



**JULY
2017**

KANTAR **WORLD**PANEL

FMCG MONITOR

**An integrated update
of Vietnam FMCG market**

12 weeks period ending 16 July 2017 (12 w/e P7'17)
Urban 4 Key Cities & Rural Vietnam

EXECUTIVE SUMMARY

1

KEY
INDICATORS



An uncertainty to keep CPI in the safe zone (under +4%) for the remaining months.

2

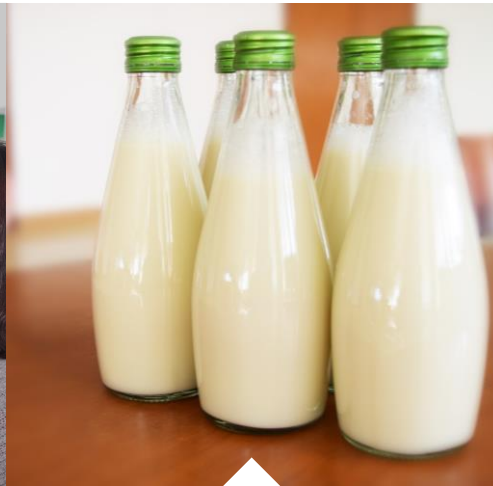
FMCG
GROWTH



The market growth is mainly driven by the **increase** of average **paid price**.

3

HOT
CATEGORY



Convenient dairy products outperform.

4

RETAIL
LANDSCAPE



Modern, specialized and convenient formats continue gaining in both Urban and Rural.

5

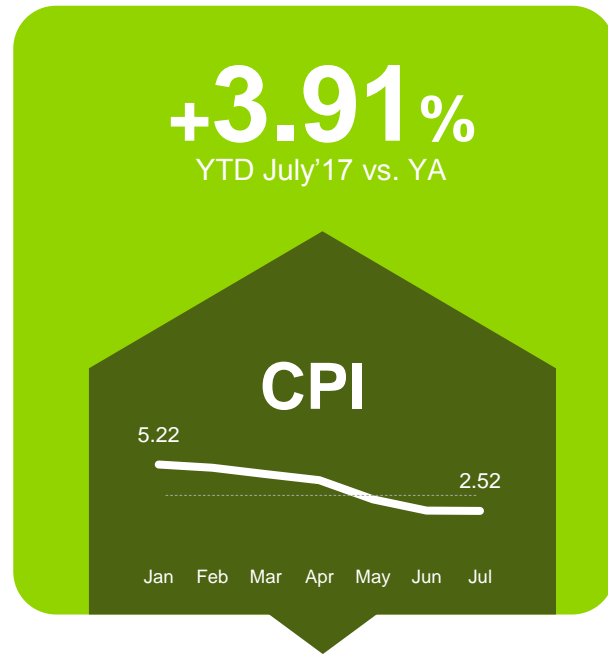
SPOTLIGHT



A shift to healthy and convenient offers!

KEY INDICATORS

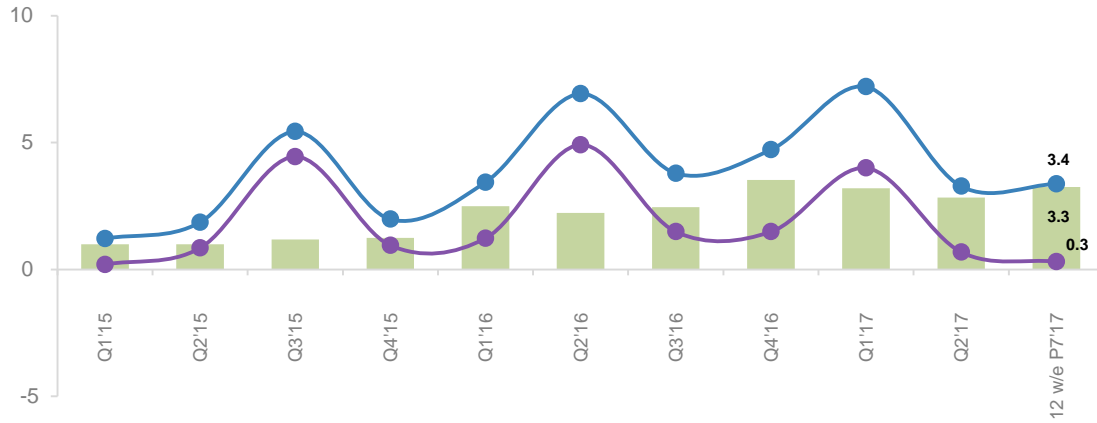
The average CPI during the first 7 months is now controlled under +4%, but there is uncertainty to keep it in the safe zone for the remaining months as food price index posts an increase in July (after falling in 6 months) and the oil price is projected to rise. The growth of retail consumer goods, FDI, import and export are main driving forces of the economic improvement in the latest quarter.



Source: GSO Vietnam

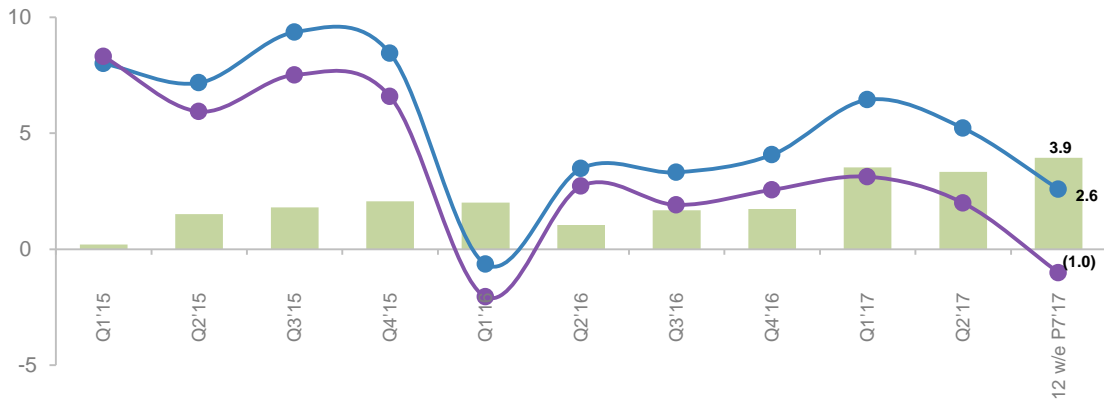
FMCG GROWTH

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



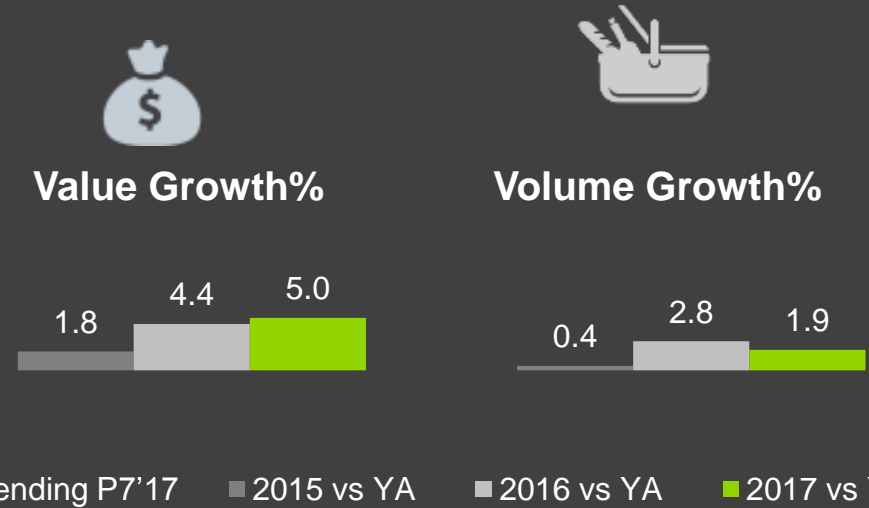
% change

■ Avg. Price paid* ● Value ● Volume**



The increase of average paid price (~same with the CPI rate) is the driving force of the market growth. In short term, there is no change in volume consumption, and even a slight decline in Rural area due to the decrease of central Rural.

Urban 4 Cities



Rural



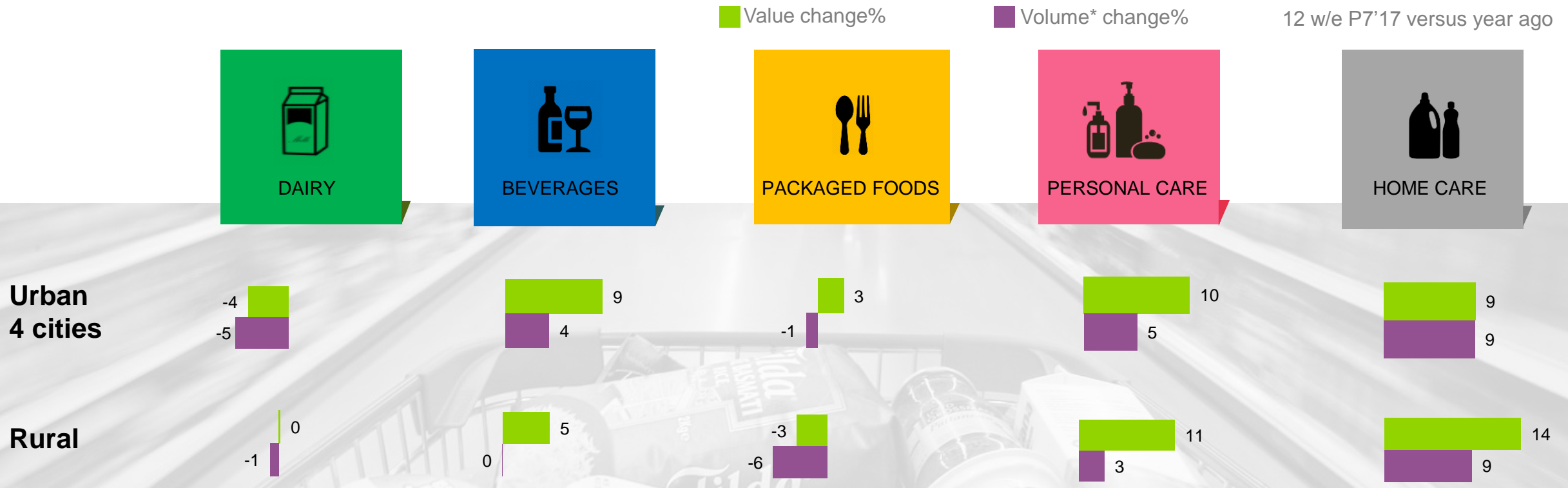
*: To calculate **FMCG price paid change**, we calculate how much price contributes to the value change for each category, sum up these contributions and relate to value YA

** : 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)

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

FMCG GROWTH BY SECTOR

The sharp decline of Dairy and Packaged Foods in terms of consumption is driven by the north and central areas while the south performance is much better. Some Beverage categories slow down, some even decline but Beer is the key driver of the weak performance in Beverage sector. Meanwhile, Home Care is the only sector showing a good volume growth, consumers are stretching their consumption of Home Care products.



*: 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

Despite of the downtrend in Dairy sector, dairy products meeting the increasing demand of convenience still outperform in both Urban 4 cities and Rural market. Beside the opportunity to develop consumer base, another direction worth considering for these categories to drive further growth is to create higher volume consumption.

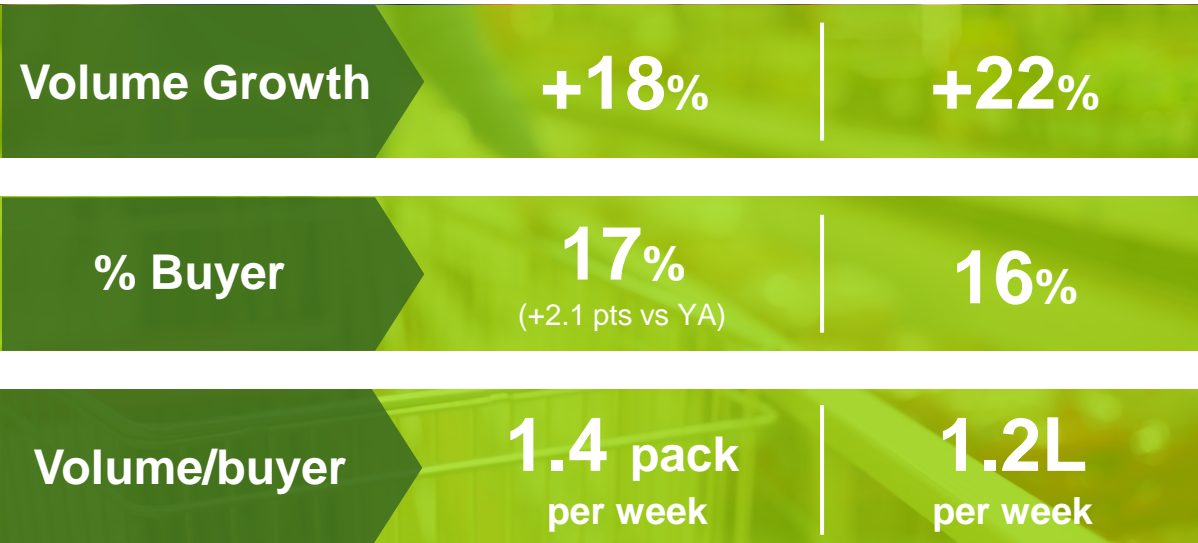
12 w/e P7'17 versus year ago

URBAN 4 CITIES

Cheese



RTD GUM*

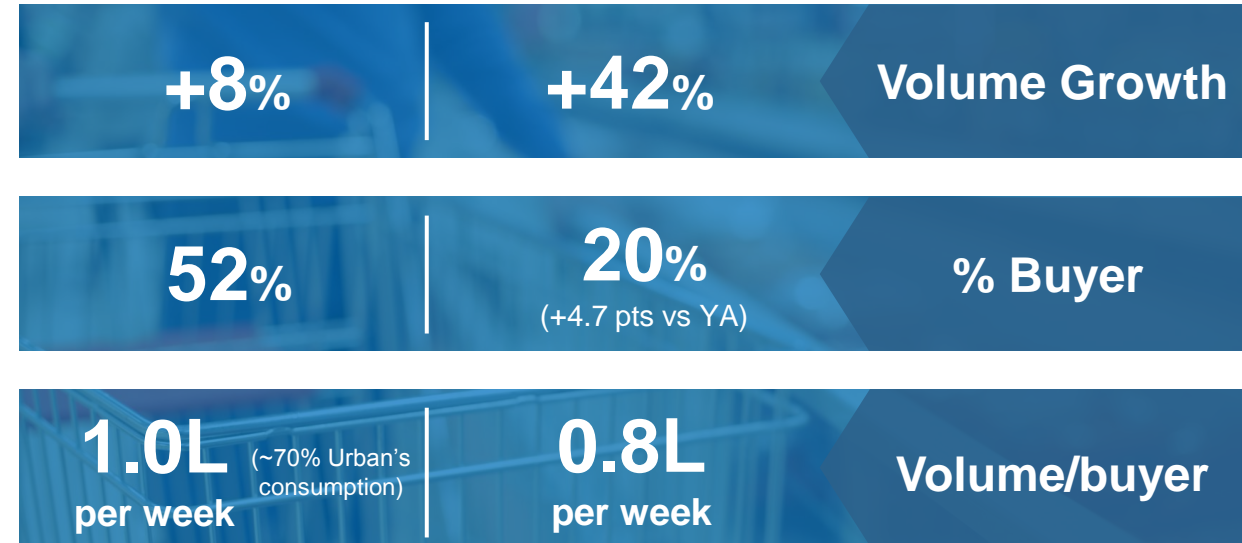


RURAL

Liquid Milk



RTD GUM*

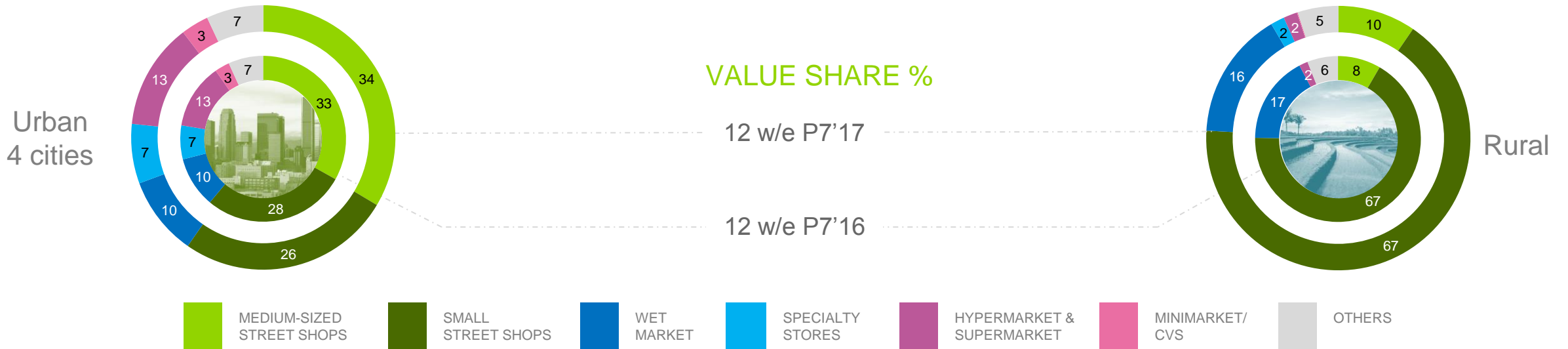


Source: Kantar Worldpanel | Households Panel | Urban 4 Key Cities & Rural Vietnam | Total FMCG excluding Gift

*Ready-to-drink growing up milk powder among households with kids <4YO

RETAIL LANDSCAPE

Modern Trade still maintains its growth momentum in Urban, posting a rise of 10%, contributed by the rapid expansion of Ministores and Online channel coupled with the continued rebound of Hypermarkets and Supermarkets since late 2016. In Rural, shoppers keep moving toward upgraded shopping channels with strong growth of Medium-sized street shops and Specialty stores.



VALUE CHANGE % (12 w/e P7'17 versus year ago)



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

SPOTLIGHT OF THE MONTH

A shift to healthy and convenient offers

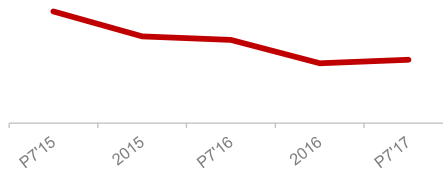
Products or categories “not good for health” and “not convenient” are seeing buyer departure, losing more and more shoppers to the better ones. Hence, innovation focusing on safe and natural ingredients or new formats ready for consumption should be prioritized to be back to growth.

% Buyer – Rolling 52 weeks

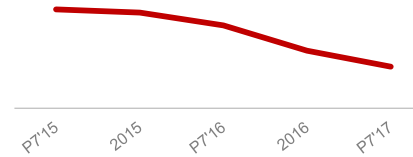


Growing up Milk Powder*

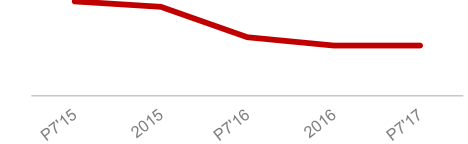
(% baby – Baby panel in Urban 2 cities)



Ready-to-drink Tea

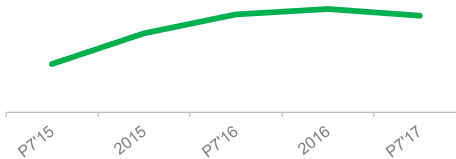


Carbonated Soft Drinks

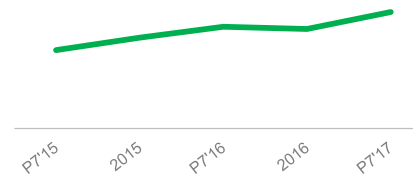


Ready-to-drink Growing up Milk*

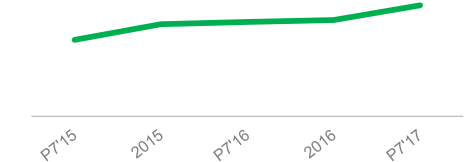
(Among households with kids <4yo)



Bottle Water



Fruit Juice



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



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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

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