The taste of things to come
Insights into the future of foodservice, retail and hospitality

The bottom line on wellness
Is the push for health healthy for business?

Experiential encounters
Why retail needs a rethink if it is to survive.

The rising dominance of platform businesses
Defend against, compete with or join the disruptors?
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The Rise of Experiential Retail

Experience is the new trend. How can retailers leverage it for better business?
E-commerce has taken the world by storm, alongside the apparent decline of brick and mortar businesses. However, this trend could possibly see a reversal with a rising desire for experiences in consumer purchases.

The ever-changing market is seeing a new trend – consumers cherish and are willing to invest in experiences over material possessions. In fact, there is an increasing focus on experience, and a rising preference for sharing such experiences over buying things.

Millenials have indicated that a large portion (52%) of their holiday expenditure would go to experience-related purchases compared to 39% among older consumers. A myriad of businesses ranging from theatres, bars, and stores are also rapidly adapting to this preference shift in an attempt to provide more immersive consumer experiences.

Today’s successful retailers are looking to provide shopping experiences with a difference. This is especially in lieu of the fact that the 2017 Global Online Consumer Report by KPMG International found that while the majority of consumers prefer going to a retail store over purchasing online, only 23% of consumers say they actually enjoy the experience of going to a store.

‘Retailtainment’ – combining the traditional retail experience with an element of entertainment – is one critical way for retailers to differentiate their offerings and elevate the overall customer experience.

Combining different elements of a concept creates an enduring experience, as developments across the region have proven: Open House at Central Embassy Mall in Bangkok is part gallery, part bookstore and part co-working space; Japan’s Lumine in Singapore houses leading Japanese fashion brands along with a café and Instagram-worthy scenery; similarly, Japan’s Tsutaya Bookstore in Taipei has a clear lifestyle element with its in-store café.

Malls such as Siam Paragon, Central World and IconSiam in Bangkok are also moving to change their mix to include more entertainment and lifestyle tenants.

IconSiam provides a 750,000 sqm destination experience, consisting of 580 retail stores and more than 100 restaurants. There is also a large market with a wide array of Thai foods. More interestingly, it engages consumers with the use of art.

Paintings, installation art, photographs, and custom-written and recorded music for the building designed by over 100 artists and sculptors are evident throughout the building landscape.

This shift in consumer preferences opens up new challenges and opportunities for retailers. Businesses need to be quick to leverage the possibilities of experiential retail for themselves.

Top 10 lessons for retailers looking to go experiential

1. Data is knowledge. Leverage on information and let it influence your business direction and decisions when exploring experiential retail.
2. Personalization and customization. Consumers want and look out for them, and expect to see it everywhere – from experience, to products and to services.
3. Indulge your consumers with an immersive experience. Consumers are more than willing to pay for immersive experiences, and will share them especially through social media.
4. Be consumer-centric. Consumer behavior should dictate your business decisions.
5. Think technology. Leverage blockchain and other innovative technologies to stay ahead of the curve.
6. Value, convenience and experience are key drivers to a successful business.
7. Social media is a powerful platform to enhance consumer reach.
8. Be socially responsible or risk losing customers and brand integrity.
9. Enhance your value proposition. Consumers are actively seeking to pay less for more.
10. Lean and smart has to be the future of efficient retailing.

https://social-re.com/why-bigger-is-better-in-retail-holiday-experiences/  
https://www.theguardian.com/business/2017/may/13/just-do-it-the-experience-economy-and-how-we-turned-our-backs-on-stuff  
Recipes for a healthier tomorrow

The world is heading towards a healthier future. Are we riding the wave?
Recipes for a healthier tomorrow

Consumers’ preference for natural, simple and flexible diets will drive further expansion of plant-based alternatives especially as they are finding them just as nutritious and tasty as animal-based food and drink products.

According to the Global Wellness Institute, wellness tourism in the Asia-Pacific was valued at around $136.7b in 2018, with a large proportion of expenditures contributed by beauty, anti-aging, nutrition and fitness. The region also experienced the highest jump in the number of wellness trips and expenditures, with demand stimulated by emerging economies and a growing middle class. The industry as a whole is experiencing enormous growth, with a projected average annual growth rate of 7.5 percent from the year 2018 to 2022.

Major market players such as Japan and China have contributed significantly to the growth of wellness tourism. The rapid economic growth of China has contributed to higher standards of living, resulting in consumers pursuing premium products with significant health benefits. Several key countries within the Asia-Pacific region are also making rapid progress towards the health trend.

Health is wealth

Singaporeans are also riding on the health trend by reducing their calorie intake, as can be seen in recent reports that show a significant dip in calorie consumption in recent years.

Daily calorie intake in Singapore declined from 2,600 in the year 2010 to 2,470 in 2018, in contrast to the uptick from 2,110 to 2,600 from the years 1998 to 2010.

Sugar consumption from beverages has also gone down in recent years – a slight decrease from 59% to 55%, attributed to reduced sugar pre-packaged beverages and lower sugar intake in freshly-made drinks such as tea and coffee.

Stakeholders across the supply chain are also adopting a healthier approach. Companies have committed to the importance of healthy living, fresh food, nutrition and product sourcing. Nestlé, for instance, recently announced a technique to create chocolate without any sugar, relying instead on leftover material from cocoa plants for sweetening.

The Singapore government has also taken measures to reduce sugar consumption through the Healthier Dining Programme (HDP) – a governmental partnership consisting of more than 1,200 food & beverage operators, hawker centers and coffee shops to offer healthier selections such as lower-sugar drinks.

In Thailand, consumers are also working towards a healthier lifestyle. According to global market intelligence agency Mintel, approximately half (48%) of Thai consumers seek to make adjustments to their diets in the next 12 months for personal health and wellness reasons. The majority (90%) intends to consume more fruits or vegetables, over half (53%) intends to reduce their meat consumption, and 45% have indicated that they will adopt a plant-based, vegetarian or vegan diet. These consumers are embracing the trend of plant-based food and drink offerings, which are in many ways similar in nutrition and taste as meat-based food offerings.

Beyond Thailand, many consumers are seeking natural, fresh and sustainable diets. Plant-based alternatives are gaining traction for this reason, especially as they are just as nutritious and tasty as animal-based products.

Start-ups bringing innovation to food

Singapore start-up Hoow Food has developed a reduced-calorie ice cream brand named Callery’s – one that offers a similar taste to actual ice cream, but with calories and sugar levels reduced by about two-thirds.

Hoow’s research and development team replaced sugar and fat contents found in traditional ice cream with new ingredients approved by Singapore’s Agri-Food and Veterinary Authority (AVA). An example would include erythritol, found in fruits and vegetables and also a zero-calorie sweetener.

Thousands of tubs of ice cream have been sold since Callery’s was launched in the market in August 2018, and the start-up is looking to add more flavors to its repertoire using existing technology it has already built up.

https://globalwellnessinstitute.org/wpcontent/uploads/2019/04/GWIWellnessEconomyMonitor2018_042019.pdf?inf_contact_key=0b483cbe1ccd5b5ef2d25d86f77c5842e902fbeb79a888bd13bfbcb48658
Key health trends for 2019

**Plant protein**
Businesses and consumers are starting to embrace plant protein. Plant-based, meat-alternative companies are now attracting significant investor as well as consumer interest. Expect the trend moving forward to steer towards other products such as coffee, milk and vitamins.

**Sugar reduction technologies**
Companies are leveraging on innovation to reduce sugar content in an attempt to align their products with shifting consumers' preference for healthier options. Major food corporations are also capitalizing on the rapid advancement of biotechnology and new/alternative sweeteners.

**Cannabinoid (CBD)**
An emerging trend in 2019 which has already made its way into coffee and cocktails, expect CBDs to be in other products such as supplements, yogurt, soup and even salad dressing. Do take note of the use case of CBD, where it might not yet be legal in some regions.

**Going organic**
The global organic food and drink market is growing healthily at a rate of about eight to 10% per annum, with the Asian market rising at a slightly faster rate of about 15%. This spike in demand comes as a result of rising consumer awareness about the health benefits of organic food.

**Transparency as a key ingredient**
Consumers are increasingly more educated and aware of the food they consume, paying more attention to the food source, ingredients and nutritional information. As a result, there are rising expectations for businesses to provide detailed and specific information on their product offerings.

**Functional foods thrive in emerging markets**
Functional foods might be losing their grip in the Western market, yet probiotic yogurt has seen a spike in popularity in the Asia-Pacific region. Nestlé is leading the charge in their 2020 micronutrient fortification objectives. It plans to impact millions of children and families with fortified foods and beverages, strives to assist cumulative action to reduce micronutrient deficiencies in 10 countries, and continues to develop the supply chain for bio-fortified crops.

**Energy-boosting foods**
Energy plays a major part of a healthy lifestyle. The adoption of a healthy diet coupled with dedicated weight management can keep individuals vibrant and energetic. Energy bars, packed with natural energy from plant-based protein obtained from clean label ingredients such as nuts and peas, thrive as the top natural snack.

**CITATIONS**
https://apfoodonline.com/industry/asia-leads-growth-for-organic-food-market/
http://go.euromonitor.com/n/805-KOK-718/imagexwp7q5TrendsHV.pdf?mk_t_tok=eyJpjoWiReu5EOXZVE01Wm1aailisnQOiOi2d1349E9HbqgryY2b1JZ2ErV38SXC92bkXbdUs6mhgN4tVbFeyM2dcl1p3bDA4U0zjSGasdpFWzXpSeEdckzwzRsuxvXC3820dbvbm6Q11p06k5VOXM3Mzn9N97UdBWJzJCZfNRS156WvbkbElOXIJSTNSN001aJHVTsbSY2E/0%3D%3D
SG Food Tech Week was launched at Speciality & Fine Food Asia (SFFA) and Restaurant, Pub & Bar Asia (RPB Asia) from 17th to 19th July 2019 to explore the latest disruptions in food technologies that have impacted the food and beverage industry.

The inaugural SG Food Tech Week held from 17-19 July 2019 provided a deep dive into topics spanning blockchain, big data trends, food innovations and smart food cities.

Launched in consultation with Edelman Predictive Intelligence Centre, top minds in F&B technologies and consultancies came together to discuss challenges and opportunities surrounding food security, safety & sustainability, and what the future holds for companies in food production.

Pressing topics covered in the wider business landscape included big data trends and the methodology to balance the power of predictive technologies with consumer privacy.

Predictive data and technologies are integral to doing business in today’s landscape. It is now vital for companies, in addition to learning how to utilize and implement such technologies, to understand their target consumers’ interaction with big data and intelligence. This will then help determine what customers really want, the type of data and technology needed to grow the business and more importantly, build consumer trust.

The next edition of SG Food Tech Week will be held at SFFA & RPB Asia 2020 on 29 Sept – 1 Oct 2010. Sign up to the shows’ newsletter at www.speciality-asia.com for updates.

“Food and technology are increasingly becoming interdependent and cutting-edge technology provides more avenue in product offering and distribution channels to suit consumer needs.”

Jonathan Hargreaves, Vice Chairman, Edelman Predictive Intelligence Centre
Build connections, not new factories. The world is looking at a huge economic shift as technology creates interdependence between companies, transcending market boundaries and redesigning the global economy.

The traditional business model has always been for companies to innovate new products, launch them on the market, and sell to customers. Platform businesses, however, neither need to manufacture nor own the products they sell.

Users have the luxury to freely add value through reviews. Tools such as Application Programme Interfaces (APIs) also encourage third parties to come up with new functions to value-add to the platform for consumers and the developers. With more users, the platform becomes more attractive to developers, which then spurs new innovations and in return attracts more users.

Such a network is often regarded as an eco-system because, although it needs to be managed effectively, it also relies on the interdependence of its participants.

Such networks are commonly seen in industries such as retail, healthcare, real estate, banking and travel. The reason for the startling rise of platform businesses is obvious: it is the most efficient way to discover a new product, compared to the traditional way of walking into a mall to seek them. As it is, consumers are actively seeking a more efficient and convenient lifestyle, which is why they are embracing this change.

Change is happening even faster in China where Alibaba estimates that online retail will be worth $2.3trn by 2020.

Anson Bailey, Head of Consumer & Retail, ASPAC, KPMG China, says: “Traditional retailers are facing significant disruption from tech-savvy Chinese millennials and it is vital that they adapt their strategies.”
Too important to ignore
The go-to reaction is that incumbent companies facing disruption from new platform businesses can choose to defend, compete or join. In reality, incumbents have to deal with all of the above. More importantly, incumbents should not choose to ignore such disruption. Platform businesses have risen rapidly to be of significant threat, so much so that platforms will dominate once they reach a tipping point.

This is occurring across Asia where platforms are changing the B2C and B2B landscape. Grab, Gojek, honestbee and others are transcending boundaries between markets, expanding into adjacent sectors and creating new ones by enabling consumers access to multiple products and services. More interestingly though is the opening up of APIs on these platforms – this enables other businesses to sell and integrate their services on their platform and make use of existing payments and logistics capabilities. For many businesses, this can potentially open the door to consumers across the region, beyond their home market.

Companies are using platform businesses to match supply and demand while keeping transaction costs to a minimum, and the efficiency gains from any of such services are outstanding. Since platform businesses do not assume the same burden of fixed costs as traditional companies, they can build on their competitive advantage by investing heavily in research & development and technology in digital transformation.

These disruptors can venture into new markets at little marginal cost, as long as they are able to bring new partners into the network. They can also leverage data and analytics to detect market opportunities and seize first-mover advantage within the industry.

As the World Economic Forum has noted, platform businesses also typically spend much less on labor. And the threat becomes even starker when you consider that by 2020, platform businesses will invest 178% of their revenue in technology, compared to an industry average of 7 percent.

Platforms, powered by AI
There is already a sharp rise of AI-driven platforms around the world. The 2018 KPMG Top of Mind Survey of 530 executives from the global consumer and retail sector found that 72% of platform businesses will be using AI by 2020, compared to 27% of retailers and 15% of manufacturers.

The gap is expected to widen. By 2020, platforms will invest 17.8% of their revenue in technology, compared to an industry average of 7 percent.

Beyond defending their businesses, these platform companies can also join up with new platforms to compete more effectively with others.

Using data to get the product mix right
Currently, many companies do not customize their product range from store to store. This doesn’t have to be the case if location-based data is used in a more structured manner and combined with non-traditional data sources. Linking, for instance, neighborhood crime rates to the quality of public transport links and the proximity of complementary stores can help give a better understanding of a specific retail environment.

The cliché about the devil being in the detail applies. Small differences – such as locating a store 300m further along the street – can have a significant impact.

There is nothing new about tapping into location-based data. Yet, according to KPMG International’s 2018 Global Consumer Executive Top of Mind Survey, it has not yet become the norm among traditional retailers.

From transaction to service provider – how IKEA engages in the platform ecosystem
IKEA’s recent acquisition of Task-Rabbit is designed to build its business across the platform.

Task-Rabbit is a start-up that connects temporary workers to a variety of different jobs. These can include delivering purchases, cleaning homes, and even assembling furniture. While the company has about 60 employees, there are over 60,000 independent workers using the platform.

The purchase of TaskRabbit was fuelled by IKEA’s need to further boost its digital customer service capabilities to compete with rivals who now had installation offerings. The purchase is IKEA’s first step into the on-demand platform space.

“In a fast changing retail environment, we continuously strive to develop new and improved products and services to make our customers’ lives a little bit easier,” Jesper Brodin, President and CEO of IKEA Group, said in a statement.


Only half of the 530 companies surveyed said they were using real-time location-based data (physical customer tracking using GPS or sensors) to understand consumers, while two out of three said they were crunching data about the local area (demographic, competitors, crime statistics, weather, traffic). In a striking contrast, 88% of the platform companies surveyed already rely on location-based data.
Mindsets count
Companies built to prosper in an ecosystem are better placed to manage platform companies than legacy businesses. However, it might be difficult for traditional businesses to subscribe to opening up to several parties on what they do best in order to build a successful ecosystem. Such businesses are accustomed to being a leader in their own market, have a proven working business model, and do not see the need to collaborate with other parties to reinvent their organization.

Managers, in particular, are reluctant to accept change and disruptions. This has applied to many managers in the past, thereby preventing some companies from recognizing that they can’t do everything themselves and have to acquire, hire or partner with the expertise they need to grow their business.

Traditional retailers and manufacturers need to realize that they do not have much time to adjust, especially in Asia where consumers are being offered such extraordinary levels of choice and convenience that maintaining loyalty and share of wallet is a constant struggle.

Leveraging platforms
The critical issue then becomes defining what makes your business relevant to consumers and society as a whole. Management has to identify a value proposition they can offer consumers, then explore how platform technology can best help them unlock this value. Companies who envision themselves becoming a global marketplace can choose to develop their own platform. Others who are focused on their products and services could easily establish a partnership and join an existing platform. It may also be easier and more useful to turn to a third party to help define, refine and challenge your platform strategy and empower a unit that reports directly to the CEO in the task of inventing the future.

Organizations should not take it for granted that joining a particular platform will resolve their issues. The eco-systems of today are so complex, embracing hardware, software, developers, applications, e-commerce, advertising, search, social media (especially in Asia where influencers are particularly powerful), location-based services, communications, and many other things. Organizations need to build their internal capability to manage such complexity – this is even if, paradoxically, they require external expertise to do so.

Data concerns
Platform businesses may be experiencing tremendous growth, but there are problems to be addressed. The first big challenge is data privacy. Consumers might not be comfortable providing sensitive personal information to these companies since these retailers could proceed to monetize such data. Even in China, where people have been more willing to swap personal data for benefits, KPMG’s research shows that 18% of consumers do not shop online because they worry about data privacy.

Reputation risk is therefore high for companies that do not safeguard consumer data.

Singapore's take on sharing data responsibly
In Singapore, businesses refer to a set of guidelines on responsible data sharing when aiming to develop better products and services while reducing business costs.

The Trusted Data Sharing Framework was developed by Singapore’s Infocomm Media Development Authority and the Personal Data Protection Commission, in consultation with the industry. It illustrates the best practices for data sharing and compliance with privacy guidelines to ensure trust among consumers and businesses.

Key thoughts
1. **Successful platform businesses are open-minded**
   Third parties are welcomed to enhance and create value within their network and area of expertise.

2. **Launch or join?**
   Companies should assess whether to develop their own platform or join an existing one. Be part of an existing platform if the sole intention is to sell a product or service.

3. **AI and machine learning are already incorporated into several platform businesses**
   Traditional companies that don’t act quickly could find themselves at a serious competitive disadvantage.

4. **A platform model requires an open mindset**
   that involves experimentation and lets other parties see what you do best.

5. **Platform businesses have high reputational risks around data.**
   There is an opportunity for retailers to help consumers become better custodians of their personal data.
The emergence of the big three platforms in China that are arguably so far ahead of the competition, rivals are unable to catch up or overtake them.

Today, data has become an incredible resource for any business. Yet, its true advantage lies in how it is used – something which Chinese internet companies are very adept at tapping on to offer compelling new services.

The mega-platforms – Alibaba, JD.com, Tencent and WeChat – have invested heavily in data analytics to fuel their growth. But data analytics is but one driver of their phenomenal growth.

Winner takes all
The emergence of the big three platforms in China is arguably so far ahead of the competition that rivals are unable to catch up or overtake them. Even if these platforms can be caught, their rapid expansion encourages investors to make unflattering comparisons to the growth rates achieved by traditional businesses.

These mega platforms are also constantly seeking new innovations and technologies to be implemented, especially with the emergence of AI.

Benefits of collaboration
Early investors in Tencent have seen major returns on their investments. The group has built OLX, a global online classified advertising business. They have also invested heavily in platform businesses such as mobile peer-to-peer selling app Carousell and payment and security firm Wibmo.

Chinese insurance group Ping An has also reframed itself as a technology business with financial licenses, inventing a portfolio of platform companies in healthcare and automotive and investing heavily in GDS, a wholesale data group. Ping An’s market value has more than doubled in three years to exceed $270bn.

It is Chinese consumers’ hunger for technology that has helped pave the way for companies such as Ping An to reinvent themselves. Consumers in China are becoming more technology savvy, and are among the most active mobile users and mobile adopters in the world.

As such, engagement with consumers on digital mobile channels has never been more important. Alibaba, Tencent, and JD.com have built quick, easy, user-friendly mobile products and services. They have also attempted to build “loyalty” into their apps, by adding unique functions, services, and capabilities that customers can rely on.

“The Chinese internet companies have an incredible amount of consumer data and have proved very adept at using it”

Anson Bailey
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Did you know that it is possible to buy a car from a vending machine? It is happening in China.

In Guangzhou, car maker Ford and Chinese e-commerce group Alibaba are running a series of trials that allow you to select the car model you’re interested in, pay an electronic deposit, schedule a pick-up time and take a selfie so that the machine can recognize you when you arrive to take the car out for a three-day test drive. If you have the app, you can simply take a photo of a car you see on the street, then get directed to the nearest machine that has that model in stock.

There is one catch – you can only do this if you have a good credit rating.

This bold project is only one manifestation of Alibaba’s attempt to diversify its revenue stream and venture into new sectors.

Alibaba started off as a B2B marketplace but quickly learned to diversify as the company grew rapidly over the years. Today, the group has businesses that span across logistics, distribution, movies, music, television, health, video games, newspapers, sports, live events, ride-sharing, food delivery, marketing, restaurants, hotels, travel, coffee, finance, and groceries.

The data that Alibaba has amassed about Chinese consumers has been put to good use by the company itself and, through the Tmall innovation center, has been applied for partner brands such as L’Oreal, Mars, and wellness brand Emergen-C.

The company also has more than 100 luxury brands including Burberry, Maserati, and Tag Heuer, selling their wares on its upscale online offering Tmall Luxury Pavilion.

In 2018, Alibaba reported revenues of $80bn and, despite its drive into new sectors, 86% of that came from its traditional e-commerce business, according to investment analyst Daniel Laboe. By his calculation, the company has grown its revenue by an average of 44% over the past five years.

An increase in discretionary spending.
Millennials’ burgeoning interest in brands and the public’s apparently insatiable appetite have made China one of the world’s most dynamic consumer markets.

At the same time, fierce competition from local rivals Tencent and JD.com has meant that Alibaba cannot afford to complacently rely on rising consumer demand.
"New Retail"

Alibaba’s concept of “New Retail” looks to transcend the traditional division of online and offline, especially in areas such as cloud computing, subscription entertainment services and retail, with an estimated 700 million users on its platforms.

What does ‘New Retail’ mean? This is how Jack Ma defined the term in his 2017 letter to shareholders: “The boundary between offline and online disappears as we focus on meeting the personalized needs of the customer.”

For Alibaba, supermarkets are not just for shopping – they are customer experience centers and logistical hubs where deliveries can be sorted. You can shop traditionally within the store and use the app to click and collect or, if you live within 1.8 miles, order free delivery within 30 minutes. Purchases can be easily completed using the Alibaba app or through facial recognition.

However, not every aspect of ‘New Retail’ is driven by technology. Alibaba encourages shoppers to visit its stores daily, partly, by packaging fresh food to display that day of the week.

Through Alibaba’s Ling Shou Tong (which translates to mean ‘Integrated Retail’) program, thousands of mom-and-pop convenience stores are being technologically upgraded to use data to hone their product selection, centralize and simplify their purchasing, and offer such digital services as top-up data for mobile phones.

Questions arise when Alibaba looks to venture overseas. In his most recent letter to shareholders, CEO Daniel Zhang made the company’s strategic ambitions clear, saying, “Globalization has always been Alibaba’s long-term strategy. We are making progress towards our goal to realize ‘global buy’, ‘global sell’, ‘global delivery’, ‘global travel’ and ‘global pay.’ This will ultimately create one truly globalized digital economy where goods can move freely around the world, and not just from China to the world.”

Zhang does not put a definite timeline on that strategy being realized, although he does suggest that by 2036, Alibaba expects to be serving two billion consumers globally.

As you might expect, Southeast Asia is the first region to attract the company – Alibaba has acquired the Southeast Asian e-commerce business Lazada, led $1.5bn of funding for Indonesian online shopping platform Tokopedia, and bought Daraz, the platform founded by Rocket Internet which runs marketplaces in Bangladesh, Myanmar, Nepal, Pakistan, and Sri Lanka.

Anson Bailey, Head of Consumer & Retail, ASPAC, KPMG China, expects to see this convergence continue, “Alibaba – like the other e-commerce players in China – will look to the rest of the world and the rest of the world will look to them.”

For Alibaba, ‘New Retail’ embraces online and high-tech stores.
Giants such as Alibaba have no doubt played a part in China’s transformation into a development hub of technology innovation that is home to creative and world-changing ideas. Chinese companies also have another advantage – an enormous home market that is savvy and connected.

The Chinese consumer has become more technology-savvy – 53% have used a food delivery service compared to a global average of 33%, and 566 million have used mobile payments. So what else do we need to know about the Chinese consumer? Here’s an overview:

**Motivation**

- Products are discovered and purchased through domestic social media platforms.
- Brands and logos are a source of social capital.
- Established and larger brands are more trusted by consumers to keep their information safe.

9 in 10 would trade their personal data to a company for:

1. Better customer experience and personalization (37%)
2. Better products and services (24%)
3. Better security (18%)

**Obtaining information**

- Undesired brand communication often comes from cold-calling or through spam messages.
- Respondents feel that their time is wasted by irrelevant or intrusive advertisements.
- Information filtering is used but should be catered to each individual to ensure that useful information will not be blocked.
- 75% like to have their information filtered in some way.

“Sometimes I feel interrupted and bothered by pop-up game advertisements because my time and attention are consumed”

Bobby, 40, Wuhan

**Mobile connection**

- Users are increasingly reliant on their phones, with only a minority intending to intentionally disconnect from technology.
- Messaging is regarded as a convenient and less intrusive form of communication.
- 73% would rather lose their wallet than their phone.
- 18% have disconnected:
  - 60% cited needing a break as the primary reason.
  - 40% indicated that they were missing out on life as the tipping point for disconnecting.

**Where Chinese consumers spend their time**

- Respondents indicated that work and family take up the most amount of their time.
- Workers seek to have more time for leisure activities, yet wonder if media consumption and leisure is an efficient use of their time.
- Workers are in pursuit of healthier work-life balance. 8.4 hours a day is spent at work on average, but people would prefer to work less, about 7.8 hours a day.
- 4.5 hours a day are spent on lifestyle activities

**Spending desired**

- The inclination to provide the best for children means Chinese consumers do not compromise on quality. Cheap necessities are regarded as false economy.
- A diversified investment portfolio is important, particularly property investments.
- A preference for convenient, fuss-free shopping has contributed to the rise of e-commerce.
- 37% of families indicated that their children influence their spending.
- 59% shop online, while 29% shop using both online and offline stores

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Blockchain: From food savings to food safety

Be prepared for blockchain. The new, disruptive technology has already revolutionized the food industry, from providing cost savings through the removal of intermediaries, to enabling more efficient and precise tracking of food contents in order to better manage food contamination. Other businesses could likewise find a competitive advantage by using blockchain.

Walmart’s adoption of blockchain highlights the difficulty of grocers to efficiently and accurately keep track of their food.

In 2017, Walmart conducted an experiment trying to trace the source of sliced mangos. Employees spent seven days to identify the farm in Mexico that grew the fruit. According to Walmart, the same mangos can be tracked within seconds with a blockchain software developed by IBM. “The food chain is not always linear,” said Frank Yiannas, vice president for food safety at Walmart.

The usage of blockchain ensures that when food safety is violated, companies can quickly identify the source across the entire food value chain, pinpointing potential points of contamination.

Blockchain provides several opportunities and benefits for the food supply chain. For example, restaurants and wholesalers would have real-time access and visibility to monitor their suppliers. Users of the platform would also be able to obtain detailed product information that could range from ingredients, sources, and certifications of the supplier to maintain the quality of the product.

Users can even track the past dealings of these suppliers, making these suppliers more invested in maintaining the quality and safety of the product for fear of damage to their reputation.

Information on these suppliers is updated in real-time and users will be able to get first-hand updates on any new developments. Feedback can also be provided by anyone who is in direct contact with the ingredients.

A restaurant, wholesaler or consumer could provide feedback through the platform, providing direct input to stakeholders across the entire food supply chain. At the same time, stakeholders are able to interact with each other directly and understand the pain points from different perspectives, allowing each stakeholder to make adjustments in their processes to ensure better quality.

Blockchain is an increasingly popular concept across the world, with large companies such as Unilever experimenting with it.

With proper risk and benefit assessments, the decision lies with the business owners to explore the wonders of this technology.
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