

# VIETNAM'S READY MEAL MARKET RESEARCH

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Taste of Home



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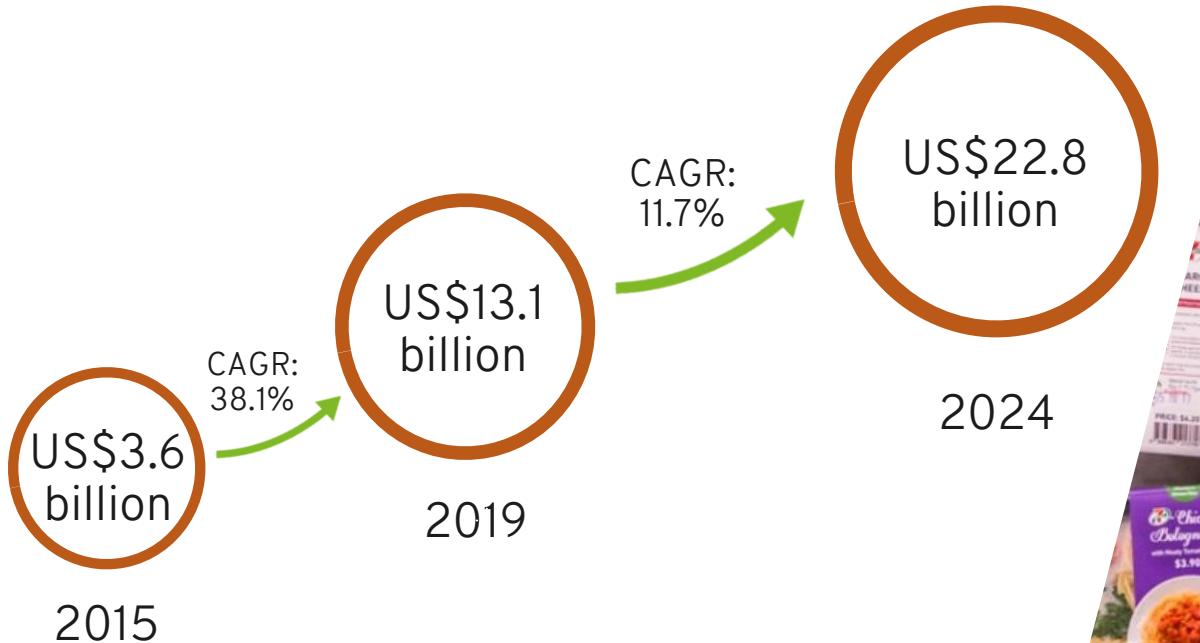
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A white rectangular bowl is filled with approximately ten pieces of fried chicken wings. The wings are coated in a vibrant orange-red sauce, likely a spicy Korean-style sauce. A few green leafy garnishes are visible on the left side of the bowl.

# MARKET OVERVIEW

01

# MARKET OF PACKAGED FOOD IN VIETNAM



Source: Food Export Association of the Midwest USA ([Link](#))

# PACKAGED FOOD CATEGORIES



## NUTRITION/ STAPLES PRODUCTS

- Rice, pasta & noodles
- Dairy products
- Sauces, Dressings & Condiments



## IMPULSE & INDULGENCE PRODUCTS

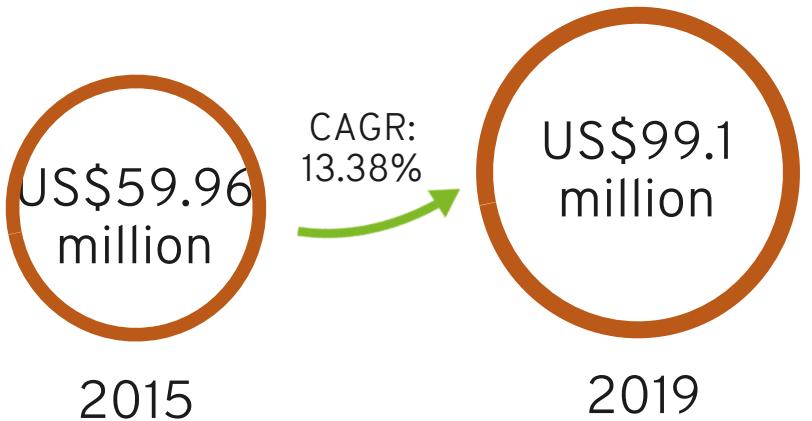
- Baked goods
- Sweet Biscuits, Snack Bars & Fruit Snacks
- Savory Snacks
- Ice Cream & Frozen Desserts



## READY MEAL SOLUTION PRODUCTS

- Frozen/ Chilled Processed Meat & Seafood
- Frozen/ Chilled Ready Meal
- Canned/ Preserved Food
- Instant noodle

# THE READY MEAL SOLUTION MARKET IN VIETNAM



While growth rate of Vietnam's consumer spending 2015 – 2019: 6.98%



# READY MEAL SOLUTION CATEGORIES



## 1. Main meal (Lunch or Dinner)

- Fresh cooking pack
- Frozen RTE (e.g. pizza, fried chicken rice)
- Chilled RTE (e.g. spaghetti)
- Dry RTE (e.g. instant noodle)



## 2. Single Dish (To eat in main meal)

- Frozen RTC, RTE (e.g. marinated meat, smoked salted meat)
- Chilled RTE (e.g. salad, kimchi, tofu)
- Dry RTE (e.g. canned meat & fish)



## 3. Light Meal/ Breakfast

- Frozen RTE (e.g. dimsum)
- Chilled RTE (e.g. sandwich, sushi, sweet soup)
- Dry RTE (e.g. chicken feet)

# 1. Main meal (Lunch or Dinner)

.....

Fresh  
RTC  
pack



Chilled  
RTE



Frozen  
RTE



Dry RTE



## 2. Single Dish (To eat in main meal)



Frozen  
RTC,  
RTE



Chilled  
RTE



Dry RTE



### 3. Light meal/ Breakfast



Frozen  
RTC,  
RTE



Chilled  
RTE



Dry RTE



# CUSTOMER SEGMENT

02

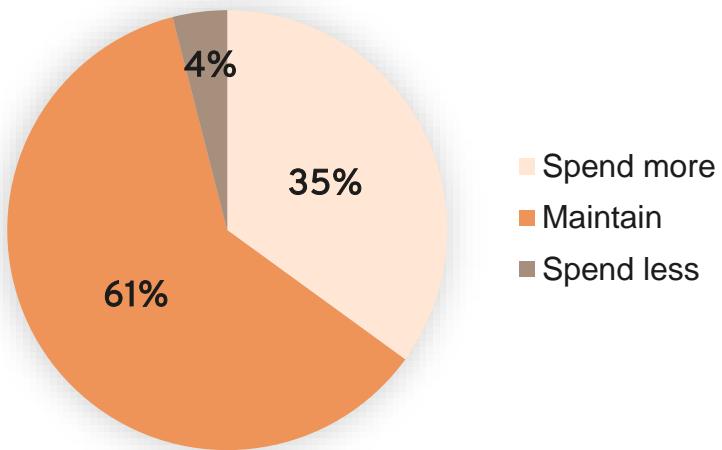


# CUSTOMER SEGMENTS

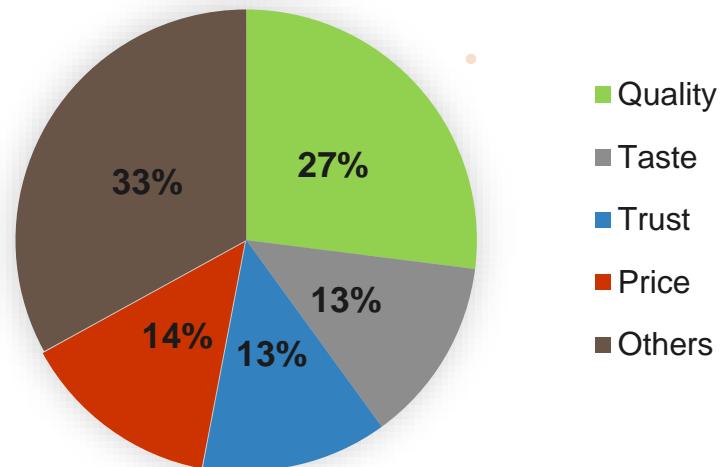
Product Category	B2C			B2B
	Customer	Sales Channel		
Main meal	Fresh RTC pack 	Modern wife (29 – 32 y.o)		<ul style="list-style-type: none"> <li>Small café without kitchen</li> </ul>
	Frozen RTE 	Young adult (25 – 28 y.o)	 	
	Chilled, Dry RTE 	University student & young adult (22 – 28 y.o)	  	
Single Dish	Frozen RTC, RTE 	Modern wife (29 – 32 y.o) & Alpha mom (33 - 40 y.o)	  	<ul style="list-style-type: none"> <li>Canteen of workplace, normal school</li> <li>Small restaurant &amp; street vendor (BBQ, alcohol, cloud &amp; dark kitchen)</li> </ul>
	Chilled RTE 	Young adult (25 – 28 y.o) & Modern wife (29 – 32 y.o)	 	
	Dry RTE 	University student, young adult & Traveller (22 – 28 y.o)	  	
Light Meal/ Breakfast	Frozen RTC, RTE 	Modern wife (29 – 32 y.o) & Alpha mom (33 - 40 y.o)	  	<ul style="list-style-type: none"> <li>Restaurant &amp; street vendor</li> </ul>
	Chilled RTE 	Young adult (25 – 28 y.o)		
	Dry RTE 	Young adult (25 – 28 y.o) & Modern people (29 – 32 y.o)	  	

# B2C CUSTOMER INSIGHTS

## B2C customers' spending intent on packaged food



## Top attributes driving purchase behavior for packaged food



Source: Deloitte's Vietnam Consumer Survey (2019)



# B2C CUSTOMER INSIGHTS

## About Frozen Ready Meal Products

### Pros

- *Frozen products are produced by standardized process with quality consistency*
- *It is convenient and time-saving to prepare, especially with frozen processed products which is hard to cook at home:* dimsum, dumpling, spring roll, etc

### Cons

- *Despite their acceptable quality, such products are not good for health* (they have preservatives, they lose their nutrition when frozen in a long time, they are the left-over, low-quality products when manufacturers can't sell them fresh)
- *With frozen marinated raw material, the taste, texture & appearance is under average compared to fresh food* (customers cannot feel the elasticity & see the true color of meat; taste is not juicy anymore after defrosted and cooked, if it is marinated for a long time, the taste can be too bold because the seasonings will be absorbed into the food too much)
- *With raw material, customers prefer to buy fresh/chilled products in marketplace, then go home to freeze in refrigerator more than to buy the frozen food from the beginning*, because they want to see the color and texture and control product's quality when buying

# B2C CUSTOMER INSIGHTS

## About Frozen Ready Meal Products

	Pros	Cons
Economic value	<ul style="list-style-type: none"><li><b>With single dish, light meal frozen products, price of frozen products are reasonable and competitive</b> (they are the same or lower than they cook at home)</li></ul>	<ul style="list-style-type: none"><li><b>With frozen main meal products, customer will not buy if price is slightly higher than the chilled/cooked ones</b></li></ul>
Emotional value	<ul style="list-style-type: none"><li><b>With frozen single dish, light meal, customers feel relaxed because it is fast &amp; easy to prepare</b></li><li>They feel frozen products with big brand name, attractive packaging have the clear origin and more trust worthy</li></ul>	<ul style="list-style-type: none"><li><b>With frozen marinated raw material raw material, they feel not comfortable</b> when they cannot see the real texture &amp; color to control the product's quality when buying, and afraid they can't customize the taste</li><li><b>With main meal frozen products, they feel unsure about the meal's quality</b> because they can't see through the packaging like the chilled ones</li></ul>
Summary	<ul style="list-style-type: none"><li><b>The modern wife generally accept processed frozen products</b> because they are too busy and want the convenience &amp; easiness</li></ul>	<ul style="list-style-type: none"><li><b>With the traditional mom, they are still strongly concerned about the health &amp; taste disadvantages</b></li><li><b>With young adults who don't cook at home, they prefer the RTE chilled single dish/ main meal, or buy/order cooked meal from restaurant more than frozen main meal</b></li></ul>

# B2B CUSTOMER INSIGHT - Eat Me & 1 External Customer

	Eat Me (Canteen of Workplace)	Well Chef (Cloud Kitchen)
Products	<ul style="list-style-type: none"><li><i>Currently buying frozen raw materials from CP</i></li><li>Having demand with RTC products: marinated meat &amp; basa fish. They need:<ul style="list-style-type: none"><li>- <b>RTC products' taste is the same with the ones they make by themselves currently</b></li><li>- <b>Ensure the product quality stay the same in all branches</b></li></ul></li></ul>	<ul style="list-style-type: none"><li><i>Currently buying fresh raw material from wet market everyday</i></li><li>Having interest in the Further processed chicken of Binh Phuoc (700 kg/month). They are concerned about :<ul style="list-style-type: none"><li>- <b>The taste &amp; price first, then food safety &amp; origin comes after.</b> They want to try if texture, taste of our processed chicken is the compatible with the fresh one</li><li>- <b>Want to customize their own taste if using our products</b></li></ul></li></ul>
Price	<ul style="list-style-type: none"><li><i>Eat Me will buy if the price of RTC products is 25% higher than the current products at most</i></li></ul>	<ul style="list-style-type: none"><li><i>They will buy if the price of Further chicken is 5% - 10% higher than fresh raw material's in wet market with the same quality</i></li></ul>
Operation	<ul style="list-style-type: none"><li>Expected Benefits:<ul style="list-style-type: none"><li>- <b>Reduce the production waste</b></li><li>- Optimize the operation efficiency of kitchen staff by saving time to prepare food</li></ul></li></ul>	<ul style="list-style-type: none"><li>Expected Benefits:<ul style="list-style-type: none"><li>- <b>Supplier can deliver products 2 times/week</b></li><li>- Optimize the operation efficiency by saving time to buy raw material and prepare food everyday</li></ul></li></ul>

# B2B CUSTOMER INSIGHT - Plans For External Market Research

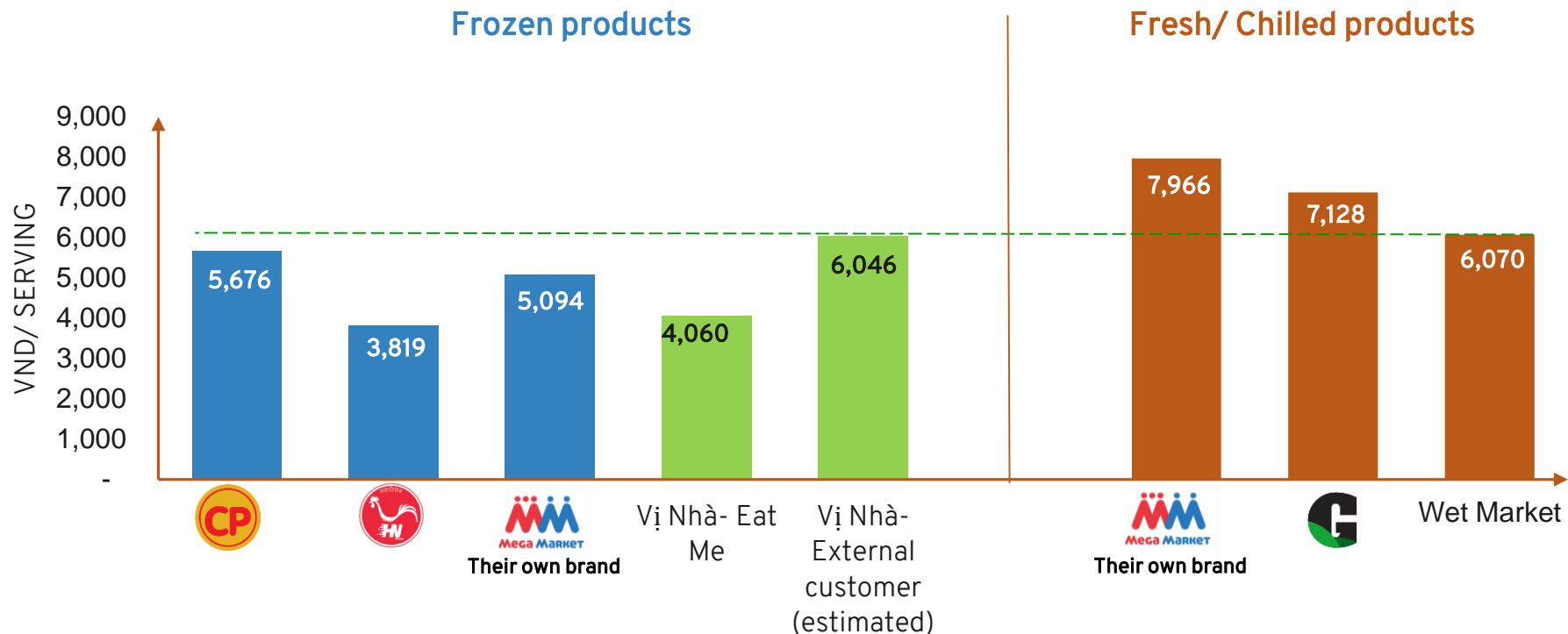
Customers To Research	Objective	Action	
<ul style="list-style-type: none"><li>• Canteen &amp; the catering companies for canteen (workplace, school, hospital)</li><li>• Small &amp; medium restaurants (café, BBQ, alcohol places, dark kitchen &amp; cloud kitchen)</li></ul>	<p>Research the demand of the target customer segments in terms of:</p> <ul style="list-style-type: none"><li>• Products: quality &amp; quantity</li><li>• Price</li><li>• Condition: delivery time, payment terms</li><li>• Current pain points when using fresh/frozen products</li></ul>	 Step 1 - Collect contact	Find customers and make a list for contact
		 Step 2 - Draft research	Research about these customers including their menu, volume, price
		 Step 3 - Draft research	Call to ask for demand
		 Step 4 - Visit research	Visit customers for detailed discussion

A white plate is positioned on the left side of the frame. It contains a large slice of deli meat, possibly turkey or ham, which has been cut into several thin, overlapping pieces. To the left of the meat, there is a small portion of a salad consisting of shredded lettuce, sliced radishes, and diced tomatoes.

# COMPETITIVE LANDSCAPE

03

# B2B - Raw Material Market



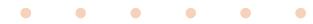
**Note:** This price/serving is calculated by Eat Me's menu and formula

(Because Vi Nha team hasn't got the quotation of all marinated parts of pork, chicken from factory, so we cannot compare the price range of each product with competitors. We will add the detailed price comparison specifically for pork & chicken next time)

# B2B FOOD SERVICE - RAW MATERIAL MARKET

					Wet Market
Biz Model	Manufacturing company	Food import & export company	Wholesaler	Manufacturing & Retailing company	Wholesaler & Retailer
Products	<ul style="list-style-type: none"> <li>Pork, chicken, basa fish, shrimp</li> </ul>	<ul style="list-style-type: none"> <li>Pork, chicken, beef, seafood, duck, buffalo</li> </ul>	<ul style="list-style-type: none"> <li>- Frozen:</li> <li>•Pork, chicken, beef, seafood, duck, etc</li> <li>•Marinated dry fish, stew fish, dimsum, etc</li> <li>- Fresh:</li> <li>•Pork, chicken, beef, seafood</li> <li>•Salted meat, smoked meat, grilled chicken &amp; duck, marinated chicken &amp; pork, etc</li> </ul>	<ul style="list-style-type: none"> <li>Pork, imported beef, seafood</li> </ul>	<ul style="list-style-type: none"> <li>Pork, beef, seafood</li> </ul>
Target Customers	<ul style="list-style-type: none"> <li>Fast Food restaurant chain</li> <li>Big &amp; premium horeca</li> </ul>	<ul style="list-style-type: none"> <li>Small &amp; medium restaurant</li> <li>Canteen</li> </ul>	Big & premium horeca	Big & premium horeca	<ul style="list-style-type: none"> <li>Small &amp; medium restaurant</li> <li>Canteen</li> </ul>
Opportunity Area	<ul style="list-style-type: none"> <li>Haven't added value for customer to accept the higher price compared with other manufacturers</li> </ul>	<ul style="list-style-type: none"> <li>Only specialized in the imported frozen products, not having the domestic frozen one</li> </ul>	<ul style="list-style-type: none"> <li>With small orders, the product quality is not stable</li> <li>Domestic frozen is more expensive than the manufacturers</li> </ul>	<ul style="list-style-type: none"> <li>Not diverse variety of products</li> </ul>	<ul style="list-style-type: none"> <li>Unclear origin, unguaranteed safety food</li> </ul>

# B2C - READY MEAL MARKET



## Ready Meal Market Share 2019

### SATRA

Brands: Cofidec, Nhabexims, Vissan, Satra

### CJ Corp

Brands: Bibigo, CJ Cầu Tre

### Minh Trung Company

Brands: Cháo Sen Bát Bảo

### Cholon Investment & Import-Export Company

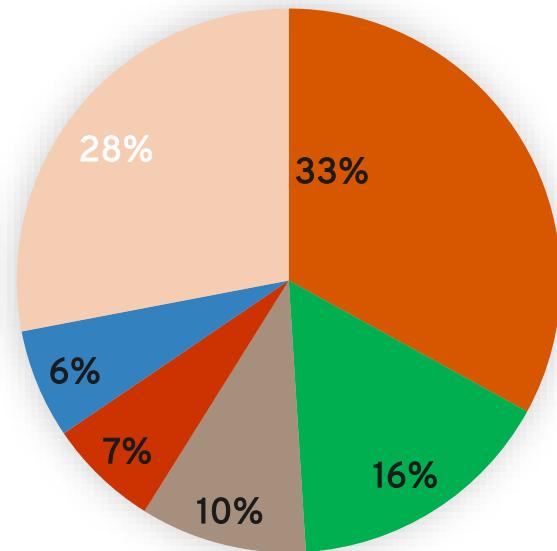
Brands: Cholimex

### Halong Canned Food JSC

Brands: Halong Canned Food

### Others

Brands: SG Foods, Vietsin, Orifood, B'Fast, Frista, etc

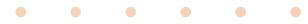


# B2C - READY MEAL MARKET



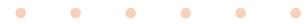
Categories & Products		Products & Price Examples
Main meal	Frozen RTE	<ul style="list-style-type: none"><li>• Local Food:<ul style="list-style-type: none"><li>- <b>SG Food:</b> noodles, vermicelli &amp; soup: 35,000/serving</li><li>- <b>CJ Cau Tre:</b> Hue beef noodle: 450g: 29,000/serving , corn sticky rice 300g: 24,600 VND/serving</li><li>- <b>CP:</b> Singapore fried rice 290g: 46,000 VND/serving, Salted fished fried rice 230g: 36,800 VND/serving</li></ul></li><li>• Foreign Food<ul style="list-style-type: none"><li>- Pizza:<ul style="list-style-type: none"><li>+ <b>Frissta:</b> 340g - 380g: 96,000 – 132,000 VND/serving</li><li>+ <b>Dasumy:</b> 115g: 34,000 VND/serving</li></ul></li><li>- Spaghetti:<ul style="list-style-type: none"><li>+ <b>CJ Food:</b> 200g: 28,000 VND/serving</li></ul></li></ul></li></ul>
Single Dish	Frozen RTC, RTE	<ul style="list-style-type: none"><li>• Pork<ul style="list-style-type: none"><li>- <b>MVP:</b> 197,000 – 328,000 VND/kg</li><li>- <b>Vissan:</b> 150,000 – 224,000 VND/kg</li></ul></li><li>• Chicken<ul style="list-style-type: none"><li>- <b>MVP:</b> 200,000 – 336,000 VND/kg</li><li>- <b>CP:</b> 110,000 – 166,000 VND/kg</li></ul></li></ul>

# SUMMARY



Market Overview		<ul style="list-style-type: none"><li>The ready meal market is potential with the high growth rate</li><li>The market is active with many categories of products (frozen, chilled, dry), for now mainly targeting to B2C customers</li></ul>
B2B	Customer Insight	<ul style="list-style-type: none"><li>Food service customer prioritize the taste &amp; price the most, then food safety, origin comes after</li><li>The premium restaurant will want to customize their taste to attract their customers =&gt; that's the important barrier when they consider about ready meal products</li></ul>
	Competitive Landscape	<ul style="list-style-type: none"><li>For now, our competitors are mostly indirect ones, who are: fresh raw materials from wet market, chilled &amp; frozen ones from wholesaler &amp; manufacturer</li><li>Our price is highest among the frozen segment (6% - 58% higher than others) , but cheaper than fresh ones (0 % ~25%)</li></ul>
B2C	Customer Insight	<ul style="list-style-type: none"><li>With main meal segment, the chilled products are more preferred than the frozen ones.</li><li>Generally, only the frozen products which are expensive to eat at restaurant, and hard to cook at home are preferred, like pizza, dimsum, bun, wonton, meat ball, etc</li><li>The other frozen products that customers can cook at home or buy from street vendor easily like: marinated meat... are not popular with Vietnamese yet</li></ul>
	Competitive Landscape	<ul style="list-style-type: none"><li>With main meal, there are few players in the market manufacturing frozen products</li><li>With single dish &amp; light meal, there are many competitors producing the ready meal products (CJ, Vissan, Cholimex, etc)</li></ul>

# SUMMARY



Recommendations For Next Steps	<ul style="list-style-type: none"><li>• In short-term plan: We will focus on the B2B food service businesses:</li><li>- Explore the segments that CP &amp; other domestic manufacturers are not focusing on: small &amp; medium restaurants (café without kitchen, BBQ, alcohol restaurants, cloud &amp; dark kitchen); Canteens (workplace, school, hospital)</li><li>- Research about these market, define customer segments &amp; their insight more clearly in terms of products, price and their current pain points</li><li>- Work with internal team (Sales &amp; RnD) to develop the new products and develop the new customer segments</li> <li>• In long term plan, we want to prepare to build the new products &amp; platform to sell ready meal products for B2C customers, educate and change the wrong perception of them about ready meal products</li></ul>
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