

# Vietnam Young Consumer Confidence Report

The Young Consumer Confidence Score still remains very strong despite a 2 point decrease compared to the March survey. In our April Survey **VietPoll** conducted almost 400 online interviews with people aged between 14-35 years from all over Vietnam. The results show that confidence level has once again decreased compared to the previous month.

In our current survey the young Vietnamese consumers were a bit critical of state of the national economy, job opportunities and income levels. At the same time they remain so incredibly optimistic about their future, with high expectations and aspirations for the next 12 months.

Many commentators say that the economy is not growing fast enough, but at the same time the Vietnamese beer industry is booming. Vietnam is the biggest consumer of beer in Southeast Asia and it is one of the top 25 beer drinking countries in the world, in spite of a rather low average income which in 2013 was only \$1,960 per capita.

Around the world, beer consumption has not changed much recently, yet in Vietnam it has increased and in 2013 more than three billion liters of beer were sold. For 2014 it is

expected that the consumption will increase by about 5 percent.

For April's Spotlight Question we wanted to explore the beer consumption habits of young Vietnamese consumers, so we asked a number of questions about beer brands, from awareness to their favorite beer.

Currently the Sai Gon Beer Corporation and Ha Noi Beer Company account for two-thirds of the local overall beer market. Their current success is mainly due to local people enjoying beer that is cheap but also of good quality, but there is an expectation that as living standards improve more people will shift to the well known foreign brands. So this month we explored the beer drinking habits to see what is the future for the beer industry and the drinking habits in Vietnam.

## THE TAKE AWAY

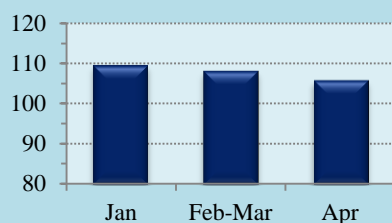
- ✓ The Young Consumer Confidence remains healthy with a score of 105.8 overall.
- ✓ The view of the current shape of the national economy decreased sharply compared to the March survey, from 106.4 to 99.3 points.
- ✓ The overall outlook for the next 12 months remains very positive with young consumers expecting all aspects to improve.
- ✓ The cost of groceries and transport continue to be the greatest concern for young consumers.
- ✓ Heineken is the preferred beer of young Vietnamese consumers with almost 50% saying it is their favorite.

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## THE SCORE

Consumer Confidence Level  
100 = 0



- ✓ The **overall** confidence score decreased 2.2 points from the previous month score of 108 to 105.8 in April.
- ✓ The main reason for such sharp decrease is the critical view that young consumers have of the **current** state of the economy, decreasing from 106.4 to 99.3 points.

The consumer confidence level decreased once again from a score of 108 in the March survey to 105.8 in April. The data shows that the main reason for the decrease in confidence is due to the negative rating consumers gave to the current state of the national economy and the perceived low number of jobs available to young Vietnamese. The result of these negative ratings is that the **Current Score** decreased sharply, yet the **Future Score** actually increased compared to the previous month. These results illustrate that young Vietnamese consumers are critical of how things are at the moment, but they remain highly optimistic for the next 12 months.

The **current** and **future** consumer confidence scores

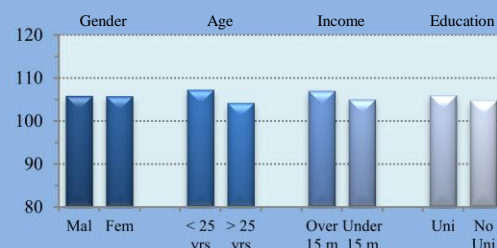
**99.3**

The **Current Score** decreased sharply from 106.4 to 99.3

**112**

The **Future Score** has increased from 109.6 to 112.3 points

Overall consumer confidence scores among key demographic variables  
100 = 0



## RESPONDENT PROFILE



Our respondent profile for April is Pham Phu Tung, a 31 year old truck driver from Danang. Tung graduated as a mechanical engineer from the Danang College of Technology and as part of his degree he traveled to Korea where he worked and studied for two years. On his return to Vietnam he got job where he was able to use his degree and skills as a mechanical engineer, but after a number of months and due to his low salary he decided to become a truck driver (for the same company). He says, *'I enjoy being a truck driver, I get a higher salary because of the allowances and I have more time for my family. Also I enjoy going here and there and not staying in the one place for the whole day'*.

Born in Hue, Tung is married and has a 5 year old son. His wife works for a consultancy company and together they earn just over \$500 a month. They work hard to make and save money, *'we dream of opening a coffee shop'* he says *'my wife would run it and have more time to take care of our son'*. Tung would continue to work to supplement their income, but *'in the end the only way to become rich is to be self employed and have your own business'*.

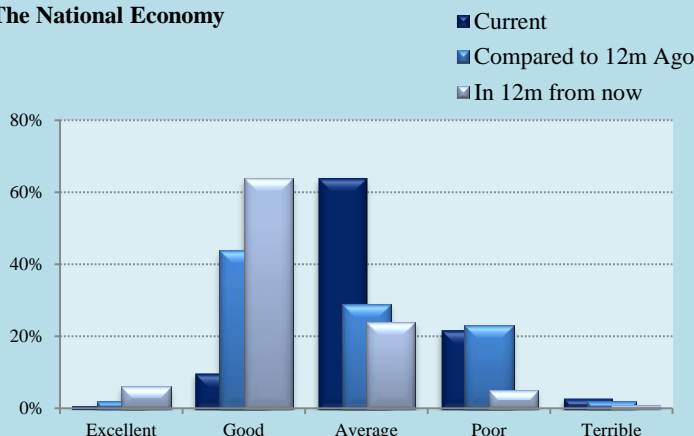
Tung is not satisfied with the way things are at present, the economy has modernized he says, but it is growing too slowly and not evenly across all regions. His views seem partly influenced by his experiences studying and working in Korea, *'a developed country is one where you need to have more innovation, more urbanized areas and more industrial zones that are able to provide jobs for people'*. He hopes that in the future Vietnam will develop and modernize evenly across all regions and hopes that tourism will continue to grow as well.

About once a week Tung gets together with friends and colleagues in a cool garden shop, *'we like to get together in an old fashion place with wooden tables and chairs and we drink beer the traditional way from a bowl'*. He prefers Larue beer which is a well known brand in Danang, *'it's not too expensive and to me it tastes better than other beers'*.

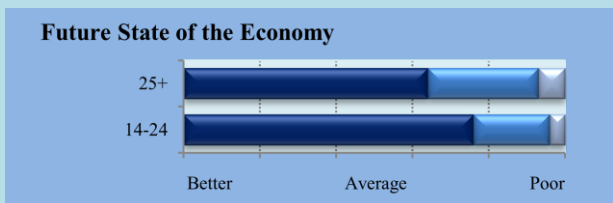
## THE NATIONAL ECONOMY

Overwhelmingly young consumers think that the National Economy is in an average shape. It is better than the previous year, but still over 85% of respondents mentioned that the economy is average or poor. At the same time the survey respondents are very optimistic for the next 12 months with 70% saying that it is going to be better or much better.

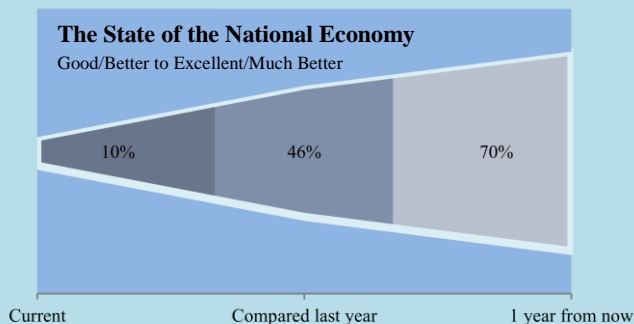
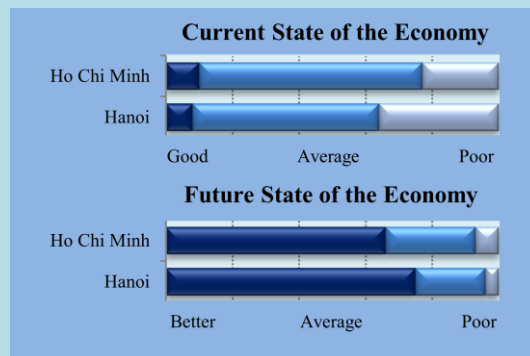
**The National Economy**



Noticeably, respondents aged 14-24 years have a more positive outlook for the economy for the next 12 months compared to those aged 25+ years.



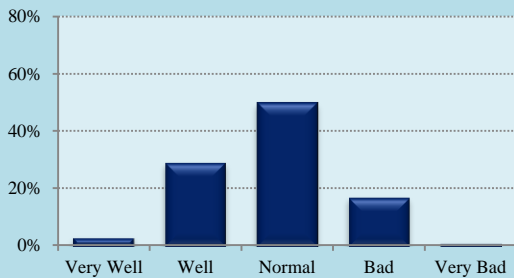
Interestingly young consumers from Hanoi consider the current state of the Vietnamese economy to be worse compared to consumers from Ho Chi Minh, yet they are more optimistic for the next 12 months.



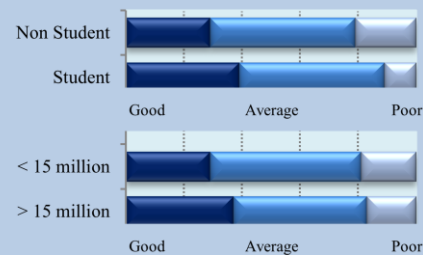
## BUSINESS AND EMPLOYMENT

There seems to be a growing concern about the availability of jobs at the moment with over 40% of survey respondents saying that there are no jobs available now. Despite these concerns young consumers remain optimistic about their jobs prospects for the next year with over 50% saying that they expect there will be plenty of jobs available at that time.

### Current Business Conditions in Local Area

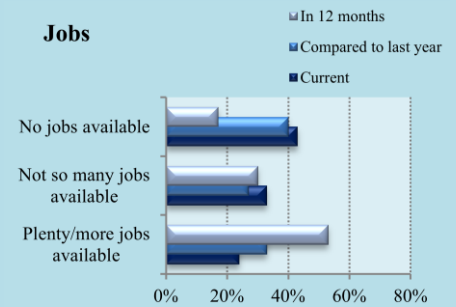


### Local Business Conditions

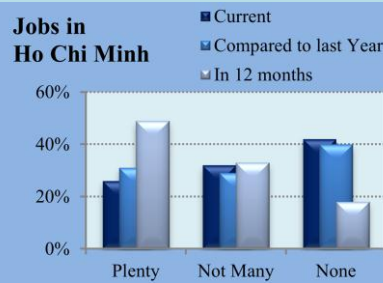


Young Graduates learn to do online job applications

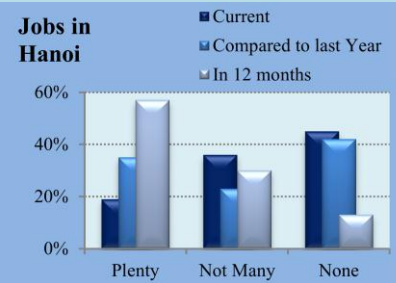
### Jobs



### Jobs in Ho Chi Minh



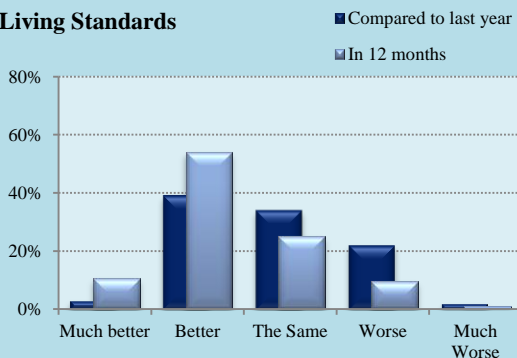
### Jobs in Hanoi



## FAMILY FINANCES

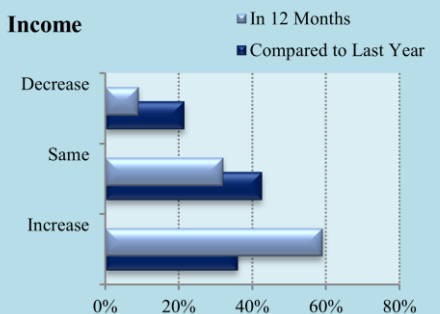
40% of respondents mentioned that family living standards have improved. The biggest concern for young consumers is the higher cost of groceries and transport. The cost of transport is a particular concern for students with over 56% saying that it has increased compared to 12 months ago.

### Living Standards

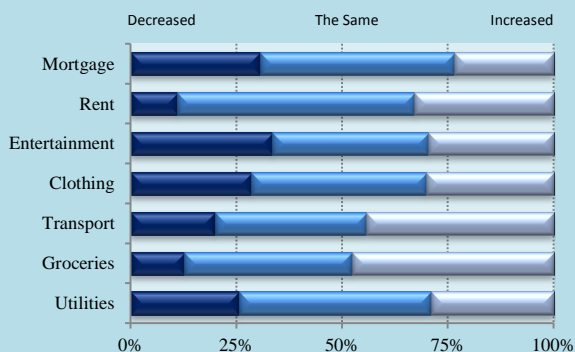


High expectations of household appliance purchases over the next year.

### Income

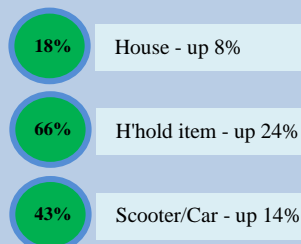


### Expenses Compared to 12 Months Ago

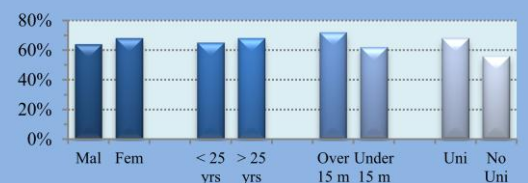


Despite the perceived higher household expenses, young consumers remain very optimistic about their purchasing intentions for the next 12 months particularly about household items where purchasing intention went up 24% compared to March.

### Purchasing Intentions - Yes



### Purchasing intention of a major household item among key demographic variables



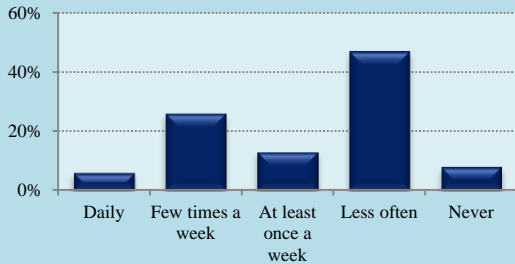
## SPOTLIGHT QUESTION – BEER

Vietnam has a population of over 90 million people and it is calculated that on average each person drinks 42 liters of beer every year. **Bia Hoi** are traditional beer restaurants which are very popular places and are found at almost every street corner. These restaurants are always crowded in the early evening (after work) and one of the reasons they are so popular is the low price they charge; a regular glass of local **bia** costs less than 50 cents or \$1 with something to eat. There are also more formal restaurants that cater to customers that are willing to pay more, but these customers expect a variety of beer options including beers from other countries such as Germany, Czech and Australia. In this month's spotlight question we asked about the beer drinking habits of young consumers, their brand awareness, regular purchases and their favorite beer they drink. Here are some of their answers.

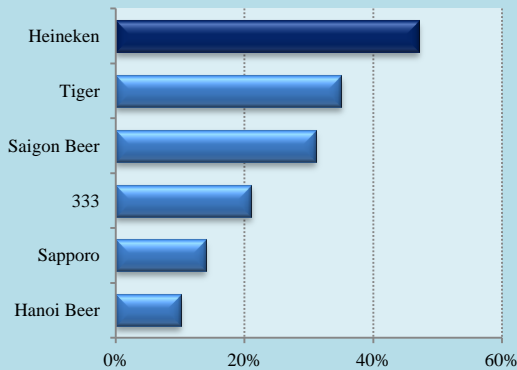


Traditional drinking, where the beer is served in bowls, not in glasses.

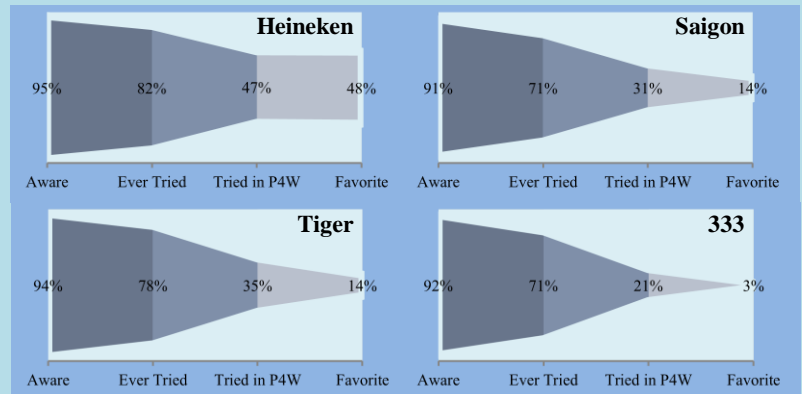
### How Often Drinks Beer



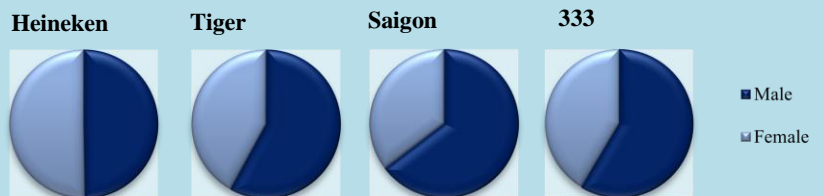
### Top Beers Tried in Last 4 Weeks



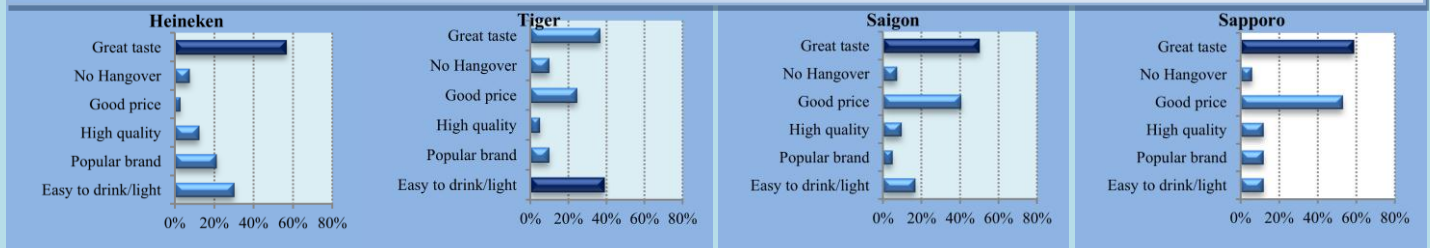
### Top 4 Brands Tried in P4W – From Awareness to Favorite



### Top 4 Beers Tried in P4W - Gender Preference



### Top 4 Favorite Beers – Why?



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