



**JUNE
2018**

KANTAR **WORLD**PANEL

FMCG MONITOR

**An integrated update
of Vietnam FMCG market**

12 weeks period ending 17 June 2018 (Q2'18)
Urban 4 Key Cities & Rural Vietnam

EXECUTIVE SUMMARY

1

KEY
INDICATORS



Vietnam's economy keeps its momentum with a strong GDP growth in the 1st half, being able to reach the target of 2018.

2

FMCG
GROWTH



The market growth is stagnant in Urban (4 cities) while remains positive in Rural.

3

HOT
CATEGORY



Chili sauce becomes more familiar among consumers' kitchen.

4

RETAIL
LANDSCAPE



Modern trade continues to outperform traditional trade and lead the market growth in Urban (4 cities).

5

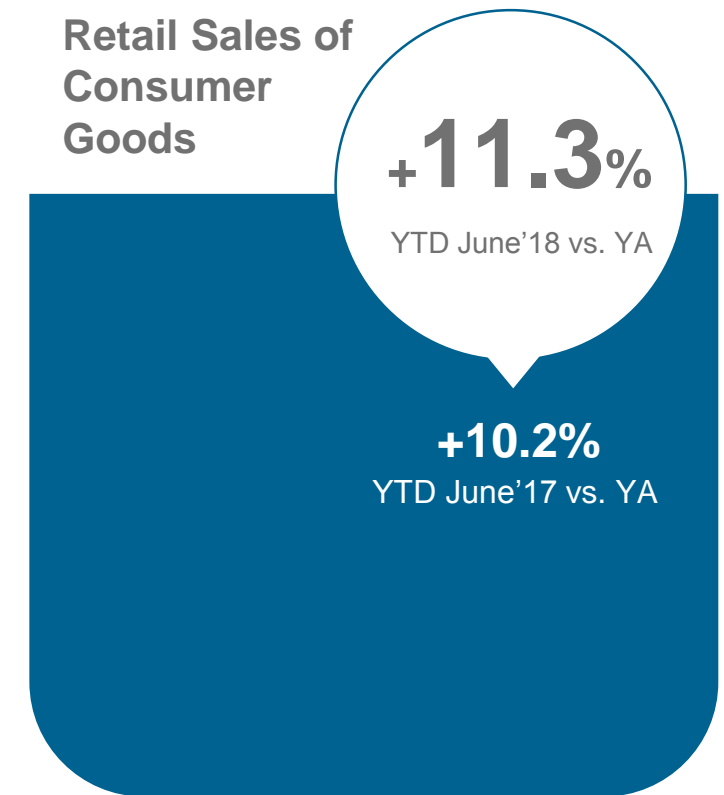
SPOTLIGHT



Is **big retail format** still attractive to shoppers?

KEY INDICATORS

Despite the stability in the first six months, the CPI in June hit the highest rate since 2011 mainly due to the increase of food and oil price. Vietnam's economy retains a healthy growth in quarter 2, though a bit slower than the 1st quarter. Overall, the GDP posts a growth of 7.08% for the 1st half of 2018, which shows the ability to reach the full-year target of 6.7%. Together with the strong local demand, the economic growth makes the country more promising for foreign investors.



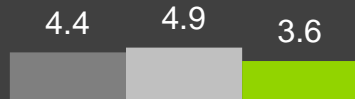
Source: GSO Vietnam

FMCG GROWTH

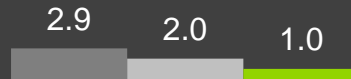
The value growth of FMCG market is quite stagnant in Urban (4 cities) while maintaining a positive movement in Rural, however, weaker than the 1st quarter due to low season. The total market growth might not exceed +5-6% for the full year of 2018.



Value Growth%

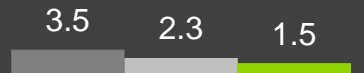
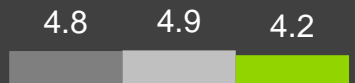


Volume Growth%



One year ending Q2'18

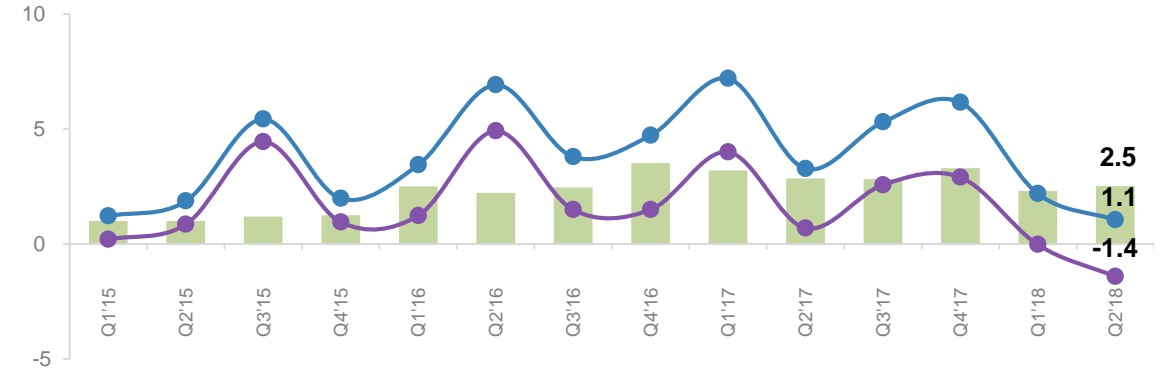
■ 2016 vs YA ■ 2017 vs YA ■ 2018 vs YA



Urban
4 Cities

Rural

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

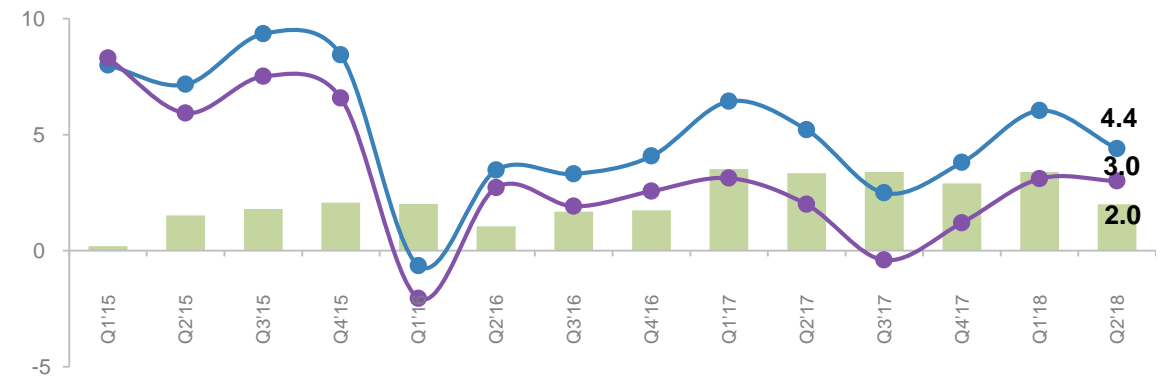


% change

■ Avg. Price paid*

● Value

● Volume**



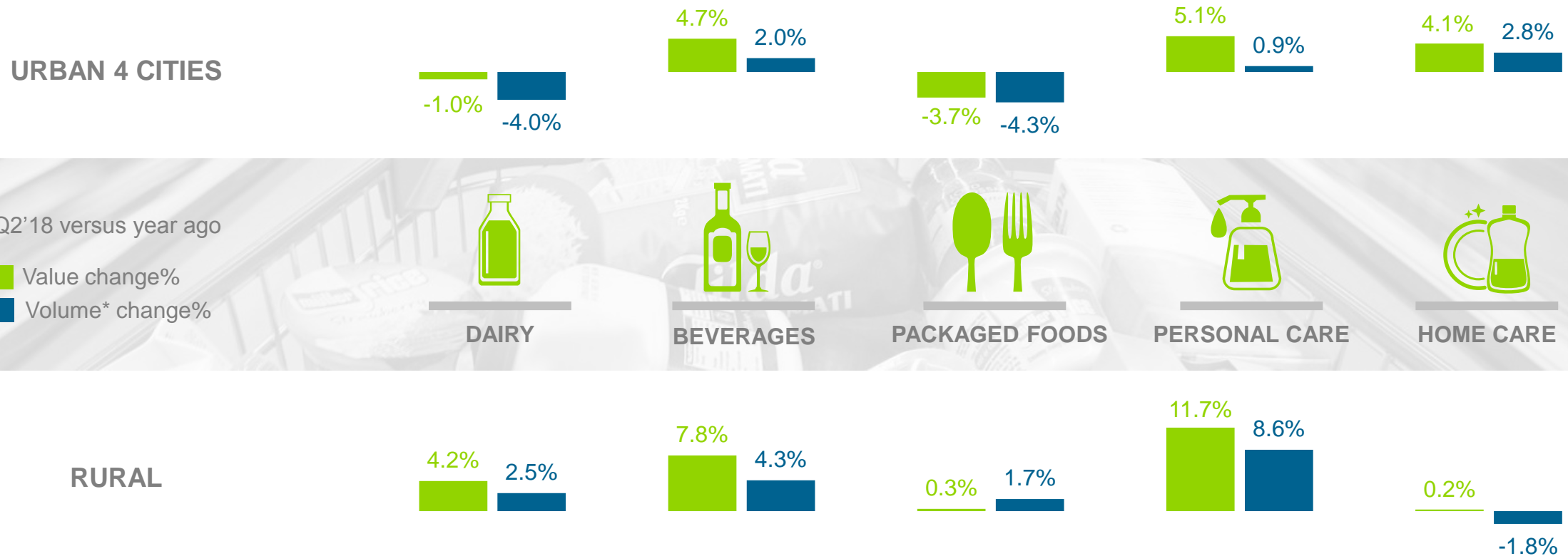
Source: Kantar Worldpanel | Households Panel | Urban 4 Key Cities & Rural Vietnam | Total FMCG excluding Gift | 12 weeks period ending 17 June 2018

*: 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 market growth slowdown is mostly driven by the negative performance of Dairy (Urban 4 cities), Packaged Foods (both Urban 4 cities and Rural) and Home Care (Rural). The market witnesses the stagnancy across necessity categories which have big impact on total FMCG spend such as Cooking Aids, Bar Soap, Dishwashing Liquid and Powder Detergent, etc. These categories are suffering from the drop in buyer base.



Q2'18 versus year ago

■ Value change%
■ Volume* change%

*: 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 17 June 2018

HOT CATEGORY

The most outstanding category in this period is Chili sauce which is more favored by consumers in both Urban (4 cities) and Rural. Reaching 80% of urban (4 cities) households and 64% of rural households, the category is now considered as one of the most popular items in consumers' kitchen. Capturing the convenience trend, Chili sauce could be ready to consume with a lot of dishes and products like potato chips, noodles, bread, etc. on many occasions. And the product still has room for further growth by expanding its consumer base as well as increasing volume consumption.

URBAN 4 CITIES

Volume growth
+13%

Incremental households | **+90,000HHs**

Packs per buyer | **2.3 packs**

Avg. price per pack | **11,600 VND**

Q2'18 versus year ago



Chili Sauce

RURAL

Volume growth
+11%

+594,000HHs | Incremental households

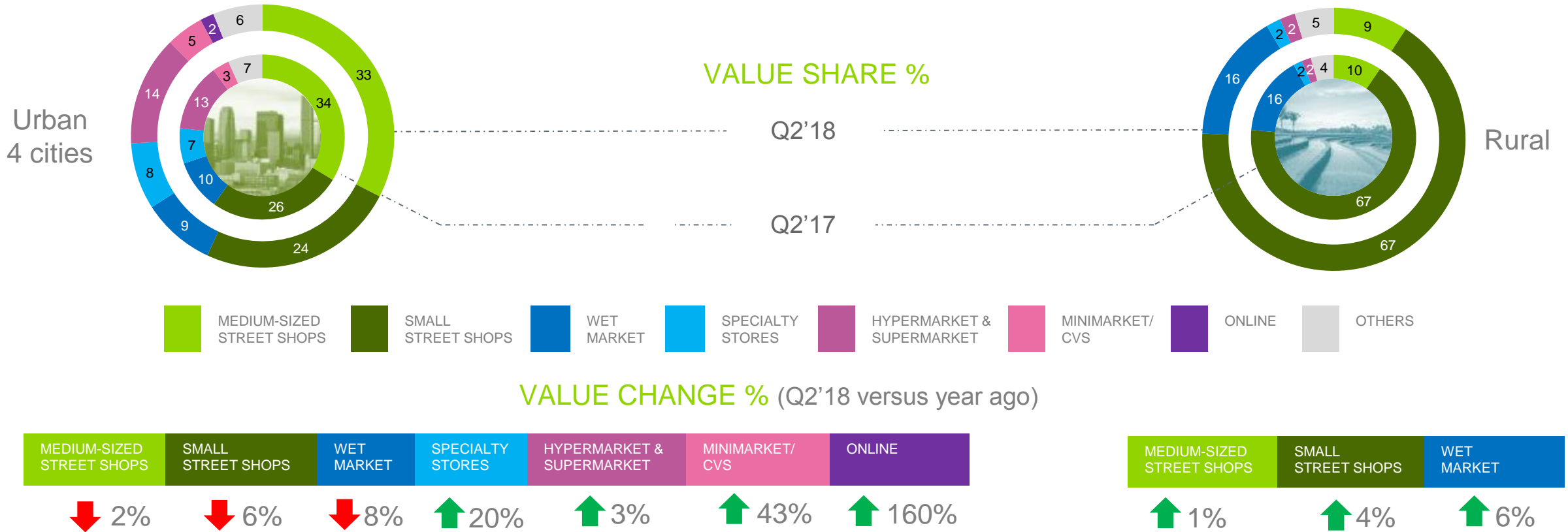
2.0 packs | Packs per buyer

10,200 VND | Avg. price per pack

Source: Kantar Worldpanel | Households Panel | Urban 4 Key Cities & Rural Vietnam | Total FMCG excluding Gift | 12 weeks period ending 17 June 2018

RETAIL LANDSCAPE

Within traditional trade, specialty stores are the only channel achieving a high value growth in Urban area. More Urban (4 cities) shoppers are moving to shop there for their specific needs with a variety of choices, especially baby products and personal care items. Continuously leading the market growth, modern trade gains 3 more share points and maintains its growth momentum at a double-digit rate. Its growth is thanks to the strong improvement of hypermarket format and the rapid development of convenience formats: mini-stores and online.

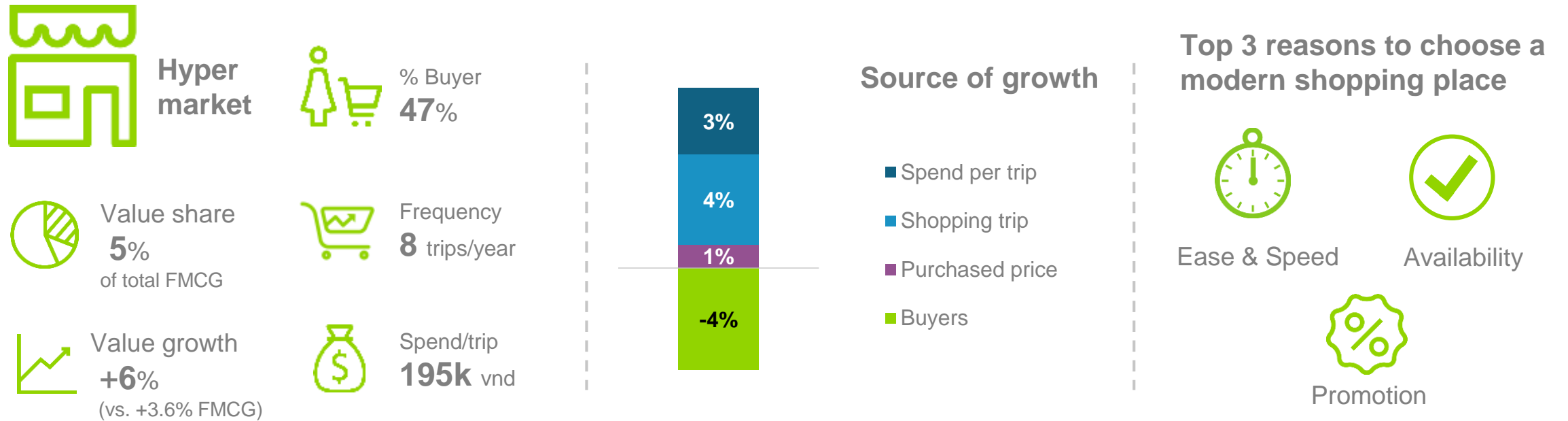


Source: Kantar Worldpanel | Households Panel | Urban 4 Key Cities & Rural Vietnam | Total FMCG excluding Gift | 12 weeks period ending 17 June 2018

SPOTLIGHT OF THE MONTH

Is big retail format still attractive to shoppers?

Amidst the rising need for convenience, hypermarket format is able to achieve a healthy growth thanks to the increase in shopping frequency and spending on each trip. With more investment from foreign retailers such as Lotte, Aeon, Emart; big retail format is playing as entertainment complex which offers to Vietnamese shoppers a wider range of products and services (including imported products), attractive promotions, eye-catching decorations and add-on services. However, more than half of households not yet shop at this channel, is this due to its inconvenient locations? Hypermarket retailers could find new shoppers by understanding what motivates them to shop there and enhancing shopping experience.



Source: Kantar Worldpanel | Households Panel & Smart Shopper | Urban 4 cities | FMCG excluding Gift | One year ending Q2 2018



JUNE
2018

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

Contact us

Nguyen Thi Nhu Ngoc
Marketing Manager

Email: nhungoc.nguyenthi@kantarworldpanel.com

Tel: +84 8 39306631 | Mob: +84 (0)988 445 401

Kantar Worldpanel Vietnam | 58 Vo Van Tan St., Dist. 3, Ho Chi Minh City, Vietnam