

FMCG Monitor

An integrated update of Vietnam FMCG market

12 weeks period ending 13 July 2014 (12 w/e P7/14)
Urban 4 Key Cities & Rural Vietnam

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INSIDE THIS ISSUE

KEY INDICATORS

Some macro improvements achieved but weak local demand is still the major block

FMCG TRENDS

FMCG growth stabilizes at 5% in Urban and 11% in Rural

HOT CATEGORIES

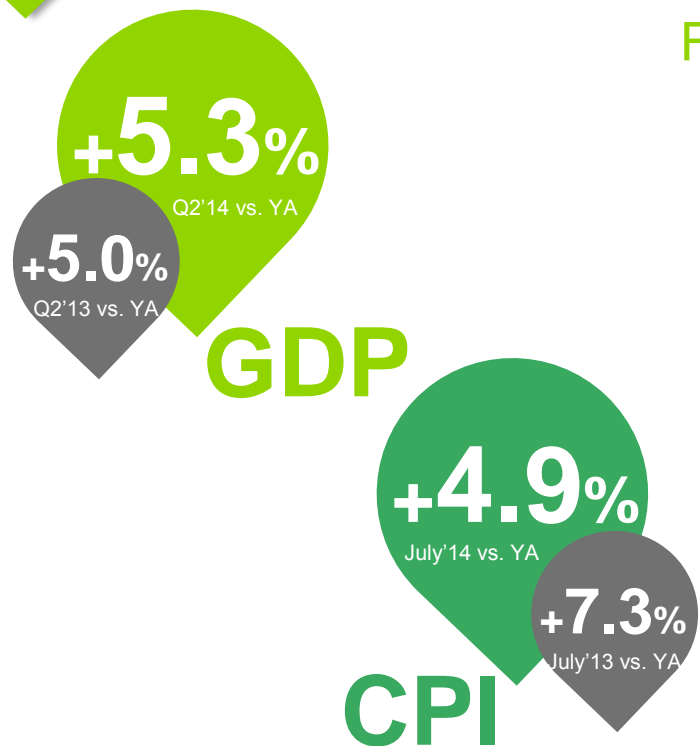
Tonic Food Drink in Urban and Ice Cream in Rural.

RETAIL LANDSCAPE

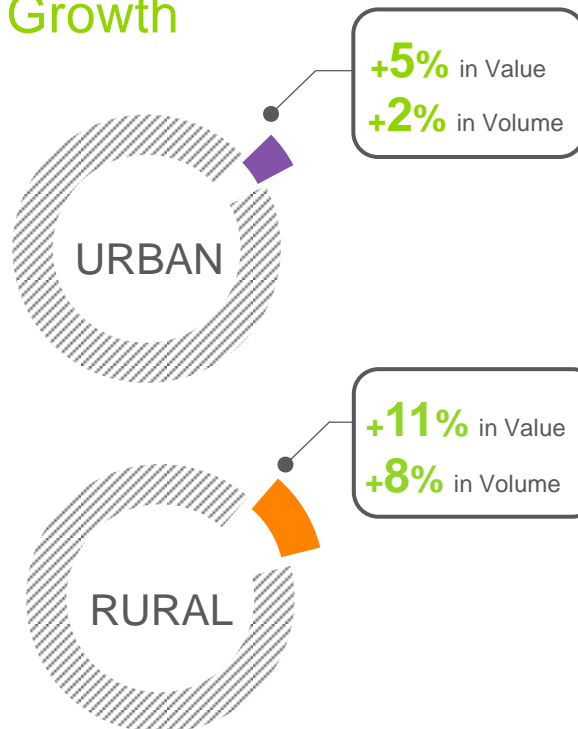
All key channels in Urban report a decline in growth. In Rural, Street Shop is holding strong.

SPOTLIGHT ON VN

Beverage Usage Behaviors in Current Slowdown: Consumers opt for more drinking occasions at home



FMCG Growth



The Vietnam economy has achieved some improvement but weak local demand is still the major block to a sustainable recovery.

FMCG growth stabilizes at 5% in Urban and 11% in Rural over the latest 12 weeks compared with the same period last year.

12 weeks ending P7/14 vs. YA

*: 12 weeks ending 13 July 2014 vs. year ago

Source: GSO

Kantar Worldpanel – Households Panel – Urban 4 Key Cities & Rural Vietnam – Total FMCG excluding Gift

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

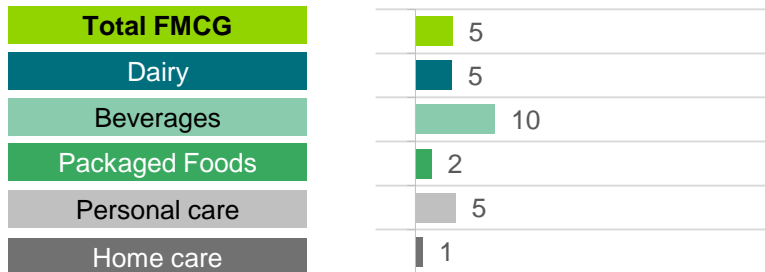


FMCG growth in Urban levels off at 5% in value and 2% in volume. Meanwhile, Rural market is stabilizing its growth at 11% in value and 8% in volume.

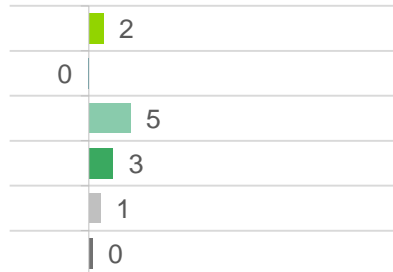
*: To calculate **FMCG price paid change**, we calculate how much price contributes to the value change for each category, sum up these contributions and relate to value YA
: To calculate **FMCG volume change, we calculate how much volume contributes to the value change for each category, sum up these contributions and relate to value YA (this results in an average category change in volume)
Source: Kantar Worldpanel – Households Panel – Urban 4 Key Cities & Rural Vietnam - Total FMCG excluding Gift

URBAN 4 CITIES

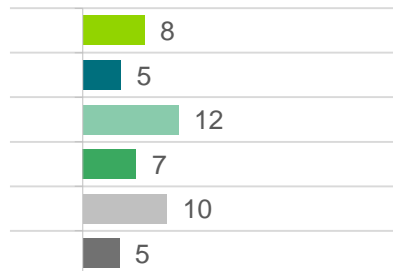
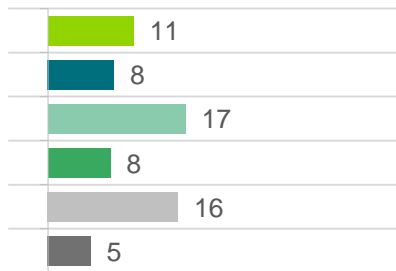
VALUE CHANGE (%)



VOLUME* CHANGE (%)



RURAL



The slowdown is clearly felt across different sectors in Urban with volume growth of 5 and below.

In Rural, Dairy and Home Care products are suffering from moderate growth.

*: 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 w/e P7/14 vs. YA

URBAN 4 CITIES

RURAL



VOL CHANGE %

+27%

TONIC FOOD DRINK
(Chocolate Malt Beverages)

Penetration

Incremental of 87,000 households

+3.4pt**Average volume per buyer**

Increase volume purchase by 10%

+10%

VOL CHANGE %

+53%

ICE CREAM

Penetration

Incremental of 588,000 households

+3.3pt**Average volume per buyer**

Increase volume purchase by 33%

+33%

Tonic Food Drink is the bright spot in Urban throughout this quarter with strong growth of 27% in volume growth, mostly thanks to expanding buyer base of additionally 87,000 new buyers.

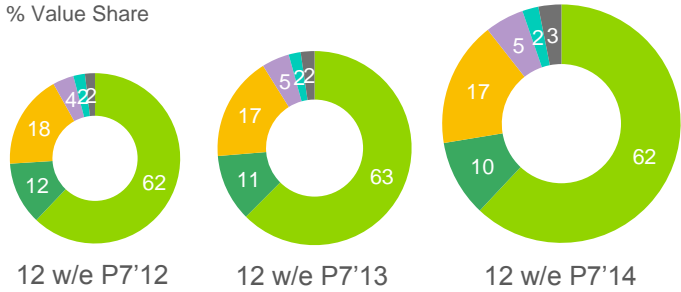
In Rural, Ice Cream wins the Hot Category with 53% increase in volume consumed at home thanks to both new buyer recruitment of nearly 600,000 new households and 33% uplift in average household consumption.

Source: Kantar Worldpanel – Households Panel – Urban 4 Key Cities & Rural Vietnam – Total FMCG excluding Gift

12 w/e P7/14 vs. YA

Urban

% Value Share



Street Shops Wet Market Modern Trade Specialty Direct Sales Others

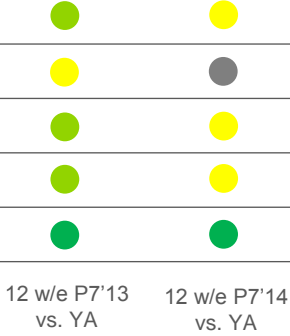
Street shops

Wet market

Modern trade

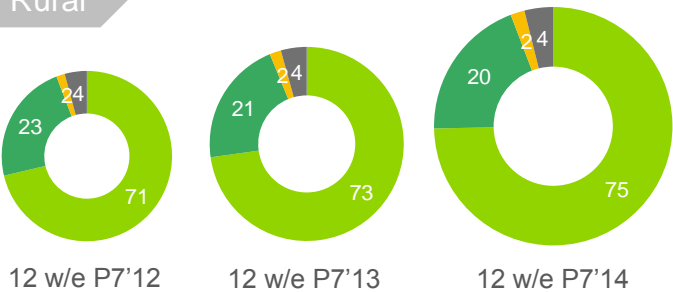
> Hyper/Supermarket

> Ministores



All key channels in Urban report a decline in growth compared with the same period last year.

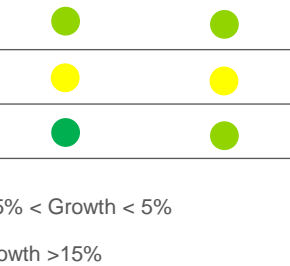
Rural



Street shops

Wet market

Modern trade



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

In Rural, Street Shop is holding strong whereas Wet Market remains stagnant.

Source: Kantar Worldpanel – Households Panel – Urban 4 Key Cities & Rural Vietnam – Total FMCG excluding Gift



Beverage Usage Behaviors in Current Slowdown

Consumers are opting for drinking occasions at home rather than outside. Our drink usage panel reports a growth of 3.9% in in-home drinking occasions while out-of-home occasions remain stagnant.

I try buying beverages that I have a **coupon** for.

53%

Q2'13

57%

Q2'14

% Agree

I try new beverages only if **recommended by my friends**.

64%

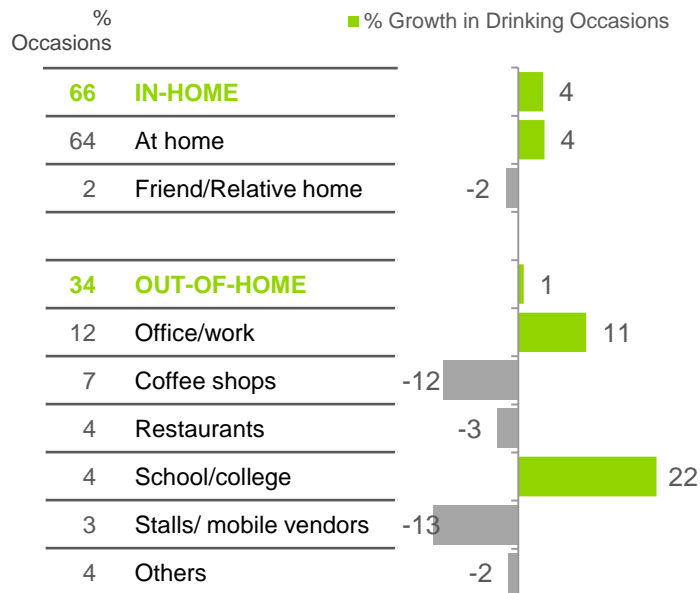
Q2'13

68%

Q2'14

% Agree

OPT FOR MORE HOME DRINKS



TOP GROWING

IN-HOME

Occasion growth %

#1	Tonic Food Drink	+45%
#2	Beer/Lager	+44%
#3	Instant Coffee	+31%
#4	Energy Drink	+22%
#5	Bottled Water	+18%

TOP DECLINING

OUT-OF-HOME

Occasion growth %

#1	Instant Coffee	-33%
#2	Loose Leaf Tea	-19%
#3	Tonic Food Drink	-17%
#4	Energy Drink	-13%
#5	Drinking Yoghurt	-8%

Source: Kantar Worldpanel – Drink Usage Panel – Urban 4 Key Cities – Excluding Tap Water – Q2'14 vs Q2'13



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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