

## TET: A SPECTACULAR SPENDING SPREE

Tet is the most important and popular festival in Vietnam. Traditionally, Tet is a special time for family reunions. This is the time when people who work or study far away from their hometown come back and enjoy Tet with their family. Since Tet symbolizes the start of a new year, people work hard all year to save money for this occasion. Tet is also the time when most Vietnamese receive their bonuses - often the equivalent of one month's salary or more. Hence, Tet is actually the peak moment of consumer spending in Vietnam.

As per Kantar Worldpanel Vietnam, in-home purchase during Tet 2017 is estimated to reach \$USD1.76 Billion for total Vietnam, which is nearly double of normal month. Tet 2017 also witnesses a double-digits growth versus Tet 2016 in consumer spending, in both urban and rural.

### Hottest FMCG items in Tet 2017

Two weeks before the first day of New Year is the peak shopping time for consumer goods. The growth in Tet consumption is mainly driven by sectors such as confectionary, beverages, and cooking additives. Most of top growth categories belong to the Food & Beverage sector, yet we observe 2 home care categories in the list of top recruiters during Tet: Bathroom cleaner in urban and Tissue in rural. In the coming years, it is expected that home cleaning and paper products will enjoy higher growth during Tet as these products offer convenience to simplify the housewives' tasks and ways to make themselves and their homes more attractive.

### TOP RECRUITER IN TET 2017



Source: Kantar Worldpanel – Households Panel – Urban 4 key cities & Rural Vietnam – Penetration – FMCG Excluding Gifts Tet 2017 vs. Tet 2016

### The art of Gift-giving on Tet occasion

During Tet season, the Vietnamese delight their relatives and friends by offering gift spring flowers, fruits or baskets of purchased goods. Tet 2017 sees the uplift in Gifting, with more households receiving gifts in Tet and

higher value for each gifting occasion. In fact, gifting is the key driver of Tet 2017 growth as nearly 1 out of every 3\$ people spend for Tet goes to gifts. Top chosen categories for gifting in Tet 2017 are biscuits, beer, CSD, cooking oil, and cooking additives (sugar & MSG). The gifts are chosen based on the budget suitability of the giver, and whether the gifts are useful for Lunar New Year, fit the receiver's taste or desire, as well as age and social status.

## 3 golden rules for manufacturers to win Tet

### 1. Availability! Availability!

Be well-prepared for the peak consumerism! Ensure distribution for Tet and push stock to the market at least 2 months before Tet.

### 2. Leveraging Tet communication

Bring the connection between Tet with your brands in consumers' mind in both below-the-line & above-the-line activities.

Food for thoughts: "Emotions win over Functions" and "Masterbrand is more powerful than Single brands".

### 3. Gifting as sales promotion

Gift packaging for Tet, gift set, and manufacturer's all-brands-gift-basket are ideas to capture Tet gifting customs in Vietnam for sales uplift.

In a nutshell, to consumers, Tet is a special time for celebration, consumption and spending in both urban and rural of Vietnam. To manufacturers and retailers, Tet is the right time to speed up the growth of the business, by taking advantage of the impact of Tet on consumerism in Vietnam.

**Nguyen Huy Hoang – Commercial Director of Kantar Worldpanel Vietnam comments:** "Besides beverages, biscuits & confectionary, cooking additives, think also about home-care categories such as home cleaning products and paper products. Make sure that the logistics and stocks for TET are well-planned and executed, especially in the context that the peak time is only 2 weeks before the 1st day of Lunar New Year for urban shoppers and 1 week for rural shoppers."

Link to our latest Tet report 2017: Click [here](#).

## About Kantar Worldpanel

Kantar Worldpanel is the global expert in shoppers' behaviour.

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

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

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