



# Affordability, Value and the Cost of Living: Cities as Hubs of Consumer Spending

June 2023

## INTRODUCTION

Scope

Key findings

## WHY DO CITIES MATTER?

Cities are hubs for consumer spending

Cities continue to attract populations as global urbanisation rates surge

Cities are hubs for e-commerce and tech-savvy consumers

Cities are home to the most affluent consumers globally...

...however, income inequality tends to be a greater problem in cities

## CITIES AND SPENDING IN 2023

Inflation to stabilise in 2023, but cost-of-living pressures will dampen on spending

Consumption-focused cities will face greater economic struggles amid sluggish spending

Opportunities for growth can be found in developing and emerging Asian cities

## PURCHASING HABITS OF URBAN CONSUMERS

Urban consumers to develop more conservative and budget focused spending habits in 2023

Sa Sa's discount store image will help it find its niche among price-sensitive Singaporeans

Spending on non-discretionary items to fall as urban consumers prioritise necessities

Digital solutions are helping consumers to navigate the cost of living crisis

Jisp's Scan & Save AR app sees a 600% rise in volume of discounts used for branded goods

Despite the tough economy, urbanites still desire affordable indulgences

Pret-a-Manger launches affordable menu to appease indulgence-seeking urbanites

## OUTLOOK

Subsiding inflation will help boost consumer spending in cities; however, risks remain

Cities in Asia Pacific will continue to drive global spending over the medium to long term

Discretionary spending to surge in urban areas amid an improving economic climate

Cities and spending in 2030

## CONCLUSION

Key takeaways

How to win in cities

Evolution of affordability, value and the cost of living in cities

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