

ENABLE YOUR SUCCESS IN VIETNAM



VIETNAM – A MARKET OF OPPORTUNITIES



VIETNAM REMAINS ONE OF THE **FASTEST GROWING** IN SOUTHEAST ASIA



Vietnam

Malaysia

Philippine

Singapore

Indonesia

Thailand

GDP Q2'19
growth vs. YA



6.8



4.2



6.0



1.9



5.1



3.3

FMCG MAT Q2'19
growth vs. YA



8.6

0.5

8.1

0.1

2.8

5.8

**Consumer
Confidence Index**



123

110

130

92

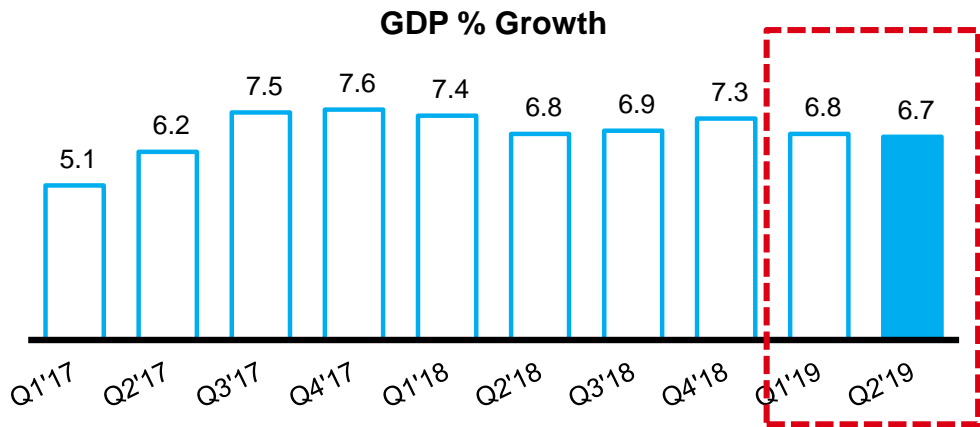
126

105

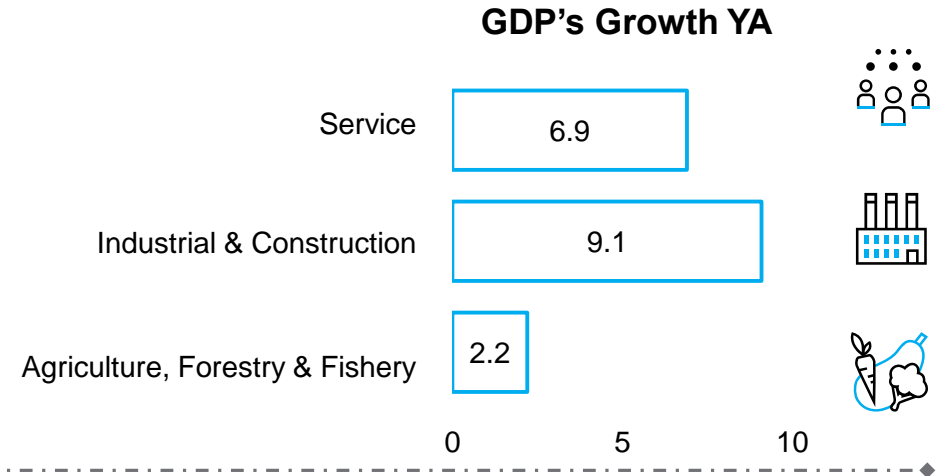
- Source: GSO Vietnam. Economist Intelligence Unit. Nielsen Quarter by number report Q2'19

POSITIVE GDP GROWTH IN 1ST HALF OF 2019 DESPITE SLIGHT SLOW-DOWN

Q2'19 GDP GROWTH LOWER THAN Q2'18, YET HIGHER THAN Q2 FROM 2011 TILL 2017



ALL 3 SECTORS PLAY THEIR ROLES



KEY HIGHLIGHTS IN 1ST HALF OF 2019

Service

Wholesale & Retail ▲ 8.1%
highest contribution to total GDP incremental

Accommodation & Catering Service
flourishes with **287Mn.** in value, **▲ 9.8%** vs H1'18

Industrial & Construction

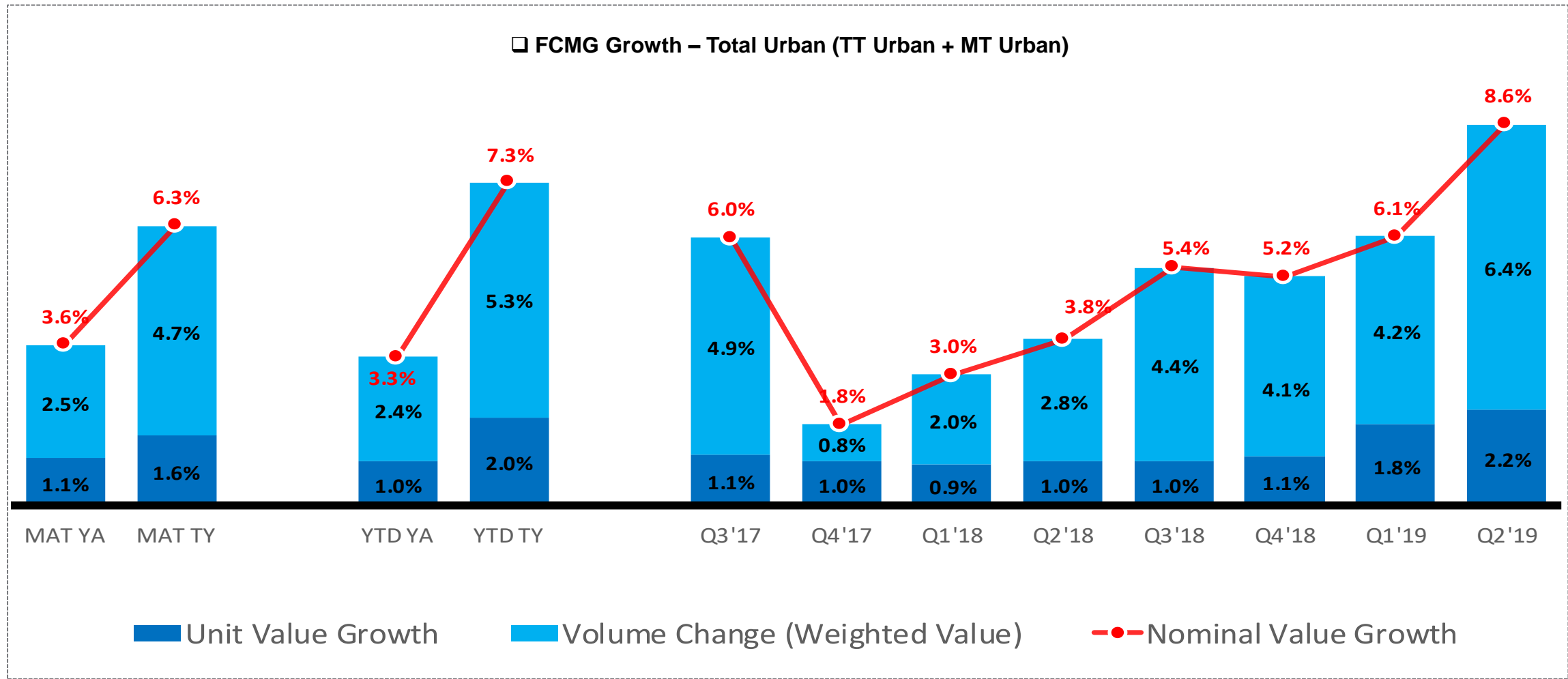
Processing ▲ 11.2%
Most growing provinces: **Tra Vinh** (Solar & Wind electricity production), **Thanh Hoa** (Nghi Son Oil Refinery), **Ha Tinh** (Formosa)

Agriculture

Fishery reaches 6.45%
growth - **Highest** growth in the past 9 years

Source: GSO Vietnam

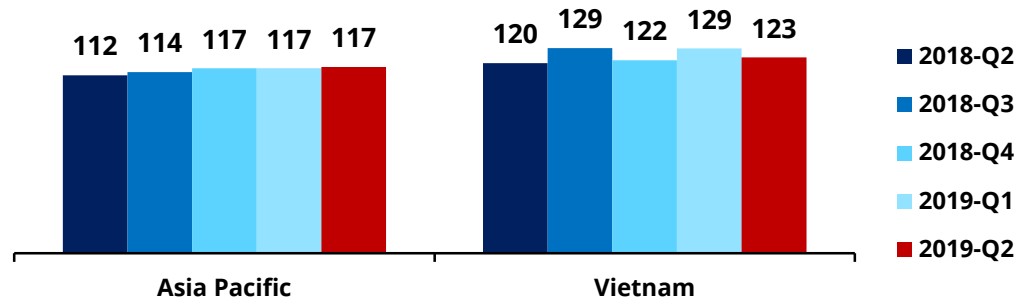
VERY GOOD GROWTH MOMENTUM OF FMCG WITH NEW PEAK IN Q2'19



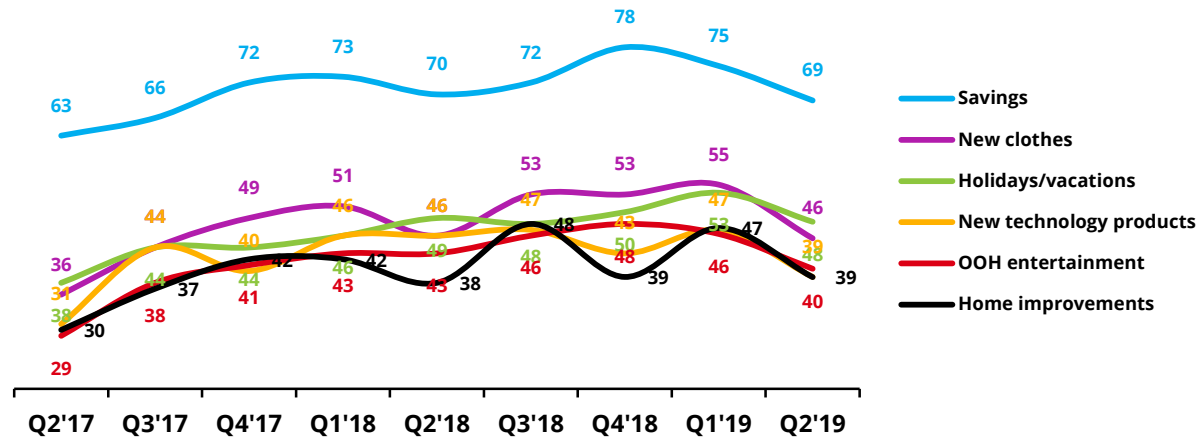
Source: Nielsen RA data

CONSUMERS ARE STILL ASSURED. HOWEVER, WITNESS CUT-BACKS & PRICE CONCERNS

CONSUMER CONFIDENCE INDEX*

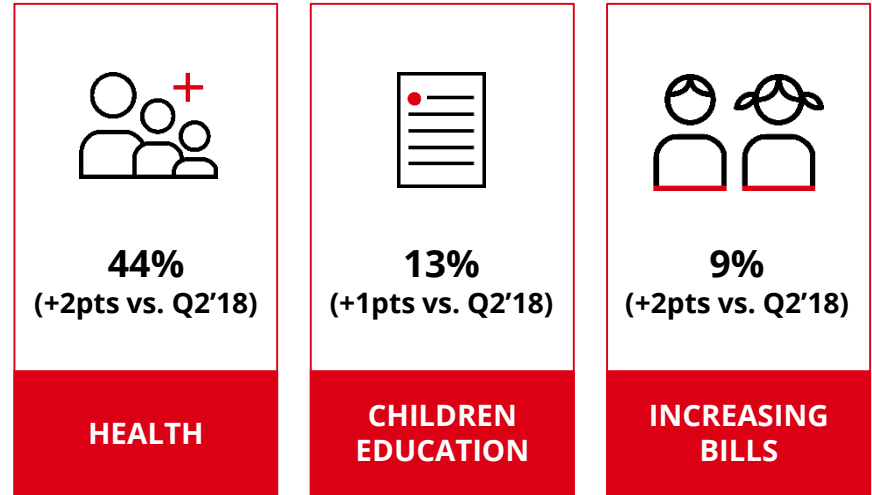


VIETNAMESE TOP SPENDING AFTER NECESSITY



% Respondents say they will spend on this item after necessities

TOP VIETNAMESE INCREASING CONCERNS



% Respondents say these are their top 2 biggest concerns

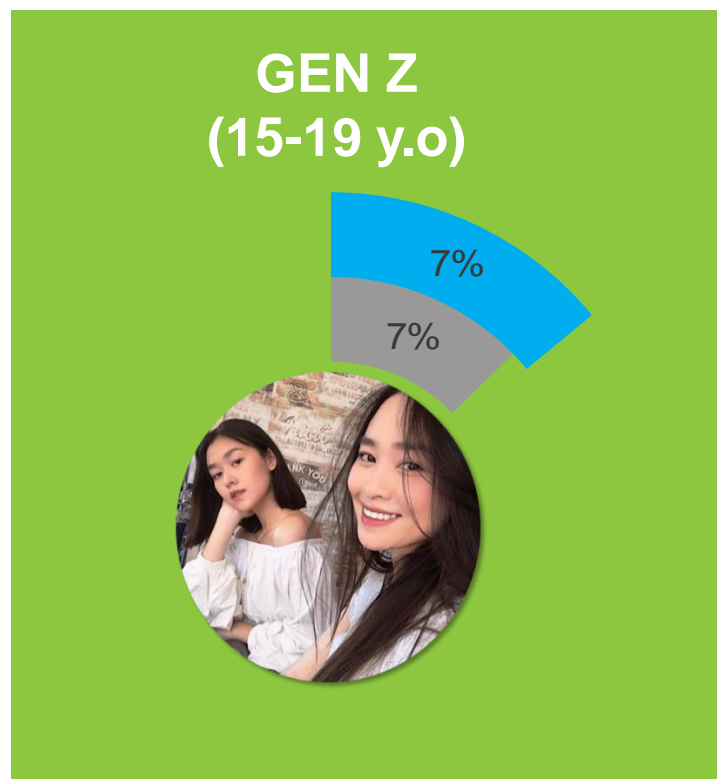


ELECTRICITY PRICE INCREASE
Electricity price uplifted **8.36%**
in Mar'19 after 2 years of stability

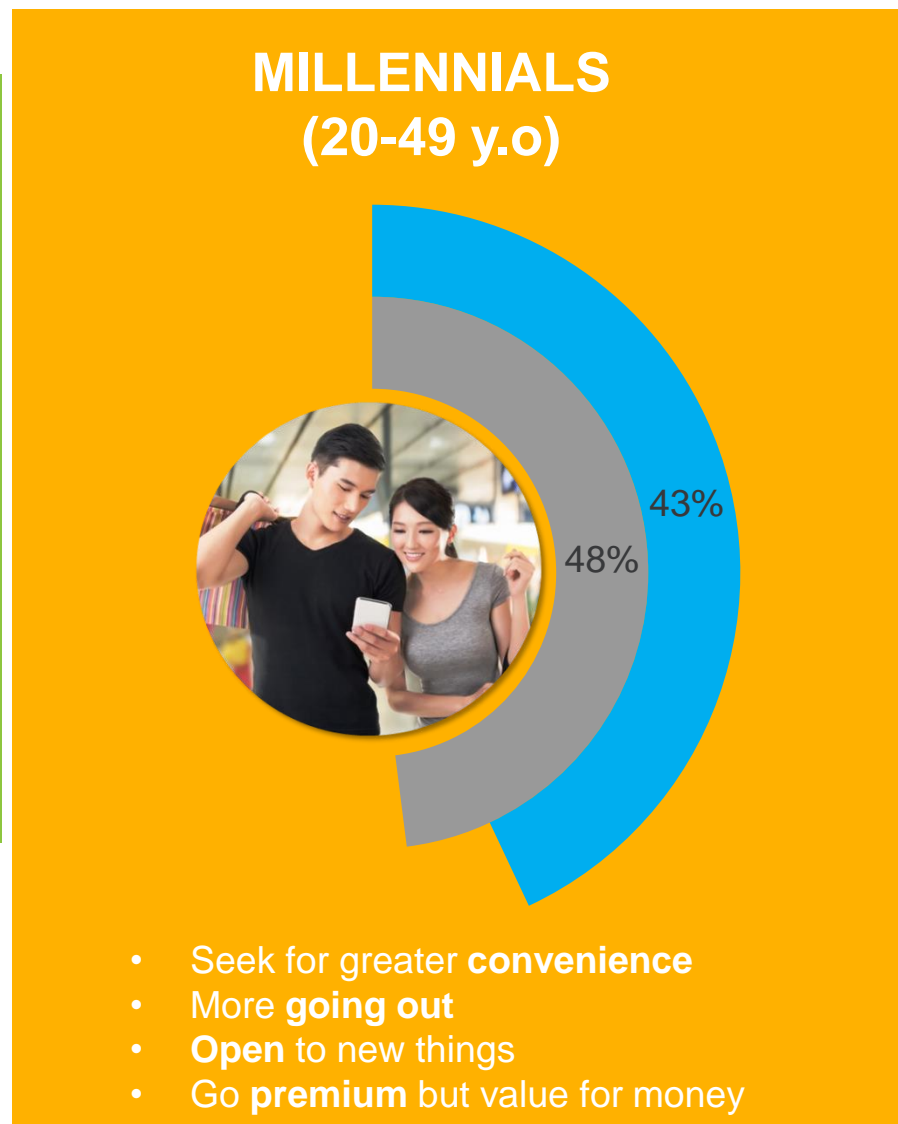
VIETNAM HAS A **YOUNG POPULATION** WITH MILLENNIALS DOMINANT & GEN Z ARE CONSUMERS OF FUTURE

SHARE OF POPULATION

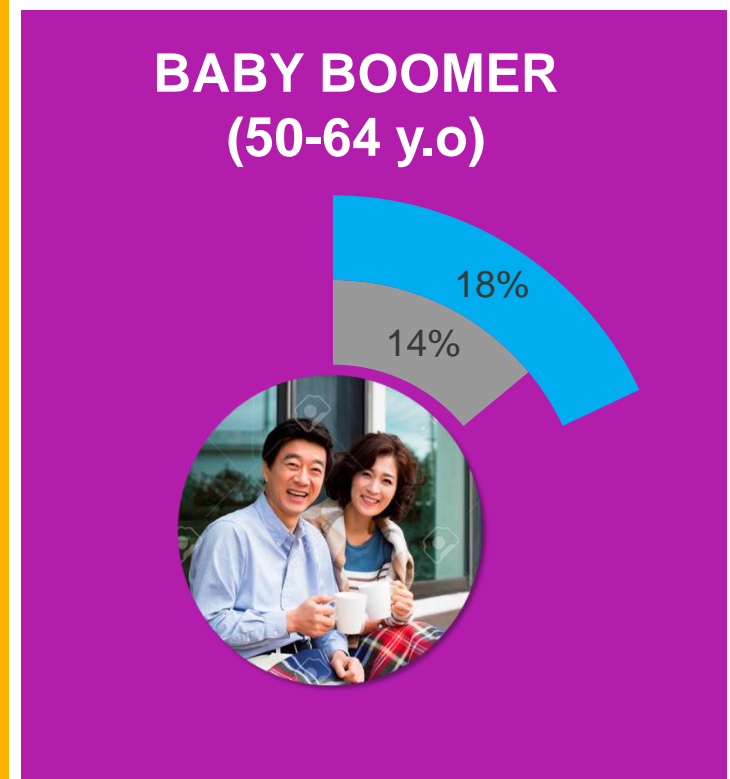
■ 2015 ■ 2025



- **Super connected** with synergy between Online & Offline activities
- Care about **society issues** (social responsibility, gender equality, LGBTQ)
- Strong POV & **KOL influence**



- Seek for greater **convenience**
- More **going out**
- **Open** to new things
- Go **premium** but value for money



- Seek for **delivery services**
- Willing to try **Health supplement** products

WITH A **POSITIVE ECONOMIC** OUTLOOK TILL 2022



98.2 Mil

Population in 2022 with
yearly growth of 1%



+6.2%

GDP growth year on year
till 2022



USD \$3,329

GDP per capita in 2022
(~60% growth vs. 2015)



+4%

CPI growth year on year
till 2022



THE RISE OF NEW CHANNELS

MODERN TRADE IS BOOMING RAPIDLY ACROSS STORE TYPES & DRIVING THE GROWTH OF FMCG

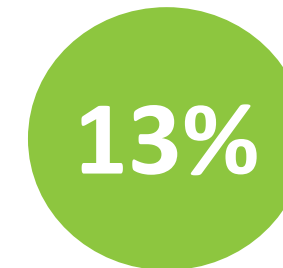
TRADITIONAL TRADE



Value % contribution – Total Vietnam OFF+ON Premises in MAT Jul'19

Growth % vs. YA

MODERN TRADE



Updated: Universe Update H1'18

~ 1.5 MIL STORES (+0.2% vs. YA)

Market Stall	65,248
ON Premise	675,469
OFF Premise	811,032



Updated: Jul'19

7,968 STORES (+14% vs Oct'18)

Hyper/ Supermarket*	717
Minimart & Food Store*	5,301
Convenience Store	889
Modern Drug Store**	434
Mom & Kid Store	627

Source: Nielsen Retail Measurement, Nielsen Universe Update, * including independent stores, ** including Health & Beauty store
 MAT : Moving Annual Total, FMCG includes 37 categories without Cigarette

SMALL FORMAT CONTINUES GAINING IN “PENETRATION”, “FREQUENCY” AND “MOST SPENDING”

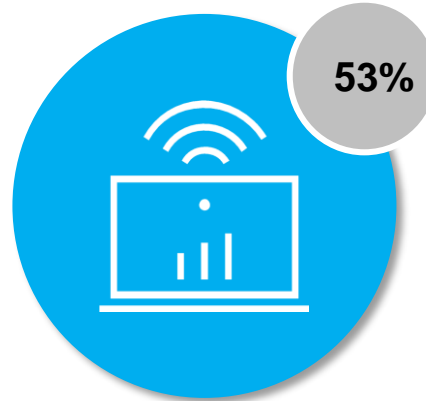


	Wet Markets	Traditional Grocery	Supermarkets	Department Store	Health & Beauty Drugstore	Convenience Stores	Minimarts
PENETRATION	86	81	97	14	32	46	51
FREQUENCY	18.7	7.0	2.3	0.7	1.2	4.2	3.7
SPEND MOST AT	36	7	45	0	1	3	2

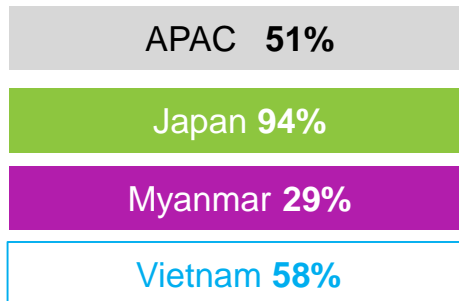
Base: 2018 (n=1500), 2019 (n=1702)
 Ref: Q7a Which of these types of stores have you visited in the past 7 days?
 Ref: Q8 On average, how often would you shop at the following type of store?
 Ref: Q7d Which of these types of stores would be the one where you normally buy most of your food and grocery items?

HIGH INTERNET PENETRATION FUEL THE GROWTH OF ONLINE PURCHASE IN VIETNAM

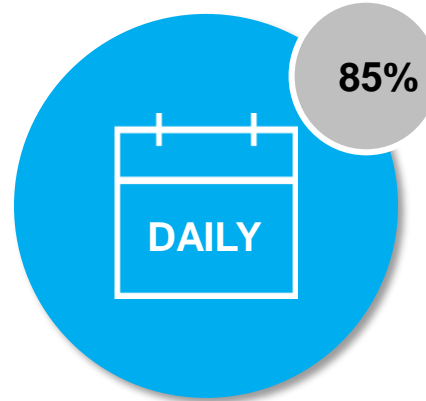
INTERNET PENETRATION



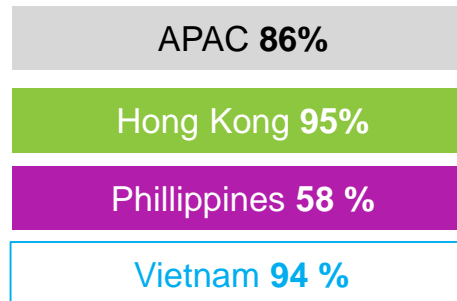
4,021
BILLION
CONNECTED PEOPLE



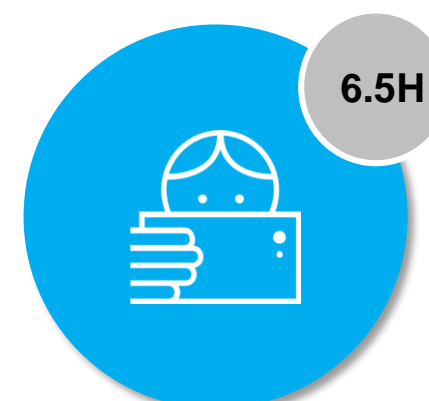
FREQUENCY OF INTERNET USE



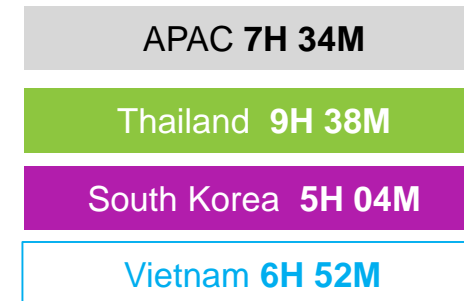
3,418
BILLION
CONNECTED PEOPLE



DAILY TIME SPENT

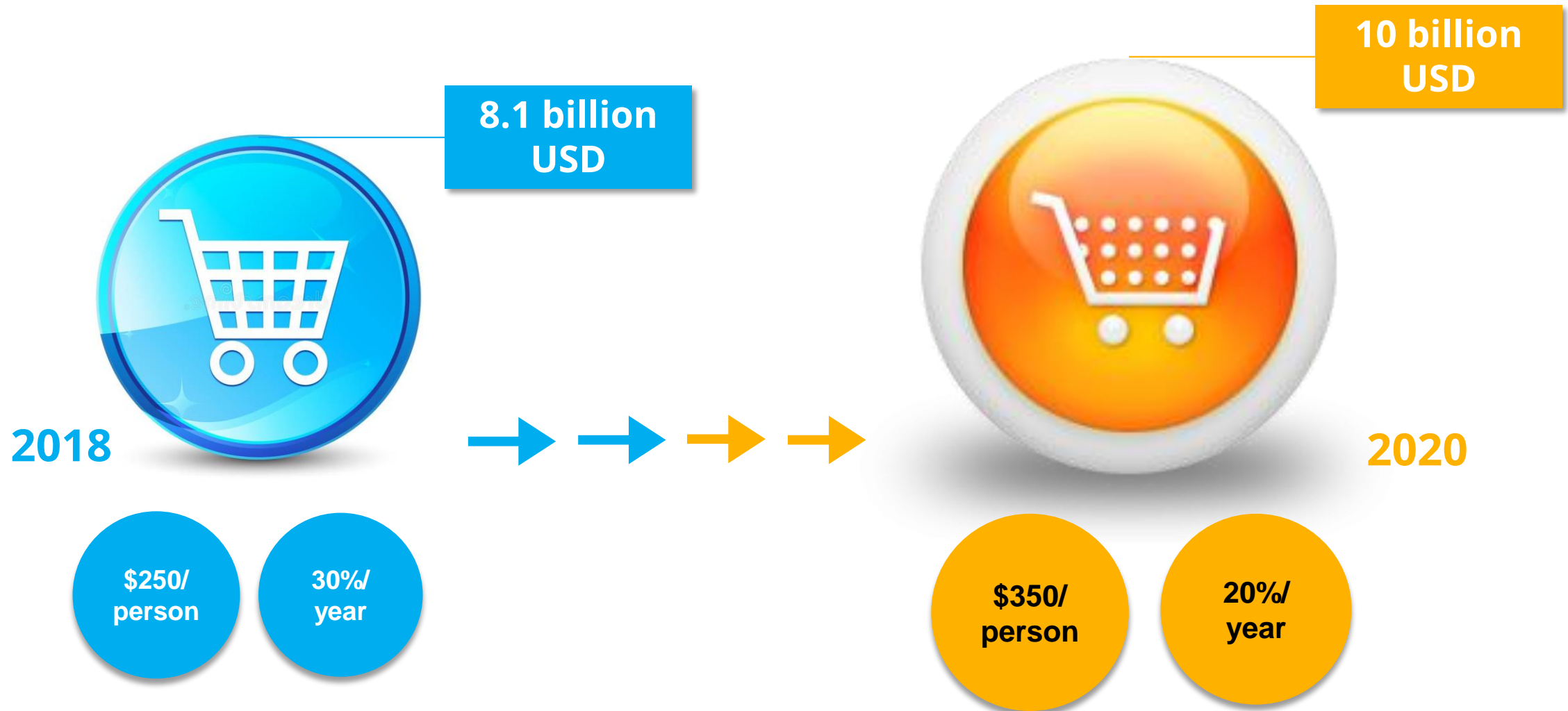


6H 33M DAILY TIME
SPENT ONLINE



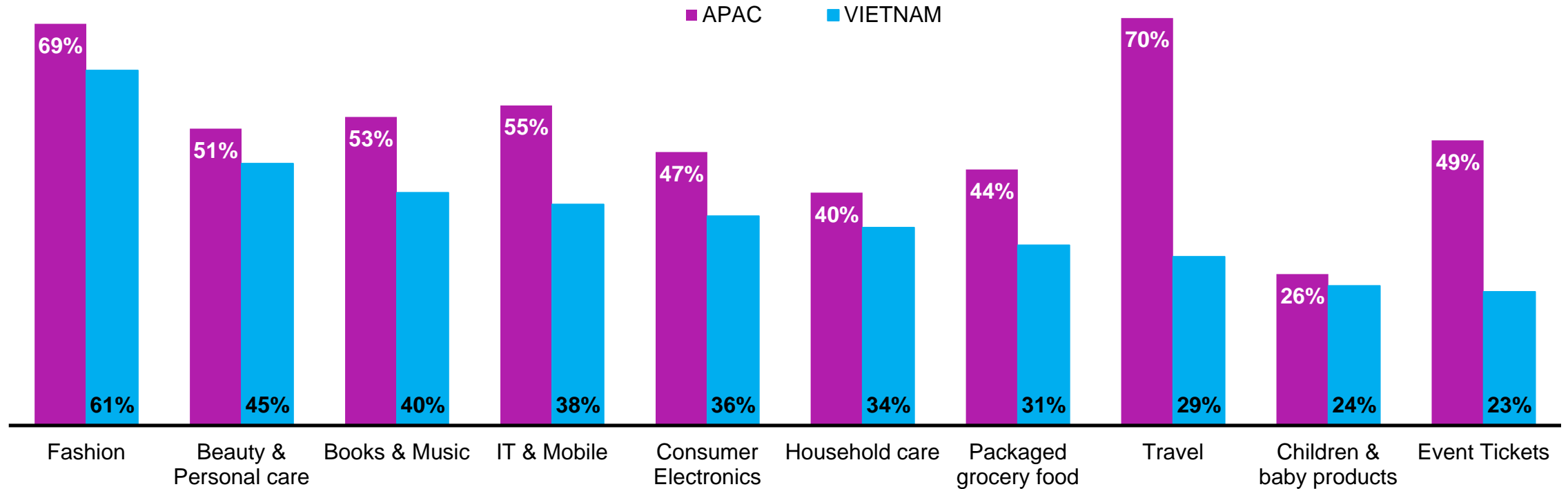
■ Highest in APAC
■ Lowest in APAC

INFRASTRUCTURE & DEVELOPMENT RATE OF E-COMMERCE IN VIETNAM TO 2020 **REACHING \$10 BILLION** MARKET VALUE



WHAT PEOPLE BUY ONLINE THESE DAYS - VN & APAC


% of consumers who have purchased the following categories online (penetration)




THE SHIFT IN CONSUMER BEHAVIORS



HEALTH & WELLNESS



PREMIUMIZATION



CONVENIENCE

VIETNAMESE CONSUMERS ARE HEALTH CONSCIOUS & TAKING ACTIONS TO STAY HEALTHY, YET TRUST ISSUE HAVE TO BE SOLVED FIRST

HEALTH IS VIETNAMESE TOP CONCERN

- % Consumers stating Health as top 2 biggest concerns - Q4'18



43%

Vietnam



22%

Global

- Most important health attributes when purchasing one product

FOOD & BEVERAGE

- 54% Added Vitamin/ Minerals/ Nutrients
- 52% Low/ No cholesterol
- 51% Made from vegetables/ fruits
- 49% All natural

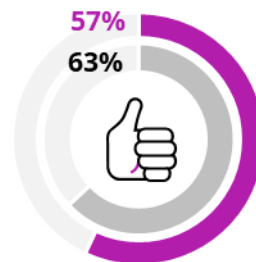
HOME & PERSONAL CARE*

- 46% All natural/ organic ingredients
- 40% No harsh chemicals

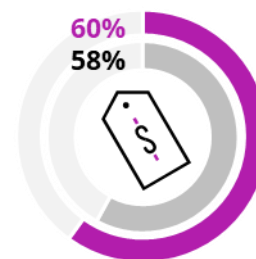
Source: Nielsen Consumer Confidence Report. *APAC figures. Nielsen Global Health Survey. Nielsen The dirt on cleaning report

VIETNAMESE ARE VERY CAUTIOUS OF HEALTHY CLAIMS

I trust health claims on food packages



Health claims are just a way for manufacturers to charge more



■ Global

■ Vietnam

Source: Nielsen Global Ingredient and Dining-out Trends Report. Nielsen Global Survey We are what we eat

EXAMPLE OF SUCCESSFUL LAUNCH SUNLIGHT NATURE



Dishwashing Liquid
Unilever
Sunlight Nature

100% natural ingredients extracted with white tea, mineral salt and aloe vera

3.2%

Share achieved after 6 months launch

VIETNAMESE OPTIMISTIC FINANCIAL SENTIMENT & SPENDING ABILITY FUEL THE GROWTH OF PREMIUM PRODUCTS

POSITIVE MONETARY MINDSET OF VIETNAMESE CONSUMERS

Consumers' financial sentiment & perceptions towards premium products

86%

I'm financially better compared to 5 years ago



#1 Globally

35%

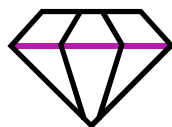
I'm able to spend freely

vs. APAC 18%

72%

Buying premium products makes me feel confident

vs. Global 51%



Premium segment - MAT Mar'19

Contribution 38.0%
Growth +6.8% vs 4.6% of FMCG

Source: Nielsen Global Premiumization Study 2018. Retail Audit data

PREMIUM IS NOT ABOUT PRICE

Key attributes of premium products from consumers' perspective



VIETNAM



GLOBAL

65%

HIGH QUALITY STANDARDS

49%

58%

SUPERIOR FUNCTION/ PERFORMANCE

46%

55%

SUSTAINABLE MATERIALS

38%

52%

ORGANIC/ NATURAL INGREDIENTS

41%

50%

FROM A SPECIFIC COUNTRY

21%

Source: Nielsen Global Premiumization Study 2018

EXAMPLE OF SUCCESSFUL LAUNCH DIANA SENSI COOL FRESH



Feminine Protection
Diana Unicharm
Sensi Cool Fresh

Advanced "Menthol" technology from Japan for refreshing & cooling feeling

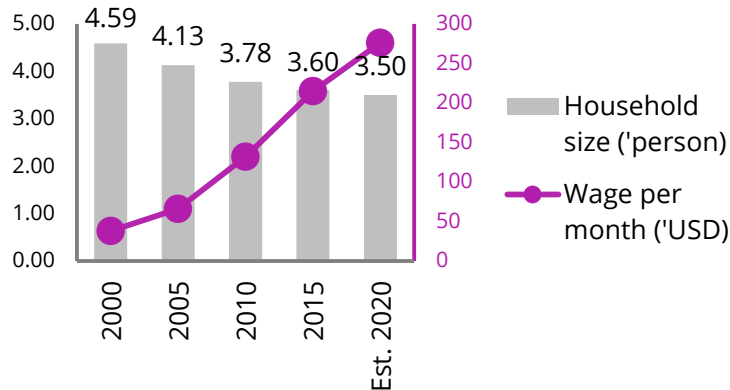
2.1%

Share achieved after 6 months launch

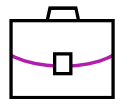
FAST CHANGING PACE OF MODERN “CASH-RICH TIME-POOR” LIFESTYLE LEADING TO THE BOOMING OF CONVENIENCE SOLUTIONS

VIETNAMESE ARE LIVING IN SMALLER YET RICHER HOUSEHOLD

□ Vietnam average household size & wage



BUSIER WORK



Longer working hours with **more pressure**
5.1 hours/week ~ **9 hours/day**

EVOLVING WOMAN'S ROLE



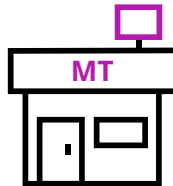
79.6% - Female labor force participation rate. Highest in APAC (average of 50.1%)

Source: EIU, CEICDATA.com, International Labor Organization est. for 2025

THEY ARE ALSO LOOKING FOR & WILLING TO SPEND ON CONVENIENCE PRODUCTS

56%

“Anything that saves me time is worth paying extra for”



of stores - Mar'19

5,397 | ▲ +34% vs YA

Top 2 important attributes for shopping in Supermarket/ CVS/ Mini-mart

SUPERMARKET

Convenient to get to
Easy to find what I need

CVS/ MINI-MART

Convenient to get to
Always available in stock

Source: Nielsen shopper trend 2017-2018

EXAMPLE OF SUCCESSFUL LAUNCH HANDY HAO HAO CUP NOODLES



Instant Nood
Hao Hao
Handy Hao Hao

All-time-favorite flavors available in Cup format for every time & every day use

2.0%

Share achieved after 6 months launch



THANK YOU!

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