

Milk Consumption Behaviour Analysis in Vietnam

Introduction

This brief presents the main findings from the study of analysing milk consumption behaviour and the implications for sustainable and fair consumption patterns of milk in Vietnam

Summary

This research is an international perspective from Vietnam contributing to the research on food consumption behaviors within the Valumics project. The study identifies the key drivers and barriers to sustainable and fair milk consumption and proposes an intervention design to improve food consumption patterns through focus groups and a food consumption behaviour model. The key findings show that health aspects and taste are the most important drivers of milk consumption while milk price and the place of purchase are the strongest restrictions. Consumers' habits, family structure, and lifestyles are the key backgrounds of milk product selection. Marketing and promotions may enhance incentives in food consumption. Most consumers pay attention to the price. Young consumers prefer the taste and convenience of food while quality is essential to older people. However, consumers seem to insufficiently understand and pay little attention to environmental and fairness aspects when shopping and consuming milk products. The analysis of milk consumption behavior in Vietnam were based on the COM-B behavior change model which defines *capabilities, opportunities and motivations* as key levers of change¹.



¹ Michie, S., M. M. v. Stralen and R. West (2011). "The behaviour change wheel: A new method for characterising and designing behaviour change interventions." *Implementation Science* 6(42): 11 pages. Available at <http://www.implementationscience.com/content/pdf/1748-5908-6-42.pdf>

Overview of Vietnam's milk market

Milk consumption

Vietnam's consumption of milk and milk products has quickly grown. However, average milk consumption per capita is much lower than the global average.

Vietnam's milk consumption has significantly increased in recent decades due to increases in living standards, GDP per capita, and health care. People also pay more attention to nutritional, healthy, and environmental aspects of milk and milk products. Vietnamese people consume about 2 billion liters of milk per year, of which 30% is fresh milk and 70% is reconstituted milk. Average milk consumption was over 26 kg per capita in 2018 which was much lower than the global average. The consumption of milk products accounts for about 10% of the total food expenditure of Vietnamese people². The current main markets of milk and milk products are in urban areas. However, the consumption of milk and milk products in rural areas has also increased, by 6.6% in volume and 7.9% in value in 2018³.

Consumers purchase milk and milk products through three main distribution channels. First, traditional channels consist of specialized milk shops, wet shops, and grocery stores that sell milk. Second, modern channels are convenience stores and supermarkets. Third, online channels include milk firms' stores and online shops. Vietnam's domestic production can meet only 40% of its local demand in 2018 while the rest depends on imported sources, mainly raw milk in the form of reconstituted milk⁴. The milk import value is over EUR 815 million in 2018 with an annual average growth rate of 3.9% from 2010 to 2018⁵.

Key drivers of milk consumption

Health aspects were the strongest drivers of milk and milk products consumption. Health aspects were identified by various factors such as the quality (nutrition, ingredients, certification), appearance (freshness, good looking), information (information on label and communication), firm brand name, and the place of purchase. Trust has a key impact on health aspects when consumers purchase and consume milk. Besides health aspects, taste, smell, and convenience were reported as the critical drivers of food choices, especially for young consumers.

The price factor garners the most interest and attention of consumers. It is regarded as a restriction in milk choice. Consumers prefer a reasonable price, especially certified milk products. They cannot afford too high a price for certified milk while a low price may imply low quality by end-users. Different consumers prefer different retail channels depending on what kinds of foods they purchase. Certified milk products (e.g., Organic, Fair Trade, the Global Good Agricultural Practice – Global GAP) are usually sold in modern retail systems such as supermarkets, convenience stores, and milk shops.

Habits, family structure, and lifestyles are background factors in milk shopping and consumption behaviour. They usually buy and use the types of products based on their habit and lifestyles. Thus, new, and certified milk products may encounter difficulties when launching. The consumption behaviour is also different among people living alone and those living with their family. Religion is also mentioned when consumers select milk.

Marketing, communication, and promotions are factors that are more important when launching new and certified milk products while conventional products are often consumed according to habit and health aspects.

Environmental sustainability and fairness information is made available through packaging. However, consumers pay little attention to environmental sustainability and fairness aspects because the price of environmentally friendly products is usually high and fairness as a term is new and confusing to consumers

Dominant drivers

Health aspects and taste are the most important factors while high price and scarce retailers are the main barriers to sustainable food consumption

² Tran, P.L. (2019). 4 healthy habits to drink milk for family. <https://www.mcmilk.com.vn/tag/thoi-quen-uong-sua/>

³ Babuki (2019). Dairy market in Vietnam in 2018. <https://babuki.vn/thi-truong-sua-nuoc-viet-nam-nam-2018/>

⁴ Huy Linh (2019). Vietnam with domestic demand for milk. <http://thoibaonganhang.vn/viet-nam-voi-nhu-cau-sua-tieu-dung-trong-nuoc-87932.html>.

⁵ General Statistics Office (GSO, 2019). <http://www.gso.gov.vn>

Selection of milk products

Consumers usually choose conventional milk products with brand names rather than organic products

Trend

Sustainable and fair food consumption is increasing due to informational campaigns and growing education and awareness

Barriers

People's trust, knowledge, and information of fair and sustainable products are insufficient. Thus, they are not willing to pay higher prices for these foods

Selection of products

The choice experiment of milk products showed that consumers select conventional milk products more often than organic milk products. Conventional milk products with famous brands such as Vinamilk, TH True Milk, Da Lat Milk are the most popular and most chosen by participants. The selection pattern enhanced the analysis of the drivers of consumer behaviour in the previous section.

Trends towards sustainable food consumption

Participants generally understood environmental aspects of food consumption as consuming milk products that are farmed and processed without causing harm to the environment. Consumers also thought that these aspects are associated with consuming certified organic and Global GAP milk products. Consumers considered fairness aspects of food consumption as financial benefits for farmers and workers in producing high-quality products.

Though Vietnamese consumers may pay less attention to sustainability and fairness aspects, the media and informational campaigns have significantly affected consumers' awareness leading them to boycott brands associated with negative behaviour in relation to environmental and fairness issues. They tend to switch to other brands with more ecological and fairness credentials. Young generations take increasing care of environmental and fairness aspects of food consumption because they have more education, awareness, and understanding of sustainability and fairness as concepts.

The shopping experiment of choosing food baskets (milk and other foods) showed that most consumers choose the baskets based on taste, convenience, health, and habit. Young and single people often selected food baskets based on convenience. Older consumers or people with families tended to choose healthier and fresher food baskets. With a detailed explanation of sustainable and fair concepts, most consumers planned to find more information about and to consider shifts to sustainable and fair food consumption patterns, depending on their income and budget.

Barriers to sustainable food consumption

The main barriers to sustainable and fair food consumption patterns were price, trust, knowledge, and information. The prices of sustainable and fair foods are higher than those of traditional foods and significantly high in terms of most consumers' incomes. Consumers' trust, knowledge, and information of sustainable and fair foods were insufficient. Therefore, they were not willing to pay much higher prices for sustainable and fair foods.

Additionally, taste and smell, habits and hobbies, place of purchase, and lifestyle were also barriers to sustainable and fair milk consumption. The appetite of consumers is familiar with the current milk taste and smell thus it is difficult for them to switch to new organic products that are good for their health and the environment but with different tastes and smells. Eating and drinking habits are difficult to change. In addition, sustainable milk products are not commonly sold through popular distribution channels, making it difficult for consumers to access.

Interventions and policy implications

The study showed that consumers change their milk consumption behaviour over time due to various factors such as food quality and safety scandals, new products, health problems, family structure variations, living conditions, education and awareness, and policies. Older people change their habits over time for various reasons while younger consumers can simply follow the new food consumption trends towards a more sustainable and fairer pattern based on modern communication means (Google, Facebook, Zalo), increasing knowledge and awareness, and easier market information access (offline, online). Environmental pollution, climate change,

health issues, and social norms have also significantly influenced consumers to take growing care in healthy and sustainable food consumption.

Interventions in milk consumption behaviour patterns were designed and proposed based on the COM-B behaviour change model, explored drivers, and identified barriers. The intervention design includes capabilities, opportunities, and motivations as follows:

Interventions

Interventions based on enhancing consumers' capabilities, increasing their opportunities, and their motivations to act can change their consumption towards more sustainable and fairer patterns.

- ✓ In terms of *capabilities*, sustainable and fair food consumption should be encouraged and supported by reducing the prices of the certified products (Organic, Global GAP, Fair Trade) for increased affordability. Unsustainable consumption should be restricted by taxation, fees, and other market regulations. In addition, minimum wage and other allowance can be increased to enhance the real income and expenditure budget for more sustainable products.
- ✓ Various interventions to increase *opportunities* are available in terms of (1) Quality: Firms have to ensure product quality by adhering to the standards of certifications (2) Communication: advertising and communication should be effective and transparent so that consumers can access, understand, and trust. (3) Diversity: Taste, smell, and appearance of sustainable foods need to be more diverse and suitable for end-users; (4) Segmentation: Food firms should build a particular segment for sustainable and fair products with an appropriate marketing strategy; (5) Distribution: sustainable milk products should be widely distributed through different retail channels; (6) Cost and price: The prices of sustainable foods should be reduced at a reasonable level through innovations, effective farming management, and shorter supply chains.
- ✓ In terms of *motivations*, consumers could be motivated to engage in more sustainable and fairer food consumption patterns by (1) Increasing their awareness of the value and benefit of purchasing and consuming these products; (2) Enhancing consumers' knowledge and information on sustainable foods; (3) Improving consumers' trust in sustainable and fair firms, brands, and products; (4) Showing appreciation to the consumers who are willing to buy and use sustainable foods; (5) Constraining them from buying and using unsustainable foods.

Key sources for further information

To discuss the research presented in this brief, please email viet.hoang@ueh.edu.vn

Deliverable report

Hoang, V., Nguyen, A. (2021). Food Consumer Behaviour Analysis: An International Perspective from Vietnam *A supplementary country report to Deliverable 6.1* VALUMICS "Understanding Food Value Chains and Network Dynamics", funded by European Union's Horizon 2020 research and innovation programme GA No 727243. University of Economics Ho Chi Minh City, Vietnam. 32 p.

Nicolau, M., Esquivel, L., Schmidt, I., Fedato, C., Leiman, L., Samoggia, A., Monticone, F., Prete, M. D., Ghelfi, R., Saviolidis, N.M., Sigurdardottir, H., Olafsdottir, G., Brimont, L., Aubert, P.M., Huber, E., Aditjandra, P., Hubbard, C., Arijit De, Odene, J., Schamari, D., Gorton, M., Čechura, L. Viet, H.V., Bogason, S.G. (2020). Food consumption behaviour in Europe Mapping drivers, trends and pathways towards sustainability. The VALUMICS project funded by EU Horizon 2020 G.A. No 727243. **Deliverable: D6.1**, CSCP, Wuppertal, 214 pages

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H2020 VALUMICS – Understanding Food Value Chains and Network Dynamics

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"This project has received funding from the European Union's Horizon 2020 research and innovation programme under grant agreement No 727243"