

# CONSUMER OUTLOOK 2023

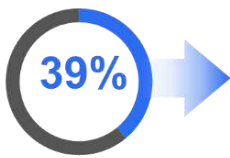
Roadmap to growth in disruptive times



**GAYATRI SOARES**  
Director of NielsenIQ Thailand

## Thai consumers remain guarded or cautious.

Unsure about the future and bracing for extremes, consumers are in a constant state of skepticism. And with the looming prospect of further disruption down the road, consumers remain cautious with all forms of spending, signaling a year of safeguarding, action-planning, and hopeful strategizing around socio-economic hurdles



39% Thai consumers say they are in a worse financial position this year



**Hopeful**  
Recovery from COVID-19

- **ADAPTING** to ongoing pandemic disruptions
- **46%** worse off due to ongoing pandemic conditions



**Guarded**  
High costs of living

- **BURDENED** by increased costs of living
- **70%** worse off due to increased costs of living



**Financially-focused**  
Economic slowdown

- **IMPACTED** by economic slowdown
- **52%** worse off due to economic slowdown

Over half the Thai consumers are bracing for recession, 60% of these consumers expecting this economic downturn to last for 12 months or more. This will have dramatic implications to the way in which wallet spending is allocated — with prevailing cautiousness looming heavily over the Thai consumer.

### Hotspots of recession



### Recessionary mindset

#### Current impressions



**54%** vs. 90% in Mid' 22  
think they are currently  
**living in a recession**

#### Future outlook



**60%** vs. 50% in Mid' 22  
**expect to be in a recession**  
for 12+ months

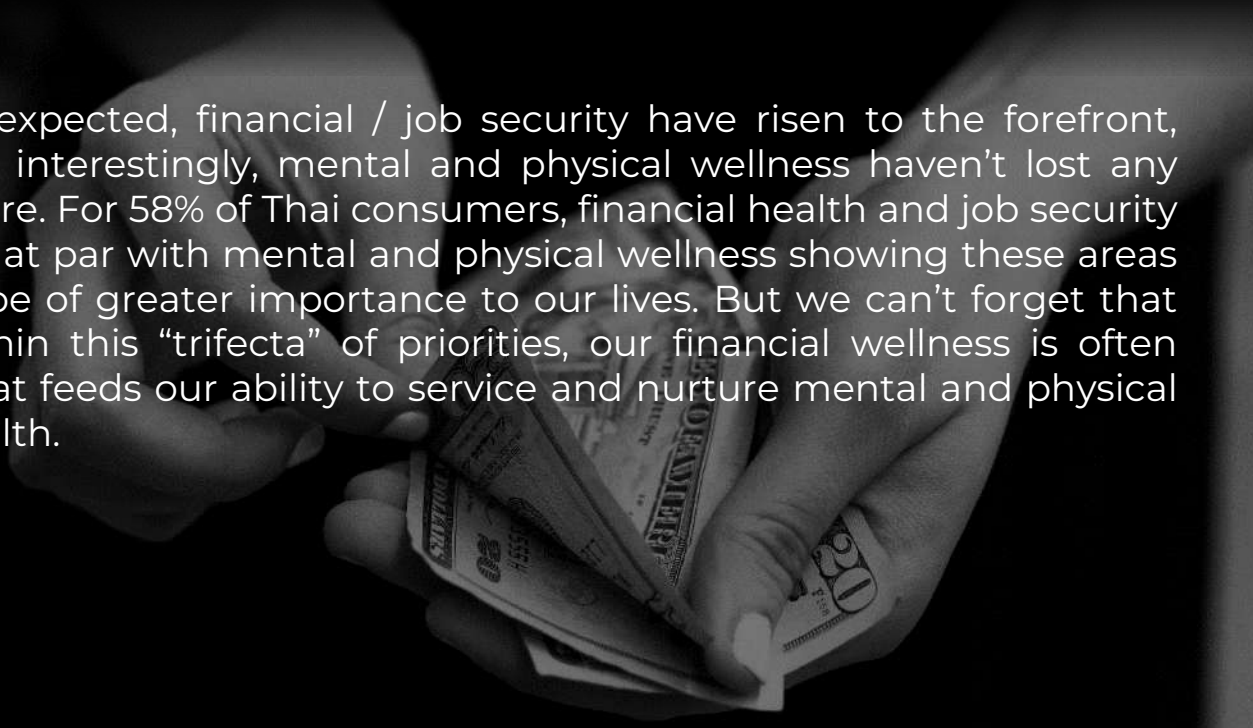
#### Spending reality



**35%** vs. 20% in Mid' 22  
**only have enough for**  
**food, shelter, basics**

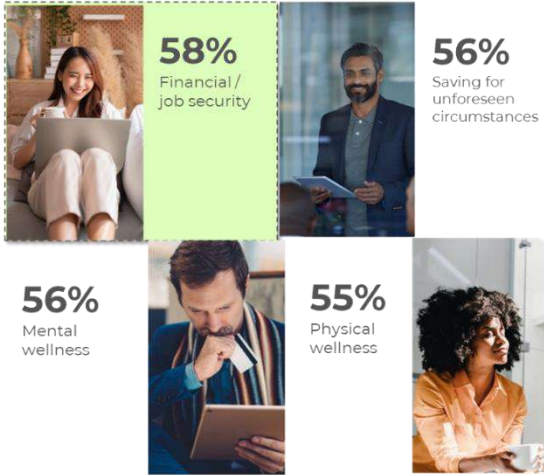
**With all of this cautious behavior, it begs the question...  
what is setting the spending tone for the year?**

As expected, financial / job security have risen to the forefront, but interestingly, mental and physical wellness haven't lost any lustre. For 58% of Thai consumers, financial health and job security are at par with mental and physical wellness showing these areas to be of greater importance to our lives. But we can't forget that within this "trifecta" of priorities, our financial wellness is often what feeds our ability to service and nurture mental and physical health.

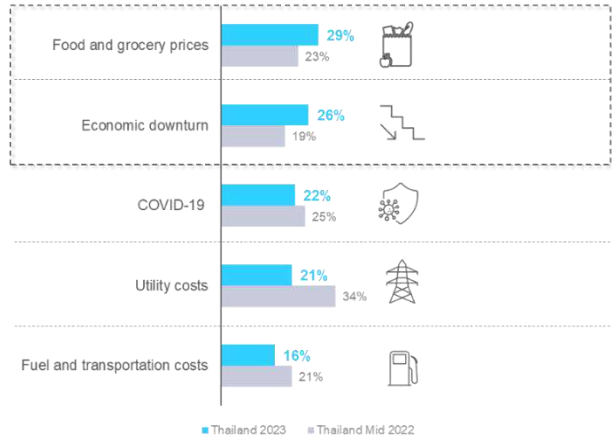


# As a result, the financial focus of today's consumer outlook comes to the forefront.

In 2023, Thai consumers give **importance** to...



And **concern** about...



## Thai consumers are assessing their spending amidst a pending recession

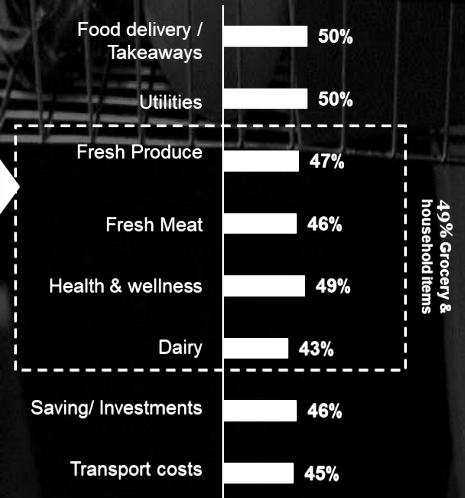
Economic concern influences Thai consumers to prioritize on essential categories – grocery, household and food as they notice more & more on the increase in price of their groceries. By prioritizing basic needs, consumers' wallet shifts to spending more on food delivery, utilities, fresh produce/meat/dairy and health. **Value maximization** is the counterbalance act by Thai consumers to save on expenses.

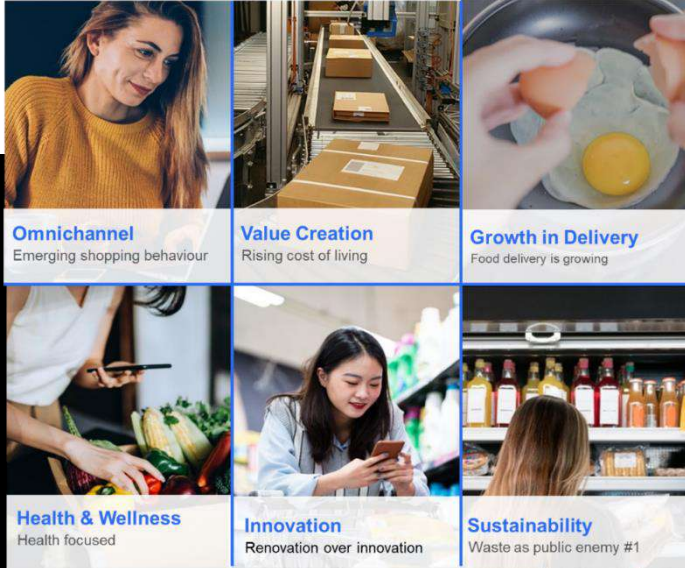
### Spending intentions for next 12 months

net change in spending (pt. change)

	Thailand
<b>Consumer Goods</b> Groceries and household items	<b>+38</b>
<b>Food Service</b> Food delivery/ takeaways, OOH dining/ eating	<b>+14</b>
<b>Life Expenses</b> Rent / mortgage, Education, Financial services, Debt, Utilities, Savings / investments, transportation, childcare	<b>+6</b>
<b>Leisure &amp; Lifestyle</b> OOH & in-home entertainment, holidays, gym / sports / club memberships	<b>-8</b>
<b>Semi/Durable Goods</b> Clothing / Apparel, Home improvements / décor, electronics / technology	<b>-3</b>

### Spending More





## Assessing the industry implications of consumer behavior shifts

### OMNICHANNEL BEHAVIOUR

Thailand's E-commerce grows slowly with half of Thai consumers being omnichannel shoppers. Business models will have to evolve to deliver seamless experience as online-offline expectations merge. Retailers are trying to close the gap between offline and online shopping experience

### VALUE CREATION

Inflation is main influencer across categories for price change except categories like Impulse & Personal care which source from downsizing. 49% of Thai consumers plan on spending MORE on essential items like groceries and household items this year

### GROWTH IN DELIVERY

Thai consumers eating out behavior is back post pandemic & Delivery service continues to be a main channel. Beverage players have partnered with food aggregators and store platforms to drive sales

### HEALTH & WELLNESS

Thai consumers are looking at options to prevent further health issues, leading increased popularity for healthier products like low/no sugar, low caffeine, options for special dietary products, ensuring to read label information to make healthier choices. They also expand health-conscious behavior to personal care products which focus on natural ingredients not to harm their bodies

### INNOVATION

Avoid product portfolio stagnation with renovation over innovation this year. While consumers are seeking to justify the necessity of all purchases, explore proactive "renovation" to add justification & excitement around buying your brand

### SUSTAINABILITY

Sustainable packaging becomes mainstream asset for brand image. It also promotes the optimal use of renewable or recycled source materials that beneficial, safe, and healthy for individuals and communities throughout its life cycle.