

The digital marketing landscape in Vietnam

Voices of Vietnam digital marketers and agencies



From Q&Me Vietnam Market Research

INTRODUCTION

Vietnam advertisement market is in the middle of huge shift from the traditional to digital, as smartphone changes the lifestyle of consumers and many spend hours of time online.

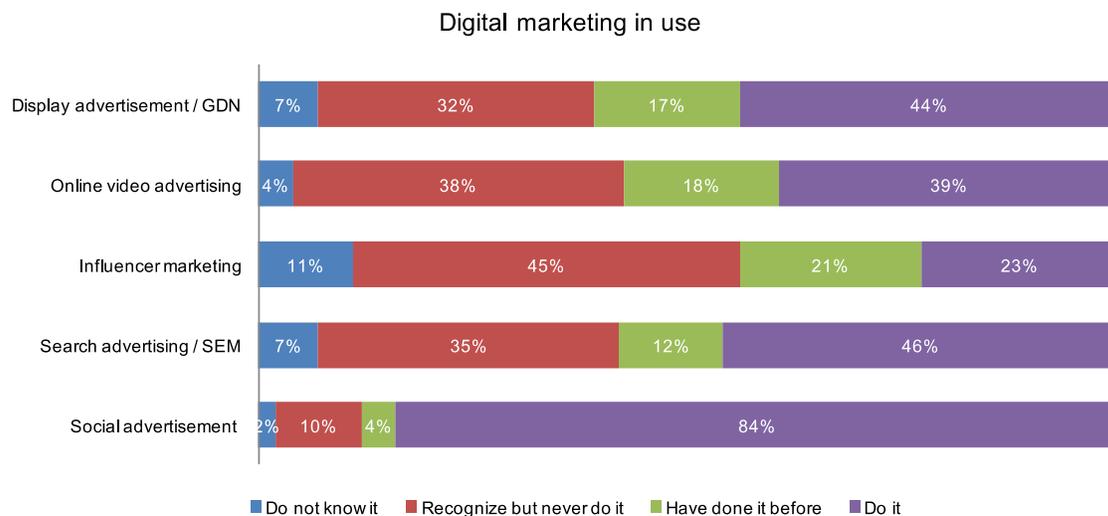
Q&Me, market research service operated by Asia Plus Inc, has conducted the survey among 155 enterprises (104 brands, 43 agencies, 8 publishers) to understand their marketing activities, relationship between brands and agencies, as well as the issues of Vietnam digital marketing industries.

DIGITAL MARKETERS ACTIVITIES AMONG VIETNAM ENTERPRISES

Digital marketing activities among Vietnam enterprises

Among several digital marketing activities, Vietnamese enterprises focus on social activities the most. 84% spend their money on social advertisement. Display advertisement (including GDN) and Search advertisement / SEM are also popular, with 44% and 46% of the enterprises invest them respectively.

Social advertisement is popular regardless of the company size. 94% of the mid/large enterprises (staff number is 50 and more) spend money for social while 79% of small enterprises (staff number is less than 50) do the activity as well. The other activities are mainly for the mid/large companies. For instance, 35% of mid/large enterprises take influencer marketing while the number is 11% only for small enterprises.

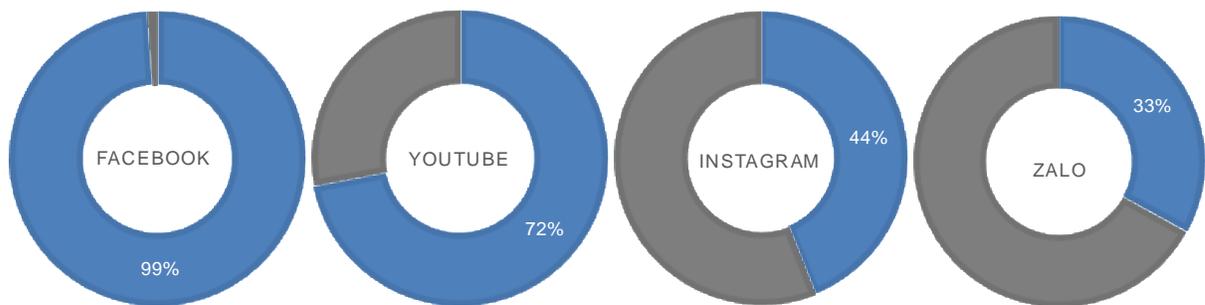


DIGITAL MEDIA IN USE

Digital marketing media in use

Facebook is the most popular media that almost all enterprises have the account. YouTube follows after that. 99% of the brand use Facebook for their digital marketing. YouTube is also high, as 72% use it.

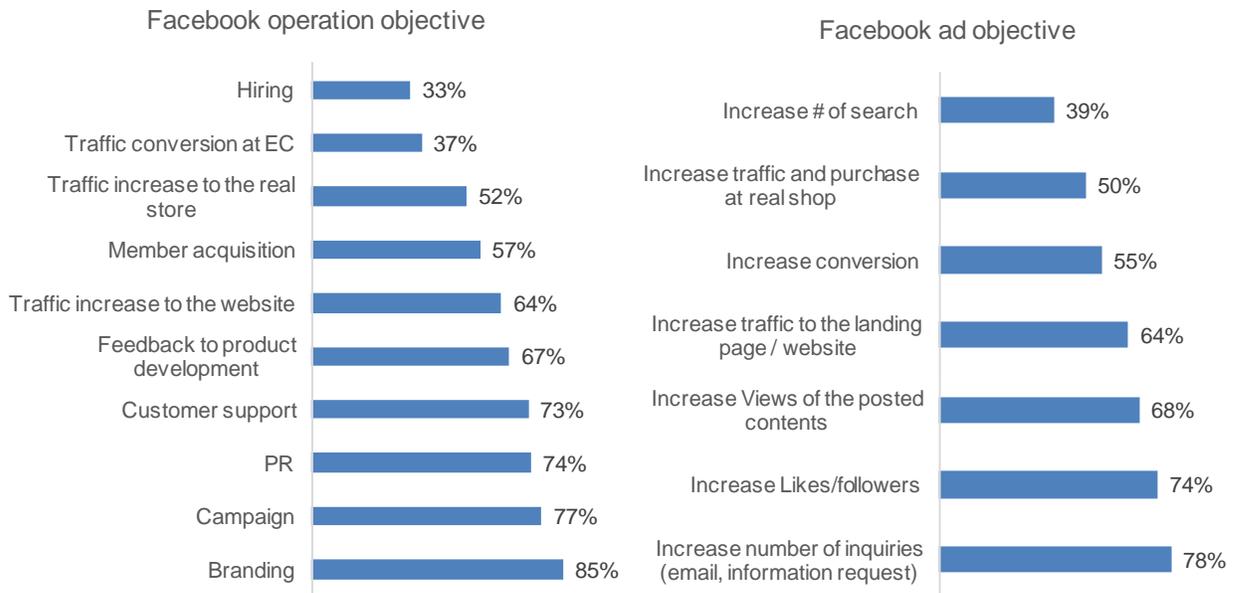
Social medias in use



Objective of digital marketing

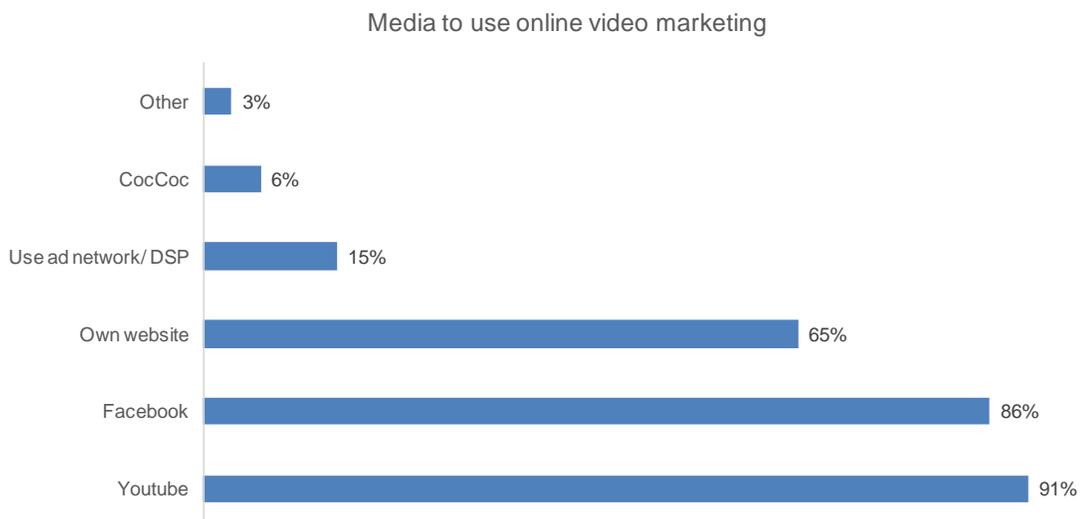
Facebook is used mainly for branding and campaign. 85% use the media for branding. The campaign usage is more for middle to big enterprises, as 86% of them use the media for this objective (small company is 66%).

On the other hand, the objective of Facebook advertisement is for the performance. 87% of the brands have run Facebook ads for the last 12 months. The biggest objective is the lead generation. 78% use it for “increase number of inquiries (email, information request)” followed by “Increase Likes/followers”. Social ads are linked as performance marketing in Vietnam.



Popular media for online video

Online video is one of the most popular digital marketing activities in Vietnam, with 85% of brands use it. YouTube and Facebook are the two most popular online video media. Although YouTube is more popular in terms of media, Facebook ads are used more often when brands would like to run the advertisements.

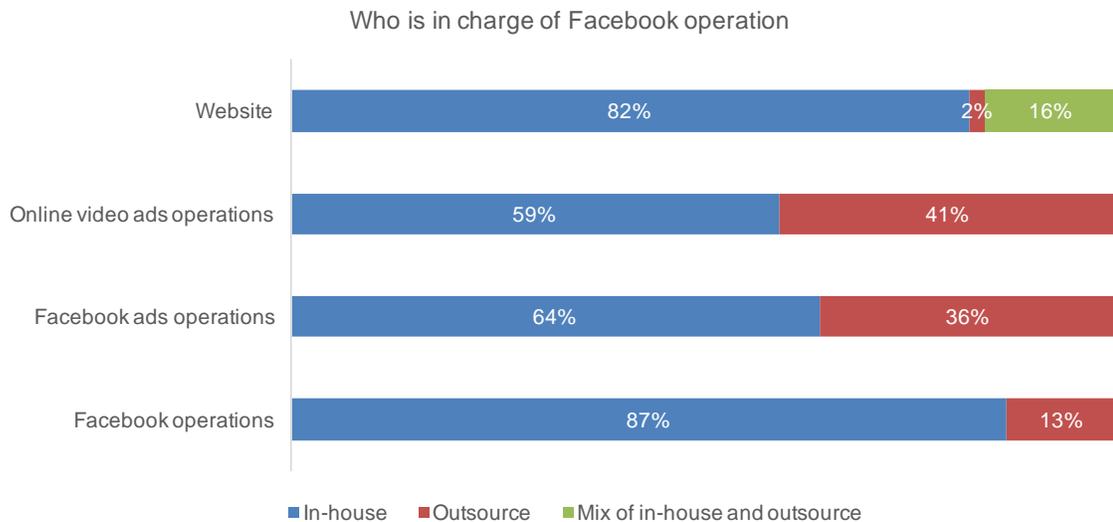


DIGITAL MEDIAS OPERATIONS

Ratio of in-house and outsource in digital media operations

Most Facebook sites are managed by in-house. 87% of brands manage their site internally while those who outsource account for only 13%. When it comes to the advertisement operations, the outsource ratio goes up to 36%.

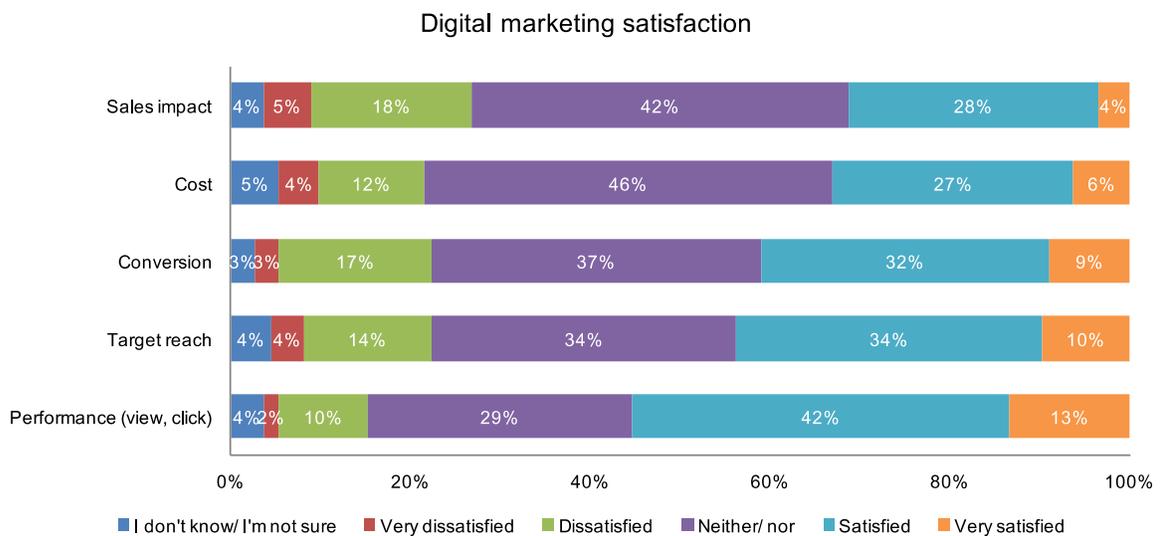
The key of in-house and outsource are the skills and cost. While 73% of in-house brands answer “We have enough skills to operate ads ourselves”, 77% of outsource brands also choose “Agencies have more skills to generate better performance” as the reason of not doing it in-house. 58% of in-house enterprises also mention about avoiding additional cost.



ISSUES OF DIGITAL MARKETING IN VIETNAM

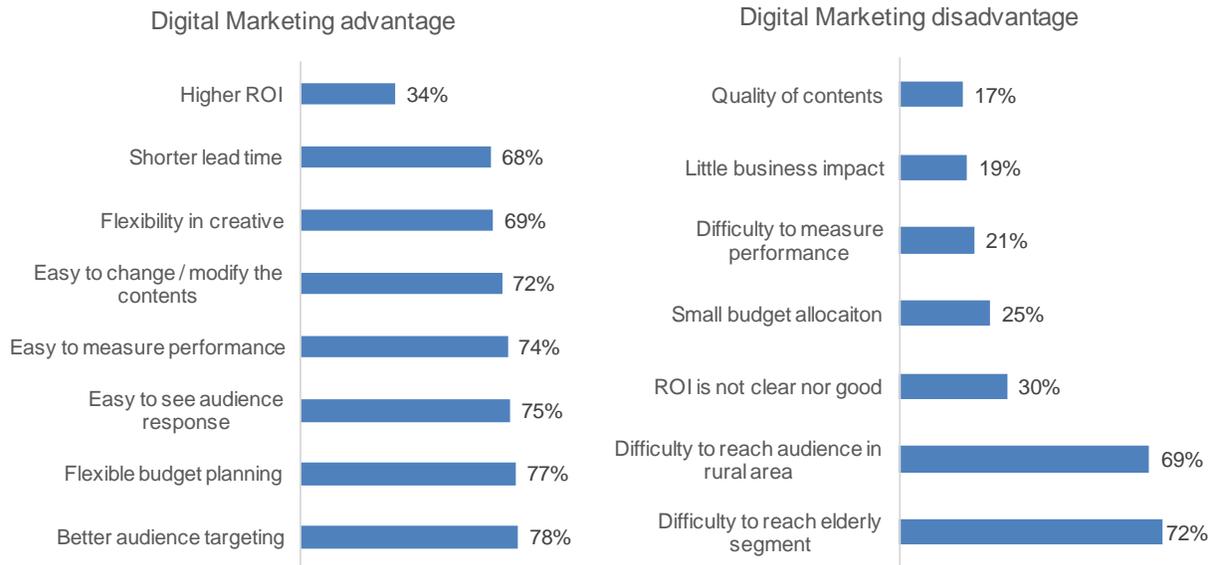
Digital marketing satisfaction

When it comes to the satisfaction in digital marketing, brands are satisfied with its performance but less happy with its cost and the impact to the business. 55% are either very satisfied or satisfied with its performance, whereas the figures go down for cost (satisfied / very satisfied are 33%) and sales impact (32%). Especially the figure from the mid / large companies are low as to the satisfaction in sales impact.



Digital marketing advantages / disadvantages

So how do enterprises perceive the advantages and disadvantages in digital marketing? “Better audience targeting (78%)” and “Flexible budget planning (77%)” are among the tops that are considered as advantage. On the other hand, they acknowledge “Difficulty to reach elderly segment (72%)” and “Difficulty to reach rural area (69%)” as its weakness. Digital marketing is perceived as the approach to reach the youth in urban areas.

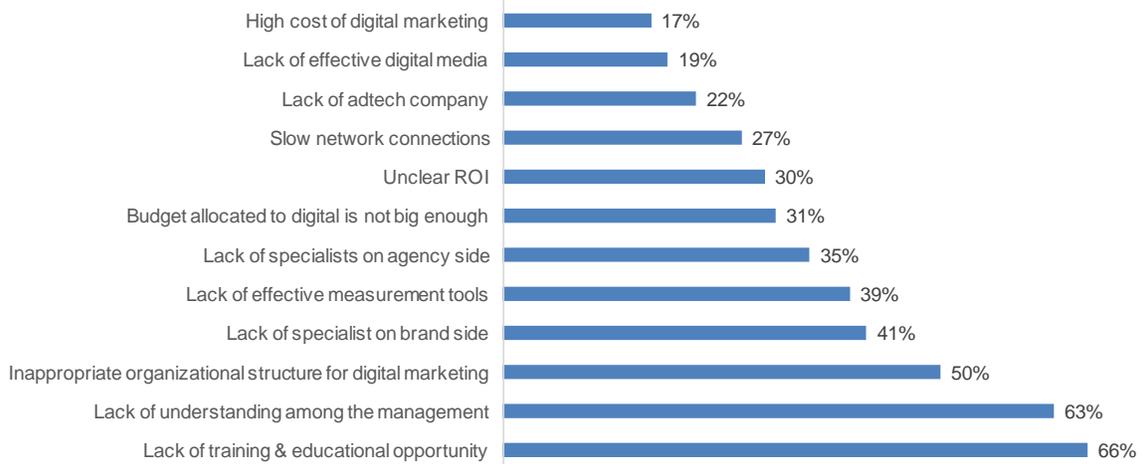


Issues in digital marketing of Vietnam

What are the issues to be solved in Vietnam digital marketing? The answer with highest vote are “lack of educational opportunity”. The learning opportunities of digital marketing seem to be missing in Vietnam despite of its rapid industry increase. What follows afterwards is the lack of understanding in digital marketing among management.

Interesting item is “Lack of specialist on brand side”. While no more than 30% of brands think this is an issue, the ratio goes to 63% among agencies. The perspectives from brand and agency are quite different. The agencies in Vietnam perceive the lack of digital knowledge on client side as one of the big headache.

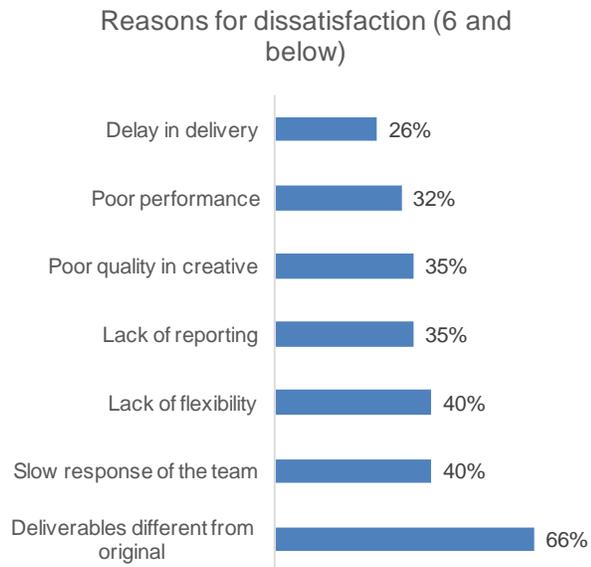
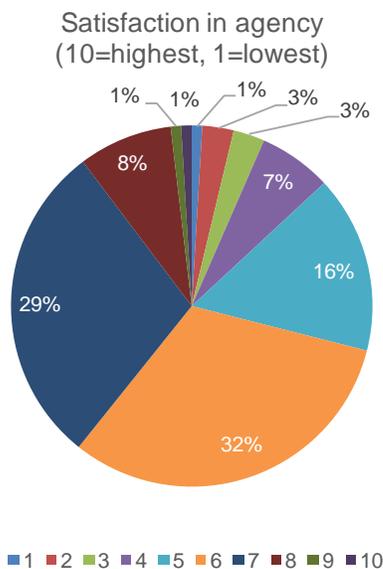
Issues in digital marketing of Vietnam



BRAND / AGENCY RELATIONSHIPS

Agency satisfaction

When brands are asked to score their satisfaction of their agencies from 1-10 (10 = satisfied, 1=dissatisfied), only 10% scores 8 and higher while 71% scores 6 and less. The main reasons of their low scores come from such items as “deliverables different from original (66%)” and “slow response of the team (40%)”.



Issues between brand and agency

So why there is little satisfaction between brand and agency? When asked about the challenges working with agency, many brands point out “limited understanding of company strategy (49%)” and “lack of performance tracking (47%)”. On the other hand, brands feel that “budget is limited (77%)” as well as brand “fears in new approach (70%)”.

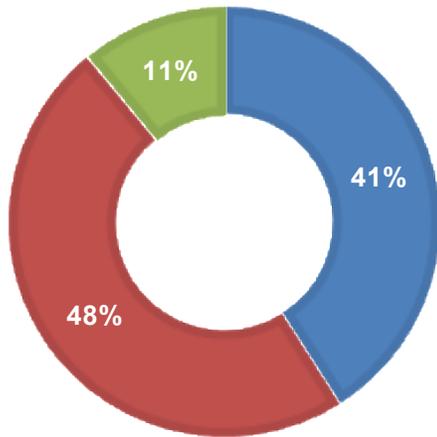


Gaps between brand and agency

We see several gaps as to how both of brand and agency recognize the current communications.

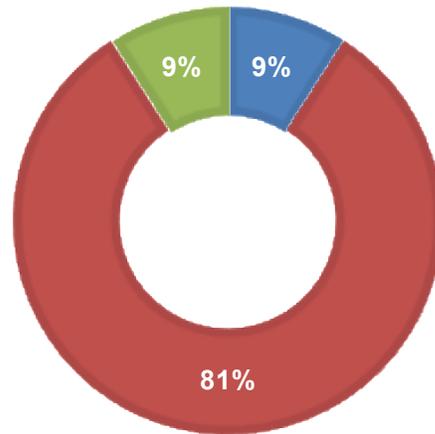
For instance, 41% of brands think that they give detailed explanation in briefing. However, only 9% agencies mention they receive such things and 81% answers that they answer brief explanation only. The same briefing documents seem to be taken differently between brand and agency.

BRIEFING (BRAND)



■ Detailed explanation ■ Brief explanation
■ Others

BRIEFING (AGENCY)

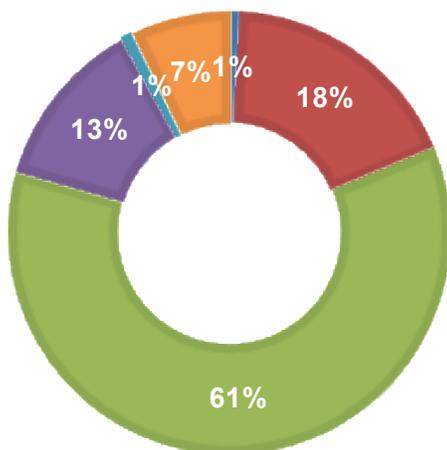


■ Detailed explanation ■ Brief explanation
■ Others

The same gap is applicable to the proposal quality. Only 19% of brands are satisfied with the agencies proposals, whereas 44% of agencies are confident with what they propose.

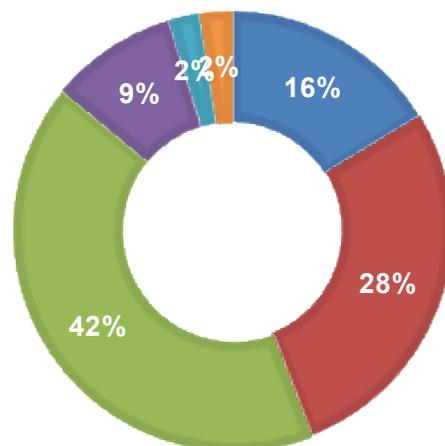
Brands are not happy with the proposals as they are “lack of business / industry understanding (67%)”, “lack of requirement understanding (60%)”, or “proposal with poor idea (53%)”.

PROPOSAL SATISFACTION: BRAND



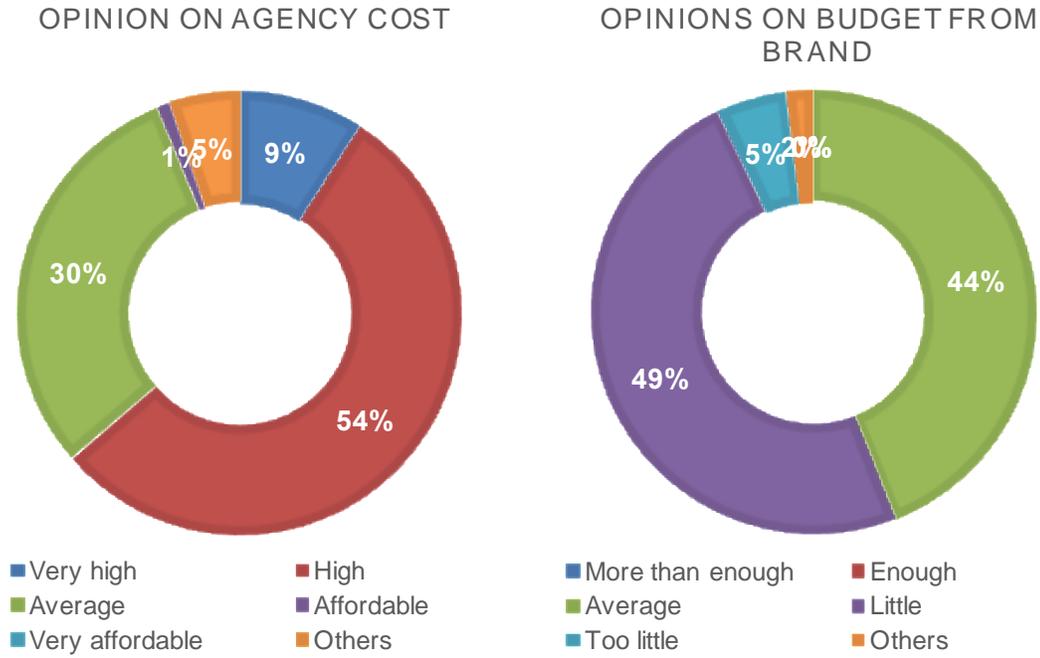
■ Very good ■ Good ■ Average
■ Bad ■ Very bad ■ Others

PROPOSAL SATISFACTION: AGENCY



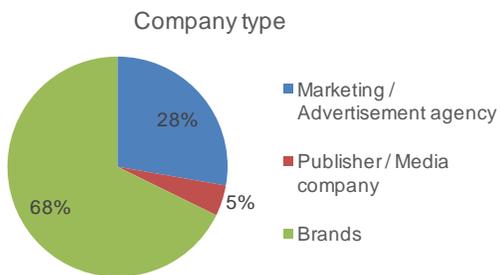
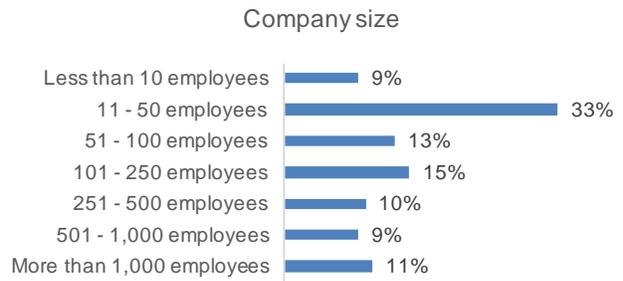
■ Very good ■ Good ■ Average
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Also, the gap can be found in cost. 63% of brands think that the cost from agencies are expensive. On the other hand, 54% of agencies think that the budget given from brands are too small. This is the fundamental gap that could cause problems between agencies and brands in Vietnam. 56% of brands expect the cost be lower by 11-20%.



RESPONDENT PROFILE

The survey was conducted from 155 enterprises in Vietnam in October 2017.



ABOUT US

Q&Me is the market research service provided by Asia Plus Inc.

Q&Me provides market research services with mobile technology, with the aim to provide the hint of business easier and quicker. Our solutions range from consumer market research, retail audit, B2B market research to data collections.

Please contact us if you need to understand Vietnam market deeper. We are always here to help you.

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