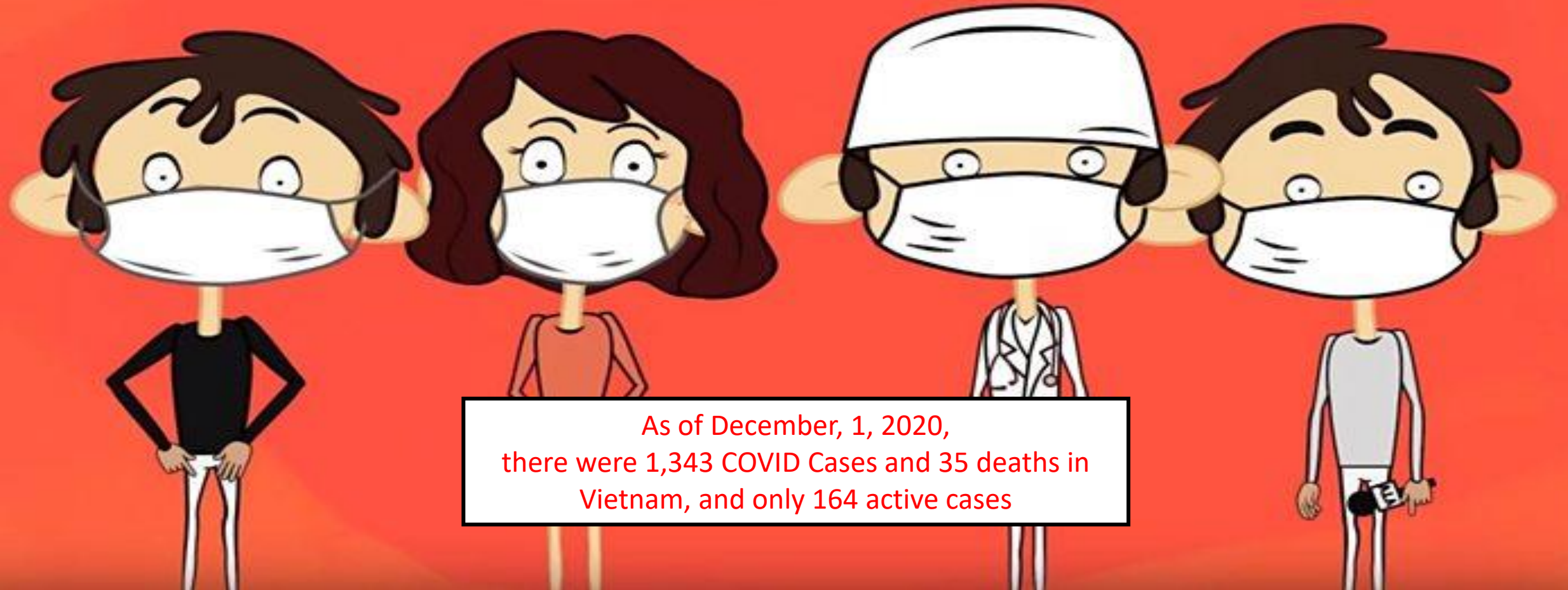


Vietnam Consumer Behavior and the Impact of COVID-19



As of December, 1, 2020,
there were 1,343 COVID Cases and 35 deaths in
Vietnam, and only 164 active cases

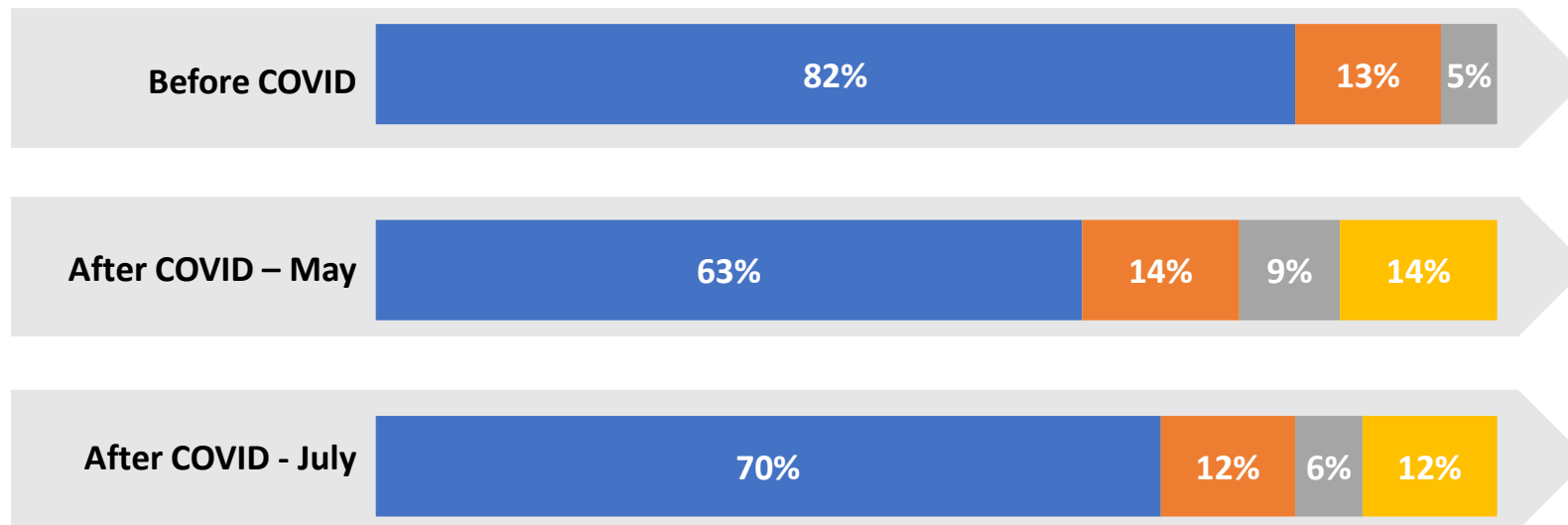


EMPLOYMENT STATUS

Prior to COVID -19, 82% of respondents were employed full-time, while in May only 63% were employed full-time, increasing to 70% full-time employment by July, is still substantially below pre-COVID levels, indicating at least 12% of the population with less income than before.

- Full-time employed
- Part-time employed
- Unemployed
- Full-time employed but have reduced hours / pay

EMPLOYMENT STATUS



Younger consumers (18-24) saw limited change in terms of job loss (full-time employment only dropping 2pts), however underemployment spiked to 13pts from Jan.

45+ year old consumers were the hardest hit with unemployment spiking 7pts from 8% to 15% (Jan - July)

Which of the following best describes your present employment status?

Base: n=1,019



Consumer Confidence

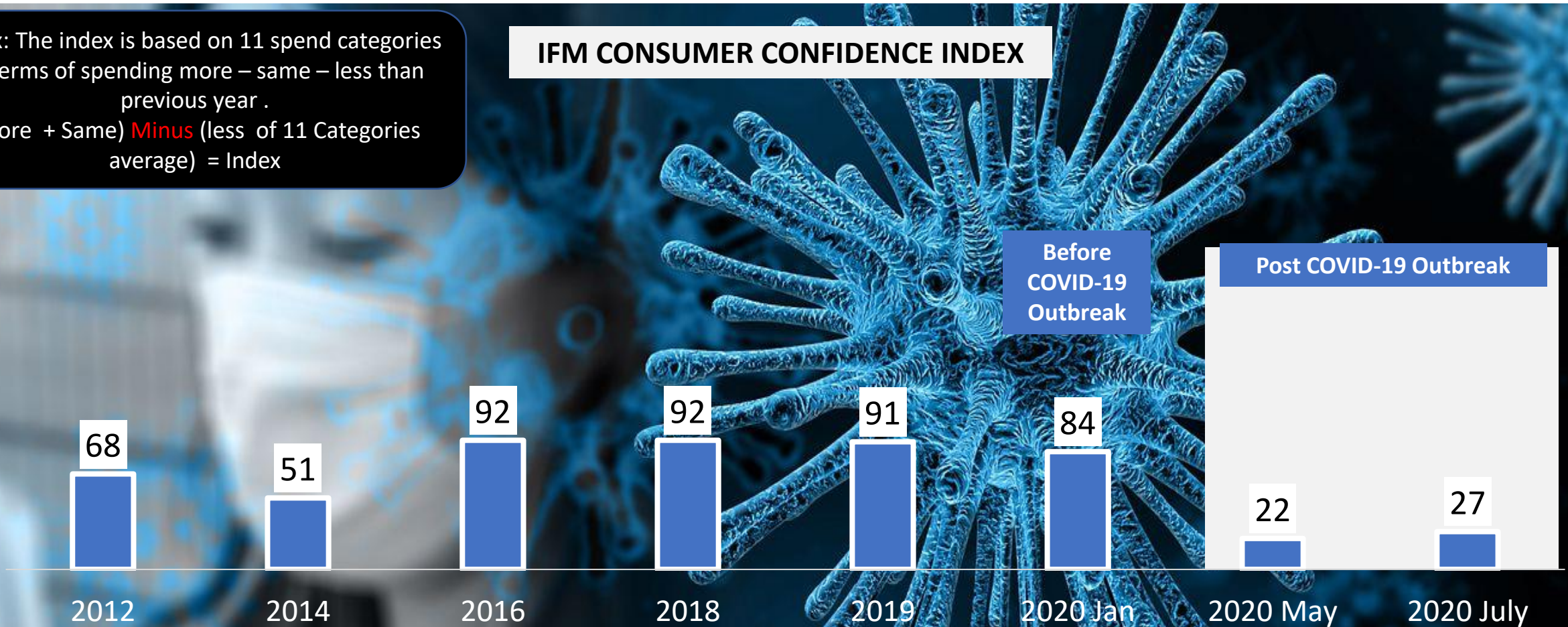


2020 CONSUMER CONFIDENCE

Consumer Confidence has dropped to its lowest levels in over 20 years, from January 2020 pre-COVID, 84 Index to only 22 Index in May of 2020, and only risen by a mere 5% in two months, indicating a slow recovery, as Consumers spend cautiously.

Index: The index is based on 11 spend categories in terms of spending more – same – less than previous year .
(More + Same) **Minus** (less of 11 Categories average) = Index

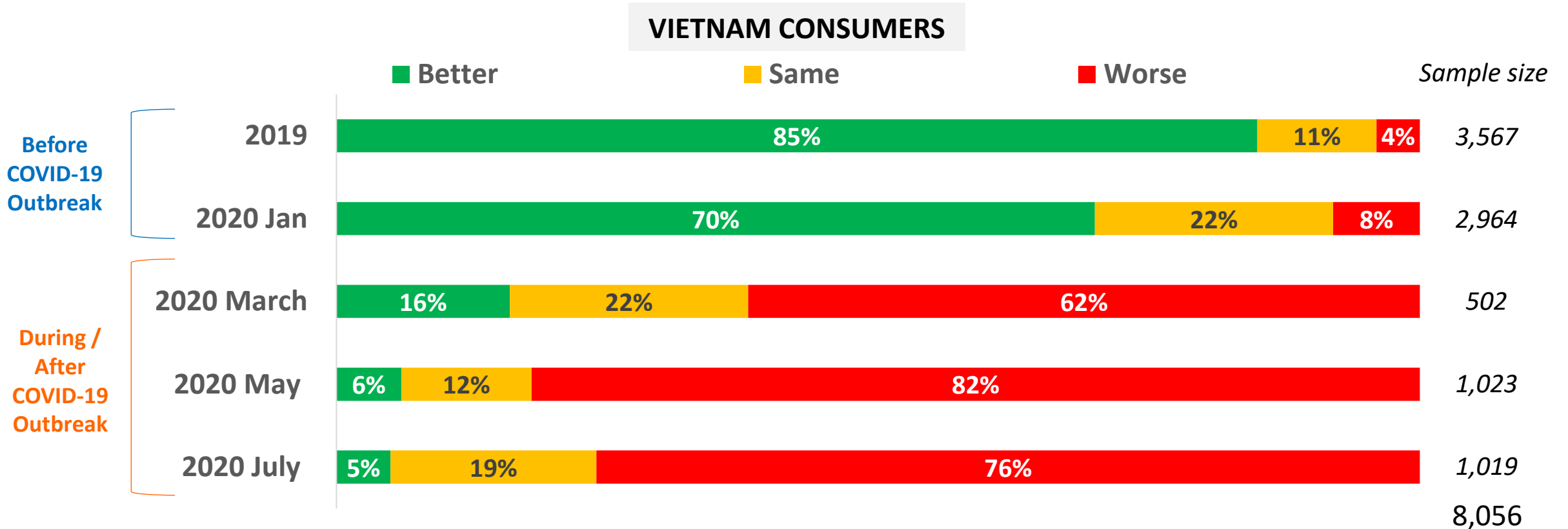
IFM CONSUMER CONFIDENCE INDEX



Base: All

VIETNAM ECONOMIC OUTLOOK FOR 2020 – POST CORONA OUTBREAK

As expected COVID-19 has had a hugely negative impact on consumers economic outlook for 2020, falling from 70% positive in January 2020 to only 6% in May of 2020. Confidence has slightly improved in July but not significantly.



What is your view of the overall economy in 2020 as compared to 2019? – (Better – Same – Worse)

TOP THREE FEARS - July 2020

Consumer concerns have moved from the societal to personal

25%

Negative impact of COVID on my business



21%

Being infected by Corona Infection



17%

Unemployment



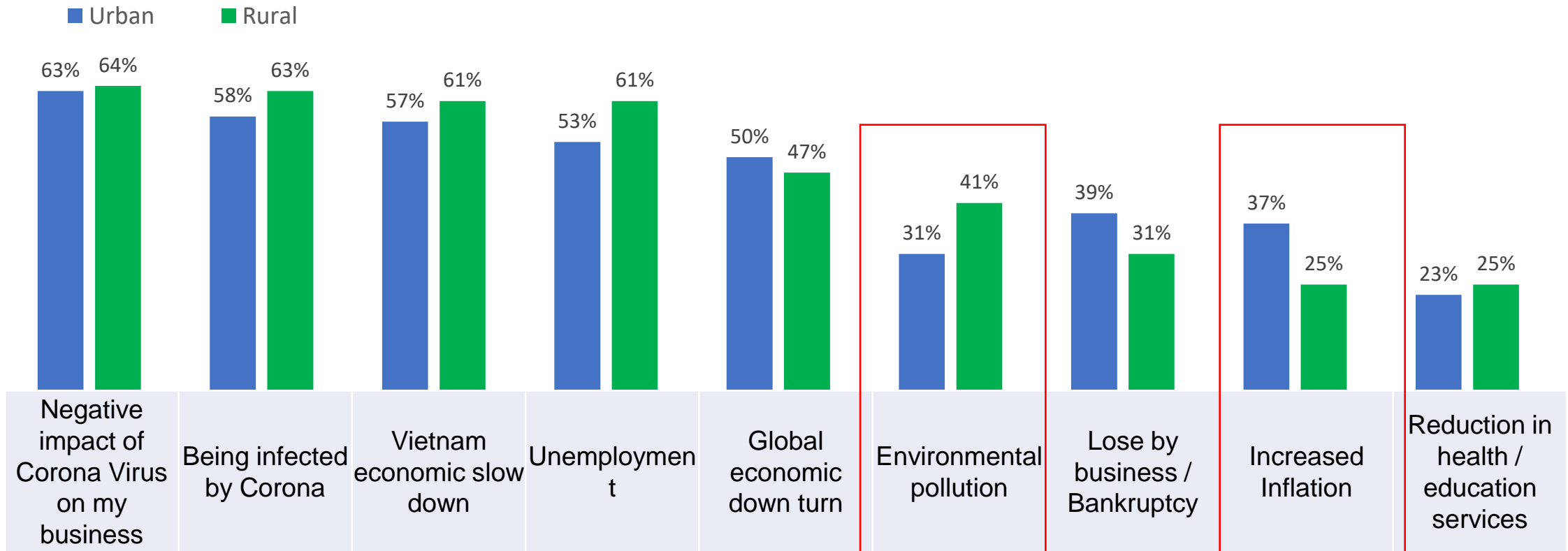
Jan 2020	March 2020	July 2020
Environmental pollution 26%	Negative impact of COVID on my Business 25%	Negative impact of COVID on my Business 25%
Increased inflation 16%	Infection of COVID-19 22%	Infection of COVID-19 21%
Unemployment 11%	Slow down of Vietnam economy 12%	Unemployment 17%
Increased Interest rates 9%	Global economic slowdown 10%	Slow down of Vietnam economy 9%

CONSUMER SENTIMENT URBAN VS RURAL

Date July 2020

Both Urban and Rural consumers largely have the same concerns for 2020 – the impact of Corona virus. Urbanites are more concerns about Inflation, while Rurals are more concerned about the environment

▪ BIGGESST FEARS FOR 2020

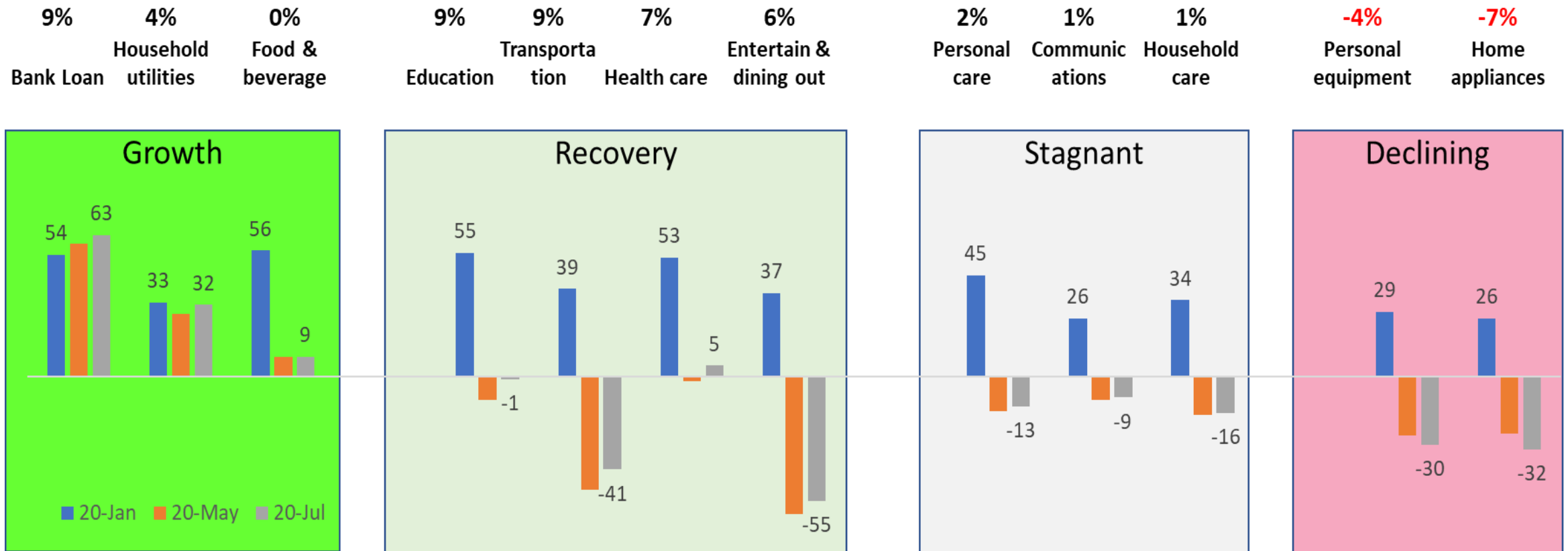


Purchase behavior



2020 CONSUMER SPEND IN TERMS OF GROWTH

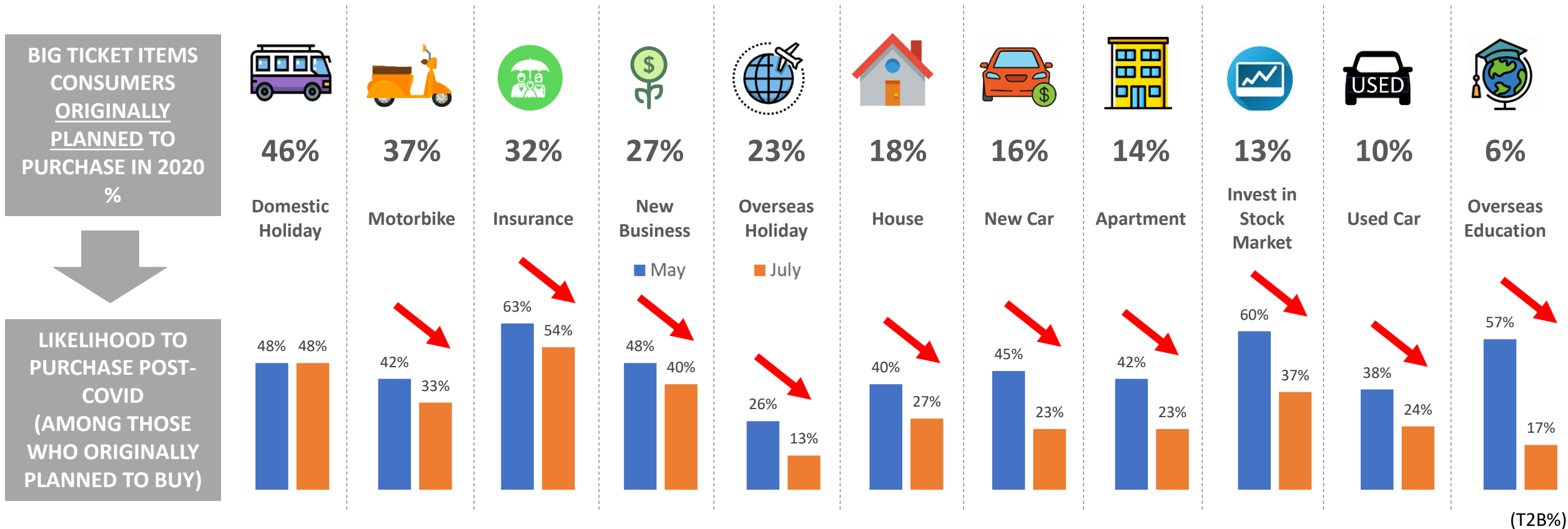
Outside of Bank Loans and Utility spend, all other sectors are down substantially from pre-COVID spend. Food & beverage has stayed buoyant over the past few months, while some sectors show mild signs of recovery. The purchase of all electric devices continues to fall, as consumer only worry about essential spend.



Base: n=3,987

COVID -19 IMPACT ON BIG (over 50 mil VND) TICKET PURCHASE ITEMS

Every big ticket purchase item has seen a decline in purchase intent since January 2020. Purchase intent has further eroded in July save for **Domestic Holidays** which held constant, indicating an overall trend of reduction on most expensive purchases



Now, considering the impact COVID-19 has had on your business / personal financing, how likely are you going to Purchase the same item in 2020 (MA - 1 = Definitely would NOT purchase, 3 = May purchase, may not purchase, 5 = Definitely would purchase)

W2: Base: n=1,019; W1: Base: n=1,023

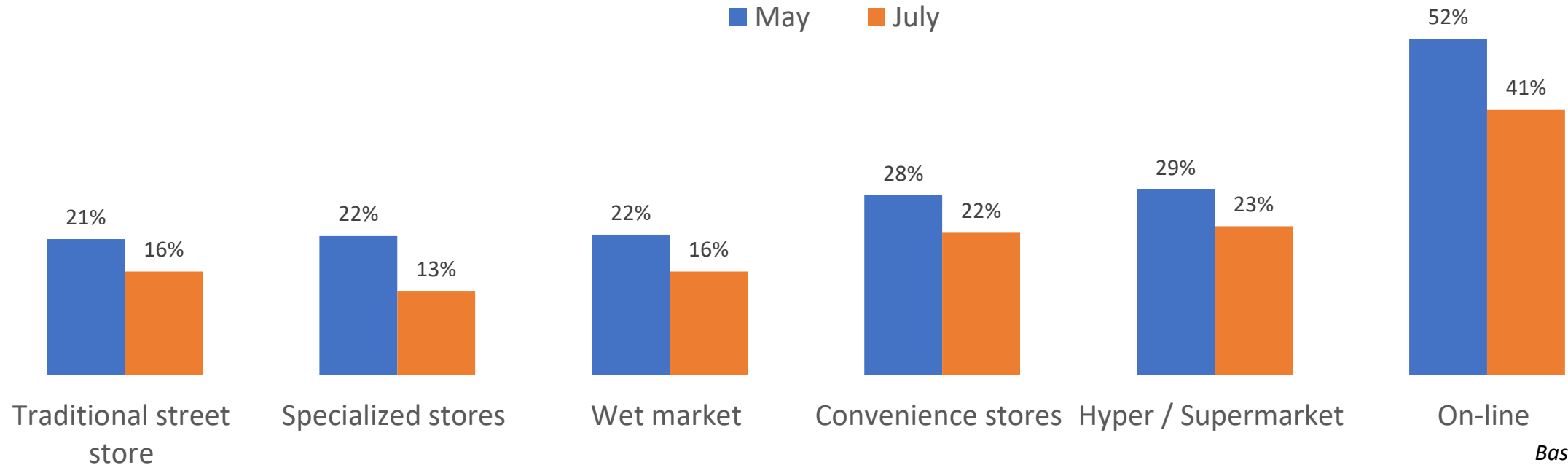
SHOPPING BEHAVIOR WAVE 1 VS. WAVE 2

During COVID-19's Social Distancing campaign, On-line usage Peaked at 33% growth in 6 weeks. However, July findings show more and more consumers less likely to use each shopping channel, indicating more bulk shopping and less frequency and less window shopping.

Shopping frequency May -July

Will shop more

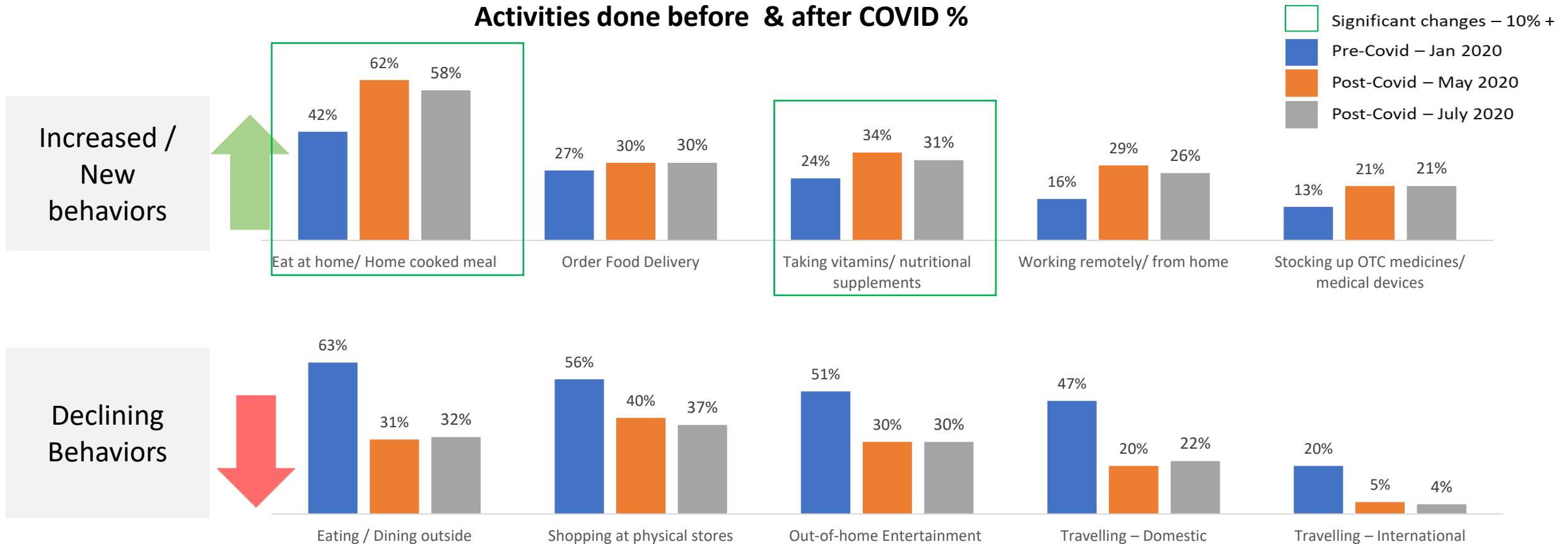
■ May ■ July



Once COVID-19 is finished with no more ill effects, which of the following channels will you use more - less or the same for FMCG products compared to before the Covid -19 outbreak (SA by attribute)

KEY BEHAVIORAL CHANGES

New Post COVID behaviors are driven by Eating at Home and Working remotely. Behaviors which are in decline include; Dining and entertaining out, Physical shopping, all forms of travel. Until consumer confidence returns, only mild changes are expected in the new behavioral patterns



Which of the following activities did you do **before** COVID-19?
 Which of the following activities did you do **during** COVID-19?
 Which of the following activities have you done **after** COVID-19?

ENCOURAGEMENT REQUIRED TO INCREASE BIG TICKET ITEM PURCHASES

Job security, salary increase and more assurance from the Government are key Triggers required to give consumers confidence to spend on big ticket items.



VEHICLE

HOUSING

DOMESTIC HOLIDAY

INVESTMENT

Car / motorbike manufactures lower prices **45%**

I am confident my job is secure **39%**

More Government reassurance COVID is over **46%**

Salary is increased to its pre-COVID level **34%**

I am confident my job is secure **44%**

Confidence house / apartment value has increased **34%**

Salary is increased to its pre-COVID level **40%**

More Government reassurance COVID is over **40%**

D7C What could help you change your mind and decide to purchase DOMESTIC HOLIDAY / VEHICLE / HOUSING / INVESTMENT this year?
(VEHICLE N=432; HOUSING N= 231; DOMESTIC HOLIDAY N=239; INVESTMENT N291)

COVID-19 Financial Impact

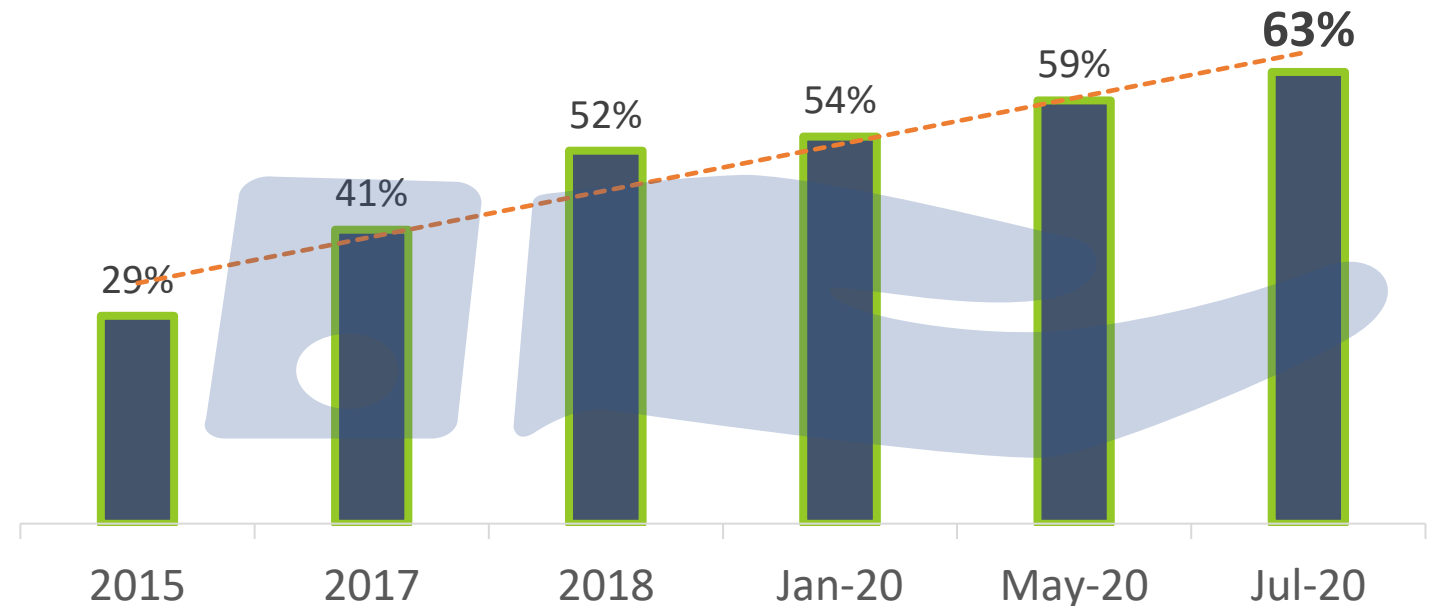


COVID-19 IMPACT ON LOANS



If Interest rates stay low, Loans from all sources should see an increase in the coming months, to deal with the ravages of COVID-19.

Intention to take out loan in next 6 months %



In the next 1- 6 Months will you take out a loan of any kind from a bank, lending institution or borrows from Friends / family? [SA]

Base: All

CORONA VIRUS REVENUE IMPACT FOR 2020 GROWTH

Three quarters of all surveyed see a negative to very negative impact from COVID-19 on the growth of 2020 business, matching with present low consumer confidence levels .

Rural dwellers showed more positive sentiment during the same period (5% Plus vs Urban)

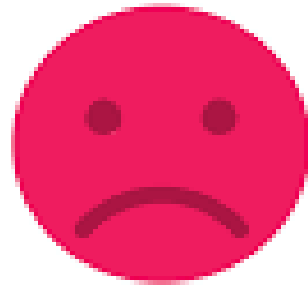
MAY 2020



18%



9%



73%

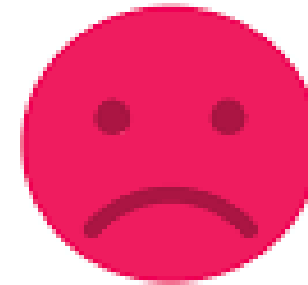
JULY 2020



16%



11%



73%

POSITIVE			NEUTRAL			NEGATIVE			
Extreme	Mild	Extreme	Mild	Extreme	Mild	Extreme	Mild	Extreme	
4%	2%	4%	3%	2%	8%	20%	25%	12%	21%
8%	4%	3%	3%	5%	11%	12%	12%	6%	35%

Urban: 10%

Rural: 15%

Urban: 58%

Rural: 53%

How much do you think the Corona Virus outbreak, is going to impact your Job - business in 2020?
 (SA with 1=Very Positive Impact / 5=Neutral /10= Major negative impact)

Base: w2 n=1,019; w1: 1,023

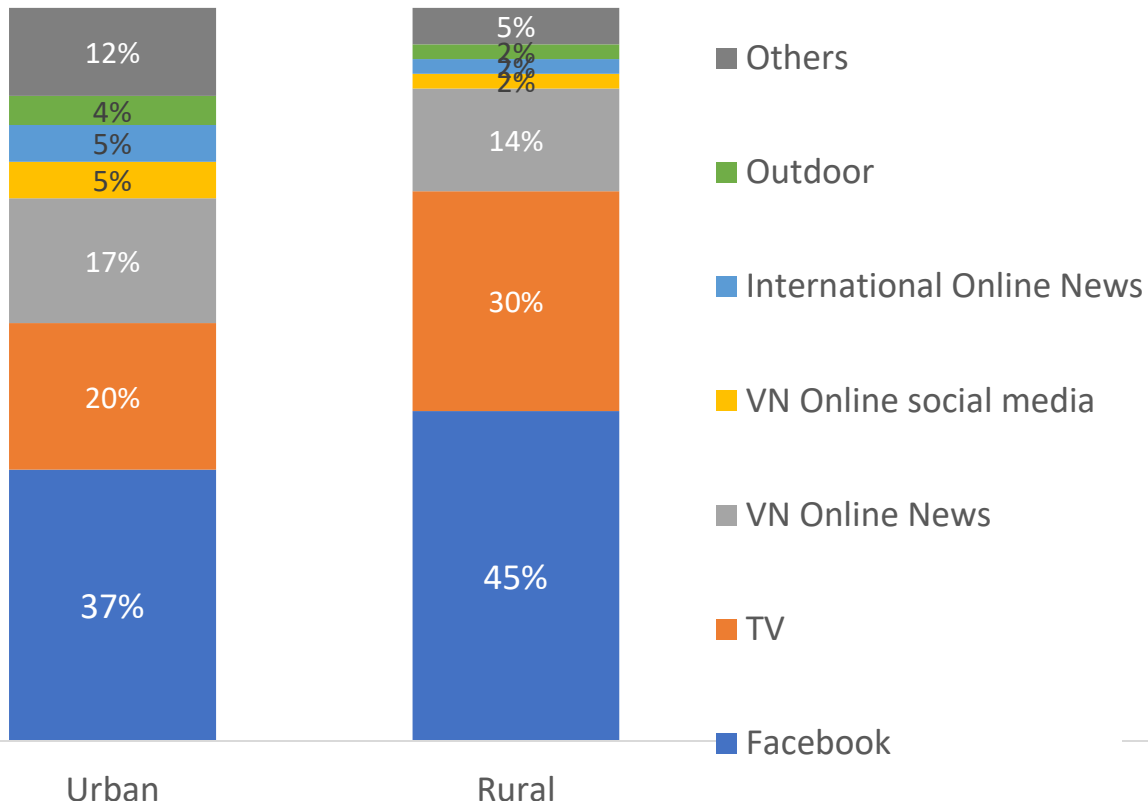
**MEDIA BEHAVIOR
POST COVID
VIETNAM**



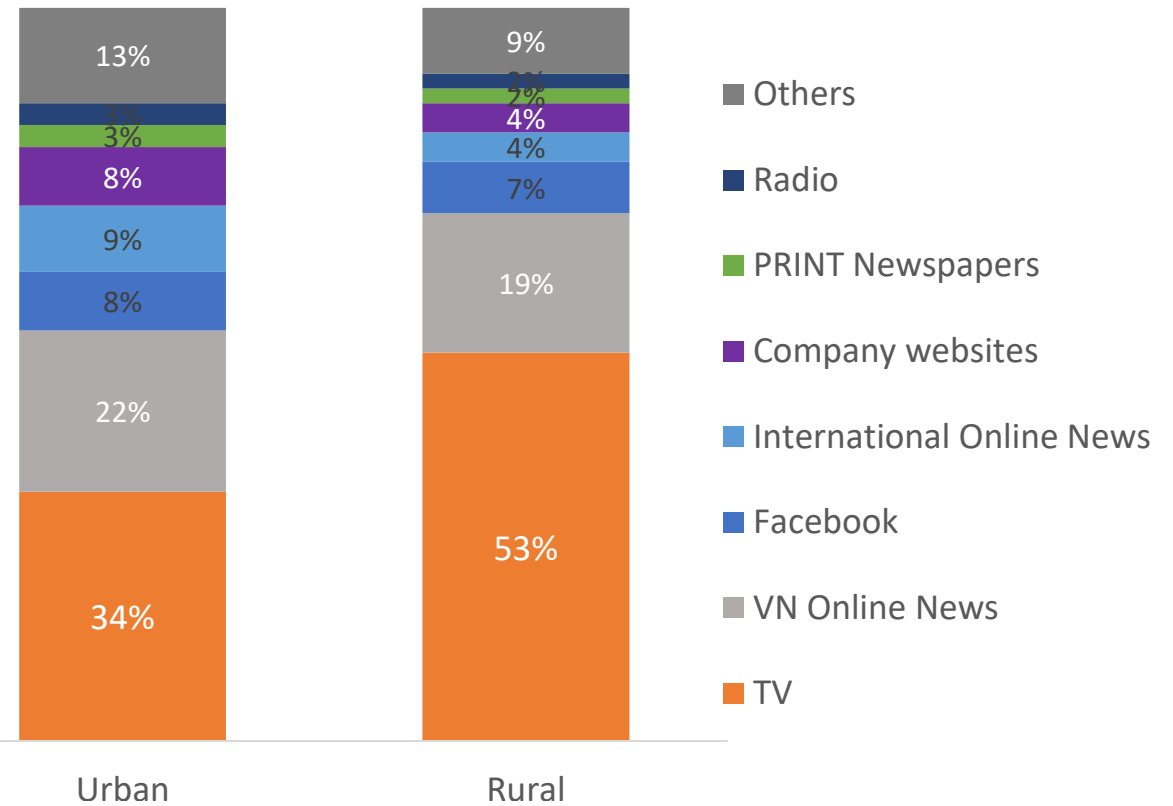
MEDIA PERCEPTIONS AND USAGE URBAN VS RURAL

Facebook and TV most widely used, particularly in Rural Areas. In terms of trust, 1 in 2 rural consumers trust TV the most, followed by VN online news.

Most used















Most trusted



SOCIAL MEDIA FOCUS – ‘MOST’ LIKELY TO

Facebook the ‘go to’ page across key social media activities. However, Zalo and Youtube are becoming increasingly popular.

MOST USED	MOST TRUSTED	MOST ENTERTAINING	MOST LIKELY TO PAY ATTENTION TO ADS
 56%	 31%	 45%	 34%
 27%	 26%	 30%	 29%
 9%	 10%	 12%	 13%

What to do?



YEAR END PREDICTION

- Based on 6 months of tracking consumer Behavior

**Present levels of reduced consumerism too continue until at least the end of the year
Marginal improvements in some sectors, while others continue to decline.**

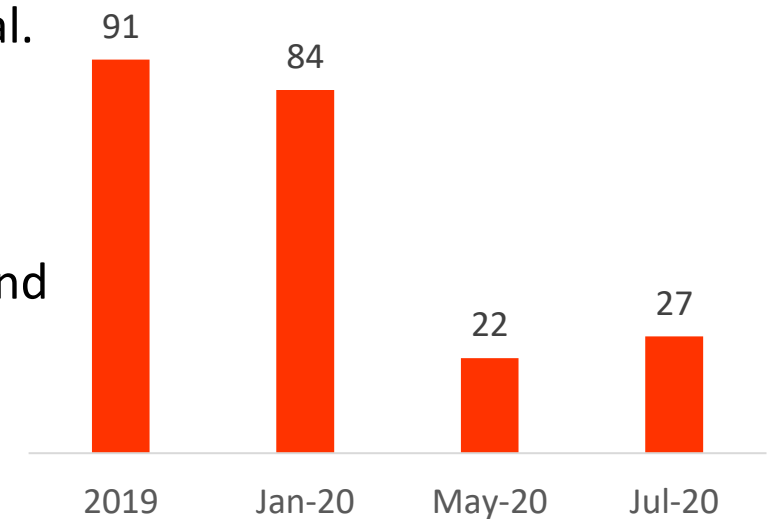
Confidence & economic outlook

- Continued slight increase in confidence to end of Year
- 75% see economy as being worse than in January 2020,
- Due to unemployment being 12% lower 6 months after COVID's arrival.

Risk perceptions

- Still very high
- But- shifting from infection to negative impact on business and unemployment as economic woes continue

Consumer Confidence Index



Five P's	Recommendations
People	<ul style="list-style-type: none"> ▪ Consumers require reassurances in terms of alleviating fears, unemployment, financial stability to increase confidence ▪ Increase on-line entertainment value as consumers go out less and spend more time at home and one line
Product	<ul style="list-style-type: none"> ▪ Require more guarantees, free sampling, preventative efficacy , smaller SKU's pack types, value savings on large pack types ▪ New alternatives – delivery service / on-line exercise / etc ▪ Products that can save now and secure future – different payment plans with low interest rates
Place	<ul style="list-style-type: none"> ▪ Focus is on security, convenience and less entertainment value and more savings value ▪ Hence Modern trade such as Supermarkets, convenience, specialty stores are key ▪ On-line is a given for most categories – but require guarantees and more product information

Five P's	Recommendations
Price	<ul style="list-style-type: none"> ▪ Discounts / value to volume savings ▪ Reduced payment terms / reduced credit rates
Promotion	<ul style="list-style-type: none"> ▪ Promotions less effective unless they provide savings or volume increases ▪ Facebook beginning to lose trust from consumers ▪ Need to.... <ul style="list-style-type: none"> ▪ become much more target specific on-line as the medium is very cluttered ▪ maximize internet optimization to stand out ▪ have relevant messaging, with good dose of entertainment to stand out ▪ focus on product functionality and guarantees ▪ fish where the fish are – On-line – On Mobile

2021 PREDICTIONS



THE YEAR AHEAD CONSUMER CONFIDENCE INDEX- 2021
 COVID-19 BEHAVIOR TRACKER
 PRE TET - PURCHASE BEHAVIOR
 IFM OMNIBUS SURVEY



Launch Dec. 12, 2020

ASK US ABOUT MULTI-QUESTION DISCOUNTS

RATE CARD		
#	Module Options	Fare USD
1	Consumer Confidence IDX	345
2	Covid-19 Behavior Tracker	345
3	Pre -Tet purchase behavior	345

Proprietary Questions	Fare USD
Single answer	258
5-point scales	345
Multiple answer	345
Ranking	386
Max Diff	386
Multivariate	515
Open ended	645



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