

## News Release

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### **LOCAL BRANDS CONTINUE TO GAIN MOMENTUM BESIDE GLOBAL COMPANIES IN VIETNAM**

**VIETNAM, 07 DECEMBER, 2017** – Despite of an era of economic change, modest growth and evolving consumption patterns, pockets of growth can be found across all sectors and markets - big and small, global, regional. But where we see continued and sustained growth is among local players in Vietnam, according to a new study by performance management company Nielsen.

Nielsen conducted an analysis of the Top 100 FMCG players across Asia Pacific in 2016 representing approximately 85% of FMCG. In this analysis, we looked into 4 super categories: Food, Beverage, Household and Personal. Alcohol and Tobacco were excluded from this analysis.

In 2016, while multinational companies (MNC) showed the stagnancy with an increase of 2% value growth (versus 5% in 2014), the local players in Vietnam reached a positive growth at 7% value growth (compared to 5% two years ago) and contributed 42% into the total FMCG sale.

When looking deeper into each super categories, there are different pictures between these groups. Food and Beverage categories have long been hailed as the stronghold of local players accounting for 69% and 45% share respectively. Despite of the domination of MNC in term of market share, local players continued to strongly increase in Household Care and Personal Care categories - 13% & 9% respectively.

Besides, Nielsen also conducted the **Nielsen Global Brand-Origin Report** which highlights consumers' preference for and sentiment toward products manufactured by local manufacturers versus large global/multinational brands across 34 categories.

Accordingly, preference of Vietnamese for local brands was strongest in the dairy products (milk/butter/cheese/yogurt) and Biscuits/Chips/Snacks/Cookies categories, where up to 48% and 44% of consumers, respectively, said they prefer to buy brands from local manufacturers. Other categories where consumers showed high preference for local brands include tea/coffee (41%), Frozen Meat/Seafood (37%), Instant Noodles (36%), Paper Products (Tissue and Toilet Paper) (29%). Conversely, categories where consumers were more inclined to opt for a globally manufactured product over a local brand included baby wipes/diapers (13%), Baby food/formula (13%).

“In today’s world of hyper-connectivity and globalization, consumers have a wider array of product choices than ever before. However, as world markets hunker down under a guise of protectionism, the "Go Local" song has never been stronger. The global brands’ prestige appears to be losing some gloss as local brands compete on quality, often with more competitive pricing and more targeted marketing.” observed Nguyen Anh Dzung, Director, Retail Measurement Services, Nielsen Vietnam.

He added - “In general, local players are offering increasingly better quality products a competitive pricing. They often have strong on the ground presence and a sustained distribution network that ensures their products are readily available to all consumers - not just those in the top tier cities, but in secondary cities and regions where consumption is accelerating.”

In an increasingly global world, the battle of the brands comes down to understand consumers’ evolving needs, behaviors, lifestyles and tastes. Any brand, be it local or global, that is able to tap into these consumer preferences will be best-placed to win the hearts and minds of consumers in the future.

#### **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



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