Vietnam’s eCommerce landscape and online shopping behavior
Growth in eCommerce revenue of Indonesia, Vietnam, Thailand and Philippines 2015 – 2016 (USD)

In Southeast Asia, Vietnam is now the second most valuable eCommerce market

Vietnam’s 2016 eCommerce revenue was only slightly lower than Indonesia’s despite having a population almost three times smaller.

Source: Vietnam E-Commerce And Digital Economy Agency
By the end of 2016, there were more than 13,500 eCommerce websites based in Vietnam.

As revenue has grown, so too has the number of eCommerce players in the market.
Asian investors are pouring in more money to fuel the growth of Vietnam’s major eCommerce players.


Increasing their already heated battle for market share in Southeast Asia, in March 2018, Alibaba raised its total investment in Lazada Group to US$4 billion, bringing in executives from Alibaba to lead Lazada’s regional office here.

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Products that are traditionally sold in supermarkets or other brick and mortar outlets can now be found on multiple eCommerce platforms.

Traditional supermarket brands are moving toward an eCommerce future.
But...

Are consumers adapting to this shift?
About the study

A LOOK AT THE ONLINE SHOPPING HABITS OF VIETNAMESE CONSUMERS
Our research methodology

- Online interview
- Mobile-first survey
- Trusted sources

752,057
ONLINE VIETNAMESE COMMUNITY MEMBERS

1,945
SAMPLE ACHIEVED
Data is weighted based on the online population in 2017

- 53% 16-24 y/o
- 47% 25-34 y/o
- 31% 25-34 y/o
- 28% 35-44 y/o
- 19% 45+ y/o

Source: Decision Lab online population
Key findings
Who are the shoppers?
Across the majority of categories, women are the dominant shoppers

Considering both offline and online purchases, women are more likely to have purchased more often than men across all categories with the exception of electronic devices and alcoholic drinks.

All purchases P3M Recall: Males vs. Females

Q: Which of the following products/services that you purchased in the last 3 months?

n = 1081
Men are more likely to buy online than women

Considering only purchases made online men are more likely than women to have done so. For brands moving online, the challenge is to convert the dominant shopper from buying offline to online.

All online purchases P3M recall: Males vs. Females

- Clothing or footwear: Males 56%, Females 49%
- Cooking ingredients: Males 23%, Females 9%
- Beauty products: Males 58%, Females 49%
- Mobile phone: Males 59%, Females 35%
- Home appliances: Males 55%, Females 37%
- Short distance travel: Males 69%, Females 73%
- Long distance travel: Males 82%, Females 68%

Other categories are omitted due to insufficient sample size.

Q: For the chosen products/services, did you purchase it online or in store?

n = 1081
Pre-shopping research

A Breakdown of the type of research conducted by Vietnamese shoppers prior to purchase
Consumers want to be more informed before buying

Product research is performed prior to purchase across every category in Vietnam

Q: For the chosen products/services, did you conduct pre-shopping research?

n = 1945
Product and service information is gathered both on and offline

There is variation across categories in where the source of pre-shopping research is conducted. Online research dominates for big ticket items like phones, appliances and travel, while for non-durables like food and beverage, offline is the main source of research.

Q: For the chosen products/services, was the research that you conducted primarily online or offline? 

n = 1945
In some categories, the source of research determines where the purchase is made.

If research is primarily online...

<table>
<thead>
<tr>
<th>Product/Service</th>
<th>Primarily Online Purchase</th>
<th>Primarily Offline Purchase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mobile phone</td>
<td>61%</td>
<td>39%</td>
</tr>
<tr>
<td>Beauty products</td>
<td>63%</td>
<td>37%</td>
</tr>
<tr>
<td>Home appliances</td>
<td>60%</td>
<td>40%</td>
</tr>
<tr>
<td>Clothing or footwear</td>
<td>67%</td>
<td>33%</td>
</tr>
</tbody>
</table>

If research is primarily offline...

<table>
<thead>
<tr>
<th>Product/Service</th>
<th>Primarily Online Purchase</th>
<th>Primarily Offline Purchase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mobile phone</td>
<td>8%</td>
<td>92%</td>
</tr>
<tr>
<td>Beauty products</td>
<td>17%</td>
<td>83%</td>
</tr>
<tr>
<td>Home appliances</td>
<td>9%</td>
<td>91%</td>
</tr>
<tr>
<td>Clothing or footwear</td>
<td>12%</td>
<td>88%</td>
</tr>
</tbody>
</table>

The chart on the left reveals that shoppers who conduct pre-purchase research primarily online, will also purchase offline, while the chart on the right shows us that those who primarily research offline, will also mostly buy offline.

Q: For the chosen products/services, was the research that you conducted primarily online of offline?
Q: For the chosen products/services, did you purchase it online or in store?

n = 1945
F&B purchases are primarily made in stores, although pre-purchase research also happens online

If research is primarily online...

If research is primarily offline...

The chart on the left reveals that a large proportion of those who research online will then purchase in stores, while the chart on the right shows us that those who prefer to research offline will also almost exclusively buy offline.

Q: For the chosen products/services, was the research that you conducted primarily online or offline?
Q: For the chosen products/services, did you purchase it online or in store?

n = 1945
The moment of online purchase

A BREAKDOWN OF HOW AND FROM WHAT DEVICE SHOPPERS IN VIETNAM PURCHASE ONLINE
Both laptops and smartphones are used to make online purchases

Computers and smartphones are currently splitting the share of device used to purchase online. Only 12% of online shoppers use other devices such as a tablet or smart TV.

Q: For the chosen products/services, which devices did you use when making an online purchase? n = 1081

- 42% COMPUTER
- 46% SMARTPHONE
- 12% OTHERS
The device used for online purchases varies between category

Although a mobile device remains the primary means of booking short distance travel online in Vietnam, the personal computer or laptop remains favored for hotels and long distance travel. Other categories enjoy an equal split between the two.

Q: For the chosen products/services, which devices did you use when making an online purchase?

<table>
<thead>
<tr>
<th>Primarily mobile</th>
<th>Primarily computer</th>
<th>Equal split</th>
</tr>
</thead>
<tbody>
<tr>
<td>Short distance travel</td>
<td>Ticket for long distance travel</td>
<td>Clothing or footwear</td>
</tr>
<tr>
<td>Purchased on Mobile</td>
<td>Purchased on Computer</td>
<td>47%</td>
</tr>
<tr>
<td>81%</td>
<td>61%</td>
<td>48%</td>
</tr>
<tr>
<td>18%</td>
<td>35%</td>
<td>47%</td>
</tr>
<tr>
<td>33%</td>
<td>33%</td>
<td>42%</td>
</tr>
<tr>
<td>A hotel stay for leisure purpose</td>
<td>Mobile phone</td>
<td>Home appliances</td>
</tr>
<tr>
<td>59%</td>
<td>50%</td>
<td>47%</td>
</tr>
<tr>
<td>47%</td>
<td>47%</td>
<td>47%</td>
</tr>
</tbody>
</table>
The online purchase gateway varies depending on the device.

Purchase occurred on mobile

- Clothing and footwear: 43% Facebook app, 28% E-commerce apps
- Beauty products: 49% Facebook app, 23% E-commerce apps
- Mobile phones: 37% Facebook app, 30% E-commerce apps
- Home appliances: 32% Facebook app, 26% E-commerce apps

Purchase occurred on computer

- Clothing and footwear: 43% Facebook browser, 39% E-commerce website
- Beauty products: 38% Facebook browser, 37% E-commerce website
- Mobile phones: 31% Facebook browser, 32% E-commerce website
- Home appliances: 26% Facebook browser, 29% E-commerce website

Q: For the chosen products/services, on which platform did you buy them?

Whenever a mobile device is used to shop online in Vietnam, Facebook is the most popular gateway for purchase, especially when shoppers are buying clothes and beauty products. Whenever the purchase is made on a laptop or personal computer, eCommerce platforms take an equal share.
BRANDED RIDE-HAILING APPS:

71%

Of short distance travel purchases made on a mobile device
FACTS

• Females are the dominant shoppers, but it’s harder to find them shopping online than males

• Purchase of clothes, beauty products and electronics device is likely to be online if the pre-shopping research is online

• Purchase of F&B items occurs offline regardless

• Facebook app emerged as a popular stop for clothes and beauty products shopping

FOOD FOR THOUGHT

• If my target consumers are Females, should I tap into eCommerce?

• How can I catch my target consumers at the research stage to retain top of mind?

• Is there any potential for F&B business to move online?

• Should I move to Facebook instead of eCommerce marketplace?
Reach out to us

44 FLOOR - BITEXCO FINANCIAL TOWER
2 HAI TRIEU, DISTRICT 1
HO CHI MINH CITY, VIETNAM

+84 28 3915 1919 | DECISION@DECISIONLAB.CO
WWW.DECISIONLAB.CO