

Changing retail preferences in Indochina



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In this edition of I-TRAK™, we ask urban males and females in Vietnam, Cambodia and Laos about their shopping habits and the retail channels they use.

I-TRAK™ Research Design: Random selection of 600 males and females aged 21 and over, who are the main purchase decision maker in their household, in Hanoi & HCMC (Vietnam), Phnom Penh (Cambodia) & Vientiane (Laos).

A Changing Retail Landscape

Despite the rapid development of modern shopping channels, people in the main urban areas of Indochina still predominantly use traditional markets for their every day shopping needs.

It is however clear that in both Cambodia and Vietnam shopping habits where modern retail is starting to emerge and the traditional market is losing its appeal against the more modern supermarkets and convenience stores.

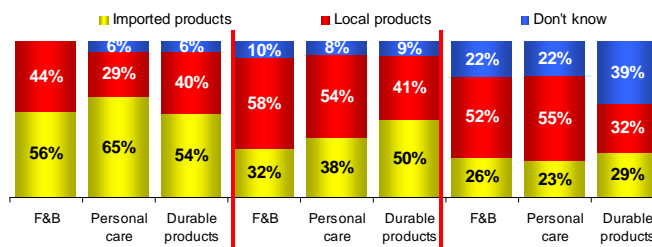
Channel most often used for shopping			
	Laos	Cambodia	Vietnam
Traditional markets	65%	37%	38%
Convenience/neighborhood stores	4%	28%	8%
Street-side store	7%	18%	11%
Shopping centres/plaza	19%	7%	6%
Supermarket	1%	8%	36%

When asked, through which channel do you like to shop the most, the difference in consumer preference by country becomes clear. Whilst the Vietnamese consumer is ready to turn his/her back on traditional markets in favor of modern retail, this does not seem to be the case in Cambodia and Laos where shoppers remain happier with the traditional market experience over modern trade.

Where do you like to shop the most?			
	Laos	Cambodia	Vietnam
Traditional markets	63%	55%	29%
Convenience/neighborhood stores	2%	6%	5%
Shopping centres/plaza	25%	20%	7%
Supermarket	5%	19%	49%

With 48% of people using the internet regularly in Vietnam, 8% of regular users have made online purchases. With regular internet usage still being extremely low in both Cambodia and Laos (16% and 12%) it comes as no surprise that online purchases are still virtually non-existent.

Local or imported products?



- Laos** Country of Origin is an important influencer when it comes to buying all sorts of product. 52% of the people in Indochina feel strongly about buying locally produced food and beverage products. The Cambodians coming first with 58%.
- Cambodia** Similarly with Personal care products, both Cambodians (54%) and Vietnamese (55%) believe that locally made is better than imported products. 65% of Laotians however believe that when it comes to personal care, imports are the best. Keeping in mind the lack of local brands available in both Laos and Cambodia, this could mean that these populations are ready for local brands to enter the market.
- Vietnam** Asking about durable products like electronics equipment and cars/motorbikes the opinion seems to swing the other way, with imported products being favored over locally made.
- As a less developed market, Laos relies overall more on imported products compared to Cambodia, and especially Vietnam where a lot of good domestic products are being produced.

Where To Get Product Information?

- Regionally, opinions of family and friends are still the main source for product information gathering, with 56% of people saying this is a regular source, indicating the importance of "word of mouth".
- Only in Vietnam, TV is considered a bigger information provider, with 72% of people indicating this is how they get product information on a regular basis.

What Does This Mean?

- The retail environment in Indochina continues to evolve, with both traditional and modern retail channels needing to be considered in any retail strategy. In addition, within certain product categories there are big opportunities for locally made products to enter the Cambodian, Laotian, and to a lesser extend Vietnamese Markets.

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