



MARTECH VIETNAM REPORT 2022

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FOREWORDS



Ms. Nguyen Thi Mai

Vice President Marketing
Homecare, Unilever

In the past couple of years, Southeast Asia saw accelerated growth and changes in the technology landscape due to the COVID pandemic - businesses experienced a boom in ecommerce, digital behaviours are normalized among consumers, and B2C engagement had adapted to the digital space. Now that it's a norm for consumers to shop omnichannel and across multiple digital platforms, the next challenge for brands is to enhance consumers' shopping experience and strengthen engagement in the future of integrated commerce.

With the economic growth worldwide projected to decline in 2023, businesses are bracing for an unprecedented year ahead: managing operational costs, providing more value to increase consumers' willingness to spend, and re-evaluating goals and roadmaps.

“

This is one of the critical studies that MMA regards as a vital component of the Vietnamese Martech ecosystem. Furthermore, we want to equip marketers with industry best practices from companies like Unilever. This is also the expectation for the future Martech ecosystem, which will be more efficient and feature a variety of best practices for the next Martech reports.”



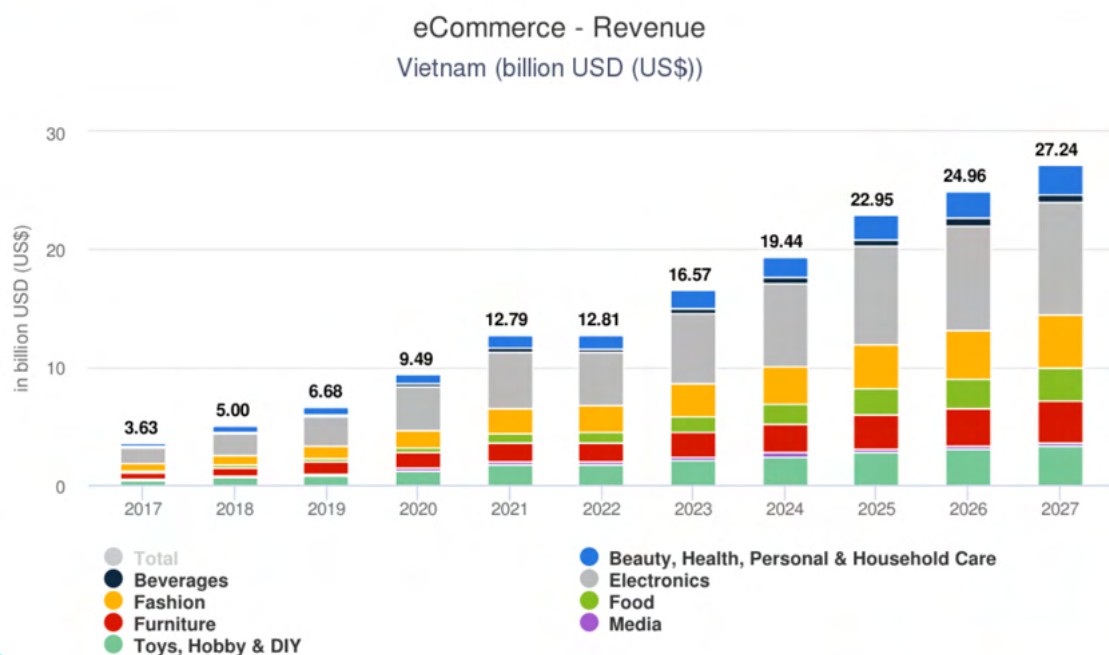
Ms. Phan Bich Tam

Country Director of MMA in
Vietnam, Myanmar and Cambodia

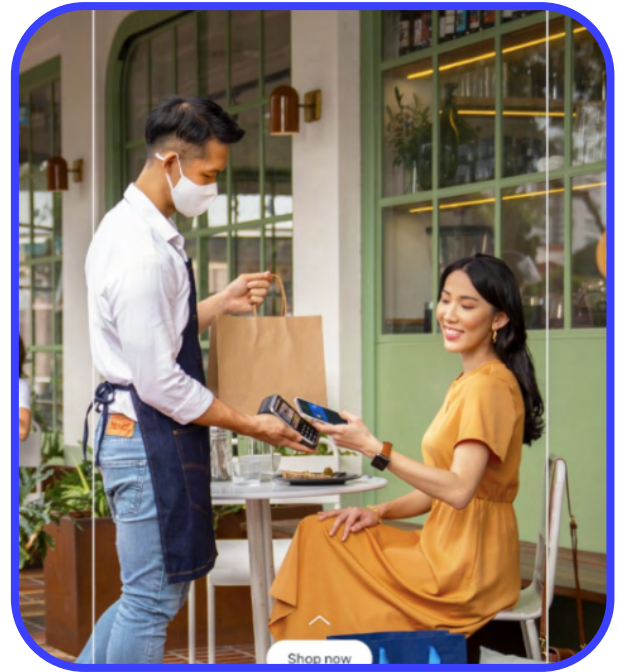
Despite the gloomy outlook, long-term prospects in Southeast Asia remain relatively positive as consumption is expected to continue growing with rising affluence. Particularly for Vietnam, its growth continues to surpass estimates and is now the fastest growing digital economy in South East Asia region. The growth is led by a booming e-commerce sector, which hit US\$12.8 billion in revenue this year, and is expected to double to US\$25 billion in 2026.

In addition, the Vietnamese government's supportive policies and regulations for the tech industry can also act as a catalyst to the growth and development of Vietnam's technology landscape - developing its technological infrastructure by investing in new fiber optic cables and offering a tax incentive of 10% tax rate for 15 years to attract foreign investors.

In view of Vietnam's outlook, this report presents 3 key market trends to inspire businesses on ways to scale and weather the challenges brought on by macroeconomic factors in 2023.



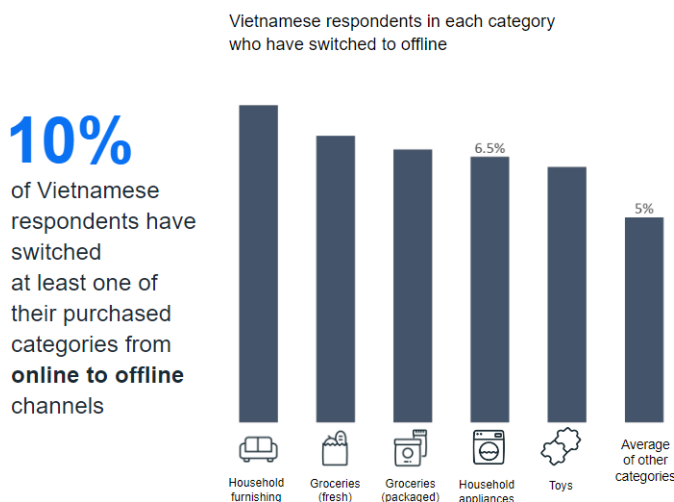
TREND 01: DIGITAL SHOPPERS ARE MOVING EVEN MORE FLUIDLY ACROSS ONLINE AND OFFLINE CHANNELS NOW



As life resumes to pre-pandemic normal, consumers are rejoicing in the freedom to return to offline stores. In a research commissioned by Bain & co. and Meta, 10% of Vietnamese respondents have switched at least one of their purchased categories from online to offline channels, especially for categories where “look and feel” and “quality” factors are critical.

Nevertheless, the convenience and efficiency brought by online shopping make certain that shopping behaviour bred during the pandemic will be here to stay. This indicates a paradigm shift in both online and offline behaviours where digital shoppers are expected to move fluidly between platforms across the different stages in their journey.

Offline buys see some resurgence due to rebalancing, especially for categories where "look and feel" factor is critical



Source: Meta Bain Consumer Survey 2022 (N=15,767) "Southeast Asia's Digital Consumers: A New Stage of Evolution" by Bain & Company (Bain & Company analysis and insights data on the markets of ID, MY, PH, SG, TH, VN). Survey conducted June 2022. | Note: Data from consumer products categories only. Survey question: Q25, what is the % allocation of your spend across different channels this year? Z2Qnew_5. For category X, why have you shifted more of your spend to offline?

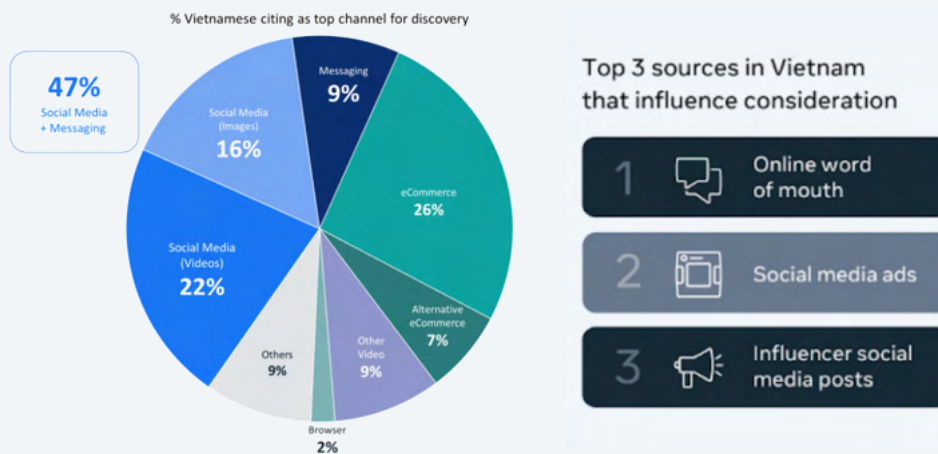
Top 3 reasons for shifting offline

	Experience	Product	Other	Value
SEA-6	Look & feel	Easing of restrictions	Immediacy	
ID	Look & feel	Easing of restrictions	Immediacy	
MY	Look & feel	Easing of restrictions	Immediacy	
PH	Easing of restrictions	Look & feel	No delivery charges	
SG	Look & feel	Easing of restrictions	No delivery charges	
TH	Look & feel	Easing of restrictions	No delivery charges	
VN	Easing of restrictions	Look & feel	Product quality	



When shopping online, Vietnamese consumers are still largely discovery-led shoppers - with 59% not knowing what they want. This presents an opportunity for brands to attract eyeballs and encourage unplanned purchases online.

The channels for brands to reach and influence consumers online are also evolving, with social media and messaging emerging as the top channels driving discovery, as these channels afford a seamless and effortless discovery experience.



When considering different options in the evaluation stage, WOM (Word Of Mouth) has always been the top trusted source of influence. With increased connections online, consumers are not just open to WOM from people they know, but also trusting recommendations from like-minded people who share similar interests/ lifestyle.

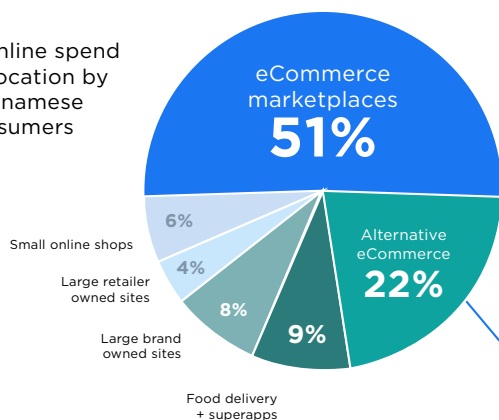
Unlike Western counterparts who find social media ads intrusive, Vietnamese consumers appreciate the algorithm in cutting through clutters to discover brands and products suited for their interests. Hence, it's unsurprising that social media ads is one of the top 3 sources that influence considerations.

As the creators' economy continues to grow, creators' impact on consumers cannot be ignored. Creators have the power to influence trust level in a brand/ product, with 77% of year-shoppers in Vietnam agreed that they are most likely to trust a brand who partners with a trustworthy creator/ influencer. Creators also play a role in influencing purchase - with almost 3 in 10 Vietnamese respondents claiming to have purchased more streaming and content creator-related products today compared to last year.

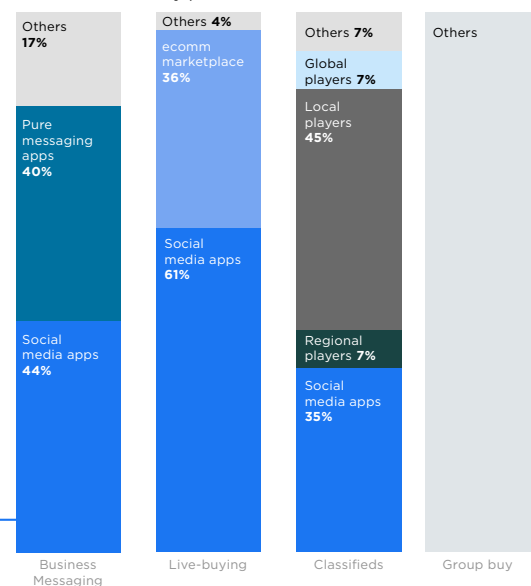
In terms of purchase, eCommerce marketplaces continue to dominate for online purchase in Vietnam, with a 17% year-on-year increase of online spend allocation by consumers. At the same time, we see alternative eCommerce (Business messaging, Live buying, Classified, Group buys) becoming a key part of growth in Vietnam's eCommerce usage. As such, businesses can consider creative channel strategies to stand out in the competitive eCommerce space.

Alternative channels are becoming a key part of the growth in Vietnam's eCommerce usage

% online spend allocation by Vietnamese consumers

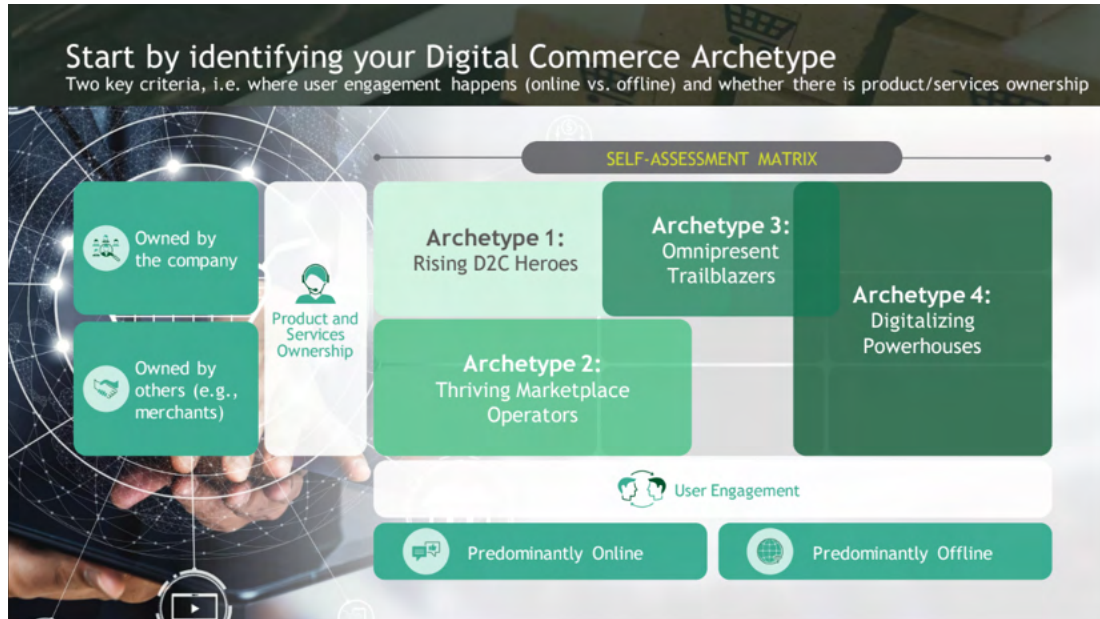


% online spend allocation for alt. eCommerce by platform in Vietnam

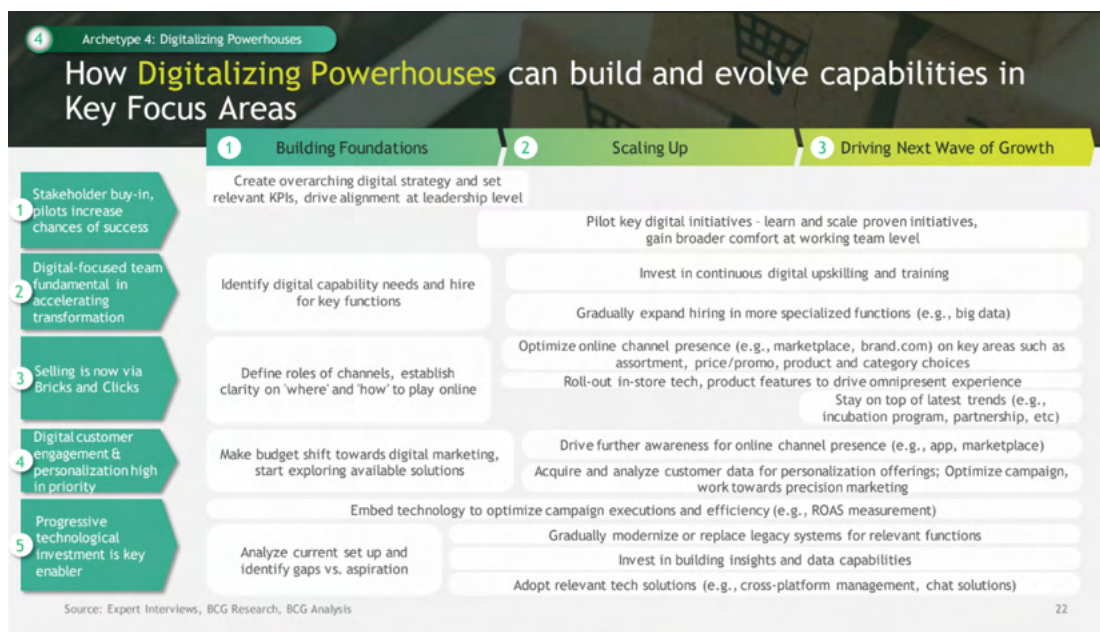


In the post-pandemic era, a truly integrated channel strategy is necessary for businesses to engage consumers across touchpoints and continue to scale. Anchoring on the power of technology, businesses can unlock rich insights on customers' omnichannel shopping behavior and make data-driven decisions to optimize marketing strategy.

Together with Meta, BCG had launched a report “ Roadmap to Growth in a Post-Pandemic Era” for businesses to self-assess digital commerce archetype, and provide guidance on building and evolving capabilities in key focus areas.



Self-assessment to better understand business' digital commerce archetype



Example of recommendation for Archetype 4 - Digitalizing Powerhouse

For more detailed information, you may refer to:

Case study: Unilever homecare - Leading Omni Retail Trend & Growth by Improving Data-Driven Marketing Capability

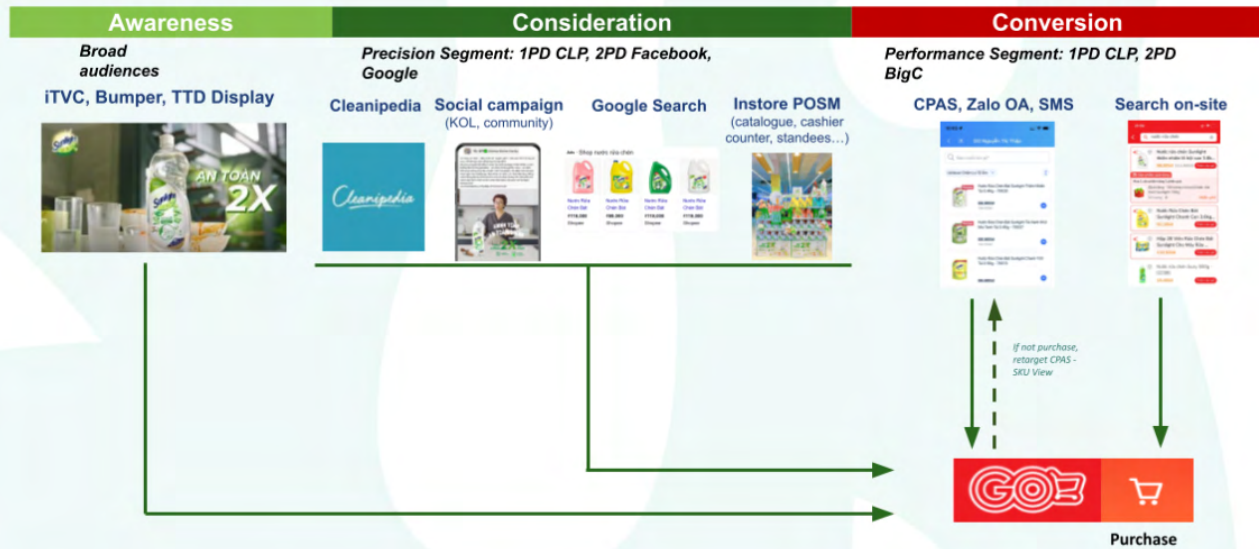
To better their JTBDs and win in Omnichannel, Unilever homecare utilized their rich data pool of retailers to run Data-driven marketing (DDM).

The different steps that Unilever homecare took to help them come up with a winning omnichannel strategy includes:

1. Classifying retailers with different technical capability into different tiers to have customized approaches.
2. Conduct channel audits to identify opportunities for growth and prioritized JTBDs by channel. This led to their focus on BigC – the biggest Omni retailer who is also having the most mature technical capability to run DDM in full-scale AND run pilot campaigns in limited scale with other customers.
3. Build strong data partnership with customers by leveraging on both of their 1PD & 2PD to pilot before cascading it down across relevant functions and media agency for consistent deployment.
4. Coming up with promotion strategy to support prioritized JTBDs and avoid channel conflict.
5. Continuously pilot new initiatives, learn and re-learn to improve media performance.

OMNI CONSUMERS JOURNEY DEMO

JTBD: Get Mainstream & Economy DW users to upgrade to Sunlight AV



As a result, Unilever homecare was able to obtain the following success:

- Implemented 28 DDM campaigns and delivered average ROAS (8X higher than our Pureplay ROAS norm), contributing significantly to their GMV growth 1.5X (on-top of very high covid base in 2021)
- Implementing many other DDM campaigns across other Omni retailers that enriched their experience of DDM as well as the Omni retail landscape

GUIDELINES ON OPTIMIZING A TRULY INTEGRATED CHANNEL STRATEGY

1. Know your consumers

- Segment consumers continuously
- Identify each segment's value proposition
- Analyse their shopping behaviour and key purchasing criteria
- Ensure shoppers' data are accessible to the entire organisation

2. Drive towards lifetime consumer loyalty through engagement

- Roll out loyalty programs to keep track of shopper behaviour
- Rally promoters and increase engagement by offering hyper-personalised and unique experiences
- Create best-in-class customer feedback practices

3. Remove barriers to conversion

- Plot end-to-end consumer journeys and identify frictions
- Improve user experience across all touchpoints
- Upgrade 'back-end' systems for improved user experience

4. Revisit & reformat points of sale

- Resize and respace store network
- Rethink role of channels, i.e. online, offline and full- sensory experiences
- Build-up knowledge and service capability of retail store assistants
- Ensure perfect online store execution

5. Adopting best practices to maximise sales impact and ROAS on social media ads*

- Specify your brand outcome – focus on campaign objective + optimization goal
- Get the foundations right – optimize frequency, reach and placements
- Add multipliers - Ads delivery and storytelling act as multipliers to help move deeper brand outcomes

TREND 02: THE DIGITAL WORLD ENHANCES STRONGER ENGAGEMENT BETWEEN SHOPPERS AND BUSINESSES



“Not only is online shopping the new normal, we see digital channels becoming the preferred channel for discovery, evaluation, and purchase. Business Messaging helps businesses create seamless end-to-end customer experiences across the entire consumer journey, from generating new leads to after-sales servicing — building long-term consumer connections.”

Dhruv Vohra,
Managing Director, Mid-Market
Meta, Southeast Asia

“The pandemic resulted in more people going online, and businesses across many industries have increased their investment and engagement on online channels to connect with customers. Based on our research, Business Messaging adoption is gaining traction among businesses of all sizes and the potential for new growth opportunities across multiple industries is significant.”

Tarandeep Singh
Managing Director, BCG

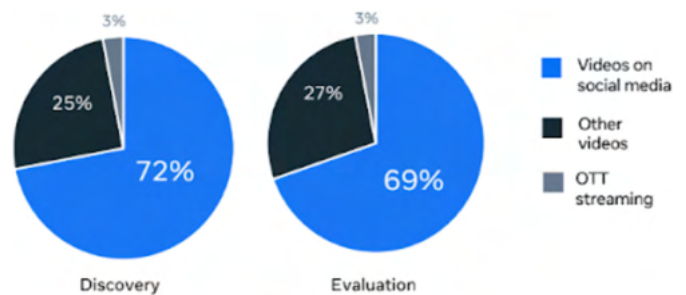
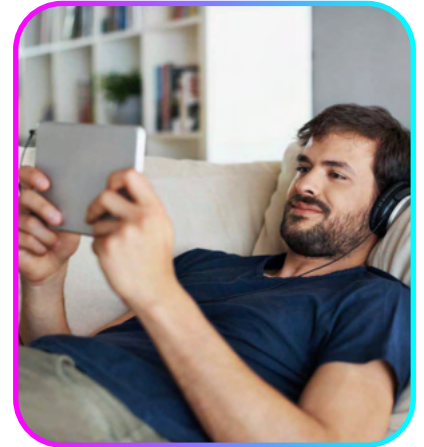
In the digital world, that lack of personal touch which makes face-to-face communication so valuable is often cited as a disadvantage. Especially with the large volume of information available online and distractions, businesses often find it a challenge to build authentic relationships with customers. That is why a customer engagement strategy needed to improve satisfaction while increasing conversions. The most successful engagement strategies attempt to meet customers where they're at. Choosing to message through the channels they use most and proactively reaching out.

ENGAGING CUSTOMERS THROUGH THEIR PREFERRED VEHICLE OF ENTERTAINMENT - VIDEO

Vietnamese consumers clearly enjoy the engaging nature of video - with watching videos ranking top in online activities. In the past two years, online video consumption has increased rapidly, from the average one hour per day to four hours per day.

Apart from being a source of entertainment, a recent survey by Bain & co. and Meta uncovered the influence of videos in consumers' shopping journey - Almost 1 in 3 respondents says video is one of their top 3 channels to discover and evaluate products.

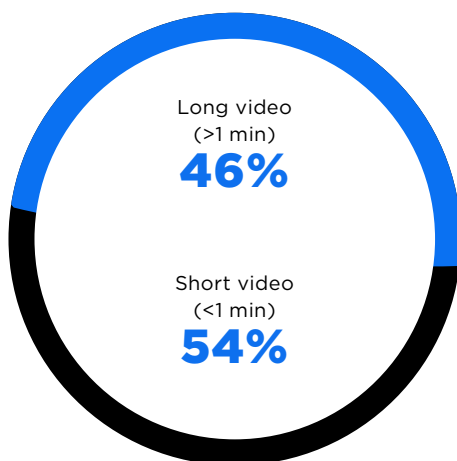
As such, videos, being such an important part of the Vietnamese consumer's lifestyle, is a high opportunity vehicle for brands to attract users.



With both long and short form video formats being almost equally appealing to consumers, brands have to be more savvy in their video creation process.

A global survey commissioned by Meta uncovered that optimal video formats depend on where consumers are at in their purchase journey: Short videos are effective for discovery, with 2 in 5 respondents surveyed influenced by creators short length videos (30 seconds - 3 minutes). Whereas medium to long videos are appreciated to get most out of the products, with 39% of consumers watching medium to long videos after making a purchase.

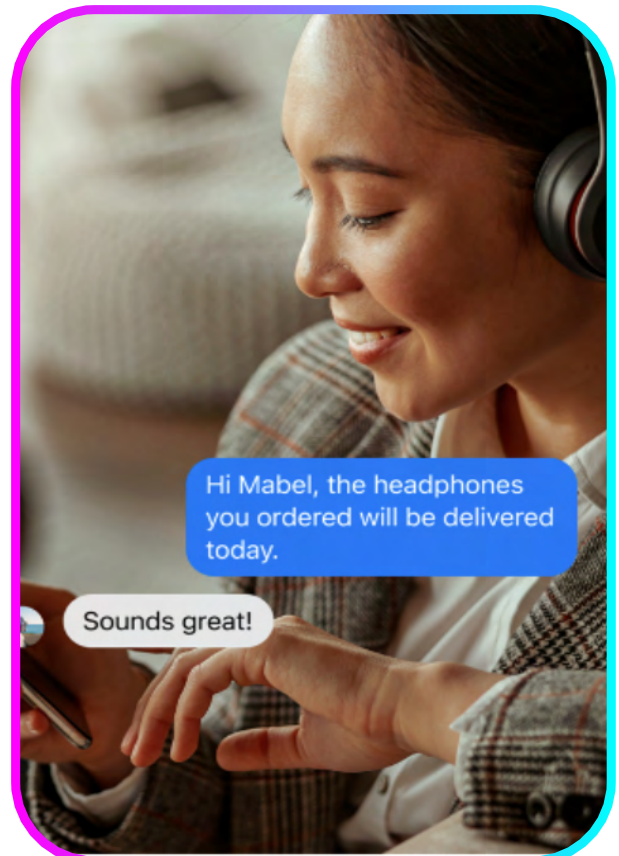
% time spent by Vietnamese consumers watching long and short video



BRIDGE THE DIVIDE BETWEEN THE PERSONAL NATURE OF OFFLINE COMMERCE AND THE EFFICIENCY AND CONVENIENCE OF DIGITAL THROUGH BUSINESS MESSAGING

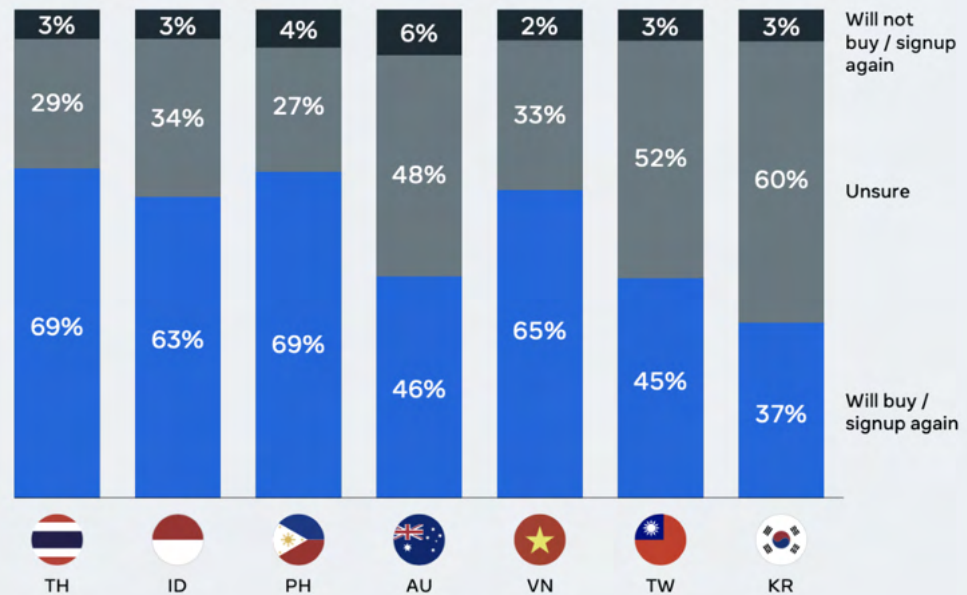
Post-pandemic, Business Messaging adoption has accelerated in Vietnam. Compared to pre-pandemic, we see a 39% increase of consumers chatting with businesses at least once a week. The reason driving this behaviour is clear — 7 out of 10 consumers feel more connected to businesses they can message.

In categories where purchases occur regularly and often (e.g. Food and Beverages), customers can be using Business Messaging tools to chat up to 3 times a week. These conversations tend to be more administrative in nature, involving simple tasks like making reservations, placing orders and menu enquiries.



A good Business Messaging experience is important to keep customers coming back - more than half of APAC customers indicated that they are likely to repurchase with a brand if they are satisfied with their overall messaging experiences.

Willingness to re-purchase/ re-sign up (consumers, % of respondents)



Business Messaging empowers more seamless end-to-end customer experiences from consideration to conversion, while enabling higher levels of growth and efficiency in this new commerce environment. This results in messaging being an integral communication channel for businesses and consumers alike, making it an indispensable tool for growth:

90%

Of business recognise that messaging apps are important for success

80%

Of consumers plan to continue using messaging to interact with businesses

Business Messaging presents businesses with new ways of building deeper interactions with consumers, overcoming multiple customer pain points across the funnel, and creating richer, long-term connections at scale. When surveyed, **7 out of 10 businesses considered Business Messaging as extremely important to their business model.**

It helps to solve multiple jobs-to-be-done across the funnel, and drives value from discovery to post-purchase. The variety of messaging solutions available allows businesses to discover the ones that are best suited for their needs:

- **Pre-sales** - To drive better consumer engagement; Acquire new leads for retargeting
- **During sales** - To process orders and sales on platform; Handle product enquiries and customisation requests
- **Post-sales** - To deliver real-time order tracking; Superior post-sales support; Gathering feedbacks for re-marketing and signals collection; building customer relationships/loyalty

Hence, leveraging on messaging can empower businesses to meet new and growing customer needs more effectively, tackle different challenges and jobs-to-be-done throughout the funnel. This has made business messaging a widely-adopted tool across unique use cases and verticals as it helps to **bridge the divide between the personal nature of offline commerce and the efficiency and convenience of digital.**

Case study:

Sunlight seamless digital experience with customized training content

With the use of Messaging, Sunlight was able to scale and provide for personalized 1-on-1 training to reach more Vietnamese women in a cost efficient and seamless manner.

Ways in which Sunlight made use of Business Messaging:

1. Seamless consumer journey via a full-funnel deployment & with scale:



With solutions such as Click to Messenger Ads & Chat Bot, Sunlight was able to connect with many consumers instantly and collect quality leads by offering the training & funding opportunity.



For example: After completing a short training course, consumers are rewarded with a promotion voucher to make online purchases in a simple, seamless, and convenient way.



2. Personalized 1-on-1 training experience:

Chat bot empowers a personalized 1-on-1 training experience with automated and instant replies that can delight consumers with a seamless consumer journey.



For instance, consumers who are seeking different training contents via chat can be given the option to seamlessly experience a variety of fruitful and interactive video contents. The powerful visuals can be deployed within Chat Bot and also make this experience interactive, interesting & action-driven.



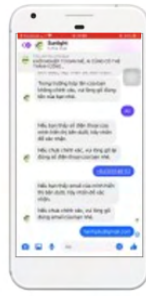
1-ON-1 CUSTOMIZED TRAINING VIA CHAT BOT SEAMLESS DIGITAL EXPERIENCE WITH CUSTOMIZED TRAINING CONTENT

FULL-FUNNEL DEPLOYMENT ENABLING SEAMLESS CONSUMER JOURNEY

UPPER FUNNEL → MID FUNNEL → LOWER FUNNEL



Reach **12+ mil.** FB's users
with newly refreshed
creatives each month



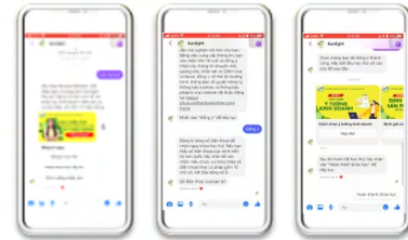
Deliver 1-on-1
customized training



Offer e-voucher
& link to sales
Ushop

1-ON-1 TRAINING VIA CHAT BOT OFFERING CUSTOMIZED CONTENTS

End-to-end experience **in 1 place**: Generate leads, 1-on-1 training...



*Press Play for watching 1 training course
"How to set price to make profit"

5 training contents to customize
based on consumers' demand

As a result, Sunlight was able to achieve the following in 4 months of deployment:

- High reach per month: 12+ million TA on Facebook
- Outstanding conversion rate for building leads: 21.8%
- Brand Uplift: +5.6 pts vs. norm 2.5% (513K BLS answers)
- Brand Favorability: +4.9% (513K BLS answers)

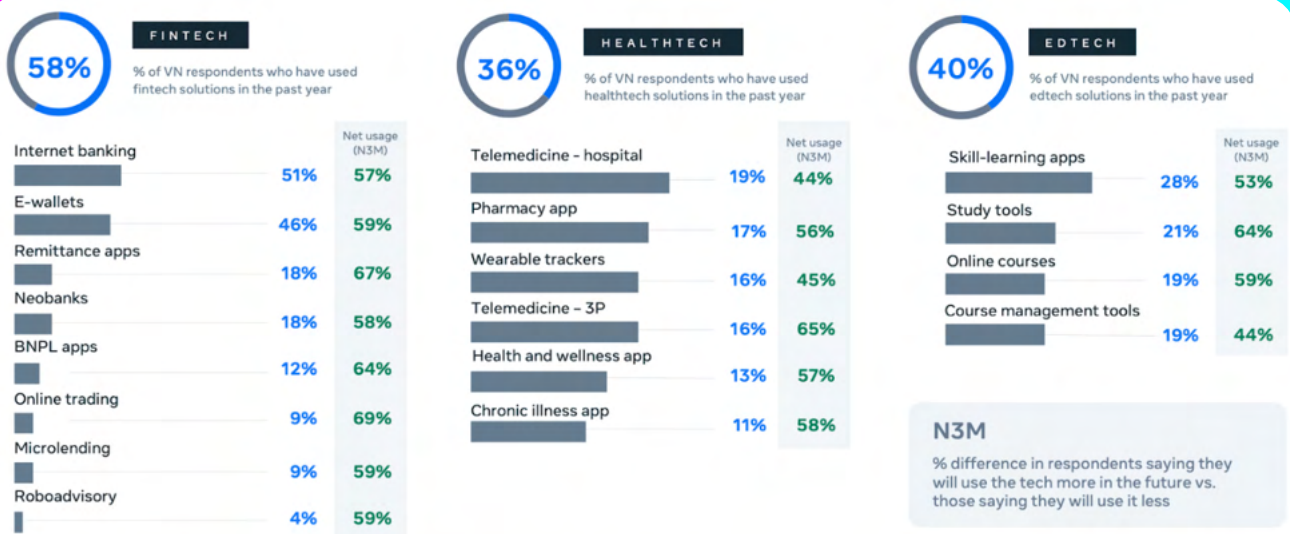
GUIDELINES FOR COMPANIES STARTING THEIR BUSINESS MESSAGING JOURNEY

1. Define clear objectives for messaging by evaluating how BM can elevate consumer experience along consumer journey. Start by analysing how and where in the funnel it can solve your business's unique pain points.
2. The Financial Services, Beauty, Electronics, Mother & Kids, Apparel and Automobile verticals are especially well-suited to chat given the nature of their customer path to purchase. Businesses in these verticals should consider prioritising Business Messaging in their marketing strategy.
3. Adopt third-party messaging tech solutions and providers to rapidly scale messaging capabilities.

TREND 03: VIETNAM IS FORGING AHEAD WITH THE ADOPTION OF FUTURE TECHNOLOGIES



Despite its late start, Vietnam saw an accelerated growth of 136% in the number of internet users over the past 10 years. And now, Vietnamese consumers are readily embracing new digital technologies across various industries. We see Fintech leading with 58% of Vietnamese having used it in the past year, followed by 40% in Edutech and 36% in Healthtech. Moving forward, penetration is expected to grow quickly, with around 1 in 2 claiming they will use the technology solutions more in the future vs. those saying they will use less.



Source: Meta-Bain Consumer Survey 2022 04-15, 763 "Southeast Asia's Digital Consumers: A New Stage of Evolution" by Bain & Company (Bain & Company analysis and insights data on the markets of ID, MY, PH, SG, TH, VN). Survey conducted in June 2022. | Note: Net usage refers to difference in % of adopters who will use the solution more and less in next 3 months. Survey question: 22Qnew_14, 22Qnew_16, 22Qnew_18, 22Qnew_21 - Which of the following Fintech / Healthtech / Edutech technologies / solutions / products have you used in the past 1 year? 22Qnew_15, 22Qnew_17, 22Qnew_19, 22Qnew_22 - Compared to your current usage, how often do you expect to use these solutions in the next 3 months, and why?

With the advent of Metaverse, Vietnamese consumers are ahead of the pack in terms of adoption - **with 74% having used at least one metaverse-related tech in the last year**. Crypto currencies, Augmented Reality and Virtual Reality are the top 3 most used metaverse-related tech amongst Vietnamese consumers.

% of Vietnamese respondents who have used metaverse-related tech in the past year

Net usage (N3M)

CRYPTO CURRENCIES



46%

48%

AUGMENTED REALITY



34%

54%

VIRTUAL REALITY



29%

58%

VIRTUAL WORLDS



28%

50%

NFTs

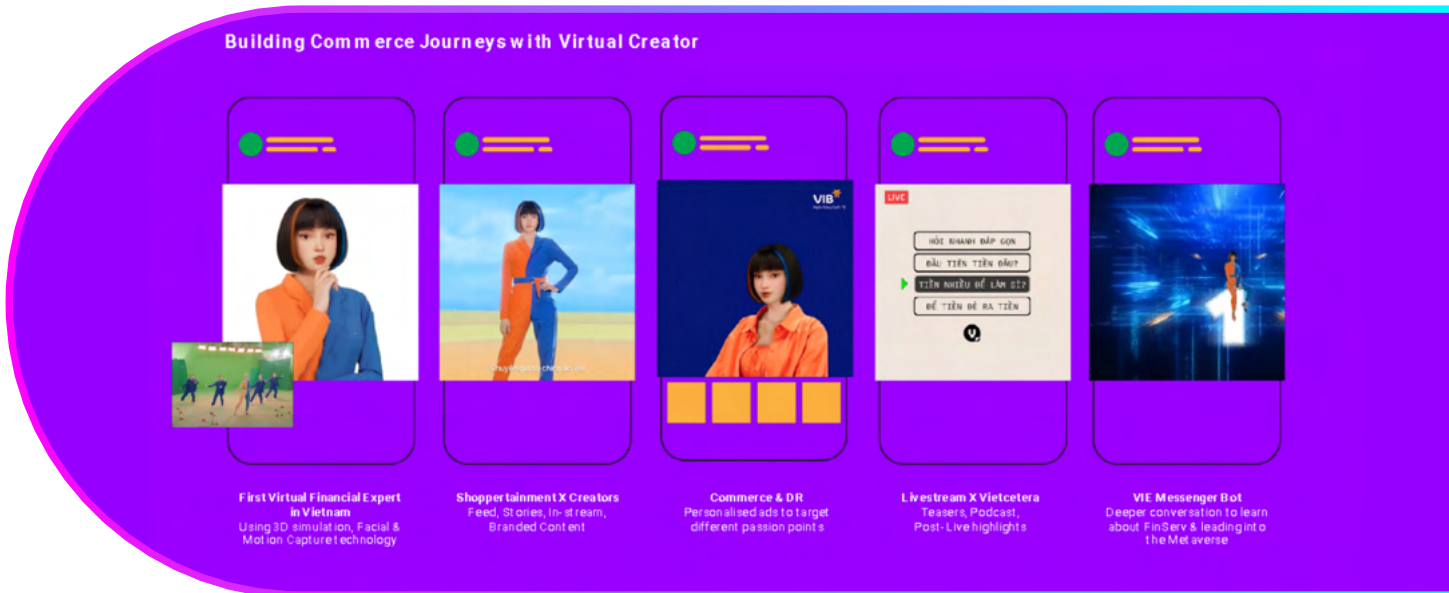


25%

Compared to the rest of Southeast Asia, **virtual reality (VR) has the highest penetration of 29% in Vietnam**. Business in Vietnam are seeing success with creating avatars to connect with younger audiences:

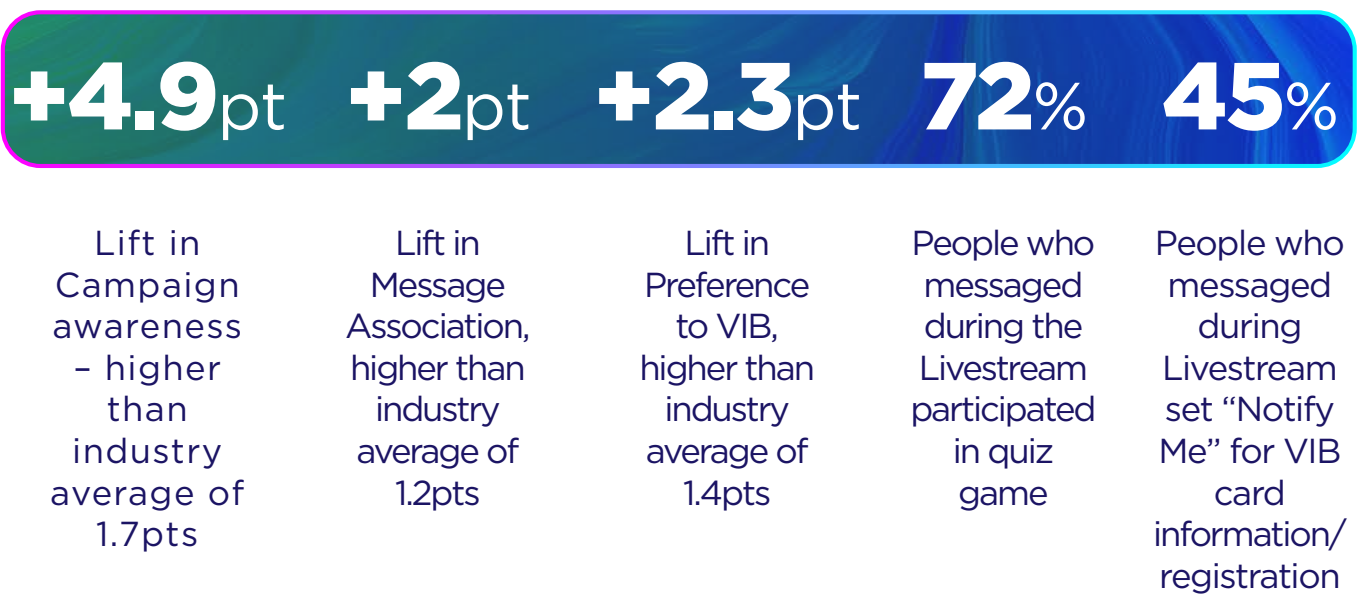
CASE STUDY:

VIB used a Virtual Financial Advisor (Vie) to create awareness and relevance about financial services, especially amongst the younger audience.



Young Millennials and Gen Z are the driving force of the economy in Vietnam and to tap into this group of audience, the Vietnam International Bank (VIB) aimed to stay relevant and resonate with them by leveraging on their current social media behaviour. This resulted in the development of Vie, a virtual financial adviser, to help break the stereotype of how a typical financial savvy person will look like and help connect the financial services and people, especially the younger audience group.

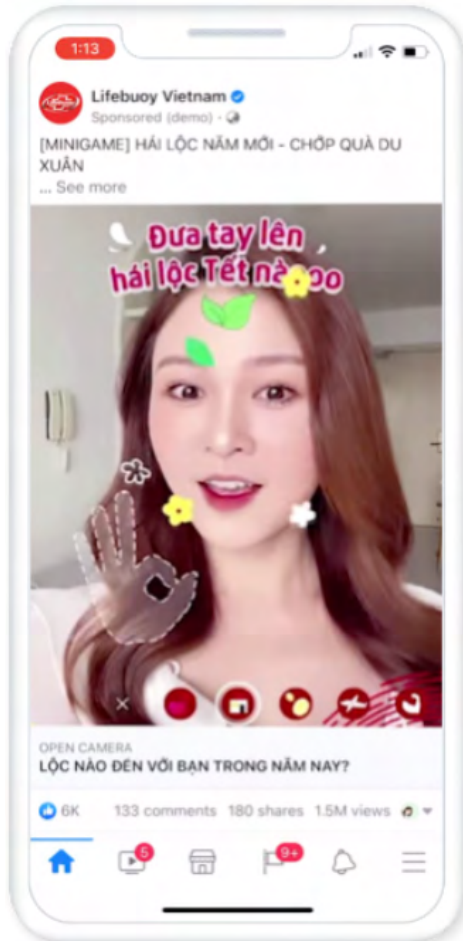
Vie is designed to be an integrated ecosystem to create awareness and relevance to audiences by providing financial advices and tips using interesting video content on feed, instream and Reels. In addition, Vie also uses Live and Messenger to connect the users and bank. The campaign drove awareness and interest in VIB, and received the following results:



Augmented reality (AR) technology reimagined the ways consumers can interact with brands and products. It's no wonder that as many 90% of Vietnamese are open to brand-led features in AR, anticipating the creative and innovative experiences AR can bring. A successful example of using AR effect by Lifebuoy has seen increase in brand favourability and ad recall.

CASE STUDY:

Lifebuoy used fun A.R effect to innovate the way people make wishes, get fortune reading and lucky charms for Tet.



The Experience

Fun fortune readings give emotional connections with audience

Brand

Show limited edition Lucky Charm sleeves on the product



Hand Gestures

Combined traditional insights & modern hand gesture trends to remind people to keep hands clean



To reach Vietnam's millennial audience, Lifebuoy used Augmented Reality ads that digitised the Tet tradition of bathing to remove bad luck. The augmented reality (AR) filter allowed people to see themselves surrounded by "bad luck," visualised on their mobile screens by a dark fog. Viewers could then move within the frame and the AR filter would help them "detox" themselves and remove all the bad luck. As a result, the filter became shiny, giving people a lovely glow.

Lifebuoy was the first brand in Asia-Pacific to use Augmented Reality ads, and the campaign successfully created a unique, immersive experience. Over eight days in December 2019, the campaign drove brand awareness and received the following results:



While we are already seeing metaverse-related technologies around us, it is still by far, at an infancy stage. To achieve the vision of “converging” the virtual and physical world, and having a set of interconnected digital spaces while still feeling socially present, Metaverse still has some way to go.

Today, the metaverse is primarily centered around experiences in 2D apps and much of the hardware needed to fully realize the metaverse’s potential is still 10-15 years away. However, we are already seeing shifts and trends that are laying the foundations for its further development. In the near term, it will help build bridges to transform our apps into more immersive, virtual 3D experiences and eventually, it can help propel businesses forward through truly immersive virtual realities.

As technologies advance, the emergence of metaverse-related tech will build bridges to immersive experiences in the future

