

# The State of Social Commerce & Live-streaming in Vietnam

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PREPARED BY DECISION LAB

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# Foreword

“Through our research on consumer behavior in Vietnam, we have witnessed the rise of social commerce and live-streaming in the market. At the same time, social commerce and live-streaming are transforming commerce as we know it in more mature markets such as China.

As such, we are happy to partner with MMA Vietnam to explore the social commerce and live-streaming spaces in Vietnam. We hope that our insights will help readers gain a clearer understanding of social commerce and live-streaming in this exciting emerging market.”



**Mr. Aske Ostergaard**

*Chief Executive Officer, Decision Lab*

“This research is critical because it gives the knowledge that the market, particularly the marketing sector, need on the changing and accelerating development of Social Commerce and Live-streaming. We want marketers to be able to update and utilize information from these reports.

As a result, in order to get the most recent market information and data in these two critical channels, MMA will collaborate with our partners to provide comparable updates in the future. MMA hopes that the information in this report is useful to you and your businesses.”



**Ms. Jessica Phan**

*Country Manager Vietnam, MMA*



# Social commerce is global commercial phenomenon.

Social commerce is defined as “buying and selling that takes place on social media and other networking sites.”<sup>1</sup>

Social commerce enjoys the distinct benefits of engaging consumers and allowing them to purchase goods within their familiar social media environment.

(1): “Southeast Asia, the home of digital innovation” report by Facebook

(2): “The social commerce evolution” report by Accenture

(3): “The Connected Consumer Q4 2021” report by Decision Lab

Globally, according to Accenture’s estimates<sup>2</sup>, social commerce is expected to grow from \$492 billions in 2021 to \$1.2 trillion in 2025, three times as fast as traditional commerce. In Vietnam, with the population’s high Internet and social media penetration rates, social commerce is one of the top e-commerce channels. In Q4 2021, 27% of Vietnamese consumers utilize social commerce to make online purchases<sup>3</sup>.

Global social commerce growth (forecasted)



Source: Accenture

- The 36-year-old, who had over 18 million followers on Weibo and 80 million followers on Taobao, was slapped with a US\$210 million fine for tax evasion
- Tesla sought her help, Miranda Kerr penned her Time 'Most Influential People of 2021' profile and Kim Kardashian's fragrance sold out in China after her live-stream

Ben Chin [+ FOLLOW](#)  
Published: 4:29pm, 22 Dec, 2021

Why you can trust SCMP



[Home](#) / [Business](#) / In China, rockets are being sold via live stream. Here's how

## BUSINESS

### In China, rockets are being sold via live stream. Here's how

Initially dismissed as an April Fools' Day joke, millions hooked up to the live stream after Taobao, which is owned by Chinese e-commerce giant, Alibaba, announced on its Twitter-like Weibo account: "This is for real".



# Live-stream is an indispensable component of e-commerce.

Live-streaming is a popular form of shopping and entertainment, especially in Asia. In China, live-stream is an important sales touchpoints, with top live-streamers selling billions worth of goods in one live-streams<sup>1</sup>.

Globally, live-streaming is also a large avenue for social commerce. Outside of China, consumers spend close to half a billion hours watching live-stream contents on social apps<sup>2</sup>. Live-streaming also accounts for 76% of spending within social apps in 2021 worldwide<sup>2</sup>.

(1): "The social commerce evolution" report by Accenture  
(2): "The Evolution of Social Media Apps" report by data.ai

# Study Objective

To explore the growing social commerce market in Vietnam and examine the role of live-streaming in social commerce.

Disclaimer: This report has been prepared solely for information purposes over a limited time period to provide a perspective on the market. Information, analyses and conclusions contained herein should not be construed as definitive forecasts or guarantees of future performance or results. Decision Lab shall not be liable for any loss arising from the use of this report.

# Methodology

METHODOLOGY	PHASE 1: FOCUS GROUP SESSION	PHASE 2: EXPERT INTERVIEWS	PHASE 3: QUANTITATIVE RESEARCH
	Conduct 2 online focus group sessions with social commerce consumers	Conduct 2 online in-depth interviews with social commerce sellers	Conduct a quantitative survey using Decision Lab's panel
	n=10	n=2	n=999

# Social Commerce in Vietnam overview

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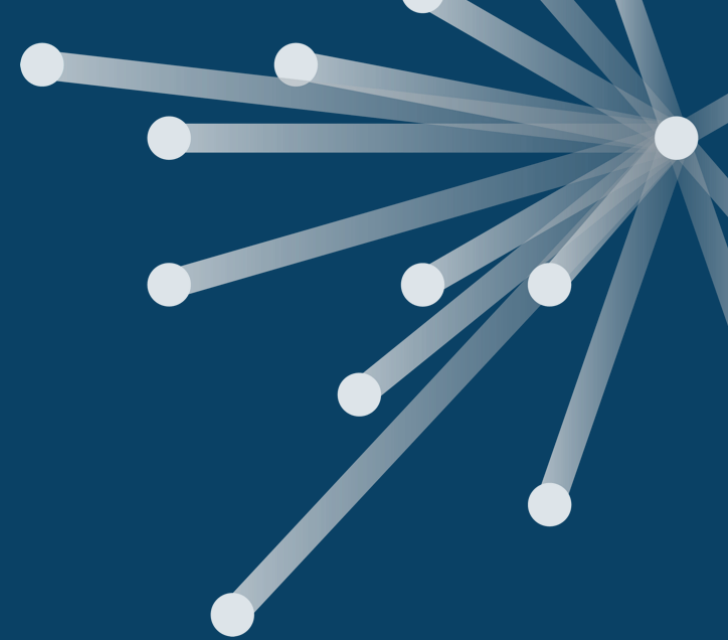
# Executive summary

- Marketers should consider social commerce in their e-commerce strategy because social commerce is the **fourth-most popular** e-commerce channel in Vietnam:
  - Goods categories such as **fashion**, **cosmetics**, **snacks**, and **home appliances** lend themselves best to social media websites.
  - **Facebook** is the go-to destination for social commerce. Upcoming players include **Instagram** & **TikTok**.
- Social commerce scores points for allowing **organic** commercial moments:
  - Social commerce offers consumers more **convenience**, **flexibility**, and **personalization**
  - Consumers often discover commercial opportunities naturally via **social groups** and **casual use**
- Marketers should prioritize tackling consumers' trust issues with social commerce platforms through **utilizing social groups**, **optimizing shops' fanpages & reviews**, and **ensuring positive customer experience**.
  - Most consumers discover products through social groups and make purchase directly on shops' fanpages.
  - Consumers often rely on **familiarity** with shops, **reviews** on page, and information from **online and personal networks** to gain confidence during the buying process.

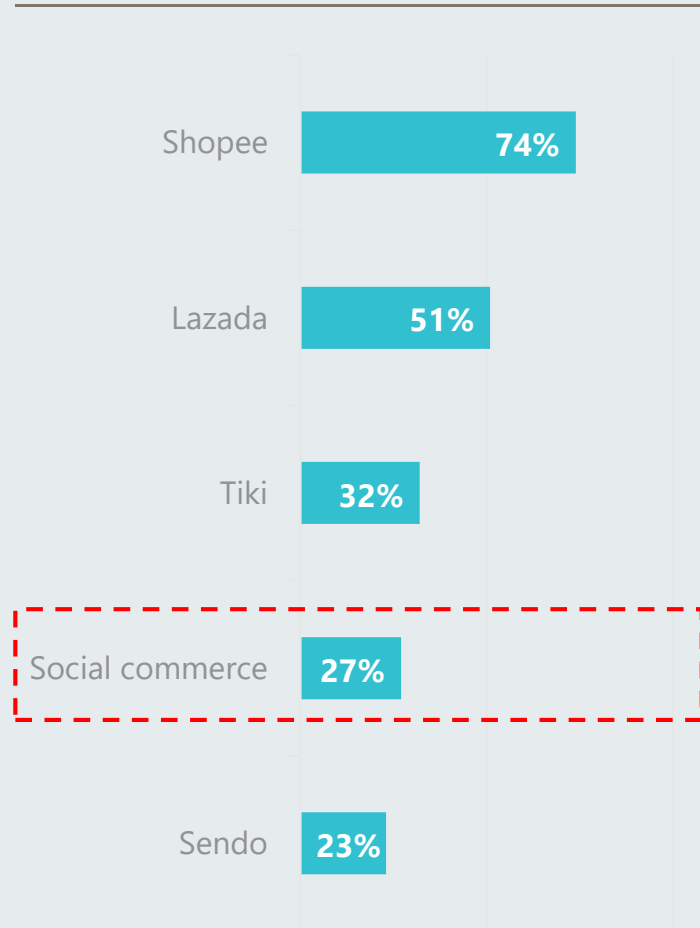


# Executive summary

- Marketers should utilize live-streams as a **long-term tactic** to **educate** consumers in Vietnam and create a strong **community** around the brand:
  - Consumers currently engage in live-streams only casually with **lower levels of engagement**.
  - Interested consumers may actively look for live-streams to **learn more about products** and **seek additional information** related to products (e.g., how to style clothes, how to apply skin care, etc.)
  - Live-streams can be an effective tool at engaging **Millenials & Gen Z** consumers, who show higher engagement with live-streaming content.
- Don't entertain; add values, instead:
  - While consumers typically engage with live-streaming content for entertainment, they will be more likely to trust and buy products if they have **acquired some knowledge or values** from live-streams.
  - Furthermore, Vietnamese consumers understand the **distinction** between entertainment and shopping live-streams, with the former often associated with fraud, spam, and toxic drama.



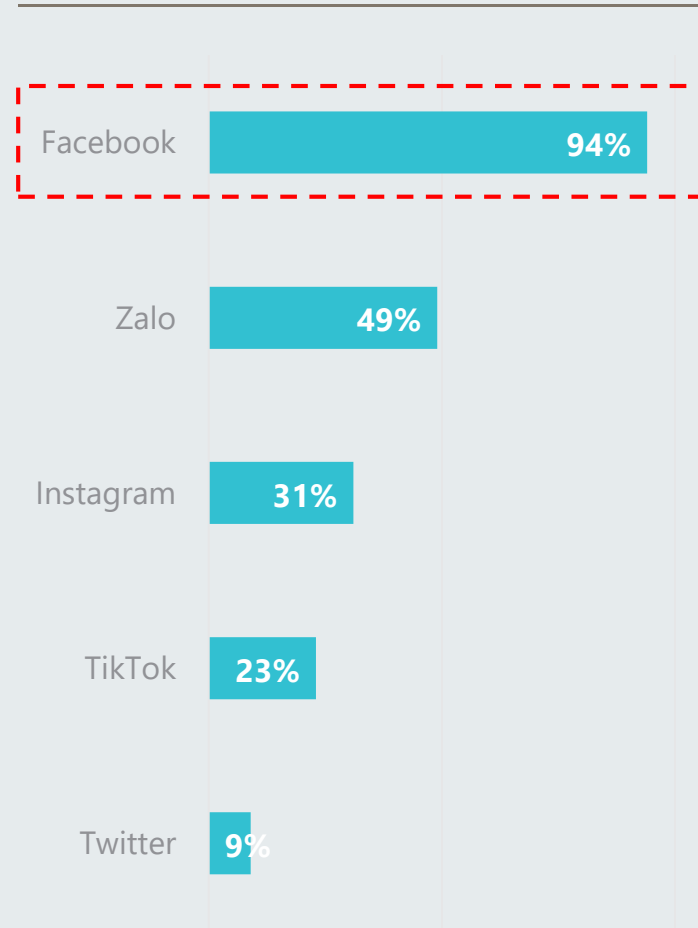
## Penetration rates for e-commerce channels



Source: "The Connected Consumer Q4 2021" report by Decision Lab

n=881

## Penetration rates for social commerce channels



Q: Which of the following platforms do you often use for online shopping? Choose all that apply.

n=506

Social commerce is the fourth most popular e-commerce channels for Vietnamese consumers.

The primary social media platform for social commerce is Facebook (94%). Other social commerce channels include Zalo (49%) and Instagram (31%).

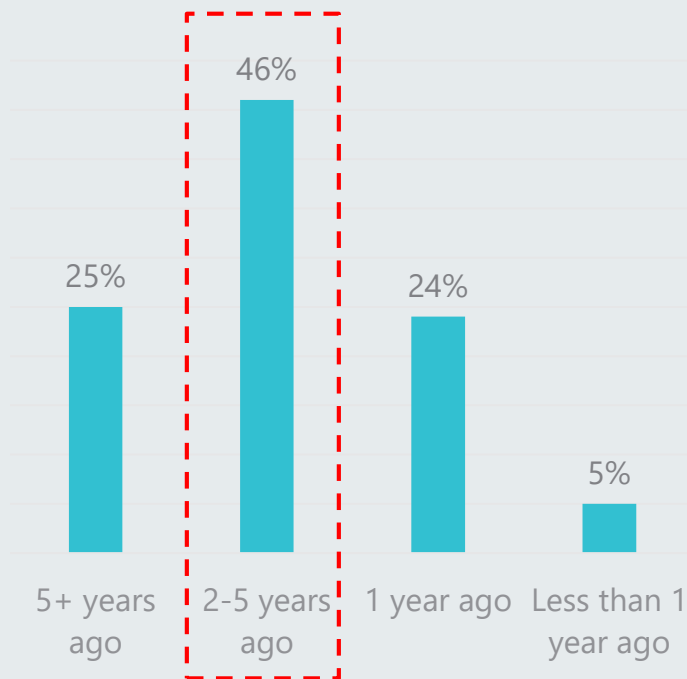
“Such a strong leading position of Facebook as a destination to shop Beauty, fashion, home décor is a singularity of Vietnam.”

— Mr. Pierre-Olivier Guy, Chief Digital & Marketing Officer, L’Oreal



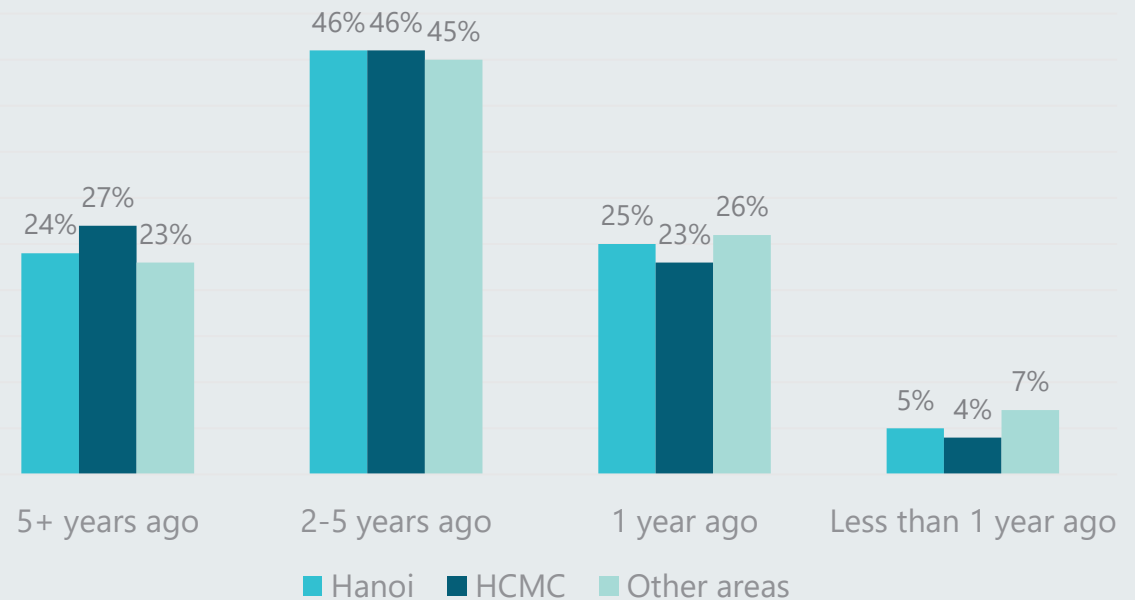
# Social commerce emerged in the Vietnamese market around 2-5 years ago for most consumers, with HN and HCMC adopting social commerce slightly earlier.

When consumers started adopting social commerce in Vietnam



Q: When did you start using social media as a way to purchase goods online? n=999

When consumers started adopting social commerce—by location



Q: When did you start using social media as a way to purchase goods online? n=999



What is social  
commerce's unique  
selling point?

“Convenience” is the top reason for adopting social commerce.



72%

of consumers said that they adopted social commerce because it’s “convenient”

Given social media’s large presence in Vietnam, the ability to shop through these platforms offers consumers convenience in throughout the shopping experience.

Prices (54%) and great experience (49%) are other drivers of social commerce adoption.

# Consumers may find social platforms **faster** and more **flexible** than e-commerce platforms...



Via Dragonfly Digital Marketi

“I like the fact that Facebook has **chatbots**, which can answer common questions, unlike e-commerce shops, where I’d have to wait long to receive answers.”

—Female, 21, Vinh Long

“Facebook is more convenient in terms of **returning goods**. I can just contact vendors to return goods. On e-commerce platforms, sometimes vendors refuse to answer if you encounter faulty products.”

— Male, 23, HCMC



... or, they may find it easier to acquire more **personalized/rare** deals on social media.

"Shops on **Facebook will actively post about limited edition goods (sneakers) for you.**

Sometimes you get deals if you ask. I use e-commerce apps only when I know what I want."

— Male, 19, HCMC

"Buying on Facebook is better than e-commerce because we **have the sellers in our contacts.** On e-commerce platforms, we don't know who the sellers are."

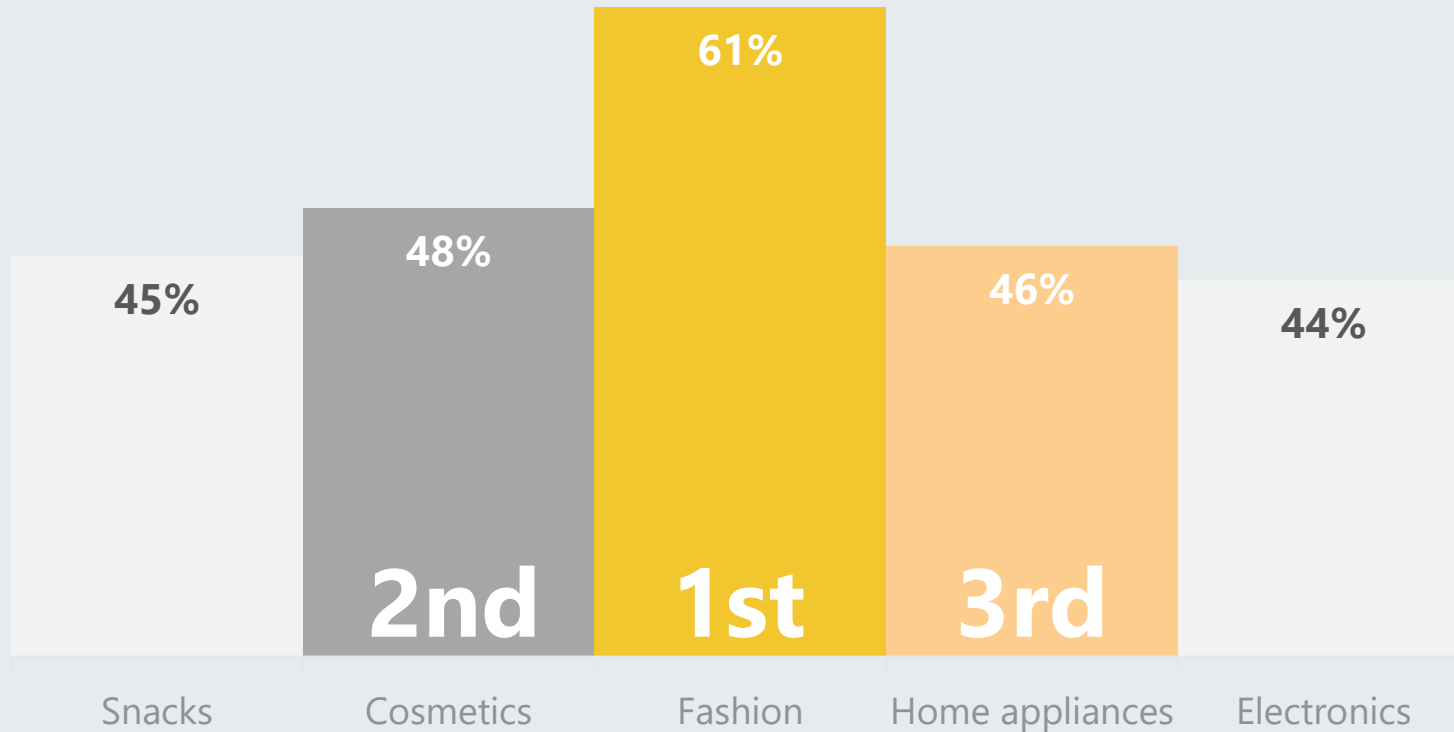
— Female, 30, Bac Ninh



What types of goods are most common on social commerce platforms?



Top purchased goods categories on social media platforms



Fashion and cosmetics reign as the most popular goods categories on social commerce channels

Q: What kinds of goods do you often purchase via social media? Choose all that apply.

n=999

Young consumers tend to focus on fashion and cosmetics, while consumers in older age groups also utilize social commerce for purchasing electronics and home appliances.

“I only use social media to buy **clothes**. On Facebook I often get bombarded with discounts for sneakers. Social media is much better than e-commerce in this regard.”

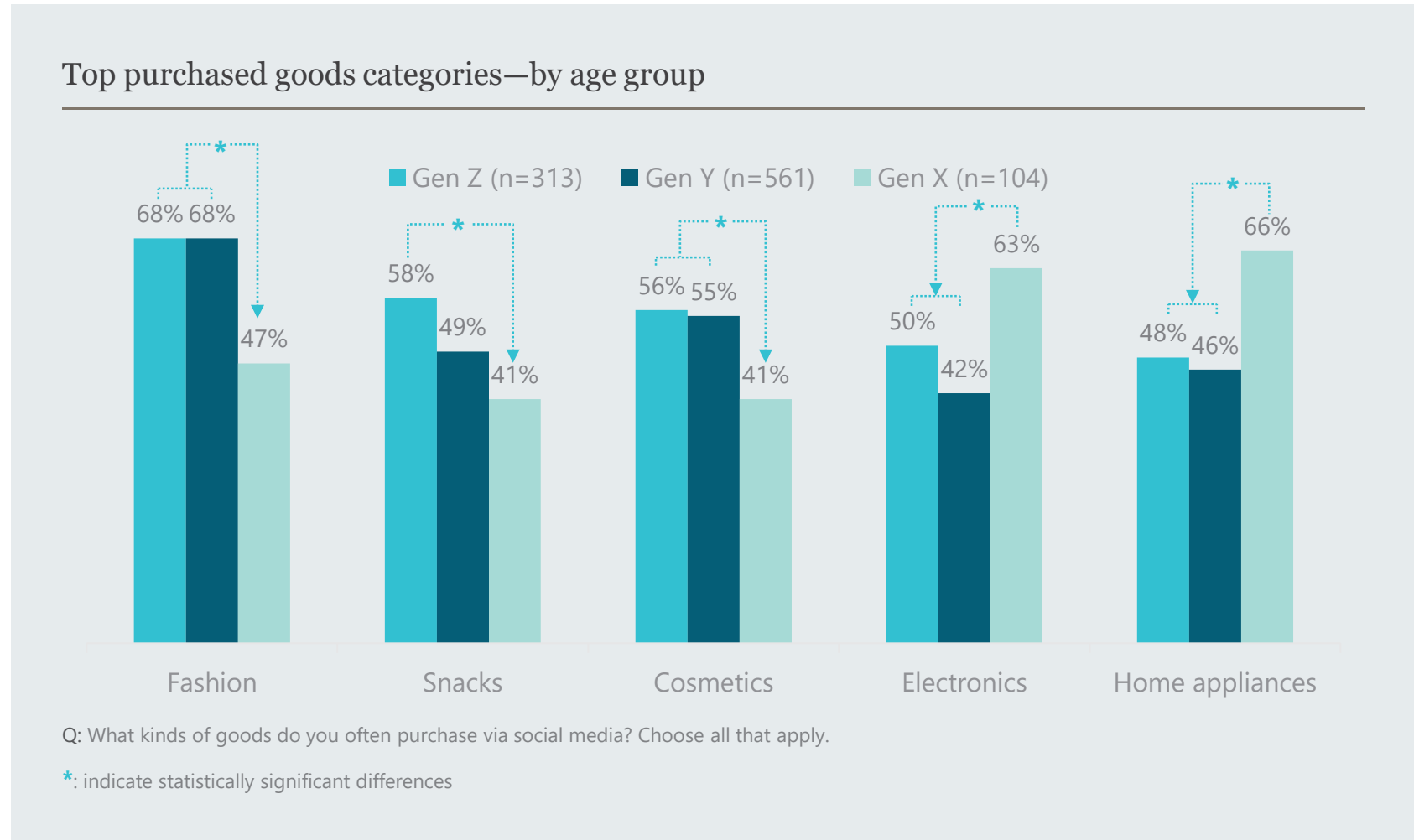
— Male, 19, HCMC

“... I only buy **home appliances** from my friends on a Facebook group. I often receive a lot of support and consultation from my Facebook friends.”

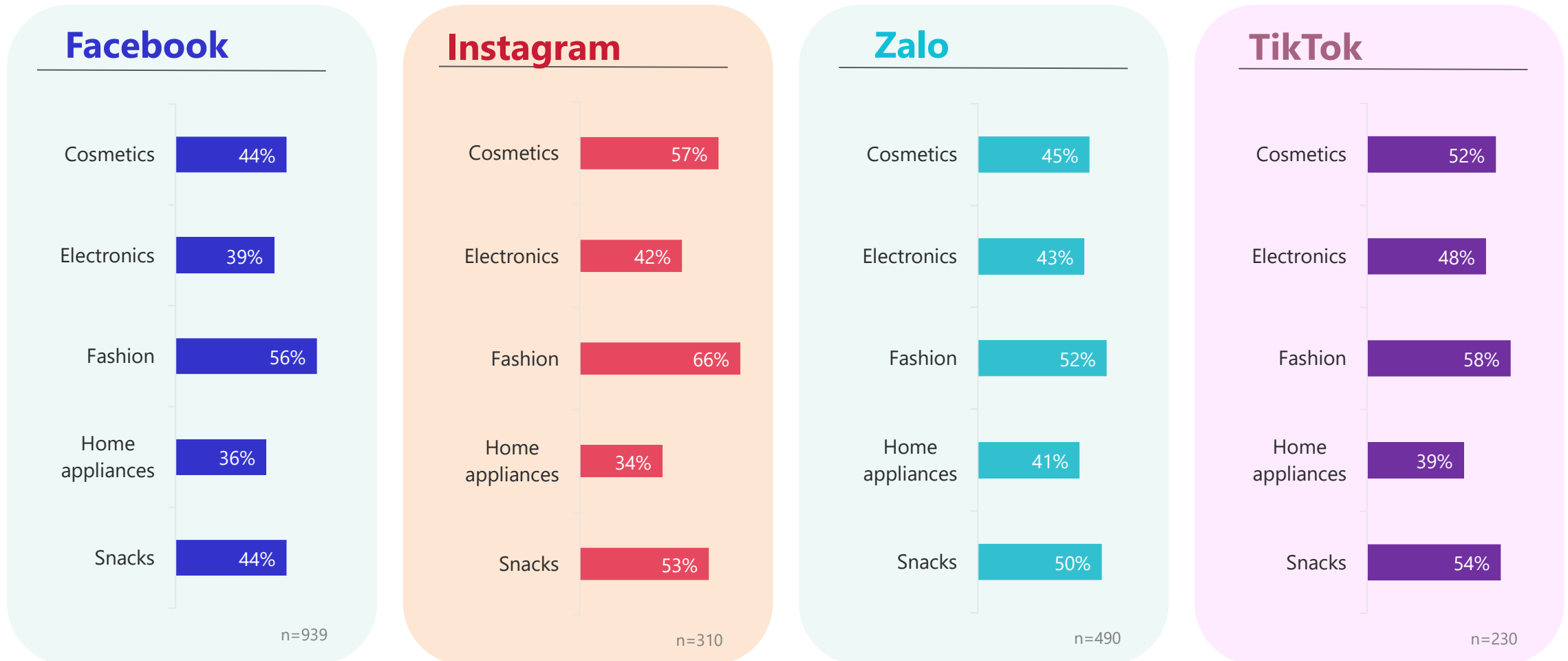
— Male, 34, Bac Ninh

# Gen X consumers purchase electronics and home appliances more than other age groups, and focus less on fashion, snacks, and cosmetics.

There were significant **generational variations** in frequently purchased goods on social media platform.



Across platforms, fashion and cosmetics are more popular on Instagram, while electronics are more popular on TikTok. Zalo appears to be the go-to app for buying home appliances.



Q: What kinds of goods do you often purchase via [social media site]? Choose all that apply.

# Consumer journey on social commerce platforms

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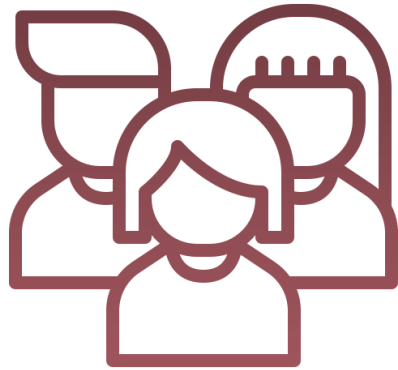


# Discovery phase

How do consumers discover commercial opportunities on social media platforms? In this section, we will uncover top drivers of social commerce discovery, and help marketers understand key avenues to reach potential consumers on social media.



# Community, casual use, and ads are the top drivers for social commerce discovery on social platforms.



**67%**

Community

"Some people I know started groups on Facebook, and we started trading goods on there."

— Male, 34, Bac Ninh

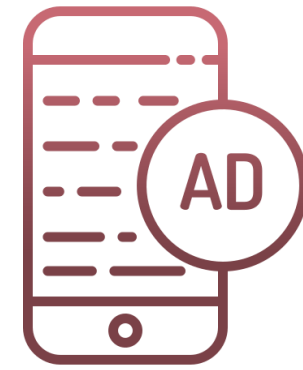


**64%**

Casual use

"For me, shops usually just pop up randomly when I use social media through Facebook ads or story."

— Female, 22, Ninh Thuan



**55%**

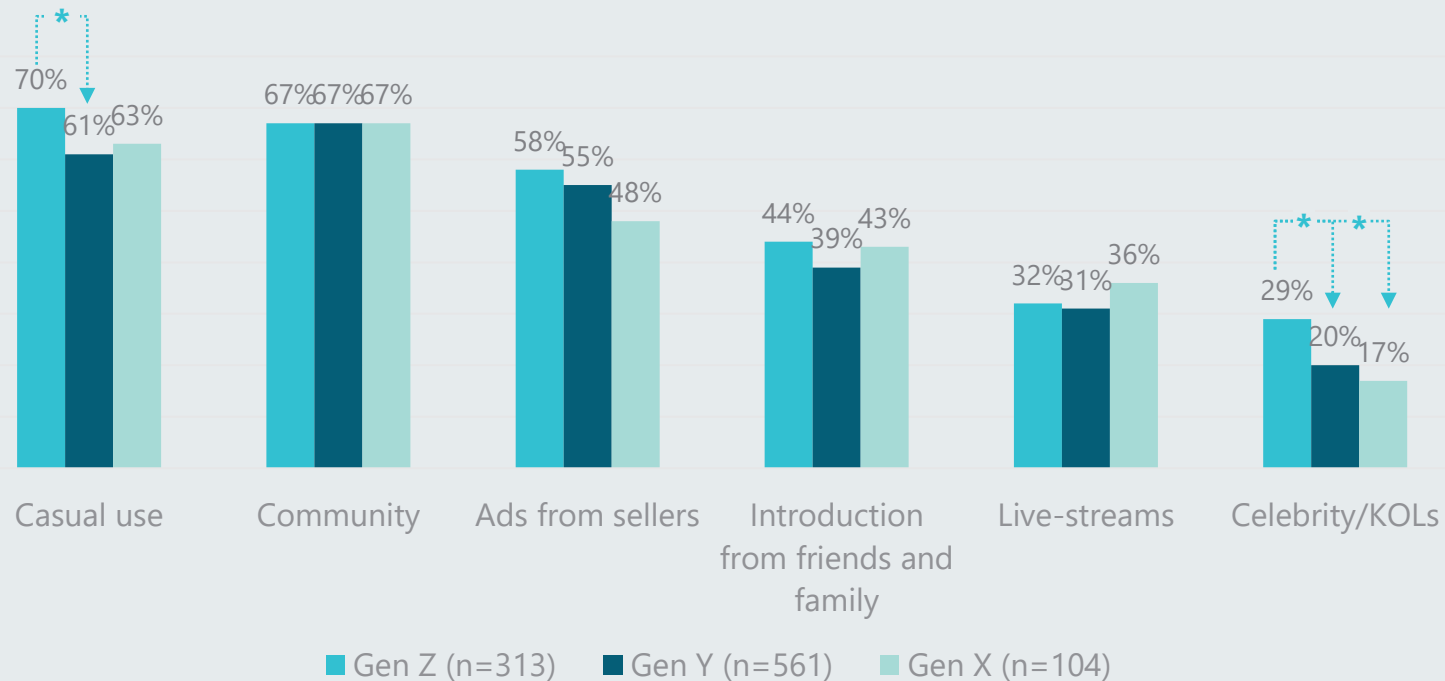
Ads from sellers

"There are a lot of ads on Facebook nowadays, which introduced me to buying and selling on Facebook."

— Female, 30, Bac Ninh

Gen Z are more likely to discover social commerce through casually using social media and from influencers than other age groups. Live-streams are slightly more potent for Gen X consumers.

Top drivers of social commerce discovery—by age groups



Q: How did you start shopping online via social media platforms?

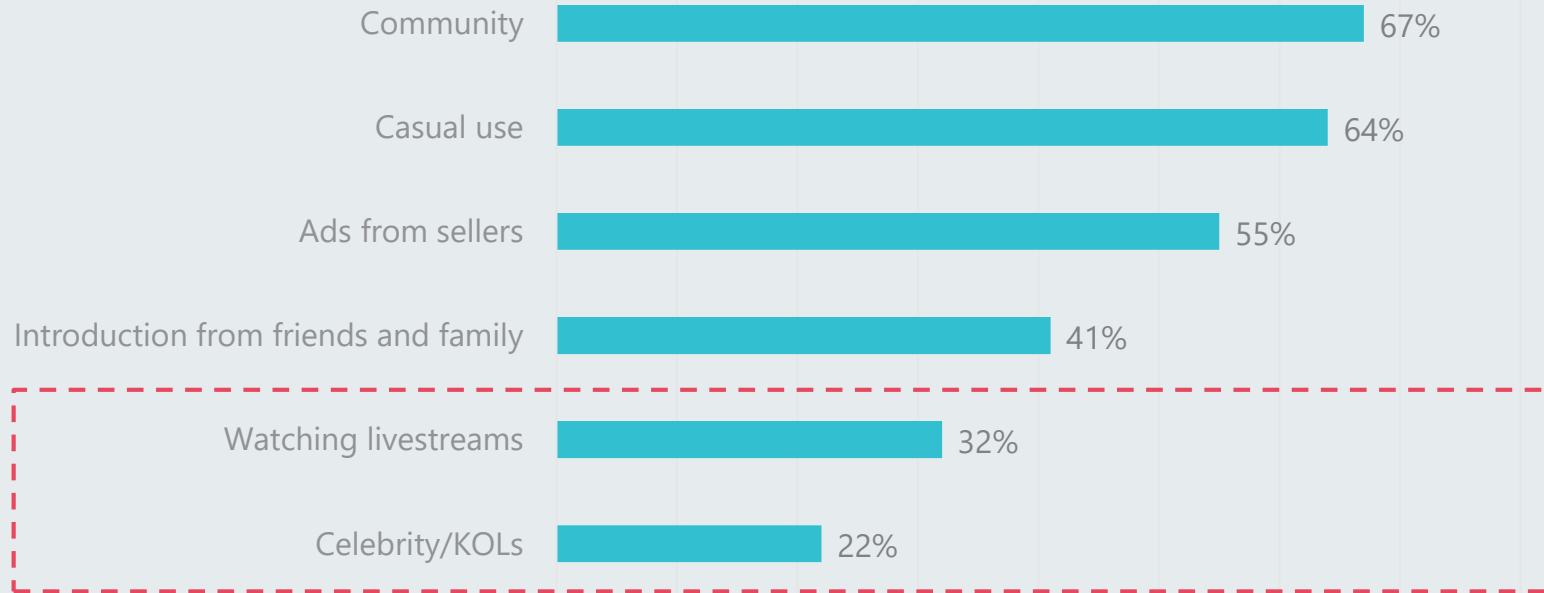
\*: indicate statistically significant differences

Given social media’s high penetration rates among Gen Z, merely using social platforms is enough to expose Gen Z to social commerce. Celebrity/KOLs are also more effective for this age group compared to the rest.

Curiously, more Gen X users first discovered social commerce through watching live-streams.

# Live-streams and celebrity/influencers are comparatively less important in fostering social commerce discovery.

## Reasons for first adopting social commerce



Q: How did you start shopping online via social media platforms?

n=999

Most individuals discover social commerce through being a part of online communities and through casually using social platforms.

Watching livestreams and celebrity/KOLs are not the top methods for discovering commercial opportunities on social media.

“Vietnam consumers are less influenced by “Idols” than in western market and rely more on Family & friends recommendations. However, smaller scale influencers (Micro/Nanos) are very dynamic and ramping up.”

— Mr. Pierre-Olivier Guy, Chief Digital & Marketing Officer, L’Oreal



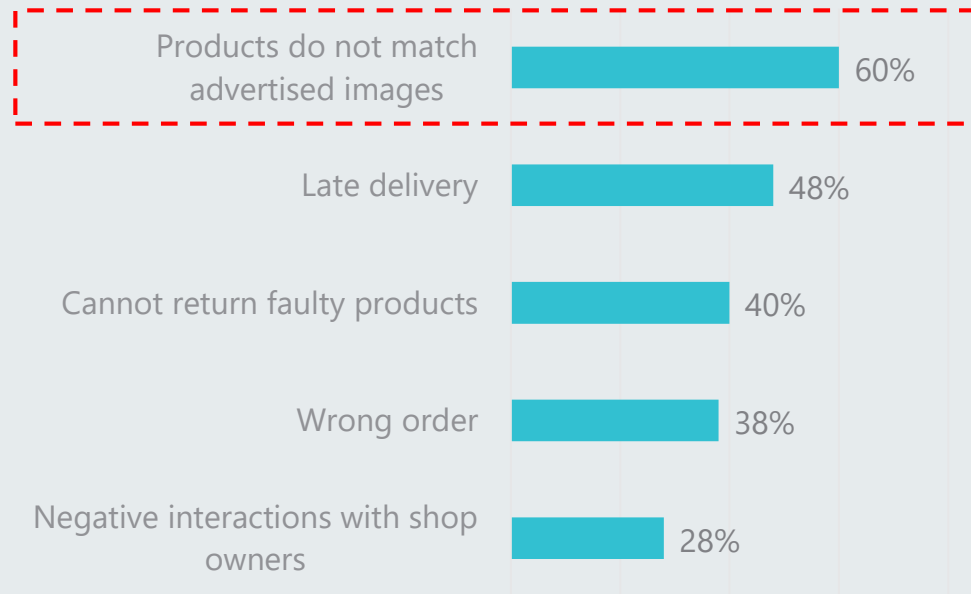


# Consideration phase

Unlike other e-commerce platforms where consumer protection is established, social commerce is inherently ambiguous and risky. How do consumers build up confidence and trust in the consideration phase?

# Trust is one of the biggest concerns for social commerce users, since fraudulent product advertising is the biggest consumers' pain point.

## Top negative experiences on social commerce channels



Q: What negative experiences did you have after buying goods via social media?

n=999

Deceptive advertising is a constant problem on social commerce platforms, which erodes users' experiences and trust on these platforms.

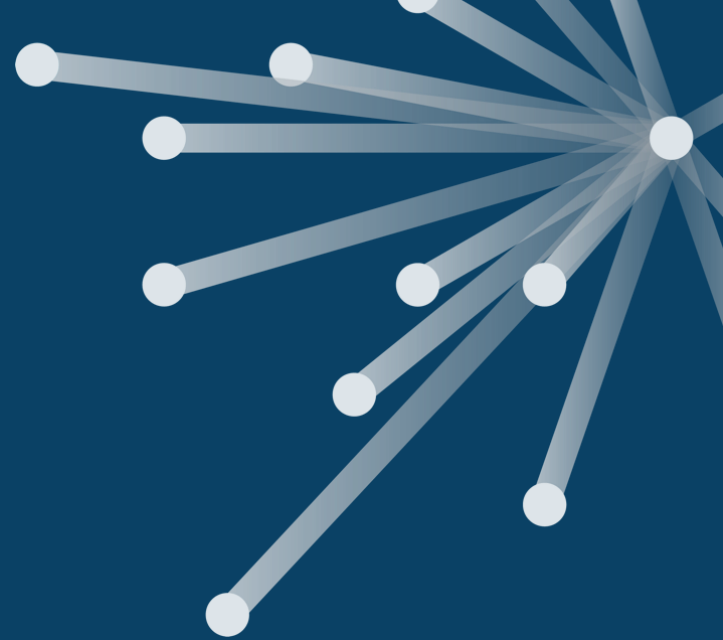
"I had a very bad experience with Facebook recently. I saw an online book store with the front image of a poor man. I decided to buy some books to help him. When those books arrived, their covers looked legitimate, but their content was photocopied version of real books. When I messaged the shop about the issue, they blocked me.

Customer services on Facebook are not guaranteed. Shops like the one I mentioned often fake their fan interaction, so we cannot really tell."

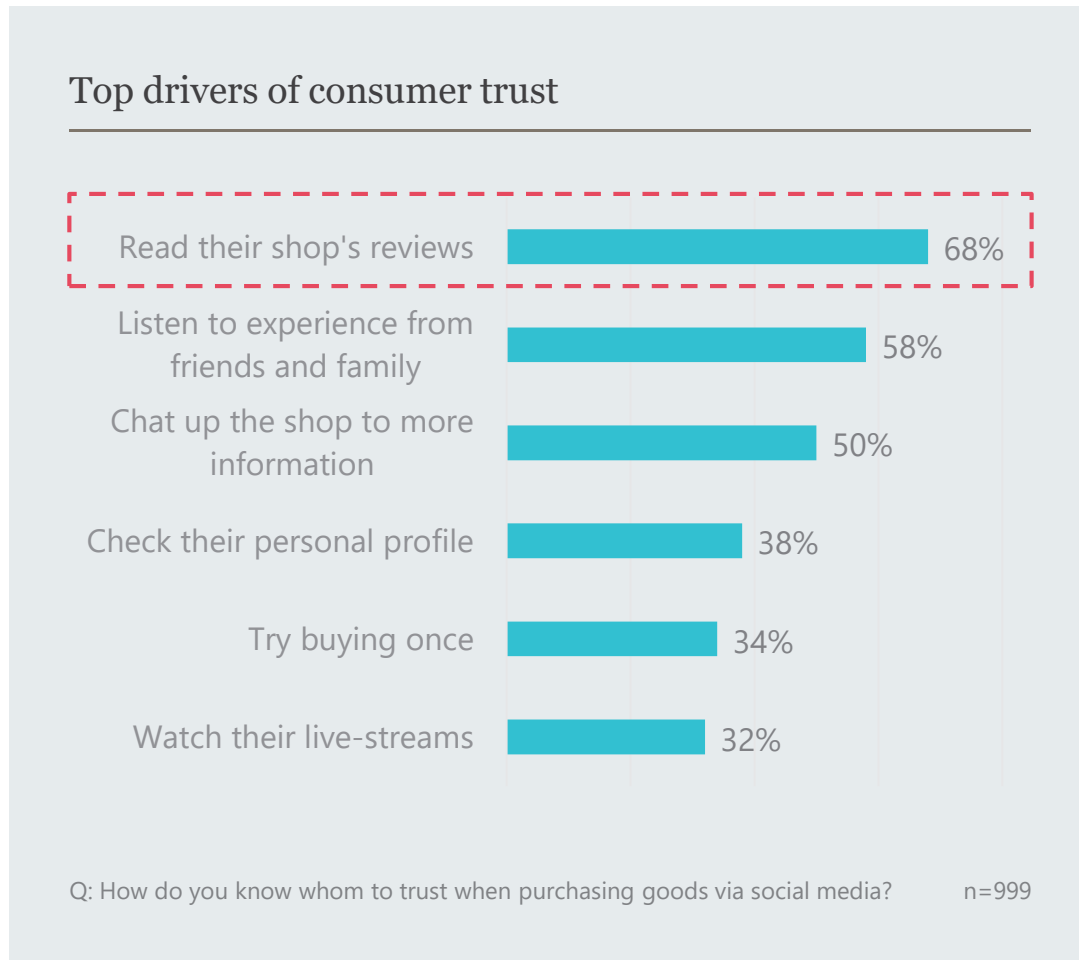
— Female, 22, Ninh Thuan

“Selling through social media has two main challenges. The first challenge is maintaining a core customer base. The second one is gaining **customer trust.**”

— Ms. Thuy, Owner, Small Business



# Most Vietnamese consumers rely on reviews on shop fanpages to build trust in the consideration phase.



When approaching a new shop, Vietnamese consumers often rely on shops' reviews on their fanpages (68%) and solicit information from their closed ones (58%) to build more confidence in making purchase decisions.

Close to 40% of consumers take into consideration the sellers' profile when making purchases, taking full advantage of the social nature of social commerce. Consumers are less likely to adopt a "trial-and-error" approach when purchasing on social media.

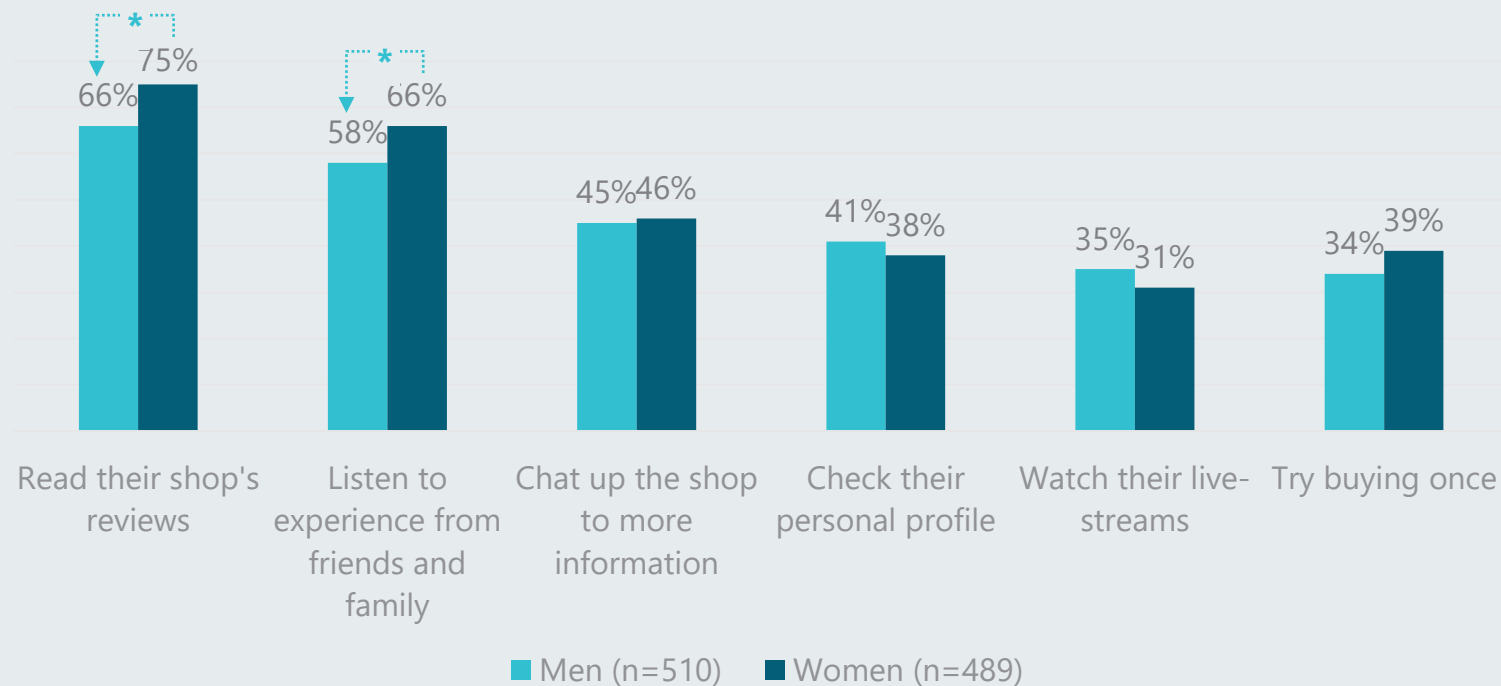
"On Facebook consumers can view who the seller is, which makes me feel more secure when buying from them. [...] After learning more about the product and pricing, I like to check on the seller and see how they treat me. If it's a good experience, I will buy from them."

—Female, 30, Bac Ninh



# Women and men have slightly different approaches to building trust in social media shops.

Top drivers of consumer trust—by gender



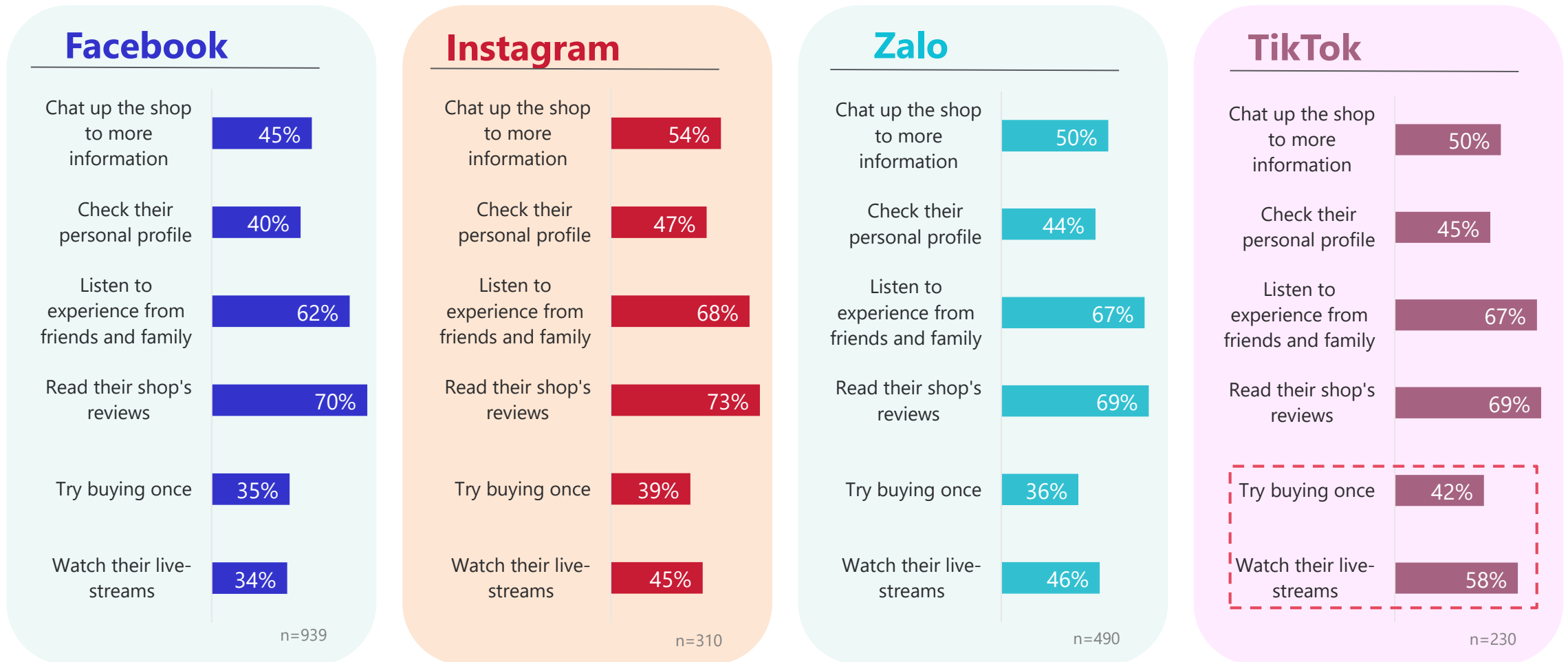
Q: How do you know whom to trust when purchasing goods via social media?

\*: indicate statistically significant differences

Women are **1.14x** more likely to **read shops' reviews** and **listen to friends and family** than men in learning more about online shops.

They are also slightly more willing to **try buying from shops once** to gauge their trustworthiness.

Top drivers for consumer trust remain the same across platforms. However, on TikTok, consumers are significantly more likely to watch live-streams by sellers and try buying once in the consideration phase.





# Purchase phase

In making buying decisions on social platforms, from which sellers would consumers purchase? This section sheds light on the context for transaction on social media, and how consumers resolve issues with trust when purchasing goods on social media.

# Fanpages make up the most popular context for making purchases on social media platforms.

# 69%

Of Vietnamese consumers make purchases directly through shops' **fanpages**.

Q: Where do you often purchase goods from on social media?  
Choose all that apply.



## 55%

Of Vietnamese consumers make purchases through **personal accounts**



## 55%

Of Vietnamese consumers make purchases through **communities**



## 36%

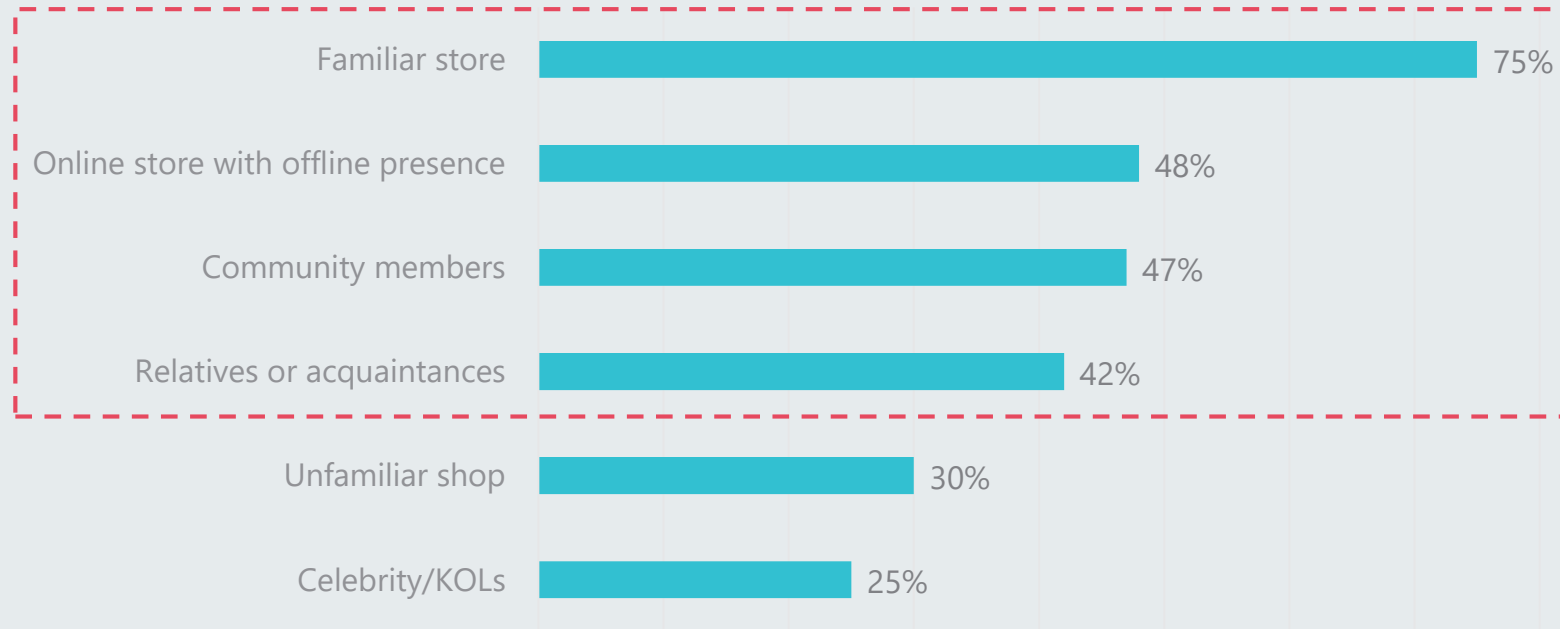
Of Vietnamese consumers make purchases through **live-streams**

Shops' fanpages are the **most prominent** transaction points, which urge brands and business owners to optimize their fanpage presence to better convert customers.

True to the social nature of social commerce, **55%** of transactions are made through less formal settings such as personal accounts and in communities. Only **36%** of consumers buy directly from live-streams.

To minimize risks of fraud, Vietnamese consumers most frequently purchase from familiar stores, stores with offline presence, or from community members, etc.

### Common types of sellers



Q: From whom do you often purchase from on social media? Choose all that apply.

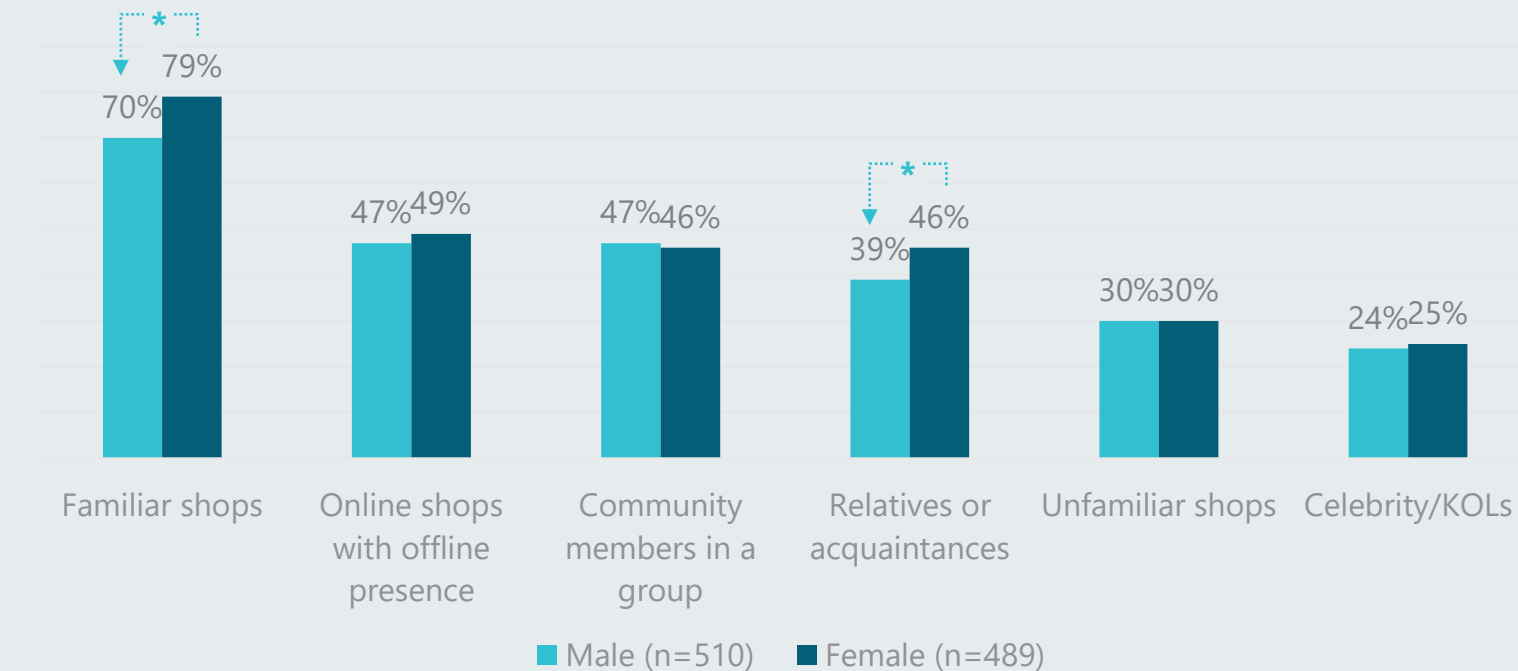
n=999

Since social media platforms do not have fully commercial features that protect consumers from frauds, consumers rely on **familiarity** (online stores with previous purchase, community members, etc.) to build trust during transactions.

Vietnamese consumers also have low trust in celebrity/KOLs when they would rather try new shops before buying from famous influencers.

# Women are more likely to resort to familiar shops and/or relatives than men when purchasing online.

Common types of sellers—by gender

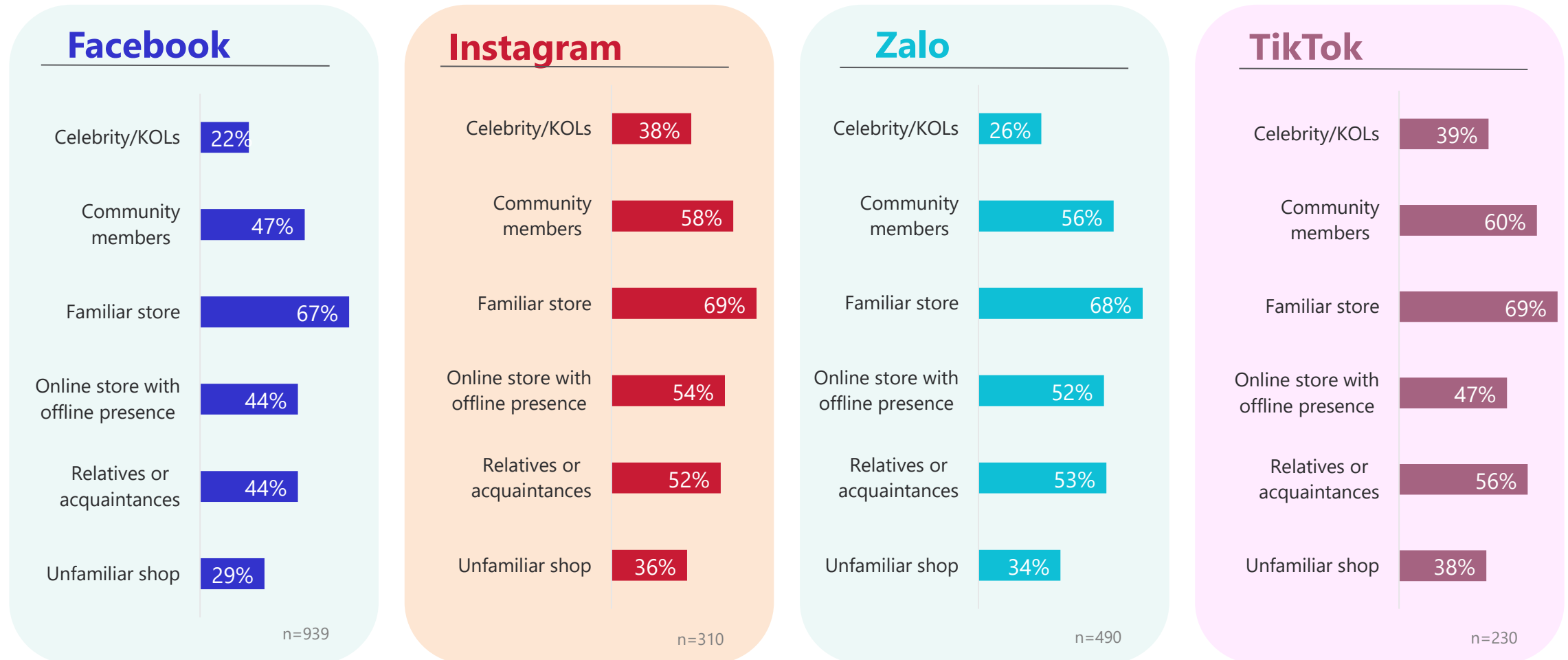


Q: From whom do you often purchase from on social media? Choose all that apply.

\*: indicate statistically significant differences

Women are **1.13x** more likely to purchase from familiar shops and **1.18x** more likely to purchase from relatives/acquaintances when buying on social media platforms.

Buying from community members, relatives, and shops with an offline presence are surprisingly less common on Facebook compared to other platforms. Celebrity/KOLs as sellers are more popular on Instagram and TikTok.



Q: From whom do you often purchase from on [social media site]? Choose all that apply.

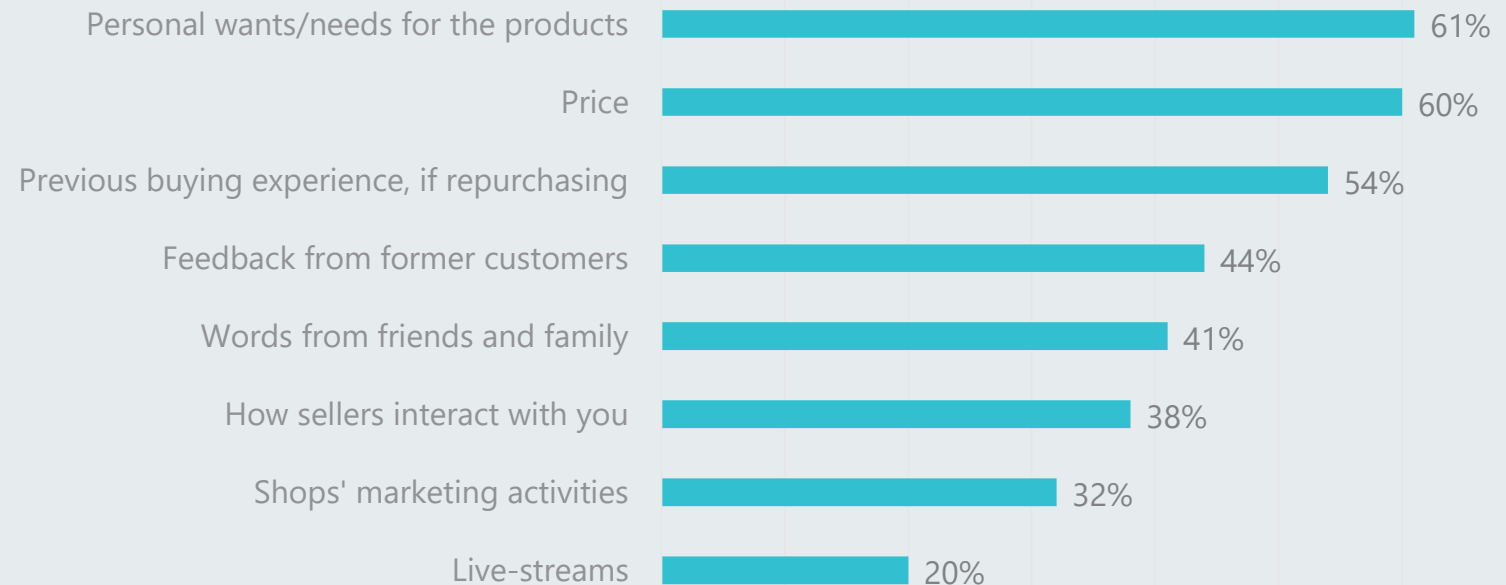
# Besides price and needs, the biggest drivers of purchasing behavior, positive previous experience with a shop plays a big part in consumer decisions.

The “rational” consumers consider personal needs (61%) and price (60%) when buying on social platforms.

Since most Vietnamese often repurchase from familiar shops on social media, they highly value positive experiences as well (54%).

A positive experience is significantly more potent than feedback (44%), word-of-mouth (41%), and shops’ marketing activities (32%) in driving purchasing decisions.

## Top drivers of purchasing behavior



Q: Which of the following factors will affect your decision to buy something through social media?

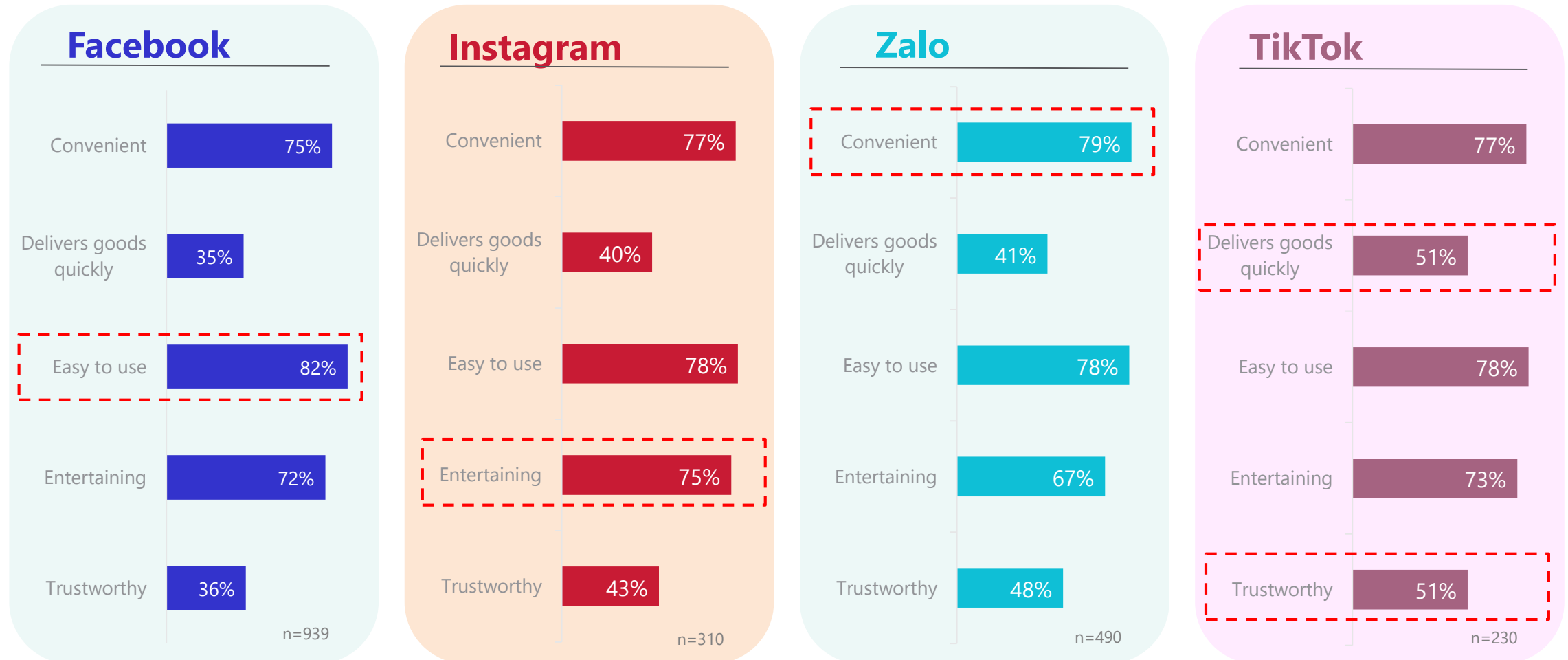
n=999



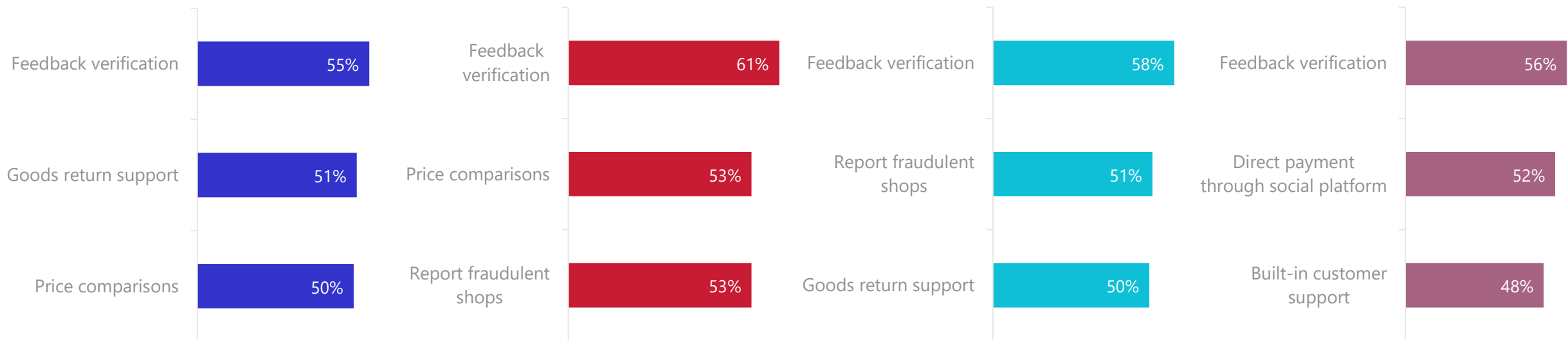


What are consumers' perception of popular social commerce platforms?

Each platform has a unique attribute that outpaces other platforms (e.g., Facebook is easy to use, Zalo is convenient, etc.). Of note is that while consumers believe all social platforms are untrustworthy and deliver goods slow, the nascent TikTok scores well in these attributes, effectively solving consumers' concerns.



All platforms could improve by implementing feedback verification features to boost consumer confidence when buying on social platforms. Goods return support, price comparisons, and fraud report features are other commonly requested addition for Facebook, Instagram, and Zalo. However, TikTok users desired a more direct way to make purchases and built-in customer support within the app.



# Live-streaming in social commerce

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# The state of live-streaming in Vietnam

# Shopping live-streams make up the most popular type of live-stream for Vietnamese audience.



62%

Shopping



49%

Entertainment



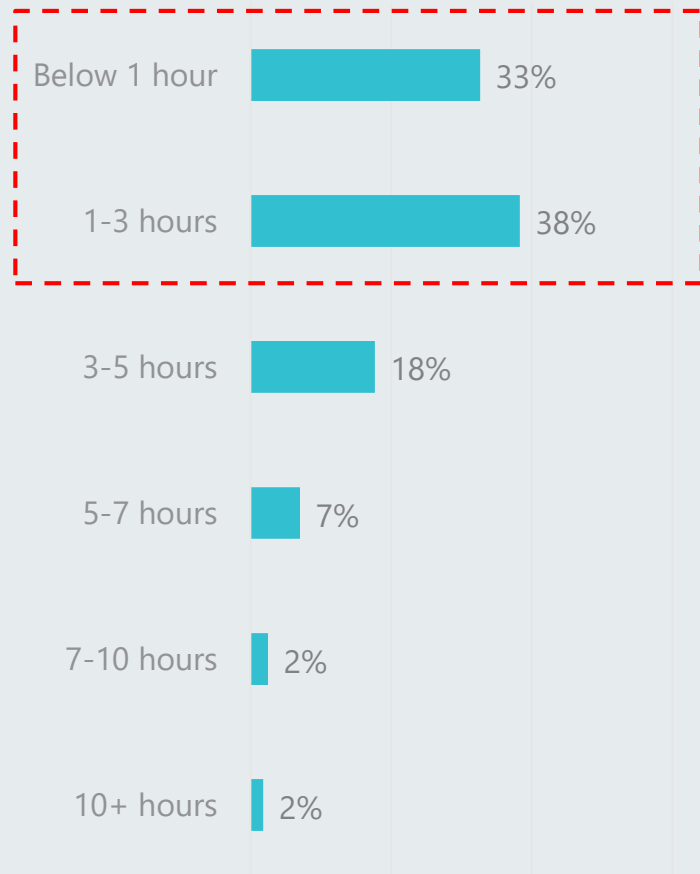
46%

Skincare

Q: Which types of live-stream do you watch?

n=793

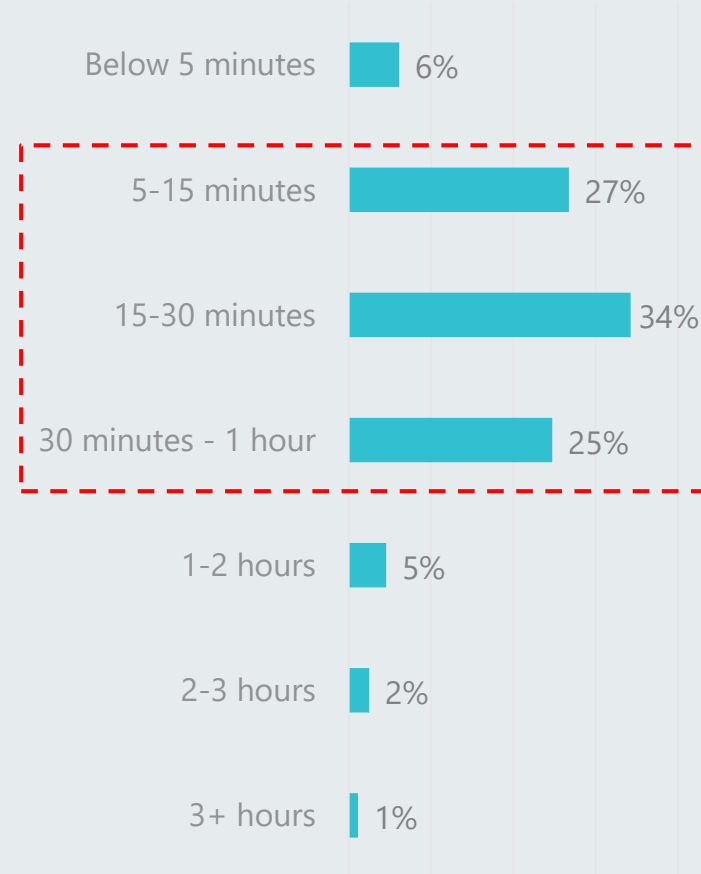
### Average watch time per week



Q: How many hours do you spend watching live-streams (entertainment and shopping) a week?

n=500

### Average watch time per sessions



Q: How long does a typical live-stream watch session typically last for you?

n=500

Overall, Vietnamese consumers show a low level of engagement with live-stream content.

Most consumers spend at most 3 hours weekly to watch live-streams, most sessions being under 1 hour.

Compared to Vietnamese' daily average time spent online of over 6 hours (Statista), Vietnamese consumers **don't spend too much time watching live-streams.**

Indeed, Vietnamese consumers still view live-streams as a big time commitment, citing lack of time as the number one reason for not watching live-streams.

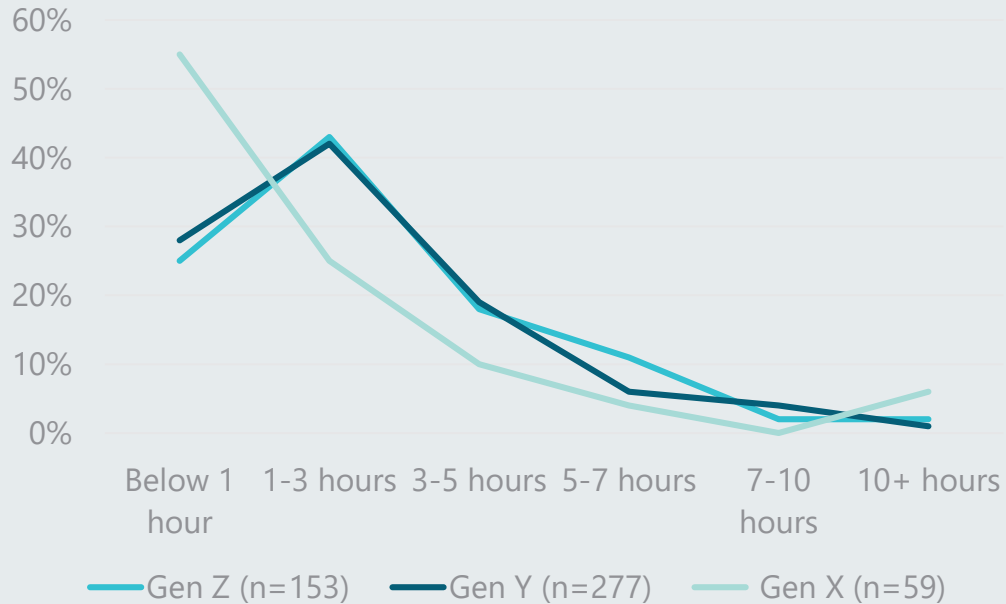
52%

Of consumers indicated a lack of time as the top reason they don't watch live-streams



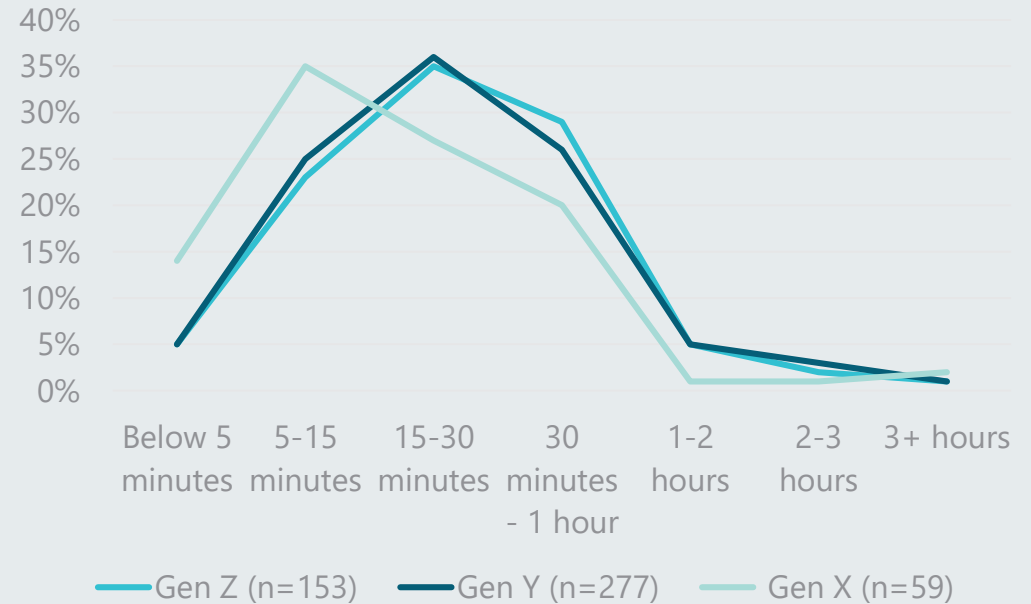
Additionally, Gen X consumers spend less time per week and per session watching live-streams than other age groups.

Average watch time per week—by age group



Q: How many hours do you spend watching live-streams (entertainment and shopping) a week?

Average watch time per session—by age group



Q: How long does a typical live-stream watch session typically last for you?

Impressions regarding live-streams are also mixed. Some find live-streams to be aggressive and inappropriate, while for others, live-streams help them in their social commerce journey.

“I feel like live-streams are just ways for less famous shops to get more interactions from fans. **I don't trust them** since they usually sell things like fake cream, perfume, etc.”

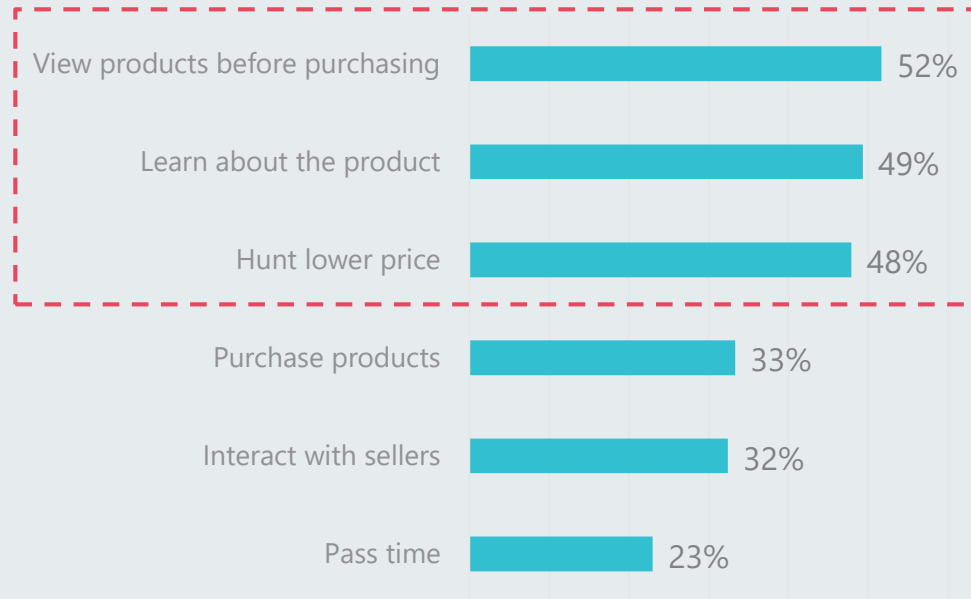
—Male, 19, HCMC

“Through live-streams, I get to interact with the sellers. They can show you what you want **instantly**.”

—Female, 26, Tay Ninh

# Indeed, most people approach live-streams as a way to learn more about products and seek lower prices.

## Top consumer motivations for watching commercial live-streams



Q: Why do you watch live-streams for shopping?

n=793

“Sometimes, shops offer **discounts** that are only available on livestreams. So, you actually get better prices if you watch live-streams.”

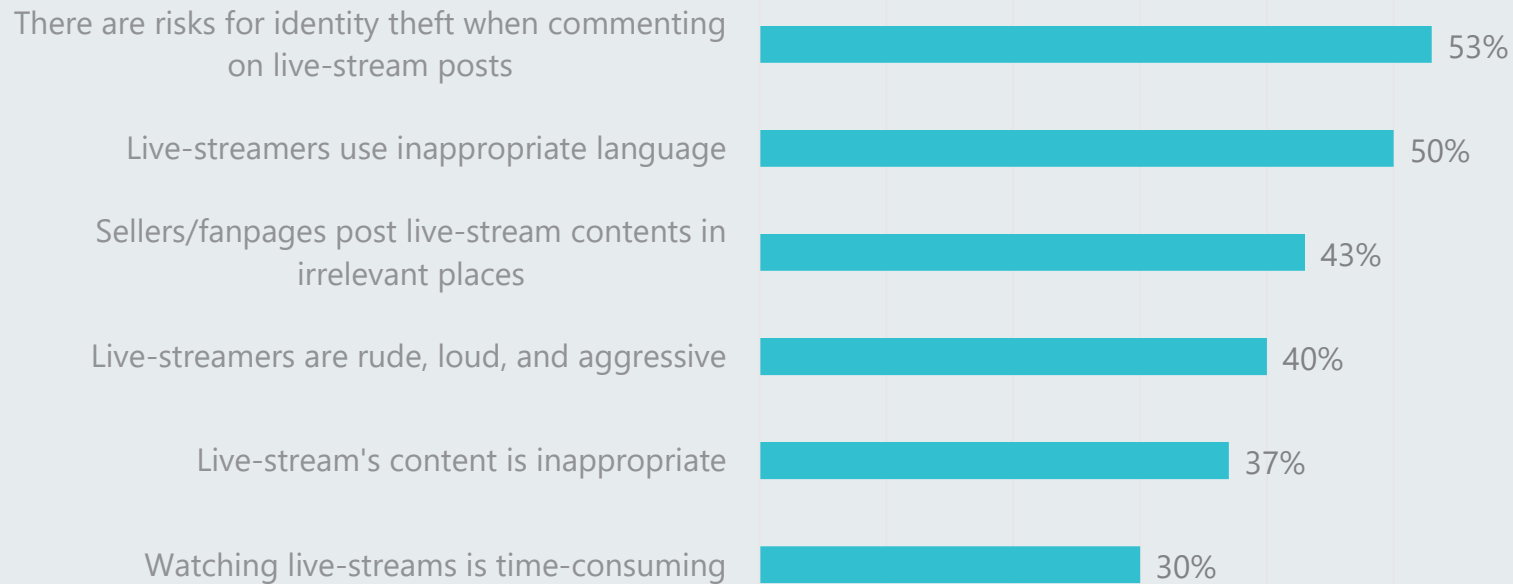
—Female, 26, Tay Ninh

“I like watching live-streams because they’re really **convenient** and **pop up on my notifications**. If I don’t have time, I can always go back to old live-streams and skip to relevant parts.”

—Female, 21, Vinh Long

# That said, live-streams are still associated with fraud, inappropriate language, and spams.

## Top concerns for watching live-streams



Q: What do you dislike about watching and buying through live-streams?

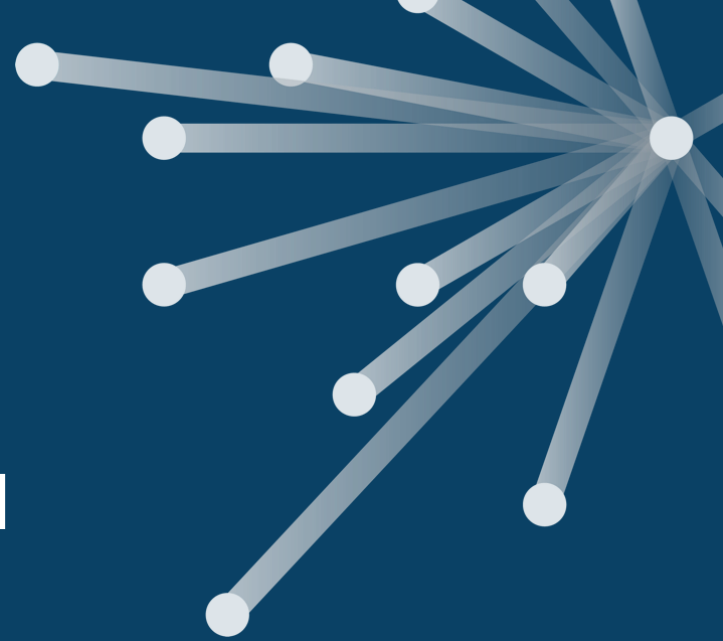
n=793

"Something I really don't like about live-streams is that sellers always **exaggerate** about their products. I don't like that, because when they exaggerate, I become very **confused**, especially when it comes to skincare products."

— Female, 19, HCMC

“Livestreaming is still relatively new to Vietnam and is fostering the process of discovery of new products & brands rather than actually driving sales. We are still miles away from China in that respect.”

— Mr. Pierre-Olivier Guy, Chief Digital & Marketing Officer, L’Oreal





What can live-streamers do to boost consumer actions in live-streams?

# Charm/humor, informativeness, and professionalism are key live-streamers' quality that drive consumer actions



Charm & humor



Professionalism



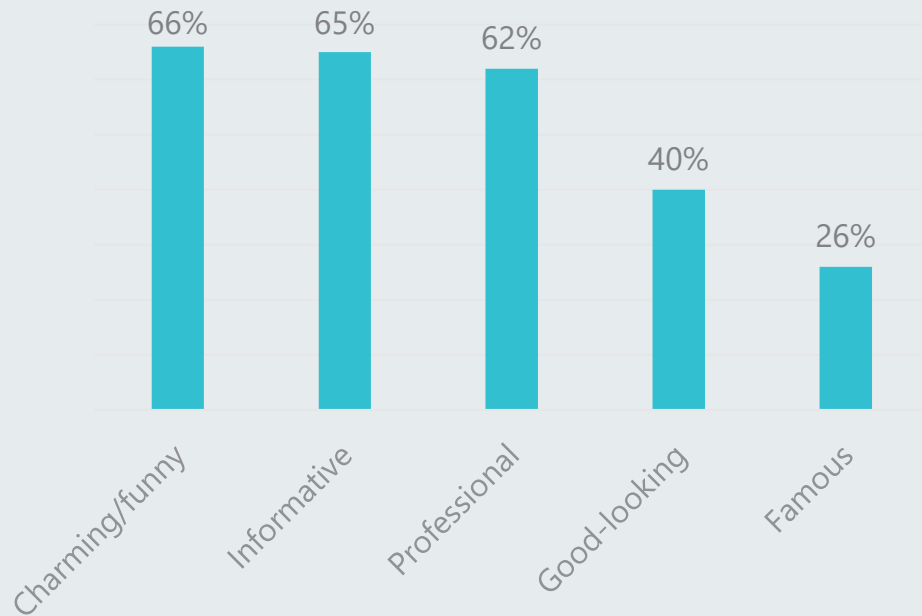
Informativeness

Q: What are the factors about the live-streamer that influence your decision to [watch live-streams/trust live-streamers/buy products while watching live-streams]?

n=793

To eventually increase sales through live-streamers, sellers must attract viewers first. Charm, humor, and information sharing are the top live-streamer's quality that drive views.

Top live-streamers' characteristics that drive views on live-streams



Q: What are the factors about the live-streamer that influence your decision to watch live-streams?

n=793

Consumers are more likely to be attracted to a live-stream if they judge the live-streamer to be **charming/funny** or **informative**.

Curiously, live-streamers' fame has little influence on consumers' decision to watch a live-stream.

Furthermore, there are demographic variations in the top live-streamers' quality that attract views:

- For consumers in HCMC, **informativeness** (71%) is the most attractive quality of a live-streamer.
- For Gen X consumers, **professionalism** (73%) overrides other attributes in capturing their attention.



After consumers have decided to watch a live-stream, live-streamer's professionalism is the main determinant of consumer trust.

68%

Of consumers said professionalism would make them trust live-streamers more.

Q: What are the factors about the live-streamers that influence your decision to trust them while watching live-streams?

n=793

Finally, for consumers to make purchases from live-streams, live-streamers need to be informative, providing relevant insights for consumers.

Top live-streamers' characteristics that drive purchase decision through live-streams



Q: What are the factors about the live-streamers that influence your decision to buy products while watching live-streams?

n=793

"When I buy on live-streams, I get to **interact with sellers**. They can try on clothes, and I get to experience the product through them. I highly appreciate buying through live-streams."

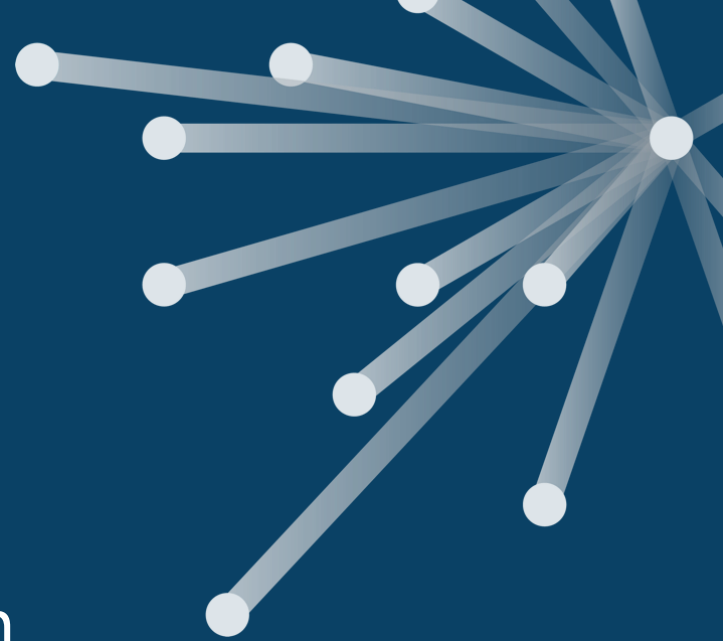
— Female, 30, Bac Ninh

"I love watching live-streams because even when don't talk about what I like, I can still **learn** about hot trends and other information."

— Female, 21, Vinh Long

“For me, I want to be a polite live-streamer. [...] I want to deliver more values to consumers through my live-streams, like consulting them on how to style certain outfits. **Consumers love that!**”

— Ms. Thuy, Owner, Small Business



# We help marketers to establish a return on their ad investments

## Understand Your Audiences

- Usage & Attitude
- Path-to-Purchase
- Touchpoints Study
- Media Habits
- Devices Usage
- Digital Consumer Segmentation

## Planning and Executing

- Media and Digital Channel Mix Optimization
- Optimal Frequency
- Media Performance Benchmark
- Brand Lift Benchmark

## Measuring and Validating

- Brand Lifts
- Campaign Impact Validation
- Brand Tracking
- Digital Reach Measurement
- Cross-Media Measurement

## Learning and Iterating

- Media Hypotheses
- Channel Hypotheses
- Ad Format Hypotheses
- Creative Testing
- Cross-Channel Synergies



## Reach out to us

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