

A glass of milk is shown on the left side of the image. A large, bright green diagonal shape overlays the right side of the glass and extends across the top and right of the entire image. The text 'APRIL 2017' is written in white on the green background.

**APRIL
2017**

KANTAR **WORLD**PANEL

FMCG MONITOR

**An integrated update
of Vietnam FMCG market**

16 weeks period ending 23 April 2017 (YTD P4'17)
Urban 4 Key Cities & Rural Vietnam

EXECUTIVE SUMMARY

1

KEY
INDICATORS



Uncertainty to reach the economic growth target yet retail sales of consumer goods still grow well.

2

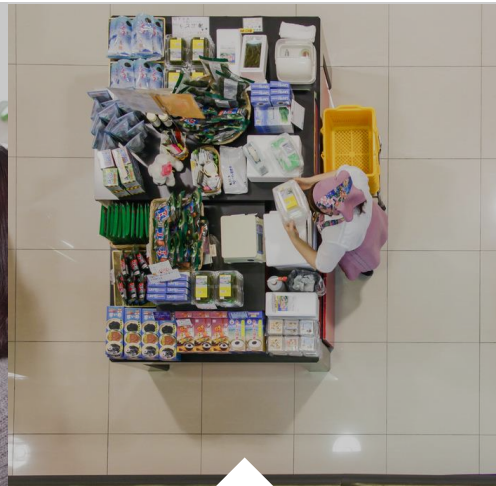
FMCG
GROWTH



A **GLOWING OUTLOOK** of FMCG is continuously expected by the end of 2017.

3

HOT
CATEGORY



INSTANT TEA & HOUSEHOLD CLEANER products are outstanding categories.

4

RETAIL
LANDSCAPE



Medium-sized street shops, Hyper & Supermarkets are growing their importance.

5

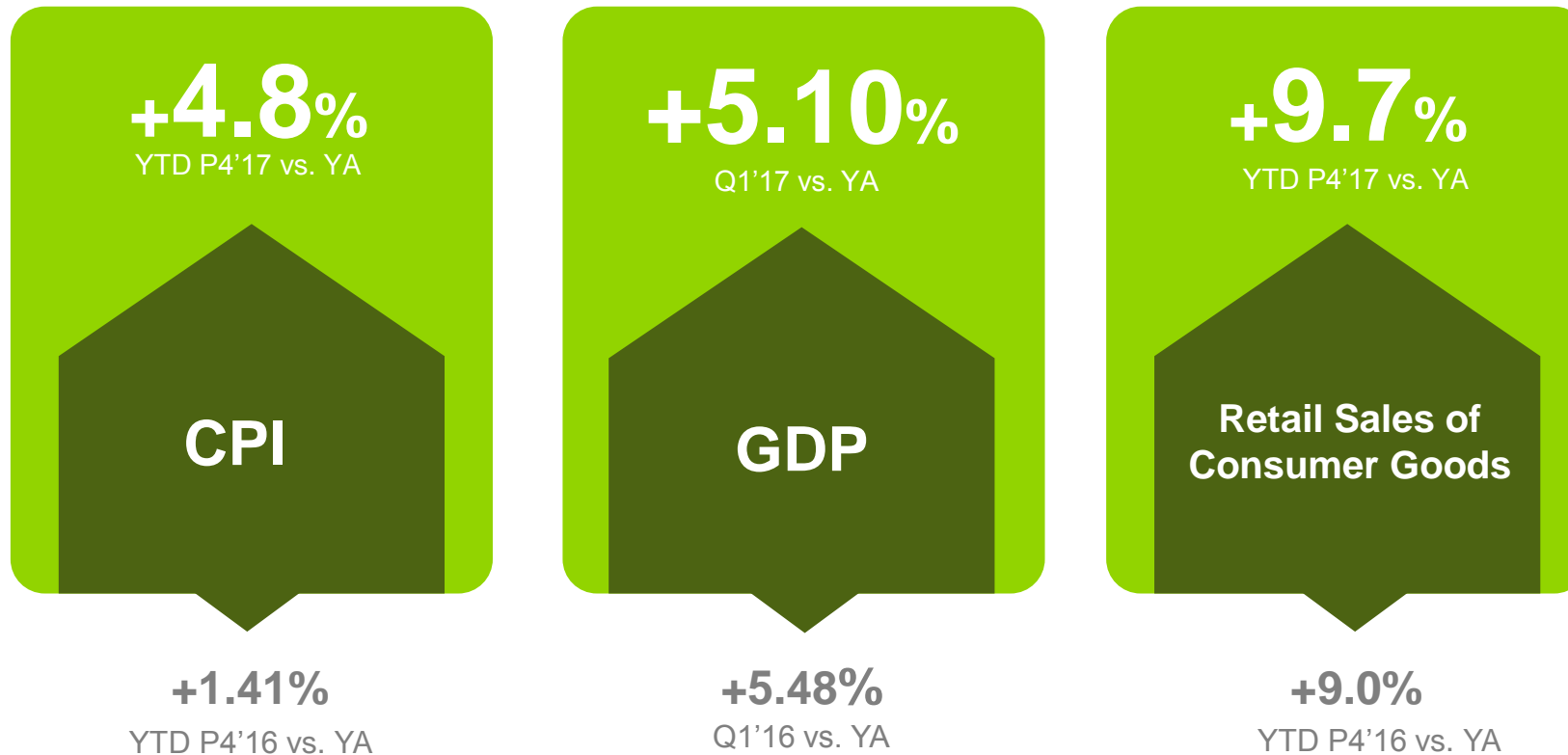
SPOTLIGHT



GROWING UP MILK POWDER is currently struggling, especially among babies >1 YO!

KEY INDICATORS

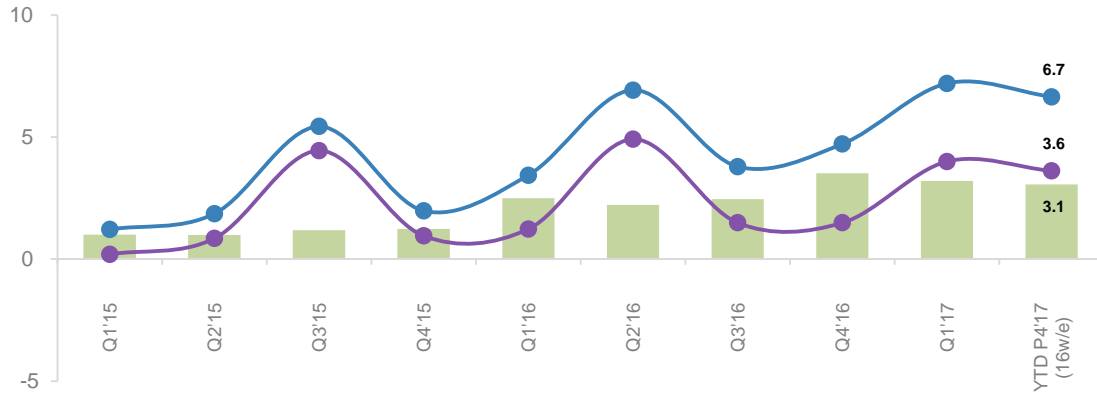
On average in the first 4 months of 2017, CPI is lower than the average of Q1 2017 yet still posts at a high rate compared to last year. Though the rest of the year is predicted to see positive improvements with more efforts needed, Vietnam eyes a tough road to reach the 2017's target of economic growth. In the context of weaker economic performance than expected, the healthy growth of retail sales of consumer goods is a bright spot.



Source: GSO Vietnam

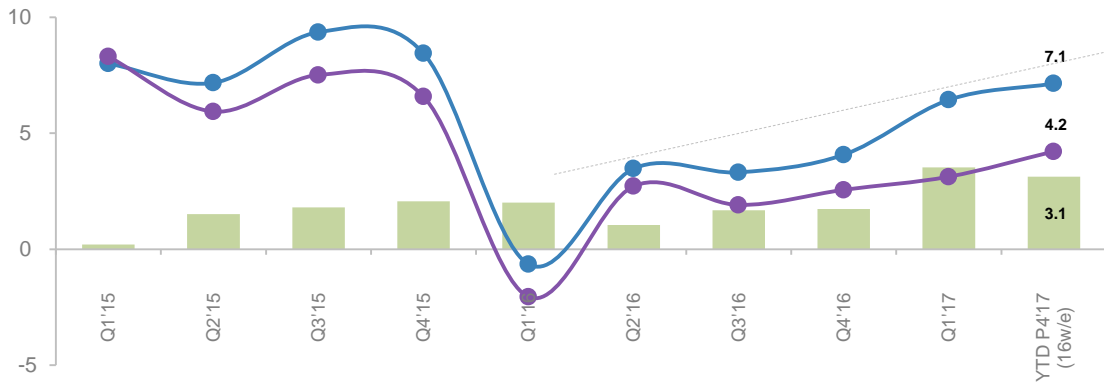
FMCG GROWTH

FMCG – 12 WEEKLY YEAR-ON-YEAR CHANGE (%)



% change

Avg. Price paid* Value Volume**

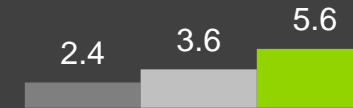


Urban 4 key cities FMCG market keep moving up in both value and volume while Rural market is likely to get its momentum back. In short term, the market has been recovering in Rural since the 2nd quarter of 2016 and reaches the highest growth in this period. Overall, a glowing outlook of FMCG is continuously expected by the end of 2017.

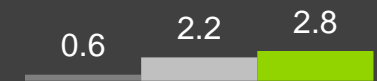
Urban 4 Cities



Value Growth%

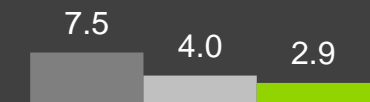


Volume Growth%



One year ending P4'17 2015 vs YA 2016 vs YA 2017 vs YA

Rural

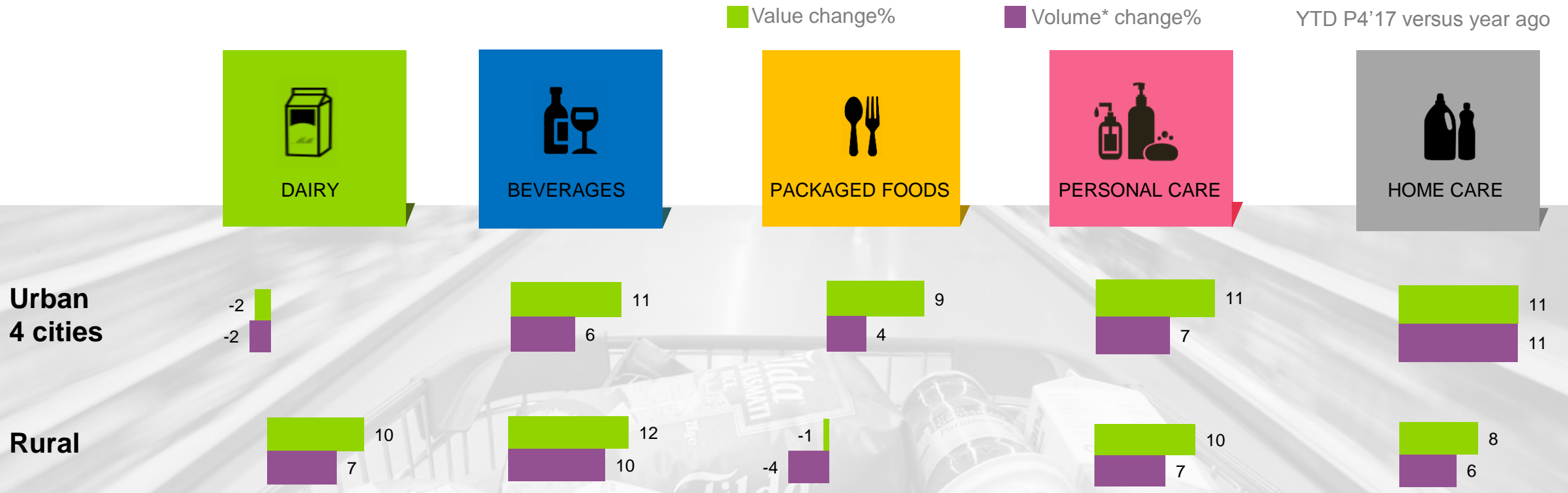


*: To calculate FMCG price paid change, we calculate how much price contributes to the value change for each category, sum up these contributions and relate to value YA

** : To calculate FMCG volume change, we calculate how much volume contributes to the value change for each category, sum up these contributions and relate to value YA (this results in an average category change in volume)

FMCG GROWTH BY SECTOR

Beverages and Packaged Foods are leading the growth of Urban market while Beverages and Dairy are driving the recovery of Rural market. Personal Care and Home Care also show great achievements thanks to the increase in consumption. In general, positive performance is observed across most of sectors, except for Dairy in Urban 4 cities and Packaged Foods in Rural. The reason is the stagnancy or even decline of some major categories such as Milk Powder (Urban 4 cities), Cooking Additives and Instant Noodle (Rural).



*: To calculate FMCG volume change, we calculate how much volume contributes to the value change for each category, sum up these contributions and relate to value YA (this results in an average category change in volume)
 Source: Kantar Worldpanel | Households Panel | Urban 4 Key Cities & Rural Vietnam | Total FMCG excluding Gift

HOT CATEGORY

Instant Tea and Household Cleaner products stand out in Urban 4 cities and Rural respectively in this period. By adding more new buyers to their shopper base, Instant Tea and Household Cleaner enjoy strong growth in volume consumption. These categories see great potential for development in terms of both market penetration and consumption uplift.

Are they gaining from others? Or are there new needs arising that develop the market further?

URBAN 4 CITIES

YTD P4'17 versus year ago

RURAL

Volume growth
+23%



Instant Tea



Household Cleaner*

Volume growth
+7%

+ 1.5 points

% Buyers
30% of Rural Households

1.7L

(vs. 2.9L in Urban 4 cities)

Volume per buyer

% Buyers

12% of Urban Households

+ 1.7 points

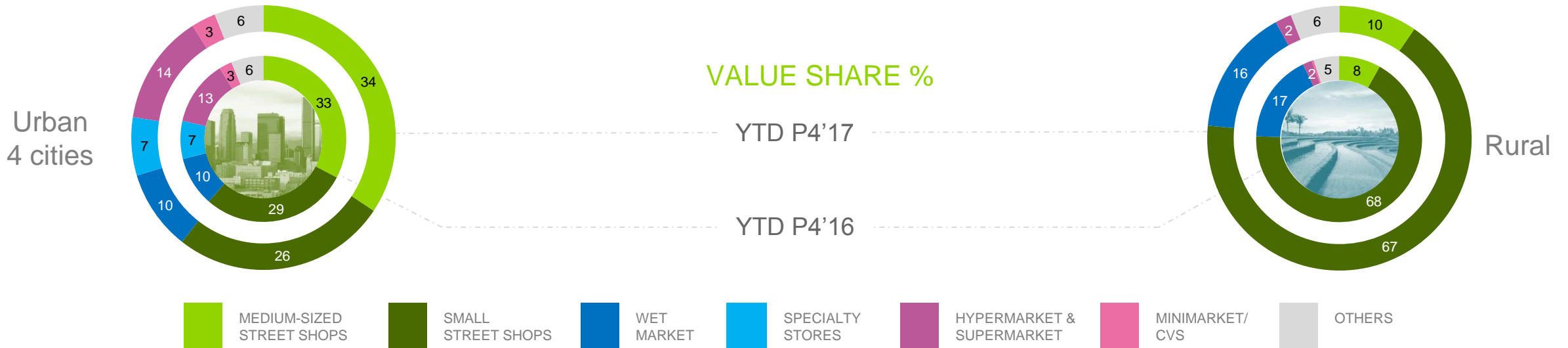
Volume per buyer

2 packs/ week

* Household cleaner: Floor Cleaner, Bathroom & Toilet Cleaner, Small Surface Cleaner.
Source: Kantar Worldpanel | Households Panel | Urban 4 Key Cities & Rural Vietnam | Total FMCG excluding Gift

RETAIL LANDSCAPE

By upgrading and modernizing themselves, medium-sized street shops grow ahead of the market and gain more ground not only in Urban 4 cities but also in Rural areas recently. During the first 4 months, Hyper & Supermarkets keep growing their importance by widening their reach, recruiting more Urban shoppers. Therefore, together with the rapid development of mini-stores (minimarkets & CVS), modern trade probably will be able to make a better movement this year.



VALUE CHANGE % (YTD P4'17 versus year ago)

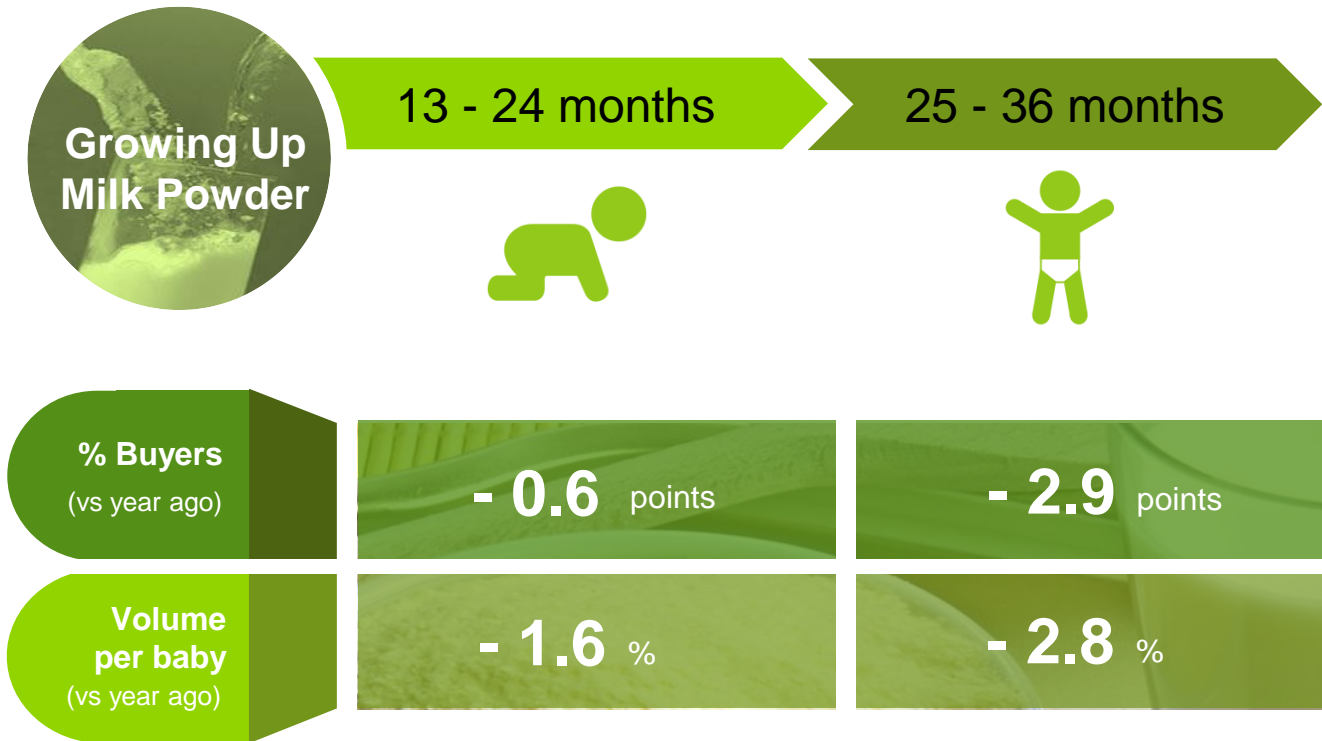


Source: Kantar Worldpanel | Households Panel | Urban 4 Key Cities & Rural Vietnam | Total FMCG excluding Gift

SPOTLIGHT OF THE MONTH

Threat to Growing Up Milk Powder

In Urban 2 key cities, the category is currently facing both buyer departure and decreased consumption among babies >1 year old despite the brighter view of FMCG market. Following the convenience trend with modern moms, is it losing shoppers to Ready-to-drink dairy products like Ready-to-drink Growing Up Formula Milk (RTD GUM)?



Source: Kantar Worldpanel | Baby Panel – Urban 2 Key Cities (Ho Chi Minh & Ha Noi)

Among households with babies < 48 months



Source: Kantar Worldpanel | Households Panel – Urban 4 Key Cities



APRIL
2017

About Kantar Worldpanel

Kantar Worldpanel is the global expert in shoppers' behavior.

Through continuous monitoring, advanced analytics and tailored solutions, Kantar Worldpanel inspires successful decisions by brand owners, retailers, market analysts and government organizations globally.

With over 60 years' experience, a team of 3,500, and services covering 60 countries directly or through partners, Kantar Worldpanel turns purchase behavior into competitive advantage in markets as diverse as FMCG, impulse products, fashion, baby, telecommunications and entertainment, among many others.

For further information, please visit us at
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