FMCG Monitor

12 weeks period ending 08 September 2013
(12 w/e P9/13)

EXECUTIVE SUMMARY

> Vietnam's economic growth quickens to **+5.54%** in the third quarter, mostly thanks to rising foreign investment that helps support manufacturing and exports. Yet, it is quite early to conclude whether a strong and sustained rebound is on its way as the main driver of the economic growth in quarter 3 is not much of local but foreign demands.

> Quarter 3 ends with positive signs in FMCG market, recording a strong growth at **+11%** in urban and **+13%** in rural market in terms of value. **Personal Care** keeps on leading the growth in Urban market with strong gain in baby care, while **Beverages** continues to be the key driver in rural market. In terms of retail landscape, all key channels maintain a healthy **2-digit growth** over the third quarter.

> During this quarter, Kantar Worldpanel notices the excellent growth of **Floor Cleaner** in Urban with **+31%** volume growth thanks to rapid expansion in buyer base with **+133,000** new households recruited in the last three months. In Rural, **Baby Diaper** was the most outstanding category with **+75%** uplift in volume consumption by successfully expanding its reach to **+338,000** new households and increasing average consumption by **+25%**

> Tough economic conditions combined with an explosion in new technology and an appetite for all things digital means that shoppers no longer follow a simple linear path to purchase. **55%** of shoppers make **shopping list** before going to stores and this ratio is much higher among Modern trade shoppers. Besides, a huge lot of decisions are made in stores! Especially in Modern trade and wet market as **64%** of the shoppers there say that they **did buy something out of their plan**. Consumers are "forward thinking" while shoppers are "task-oriented". Understanding **the path to purchase** of your shoppers will help you make the right marketing strategy to influence them.

KEY INDICATORS

#ImprovedGDPGrowth

Vietnam's economic expansion quickens to 5.54% in the third quarter, mostly thanks to rising foreign investment that helps support manufacturing & exports

#FMCGPicksup

Quarter 3 ends with positive signs in FMCG market, recording a strong growth at 11% in urban and 13% in rural market in terms of value.

+5.5% — GDP
Q3/2013 vs. year ago

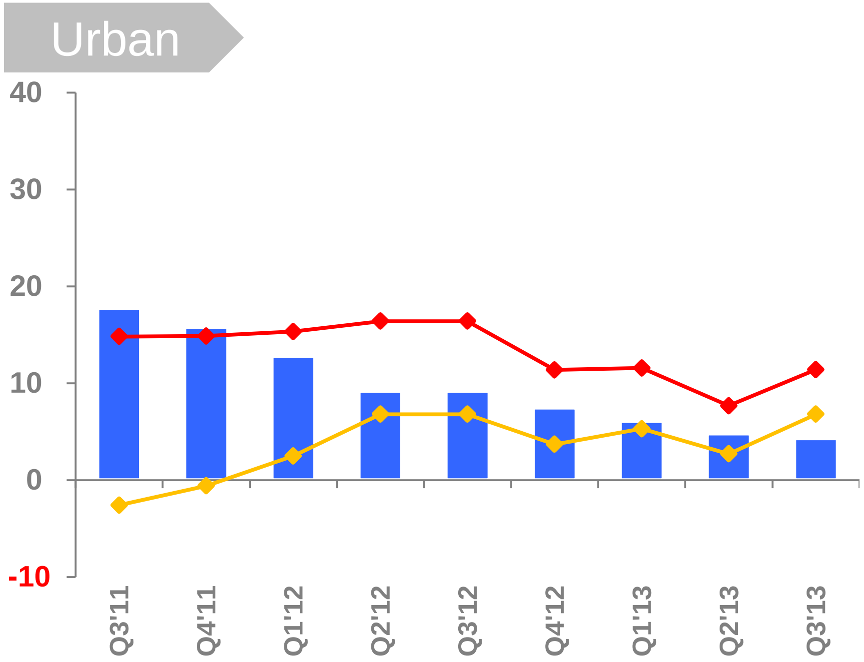
+6.3% — CPI
September 2013 vs. year ago

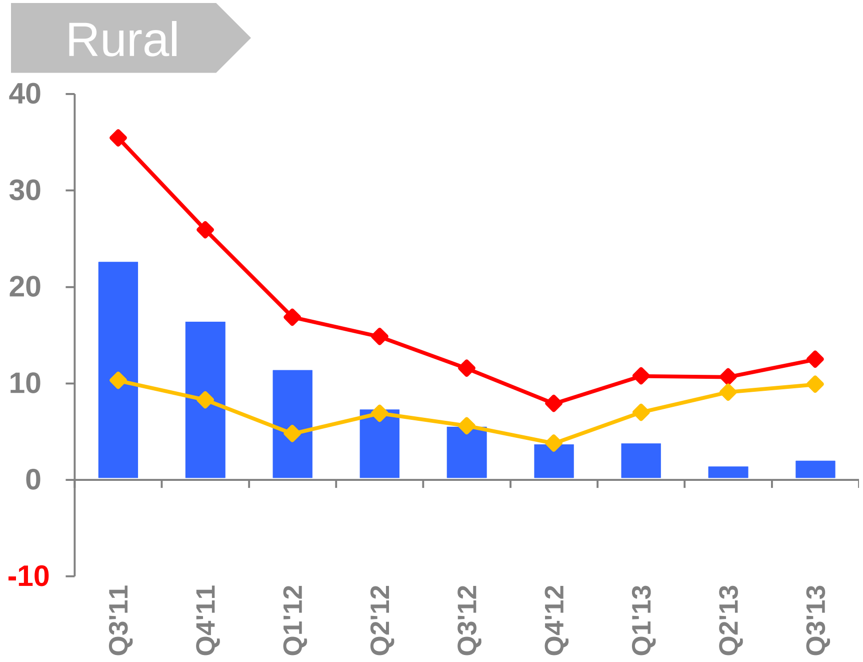
11.4% — FMCG GROWTH, URBAN 4 CITIES
12 weeks ending 8 September 2013 vs. year ago (12 w/e P9/13 vs. YA)

+12.5% — FMCG GROWTH, RURAL
12 weeks ending 8 September 2013 vs. year ago (12 w/e P9/13 vs. YA)

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

FMCG growth picks up slightly upon recent improvement in economic conditions.





% change:

Avg. Price paid* Value 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 – Total FMCG excluding Gift

FMCG BASKET TRENDS

Personal Care in Urban and Beverages in Rural continue to lead the market.

URBAN 4 CITIES

	VALUE CHANGE (%)	VOLUME CHANGE* (%)
Total FMCG	11	7
Dairy	13	8
Beverages	11	6
Packaged Foods	3	4
Personal care	24	10
Home care	10	6

RURAL

	VALUE CHANGE (%)	VOLUME CHANGE* (%)
Total FMCG	13	10
Dairy	18	13
Beverages	24	20
Packaged Foods	0	2
Personal care	26	14
Home care	16	13

12 weeks ending P9/13 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

HOT CATEGORIES

URBAN 4 CITIES

Floor Cleaner

VOL CHANGE %
+31%

12 w/e P9/13 vs. YA

+4.6pt **Penetration**
Incremental of 133,000 households

+4.3% **Average volume per buyer**
Increase volume purchase by 4.3%

RURAL

Baby Diaper

VOL CHANGE %
+75%

12 w/e P9/13 vs. YA

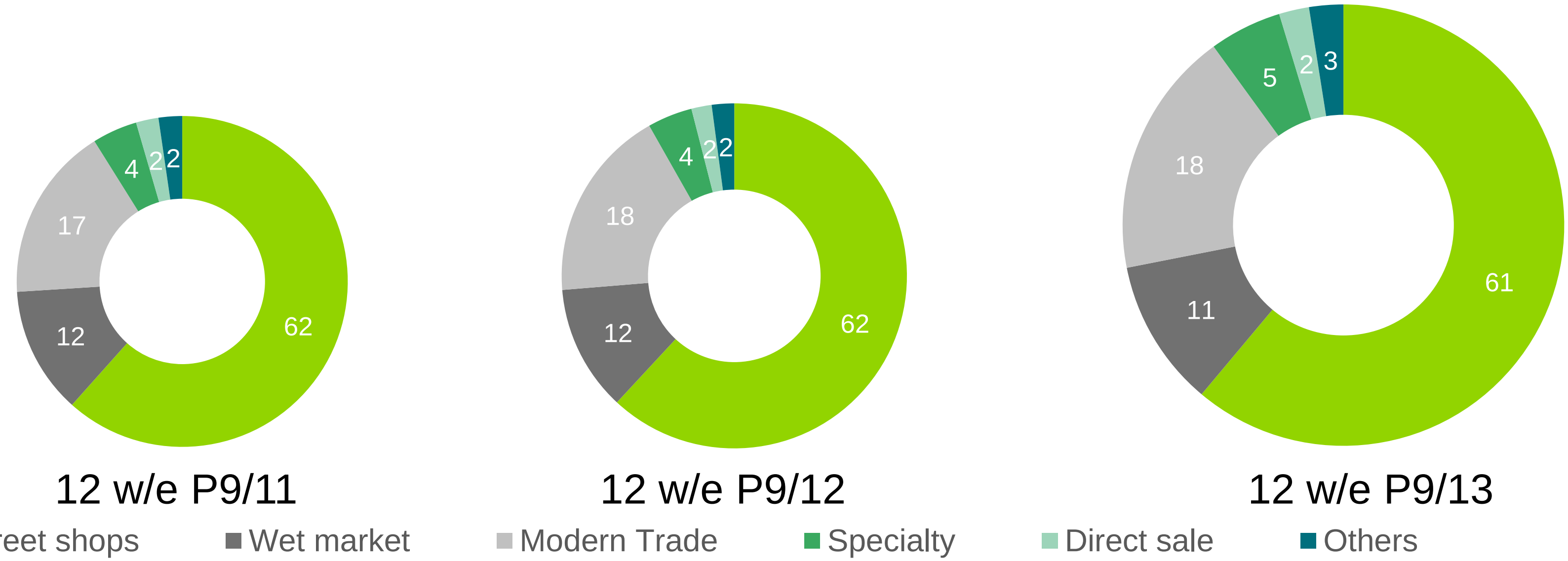
+2.0pt **Penetration**
Incremental of 338,000 households

+25% **Average volume per buyer**
Increase volume purchase by 25%

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

RETAILER SNAPSHOT – URBAN

% Value



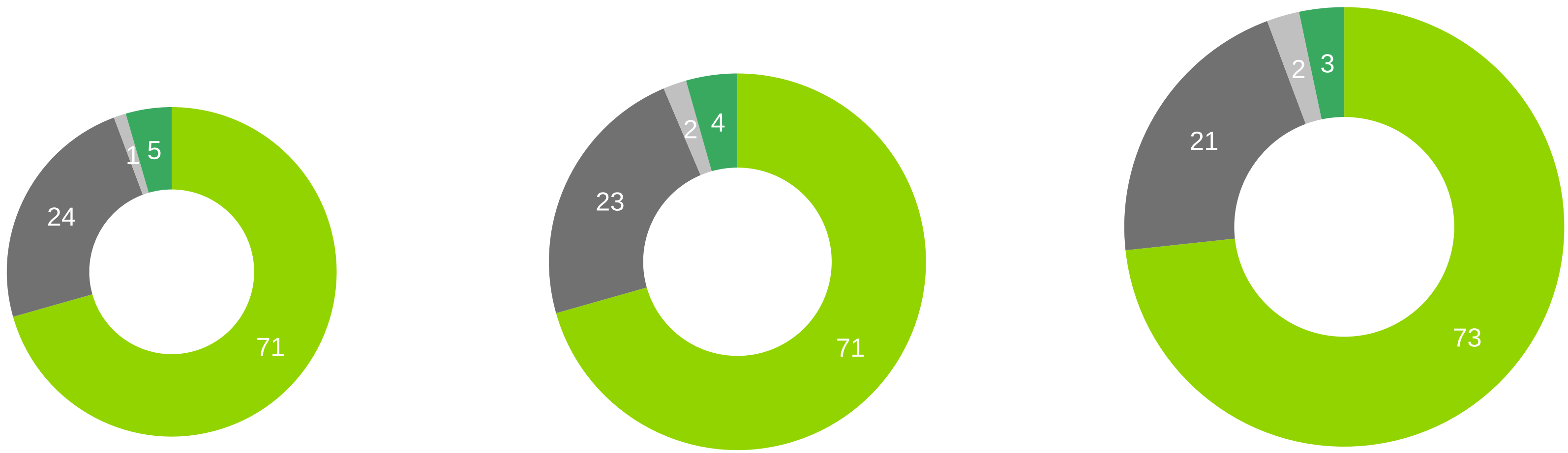
VALUE CHANGE %	12 w/e P9/12 vs. YA	12 w/e P9/13 vs. YA
Street shops	● Growth >15%	● 5% ≤ Growth ≤ 15%
Wet market	● 5% ≤ Growth ≤ 15%	● -0.5% < Growth < 5%
Modern trade	● Growth >15%	● 5% ≤ Growth ≤ 15%
> Hyper/Supermarket	● Growth >15%	● 5% ≤ Growth ≤ 15%
> Ministores	● Growth >15%	● Growth >15%

● 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

RETAILER SNAPSHOT – RURAL

% Value



12 w/e P9/11 | 12 w/e P9/12 | 12 w/e P9/13

■ Street shops ■ Wet market ■ Modern Trade ■ Others

VALUE CHANGE %	12 w/e P9/12 vs. YA	12 w/e P9/13 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

PATH TO PURCHASE

Understand shopper's missions and motivations

SHOPPING LIST?

55% urban shoppers make shopping list before going to stores

esp. when buying **Dairy** & **Home Care** products.

WHY SHOPPING?

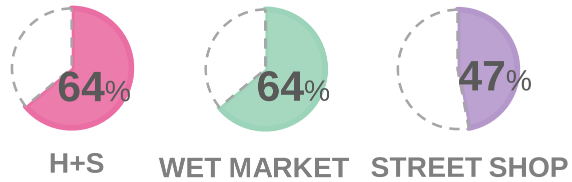
TOP REASON : TO "FILL IN"

Across key channels, more than **80%** of shopping occasions are "to replenish a few specific items".

Promotion has a role in **H+S**. **Promotion** is the 2nd most common reason to shop in H+S!

OUT-OF-PLAN PURCHASE?

%shoppers did buy items out-of-plan



Visibility & **Promotion** are the 2 key triggers to favor out-of-plan purchase

Source: LinkQ - August 2013 - Urban 4 key cities | *: H+S: Hyper/Supermarket

LinkQ can help you to investigate the missions & motivations of the shopper and to understand the "path to purchase".

Shopping Motive → Select Store → Choose Categories → Pick Products

For more information, please contact us at Ms. Emilie Raison – Expert Solutions Manager Raison.Emilie@kantarworldpanel.com

KEY MESSAGES

1. GDP GROWTH QUICKENS MOSTLY THANKS TO EXPORTS
2. FMCG MARKET GROWTH PICKS UP
3. HOT CATEGORIES: FLOOR CLEANER IN URBAN & BABY DIAPER IN RURAL
4. HEALTHY 2-DIGIT GROWTH ACROSS ALL KEY CHANNELS, EXCEPT STAGNANT WET MARKET IN URBAN
5. PATH TO PURCHASE:
UNDERSTAND SHOPPER'S MISSIONS AND MOTIVATIONS

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.

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