

Latte or Earl Grey?



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This wave of Indochina Research's I-TRAK compares the consumption habits across countries and people of two famous drinks: Coffee and Tea. The traditions of these drinks are changing as fast as the people....

I-TRAK™ Research Design: Random face-to-face household interviews with 600 respondents aged > 18. Survey was conducted in June 2010 among residents of Hanoi & HCMC (Vietnam), Phnom Penh (Cambodia) & Vientiane (Laos).

Favorite Type of Products

Tea	Cambodia	Vietnam	Laos
Loose leaf (dry)	93%	51%	30%
RTD	6%	16%	57%
Tea bag	1%	10%	11%
Other	0%	24%	2%

Coffee	Cambodia	Vietnam	Laos
Instant	17%	40%	70%
Ground (filtered)	80%	59%	27%
RTD	2%	1%	3%

Preferences vary across countries: Cambodian (in large majority) and Vietnamese mainly drink leaf tea while Lao people prefer RTD tea.

This is the same for coffee: instant is the most popular product in Laos while both other countries favor filtered coffee.

Drinking Habits

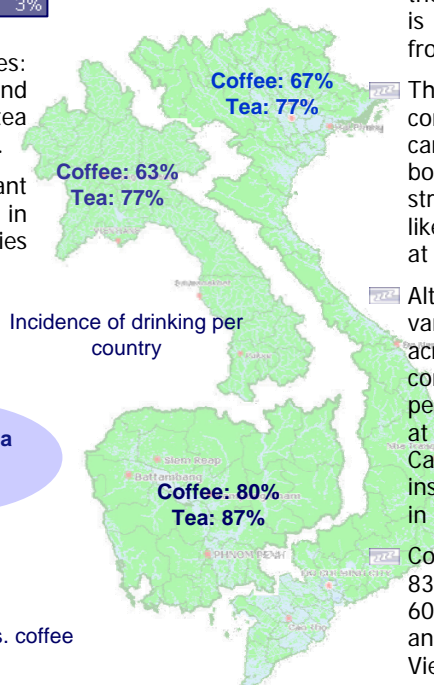
Frequency of drinking tea is slightly higher than coffee: overall 78% drink tea at least 2 times a week against 65% for coffee. 79% of Vietnamese people drink tea everyday while only 56% do the same with coffee.

Tea is mostly consumed at Home regardless of the type of product and country. Only exception is RTD tea in Cambodia which is mostly bought from street vendors (55%).

This is the same for coffee although off-premise consumption is more important: filtered coffee can be consumed in local independent cafes in both Vietnam (45%) and Laos (29%) or with street vendors in Cambodia (35%). Lao people like to drink RTD coffee in restaurants (31%) or at work (14%).

Although time of consumption of tea and coffee varies across locations there are similar patterns across products. Both tea and coffee are consumed all day long in Vietnam. 83% of Lao people would drink dry tea or instant coffee either at breakfast or in the morning while 50% of Cambodian drinkers prefer having dry tea or instant coffee in the morning and the other 50% in the afternoon.

Consumption of filtered coffee slightly differs: 83% of Cambodians would drink it up to lunch; 60% of Laotians prefer having it in the morning and another 30% in the afternoon; 32% of Vietnamese would consume it in the morning.



Incidence of drinking per country



Main reasons for drinking tea vs. coffee

Brands Drink Most Often

- #1 RTD tea brand in Cambodia (70%) and Laos (100%)
- #1 RTD tea brand in Vietnam (78%)
- #1 Tea bag brand in all 3 countries
- #1 Ground coffee brand in Vietnam (76%)
- #1 Instant coffee brand in Vietnam (54%)
- #1 Instant coffee brand in Cambodia (56%) and Laos (79%)

What Does This Mean?

- First of all, drinking incidence of both tea and coffee is high, indicating that people in the 3 countries drink both products despite a slight advantage to tea.
- Consumption patterns are very complex: they vary across categories of products and countries. In addition, Vietnam has developed local brands for both products. Cambodian and Lao consumers could not mention any brand names for ground coffee.
- Modern (RTD) and traditional products live altogether. All 3 markets are facing modernization and development, and for the tea & coffee categories, RTD brands have joined the markets but have not replaced traditional drinks. Consumers use different types of tea/coffee based on the time of day/location, but are not 'exclusive'... Making the job quite challenging for any marketer.



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