FMCG Monitor

An integrated update of Vietnam FMCG market

12 weeks period ending 26 January 2014 (12 w/e P1/14)
Urban 4 Key Cities & Rural Vietnam

© Kantar Worldpanel

INSIDE THIS ISSUE

KEY INDICATORS

Improved economic outlook with modest inflation

FMCG TRENDS

FMCG market flourishes under Tet's peak season

HOT CATEGORIES

Confectionery Season with Candies in Urban and Biscuits in Rural.

RETAIL LANDSCAPE

All key channels spring up during Tet, especially Street Shops in Rural.

SPOTLIGHT ON VN

FMCG 2013 in numbers: Find out more of the year's highlights!

© Kantar Worldpanel

GDP

+5.4% 2013 vs. YA

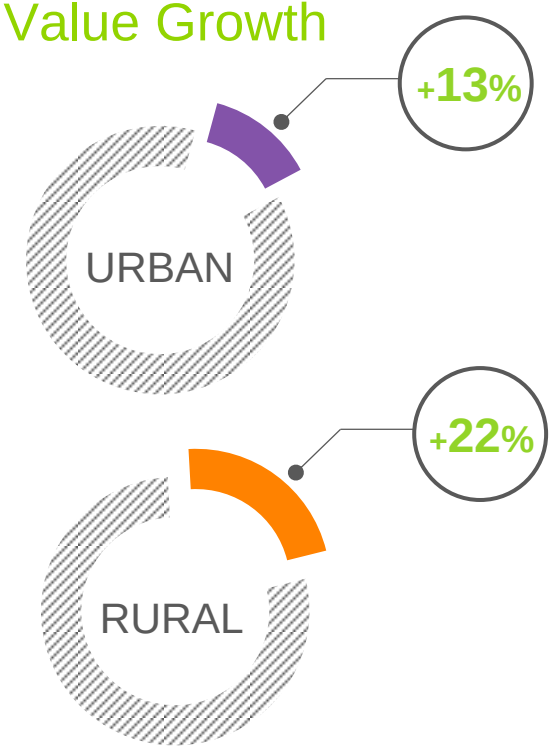
+5.3% 2012 vs. YA

CPI

+5.5% Jan'14 vs. YA

+7.1% Jan'13 vs. YA

FMCG Value Growth



12 w/e P1/14 vs. YA

Improved Macro Outlook

By end of 2013, Vietnam's economy expanded at an annual rate of 5.4%, a slight improvement compared with the previous year.

Eased CPI

After marking its decade-low record in 2013, CPI continues to ease down in January, partly under relatively weaker demands compared with previous year.

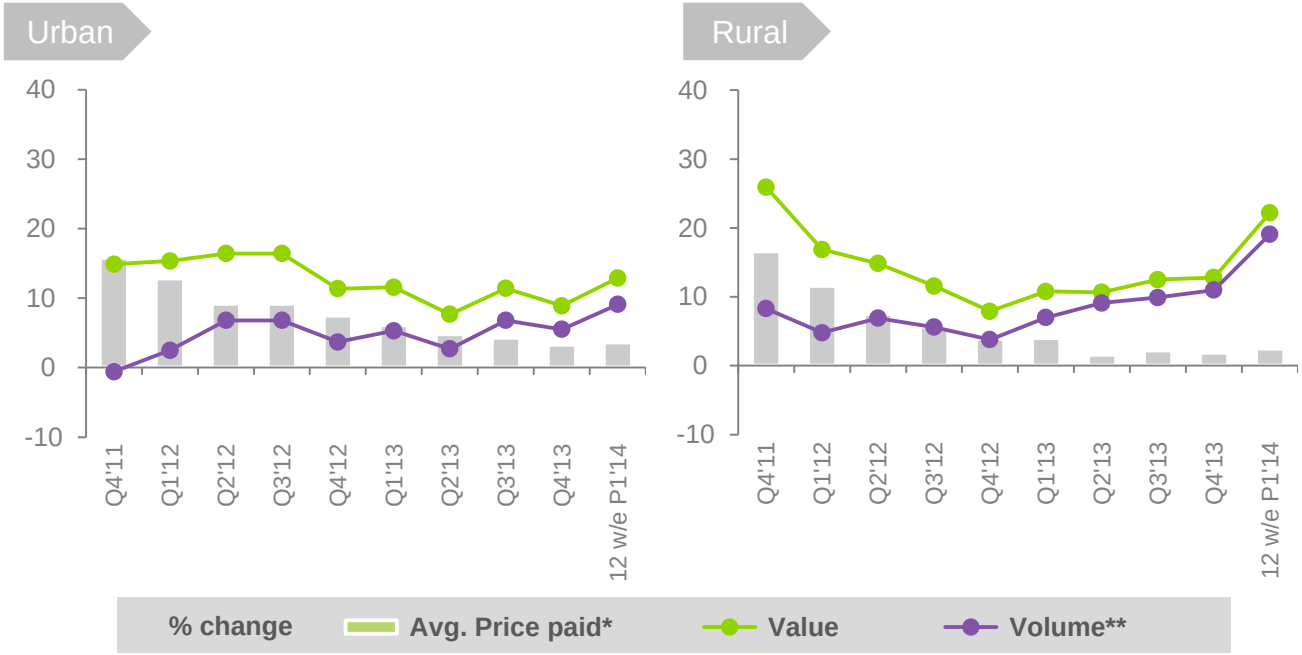
FMCG Flourishes

FMCG enjoys high growth thanks to the peak season of Tet.

*: 12 weeks ending 26 January 2014 vs. year ago
Source: GSO
Kantar Worldpanel – Households Panel – Urban 4 Key Cities & Rural Vietnam – Total FMCG excluding Gift

© Kantar Worldpanel

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

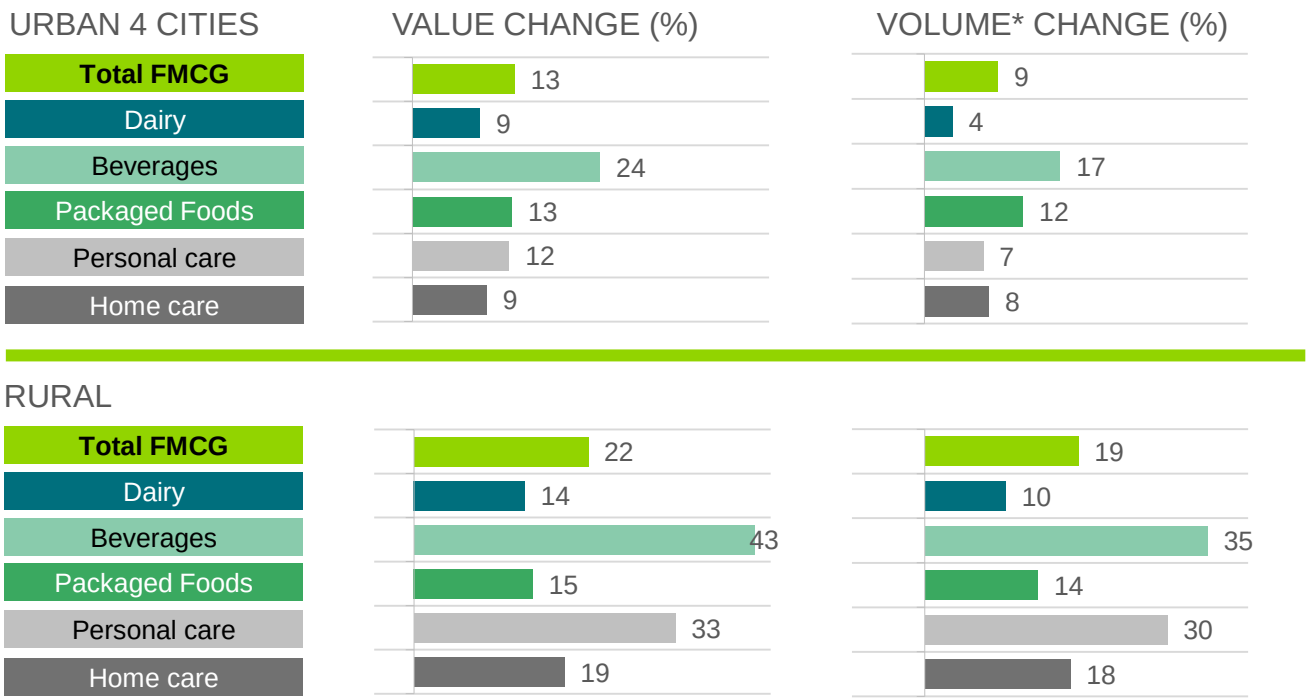


FMCG consumption witnesses a strong bounce-up thanks to high demand during Tet.

This trend is clearly demonstrated in Rural where Tet celebration together with early signs of recovery since late 2013 have boosted FMCG consumption in Rural during the first month of the year.

*: 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

© Kantar Worldpanel



FMCG Basket Trend returns to its typical picture of Tet season, where Beverages conquer the leading position in both Urban and Rural markets.

Packaged Foods spring up with 2-digit growth after long time of stagnancy, partly thanks to high consumer demand during Tet.

*: 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 P1/14 vs. YA

© Kantar Worldpanel

URBAN

VOL CHANGE %
+75%

CANDIES

Penetration
Incremental of 168,000 households

+6.3pt

Average volume per buyer
Increase volume purchase by 32%

+32%

RURAL

VOL CHANGE %
+116%

BISCUITS

+15pt

Penetration
Incremental of 2,549,000 households

+43%

Average volume per buyer
Increase volume purchase by 43%

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

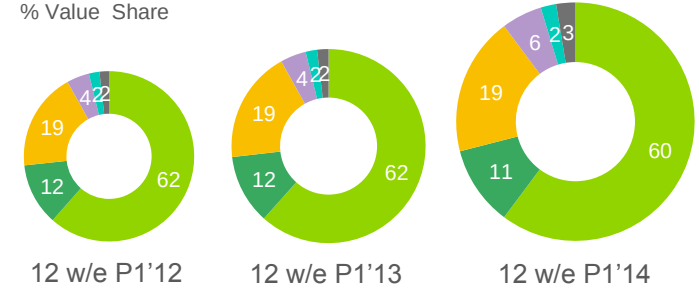
Confectionery Season

Thanks to Tet, Candies in Urban and Biscuits in Rural has excellently earned their place as the hottest categories.

© Kantar Worldpanel

Urban

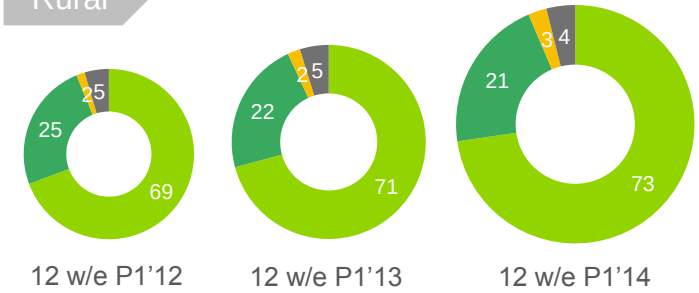
% Value Share



Street Shops | Wet Market | Modern Trade | Specialty | Direct Sales | Others

	12 w/e P1'13 vs. YA	12 w/e P1'14 vs. YA
Street shops	Growth ≤ -0.5%	5% ≤ Growth ≤ 15%
Wet market	-0.5% < Growth < 5%	-0.5% < Growth < 5%
Modern trade	-0.5% < Growth < 5%	5% ≤ Growth ≤ 15%
> Hyper/Supermarket	5% ≤ Growth ≤ 15%	5% ≤ Growth ≤ 15%
> Ministores	Growth >15%	Growth >15%

Rural



	12 w/e P1'13 vs. YA	12 w/e P1'14 vs. YA
Street shops	Growth ≤ -0.5%	Growth >15%
Wet market	Growth ≤ -0.5%	5% ≤ Growth ≤ 15%
Modern trade	5% ≤ Growth ≤ 15%	Growth >15%

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

Except Wet Market, all key channels in Urban are springing up with 2-digit growth.

In Rural, Street Shops even take a leap from decline to exceptionally high growth.

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

© Kantar Worldpanel

FMCG 2013 in NUMBERS

URBAN | RURAL

TOP RECRUITER

+162,000
the number of incremental urban buyers of Liquid Hand Wash
~ **+5.7%** penetration

+1,635,000
the number of incremental rural buyers of Toothbrush
~ **+8.7%** penetration

TOP FREQUENTLY BOUGHT

An urban household shops for Liquid Milk
23
times in a year

A rural household shops for Instant Noodle
24
times in a year

TOP ON-SALE

25%
of powder detergent consumed was under promotion

29%
of powder detergent consumed was under promotion

70%
of FMCG categories have **penetration <50%**, demonstrating plenty of space to recruit more buyers

23%
of urban households shops at Minimarkets & Convenience Store at least once a year

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

© 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

KWP_VN Kantar Worldpanel Vietnam

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

KANTAR WORLDPANEL

© Kantar Worldpanel