

Vietnam Young Consumer Confidence Update

The VietPoll Consumer Confidence monthly update has consistently shown high confidence levels among young Vietnamese consumers. This Month's survey, which from now on will be conducted every two months, was completed online by 300 young Vietnamese consumers from all over the country. The survey results show awareness from young consumers about the current state of

the economy, which is not great, but at the same time there is a general air of positive expectations for the next 12 months. Survey respondents shared a view of hope for better living conditions, higher incomes and more jobs. In summary, young consumers remain very optimistic and they expect vast improvements in the next year.

Over the year a trend of high confidence has emerged where young consumers seem to be always positive about the future outlook of the economy. A question arises however; is this true confidence or is it just some form of blind optimistic (overconfident) hope? Regardless of the answer the trend demonstrates the underlying positive nature and perspective of Vietnamese consumers; they want, aspire and work relentlessly for a better future for themselves, their families and their country.

For July the focus of the Spotlight Questions was brand awareness and usage of laundry products. We wanted to explore the market for laundry products; in particular we wanted to know the brands young Vietnamese consumers prefer. So we asked some general questions about brand awareness, trial, recent use as well as sources of information and influence on laundry detergent choice.

Vietnamese consumers are spoilt for choice when it comes to selecting laundry products with OMO and Tide on top the market. Vietnamese consumers in general are very demanding and brand conscious, and it is foreign laundry brands that tend to satisfy this demanding character far better than local brands mainly due to their strong marketing and constant innovation and development of their products.

THE TAKE AWAY

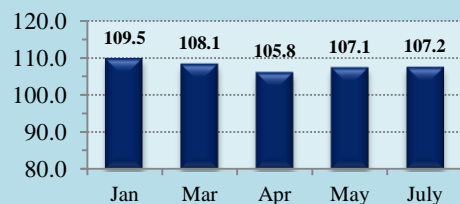
- ✓ Young Vietnamese consumers remain very confident with an overall score of 107.2 points.
- ✓ The current shape of the national economy remains positive even after a slight decrease compared to May.
- ✓ A strong outlook for the next 12 months even with the future score increasing slightly from 110.7 to 111.9 points.
- ✓ 22% of households intends (maybe just hope) to buy a house in the next year.
- ✓ OMO is the best known and most used laundry product brand with 59% of respondents saying they used that brand in the past week.

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THE SCORE

Consumer Confidence Level
100 = 0



- ✓ The **Overall** confidence score remains virtually unchanged with a 0.12 point increase compared to May.
- ✓ Consumer confidence has remained very healthy for the past five surveys and shows the optimism of young Vietnamese consumers.

Young consumer confidence remained steady during the July survey with the **Overall Score** increasing very slightly from 107.1 to 107.2 points. The results show a slightly decrease on the **Current Score** from 103.5 in May to 102.9, but this was more than balanced by the **Future Score** which increased slightly compared to the previous month to 111.9 points. These results show that young Vietnamese consumers remain very optimistic about theirs and the country's future. This point is well illustrated by the incredibly high house purchasing intentions, with 22% of respondents saying that their family intends to buy a house in the next 12 months.

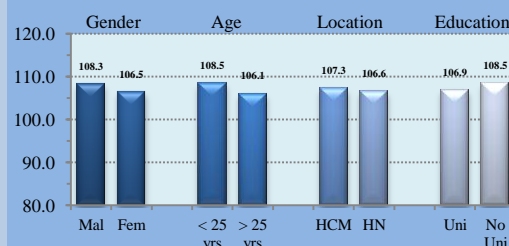
The **current** and **future** scores
100 = 0



The **Current Score** decreased slightly from 103.5 to 102.9 points.

The **Future Score** increased slightly from 110.7 to 111.9 points.

Overall consumer confidence scores among key demographic variables
100 = 0



RESPONDENT PROFILE



Our respondent profile for June-July is Tran Nguyen Ngoc Tuyen, a 25 year old Real Estate agent from Ho Chi Minh City. Tuyen graduated with a Finance degree from the HCM University of Economics and at that time she tried to find a job that matched her studies. Her first job after university was as a sales manager for a fashion company, but then she changed her job to work as a Real Estate agent. Tuyen is still single and rents a small apartment which she shares with her brother who is studying at university. She earns over \$600 per month and with this salary she can cover for all expenses, but she is a thoughtful person and she is always looking for ways to save money “*we don’t know what will happen tomorrow, so having savings in the bank helps me feel more comfortable*”

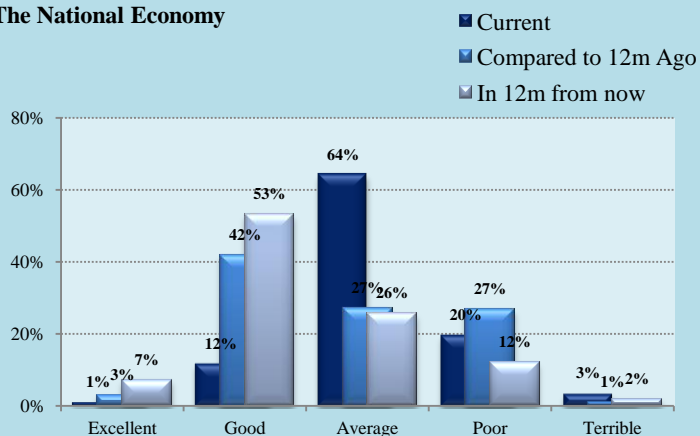
Another important reason for Tuyen to save money is to start her own business in her hometown in Tien Giang province which is about a 2 hour drive from HCM. She thinks of a business because “*the economy in my hometown is currently growing so there is potential for me to run my own business*”. When asked about the National Economy Tuyen is very optimistic, “*the economy has been recovering during the first haft of the year, especially in real estate*”. Tuyen points out that the Real Estate market has had lots of transactions compared to the same time last year, “*there is strong interest in buying houses for investment, which to me means that people also believe in the future of the national economy and because of that I believe that the economy will be in a stronger position at the end of this year.*”

Although she shares her apartment, it is Tuyen who is responsible and takes care of the household including doing the laundry, cooking, cleaning and shopping. She normally does the washing 2 or 3 times a week using OMO washing powder. She has used this product for a very long time, so when thinking about buying detergent she will immediately think of buying OMO. When asked to explain why, she says “*my mom used this washing powder, so it became a habit for me*”, but Tuyen also agrees that the brand has a strong advertising presence and that it has many promotions which influences her purchasing intentions.

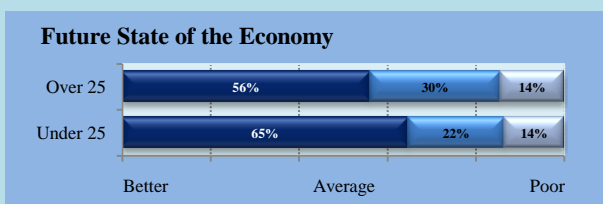
THE NATIONAL ECONOMY

Young consumers are critical of the current the National Economy with about 87% of respondents’ rating the economy as average or poor. Although their current view of the economy is not very positive, some 45% of respondents say that it is better or much better compared to 12 months ago and an overwhelming 60% expect improvements in the National Economy in 12 months from now.

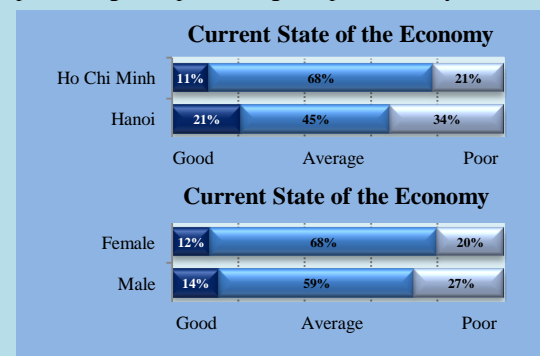
The National Economy



Younger respondents are more optimistic about the future with 65% saying that the National Economy will be better in 12 months compared 56% of those aged 25+ years.

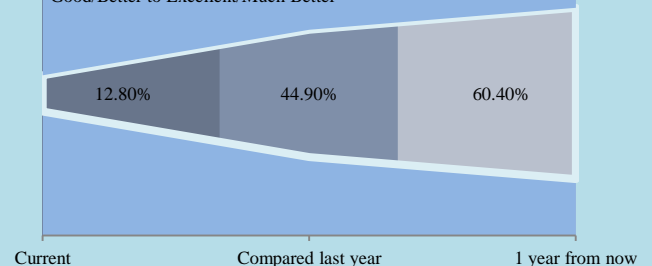


Interestingly 11% of respondents in Ho Chi Minh rate the National Economy good or very good, well below the 21% that gave the same rating in Hanoi. On the other end 34% of Hanoi respondents gave a poor rating compared to only 21% in HCM.



The State of the National Economy

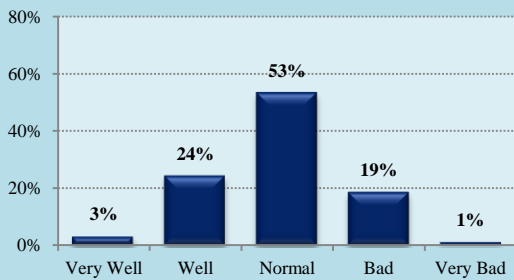
Good/Better to Excellent/Much Better



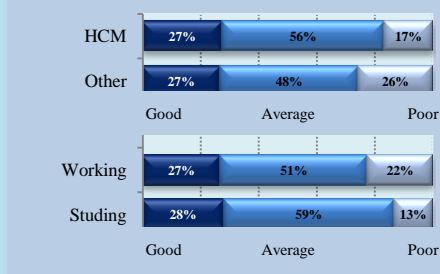
BUSINESS AND EMPLOYMENT

By international standards Vietnam enjoys a very low 2.1% unemployment rate as reported by the General Statistics Office. Nevertheless, over 70% of young consumers mentioned that currently there are few (or no) jobs available making job accessibility a major concern. To many young and well educated Vietnamese the real issue is to find a job that provides good conditions, pays well and fulfills their professional and career ambitions.

Current Business Conditions in Local Area

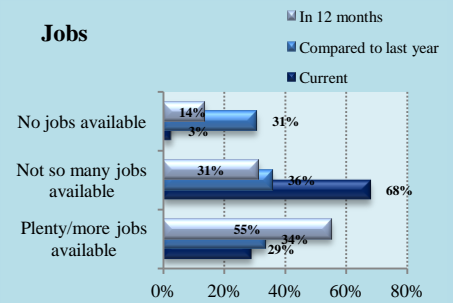


Local Business Conditions

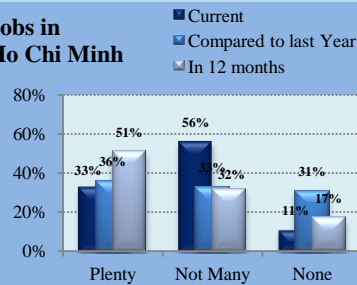


Looking for more than just a job.

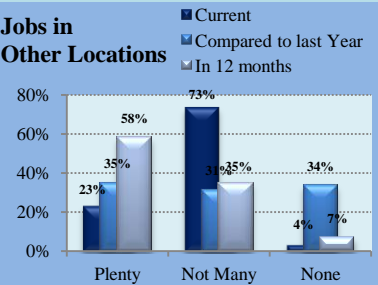
Jobs



Jobs in Ho Chi Minh



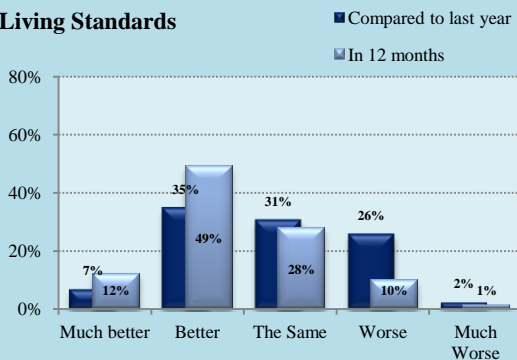
Jobs in Other Locations



FAMILY FINANCES

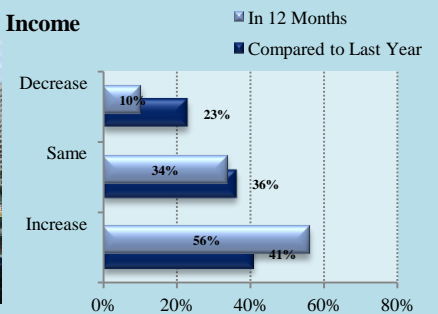
22% of young consumers reported that their household/family intends or wants to purchase a house in the next year. The Real Estate market has recovered strongly and there are many modern style developments underway.

Living Standards

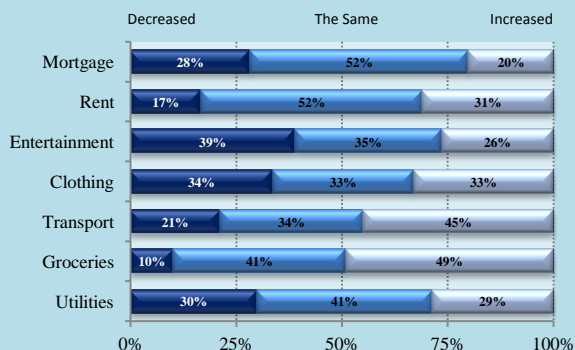


Many modern style apartments under development in Vietnam.

Income

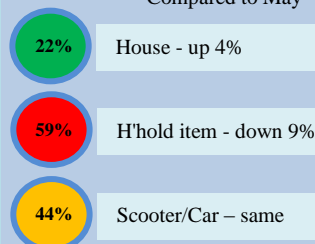


Expenses Compared to 12 Months Ago

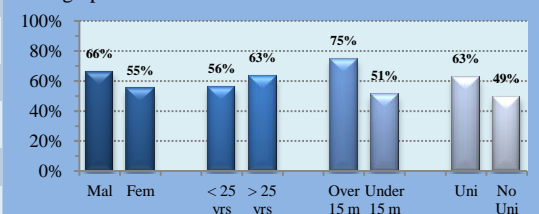


The purchasing intentions of young consumers remain very strong for the next 12 months with 59% of respondents saying that they intend or plan to buy a major household item and 44% want to buy a scooter or car during the same period.

Purchasing Intentions - Yes Compared to May



Purchasing intention of a major household item among key demographic variables



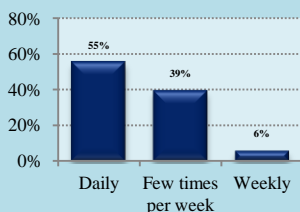
SPOTLIGHT QUESTION – LAUNDRY PRODUCTS

Detergent products are indispensable in the daily lives of Vietnamese people and in today's market there is a myriad of brands and types of products available from local and foreign manufacturers. It is foreign brands such as OMO, Tide, Viso and Surf that hold the main market share compared to local brands (Lix, Net, Daso, etc). One of the main reasons for this is the innovation and development foreign manufacturers do to create and improve products that satisfy the demanding local consumer. OMO and Tide have been available in Vietnam for nearly 20 years and currently they are the leading brands in the market, but in general the market for laundry products remains very competitive. Reportedly about half of Vietnamese households do their laundry on a daily basis; this level of interaction with the product highlights the degree of attention that consumers give to the range, availability, cost and quality of laundry products.

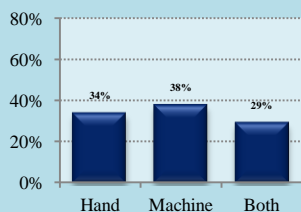


Many laundry product choices for consumers.

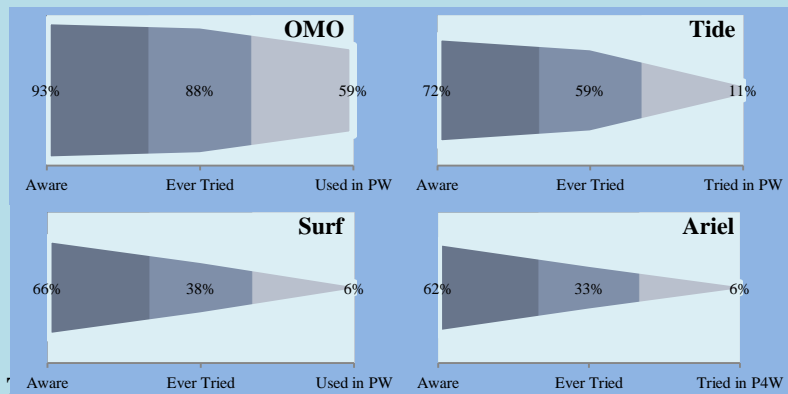
Laundry Frequency



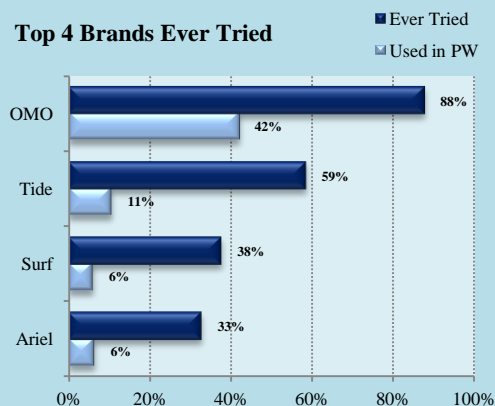
How is the Laundry Done



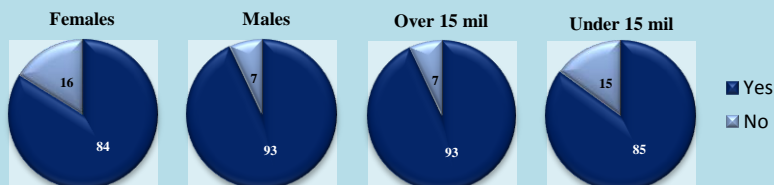
Top 4 Brands – From Awareness to Used in the Past Week



Top 4 Brands Ever Tried

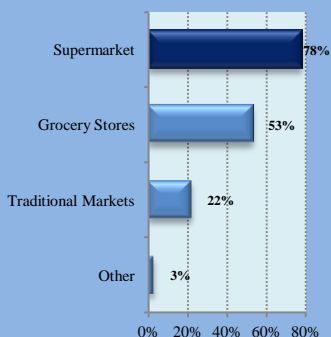


OMO Brand Trial among Gender and Income Variables

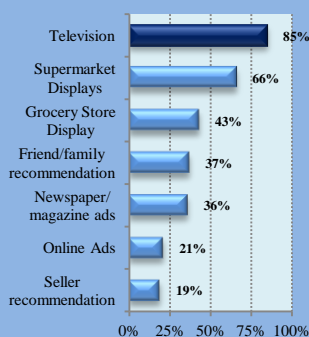


Expressed as a percentage of total sample

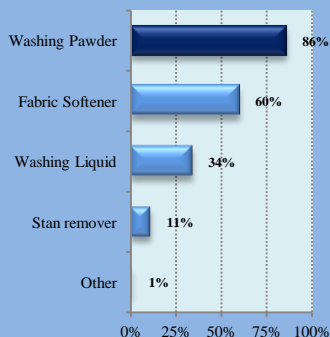
Places to Purchase Laundry Products



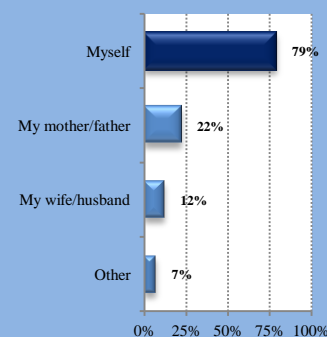
Main Sources of Information About Laundry Products



Type of Laundry Product Used



Who Does the Laundry in the Household



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