

News Release

Media contact:

Trương Thanh Quế Minh

Email: minh.truong@nielsen.com

Handphone: 0939 80 99 86

Nguyễn Khánh Hoàng Anh

Email: anh.k.nguyen.consultant@nielsen.com

Handphone: 0354 15 46 39

DESPITE COVID-19, VIETNAM REMAINS IN THE TOP 4 MOST OPTIMISTIC COUNTRIES IN THE WORLD

- *Despite COVID-19, Vietnam remains in the top 4 most optimistic countries in the world.*
- *Health continued to be #1 concern among Vietnamese consumers, with the highest level globally.*
- *Parents' welfare and happiness appeared in Vietnamese's top 6 major concerns.*
- *Vietnamese consumers significantly reduce spending spare cash.*

Ho Chi Minh city, 13th May, 2020 - Recessions are often triggered by an unexpected event, and that is certainly true for what may go down in history as the "Coronavirus Global Recession." However, with the Consumer Confidence Index of 126, Vietnam continued to rank 4th in the world for having the most positive consumers, after India, Philippines and Indonesia, whose score was 140, 128 and 127 respectively; according to the latest The Conference Board® Global Consumer Confidence™ Survey in collaboration with Nielsen, a global measurement company.

In the first quarter of 2020, The Global Consumer Confidence Index decreased slightly to 106 from a historic high of 107 (a reading above 100 is considered positive), indicating there were slightly more optimistic consumers than pessimistic ones globally. This survey was conducted before the full force of the pandemic had impacted Europe and the USA.

Prior to the rapid spread of the novel coronavirus outside of China, consumer confidence remained highest in North America (121) and Asia-Pacific (120) and strengthened significantly in Africa and the Middle East (106). Although increasing slightly, confidence levels in Europe (88) remained the lowest globally. In the Euro Area (90), consumer confidence finally edged up in the beginning of 2020 after holding steady for three consecutive quarters. Latin America was the only region that did not see improvement in consumer confidence in the first quarter, remaining at a level of 91.

Compared to the last quarter of 2019, Vietnam consumer confidence remains stable with 1 point increase, from 125 to 126. The main reasons for this slight increase are consumer optimism about Job prospects improved (+2pp - percentage point), while optimism about Personal finances and Spending intentions remained stable (+0pp and -1pp respectively). However, consumer confidence index seemed to decrease compared to the same quarter of last year (-3pp) which is largely predictable due to COVID-19 pandemic. *See chart 1 & 2.*

HEALTH CONTINUED AS #1 CONCERN WITH THE HIGHEST LEVEL GLOBALLY. PARENTS' WELFARE AND HAPPINESS APPEARED IN VIETNAMESE'S TOP 6 MAJOR CONCERNS

Other measures from The Conference Board® Global Consumer Confidence Survey suggest that, prior to the slump in demand, consumers primarily saw the spread of COVID-19 as a health crisis rather than an economic one. As a result, health replaced the economy as the top concern in many markets, with the percentage of consumers identifying health as their biggest concern over the next six months, including Vietnam.

In Q1 2020, Vietnamese consumers continued to rank Health (49%,+4% vs Q4 2019) as their top concern with the highest level globally, followed by Pakistan (47%), Latvia (40%) and Singapore (39%). Health had been the top concern for four consecutive quarters.

Still in the top 2, there was a jump in those concerned about Job security (+3% vs Q4 2019) while the percentage of consumers who were concerned around Work/life balance decreased sharply, from 27% to 22%. "With people increasingly aware of the impact of the COVID-19 pandemic on jobs, even part way through quarter one, their spending intentions reflected this uncertainty. On the other hand, as companies began to experiment with working from home, the blurring between home and work life has its challenges but also represents a real-time time saving for many employees" says Ms. Louise Hawley, Managing Director, Nielsen Vietnam.

Remarkably, in this quarter, there was a new factor that came back into the top 6 concerns of Vietnamese consumers: Parent's welfare and happiness, with 10% of respondents indicating that they're worried about it. "With schools closed since the Tet break, many parents have struggled with having children at home all day while worrying about their education. This comes alongside the demands of working, for many also working from home, so it's natural that this has come to the surface as a worry for parents."

Other key areas of concern for Vietnamese consumers were the economy and increasing food prices, although these were at similar levels compared with the previous quarter (21% and 9% respectively). *See Chart 3.*

VIETNAMESE CONSUMERS TEND TO REDUCE SPENDING SPARE CASH

In the first quarter of 2020, Vietnamese consumers have significantly reduced spending their spare cash. Vietnamese people indicate they are spending less of their spare cash on Savings (-4%), New clothes (-9%), Holidays/Vacation (-5%), Home improvements/Decorating (-4%), Out-of-home entertainment (-9%) and New tech products (-6%).

“The novel coronavirus (COVID-19) has disrupted life for billions of people across the world including Vietnamese consumers and is rapidly changing consumer attitudes, expectations and behaviour. Efforts to contain the virus by minimizing contact, ranging from social distancing to mandatory lockdowns and closure of certain outlets have slashed consumer spending as more and more people spent more time at home and less time and money out of home over the course of the quarter—avoiding entertainment venues like cinemas, bars and restaurants and any form of travel.” remarked Ms. Hawley.

In this quarter, medical insurance premiums overcame out-of-home entertainment and jumped into fifth place for ways in which consumers spend their cash. Despite a slightly decrease, Vietnam was still the country with the highest proportion of people saying that their spare money goes on medical insurance premiums globally with 38% (-2% vs Q4 2019). *See Chart 4.*

“Vietnamese consumers have always been optimistic. While only 5% mention they are not afraid at all by the outbreak, nearly half believe the situation will last 2-3 months. Despite this optimism, behaviours that have been learnt during the social distancing period are likely to continue, including more meals being prepared and eaten at home with the family. In addition, people whose incomes have been impacted will be looking for ways to reduce spend and while this does offer an opportunity for companies to offer good value propositions, it also points to significantly reduced consumer spend overall”, commented Ms. Hawley.

ABOUT THE CONFERENCE BOARD® GLOBAL CONSUMER CONFIDENCE SURVEY

The Conference Board® Global Consumer Confidence Survey is conducted in collaboration with Nielsen. It was conducted in February 2020 and polled more than 31,000 online consumers in 63 countries throughout Asia-Pacific, Europe, Latin America, the Middle East/Africa and North America. The survey closed well before the World Health Organization declared the COVID-19 outbreak a global pandemic on March 11. Unfortunately due to the COVID-19 outbreak in China, it was not possible to include China in the index for 2020 Q1. In Vietnam, the survey was launched on Jan 30, 2020 and closed on Feb 14, 2020. The sample includes internet users who agreed to participate in this survey and has quotas based on age and gender 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. 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

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. Nielsen is divided into two business units. Nielsen Global Media, the arbiter of truth for media markets, provides media and advertising industries with unbiased and reliable metrics that create a shared understanding of the industry required for markets to function. Nielsen Global Connect provides consumer packaged goods manufacturers and retailers with accurate, actionable information and insights and a complete picture of the complex and changing marketplace that companies need to innovate and grow.

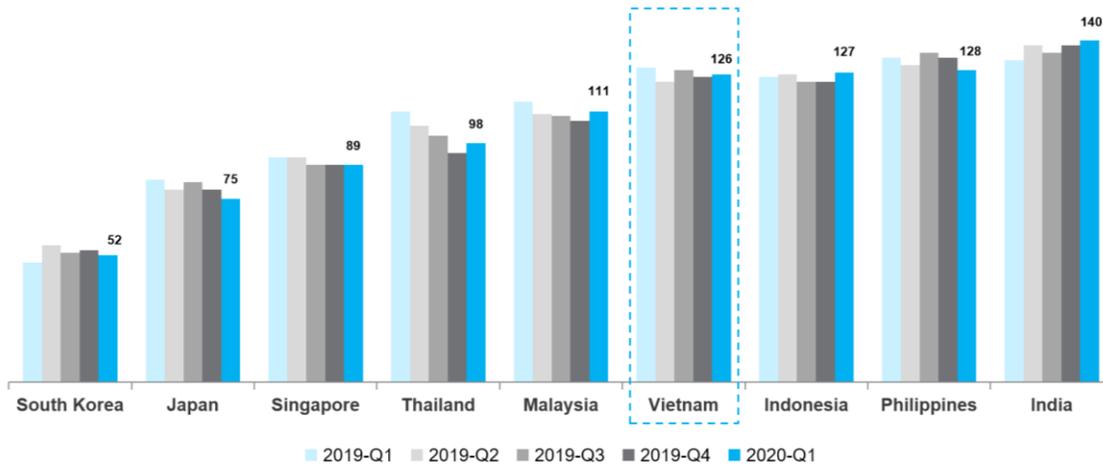
Our approach marries proprietary Nielsen data with other data sources to help clients around the world understand what's happening now, what's happening next, and how to best act on this knowledge.

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.

About The Conference Board

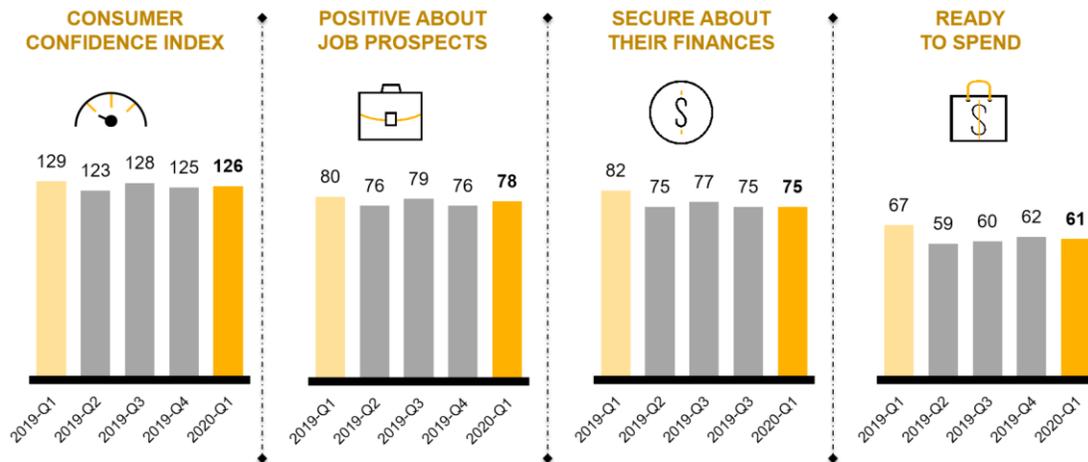
The Conference Board is the member-driven think tank that delivers trusted insights for what's ahead. Founded in 1916, the Conference Board is a non-partisan, not-for-profit entity holding 501(c) (3) tax-exempt status in the US. <http://www.conferenceboard.org>.

CHART 1. CONSUMER CONFIDENCE INDEX – ASIA PACIFIC Q1 2020



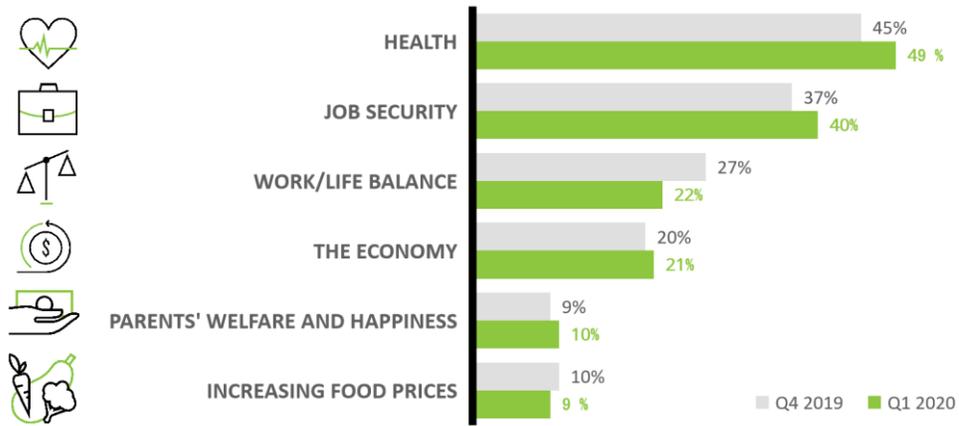
Source: The Conference Board® Global Consumer Confidence™ Survey in collaboration with Nielsen

CHART 2. DRIVERS OF VN CONSUMER CONFIDENCE INDEX Q1 2020



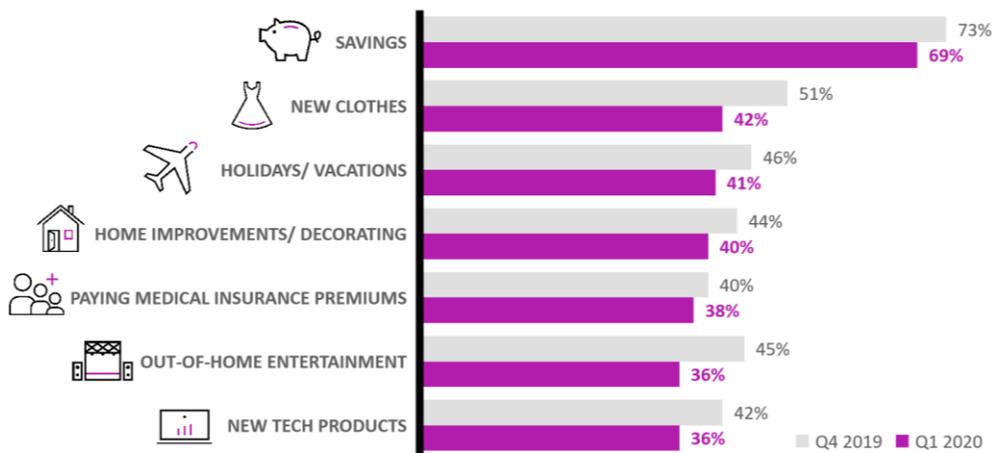
Source: The Conference Board® Global Consumer Confidence™ Survey in collaboration with Nielsen

CHART 3. MAJOR CONCERNS OF VIETNAMESE CONSUMERS Q1 2020



Source: The Conference Board® Global Consumer Confidence™ Survey in collaboration with Nielsen

CHART 4. WHAT VIETNAMESE CONSUMERS SPEND SPARE CASH ON – Q1 2020



Source: The Conference Board® Global Consumer Confidence™ Survey in collaboration with Nielsen