

# Consumer Confidence – Brighter Days Ahead?



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The impact of the global economic crisis has affected consumers to varying degrees. In this edition of Indochina Research's I-TRAK™, we measure impact and consumer confidence in Vietnam, Cambodia and Laos.

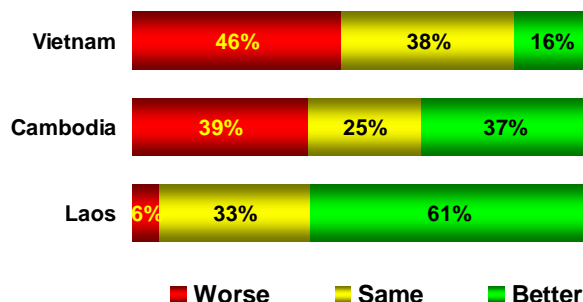
I-TRAK™ Research Design: Random selection of 600 respondents aged 18-45 in 2 age segments: 18-29 year olds and 30-45 year olds, split evenly between males and females. Survey was conducted in January 2009 among residents of Hanoi & HCMC (Vietnam), Phnom Penh (Cambodia) & Vientiane (Laos).

## How Have They Fared So Far?

The opinions of consumers are often accurate reflections of a country's true economic health. When consumers in Indochina were recently asked the present state of their respective economies, there emerged some interesting findings:

- Vietnam – has worsened for almost ½ of consumers
- Cambodia – unequal impact, differentiated by social class
- Laos – has for the most part “weathered the storm”

Economic Changes in Past 6 Months



## What Has Been the Impact?

Different factors have had more of an influence on certain markets. Inflationary pressures have hit hard in Vietnam and especially Cambodia, and have resulted in the increasing incidence of bargaining for certain items, or decreased spending on household items, among the majority of consumers. In contrast, the impact on purchasing behavior in Laos is much less with a majority still stating this is a good time to buy.

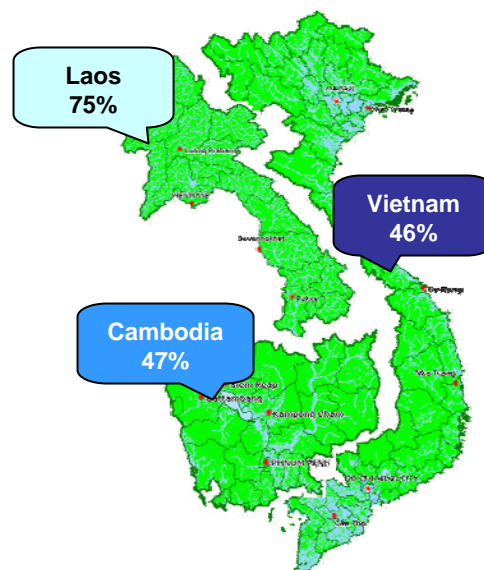
At the same time, lower property costs and a tightening credit market has led to consumers stating this is the worst time to sell property, though lower property prices have created a buyers market, or one that benefits those with “money to spend”.

	Vietnam	Cambodia	Laos
Increase in bargaining	32%	54%	20%
Good time to buy property	10%	41%	64%
Good time to sell property	12%	14%	11%
Good time to buy HH items	28%	29%	50%

## What Can We Expect?

Though consumers have felt the economic pinch over the last few months, a large number are fairly optimistic that their own financial situation will improve in the next six months. Primary reasons were steady employment or an anticipated increase in income.

% Expecting Improvements  
In Own Financial Situation



## What Does That Mean?

Overall, a majority of consumers in Indochina are cautiously optimistic that the economies of their respective countries will improve in the near future, providing financial and other benefits to the local consumer.

This in turn indicates continuing opportunity for:

- Entities with a long-term investment in the local economy,
- Businesses that have identified the future needs of their customers,
- And the local consumer who expects something of value in return.



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