

Megatrends: Premiumisation

February 2024

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Leaders harness megatrends to disrupt a market

Key findings

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Pillars of Premiumisation in detail

THE EVOLUTION OF PREMIUMISATION

Premiumisation continues to be in demand amidst high cost of living environment

Consumer expenditure set to grow as consumers seek to enhance quality of life

Gen Z set to be key target consumer group for premium products and services

Premium private label set to rise with growing interest in value-added functionality

Affordable premiumisation appeals to price-conscious consumers

Balenciaga joins the group of luxury brands venturing into resale with its Re-Sell platform

Opportunities and challenges for premiumisation

PERSONALISATION

Personalisation continues to be highly valued by consumers to suit their lifestyles

Hugo Boss invests in greater personalisation with a new AI Digital Campus in Portugal

Zoe: gut health to play a pivotal role in consumers' personalised nutrition journeys

Automatic coffee machines continue to thrive offering personalised experience in homes

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Snacks: Premium positioning through perceived luxury and indulgence

Food brands move to untapped categories to appeal to indulgence and premium

Aspirational consumption of alcohol drives premiumisation

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Consumers turn to the only ones they fully trust in an uncertain world – themselves

Against a background of wellness, “home as sanctuary” evolves catering to self-care

Inflation leads to consumers indulging in small splurges to make themselves feel good

Rise of premium beauty and personal care products to appeal to consumers' self-care

Wellbeing products including natural mood enhancers serve to provide self-care

Mood enhancing emerges as a consistent self-care experiential claim in premium positioning

Aromatherapy Associates combines emotional and physical wellness solutions for self-care

HEALTH IS THE NEW WEALTH

Consumers prioritise wellbeing and are willing to pay a premium for functionality

Food products with clear nutrition benefits sought-after by consumers

Health claims in products increasingly desired by parents for their children

Pet food has also launched health-orientated premium food due to health and wellness

BUYING EXPERIENCE AND COMMUNITY

Buying experience and community continue to be sought-after by consumers

Digital transformation enhances consumers' buying experience for luxury goods

Luxury resort Ahau Collection introduces new NFT loyalty scheme to attract Gen Z tourists

Lotte Duty Free taps into the metaverse

Pet shops and superstores invest in elevating the in-store experience

Consumers are willing to pay a premium on community-based drinking occasions

IMPLICATIONS FOR FUTURE GROWTH

Premiumisation set to record slower growth over the next 10 years

Growth will come from emerging regions such as Eastern Europe and Asia Pacific

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