

KANTAR

The Retail Evolution

Adapting to Dynamic
Retail Landscape

By Worldpanel Division Vietnam

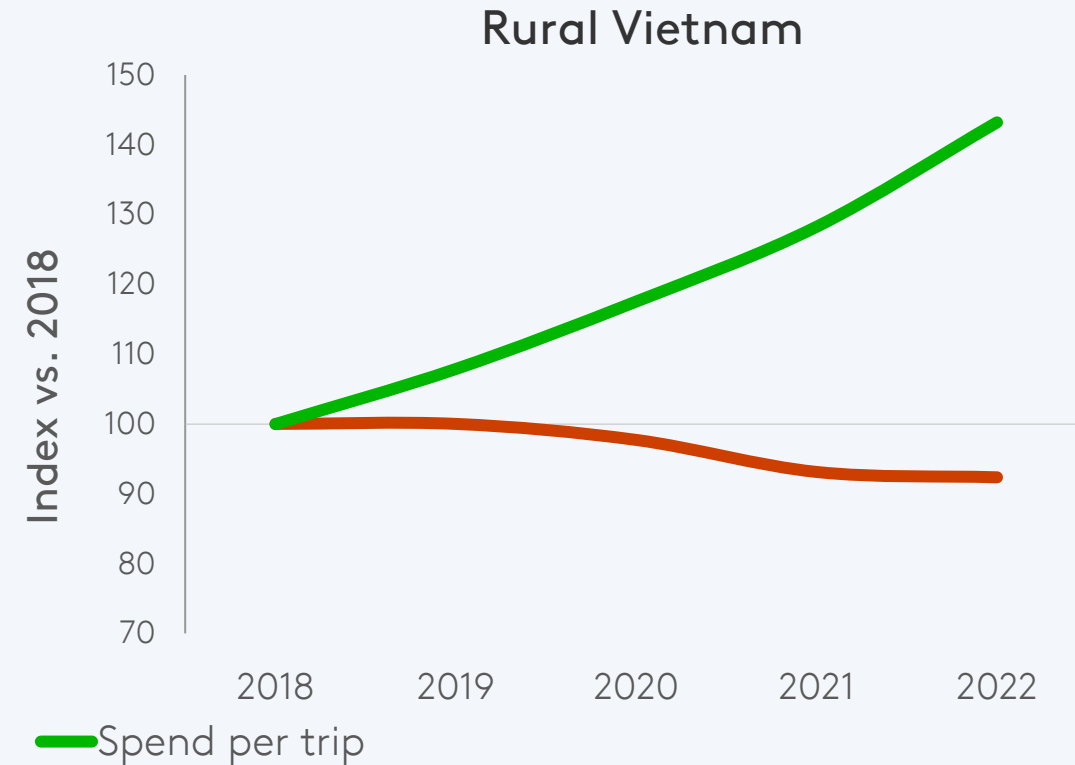
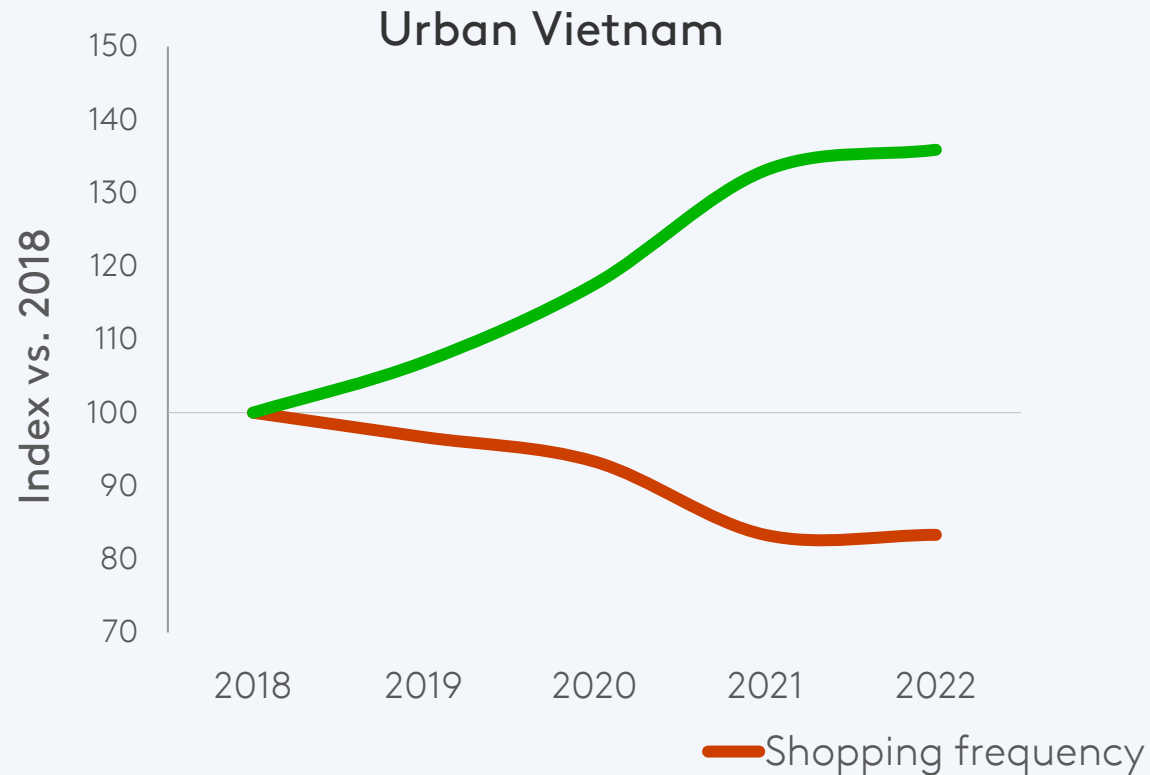
VIETNAM

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Evolving shopping behaviour in Vietnam

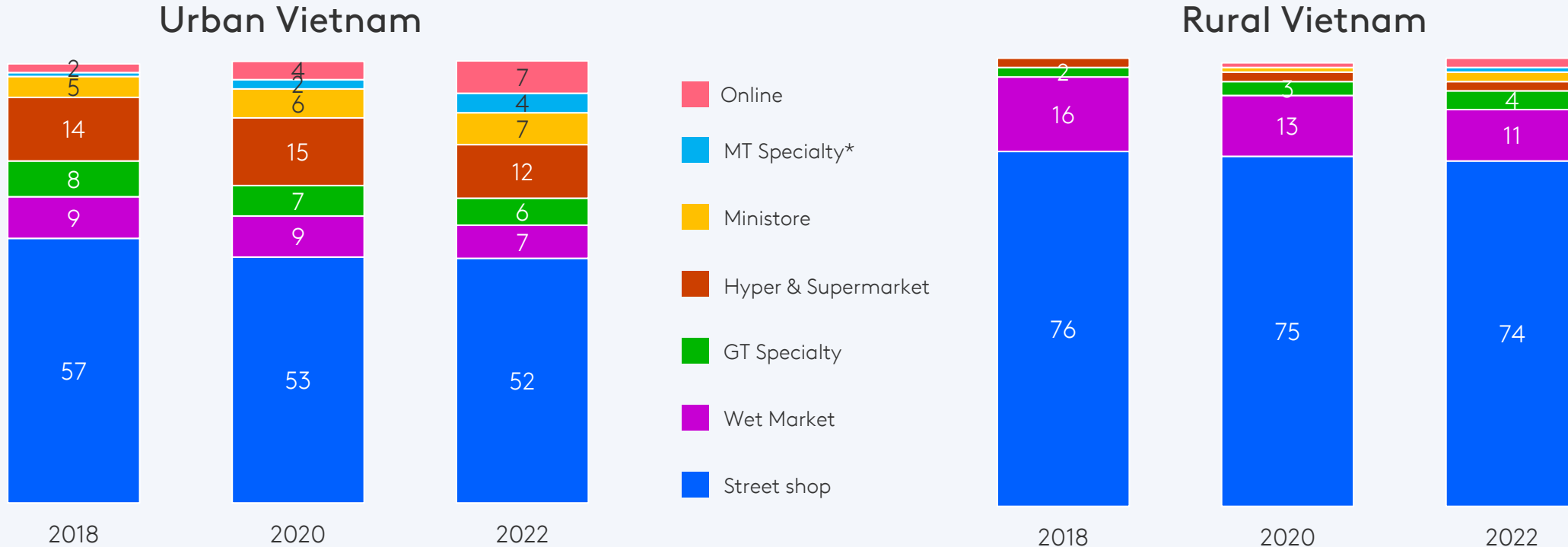
Vietnamese consumers are cutting down on shopping frequency, while increasing trip sizes. This change provides both challenges and opportunities for brands and retailers in improving the shopping experience and maximising the value of each trip.



How is the channel landscape changing in the past 5 years?

The retail landscape has seen a shift from traditional channels to modern trade and online platforms, especially in Urban. Specialty stores in modern formats have experienced significant growth.

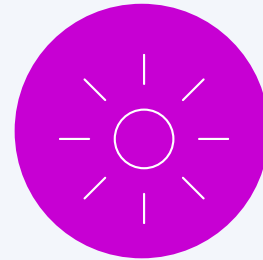
Value share (%) of channels in FMCG 2018-2022



*Mom& Baby specialty, Health & beauty stores & Pharmacy



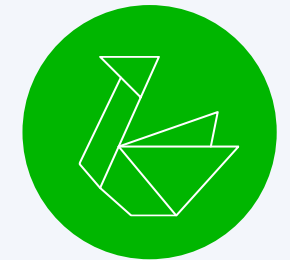
3 outstanding behaviors that shape the channel landscape



Not only smarter but also more demanding

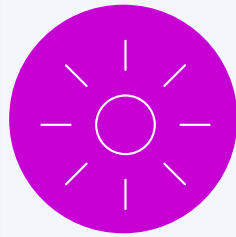


Shoppers do not feel tied to any store



Exposure to new shopping experiences





Not only smarter but
also more demanding

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Meeting the Rising Expectations of Shoppers

Shoppers are having higher expectations from their shopping channels but shoppers living in urban and rural areas have different expectations, which suggests brands to have different approaches to stand out.

Top 3 gaining in Urban 4



I can easily find what I want
81% (+8pts vs 2020)



It's convenient to get there
76% (+6pts vs 2020)



I like the layout of the store
59% (+6pts vs 2020)

Top 3 gaining in Rural



I can easily find what I want
74% (+5pts vs 2020)

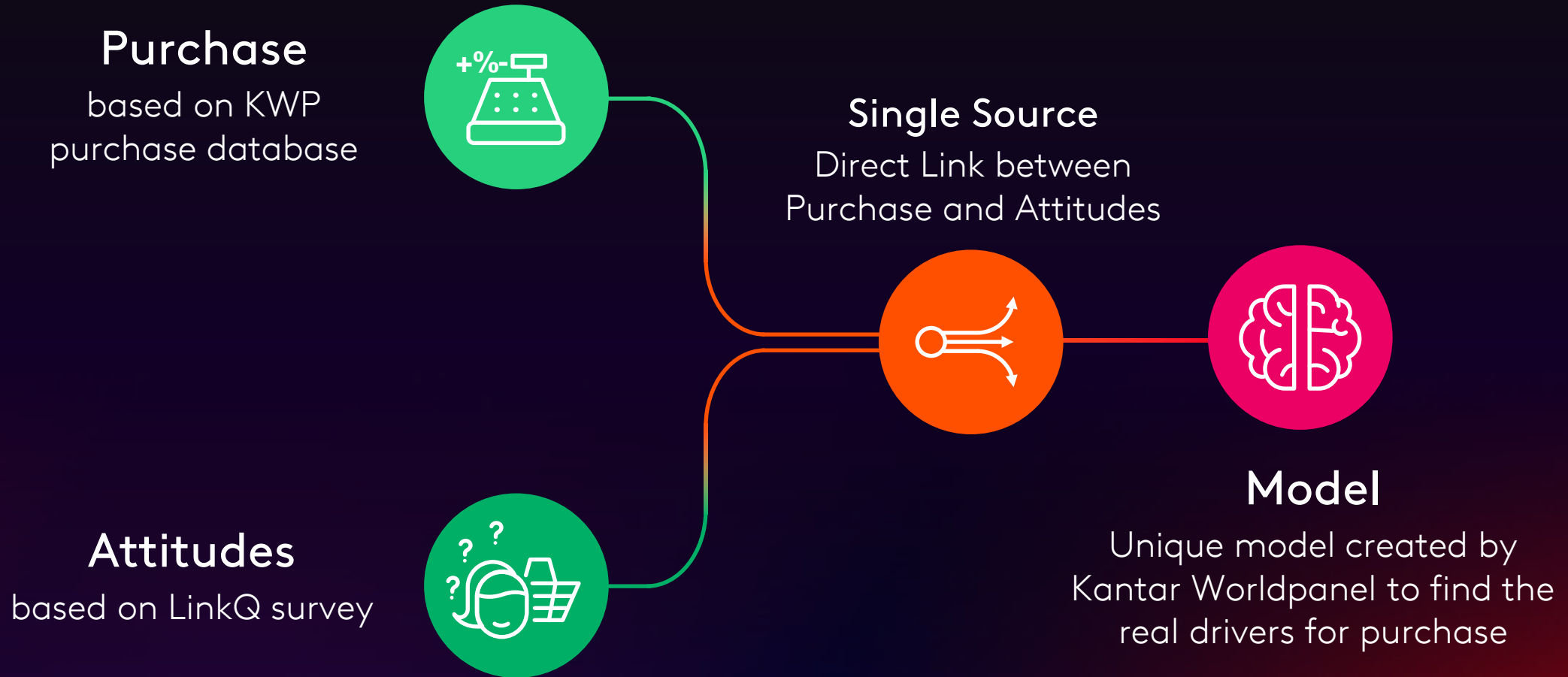


I'm sure to always find new products
51% (+9pts vs 2020)



I like the layout of the store
51% (+5pts vs 2020)

But what is the most important in driving sales?

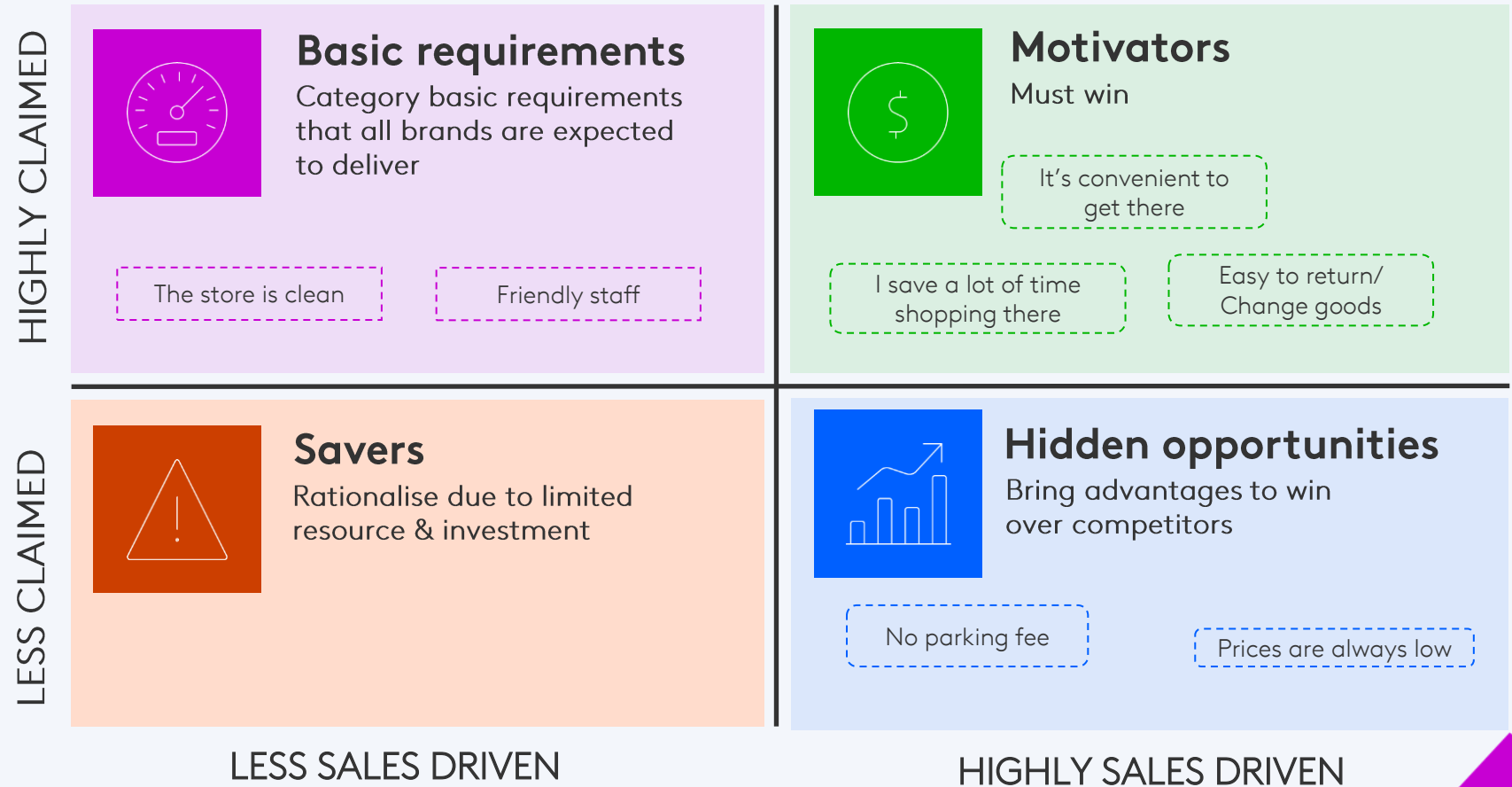


What they say is not always what they do.

Kantar Worldpanel's store choice drivers reveal some differences between claimed drivers and actual sales drivers.

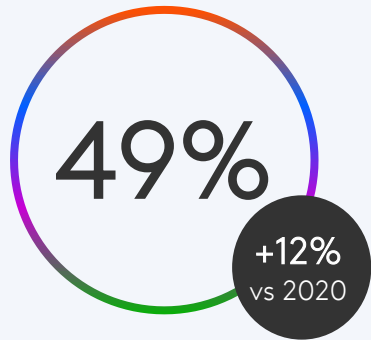
While shoppers can highlight the importance of offering return policy, they fail to mention Free parking fee which implicitly impact their store choice.

What drives shoppers' store choice

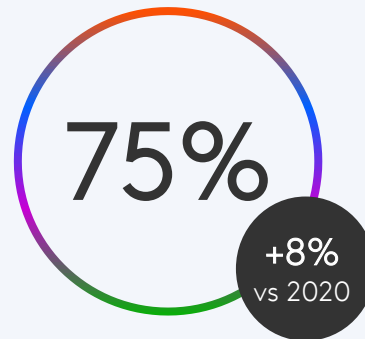


The demand for comprehensive product information in retail

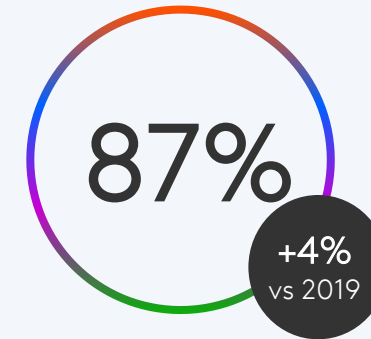
Their decision-making process seems to take longer as they want to have more information about promotions, nutrition facts or product origin. Brands and retailers who can address this increasing need will have more chances to win.



I refer to **many different stores** to find attractive promotions.



I often check products' **country of origin**.



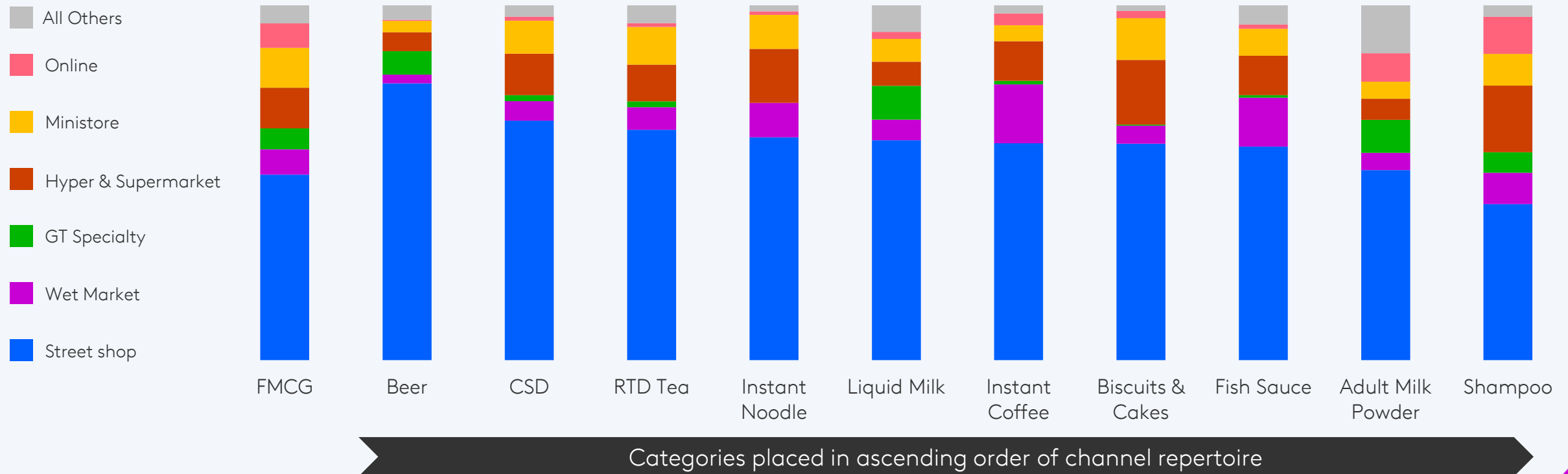
I read the **product label** to avoid buying unhealthy foods



Diversity in channel choices

Today's shoppers no longer rely on a single store for all their purchasing needs. Instead, their buying journey and expectations vary across different product categories.

Value share (%) of channels by categories in 2022



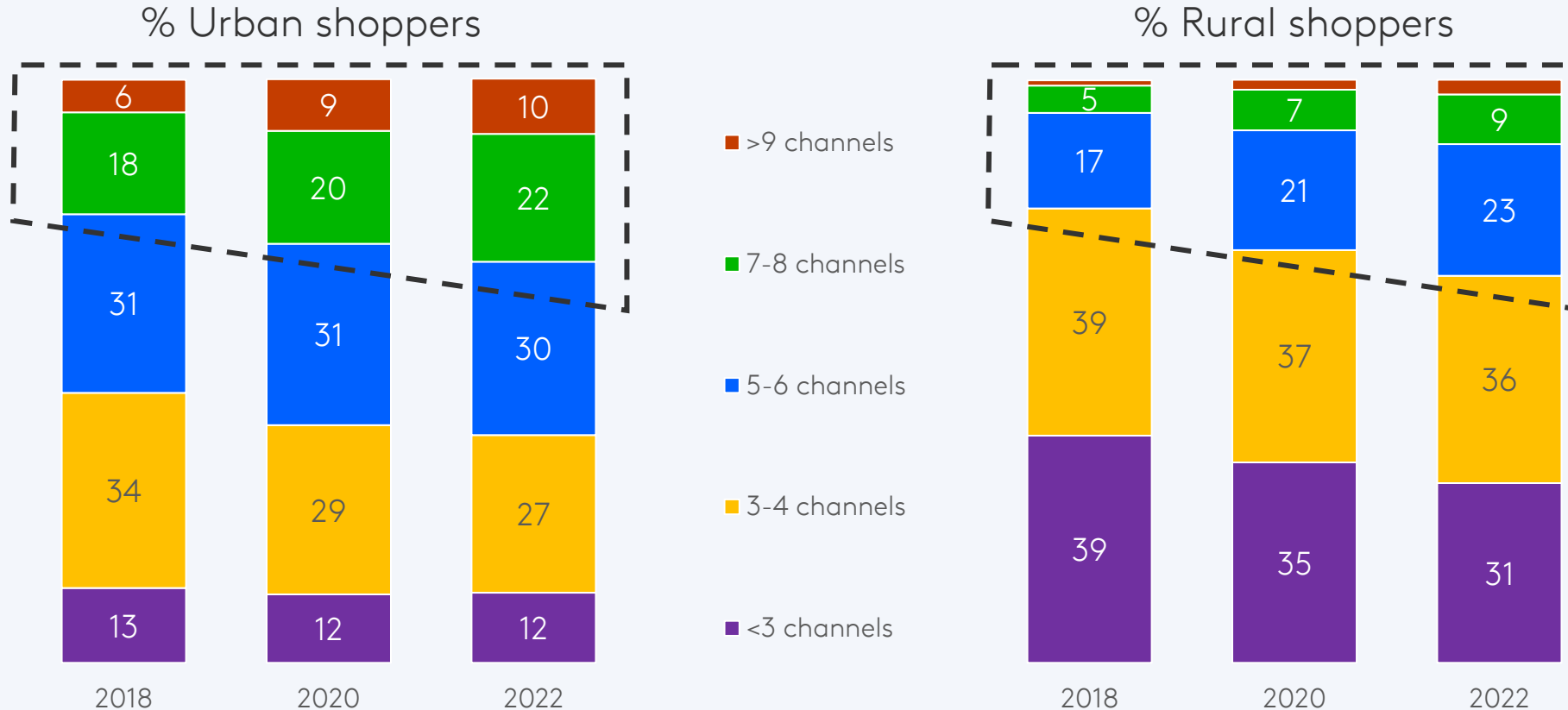


Shoppers do not feel tied to any store



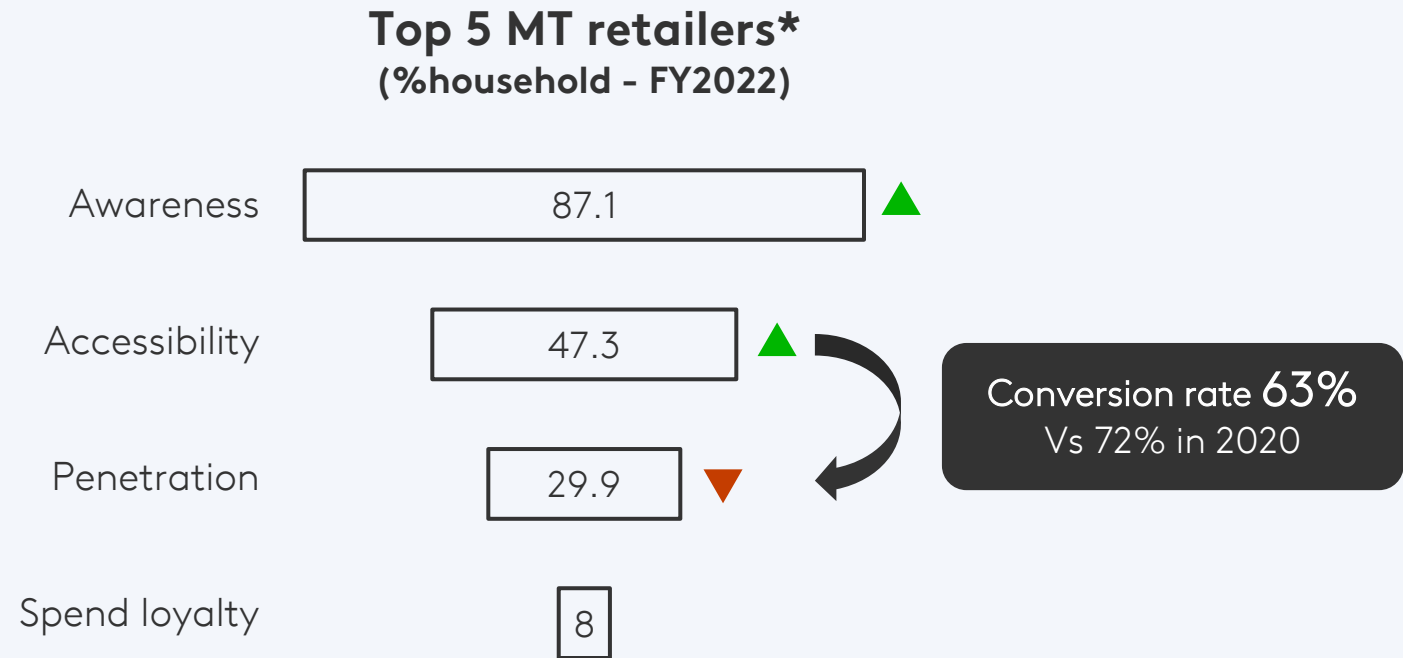
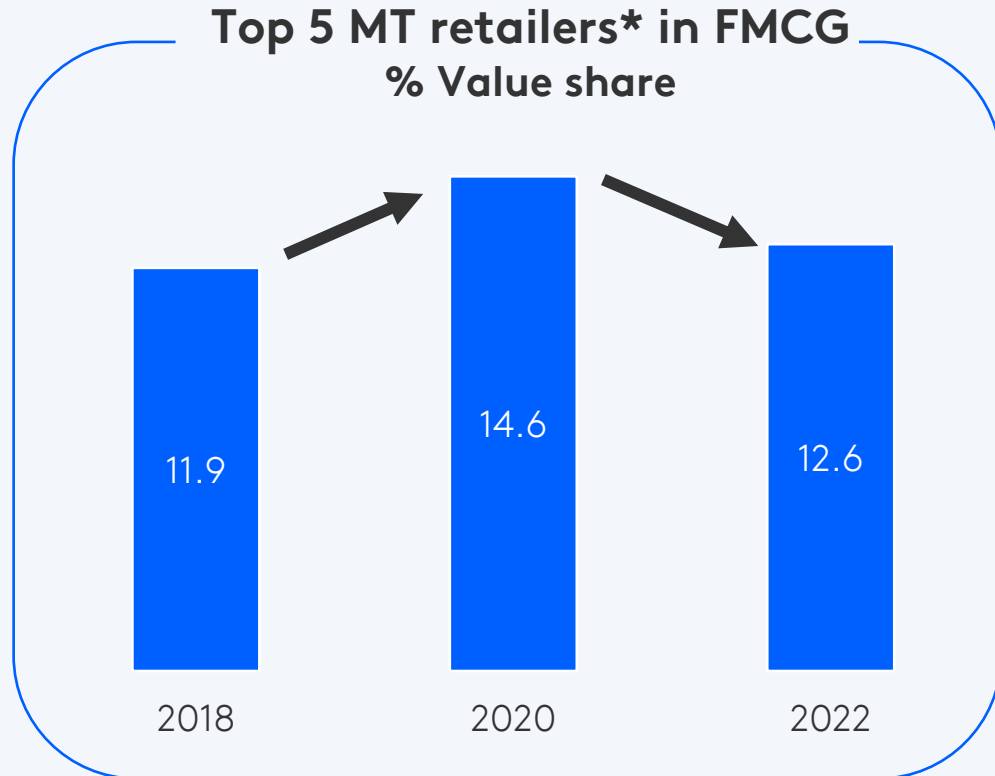
The Rise of Multi-Store Shopping

In recent times, shoppers increasingly visit and buy from multiple stores. This changing trend poses both challenges and opportunities for brands and retailers to enhance their strategies and capture shopper loyalty.



Shopper loyalty – the increasing challenge of everyone

With huge efforts in communication and store openings, giant retailers are more accessible to shoppers; however, this accessibility doesn't ensure success in attracting and retaining shoppers.



▲ ▼ Increase/ decrease vs 2YA

* Top 5 MT retailers include Co.op Mart, Central Retail, Winmart, Bach Hoa Xanh, Winmart +

Smaller retailers are threatening the market leaders

Lazada, ConCung, and Pharmacity are challenging top players with impressive growth, leveraging convenience, specialised offerings, competitive pricing, and personalised experiences.

CRP CARG 2022 vs. 2020 (%)

+102%



+65%



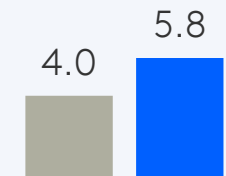
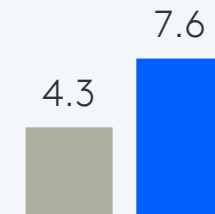
+51%



Frequency

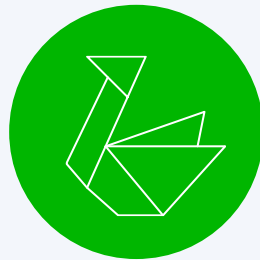


Penetration



■ FY 2020 ■ FY 2022





Exposure to new shopping experiences

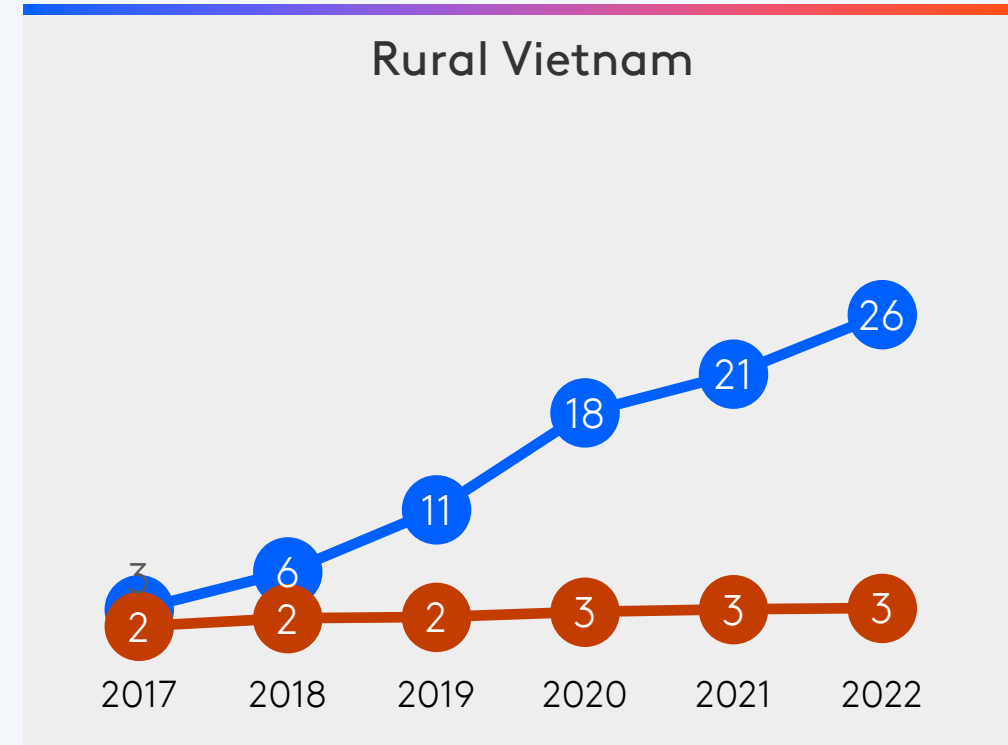
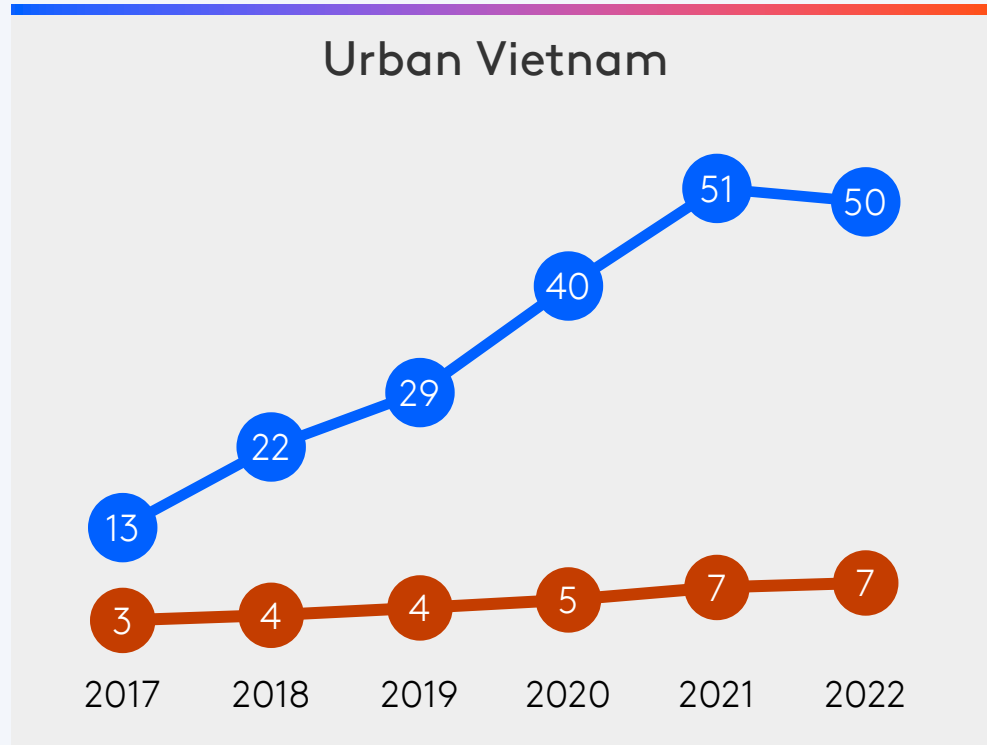
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Online shopping is adopted everywhere

Online shopping is no longer for Urban and young shoppers only. It has witnessed significant development, transforming the retail landscape and reshaping shopping behaviour of everyone and everywhere.

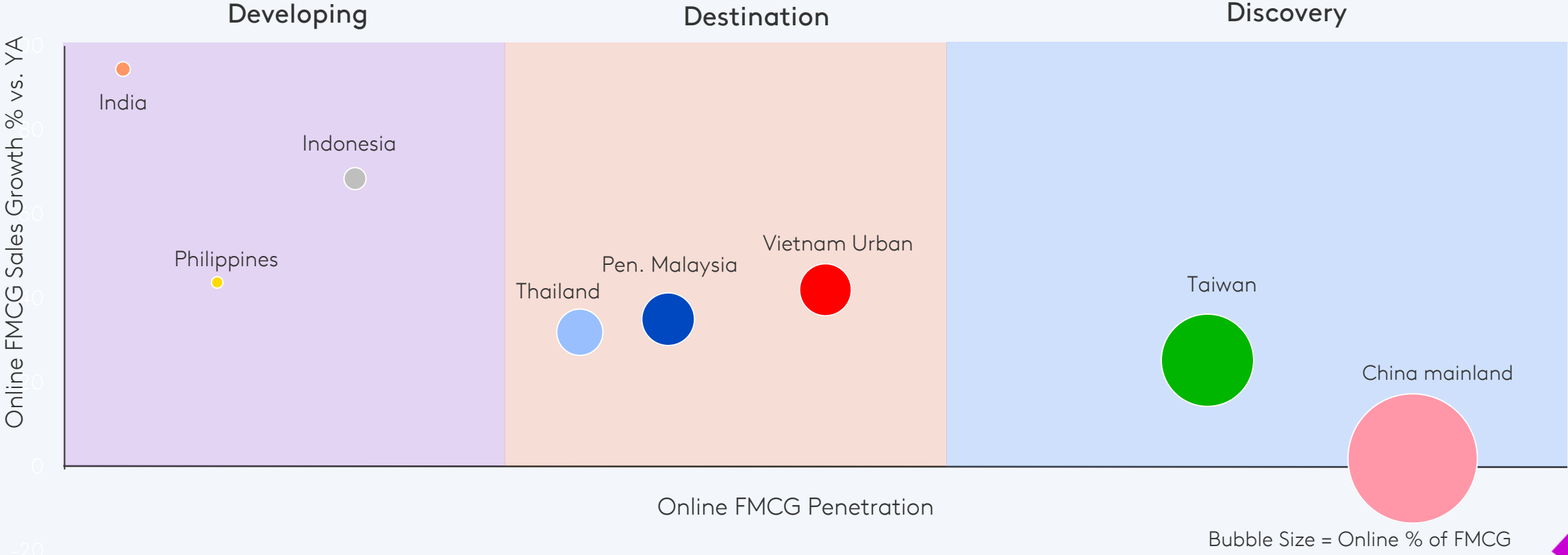
Online shopping development overtime



Online is at destination stage of development in Vietnam

After few years of attracting shoppers, Online in Vietnam now is at a point of building habits and repertoire. This offers bigger opportunities for brands in Home care and Food to seize and scale up.

FMCG Online Penetration vs. Spend Growth



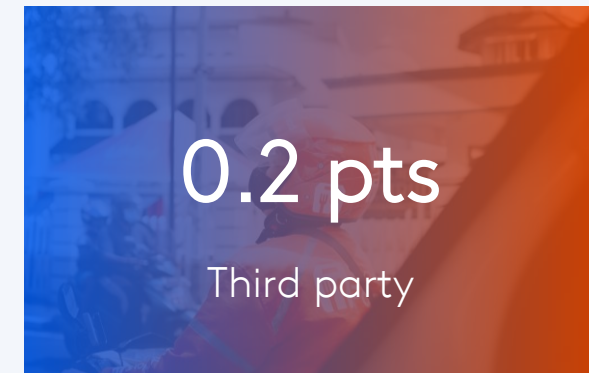
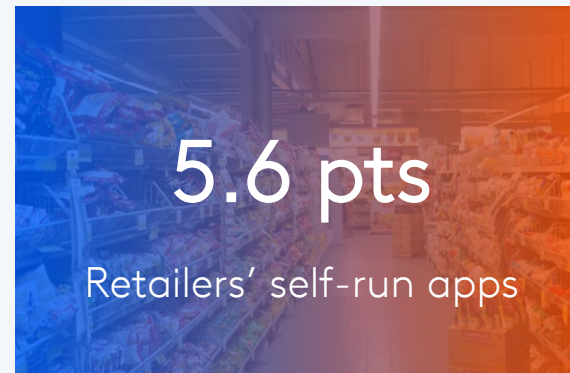
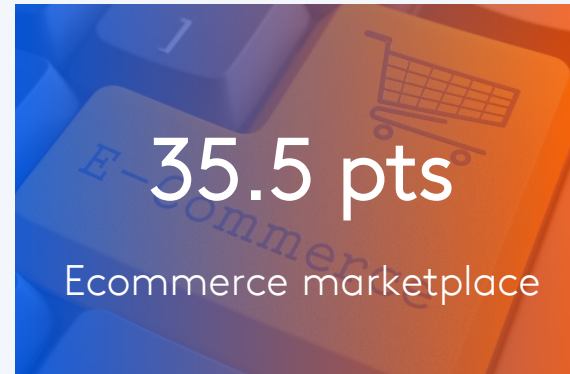
Shaping a fragmented Online landscape

The evolution of eCommerce has led to a fragmented landscape with multiple platforms and models that cater to diverse shopper demands and needs

Online penetration by sub-channels in 2022

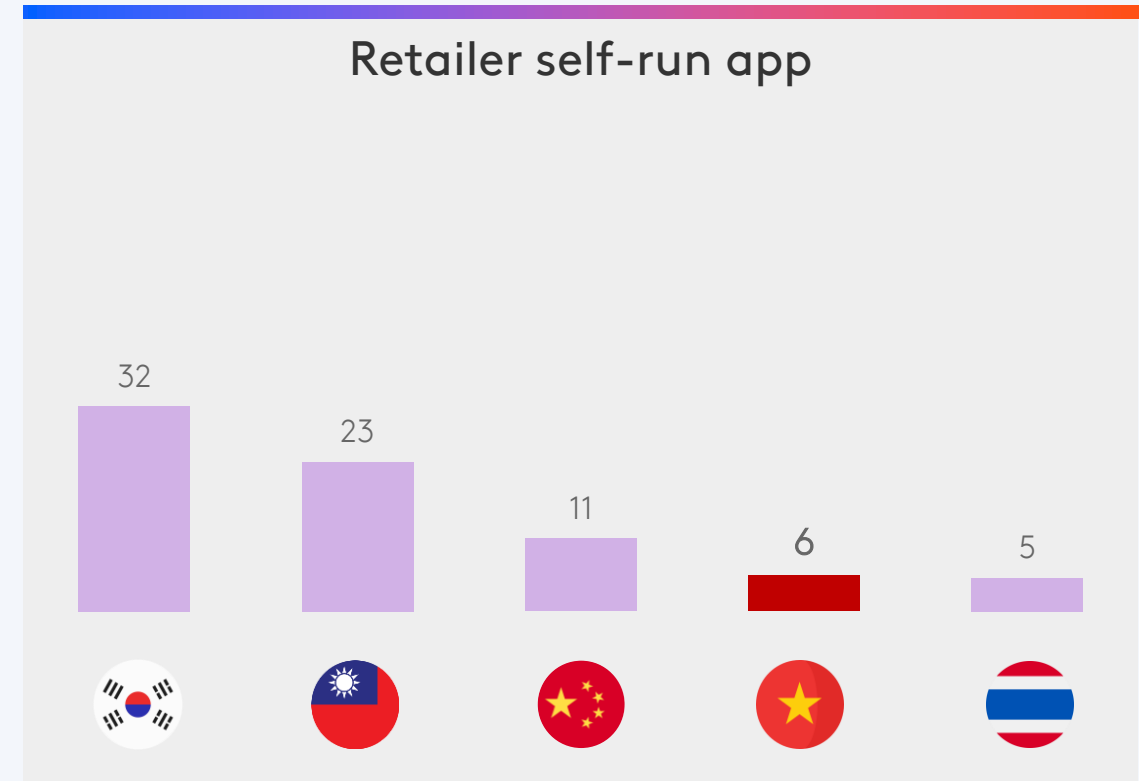
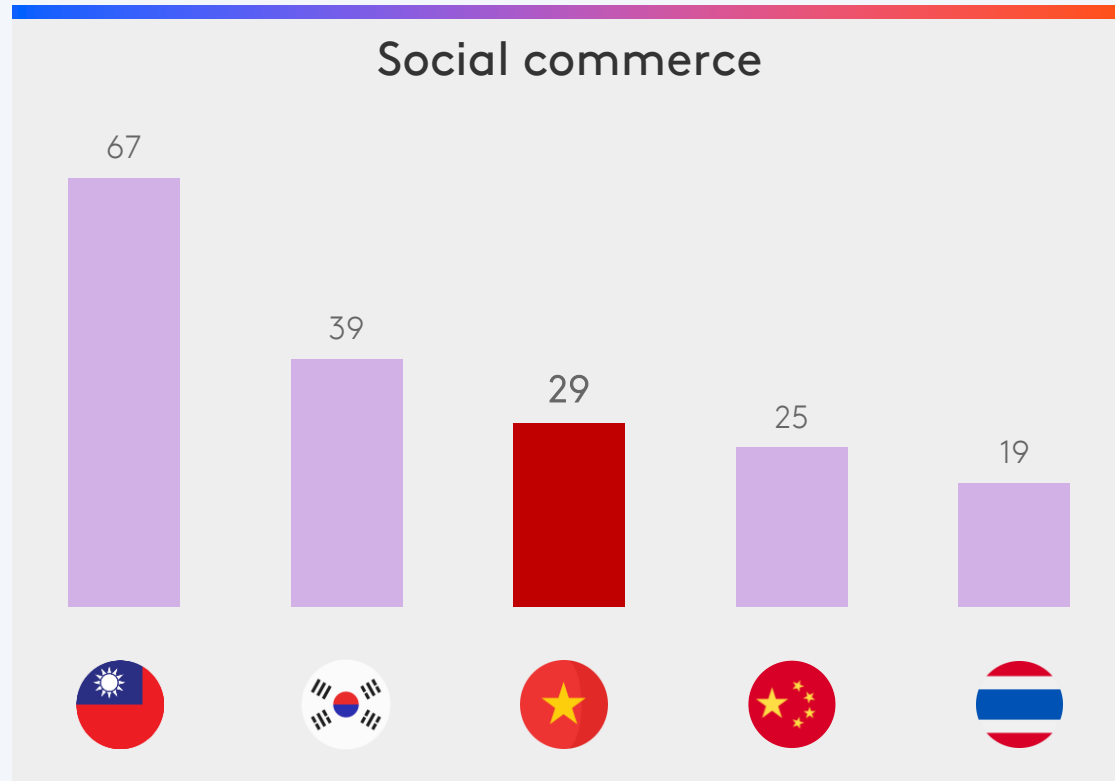
1 out of 2 families

purchased FMCG Online
at least 1 time in 2022



Thriving Social Commerce and Retail Self-Run Apps

Social commerce and retail self-run apps help transform the shopping landscape in Vietnam. These innovative platforms have revolutionised the way consumers shop and offered personalised experiences.



What does this mean for you?

Be where your shoppers are with relevant offers – Agility is key!

01

Evaluate Channel Roles

What role do each of the channels have for your business

02

Optimise assortments

Optimise category assortments to meet varied shopper needs

03

Execute with Excellence

What works in one channel won't necessarily speak to shoppers in another

KANTAR

Kantar is the world's leading data, insights and consulting company. We understand more about how people think, feel, shop, share, vote and view than anyone else. Combining our expertise in human understanding with advanced technologies, Kantar's 30,000 people help the world's leading organisations succeed and grow.

For further information, please visit us at www.kantarworldpanel.com/vn

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