Understanding Vietnam Retail Market

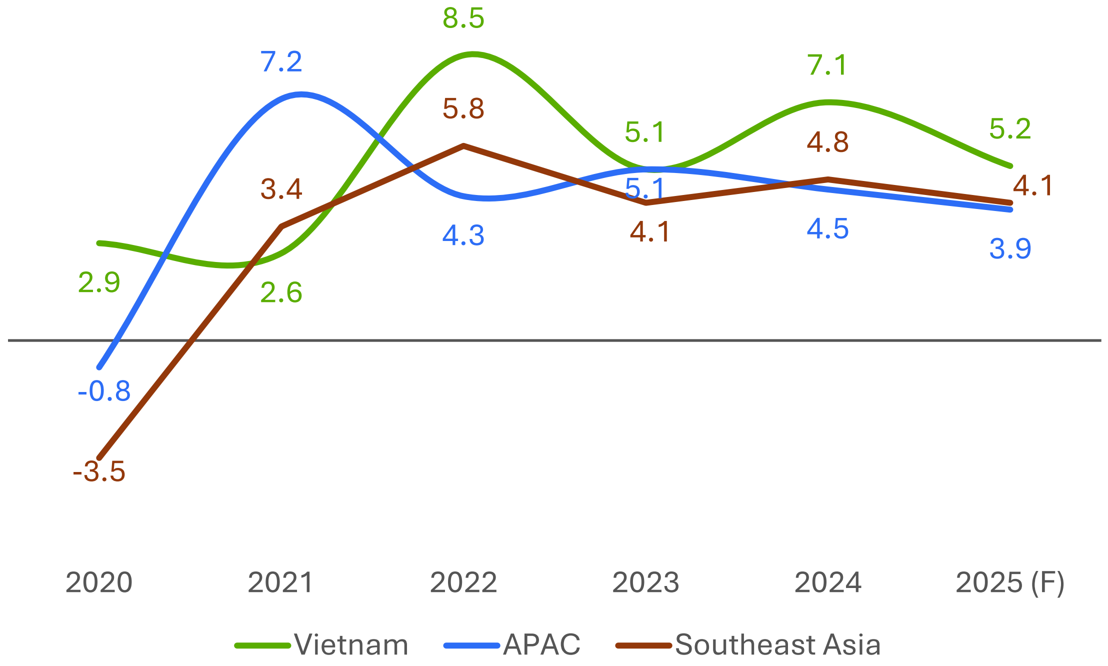
Vietnam
Economy Update

NIQ

Vietnam's economy outpaces the growth of APAC & South East Asia

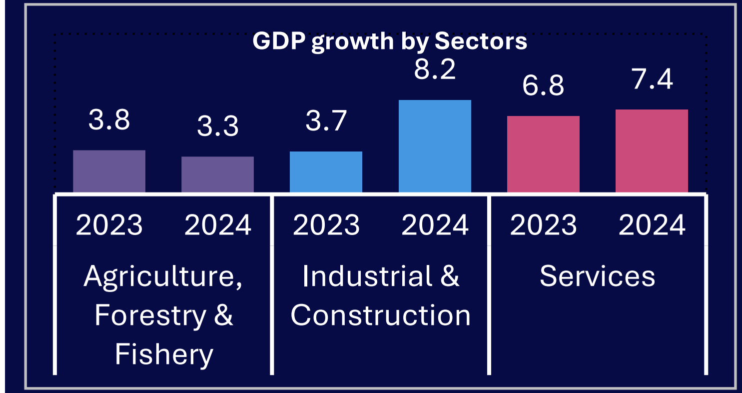
❑ APAC, South East Asia & Vietnam – Real GDP Growth

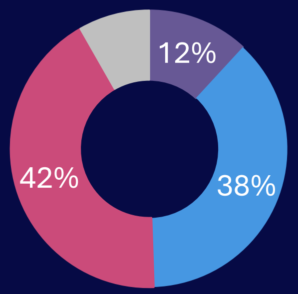
GDP: Gross Domestic Product



Vietnam is forecast to become the **2nd largest** economy in Southeast Asia after Indonesia and the **21th largest economy** in the world by **2038**.
by Centre for Economics and Business Research (CEBR) – World Economic Leauge Table 2024

Fueled by Servcies and Industrial & Construction





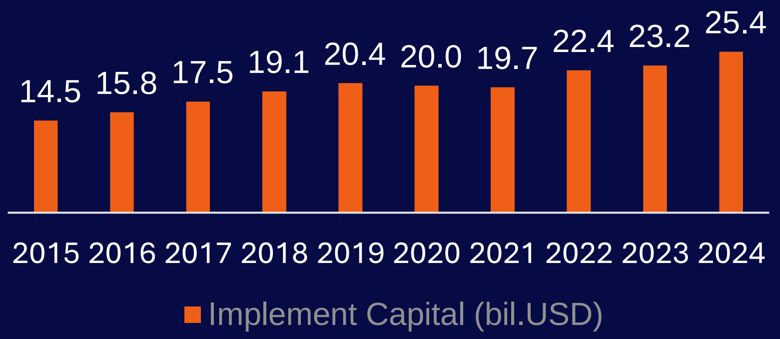
Sustainable & Golden population

Total Pop
101 million
#3 in SEA
CAGR 2019-24: 0.99% vs 0.76% of total SEA

Balance gender
99,2 male per 100 female

Golden Ratio
Age 15 – 64
accounts for 65% of total

An attractive market for FDI



Top 5 investor in 2024

#1 Singapore
#2 South Korea
#3 Japan
#4 China

NIQ Source: IMF | IMF's Real GDP explanation | World Economic Leauge Table 2024

Vietnam
Retail Landscape

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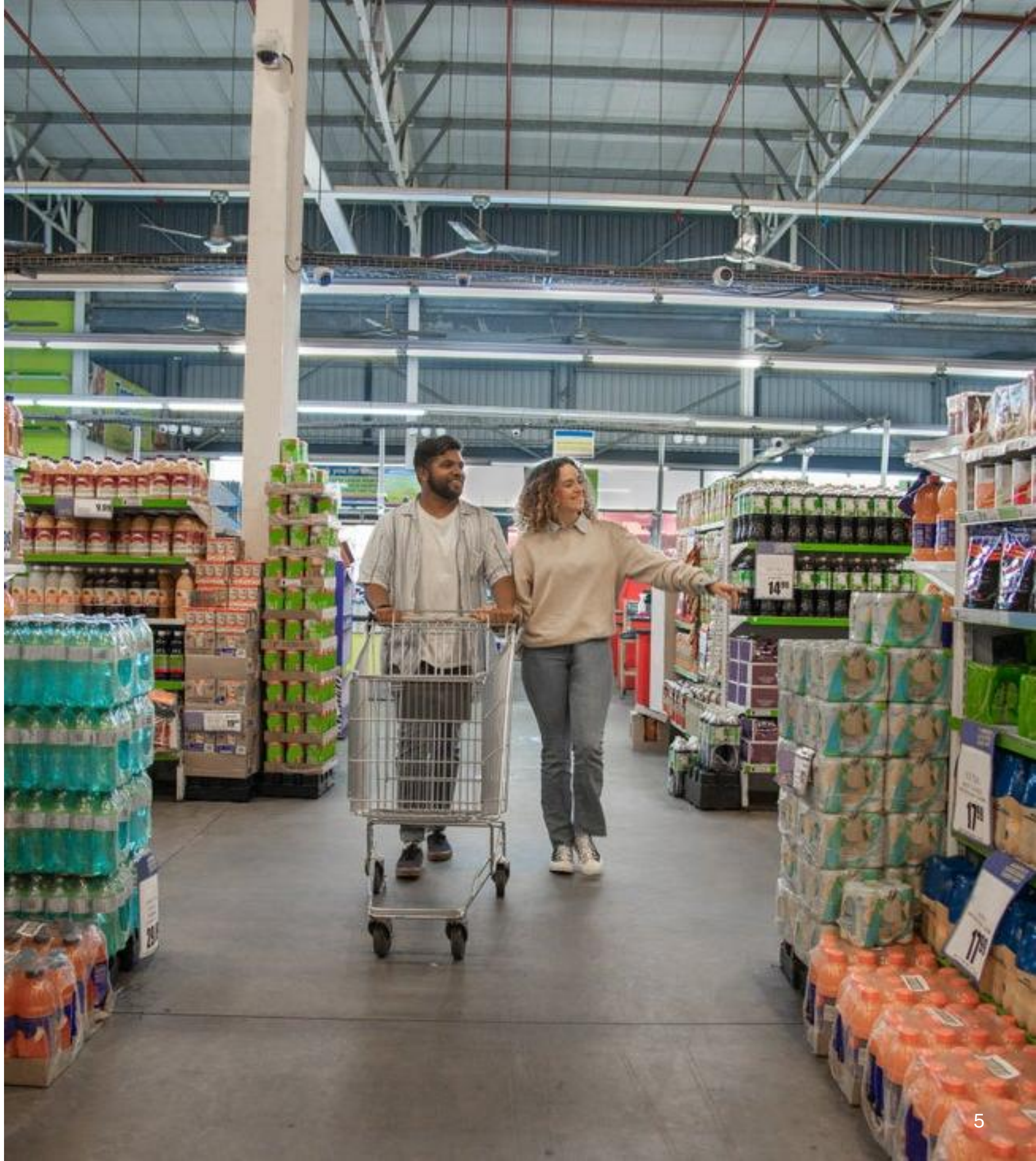
3 THINGS TO UNDERSTAND VIETNAM RETAIL LANDSCAPE

[1] CHANNEL LANDSCAPE

[2] REGION DYNAMICS

[3] HALLYU IN VIETNAM



[1] Channel Landscape

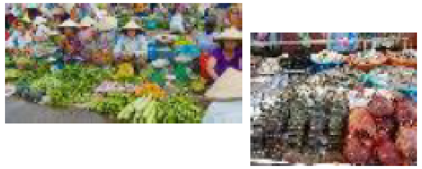
How is market structured by channels?

Overview on Channel prospects

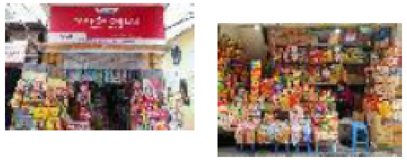
TRADITIONAL TRADE

As Vietnam is heavily culturally based on traditional trade, TT remains the go-to channel for grocery shopping. However, they're ***becoming inconvenient and no longer meet the needs and standards*** of modern shoppers

Wet Market



Traditional Grocery



MODERN TRADE

CONSTANTLY DEVELOPING AND EXPANDING.

Large and small supermarkets are ***springing up.*** Consumers are surrounded by ***countless modern and convenient stores***, giving more options for shopping and higher standards of comfortable shopping experiences.

SM/HM

CVS

Minimarts

PCS/ H&B

ONLINE PLATFORMS

After the Covid-19 pandemic, **ONLINE SHOPPING HAS BEEN GROWING QUICKLY** among Vietnamese consumers. They are getting used to it and now developing habits of purchasing their groceries online.

E-commerce

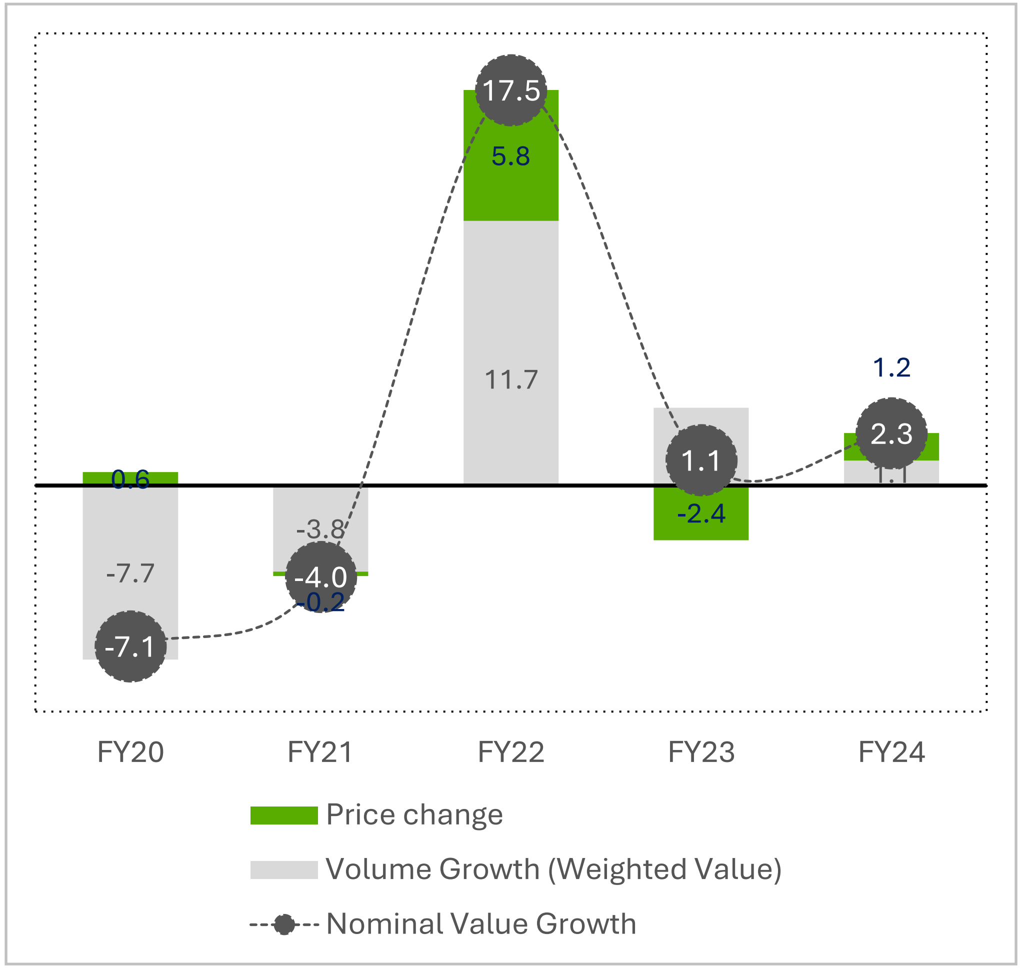
Superapp

App/Web Of MT Retailers

NIQ

A look back on 5 years of changes of Retail trends and Consumer behaviors

❑ **VN in.SR – FMCG – Value % Growth vs. YA by Volume & Price**



2021
Interrupted by pandemic

2022
Inflation

2023
Crisis in living cost

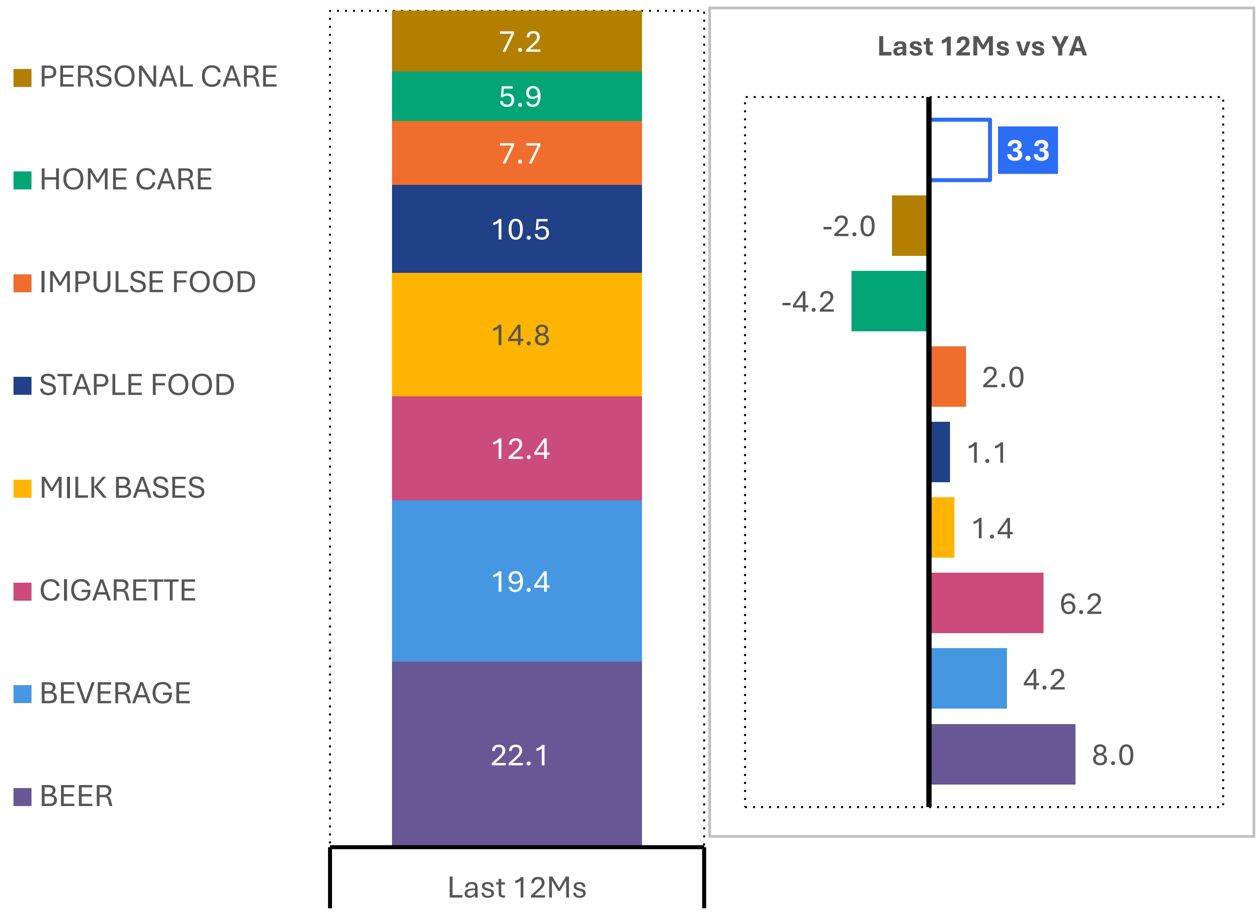
2024
Volume recovery

2025
New normal

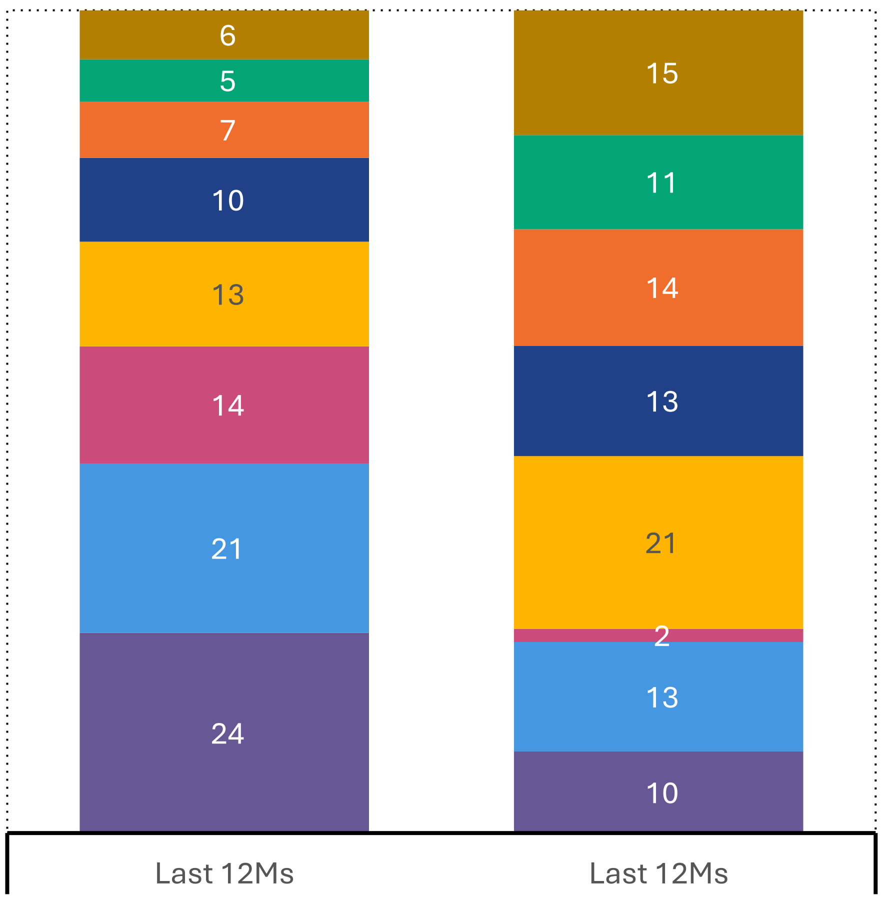
Beer, Cigarrete and Beverage drive the growth of FMCG in long term, while Personal Care & Home care are on decline as consumer's shift to online channels.

While Beer, Beverage & Cigarette is skewed toward TT channel, consumers prefer to MT for essential products, with higher contribution for Homebody categories (Foods/ Milk-bases, HPC).

Total VN – FMCG dynamics – Value % Contribution & Growth

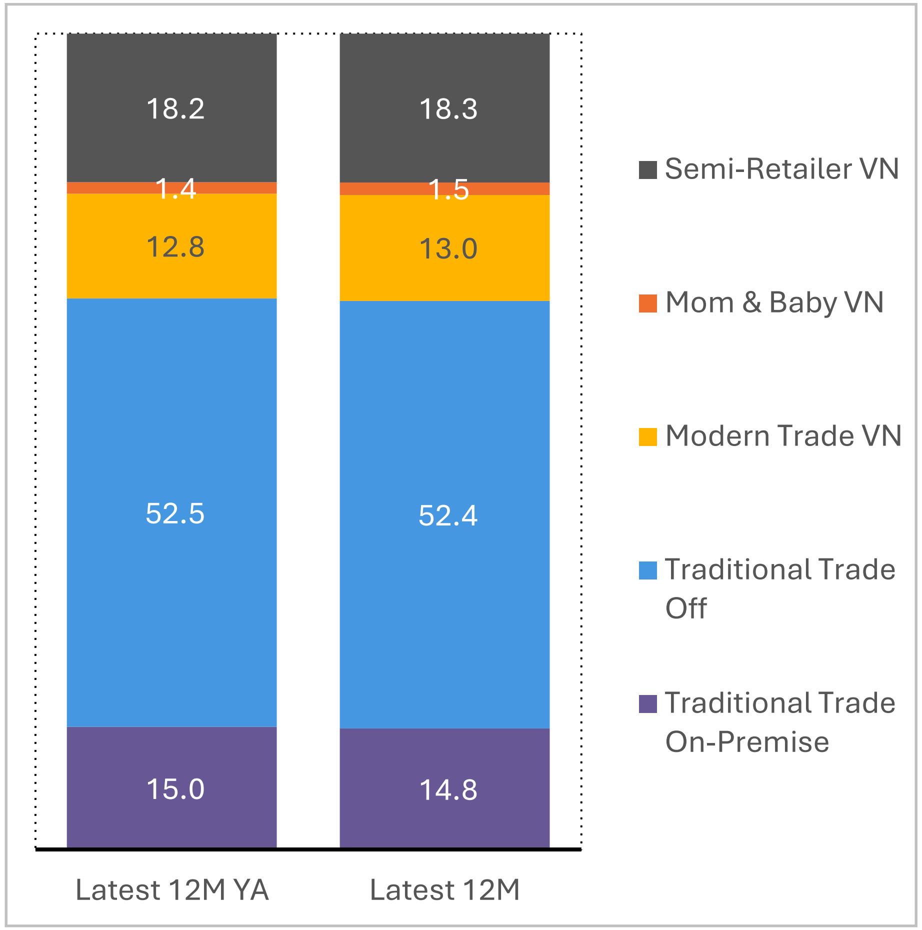


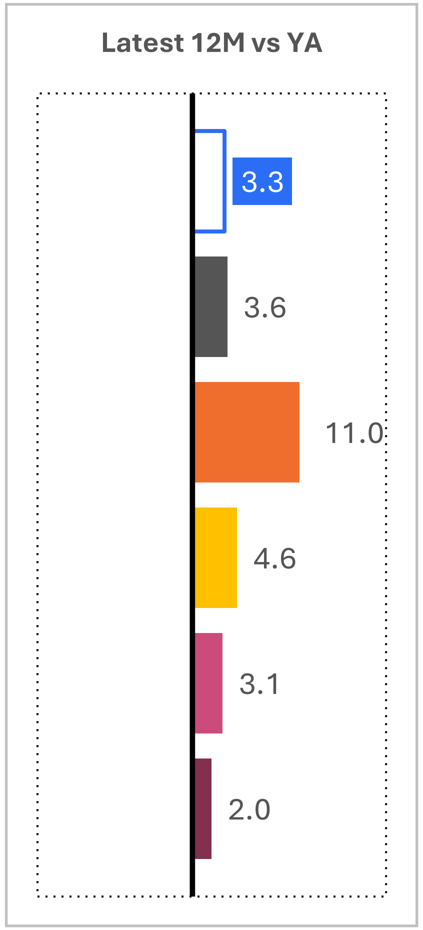
VN by channels – FMCG dynamics – Value % Contribution



Vietnam Market has rebounded across all channels. Modern Trade continues to thrive and increases importance over time.

VN – FMCG – Value % Contribution & Growth vs YA





Universe stores by channels

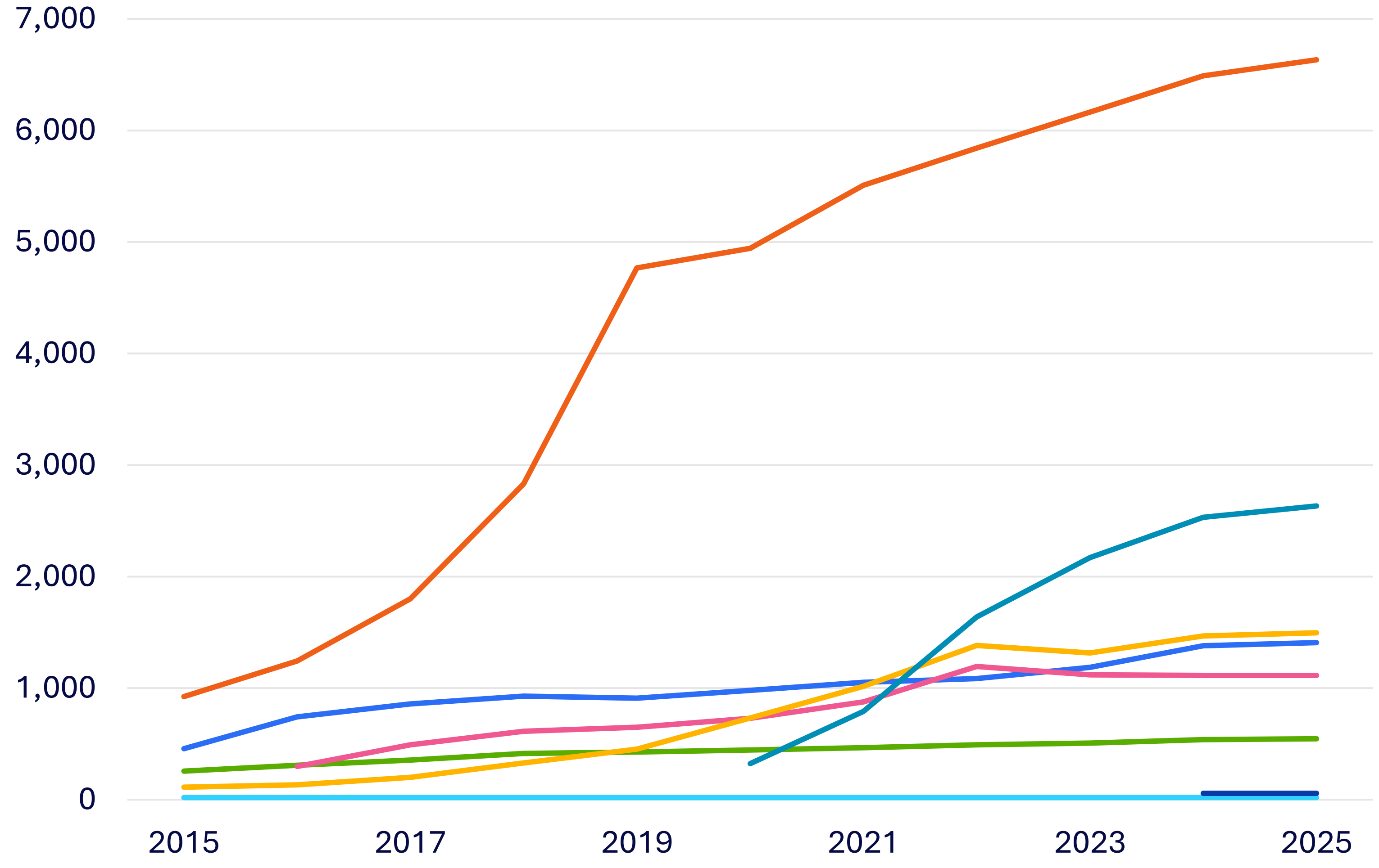
Channel Type	% Contribution of Stores in Universe
FMCG	**1,242,927**
Traditional Trade (OFF) Beverage Outlet Bisc_confectionery Cigarette Kiosk Dairy Shop Liquor_shop Market Stall Maternity_Babyshop MBS MS_HPC MS_MBS Personal and Cosmetic Pharmacy TGC	**51%**
Modern Trade	**1%**
HRC (ON) Bar Pub and Disco Billard+Karaoke Café Eatery+RTVN Entertainment Other Sidewalk Eatery Wedding Restaurant	**48%**

Source: NIQ Retail Audit data ending Mar'25

Modern trade evolves and grows rapidly, fueled by store expansion across formats

Store growth is led by small format which serves convenient quest in urban areas

Store number by format | Long term growth



Short term growth

Mar’25 | Chg vs Dec’24

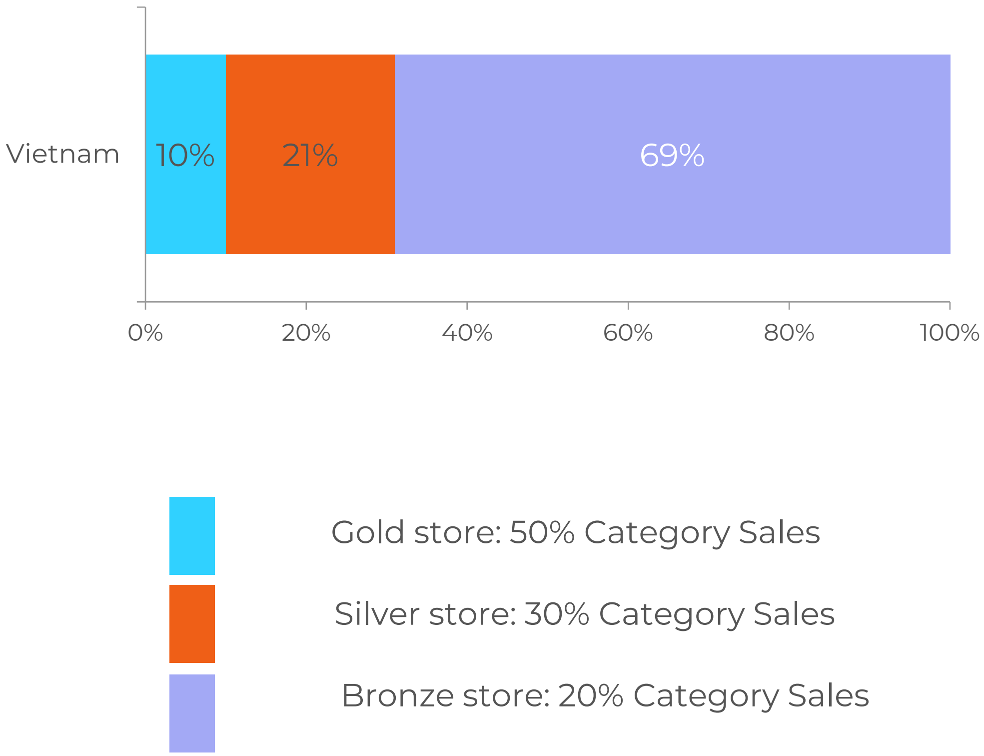
Format	Mar’25 | Chg vs Dec’24
CVS	1,408 | +29
Cash & Carry	20 | -
Minimart	6,633 | +144
Super/ Hypermarket	546 | +8
Mom & Baby	1,114 | -1
Health & Beauty	1,496 | +27
Discount Store	57 | -
Pharmacy chain	2,633 | +101

Source: Retailers’ website. 2025 data ending Mar’25. 2015-2024 data ending Dec.

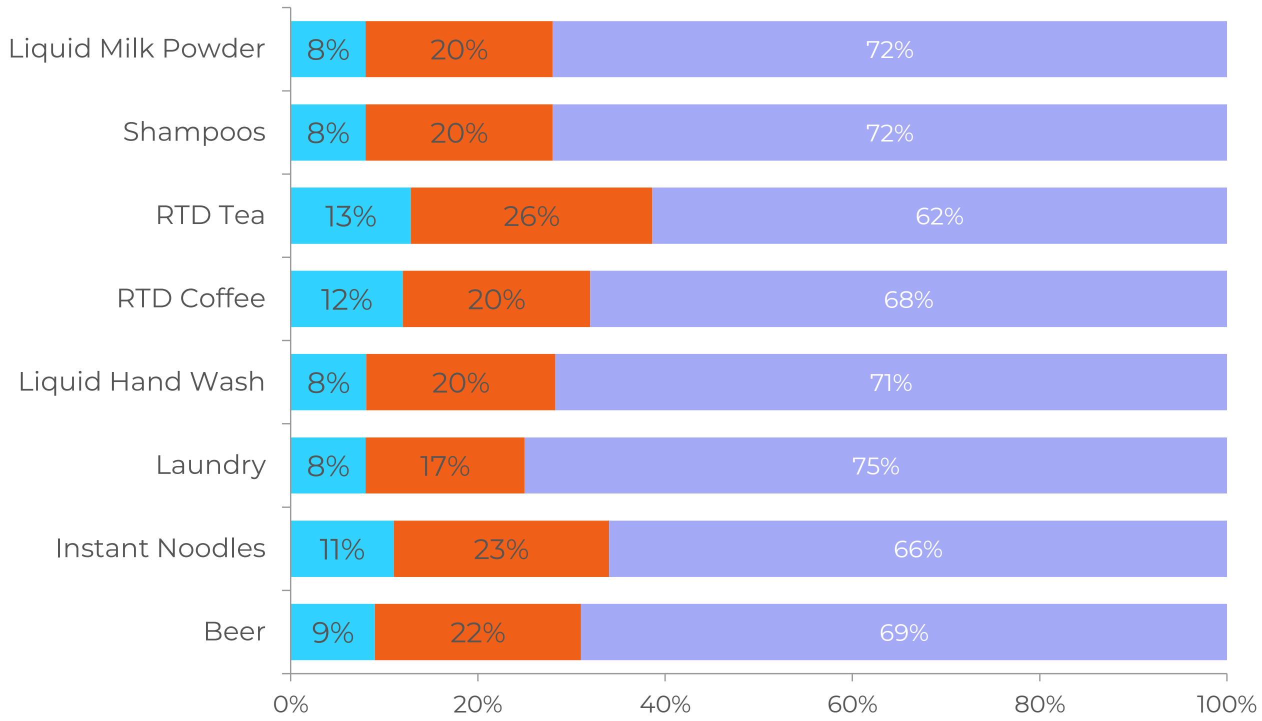
Route to market for Traditional trade is multilayered and complex in Vietnam

However right planning and execution in the ***right stores*** *can give sustainable edge over competition*

FMCG Store stores group in Vietnam



Vietnam Store stores group across categories



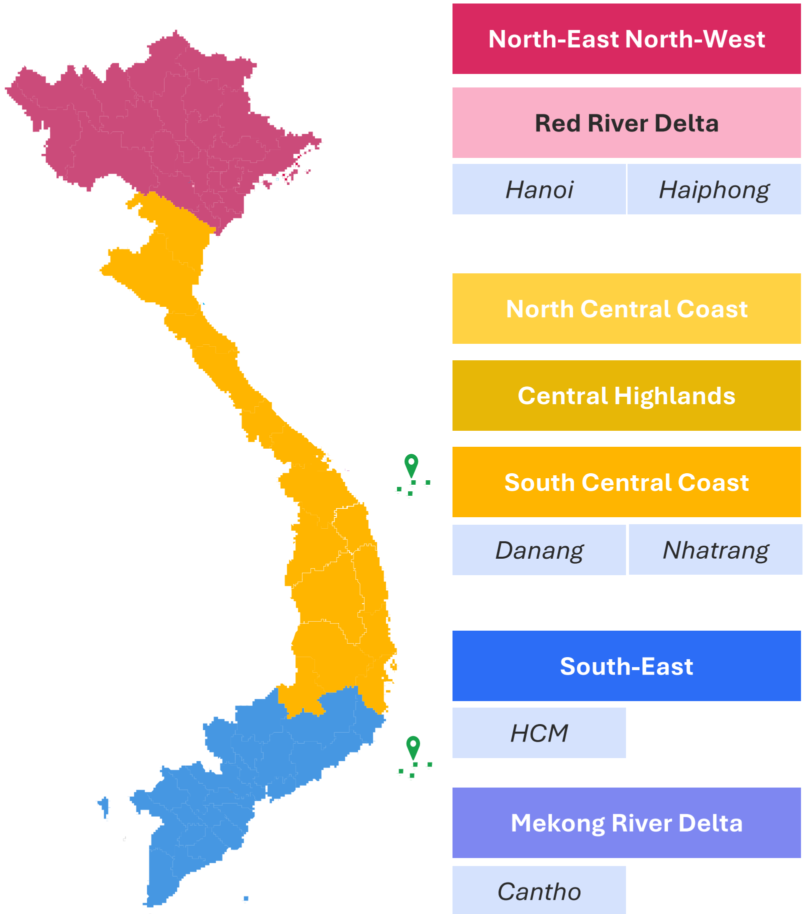
[2] Region Dynamics

What is the difference across regions?

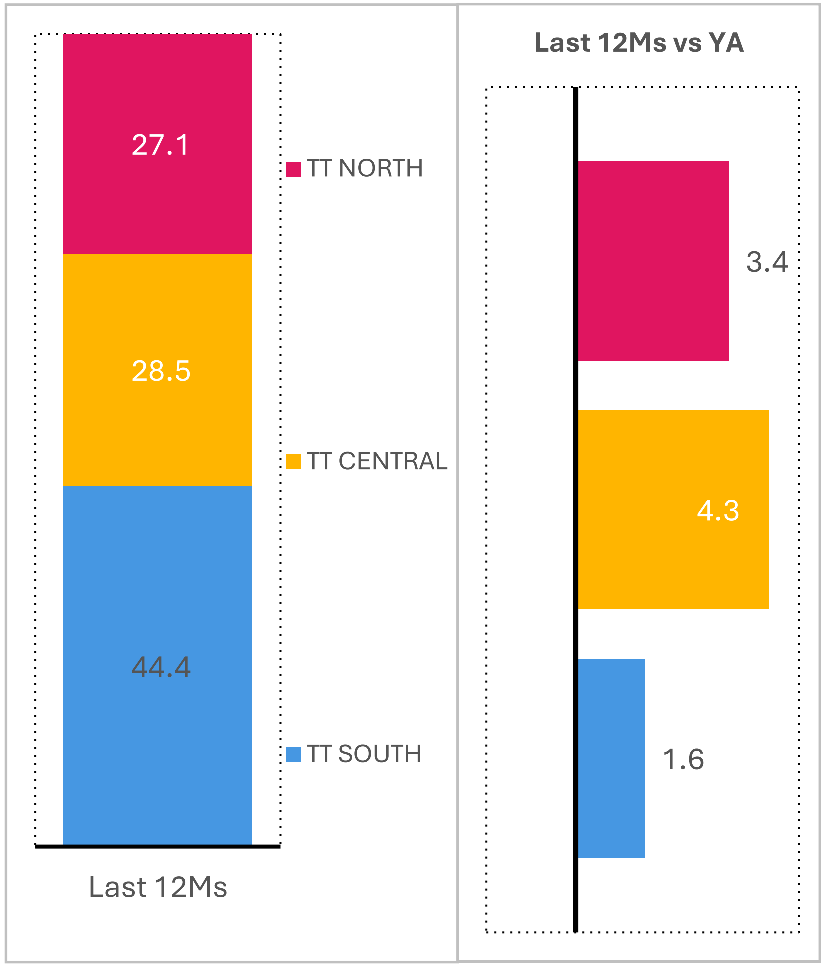
The dynamics indicate different winning factors in distribution. In the North and Central regions, depth of distribution plays more crucial role, whereas in the South, wider distribution proves more effective.

TT South contributes the most for total FMCG sales, however both North & Central are growing faster and gaining importance over time.

TT Regions Dynamics – FMCG sales & growth



FMCG sales value contribution & growth



	Opportunity	Challenge	

Characteristics	North	Central	South
% population (update to 2022)	36%	24%	40%
% area	35%	45%	20%
% retail stores	29%	24%	47%
Store density (stores/km2)	3.8	2.4	10.8
People/store	75.4	96.5	35.1
FMCG sales/store index	0.83	1.15	1.02

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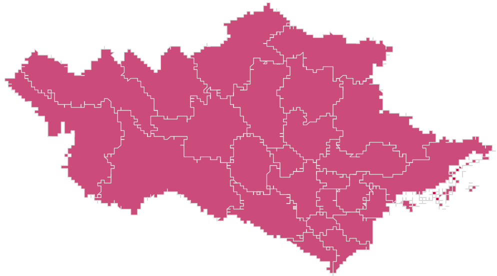
Consumer perceptives also differ by region.

Northerners: preference toward **strong flavors**, **big pack, has high loyalty** and are **influenced by traditional customs**

North consumers



36% *of Population* | **35%** *of Area*

Care what others think, prefer premium image

Treasure family value, enjoy gathering at home

More loyal, only choose products they have experienced

Influenced by traditional customs

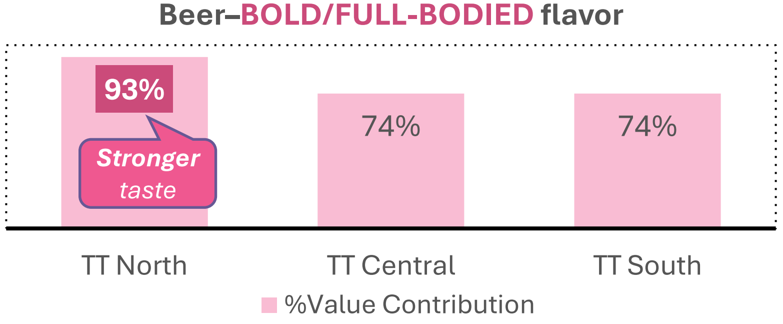
Worship in Tet, especially decorate altar is crucial custom for the Vietnamese

With the perspective of display **red** and **yellow** will bring wealth and luck

Sales value growth in Tet vs Pre-Tet

+35% | +43% | +94%

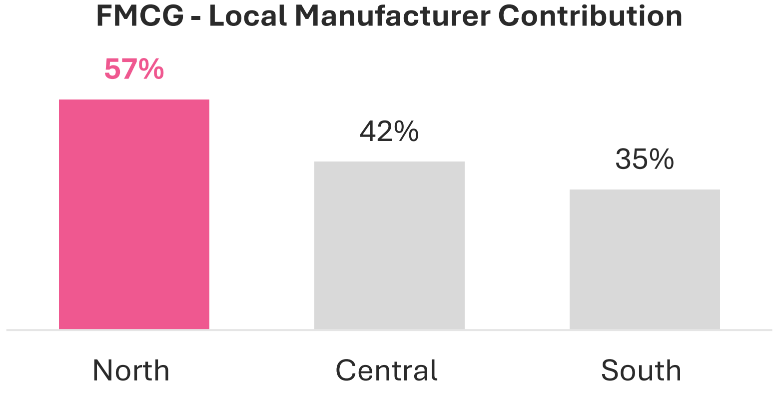
Prefer Strong flavors



Big pack driven by sharing habit & in-home

Big PLBT in CSD is **26%** (vs 17% avg VN), because of **sharing habits** & **in-home** consumption

Loyalty - More prefer Local Brand Name



Still...there's always room to try new things

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NPDs launched in North

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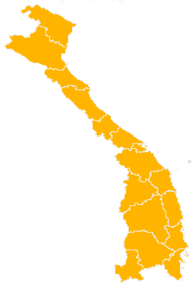
Centralists: prone to severe weather & price-sensitiveness, thus local brands dominate

Central consumers



24% *of Population* | **40%** *of Area*

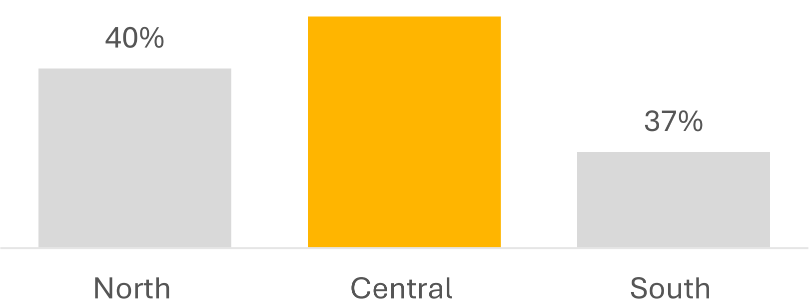
Coastal region, focus on Agriculture & Fishery

Play safe & price conscious

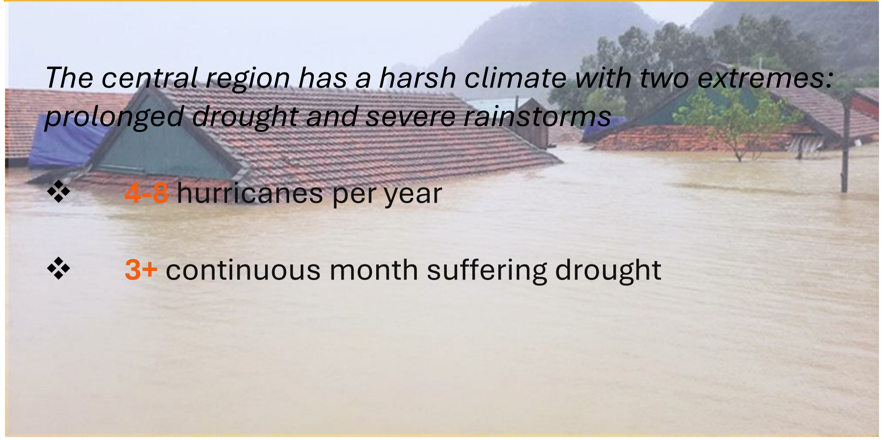
Have strong local preference

Essential dominant by Local Players

FMCG Essential (Ex. Beer & Cig) - Local Manufacturer Contribution



Prefer affordable item (prioritize cashflow)



The central region has a harsh climate with two extremes: prolonged drought and severe rainstorms

- 4-8 hurricanes per year
- 3+ continuous month suffering drought

Prefer affordable & cost saving

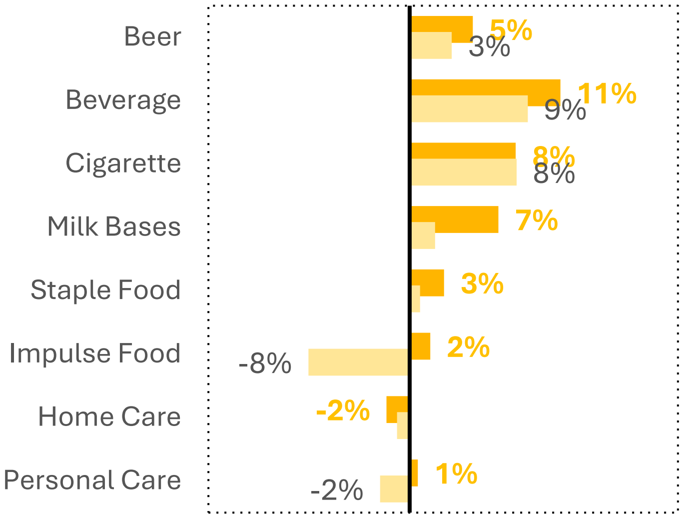
2X

Value % Share

LMP vs. MP

Cost saving via up-sizing

Growth – Q2'24 vs YA



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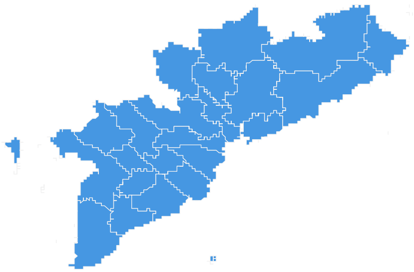
Southerners: Prefer lifestyles with convenience and spend more for OOH. Across all categories, prices in the Mekong Delta region are significantly lower compared to those in the Southeast.

South consumers



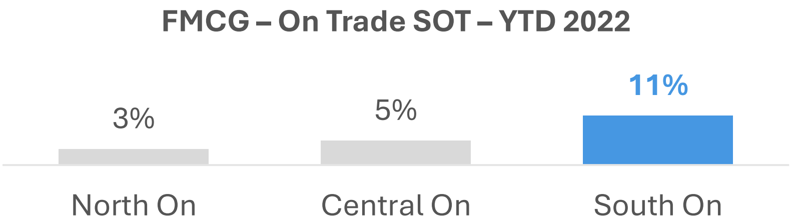
40% *of Population*

20% *of Area*

- More important for MT to meet demand for convenience
- Open for out of home entertainment
- Low-price preference is mostly seen in MKD

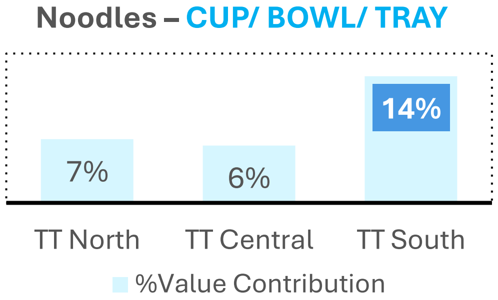
Dynamics & Energetic Lifestyle

Out-of-home (OOH) Consumption

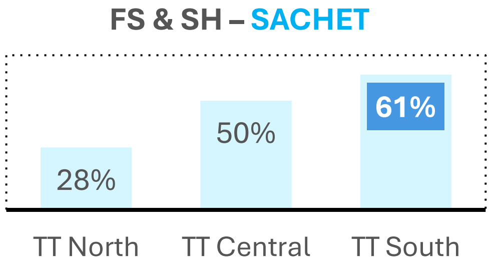


On-the-go life-styles foster convenient trend

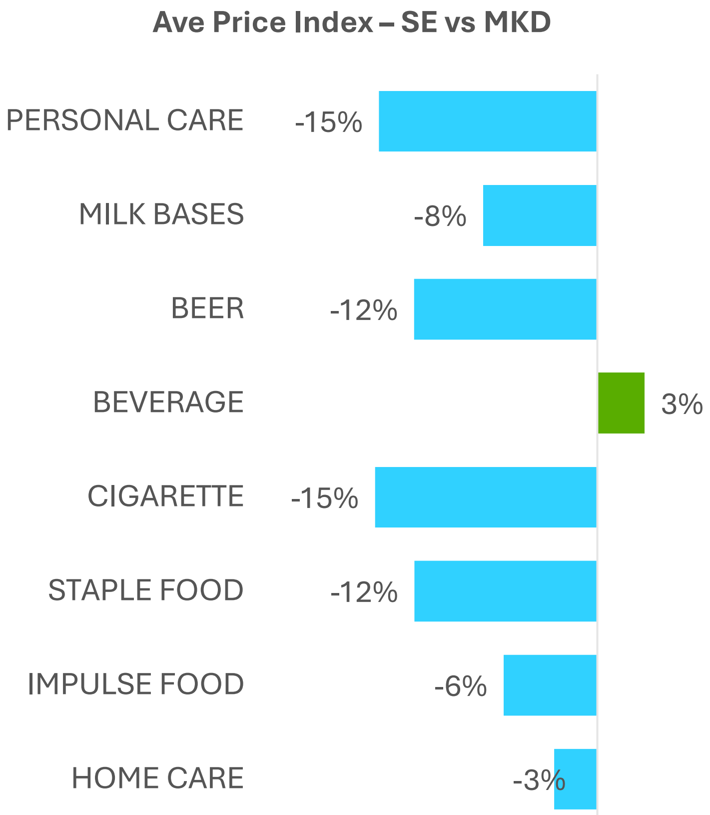
La Vie Sport Cap has **88%** Sales from South



Milo Twisted Cap has **40%** Sales from MT HCMC over MT VN



MKD | Lower price popularity



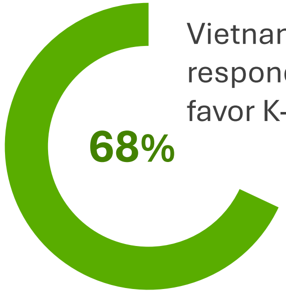
[3] Hallyu in Vietnam

How did the Korean Wave influence Vietnamese culture?

The Hallyu – Korean Wave in Vietnam: Music, Movie, Dining and Out side of FMCG

K-Pop & K-Drama Wave

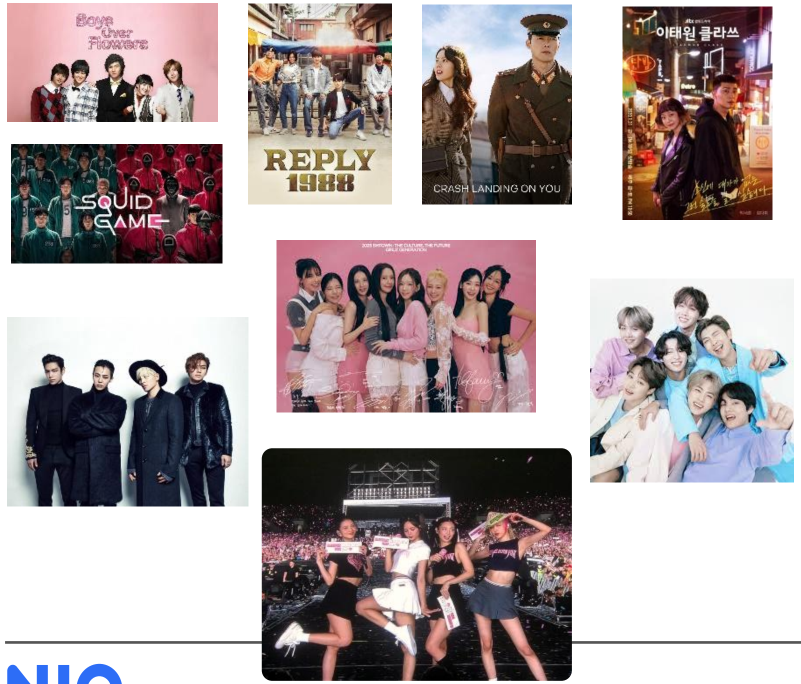
Vietnamese respondents like Korean Pop Music



Vietnamese respondents favor K-dramas

13.3 million K-Pop fans – **3rd largest** in the World

Most popular K-Pop band and K-Drama



Korean within Vietnam

Big 4 Korean Instant Noodle has entered Vietnam

CJ – Processed food (Claim No.1)

Loteria – biggest chicken fried chain in Vietnam

Orion in impulse food – well knowed for Chocopie

...and countless of Korean food outlet all over Vietnam

The legendary headcoach of Vietnam 's Male National football team from 2017 – 2025

178k

koreans living in Vietnam, 60k more than total rest SEA countries

Korean Brands

LG

HYUNDAI

LOTTE

CJ CGV

GS25

Korean inspired F&B fusion

Korean dining style

Korean shopping signature

Korean Brands in Vientam Instant Noodles & Processed Food

Paldo

Samyang

Ottogi

Nong Shim

Instant Noodles
Korean Brand

Sales uplifted: +14% in MAT'Mar 25 (while total Instant Noodles uplift 2%)
Share uplifted: +3pts in MAT'Mar 25
Post growth even with super premium price

Processed Food
Pulmuone

Sales uplifted: +20% in MAT'Mar 25 (while total Processed uplift 13%)
Post growth even with premium price

Processed Food
Bibigo (CJ)

Sales uplifted: +25% in MAT'Mar 25 vs 2YA

Vietnam Manfacturer in collaboration with Korean Idol in New product launch campaign

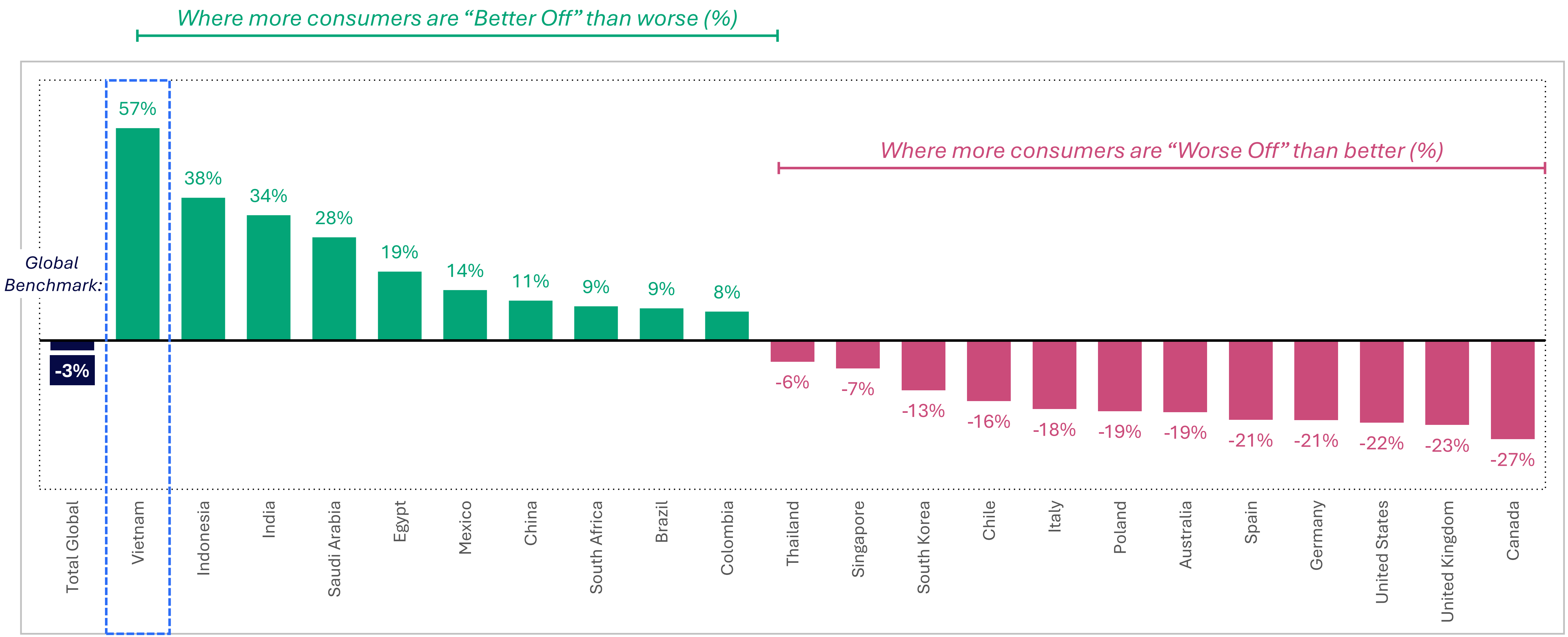
Lof Malto Drinking Yogurt by IDP (LOF) Manufacturer
2025 Shake it Off campaign x Jang Won Young

The view on Consumers

Price hikes for profit are unsustainable, lead with 'VALUE' and 'PRICE' will follow

Vietnamese consumers express **higher financial resilience** compared to other developing markets.

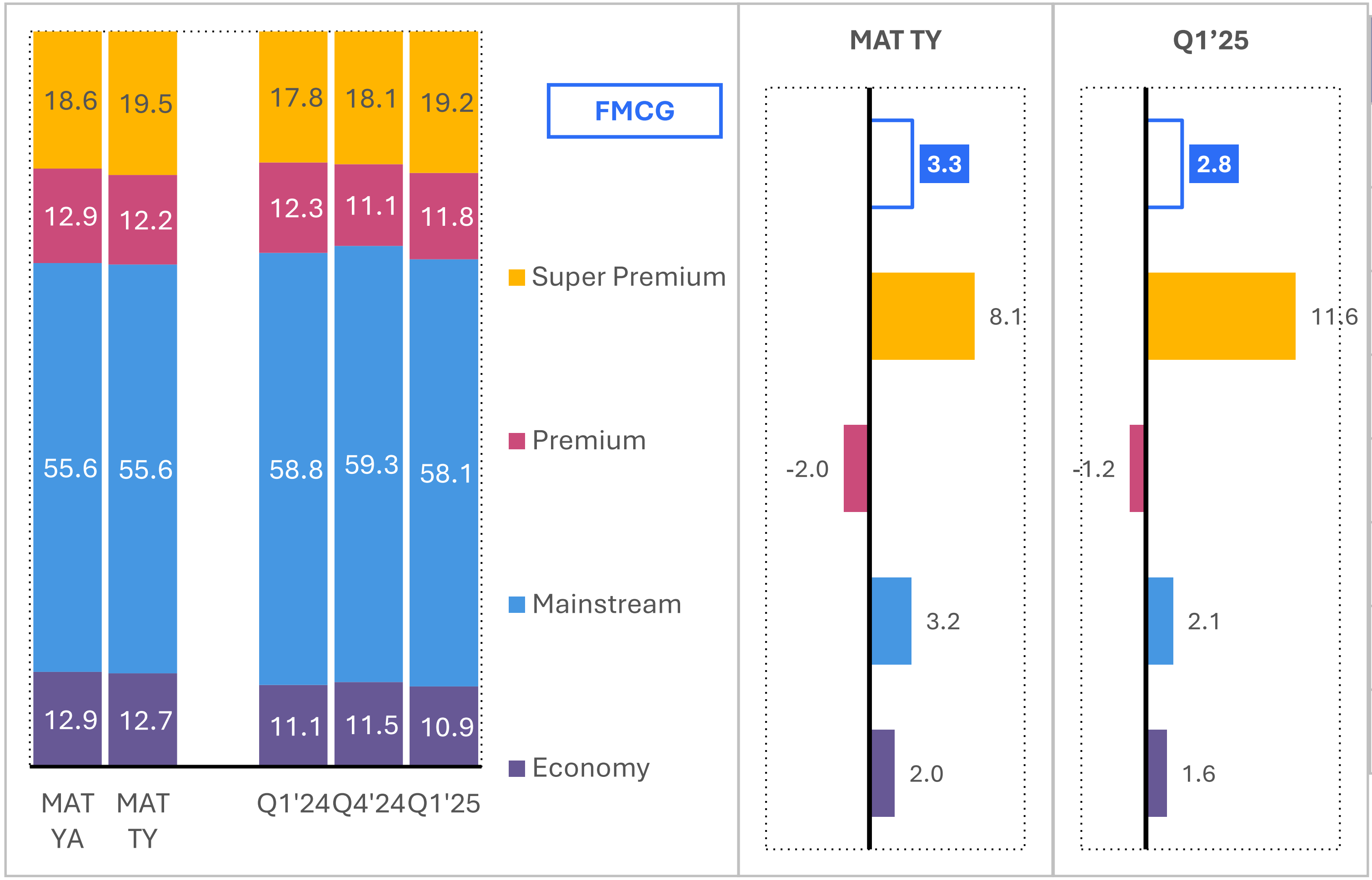
Financial status



Source: Vietnam Consumer Outlook and Expectation 2024 | Base: All respondents (n=1000)

Polarization offers premiumization opportunities for many categories while Downtrading trend also overserved.

❑ VN in.SR – FMCG by Price tier – Value % Contribution ❑ Value % Growth vs YA



❑ By Super Groups – +/- Value % Contribution – MAT TY vs YA

	Economy	Mainstream	Premium	Super Premium
Beer			#Polarized	
Beverage			#Polarized	
Cigarette	#Downtrading			
Milk Bases				#Upgrading
Impulse Food				#Upgrading
Staple Food				#Upgrading
Home Care	#Downtrading			
Personal Care				#Upgrading

Increase over 1.0pt
Increase less than 1.0pt
Decrease over 1.0pt
Decrease less than 1.0pt

Source: NIQ Retail Audit data ending Mar'25 | Price tiers is classified at Brand level based on API of single categories in VN, which Economy is API <= 80, Mainstream is 80 < API <= 120, Premium is 120 < API <= 140, and Super Premium is API > 140 in MAT TY

GO DISTINCTIVE, GO PREMIUM

What attributes are consumers drawn to Premium products?

Consumers are highly willing to pay a *premium* for attribute

64%

Brings out-of-home experience into the home

62%

Offers a variety of formats that are convenient and user-friendly

60%

Delivers experiences that make any moment or day of the week more special and enjoyable

25%

Offers health benefits

24%

Contains Organic/ Natural Ingredients

Source: NIQ 25 trends to drive growth in APAC FMCG in 2025 | NIQ Retail Audit data ending Sep'24

64%

of APAC consumers say they're likely to spend more on at-home experiences to save on restaurant and entertainment expenses

Bring *Out-of-home* experience into the *Home*

Siu Kay (Acecook)

Instant Noodles

+1.1pts (VN Off)

- Adjust the spicy level (7 levels) by chili package.
- Average price is **x1.6** vs Soft pack

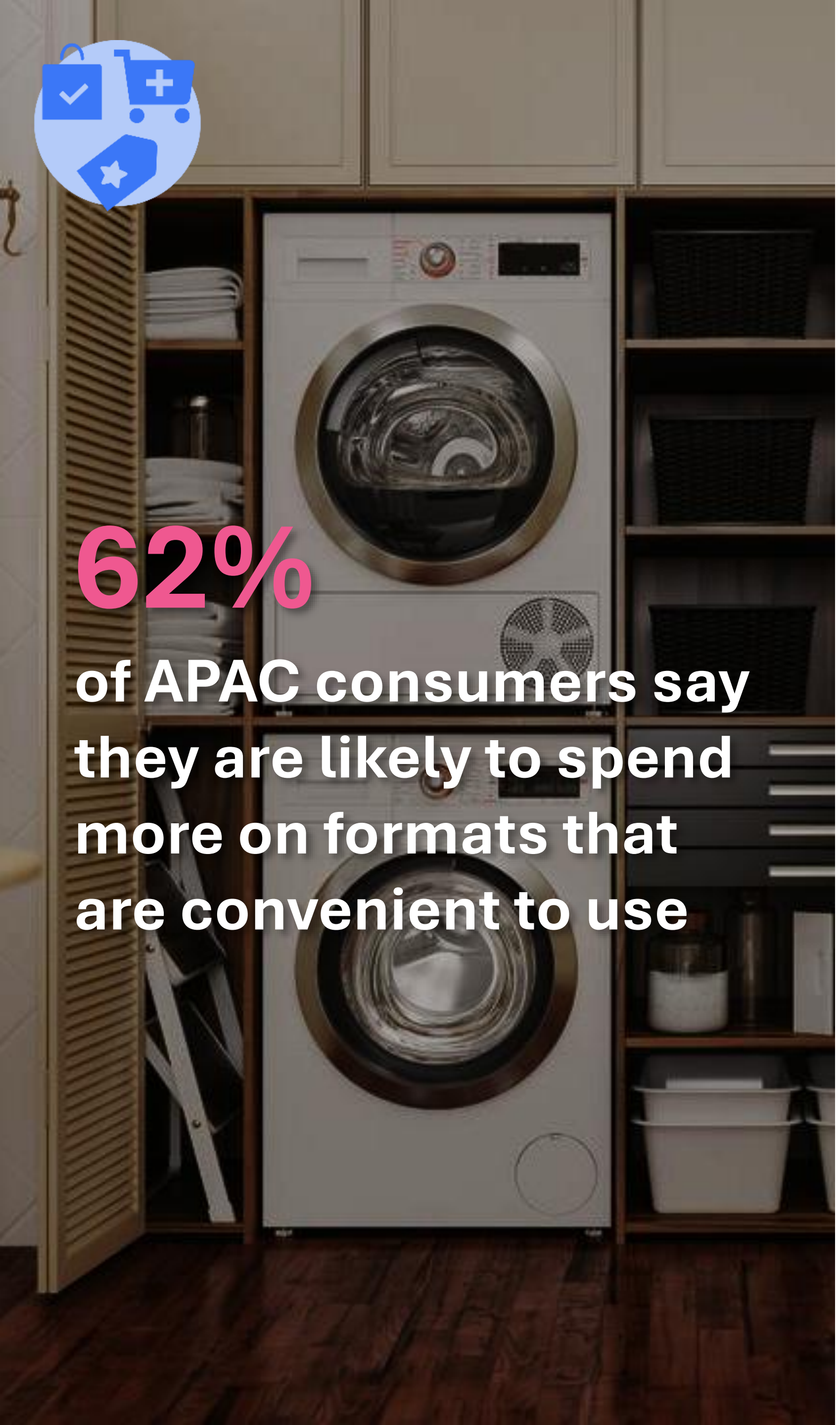
O'Food Spaghetti Cheese and Bolognese (Daesang)

Cooking Sauce

Reach **~5.0pts** after 1 year launching in MT VN

- Expand upon the original flavor (tomato only) by adding cheese/ ground meat
- Average price is **x1.5** (Bolognese) and **x1.8** (Cheese) vs the category

Source: NIQ 25 trends to drive growth in APAC FMCG in 2025 | NIQ Retail Audit data ending Sep'24



62% of APAC consumers say they are likely to spend more on formats that are convenient to use

Offer a variety of formats that are *Convenient* and *User-friendly*

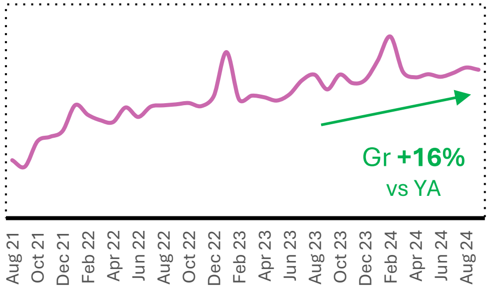
Convenient & Easy to use

Vim

Toilet Cleaner | Capsule
Super Premium
Share: +1.0pts vs YA

- **Health:** Prevent plaque & bacteria
- **Convenient:** Up to 300 times
- **Long-lasting:** Lavender scent

VN – 'Continuous' in HH Cleaner



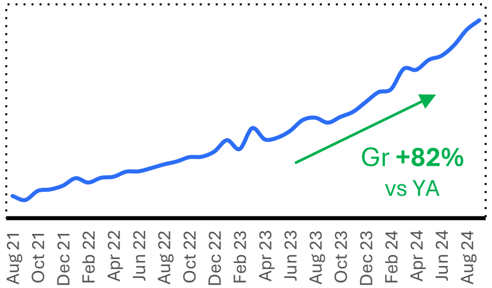
Convenient & Easy to wear

Diana Sensi

Feminine Protection | Pants
Super Premium
Share: +1.0pts vs YA

- **Convenient:** Panty design, easy on-and-off with one action
- **Efficacy:** 360° leak protection

VN – Pants in Fem Protection



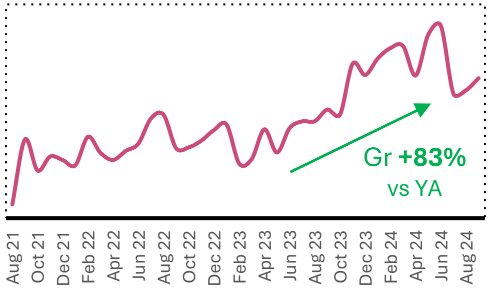
Convenient & Easy to dissolve

Meiji

Milk Powder | Cube
Super Premium
MT shr: +0.5pts

- **Convenient:** Compressed into small tablets within a stick, easy to dissolve, storage, and carry

MT VN – Cube in Milk Powder



Source: NIQ 25 trends to drive growth in APAC FMCG in 2025 | NIQ Retail Audit data ending Sep'24

60%

of APAC consumers say they're likely to spend a little extra to make one moment or day of the week more special or enjoyable

Experiences to make any *moment* or day more *special & enjoyable*

Cokoc

Peeling Jelly | Super Premium

- Reached **~3.0%** share after 7 months
- Candy with an edible outer layer like real fruits

TH True Yogurt

Spoon Yogurt | Super Premium

- Reached **~1.0%** share after 3 months
- Innovative design with additional toppings on top

Chupa Chup Sourbelt Fruit 1M

Soft Candy | Super Premium

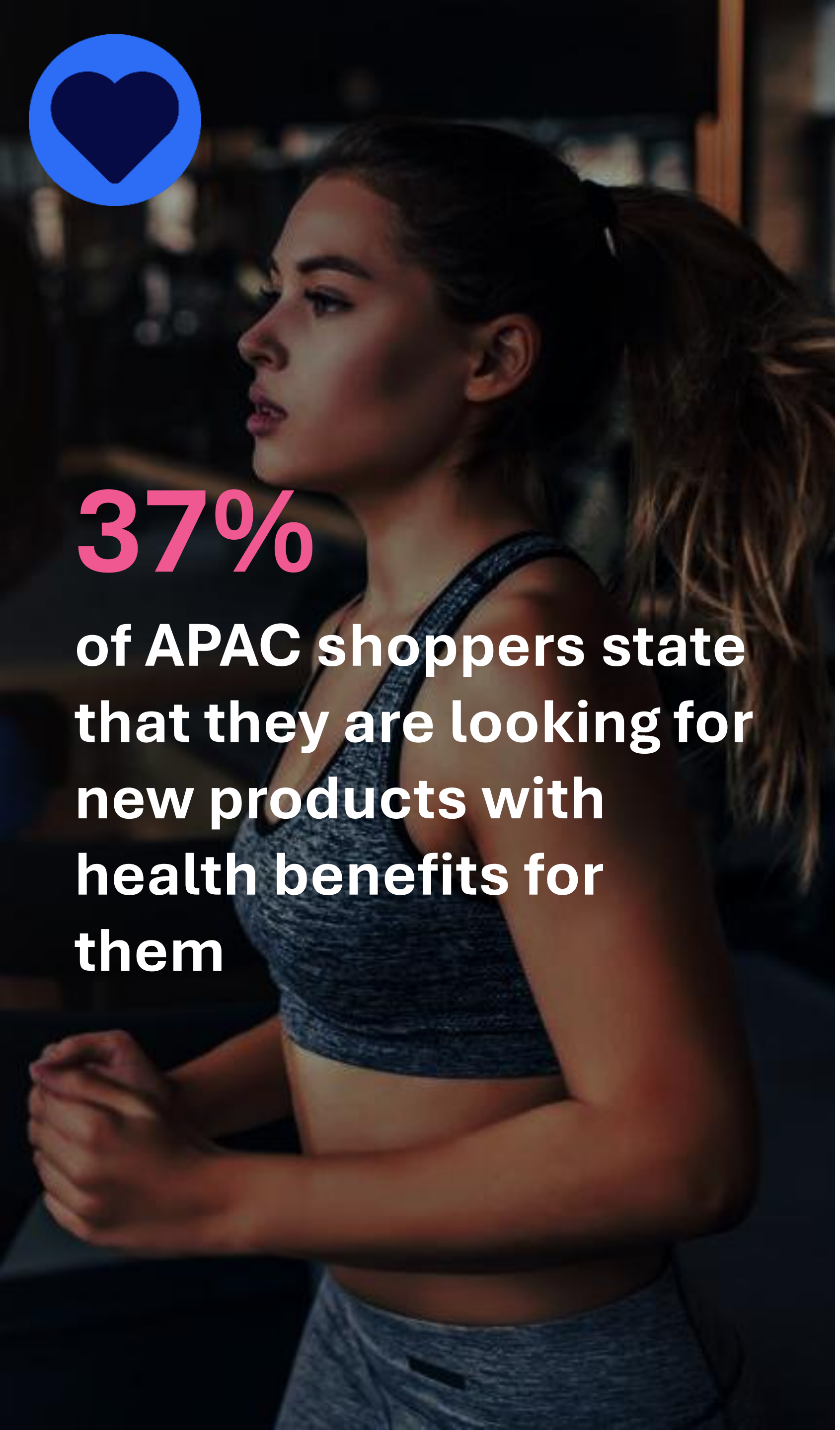
- Share **+0.5pts** vs YA
- One-meter-long candy belt

Chupa Chups Melody

Lollipop | Super Premium

- Share **+0.5pts** vs YA
- Lollipop with toy whistle

Source: NIQ 25 trends to drive growth in APAC FMCG in 2025 | NIQ Retail Audit data ending Sep'24



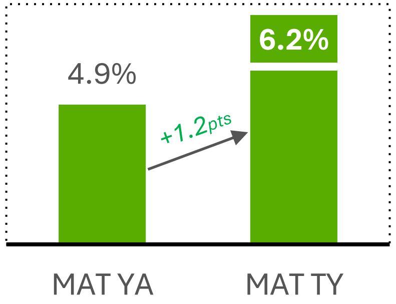
37%

of APAC shoppers state that they are looking for new products with health benefits for them

Offers *Health* benefits

Pasteurized Drinking Yogurt

% DKY Pasteurized in RTDM



+25% growth in value (vs **-1%** of RTDM).

The average price is **x1.7** vs total RTDM.

Boosts digestion and prevents infections

Supports gut immunity, strengthens the body's defenses

Efficiently balance gut health

Hard Candy

Hong (Orion)
Hard Candy
Super Premium
Share: +1.5 pts

- Effective in treating coughs
- Relaxing throat
- Reducing itching and dry coughs

Toothpaste

Ngoc Chau
Toothpaste
Super Premium
Share: +0.3 pts

- Prevent cavities
- Prevent gum bleeding, gingivitis, mouth ulcers, and periodontal disease

Source: NIQ 25 trends to drive growth in APAC FMCG in 2025 | NIQ Retail Audit data ending Sep'24

24%

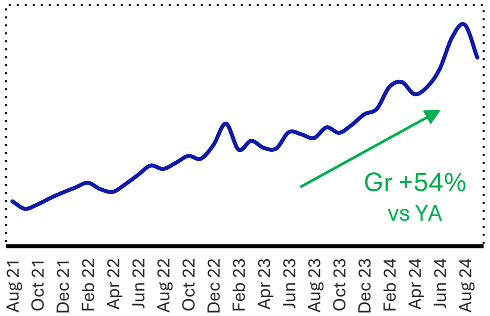
Of APAC consumers state that they are willing to pay a premium for natural/ organic products

Contains *Organic/ Natural* ingredients

Moony
Baby Diaper | Natural
Super Premium
Share: **+0.8**pts

Made from Organic cotton

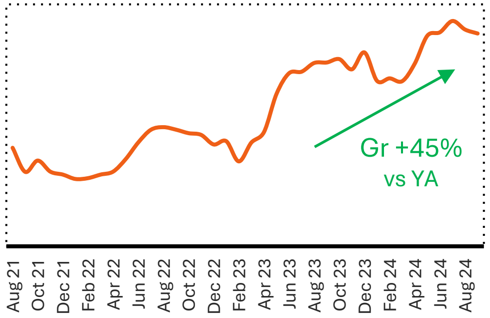
VN – Baby Diapers – Natural / Organic



Vinamilk Sua Hat
RTDM | Plant-based
Super Premium
MT shr: **+0.5**pts

Contains 9 high-quality nuts

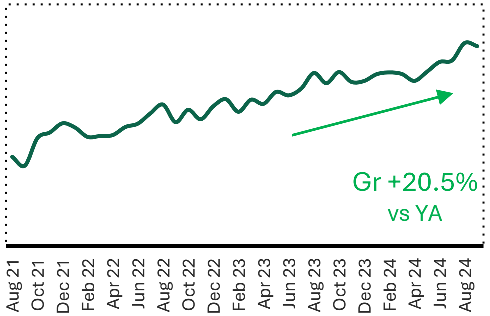
VN – RTDM - Plant-based Milk



Nguyen Xuan
Shampoo | Herbal
Super Premium
Share : **+1.5**pts

Vegan & Cruelty-free

VN – Shampoo - Herbal



Source: NIQ 25 trends to drive growth in APAC FMCG in 2025 | NIQ Retail Audit data ending Sep'24

Understand consumer tactics to stay ahead of downtrading trend.

VOLUME SEEKER

Consumers seek bigger packs/mainstream from trusted brands

"Is Price per unit or price per volume preferred?"

VALUE FOR MONEY

Consumers seek the best value for their money, prioritizing quality

"Do consumers buy whatever at lowest price?"

PROMOTION DRAWN

Consumers seek deals as a prompt response to price increases in high promo sensitive categories

"Are discounts always yield expected uplifts?"

Consumers seek **bigger packs /mainstream** from **popular brands**

The benefit of *price per volume* is preferred

Amongst volume-growing brands in Vietnam's beverage industry …

87%

Is the value contribution of brands that offer **Mainstream** or **Economy**.

93%

Of value come from **big players** (Top 1-5).

87%

Is the value contribution of brands that offer **bigger packs**.

	RTDT			Packaged Water			Soft Drink			Sport Drink		
	C2			Aquafina			Pepsi			Pocari Sweat		
Price per unit	8.3K	+1.6K	9.9K	4.3K	+6.8K	11K	9.1K	+6.9K	16K	12.5K	+13.5K	26K
Ave price per liter	21.7K	-0.3K	21.4K	12.1K	-4.8K	7.3K	28.4K	-17.7K	10.7K	35.6K	-6.8K	28.8K
Pack size	350ML		455ML	355ML		1.5L	320ML		1.5L	350ML		900ML
+/- Share vs YA	+0.0pts		+2.0pts	-0.2pts		+0.2pts	+0.2pts		+0.4pts	+0.1pts		+0.7pts

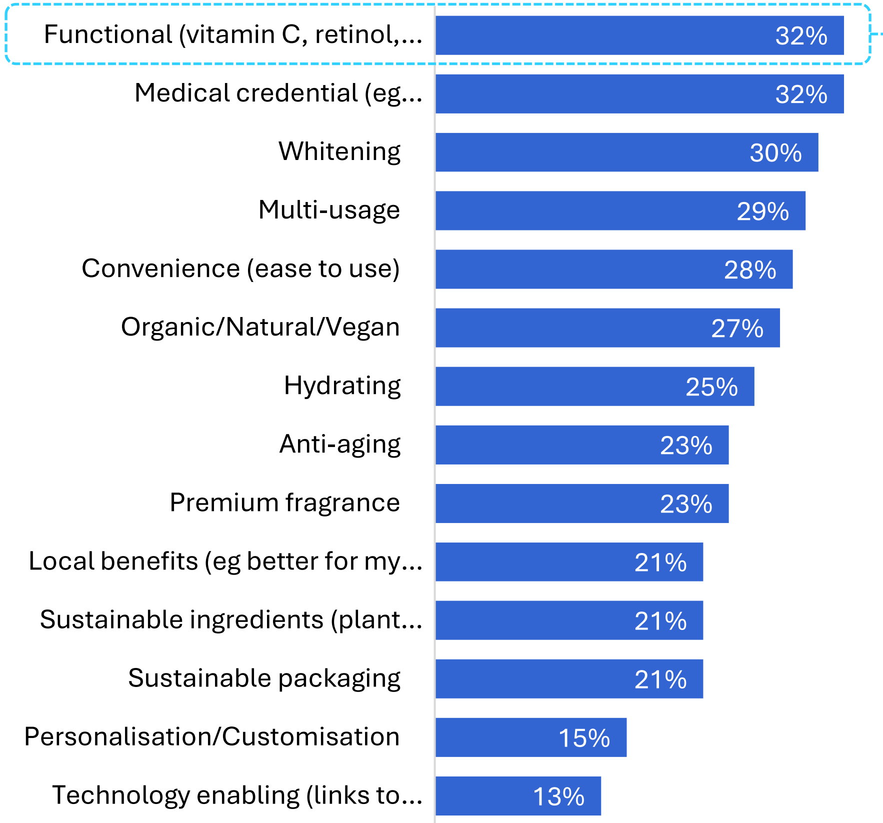
Source: NIQ Retail Audit data ending Sep'24

NIQ

The Brands that offer both *low prices* and *added value* win

Consumers seek the **best value for their money,** prioritizing quality

What attributes are you willing to pay a **premium** for?



Within +5.0 value % share gain of **Economy...**

Garnier Micellar Cleansing Water

Economy

*Grow by **250%** vs YA | **+3.2%** share (MT VN)*

- Salicylic BHA
- Anti Acne
- Reduce dark spots
- Brightening

Source: APAC Trends in Beauty and Personal Care Industry_2023 | NIQ Retail Audit data ending Sep'24

NIQ

Consumers seek **deals** as a prompt response to price increases in **high promo-sensitive categories**

The *Promotion* should only be considered in certain categories

74%

Usually make a point of looking at **circulars** and clip **coupons** on grocery products

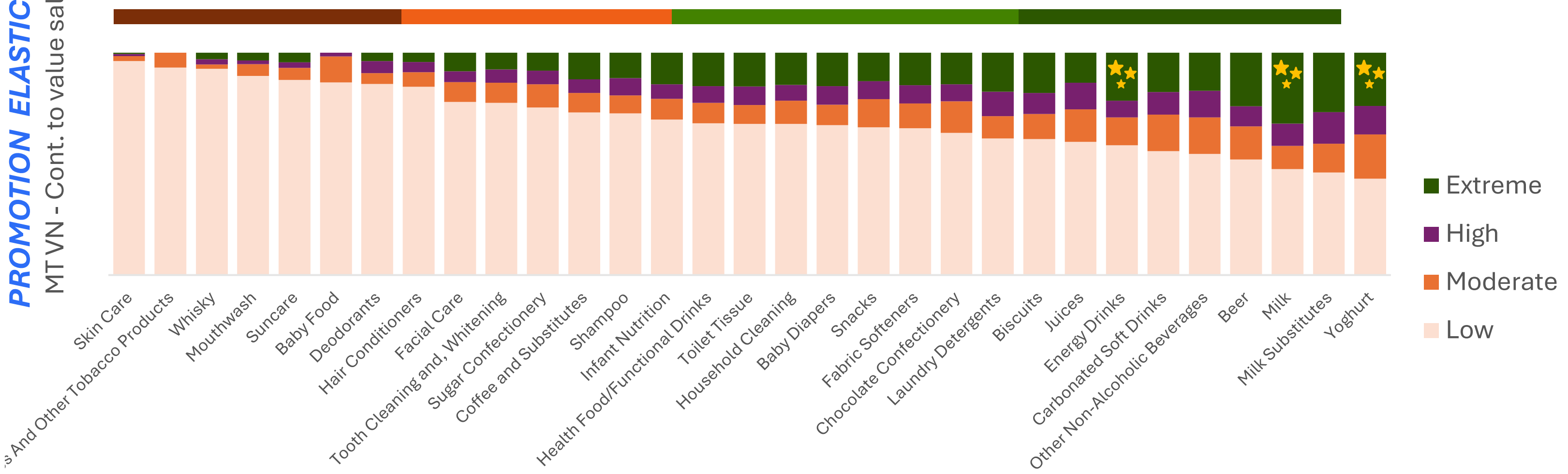
&

75%

Always take advantage of a **special offer** or **deal** to stock up on everyday grocery items

Avoid sales subsidization and waste of trade spent from promotion

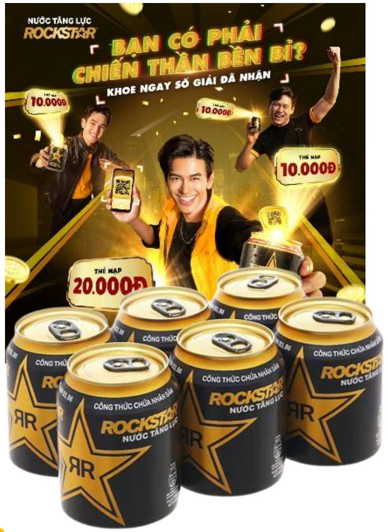
Bet on promotion in products that generate high incremental sales



Source: Vietnam Consumer Outlook and Expectation 2024. Base: All respondents (n=1000) | Every Day Analytics (EDA) | APAC Benchmarks 2022 | Vietnam | Total Modern Trade

Consumers seek deals as a response to price increases in high promo-sensitive categories

Promotion incentivizes consumers to buy more



Rockstar
Energy drink
Premium
Sales uplifted: +3% vs. PP within 2 months (Jul'24 + Aug'24)

- ❖ Scan and collect 6 QR Codes to get a chance to win 100 Million VND

Nutimilk
Spoon Yogurt
Mainstream
Price cut: -30% since Aug'23
MT share: +10.0pts vs YA

- ❖ Buy 2 get 1 free
- ❖ Buy 4 get 3 free
- ❖ Buy 6 get 4 free

Milo
RTDM
Mainstream
Sales uplifted: +16% vs. PP within 2 month (Aug'24 + Sep'24)

- ❖ Buy 8X pack to get 1 scratch card with chances of receiving a golden Milo carton (up to 24 units given out per day)

Source: NIQ Retail Audit data ending Sep'24

NIQ

Vietnam Success Factors

Market Insights

Know your targeted Market

- Vietnam has been and will continue to be on growth mode
- Diverse regions with different consumer behaviors

Consumer Insights

Know your Consumers

- Hallyu brings South Korean Brands closer to Vietnamese young consumers
- Vietnamese consumers are optimistic and willing to spend for premium

Category Insights

Know your Categories

- Seasonality is important for Food & Beverage. Convenience Food is on the rise
- Premiumization drive growth in Personal Care Categories

Retail Insights

Empower your Win in Retail

- Prioritize the right area, channels
- Go to the right golden stores for your categories

Thank you