INNOVATION IN MOBILE TECHNOLOGY, PAYMENT OPTIONS & RETAIL STRATEGY DRIVE BORDERLESS SHOPPING

Vietnam - January 17, 2017 – As the “connected” consumers increasingly move seamlessly between offline and online channels, purchase habits are changing. Traditional brick-and-mortar retailers are expanding their digital presence, while pure-play retailers are opening physical stores. The notion of being connected is taking on new meaning: Retailers are implementing innovative digital technologies that are transforming the shopping experience, in order to become more relevant to consumers’ lifestyles and shopping occasions. Thinking in terms of bricks versus clicks is out-dated; bricks-and-clicks is the current and future retail reality.

“Asian consumers in general and Vietnamese consumers in particular are some of the most connected in the world. And as internet and mobile infrastructure improves and penetration increases exponentially across the region, Asia’s hyper-connected consumers are engaging with brands in a totally new way. Unfettered access to information on brands and products is giving way to a new ecosystem of e-commerce, online and mobile payments, social media, location services, shopping tools, and manufacturer and retailer websites. Many of these consumers have only recently joined the throngs of fast-growing middle class, and they are leapfrogging traditional shopping and media channels to engage directly with brands and products on digital platforms that go far beyond those in developed markets. Said Mr. Roberto Butragueño, Associate Directors, Retail Vertical, Nielsen Vietnam.

The Nielsen Global Connected Commerce Survey polled online respondents in 63 countries to understand the underlying factors that influence the evolving digital path to purchase. We provide a view into the digital technologies consumers are using in stores today and the ones that hold promise for tomorrow. Finally, we outline the biggest disruptive trends that will fuel the growth of connected commerce in the years to come.

THE CONNECTED CATEGORY STORY: DURABLES DOMINATE, BUT CONSUMABLES GAIN TRACTION

Durable and service-oriented categories continue to lead the way in self-reported online purchasing, as expected. These categories formed the baseline of entry for e-commerce, and their popularity continues to expand. More than six in ten of Vietnamese consumers in the study say they’ve purchased fashion
Nearly half of respondents say they’ve purchased books/music/stationary products (51%) or travel products or services (47%) online.

Consumable categories, in contrast, have been slower to gain popularity among online shoppers; however that is changing—especially for categories that are filling particular need states exceptionally well. In fact, four in 10 Vietnamese respondents (40%) say they’ve purchased personal-care and beauty products online, consumer electronics and IT/mobile products online. And about one-fourth says they’ve ordered products for baby and young children (26%), meal-kit or restaurant delivery services (26%) or packaged grocery food (20%) online. (See Chart 1)

![Chart 1: The categories Vietnamese consumers have purchased online](image)

Several innovative fulfillment options could be a catalyst for the growth of E-Commerce. However, ordering online for home delivery has been the traditional model for connected commerce, and it’s still the most preferred as eight in ten Vietnamese consumers say that they’ve already used or are willing to use this delivery method (80%).

**ONCE ONLINE, NOT ALWAYS ONLINE.**

In several durable or service-related categories, findings suggest that once a consumer makes an online purchase, the online channel remains the favourite shopping destination. Among Vietnamese respondents who say they’ve purchased travel products or services online, more than two-thirds (71%) say they buy the category more often online than in store. The same is true for video-games-related
products, event tickets and restaurant delivery, where roughly five in 10 respondents who’ve purchased the categories online say they purchase more frequently online (52%, 49%, and 46% respectively) than in store.

However, the story isn’t the same for all durables. For categories with high price tags, infrequent purchasing cycle and an experiential dimension (where interacting with the product is important), the online channel isn’t nearly as dominant. For example, among Vietnamese respondents who purchased consumer electronics online, 37% say they buy the category more often online; 32% say they buy more often in store, and 31% say they buy online and in store at the same frequency. For fashion, 23% say they buy more often online, 37% buy more often in store and 40% say they buy online and in store at the same frequency. And products for baby and young children, the percentage saying they buy more often in store (39%) is greater than the percentage saying they buy more often online (23%), and is roughly the same as the percentage say they buy in store and online equally (38%). (See chart 2)

![Chart 2: The categories consumers buy more often online, more often in-store or around the same online and in-store frequency](image)

**PERSUASIVE INFORMATION SOURCE**

When it comes to reaching consumers with messaging to influence purchasing, what sources are most effective? For consumable categories, the most widely cited information sources used in purchasing decisions are traditional touch points. Visits to a physical store, word of mouth from someone you know are helpful for the fresh groceries. Furthermore, these sources of information are clearly the most
influential source for beauty and personal care products. The other sources of information help consumers make a decision on which durable products to buy are brand website, store website, TV or radio, social media, TV or raido, online user reviews, flyers or direct mails, recommendation from store staff.

“The online retail ecosystem is fast evolving. And it’s not just purchasing habits that are going digital: The whole retail experience is changing. Today’s shoppers are incorporating digital touch points along the entire path to purchase, from reviewing products online at home to using smartphones as personal shopping assistants in the store. In fact, in some countries, such as China, consumers are using mobile devices to purchase selected categories at high rates. Omni-channel shoppers seamlessly switch between on and offline channels with ease.” emphasized Roberto Butragueño.

CONVERTING TRIALISTS AND CONSIDERERS TO REGULAR ONLINE SHOPPERS

How can brands convince lapsed purchasers and those who have never purchased online to buy online? For consumable products in general, the most effective strategies address accuracy concerns. By far the most effective activation strategy cited by Vietnamese shoppers is a money-back guarantee for products not matching what was ordered. Sixty-four percent of Vietnamese online shoppers say this strategy would definitely encourage them to buy consumable products online.

Strategies addressing respondents’ pricing and delivery-scheduling concerns also have the potential to be effective. More than half of online shoppers say precise delivery window (at 30 minute intervals) or website that provides real-time, detailed progress on the status of order would encourage them to buy (58% and 57% respectively).

*Kindly click here to download the full report

ABOUT THE NIELSEN STUDY

Nielsen Global E-Commerce spans over 20 countries around the world. Measurement may rely on direct from retailer data (ePOS), data collected via Nielsen's Consumer Panels, other licensed data, or a combination of the foregoing. Retail sales data for China and France is for the two years beginning September 2014 and ending in August 2016.

Survey findings are based on more than 30,000 respondents with online access in 63 countries. While an online survey methodology allows for tremendous scale and global reach, it provides a perspective on the habits of only existing internet users, not total populations. In developing markets where online penetration is still growing, respondents may be younger and more affluent than the general population of that country. In addition, survey responses are based on claimed behavior, rather than actual metered data. Cultural differences in reporting sentiment are likely factors in the outlook across countries. The reported results do not attempt to control or correct for these differences; therefore, caution should be exercised when comparing across countries and regions, particularly across regional boundaries.
ABOUT NIELSEN

Nielsen Holdings plc (NYSE: NLSN) is a global performance management company that provides a comprehensive understanding of what consumers Watch and Buy. Nielsen’s Watch segment provides media and advertising clients with Total Audience measurement services across all devices where content — video, audio and text — is consumed. The Buy segment offers consumer packaged goods manufacturers and retailers the industry’s only global view of retail performance measurement. By integrating information from its Watch and Buy segments and other data sources, Nielsen provides its clients with both world-class measurement as well as analytics that help improve performance. Nielsen, an S&P 500 company, has operations in over 100 countries that cover more than 90 percent of the world’s population. For more information, visit www.nielsen.com.