FMCG Monitor

An integrated update of Vietnam FMCG market

12 weeks period ending 15 June 2014 (12 w/e P6/14)
Urban 4 Key Cities & Rural Vietnam

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INSIDE THIS ISSUE

KEY INDICATORS

GDP growth quickens in Quarter 2.

FMCG TRENDS

FMCG growth in Urban has not escaped its current slowdown. Meanwhile, Rural market is losing its momentum.

HOT CATEGORIES

Oyster Sauce in Urban and Shower Gel in Rural.

RETAIL LANDSCAPE

Most key channels in Urban remain stagnant. In Rural, Street Shop is holding strong its position.

SPOTLIGHT ON VN

Purchasing Konfidence is stabilizing at 8.1 points, after a slight uplift from last year.

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GDP

+5.3% Q2'14 vs. YA

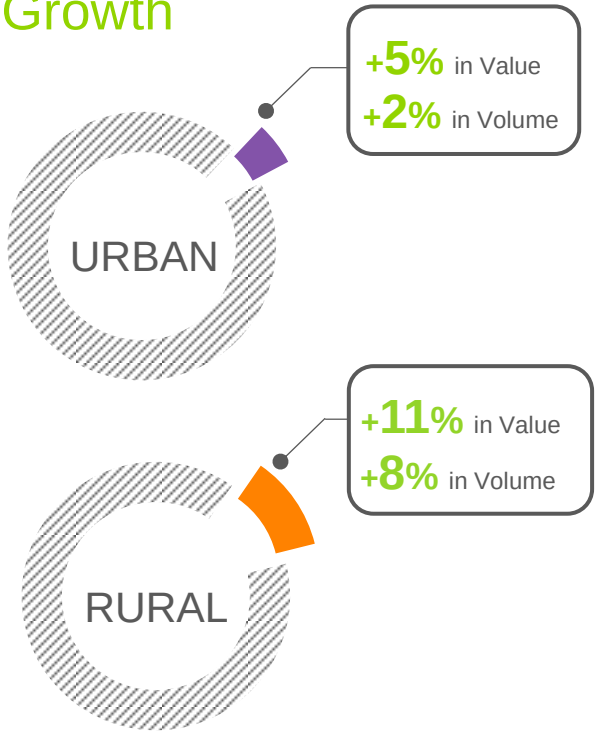
+5.0% Q2'13 vs. YA

CPI

+5.0% June'14 vs. YA

+6.7% June'13 vs. YA

FMCG Growth



12 weeks ending P6/14 vs. YA

GDP growth quickens to 5.25% in Quarter 2 over the same period last year, up from the 5.0% increase seen in Quarter 1.

Urban FMCG market is struggling to maintain growth while Rural market is losing its momentum.

*: 12 weeks ending 15 June 2014 vs. year ago
Source: GSO
Kantar Worldpanel – Households Panel – Urban 4 Key Cities & Rural Vietnam – Total FMCG excluding Gift

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

FMCG growth in Urban has not escaped its current slowdown trend. Meanwhile, Rural market is losing its momentum.

*: 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

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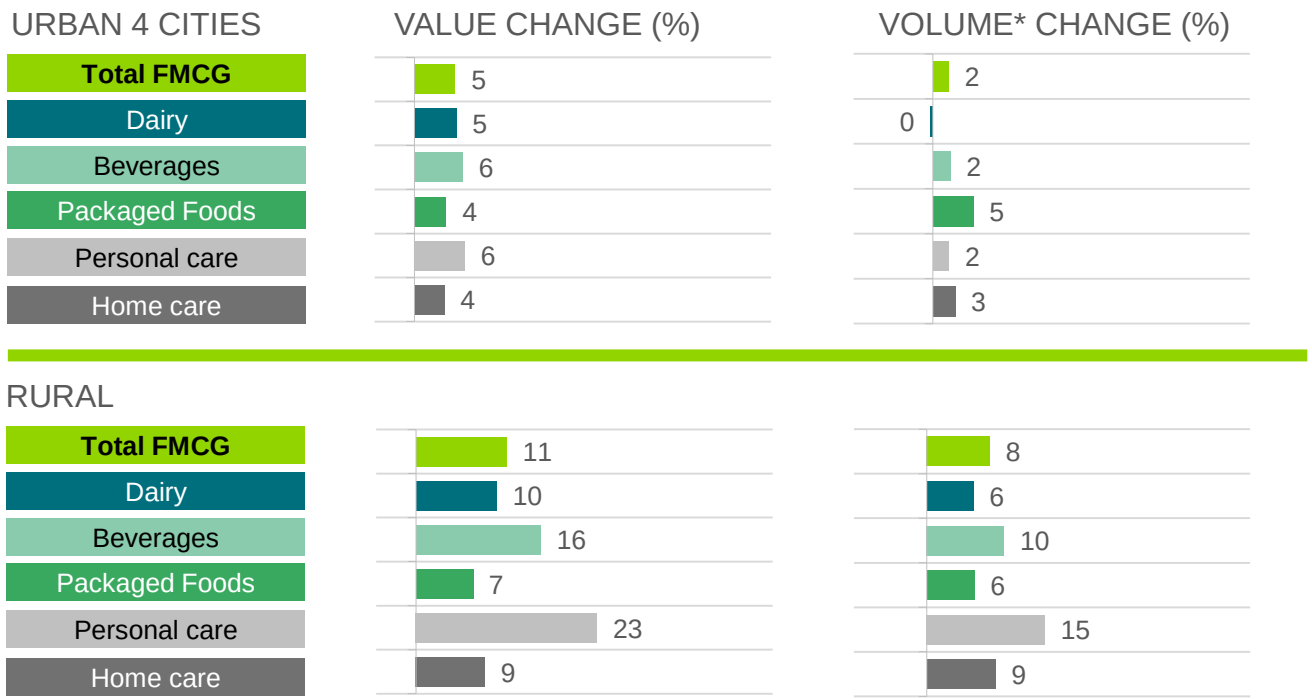

Growth is quite stagnant across different sectors in Urban. Noticeably, Dairy reports no increase in terms of volume.

In Rural, Packaged Foods and Dairy are lagging behind with modest 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 P6/14 vs. YA

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URBAN 4 CITIES

VOL CHANGE %
+38%

OYSTER SAUCE

Penetration +1.8pt
Incremental of 46,000 households

Average volume per buyer +11%
Increase volume purchase by 11%

RURAL

VOL CHANGE %
+39%

SHOWER GEL

Penetration +4.3pt
Incremental of 744,000 households

Average volume per buyer +16%
Increase volume purchase by 16%

In Urban, a heavier consumption pattern helps Oyster Sauce achieve 38% increase in total volume consumption.

In Rural, Shower Gel lifts up by 39% in volume by expanding its reach to additionally 744,000 new Rural households and increasing average volume consumption by 16%.

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

12 w/e P6/14 vs. YA

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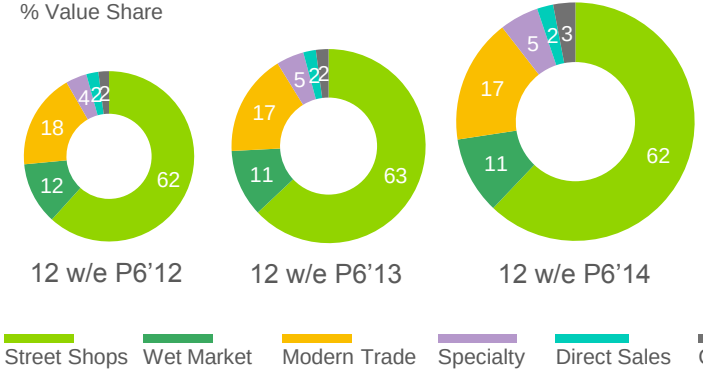
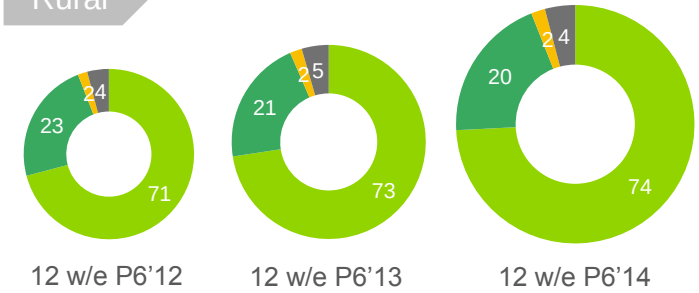
Urban

% Value Share



	12 w/e P6'13 vs. YA	12 w/e P6'14 vs. YA
Street shops	5% ≤ Growth ≤ 15%	-0.5% < Growth < 5%
Wet market	-0.5% < Growth < 5%	Growth ≤ -0.5%
Modern trade	-0.5% < Growth < 5%	-0.5% < Growth < 5%
> Hyper/Supermarket	-0.5% < Growth < 5%	-0.5% < Growth < 5%
> Ministores	Growth >15%	Growth >15%

Rural



	12 w/e P6'13 vs. YA	12 w/e P6'14 vs. YA
Street shops	5% ≤ Growth ≤ 15%	5% ≤ Growth ≤ 15%
Wet market	-0.5% < Growth < 5%	5% ≤ Growth ≤ 15%
Modern trade	Growth >15%	5% ≤ Growth ≤ 15%

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

All key channels remain stagnant while Wet Market is shrinking over the past quarter in Urban.

Street Shop is holding strong its position in Rural while Modern Trade is showing some slowdown compared with the same period last year.

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

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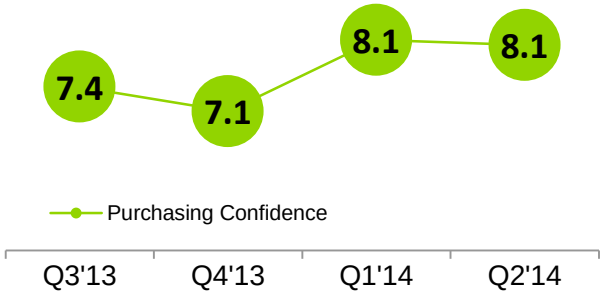
Purchasing Konfidence

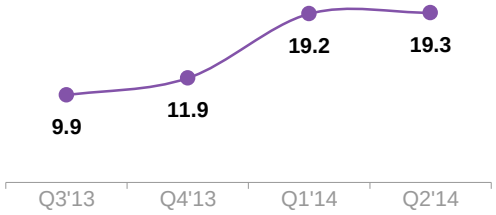
A NEW KANTAR WORLDPANEL'S INDICATOR MADE OF 3 COMPONENTS



Purchasing Konfidence is stabilizing at 8.1 points, after a slight uplift from last year. Though being more optimistic about the inflation and their financial situation in the coming months, consumers are less willing to spend money. Meanwhile, real purchase behavior remains low in shopping for FMCG.

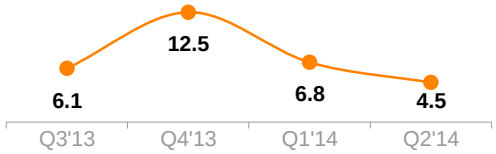
PURCHASING CAPABILITY

A higher Purchasing capability as consumers are more optimistic with **the inflation and their financial situation** in the **coming months**. However a majority of them agree that they're facing some budget constraints at the present.



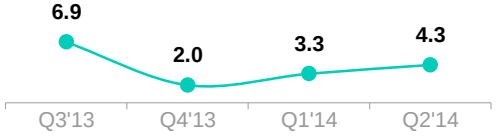
WILLINGNESS TO BUY

A continuous drop in Willingness to Buy as consumers don't think it's the right time to make major purchase such as equipment, furniture, etc. Meanwhile, they are also less willing to spend more on everyday grocery shopping.



REAL PURCHASE

Real Purchase witnesses very slight improvement and remains low at 4.3 points as households keep tight control on their FMCG budget.



Source: Kantar Worldpanel – Households Panel – Urban 4 Key Cities

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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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