



NIQ

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

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# 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”

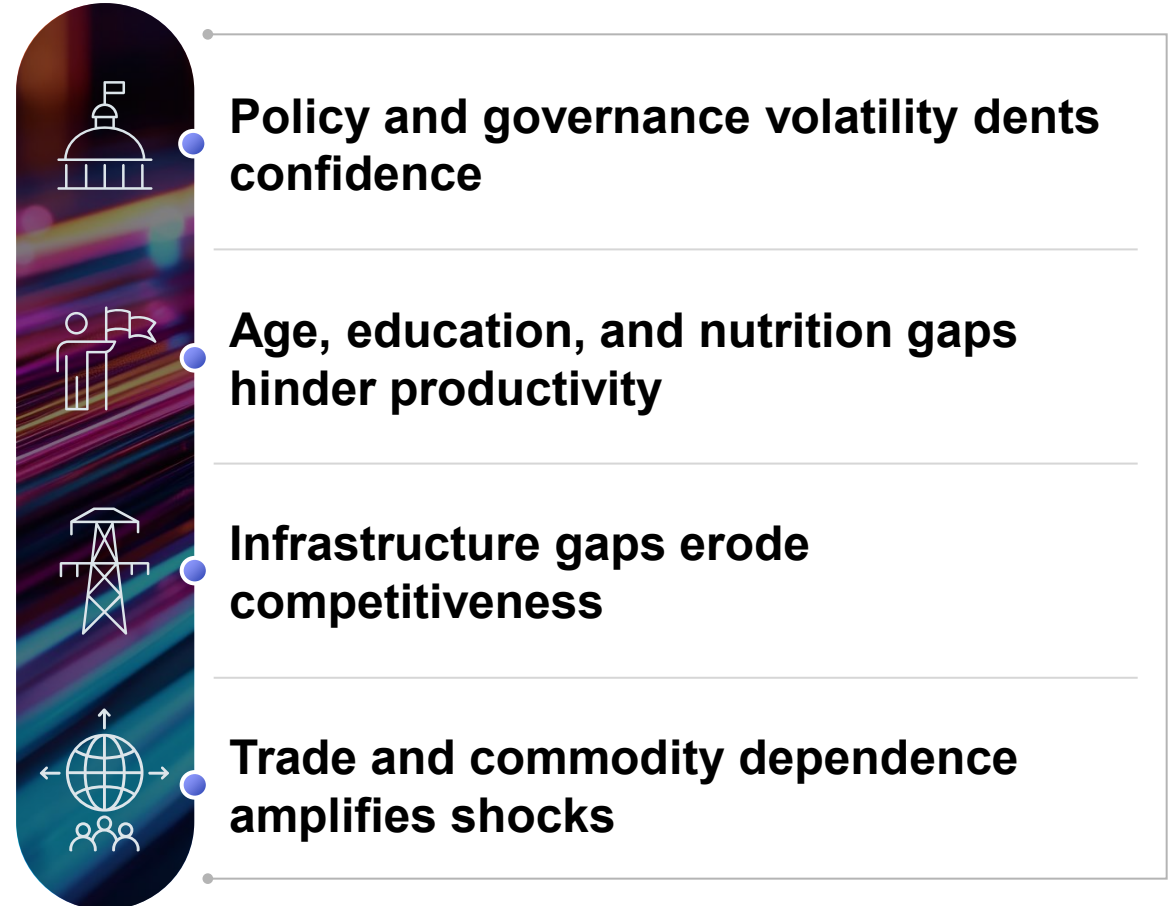


# 1 GDP growth remains healthy with Southeast Asia forecasted to grow at <5% p.a., but structural and external risks cloud the outlook

## SEA growth holds, yet momentum varies by market

Real GDP growth p.a.	HISTORICAL		FORECAST
	2010–19	2020–24	2025F–34F
 Vietnam	6.6%	5.8%	5.5%–6.5%
 Philippines	6.3%	6.1%	5.9%–6.3%
 Indonesia	5.3%	4.8%	5.0%–5.3%
 Malaysia	5.1%	5.2%	4.0%–4.2%
 Thailand	3.2%	2.2%	2.4%–2.7%
 Singapore	3.9%	5.0%	~2.3%
<b>SEA-6</b>	5.0%	4.8%	4.5%–4.8%

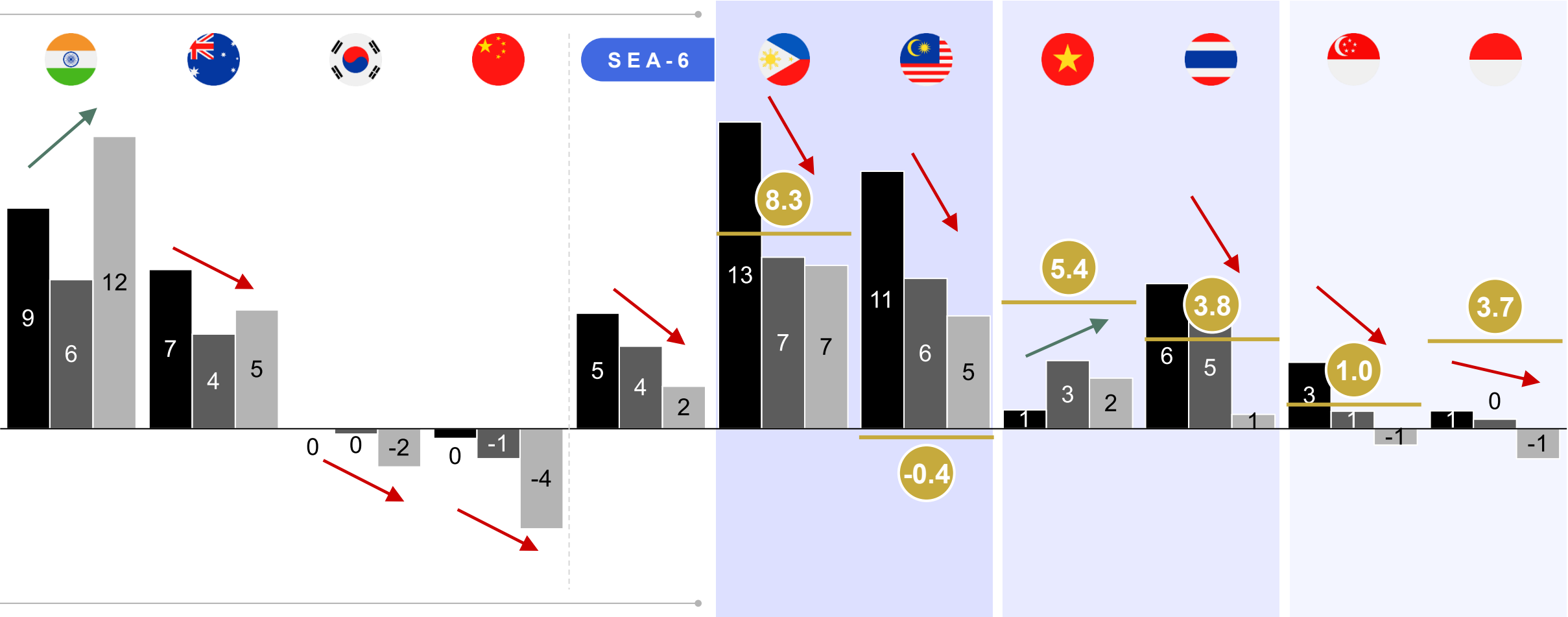
## Structural and external risks cloud longer-term outlook



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

— Pre-Covid growth level (2019) ■ FY22–23 ■ FY23–24 ■ H1 2024–H1 2025

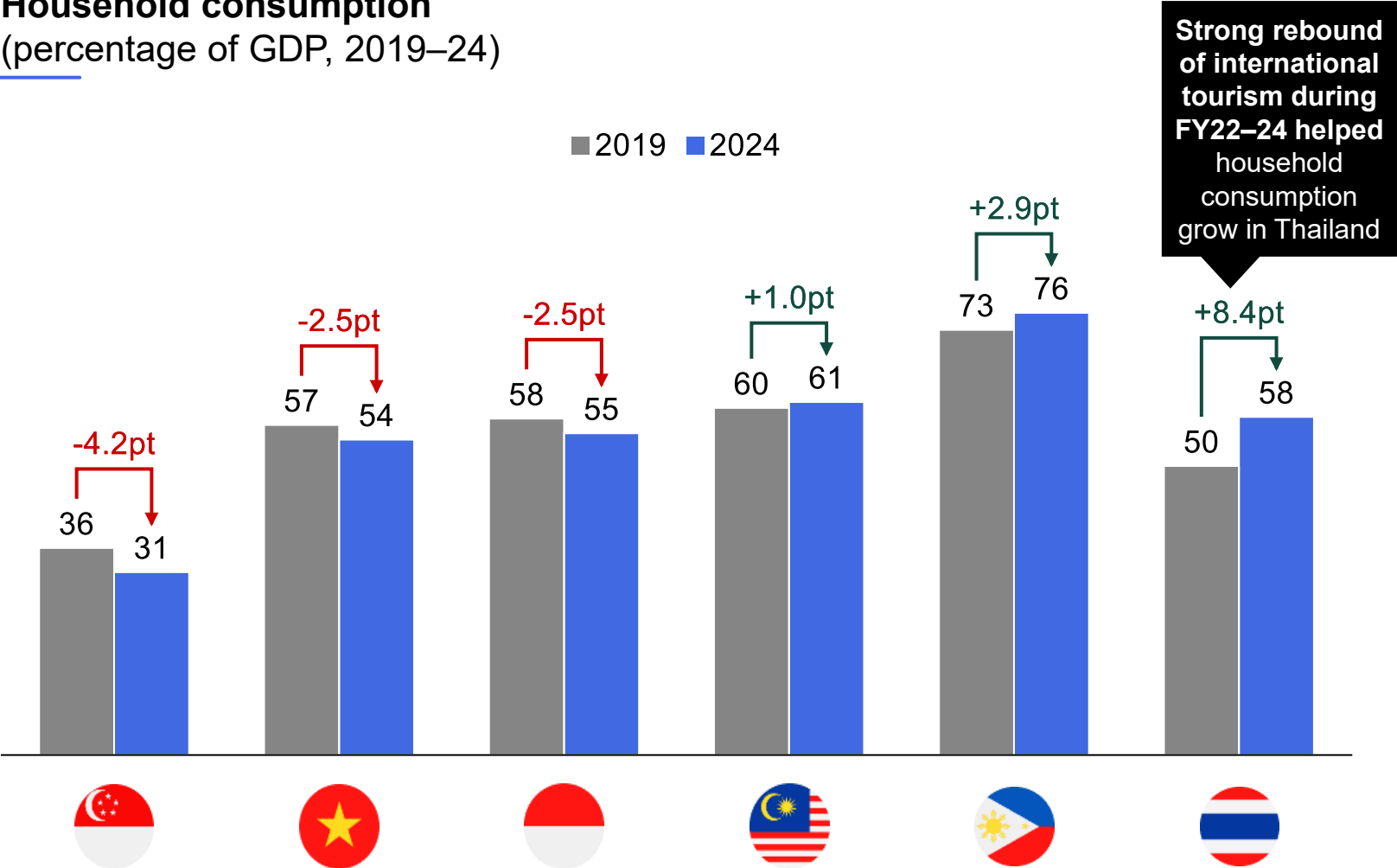
Percentage of FMCG offline value growth by country\* (FY22–1H25)



Notes: \*Offline only; FMCG is fast-moving consumer goods and 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

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

Household consumption  
(percentage of GDP, 2019–24)



### 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

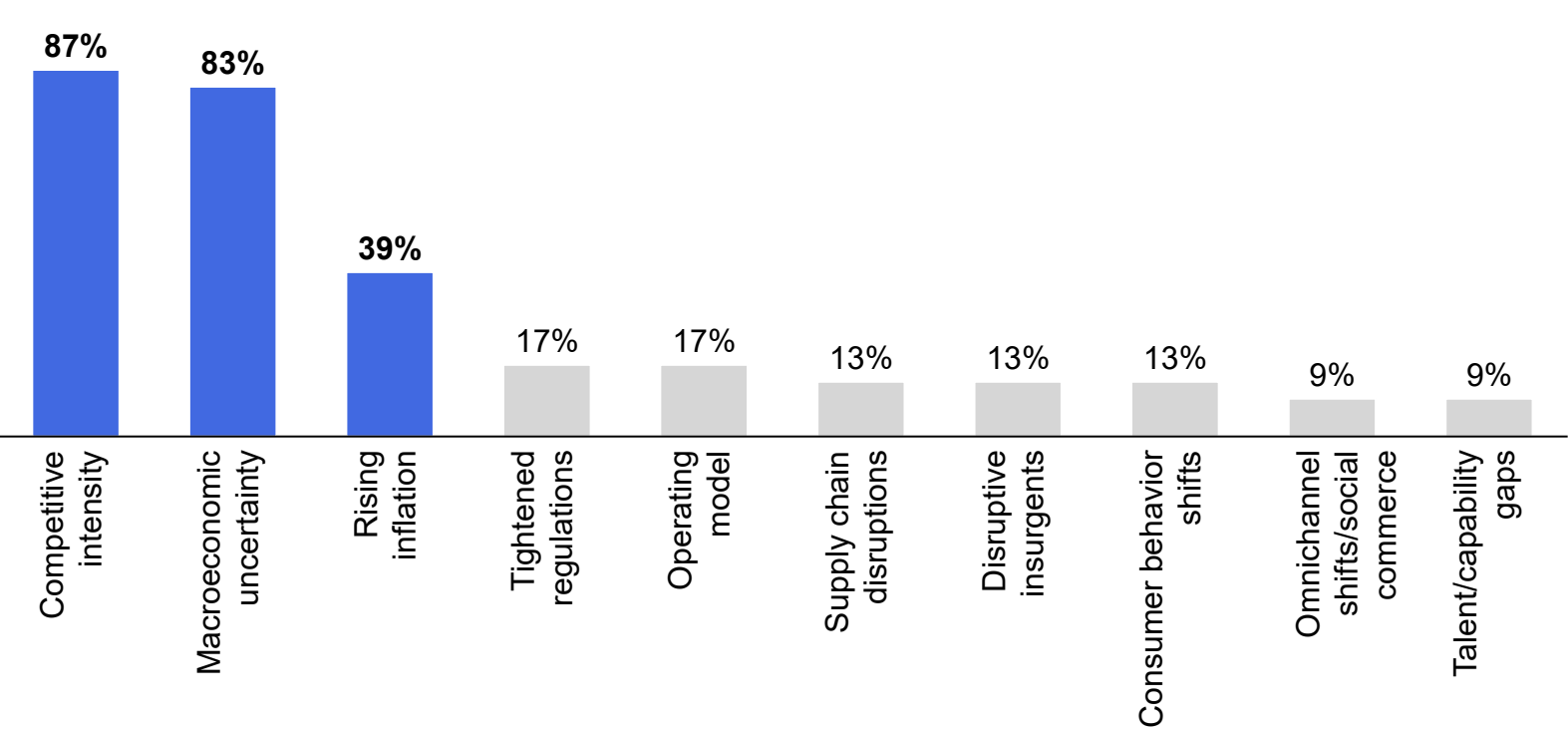
**52%**

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

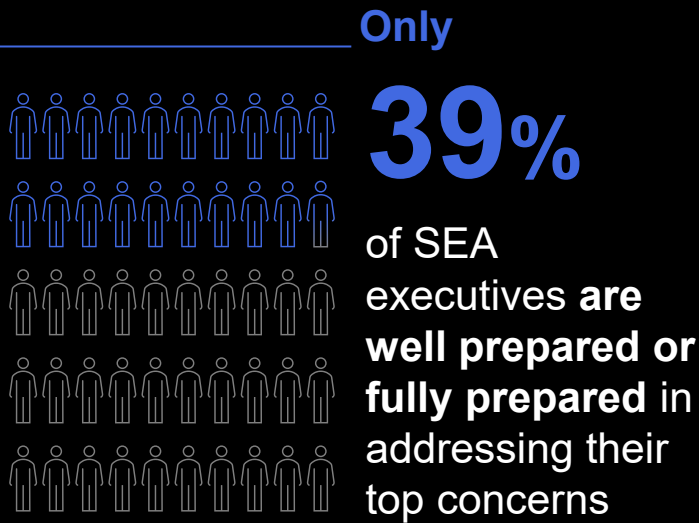
Sources: Bain CXO survey conducted in August 2025; World Bank; NielsenIQ Q1 2025

# Macroeconomic uncertainty, competitive intensity, and inflation top concerns

Macroeconomic uncertainty, competitive intensity, and rising inflation are top concerns ...



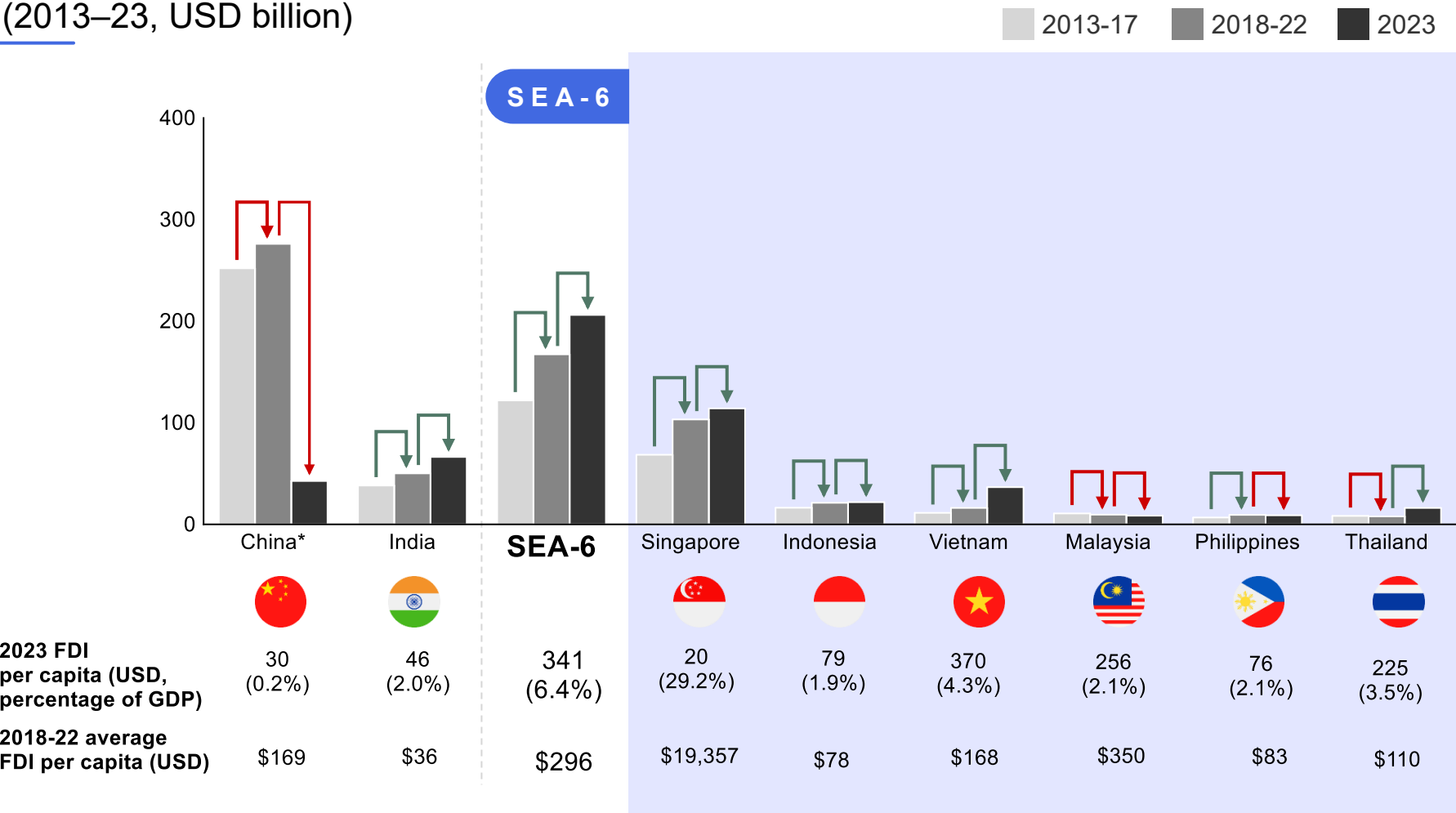
... fewer than 4 in 10 executives are confident in their ability to respond



Notes: Q: Which of the following factors do you believe will most significantly impact your business? How prepared are you in addressing your top-of-mind concerns? (Options: 1 = not at all prepared to 5 = fully prepared); analysis considers CXOs who ranked top 1, 2, and 3 as top-of-mind concerns | Source: Bain CXO survey conducted in August 2025

# SEA remains attractive for FDI; supported by long-term expectations and “China+1”

Average annual net FDI inflow  
(2013–23, USD billion)



Note: \*Includes Hong Kong, Macau  
Sources: UNCTAD; Government sources; GlobalData Real GDP total (2015 prices)

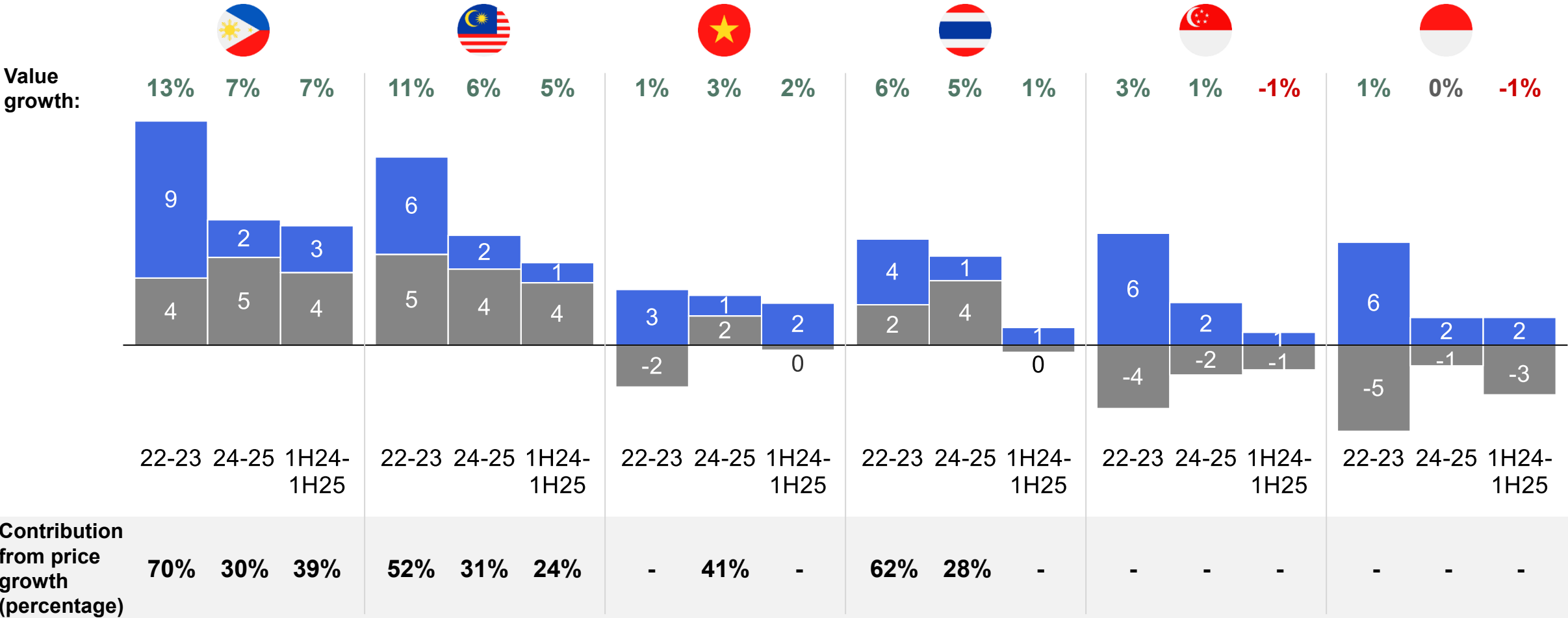
COMMENTARY

- For the first time in 10 years, **Southeast Asia now attracts more FDI than China**
- The region has attracted capital due to its **strong domestic growth** and as companies implement a **China+1 strategy**
- Diversified FDI across sectors** in Southeast Asia, from traditional strongholds, like **manufacturing** (electronics, EV components, printed circuit board, etc.) and **mining**, to emerging engines of growth such as **digital infrastructure, AI, and pharmacare**

# Price-led growth post COVID has slowed

--- YOY value growth    ■ YOY price growth    ■ YOY volume growth

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



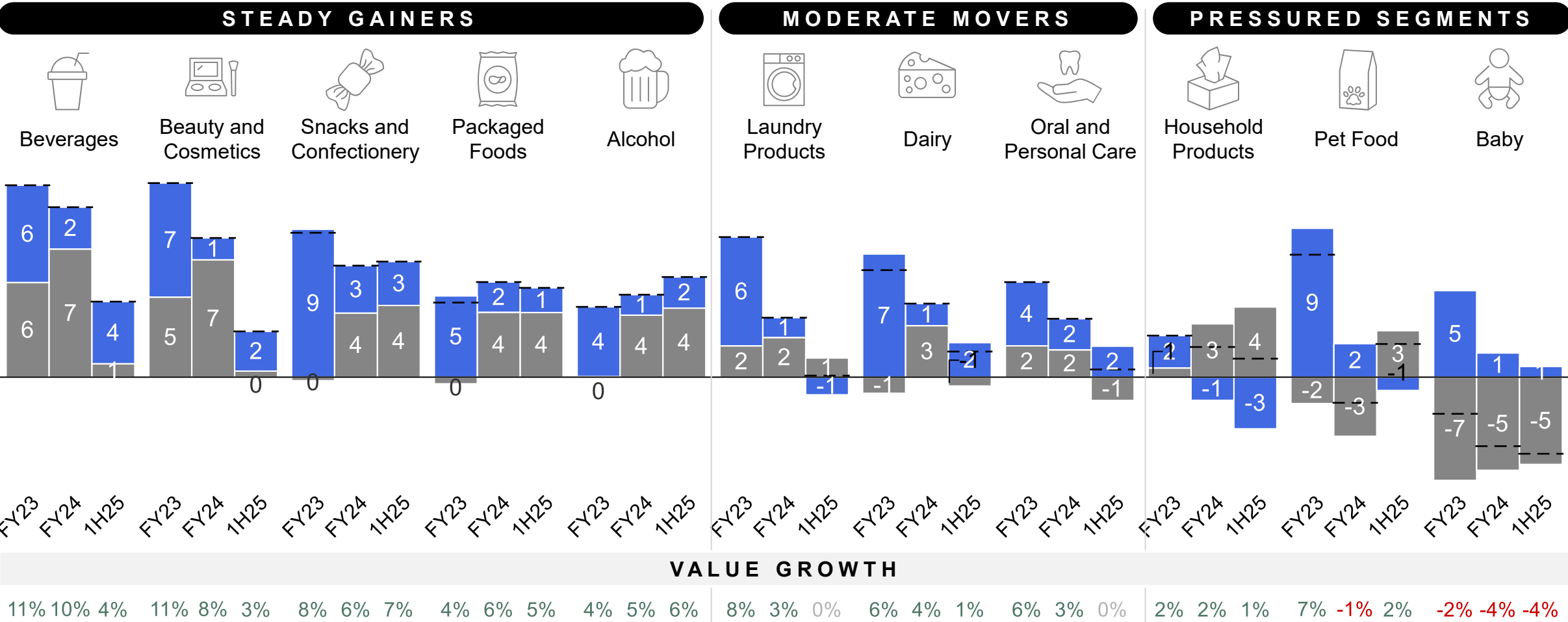
Note: FMCG is fast-moving consumer goods and includes Alcohol, Baby Products, Beauty and Cosmetics, Beverages, Dairy, Frozen Foods, Household Products, Laundry Products, Oral and Personal Care, OTC and Health Supplements, Packaged Foods, Pet Foods and Care, Snacks and Confectionery, Tobacco | Source: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



# Despite an overall growth slowdown, consumers continue to spend on Food and Beverages, Beauty and Cosmetics; Pet Food, Baby, and Health products struggle

- - - YOY value growth    ■ YOY price growth    ■ YOY volume growth

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



VALUE GROWTH

11% 10% 4%

11% 8% 3%

8% 6% 7%

4% 6% 5%

4% 5% 6%

8% 3% 0%

6% 4% 1%

6% 3% 0%

2% 2% 1%

7% -1% 2%

-2% -4% -4%

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



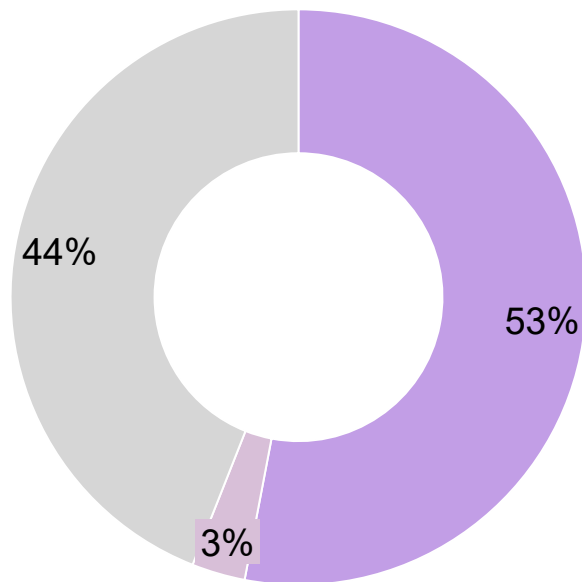
Source: NielsenIQ



3

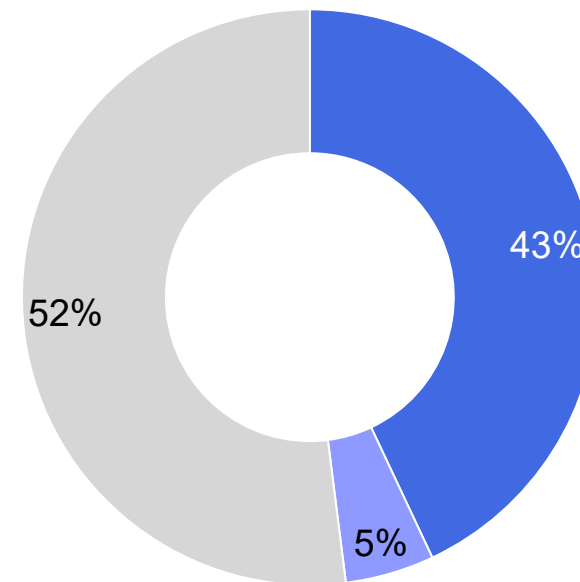
## Growing salience of smaller cash outlay and multi-serve packs to address affordability

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



- Toothpaste with small cash outlays (YA)
- Toothpaste with small cash outlays (growth in TY-YA)
- Rest (TY)

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



- RTD Milk >1L (MAT 2YA)
- RTD Milk >1L (growth in MAT TY-MAT 2YA)
- Rest (TY)

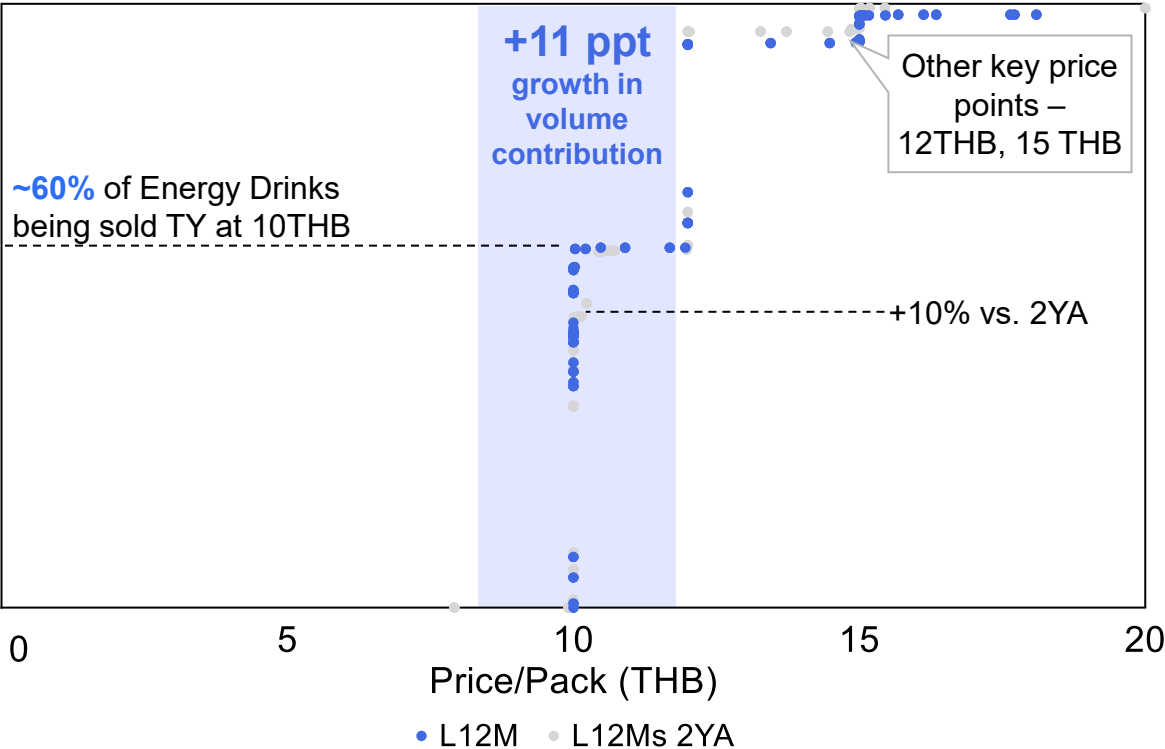
Notes: MAT is moving annual total; TY is this year; YA is year ago; 2YA is two years ago  
Source: NielsenIQ RMS data to June 2025

# 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)

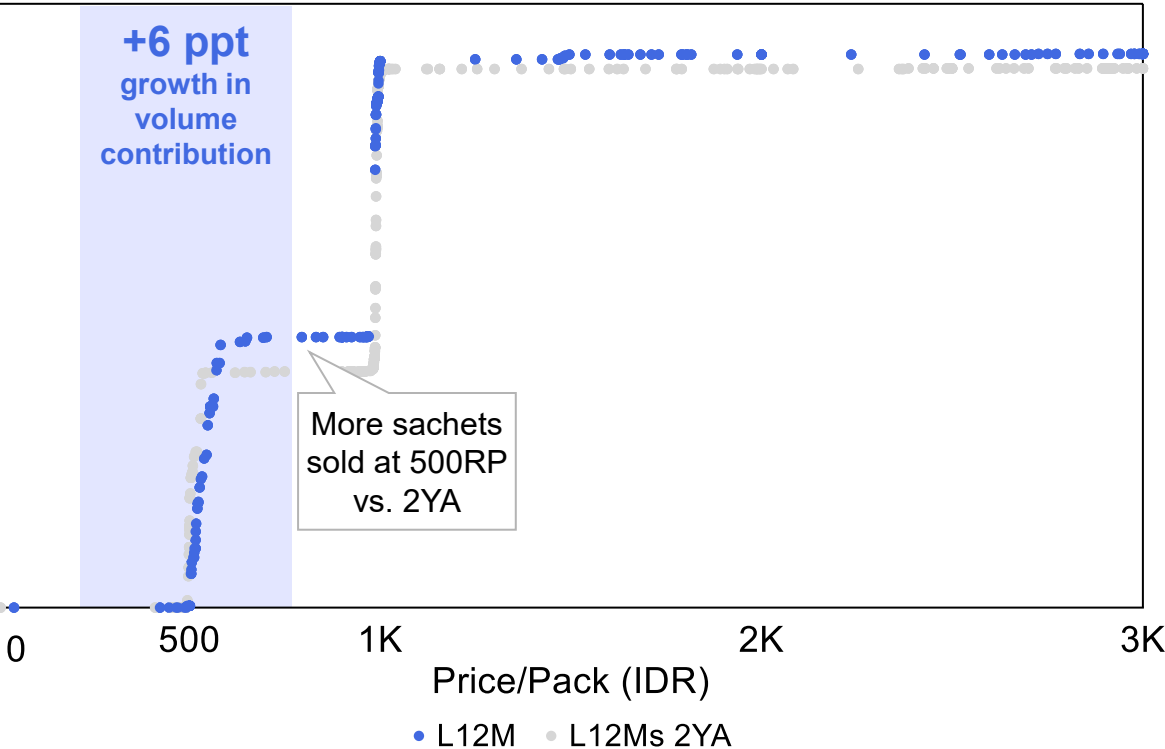


Notes: TY is this year; YA is year ago; 2YA is two years ago; L12M is last 12 months  
Source: NielsenIQ RMS data to June 2025

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



Volume contribution (percentage)

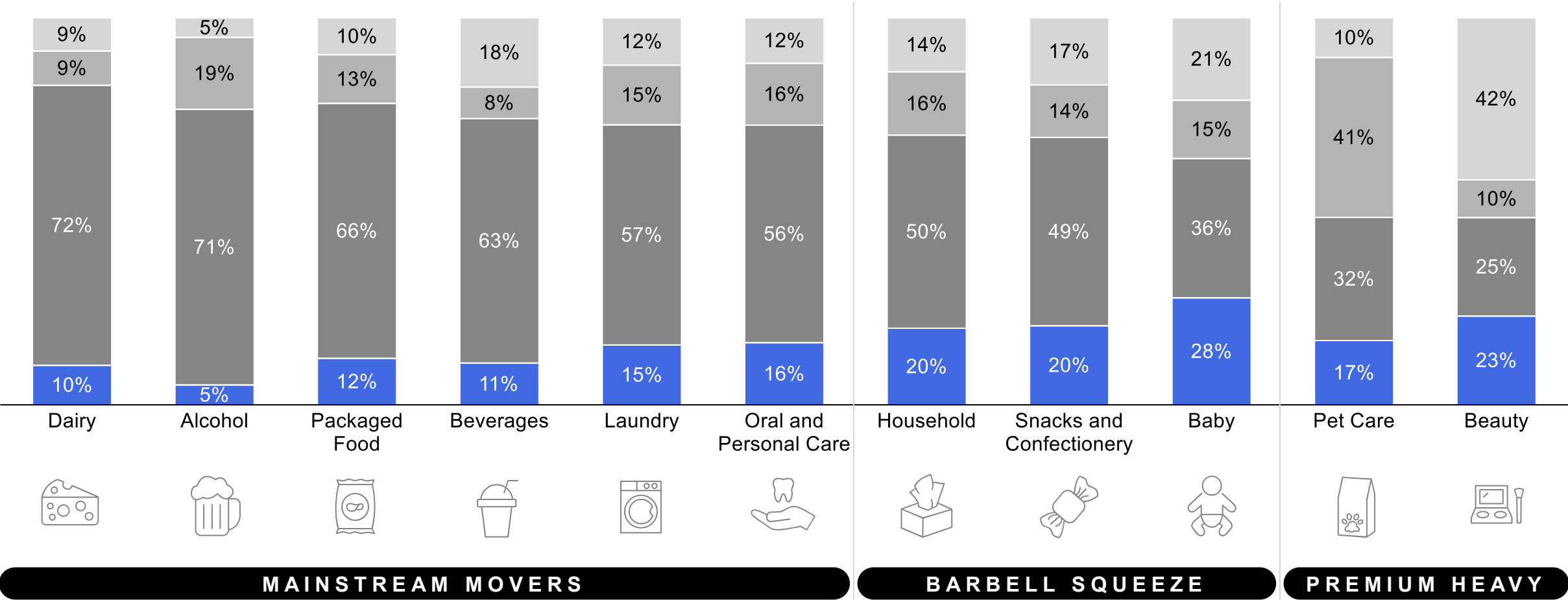




# SEA remains mainstream-heavy, but premium tiers capture significant share in “good for me/my family” segments: Beauty, Pet, and Baby

Value for money Mainstream Premium Super-premium

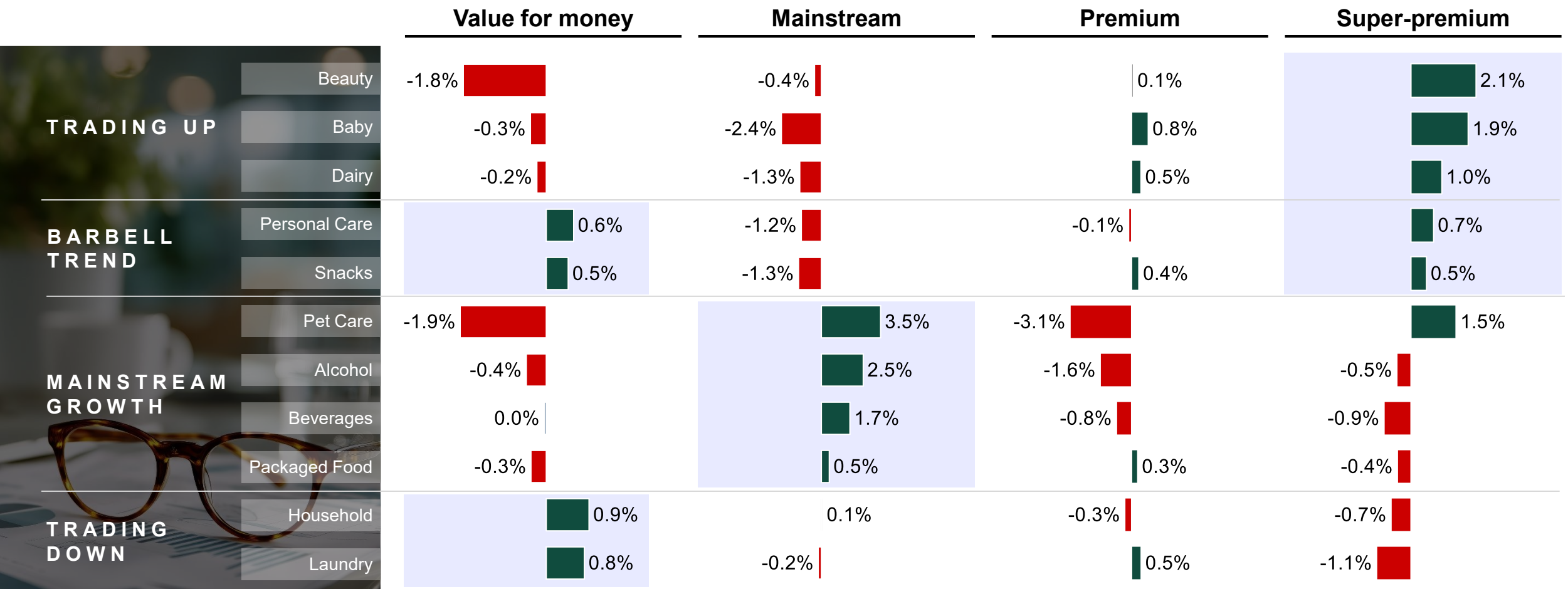
Share of MAT sales by category and price tier (SEA-6, H1 2025)



Notes: MAT is moving annual total; value for money is price index under 80; mainstream is 81–120; premium is 121–160; super-premium is more than or equal to 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)



Notes: MAT is moving annual total; value for money is price index under 80; mainstream is 81–120; premium is 121–160; super-premium is more than or equal to 161  
Source: NielsenIQ RMS data to June 2025

# 4 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)

CATEGORY	VOLUME SHARE CHANGE VS. 2YA					
	1					
Alcohol		-1.3	0.2	2.6	1.6	
Baby	-1.5	0.7	-0.7	1.9	0.1	1.4
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
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 is two years ago | Source: NielsenIQ

## COMMENTARY

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

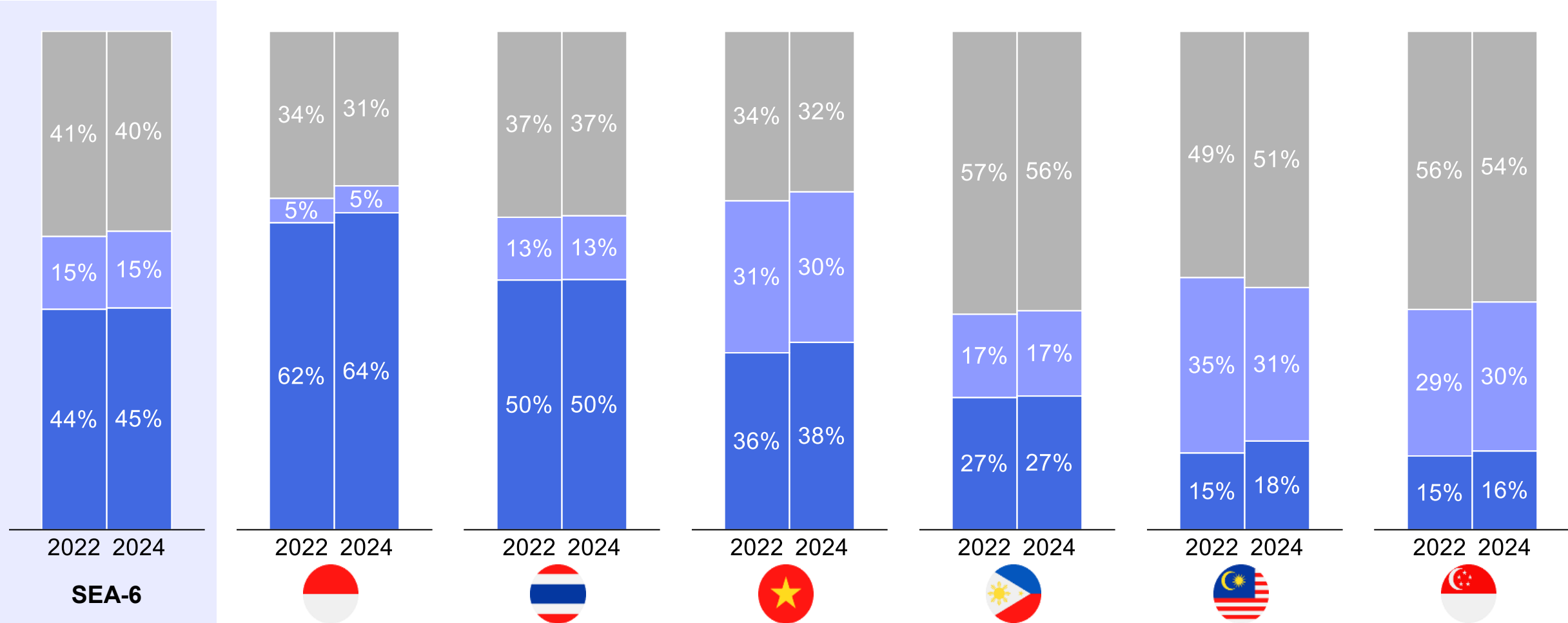
2 As categories commoditize, these categories experienced highest share volatility

3 Consumers continue to rely on tried and tested brands

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

Local Asia-Pacific regional Multinational corporation

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



Notes: FMCG is fast-moving consumer goods; excludes private labels; based on manufacturers within top 80% of sales | Source: NielsenIQ RMS data to June 2025



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

/EXAMPLES

Origin

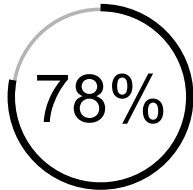
Description

Revenue outside of primary market

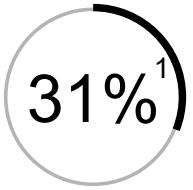
Presence in SEA-6



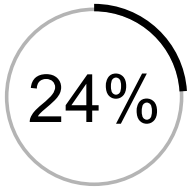
- Packaged Food and Beverages brand with core consumer market in Malaysia
- Top-two player in Malaysia and Singapore with ~18% share in Asian specialty drinks



- 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



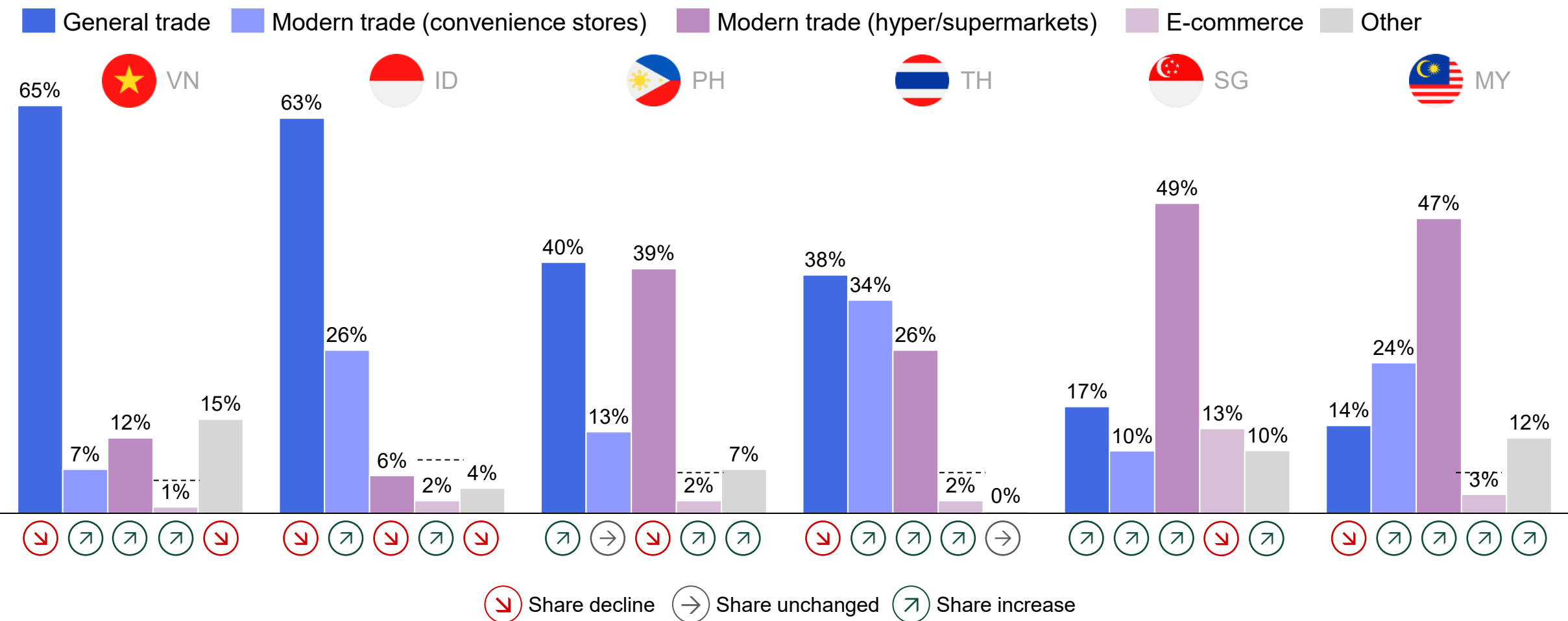
- CPG company with beverage, personal care, healthcare, and confectionery brands
- Top-three player in SEA with ~13% share in energy drinks



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

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

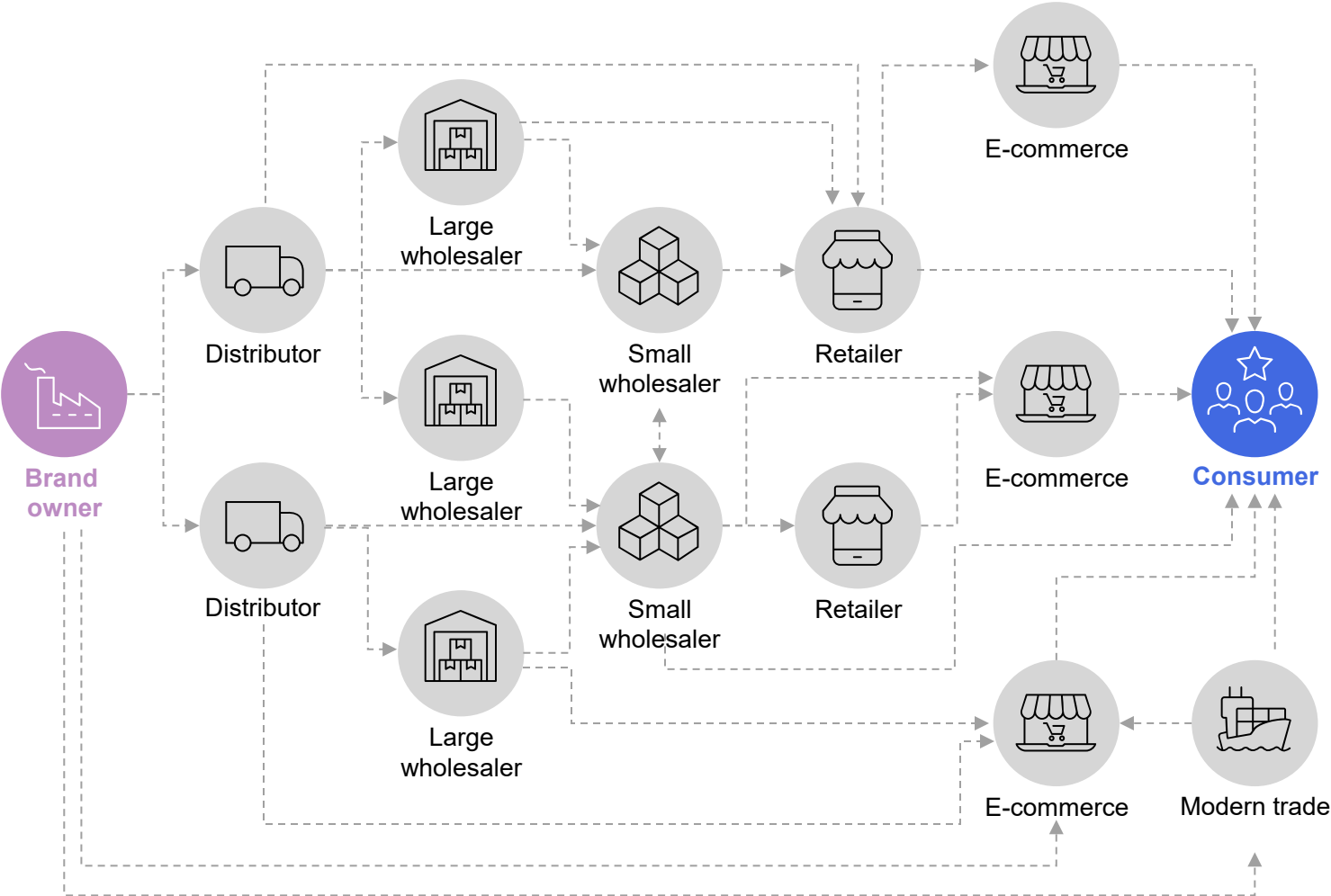
Estimated FMCG sales by channel by SEA countries



Notes: FMCG is fast-moving consumer goods; 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; Other includes Drugstores, Cosmetic Stores, HORECA (for beverages), and Specialist Baby Stores | Sources: Nielsen; GlobalData





# Southeast Asia's fragmented trade landscape illustrates the executional hurdles in route-to-market

SEA trade is fragmented resulting in multi-layered distribution ...



Source: Bain experience

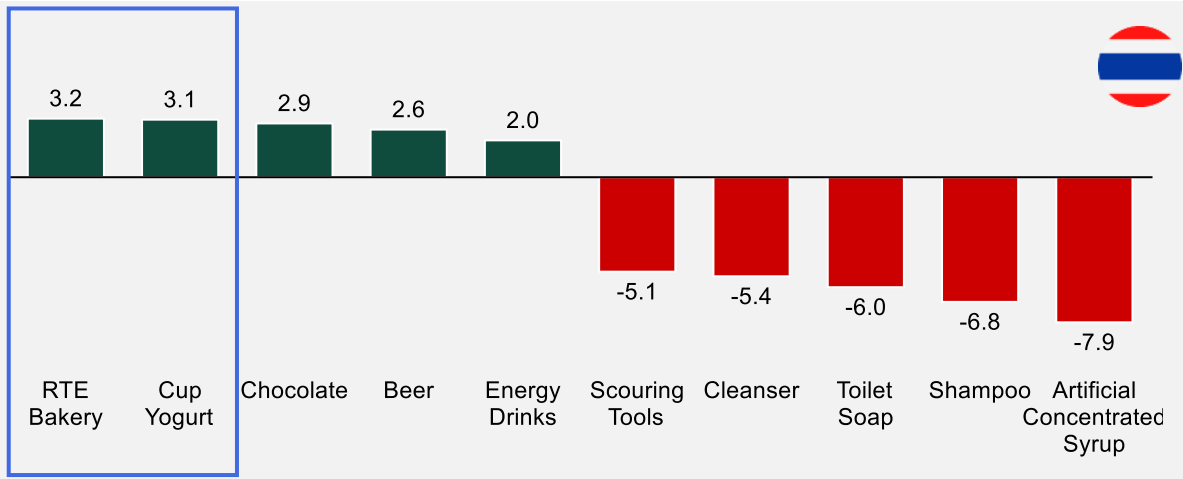
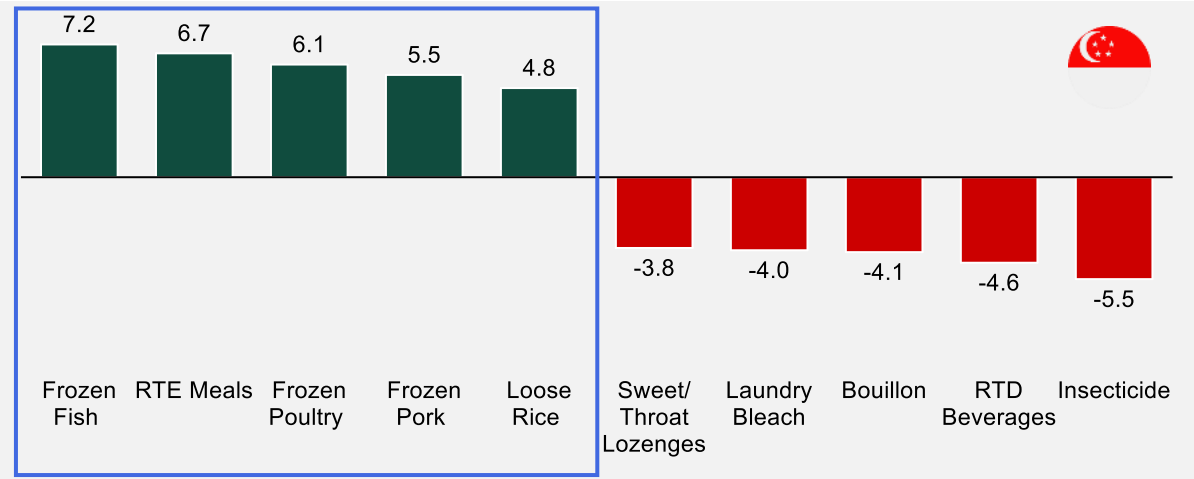
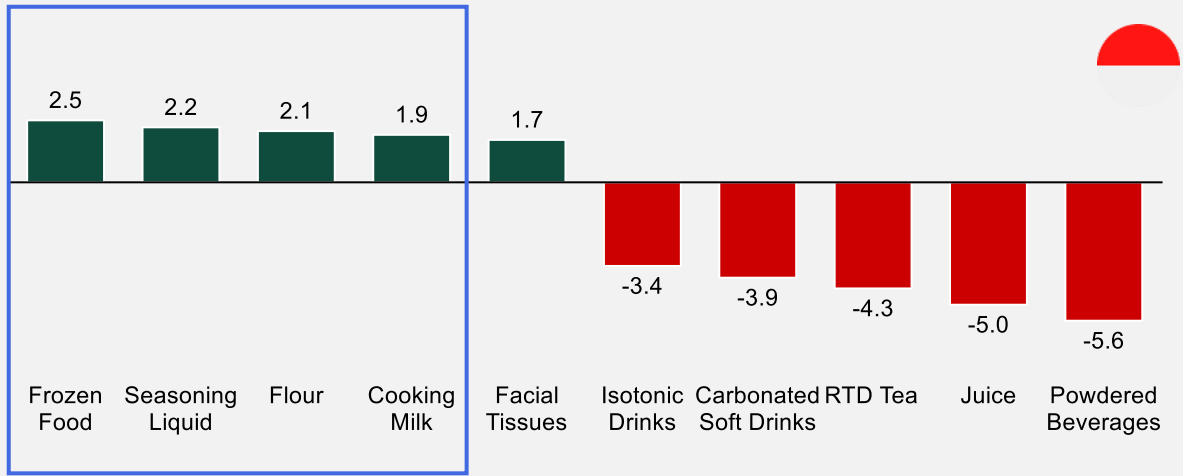
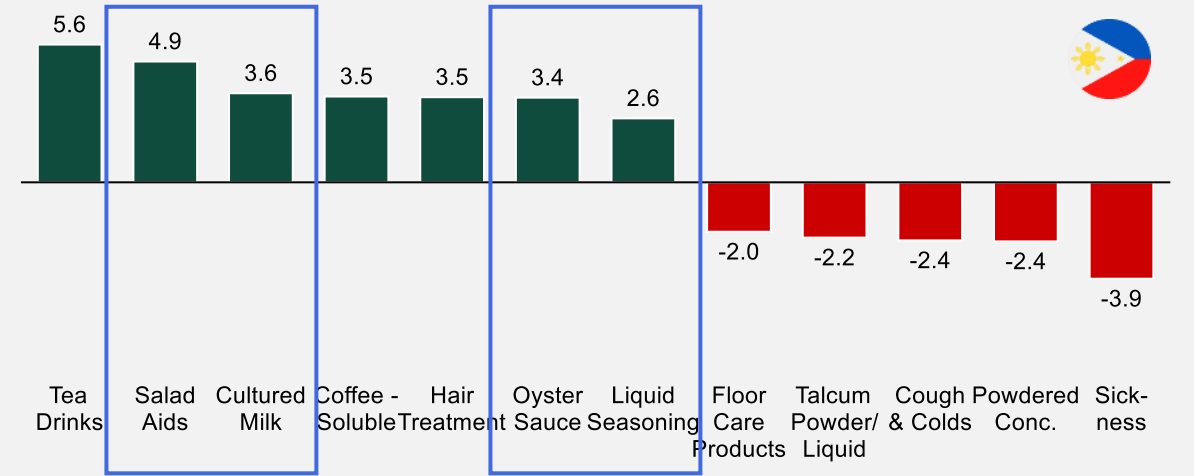
... which creates executional challenges

-  **Price conflicts and leakage**
-  **Limited control over trade partners**
-  **High cost-to-serve**
-  **Unstable retail universe**
-  **Weak demand visibility**

# 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)



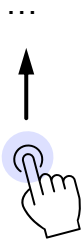
Notes: TY is this year; YA is year ago; RTD is ready-to-drink; RTE is ready-to-eat | Source: NielsenIQ



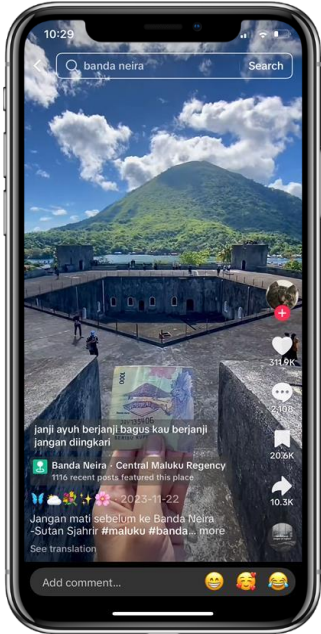
# TikTok has successfully fused entertainment with commerce, turning engagement into conversion and shifting from excitement-first to trust-first

## ENTERTAINING CONTENT, POWERED BY PERSONALIZED ALGORITHMS

Travel KOL



Swipe next:  
String of  
additional  
social/ KOL  
content



Travel KOL

Food KOL

...



## COMMERCE-RELATED FEEDS, DRIVING USERS TOWARD PURCHASE

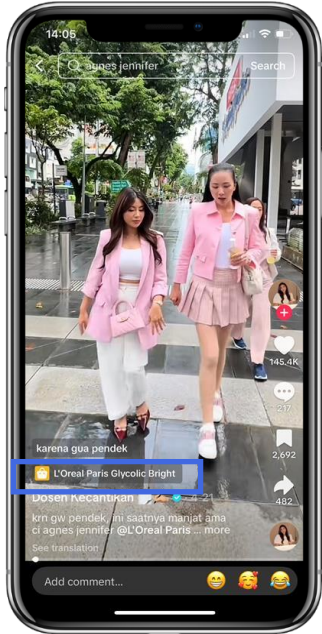
Travel KOL







Food KOL

Brand Feeds

...

Click on  
product:  
Re-direct  
users to the  
product page



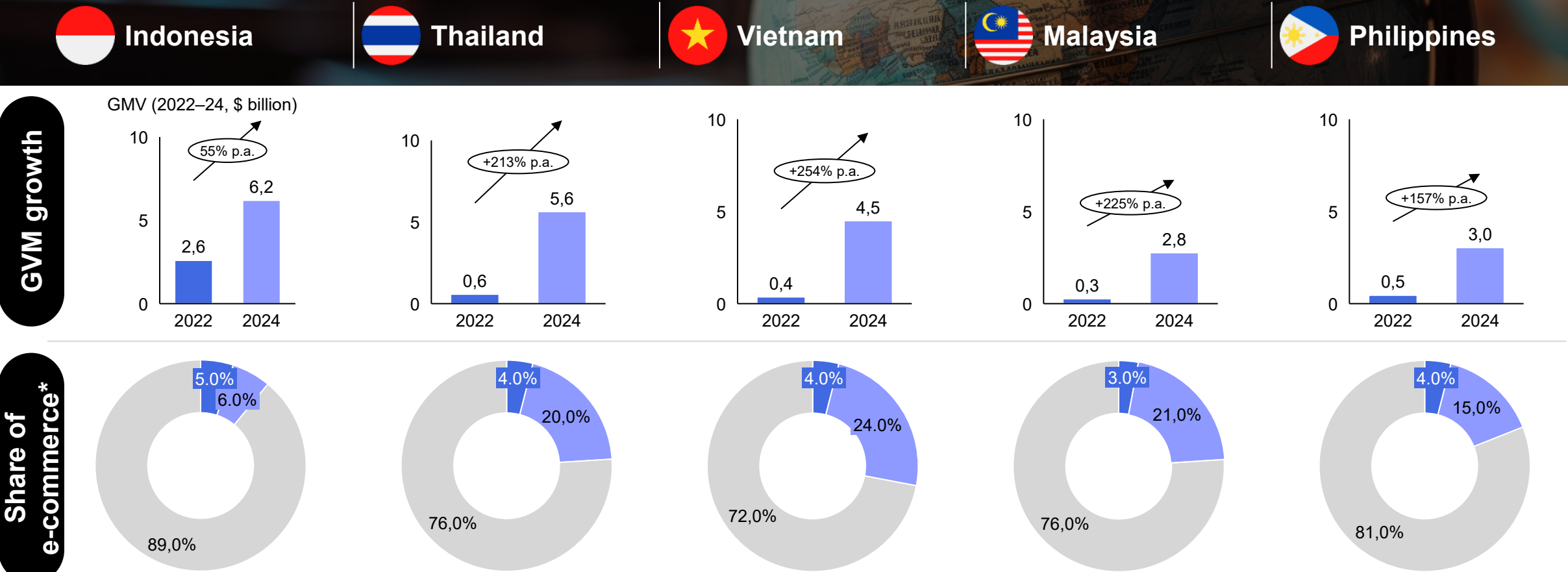
	 Indonesia	 Thailand	 Vietnam	 Malaysia	 Philippines	 China
Monthly average users <sup>1</sup>	205 million	63 million	79 million	26 million	80 million	882 million
Daily time spent per user <sup>2</sup>	108 minutes	97 minutes	115 minutes	94 minutes	113 minutes	120 minutes

Notes: 1) As of July 2025 for SEA markets and as of March 2025 for China; KOL is key opinion leader | Sources: Statista; We Are Social; Meltwater; SensorTower; QuestMobile

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

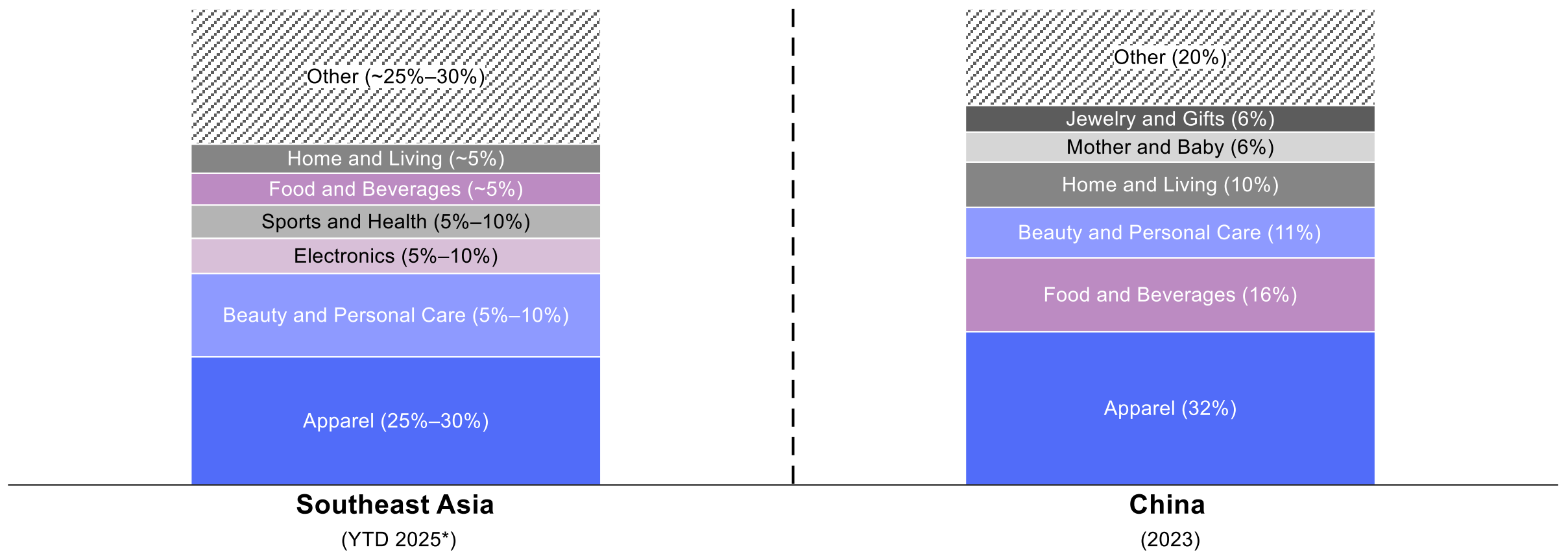
■ TikTok’s market share (% , 2022) ■ TikTok’s market share change (ppt, 2022–24) ■ Other e-commerce players’ share (% , 2024)

## TikTok Shop’s GMV across SEA countries (2022–24, \$ billion)



# Apparel, Beauty, and Personal Care are top-performing categories on TikTok Shop in Southeast Asia, while Food and Beverages may follow China over time

Tiktok Shop's/Douyin Shop's GMV by category (percentage)



Notes: \*Refers to January through May 2025; Apparel includes womenswear and underwear, shoes, fashion accessories, luxury and bags, and kids fashion; Sports and Health includes sports and outdoor and health categories  
Sources: BigOne Lab; Expert interviews

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

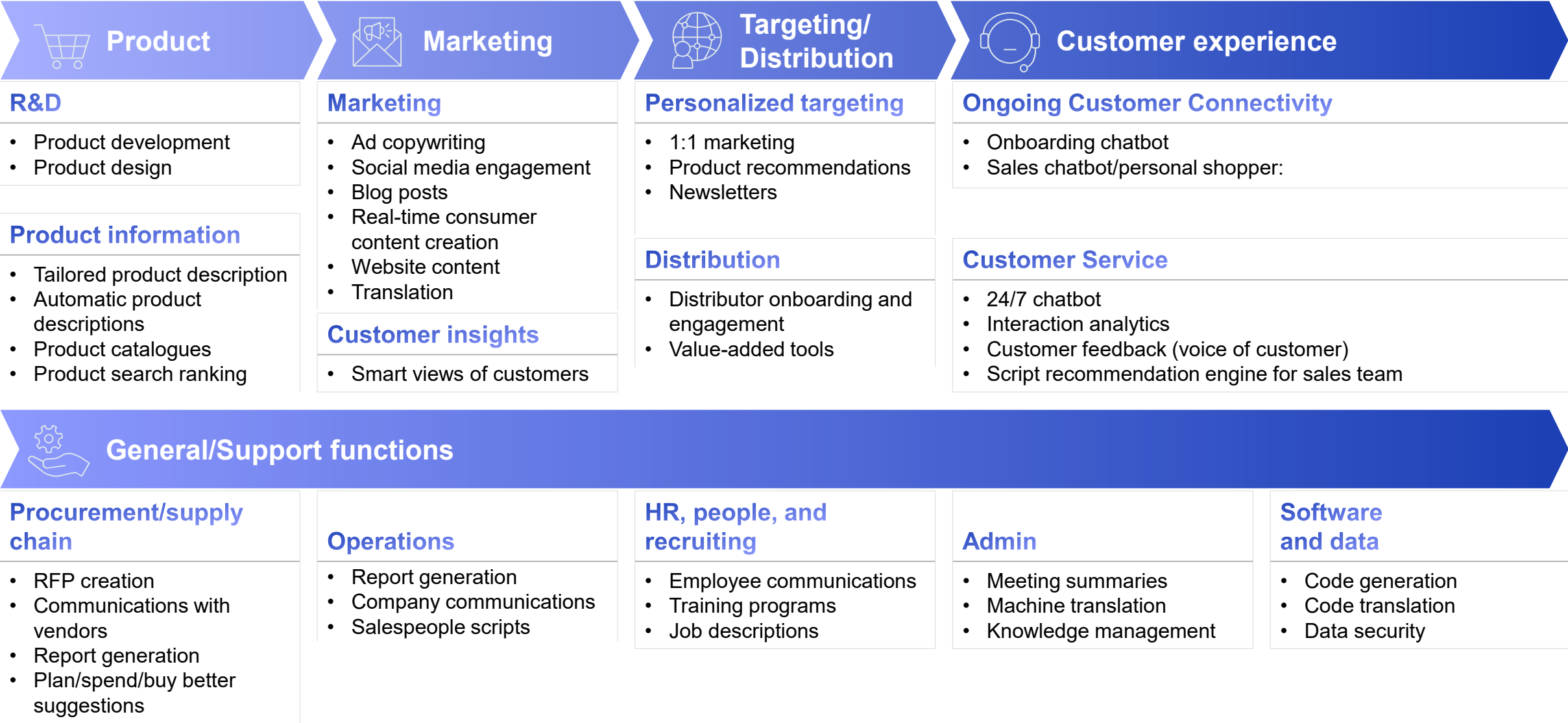


Note: 1) Figures denote percentage of respondents who selected each option in response to the question “Which generative AI assistance would help you?”  
Source: NielsenIQ



# Generative AI use cases already gaining traction within Consumer Products

/NON-EXHAUSTIVE



# AI is transforming CPGs across key components of the value chain

/NON-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 continuously adapting to audience and channel
- **Fully autonomous content agents will create, test, and optimize brand storytelling** across all touchpoints
- Marketing execution will become 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

- **Closed-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 can open new revenue streams
- AI will **unlock agile ways of working** and a culture of continuous experimentation

# 7 Procurement Use Case example: AI solutions save time and manual effort, and enable sustained savings in the long run

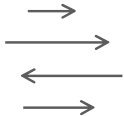
## FOODCO PROCUREMENT AI HUB

### INSIGHTS GENERATION



#### Automated spend cube

Auto-aggregates, and classifies data to gain visibility on spend, visualized through interactive visual dashboard



#### Reclassification engine

Auto-categorizes spend, supplier & contract data for sharper analysis



#### Procurement control tower

Centralizes data, providing real-time visibility and promoting informed decision-making

### STRATEGIC ANALYSIS



#### Category genius

Predict objectives based on budget, BU priorities, and market dynamics



#### Negotiation co-pilot

GenAI-built playbooks using RFP responses and target outcomes



#### Contract optimizer

Auto-generate drafts using best-in-class terms, policies & existing MSAs



#### Cost guard

Maximize contractual alignment, highlighting anomalous spends & eliminating value leakage

RESULTS  
ACHIEVED

#### Efficiency

**+40%**

Time reduction in category strategy development

#### Effectiveness

**+\$40M**

Incremental savings over 2 years

#### User experience

**+40%**







Improvement in Net Promoter Score (NPS)

Source: Bain experience

# 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

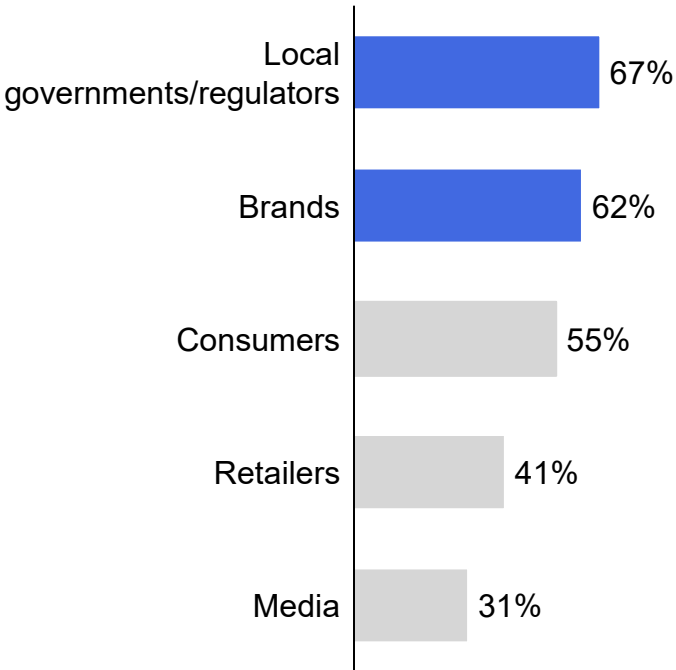
Note: \*\*Covid-19” was the actual #3, though likely impacted by the survey timing during which there was a Covid surge; a company is on-track if last progress update implies all targets will be met, assuming linear progress Sources: CXO interviews; Nielsen; CDP; Bain analysis



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

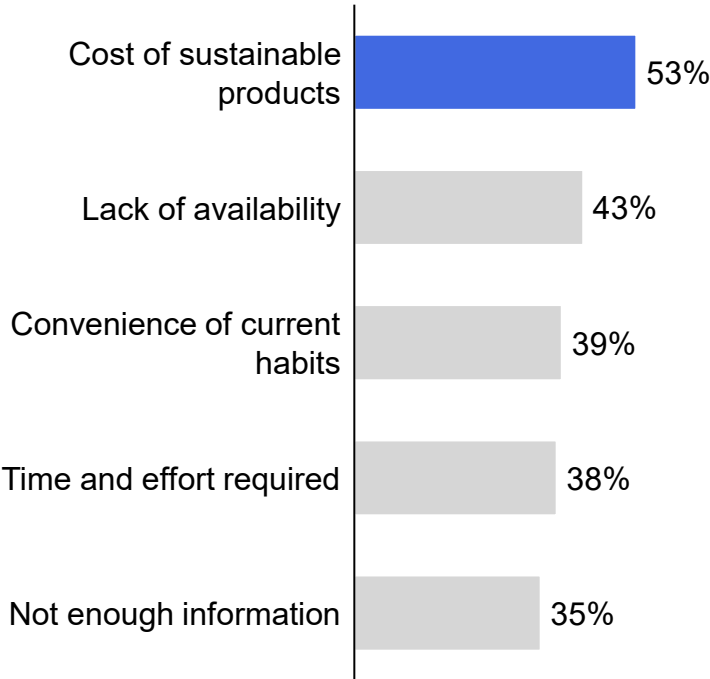
## Governments and brands expected to lead on sustainability

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

# Trends in Southeast Asia – Recap

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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 rethink 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

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