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## **VIETNAM CONSUMER CONFIDENCE INDEX OF THE FIRST QUARTER IN 2018 REACHED A NEW ALL-TIME HIGH OF 124 POINTS**

Increasing 9 points compared to the last quarter of 2017 on the back of increased positivity about local job prospects and the state of personal finances, Vietnam consumer confidence index reached the highest score in the last decade - which helped Vietnam remain the fourth most optimistic country in the world, according to the latest issue of The Conference Board® Global Consumer Confidence™ Survey, in collaboration with Nielsen, a global information and measurement company.

Southeast Asia and North America had the highest level of consumer confidence. Consumers in Southeast Asia remained relatively optimistic, with confidence increasing by 2 points from 119 in Q4 2017 to 121 in Q1 of this year. Three out of six countries reaching the highest confidence score were Vietnam, Philippines and Indonesia. Although Philippines posted the region's biggest decline in confidence level, down 3 points, Philippines still ranked the second most optimistic countries globally with 128 points. Malaysia surged by 10 points to 104 points. And Vietnam and Malaysia posted among the top 5 increases across the world. This quarter, Singapore witnessed an increase of 3 points while Thailand finished the first quarter of this year at 110 points, down 1 point. (See chart 1)

"In general, countries in South East Asia region normally have higher confidence level than those in more mature regions. The high confidence in these economies is in keeping with their fast growth and higher potential for further growth. Emerging countries like Vietnam, Philippines and Malaysia had an annual average GDP growth of 5 to 7 percent in the last quarter of 2017. Thus, the good momentum of economy growth across industries combining with the positive signals of foreign investment flows, increasing household income and growth-oriented government policies could translate into optimism of consumers" said Ms. Nguyen Huong Quynh, Managing Director, Nielsen Vietnam. "However, in Vietnam, positive sentiments did not lead to strong FMCG sales, with the market up just 1.8% in quarter 1. The growth was slower than expected and reflected the volatility of FMCG industry, possibly due to changing consumer behaviors."

### **SPENDING AND SAVING AT THE SAME TIME.**

After covering essential living expenses, Vietnamese consumers were eager to spend on big ticket items to enhance the quality of life. And this desire slowly grew in last 4 quarters. Nearly half of consumers were willing to spend their spare cash to buy new clothes (51%, +2ppt) and to spend on holidays (46%, +2ppt). Besides, around two in five spent on new technology products (46%, +6ppt), out of home entertainment (43%, +2ppt) and home improvements (42%, +0ppt).



More importantly, spending on medical insurant premiums surged significantly in this quarter, increasing by 9 points (38%).

However, Vietnamese consumers still had a strong affinity for saving. Close to three fourths (73%) would put their spare cash into savings (compared to 72% in the previous quarter). The report also revealed that saving was an integral part of Southeast Asian consumers, with 67% of respondents putting their spare cash into savings. (See chart 2)

Nguyen Huong Quynh explained “While health insurance was once thought of as luxury years ago, Vietnamese consumers now start getting financial assistance to pay for health insurance programs. And this trend reflects one of the changes in consumers’ mindsets. When consumers cover themselves with insurance plans, they could have a sense of protection that they need.”

### **HAVING A STABLE JOB AND GOOD HEALTH REMAINED THE TOP CONCERNS OF VIETNAMESE**

In this quarter, top 5 concerns of Vietnamese consumers remained the same as the previous quarter. Job security continued to top the list of Vietnamese consumers’ key concerns (43%). The next key concern was health (41%). And the other concerns were work/life balance (23%), the economy (23%) and the parents’ welfare and happiness (16%). (See chart 3)

“In today’s world of information and technology, consumers are better informed as they can easily search for news and information. They can foresee some short-term challenges such as the current condition of the economy, job security, health and work-life balance. These concerns may result in curbing their discretionary spending this year and therefore consumer facing businesses need to keep a close eye on changes in consumer sentiments.” noted Quynh.

Please click this [LINK](#) to download full report.

### **About The Conference Board® Global Consumer Confidence Survey**

The Conference Board® Global Consumer Confidence Survey is conducted in collaboration with Nielsen. It was conducted November 8 through November 23, 2017 and polled more than 32,000 online consumers in 64 countries throughout Asia-Pacific, Europe, Latin America, the Middle East/Africa and North America. The sample includes internet users who agreed to participate in this survey and has quotas based on age and sex for each country. It is weighted to be representative of internet consumers by country. Because the sample is based on those who agreed to participate, no estimates of theoretical sampling error can be calculated. However, a probability sample of equivalent size would have a margin of error of  $\pm 0.6\%$  at the global level. This survey is based only on the behavior of respondents with online access. Internet penetration rates vary by country. The Conference Board uses a minimum reporting standard of 60% internet penetration or an online population of 10 million for survey inclusion. The Nielsen China Consumer Confidence Index is sourced from a separate survey conducted by Nielsen China, which is based on a mixed methodology survey of more than 3,000 respondents in China. The Global Consumer Confidence Survey was established in 2005.

### **About Nielsen**

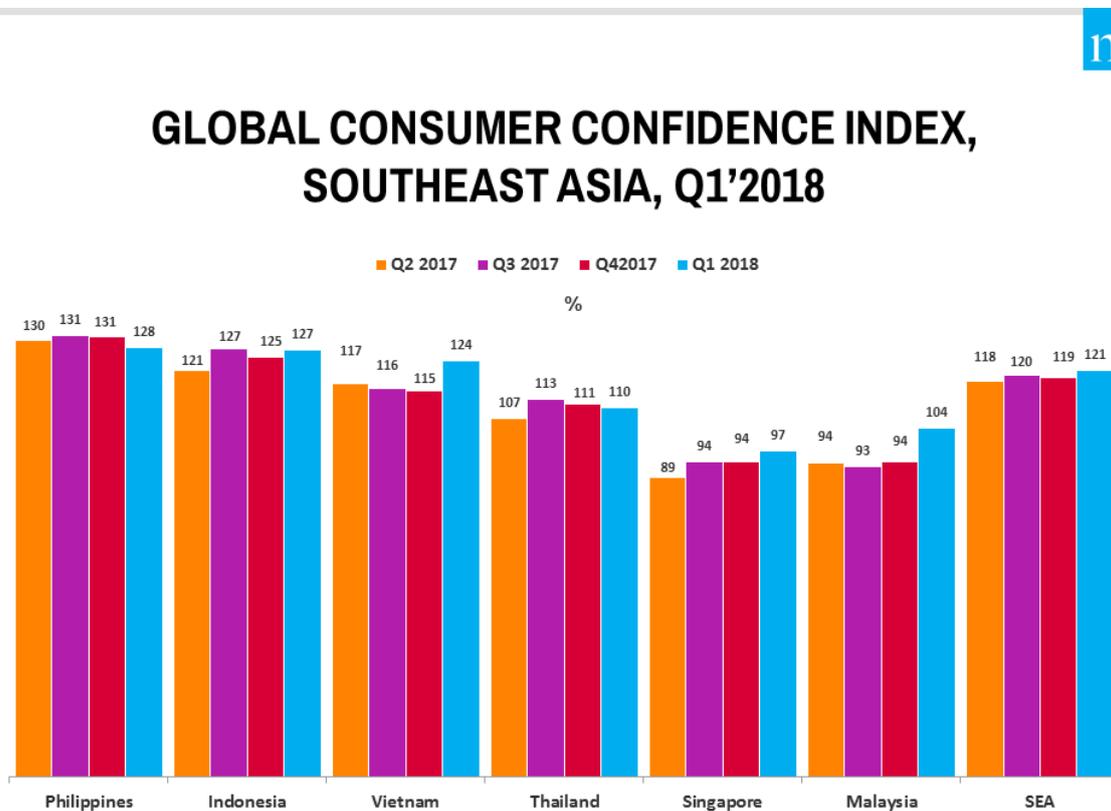
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**Chart 1: Nielsen Consumer Confidence Index, Southeast Asia, Q1'2018**

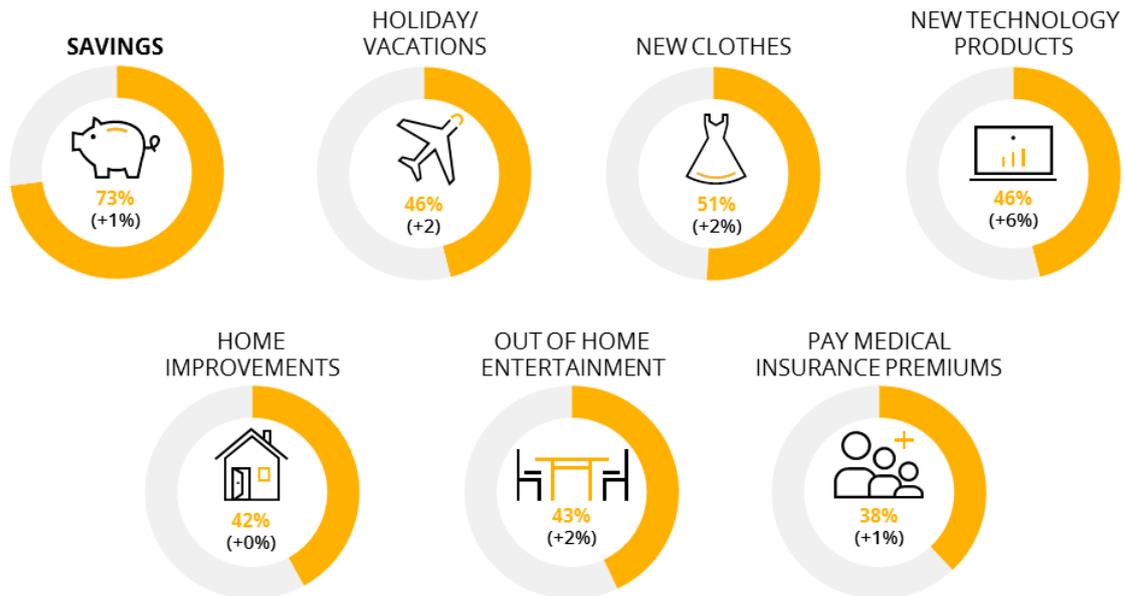


Source: The Conference Board® Global Consumer Confidence™ Survey Q1/2018, in collaboration with Nielsen  
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Chart 2: Spending and saving intentions of Vietnamese consumers, Q1/2018

## HOW DO VIETNAMESE CONSUMERS SPEND THEIR SPARE CASH?

■ Q1'18 ■ Q1'18 vs. Q4'17 percentage point difference

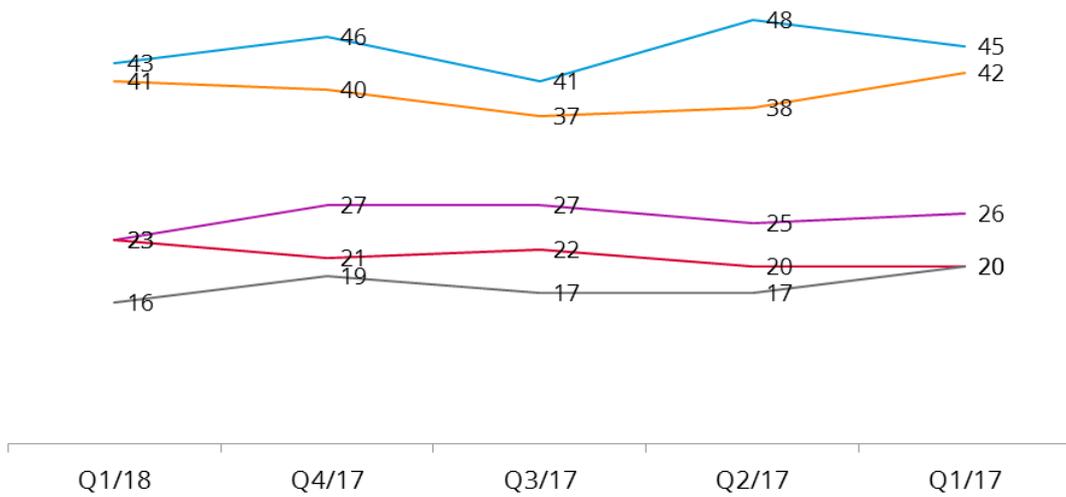


Source: The Conference Board® Global Consumer Confidence™ Survey Q1/2018, in collaboration with Nielsen  
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Chart 3: Major concerns of Vietnamese consumers - Q1/2018

## TOP 5 BIGGEST CONCERNS IN VIETNAM

-  Job Security
-  Health and Wellness
-  Parents' Welfare & Happiness
-  Work/Life Balance
-  The State of Economy



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