FMCG Monitor

12 weeks period ending 03 November 2013
(12 w/e P11/13)

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FMCG Monitor

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EXECUTIVE SUMMARY

- **Positive trends** continue to warm up the Vietnam economy in November. Inflation is under control as the Consumer Price Index posts year-low growth rates for three consecutive months. Still, it is a long way before the current slow-down bottoms out in the long run.
- Though FMCG picks up slightly in recent months thanks to stabilized economic situation, market in both urban and rural is **struggling hard to sustain growth** in November. In urban, the total FMCG market maintains a value growth at **+11%**. Rural market witnesses a growth slip from 14% in October down to **+12%** in November. Nonetheless, consumer demand is expected to heat up soon as Tet season is coming, especially in Tet categories such as Confectionary, Soft Drinks, Cooking Additives, etc.
- Key channels in urban including Street Shops, Wet Market and Modern Trade are suffering from moderate growth. In rural, Wet Market remains stagnant while Street Shop is expanding fast.
- Over the review period, **Ketchup** has excellently earned a **+52%** increase in value compared with the same period last year by attaining a robust expansion of **+57,000** new buyers and achieving **+18%** growth in average volume consumption. In Rural, **Table Napkin** is the most outstanding category among the leading Personal Care with **+43%** uplift in value consumption.
- It's anyone's guess as why a man wants to take care of his appearance. A recent Kantar Worldpanel survey on 5,300 Asian men across eight countries has found that The No.1 reason they cited was "just to feel better," followed by "important at job" and "it's an indicator of status". In Vietnam, "For Men" segment is growing fast and will continue to expand strongly in the years to come as men start to place a greater importance on grooming.

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KEY INDICATORS

#Year-Low Inflation

Inflation is under control as the Consumer Price Index posts the year-low growth rates for three consecutive months.

#FMCG Struggles Hard

In urban, the total FMCG market maintained a value growth at 11%. Rural market witnesses a growth slip from 14% in October down to 12% in November.

+5.5% GDP
Q3/2013 vs. year ago

+5.8% CPI
November 2013 vs. year ago

10.6% FMCG GROWTH, URBAN 4 CITIES
12 weeks ending 3 November 2013 vs. year ago (12 w/e P11/13 vs. YA)

+11.5% FMCG GROWTH, RURAL
12 weeks ending 3 November 2013 vs. year ago (12 w/e P11/13 vs. YA)

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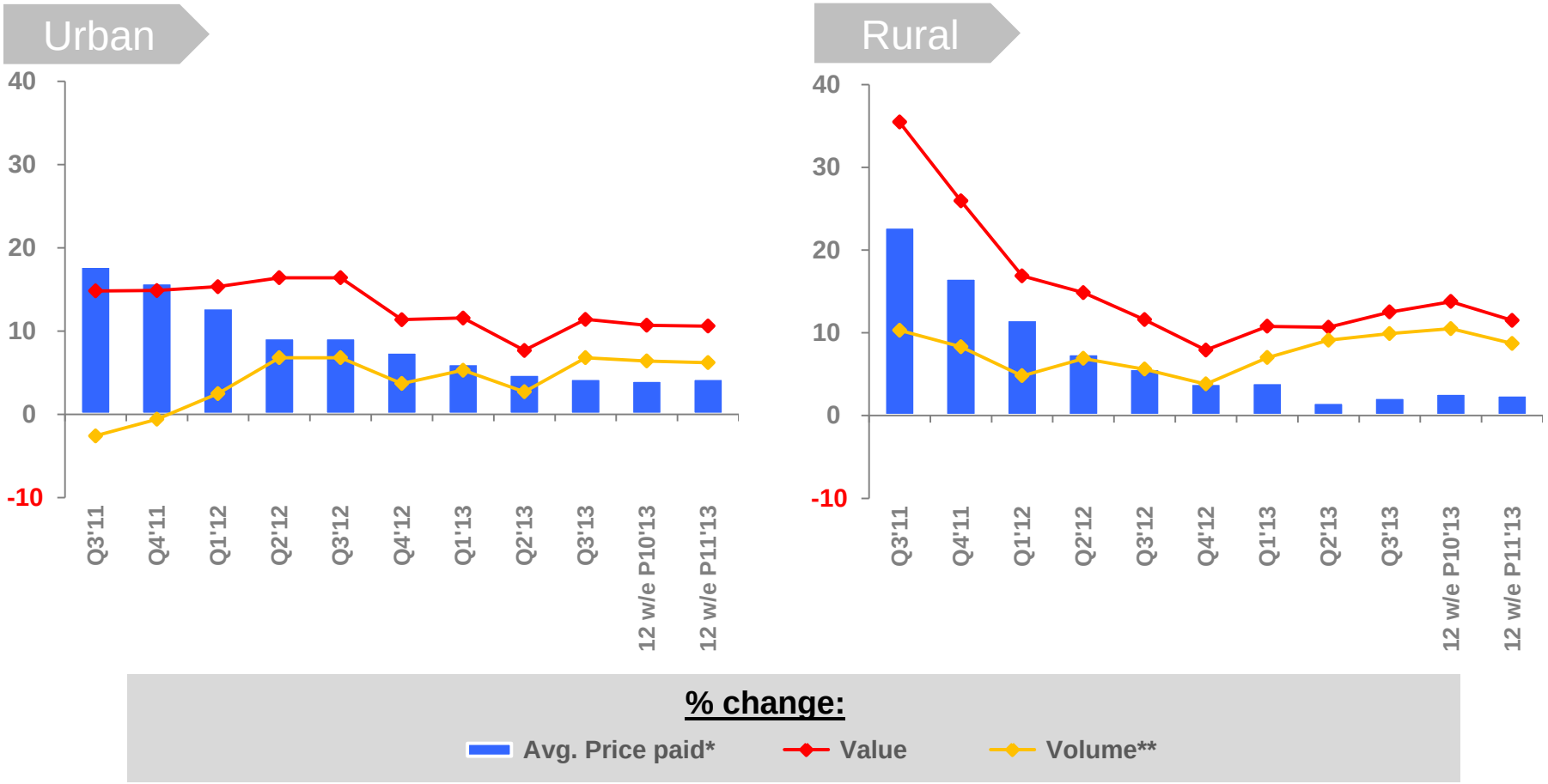
FMCG – 12 WEEKLY YEAR-ON-YEAR CHANGE (%)

After a slight pick-up in quarter 3, FMCG market is struggling to sustain growth.



*: 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 – Total FMCG excluding Gift

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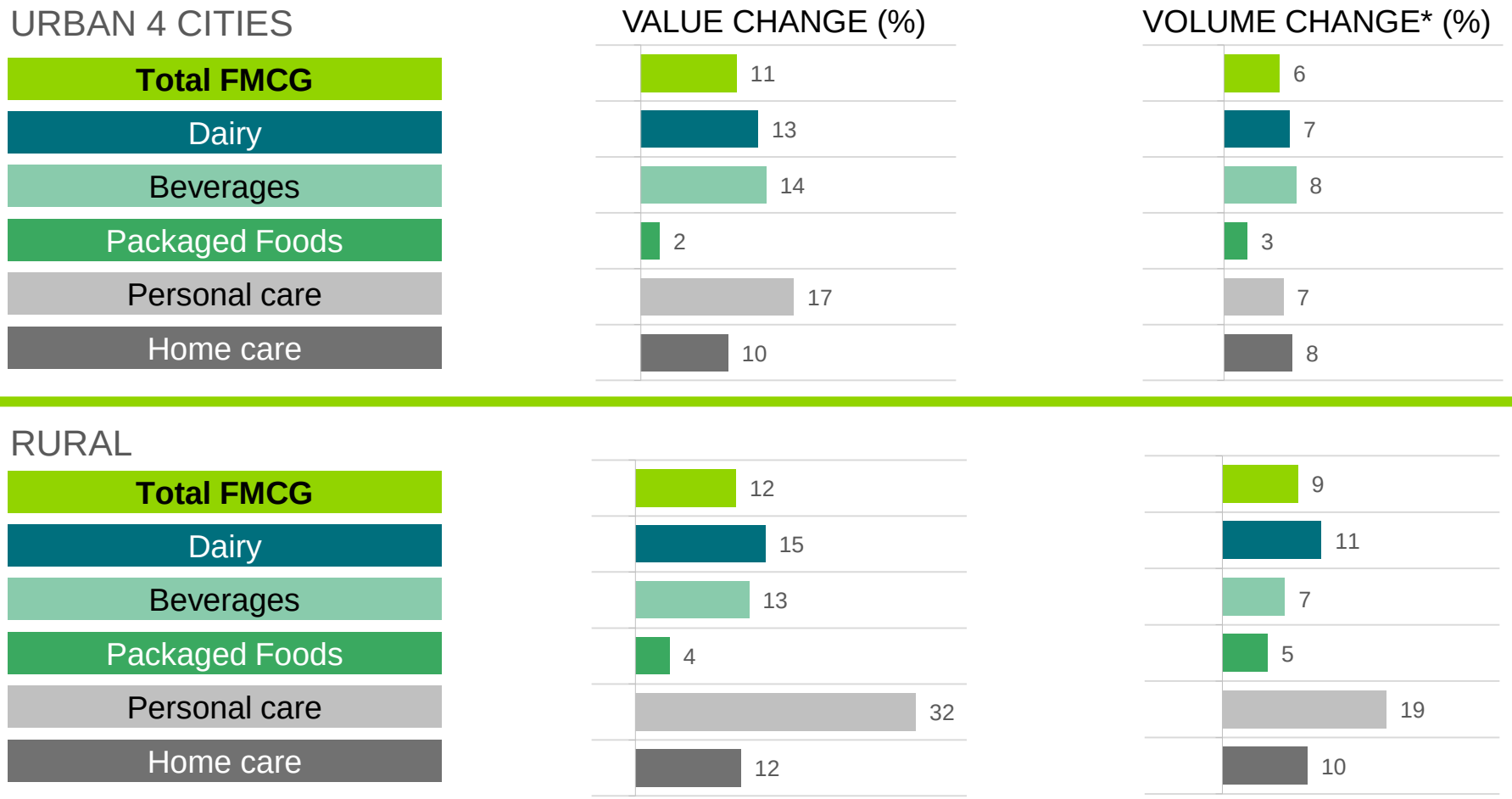
FMCG BASKET TRENDS

All sectors reports growth of 2 digits, except Packaged Foods which is hardly making any progress since end of Tet period this year.



12 weeks ending P11/13 vs. 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 – Total FMCG excluding Gift

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HOT CATEGORIES

URBAN 4 CITIES

Ketchup

VOL CHANGE %
+52%

12 w/e P11/13 vs. YA

+2.0pt
Penetration
Incremental of 57,000 households

+18%
Average volume per buyer
Increase volume purchase by 18%

RURAL

Table Napkin

VOL CHANGE %
+43%

12 w/e P11/13 vs. YA

+2.3pt
Penetration
Incremental of 418,000 households

+12%
Average volume per buyer
Increase volume purchase by 12%

Source: Kantar Worldpanel – Households Panel – Total FMCG excluding Gift

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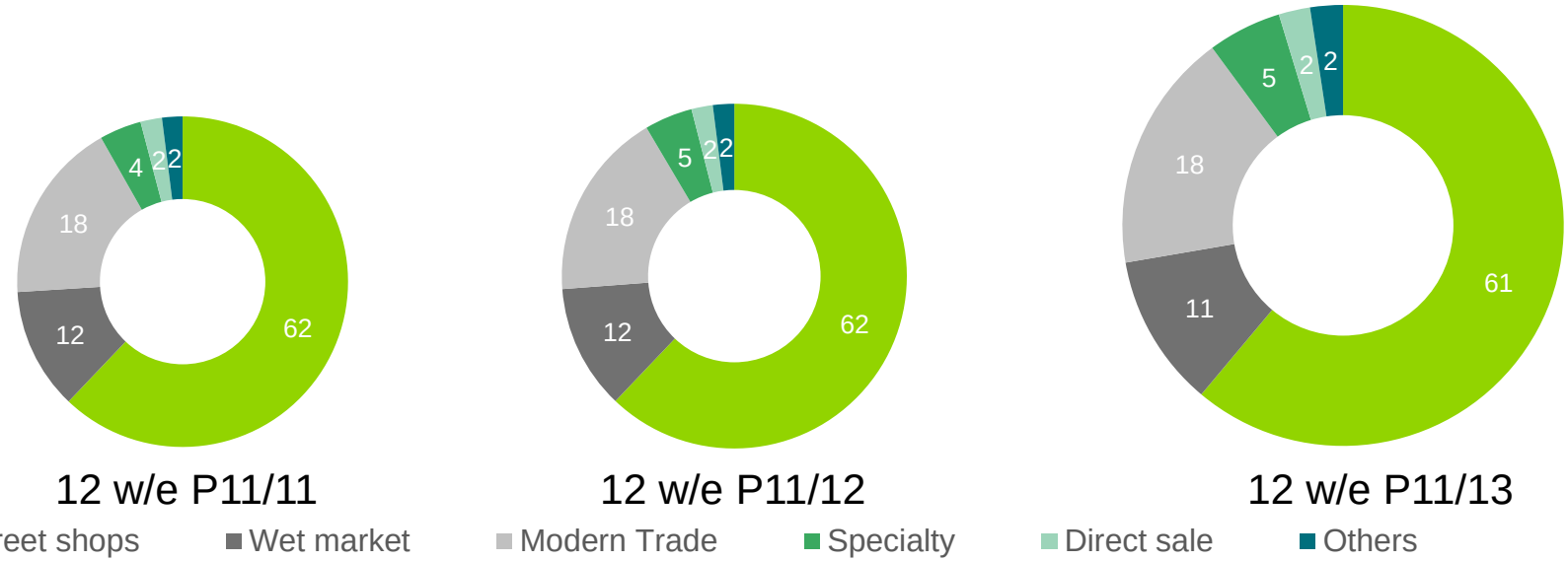
RETAILER SNAPSHOT – URBAN

% Value



VALUE CHANGE %	12 w/e P11/12 vs. YA	12 w/e P11/13 vs. YA
Street shops	●	●
Wet market	●	●
Modern trade	●	●
> Hyper/Supermarket	●	●
> Ministores	●	●

● Growth ≤ -0.5% ● -0.5% < Growth < 5% ● 5% ≤ Growth ≤ 15% ● Growth >15%

Source: Kantar Worldpanel – Households Panel – Vietnam 4 key urban cities – Total FMCG excluding Gift

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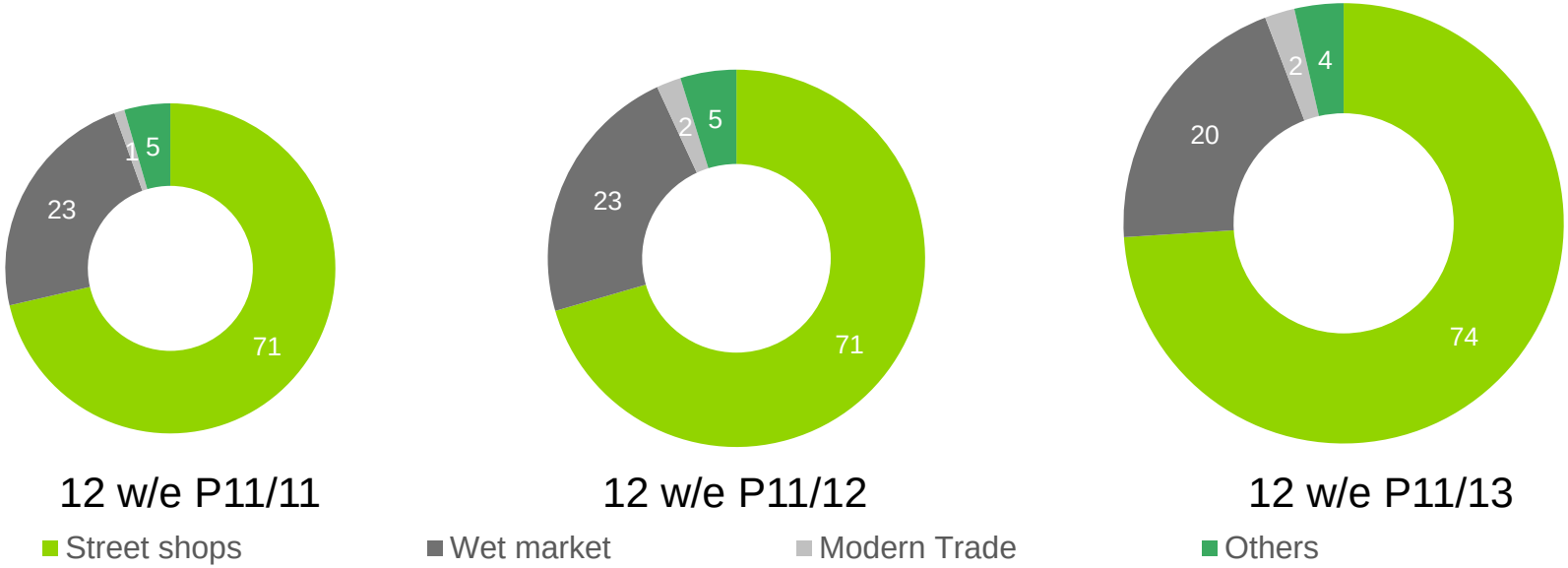
RETAILER SNAPSHOT – RURAL

% Value



VALUE CHANGE %	12 w/e P11/12 vs. YA	12 w/e P11/13 vs. YA
Street shops	●	●
Wet market	●	●
Modern trade	●	●

● Growth ≤ -0.5% ● -0.5% < Growth < 5% ● 5% ≤ Growth ≤ 15% ● Growth >15%

Source: Kantar Worldpanel – Households Panel – Rural Vietnam – Total FMCG excluding Gift

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MEN REVOLUTION ASIA 2013

Kantar Worldpanel has conducted the most exhaustive study about Male Grooming trends by talking to 5,300 men in 8 countries. We know what they think, what they use and what they purchase. We know what motivate, worry and influence them. We know where the opportunities are from head to toe.

WHY DO I CARE

1. Just to feel better
2. Important at Job
3. Indicator of Status

TOP 5 ITEMS MOST USED

1	Blades & Razors	92%
2	Shampoo	91%
3	Bar Soap	72%
4	Facial Cleansing	56%
5	Shower Gel	55%

HOW ABOUT VIETNAMESE MEN?

4 in **5** **Vietnamese** men are conscious about their appearance

MY CONCERN-METER

35%	Bad Breath/ Teeth Color
31%	Acne
23%	Sweat in Excess
20%	Overweight
19%	Oily Skin

See more …

Want to know more about Vietnamese men? Contact your client service team or email us at vietnam@kantarworldpanel.com

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KEY MESSAGES

1. CPI POSTS THE YEAR-LOW GROWTH RATES FOR THREE CONSECUTIVE MONTHS
2. FMCG MARKET IN BOTH URBAN AND RURAL IS STRUGGLING HARD TO SUSTAIN GROWTH
3. HOT CATEGORIES: KETCHUP IN URBAN & TABLE NAPKIN IN RURAL
4. MODERATE GROWTH ACROSS KEY CHANNELS IN URBAN, STREET SHOPS ARE EXPANDING FAST IN RURAL
5. ASIAN MALE GROOMING: IT'S NOT ABOUT WOMEN!

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About Kantar Worldpanel

Kantar Worldpanel is the world leader in consumer knowledge and insights based on continuous consumer panels. Its High Definition Inspiration™ approach combines market monitoring, advanced analytics and tailored market research solutions to deliver both the big picture and the fine detail that inspire successful actions by its clients. Kantar Worldpanel's expertise about what people buy or use – and why – has become the market currency for brand owners, retailers, market analysts and government organisations globally.

With over 60 years' experience, a team of 3,500, and services covering more than 55 countries directly or through partners, Kantar Worldpanel delivers High Definition Inspiration™ in fields 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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