



Vietnam consumer trends 2017

High income households doubled whilst economy tripled

05



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Urban HH >US\$500/mth	1.61 m	111%	3.41 m
Ad spend	280 m	648%	2.0 billion
GDP/person	US\$532	279%	US\$2,019
Economy	44 billion	323%	186 billion
Pop	82 m	12%	91 m
Urban pop	27%	40%	34%

Since 2005 rural population only grown by 747,000!

Life stages are maturing, as do purchase priorities



05



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2025

Young single	37.1 m	-1%	36.8 m	34.2 m
Young married - no kids	9.1 m	-2%	8.9 m	7.1 m
Young married - a child < 10	18.3 m	-4%	17.5 m	13.2m
Married youngest child >9 & <20	7.5 m	36%	10.3 m	13.2 m
Empty nester	4.6 m	64%	7.5 m	13.9 m
Old single	5.8 m	75%	10.2 m	16.6 m

Household structures change, with less kids setting priorities

05



**33% of households had
no children**

17.6 m households
4.7 people/household

4.9 m urban households (28%)
4.6 people/household

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**45% of households have
no children**

20.7 m households
4.4 people/household

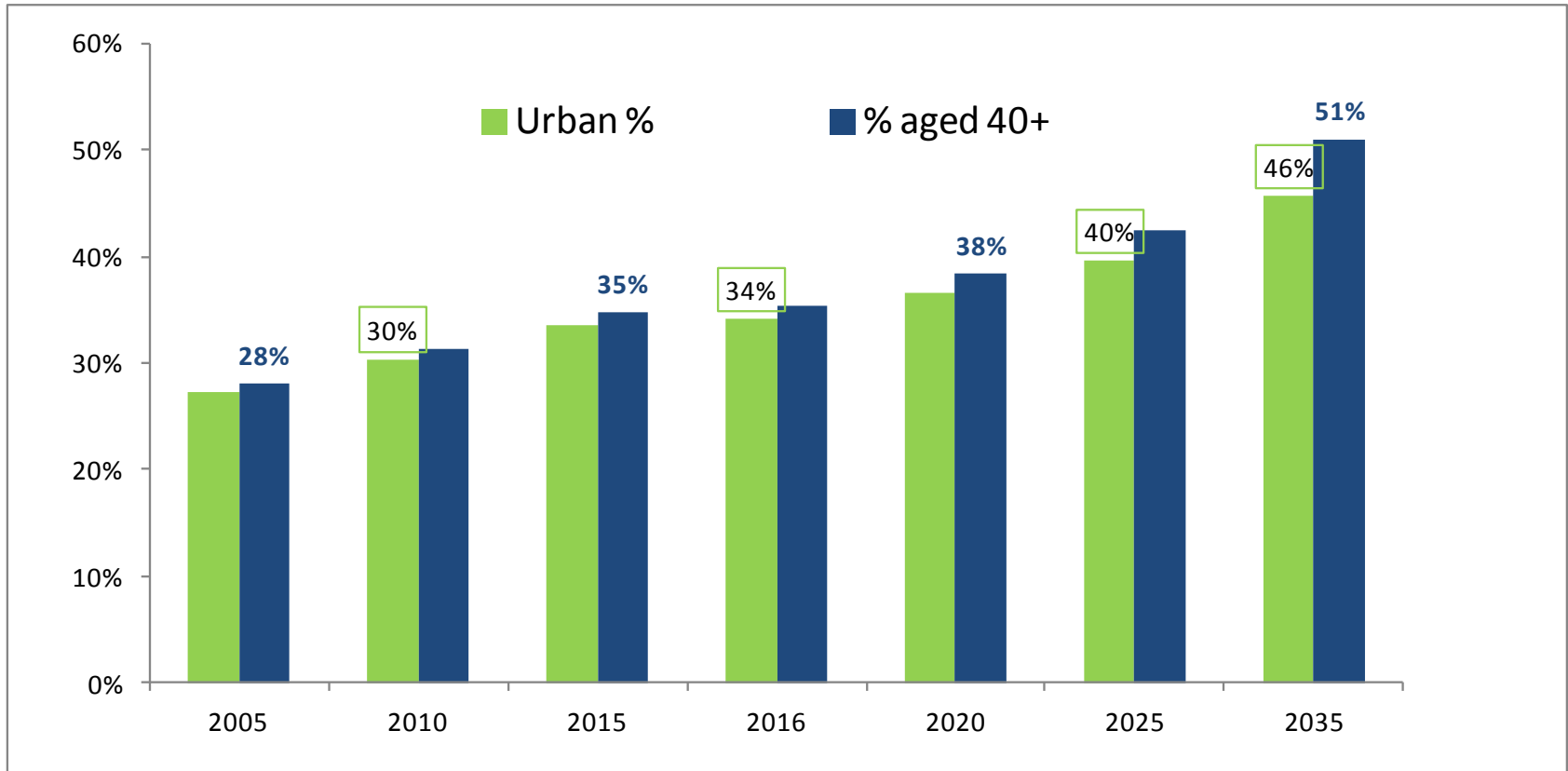
7.3 m urban households (35%)
4.3 people/household

Silver and urban will be where to mine for gold



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35



www.globaldemographics.com

New retail chasing share before profits

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15% modern trade share of grocery sales

E-commerce is scratch cards at internet cafes and very profitable

47 supermarkets

135 modern self service, mostly independent

16



18% modern trade share of grocery sales

E-commerce is COD and mostly unprofitable (recall Lazarda)

1035 supermarkets

2,100 modern self service stores, mostly chains

The convenient lie

05



Multi generation relationship with owner.

I don't get off my motorbike.

Owner knows my preferences.

Owner will happily deliver if I prefer to call down.

16



Served by teenager with whom they have no relationship.

Need to park my motorbike, walk, search sales and stand in a queue.

Full of young adults hanging out or students doing homework.

Coffee, beer and fast service chains grow

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Trung Nguyen and
Café Highlands

Beer garden dominance
6.6 litres per person

16



8 café brands with >160 outlets

Rise in F&B chains

Rise in multi brand beer clubs
41.24 litres per person

Emergence of metro fads:
artisan cafés, loft spaces, craft beer, co-
working, crowd sourcing, fintech, etc.

Health consciousness translates into action

05



Health #3 concern

- Food safety
- Increasing ingredient awareness
- Growing distrust of food and beverage manufacturers
- Pollution pollution pollution

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Health #3 concern

- Food safety
- Rise in organic and natural claims
- Bringing back Vietnamese herbs and spices
- Farm to table sourcing
- Spend traditional remedies 60%:40% modern medicine

Health consciousness translates into spend

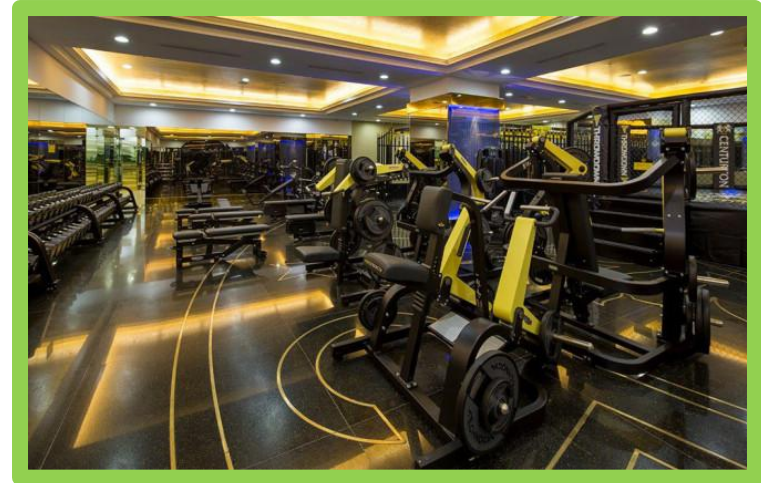
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Health #3 concern

- Food safety
- Superficial claims of de-tox
- Claimed regular exercise

16



Spend US\$2.1 billion on overseas healthcare

- 140+** stores from 6 pharmacy chains
My Chau, Pharmacity , IC, Eco, V-Phano, Y Duc.
More under development

120+ branded chain gyms

100+ branded health & beauty care stores;
Medicare, Guardian, GNC

Conspicuous consumption has always been mobile



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What I drive

The Gioi Di Dong opened the 4th store.

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What drives me

Over **1,495** stores from The Gioi Di Dong, FPT, Viettel and Viet Thong A.

Keeping up with the Nguyen's with consumer finance



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6,000 new apartments sold

25,000 new passenger car sales

437,000 new motorbike sales

US\$1.6 billion in consumer loans
3.6% of GDP

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59,000 new apartments sold

179,000 new passenger car sales

3,121,000 new motorbike sales

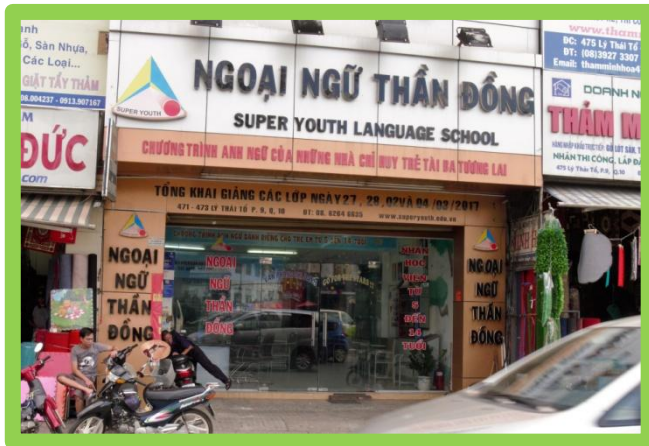
USD16 billion in consumer loans
9% of GDP (2015)

Home & improvements 40%
Home appliances / electronics 30%
Motorbikes / cars 15%

Every day in 2016:
8,551 new motorbikes
and 489 cars

Getting ahead of the Nguyen's with education

05



3,165 students went to US for education

14 premium private English language centers in Vietnam

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21,403 students went to US for education

US\$32,425 per student per annum

US\$694,000,000 contribution to the US economy

115 premium private English language centers in Vietnam

Self expression is far easier and immediate

05

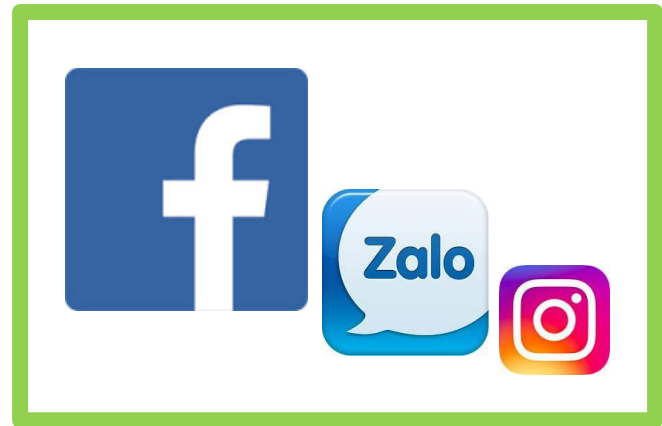


Yahoo blogs

Singing

Football fever

16



46 million consumers posting emoticons, stickers, selfies and status updates

Trend to group chat away from facebook for high frequency sharing

Mobile drives internet penetration and habits

05



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Internet national penetration	13%	54%
Any mobile 15+ user	37%	74%
Smartphone 15+ user	NA	48%
Urban frequent online access	20%	82%
Urban time spent	120 min	188 min
Online mobile page views	NA	34%
View video on mobile	NA	32%

Fragmented opportunities as mobile, video and IP TV converge

05



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The convergence of video and mobile, which when married with local media content and efficient streaming will reap huge rewards.

Watch out for [Clip](#) which has an abundance of local video on demand content and is closest you can come to a local YouTube in Vietnam.

Others include established telecommunications firms [FPTplay](#) (FPT), [NetTV](#) (Viettel) [MyTV](#) (VNPT) and new entrants [Fim+](#) and [Netflix](#).

Experiences becoming key to fulfilment

05



Inbound up 26% to 10 million in 2016
Change in origin:
China now accounts for 27% and S Korea 15%.



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Focus on what I have

16,100,000 domestic travellers

227,134 Vietnamese head to Thailand

150,626 Vietnamese head to Singapore

New brands, new durables

Focus on what I have done

57,000,000 domestic travellers (2015)

830,394 Vietnamese head to Thailand

469,000 Vietnamese head to Singapore

New experiences, places and adventure

Personal fulfillment and social validation matter

Let Cimigo be the voice of your customers



7 offices
nationally



Cimigo
OnMobile
native app



40,000
active panel
members



Cimigo MROC
community
platform



40 CATI
stations



400 m sq.
CLT space



4 group
rooms



600 strong
tablet armed
field force

10 trends impacting purchase priorities



1. High income households doubled, economy tripled.



2. Life stages are maturing. Household structures change, with less kids setting priorities.



3. New retail chasing share before profits.



4. Coffee, beer and fast service chains grow.



5. Health consciousness translates into action and spend.



6. Conspicuous consumption has always been mobile.



7. Keeping up with the Nguyen's with consumer finance. Getting ahead with education.



8. Self expression is far easier and immediate.



9. Mobile drives internet penetration and habits. Fragmented opportunities as mobile, video and IP TV converge.



10. Experiences key to fulfilment.

2017 predictions: What won't happen but should

1. “Digital advertising ” and “social media” hype will cease as marketers finally understand them as another media format.
2. Middle aged, middle class Vietnamese will be introspective as they realise they can not house elderly dependent in laws with them in their apartments.
3. Tweens and teens will find meaningful role models given absentee parents who are striving yet struggling to get ahead.
4. Disenchanted consumers over 35 who feel left behind will reconnect with society and the leverage the opportunities the economy offers.
5. Investors will develop mid tier shopping malls modelled on the Philippines or Indonesia.

2017 predictions

1. Consumer goods will return to double digit growth having made gains in 2016.
 - Following a very a flat or contracting 2014 and 2015 for most categories outside of beverages.
2. Stressed middle and lower class consumers will have greater disposable income and recover their spending confidence in the second quarter of 2017.
3. Intra Asia trade dependency continues, the impact from events in the US and Europe increasingly lack relevancy and impact. Stability in China, Japan and S Korea matter.
4. Extreme weather will worsen. The impact on agriculture's contribution to the economy will be severe (again) and the impact on rural livelihoods and social structure will be dire.
5. Consumer distrust of food and beverage manufacturers will worsen and those who can afford to will seek *known origin* and *natural* food solutions.



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