



DECEMBER  
2017

KANTAR **WORLD**PANEL

# FMCG MONITOR

An integrated update  
of Vietnam FMCG market

12 weeks period ending 31 December 2017 (Q4'17)  
Urban 4 Key Cities & Rural Vietnam

# EXECUTIVE SUMMARY

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KEY  
INDICATORS



Vietnam economy surpassed the 2017's GDP target but still has challenges in the middle and long term.

2

FMCG  
GROWTH



FMCG market shows improvements in the last quarter.

3

HOT  
CATEGORY



Facial Moisturizer and Make-up items are gaining consumers' spending in Urban and Rural respectively.

4

RETAIL  
LANDSCAPE



Modern trade continues outpacing traditional channels.

5

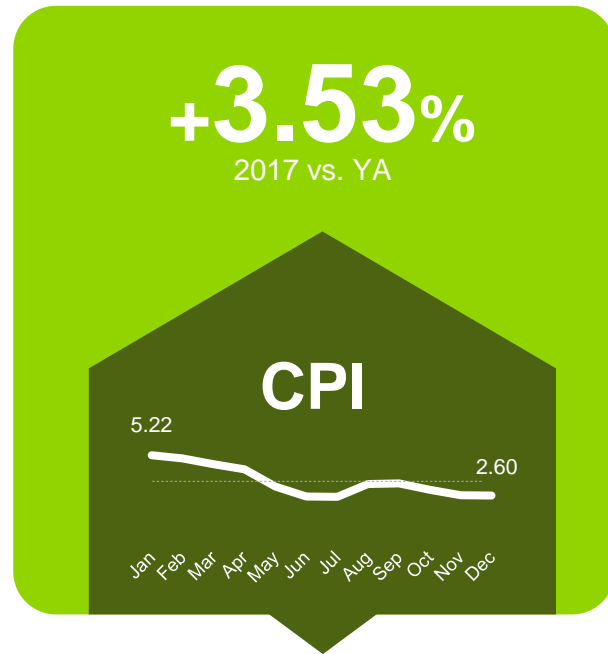
SPOTLIGHT



Satisfy demand for snacks at home?

# KEY INDICATORS

Vietnam economy surpassed the 2017's GDP target, posting the highest growth rate since 2011. Key economic indicators show good achievements such as import/export, FDI, retail sales... 2018 performance would be brighter with an estimated rise of 6.7%. However, in the middle and long term, there are still some challenges (low labor productivity, environmental issues...) need to be foreseen and overcome to reach sustainable economic development.



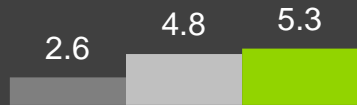
Source: GSO Vietnam

# FMCG GROWTH

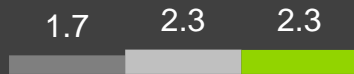
FMCG market shows improvements in both Urban 4 cities and Rural in the last quarter. For the whole year 2017, Urban market strengthens its performance while Rural picks up but is not stable just yet. Another year of stronger FMCG growth expected for 2018 to rise 6-7%.



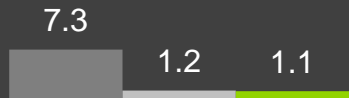
## Value Growth%



## Volume Growth%

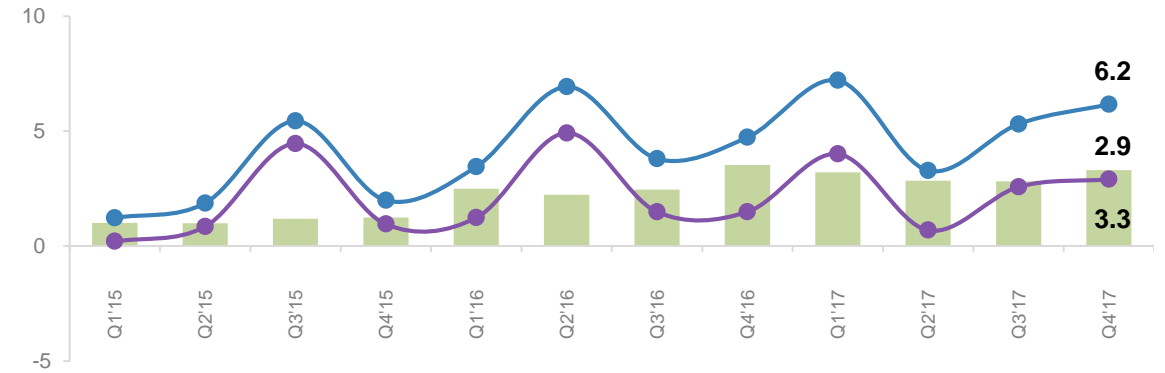


■ 2015 vs YA ■ 2016 vs YA ■ 2017 vs YA



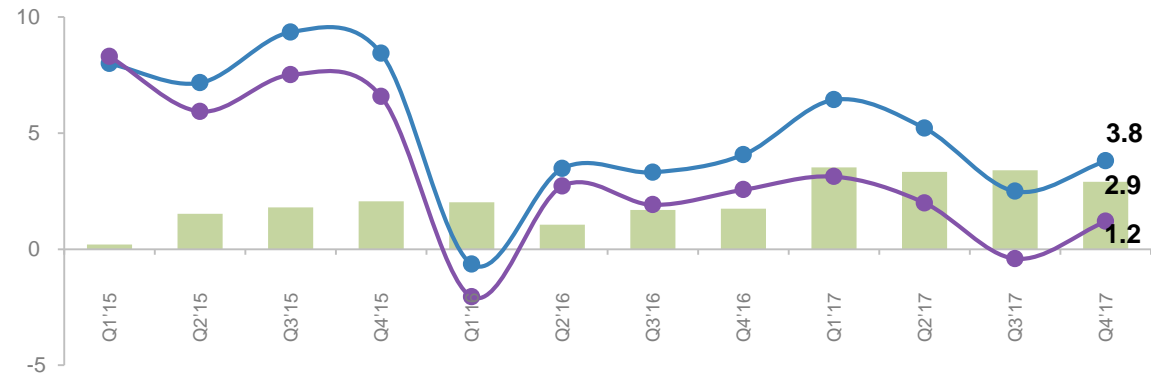
## Urban 4 Cities

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



% change ■ Avg. Price paid\* ● Value ● Volume\*\*

## Rural



Source: Kantar Worldpanel | Households Panel | Urban 4 Key Cities & Rural Vietnam | Total FMCG excluding Gift | 12 weeks period ending 31 December 2017

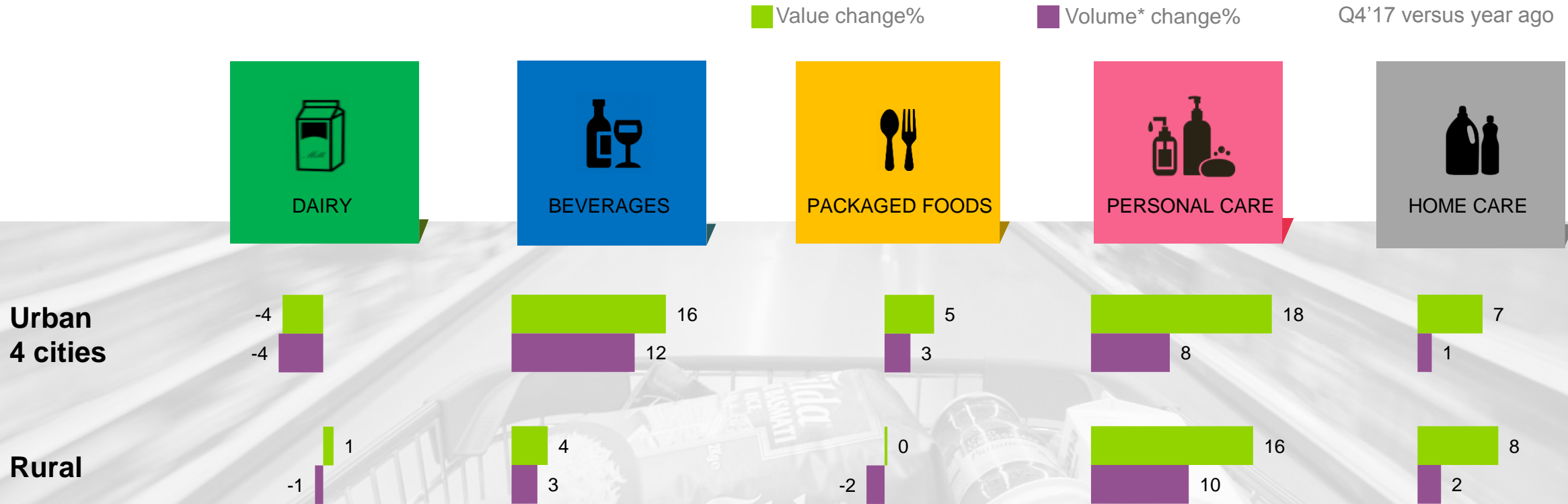
\*: To calculate **FMCG price paid change**, we calculate how much price contributes to the value change for each category, sum up these contributions and relate to value YA

\*\* : 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

In short-term, Beverage sector remains the growth driver of Urban market. Personal Care continues developing very well in both Urban and Rural as consumers increasingly adopt diverse repertoire of products. Meanwhile, Dairy and Packaged Foods are still lagging behind the market.



\*: 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 | 12 weeks period ending 31 December 2017

# HOT CATEGORY

The positive growth has been seen across categories within Personal Care. Facial Moisturizer and Make-up items are the most outstanding categories, gaining consumers' spending in Urban and Rural respectively. The growth of Facial Moisturizer is largely attributed to the premiumization while more consumers start focusing on beauty care in Rural areas.

## URBAN 4 CITIES



Facial moisturizer

% Value growth

Spend/buyer  
(VND)

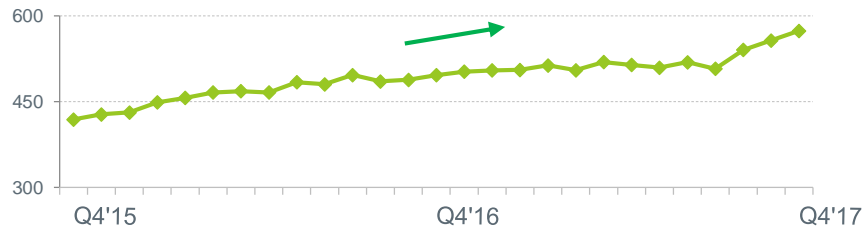
Average price/ pack  
(VND)

**+20%**

**476k**  
(+20% vs YA)

**107k**  
(+19% vs YA)

Average paid price per 100g (000vnd) – Rolling 52 w/e



2017 vs YA



Make Up

## RURAL

No. of Incremental buyers

Spend/buyer  
(VND)

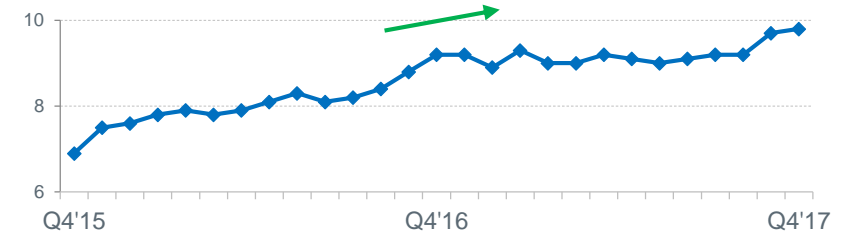
% Value growth

**+100,000**  
households

**305k**  
(+48% vs YA)

**+59%**

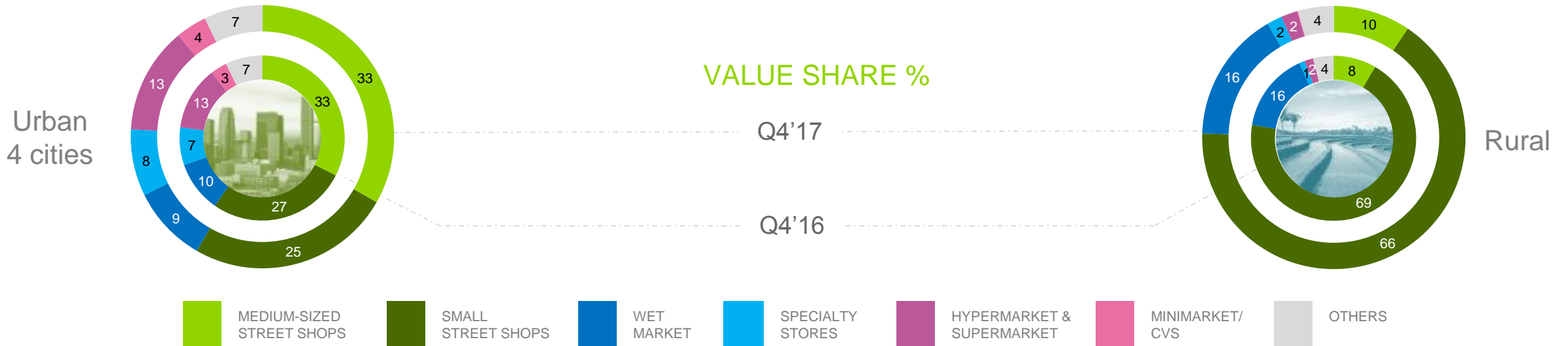
% Buyer – Rolling 52 w/e



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

# RETAIL LANDSCAPE

Wet market continues losing share to other channels while minimarket/ convenience stores accelerate their expansion in Urban key cities. Modern trade speeds up with an increase of 15%, outpacing traditional channels. The retail market is expected to heat up further for 2018 with new entrants and new retail models. In Rural, medium-sized street shops continue to win shopping occasions.



## VALUE CHANGE % (Q4'17 versus year ago)



Source: Kantar Worldpanel | Households Panel | Urban 4 Key Cities & Rural Vietnam | Total FMCG excluding Gift | 12 weeks period ending 31 December 2017

# SPOTLIGHT OF THE MONTH

## Satisfy demand for snacks at home?

Snack market is now the main source of growth for Packaged Foods in both Urban and Rural. More innovations and the increasing convenient indulgence in food consumption are driving the growth of snack foods. Brands can leverage this trend by creating and capturing additional snacking occasions.

### The increase of snacks for in-home consumption

	Packaged Foods	Snack Foods*
Value growth% 2017 vs 2016		
<b>URBAN 4 CITIES</b> Value share%	<b>+5.6%</b> 100%	<b>+10.4%</b> 25%
<b>RURAL</b> Value share%	<b>-1.6%</b> 100%	<b>+6.5%</b> 15%

### The boom of...

#### Various refreshing beverages



Bubble tea



Peach tea



Matcha

#### ...and various homemade snacks



Chicken jerky



Salted egg yolk  
sponge cake



Rice cracker  
with pork floss

\*Snack Foods: Snack & Nut, Biscuits & Cakes, Ice cream, Chocolate, Candy

Source: Kantar Worldpanel | Households Panel | Urban 4 Key Cities and Rural Vietnam | Packaged foods including Gifting | 2017 vs. YA





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## 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  
**[www.kantarworldpanel.com.vn](http://www.kantarworldpanel.com.vn)**

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