

Vietnam – Changing Consumption Trends

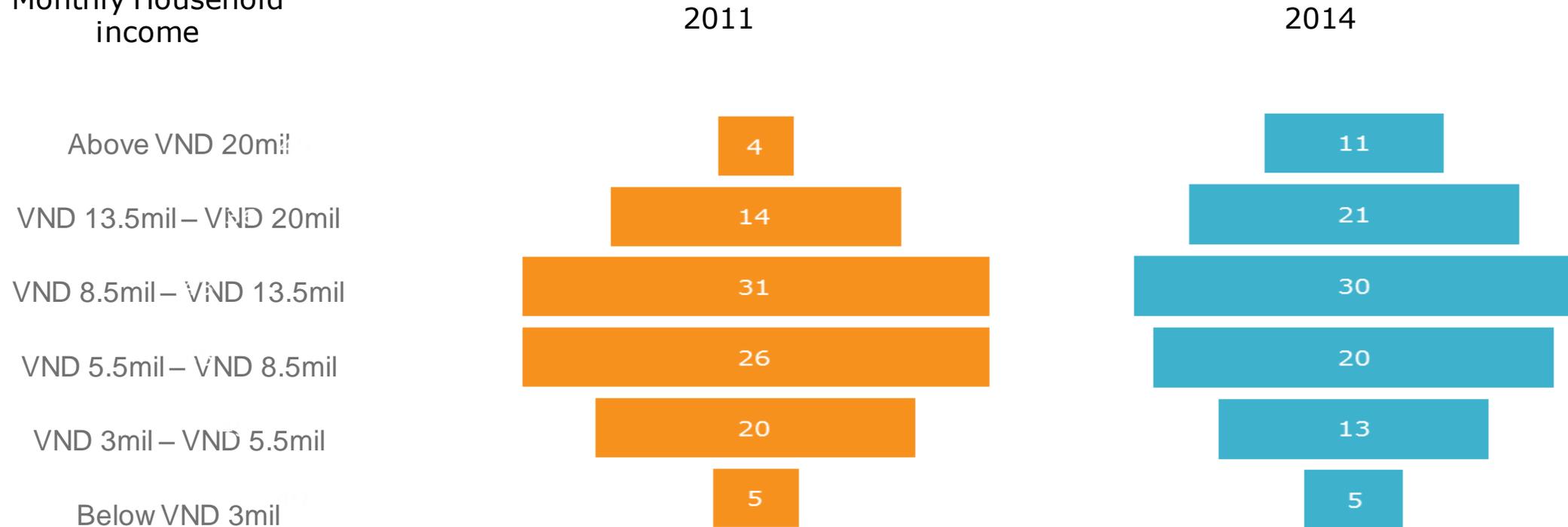
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Research Director



Changing Lifestyles of Vietnamese

Increasing income levels

Monthly Household income

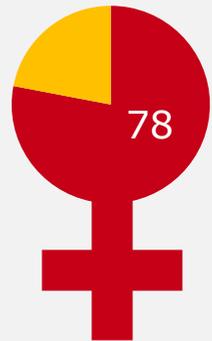


Progression to a middle income country and significant social change during the last 20 years



30%

of Vietnamese plan to spend more over the next 12 months.

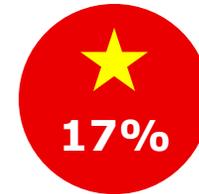


1999

"Women must focus only on their traditional roles"



2016



more fast food consumption compared to 20 years ago

Social & lifestyle changes during the last 20 years

-  55% play sports several times a month
-  34% watch sports live several times a month
-  Drama, sports and gameshows are new top TV favorites
-  Cinema-goers have doubled
-  45% go out to bars and clubs

Changing living conditions



New Furniture & Fixtures
Limited space
In home entertainment
Change in Shopping Habits

Out of home – more options



More Value

Celebrations & Family Entertainment





From Beer Garden to Beer Club to Lounge



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From Cơm to Phở to Cầu kỳ



From Café den to Café Latte

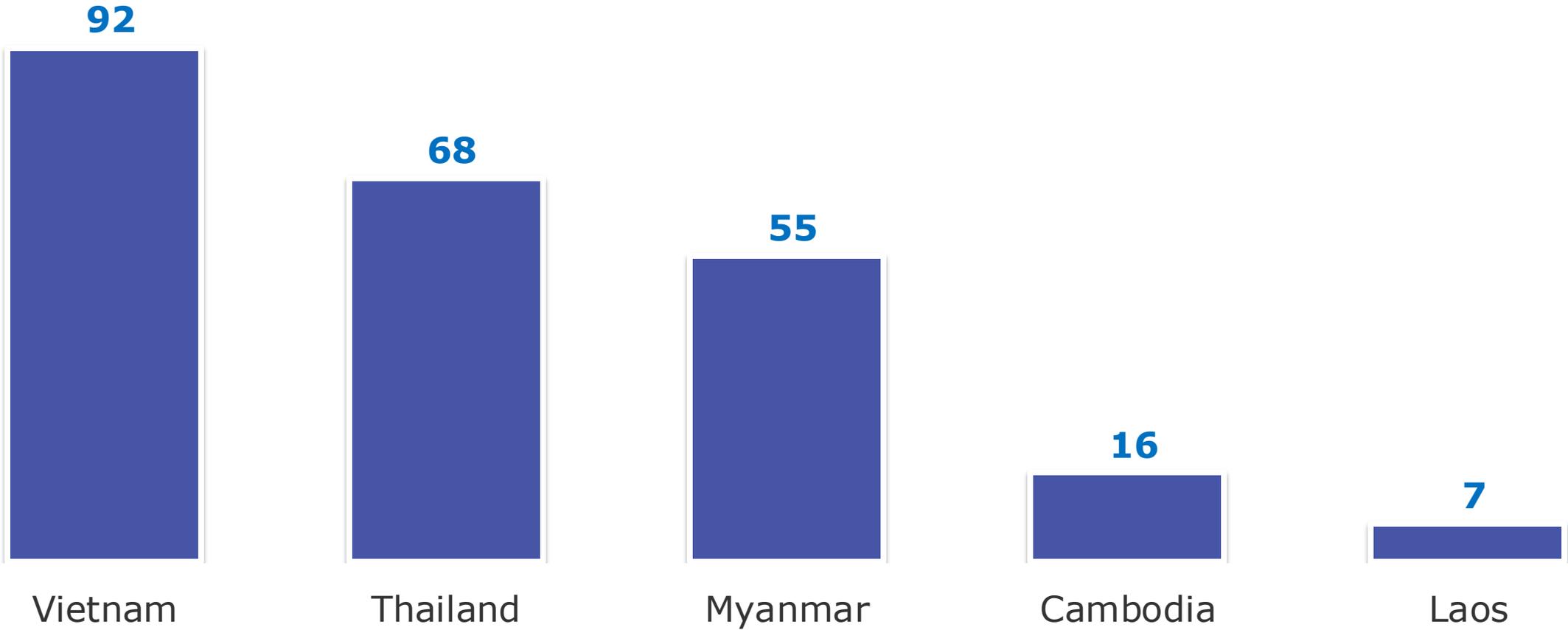


From Đá cầu to gym & yoga

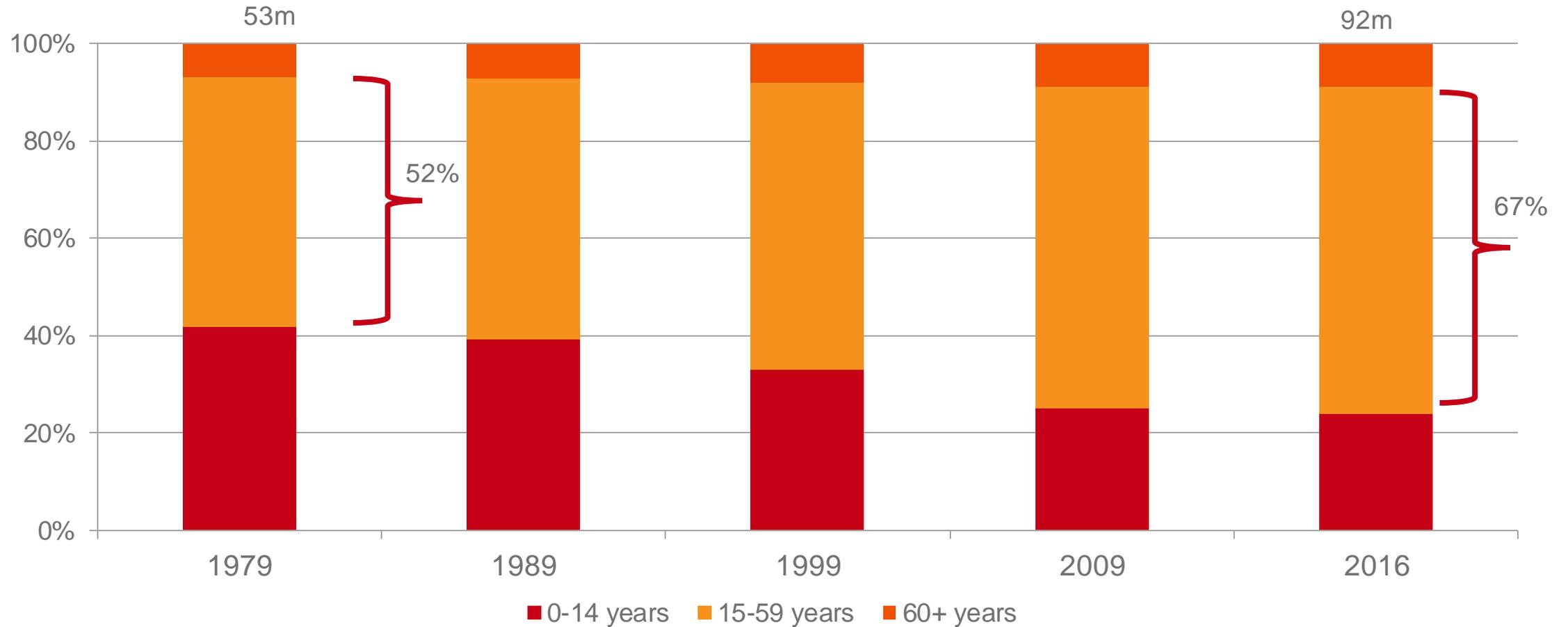


So what is happening?

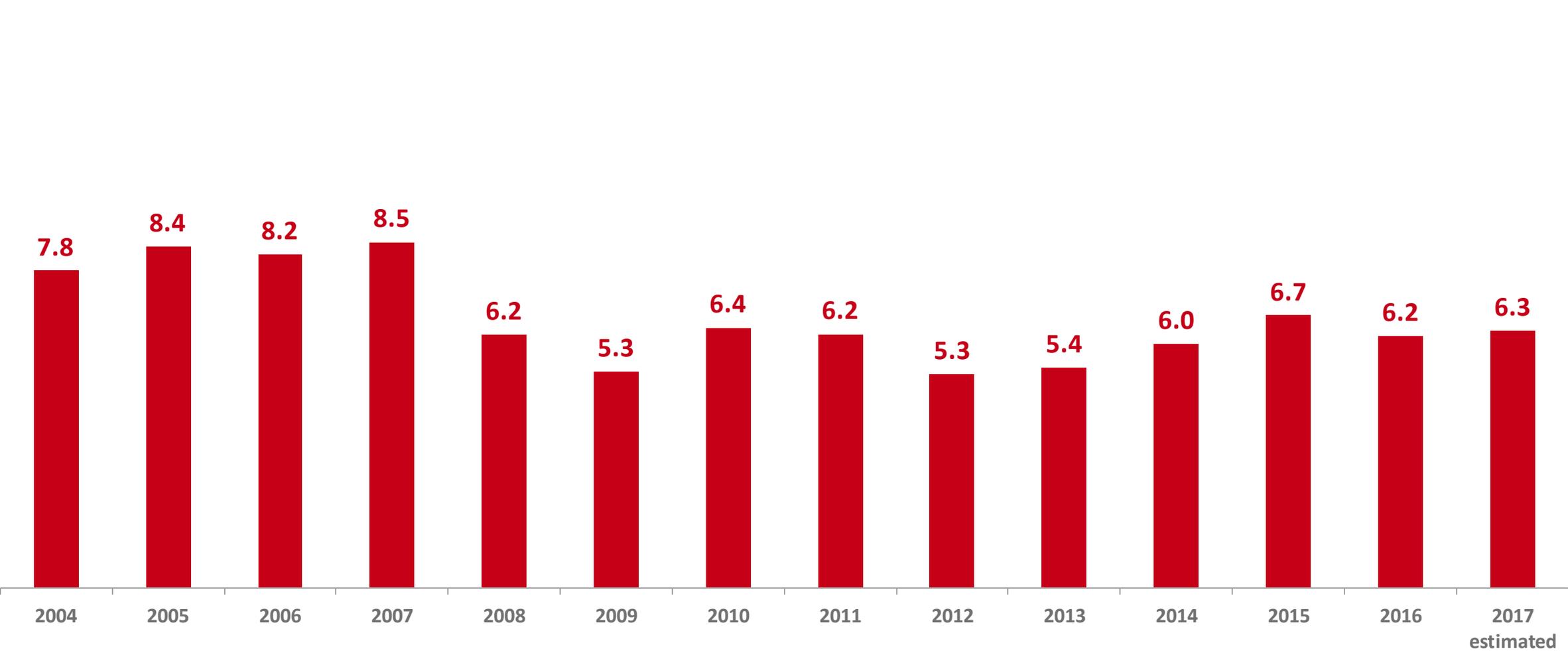
Vietnam – a huge opportunity



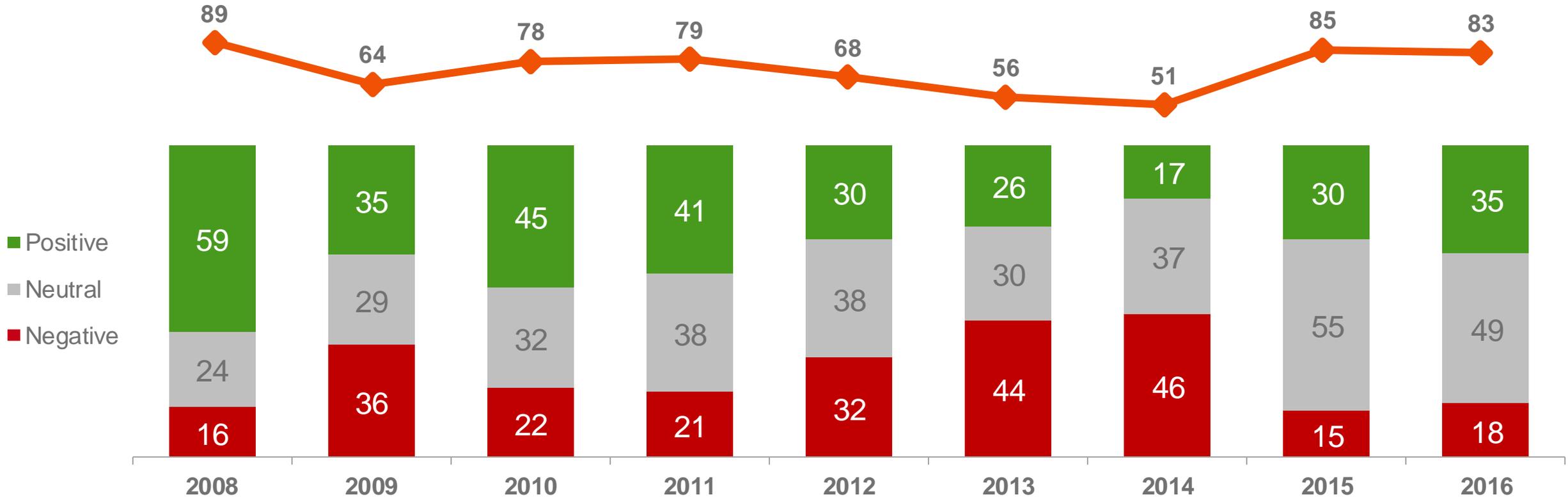
Vietnam – Opportunity is everywhere



GDP reflects a developing economy

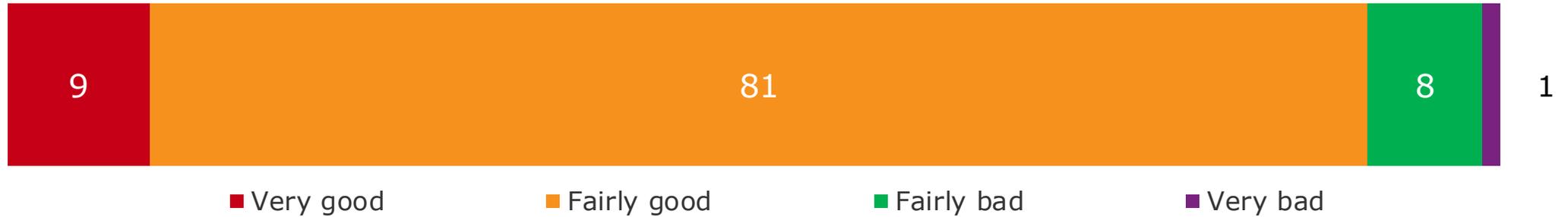


Consumer Confidence follows the GDP



Consumer's are positive and upbeat about the economy

Vietnam's economy at present

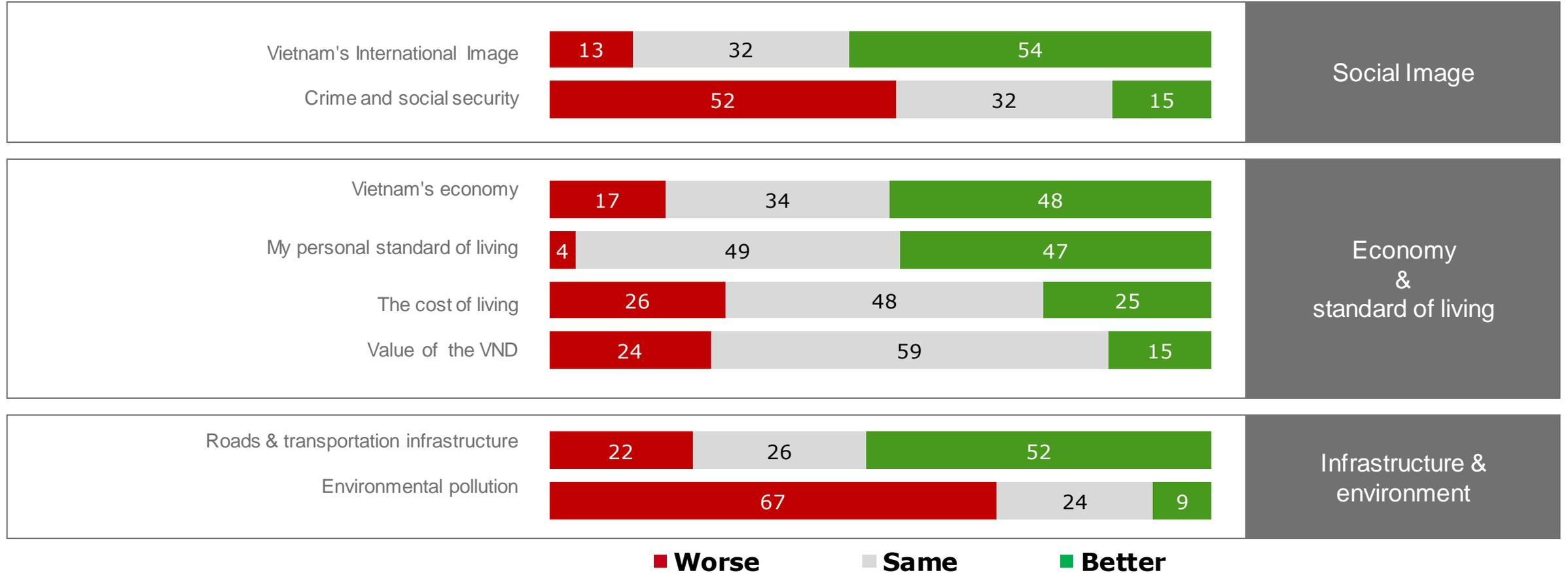


Vietnam's economy in the next couple of years



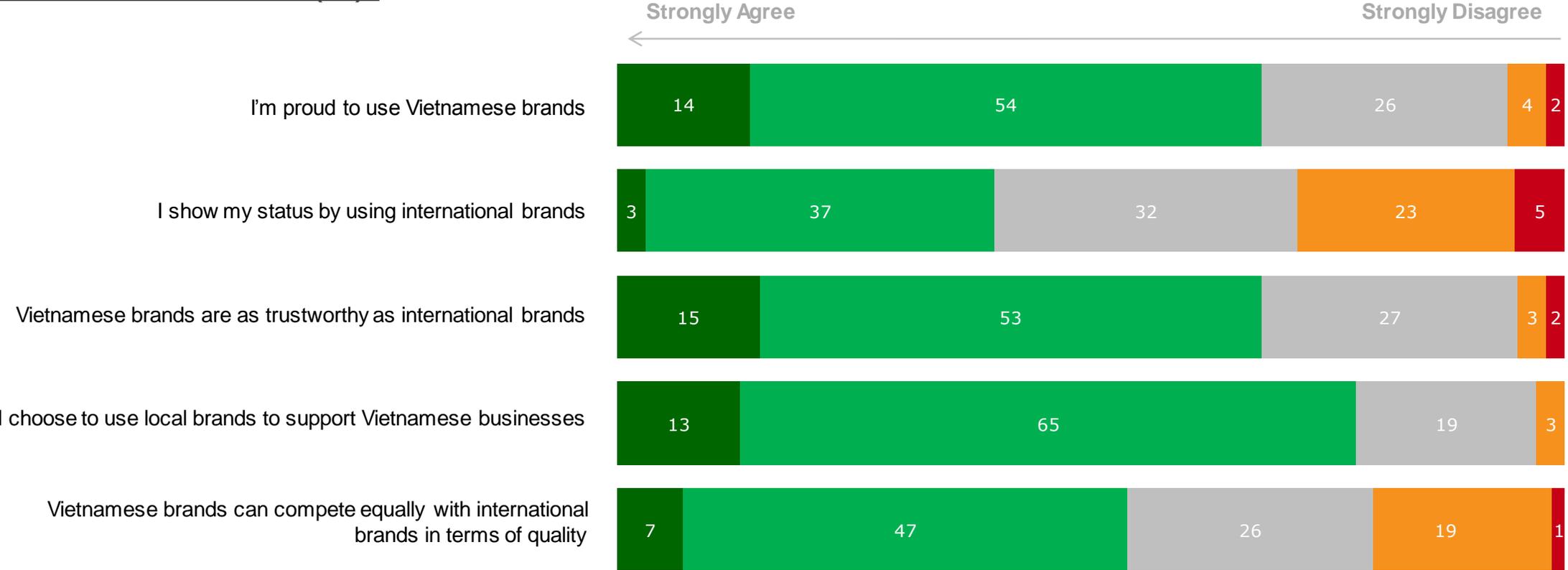
Consumers positive about Vietnam's International Image, Economy & Infrastructure

Consumer Outlook



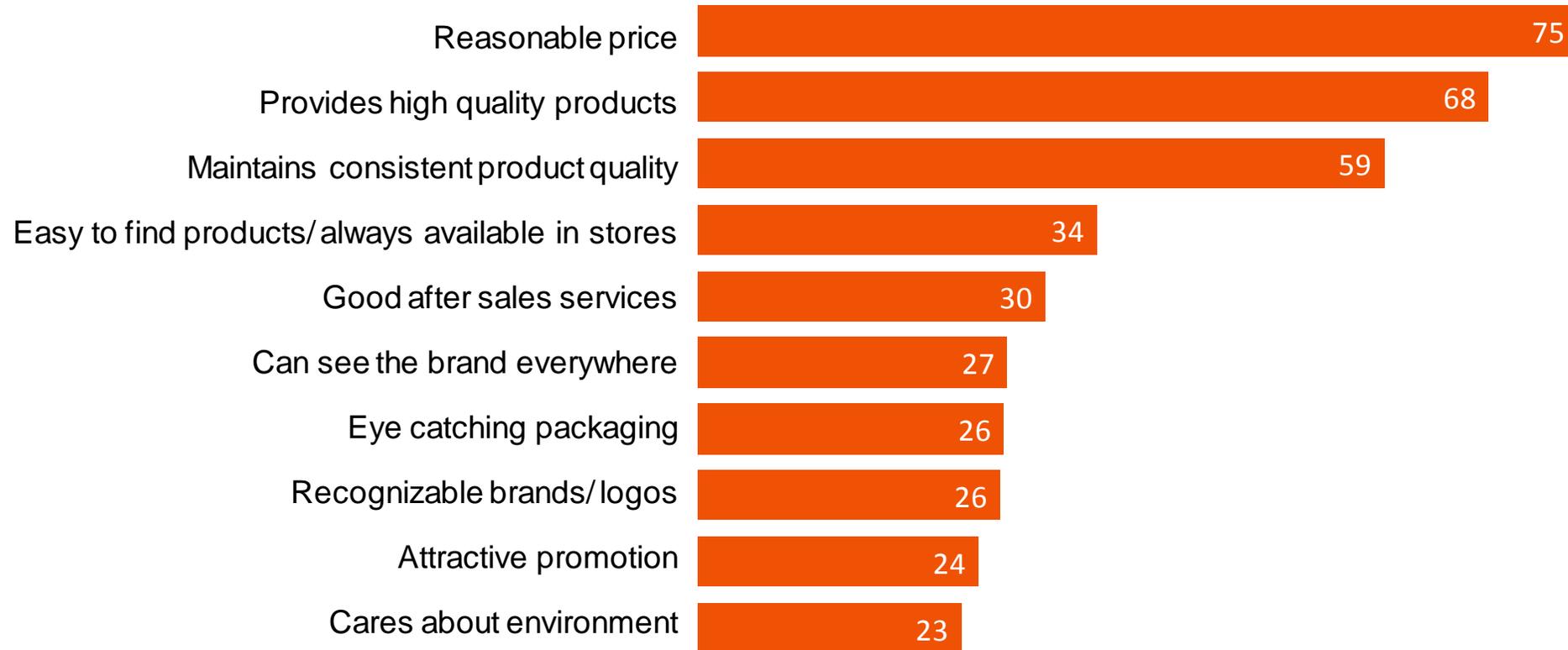
Vietnamese brands & nationalistic pride

Attitude towards Brands (%):



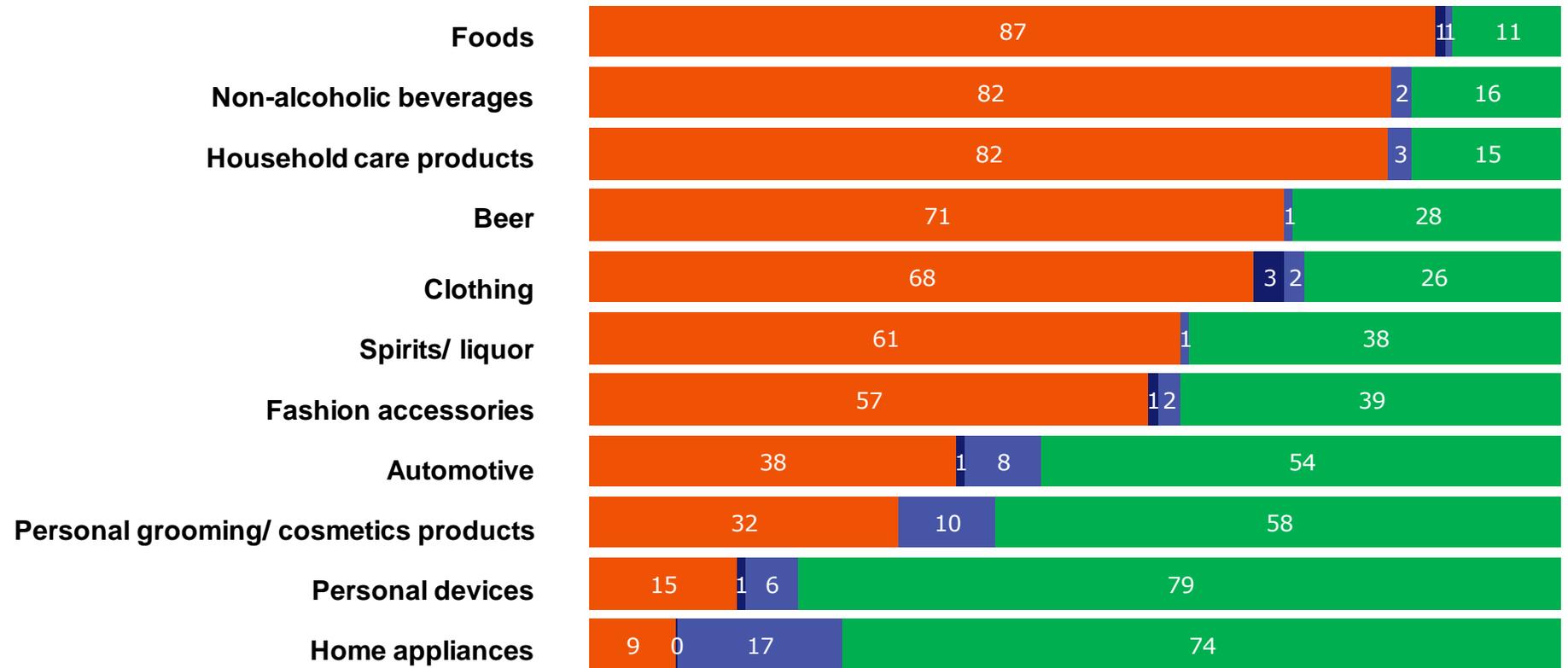
Reasonable price and high quality product are most important factors for Vietnamese' brand improvement to compete with international brands; however visual terms need to be focused as well

Top 10 recommendations for Vietnamese' brands to compete with International ones (%) :



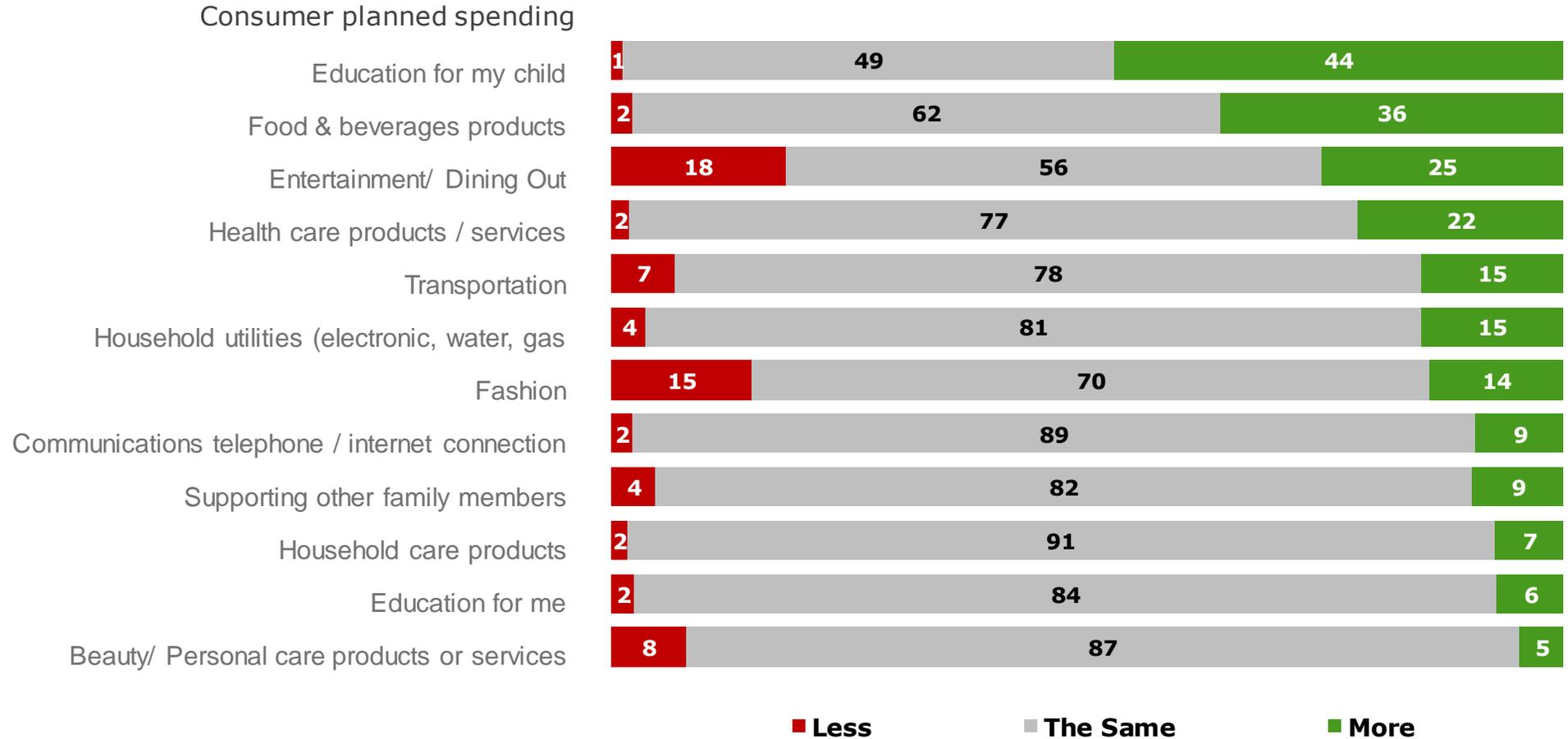
Source: Q14. In your opinion, what would help Vietnamese brands to compete with international brands?

Preferred Country of Origin



■ Vietnamese brands
 ■ Chinese brands
 ■ Other SEA brands (Thailand/ Malaysia/ Indonesia etc)
 ■ International brands

More spending anticipated for Kids education, Food & Drinks, Entertainment



Retail Landscape

RETAIL LANDSCAPE

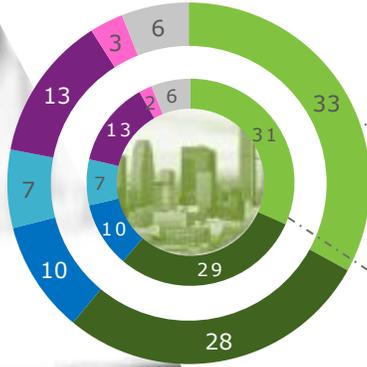
Street shops sustain their dominance (over 60% share) in both Urban 4 cities and Rural. Ministores (Minimarket & CVS) achieve the most outstanding performance in Urban 4 cities (grow by 36%). Proximity & smaller formats are now driving the market growth.

VALUE SHARE %

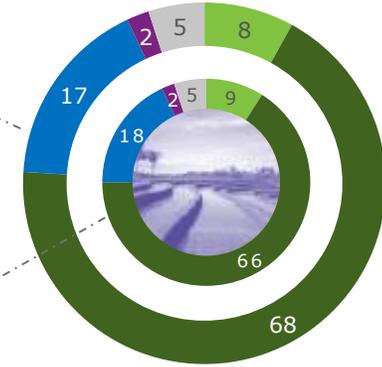
FY 2016

FY 2015

Urban 4 cities



Rural



MEDIUM-SIZED STREET SHOPS

SMALL STREET SHOPS

WET MARKET

SPECIALTY STORES

HYPERMARKET & SUPERMARKET

MINIMARKET/ CVS

OTHERS

VALUE CHANGE %

FY 2016 vs year ago

MEDIUM-SIZED STREET SHOPS

SMALL STREET SHOPS

WET MARKET

SPECIALTY STORES

HYPERMARKET & SUPERMARKET

MINIMARKET/ CVS

MEDIUM-SIZED STREET SHOPS

SMALL STREET SHOPS

WET MARKET

↑ 11%

=

=

↑ 1%

↓ 1%

↑ 36%

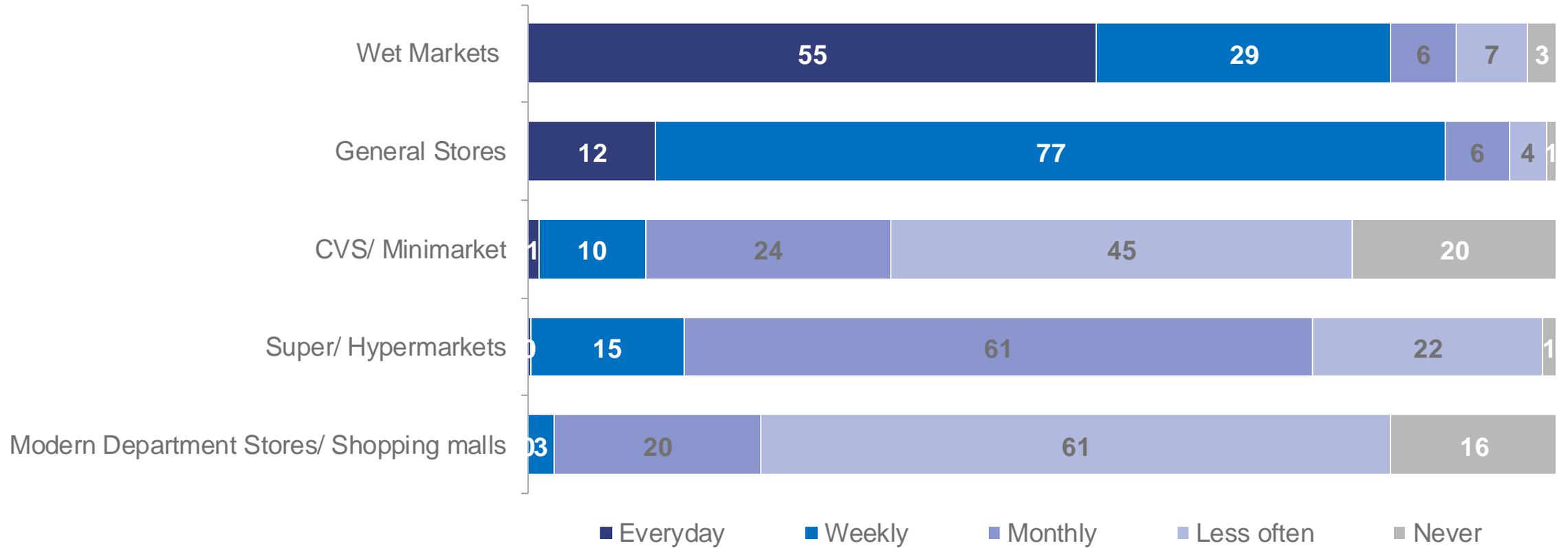
↓ 3%

↑ 5%

↓ 6%

Select your distribution point depending on purchase frequency

Shopping channel frequency (%)



Continued interest in Retail



CENTRAL Group



Digital Trends

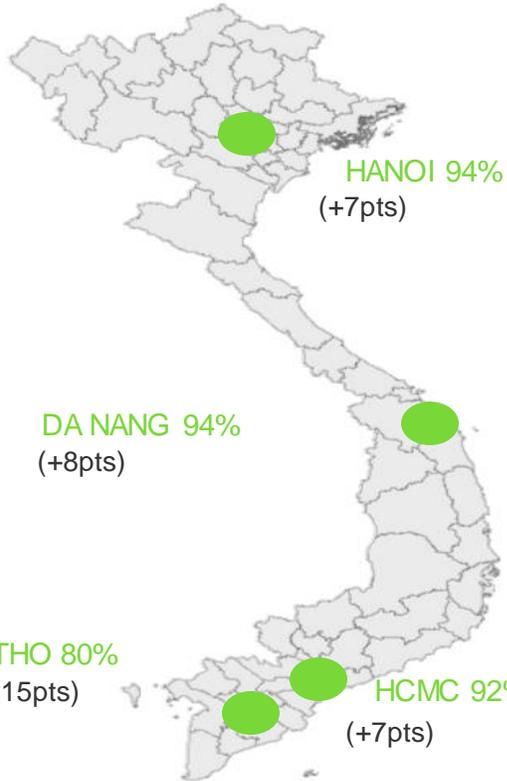
More than half of Vietnam is on the Internet



URBAN 4 CITIES



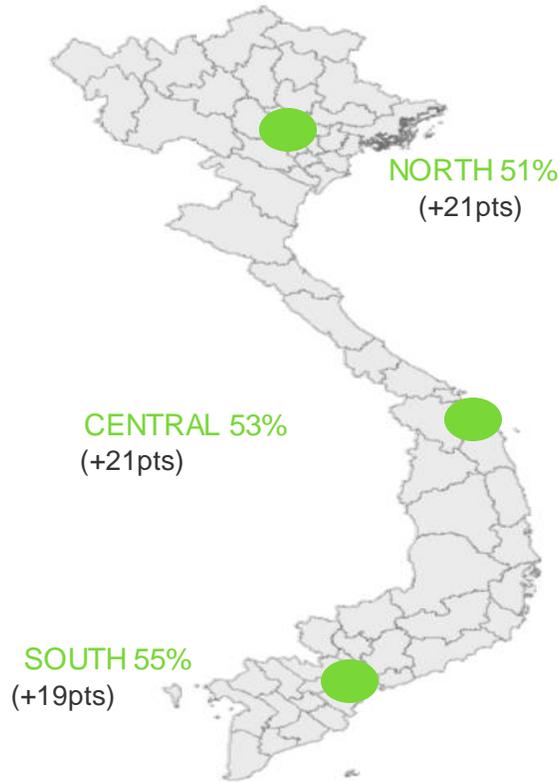
%HHs access to internet



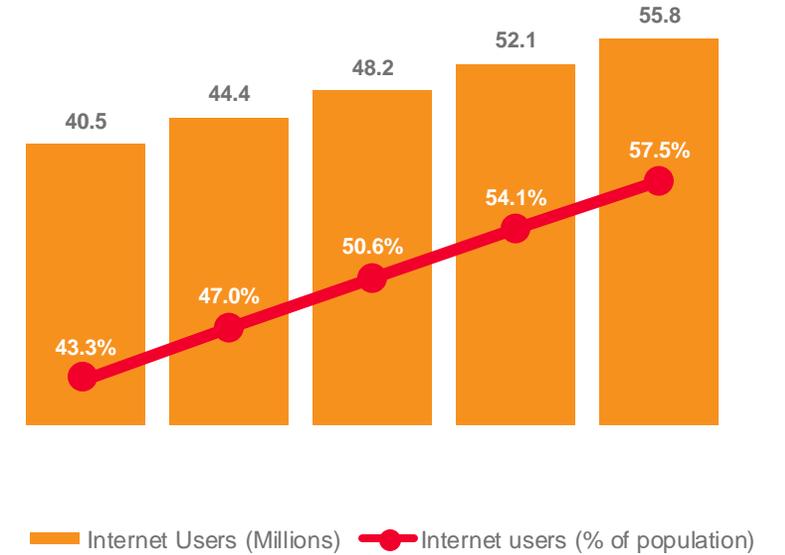
RURAL



%HHs access to internet



The other half is catching up fast



Source: Kantar Worldpanel – Digital Survey 2015 – Urban 4 key cities and Rural Vietnam, e-marketer

Cheap data, fast speeds, great coverage

Cost of entry level data plan

VN	3.30
IN	6.72
ID	11.27
PH	14.63
TH	16.57
BR	18.03
MX	24.89

Source: Broadband Pricing Study, Google

Effective Bandwidth (mbps)

VN	3.9
IN	1.4
ID	1.6
PH	1.2
TH	2.2
BR	2.0
MX	2.7

Source: Internal YT data, Google

3G/4G Coverage (%popn)

VN	90%
IN	75%
ID	85%
PH	90%
TH	95%
BR	NA
MX	NA

Source: GSMA, Jun 2015

Vietnam snapshot

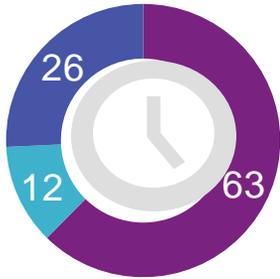
Consumers

Establish target connectivity

2.5 Number of devices owned (mean)

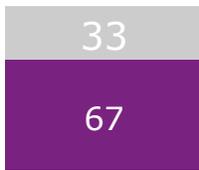
Share of time on devices (%)

- Mobile
- Tablet
- PC



Share of time on media (%)

- Traditional
- Digital



Connections

Identify major reach platforms

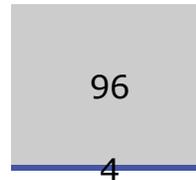
9.7 Online activities (weekly)

Top 3 activities

1. Access social networks
2. Read articles
3. Instant messaging/chatting

Ad blocking penetration (%)

- Don't use/DNK
- Use



Content

Determine content platforms and needs

4.3 Social platforms (weekly)

Top 3 platforms

1. Facebook
2. YouTube
3. Facebook Messenger

Ideal use of social

- 53%** Content
- 29%** Advocacy
- 25%** Provide info
- 13%** Customer service

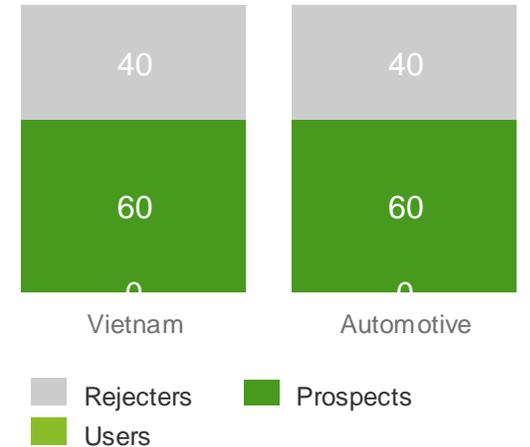
Commerce

eCommerce penetration and assess potential

Automotive

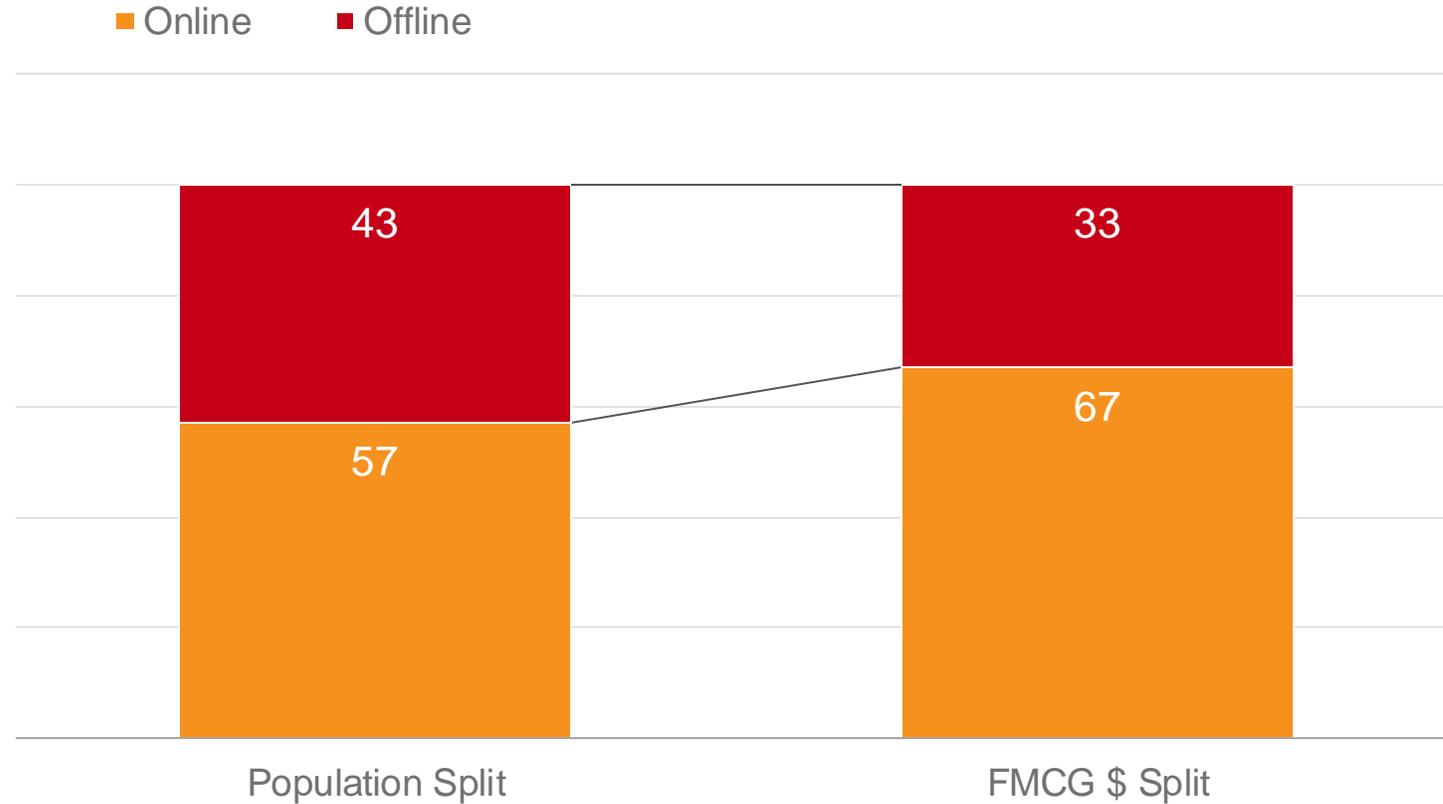
72 28 Decision-making ratio before | during shopping

eCommerce penetration/potential



Source: Various – see notes for full definitions
Base: Vietnam (1,000)

And the most valuable audiences are online



Online HHs (57%) contribute to

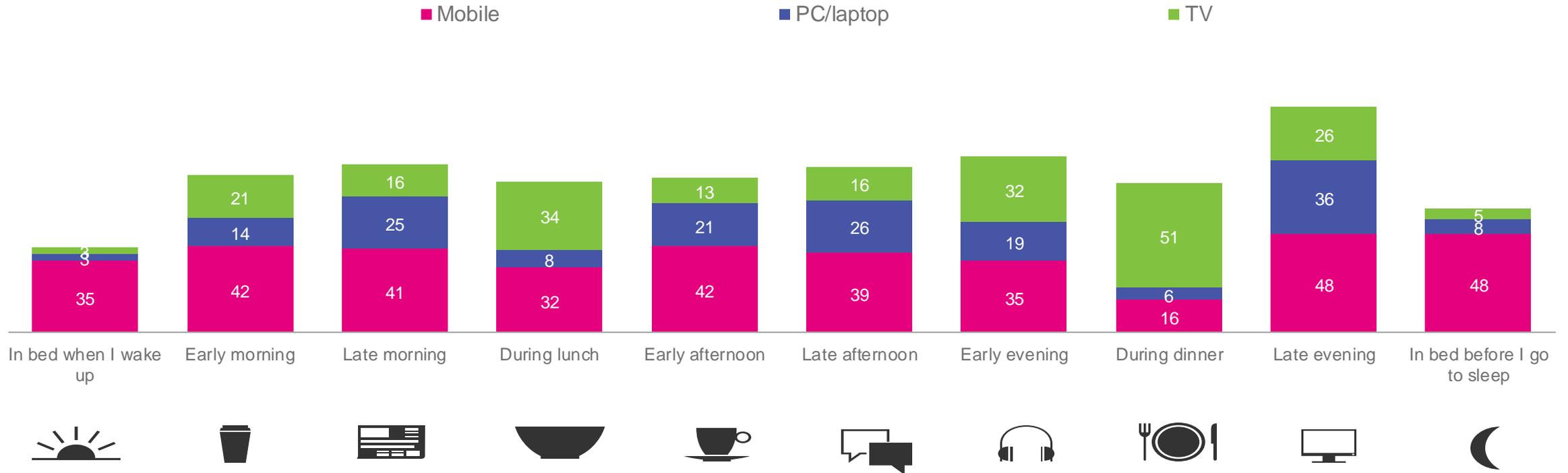
67%

total spending for FMCG in VN

Source: Kantar Worldpanel (Combined results of Top 4 City Panel & Rural Panel)

Being online connect consumers throughout the day

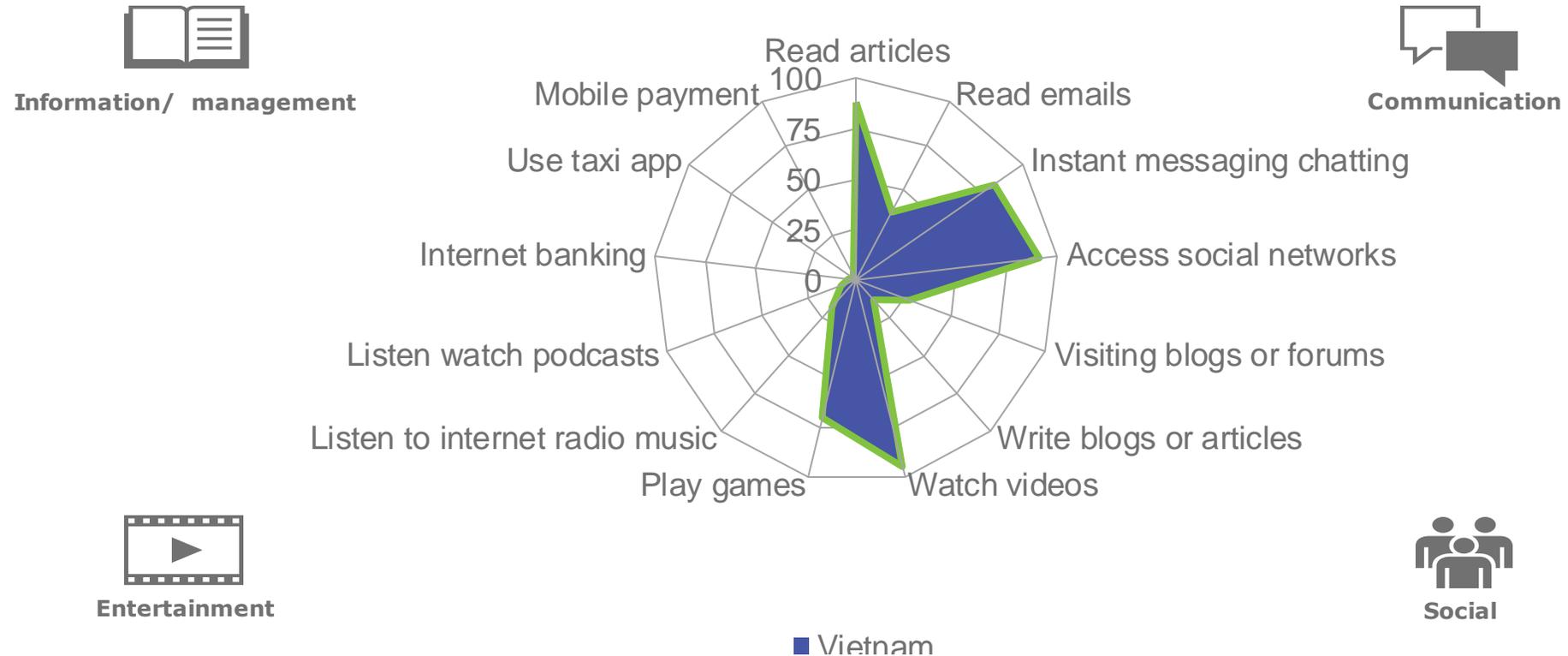
Reach of devices and media throughout the day %



D5. Device/media usage by daypart
Base: Vietnam- typical day (503)

What is the activity footprint of Vietnam ?

Weekly digital activities footprint %



Social network snapshot



Vietnam Weekly Facebook users



What role does Facebook play best?

Sharing my updates or photos	85%
Posting my videos	79%
Keeping up with friends/family	88%
Viewing friend's and family's videos	83%
Chatting with others	44%
Finding articles to read/videos to watch	63%
Keeping up with news/live events	69%
Keeping up with online personalities	65%
Keeping in touch with communities	74%

What brand activity is currently taking place?

Monthly %

Read brand post	59
Watch video	61
Follow a brand	47
Seek info about...	54
Share brand post	44
Like/comment on brand..	64
Ask a brand a question	28
Ask for customer service	26
Complain about a brand	17
See post from...	59

How do users want to interact with brands on Facebook?

Ideal usage %

Entertaining content	32
Information about products/services	19
Ask questions	14
Share opinions	24

Social network snapshot



Vietnam Weekly Youtube users



What role does Youtube play best?

Sharing my updates or photos	3%
Posting my videos	10%
Keeping up with friends/family	2%
Viewing friend's and family's videos	14%
Chatting with others	2%
Finding articles to read/videos to watch	30%
Keeping up with news/live events	16%
Keeping up with online personalities	17%
Keeping in touch with communities	3%

What brand activity is currently taking place?

Monthly %

Read brand post	0
Watch video	52
Follow a brand	41
Seek info about..	41
Share brand post	31
Like/comment on brand..	43
Ask a brand a question	18
Ask for customer service	16
Complain about a brand	11
See post from..	53

How do users want to interact with brands on Youtube?

Ideal usage %

Entertaining content	27
Information about products/services	9
Ask questions	0
Share opinions	8

Thank you

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