



**VietPoll  
Company Ltd**

May 2014

# Vietnam Young Consumer Confidence Report

**Young Vietnamese Consumers** continue to be bullishly optimistic about the future, that's the most significant insight found in the May Consumer Confidence survey conducted by VietPoll. The survey was conducted online and 300 young Vietnamese from all over the country shared their views. The results show that young consumers continue to be concern or perhaps critical of the current state of the economy, but at the same time they have incredibly high expectations for the future including a better economy, more jobs,

higher incomes and living standards. The survey shows that young consumers remain very optimistic and they want a better life in the next 12 months.

It is important to remember that the survey is conducted online and as such it does not represent the whole country. This survey is representative of the young, urban and online active population of Vietnam. The May survey was completed by 300 respondents and the confidence scores were calculated based on eight questions which are given equal weight. These questions are about their view of the national economy, local business conditions, job availability and spending expectations. Four of the questions are about the current situation and the other 4 about their future expectations and from that we arrive to an overall consumer confidence score.

Also each month we include a special set of questions (Spotlight) focused on Brand awareness and usage. For this month we wanted to explore the market for hair products. In particular we wanted to know the brands young Vietnamese consumers prefer and why. So we asked some general questions about brand awareness, trial, preference, sources of information, and reasons for choice.

The results show that consumers are aware of the choices they have and the quality of that product is the main factor in choosing a brand together with a good price and the right brand reputation. Young Vietnamese consumers try and use many brands, so new brands can succeed in this market as long as brand awareness is well developed, the price is good and the quality satisfies the needs of these demanding consumers.

## THE TAKE AWAY

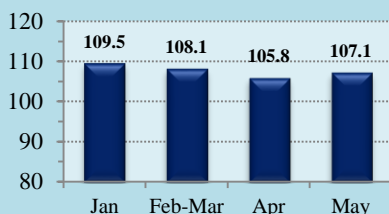
- ✓ Young Vietnamese consumers remain very confident with an overall score of 107.1.
- ✓ The current shape of the national economy is better compared to the April survey, increasing from 99.3 to 103.5 points.
- ✓ A very positive outlook for the next 12 months even with a decrease in the future score from 112.3 to 110.7 points.
- ✓ The cost of groceries remains the main concern of young consumers, followed closely by the increase in the cost of clothing and transport.
- ✓ Young Vietnamese consumers love their hair products and their main preference is CLEAR.

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## THE SCORE

Consumer Confidence Level  
100 = 0



- ✓ The **overall** confidence score increased 1.3 points from the previous score of 105.8 in April to 107.1 in May.
- ✓ The increase was due to an improvement in the score respondents gave to the current state of the economy from 99.3 to 103.5 points.

The consumer confidence bounced back from the slight decreased it experienced during the April survey. The **Overall Score** increased from 105.8 to 107.1 points and the main reason for the increase is the higher score given to the current state of the economy. The **Current Score** increased from a low of 99.3 in April to 103.5 in May, while the **Future Score** slightly decreased compared to the previous month, though it is still very healthy at 110.7 points. These results show the positive outlook that young Vietnamese consumers have on the future of the country, they are optimistic to the extent that they have unrealistic expectations for the next 12 months.

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

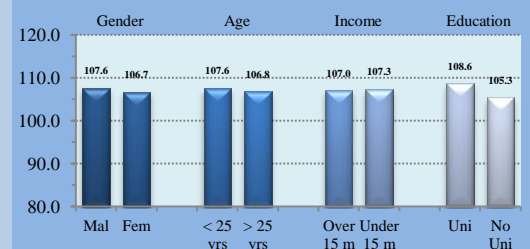


The **Current Score** increased from 99.3 to 103.5 points.



The **Future Score** has decreased from 112.3 to 110.7 points.

Overall consumer confidence scores among key demographic variables  
100 = 0



## RESPONDENT PROFILE



Our respondent profile for May is Trieu Tu Dung, a 25-year-old accountant from Can Tho. Dung has worked for a building materials company for 3 years, ever since she completed her accounting college degree in 2011. She got married to a colleague from the sales department and now they have a cute 18-month old boy. Together they earn \$650 a month which is considered a high salary for a tier 2 city like Can Tho, yet Dung is currently not optimistic about current national economy *“I’m worried about the economy going down due to the current issues that have happened in some industrial zones (related to the South China Sea dispute between Vietnam and China), this could lead to more unemployment, less jobs available, higher prices and lower living standards”*.

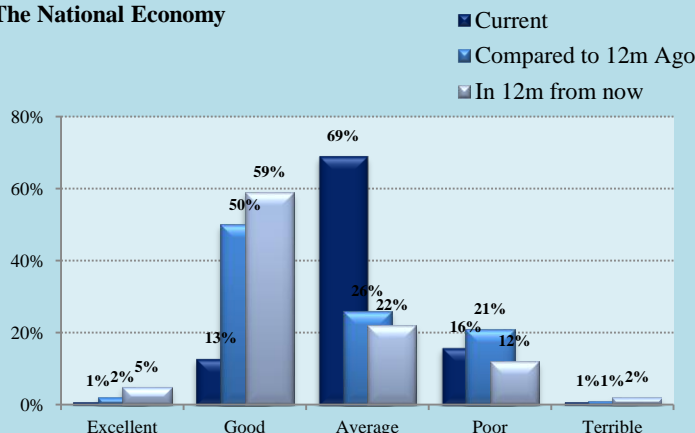
Currently Dung and her husband are trying to save enough to buy a piece of land in which they can build a boarding house. She said that *“we will still go to work like we do now, but at the same time we will have the boarding house and the money we get from that we can save for our son’s future”*. They place high hopes on their future life, *“our life will be better as we are working hard and learning at the same time to get promotion in order to earn more in the future”*.

One of Dung’s interests is to go shopping during weekends with either her friends or her family. She normally goes to a hair salon once every 2 weeks for manicure, hair wash or face massage. She also has her hair straightened or dyed every month. Her favorite hair care brand is L’Oreal, *“it has a pleasant scent; the dye shows the color easily and it doesn’t fade; it makes my hair smooth and shiny and the prices are acceptable, it’s not low but reasonable to me”*. Dung often buys hair products in hair care stores, and seeks advice or information about hair care from her friends, colleagues and sellers as well. The most important thing that Dung will take into consideration when she buys a new hair care product is the price. The next two important things that will influence her decision are brand reputation and product quality. *“I care that the product will make my hair smooth and shiny. Also that the color will be long lasting and that it has a pleasant scent”*.

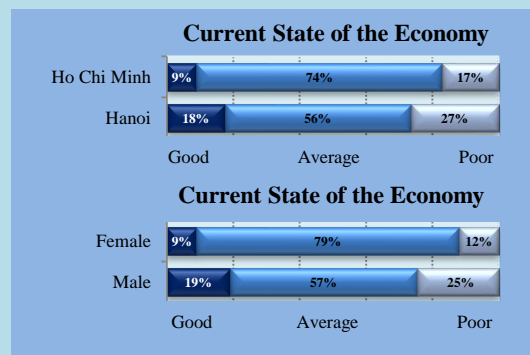
## THE NATIONAL ECONOMY

Young consumers rate the National Economy as average with about 86% of respondents’ rating the economy as average or poor, though at the same time they say that it is in better shape than the previous year. Still Survey respondents remain highly optimistic for the coming year with an overwhelming majority expecting that the National Economy to be better or much better in 12 months from now.

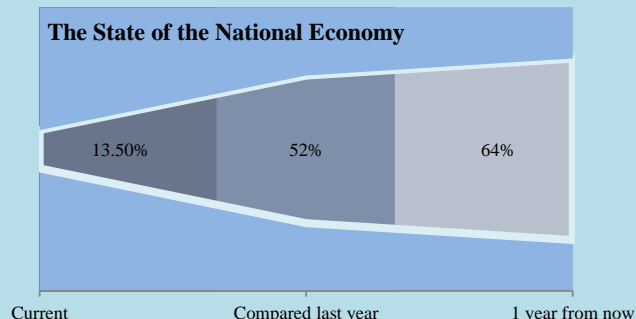
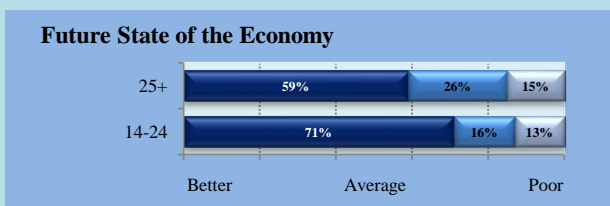
### The National Economy



74% of consumers from Ho Chi Minh see the National Economy as average and 17% as poor compared to Hanoi with 56% and 27% respectively.



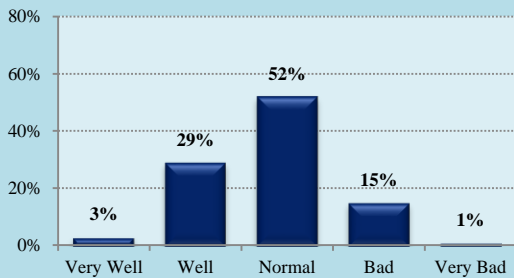
Once again respondents aged 24 years or less are more optimistic about the future with 71% saying that the National Economy will be better in 12 months compared 59% of those aged 25+ years.



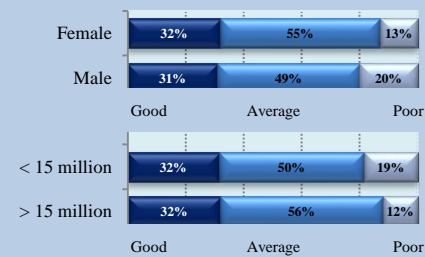
## BUSINESS AND EMPLOYMENT

Despite some concerns about the lack of jobs in the market with 68% of respondents mentioning that there are 'not so many' or 'no jobs' available at the moment, an overwhelming proportion of respondents mentioned that local business conditions were normal (52%) or good (32%). Unlike their views on the National Economy, respondents from Ho Chi Minh and Hanoi did not differ on these ratings.

### Current Business Conditions in Local Area

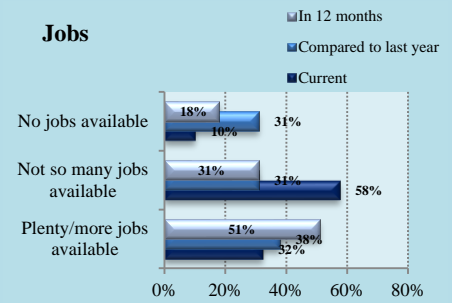


### Local Business Conditions

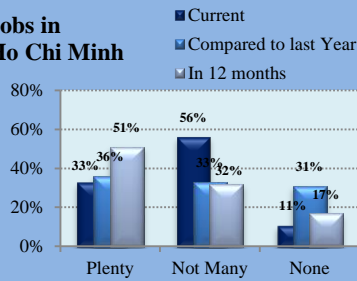


Tight job market for young Vietnamese

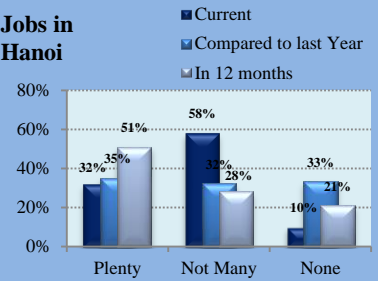
### Jobs



### Jobs in Ho Chi Minh



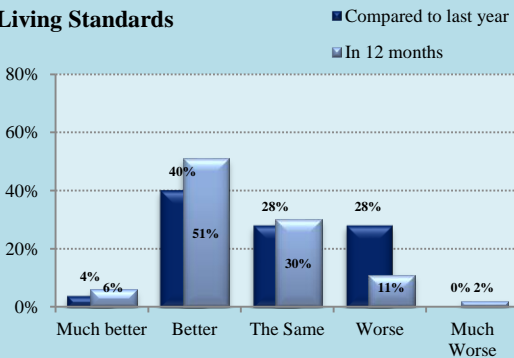
### Jobs in Hanoi



## FAMILY FINANCES

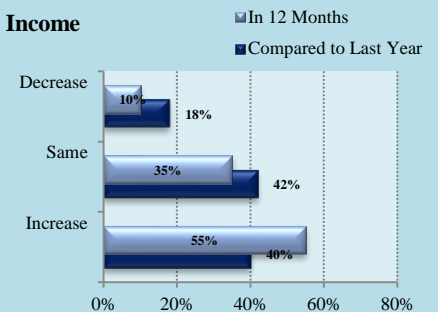
Young consumers remain concerned about the increased in the cost of groceries followed closely by clothing and transport. There is a strong and logical correlation between living standards and the household salary. Accordingly we can see that 40% of respondents reported a higher salary compared to 12 months ago and 44% mentioned that their family living standard has improved during the same period.

### Living Standards

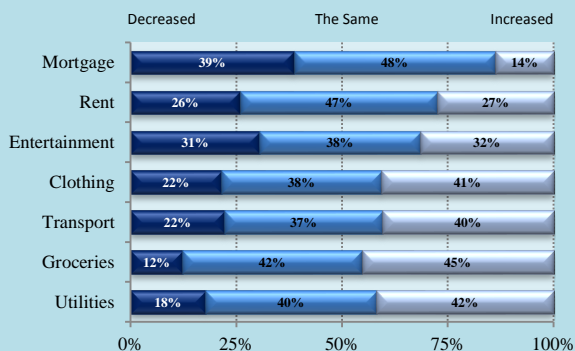


Young consumers want to and expect that they will be able to purchase major household items this year.

### Income

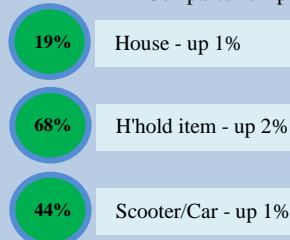


### Expenses Compared to 12 Months Ago

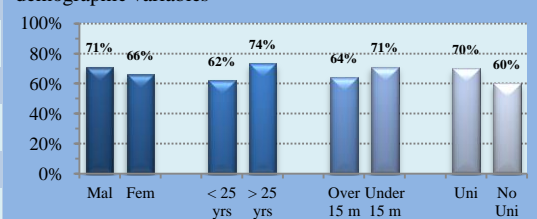


Very strong purchasing intentions for the next 12 months from young consumers with 68% of respondents saying that they intend or plan to buy a major household item. 44% mentioned that they want to buy a scooter or car during the same period.

### Purchasing Intentions - Yes Compared to April



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



## SPOTLIGHT QUESTION – HAIR CARE PRODUCTS

As living standards improve and consumers pay more attention for their appearance, the use of hair care products is no longer limited to shampoos and hair washing. Demand for a range of hair care products, such as styling agents or colorants, has increased strongly in recent years with both men and women more concerned about personal appearance. Unilever has a strong market presence and dominates the hair care product market with popular brands, such as Sunsilk and Dove. As brands grow they aim at reaching a wider base of customers by offering a wider range of products including, conditioners, colorants and styling agents. The brands engage in extensive marketing campaigns to build awareness and keep the image of their brand fresh and strong in consumers' minds. Indeed, brand image and reputation is one of the main factors leading to the conversion from awareness, to product trial and finally to preference.

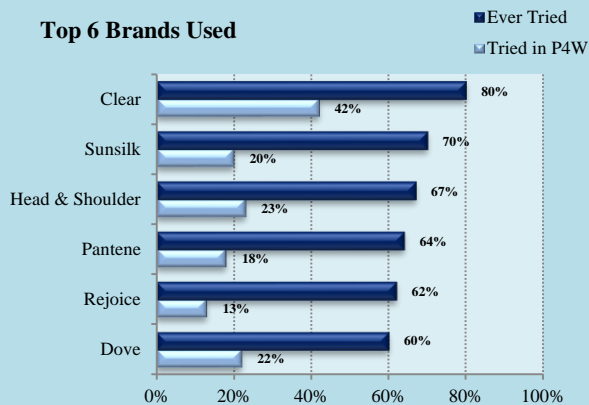


A bit of pampering at their local Hair Salon.

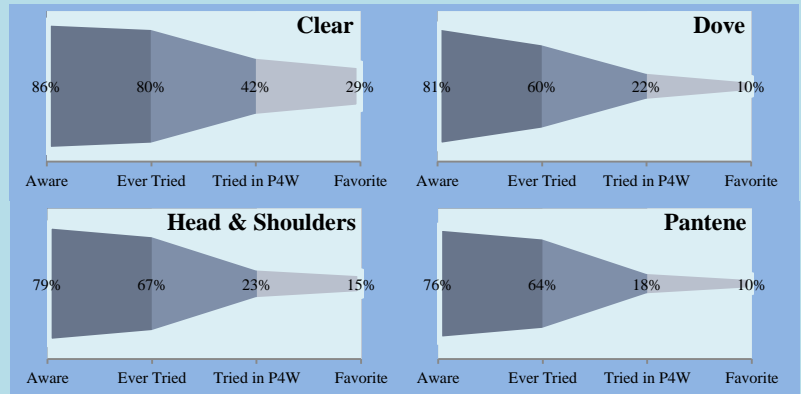
### How Often Visits a Hair Salon



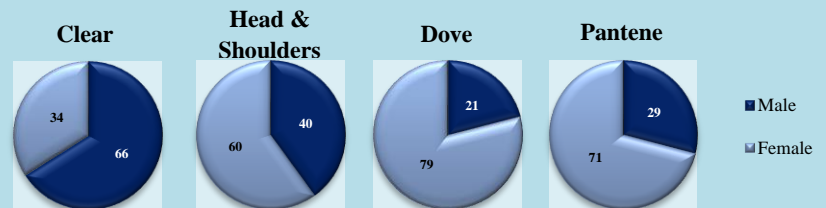
### Top 6 Brands Used



### Top 4 Favorite Brands – From Awareness to Favorite



### Top 4 Brands Used in P4W - Gender Preference



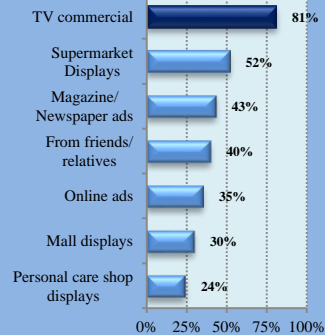
### Reasons for choosing 'CLEAR' as favorite brand



### Main places to buy hair care products



### Main sources of information about hair care products



### The most important reasons to select a new hair care brand



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