FMCG Monitor

12 weeks period ending 06 October 2013
(12 w/e P10/13)

KANTAR WORLDPANEL

FMCG Monitor

© Kantar Worldpanel

EXECUTIVE SUMMARY

- After a slight pick-up by end of Quarter 3, market growth in Urban is struggling hard to stand at **+11%**. Meanwhile, FMCG in Rural is stepping up firmly at **+14%** in terms of value.
- Consumption **grows healthily** across all FMCG sectors with Personal Care leading in terms of value growth in both Urban and Rural. The only exception is Packaged Foods which has remained stagnant since end of Tet. In terms of retail landscape, all key channels maintain a healthy **2-digit** growth over the past 3 months, except Wet Market.
- In Urban, **Box Tissues** surge up by **+77%** compared to the same period last year in volume thanks to a **+37%** increase in household consumption and an incremental of **+51,000** new household buyers. In Rural, **Chocolate Malted Beverages** witness outstanding growth at **+37%** by increasing household volume consumption by **+17%** and attracting more than **+235,000** new buyers.
- New products are substantial to market growth, and even more prevails when the market slows down. **Every 2 hours**, there is one new product launched! In 2012, **10% out of 16%** incremental growth in FMCG market is from new products while only 6% comes from existing products. In one year after launch, a new product (variant level) can attract **1 in 15** households (7% penetration), of whom, **28%** have **repurchased**. Noticeably, trial build slows down dramatically after **3 months**. After this initial period, the performance of a new launch can be fairly predictable. Therefore, marketers have 90 working days to best target the early adopters.

© Kantar Worldpanel

KEY INDICATORS

#EasedCPI

Inflation eases as price pressure of the new school year fades out by October.

#UrbanVs.Rural

After a slight pick-up by end of Quarter 3, market growth in Urban is struggling hard to stand at 11%. Meanwhile, FMCG in Rural is stepping up firmly at 14% in value growth.

+5.5%

GDP

Q3/2013 vs. year ago

+5.9%

CPI

October 2013 vs. year ago

10.7%

FMCG GROWTH, URBAN 4 CITIES

12 weeks ending 6 October 2013 vs. year ago (12 w/e P10/13 vs. YA)

+13.8%

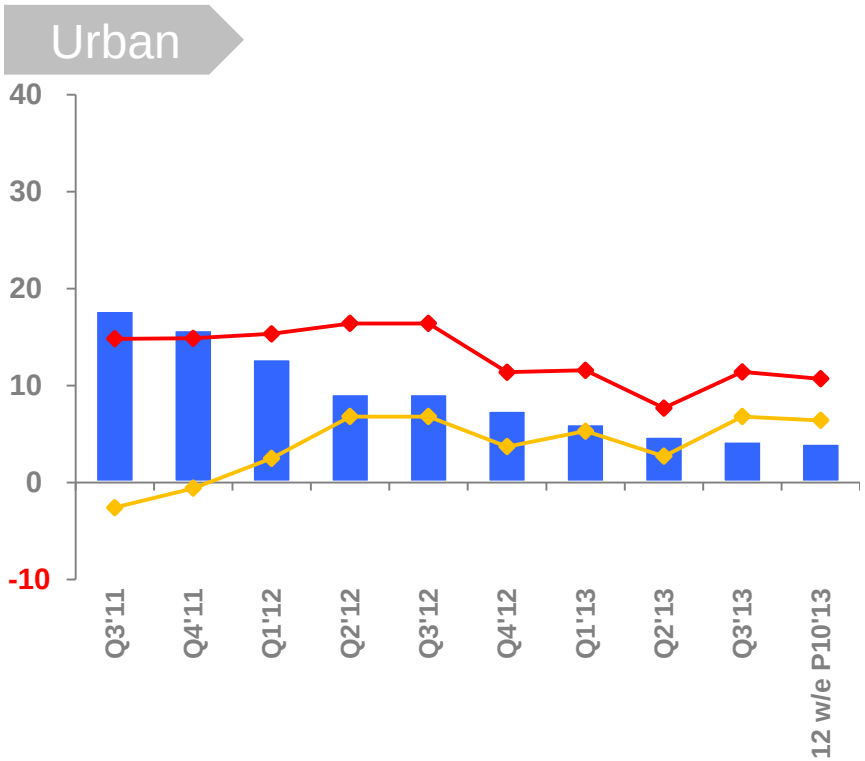
FMCG GROWTH, RURAL

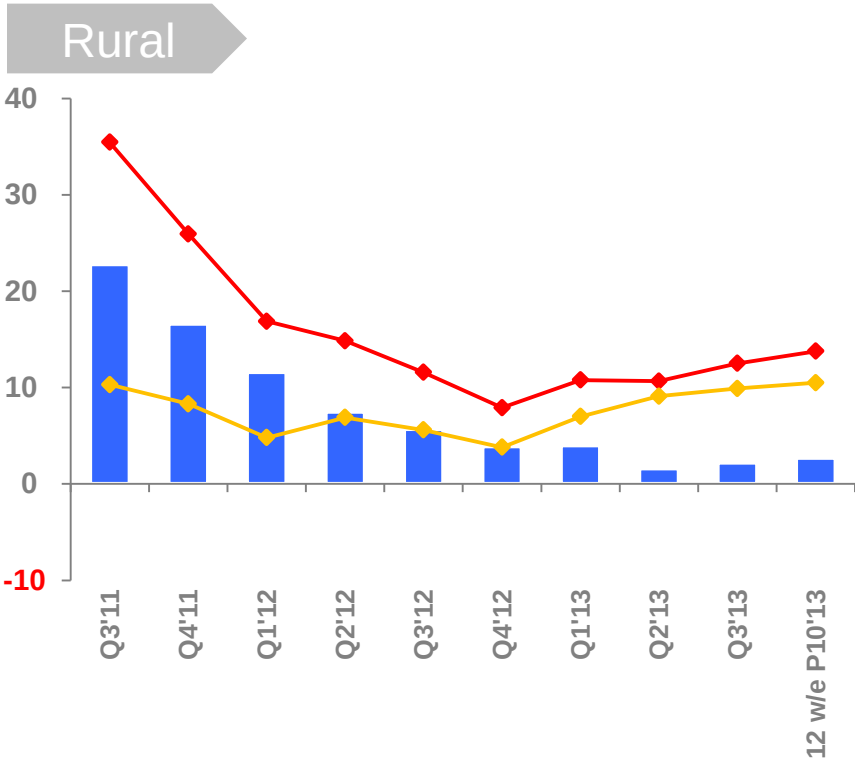
12 weeks ending 6 October 2013 vs. year ago (12 w/e P10/13 vs. YA)

© Kantar Worldpanel

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

After a slight pick-up by end of Quarter 3, market growth in Urban is struggling hard to stand at 11%. Meanwhile, FMCG in Rural is stepping up firmly at 14% in terms of value.





% change:

Avg. Price paid* | Value | Volume**

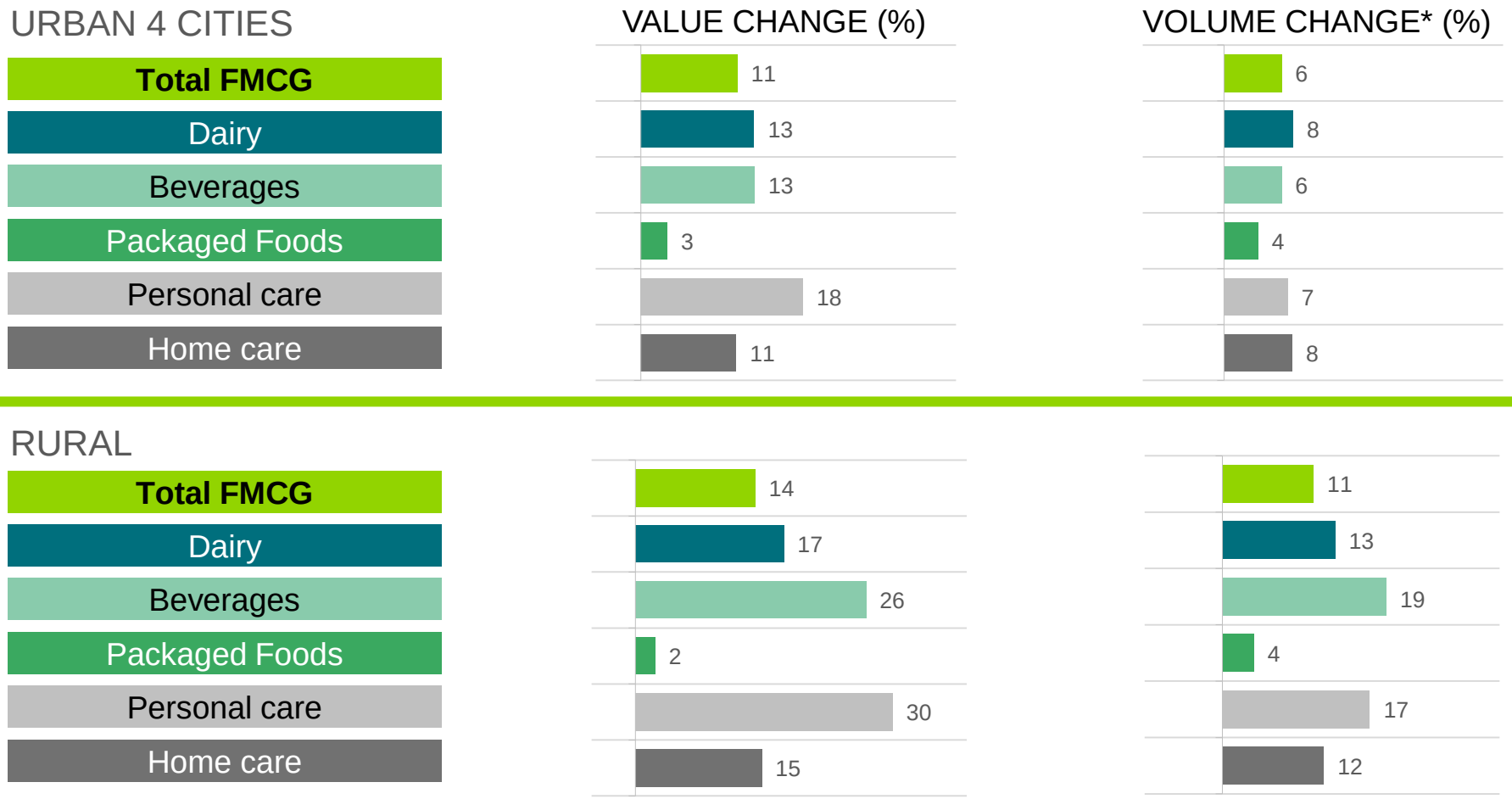
*: To calculate **FMCG price paid change**, we calculate how much price contributes to the value change for each category, sum up these contributions and relate to value YA
: To calculate **FMCG volume change, we calculate how much volume contributes to the value change for each category, sum up these contributions and relate to value YA (this results in an average category change in volume)

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

© Kantar Worldpanel

FMCG BASKET TRENDS

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



12 weeks ending P10/13 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

© Kantar Worldpanel

HOT CATEGORIES

URBAN 4 CITIES

Box Tissue

VOL CHANGE %
+77%

12 w/e P10/13 vs. YA

+1.8pt **Penetration**
Incremental of 51,000 households

+37% **Average volume per buyer**
Increase volume purchase by 37%

RURAL

Chocolate Malted Beverages

VOL CHANGE %
+37%

12 w/e P10/13 vs. YA

+1.2pt **Penetration**
Incremental of 235,000 households

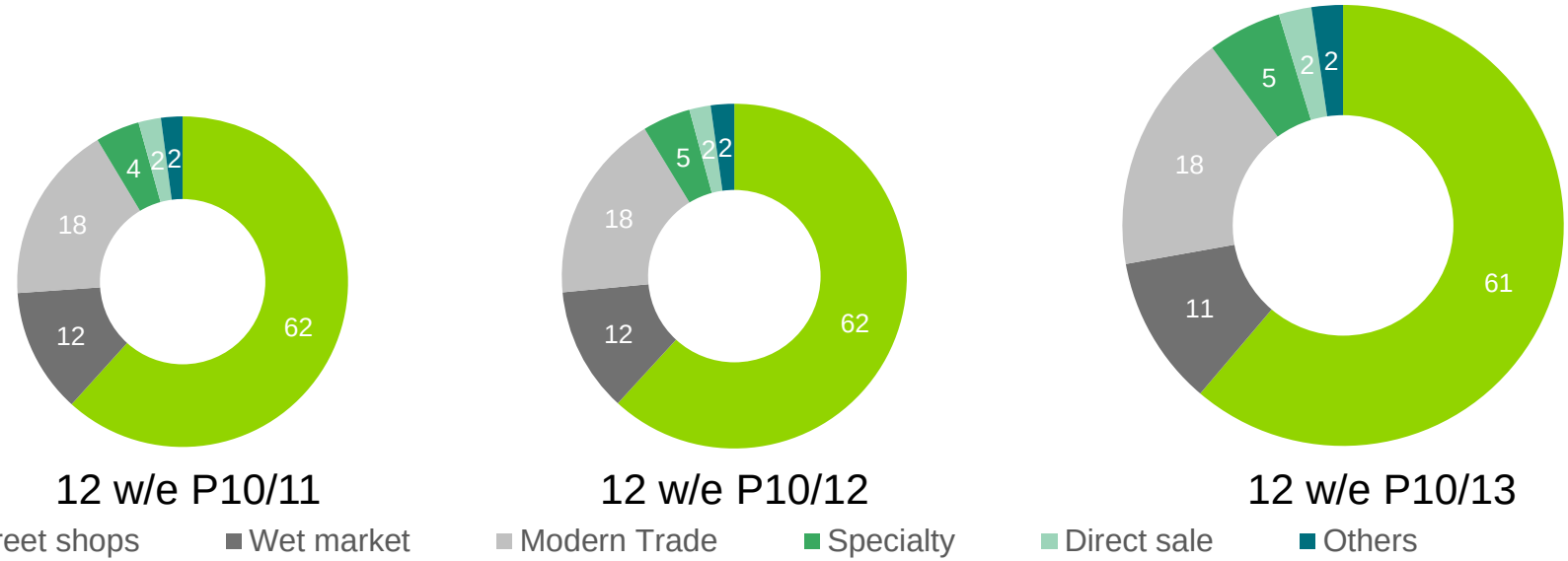
+17% **Average volume per buyer**
Increase volume purchase by 17%

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

© Kantar Worldpanel

RETAILER SNAPSHOT – URBAN

% Value



VALUE CHANGE %	12 w/e P10/12 vs. YA	12 w/e P10/13 vs. YA
Street shops	●	●
Wet market	●	●
Modern trade	●	●
> Hyper/Supermarket	●	●
> Ministores	●	●

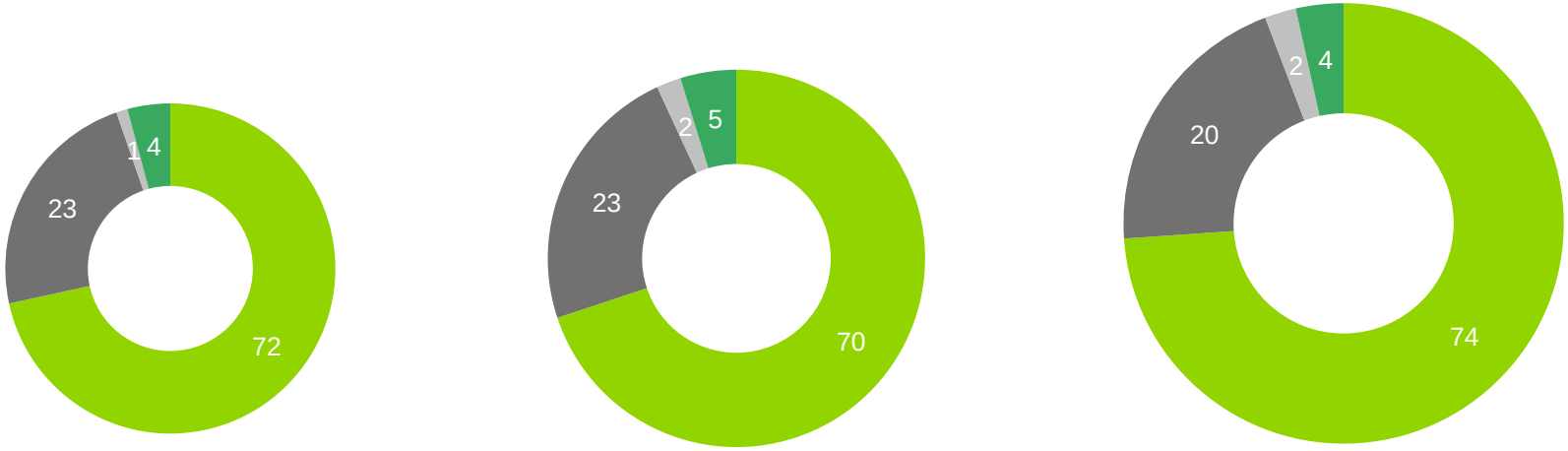
● Growth ≤ -0.5% ● -0.5% < Growth < 5% ● 5% ≤ Growth ≤ 15% ● Growth >15%

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

© Kantar Worldpanel

RETAILER SNAPSHOT – RURAL

% Value



12 w/e P10/11 | 12 w/e P10/12 | 12 w/e P10/13

Street shops | Wet market | Modern Trade | Others

VALUE CHANGE %	12 w/e P10/12 vs. YA	12 w/e P10/13 vs. YA
Street shops	5% ≤ Growth ≤ 15%	Growth >15%
Wet market	5% ≤ Growth ≤ 15%	-0.5% < Growth < 5%
Modern trade	Growth >15%	Growth >15%

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

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

© Kantar Worldpanel

MEASURE OF SUCCESS

What makes a successful launch?

Every **2 hours**, there is a new product launched

1 Innovation is key for growth

2 Set the right target & benchmark

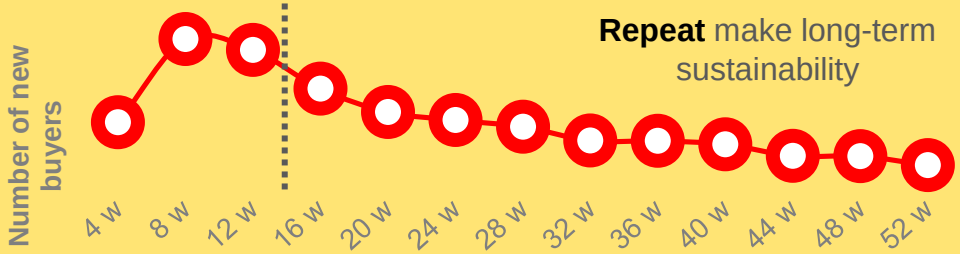
After the 1st year, a typical launch will have attracted **1 in 15** households

Of whom, **28% re-purchase**

3 Optimize your porfolio

Understand how consumers shop your categories and match their needs with the right offers

4 The first 3 months shape it all



Repeat make long-term sustainability

5 The 'Success Formula'

Strong ***TRIAL***

+

Incremental ***REPEAT***

= *SUCCESS*

Source: Kantar Worldpanel Innovation tracker– Urban 4 key cities - Total FMCG

© Kantar Worldpanel

KEY MESSAGES

1. INFLATION EASES AS THE PRICE PRESSURE OF THE NEW SCHOOL YEAR FADES OUT BY OCTOBER
2. FMCG GROWTH FLATTENS OUT IN URBAN WHILE RURAL MARKET CONTINUES TO STEP UP FIRMLY
3. HOT CATEGORIES: BOX TISSUES IN URBAN & CHOCOLATE MALTED BEVERAGES IN RURAL
4. HEALTHY 2-DIGIT GROWTH ACROSS ALL KEY CHANNELS, EXCEPT STAGNANT WET MARKET
5. SUCCESS FORMULA OF NEW LAUNCHES:
STRONG TRIAL + INCREMENTAL REPEAT = SUCCESS

© Kantar Worldpanel

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

Contact us

Kantar Worldpanel Vietnam
58 Vo Van Tan Street, District 3,
Ho Chi Minh City, Vietnam
tel: +84 8 39306631
fax: +84 8 39306632
email: vietnam@kantarworldpanel.com
website: www.kantarworldpanel.com.vn

KWP_VN Kantar Worldpanel Vietnam

© Kantar Worldpanel