Entering Vietnam Mobile Market 2017
Top 10 mobile events of 2016
Mobile Device Trends
Mobile User Behavior Analysis
Vietnam Mobile Landscape
Top 10 mobile events of 2016

1. Bigo, a live-streaming mobile app became a phenomenon in Vietnamese young generation.

2. Samsung to permanently end production of Galaxy Note 7


4. Sam Media Company—a mobile phone content provider fined for cheating customers.

5. Vietnam awards 4G licenses to the three biggest Telco.

6. Monkey Junior (edtech) achieved international awards in the field of education.


8. Mobile game revenue to pass PC for first time.

9. Lazada Vietnam announced its GMV index $7.8M per day, which set up a millstone for Ecommerce Market in Vietnam.

10. Vietnam listed in top 20 countries with the highest number of Internet users.
Vietnam Internet Users Demographic

- **Total Population**: 93M+
- **Active Internet Users**: 49M
- **Active Mobile Subscribers**: 131.9M
- **Active Mobile Social Users**: 38M

Gender

- Male: 48%
- Female: 52%

Source: Appota
Vietnam 3G Usage

3G Subscription (YoY) (Million)

<table>
<thead>
<tr>
<th>Year</th>
<th>3G Subscription (Million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>22</td>
</tr>
<tr>
<td>2015</td>
<td>30</td>
</tr>
<tr>
<td>2016</td>
<td>44</td>
</tr>
</tbody>
</table>

3G Subscription Breakout by Telco

- Viettel: 48%
- Mobile: 26%
- Vinaphone: 18%
- Other: 8%

* Telco have been started launching 4G with big campaign. This would let the number of 4G subscription take off in 2017.

Source: Zing.vn
Smartphone penetration in urban areas

- **2013**: 20%
- **2014**: 36%
- **2015**: 55%
- **2016**: 72%

* Smartphone ownership in Vietnam is booming, with current penetration at 72% in urban areas and 53% in rural.

Source: Consumer Barometer Question: A2. Which operating system do you have on your smartphone?
Smartphone users, n=1000 TNS / Google smartphone apps research Vietnam
Using Mobile or Multiplatform?

<table>
<thead>
<tr>
<th></th>
<th>All User</th>
<th>Millennials (from 18 – 34 years old)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Destop only</td>
<td>Multi-Platform</td>
</tr>
<tr>
<td>Vietnam</td>
<td>0%</td>
<td>30%</td>
</tr>
<tr>
<td>Malaysia</td>
<td>0%</td>
<td>40%</td>
</tr>
<tr>
<td>Singapore</td>
<td>0%</td>
<td>40%</td>
</tr>
<tr>
<td>UK</td>
<td>0%</td>
<td>40%</td>
</tr>
<tr>
<td>USA</td>
<td>0%</td>
<td>40%</td>
</tr>
</tbody>
</table>

*Younger demographics heavy drivers of mobile adoption in Vietnam to compare with other countries*

Source: Comscore
To compare with other countries in S.E.A

<table>
<thead>
<tr>
<th>Country</th>
<th>Android OS</th>
<th>iOS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indonesia</td>
<td>94%</td>
<td>6%</td>
</tr>
<tr>
<td>Malaysia</td>
<td>82%</td>
<td>18%</td>
</tr>
<tr>
<td>Philippines</td>
<td>81%</td>
<td>19%</td>
</tr>
<tr>
<td>Singapore</td>
<td>58%</td>
<td>42%</td>
</tr>
<tr>
<td>Thailand</td>
<td>74%</td>
<td>26%</td>
</tr>
<tr>
<td>Vietnam</td>
<td>68%</td>
<td>25%</td>
</tr>
</tbody>
</table>
Apple released iOS 10 on September 13th. Three months later, the operating system is deployed on about 84% of iOS devices. This means iOS users always have immediate access to the latest and greatest operating systems released by Apple.

Android Nougat was released at the end of August, and four months later still has <1% adoption! This was explained by that because Android is so fragmented by version, and adoption of the latest OS is slow, their only choice is to focus stability efforts on the Android OSes with the highest usage.

Source: Apteligent
Vietnam Android Screen Break out

- **qHD 540x960**: 14.23%
- **Full HD 1920x1080**: 15.16%
- **HD 720x1184**: 15.78%
- **HD 720x1280**: 26.12%
- **WVGA 480x800**: 28.71%

Source: Appota
Vietnam

Mobile User Behavior

2016
Daily user’s behavior

Daily use and time spent with app categories

* Social networking and messaging have the highest use and occupy the most amount time; games also engage

Source: Question B5. Which of these categories of smartphone app do you use every day? Smartphone users, n=1000 Question B9. Thinking about a typical day, how much time do you think you spend with these kinds of apps? Users of app category n=various (range from n=638 to n=980) TNS / Google smartphone apps research Vietnam
Impression by device through a daily time

% of each platform’s average daily impressions by hour

- LATE NIGHT: 12am - 7am
- EARLY MORNING: 7am - 10am
- DAYTIME: 10am - 5am
- LATE AFTERNOON: 5pm - 8pm
- PRIME: 8pm - 12am
Average time spend online on web, mobile web and mobile app

- Time using a web browser on a computer: 100 minutes
- Time using a web browser on a smartphone: 63 minutes
- Time using apps on a smartphone, which need an internet connection: 51 minutes
- Total: 114 minutes

Source: Question: C1 How much time do you think you spent online? Question C2 And what percentage of your online time do you think is spent in the following ways? Smartphone users n=1000 TNS / Google smartphone apps research Vietnam
On average, five new apps are installed each month.

<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Games</td>
<td>69%</td>
</tr>
<tr>
<td>Social networking</td>
<td>68%</td>
</tr>
<tr>
<td>Messaging, comms</td>
<td>66%</td>
</tr>
<tr>
<td>Media &amp; Ent.</td>
<td>63%</td>
</tr>
<tr>
<td>Search</td>
<td>62%</td>
</tr>
<tr>
<td>Music &amp; Audio</td>
<td>62%</td>
</tr>
<tr>
<td>Books, comics, mags</td>
<td>59%</td>
</tr>
<tr>
<td>News &amp; weather</td>
<td>58%</td>
</tr>
<tr>
<td>Education</td>
<td>57%</td>
</tr>
<tr>
<td>Shopping &amp; e-comm.</td>
<td>55%</td>
</tr>
</tbody>
</table>

Social networking and messaging apps are used every day by almost all smartphone owners. According to the chart:

- **Social networking** is used daily by 94% and regularly (but not daily) by 4%.
- **Messaging, comms** is used daily by 91% and regularly (but not daily) by 4%.
- **Search** is used daily by 87% and regularly (but not daily) by 10%.
- **Media & Ents.** is used daily by 73% and regularly (but not daily) by 14%.
- **Music & Audio** is used daily by 72% and regularly (but not daily) by 13%.
- **Games** is used daily by 67% and regularly (but not daily) by 10%.
- **News & weather** is used daily by 65% and regularly (but not daily) by 14%.
- **Shopping & e-comm.** is used daily by 43% and regularly (but not daily) by 21%.
- **Travel and local** is used daily by 42% and regularly (but not daily) by 21%.
- **Books, comics, mags** is used daily by 39% and regularly (but not daily) by 17%.

*Social networking and messaging apps are used every day by almost all smartphone owners.*
Social networking and messaging apps are used every day by almost all smartphone owners.

**TOP MESSAGING APPS IN VIETNAM**

<table>
<thead>
<tr>
<th>App</th>
<th>Usage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Zalo</td>
<td>80%</td>
</tr>
<tr>
<td>Facebook</td>
<td>73%</td>
</tr>
<tr>
<td>Viber</td>
<td>40%</td>
</tr>
<tr>
<td>Skype</td>
<td>37%</td>
</tr>
<tr>
<td>Line</td>
<td>18%</td>
</tr>
<tr>
<td>Yahoo</td>
<td>11%</td>
</tr>
<tr>
<td>Tango</td>
<td>9%</td>
</tr>
<tr>
<td>Wechat</td>
<td>5%</td>
</tr>
<tr>
<td>Whatsapp</td>
<td>4%</td>
</tr>
<tr>
<td>Kakao Talk</td>
<td>3%</td>
</tr>
<tr>
<td>Other</td>
<td>6%</td>
</tr>
</tbody>
</table>

**TOP MESSAGING APPS ACTIVITIES IN VIETNAM**

<table>
<thead>
<tr>
<th>Activity</th>
<th>18 - 25</th>
<th>26 - 30</th>
<th>30 - 35</th>
<th>35+</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Text messaging</td>
<td>82%</td>
<td>79%</td>
<td>80%</td>
<td>73%</td>
<td>80%</td>
</tr>
<tr>
<td>Send photos</td>
<td>57%</td>
<td>57%</td>
<td>62%</td>
<td>56%</td>
<td>58%</td>
</tr>
<tr>
<td>Phone calls</td>
<td>53%</td>
<td>59%</td>
<td>59%</td>
<td>51%</td>
<td>56%</td>
</tr>
<tr>
<td>Video calls</td>
<td>40%</td>
<td>42%</td>
<td>39%</td>
<td>34%</td>
<td>40%</td>
</tr>
<tr>
<td>Voice messaging</td>
<td>25%</td>
<td>24%</td>
<td>17%</td>
<td>16%</td>
<td>23%</td>
</tr>
<tr>
<td>Share feelings</td>
<td>21%</td>
<td>22%</td>
<td>22%</td>
<td>21%</td>
<td>22%</td>
</tr>
<tr>
<td>Read news</td>
<td>19%</td>
<td>22%</td>
<td>21%</td>
<td>27%</td>
<td>21%</td>
</tr>
<tr>
<td>Share updates about friends, relative</td>
<td>19%</td>
<td>20%</td>
<td>25%</td>
<td>17%</td>
<td>20%</td>
</tr>
<tr>
<td>Chat rooms</td>
<td>18%</td>
<td>15%</td>
<td>15%</td>
<td>6%</td>
<td>6%</td>
</tr>
<tr>
<td>What videos</td>
<td>12%</td>
<td>15%</td>
<td>13%</td>
<td>18%</td>
<td>14%</td>
</tr>
<tr>
<td>Find friends / make friends</td>
<td>14%</td>
<td>13%</td>
<td>13%</td>
<td>18%</td>
<td>14%</td>
</tr>
<tr>
<td>Online shopping</td>
<td>10%</td>
<td>10%</td>
<td>14%</td>
<td>11%</td>
<td>11%</td>
</tr>
<tr>
<td>Others</td>
<td>3%</td>
<td>0%</td>
<td>5%</td>
<td>2%</td>
<td>2%</td>
</tr>
</tbody>
</table>

Note: n = 1,200; via smartphone: respondents chose top 3

Source: Appota
Messaging app now is just only to use with your friends and family, it extends to bill paid, shopping, instruction and entertainment. In 2017, enabling technology: Context, identity, and AI will help messaging apps to grow tremendously and even surpass Social Networks.
Vietnam Mobile commerce 2016

Comparing between Mobile commerce and E-commerce YoY

- E-Commerce App is used to research and purchase
- More than 31% online shopping is estimated to be from apps
- Food, are more likely to be purchased via mobile rather than from a laptop.
- Lazada: 36% of market share is the market leader
- 49% spend from 10 to 20 USD
- More than 30% shop 2-3 times per month

Source: Euromonitor, VNG
Devices used for online Shopping

- **Home PC**: 52%
- **Smartphone (browser)**: 47%
- **Smartphone (app)**: 40%
- **Office PC**: 29%
- **Tablet (browser)**: 17%
- **Tablet (app)**: 6%

*Mobile commerce is gaining momentum in growing markets. In Vietnam, more consumers are beginning to use their smartphones to make purchases rather than their conventional computers. PC-commerce is shrinking at a slow rate, with the mobile space thriving as more retailers begin to offer mobile-centric services.*

Source: Q&Me
The way Vietnamese users pay for e-commerce

85% of EC users choose cash on delivery as a payment method.

On the other hand, heavy users use credit/debit cards and bank transfer more often, so consumer’s concern about purchasing may lead to cash on delivery.

Also, high usage rate of cash on delivery results in high order cancellation rate in Vietnam.

Source: Q&Me
Mobile Game 2016 Overview

Market size Vietnam YoY (Milion USD)

Vietnam Game Revenue to compare with other countries in S.E.A

* Total Revenue of BIG 6 S.E.A: 783.10 Milion USD
Mobile Game Publishing in Vietnam 2016

Top Successful Mobile Game in 2016

- Ý thiên 3D
- Võ lâm truyền kỳ mobile
- Liên Quân Mobile
- Ngôi Sao Thời Trang 360mobi
- Tập Kích VTC

Top Publishers in the market

- GAMOTA: Deliver Mobile Games
- UNG
- VT GAME: GAME IS LIFE
- VT mobile: for life
- Garena
Top Global Game Downloads

8.8M downloads
8.1M downloads
7M downloads

Vietnamese Gamers love to play trending global games. Pokemon: 8.8M downloads, talking tom 8.1M downloads, Slithe.io with 7M downloads. However casual game doesn’t work in Vietnam in term of revenue. (due to payment method and user’s behavior).
Appota is the leading mobile platform provider for 3 segments trending in the Vietnamese mobile market: Game Publishing, Advertisement, and Payment. The company has more than 30 million users, and partners with over 15,000 developers, advertisers, and merchants worldwide.

Subsidiary Companies:

- Gamota: gamota.com
- Adsota: adsota.com
- Appotapay: appotapay.com

More information: www.appota.com