

Chief Marketing & Sales Officer Forum

Go beyond the usual suspects to find growth in emerging markets

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What if we told you that sales of skin care products in the next decade will be twice as much in a single city—Shanghai—as in the entire country of Malaysia? Hard to believe, but that’s the projection. And it’s just one example of why global consumer-goods companies need to look at emerging markets from different angles.

If you’re in consumer goods, the emerging markets are your ticket to major growth. From 2010 to 2020, they will account for about 70 percent of the worldwide growth in consumer spending and about 50 percent of total consumer spending. For many FMCG companies, their emerging-market focus has been all about the BRICs (Brazil, Russia, India and China)—which makes sense, considering they’re expected to deliver about half of the worldwide growth. But if you’re serious about growth, you need to look beyond BRIC at the next tier of large emerging countries: Argentina, Colombia, Indonesia, Mexico, Philippines, Poland, South Africa, South Korea, Turkey and Ukraine. Together these next 10 emerging countries promise about 20 percent of total growth in emerging-market consumer spending.

Drilling down deeper, to the city level, could tap the richest veins for some categories in some geographies. The world’s top 100 cities will contribute about 30 percent of growth in global consumer spending between 2010 and 2020, 66% of these cities are located in emerging markets. Cities like Chongqing in China and Belo Horizonte in Brazil might not be on many CEOs’ radar, but they’re among those poised for the highest growth in consumer spending.

Have you been using a broad BRIC approach to emerging-market growth? You might be just scratching the surface. Our advice for FMCG multinationals who want to identify their most promising growth opportunities: Look much deeper.

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