



OCTOBER
2017

KANTAR **WORLD**PANEL

FMCG MONITOR

An integrated update
of Vietnam FMCG market

12 weeks period ending 08 October 2017 (P10'17)
Urban 4 Key Cities & Rural Vietnam

EXECUTIVE SUMMARY

1

KEY
INDICATORS



Vietnam economy is showing **positive signals** in the rest months and seems to be able to reach the 2017's target of 6.5%.

2

FMCG
GROWTH



Overall, both Urban and Rural market would be more likely to **swell up** in the last months.

3

HOT
CATEGORY



Home care products offering convenience and hygiene are on the rise.

4

RETAIL
LANDSCAPE



Modern shopping formats keep riding the Urban growth while upgraded street shops remain a magnet to Rural consumers.

5

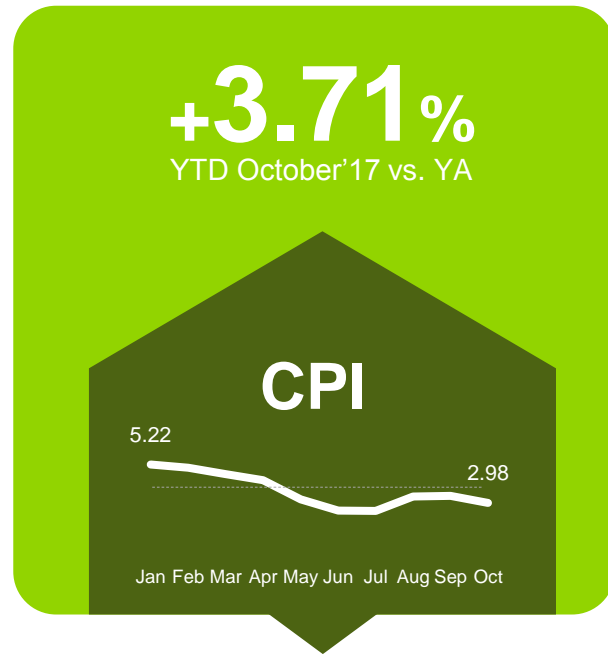
SPOTLIGHT



Beer market: A star performer!

KEY INDICATORS

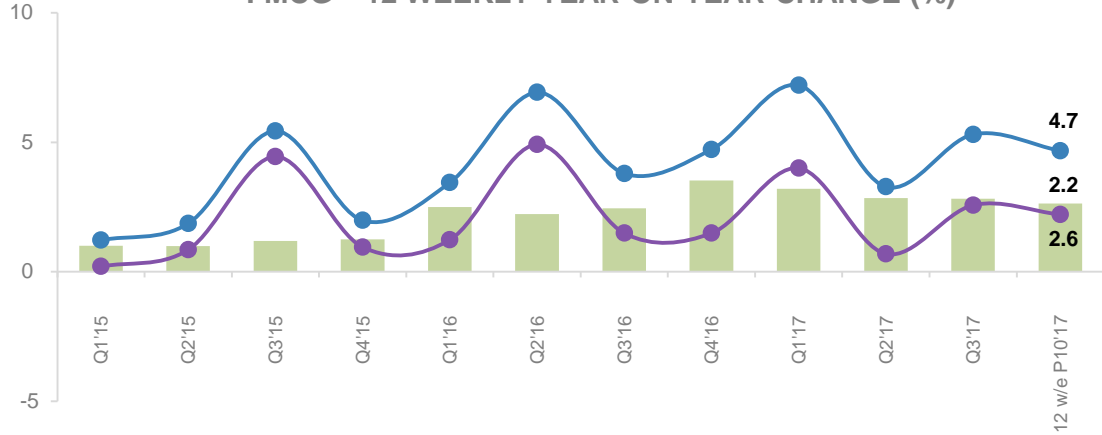
Vietnam economy is showing positive signals in the rest months with the improved domestic demand, the rebound of agricultural production and the continued increase of Export, FDI and Retail. The GDP growth accelerated in the third quarter to above 7% and is forecasted to keep growing at this pace for the last quarter. The Vietnam's economic growth seems to be able to reach the 2017's target of 6.5% by the end of the year.



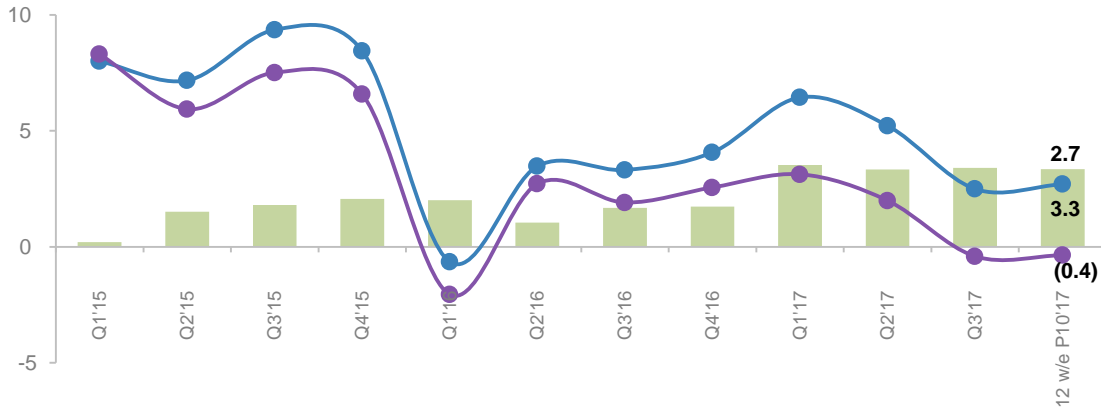
Source: GSO Vietnam

FMCG GROWTH

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



% change Avg. Price paid* Value Volume**

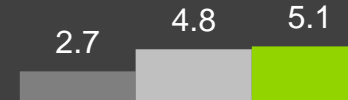


Urban 4 cities FMCG market maintains stable growth. Rural FMCG market is seeing positive movements though its consumption still recovers slowly. Overall, both Urban and Rural market would be more likely to swell up in the last months.

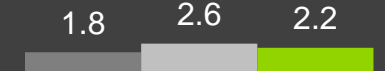
Urban 4 Cities



Value Growth%



Volume Growth%



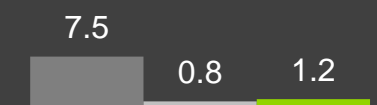
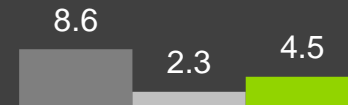
YTD P10'17

■ 2015 vs YA

■ 2016 vs YA

■ 2017 vs YA

Rural

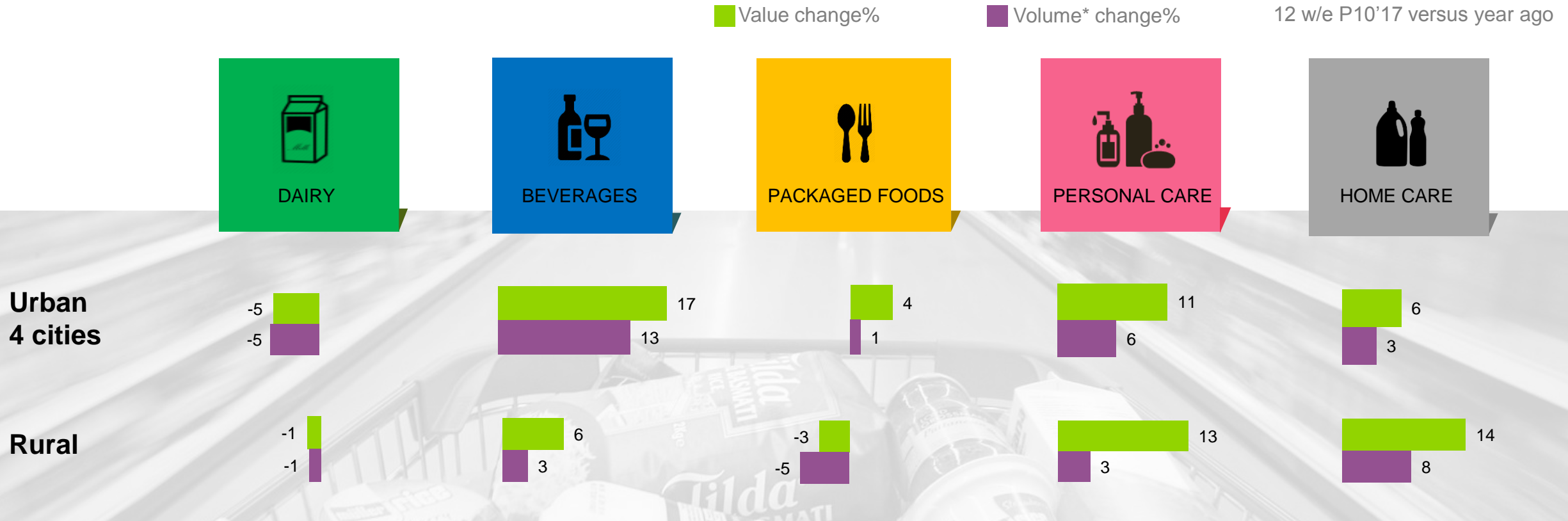


*: To calculate FMCG price paid change, we calculate how much price contributes to the value change for each category, sum up these contributions and relate to value YA

** : 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

The continued development of non-food categories in both Urban 4 cities and Rural is attributable to the rising trends of convenience and hygiene such as Box Tissue, Liquid Detergent, Hand Wash, etc.... Meanwhile, Beverages achieve a remarkable growth in Urban 4 cities market, mostly driven by the strong performance of Beer and refreshment drinks.



*: 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 08 October 2017

HOT CATEGORIES

Products helping improve the Vietnamese's quality of life are on the rise. Consumers care more about hygiene amidst the rising levels of environmental pollution and diseases. Urban citizens upgrade their consumption for hygiene products while Rural people are more familiar with the goods to keep everything around them cleaner.

URBAN 4 CITIES

12w/e P10'17 versus year ago

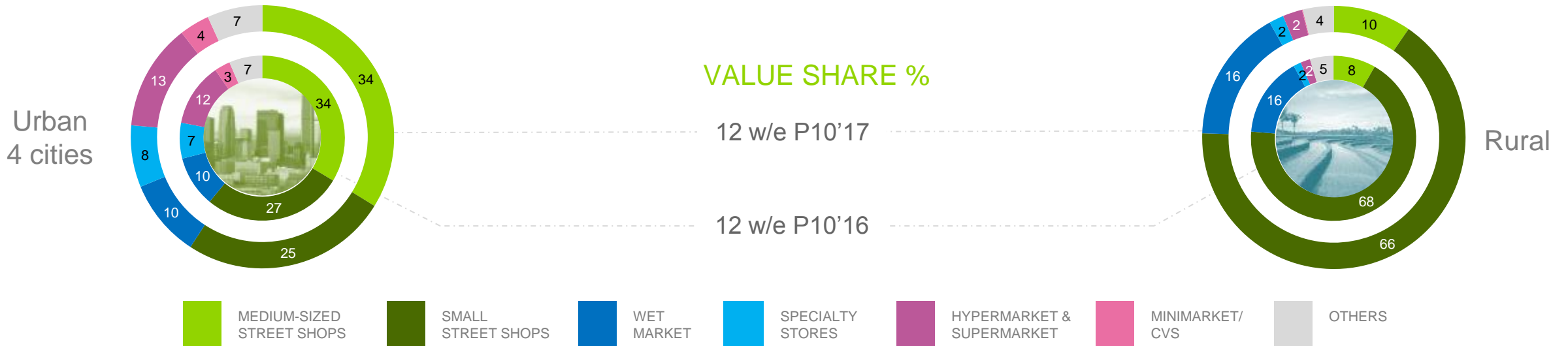
RURAL



Source: Kantar Worldpanel | Households Panel | Urban 4 Key Cities & Rural Vietnam | Total FMCG excluding Gift | 12 weeks period ending 08 October 2017

RETAIL LANDSCAPE

Modern shopping formats keep riding the Urban market growth, 2017 seems to be the stunning year of the retail market as a result of lots of M&A deals and foreign investments in recent times. Specialty stores continue expanding in terms of share thanks to the shoppers' spending uplift. Meanwhile, in Rural, upgraded street shops remain a magnet to Rural consumers. And wet market is still growing back, driven by non food sectors.



VALUE CHANGE % (12 w/e P10'17 versus year ago)

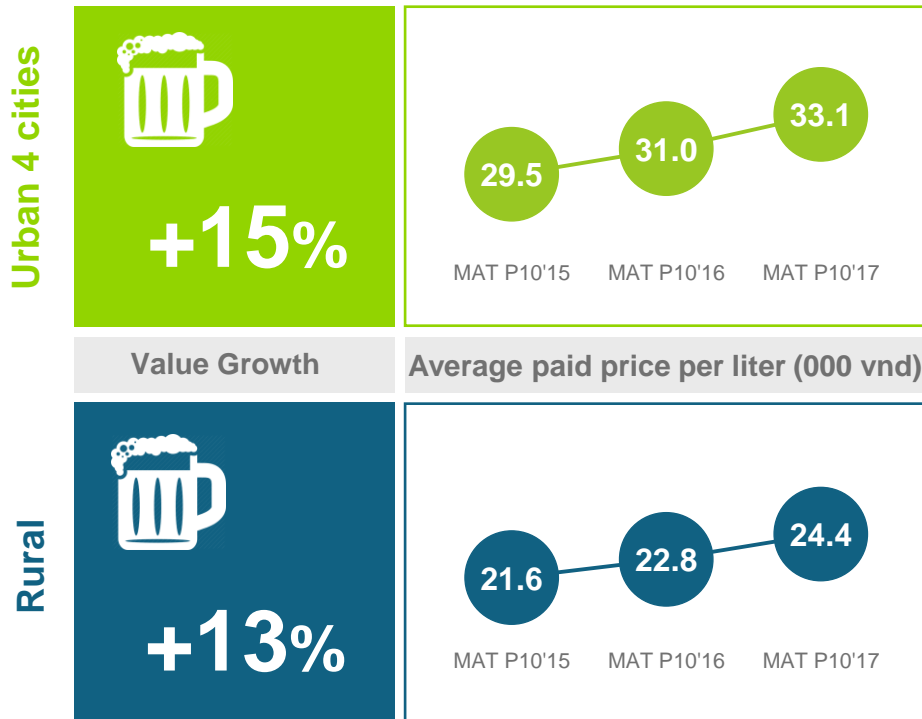


Source: Kantar Worldpanel | Households Panel | Urban 4 Key Cities & Rural Vietnam | Total FMCG excluding Gift | 12 weeks period ending 08 October 2017

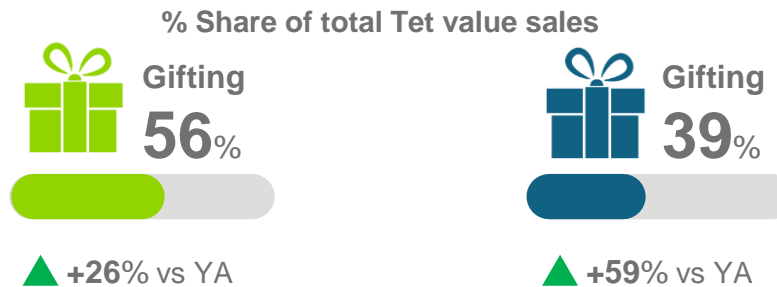
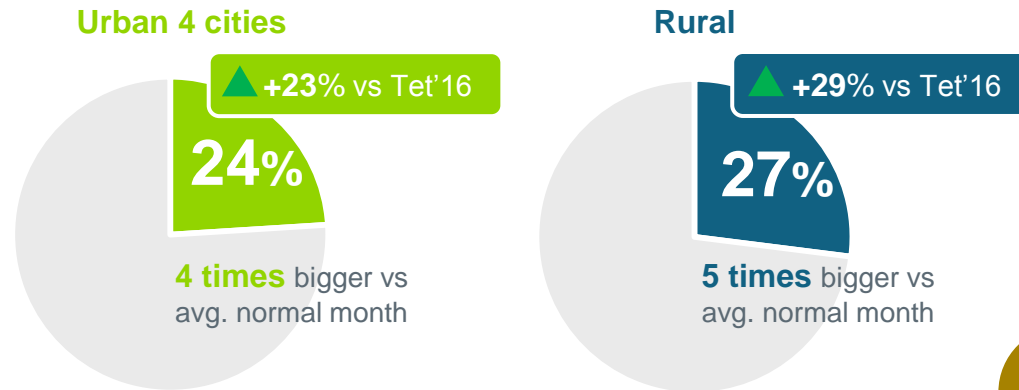
SPOTLIGHT OF THE MONTH

Beer market: A star performer!

Beer is the key driver of Beverage growth, achieving a great performance thanks to the up-trading trend as consumers are now heading more towards premium beer products. For in-home purchases, Tet has been playing an important role to total Beer revenue in a year and is projected to keep up the pace in Tet 2018. In order to win this hot season, innovation in gift packaging or gift sets should get more attention, especially in Urban because more than half of total Tet value sales has earned via gifting.



Tet contribution in a year (Tet'17 - %value share)



Forecast Tet 2018
+20-25%

*Tet month: 4 weeks before the 1st day of Lunar New Year

Source: Kantar Worldpanel | Households Panel | Urban 4 Key Cities & Rural Vietnam | Biscuits including Gifting | 52 weeks period ending 08 October 2017 (MAT P10'17)



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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
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