

ATTITUDES TO PREMIUMISATION – THAI CONSUMER – 2020

Increase the adoption of products in the premium tier through superior functional and emotional benefits, affordable prices and variety of usage occasions.



A Mintel Analyst, Global Analyst



Report Content

EXECUTIVE SUMMARY

- What you need to know
- Mintel's perspective

Market context

- The impact of COVID-19 on premiumised products
 - Graph 1: consumers who expect to spend less over the next month compared to their usual spending habits, 14-17 Sep 2020
- The impact of COVID-19 on premium products
- High quality is not the only value attached to premium
 - Graph 2: factors that best define premium products, April 2020
- Younger gens' spending habits and attitudes push premium product growth
 - Graph 3: consumer spending attitudes, by generation, January 2020
- Premium private label increases premium product user base
 - Graph 4: attitudes towards branded products and private label products, November 2019
- Premium products play different roles for each consumer segment

What consumers want and why

- Consumers want: affordability & accessibility
 - Graph 5: non-premium product users' attitudes towards premium products, April 2020
- Consumers want: emotional appeals
 - Graph 6: premium product users' attitudes towards premium products, April 2020
- Consumers want: motivations to adopt
 - Graph 7: motivation to buy premium products in each category, April 2020

Opportunities

- Strengthen products' value and affordability
- Give reasons to adopt products more regularly
- Diversify occasions to adopt premium products
 - Graph 8: scenarios to purchasing premium products, April 2020

Mintel predicts

- The outlook for Thai premiumisation
- The marketing mix
- Promote premium products using image and emotion

KEY TRENDS

- What you need to know

Rising premium private label opportunities

- Thais pay for the best value, not highest quality
- Drive premium private label alternatives
- Opportunities to expand premium private label consumer base
- Offer exciting private labels in a premium range

Premium products driven by 'hyper-nesters'

- Your home is your castle
- The rise of hyper-nesting citizens
- Provide more products for quality at-home moments
- Offer more services directly to home

Increased spending willingness among younger gens

- Younger gens like to spend on discretionary categories
 - Graph 9: expenditure once a week or more, by generation, January 2020
- Because image matters to young people
- Target youngsters as the main premium product users
 - Graph 10: expenditure once a week or more, by generation, January 2020
- Extend premium product marketing to seniors
 - Graph 11: expenditure once a week or more, by generation, January 2020

CONSUMER INSIGHTS

- What you need to know

Premium product association & adoption

- Premium products mean high quality
 - Graph 12: factors that best define premium products, April 2020
- Quality alone is not enough
- Innovation best endorses premium products
- Offer innovation through different angles
- Celebrity endorsement raises premium perception to Millennials and Gen Z
 - Graph 13: factors that best define premium products, by age group, April 2020
- Motivations to buy premium products differ by category
 - Graph 14: motivation to buy premium products in each category, April 2020

Premium product user overview

- Small premium product user base
- Opportunities to expand premium product user base
- Widen adoption of premium discretionary products
 - Graph 15: premium product categories purchased in the last six months, April 2020
- Raise health and convenience claims for food & drinks
 - Graph 16: motivation to buy premium products in food & drink, April 2020
- Bring health, technology & convenience into beauty & personal care
 - Graph 17: motivation to buy premium products in beauty and personal care, April 2020
- Incorporate convenience and technology in household products
 - Graph 18: motivation to buy premium household products, April 2020

Premium product user segments

- Meet four segments of premium product users
- Premium product user segment #1: the Indulgers
 - Quality brings better moments for indulgence
 - Provide health benefits to guilty pleasures
- Premium product user segment #2: the Special Occasion Spenders
 - Use claims & headlines to intensify products' specialness
 - Use claims & headlines to intensify products' specialness
 - Give a reason to spend for themselves
- Premium product user segment #3: the Experiencers
 - Attract the Experiencers with novelty
 - Keeping the Experiencers loyal is the challenge
 - Graph 19: factors that best define premium products, the Experiencers, April 2020
- Premium product user segment #4: the Non-Specialists
 - Give good reason to buy premium products
 - Move the Non-Specialists to the Experiencer group
 - Graph 20: premium product categories purchased in the last six months, the Non-Specialists, April 2020
- Opportunities to increase reasons to adopt premium products

Non-premium product users

- About one fifth are non-premium product users
- Attract them with price affordability and purchasing channel accessibility
- Lure non-premium product users with functionality
 - Graph 21: factors that best define premium products, April 2020

MARKET APPLICATIONS

- Opportunities: key focus areas

Strengthen products' value and affordability

- What you need to know
- Talk about value, not price
- Introduce consumers to premium private labels
- Push more premium private labels
- Increase premium private label awareness
- Prove that brands truly want consumers to get good deals
- Make use of e-marketplaces
 - Graph 22: shopping habits, by income level, January 2020
- Make use of e-marketplace

Give reasons to adopt more regularly

- What you need to know
- Play up emotional benefits
 - Graph 23: motivation to buy premium products in each category – "it claims to help me de-stress and/or improve my mind", April 2020
- For food, make indulgent products healthier
- Offer more permissible indulgence options
- Add a little pleasure to healthy food
- Incorporate innovations for elevated convenience
 - Graph 24: motivation to buy premium products in each category – "it makes my life more convenient", April 2020
- Promote innovations worth trying
- Put stories and exclusivity in the products
- Make premium products more accessible and affordable
- Position products as better-for-the-world alternatives
 - Graph 25: motivation to buy premium products in each category – "it claims to be eco-friendly or sustainable", April 2020
- Position products as better-for-the-world alternatives

Diversify occasions to adopt premium products

- Move non-users & the Non-Specialists to the Experienter group
- Move Special Occasion Spenders to the Experienter & Indulger groups
- Increase gifting occasions among the Indulgents
- Make the Experiencers adopt products more than once

APPENDIX

- Consumer research methodology

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