

Vietnam FMCG Outlook 2025: Standing out in a fragmented and value-conscious era

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HO CHI MINH CITY, 27 FEBRUARY: [Kantar](#), the world's leading marketing data and analytics company today launched the **Vietnam Outlook 2025** report, themed *Standing out in a fragmented value-conscious era*. The **Vietnam FMCG Outlook 2025 report**, Worldpanel Vietnam's most comprehensive analysis to date, offers an integrated perspective on consumer behaviour and the fast-moving consumer goods (FMCG) sector within the broader socio-economic context.

The report delves into:

- Macro shifts that are shaping Vietnamese consumer behaviour in 2025 and beyond
- The current FMCG dynamic in Vietnam and sector performance.
- The growth avenues for FMCG brands and manufacturers to thrive in a competitive landscape

Macro shifts that are shaping Vietnamese consumer behaviour

Vietnam's macroeconomic indicators in 2024 demonstrate strong performance, featuring a robust 7.1% GDP growth and rising average incomes. While the economic outlook paints a positive picture, the reality for Vietnamese consumers is more nuanced. Rising food prices and persistent economic uncertainty continue to shape consumer behaviour, making every purchase decision a calculated one.

As of Q4 2024, the number of families reporting they are struggling financially has not recovered to the pre-Covid level. This suggests recalibrated consumer financial confidence, fostering a normalised level of caution and selective spending.

At the same time, the year 2025 marks a time of transition as the country is witnessing major demographic shifts. An aging population, declining fertility rates, and increasing incomes are converging to reshape the nation's demographic landscape and household spending priorities. These shifts present an opportunity for brands to innovate and offer customised that cater to diverse consumer segments with more complex needs.

Understanding the current FMCG dynamics in Vietnam

In the Vietnam FMCG Outlook 2025 report, Worldpanel's household purchase data reveals that take-home FMCG value growth has been sluggish, evident in both urban and rural areas. The slowdown in the in-home FMCG could be attributed to several key factors: changing consumer behaviour, increased sensitivity to promotions and intensifying FMCG competition.

Peter Christou, General Manager of Worldpanel Division Vietnam, commented: "Today's Vietnamese consumers navigate a complex ecosystem of choices. A plethora of brands, SKUs, and retail channels, coupled with financial uncertainties, drive them to rely on a set of factors such as price, value, convenience, and experiential factors to guide their decision-making process. This intricate interplay significantly impacts shopper behaviour. Understanding these constantly evolving consumer priorities is crucial for brands seeking to thrive in this fragmented environment."

In this competitive FMCG climate, brands can still discover new growth avenues while maximising the impact of their portfolio strategy and investments.

1. Assessing and analysing the success of new launches to optimise portfolio investments:

In today's hyper-competitive landscape, manufacturers are constantly striving to stay ahead by introducing new brands, variants, and enhanced product benefits. However, in a crowded marketplace, the battle for consumer attention grows fiercer. The proportion of new launches which stick, and become successful in the long run, is declining over time.

Furthermore, not all successful new launches are adding true incrementality to the manufacturer's revenue. Therefore, understanding the performance and source of growth of each new product launch is critical for informed decision-making.

2. Meeting consumers' complex usage needs:

With improved living standards and more disposable income, people no longer seek products only to fulfil a functional need. Success for FMCG brands lies not merely in creating products that taste good and function well, but in deeply understanding the specific needs and motivations of their target audience within the context of each consumption occasion. This requires a nuanced approach that considers factors such as age, lifestyle, values, and aspirations.

3. The future of health

Today, consumers seek products that align with holistic well-being, encompassing physical, mental, and emotional health. This shift is evident in the growing demand for healthier food options. A trend in reduced-sodium, reduced sugar, reduced-fat and zero-calorie food and beverage alternatives reflects a growing awareness of the impact of high fat, salt and sugar (HFSS) consumption on health.

4. Personal care & Home care: sectors in bloom

The personal care sector emerged as a star driver within the FMCG landscape in 2024, with certain skincare and makeup categories leading the charge, such as sun protection and cosmetic remover. Online channels played a crucial role in driving the growth of makeup and skincare, offering consumers access to an exponentially wider range of products at competitive prices from both domestic and international brands.

This surge in personal care spending reflects a growing emphasis on personal grooming and self-care among Vietnamese consumers, driven by factors such as rising disposable incomes and increased social interaction.

In contrast, the Home care sector is witnessing a notable transition towards value-conscious consumption. This trend is exemplified by the growing popularity of affordable and 2-in-1 liquid detergents, reflecting a heightened consumer demand for both convenience and cost-effectiveness. Furthermore, the market is seeing the introduction of innovative product formats designed to align with modern lifestyles and address the increasing complexity of household tasks, driven by the rising adoption of advanced home appliances.

5. Disrupting the retail landscape

Shoppers are now engaging with a wider variety of retail channels than ever before, leveraging the convenience and accessibility of emerging formats. Traditional trade, such as street shops and wet markets, continue to drop share in value contribution each year, in both urban and rural areas. This



shift is driven by the rapid growth of modern trade and e-commerce channels, particularly in urban areas.

6. Deconstructing the impact of promotions

In 2024, 73% of all FMCG categories tracked by Worldpanel Vietnam recorded more trips purchased under promotions compared to the year before. However, not all promotions will drive more traffic or occasions, despite promotions bringing short-term value growth. To truly evaluate the effectiveness of promotional activities, it's crucial to differentiate between "incremental sales" and "decremental sales" to discern which portion of the promotional sale uplift is beneficial for long-term profitability.

Read the full Vietnam FMCG Outlook 2025 report here: <https://kantar.turtl.co/story/vietnam-fmcg-outlook-2025-p>

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About Kantar

Kantar is the world's leading marketing data and analytics business and an indispensable brand partner to the world's top companies. We combine the most meaningful attitudinal and behavioural data with deep expertise and advanced analytics to uncover how people think and act. We help clients understand what has happened and why and how to shape the marketing strategies that shape their future.

About Worldpanel

Our Worldpanel division decodes shopper behaviour to shape brand futures. Its extensive consumer and shopper insight helps brands harness the power of behavioural data to set bold strategies and drive sustainable business impact.

With the largest consumer panel in the world, Worldpanel understands brand and retail dynamics through the choices of six billion people. Its experts and solutions provide a multi-dimensional view of how people think, shop and consume, empowering brands and retailers to evolve with shopper behaviour.

Worldpanel Vietnam has operated Vietnam's largest household purchase panel for over 22 years and a Baby panel for 15 years, enabling the division to understand more about Vietnamese shoppers than anyone else.

Media and press inquiries:

Jane Ha

Senior Marketing Manager, Worldpanel Division

M +84 (0)912506898

E jane.Ha@kantar.com