

CPG Trends to Watch Out For in 2023



FMCG Market Is Set to Boom

The global FMCG market is expected to grow at

\$15,361.8 billion by 2025, growing at a CAGR of 5.4% from 2018 to 2025.¹

The FMCG market is set to grow because of:

- Increase in disposable income 2x cash savings than before the pandemic despite inflation²
- Rise in consumer demand for sustainable goods
- Easy accessibility of products

A high 74% of consumers, however, are shifting from their usual shopping behavior to get more value for their money, including:

• Buying food in bulk • Revising quantities purchased • Switching to less-expensive brands or private labels⁶

DTC Sales Will Continue to Rule the Roost

K				

When CPG brands move to DTC models...

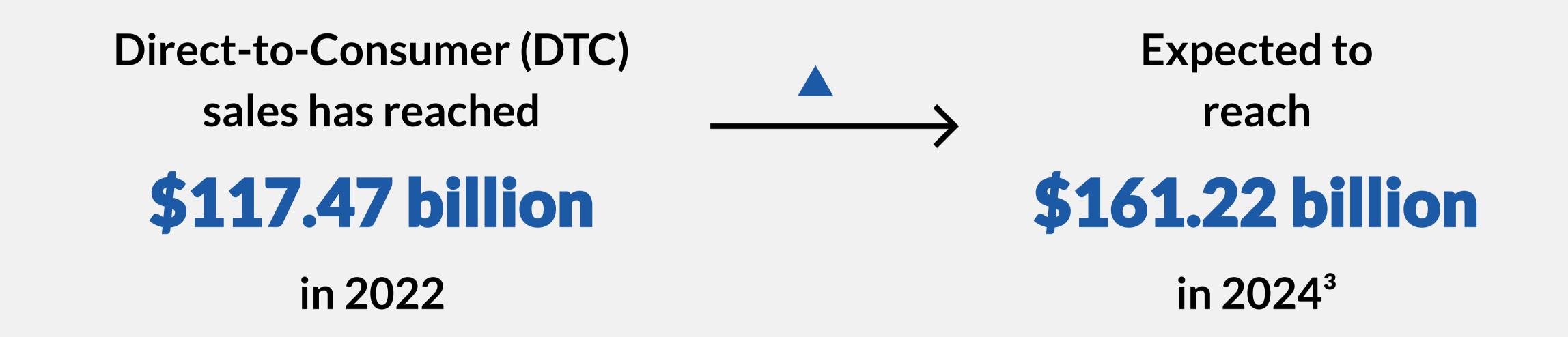


 \rightarrow

Costs on wholesale and retail intermediaries are eliminated...



Brands can sell directly to the end customer



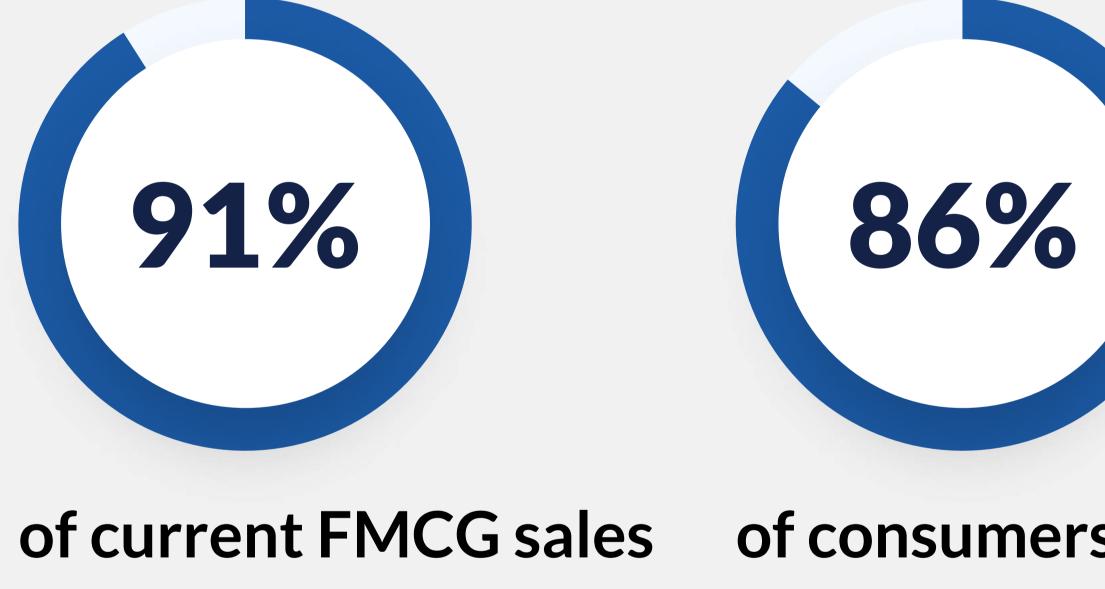


20% of global consumers choose private label products because retailer-owned brands are usually less expensive than name brands.⁴

Globally, private labels account for 19.4% of total FMCG value sales in 2022 – 14.4% in North America and 36% in West Europe.⁴

Omnichannel Shopping Is the Way Forward

22%



of current FMCG sale in the US are from omnishoppers.⁵ of consumers bought FMCG products both online and in-store.⁵ of shoppers plan an in-store shopping trip around a prior online order.⁵

Companies that provide a seamless shopping experience across digital and physical aisles will be front-runners in the CPG industry in 2023 and beyond.

Conscious Consumption Takes Center Stage

64% of US consumers value sustainability as a top consumer goal.⁶

About 33% of global consumers under the age of 44 are ready to spend more on foods in plastic-free packaging.⁶

50% of global consumers believe healthy eating is a top priority.⁶

Almost 50% of consumers worldwide need help understanding healthy and sustainable choices — CPG companies must focus on highlighting easy-to-understand information on the packaging.⁶



Beauty and Personal Care Segment Gets a Makeover

Personalized experiences prevail over the 'one size fits all' approach to personal care and beauty.

53% of US BPC users research ingredients to understand the effectiveness of a product.⁷

45% of US consumers who buy specific personal care products have chosen a substitute product or alternate brand due to price increases.⁷

40% of US consumers use TikTok for beauty information — leveraging social interactions and building communities in a phygital world using social media, AR, and VR is essential.⁷

Vending machines for color cosmetics and personal care items powered by AI and cashless payments are emerging worldwide.

Partner with <u>LatentView Analytics</u> to analyze real-time data to gain insights into consumer behavior and outline data-driven strategies.



References - <u>1</u>, <u>2</u>, <u>3</u>, <u>4</u>, <u>5</u>, <u>6</u>, <u>7</u>



Abbreviation Key: CPG – Consumer Packaged Goods; FMCG – Fast-Moving Consumer; BPC – Beauty and Personal Care; AR – Augmented Reality; VR – Virtual Reality; AI – Artificial Intelligence