



Media Relations: Tran Le Thanh Van | van.l.tran@nielsen.com
Nguyen Doan Phuoc Duy | duy.d.nguyen@nielsen.com

THE GROWTH OF FMCG SALES IN THE FIRST QUARTER OF 2018 WAS NOT COMMON ACROSS CHANNELS AND REGIONS

Vietnam May 10, 2018 – The nationwide fast-moving consumer goods (FMCG) sales of traditional trade channel continued to experience a dip in the first quarter of 2018, dropping to -1%, according to Quarterly Market Pulse report released by Nielsen Vietnam - a global measurement and data analytics company. However, the report showed that while traditional trade slowed down in both urban and rural areas, FMCG sales of modern trade in urban region continued to gain momentum. (See chart 1)

According to the report, the slowdown of nationwide FMCG sales of traditional trade was seen across six super FMCG categories (beverage¹ - including beer, food², milk base³, household care⁴, personal care⁵ and cigarettes). Only beverage and cigarette showed a positive growth rate at 0.6%. Other four categories such as personal care, homecare, food and milk base all showed a decline (see chart 2).

“The consumer perception and behavior toward Tet holidays change is believed to be the biggest hypothesis leading to lower organic consumption growth. Consumers might prefer having a simpler Tet by releasing household chores, simplifying social duties and focusing on having good moments with family. Nevertheless, the 2018 Tet consumption level reached the similar level as 2017 which had been a historic peak. So, these factors could mean that whitespace opportunities still exist for FMCG manufacturers in order to stay relevant to consumers in the festive seasons.” observed Nguyen Anh Dzung, Executive Director, Retail Measurement Services, Nielsen Vietnam.

He added “2018 is expected to be the year of innovations/ new launches as well. The first 3 months of launch decides 70-80% of the launch success and the go-to-market implementation, not necessary the ATL/ Communication efforts, is the decisive factor.”

Market Pulse Report is based on the results of Nielsen Retail Measurement study of 31 FMCG categories. The Nielsen Retail Measurement provides continuous tracking of product movement through defined traditional trade outlets in both urban and rural areas. The data are used to measure manufacturer and retailer effort as well as consumer off-take.

¹ Beverage includes: Beer, Soft Drink, Energy Drink, Sport Drink, Packaged Water, Tonic Food Drink, Fruit Juice, Tea Bag, Ready-To-Drink Tea, Ready To Drink Coffee, Coffee

² Food includes: Biscuit, Pie and Sponge Cake, Snack, Cooking Oil, Instant Noodle, Chili Sauces, Gum, Meal Maker, Bouillon - MSG

³ Milk includes: Milk Powder, Spoon Yoghurt, Sweetened Condense Milk, Ready to drink milk

⁴ Household Care includes: Laundry, Dishwashing Liquid, Household Cleaner, Insecticide Aerosol, Insecticide Coil, Fabric Softener, Toilet Tissue

⁵ Personal Care includes: Facial Care Product, Shampoo, Hair Conditioner, Personal Wash, Toothpaste, Toothbrush, Facial Tissue, Feminine Protection, Mouth Wash, Deodorant, Body Lotion.

With regards to the FMCG performance of modern trade channel in urban areas, the growth was reported to be higher than that in urban traditional trade channel. The modern-trade FMCG sales growth in urban region increased 10.7% year-on-year while the urban traditional-trade FMCG growth rate decreased to 2.6% on-year-year.

“Thanks to rapid growth in store expansion, Modern Trade has significant higher growth rate vs. Traditional Trade and we do expect to see more growth from this channel in 2018. The number of convenience stores has nearly quadrupled since 2012. The number of health/beauty and modern drug stores also doubled in the past 2 years. More noticeably, mini-mart was the number 1 channel in store openings in 2016 and 2017. According to our observation, modern retailers will continue to expand and to invest in their stores to attract more shoppers. So, the future of these small-format modern stores looks very optimistic and the growth of this channel will continue and even accelerate in the future.” – added Mr. Dzung.

Chart 1: FMCG growth

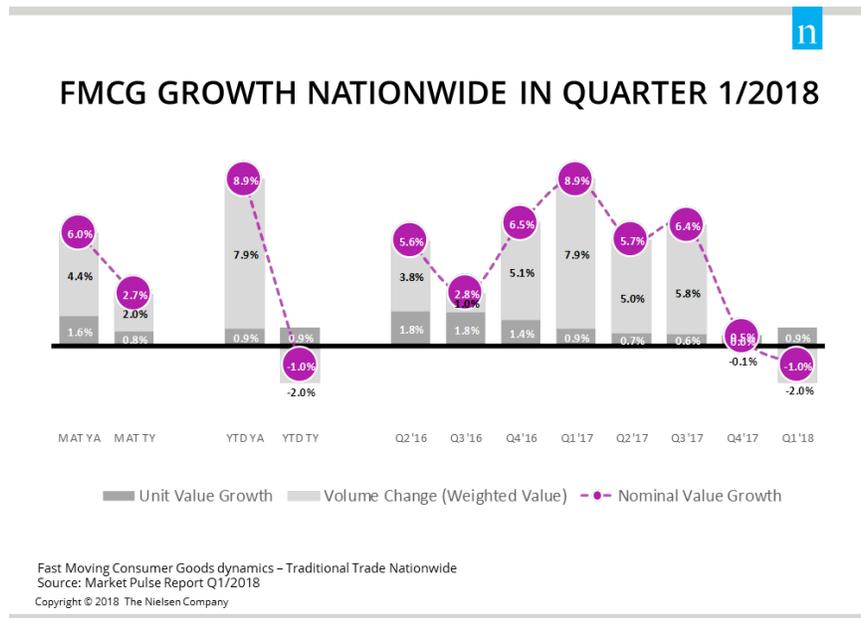
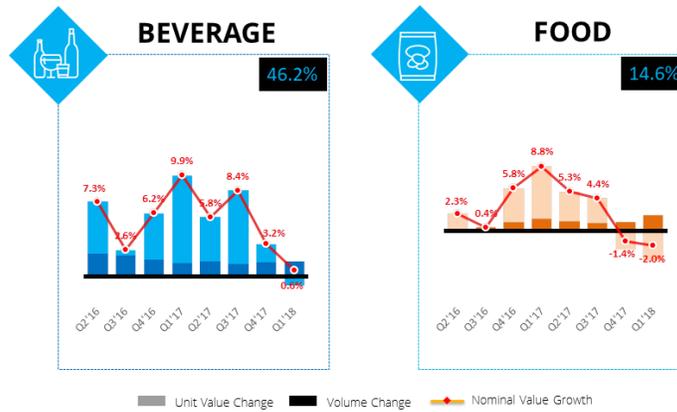


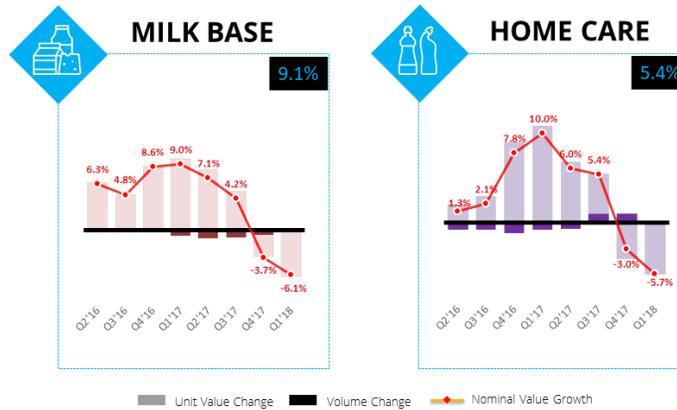
Chart 2: Super categories growth

SUPER CATEGORIES GROWTH IN QUARTER 1/2018



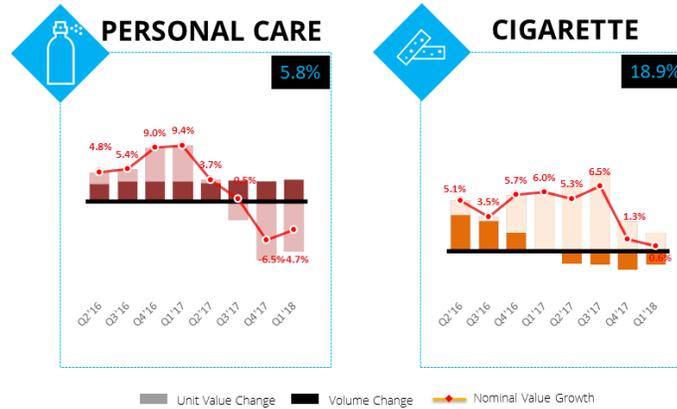
Source: Market Pulse Report Q1/2018; Versus year ago; % is value contribution to Total FMCG MATTY
Copyright © 2018 The Nielsen Company

SUPER CATEGORIES GROWTH IN QUARTER 1/2018



Source: Market Pulse Report Q1/2018; Versus year ago; % is value contribution to Total FMCG MATTY
Copyright © 2018 The Nielsen Company

SUPER CATEGORIES GROWTH IN QUARTER 1/2018



Source: Market Pulse Report Q1/2018; Versus year ago; % is value contribution to Total FMCG MATTY
 Copyright © 2018 The Nielsen Company

ABOUT NIELSEN

Nielsen Holdings plc (NYSE: NLSN) is a global measurement and data analytics company that provides the most complete and trusted view available of consumers and markets worldwide. Our approach marries proprietary Nielsen data with other data sources to help clients around the world understand what's happening now, what's happening next, and how to best act on this knowledge. For more than 90 years Nielsen has provided data and analytics based on scientific rigor and innovation, continually developing new ways to answer the most important questions facing the media, advertising, retail and fast-moving consumer goods industries. An S&P 500 company, Nielsen has operations in over 100 countries, covering more than 90% of the world's population. For more information, visit www.nielsen.com.

###