



Global +Regional Consumer & Retail Trends

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KPMG China

KPMG Thailand Briefing

May 15, 2023

The New Normal.....we are going to see different speeds

Rise of IoT but
also going to see
Trust
+Purpose as
the key drivers
of businesses

Covid 5.0
We continue to
see the impact in
this new normal
so we must be
**agile +
resilient**

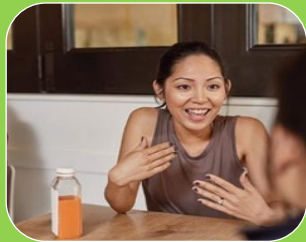
Changing
Demographics
With the rise of
Gen Z
consumers looking
at you thru a new
lens

Retailers
driving new
Tech +innovation -
focus on Customer
AI / Data / VR
+platforms

What did we learn from Covid?



Think 'safe retailing'



Know your customers



Close that last mile



Improve digital channels



Follow your customers on their journey



Demonstrate purpose + deliver on your values

Strong annual increases in inbound visitors for Asia Pacific

PATA SCENARIO FORECASTS OF INTERNATIONAL VISITOR ARRIVALS INTO ASIA PACIFIC, 2023 TO 2025

PATA
Pacific Asia Travel Association

	Year	IVAs, mns	Annual Change		Recovery Rate (relative to 2019), %
			Percent, %	IVAs, mns	
MILD	2023	712.708	159.0	437.539	104.40
	2024	892.030	25.2	179.322	130.67
	2025	962.168	7.9	70.139	140.94
MEDIUM	2023	512.092	103.9	260.982	75.01
	2024	728.711	42.3	216.619	106.74
	2025	788.081	8.1	59.370	115.44
SEVERE	2023	382.947	70.7	158.668	56.10
	2024	546.186	42.6	163.240	80.01
	2025	600.616	10.0	54.429	87.98

Notes: IVAs = international visitor arrivals (mns = millions)

www.PATA.org

PATA Predicts Strong Annual Increase in Inbound Visitors to Asia Pacific in 2023

The latest forecasts from the Pacific Asia Travel Association (PATA) predict strong annual increases in inbound visitor numbers for **Asia Pacific** under each of the mild, medium, and severe scenarios in 2023, with growth rates ranging from **71%** under the *latter scenario* conditions to as much as **104%** under the *mild scenario*.

APAC expected to return as world's largest regional travel market by 2025

APAC Total Travel Gross Bookings (US\$B) and YoY Change (%), 2019-2025



Note: 2022-2025 projected. 2021 projected for India. Annual change indexed to 2019.
Source: Phocuswright's Asia Pacific Travel Market Report 2021-2025
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Phocuswright
Powering great decisions.

- The Asia Pacific travel industry is preparing for a rebound in 2023 with the rebuilding of air connectivity, strong hotel pipelines, the buoyancy of local domestic tourism activity and the opening up of China.
- The total market will reach a projected \$490 billion in 2025, 10% higher than its 2019 value. 2025 is also the year when Asia Pacific is expected to regain its top spot as the world's largest regional travel market.

[APAC expected to return as world's largest regional travel market by 2025 | PhocusWire](#)

Seeing New Green Consumers emerging in 2022 and beyond....

300M Millennials is already a big consumer base but going to see the next generation of **300M** Gen Z Consumers emerge In China

We are going to see ASEAN rising with population hitting

726M

By 2030 and over

280M new

Gen Z consumers across SE Asia +South Asia



Gen Z consumers are far more **socially aware**, tech +media savvy! they are watching you from HK to Singapore to Kuala Lumpur and they will call you out!

Retail Trends 2023

01 Physical retail is back!



- in-store sales are now up by more than 13% compared to pre-pandemic levels
- The future of physical retail: digitally-powered in-store experiences

02 The boundaries between digital and physical are blurring



- customers now exhibit greater agility across all channels.
- BOPIS (Buy online pickup in-store) is increasingly common.
- Monitoring customer behaviour across all digital and physical channels and develop 'single view of customers' is important

03 Digital investments on the rise



- New retail's digital priorities going into 2023
- According to Gartner, fulfillment execution powered by AI, collaborative ecosystems, and cost optimization are the key actions

04 Promoting value-driven consumption



- Perceptions of sustainability are quickly evolving
- Improving energy efficiency in operations and driving product development along with sustainable materials innovation remain the top actions taken by businesses towards achieving sustainability in 2022

Retail Trends 2023

05 Metaverse as Betterverse



- As the new frontier of imaginable, immersive, engage virtual world, retailers are redesigning stores and experiences around Web3.0 and metaverse
- Brands are building Betterverse to put ethic and people first, and drive human rights and economic development

06 Promoting value-driven consumption



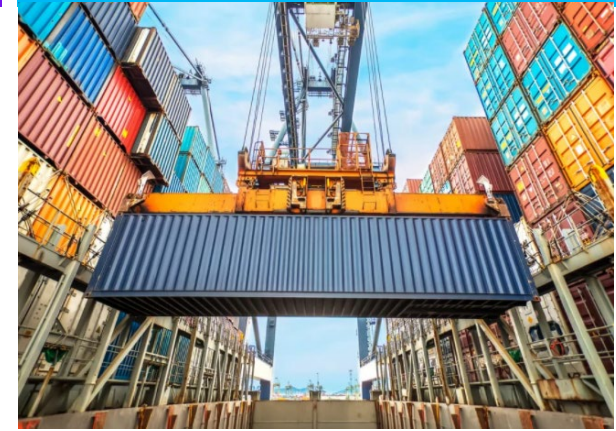
- Inflation and further finance squeeze makes consumers reassess all non-essential discretionary spending and subscriptions
- “The Great Cancellation’ spread beyond Netflix. Consumers demand values and rewards to renew

07 Importance of keeping your employee happy



- At least 60% of consumers purchase from specific brands because of excellent service in the past, and 69% of business finds it hard to retain talent in the retail industry.
- Brands are making efforts to attract and keep exemplary teams - Incentive learning, finding meaning in work, being more purpose driven clear plan for career advancement

08 Robust, agile and more sustainable supply chains



- Increasing supply chain challenge push retailers to diversify their supply chain and adapt strategic sourcing shift here in Asia Pacific
- More collaboration will be key from factory to shop
- Investing in AI to proactively manage potential lead-time variability, reduce excessive stock, and to optimise everything in the whole supply chain

10 Megatrends we will see through 2040 – Euromonitor

01

Convenience

We are always looking for faster or easier.

02

Digital Living

In person and online experience intertwine.

03

Diversity and Inclusion

Everyone has the right to feel heard and equal.

04

Experience More

Experiences > possessions.

05

Personalisation

Fit in to your customer's specific lifestyle.

06

Premiumisation

Focus on the customer's priorities to improve offer.

07

Pursuit of Value

Recent volatility means increased focus on value.

08

Shopper Reinvented

Business models are continuously evolving.

09

Sustainable Living

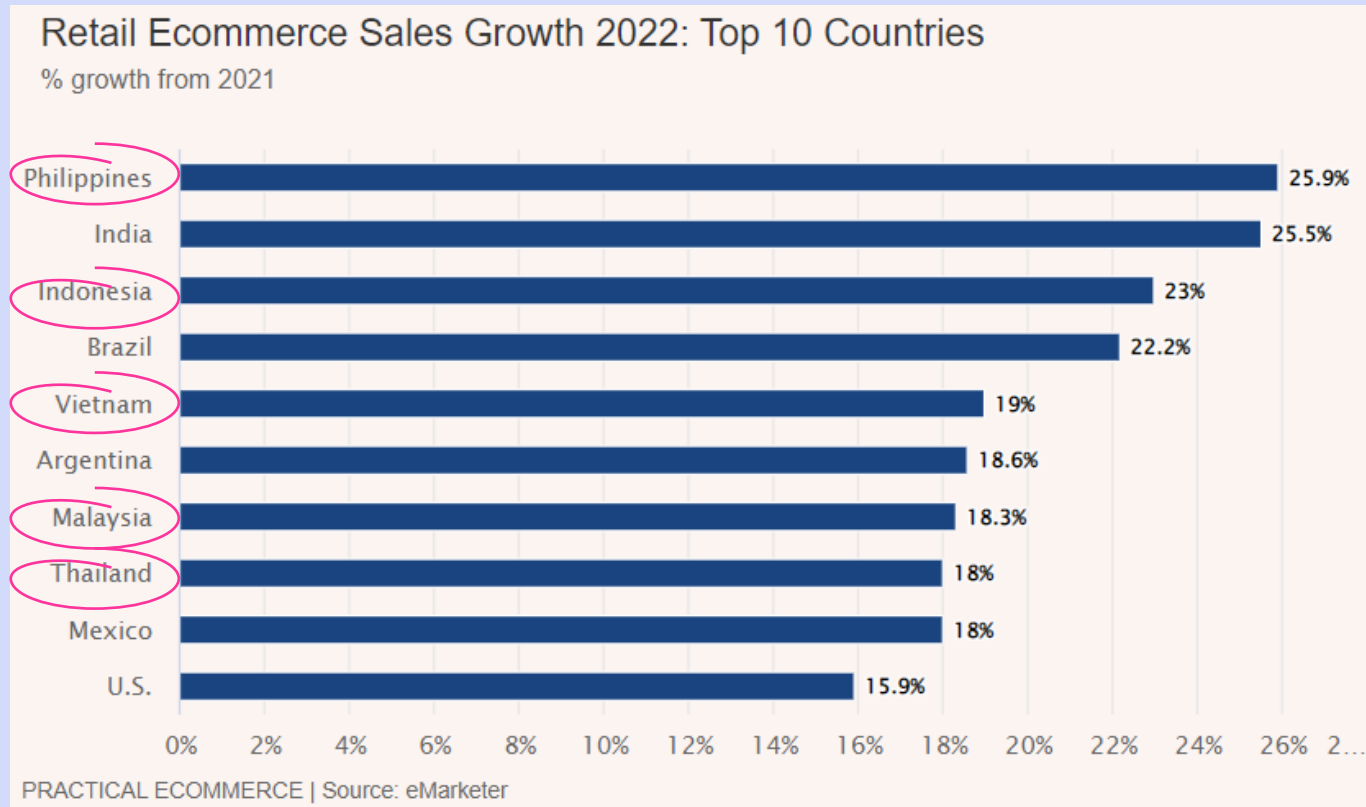
Consumers pay attention to your ethics and values.

10

Wellness

Self-care is now centre stage for consumers.

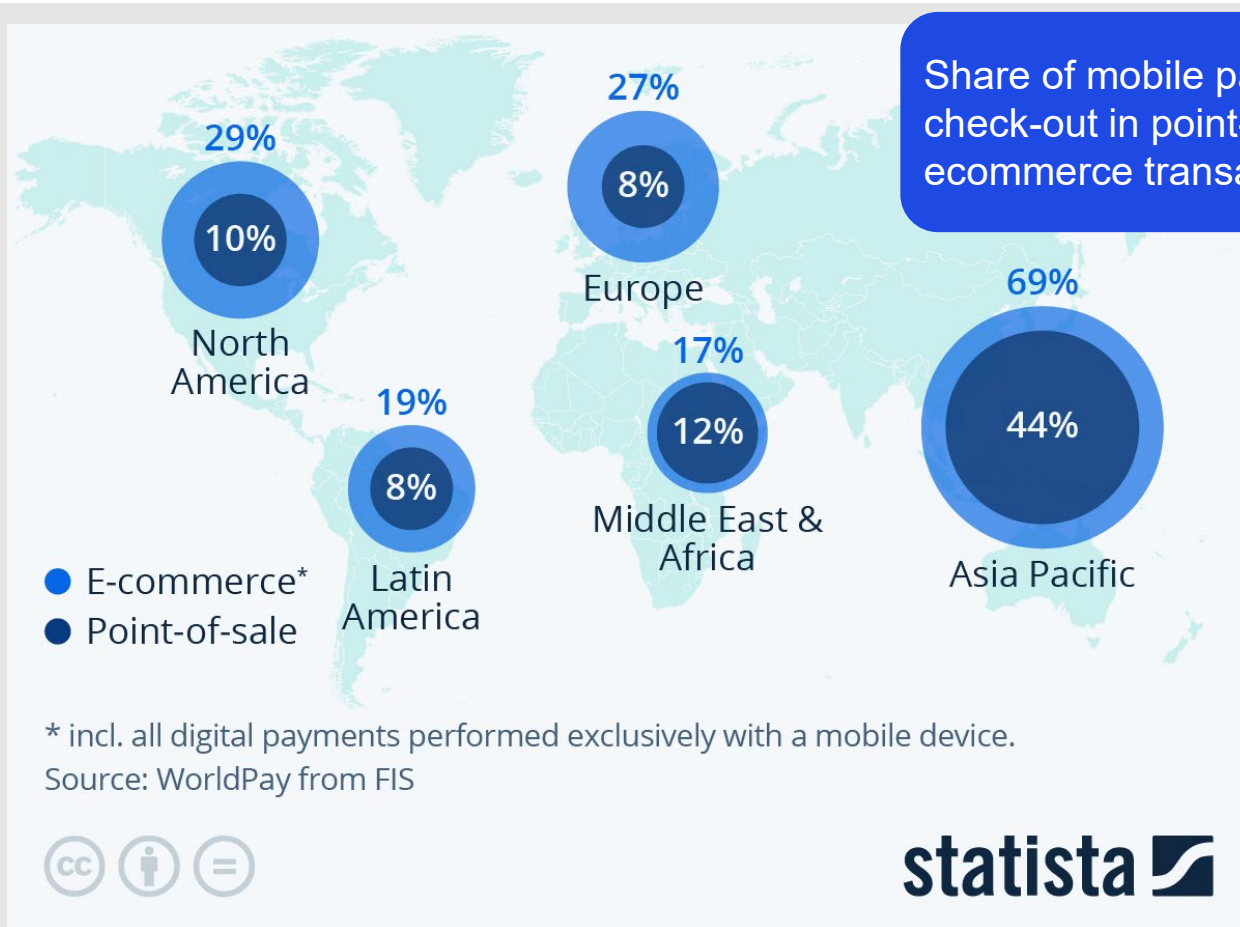
Southeast Asia tops worldwide ecommerce growth



Southeast Asia consists of Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand, and Vietnam. Five of them are among the fastest growing ecommerce markets worldwide, comprising half of the top 10.

[Source: Praticale Commerce](#)

Asia is now far ahead in mobile payment adoption

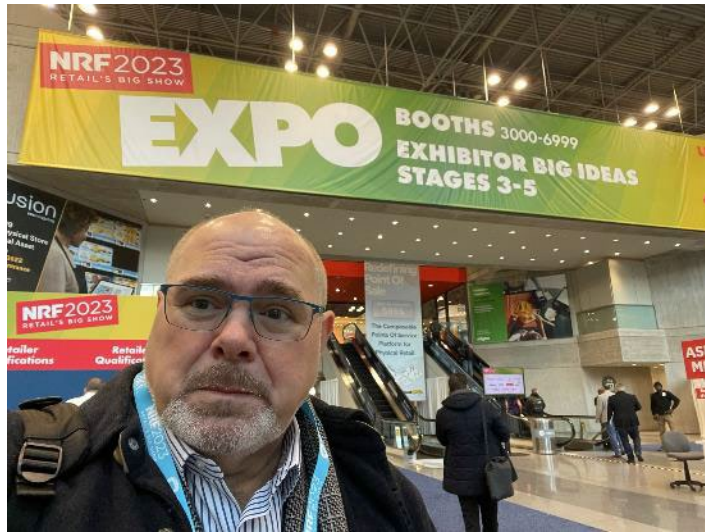


Mobile wallet payments also offer opportunities for estimated **650 million** unbanked individuals in SE Asia.

Mobile payments not only embrace the **buy now pay later (BNPL)** lifestyle, but are also ideal for **gaming**, or for **buying from social media platforms**

Source: Statista: Asia Far Ahead in Mobile Payment Adoption (Aug 2022)

NRF 2023 Retail's Big Show – New York, January 2023



Overall sentiment at the event

Headlines		
Cautiously optimistic for the future	Brick and Mortar is not dead yet	Pivot in investment in stores
Focus on people-employees and customers	Increasing pressures on inventory and margin	Frictionless customer experience across channels
Uptick in collaboration	Efficient use of technology and data	Regionalization and diversification of supply chain

Key messages we heard over the week:

- **Focus on employees** is much more prevalent now. Increasing need to use Technology and invest in training and development.
- **Authentic leadership** to drive employee engagement, diversity and inclusion, listen and connect & train and mentor.
- Need a more **granular understanding of the consumer** to provide a frictionless end to end customer experiences across all channels.
- Clear **uptick in collaboration and a shift from all in house**. Ranging from product collaborations or capabilities e.g. resale models or the authentic brand approach, approach to returns.
- A need to deconstruct value chain and license responsibility to best in class partners.
- **Pivot in investment to stores** – with a spotlight on digital enablement. It is essential to drive inspiration and experience, train and educate and become increasingly channel agnostic given consumers use all channels in purchase journey.
- Pivot towards **regionalization and diversification of supply chains** –moving away from China due to geopolitical pressures. Key to address excess inventory due to inefficient demand forecasting.
- The Big Show was a clear reminder of the **importance of the sector to society**. A sector that is increasingly global and local.

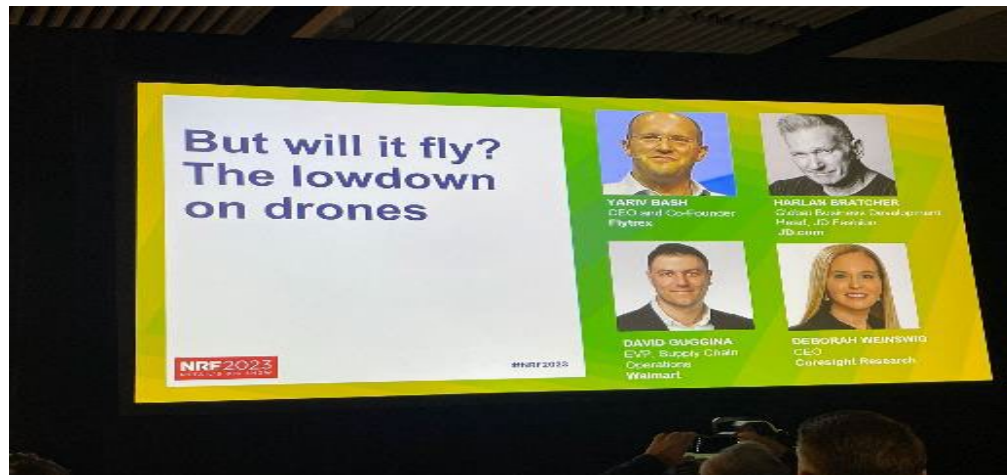
NRF 2023 Retail's Big Show



In discussion with Paige Thomas, President & CEO, Saks Off 5th

- It's about modern luxury at affordable prices
- We saw the most promotional holiday season ever at the end of 2022
- Must have a Digital first perspective
- Consumers give us a lot of info thru search!
- Trend lines are happening so much faster today than ever
- Shift in wallet to travel +entertainment
- First thing we did was to focus on the customer
- It's about showing up to win!
- Key ask from the customer.....do you really know me??
- Surprised on how savvy customers are today!!!
- But more access to more brands today and they are much more tech savvy than before Covid

NRF 2023 Retail's Big Show



In discussion with Deborah Weinswig, CEO at Coresight Research along with Harlan Bratcher, Global BD Head, JD Fashion +David Guggina, EVP Supply Chain Operations, Walmart, Yariv Bash, CEO Flytrex

- There is an excitement about retail today
- Even more excitement with Drone Delivery
- The speed play with drones is unbelievable and think about the potential on sustainability
- The future is already happening in China
- We're connecting underground with our JD.com warehousing in China
- Wal-mart is our biggest partner in China at JD.com
- Getting those products / goods to our customers at incredible speeds!
- 600 million active customers at JD.com today with our delivery promise
- Drone hubs can be like community hubs not only serving our Wal-mart customers as well as the local community
- Plan is to win in the suburbs and look to serve those rural communities
- Why get it the next day from Amazon when you can get it in 15mins from Wal-mart?!?

NRF 2023 Retail's Big Show

In discussion with Anish Melwani, Chairman & CEO of LVMH Inc and Robert Frank, Wealth Editor, CNBC:



- Luxury is sticky and it is difficult to go back once you've tried it once
- Shifts in spending since travel has returned so demand has risen dramatically
- We do expect a rebound and this trend has emerged in the last 4x downturns
- For the first time.....we say American tourists represent 30% of business in those Parisian maisons last summer
- LVMH has always been about product innovation but we are now actively looking at the Metaverse and Web 3 ++
- Tiffany has had the most successful NFT project in the world to date where they created 250x NFTs at a value of USD50k
- Experience is a key driver with new hotel projects in the pipeline with the likes of Belmond Hotel brand
- We don't talk about synergies across our brands....it's about value enhancing with our leaders working together for a purpose
- The focus on craftsmanship and keep traditions alive with those quality artisans
- **It's about restoring the art of making beautiful things!**



KPMG Retail tension framework

Retailers must perform a balancing act but how do you navigate the 3P's in an economic downturn with each of the forces pulling in an opposing direction?

Planet

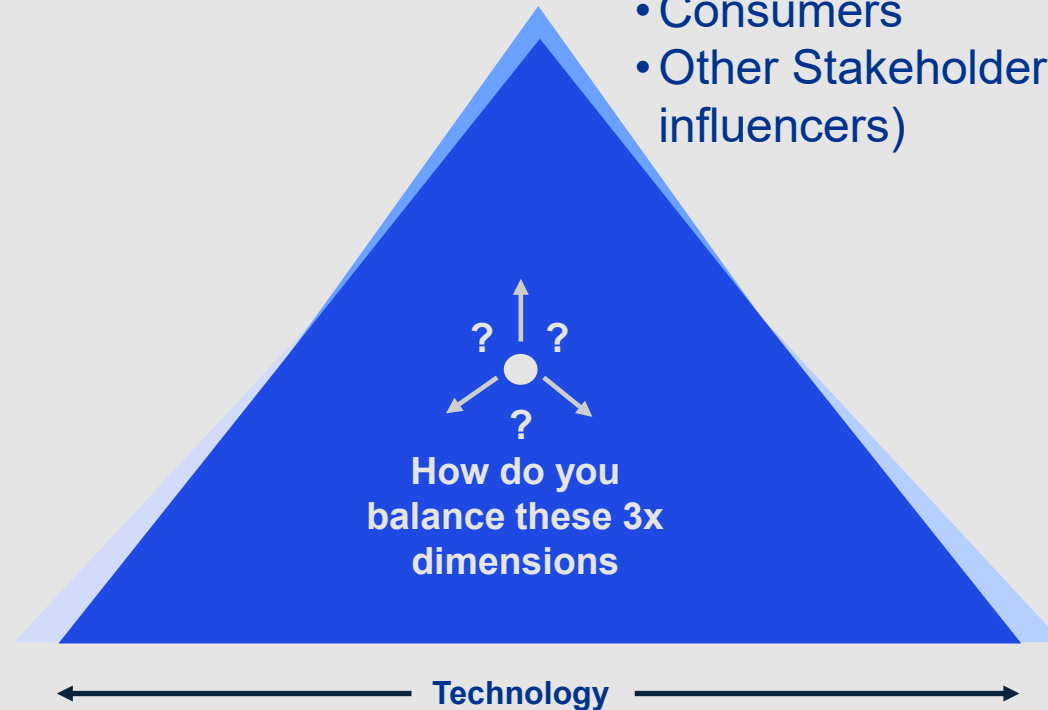
- Sustainability
- Society
- Regulation

People

- Employees
- Consumers
- Other Stakeholders (policy makers, influencers)

Profit

- Growth
- Margin protection
- New business model & Innovation





Retail Recharged

*Engaging consumers with technology, purpose and trust
2022 survey*

In association with



kpmg.com/cn
gs1hk.org
hsbc.com.hk



Tech-savvy consumers also value physical retail experiences

Tech & mobile savvy consumers



Digital native Gen Z



Socially aware



“ I prefer contact-less shopping ”

Chinese Mainland GBA cities	80% <small>(↑2%)</small>	
Hong Kong SAR	61% <small>(↑1%)</small>	


Change on 2021 study

“ I am more comfortable and confident to shop online in the future ”

Chinese Mainland GBA cities	64% <small>(↑5%)</small>	
Hong Kong SAR	50% <small>(0%)</small>	

Change on 2021 study

“ I can live without physical retail shops ”

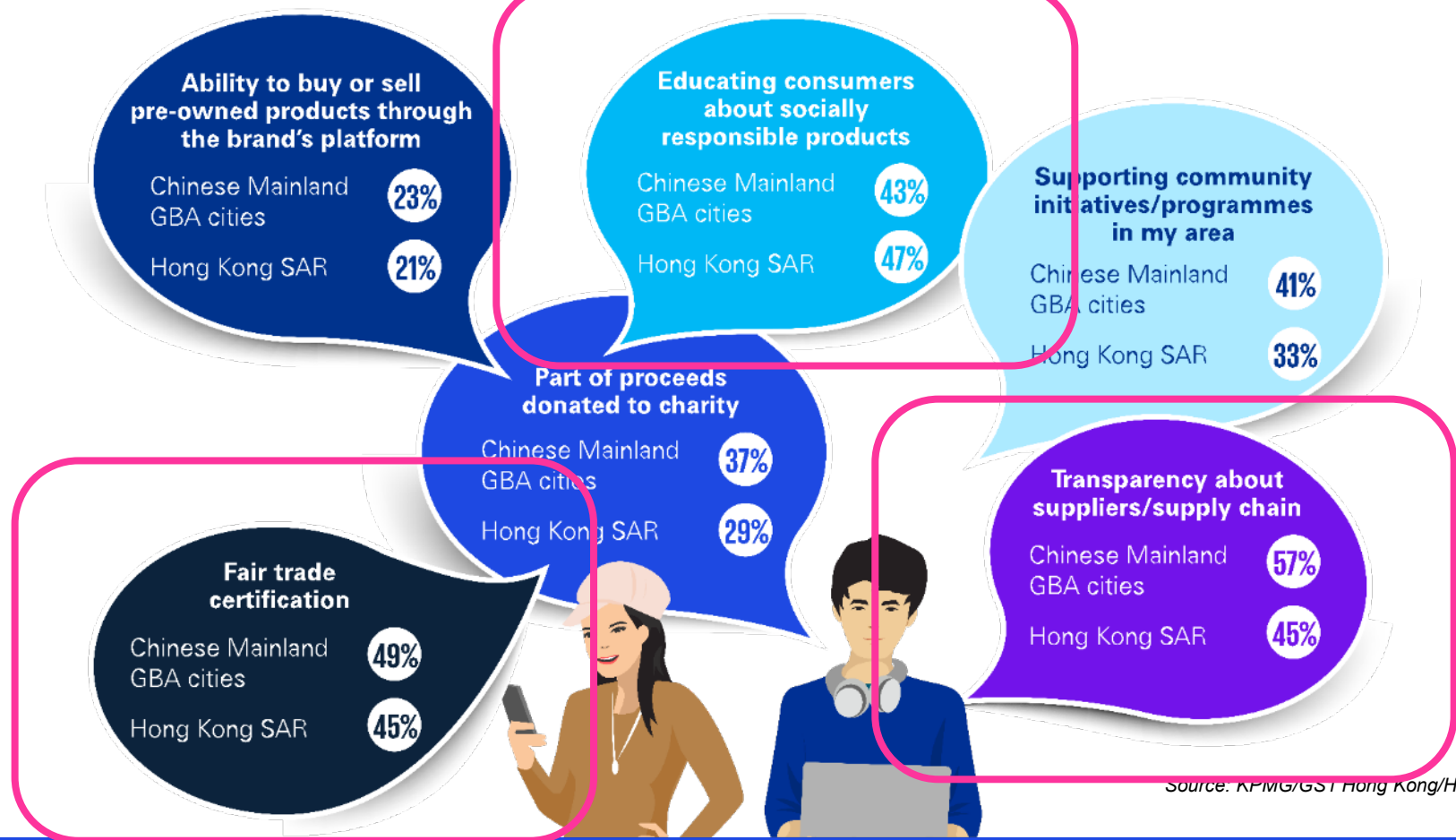
Chinese Mainland GBA cities	18% <small>(↓5%)</small>	
Hong Kong SAR	18% <small>(↓6%)</small>	

Change on 2021 study

Consumers are demanding more socially responsible retail

Leading socially responsibility actions consumers want to see from retailers

Percentage of respondents who believe retailers should take the following actions



Source: KPMG/GS1 Hong Kong/HSBC survey analysis

Who should pay for all of these sustainable efforts?

Leading incentives offered by retailers for consumers to make more sustainable purchase decisions

“ I like to use brands with the same social value as I do ”



Change on 2021 study

Chinese Mainland GBA cities **82%** (↓1%)

Hong Kong SAR **65%** (↑3%)

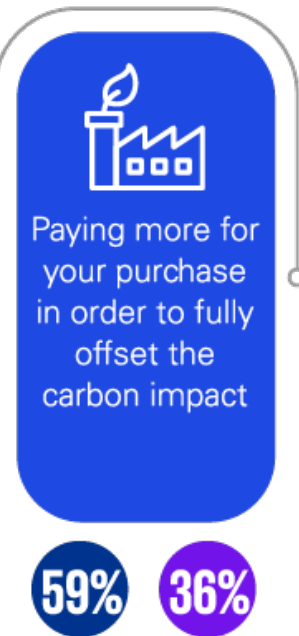
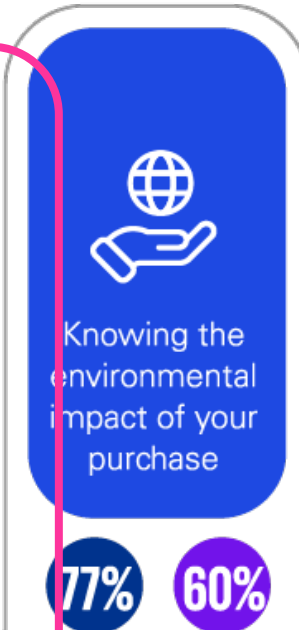
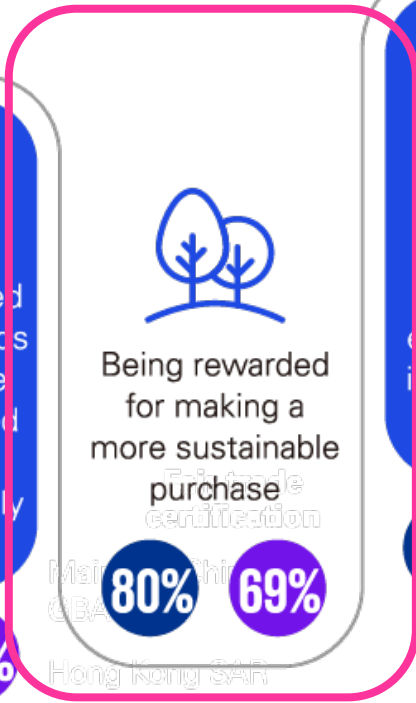
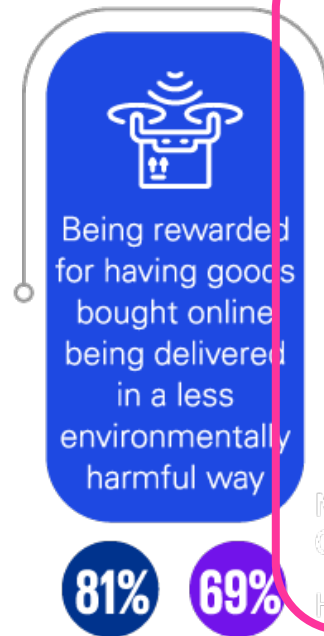
“ I will boycott brands without good ethical standards ”



Change on 2021 study

Chinese Mainland GBA cities **83%** (↓1%)

Hong Kong SAR **64%** (↓4%)



■ Chinese Mainland GBA cities



■ Hong Kong SAR

Source: KPMG/GS1 Hong Kong/HSBC survey analysis

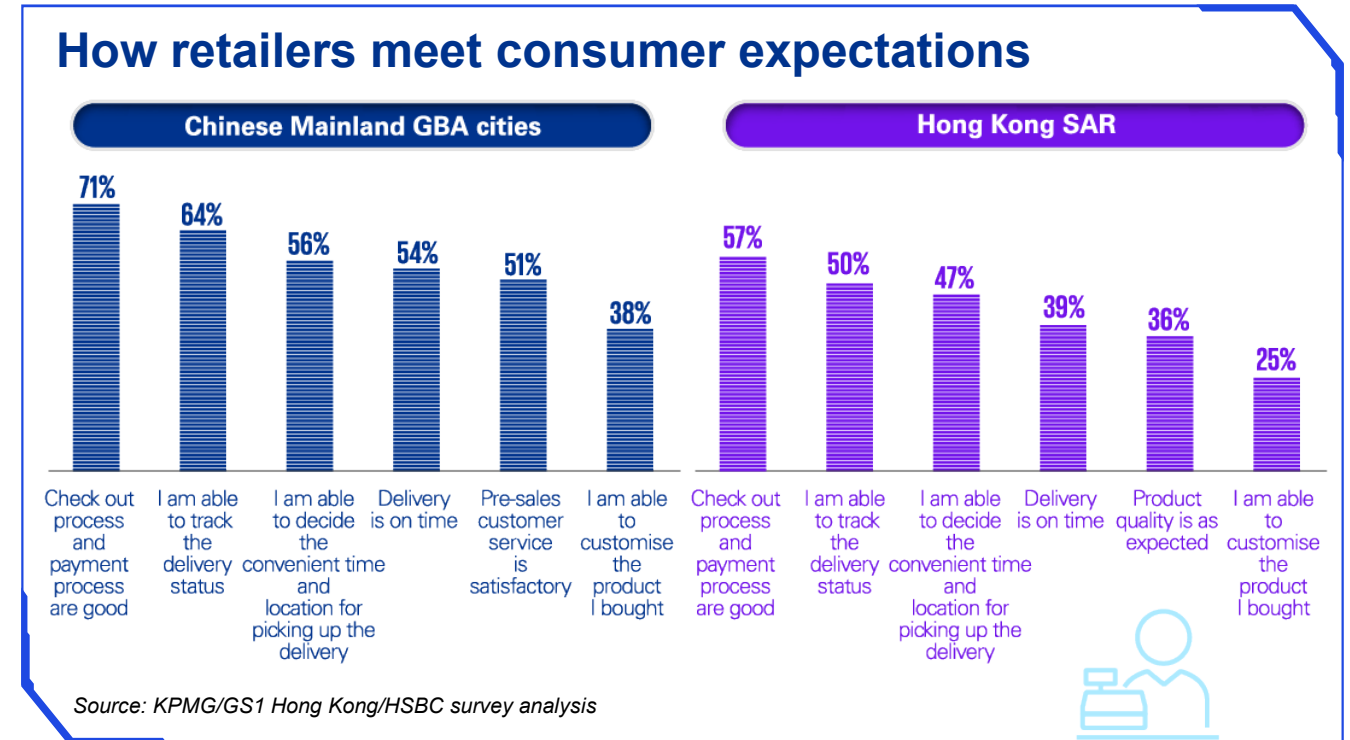
Enabling Consumers



Transformation into Omni-channel retail – online/offline

-  **Seamless and faster check-out and payments process experience**
-  **Capturing consistent and meaningful data**
 - ✓ **Sales Enablement vs Experience**
 - ✓ **Certainty vs Efficiency**
 - ✓ **Visibility vs Control**
 - ✓ **Predictive vs Prescriptive**

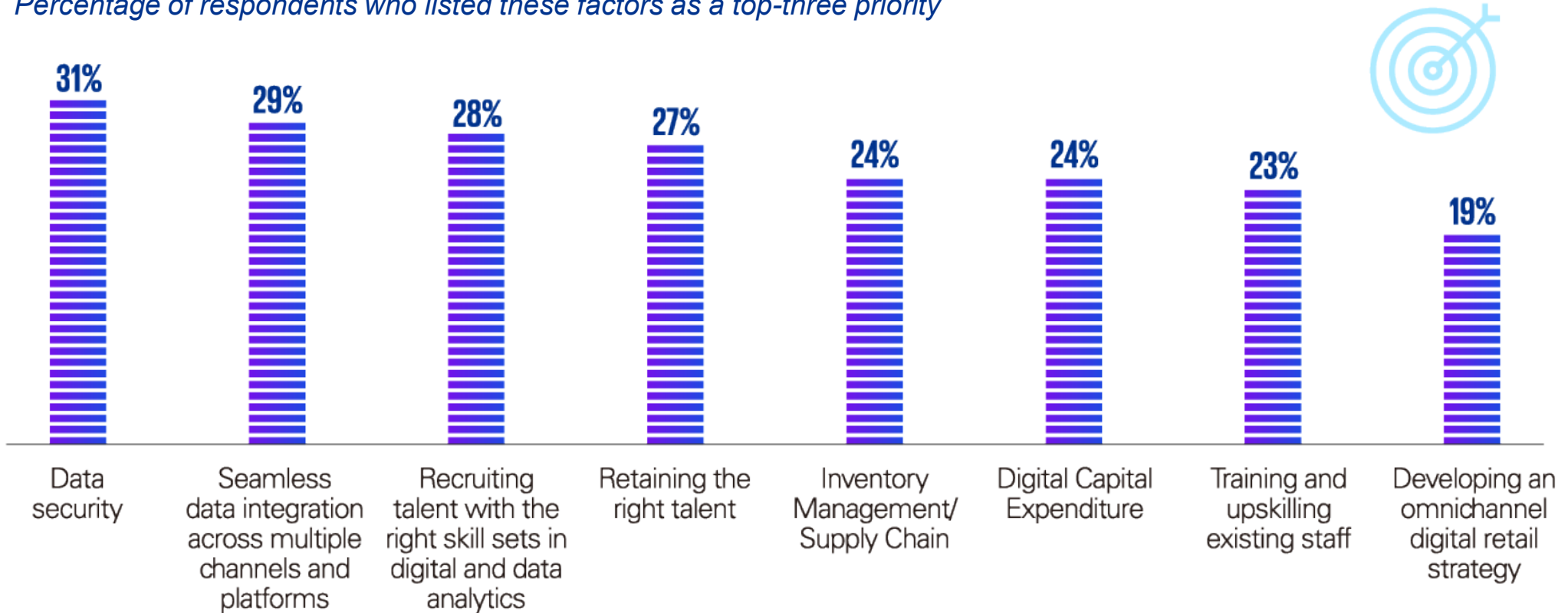
Consumers are spoilt for choices in payment options availed but how do we get the experience right?



Data security, data integration and talent are key challenges for retailers

Key challenges retail organisations are facing

Percentage of respondents who listed these factors as a top-three priority



Source: KPMG/GS1 Hong Kong/HSBC survey analysis



Anne-Laure Descours, Chief Sourcing Officer, PUMA



Anne-Laure Descours
Chief Sourcing Officer,
PUMA

As the chief sourcing officer for Puma, and a member of the company’s management board, Anne-Laure Descours looks after global sourcing for the brand and oversees its sustainability strategy and implementation based in Hong Kong.

“Everybody has to take steps to understand the business impact of sustainability,” Descours explains. “Management needs to understand why sustainability is the backbone of what we do as a business and what regulators are putting into place right now. There is no other choice if you want to be in business five or 10 years from now.”

Descours says 70 per cent of carbon emission in Puma’s apparel and footwear are being created at the supplier level so collaboration is essential in meeting sustainability objectives. It means working with supplier factories to reduce emissions and reduce waste and bring them on board. It also means working with industry rivals as well.



Emerging Giants in Asia Pacific



Download full report here:



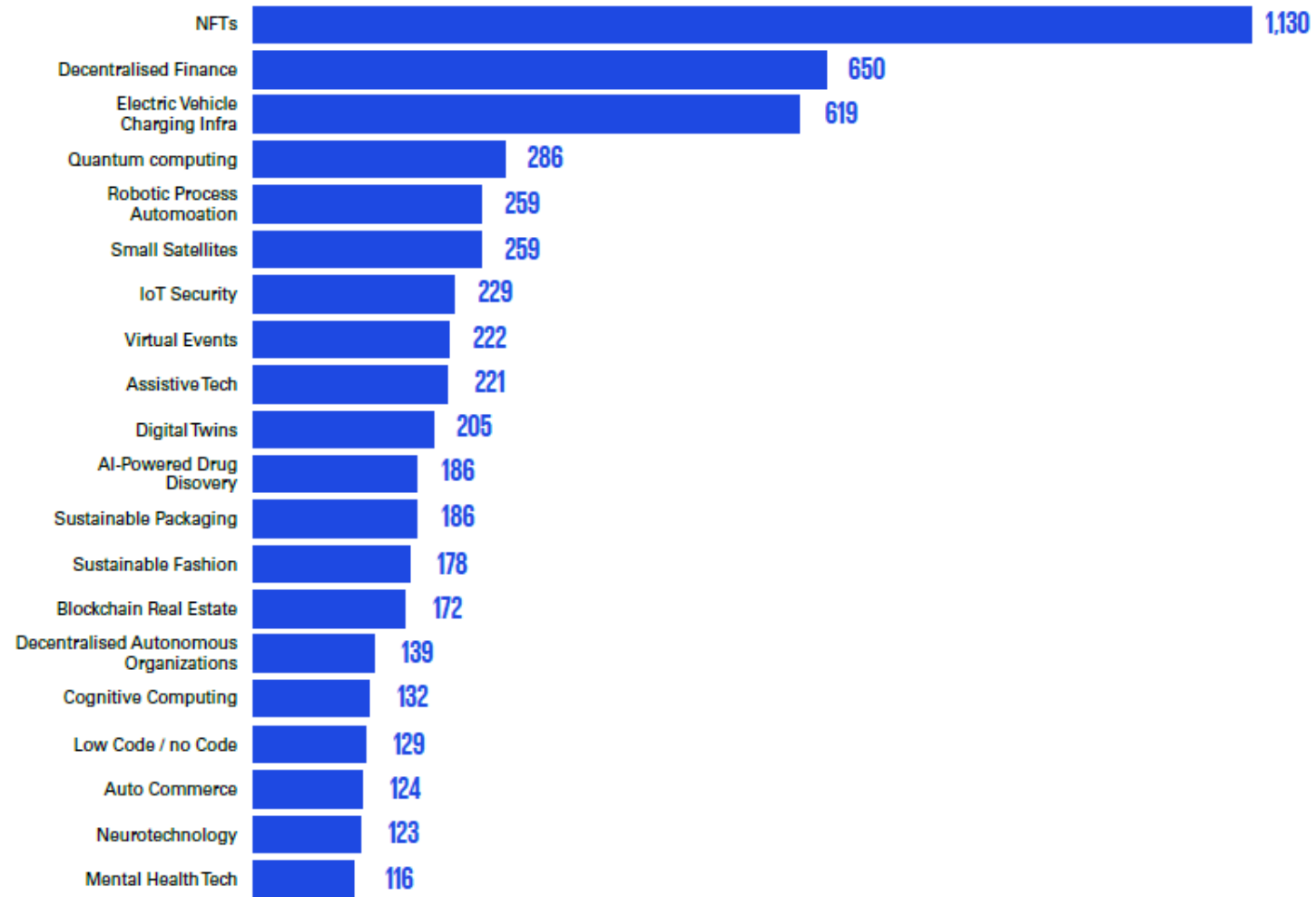
2022

kpmg.com
business.hsbc.com



Deep concentration of future-focused industries

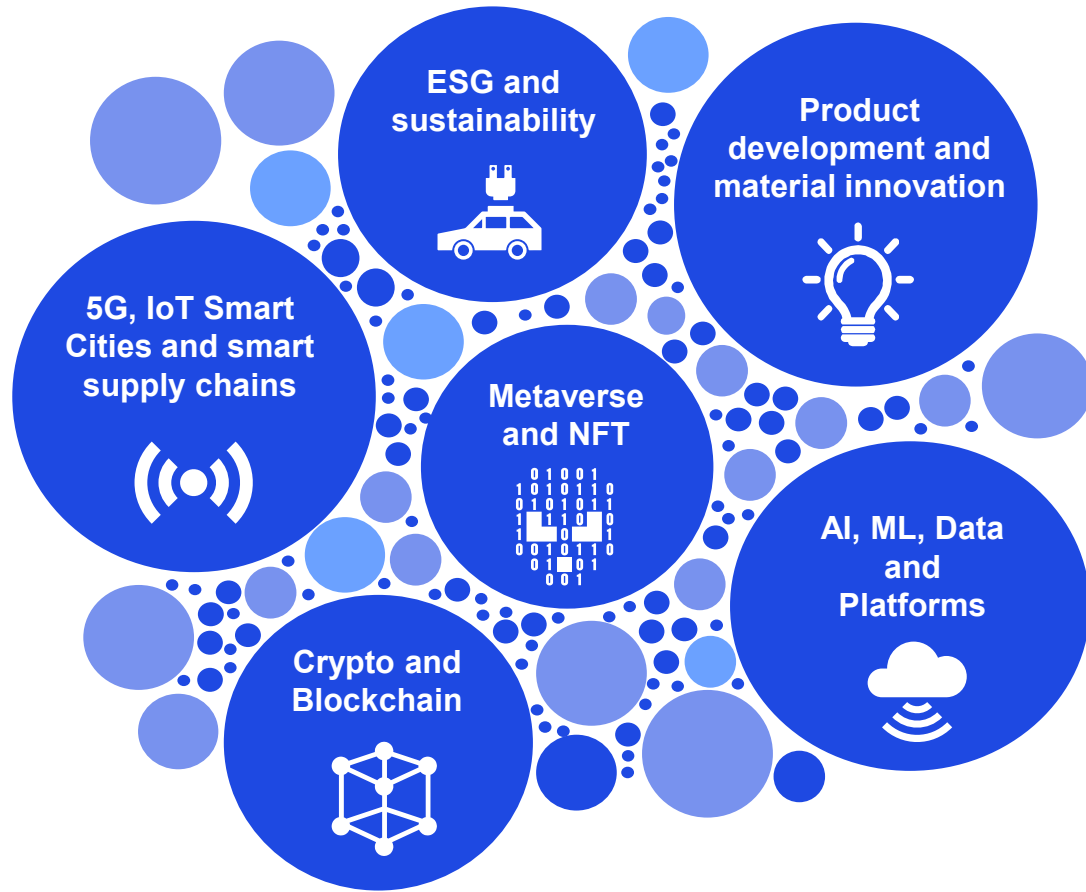
Top 20 prominent industry subsectors among companies identified as Emerging Giants



Number of companies that identify with specific industry subsectors (out of 6,472 total)

Asia becoming a growing Consumer +Tech+Innovation Hub...

With barriers to adoption lowered, this has resulted in an exponential uptake in technology +investments here in the Asia Pacific and across the globe.



Metaverse and NFT – major investments including private equity and gaming.



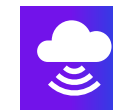
Crypto and Blockchain and Web 3.0 – on cusp of mainstream e.g. Decentralised Finance



ESG driving a major shift in priorities as we move to greater sustainability



5G, IoT, Smart Cities and need for smart supply chains will increase Data consumption across platforms.



Solving Data platform models via AI, ML, both within and between organizations.



Greater product development along with material innovation will be key for smart manufacturing

We will be connected like never before with IoT Devices

Total
Installed base of
Internet of Things
30.9bn
units by 2025
worldwide



Shopping centre launches Metaverse Shopping

Times Square Mall lunches metaverse shopping

📅 April 27, 2022 🌐 Humano



The Times Square Shopping Mall in Hong Kong is stepping into the virtual world while announcing a similar metaverse location. In addition, the mall is working with Bunny Warriors and AiR metaverse, who have already built a version of Hong Kong online.

[Times Square](#) metaverse hopes to enhance foot traffic.

With the introduction of the Times Square Mall, this new collaboration will become the initial entry of a shopping mall into the AiR metaverse. This is the recent in a long line of AiR's virtual world updates. The company's goal is to join every part of life to the metaverse.

Source: [NFTnewspro](#);
[Gulfbusiness.com](#)



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UAE's Majid Al Futtaim launches Mall of the Metaverse

The mall is in the initial phase of development and will open to visitors after multiple stages of testing

BY DIVSHA BHAT
FEBRUARY 15, 2023



Majid Al Futtaim has announced the launch of the Mall of the Metaverse.

The announcement was made along the sidelines of the World Government Summit.

The mall is in the initial phase of development as the group looks "closely" at customers' needs and expectations.

After multiple stages of testing, Dubai's first virtual mall will open to visitors "who are seeking increased digital experiences across retail, entertainment and leisure offerings." a statement said.

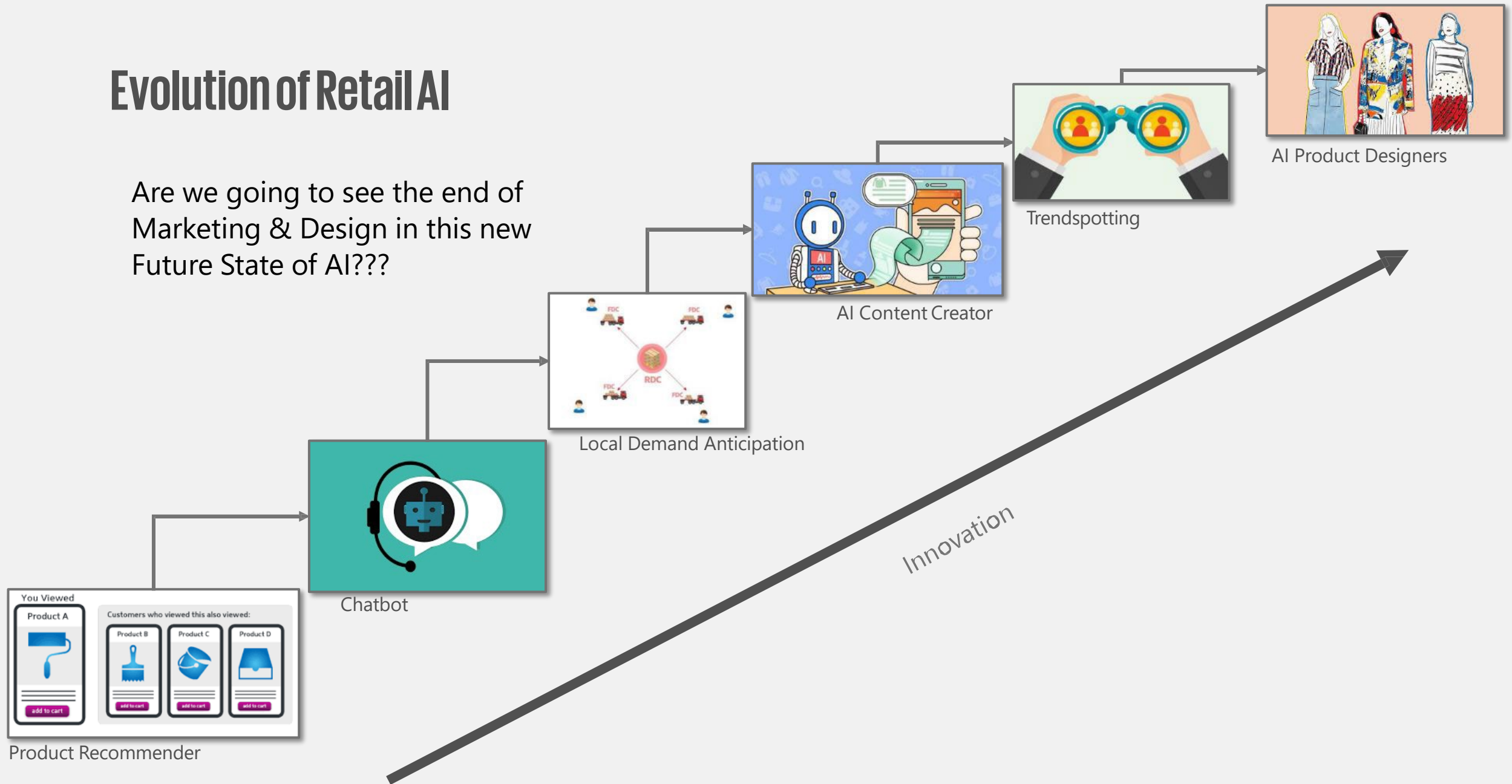


Next-Gen AI for Retail



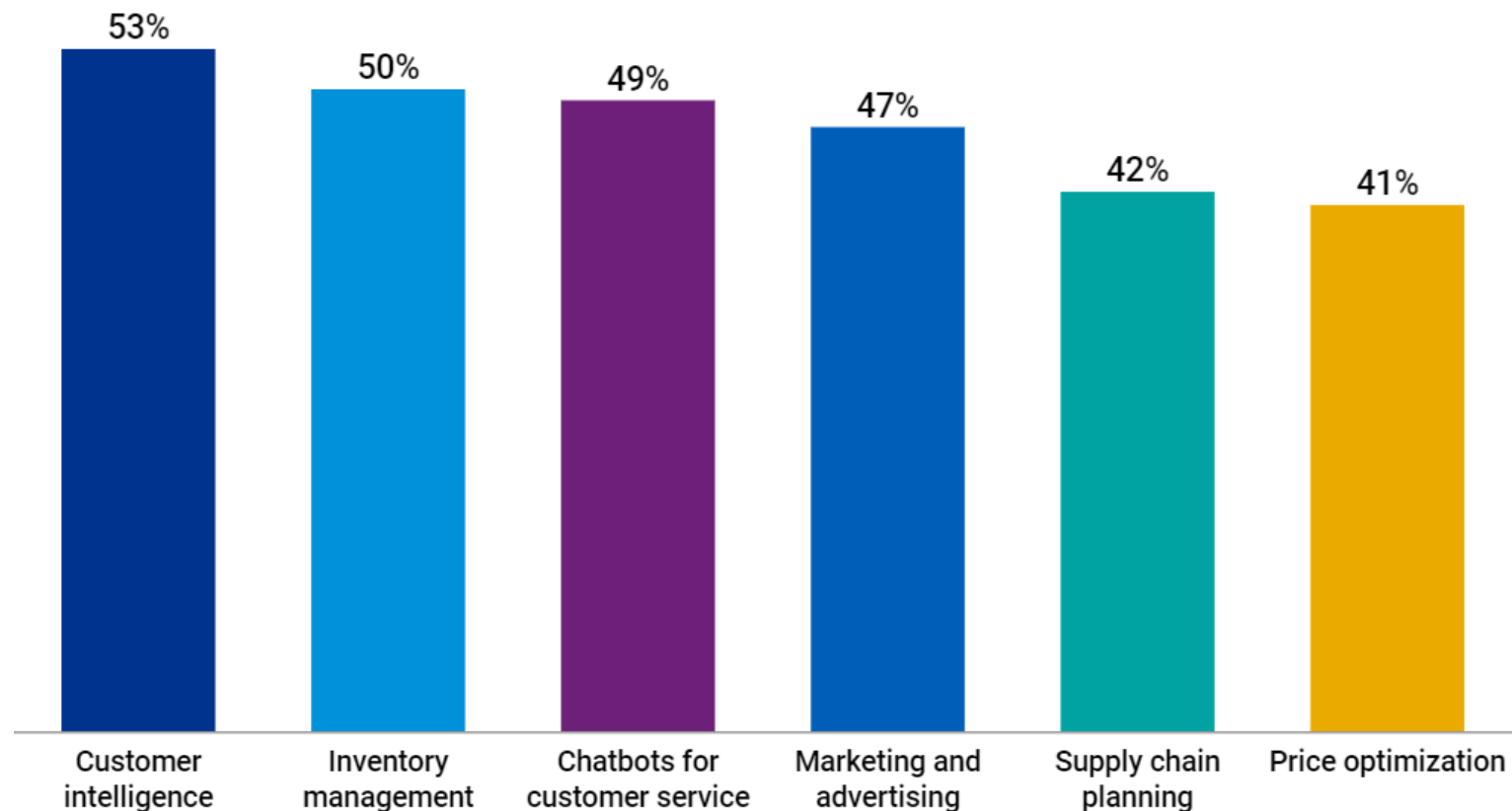
Evolution of Retail AI

Are we going to see the end of Marketing & Design in this new Future State of AI???



AI's impact on the retail industry over the next 2 years

Retailers believe AI will have the biggest impact on their industry within the following areas:



How Coke Uses It's Freestyle Fountain Machines to Predict New Flavors



Source: Noah Herschman, Microsoft

Coca-Cola Used Machine Learning to launch Cherry Sprite



- Coca-Cola launched **interactive soda fountain dispensaries**. This allows customers to add a splash of their favorite drinks in Coca-Cola drinks.
- They accumulate data of flavor combinations and levered machine learning to **identify the most popular versions**.
- By analyzing the foot traffic, demands, purchasing behavior, and customer data, the **vending machines promote appropriate products for that area** and offer discounts related to that specific unit.

Source: Noah Herschman, Microsoft

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L'Oréal developed **TrendSpotter** that uses artificial intelligence to analyze millions of comments, images and videos posted online to identify new trends ahead of the curve

Source: KPMG





Luxury Redefined

Building trust with Chinese consumers
through authenticity and integrity



We identified five core luxury consumer “personas” in China and two emerging personas with growing significance as the market matures

Figure 6: Persona distribution by consumer mindset cluster



Source: KPMG analysis

10 key trends will likely reshape the behaviours of future Chinese luxury consumers

01

Changing social media landscape and consumer journey

03

CRM and consumer segmentation

05

New ways of engaging with consumers (Metaverse / NFTs)

07

Gen Z is becoming largest customer base for luxury brands

09

New definition of 'luxury' beyond products and quality

02

The booming fan economy

04

Evolving role of technology

06

Rising importance of omnichannel experience

08

Growing focus on sustainability

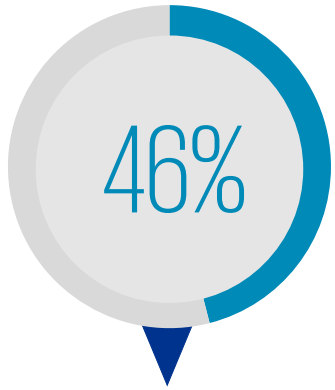
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COVID-19 as the catalyst for the domestic travel market

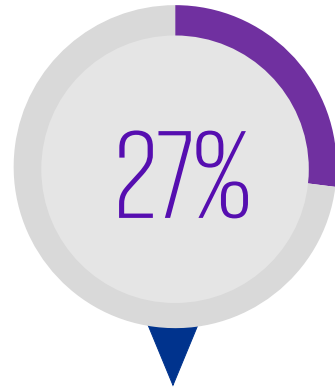
5. New ways of engaging with consumers (Metaverse, NFTs)

Luxury retailers see themselves as metaverse-bound which will serve to engage customers on a deeper level.

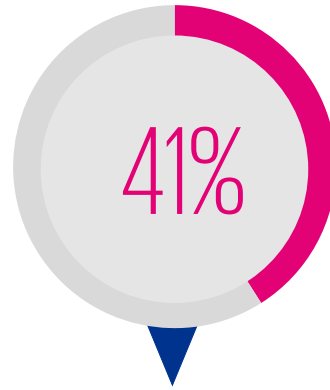
Although some in China are still unconvinced of its application, they believe it will become a more important consideration in their luxury purchase in the near future.



Unsure about the value metaverse or NFTs can bring to the shopping experience



Unwilling to pay extra for such technologies



Technological innovation will be a more important consideration for luxury purchases in the next 5 years

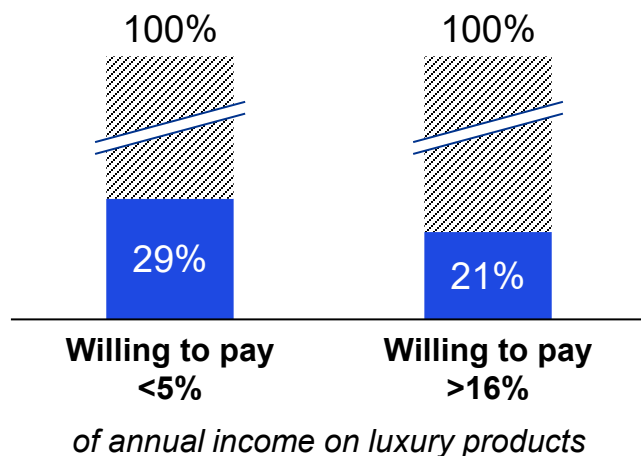
Chinese e-commerce payers are taking a leading role in deploying new technologies.

Meta-human influencer Ayayi



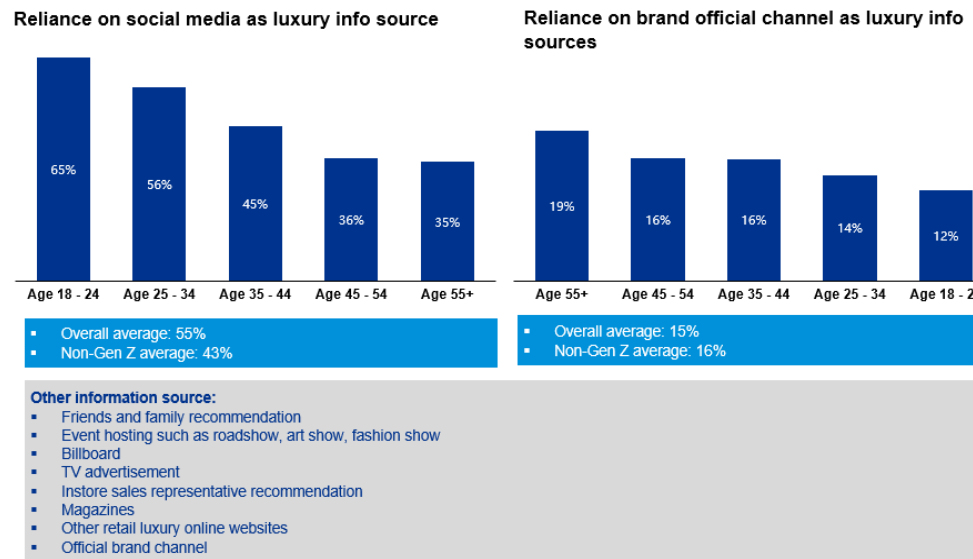
7. Gen Z is becoming largest customer base for luxury brands

Gen Z are big spenders in comparison to other customer segments



- Gen Zs are inclined to pay more in exchange for better quality and personalised experiences
- “A participatory culture” suggesting that Gen Zs would want to participate in a brand’s life

Gen Z rely on non-official brand channels / social media for information more than other customer segments



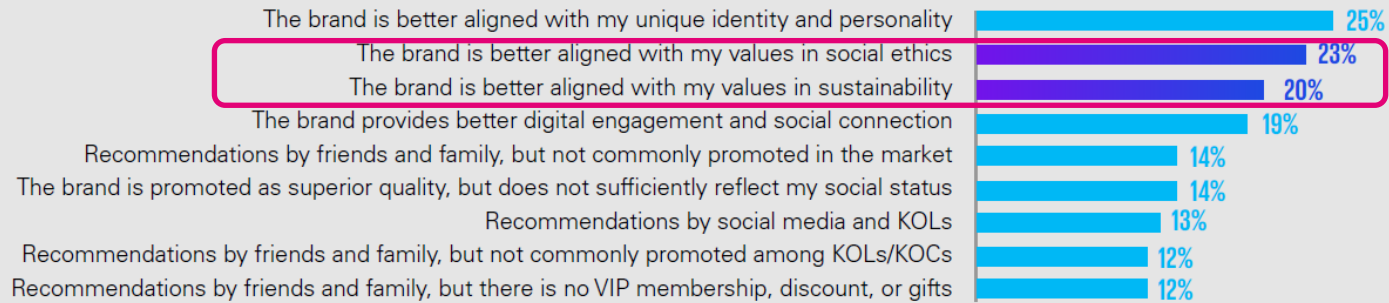
- Voice of third parties are important influences in the decision making of Gen Z consumers (e.g. social media, influencers, etc.)
- Being digitally native, Gen Zs expect to receive comprehensive information and content regarding brand’s vision and stories

8. Growing focus on sustainability



The general awareness of social and environmental topics has been on the rise among Chinese consumers.

Figure 20: What circumstances would make you switch to another luxury brand?



Note: KOCs are Key Opinion Consumers

Source: KPMG analysis

30%
18-24 y.o. consumers

Sustainability and corporate responsibility are key consideration when making a luxury purchases

16%
45-54 y.o. consumers



9. The definition of luxury is changing: it is becoming more about the culture and values of a brand rather than just the product

The interest in sustainability from Chinese consumers is still in a very early stage but awareness is penetrating rapidly

Luxury is no long about status or exclusivity, but being inclusive and being able to give back



Essential values identified by brands for “new luxury”:

Authenticity,
integrity and trust



Self-expression and
uniqueness

Functional and
comfortable



Technology and
innovation



Sustainable and
purpose-driven



End of COVID-19 will be the catalyst for travel...but where?

After COVID-19, majority of consumers in China: Willingness to travel overseas by personas



Prefer to have at least one to three domestic trips annually including Hong Kong, Macau and Hainan



Plan to head overseas now China's quarantine policy has been lifted



Prefer to travel within Asia, to countries such as Japan, Korea and Singapore



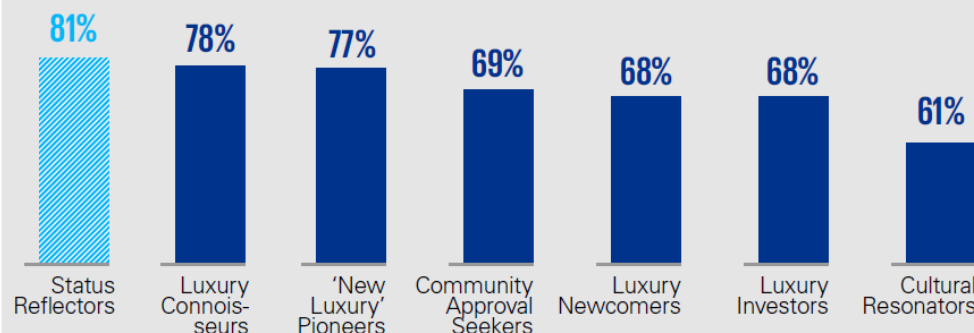
Prefer to travel for short periods of only one week or even less



Consider the ease of administrative tasks such as visas, planning and booking when considering where to travel



Figure 8: Willingness to travel overseas post-COVID-19



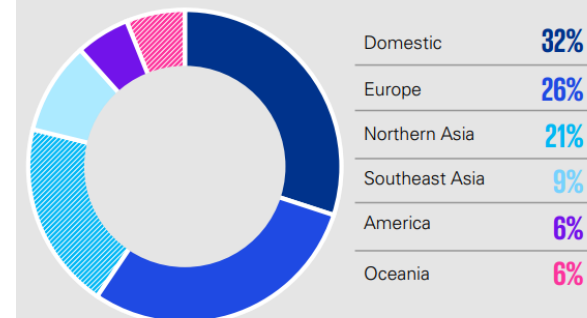
Note: Willingness includes "very willing" and "somewhat willing" to travel

Source: KPMG analysis

Destination travelers plan to visit



Figure 22: Destinations travelers plan to visit post-COVID-19



Note: respondents were asked to pick their top destination they wanted to travel to post-COVID-19

Source: KPMG analysis

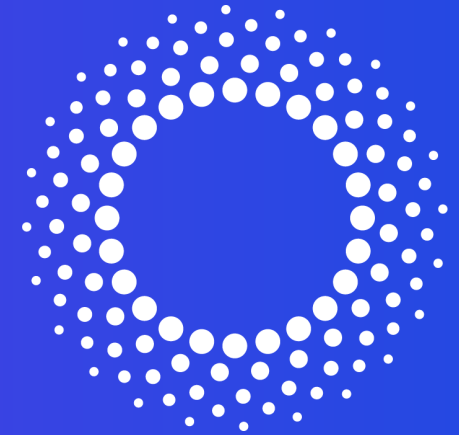
Trends reshaping Chinese consumer behaviour



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2

ESG within Consumer and Retail




ASPAC Stronger
Together

Brands have now woken
up to **sustainability**



Consumer & retail sector perspectives

95% 

Consumers believe their personal actions could help reduce unsustainable waste, tackle climate change, and protect wildlife and biodiversity.

Source: 'Sustainability Matters Now More Than Ever for Consumer Companies' – BCG 2020

By 2030, the Intergovernmental Panel on Climate Change estimates productivity-related losses in the supply chain due to climate change could exceed

\$2 trillion

Source: 'Climate Change and Labor: Impacts of Heat in the workplace' – United Nations

65% 

of employees are more likely to work for a company with strong environmental policies.

Source: "Employees want climate – positive action from companies. Here's how they can deliver" – Reuters Events

2.5x more 

Retail brands that demonstrated a positive impact on people's lives grew 2.5 times more than brands with a lower perceived impact over a 12-year period.

Source: 'Purpose 2020 study' – Kantar

2 out of 3 

Consumers believe they have the power to make brands change, and want to brands to make society better.

Source: 'Trust: The new brand equity' Edelman 2021

Six key trends for retail businesses here in Asia for 2023

**Speed of
change with
digital +data**

**Tech &
Innovation:
IoT connected
devices**

**Demographic
drivers – the
rise of Gen Z**

**Do you really
know your
customers?**

**Deeper more
immersive
experiences to
compete**

**ESG on the rise:
Are you a
purpose driven
company?**

Thank you!



Anson Bailey

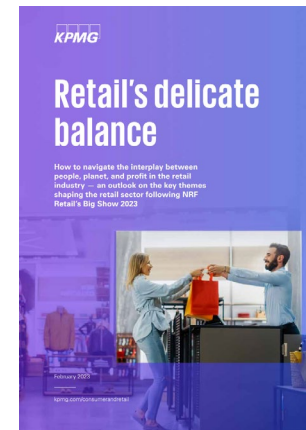
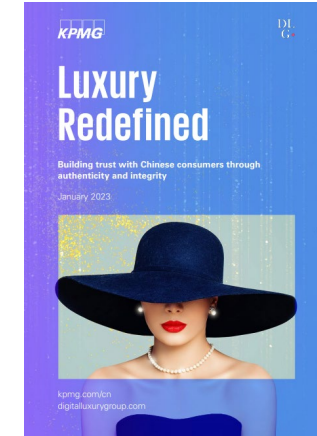
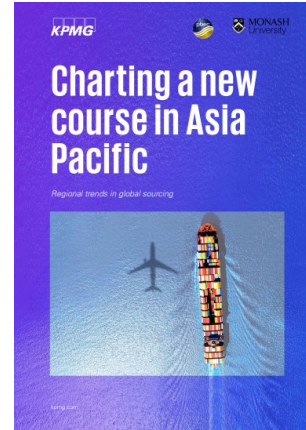
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Consumer & Retail Market Trends in Thailand

As of May 2023



Thai Retail Market Overview



Forecast GDP Growth
2023

▲ 3.4 - 3.7%



Consumer Confidence Index
As of March 2023

▲ 53.8

CCI Feb23: ▲ 52.6



Forecast Retail Sales Growth
2023

▲ 2.8 – 3.6%



Positive Factors

- Recovery of Tourism Industry
- Government's stimulus measures (e.g. the welfare card program and the We Travel Together Phase 5 project) which support consumer purchasing power
- The general election, resulting in a lively campaigning atmosphere throughout the country.
- Price increases of agricultural products, resulting in higher incomes for farmers.



Negative Factors







- High-level of household debts (89% of total GDP)
- High inflation and increased interest rate
- Prolonged geopolitical issues
- Global recession and financial market crisis
- Populist policies to be implemented by the new Government







Source: [NESDC](#), [UTCC's Consumer Index](#), [Kasikorn Research Center](#)



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Thai Retail Market Overview

Household spending growth for 2023 and supporting factors	
	<p>▲ 3.4% Essential Spending</p> <ul style="list-style-type: none"> Households adjust their spending levels to the new normal
	<p>▲ 2.8% Food and non-alcoholic drinks ▲ 2.1% Alcohol and tobacco</p> <ul style="list-style-type: none"> Spending growth will moderate as recovery effects wane and as inflation subsides.
	<p>▲ 3.5% Household Goods</p> <ul style="list-style-type: none"> Given that inflation is still set to remain well above pre-pandemic trend levels in 2023, consumers will be cautious about making big-ticket purchases of items
	<p>▲ 12.6% Non-Essential Spending</p> <ul style="list-style-type: none"> Faster growth due to continued income growth among the affluent middle class.
	<p>▲ 2.2% Clothing And Footwear</p> <ul style="list-style-type: none"> Growth is due to the result of ongoing rebound effects from the large contraction that this segment experienced in 2021.
	<p>▲ 29.9% Personal Care And Effects</p> <ul style="list-style-type: none"> In 2023, restrictions have eased, and the demand for personal care and effects products thus surged.

Recovery of retail business by segment	
<p>Good growth</p>	 <p>Department store/ convenience store: Main customer groups, like office workers/foreign tourists, are gradually returning</p>
	 <p>Supermarket: Main customer groups with mid-to-high purchasing power still have spending potential</p>
<p>Slowdown in growth</p>	 <p>Local brand retail business : Operators are benefiting from the demand of the general election, as funds will be allocated to the local area, with plans to expand branches/meet the needs of provincial consumers</p>
	 <p>E-Commerce: Grew at an accelerated rate during the COVID pandemic/ the number of service providers has begun to be saturated</p>
<p>Tough competition</p>	 <p>Hypermarket: Focused on consumers with moderate and low purchasing power, operators must compete with provincial retail business operators in other provinces</p>
	 <p>Grocery store: Operators must compete with large business operators, especially in terms of prices</p>

Source: Fitch Solutions, National Statistic, [Kasikorn Research Center](#)

Key growth drivers



Embracing Digital Transformation



Going green and sustainable



Expanding beyond border



Investing in people



Realigning supply chain





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