

BAIN & COMPANY | NielsenIQ

Southeast Asia: Still the growth story, or the story we tell ourselves?

Several primary and secondary sources were used to compile this report

1

2026 NielsenIQ Offline & Consumer Panel
n=more than 2,000

Purchasing behavior and retail habits survey conducted across Indonesia, Singapore, and Thailand

2

2026 Bain Southeast Asia (SEA) CXO Survey
n=29

CXO survey of fast-moving consumer goods (FMCG) companies across SEA-6 (Indonesia, Malaysia, Philippines, Singapore, Thailand, Vietnam) multinational corporations (MNCs), local players, and regional players

3

2026 Bain Consumer Survey
n=about 1,000

Consumer survey conducted across:

- Geography (SEA-6)
- Gender (balanced)
- Age (18–65+)
- Income (low–high)
- Region (58% metro, 27% town, 15% rural)

4

Secondary Research

- Euromonitor
- GlobalData
- World Trade Organization
- World Bank
- International Monetary Fund
- Kantor
- Momentum Works
- National statistics office

Consumer and FMCG Trends Across Southeast Asia



01	The macro and basket have come apart
02	50 million new consumers at the store
03	Musical chairs, faster music
04	Two baskets, one shopper
05	Triple threat from retail
06	Discovery has left the shelf

SEA growth holds near 5%, but weak institutions and infrastructure cap the upside

Low High

Growth steadies near 5% despite pockets of slowdown

	HISTORICAL	FORECAST		
REAL GDP GROWTH PER ANNUM	2022–25	2026F	2027F	2028F–35F
Vietnam	6.7%	**8.0%**	**7.0%**	**5.9%**
Philippines	5.2%	**3.5%**	**5.5%**	**5.9%**
Indonesia	5.1%	**5.3%**	**5.3%**	**5.5%**
Malaysia	4.6%	**5.2%**	**4.5%**	**4.2%**
Singapore	4.1%	**5.0%**	**3.0%**	**2.4%**
Thailand	2.5%	**2.1%**	**2.0%**	**2.3%**
SEA-6	4.9%	**5.1%**	**4.7%**	**4.7%**

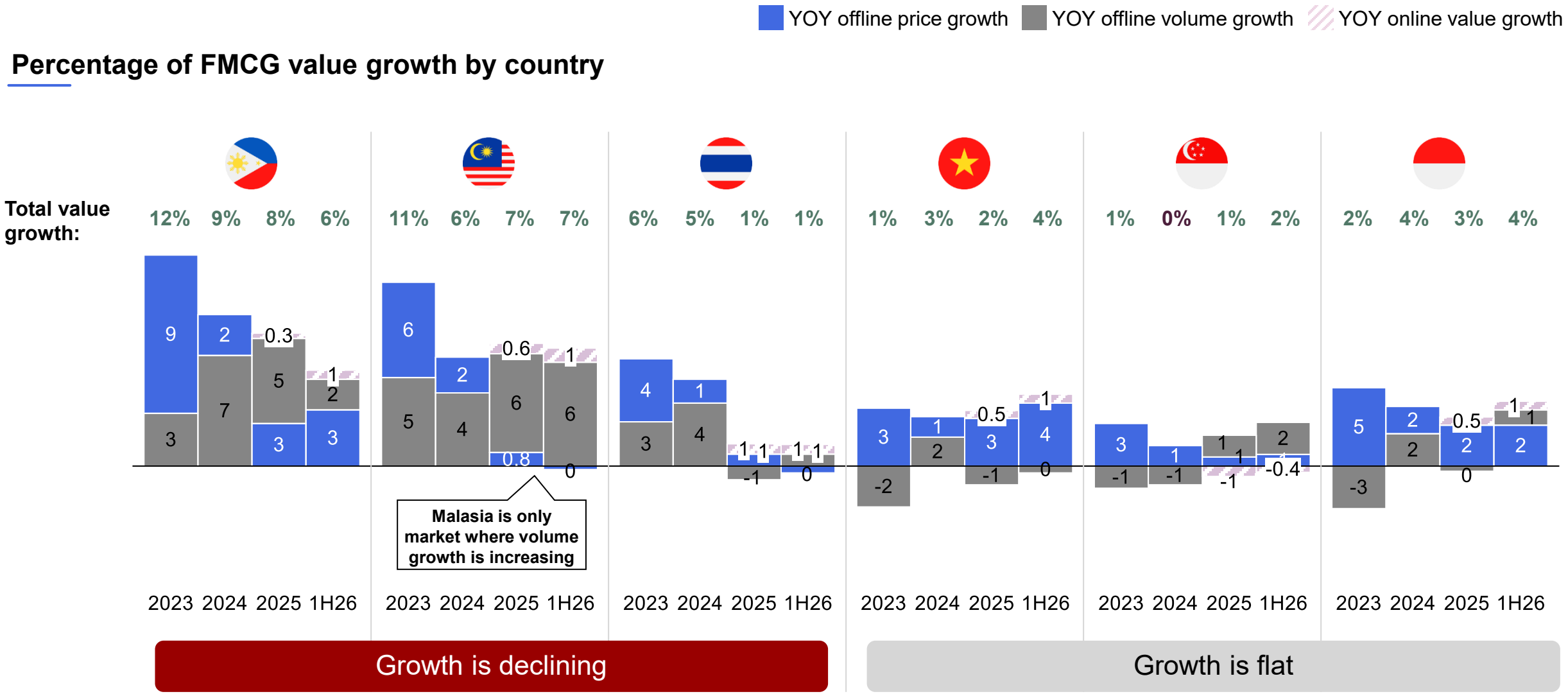
Structural gaps set the ceiling on longer-term outlook

GROWTH DRIVERS				
Ease of doing business[1] 0–100	Strength of institutions[2] −2.5–2.5	Infrastructure quality[3] 1–5	Workforce quality[4] 0–1.0	Annual net FDI inflow[5] USD billion
70	**-0.20**	**3.2**	0.69	20
63	**-0.34**	**3.2**	0.52	8
70	**-0.20**	**2.9**	0.54	22
82	**0.54**	**3.6**	0.61	15
86	**1.78**	**4.6**	**0.88**	**159**
80	**-0.20**	**3.7**	0.61	18

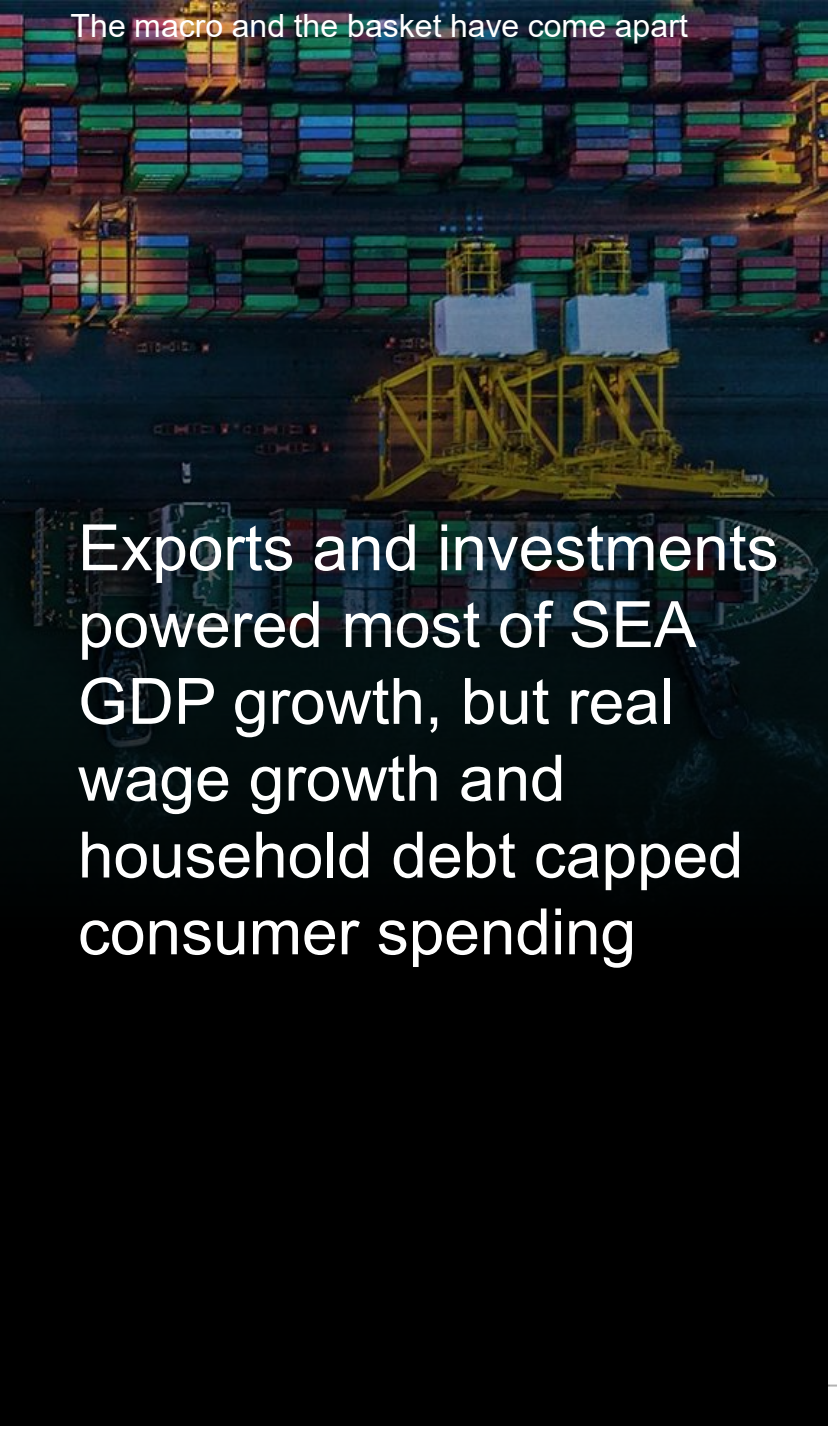
1. Ease of doing business score is published by World Bank (2020) and assesses the absolute level of regulatory performance across 10 key business areas (scale 0–100)
2. Average of governance indicators, including five dimensions (excluding voice and accountability), scaled from -2.5 to 2.5 (higher values equal better governance) that summarize quality of governance across countries is published by World Bank (2024)
3. Infrastructure score within the index measures the quality of trade- and transport-related infrastructure and is published by World Bank (2023)
4. The Human Capital Index is published by World Bank (2020) and measures the amount of human capital that a child born today can expect to attain by age 18, given the risks of poor health and poor education that prevail in the country
5. World Bank (2024/2025)

Sources: World Bank; IMF; OECD; UNCTAD; UNSD; WTO; Euromonitor; Trading Economics; literature search

FMCG growth has been flat or declining, dragged by weak volumes



Notes: Online growth shown in the charts is triangulated from NielsenIQ, GlobalData, and Bain analysis for all countries (except Singapore, which is from NielsenIQ data); categories included are Alcohol, Baby Products, Beauty & Cosmetics, Beverages, Dairy, Frozen, Household Products, Laundry Products, Oral & Personal Care, Over-the-Counter & Health Supplements, Packaged Foods, Pet Foods & Care, Snacks & Confectionery, Tobacco; 1H26 is first half of 2026
Source: NielsenIQ data through June 2026



Exports and investments powered most of SEA GDP growth, but real wage growth and household debt capped consumer spending

Increasing share of export and investment

93% ▸ 98%

Export as percentage of GDP (2022–2025)

18% ▸ 21%

Gross fixed capital formation[1] as percentage of GDP (2022–2025)

20% ▸ 22%

Gross fixed capital formation[1] as percentage of GDP (2022–2025)

However, declining real wages growth …

Average real wage growth (2016–2019 vs. 2021–2025)

6.9% ▸ 1.7%

3.9% ▸ 2.1%

2.3% ▸ 0.4%

… and household debt constrain disposable income

Household debt as percentage of GDP (2025)

87%

70%

1. Gross fixed capital formation (GFCF) is a measure of investment in the economy, capturing spending on fixed assets such as infrastructure, buildings, machinery and equipment, net of disposals

Sources: World Bank WDI (exports, GFCF as percentage of GDP); IMF Global Debt Database (household debt); government statistical offices (NSO Thailand, BPS Indonesia, MOM Singapore)

As a result, value-seeking behavior is rising; leaders remain equally cautious

A third of consumers worse off



of SEA consumers stated that they are worse off financially vs. last year[1]

Leaders cautious on expectations



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

Consumers' action to better manage spend in the last six months
(percentage of respondents[2])

Legend: Contribution — Low — High

Buying less (81%)

- Bought only essentials
- Reduced consumption/ used less
- Bought less often

Buying same brand/product at lower price (76%)

- Looked for best deals online/offline
- Bought in bulk/ larger packs
- Shopped at discounters/lower-priced stores

Switching to better value-for-money brands (57%)

- Bought whatever is on promotion
- Switched to cheaper brand
- Bought private label/ store brand

1. Covers Indonesia, Singapore, Thailand
2. Respondents who selected ≥1 constituent option divided by total respondents

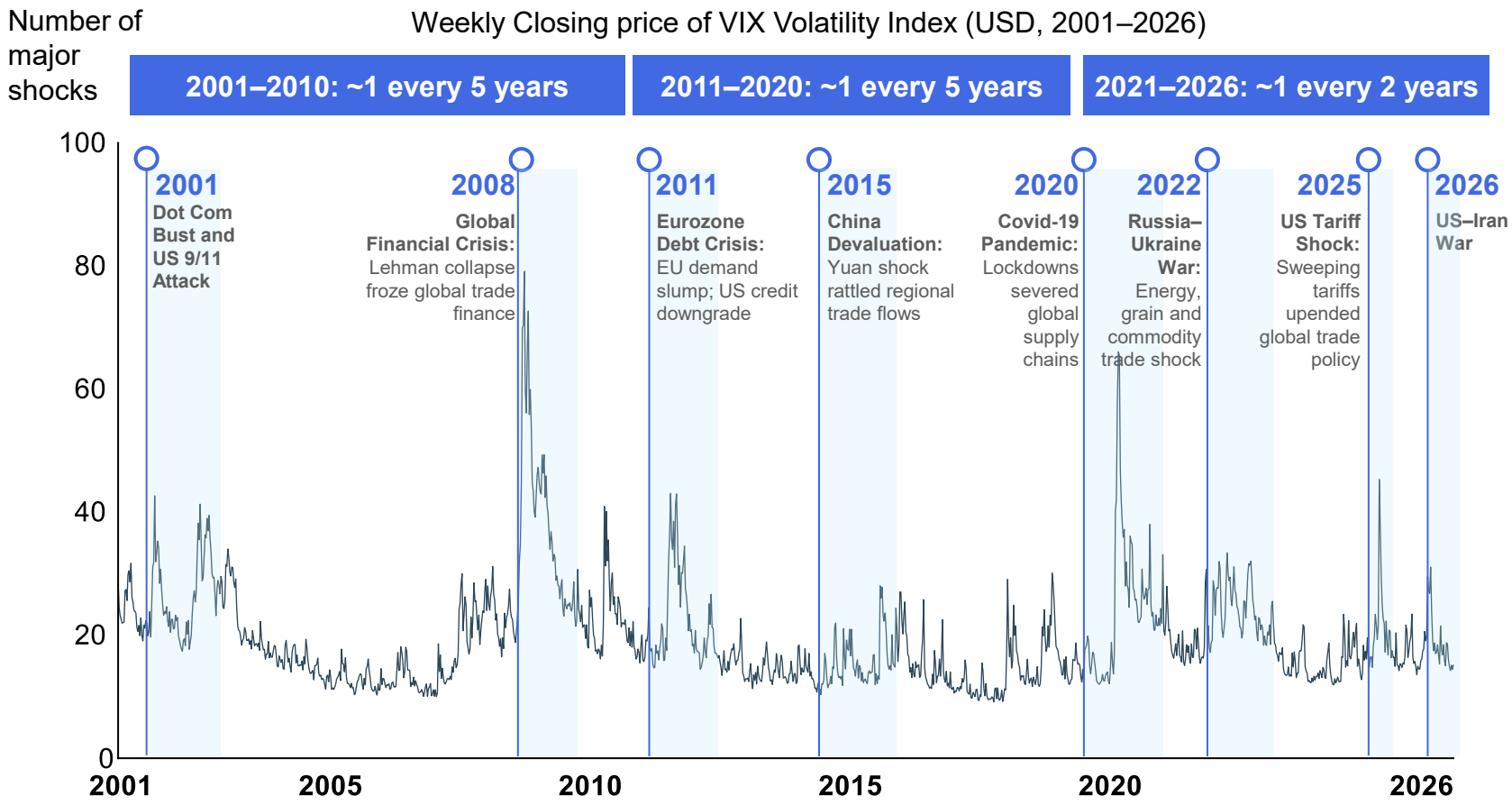
Sources: 2026 Bain SEA consumer survey (n=975); NielsenIQ 2026 consumer survey (n=2,044 across Indonesia, Singapore, Thailand)

Trade drives SEA's growth engine and is also its biggest vulnerability

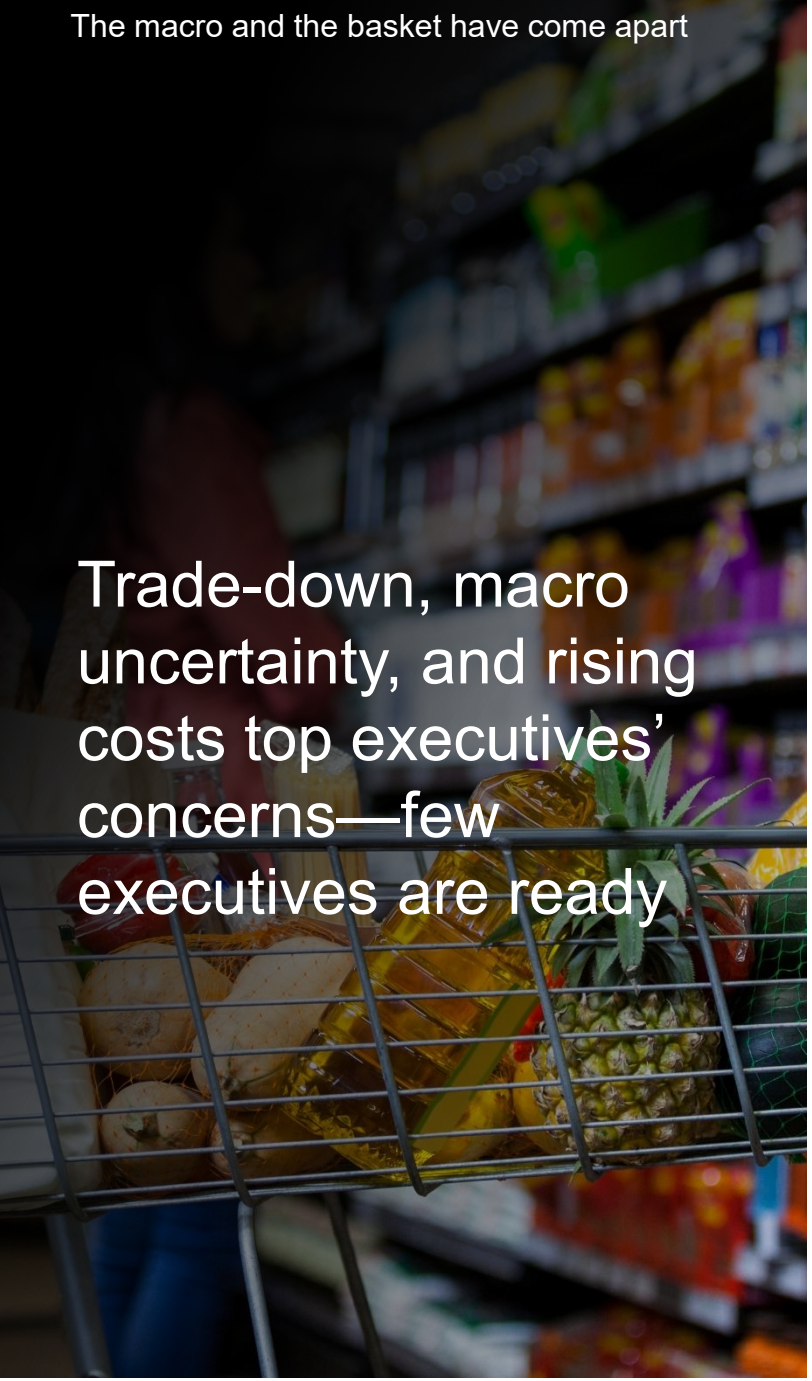
SEA economy structurally reliant on external demand

Trade as percentage of GDP	1996–2005	2006–2015	2016–2025
World	27%	44%	41%
US	11%	16%	17%
EU[1]	36%	58%	63%
China	18%	39%	33%
India	13%	34%	29%
SEA-6	**60%**	**90%**	**89%**

Shocks are happening more frequently this decade vs. previous decades

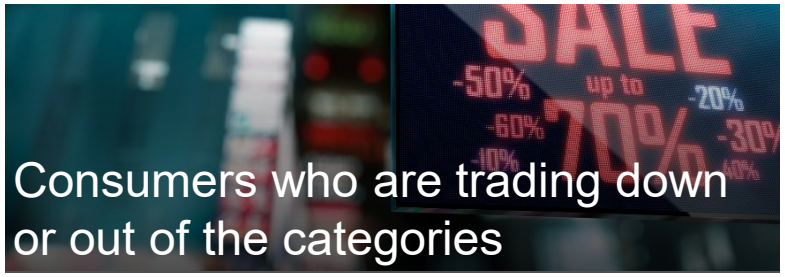


1. EU 1995–2005 average captures data only from 2000–2005 period, when the data was published
Sources: WTO; Euromonitor; Cboe



Trade-down, macro uncertainty, and rising costs top executives' concerns—few executives are ready

Top concerns of consumer packaged goods (CPG) executives



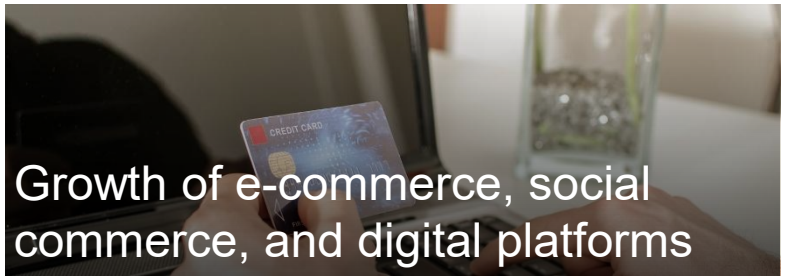
Consumers who are trading down or out of the categories



Macroeconomic uncertainty

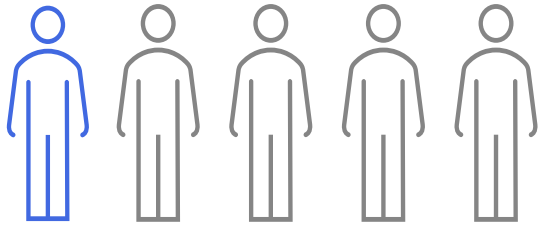


Tariffs and input cost volatility



Growth of e-commerce, social commerce, and digital platforms

Few executives are well prepared to face these concerns

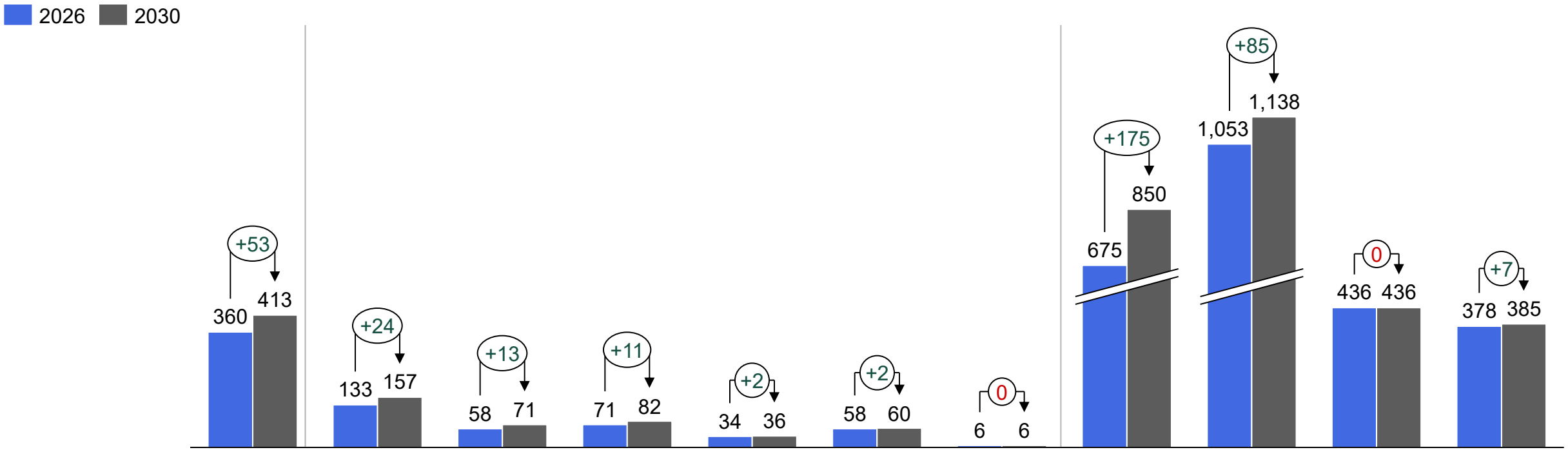


Only 1 in 5 of SEA FMCG executives **is well prepared** to address the challenges

Source: Bain CXO Survey 2026

Looking ahead, SEA-6 to add 50 million consumers, second only to India and China

Consuming Class[1] by Region (millions)



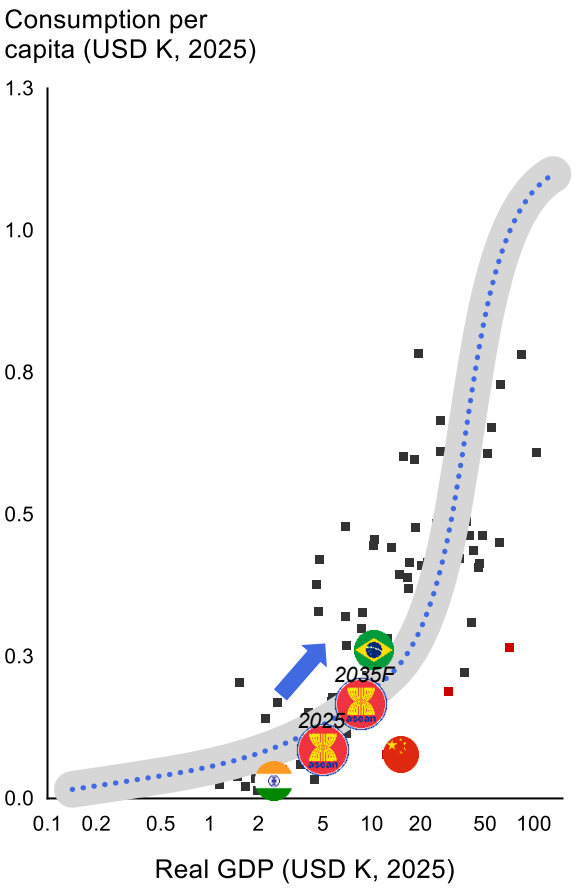
	SEA-6	Indonesia	Philippines	Vietnam	Malaysia	Thailand	Singapore	India	China	EU	N. America
2026 Population (M)	618	283	121	100	35	72	6	1,457	1,413	446	382
2030 Population (M)	636	291	128	103	36	72	6	1,502	1,398	444	389

1. Consuming class: individuals spending >$13.2/day (2021 PPP, ~$4,745/year based on World Data + World Bank)
Source: World Data Lab

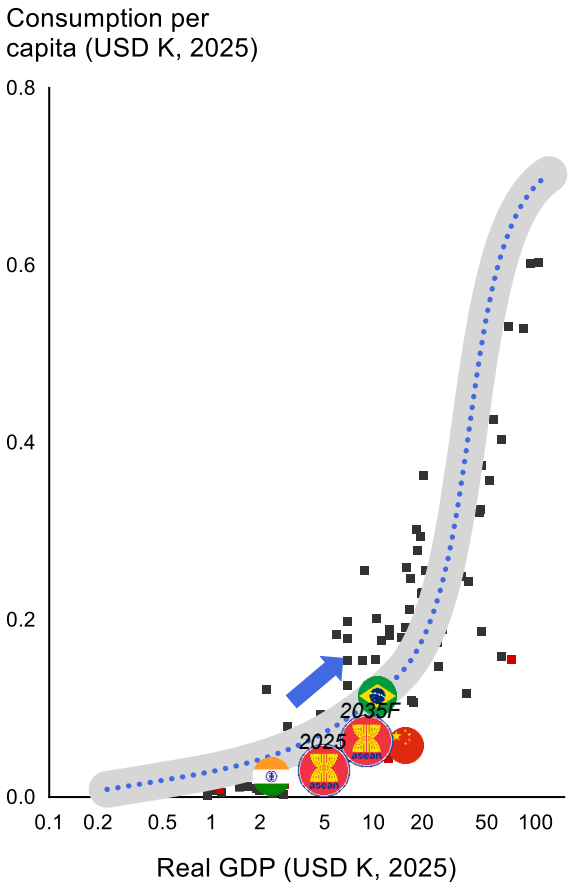
Wave will likely trigger an inflection on the “S-curve” across categories; brand owners have a role to play

SEA Overall

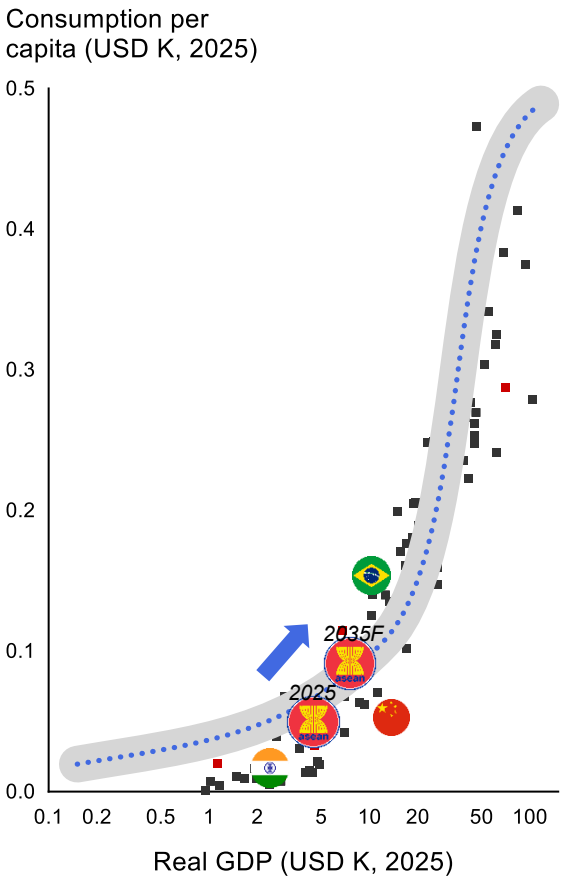
Nonalcoholic Beverages



Snacks and Confectionery



Beauty and Personal Care



Category Drivers for Brands

Unorganized to organized

Traditional trade accounts for 41%, 62%, and 70% in Philippines, Indonesia, and Vietnam, respectively[1]

Unpackaged to packaged

Packaged fresh food[2] volume represents only 19% in Vietnam and 41% in Thailand vs. 63% in UK[3]

Packaged becoming more premium

18%–24% of premium-plus packaged food in Indonesia, Philippines, and Vietnam vs. 45% in Singapore[1]

1. As of first half of 2026
2. Fresh food includes vegetables, eggs, meats, fish and seafood, fruits, nuts, and others
3. Share by value as of 2025

Notes: SEA Overall includes 10 SEA countries (excluding Timor-Leste); real GDP based on 2015 US constant prices, presented on a logarithmic scale

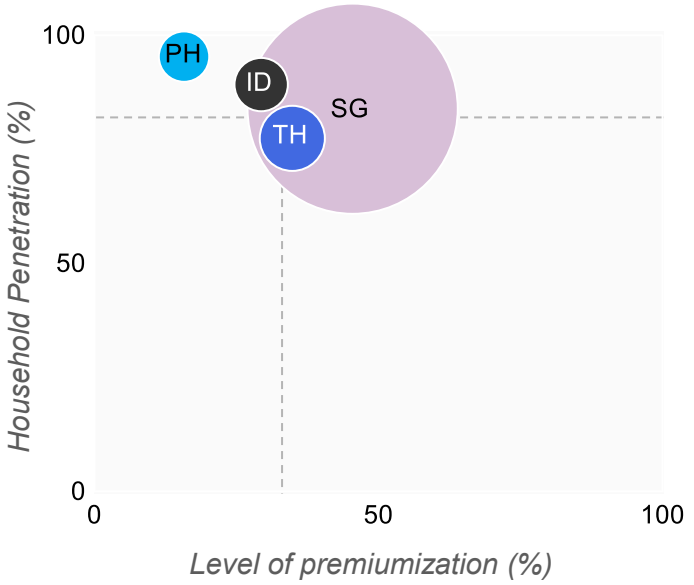
Sources: Euromonitor; World Bank; NielsenIQ data through August 2026; literature search

The “job to be done” varies by category and country to create the next growth wave

Bubble size indicates real GDP per capita (USD, 2025) 15K

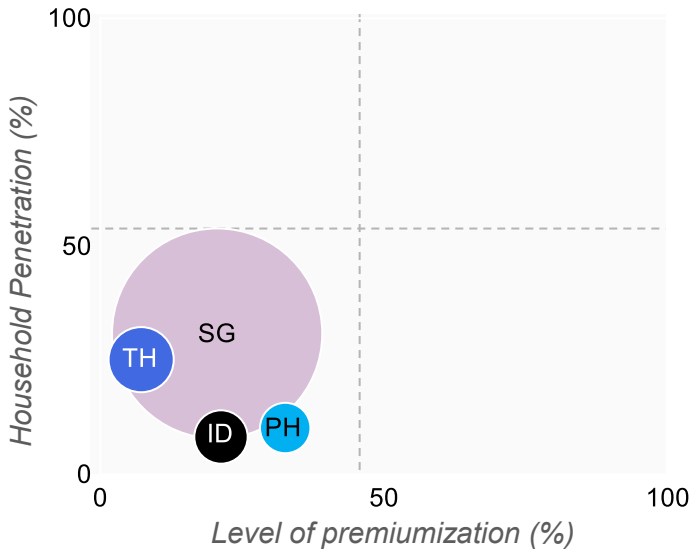
/ILLUSTRATIVE /NOT EXHAUSTIVE

Biscuits



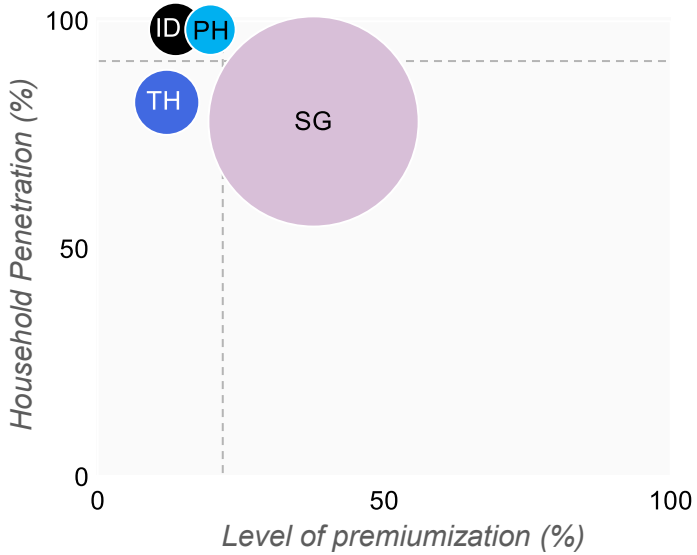
- Room to increase penetration exists in Thailand and Singapore
- Premiumization opportunity exists across markets

Mouthwash



- Penetration and premiumization remain low across all markets
- Dual growth opportunity exists

Instant noodles



- Penetration is relatively high across all markets
- Premiumization is main opportunity across markets

1. Penetration calculated as highest panel penetration by subcategory, measured both online and offline transactions
2. Premiumization calculated as combined percentage of value share of the premium, super premium, and luxury price tiers (defined on a price index basis from 121 vs. category average = 100), measured offline transactions only

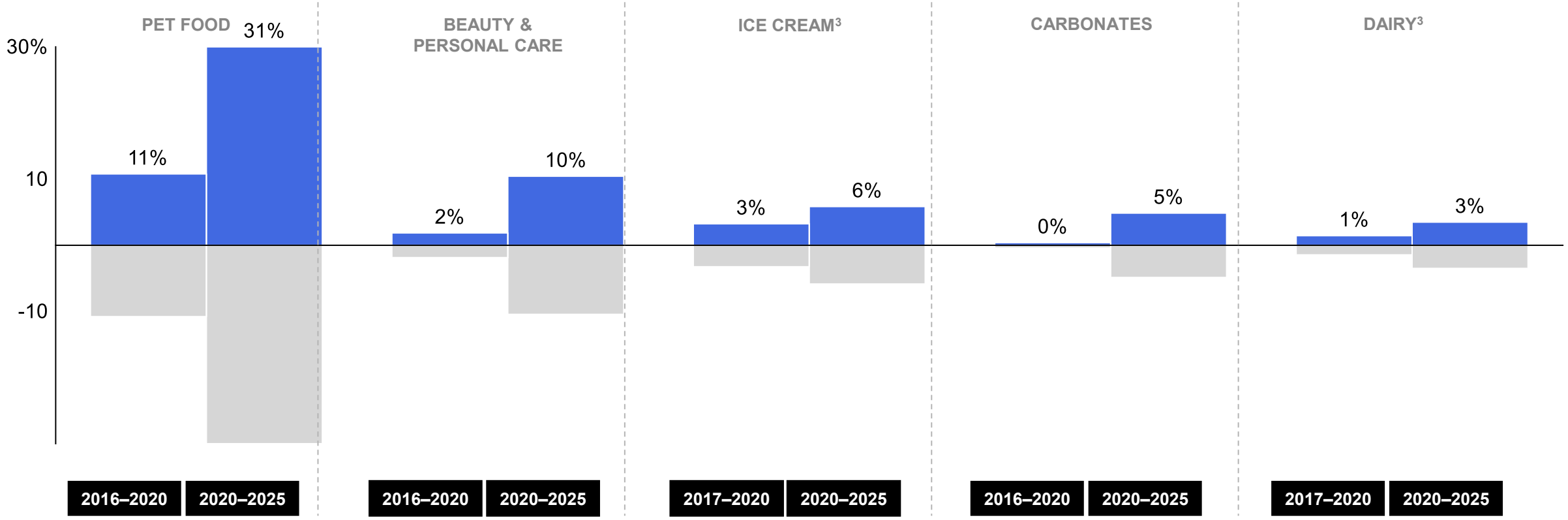
Notes: Common axes are in every panel (x = level of premiumization percentage, y = household penetration percentage, size of bubble = real GDP per capita 2025 in USD); quadrant lines are average of percentage of penetration and percentage level of premiumization for all SEA countries under study

Source: NielsenIQ data through June 2026

Share churn is accelerating across categories in recent years

/ INDONESIA EXAMPLE

Change in percentage of market share in Indonesia between insurgent disruptors vs. incumbents (2016/2017-2020, 2020-2025)[1,2]



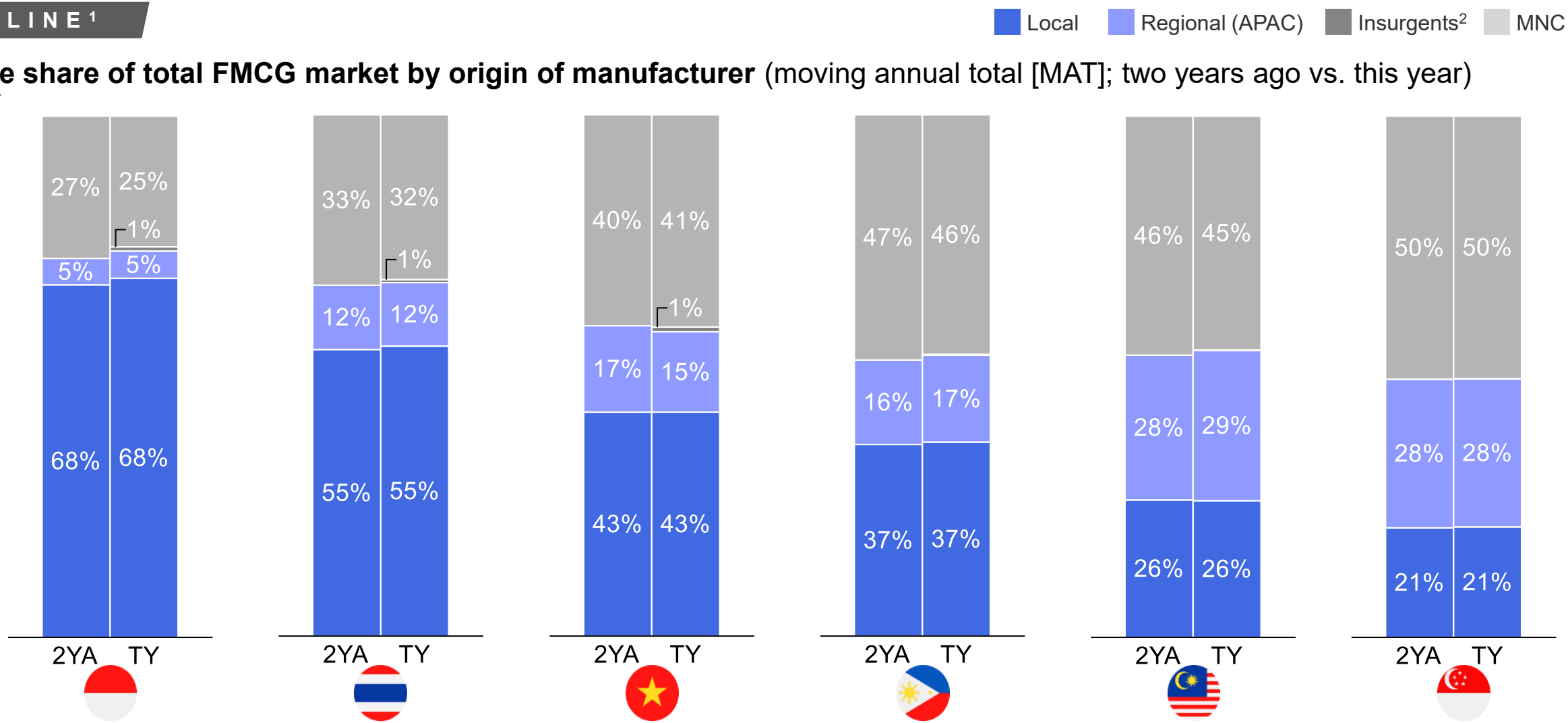
Insurgent disruptors definition: *Brands new to SEA market (entered in the last 10 years) that have ramped up fast (typically three times their category); owned by local/small independent/MNC parent*

1. Incumbents include MNC and local/regional brands; MNC brands are brands not originating in SEA (e.g., Nestle); local/regional brands are brands established and operated by companies based in SEA-6 + APAC (SKINTIFIC, Wings Group, etc.), including private label brands
2. Bar labels call out the top contributor to disruption in each category from 2020 to 2025
3. The earliest data available from Euromonitor is from 2017

Sources: Euromonitor; Bain analysis

Over half of FMCG share is held by local/regional players, which continue to grow

OFFLINE[1]



Value share of total FMCG market by origin of manufacturer (moving annual total [MAT]; two years ago vs. this year)

1. Offline FMCG (except Singapore, which includes online sales)
2. Insurgent brands are those launched within the past two years (July 2024–June 2026); data on insurgent brands launched before the period is unavailable

Notes: 2YA refers to Jul 2023–June 2024; TY refers to July 2025–June 2026

Source: NielsenIQ data through August 2026

MNCs cede share in most categories

OFFLINE[1]

≤-2.0 ppt | -0.5 to <-2.0 ppt | >-0.5 to +0.5 ppt | >0.5 to <2.0 ppt | ≥+2.0 ppt

Share change this year vs. two years ago (SEA-6)

	Local	Regional	Insurgent (New Brand)	Insurgent (New Manufacturer)	MNC
Alcohol	-3.0%	-0.2%	0.4%	0.1%	2.7%
Baby	-1.4%	-1.3%	1.3%	0.0%	1.4%
Beverages	0.5%	-0.2%	0.3%	0.1%	-0.7%
Dairy	-0.1%	0.7%	0.6%	0.2%	-1.5%
Frozen	6.4%	-2.5%	0.8%	0.3%	-5.0%
Household Products	1.8%	0.9%	0.5%	0.1%	-3.2%
Laundry Products	2.2%	-1.0%	0.2%	0.0%	-1.4%
Oral & Personal Care	2.1%	-0.1%	0.2%	0.2%	-2.3%
OTC & Health Supplements	0.2%	0.2%	0.1%	0.0%	-0.5%
Packaged Food	0.2%	-0.7%	0.3%	0.3%	-0.1%
Pet Food & Care	2.7%	1.9%	0.2%	0.0%	-4.7%
Snacks & Confectionery	-0.6%	-0.2%	0.5%	0.3%	-0.1%
Tobacco	-2.4%	2.0%	1.0%	0.6%	-1.1%

1. Offline FMCG (except Singapore, which includes online sales)
Notes: Two years ago is July 2023–June 2024; this year is July 2025–June 2026; OTC is over-the-counter
Source: NielsenIQ data through August 2026

Typical winning formula varies by player type

XX Recent thrusts

Local

- Hyper localization in proposition, pack, taste
- Same high-quality products at “magic” price points
- Longer-term investment horizon (more than 10 years)
- Sharp focus on building local relative market share (RMS) and scale with owned route-to-market (RTM)
- Disproportionately larger scale of (below-the-line) investment vs. MNCs
- **Closed gap on talent and innovation**

Insurgent company

- Own a sharp and unmet consumer need
- Differentiate through product/proposition
- Build digital-first demand
- Win on speed and innovation
- Create strong brand communities
- Build velocity, then expand reach

MNC

- **Global innovation, locally tailored**
- Create categories in underpenetrated spaces
- Build good-better-best premiumization ladders
- Win every channel, from mom-and-pop to social commerce
- Reinvest scale into brand desirability
- Acquire locally, scale where relevant

Case Studies

Mayora ID: Long-term horizon to invest in and grow **Le Minerale**; tailored local taste with **Nipis Madu’s** lime + honey flavor and smoother carbonation

Boon Rawd TH: Strong **Leo/Singha** distribution across off-trade and on-trade

SKINTIFIC SEA: E-commerce and social-media-led **SKINTIFIC** marketing, backed with scientific claims for local skin concerns

Cimory: Pivoted from **Cimory** fresh milk into pouch/drinking yogurt, ready-to-eat food (e.g., sausages)

Heineken VN: Global launch for **Heineken Silver**, tailored to local taste with lower bitterness profile - suited to food occasions

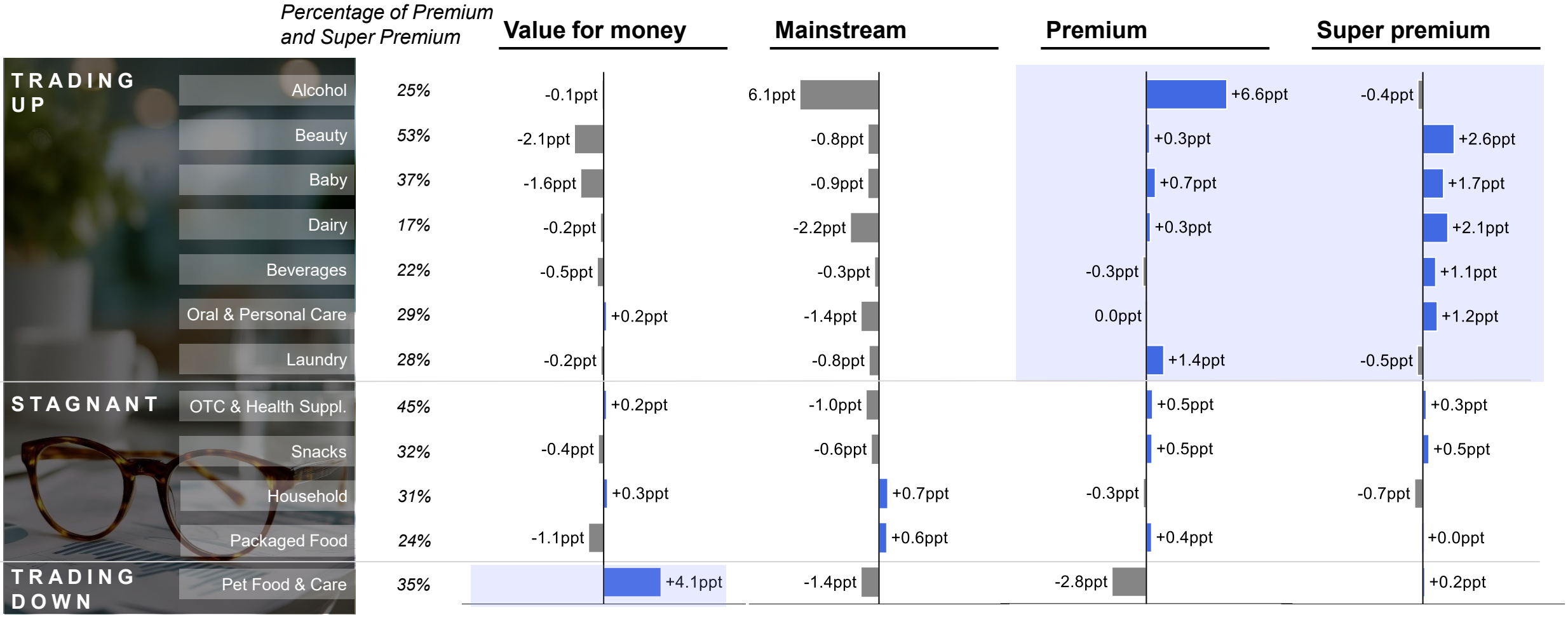
Nestle SEA: Mass-market **Nescafe** paired with premium **Starbucks** brand push; localized **Milo** marketing

Sources: literature search; NielsenIQ; Euromonitor

“Good for me and my family” categories see continued premiumization, while pet food sees increasing penetration at entry level

OFFLINE[1]

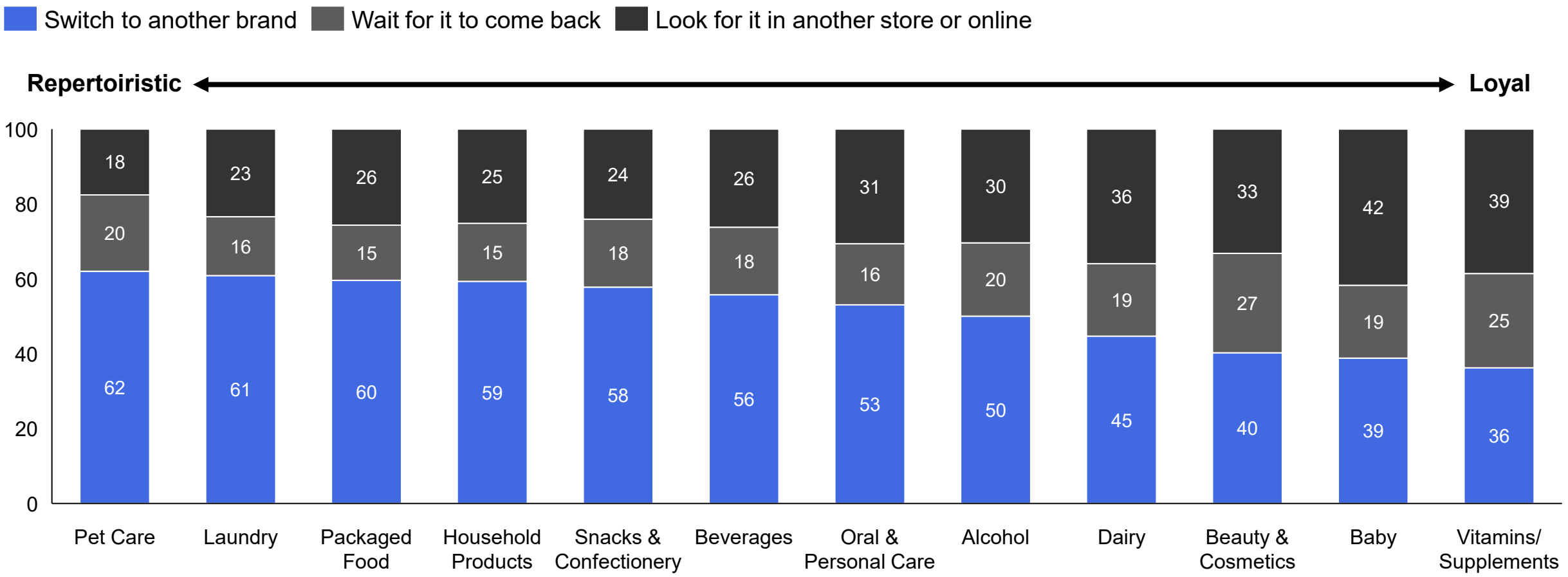
Share change in MAT sales by category and price tier (MAT this year vs. two years ago)



1. Offline FMCG (except Singapore, which includes online sales)
Notes: Value for money = price index under 80; mainstream = 81–120; premium = 121–160; super premium = ≥ 161; this year is July 2025–June 2026; two years ago is July 2023–June 2024; OTC is over-the-counter
Source: NielsenIQ data through August 2026

Half of SEA shoppers will switch brands on the spot; loyalty holds better in “good for me and my family” categories

What consumers would do if the brand they use most often is not available



Note: Includes only respondents who are buyers of the category
Source: 2026 Bain SEA consumer survey (n=975)

The same shopper trades up in one category and down in another



Percentage of respondents trading up in one category and trading down in another

Trading up	Trading down: Laundry	Trading down: Snacks	Trading down: Beverages
Beauty	29%	23%	19%
Baby	27%	24%	21%
OTC & Health Supplements	25%	27%	23%

Note: Answer to the question "Thinking about the products your household typically buys compared with 12 months ago, has your household generally moved to more expensive or less expensive options?"; OTC is over-the-counter
Source: 2026 Bain SEA consumer survey (n=975)

Brand must earn the right to charge a premium



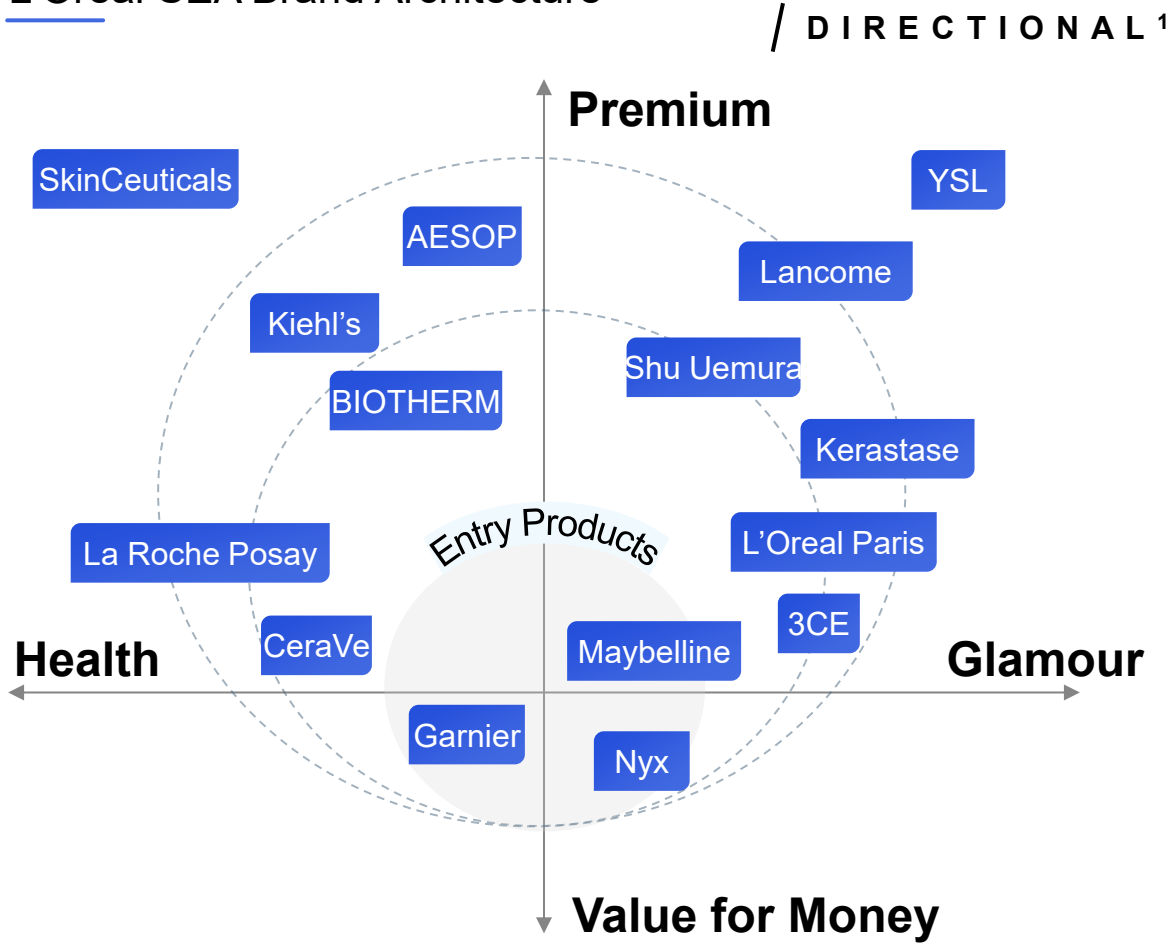
Top three reasons for paying premium

	1 (table stakes)	*2*	*3*
Better for me Baby, Beauty and Cosmetics, Over-the-Counter & Health Supplements, Oral & Personal Care, Dairy	**Trusted brand with strong reputation for safety/quality**	**Clinically proven/ endorsed by expert**	**Better for my health**
Food and beverages Alcohol, Beverages, Packaged Food, Snacks & Confectionary		**Matches my preference for taste**	**Better for my health**
Staples Household & Laundry Products		**Performs noticeably better**	**Eco-friendly/ sustainable**

1. Percentage of respondents who did not choose “I always choose the cheapest option” in all the categories
Note: Answer to the question “Thinking about the products your household purchases across different categories, which of the following would make it worth paying premium than a cheaper available alternate?”
Source: 2026 Bain SEA consumer survey (n=975)

L'Oréal continually evolves its portfolio to add new consumers across price tiers and add new products to their routines

Case Study
L'Oréal SEA Brand Architecture



Key learnings

- **Recruit** consumers through affordable access points
- **Expand routines** into underpenetrated adjacencies
- **Trade up** through good-better-best brand ladders
- Add **science/efficacy** to justify further premiumization
- Graduate consumers into **masstige and prestige**

Two simultaneous premiumization vectors

↕ Higher spend per product

↔ More products per routine

1. Brand price tiers vary by country relative to price index
Sources: Literature search; NielsenIQ

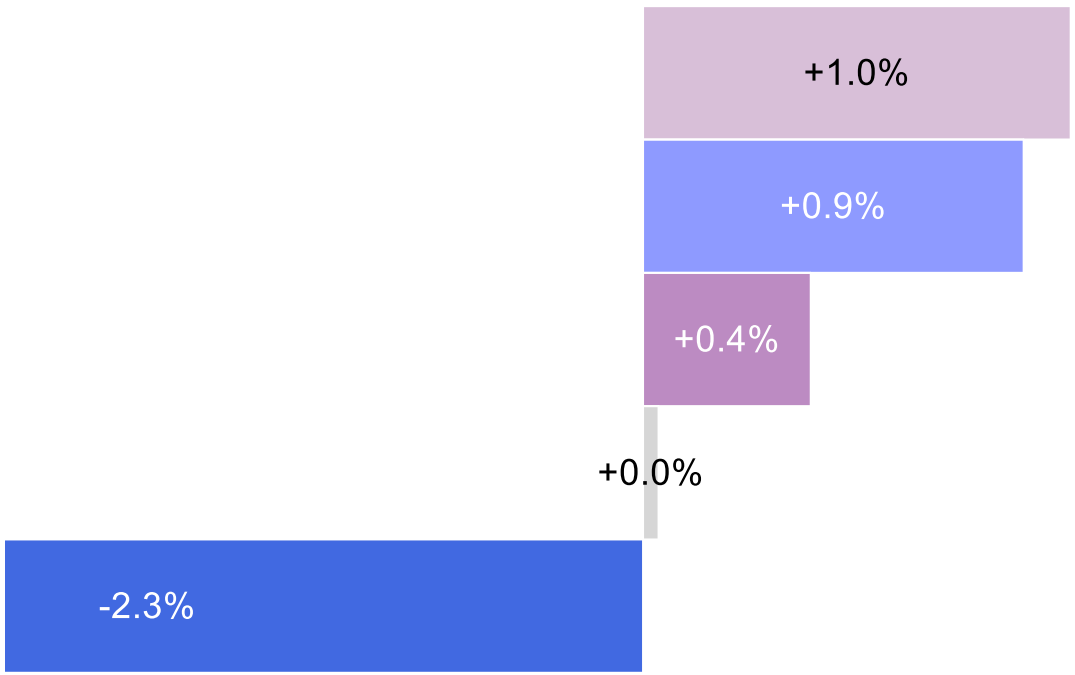
Traditional trade is still No. 1 but is losing share to minimarkets and online

SEA-6

Traditional trade | Convenience stores/minimarkets | Hypermarkets/supermarkets[1] | Online[2] | Other[3]

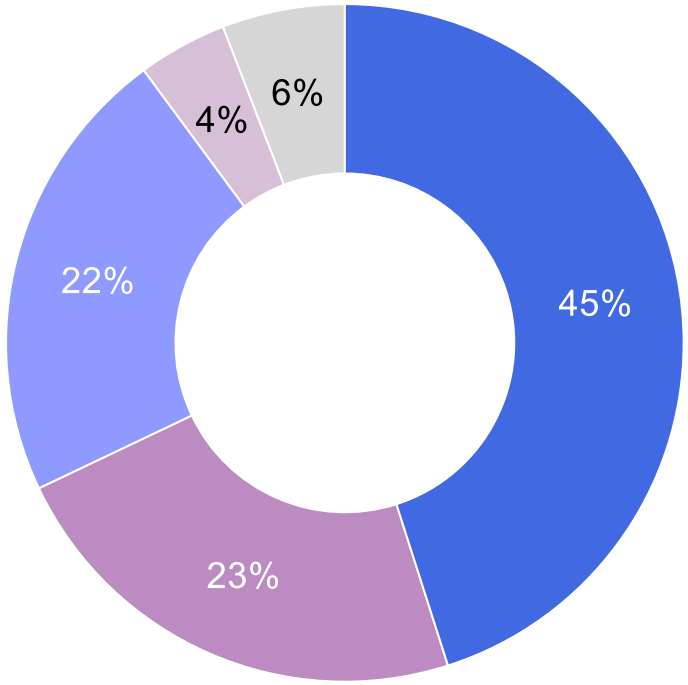
FMCG channel value share change

(percentage, MAT first half of 2026 vs. MAT 2024)



FMCG channel value share by market

(percentage, MAT second half of 2025 through first half of 2026)



1. Vietnam convenience stores/minimarkets are reported under hypermarkets/supermarkets
2. E-commerce channel shown in the charts is triangulated from NielsenIQ, GlobalData, and Bain analysis for all countries (except Singapore, which is from NielsenIQ data), while other channels are proportionally scaled from NielsenIQ data
3. Other channel includes drugstores, pharmacies, cosmetics

Sources: NielsenIQ; GlobalData; literature search

Retail is squeezing CPG margins in three ways

Fragmented trade consolidates



Rewrites your terms

Hard discounters scale



Resets your price

Retail media gains ad share

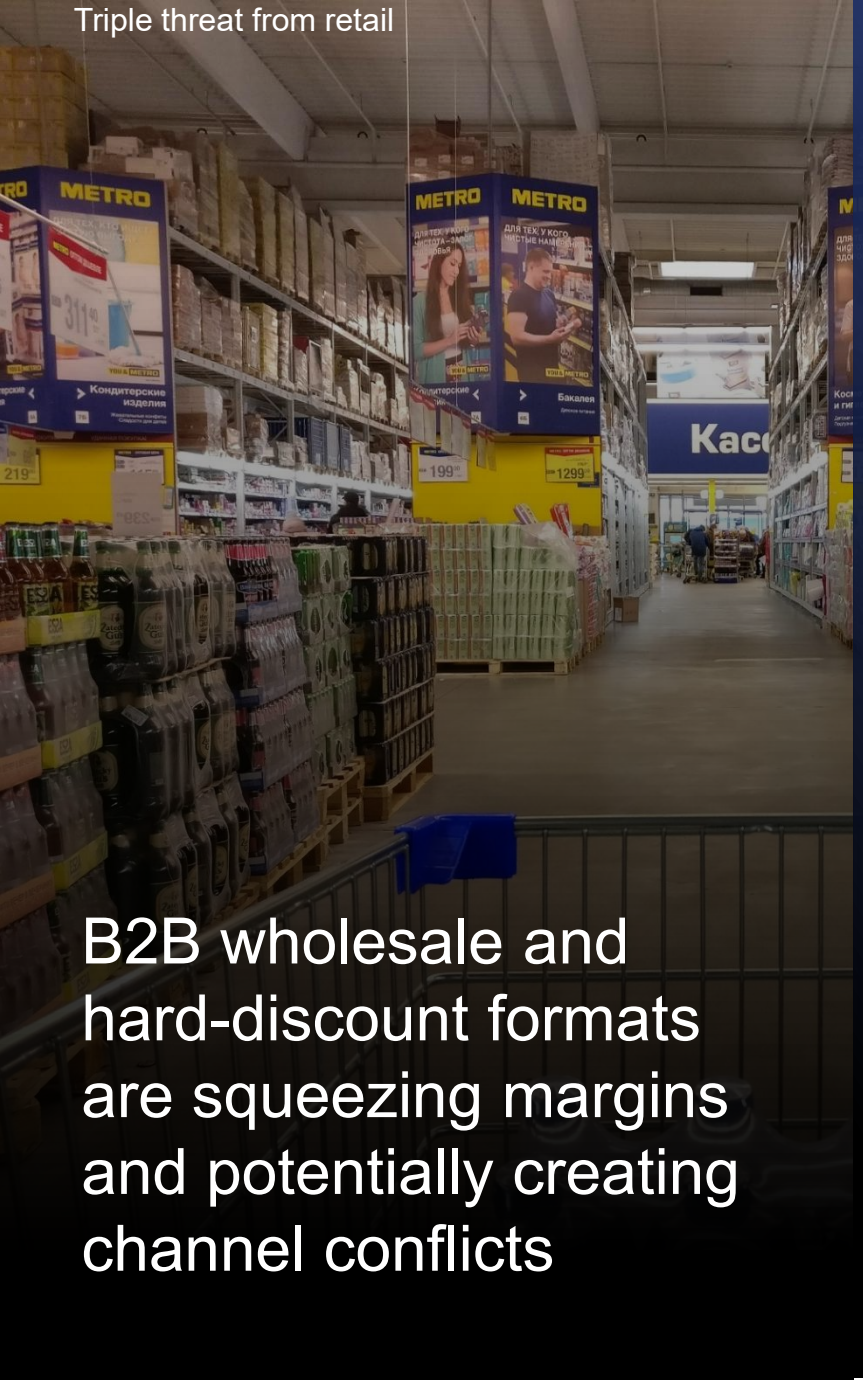
Retail media (advertising retailers sell on their own channels, online and in-store) is **SEA's fastest-growing ad channel**

USD 4.7B in 2030	**SEA retail media ad spend,** projected to outgrow both search and social
~1.5x vs. global	**Faster SEA retail media growth than the global rate,** led by Indonesia (1.9x) and Vietnam (1.75x)
99% SEA brands	**Planning to increase retail media spend,** with 62% already running retail media

Taxes your reach

Sources: NielsenIQ; GrabAds x Kantar 2024 Retail Media Networks report; literature search; Bain analysis

Triple threat from retail



B2B wholesale and hard-discount formats are squeezing margins and potentially creating channel conflicts

65%

of executives see **B2B wholesale/discounters as a challenge**

yet only

30%

of executives are **confident in their ability to respond** the challenges from B2B wholesale/discounters

Key challenges CPG brands face with B2B wholesale/ discounters

Pricing pressure (eroding street prices or compressing margin)

Creating channel conflict with existing trade partners

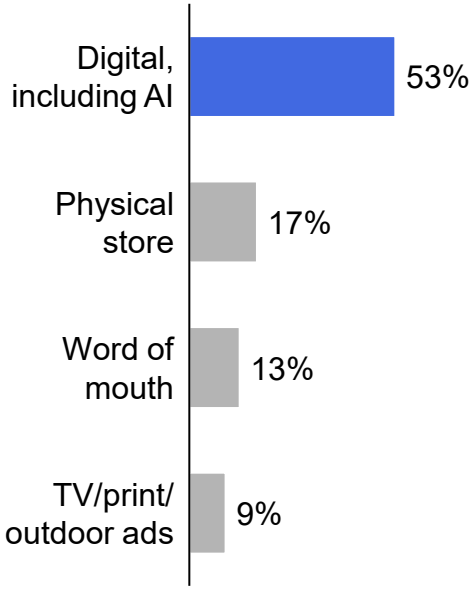
Taking volume from relatively stable, stronger channels

Source: Bain CXO Survey 2026

80% of SEA consumers already use AI to shop



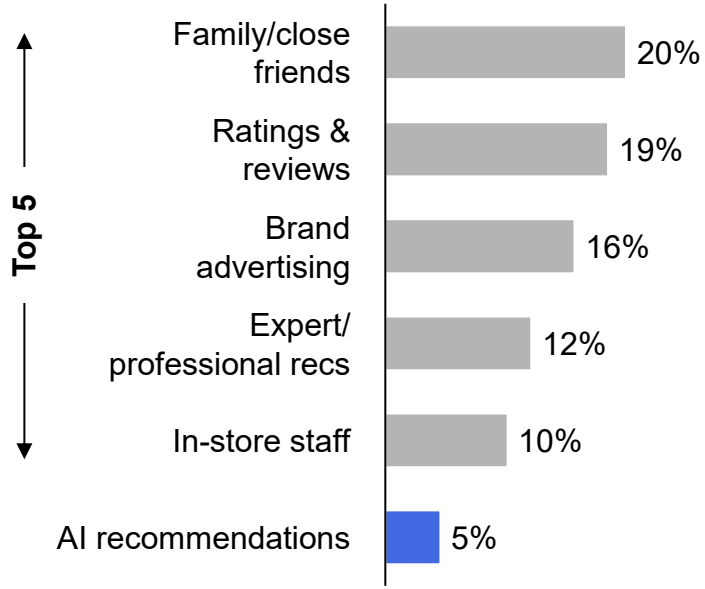
Brand discovery source[1]
(percentage of responses)



~80% Of consumers already **use AI in their shopping journey[2]**

- compare products/brands
- get recommendations on which product to buy
- find deals or promotions

Most trusted recommendation[3]
(percentage of responses)

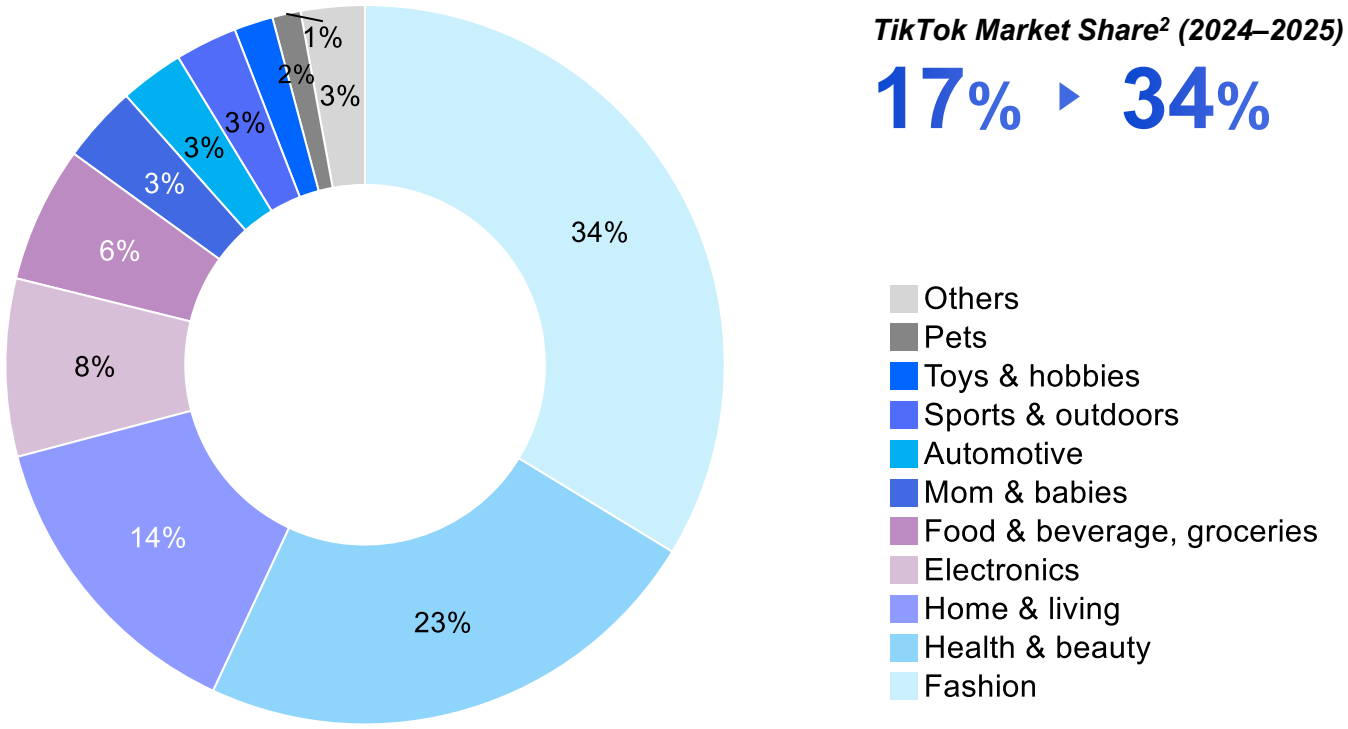


1. Answer to the question “Thinking about the most recent product you tried for the first time, where did you first hear about or see that product?”
2. Answer to the question “Which of the following, if any, have you used an AI assistant (e.g., ChatGPT, Gemini or another AI assistant) for when shopping for products?”
3. Answer to the question “Thinking about a product you have not bought before, which of the following sources would you trust most when deciding whether to buy it?”

Note: Digital includes marketplace/shopping app, online search/website, creator/influencer/brand/retailer posts on social media and AI recommendation; physical store includes while browsing a physical store and through a promotional event/free sample
Source: 2026 Bain SEA consumer survey (n=975)

TikTok Shop now owns a third of SEA e-commerce

Top TikTok Shop categories gross merchandise value SEA-6 Q1 2025



TikTok Market Share[2] (2024–2025)

17% ▸ 34%

Top reasons for buying a product from social media video/livestream[1]

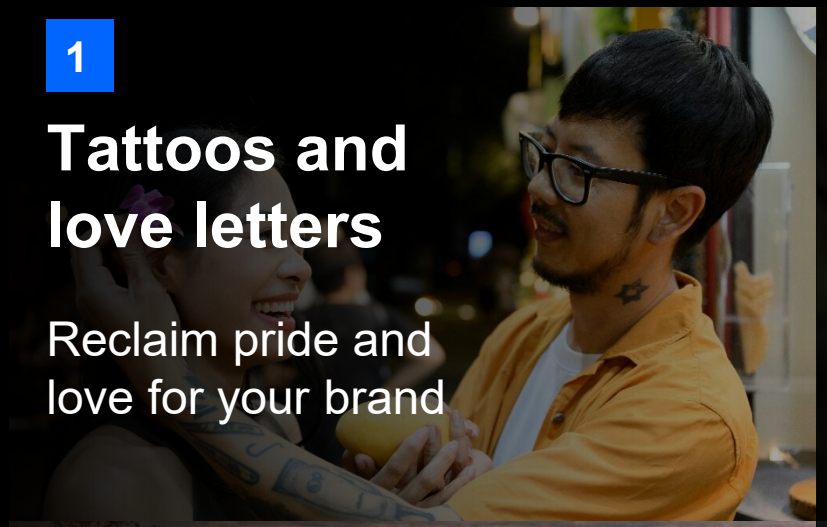
1. Attractive price
2. Reviews/comments from other buyers
3. Product features well explained

1. Answer to the question "Thinking about the most recent time you bought a product directly from a social media video or livestream, what made you decide to buy it?"
2. Market share in e-commerce channel

Sources: Momentum Works; 2026 Bain SEA consumer survey (n=975)

Five + one imperatives for CPG brands to step-change value creation

RELEVANT MIX COMPANY SPECIFIC



1

Tattoos and love letters

Reclaim pride and love for your brand



2

Better to best

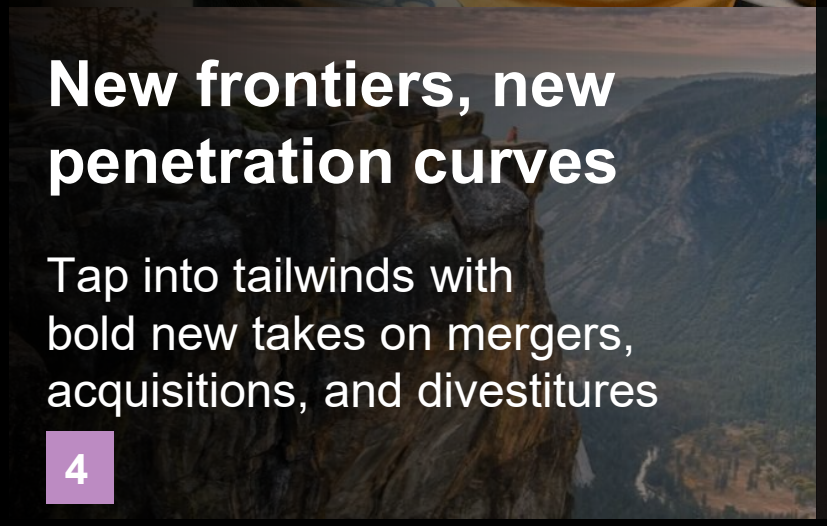
Turn strengths into superpowers



3

Route to consumers reimagined

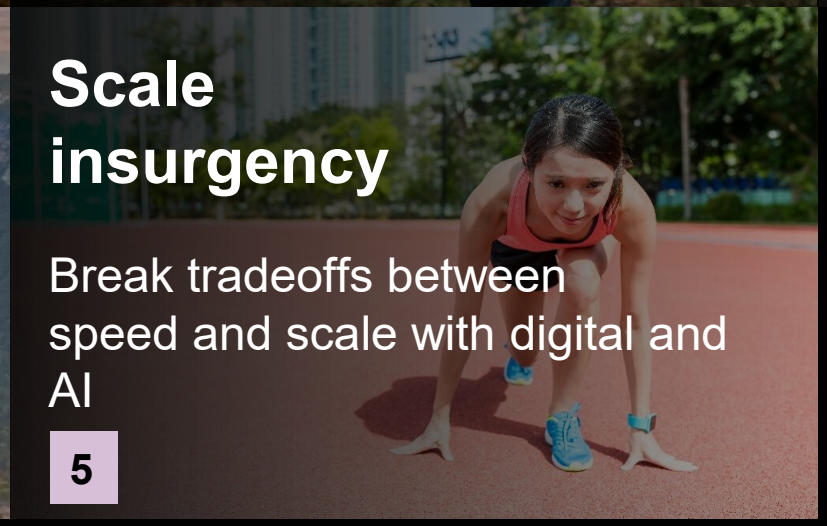
Recapture control in evolving consumer journeys



New frontiers, new penetration curves

Tap into tailwinds with bold new takes on mergers, acquisitions, and divestitures

4



Scale insurgency

Break tradeoffs between speed and scale with digital and AI

5

+

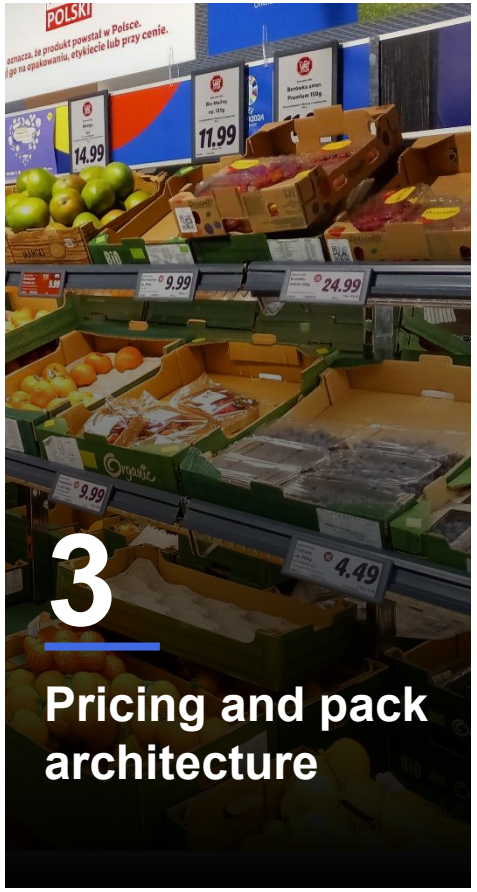
Adaptability AND resilience

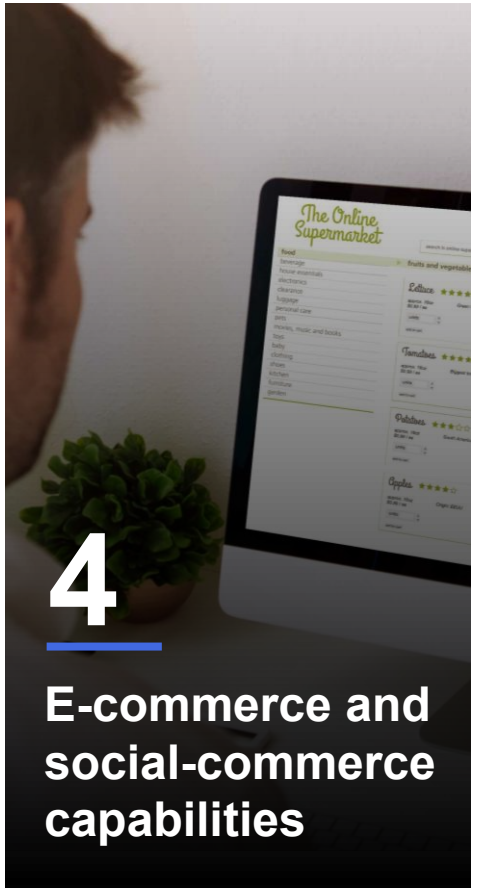
FMCG leaders agree: Invest in growth while defending margins

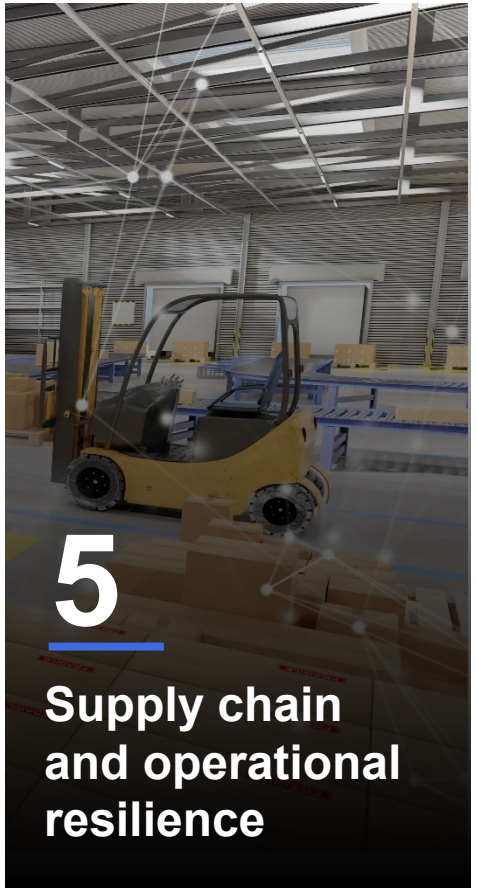
Top five strategic priorities, as stated by FMCG executives, for the next 12 months



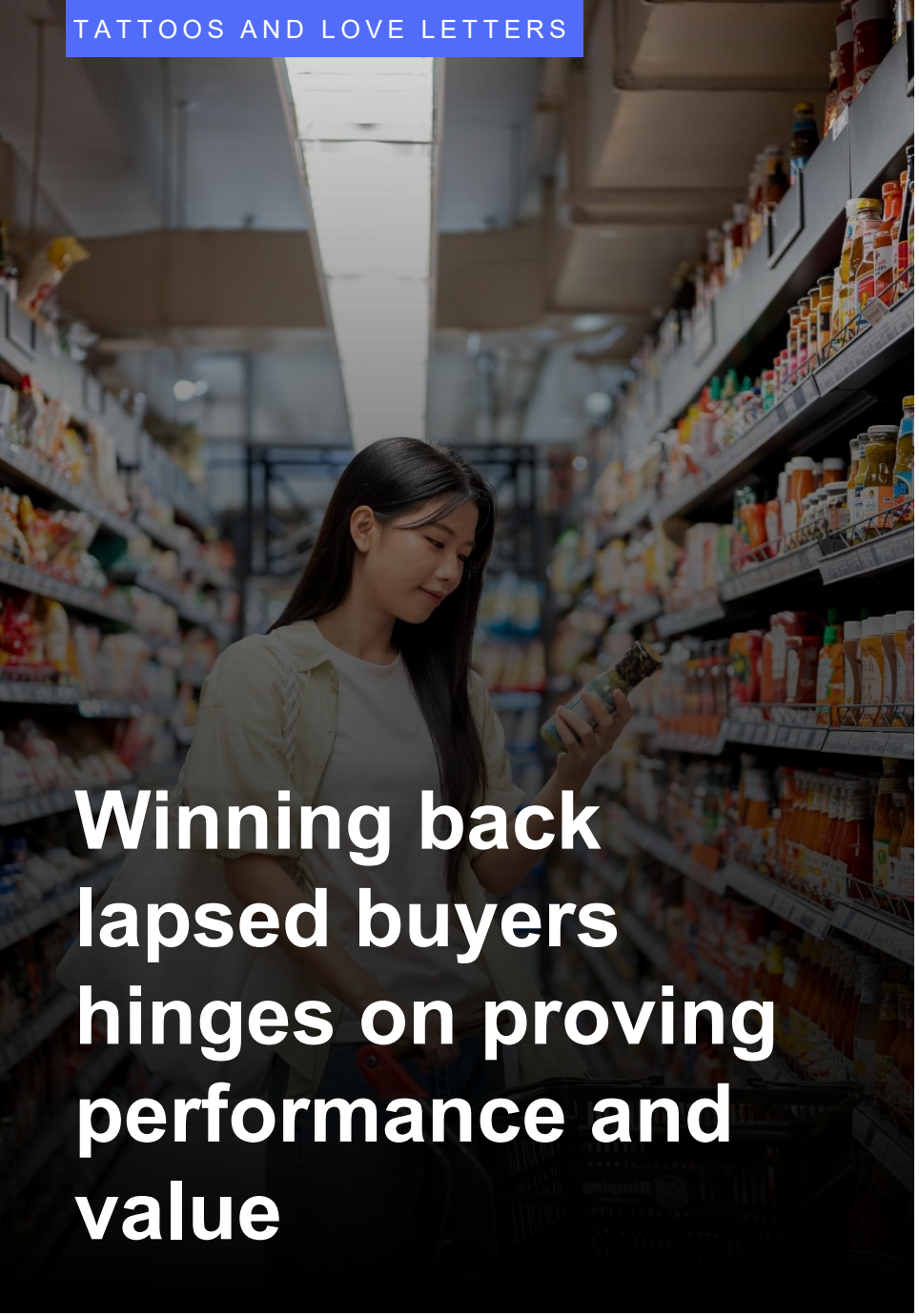








Note: Answer to the question “Which of the following will be your top three strategic priorities over the next 12 months?”
Source: Bain CXO Survey 2026



Winning back lapsed buyers hinges on proving performance and value

Top three reasons that would bring a lapsed brand back into the basket[1]

Better product
(75%)

Improvement in ingredient/formulation/ health, proof it works better

Better value
(55%)

Meaningfully lower price or promotion

Social proof
(29%)

Positive reviews, rating, or social media buzz

Examples of how brand love can be brought back

Beauty & Personal Care

Move from beauty marketing to **dermatological beauty**: anti-aging, aesthetics, regimen-led

Oral Care

Reposition from freshness to **therapeutic outcomes**: enamel repair, gum health, sensitivity relief, whitening science

Vitamins & supplements

Reformulate around **specific health outcomes** (e.g., immunity, energy, sleep, stress, gut health) and **increase category awareness**

Food & Beverages

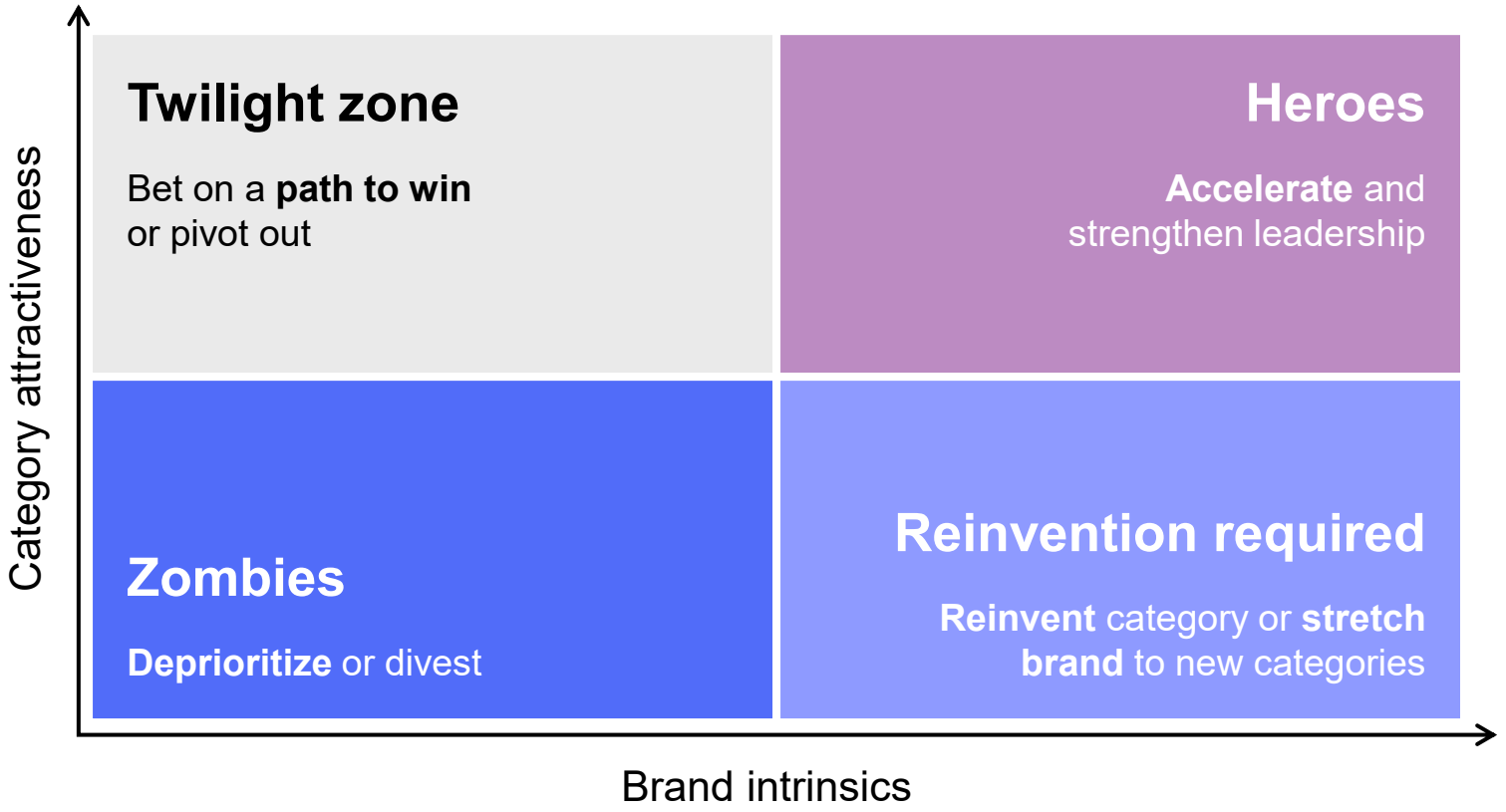
Reformulate SKUs for a **health credential** (protein, less sugar, clean-label) and **redesign for modern occasions** (RTD, portion-control)

1. Answer to the question “Thinking about a well-known or established brand that you used to buy but no longer do, which of the following would make you consider buying that brand again?”
Source: 2026 Bain SEA consumer survey (n=975)

Reclaim pride, reignite love for your hero brands

> We hadn't invested what we needed to invest to keep the brands alive, relevant, and contemporary. We announced […] we would reinvest $600 million into exactly that, into capabilities, marketing, into really our brands.
>
> **Steve Cahillane**
> Kraft Heinz CEO

Up to **20%** of large CPG companies' revenue comes from zombie brands



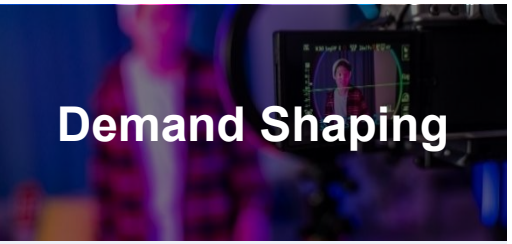
Two critical questions CPG companies must answer:

Are we clear on our brands' intrinsics and outlook, and are we taking the right actions on that basis? **1**

What is our portfolio balance—are we overweight on zombies? **2**

Source: Bain analysis

Winners are **turning their strengths into superpowers**



Demand Shaping

Creates consumer desire by turning culture, creators, and content into awareness, trial, and purchase

SKINTIFIC

Built an **affiliate and livestream engine** in Indonesia → from launch in 2021 to No. 1 online moisturizers, ~11% share in 2024; replicating playbook across over six SEA markets

L'Oréal

Scaled **live commerce in Vietnam with 2,000 livestreams** and 4,000-plus hours in 2024 → ~18% mass beauty share in 2024



Breakthrough Innovation

Turns product innovation into functional benefits that consumers value and competitors find hard to copy

Cimory

Created Indonesia's **first spoon-free yogurt squeeze pouch** → ~13% sales CAGR 2021–2024

P&G (Procter & Gamble)

Downy Premium in Thailand uses **microcapsule for long-lasting fragrance** → 37% fabric softener share in 2024



Hyper-localization

Adapts products and propositions to local tastes, habits, and occasions while preserving scale advantages

Mayora

Nipis Madu localized around **lime + honey with smoother carbonation** → No. 2 lime carbonates about one year after 2022 launch, ~14% share in 2025 behind Sprite's ~71%[1]

Nestlé

Localized MAGGI around **Malaysian tastes: Kari, Laksa** → 43% instant noodle share in 2024



Effective Cost Management

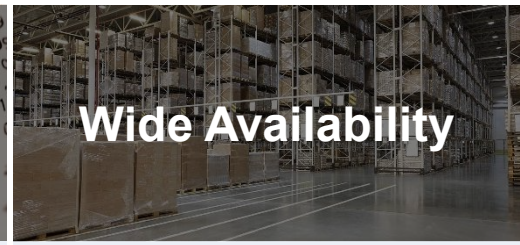
Designs product specifications and pack sizes for consumer affordability while meeting margin targets through cost engineering

Masan

Kokomi Đại 90g offers **20% more noodles at same price** in Vietnam→ 14% of urban households about one year after 2019 launch

Unicharm

Takato diapers offers **Japanese technology at accessible <VND 1,900/diaper** → top-three diaper lines about three years after 2023 launch



Wide Availability

Uses strong distribution to make products consistently available wherever consumers shop, across channels and geographies

Wings

Milku uses **~500,000 retail sales points** in Indonesia → **No. 4** ultra-high temperature milk with 9% share about one year after 2020 launch

Suntory PepsiCo

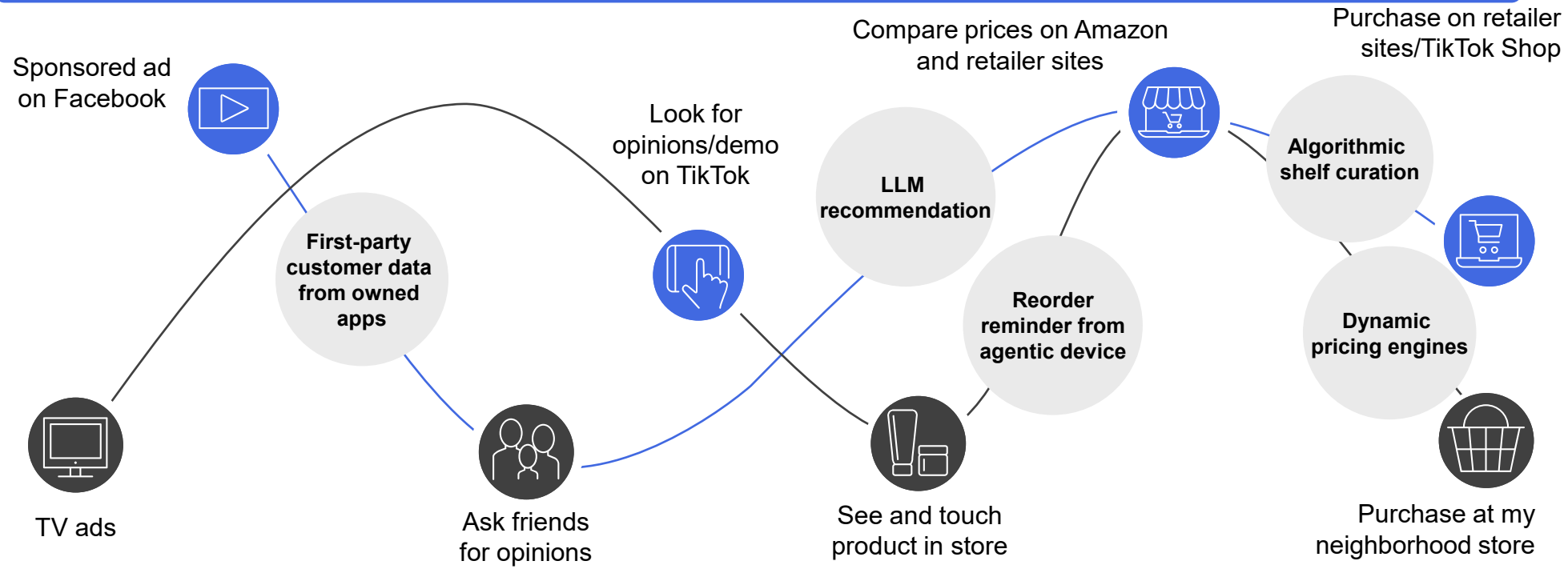
Sting used **~275,000 retail sales points and 35 distributors** in Thailand → ~13% of modern energy drinks share about one year after 2024 launch

1. Within lemonade/ lime carbonates category; Sources: Euromonitor; literature search; Bain analysis

Recapture control as consumer journeys evolve

Awareness | Consideration | Conversion

Digital 1 Address new channels to reinforce brand equity



Physical 2 Re-earn shelf power, reinvent the aisle, create value that can't be commoditized

3

Capture future control points

- First-party customer data from owned apps
- Consumer intent insights (from LLM prompts)
- In-home agentic devices
- Algorithmic shelf curation
- Dynamic price orchestration engines

Emerging control points

A CPG that reimagines retail could unlock 15% incremental value vs. peers in the next five years

Brands that optimize for AI prompt search win top of mind

PHILIPPINES | BEAUTY

Brand frequency in top-five list for dermo-cosmetic skincare recommendations across LLMs (ChatGPT, Gemini, Claude)

Rank the top five recommended products across five skin concerns[1]

- **Cetaphil is about five times more likely to be recommended** vs. other brands, making it a top share gainer in Beauty & Cosmetics from two years ago[2]

Cetaphil

No. 1

mentioned

+ 26 other brands

What earns a brand a place for LLMs

Owned platform data

Searchable website detailing claims, attributes, ingredients, and shopper profile

Country-specific digital presence

Strong local key opinion leader and e-commerce presence (e.g., Grab, Lazada), echoing website descriptions

Trusted source linkage

Frequency of mention in forums and formal publications (e.g., editorial roundups, medical journals, expert reviews, Reddit); more weight in trusted sources vs. traditional SEO

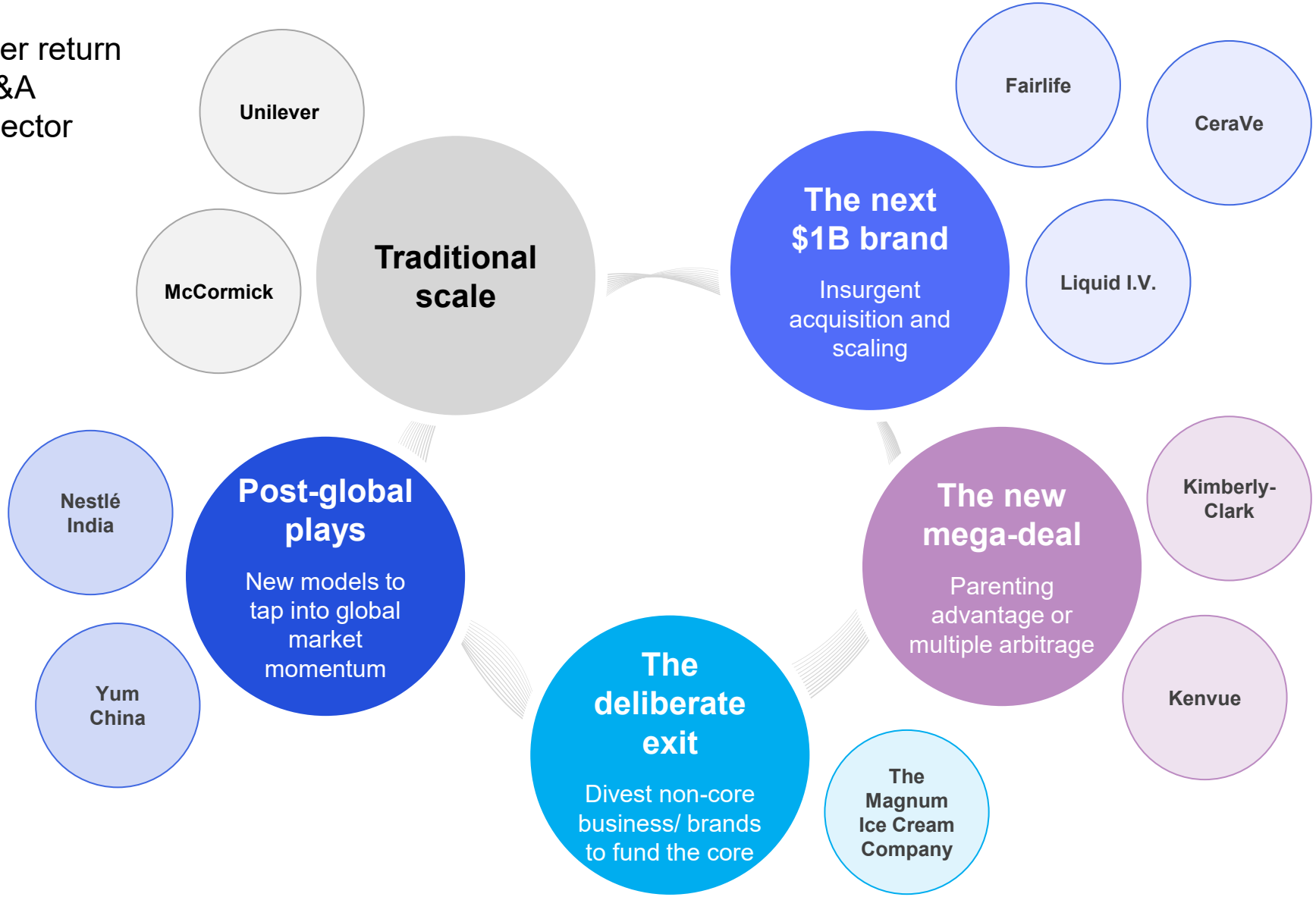
1. Includes searches for anti-aging, anti-acne, minimal ingredients, fragrance free, sensitive skin
2. Two years ago is July 2023–June 2024 vs. 2026

Sources: Bain analysis; NielsenIQ data through August 2026

Bold M&A and Divestitures unlock new growth tailwinds

The average total shareholder return of CPG companies doing M&A frequently outperforms the sector average by

25%



Sources: Lit search; Bain Analysis

AI augments the CPG decision maker to drive much higher decision velocity …

Today

Hundreds

of decisions a year

markets **8** × brands **10** × channels **5**

= 25,000x

Agentic decisioning, at full resolution

With continuous decisions

Millions

of decisions a year

markets **8** × brands **10** × channels **5**

SKUs **250** × cities **20** × segments **5**

400 a year

set manually, a few times a year

10 million a year

set continuously, at SKU, city, and segment level

Notes: Illustrative figures for a representative traditional CPG; further dimensions (price tier, promotion, week) push the count higher
Source: Bain experience

… and creates value at every step of the FMCG value chain

2 in 3 FMCG executives have **deployed AI at scale in their companies**

~9 in 10 CXOs polled do not see ROI as a barrier for AI deployment[1]

Most adopted AI-powered uses across CPG value chain

X Rank of the most common AI uses in FMCG companies[2]

1 Marketing and content	2 R&D and innovation	3 Consumer insights and trend sensing	4 Sales and route-to-market	5 Supply chain and productivity	6 Revenue growth management
• GenAI creative • Personalization • Creator/content at scale • Dynamic asset adaptation • Media ROI optimization	• Concept generation • Formulation • Digital twins/virtual testing • Winning proposition prediction • Innovation cycle shortening	• Micro-trend detection • Consumer data synthesizing • Emerging needs prediction • Faster concept validation	• Store prioritization • Assortment recommendations • Next-best action • Outlet expansion • Digital shelf/ q-commerce optimization	• Demand forecasting • Inventory and planning • Procurement • Manufacturing automation • Back-office automation	• Pricing and elasticity • Pack-price architecture • Promotion optimization • Assortment • Personalized offers
Sample Results					
~2x click-through rate vs. pre-adoption Beauty MNC	**60%** increase in R&D productivity from innovation hub platform Beauty & Household MNC	**3.5x** faster new product development process (design and testing) from consumer testing platform Beauty & Household MNC	**~20%** increase in visits due to route optimization from customer relationship management Beverage MNC	**35%** forecast error reduction for one-week planning from demand-sensing AI Household MNC	**+5%–10%** expected EBITDA impact by 2030 from B2B e-commerce platform Beverage MNC

However, other barriers remain: 1) legacy technology and infrastructure, 2) organization adoption and change management, 3) data quality and availability

1. Answer to the question “What is the single biggest barrier preventing your organization from capturing more value from AI?”
2. Answer to the question “In which areas are AI already deployed at scale in your business today?”

Sources: Bain CXO Survey 2026; Bain experience; literature search

Great strategy rests on aligning behind a series of predictions or bets

1

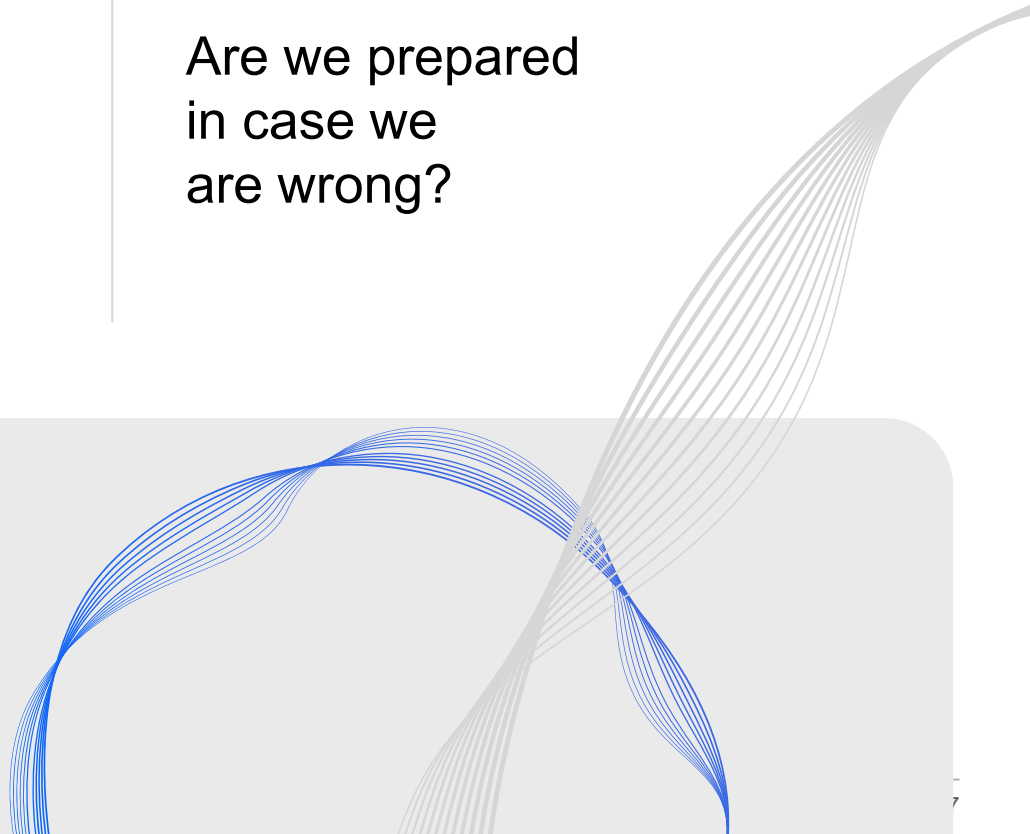
What are the 10 predictions that matter most for our future?

2

Where do we need greater conviction on these bets? How will we do this?

3

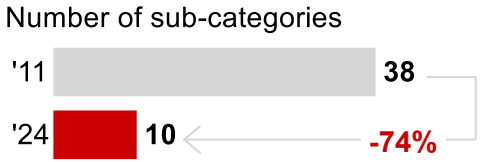
Are we prepared in case we are wrong?



YOUR BUSINESS IS A HEDGE FUND

Every investment you make, every asset you own, every operation you conduct is a long or short bet on the future.

P&G's transformation is driven by a set of focused strategic bets

	BETS	ACTIONS	
1	Simplifying the portfolio toward **structurally attractive categories** will improve conditions for growth	**Doubled down in leading categories** with path to premiumization while decisively divesting non-core assets	
2	Delivering **brand superiority** is the path to maintaining category leadership	**Operationalized superiority** across five pillars to unlock consumer willingness to pay	
3	Demand in core categories is relatively fixed; **innovation can unlock unmet needs and premiumize**	**Elevated innovation** to CEO-level ownership and prioritized resources to scalable, category-defining ideas	
4	CPG is in a perpetual state of change; P&G can lead and shape the industry through **disruptive capabilities**	**Invested heavily in advanced capabilities,** including early investment in AI-powered product development and fast-cycle algorithmic testing	
5	Material **fuel for reinvestment** can be unlocked **via productivity**	**Unlocked end-to-end efficiencies** and captured ~$1.5 billion in annual productivity savings from supply chain 3.0, digital, and automation	

Sources: P&G CAGNY Presentations; company annual reports; Bain analysis


THANK YOU