

APAC, The Future Consumer

How global brands should prepare for
the rising experience economy

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About the Author



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Chandni is driven by curiosity, empathy, and enthusiasm to enhance the human experience. She believes in using technology to create human positive, future-proof solutions.

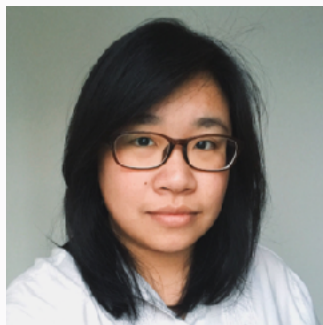
She is an experienced strategy, product, and innovation head with a history of working at Google, Booz Allen Hamilton, and Nest.vc. She has built two startups: one, a social enterprise incubator and second, her own consulting practice. She combines her understanding of technology, market, and people through a design thinking lens to deliver lasting solutions.

At Appnovation she leads the Strategy Practice of the region, helping clients across industries explore the value of a data-enriched, technology enabled, human-centred approach to solve business challenges.

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A Message from the Author

Demographics around the world are continuing to shift. However, the resulting transformation will be most evident in the consumer classes of the Asia-Pacific (APAC) region. Traditional beliefs in gender roles, consumer values, life stages, and purchase behaviors are and will continue to evolve at break neck speed.

The region will rise to have the most relative growth in its consumer base. Making it even more imperative for brands to understand and align with the evolving needs, behaviors, perceptions, attitudes, and influences of the various consumer classes, to serve them better.

For nearly a decade, we've been anticipating the experience economy, where customer experience (CX) would overtake price and product as the key brand differentiator. With the world moving to a digital-first approach out of necessity in the last two years, great CX will continue to be table stakes. Brands must adapt strategies, technologies, culture, processes, products, and services to stay relevant and competitive in the region.

In this paper we will share some of the many critical facets of the changing consumer expectations in APAC, and its impact on buying habits.

Shifting demographics
indicate which consumers
in Asia-Pacific will lead
the charge in the
experience economy.



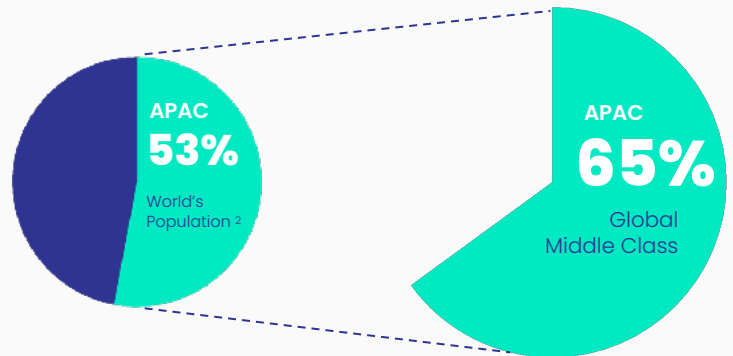
01 /

Predictions by 2030

Shifting demographics will transform the consumer classes in APAC.

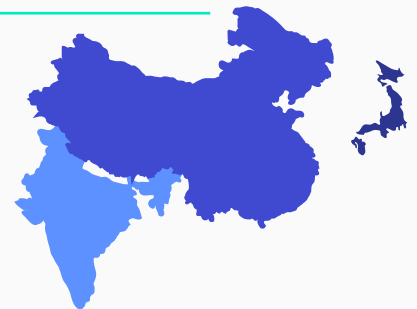
By 2030

APAC will be home to the largest consumer class.



APAC will contain 3 of the world's 4 largest economies.

**China,
India,
Japan**



APAC countries will still have a higher birth rate than other large economies.

9 : 1

Babies born in Emerging Market vs Developed Economies 1

Sources:
1. <https://www.weforum.org/agenda/2020/07/the-rise-of-the-asian-middle-class>
2. <https://www.cushmanwakefield.com/en/insights/the-edge/why-asia-pacific-will-grow-and-dominate-the-next-decade>
3. https://www.researchgate.net/publication/345245978_2030_Today's_Biggest_Trends_Will_Collide_and_Reshape_the_Future_of_Everything_Maura_F_Guillen_News_York_St_Martins_Press_2020_276_pp_168N_9781250489174_List_price_28.99_Hardcover

Photo by Photologic on Unsplash



Rise of three consumer classes by 2030

These shifts will bring to the forefront three key consumer classes who will have a completely different set of values and demand different experiences. As a result, new trends for brand expectations will impact the marketplace in the next ten years.



The Female Economy



The Rise of Zoomers



The Empowered Silver Generation

02 /

The Female Economy

Rising wealth, independence, and education bring women to the forefront



The Female Economy

The spending power of women in APAC will rise significantly. But that's not all, the women in this region will be more educated and independent than ever before.

RESEARCH SHOWS THAT



More women are seeking higher education

There are three times more women in universities than two decades ago.¹



Women care less about marriage

They are less focussed on marriage – 39% of middle-aged women having never been married.¹



Women control 32% of world's wealth

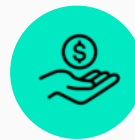
Women in China will spend more than women in the US – and the spending of women in India will be close to that of the women in the US.¹

AND BY 2030



Many APAC countries will close the education gap between genders by 2030

41 million more women will have completed their post-secondary education, closing the gender education gap even further.¹



Women's wealth will grow fastest in APAC

Addition of +5 trillion to wealth pool at a CAGR of 7.2%; total value of women's assets to triple by 2030; we will see more female millionaires than men.¹

Sources

4.<https://en.unesco.org/news/unesco-report-illustrates-isap-forward-gfle-education-over-past-25-years-now-threatened>¹

5.<https://www.unwomen.org/-/media/headquarters/attachments/sections/library/publications/2019/progress-of-the-worlds-women-2019-2020-en.pdf?la=en&vs=3512>

6.<https://www.bcg.com/publications/2020/managing-next-decade-women-wealth>

7.<https://bangkok.unesco.org/content/gender-equality-asia-pacific-education-international-women's-day-2018-statistics-snapshot>

8.<https://www.bcg.com/publications/2020/managing-next-decade-women-wealth>

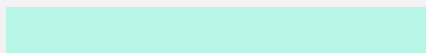
Women in APAC will surpass other regions as the biggest global spenders by 2030

By 2030, women in China will overtake women in the US in total spending.

China \$17 billion



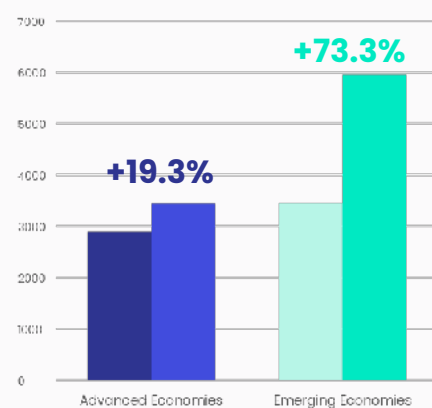
USA \$15 billion



India \$13 billion



Expected female spending increase from 2019 to 2030.



The combined spending of Chinese and Indian women will be twice that of American women. As women's wealth grows, so will their purchasing and decision-making power.

"I'm earning close to \$1 million a year and will retire with \$20 million-plus in assets, so I'm not right for a cookie-cutter discount broker, but not qualified for high-end wealth management services. I feel financial services aren't looking for my business."

*Quote from Harvard Business Review:
The Female Economy*

Despite the growing role women play as decision-makers and primary purchasers, they continue to be overlooked and underserved in general. This is particularly pronounced in industries like financial services, insurance, and healthcare.

Source
10. <https://hbr.org/2009/09/the-female-economy>

Photo by [ThisisEngineering RAEng](#) on Unsplash

Businesses must understand, adapt, tailor and design for women across the consumer journey

Brands need to leave behind the superficial, 'pink it and shrink it' approach to designing for women. They must tailor messaging, and address their needs with authentic, meaningful solutions to capture and retain the female consumer.

Women seek authentically different experiences than men. They save a more significant percentage of their income and are more price-conscious shoppers. They may spend more on clothes, but they spend less in general. They tend to scan product info and leverage social media for deals. They also seek lower-risk, long-term investments. Oliver Wyman's recent analysis found there's a \$700 billion opportunity on the table in financial services alone to serve women better.

WOMEN

- ✦ See shopping as an activity
- 💰 Are more price-conscious
- 👍 Use social media for deals
- ⚡ Scan through product information
- 💵 Save a larger % of their pay check
- 🛡️ Value less risky, long-term investments
- 👗 Spend more on clothes, but less overall

MEN

- ✓ Shop out of necessity
- 🛒 Are less price sensitive
- 📄 Prefer discount sites and platforms
- 📋 Expect a lot of product details
- 👛 Save a smaller % of their pay check
- ⚠️ Take bigger risks with investments
- 🚗 Spend more overall, especially on cars

Sources

9. <https://asia.citi.com/wealthinsights/future-spenders-tomorrow>

Photo by [Akram Huseyn](#) on [Unsplash](#)

03 /

The Rise of the Zoomers

























Generation Z leads with a new set of values and expectations



Who are the Zoomers?

In ten years, Gen Z – or Zoomers – (currently aged 9-24 years) will have entered the workforce and make up 40% of global consumers.

They are a generation of digital natives who live online as much as offline. They are more environmentally and socially conscious – and see consumption as a method of self-expression. They care about mental health a great deal more than the previous generations and are value-driven buyers. They are also more willing to share their personal information online.

	GEN Z	GEN Y	GEN X
 Upset with the state of the environment and social justice			
 Digital natives			
 Reduced fear of sharing personal data online			
 See consumption as self expression			
 Value-driven buyers			
 Care about mental health			

Sources
1. <https://www.mckinsey.com/business-functions/marketing-and-sales/our-insights/what-makes-asia-pacifics-generation-z-different>

We need to add a legend of the colours for the table here.

Zoomers are Different

Disparate priorities indicate that they will have entirely different set of preferences and habits. Meaning brands will need to reconsider how they position their products and services to serve this consumer class better.

	ATTRIBUTE SHIFT	BEHAVIOUR SHIFT	SPENDING SHIFT
Zoomers expect companies to take a stand Zoomers are willing to spend 10% more on sustainable goods than any other generation. ¹	Upset with the state of the environment and social justice.	Cancel Culture & No-nonsense policy on social and environmental rights.	Spend more sustainable products, services that support social causes.
Zoomers live online as much as they do offline 58% of Zoomer consumers are willing to pay more for personalized products ¹	Only consumer class of digital natives to date. Have a reduced fear of sharing personal or financial data online.	Seek escapist experiences online. Expect products and services to know them well, whether it is online or offline.	Demand for personalized digital products, services, and experiences that align with their self-image.
Zoomers are less brand conscious, more discerning, and value-driven buyers	Value-driven buyers.	Brand loyalty is a myth.	Open to exploring and experimenting with new brands.
Zoomers prioritise mental health 72% of Gen Z prioritise managing stress and mental health 45% Gen Z reported “excellent” or “very good” mental health compared to 56% Gen Y, 51% Gen X, 70% Boomers ¹	Concerned about mental health.	Seek stress relieving products, experiences, and services.	Spend more on health & wellness.

Brands need to reinvent themselves to close the expectation – experience gap with Zoomers

Marketing messages mean little to this generation unless they are rooted in shared values – they do not react well to performative actions around environmental and social causes. Many brands around the world have already felt the impact of the cancel culture.

Zoomers also redefine the meaning of value-driven – brand names don't seduce them. While they are willing to spend, they expect impact and experience in return, making true personalization necessary. Businesses that don't anticipate their needs and meet them where they are will lose their loyalty. **Below are three ways for brands to serve them better.**

01

Engage Zoomers with on their turf and terms

As a part of seeking escape in the digital realm, this generation prefers immersive mediums like livestreams, videos, and games. They also have a presence on more digital platforms than any other generation. Adding Tiktok, Snapchat, Twitch, and Youtube to the list.

About ¼ of Gen Z said video games are their top entertainment activity, and 87% of those in the age bracket said they play video games daily or weekly.

02

Weave purpose into the product and service

Be Ethical



Prioritize wellness & mental health.



Create sustainable products/services.



Stand up for social causes.

It's worth it

3x

faster sales of purpose-driven products¹

03

Hyper-personalise service and products

Traditionally brands focused on economies of scale, but now they must consider how to customize and personalize their products and services.

They need to empower Zoomers to express themselves but also to anticipate their needs and deliver seamless experiences.

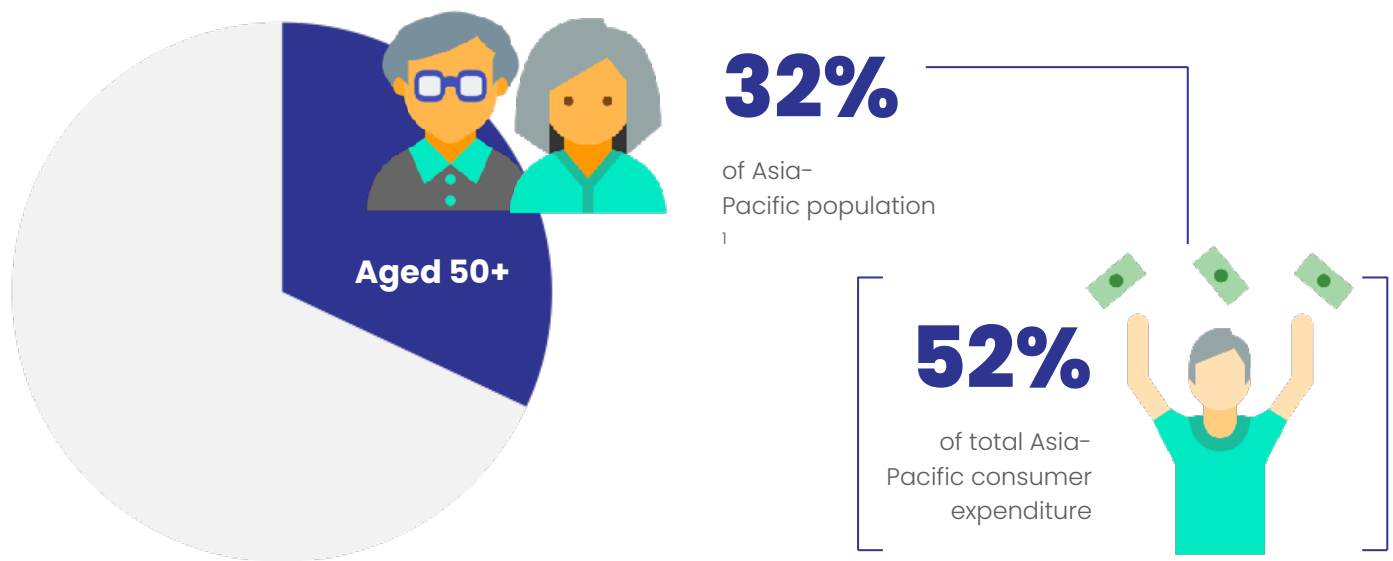
Leverage predictive analytics and personalization to meet their needs better.

Sources:
16. Pew Research: Teens, Social Media and Technology, 2018.
17. Deloitte Global: Purpose is Everything, 2019.
18. McKinsey: Prediction: The Future of CX, 2021.

04 /

The Empowered Silver Generation

Growing into a strong and digital savvy consumer class



Ageing is undergoing a cultural revolution

Life expectancy is increasing around the world. The Silver Generation (those aged 50+ in ten years), will not only have higher spending power, they'll also lead the beginning of a massive cultural shift around aging. By 2030, this generation will make up only 32% of the population but will contribute 52% of the total consumer expenditure.

They want to feel more capable and strong, and they expect brands to deliver experiences that empower them and give them more independence. They're willing to spend more on learning, and we are already seeing an increased demand for elderly universities. They're getting savvier with technology. In fact the smart phone penetration rate for the 50+ population is growing at 22% YoY. However, they do have a greater concern for data security and privacy than younger generations.

The cultural shift also indicates that this consumer group will increasingly deal with chronic illness while living in nuclear families. Even now, 9 out of 10 seniors want to continue living in their homes instead of moving to an assisted living facility.

The experience gap for the Silver Generation has been here for decades

Brands need to think beyond the physical needs of the individual. They need to also take in account their aspirations. For example, their physical needs may actually contradict their aspirational needs. If we do not serve both a product will never achieve customer traction.

Physical Need:

Older adults with difficulties chewing were buying pureed baby food for their own consumption, due to weak to lack of teeth

Aspirational Need:

To appear strong, independent, and capable

Therefore it is critical that we create experiences that resonate with the silver generation across their consumer journey. Here are three ways we think that is possible:

01

Empower with both information and messaging

There is already a demand increase for elderly universities ¹

02

Trustworthy product and service experiences, both online and offline

In the APAC region, the smartphone penetration for the population >50 years is growing at 22% year on year ¹

03

Assistive product and service experiences that keep them safe and connected

9 out of 10 seniors prefer "ageing in place" ¹

In China the old-age support ratio will drop from 7.9 → 2.4 by 2050 ²

Sources
 20. National Conference of State Legislatures and the AARP Public Policy Institute: Ageing in place
 21. Mitsui & Co. Global Strategic Studies Institute: China's Consumer Markets for the Elderly Generation, 2020.
 22. Grant Thornton: APAC's Ageing Population, 2019.

05 /

Close the Experience Gap

The Time to is Now

The experience gap is evident now – and businesses are already playing catch up. The upcoming demographic, social, and economic shifts will only widen the gap further, if it isn't addressed today. To close the gap, attention and resources need to be focused on:

- Creating inclusive messaging and design. Shifting demographics along with social and economic values means your customer personas and segments will shift too. Taking these into account and updating your target customers' personas as they evolve is imperative.
- Identifying the right digital channels and experiences to reach your audience. Updating your customer personas is step one. The next is to understand their adjusted journey, influences, and connections. Tracking and updating these elements is key to creating experiences that reach and serve your customers better.
- Building personalization strategies. Take a data-driven approach to personalization – key data and metrics inform predictive analytics and improve CX.
- Being ethical and weaving purpose into your brand. A steadfast dedication to human-positive design helps build trust and loyalty with consumers.

APAC is growing to be home to the largest consumer class – the shifting demographics along with social and economic values make that apparent. Brands that don't currently have a presence in the region need to take notice as well, or their market share will be impacted negatively. Businesses can either proactively evolve and thrive – or wait and be forced to react to survive. The choice is yours, but the time to choose is now.



Build inclusive messaging and design

Personas
Customer Segmentation

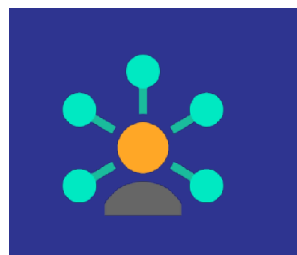


Identify the right digital channels and experiences to reach your audience

Customer Journey
Influences
Connections

Build your personalization strategies

Predictive analytics



Be ethical, put purpose into your brand

Human-positive design



A woman with long dark hair is holding a young child with curly dark hair. They are both looking up at a large red hot air balloon in the sky. There are other colorful hot air balloons in the background. The scene is set outdoors during the day.

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