual reports; NeilsenIQ; literature research; Bain analysis

Rising local heroes | In addition, Asian brands are gaining traction in the West, riding the wave of Asian cultural influence

4

Riding on the K-culture trend in the West, K-beauty and K-food brands are gaining popularity

/ TAKE US AS EXAMPLE

K-beauty growth in US

+70.8%
MAT August 2024

+37.2%
MAT August 2025

Hero.

No. 1 K-beauty brand

Value Size¹: ~$460 million

Value Growth (vs. YA): 21%

Main channel: Amazon, Ulta Beauty

medicube
K - BEAUTY TECH

No. 2 K-beauty brand

Value Size¹: ~$200 million

Value Growth (vs.YA): 1,318%

Main channel: Amazon, TikTok Shop

Top K-ramen brands in US

Samyang Foods

Value Size²: ~$300 million

Two-year CAGR: 218%

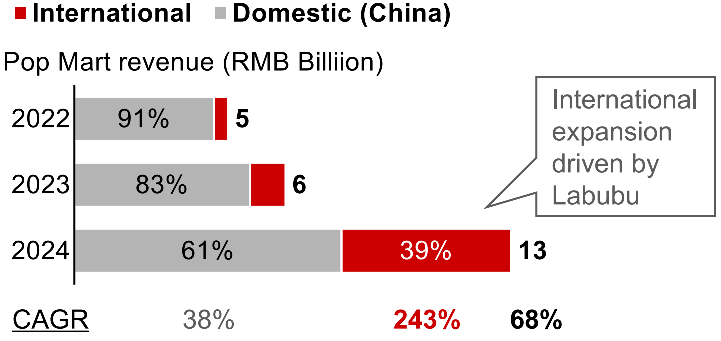
NONGSHIM

Value Size²: ~$250 million

Two-year CAGR: 14%

Labubu, created by Pop Mart, becomes a global phenomenon

POP MART



Key success factors

- **Gamified blind-box model** driving high repeat purchases and viral consumer engagement
- **Unpaid endorsements** from **global icons** like Lisa of BLACKPINK, Rihanna, Beckham embedded Pop Mart IP into global pop culture

Notes: 1) As of MAT July 2025; 2) As of MAT mid-September 2025; MAT is moving annual total; YA is one year ago
Sources: NielsenIQ; company annual reports; literature research; Bain analysis

5 **Scaling agility as the next differentiator** | For multinationals, agility remains critical, but scalability increasingly defines success in today's fast-paced, uncertain world

Balance between agility and scalability is increasingly important

Agility

- **On-the-ground fighting units** (sales, marketing)
- Empowered **local decision making**

Scalability

- **Economies of scale**
- **Knowledge transfer** across markets as similar trends emerge
- **Capability sharing** (resources, platforms, services) to drive efficiencies

*"We are a **truly multipolar company**, and once again, the robustness of our model has been proven. Our **37 global brands** cover all categories, channels, price points, and regions, and our **agility** allows us to constantly offset any pockets of weakness with areas of strength."*

L'ORÉAL

KNOWLEDGE TRANSFER

to empower agility

/ EXAMPLES

FROM → TO

Developed markets → **Developing markets**

Serving aging population (e.g., wellness, vitality) → Apply learnings to China's "silver economy"

FROM → TO

Developing markets → **others**

Winning on Douyin Shop → Export playbook as TikTok Shop expands globally

CAPABILITY SHARING

to improve cost efficiency

/ NOT EXHAUSTIVE

FROM → TO

Back-office focus → **Front-office**

DIGITAL MARKETING

AI-enabled marketing stack for campaign planning, activation, and measurement

FIRST-PARTY DATA

Cross-market data lake with AI analytics for precision targeting at scale

SOCIAL LISTENING

AI-powered social listening engine, spotting new trends for innovations, and analyzing campaign momentum

SUPPLY CHAIN

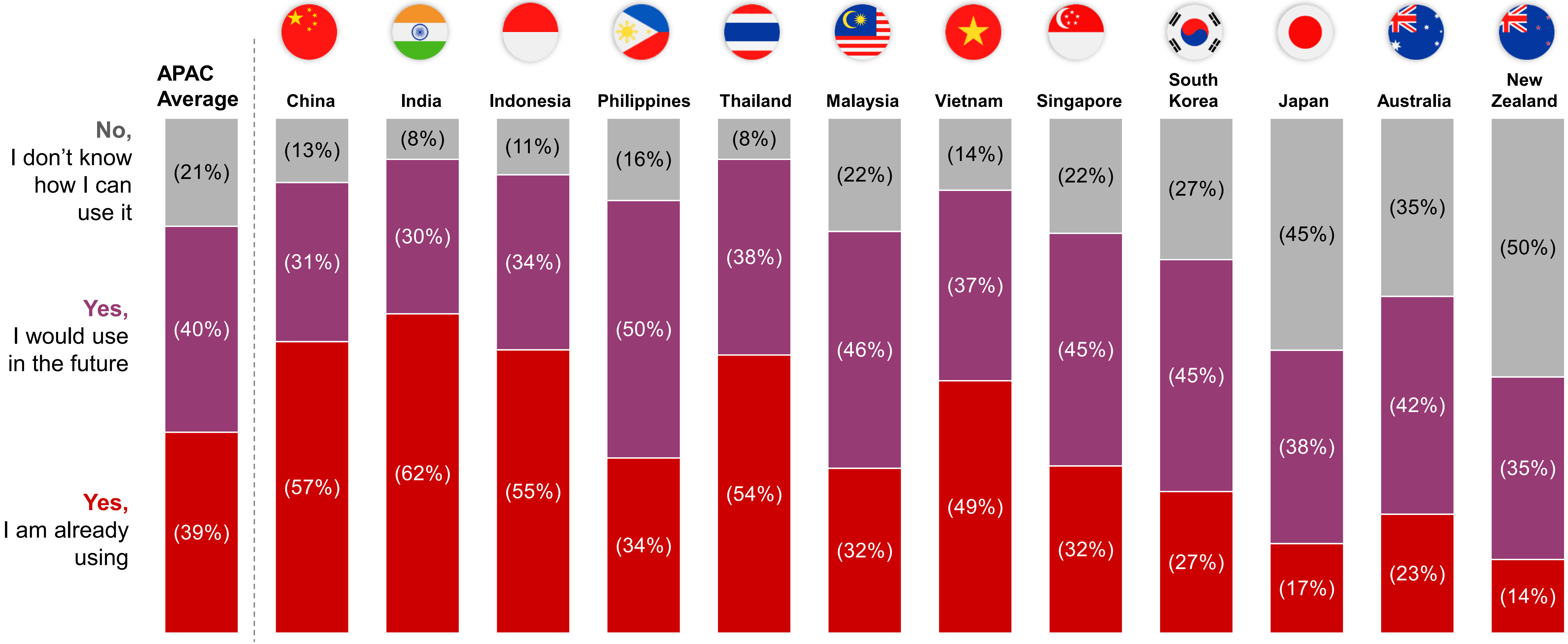
Global supply chain platforms, using AI for forecasting and optimization

Sources: Secondary research; Bain experience

Increasing channel complexity | AI is reshaping the consumer shopping journeys across Asia-Pacific markets

6

Q Would you use generative AI to make recommendations on your online shopping?



Source: NIQ APAC Omnichannel Report June 2025

AI as a game changer | AI is transforming CPGs across key components of the value chain

6

/NOT EXHAUSTIVE

INNOVATION

- **Rapid, real-time, and large-scale feedback loops** will drive more predictive foresight.
- Agentic AI will invent entire product lines through **“zero-touch” innovation.**
- AI will test new products through **virtual environments, reducing early-stage risk.**
- Prototyping and digital fabrication will move **ideas to market-ready products in days.**

MARKETING

- **Brand platforms will auto-refresh narratives** using real-time equity signals, continually adapting to audience and channel.
- **Fully autonomous content agents will create, test, and optimize brand storytelling** across all touchpoints.
- Marketing execution becomes fully outsourced to **“media in a box” platforms.**

SALES

- **Autonomous pricing engines** will optimize mix and margin daily, adapting to signals in real time.
- **AI agents will manage retail negotiations** and executions.
- **Commerce orchestration platforms** will unify physical and digital retail channels, syncing prices, inventory, and shelf actions across partners in real time.

SUPPLY CHAIN

- **Close-loop AI systems will forecast** and shape demand in real time across all markets.
- **Lights-out factories and autonomous fleets** will execute production and logistics dynamically, flexing capacity based on real-time needs.
- **Orchestration platforms will route and fulfill orders with zero human input** and optimize for emissions, costs, and service levels.

OPERATING MODEL

- **AI workforce** will free up time and resources and unlock new capabilities that open new revenue streams.
- AI will unlock agile ways of working and a culture of continual experimentation.

6 AI as a game changer | Case studies: Leading CPGs are actively experimenting with AI across value chain in APAC

INNOVATION

Consumer Health Co.

Uses AI to fuel the **"always-on" insights generation** engine and **generate new product development opportunities**

- AI-based **real-time insights engine** for analyzing **over 1.26 million posts and 130 million words**
- **Structured multilevel tagging system** powered by AI that connects causes, symptoms, needs, and possible solutions
- AI-powered **product idea generation engine** to ideate **50-plus business development ideas** in **less than four months**

MARKETING

Unilever and its subsidiaries **actively use AI to revolutionize marketing** across Asian markets

- Hindustan Unilever used internal AI platform **Sangam to slash media planning turnaround time by 80%** (25 days to five days)
- **Real-time adoption** of latest trends, e.g., **22% visibility lift** in Jakarta (Ramadan 2025)—AI spotted a trend, ad launched within hours
- **AI-driven media touchpoint optimization**—AI-driven bespoke planning for each brand vs. traditional one-size-fits-all approach

SUPPLY CHAIN

Yili adopts **AI-based integrated business planning** to drive network optimization and enhanced production

- **17% reduction** in transportation cost by AI-enabled network optimization
- **5% improvement** in production efficiency through AI-enhanced **"lights-out" factory**
- **Yili's AI-powered "big-data radar"** platform provides ongoing insights for capturing emerging needs and trends

Sources: Company annual reports; investor presentations; secondary research; Bain analysis

Six takeaways for APAC leaders

	TRENDS	IMPERATIVES
1	**Shifting market dynamics:** Markets are evolving differently under broader macro shifts	(Re)prioritize markets and redefine strategic roles
2	**Diverging consumer preferences:** No uniform pricing trend—value dictates willingness to pay	Redefine the value equation beyond price
3	**Increasing channel complexity:** Social, quick commerce, and AI are reshaping go-to-market	Build fit-for-purpose business models to unlock new channel growth
4	**Rising local heroes:** Local players are rising across most developing markets	Compete like a local brand, in big-bet markets
5	**Scaling agility as the next differentiator:** Scalability is increasingly defining success in today's fast-paced, uncertain world	Transfer knowledge and capabilities across markets
6	**AI as a game changer:** AI is transforming the value chain	Accelerate AI adoption at scale

Six questions to assess your companies' readiness

- [ ] Have you **decisively redefined the role** of each Asian market, with **resources and key performance indicators tightly aligned**, for the coming one to two years?
- [ ] Are your brands consistently **outpacing the market** in both **value and volume growth** wherever you compete in Asia?
- [ ] Are you not just present, but **winning in emerging channels** (e.g., social commerce, quick commerce), positioning yourself as a **top player**?
- [ ] Are your brands truly **competing like local brands** in big-bet markets, i.e., designed for the locals, decided locally, and delivered at local speed?
- [ ] Is your organization **systematically transferring knowledge** across markets to **accelerate learning** and **scale impact** region-wide?
- [ ] Have you identified and funded the **critical AI "big bets"** that will shape your future value chain, and have you **committed to deliver** them?

NIQ

The Full View™