MODERN FORMAT STORES CAPTURING VIETNAMESE SHOPPER TRIPS

Vietnam, November 07, 2018 – 2018 is a year of unprecedented change in the modern trade channel. Although traditional trade including wet markets still dominate in Vietnam, modern trade has gained impressive momentum. Since 2012, the number of convenience stores has nearly quadrupled and minimarts comprised the most store openings in first 9 months of 2018. Health/beauty and modern drug stores have also expanded quickly, doubling in the past two years. Because modern trade retailers continue to expand and invest in improving their stores to attract more shoppers, the future outlook of this channel is set to further accelerate. According to Nielsen Retail Audit data, sales revenue of fast-moving consumer goods (FMCG) in modern trade channel in urban area enjoyed double-digit growth of 11.3% in quarter 2 of this year, outperforming traditional trade which was up 1.6%.

From a shopper perspective, the shifts in modern trade structure should bring a positive change for the Vietnamese shoppers because shoppers now have more options to shop and buy. The latest global Nielsen’s Shopper Trend report reveals that while Vietnamese shoppers reduced their visits to wet markets, they go to convenience stores, minimarts, personal care/drug stores and traditional grocery stores more often. The number of shopping trips to these stores in 2018 was reported relatively higher than that in 2010. (See chart 1)

Gaurang Kotak – Head of Consumer Insights – Nielsen Vietnam explained “There are several factors driving this shift. Ease, economy and concern about health and wellness could be the key influencers on shopper’s behavior. First of all, when urban shoppers have less time, work in crowded cities, face traffic congestion and live further away from their workplace, they need convenient solutions and products which could help make their life easier. Secondly, with a major concern about the economy and high priority for saving, consumers have focused more on minimizing wastage. By buying fewer items more frequently, they reduce the amount of perishable that are thrown away. In addition, rather than incur the cash of bulk buying, they manage cash flow by spending smaller amounts more often. Thirdly, it comes to no surprise that health and wellness is a top-of-mind priority for consumers in Vietnam, given that it has been mentioned as important for few years now. Todays’ shoppers find high-quality products or trusted brands in these stores.”
Chart 1: Average shopping frequency at different trade channels claimed by Vietnamese shoppers

ABOUT NIELSEN SHOPPER TRENDS
Nielsen Shopper Trends reports help you gain a comprehensive view of grocery retail trends, understand retailer equity tracking and receive in-depth analyses of changing shopping patterns, attitudes and behavior that relates to your brand. We conduct the surveys for these reports annually across more than 60 countries.

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.