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FINAL THESIS REPORT

**A MARKETING STRATEGY FOR SOUNDLY SLEEPING DRAGON  
IN THE FINNISH MARKET**  
Case: Tan Minh Single Women Cooperative

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Degree Programme in International Business  
December 2009  
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TAMPERE 2009



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**Study Programme(s):** BBA in International Business

**Title of Thesis** A Marketing Strategy for Soundly Sleeping Dragon in the Finnish market

**Month and Year of Completion:** December 2009

**Supervisor:** Markku Lampi **Number of Pages:** 63

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#### ABSTRACT

This thesis is a marketing strategy for Tan Minh Single Women Cooperative's sleeping bag named Soundly Sleeping Dragon in the Finnish market. The marketing strategy is planned based on opportunities or challenges and possibilities as the most important aspects to the current business situation of Tan Minh Single Women Cooperative.

Tan Minh Single Women Cooperative has the opportunities to serve a large group of potential customers in the target market. However, it has faced with the problem how to improve customers' perception of the product. It is also the purpose of this study to explore the aspects in order to help the cooperative succeed in the market.

The descriptive analysis is chosen as the main research methodology in this study. Besides that, both primary data and secondary data information are collected to support for the research. In addition, other research information was supported by Salka Rautio and Jaana Airaksinen from Ympäristö ja Kehitys ry.

This study has proposed an effective marketing strategy for Tan Minh Single Women Cooperative to solve its problems in the market. Simultaneously, I also look into about customer relationship marketing as the important tool to support for the marketing strategy and develop a sustainable relationship between the cooperative and its customers.

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**Key words:** Tan Minh Single Women Cooperative, Ympäristö ja Kehitys ry, Soundly Sleeping Dragon, Marketing strategy, Customer relationship marketing

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# 1 Introduction

A final thesis topic about marketing strategy is presented in this study to demonstrate for a completion of my study in Tampere University of Applied Sciences, Degree in International Business, and major study in International Marketing. This topic I am working on is a part of Green Dragon Operation project, a processing project is carried on by Ympäristö ja Kehitys ry, a Finnish Non- Organization (CED, Coalition for Environment and Development in English).

A presentation about “Green Dragon Operation” was presented in Tampere University of Applied Sciences by Ms. Jaana Airaksinen and Ms. Salka Rautio on October 27<sup>th</sup>, 2008. The presentation introduced about Ympäristö ja Kehitys ry and their social activities to help the women in Vietnam increase their democracy acknowledge and their lives. Specifically, they have helped Tan Minh Women Cooperative develop their lives by producing sleeping bags and exporting the products to Finland. The products have been very warmly welcome by Finnish users with 3000 sells last year. The result has showed that this is a great potential to improve this business. It will help Tan Minh Women improve their lives. “Green Dragon Operations” project was started by Ympäristö ja Kehitys ry in March 2009 to support the Tan Minh Single Women Cooperative balance and manage the business. The aim of this project is also to increase recognition of the cooperative and its products in Finnish market. An online media programme has been established to make the connection between cooperative and its customers. Other part of this project as my task is to plan a marketing strategy for the products to improve the product awareness and expand its market in Finland.

In this study, we will get to know shortly about Ympäristö ja Kehitys ry and their activities to help the women in Vietnam. We will also have an overview about Tan Minh Single Women Cooperative and their business in Vietnam. We will have chance to know about Fair Trade Certification, which Tan Minh Single Women Cooperative is working on to achieve for their products. A business analysis will be carried on to investigate essential factors, the strengths and weaknesses that the cooperative is dealing with. Since then, we could find out the core strategy and an effective marketing strategy for Tan Minh Single Women Cooperative’s product in the Finnish market.

## 1.1 Background

Tan Minh Single Women Cooperative (TMSWC) is a group of 186 Vietnamese single mothers in Vietnam. Because of many reasons, they have to work and support their children themselves. They have been working on their plants with many difficulties in life for many years. With the supports from Ympäristö ja Kehitys, TMSWC has started to produce sleeping bag named “Soundly Sleeping Dragon” in 2007. The first 500 sleeping bags came to Finland in 2007. The product is considered as a great business idea. The first sleeping bags have been warmly and accepted by the Finnish customers. The sales have increased up to 3000 sleeping bag until 2008. This result has been pleased all the women in Tan Minh. The result has justified that this is a positive business idea which could help the single women in Tan Minh change their life.

Soundly Sleeping Dragon has been countered barriers to enter the Finnish market as a new product. The potential customers are big, while the market of Soundly Sleeping Dragon is still small. The sleeping bags can be found in some bookstores such as Rosebud in Helsinki area where Ympäristö ja Kehitys ry is located. (Ympäristö ja Kehitys ry is the only distributors of Soundly Sleeping Dragon in Finland). The products have just been advertised in some newspapers and magazines. They have also appeared in some fairs and exhibitions in Helsinki regions. The sales cannot be increased because the marketing actions are not in strategic and professional; the images of the product and the reputation of TMSWC are rather weak for the products to be recognized in the market.

## 1.2 Problem statement

From the business background of TMSWC, the cooperative is facing with how to bring their products’ image to the customers effectively. Under this consideration, I would like to consider the problem statement of this study as follow: *Tan Minh Single Women Cooperative, a producer of silk sleeping bags is experiencing gradually in the new market environment in the Finnish market and wants to improve the sales by creating strong production awareness to the target customers. This aim of the cooperative can be achieved by implementing a marketing strategy based on finding the real possibilities or challenges, and the new possibilities achieved by the new Fair Trade certification.*

## 1.3 Research objectives

In order to achieve the purpose of this study, the following main objectives will be described in this research:

- To learn about TMSWC business overview
- The Fair Trade study
- To analysis the internal and external business environment of TMSWC to conduct the SWOT analysis
- To explore the overall objective to set the core strategy, and develop the marketing strategy
- To propose a suitable customer relationship marketing for TMSWC.

## **1.4 Research Methodology**

This research study provides a descriptive analysis of business environment of TMSWC. The descriptive analysis will help to define the root causes that the cooperative is challenging in its current business situation. Besides that, the descriptive analysis also discovers the strengths and possibilities that can help the cooperative break the barriers to achieve its aims.

The data collected for this research study includes both primary and secondary data.

In the primary data, the main information about the cooperative and its current clients is to be collected from Ms. Salka Rautio, CED volunteer working in Vietnam at the moment, and Ms. Jaana Airaksinen, who is working on the Green Dragon Operations project in Finland. Moreover, phone contacts and a survey with open ended standard interview questionnaires was sent to representatives of the potential retailers in all around Finland, in addition email interviews and telephone interviews to current clients of Tan Minh Cooperative, who have used their product for some time.

The secondary data is to be collected from books and internet resources and databases. The Principles of Marketing by Philip Kotler and Gary Armstrong, 3<sup>rd</sup> Europe Edition will be the main based book for this research.

Both primary and secondary data are included in this research study's descriptive analysis of the company on strategic, functional and operational levels. At the strategic level are the company's strengths and weaknesses identified, leading to a descriptive analysis on how and/or if the cooperative is adopting the marketing strategy. The research also gives some recommendations as to how the cooperative may implement the marketing strategy.

## **1.5 Research's conceptual framework**

To reach the objectives of this research study, the following steps will be applied:

### **Introduction**

The thesis is started with the introduction with the background of the thesis and research. The introductory introduces briefly the background of TMSWC and its problem formulation, the objectives of the thesis, the research methodology, and the thesis's conceptual framework.

### **Tan Minh Women Cooperative's Business Overview**

The second part, there is a short introduction about Coalition for Environment and Development (CED) and its activities in Vietnam. I also describe the cooperative's business posture how it is connected with CED and Green Dragon operations project. In this part, we will learn about the cooperative's strategic framework, its weaknesses and its business vision and missions. Moreover, there is also some information about Fair Trade certification which is an important vision to the cooperative.

## **Tan Minh Single Women Cooperative business analysis**

The business analysis consists of the internal (micro environment) and external (macro environment) business environment analysis. In addition, the marketing research result analysis will provide the clear picture of the cooperative about the market, competitors and consumer behaviors. Finally, the SWOT analysis in this chapter will identify the most important points from the business environment as an essential part to the marketing strategy.

## **Tan Minh Single Women Cooperative's core strategy and marketing strategy**

This part will give the concepts of theoretical Marketing strategy and how to implement this marketing strategy and how it impacts on overall business performance of Tan Minh Women Cooperative. The cooperative's application of the Marketing strategy is identified in this study with basis in its environment, its strategic and functional posture and importance, its objective and the way the marketing organization is organized. In the end of my work, a concept of customer relationship marketing is provided as an effective tool for the cooperative to maintain the relationship with its customers to create the sustainable business development in the future.

## **Conclusion and suggestions**

The conclusion summarizes major lessons learnt and outlines how the cooperative can move forward with its aim to adopt the marketing strategy.

## **2 Business Overview**

### **2.1 Coalition for Environment and Development (CED)**

Ympäristö ja Kehitys ry, in English is Coalition for Environment and Development or CED is a Finnish non-organization established to seek for and find approaches that combine poverty elimination and environmental protection ideas. Following these ideological base, CED has been working in Vietnam for more than ten years. It has (among others) many village democracy projects running all around the north of Vietnam. They teach the basics of democracy and acting together. The villages are also in micro loan program, where the village board is given 3000USD capital for loans so citizens can buy animals, tools etc. One loan is typically 30-80USD.

### **2.2 Tan Minh Single Women Cooperative Business Overview**

#### **2.2.1 Green Dragon operations project**

The official name of the cooperative is Tan Minh Single Women Cooperative (TMSWC). The fact that the women are single mothers makes them a disadvantaged group. The group was formed including 186 Single mothers in Soc Son District, Ha Noi according to a project was called “supporting for Tan Minh single women” and it was run by Finnish NGO called Devaid, which is now part of CED. The project was supported by the Vietnamese Women’s Union and the local authorities.

The long term objective of the project was to improve the knowledge and skills in nutrition, hygiene, food security, anti drug, health care, farm production and also to increase income through the credit saving program. All of the women were offered two health checks and the water supply was supported. This program has been very successful ever since the beginning and it is to be expanded to the other villages in the near future. Its original capital was 4 500 USD.

#### Milestone dates

1996- Women’s club was established for the women under 50 years old to share information, life and working experience. Women from 12 communes were involved.

2003- The women was instructed and started to manage the project themselves.

2005- The women built a meeting hall on a piece of land provided by the local authority. The building budget was about €1 500.

2006- A managerial member of Tan Minh Women Group was invited to the ASEAM 5 meeting in Helsinki. At this time, the story about the changes of Tan Minh Single Women’ life in the view of Vietnamese community and society had been sharing with Finnish and international friends. Everyone had paid much attention into these positive changes.

Since the beginning of the project, which is an ongoing activity nowadays after over 10 years of activity the living conditions of the women have improved remarkably. They have learned to act together, handle money and save. 1996-2006 53 households have built new houses. The number of women considered poor has decreased from 175 to 54.

In the recent years, the women in Tan Minh have had new challenges ahead of them. The area they are living is getting industrialized very quickly. People living nearby have already lost their lands and they cannot farm any longer. It is expected that within the next five years the women will lose their lands and sources of living. Therefore, they have started to prepare for the future by making silk sleeping bags named “Soundly Sleeping Dragon”.

2007-.the women were supported to visit the Ha Dong Silk Village and Hoi An Old City’s Street. Craflink, a professional consultant cooperative about manufacturing handicraft products for non-organization group, consulted them how to make and design handicraft products to export to foreign countries.

2007-the first order of 500 sleeping bag came to them from Finland. The sleeping bags were made from 100% natural silk and the work was followed the Fair Trade standards. The sleeping bags are made from 100% natural silk material. Product materials are checked by LGA Furniture Laboratories (TUV Rheinland Vietnam Co., Ltd).

It takes about 45-60 minutes to make a sleeping bag. Sewing machines are the main tools to make sleeping bag. Tan Minh Women Group is divided in many small groups. Each small group is supported to buy sewing machines from the project or some of them have equipped the machines themselves. At the moment, the business overall is still small. The products are not well-known. CED has sold them in Finland with good success. The problem is that the production is not very well-organized; currently they make them at home. There are 7 machines and the women work in pairs so that 14 women are involved in the sewing.... Since the delivery time is very long and a little CED has not been able to sell them in the market more, which in diverse makes the business unsteady for the women. However, the women believe that this business can bring them a new change to overcome their difficulties.

Therefore, CED has started the project named “Green Dragon Operations with the purpose to help the Tan Minh women’s business situation in balance by getting the product to be more organized, finding more buyers so that the women feel safe to invest in sewing machines and improve their business. The project will help them bring the products’ images to Finnish market and find more customers for them. Ms. Salka Rautio is a volunteer from CED working in Vietnam, and Ms. Jaana Airaksinen, as volunteer, supporting for the project in Finland.

### 2.2.2 Business Mission and Visions

Business mission is usually the first thing coming in mind when getting to know about a business organization. A business mission describes all the reasons why an organization exists, as Philip Kotler stated in his Principles of Marketing book “Mission statement is a statement of the organization’s purpose – what it wants to accomplish in the wider environment”. In the case of TMSWC, the mission of its existence and development is **to contribute to the development of Single women’s life in Tan Minh through self development and paying respect to the environment.** Although the business is still young and small, they hope to become a reliable sleeping bag provider in Finland and Nordic country. In order to achieve the purposes in the wider business environment, Tan Minh Women cooperative has set up some visions that they will apply them in the near future time. The visions are as the below statements:

- To develop products in environmentally friendly way to the target market. They want their products to be easily recognized firstly in the Finnish market as the target market. Customers can reach to the product whenever they need.
- To be independent producers of quality products (to get Fair Trade products). With the purpose to enhance the product quality and product positioning in the market, this is an important objective that the cooperative is working toward in the recent time. We will come back to this again in the Fair Trade part.
- To improve one selves by constant learning. This is a certain method for any business to exist and develop, and there is no exception for TMSWC.

All above mission and visions will be implemented by TMSWC with the support of CED. TMSWC will be able to achieve them completely based on its sustainable development background. The members of cooperative are equal, but the cooperative also has a board, so the structure is hierarchical. They have monthly meetings during which all cooperative gathers and discusses ongoing issues. The way the cooperative is organized is a first step to improving the organization of the production process. Each of cooperative members has shares in the production, so every single one profits from the sales. Therefore, it can be seen that this is an independent cooperative, cooperation within a group. Strength, determination, perspective thinking and collectivity are company's main values. That is a big strength of the group, as it makes them want to profit, so it increases the level of performance.

### **2.2.3 Fair Trade**

Next I look into Fair Trade certification which is an important part of Green Dragon project. Salka Rautio is a volunteer, from CED, is working in Vietnam to help TMSWC improve the business process and work toward getting Fair Trade Certification for the product. This is a positive development of TMSWC because Fair Trade Certification is considered as the valuable trade mark in Europe and Finland. We can define Fair Trade is as “an alternative approach to conventional international trade which promotes social equity, economic security and sound environmental practices. Its goal is to contribute to sustainable development by improving market access for disadvantaged producers, by raising awareness and campaigning. It works to a set of values and objectives that seek to improve living standards and achieve a fairer distribution of income and influence. It is a partnership between all involved in the trading process — producers, workers, traders and consumers.” (Fair Trade concept)

As Fair Trade is a certification to ensure the benefits of the producers from developing countries to export the products to developed countries as TMSWC, Vietnamese producer sells the products to Finland in this study. There are four major benefits that Fair Trade offers to its producers. The aim of Fair Trade is to offer producers the stable prices, the environment to improve the quality of their life, the chance to decide their future development, and the empowerment of farmers and worker as a goal of Fair Trade.

Next we look into the Fair Trade standards as the important objectives that TMSWC is work on to achieve with the supports of CED and Fair Trade organization.

#### **Fair Trade Standard**

Fair Trade products were sold in some markets in Europe and Finland in the early 90s. However, Fair Trade Labeling Organizations International (FLO) was officially

established in Bonn, Germany. The aim of Fair Trade standards is to support the sustainable development of small-scale producers and agricultural workers in the poorest countries in the world, refer to Fair Trade standards. On the contrary, the producers and their products must full fill the given requirements and conditions by Fair Trade. Some important ideas of Fair Trade standards are listed as below:

- The product origin is clear and its quality follows strict environment guidelines by Fair Trade product standards.
- The price of the product is stable and high enough to ensure the producers and workers' lives.
- Fair Trade standard requires the companies/producers bring the social environment and security to their workers, such as the safe working environment, safety occupation and health care, no child labor, etc... Once the products are fair trade, companies or producers will get a separate premium amount from Fair Trade to full fill these requirements. This amount of money is also to invest into improving the farmers and workers' daily living conditions and to develop the economy and environment in the local community.

TMSWC's products are in the process of Fair Trade products. At the moment, we are preparing all the documents, certifying materials and finishing the production process and technique for the products to be certified. Once the products are Fair Trade, the products will be considered widely in Finland and Europe. Furthermore, Fair Trade marketing is given more abilities for the product to compete in the market. Next, we will look into the given conditions by Fair Trade marketing which is very important to plan the marketing strategy for the product in future.

### **Fair Trade Marketing**

Fair Trade has a big meaning to a product in many business perspectives in international trade. In the international trade negotiations, Fair Trade is a strong term to argue that subsidies and disguised barriers skew the global trade system against developing countries and commodity producers (Tradeforum.org). This is the first convenient conditions for fair trade products to penetrate into foreign markets. Fair Trade is widely considered in 15 countries inside EU. According to my desk research, the amounts of fair trade products imported to EU have been increased 20% per year since 2000, with the value exceeds 660 million Euros. Europe represents about 60%-70% fair trade products in the world in which there are about 26% of products come from Africa, 40% from Asia and 34% from Latin America.

We can see that this is an amazing success of Fair Trade organizations since it was established in 1997 and this success comes from the five effective tools:

- Price minimum. Fair trade product price is sometimes higher than other products. This extra money will be provided to producers to improve the working condition. This program has created the good reputation for the organization.
- Certification and labeling. A product with Fair Trade certificate and label on it, it means that the product is in good quality, from clear origin, satisfied with the working environment and condition, business development and training. This is a strong point for marketing actions.
- Microcredit is about to help small-scale producers get started on fair trade projects.
- Technical. Fair Trade organization supports the business development, trade information, advice for product quality standards and training technique.

- Advocacy. The product awareness is high with the Fair Trade certificate and the Fair Trade message on each product package. This is an important element for marketing.

In my opinion, the five tools of Fair Trade have become the tools for Fair Trade marketing. They influence effectively in the business development between developing countries and developed countries. The Fair Trade certification and label are not only symbolizing for a product but also reminding us about the ethics and fair in business. That's why Fair Trade marketing is also called "ethical globalization marketing". I believe that it is easier for TMSWC's sleeping to reach to its buyers with the Fair Trade marketing supports. Next, I will move on to business environment analysis so that we can have a full view about the development of TMSWC's business.

### 3 TMSWC Business Environment analysis

The success of a business depends on many factors. The factors come from the environmental forces that affect on the company’s abilities to serve its customers. In this study, I would like to look into the environmental analysis that can help the company find itself about its strengths and weaknesses, possibilities in the market environment. All the issues in the environmental analysis will be finalized by a SWOT analysis which is an essential indication for TMSWC to conduct its business overall objectives and set up the core strategy for the marketing strategy. First of all, we start to learn about the internal business environment of TMSWC.

#### 3.1 Internal environment – Micro environment

The internal environment or the micro environment of a company is “the forces close to the company that effect its ability to serve its customers – the company, market channel firms, customer markets, competitors and publics, which combine to make up the firm’s value delivery system.” (Kotler & Armstrong 2002:116). According to Kotler and Armstrong ideology, the internal environment is the internal forces to push the development of a company. TMSWC also has its own internal forces; those internal forces can be explored in some categories described below such as its suppliers, employees, the marketing intermediaries, publics, customers. They are the main forces that conduct its own business environment and perform in the abilities to serve its customers.

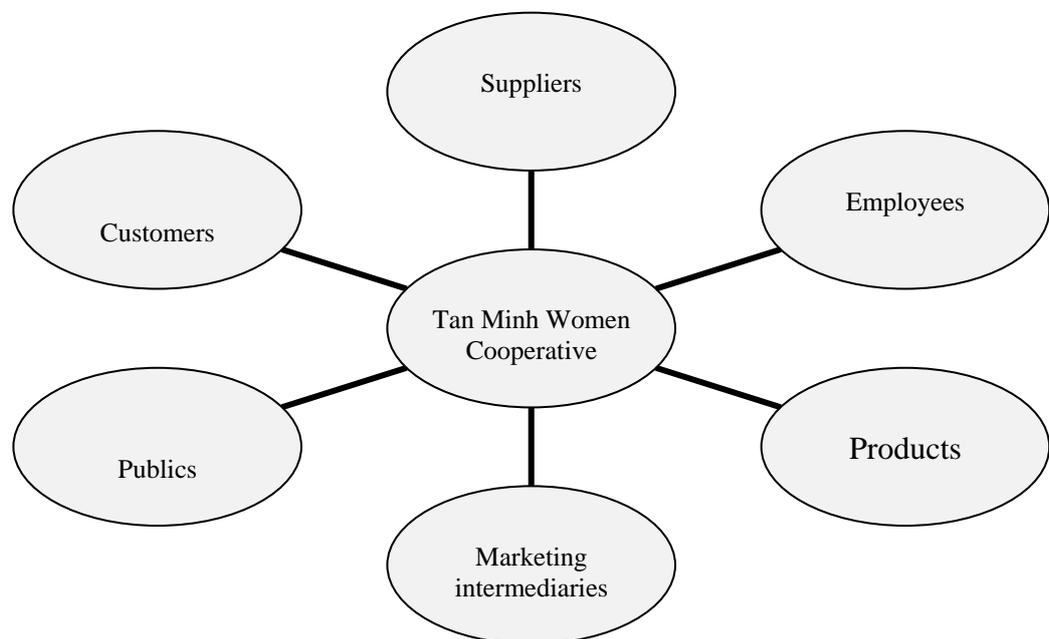


Figure1. TMSWC’s micro environment – Kotler & Armstrong model

##### 3.1.1 Suppliers

Tan Minh Women Cooperative has used the best quality silk material from Ha Dong Silk Village to make sleeping bag. Ha Dong Silk village is a most famous traditional handicraft village with long history in weaving beautiful silk in Vietnam. Ha Dong

village is Tan Minh's neighbor village, about 10km from the center of Ha Noi. Ha Dong village used to be a main silk provider to the old Vietnamese Kingdoms. In Ha Dong village, there is more than 60% population living by weaving silk. They make about 2.5-3.2 millions m<sup>2</sup> of silk every year, about 63% turnover of all traditional products in Ha Dong Village (27 millions dong every year)). At the moment, the village has about 1000 power looms with more than 400 part-time and full time employees. The number of silk shops has been increased a lot with 100 shops in 3 City Street in Ha Dong to satisfy the need of visitors and business partners.

Ha Dong silk was firstly introduced to foreigners in the Exhibition in Marseille 1931 and in Paris 1938. Ha Dong silk was evaluated as an ingenious product of the Asian Pacific area. From 1958-1988, silk from Ha Dong had been exported to many countries in France Eastern Europe. Since 1990, Ha Dong silk has been the traditional beautiful product that used in many countries in the world.

Thus, using the high quality traditional silk material to make sleeping bag has created the good reputation for the products and it is a good factor to attract customers to the products. With the smoothness, softness, and nice design styles, Soundly Sleeping Dragon can bring the feel at ease and interests to users.

### **3.1.2 Employees**

In the beginning there were 184 women in the group, in which 15 went to the sewing course and about 20 involved in the business. In fact, 175 considered poor, with yearly income about €50, when the rest were earning average of €77 per person. Farming is still their main source of income. In order to qualify as a cooperative their activities have to be the main source of income for the members. That will still take some time as there are 174 women in the cooperative and about 20 are involved. They all had to be trained as they had no previous sewing experience. Employees are all single mothers; nevertheless, the production process is assisted by their already grown up children too. As for now, they are all full time farmers, but are planning to become involved exclusively in the silk sleeping bag production as soon as the demand for the products will be large enough to sustain their living. Each of cooperative members has shares in the production, so every single one profits from the sales. That is a big strength of the group, as it makes them want to profit, so it increases the level of performance.

It can be seen that Tan Minh Women Cooperative's business has been supported by a very potential labor force. They are single mothers and because of their disadvantage situation, they have to do many jobs to earn for living. CED has gathered them together, and given them the opportunity to join to the sewing course. This is a good chance for them to change their life by starting a new career. They will work hard to develop their career as well as the Tan Minh business. In the long-term development they should have chance to learn and improve their skills and knowledge to satisfy with the new career's requirements.

### **3.1.3 Product**

The sleeping bag products have a great potential to be sold to foreign markets because of its special characteristics. The special characteristics can be found on the special material, design and usability. The product is 100% natural silk sleeping bag. The

sleeping bag is named “Soundly Sleeping Dragon” which has the meaning of wishing the users have good sleeps like a sleeping dragon. Product size is 90x220 cm and weight 140 gram. Customers can choose an ideal sleeping bag in among many colors such as: colors: red, wine red, blue, light blue, turquoise, green, lime green, orange, brown, black and lilac. The sleeping bag is placed in a silk package with an outside sealed nylon bag. The sleeping bag is designed one side opening and pocket for pillow. Silk material is chosen because it is soft on skin and responds to the temperature. Product is easy to use and suitable to the climate in Finland. It is a good idea to add 5°c heat to the sleeping bag when using in winter. Besides that, the product itself is small and slight so it is easy to be fitted in pockets. The sleeping bag is good to use in hotels, youth hostels, huts on board. Therefore, it is very convenient to have this product for travel, vacation, camping, long journey and even everyday use.

In addition, the products are designed and made based on Fair Trade standard. Product materials are checked by LGA Furniture Laboratories (TUV Rheinland Vietnam Co., Ltd. The working place condition is acceptable and it has been checked by Craflink, a non-profit organization operates for supporting garment and traditional handicrafts producers in Vietnam to produce high quality products based on the Fair Trade standard product. With the support from Craflink, TMSWC’s sleeping bags are on the process of getting Fair Trade in order to enhance the product quality and improve its position in the market.

#### **3.1.4 Marketing intermediaries**

The marketing intermediaries are the firms that help the company to promote, sell and distribute its goods to final buyers; they include resellers, physical distribution firms, marketing-service agencies and financial intermediaries (Kotler & Armstrong 2002:119) As its meaning, marketing intermediaries includes all the business partners, marketing firms that are working in the same business network to improve the delivery system. Specifically, they have important roles in marketing, selling and distributing the products or service to customers. Although the business is small, TMSWC has started to establish its business network and CED is as a main distributor in Finland. The network can be simply classified as below:

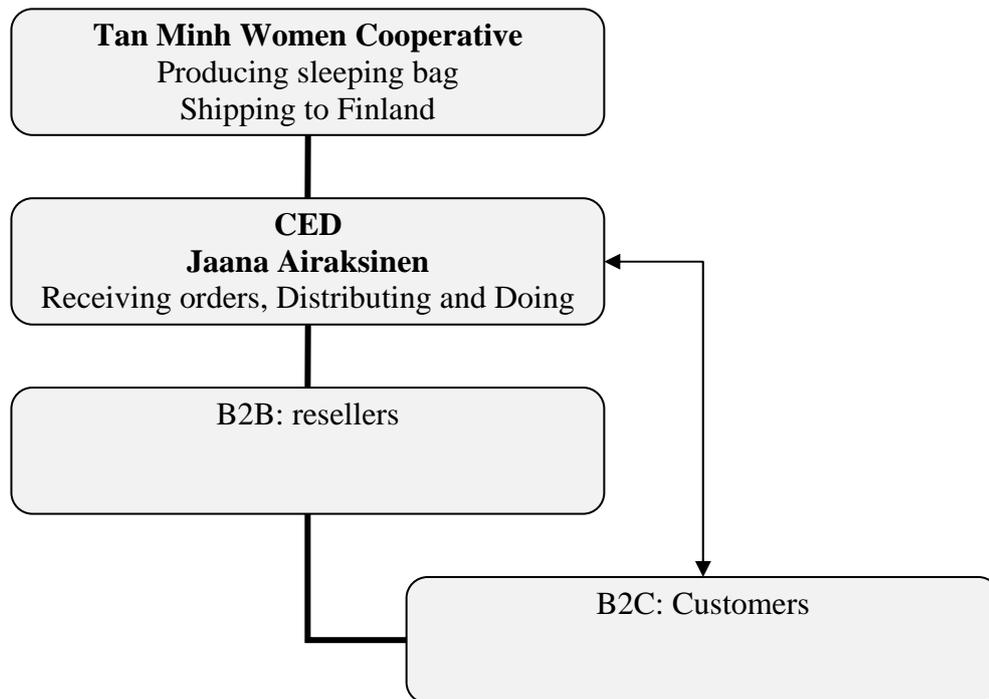


Figure 2. TMSWC's marketing intermediaries

CED, as the main distributor, is also the main point in the whole TMSWC's business network. CED helps the cooperative transport sleeping bags from Vietnam to Finland to store the product and distribute them to customers. Ms. Jaana Airaksinen from CED, is a writer publisher and an environment activist, has given the big support to develop the business network in Finland. Business-to-business model has been applied and she is the person who is responsible for contacting to wholesalers and resellers in Finland. She presents the products to wholesalers and resellers, to receive order, send orders to Vietnam. Besides that, Ms. Jaana Ariaksinen is also the key person in the Business-to-consumers model. The personal selling has been carrying. The products are distributed to customers by post and the payment is done by bank transfer.

At the moment, the marketing cost has been limited at the least. CED has marketed the products itself to public mainly through fairs trade and public relations. CED has sent the products to development fairs and happenings, travel fairs and interior decoration fairs in Finland and abroad, such as World Social Forum (WSF) in Brazil, Capitalism '09, Recycling Fair in Rihimäki Finland, Nordic Travel Fair MATKA. In the events the products have been penetrating to the Finnish market step by step. Besides that, the products have been advertised in KEPA magazine, and Ilta Sanomat. In addition, products advertisement can be found on Voimalehti with an amount of 6000 published a year last year. The products also can be found at Rosebud bookstore and RB Traveler, who are resellers with their own advertising channels.

### 3.1.5 Customers

Both Business-to-business and Business-to-Consumers are the main business methods that TMSWC has been using to approach their customers. They have got about 5 000 customers since they firstly sold the products in Finland in 2007. The target customer is identified as native Finnish customers at the age between 20 and 70. They have gotten to know about the products through fair trade, exhibitions, resellers' own marketing

channel and self-marketing from CED. The customers are interested in the products because of its small forms as nice gifts to family and friends in special occasions. In addition, the products are also good in practice because of its usability as easy to use. At the recent, the products are not really well-known in Finland. About 5000 customers are only estimated in some areas around Helsinki because of its limited marketing intermediaries in Finland. With marketing strategy to be implemented in the future, Tan Minh Women cooperative hope to gain about 10 000 sells a year.

### **3.1.6 Public**

In Principles of marketing 3<sup>rd</sup> Europe ed., Kotler & Armstrong said that: “A public is any group that has an actual potential interest in or impact on an organization’s ability to achieve its objectives”. The public sector is an important factor to the success of Tan Minh business. The supports of local community and international friends, especially CED, have contributed a lot to help the women in Tan Minh recover their difficulties. On the way of expanding the market in Finland, the role of business relations becomes an important factor to connect the cooperative and the public. The public is a fast media to help the cooperative interpret its messages to customers. Therefore, the attention of the public to the products and the activities of Tan Minh women cooperative are very important for them to develop their business.

## **3.2 External environment – Macro environment**

The macro environment is the larger environment that has very big effects on a company existence and development. The macro environment may give the opportunities mutual threats to the company. Refer to Kotler & Armstrong in the Principles of Marketing: “macro environment is the larger societal forces that affect the whole microenvironment – demographic, economic, natural, technological, political and cultural forces.” Those six mentioned elements above are all external factors that a company needs to pay attention into during its development process. In fact, there are four main elements that have strongly effected on TMSWC’s business. They are demographic forces, culture forces, economic forces and Political environment. Firstly I would like to look into the demographic forces.

### **3.2.1 Demographic forces**

As we might realize that the Finish market is not as big or dynamic as American market, or Chinese market. However, with the geography in the North of Europe and the population more than 5.3 million, the Finnish market has created its own special characteristics. We can take a look at a small analyze about Finland and Tan Minh Women Cooperative’s target customers in Figure 2, the source from Statistic Finland end-2008.

<b>Geographic</b> Region: Country size City size	Northern Europe 5 326 314 2 561 880 (48%) living In 20 largest municipalities (above 50 000 inhabitants)
<b>Demographic</b> Age 0-14 15-64 65->  Nationality  Family  Religion  Income  Occupation  Education	16.7% 66.5% 16.7%  91% native Finnish  47,3% single 37,6% married 15,1% divorced and widowed  Religion: 80,7% lutheran 16,9% no religious affiliation  The average income in 2007 was €23 992 per income recipient, €28 619 for males and €19 648 for females Majority earns between 2000 and 3000€  services at 65.7 %, manufacturing and refining at 31.4 %s  33% of residents have a tertiary degree Around 80% of target group has at least upper secondary education (on average)
<b>Psychographic</b> Social Class Life style	Middle, upper middle Belongers, achievers
<b>Behavioristic</b> Purchase occasion  Benefits sought	Special occasion (Birthday, Christmas present, trip)  Quality, service, economy, benefit of Tan Minh (fair trade concept based)

Table 1. TMSWC's target customers

Based on the statistic figure, it can be seen that the group of people at the age from 15-64 is the biggest group with 66.5% of the population and 16.7% of the population is over than 65. Tan Minh Women Cooperative's target customer is in between 20-70, the group of employment people with stable income, so they are exactly a big group of potential customers. If we count the average percentage of customers in between age 20-70 is 66.5%, Tan Minh Women Cooperative will have chance to work to server about 3 541 998 customers. This is a great number. And if they are now implementing to expand the market in Finland, the 10000 sells a year is not an unbelievable number.

### 3.2.2 Culture forces

As Kotler also mentioned in his Principles of marketing, culture environment is the institutions and other forces that effect society's basic values, perceptions, preferences and behaviors. His definition about culture environment has involved an important part in the Finnish culture is the perception concept about nature. If you have chance to contact to the Finnish culture, you might discover that Finnish people express strongly their attitudes toward the natural world. Finnish people love the nature a lot. They live toward the nature. Elderly likes to live in the countryside, where close to fields, rivers and forests. Young people often like to live and work in the city, but they like to go camping, hiking, boating and fishing or travelling abroad to Europe, Asia, etc...on holidays. "Mökki" in English means "cottage" this is a special symbol in the Finnish culture. The Finns like to build small wooden cottages in the countryside or in the forest. They usually return there in summer to live with nature. They live there without electricity, without machineries, without finished-food. They sleep on wooden beds, grow plants themselves or search the food in forest, go to sauna and swim in the river. Finland can be called "the country of nature", with 474,277 cottages, with 187,888 lakes and 179,584 islands according to a statistic from Wikipedia.com 2005. In addition, According to statistic Finland end -2008, the number of Finnish people from age 15-74 travelling abroad was increased 3% from 2007 to 2008. Because of cultural environment, the love of nature, the garment product, handicraft products, Asian-oriented products, home-made products are the Finns' favorites.

From that point of view, Soundly Sleeping Dragon is made of 100% natural traditional silk from Vietnam. The products are also slight, soft and easy to use in practice so that it easily becomes the ideal gifts to friends and families. It is believed to become familiar to the Finnish customers because it is suitable to the Finnish culture. Finns have the habit use of sleeping bags daily or for travelling or going camping in forest in summer. That is a reason to believe that Soundly Sleeping Dragon can win in the Finnish market.

### 3.2.3 Economic forces

Although there are lots of convenient factors to develop the business in Finland, at the recent time economic environment have become an important factor that effects on all business perspectives. Because of a very simple reason, economic forces or economic environment consist of the factors that affect consumer purchasing power and spending patterns (Kotler & Armstrong 2002:131). In this economic situation, economic crisis has started to cause damage all over the world since end of last year 2008. This economic situation also influences Finnish economy. In Finland, "Exports for 2008 stayed at the same level as the previous year and this year the value of exports will decrease by approximately 15-20 %. GNP is predicted to fall by 3-4 % for the country as a whole. Compared to the beginning of the 21st century, the situation is now much more difficult, since the change is faster and more far-reaching. During the third quarter of the year, the economy will officially be in depression" wrote the state-owned Employment and Economic Development Institute, from socialistworld.net. With the number above, we can see the Finnish economic seem to go down and it will cause effects on all business sections: companies have to handle debts and loans with high interests, wage of workers goes down, price of goods goes up, etc... The cultures of economic crisis has gradually represented in everyday life. Many big companies chose the solution to lay off employees in order to survive in this difficult situation. For instance, in the telecommunication industry, Nokia has laid off 1700 employees this

year, 700 of whom worked in Finland. In the Forestry and paper industry, UMP-Kymmnen and Stora Enso also lay off workers and closed entire factories to reduce cost and expenses last year. Between 2005 and 2008, almost every third job was shed at both companies, also according to socailstworld.net. With the unemployment rate is increasing nowadays together with the increase of price of goods, life will become more difficult. The consumer purchasing power will be decreased because the consumers have tendency to save money and cut down spending on clothes, travelling and unnecessary things. This trend will cause badly effects on the plans to expanding market of Soundly Sleeping Dragon to Finland.

However, the optimistic spirit should be always maintained in any business situation. The situation of economic crisis has been changed and there is some signal of recovering its strengths. There were the first recoveries in the stock market in the US stock market and Asian stock market. Cisco, is the leading supplier of networking equipment and network management for the Internet, has reported of 1.8 million dollars in a quarter year. In Finland, there is not really a clear signal about the economic recovery; the Finnish government and ministry of Finance have given some solutions to overcome the recent situation. The government has reduced the food prices in September 2009, reduced the tax on foodstuff and groceries from 17% to 12%. This is a good point to please the Finnish consumers in this difficult time.

Thus, we can see that economic environment is changing everyday and it will still change in the future. We cannot know how it is going to be tomorrow. However, the most important thing we need to know is not to give up our business ideas and we have to search appropriate solutions for them to grow. This is also the purpose of this study to research an appropriate marketing strategy for Soundly Sleeping Dragon to develop in Finnish market.

### **3.2.4 Political forces**

In the book Principles of Marketing, Kotler & Armstrong stated: "Political environment are laws, government agencies and pressure group that influence and limit various organizations and individuals in a given society". This definition has been reflected very strongly in business trades and affairs for both domestic trade and foreign trade in any countries in the world, including Vietnam and Finland. Laws and policies are written to define the rights and duties of concerning parties to have proper actions in their business. They are essential factors to keep all business trade and affairs operating well.

Back to the history, Vietnam has a long history to struggle for independence and freedom for the country. They used to close their borders to the outside world because they were afraid the foreigners would come and invade the country. However, they finally realized that this was not the way to develop the country. Since 1990s, Vietnam has changed economic policies and communicated widely with foreign market. Vietnam has gradually integrated with Asian economy and worldwide. Vietnam has become a member of ASEAN (Association of Southeast Asian Nations) since 1995 and a member of WTO (World Trade Organization) since 2007. These are important steps for Vietnamese business rising in the world economy. Besides that, the Vietnamese economic policies have been changing since many years so that they can be acceptable in the new economic situations. Therefore, business activities in Vietnam commonly

activate more easily than before. This is probably a convenient factor for Tan Minh Women Cooperative to expand their local activities in the future.

Differently from Vietnam, Finland has been firstly a member of WTO since 1995. Finland is a developed country with stable economic development. It is also considered as a leading country of higher education, highly applied technology and telecommunication. The business development in Finland is based on the sustainable development with the protection from pricing policy, standards of goods, currency policy, brand management, etc... Probably, the Finnish polices seem to be strict to foreign business partner, but if we think carefully, Finland is a secure and fair market. That's why although it is far away to the Northern Europe; it is a very attractive market to the world. Since many years, Vietnam and Finland have started to improve and expand their relationship on business, education and information technology. Vietnam and Finland government are offering various business opportunities to both parties in order to improve the development of two countries' economy and cooperative relationship. Especially, A Vietnamese-Finnish business forum was held from 15<sup>th</sup> to 17<sup>th</sup> November 2009 in Ho Chi Minh City, Vietnam with the delegations of 25 Finnish companies who accompanied Finland's Prime Minister Matti Vanhanen in his work in Vietnam, according to information from Embassy of Finland in Vietnam. 25 Finnish business delegations attended into this business forum were in the fields of difficult business areas, consisting of clean energy, environment, metal and engineering, mining, banking & finance, education, healthcare, chemical, oil refinery, construction, forestry, real-estate. Through this business forum, Finnish business delegations would have chance not only getting to know about the business environment in Vietnam but also promoting Finnish businesses to Vietnamese. It can be seen that this was a good opportunity to improve the bilateral trade & investment relation between the two countries. With the development in the business relations between the two countries Vietnam and Finland, it is believed that Tan Minh Women Cooperative will have more chance to promote itself in the Finnish market.

### **3.2.5 The market analysis**

In this chapter, I look into the market environment of Soundly Sleeping Dragon by study its marketing research because in fact the best way to understand about a market is doing the marketing research. We all know that the business environment in this 21<sup>st</sup> century has given thousand opportunities with free trading and globalization. Since then, the business competitions between companies becomes more strongly and complicatedly. Companies need to catch information about the changes in the market environment in the fastest ways. In this situation, marketing research is only the key to solve all the problems. Many companies are succeeding in their businesses because they realized the meanings of the two words: "Marketing research". "Marketing research is the function that links to the consumers, customers and public to the marketer through information – information used to identify and define marketing opportunities and problems; to generate, refine and evaluate marketing actions; to monitor marketing performance; and to improve understanding of the marketing process."(Kotler 2002:272). Otherwise, the marketing research is the actions of collecting information from consumers, customers and public about their satisfactory about a product or service. Through the marketing research, marketers can generate the ideas about the products in the market and have the proper actions to improve their products' images in the target market. Understanding this ideology, the TMSWC has applied it into their business actions. The marketing research had been started in Finland from May, 2009 –

September 2009. The information was collected by directly interviewing and electronic survey. The survey's details can be viewed in the appendix.

### **Define the research problem and research objectives**

The problem that TMSWC has opportunities to serve its products in a wide market, but it only have sold about 5000 products for the past 2 years. Its purpose is how to improve the products' awareness to the Finnish customers and expand the market in Finland. Therefore, the requirement is that the survey must contain the ideas to collect the information about the market and present the products to the new market.

### **Research sample**

The target research sample is the selected potential retailers in Finland. The retailers are the selected travel agencies, equipment sellers, department stores, camping stores, camping department... all around Finland. The research is as a marketing action to present Soundly Sleeping Dragon to new retailers, to seeking the market for the products. Moreover, retailers are the ones have direct contacts to customers. They play an important role in the customers' buying process. They can introduce the product or recommend the products to customers. They can collect information about customers' satisfaction, information about the market trend and reflect that information to market. Therefore, the identification of research sample is an essential task contributes into the success of this research.

### **Research survey**

The survey contained nine questions in all to find out information concerning to the product itself and its market environment. The retailers would be asked: their awareness about the product, strengths and weaknesses of the product, their opinions about the product, product's price and a trading option. The questionnaire is the most comment instrument for doing a marketing research. In the Soundly Sleeping Dragon survey, closed-end questions and open-end questions have been used to describe the research objectives. Closed-end questions were used to get all the possible answers or particular subjects that that marketers had given in the survey. To Open-end questions, customers could answer by their own opinion, what they really think about the products. The questionnaires were considered as very appropriate to the research objectives.

### **Research plan and information gathering**

Both desk research and practical research to seek for the selected retailers have been done. An electronic survey was created in Finnish to send to more than 10 retailers around Finland. In order to ensure the marketing action, the researcher made the phone calls to contact to the retailers firstly to introduce them about the products and the story behind. If retailers found interesting the products, researchers would suggest sending them product sample to evaluate and the survey to fill in. The answers from the electronic survey will be sent back and saved in the researchers' databases. Besides that, the paper survey was collected by directly interviewing to the retailers. Direct interviews was done in Helsinki area where gathers almost all retailers in the same business field.

## **Research result**

The direct interviews seemed to be the most reliable ways to collect the information with 100% replies from retailers comparing to the small amount replies from the electronic survey. We have got 7 replies from 7 potential retailers. The research result can be analyzed in five categories: product's awareness, product quality, product value, and product price and business cooperation opportunity.

### **Product's awareness**

Because this is a marketing research to expand the market, many retailers asked are new to the products. However, they were very eager and supportive to answer the questions. The result has showed that 4/7 (about 57%) retailers said that they have not sold silk sleeping bag liners before, one of them (14,28%) has sold Soundly Sleeping Dragon before, but in different logo and two of them (28,2%) sold different sleeping bags. None of them have heard about Soundly Sleeping Dragon silk sleeping bags before. There is one store selling Soundly Sleeping Dragon, but they do not know the story behind. Through this research, we can see that market of TMSWC in Finland is rather small: only one store sells the product and the product's awareness is very weak to retailers and customers. This problem needs to be solved in the marketing strategy.

### **Product quality**

The product has both strengths and weaknesses according to the retailers' opinions. The strength points are: All of retailers considered that the product is a great idea. The product is very nice, soft, handy and easy to use. Those are good points. Many customers are happy about it. The weak points are such as: the smell of dye and the outer bag could be smaller. The smell of the dye related to the technology in the dying process needs to be noticed. The outer bag needs to be improved in the design. Both weak points will be mentioned again in the product strategy.

### **Product value**

The research result is very interesting to me because all of retailers agreed that the story about TMSWC will add more additional value to the product if it is understood by the public. This is a real moving story about the effort of Vietnamese single women to overcome their poverty and the story should be shared and sympathized. In addition, concerning to the Fair Trade Certification, the retailers think that the product value would be increased if they are fair trade products, specifically the price can be increased and more customers are interested in fair trade product.

### **Product price**

The opinions of retailers about the product are much diversified according to the chart below:

<b>Retailers</b>	<b>Suggested price (Euro)</b>	<b>Comments</b>
<b>Travel agency</b>	20-30	
<b>Boat petrol station</b>	20-30	Can be more if fancier packaging
<b>Bedding department</b>	Max 30	
<b>Department store</b>	15-20	The cheaper the better
<b>Camping department</b>	>30	Great product and so cheap
<b>Camping shop</b>	50	
<b>Equipment store</b>	33	

Table 2. Marketing research – Product price

It can be seen in the table that most of retailers suggested the price of the sleeping should start from 20-30 Euro and the maximum price is 50 euro. The retailers also recommended about the package (the outer bag) is quite simple. If the package is fancier, the price can be higher. This option will be taken under consideration when making the strategy.

### **Business cooperation opportunity**

There was only one retailer to refuse purchase the product. The rest of retailers were interested in the product. Some of them bought the product immediately to show to the owners. Some of them suggested marketers to contact to the purchasing department. Especially, there was one camping store, was very interested in the product and decided to purchase it to sell in their store. The marketing research has helped the researchers have more understanding about the reflection from the market about the product. Although the collected result is not as expected, the marketing research also brings more business opportunities to TMSWC as well as its products are more awareness in the market.

### **3.2.6 Competitor analysis**

The competitors' analysis is an important part in the process of planning a business strategy. Firstly, in my opinion a business competitor is a company or organization who provides the same products or services in the market. More or less competitive analysis is important because through the competitive analysis, manager can understand the market better, such as product types, price and quality, etc... And learning from competitors, manager can predict competitors' strategy, the changes in the market so that they can make a proper strategy for the company.

A competitor analysis is usually started with obtaining information about the important competitors. Although Finland is rather a new market to Soundly Sleeping Dragon, it is quite a dynamic market of various products from textiles and garment industry like clothes, bedding equipments, camping equipment, including sleeping bags. From a desk research shows that most of the sleeping bags can be found in the department stores, camping stores, sport stores, online shops, etc... We can be easy to find Fair Trade cotton sleeping bags from like Nanso collections or Kaiku Ethical's shirts and bags. As we know Finland is the country of science and technology so that shopping online is very popular in this country. There are also some big online selling stores where Fair

Trade products are sold such as: Intifastion.fi and karmaonlineshop.fi. In addition, varustetukku.net, an online store also has same silk sleeping bags with price at 39, 95 Euros. Varustetukku.net can be considered as a big because they provide many kinds of normal sleeping bags that are made of various kinds of materials and variety of colors and designs. Their prices are fluctuated between 20 Euros and 170 Euros. Another online shop, sekatavarakauppa.fi, also sells many kinds of sleeping bags. Those sleeping bags there are very several types from daily use to professional use for camping. In sekatavarakauppa.fi, a Seberic pro camping is sold at 131, 80 Euros and a normal Herman and Terra cotton sleeping bag are sold at 21, 90 Euros with three colors for customers to select. In addition from the marketing research, one retailer also mentioned that they have also sold the same product at the price of 80 – 89 Euros. Retailers or online stores are not our competitors, but they are the main business partners that we are aim to have business with in our distribution channel strategy. However, the suppliers of sleeping bags and sleeping bag liners for these retailers and online stores are our main competitors. We have to build the strategy to compete these competitors to be the best supplier of sleeping bag liner to the retailers among these suppliers.

Generally there are many providers of normal sleeping bags, but rather few providers of sleeping bag liners. However, studying the performance of the sleeping bag providers in the market also provide us useful information when planning our marketing strategy. From the analysis above we can finalize some strengths and weaknesses about our competitors in the market.

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>- They have experience about the market</li> <li>- Their market is large</li> <li>- They have various kinds of products, fair trade products</li> <li>- Their awareness is strong</li> <li>- They have strong marketing channels and distributions channels</li> </ul>	<ul style="list-style-type: none"> <li>- The price is quite high.</li> <li>- They sell the products without offering the advantages of the producers</li> </ul>

Table 3. Competitors' strengths and weaknesses

### 3.2.7 Buyer and their behaviors

I think an analysis about buyer and their behaviors is very necessary for TMSWC to understand how customers behave toward its product. As we knew, TMSWC has launched Soundly Sleeping Dragon for long time, but the sales are still low because its product is still unknown in the market. Therefore, a study about the buyer and their behaviors will help the cooperative to understand the roof causes why it has failed on its strategy during customer buying process in order to improve its business function better.

#### Influences on buyer and their behaviors

A buyer or a consumer is an individual who decides to buy a products or service based on their need. Otherwise, "Consumer buying behavior is the buying behavior of final customers – Individuals and households who buy goods or services for personal consumption." (Kotler & Armstrong 2002:189). The consumer behaviors are much diversified in different stages of a purchasing process. In addition, they are also influenced strongly by many factors such as culture, social, personal and psychological

factor (Kotler & Armstrong 2002:191). I have already mentioned some ideas about the cultural factor that affect the Finnish consumers toward Soundly Sleeping Dragon in the culture forces part in the chapter about macro environment. Therefore I in this chapter I would like to focus on the social factor that I find the most interesting factor that effects very strongly on the consumer purchasing behaviors. The social factors include the group of reference people, family members who have effect on the consumer's personal decision on buying a product or service.

### **Group of reference people**

Firstly we look into the group of reference people. The consumer belongs to a group a people who are fond of a particular product or service. They have been used or directly contact to the product and have good ideas about that product. These members of the group will have direct influence on the consumers when they decide to buy the product. Or the members in the group do not have any influence on the consumer, but consumer wishes to belong to that group because of their favorite. It is about an aspiration group – a group to which an individual wishes to belong (Kotler & Armstrong 2002:196). For example, the group of people loves David Beckham and they want to do same what he does and buy clothes or cars that he is fond of. The purchasing decision can be started from the desire about an ideal person. What I want to say here is that what we have a group of people who desires to have Soundly Sleeping Dragon because they love the products. They can be target customers to enjoy our services and market for our products.

### **Family influence**

Next I look into family influence on consumer buying behavior. The family of orientation is one of the factors that affects on buying decision. Family educates the family member the religion oriented, the political oriented, and economic oriented. Therefore, every family is small cell of a society, a small culture in a social culture. The family culture influences strongly on the purchasing habit of each member in a family. And each family member has been playing a buying role in a family's buying decision process. The idea can be defined as a decision-making unit (DMU). DMU are all the individuals who participate in, and influence the consumer buying decision process (Kotler & Armstrong 2002:197). Each member in family plays a role in that buying decision process.

#### **Initiator**

The person, who first suggests or thinks off the idea of buying a particular product or service, is the initiator. The person may be parents, sister, and any members of the family, who start an ideal about the product. The product can be a birthday present, a Christmas gift to other members in family.

#### **Influencer**

Influencer is a person whose view or advice influences buying decisions. The influencer can be a friend, a salesperson or a reference group who has been used the product or have experience about product. The influencer is also a customer. Therefore, we can see that customer is more important than a customer because customer can also be an influence and affect on other customers' buying decision.

## Decider

Decider is the person who ultimately makes a buying decision or a part of it – whether to buy, what to buy, how to buy, or where to buy. Otherwise, decider is the person who gathers all the information about the need, the information about the product and considers the ability to afford the product.

## Buyer

Buyer is the person who makes an actual purchase. The buyer is the one firstly to contact to the service of product. The first impression of the buyer about the shop, the product is also very important. Buyer can consider the quality of the service and product to decide if they want to come back.

## User

User is the person who consumes or uses a product or services. This person is really the one who has direct contact to the product quality. He/she can be or cannot be satisfied with the product. The consideration of the user is about to tell us if he/she want to return to us. The user's consideration can influence on family members' purchasing decision in the future.

Besides the group of reference people and the family influence, I think inside the social factor, there is still the roles and status of the person in the society also influence their buying decision. In the family the buyer can be a wife, or a husband, or a daughter. In the society, the buyer is a member of a club, or an employee in an organization, or an owner of a company. In different roles, different status, the buyer has different acknowledge about culture and behaviors. Therefore, the buyer buying decision becomes more important because their buying decision reflects her roles and status.

### **3.2.8 A buyer decision process for a new product**

In this part I want to discuss about the buyer decision process for a new product and some main factors can influence this process. The results of this discussion are very meaningful to planning the marketing strategy for Soundly Sleeping Dragon later. I call it “a buyer decision process for a new product” because I considered that Soundly Sleeping Dragon is a new product. Based on the marketing research result, the product is rather new in Finland and Finnish customers have very little awareness about it in the market.

A new product is a good, service or idea that is perceived by some potential customer as new (Kotler & Armstrong 2002:222). As we already knew, the product is new because customers have not heard about it before or there is very little information about it or customers are not easy to approach to it when they have a need. Therefore, when deciding to buy a new product, customers usually have to take sometimes to make the buying decision. A buyer decision process for a new product is the process of how consumer learns about products for the first time and makes decision on whether to adopt them. A buyer decision process usually consists of five main stages: awareness, interest, evaluation, trial and adoption (Kotler & Armstrong 2002:223). Otherwise, these are five stages in an adoption process. This is a mental process through with an

individual passes from the first hearing about an innovation to final adoption (Kotler Armstrong 2002:222).

### **Awareness stage**

Awareness is the first stage in this process. In this stage, the consumer becomes aware of a new product, but lacks information about it. For example, the sleeping bag was introduced to the consumer in a shop. The customer did not know the origin of this new product and also the story behind it.

### **Interest stage**

The interest is usually found after the consumer has awareness about the product. They were impressed about it and start to seek information about it.

### **Evaluation stage**

With the information about the new product, the consumer considers whether trying the new product. The consumer may have some ideas about other products to compare with the new product.

### **Trial stage**

The consumer decides to try the new product on a small scale to improve his or her estimate of its value. For example, in the marketing research we have sent a product sample to retailer to trial after they have been awareness about our new product, they have been interested in the product, they have time to evaluate whether they wanted to try our product.

### **Adoption stage**

This is the last stage in the adoption process. After the trial period, the consumer decides to make full and regular use of new product because they are satisfied with the new product about images, price, quality and usability.

These five stages are very important to marketers to take into account when doing a marketing strategy for a new product in the market. The main responsibilities are how to help the consumers move through these stages easily and fast.

## **Individual differences in innovativeness on buyer buying decision**

As we know, the market is moving all the time and what happens in the market can influence the adoption process. An adoption process describes the behavior of consumers as they purchase new products and services. Based on adoption process described by Bourne (1959) from marketingteacher.com, the different categories of an adoption process consist of innovators (2.5%), early adopters (13.5%), early majority (34%), late majority (34%) and laggards (16%). The innovator is the first group of people that want to own the new product before it is sold widely in the market. Early adopters are also quick to buy new products and services, and so are key opinion leaders with their neighbors and friends as they tend to be amongst the first to get hold of items or services. The early majority looks to the innovators and early majority to see if a new product or idea works and begins to stand the test of time. The late majority tends to

purchase the product later than the average person. They are slower to catch on to the popularity of new products, services, ideas, or solutions. Finally, laggards tend to very late to take on board new products and include those that never actually adopt at all. Here there is little to be made from these consumers (marketingteacher.com). These five groups of people play important roles in contributing into the success of an adoption process. However, the early adopter or the opinion leaders are the key success of the whole process. They are the people within a reference group who, because of special skills, knowledge, personality or other characteristics, exert influence on others. They are the target customers that the company is seeking for. Their opinions are very important to the early majority, late majority and the laggards to buy the product. As we know, when the consumer wants to buy a new product, he/she will seek an advice from the people have more experience or knowledge on that product. The people must be the ones that the consumer respects or fond of. That is the reason why many companies invite famous people to be their delegates for product lines. The purpose of these companies is to look for the consumer's support from their support to idols.

### **Roles of personal influence on buyer buying decision**

Role of personal influence is the effect of statement made by one person on another's attitudes or probability of purchase (Kotler & Armstrong 2002:224). During the adoption process, the consumer buying behavior is very intensive. Any opinions of the consumer can influence on another person's buying decision. Personal influence is more important in the evaluation stage in the adoption process. It has more influence on the later adopter than the early adopter.

Although marketing actions and influences are the most important things, the product characteristics are the essential keys of the success. If the new product characteristics are not good enough, all marketing actions and influences will not bring success. The new product characteristics must be accepted by the public. The new product must be a useful product, suitable to the demand of the market. The new product is a successful product whether it is an innovation and appropriate to the social development.

From the analysis about the consumer behaviors above, we can notify some important points about how consumer behaves on our products:

- The product's awareness is very weak because lack of information
- The marketing actions were not effective on the adoption process.
- The opinion leaders' opinion was not strong enough
- Rate of adoption is small because consumers are not really satisfied with the product as some points such as price and quality.
- Customer relationship is weak

### 3.3SWOT-analysis

In this part, I finalize all the important factors, influences of the business from its internal and external environment into a SWOT analysis. I believe that SWOT analysis is a scientific method to analyze the business environment because “SWOT analysis is a distillation of the findings of the internal and external audit which draws attention to the critical organizational strengths and weaknesses and the opportunities and threats facing the company.” (Kotler & Armstrong 2002:81). Many companies do the SWOT analysis as the key to open the door to see all the findings and possibilities to solve all the problems. In order to have a general view about TMSWC business would like to combine all the findings and the possibilities of TMSWC in a SWOT analysis table.

<p><b>Strengths</b></p> <ul style="list-style-type: none"> <li>• Good product quality.</li> <li>• The supply of materials is special and famous</li> <li>• The product is special with own characteristics.</li> <li>• The product is suitable to the target market with high usability</li> <li>• There are good opinions about the product among current customers</li> <li>• The price is reasonable</li> <li>• The purpose of TMSWC business adds more value to the product.</li> <li>• The employees are integrated and teamwork.</li> </ul>	<p><b>Weakness</b></p> <ul style="list-style-type: none"> <li>• The product is not prominent because the design of the outer bag (package) is very simple</li> <li>• Production process need to be improved (due to the smell of dye)</li> <li>• The reputation is not weak! Customers have been very happy with the product. They are still unknown, which can be seen as a weakness.</li> <li>• Rate of adoption is small due to the weak marketing actions in the consumer buying process.</li> <li>• Marketing actions are not strategical, small and weak (only occur in small area)</li> <li>• There is no strategies to the target market</li> <li>• The market is small.</li> <li>• There are no distribution channels and selling system in the market.</li> <li>• The product is not Fair Trade yet</li> <li>• Small capacity</li> <li>• Lacks capitals and facilities</li> <li>• Logistics are weak due to the long delivery.</li> </ul>
<p><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>• Fair Trade product from a WTO member will be an advantage in the market.</li> <li>• The price will be increased when the product is Fair Trade.</li> <li>• Finnish market is attractive market with a big number of target customers.</li> <li>• The business has wide supports from local communities, Finnish Association and CED</li> </ul>	<p><b>Threats</b></p> <ul style="list-style-type: none"> <li>• Competition is not high but the competitive advantage is not applied efficiently.</li> <li>• The price of the product is reasonable and also cheap (a new pricing strategy needed)</li> <li>• Lacks personnel to serve in the target market</li> <li>• Lacks volunteers to help to develop the business in Vietnam</li> <li>• Lacks of customer relationship marketing (after sale services)</li> </ul>

Table 4. TMSWC’s SWOT analysis

## 4 Tan Minh Single Women Cooperative marketing strategy

In this chapter, I work on representing the marketing strategy for Soundly Sleeping Dragon sleeping bags in the Finnish market as this is the aim of this study. First of all, we look together the business objectives that TMSWC will achieve by implementing the new marketing strategy, based on the SWOT analysis mentioned above.

### 4.1 Objectives

We firstly define the business objectives are the goals or targets that firms set themselves to achieve and which provide a focus for decision making and for devising strategy (tutor2u.net). This definition reflects correctly what happens every day in the business environment that each company or organization should set objectives as the goals or target to gain. The right objectives are to show that that company or organization is operating and developing in the right way. Based my analysis and the SWOT analysis – summary in this study, we can see there are quite many objectives that TMSWC is working to achieve them in the future.

- The production technique and the design of the outer bag need to be improving to serve consumers better.
- The marketing actions need to be improved more effectively in the adoption process.
- Targeting the potential market to be the target market
- Expanding the market and establish the distribution channels as well as the selling system in the market.
- To continue working on getting the product Fair Trade
- The cooperative attracts capitals and investment to improve the product capacity, the facilities and working environment for workers.
- The cooperative should review the production process and capacity to reduce time on delivery.
- They need to do the competition strategy
- They need to make a pricing strategy
- A marketing organization operates effectively
- Customer relationship marketing to serve the customers after sales

We can see there are many goals that the cooperative has to do to solve their problems to improve and continue developing the business. The most important key to solve all of these problems is the marketing department. In the marketing department, all the cooperate objectives becomes the marketing objectives to be implemented effectively under the key word “marketing strategy”. A marketing strategy is very important to the firm because a marketing strategy contains a numbers of decisions about product offerings, pricing, communications, and distribution channels. By planning and implements the marketing action plan efficiently, a marketing strategy can help the firm to increase the revenue, improve profits and reduce costs.

In order to have an effective marketing strategy for TMSWC, I firstly need to discuss about its core strategy which is the main strategy that I will focus in the marketing strategy.

## 4.2 Core strategy

“Core strategy is the identification of a group of customers for whom the firm has differential advantage, and then positioning itself in that market.” (Kotler 2002:355). This definition contains two main ideas of a core strategy is: first, the identification of the target customers; and second, the positioning its offerings to satisfy the customers’ mind. It can be seen that the core strategy is the key success of the firms to exist and develop in the difficult business situation at the moment. For instance, in the high competition in the mobile phone market and in the storm of economic crisis all around the world, Nokia, the Finnish mobile phone producer, has been successful with Smartphone for businessman. Nokia has identified the correct target customers and offered them the desirable products. According to a report from Strategy Analytics, Nokia has sold about 5 millions E71 belongs to E series phone since the beginning of 2008. E series phone with lots of interesting function have pleased Nokia’s high class customers. In the next paragraph, we will talk about the target segment and the product positioning which are also included in the core strategy of TMSWC.

### 4.2.1 Target segment

The target segment is the process of segmenting consumer market and selecting the segment strategy. The target segment is a necessary process to proceed a marketing mix strategy for the target market. This process is about to offer to whom, what to offer and how to offer. Therefore, the target segment is the first step to decide the success of a marketing strategy.

Firstly, we talk about the market segmentation. We can define: market segmentation is the process of identifying people or organizations sharing one or more characteristics that cause them to have similar product and/or service needs (Wikipedia.com). The market segment also can be understood as the process to select the target customers of a particular product. The consumer market can be segmented based on the following customer characteristics: geographic, demographic, and psychographic and behavioralistic. (Refer to table 1. TMSWC’s target customers)

When doing the market segmentation, there are two points that marketers needs to notify, such as: the attractive of the segment and the segmentation must fit to the firm’s objectives, resources and capacities. The attractiveness of the market segment is the size of the segment, the rate grow of the segment. The main customers of Soundly Sleeping Dragon are native Finnish from 20-70 years old. They are in the target market of TMSWC because they like travelling, camping, living with nature and like using sleeping bags. People at these ages are in the biggest group of the population. As Finland has the old demographic, the number of the people in this group will be increased in the future. The responsibility of the market is to make the potential customers to be our customers and regular customers in the future.

After the market segmentation process, I look into the suitable segment strategy for the market segment. Marketers can choose one of three segment strategies so that the strategies fit to the firm’s objectives and the market segment (Kotler 2002:343).

- Undifferentiated marketing is a market-coverage strategy in which a firm decides to ignore market segment differences and go after the whole market with one offer.

- Differentiated marketing is a market-coverage strategy in which a firm decides to target several market segments and designs separate offers for each.
- Concentrated marketing is a market-coverage strategy in which a firm goes after a large share of one or a few submarkets.

From the references of three segment strategy, I choose the undifferentiated marketing strategy for TMSWC marketing strategy. The undifferentiated marketing strategy fits TMSWC because of many reasons. Firstly, the undifferentiated marketing strategy provides cost economies. One the product line saves the costs of production, inventory and transportation. It also saves the times to differentiate the market segmentation and the cost of advertisings on different market segments. Probably, this is a best selection for the big and modern companies because it is difficult to achieve with only one product or brand to please all customers. However, the undifferentiated marketing strategy is the best selection for TMSWC. As we know, the cooperative offers only product the target market. The product is quite special with own characteristics which can satisfy its customers. Secondly, the product is served to the large number of target customers. We only focus on the common need of the group, not the different needs of the group. Only one marketing mix strategy applied to bring the product reaching to its customers is useful for the cooperative due to its limit of capitals and resources.

#### **4.2.2 Product positioning**

In this part, I look into the product positioning which is the way to identify a product position in the market. A product position is the way the product is defined by customers on important attributes – the place the product occupies relatives to competing products (Kotler 2002:369). To identify a product in the market is not an easy job. The firm can do the marketing research to listen to the customer’s opinion about a product. However, nowadays customers are often overloaded with full information and services. Customers have the right to select a product among hundreds of companies. They compare and position the products, services and companies in their mind. This process is the complex set of perception, impression and feelings of customers about the product compares to other products. In order to analyze the position of Soundly Sleeping Dragon in the market, I would like to use the concept of perceptual mapping to indicate its position based on the retailers and consumers’ opinions in the marketing research.

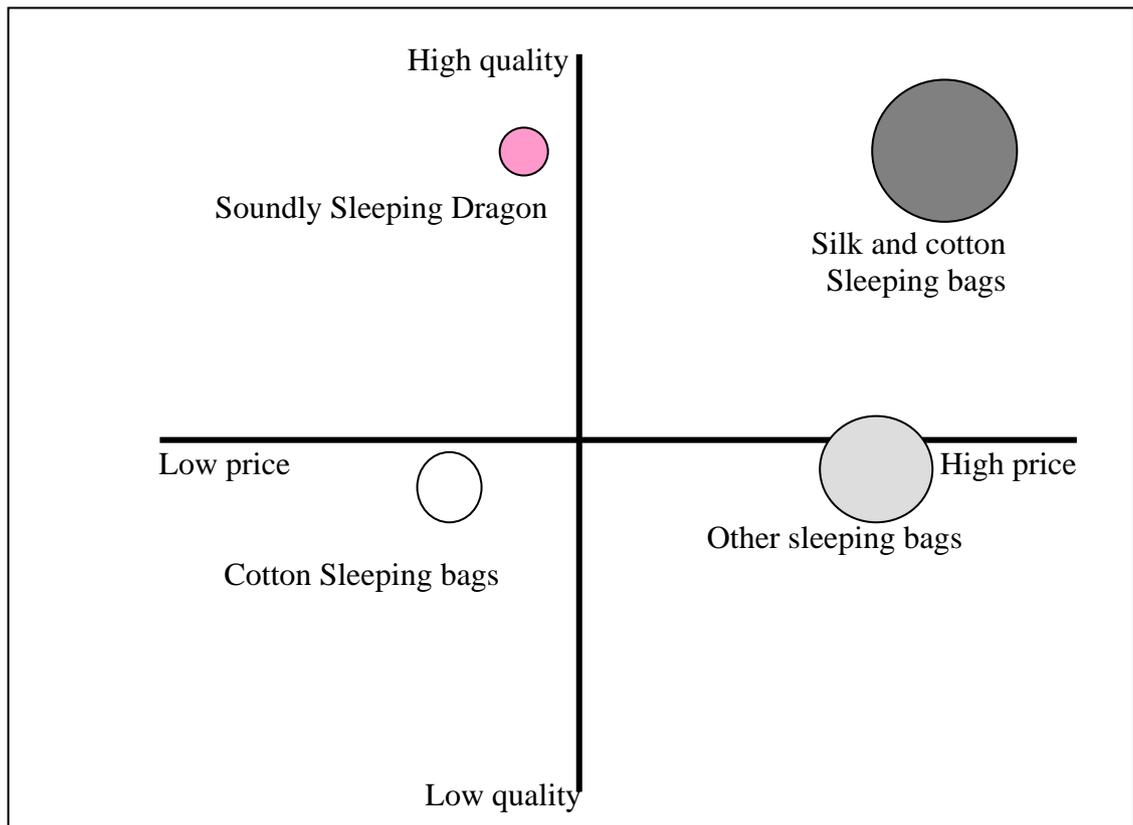


Figure 3. Soundly Sleeping Dragon product positioning – perceptual mapping, free source from internet.

### Perceptual mapping

A perceptual mapping is a product positioning tool that uses multidimensional scaling of customer perceptions and preferences to portray the psychological distance between products and segments. The position of Soundly Sleeping Dragon in the Finnish market described in Figure 3 based on the two dimensions: quality and price. The size of the circle is described the size of the segment. We can see the strengths of Soundly Sleeping Dragon are high quality, but cheap and not Fair Trade certified yet. The product receives good perception, impression and feelings from customers, but the segment size is small because product's awareness and reputation are weak to the target market. Our marketing objectives are to move its product positioning toward to the position of a Fair Trade silk sleeping bag with high quality and reasonable price in customers' minds. In order to gain these objectives, I would like to choose the positioning strategies for the product to move forward in the market.

### Positioning strategies

A positioning strategy is a strategy that uses associations to change consumers' perception of products. Through the positioning strategy, we have to make our customers believe our product value, features and benefits. Generally, there six basic positioning strategies that are usually used in the market: by attitude or benefit, by use or application, by user, by product or service class, by competitor, and by price or quality (ezinearticles.com). Based on the product's characteristics and its positioning analysis, we have to emphasize on the special characteristics of Soundly Sleeping Dragon and help consumers aware about them. Therefore, I would like to improve the

product positioning for Soundly Sleeping Dragon based on its benefit, and its quality and price. We will send the strong messages to consumers so that they notify and remember that our products provide good benefits, in good quality and reasonable price. For example, the purpose a sleeping bag is to provide user a good sleep. Besides that, the symbol of the product is a sleeping dragon. I would like to suggest the message can be: “Have a good sleep with the soundly sleeping dragon”. Although the product symbol is sewing on the package, consumers may not get this message. This message can become a slogan for the product. The slogan can be sewing under the symbol in the outer bag. This is a good way for customers to remember about the product. In addition, we can send another message such as “100% natural silk sleeping bag, but cheap price”. This is message will be appeared in the flyers, ads in the marketing actions and propaganda of the product. Besides that, we have already used the “usage occasions” message to advertise the product as “an interesting idea Christmas gift” in the ads. I think this is also a good idea for consumers to think about our products when they want to buy a present or a gift in Christmas time. As Christmas is a big occasion as well as a biggest buying season in the year in Finland. In my opinion, the consumers’ perception of the product will be improved a lot if they receive all these messages. In the next chapters, a marketing mix strategy will be planned to send the messages to consumers in the most effective ways. Now I would like to move on to the competitive advantages which are the important factors that enhance the cooperative’s availabilities to serve its customers.

### 4.2.3 Competitive advantages

Michael Porter has pointed out in his book about competitive advantages the two main factors that play important roles to the firm to create its competitive advantages to its competitors. The two factors are: cost advantage and differentiation advantage. Figure 4 below shows a model of competitive advantages based on Michael Porter’s concept.

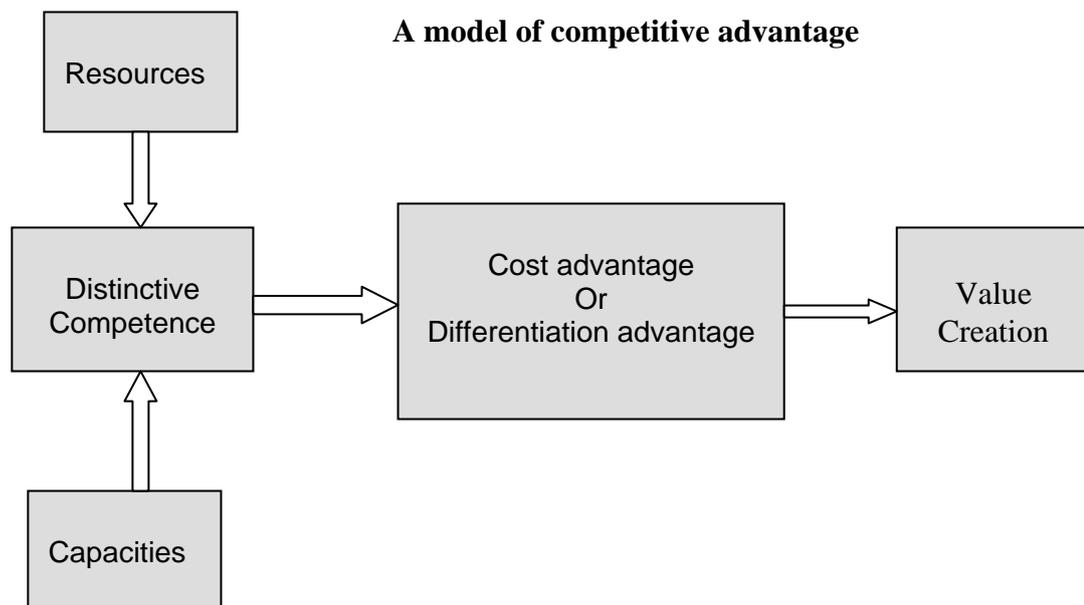


Figure 4. A model of competitive advantages – free search from internet

Every firm has its own characteristics to create its own strengths to compete to its competitors. A competitive advantage exists when a firm can provide the same kind of

its competitors' product but in lower costs (cost advantage), or the delivery benefits of the product to customers exceed its competitors' (differentiation advantage) (quickmba.com).

Based on the model of competitive advantage, the resources and capacities can create the distinctive competence which is the origin of a cost advantage or differentiation advantage. The value creation is the benefits that the cost advantage or differentiation bring the firm. The resource is the assets of the firm to utilize to produce product or services that very few competitors can do. The capacity is refer to the firm's abilities to use the resource effectively in producing. For example, a firm has very good reputation in the market. The firm can attract lots of investment form business partners into its development projects. The firm, itself, also has good researchers in the R&D (research and development department). The firm will have the abilities to do more research and development for their products. The products are made with high quality, vary of designs. The firm has created the differentiation to its product lines to compete with competitors'. The firm has created more profits as well as better reputations in the market.

Otherwise, from the competitive advantage theory, I would like to discuss herein about the TMSWC's competitive advantage. In fact, although the business is doing crossing international borders, the business also exits its own advantages to compete to competitors. Firstly, the cooperative can create the cost advantage based on its resource and capacities. For example, the cooperative has the stable suppliers of materials. The materials are famous, in high quality. Besides that, the cooperative is an integrated organization of single women. The resource of employment is rather stable. They can produce and satisfy an amount of big orders from Finland They work and share the profits from their productivity to improve their life. The labor cost in Vietnam is also cheap compared to Finland and many countries in the area. The cost of transportation from Vietnam to Finland is also reasonable, about 170usd for a container of 2000 bags. Due to the special characteristics of the business, we can emphasize on the quality of the product and suitable pricing strategy (which depends on the cost margin and the market value) as the competitive advantages in the market.

However, there are problems related to the cooperative's capacities. The cooperative does not have enough machinery to respond in case of receiving big orders. In addition, the long delivery from Vietnam to Finland takes about 40 days. The cooperative will have problems with its availabilities to satisfy its customers. Therefore, in the future we need to look into these problems in order to serve our customers better.

### 4.3 Marketing strategy – marketing mix

In this chapter, I would like to develop the marketing strategy for Soundly Sleeping Dragon. The marketing decisions are on the cooperative objectives that we have set above. The undifferentiated marketing mix based on the concept of marketing mix or marketing 4's P. Because this is marketing 4's P strategy, therefore the main marketing management decisions can be classified into 4 categories:

- Product
- Pricing
- Distribution channel (Place)
- Communication strategy (Promotion)

The marketing decisions on product, price, place and promotion will help the cooperative bring the products to its target customers and improve their perception of its product. A model of marketing mix below describes the main ideas of marketing 4's P.

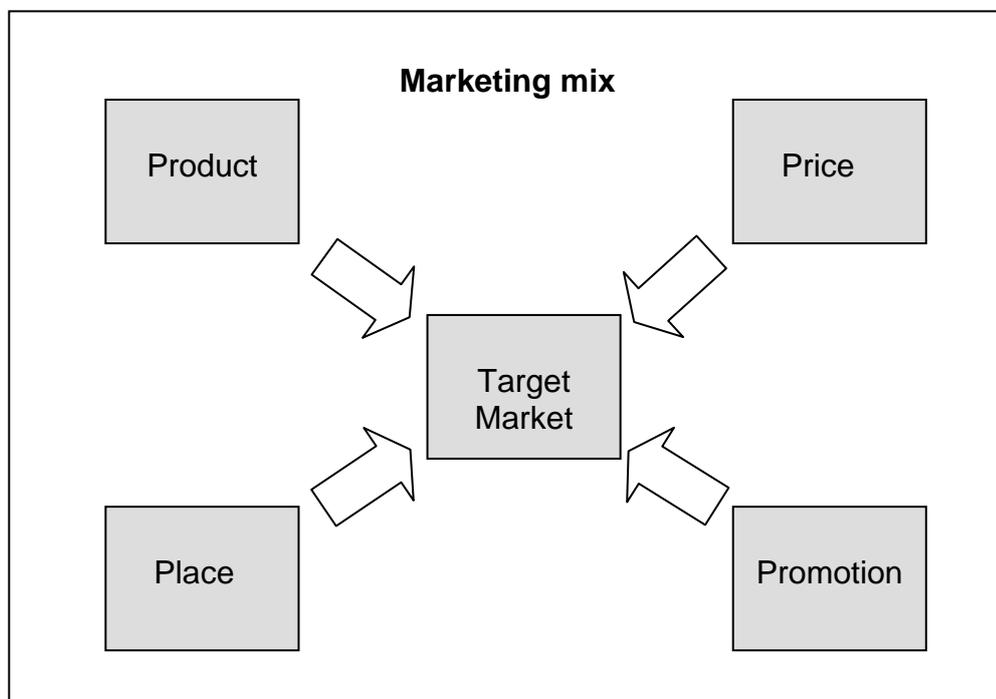


Figure 5. A model of marketing mix – free search from internet

#### Different strategies for Soundly Sleeping Dragon in its product life cycle

Marketing 4's P is the main tool to be used in my marketing strategy in this study. However, in order to have a proper marketing strategy for each period of the product life, I would like firstly to indicate the changes of sales and the changes of the market environment in a product life cycle. Figure 6 shows a model of a product life cycle.

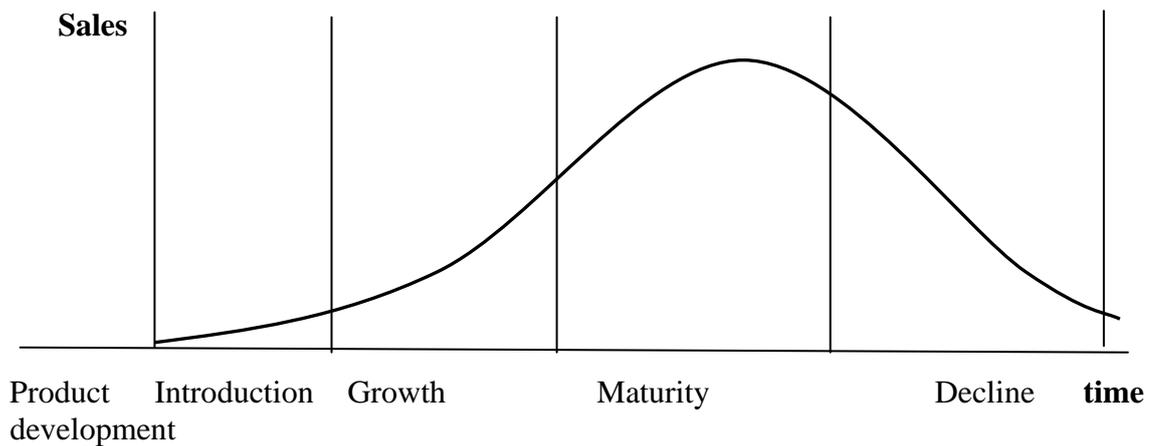


Figure 6 A model of product life cycle – Kotler & Armstrong model

According to Kotler in Principles of Marketing, a product life cycle is the course of a product's sales and profits over its lifetime. It covers five distinct stages: product development, introduction, growth, maturity and decline.

The development state is the first stage of a product life cycle where the company finds the product ideas and starts to develop the product. At this stages, the sales is zero, the company only invest money to develop the product.

The introduction stage is the time where the product are completed and introduced into the market. This is the trial period of the product in the market. If the product can satisfy the customer need, the sale can be increased and company can earn profits immediately at this stages. However, the profit is not a pressure to the company. This is only the time to promote the product awareness to the customers' minds. In this stage, the company usually has no or very few competitors. A skimming price can be used at this stage. There are two methods to use the skimming price strategy to launch the product at the introduction stage. The first method is to skim the market slowly by launching the product with high price and low promotion spending. The high price can cover the gross profit per unit as possible, while low promotion can save the cost but still keep the marketing alive. However, this method is only useful when the customers know about the product already or at least they have already awareness about the product in their mind. This method cannot be applied to Soundly Sleeping Dragon because it is completely a new product and the cooperative has not reputation in the market. That's why we have been use the second method. That is the method of skimming the market rapidly or a market-penetration strategy. This method helps the product reach into its customers fast because the low price strategy and heavy promotion strategy are used. TMSWC has chosen this method to introduce Soundly Sleeping Dragon to the Finnish market before, but because of the capital is limit, they has chosen the low promotion strategy. They have applied the low price strategy together with personal selling and personal marketing. The method has helped the cooperative to save the cost on advertising. However, the limit source of personnel to carry the strategy, the cooperative has failed in the introduction stage. The feedback from customers about the product was good, but the awareness of the product in the target market was very small so that the market size is also small. Therefore, in my opinion TMSWC has been using the appropriate strategy to introduce the product its customers. However, they should improve the promotion strategy as much as possible in order to achieve at the first important stage when re-introducing the product in the future.

Next, I would like to discuss about the growth stage. The growth stage is product life cycle stage at which a product's sales start to climb quickly. At this stage, the early adopters continue to buy. The product can also do marketing itself from the good feedback from early adopters. The mouth – to – mouth marketing seems to be effective when late buyers start to notify and buy the product. However, at this stage the cooperative also starts to meet the competitors in the market. The increase of number of competitors demand the cooperative has to develop its reseller networks and distribution channel. The cooperative should review the production planning in order to have the available inventory to satisfy the demand. The price might fall slightly, but the promotion needs to remain the same or be increased to build the strong brand for the product for the next stage. Besides that, the cooperative is about going to get the high position in the market therefore it should invest money to the product development, promotion and distribution.

The next stage is the maturity stage. In this stage the product sales growth slows or level of. In this stage the sales will reach to the peak. This stage last longer than the previous stage and the marketing management has to deal with the mature product while other products are also in the maturity stage. The competition really starts at this stage. Competitors begin to cut the price, increase their advertising and promotion and the R&D budget will be arisen to find the new version of the product. In order to defense in this stage, the cooperative should increase the promotion strategy to stretch its imagination and to find the new ways to innovate the market (to research a new market or product development), and applied an effective marketing mix.

The final stage of a product life cycle is the decline stage. In this stage, the product sale is decline. The sale goes down because of many reasons: the customer has changed their minds, the increased of competitors, there are so many products in the market, etc... if the business situation is at this stage, the cooperative should review the product availability in the market. It often requires the changes in price and inventory adjustment. The adverting campaign and promotion should be increased, remained the same or decline because carrying a weak product line will cost much on the marketing management. The cooperative should decide to give up the product and develop a new product line. Or the management can decide to maintain the brand, to carry on the product and wait for competitors to switch off the market. This is also good solution. We have seen many famous product brands have existed in the market for a long time, even there are so many new born products and they still have failed to compete with them.

Thus, in this part I have discussed about the possible strategies that TMSWC can apply into their marketing strategy. In my opinion, a product has its own characteristics and its own product life cycle while the market is changed constantly and the customer need is also changed based on the changes of life. Therefore, to apply a proper marketing strategy on a right product, at the right time and in a right place is an important factor to win the business.

### 4.3.1 Product strategy

Return to the marketing strategy, now I would like look into the product strategy. We can define a product is anything that can be offered to a market for attention, acquisition, use or consumption that might satisfy a want or need. It includes physical objects, services, person, place, organizations and ideas (Kotler 2002: 460). Because of this meaning, a product becomes a core strategy for the development of a firm. A physical product usually includes

Refer to Kotler in his Principles of Marketing; a product usually has three levels:

- The core product. It is the actual benefit that a company offers to its consumers. For example, TMSWC offers sleeping bag to the Finnish customers. In fact, customers do not only buy the sleeping bag, they are purchasing a good sleep, a good health. Therefore, the product satisfies a need.
- The actual product. The actual product consists of the banding, packaging, features and quality.
- The augmented product. This is the non-tangible profit that a company offers to its customers, for example guaranty and after sale services.

Due to the characteristics above of the product, the decisions on a product are usually made based on the product's design (styling and packaging), product quality, product's features and product's banding. According to the SWOT analysis and objectives of the cooperative, there are two main problems need to be solved for Soundly Sleeping Dragon are to improve the product quality and the design of the package.

### Product quality improvement

A product quality is the ability of a product to perform its functions. Based on the marketing research, Soundly Sleeping Dragon is a high quality product, made of 100% natural silk. Silk is a good and beautiful material in the garment industry. To use silk to make sleeping bags is a great idea. The product has been receiving good comments from users about its quality. However, there are only few complaints that the product is still having the smell of dye. They are a small amount of customers. According to my desk research, there are between 1-15% of people can pick up the smell of silk in vary conditions while others cannot. It is about natural. Those people often have to be stay away from silk products. I have not been experienced that Soundly Sleeping Dragon has the smell of dye. As we know that the material has been tested by an international laboratory in Vietnam. However, we really get this complaint from a number of users and the smell of dye may still exist in the product. I would like to suggest that we should take this into account and reconsider our production process in order to improve the dying technique and avoid the smell of dye in the finished products. This is a necessary process while the product is going to get Fair Trade, which require the product to be high standard.

### Improving the design of package

Next I would like to discuss about the design of the outer bag. Refer to the marketing research information indicated in table 1; we have received one in seven retailers recommend that the outer bag is quite simple. If the package is fancier, the price can be

higher. I think this is a very interesting idea. In my opinion, Soundly Sleeping Dragon is a very nice product, in various colors, and is very impressive to customers. The strengths of the nylon bag are: it covers the product, but it is still visible so that customers can choose the colors that they like. However, the outer bag is made of a thin nylon layer. Its design is too simple. The nylon layer is easy to be creasy. Besides that, the nylon bag cannot be used many times while the main package is also thin and easy to be wet. Those weak characteristics of the package can lower the image and quality of the product in customers' minds.

Therefore, I would like to suggest that TMSWC should improve the design of the package. The package has the logo of Soundly Sleeping Dragon together with the slogan. The outside of the package is in the same color as the sleeping bag. The package should be thicker, and harder with two layers. The outside layer can be made of silk or cotton while the inside layer is made of nylon or some other materials that are a little harder or thicker than nylon, but it can avoid the sleeping bag being wet. The package can be open or closed by a zipper. My suggestions have been conducted from the research on the competing products in the market. In my opinion, we can learn from competitors to improve our product image. As we understand that the product can market itself. Therefore, improving the package of the product is very important because the package can add more value to the product and create the first impression of customers to the product.

### 4.3.2 Pricing strategy

In this chapter, I would like to propose a pricing strategy for Soundly Sleeping Dragon in the market. As we have discussed, the price of Soundly Sleeping Dragon is quite low at the moment, the price should be increased higher in order to have capital to improve all stages of the product cycle. This is also one of the main purposes that TMSWC wish to achieve in its marketing strategy and once the product gets Fair Trade certification.

As we know, price strategy is one of the four elements of a marketing mix. Pricing strategy is important because it is related to the product positioning in the market. Furthermore, a pricing strategy also influence on other strategies of the firm, such as product decision, channel decisions and promotion decisions. As we have discuss some possible strategies for the cooperative based on a product life cycle that we will apply the market-penetration pricing strategy for Soundly Sleeping Dragon. The purpose of the cooperative is to provide the customers a high quality product, but in a reasonable price. This is a good idea to help the product rapidly penetrate into the market.

A market-penetration pricing is to focus on setting a low price for new product in order to attract larger number of buyers and a large market share (Kotler & Armstrong 2002:599). Soundly Sleeping Dragon was set at 27 Euros, plus the delivery is 2 Euros, so its price totally is 29 Euros. This is a reasonable price for a good product like Soundly Sleeping Dragon in the Finnish market. The product have been attracted a lot of the customers because it is considered to be a cheap product. According to table 2 indicated the retailers' feedback about the price of the product; many retailers suggested that the average price of the product is 30 Euros. I think our price at the moment is 29 Euros, including the delivery, is reasonable price. The cooperative can earn profit based on that price. In my opinion, the cooperative should not increase the price of the product in this business situation while economic crisis is occurring. The increase change on price at the moment might cause difficulties for the retailers to sell them in the market.

However, it does not mean that the cooperative cannot change the price. The cooperative is working on the Fair Trade certification process. During this process, many product features will be improved. The product imagination is also changed in customers' mind. Besides that, if the design of the package is fancier, the product will be more impressed to customer. Therefore its value will be higher. The cooperative will be able to increase product price in between 35 Euros and 45 Euros, or even higher. I think this is still an acceptable price for a Fair Trade sleeping bag. When the product is Fair Trade, its reputation will go further and attract more customers who favorite to Fair Trade products. In the next part of the pricing strategy, I would like to discuss about the price-adjustment strategies which needs to be applied sometimes in order to push the sales to be increased.

#### **Price-adjustment strategies**

The idea of the price-adjustment strategies is about a company adjusts its basic price to account for various customers different and changing situation. There are some price-adjustment strategies that companies usually apply such as: discount and allowance pricing, segmented pricing, psychological pricing, promotional pricing, international pricing, etc... (Kotler & Armstrong 2002:603). Each pricing strategy has its own characteristics and is used for a particular customer. In this study, I would like to

describe the discount and allowance pricing strategy which is a use pricing strategy and suitable to TMSWC.

A discount and allowance pricing strategy is the pricing strategy in which the basic price is adjusted to reward customers for certain responses, such as early bills, volume purchases and off-season buying. There are many kinds of discount and allowance policies that a firm can apply them in their strategies.

Firstly, a cash discount is applied when a price reduction to buyers who pay their bills promptly. For example, the buyer has to pay the bill within 30 days. However, they will get 2% discount on the total amount if the bill can be paid within in 10 days. This is a solution to improve the firm cash flow for the firm. It also helps buyers save money and reduce debts.

Secondly, a quantity discount is a price reduction to buyers who buy large volume of products. This strategy can be easily found in the Finnish market. Many clothes shops use the strategy “buy 3, pay 2” to attract customers. TMSWC also can apply this. For example, if customers buy 2 sleeping bags, the price of each sleeping bag will be reducing to 25 Euros. This is just an example about the quantity discount. In a particular case, the marketing manager can count the total cost of the product specifically to have more interesting discount to buyers.

Thirdly, a trade discount is a price reduction offered to trade channel member that perform a certain functions, such as selling, storing and record keeping. Soundly Sleeping Dragon is still on the stage of introduction the product to the market, therefore a trade discount is useful for TMSWC to encourage retailers to buy more products and keep the long term business relationship with them.

Next, a season discount is a price discount to buyers who buy merchandise or service out of season. This discount strategy is to encourage buyers to order the product earlier before the selling season. For example, TMSWC can have special offer to retailers for the Christmas season as the biggest selling season in Finland. Retailers can get 5%-10% discount price if they place big Christmas orders 3-4 months earlier.

In addition, TMSWC can apply the promotional allowance to reward the dealers for participating in the advertising campaign or sale-support programme.

Thus, the price-adjustment strategy is a necessary strategy in the marketing mix strategy. It can become a competitive advantage for the firm to compete to its competitors in the price war. In the next paragraph, we will look into the distribution channel strategy, which is one of the most important strategies of TMSWC.

### **4.3.3 Distribution channel strategy**

The distribution channel is the main objective that TMSWC want to achieve in the future. As the business network of TMSWC is still small in the market. Improve the distribution channel is the most effective way to expand the market and reach to the target customers. In this part, I would like to look into the distribution channel overview to explore the possible distribution channels that TMSWC can work toward to develop the business network. Besides that, I also analyze and propose the appropriate physical distribution and logistics management solutions for TMSWC to improve its delivery system and provide better delivery to its customers.

#### **Distribution channel overview**

Firstly, we can define “the distribution channel is a set of interdependent organizations involved in the process of making a product or service available for use or consumption by consumer or industrial user “(Kotler & Armstrong 2002:740). As we know, any companies always serve their customers the best services and they try their best availabilities to satisfy their customers’ needs. Therefore, besides selling the product directly to buyers, they often take into account to build a strong distribution channel in the market because distribution channels are the pathways that company use to sale the product to end-users. In order to make good distribution channel decisions, companies usually have to firstly identify their customers’ need. Secondly, companies have to define the marketing objectives that they aim to achieve on the distribution channels. Thirdly, they have to select the channel that they want to use to approach to the customers. Finally, they have to evaluate the main alternative channel for long-run objectives.

Based on the some basic understanding above about the possible channels are suitable for TMSWC to distribute the product in the market. As we have known that our business is to provide the sleeping bag to consumers who are interested in using sleeping bag for daily use, or for travelling and camping. Therefore, we are searching for a distribution network to carry the products to consumers. The distribution channels are the ones who have the availabilities to provide sleeping bags to consumers, such as salespersons, retailers, wholesalers, etc... There are three of channel alternatives that we can choose (Kotler & Armstrong 2002:753):

#### **Direct marketing as a channel**

There a number of direct marketing ways that we can use such as: television advertising, advertisement on print media, radio, telephone or by e-mail, catalogue... if direct marketing is use, the seller can get contact to buyer and direct responses from buyers. This method is only useful for small businesses or personal selling. TMSWC has also applied this method in its channel before, for example flyers and print media on books, magazines and newspapers. This channel needs to be improved in the future.

#### **Sales force**

The company can sell the product through its own sales force or deploy other company to do it. TMSWC has not employed any people or company to sell the product, but they only use its own personal selling from CED (CED is also it main distribution).

## **Intermediaries**

Intermediaries are independent organizations that will carry out a number of activities. The intermediaries are the most interesting distribution channels that TMSWC are working to toward to have the business with them. These distribution channels are the ideal channels for the long-run business objectives. There are four main types of intermediaries' distribution channels.

### **Wholesaler**

Wholesaler is a firm engaged primarily in selling goods and services to those buying or resale or business use. Otherwise, wholesaler is a big firm who buying products or services from producers and resale them to buyers. For example, Kesko is a big and professional wholesaler in Finland. Kesko purchase both domestic products and foreign products to distribute them to many retailers in the country such as K-market, Citymarket, S-market, Intersport, etc... However, those big wholesalers as Kesko are too big to TMSWC'S products. Asian producers have to satisfy very strict requirements from them. For example, they ask the Asian producers for BSCI certification. (BSCI is a Finnish certification for product quality, social responsibilities of producers and the respect of sustainable development). Producers have to spend on many processes to get this certification. However, once Soundly Sleeping Dragon gets Fair Trade, TMSWC will be able to discuss with them about the cooperative. They are still a big chance for us.

### **Agent**

An agent is a wholesaler who represents seller on a relatively permanent basic. They only perform only a few functions on selling, and do not take the title on goods. This distribution channel seems not to be effective for TMSWC because an agent usually needs to be trained, while TMSWC is not able to train agents in Finland due to the limit of resource.

### **Retailers**

Retailers are the main distribution channels that TMSWC focuses on their marketing objectives. TMSWC have done a marketing research and marketing the product to some selected retailers in Finland. The retailers are the clothes shops, department stores, camping stores, camping equipment departments, etc... The strong characteristics of retailers are that they can buy a big volume of products. They have strong relationships with customers. They can often offer the credits to customers, for example travel agents and camping shop in the camping places. Besides that, retailers will set the final selling price to the products. In addition, products and services are promoted and merchandised by retailers, by this way the products can be reached to customers more effectively. In the future, TMSWC will need to do the marketing actions to contact with many retailers to develop its retailer channels in the market. In Finland, the best way to start a business is to have direct contacts with them. Phone calls or face-to-face introduction and discussions are the best way to achieve a business. Besides that, the cooperative should have some interesting offers to potential retailers to attract them to the business and to keep the relationships.

## Internet as an intermediary

Internet distribution channel has become more popular in the 21<sup>st</sup> century. Nowadays, consumers can find anything that they need on the internet such as information, products, services and entertainment. Many companies have focused on e-commerce business and marketing as a trend for their development. Big e-commerce site such as e-Bay is the examples for this development trend. E-bay can be a good intermediary for TMSWC. TMSWC can make a deal with e-Bay to sell sleeping bags on e-Bay website. TMSWC is responsible for distributing the product while e-Bay does marketing the product on their site. By this way, we can sell the sleeping bag all over the world through e-Bay network. The sales cost through e-Bay is also reasonable. In addition, TMSWC can develop its homepage to be an e-commerce site. At the moment, the TMSWC home page has just been established with the main purpose is to introduce and update information about its cooperative, product and services and trading. In my opinion, we need to improve the function of the site to be an e-commerce site. Through an e-commerce site, customers can make inquiries, place orders and payment done online by bank transfers, Visa or Credit card, etc... The e-commerce site may become a strong marketing distribution channel while the cooperative can low the cost of set up, save the cost of advertising, expand the geographical market. This can be a trend of distribution channel that TMSWC should apply in order to help the business develop further in the future.

In the previous paragraphs, we have discussed the possible distribution channels for TMSWC in the Finnish market. In the next paragraph, I would like to discuss and propose the strategies for physical distribution and logistics management which are very important to the cooperative to maintain and develop its distribution channels.

## **Physical distribution and logistics management**

The physical distribution or marketing logistics are the task involved in planning, implementing and controlling the physical flow of materials and final goods from points of origin to points of use to meet the need of customers at a profit (Kotler & Armstrong 2002:762). Kotler and Armstrong mentioned the importance role of the physical distribution channel to a firm. In fact, we have to consider that sometimes to make a product or service and sell it to customers are easier than to have it always to be available to customers. therefore the main objectives of a the logistics system are to design the best method to store, handle and move the products or services so that they are available to customers in the right assortments, at the right time and in the right place at the least cost. They are also the objectives that TMSWC aim to achieve in its logistics functions. There are important points that TMSWC should pay attention into its logistics system.

Firstly I want to discuss about the order processing. The order can be receive by mail, telephone or though sales persons via computer or electronic data. The order must be processed quickly and accurately. At the moment order processing is not a big problem to TMSWC because the cooperative has only one product line. However, once the business is expanded and product lines are develop; the cooperative should have a sale department or sales staffs in Finland to receive orders from customers and distribution channels. The sales staff will have the responsibilities to proceed the order-process effectively to improve the level of service to customers.

Secondly, Inventory or stock-in-hand is a problem to TMSWC at the moment because the cooperative only start to plan the production process when they receive order from Finland. They do not have stock-in-hand because of many reasons. Firstly, the cooperative has the limit of its available capital. They have to pay the material before hand. The capital for sleeping bag business is mainly based on the micro loans of Tan Minh group members in a total fund of 15 000USD. Therefore TMSWC have many difficulties to afford its business plan within the capital limit. For example, the cooperative should have decided to buy more materials to make keeping stocks sleeping bags. Besides that, at the moment the cooperative has very limit sources of equipment. For instance, if they get a big order from Finland, they might not complete it in a supposed time. As we knew, the delivery takes about 40 days from Vietnam to Finland. This is a very long delivery. I am afraid that TMSWC cannot satisfy its customers with this long delivery. Therefore, they should have stock in Finland so that they can do deliveries to customers immediately they have got the orders.

In order to solve this problem, the cooperative should plan to save capitals or call for investment from entrepreneurs to ensure that they have enough resource for production process and store inventory. Besides that, the cooperative also need to pay attention to warehouse and transportation modes. As the business will be developed in the future, the cooperative will have a wide distribution channels in the market. They should think about the location of a warehouse to stores the product. The location of the warehouse will improve the product availability to the channels and consumers. In addition, the cooperative should take into account choosing the suitable transportation model to move the products in the fastest way to customers.

#### 4.3.4 Communication strategy

Communication strategy or promotion strategy is one of the 4'P elements of a marketing mix. It is considered as a key for the success of a business. In fact, a good product is not enough to help companies win in the market, but a good communication strategy can change customers' minds about a product, a company. Communication strategy is designed to help companies interpret their messages to customers. Communication strategies are the decisions on the specific mix of advertising, personal selling, sales promotion, public relations and direct marketing that a company uses to pursue its advertising and marketing objectives (Kotler & Armstrong 2002:624). In this part, I would like to propose some ideas on the communication strategy for Soundly Sleeping Dragon. I would like to describe the communication strategy for Soundly Sleeping Dragon based on the five main tools of a communication strategy that Kotler & Armstrong mentioned above. Firstly, I would like to define again that our main marketing objective is to create the strong product awareness in order to get customers' perception of the product. I would like to start with some decisions on the advertising tool.

#### Advertising

Advertising is any paid of non-personal presentation and promotion of ideas, goods or services by an identified sponsor (Kotler & Armstrong 2002:626). It is used to develop attitudes, create awareness, and transmit information of the product or services in order to get a response from the target market. Companies can advertise their products or services through media such as radio, Television, newspapers, magazines, books, cinemas, posters.... because media is a popular public form to perceive information and communicate every day. It is one of the best ways to have the contact with customers and users. TMSWC has also used media to promote its product before such as *iltä sanomat*, *voimalehti*, *KEPA* magazine and some published books. In my opinion, these activities were not strong enough to create the awareness of customers on the product. I think what TMSWC needs to do is to develop a big and professional advertising campaign. The campaign should start in the buying season such as Christmas time and occurs all around Finland. I think advertising on Television is a good idea. 95% of the population has color TV, according to statistic Finland 2006. It means that if the product is advertised on TV, a big number of viewers will receive the information about the product. However, TV advertising is quite expensive; TMSWC should consider this option once it has the ability to apply it. Another idea in my mind, TMSWC can cooperate with the Television stations or radio station to make a video or interview about TMSWC and CED's activities in Vietnam. I think the story behind our business is very meaningful, the cooperative will be receiving the supports from viewers and audiences all around Finland. This is a good method to create the good reputation of TMSWC and CED. The perception of customers of the product is increased. In addition, we also should reach to some largest local newspapers in Finland such as *Aamulehti* in Tampere, *Turun Sanomat* in Turku, *kauppalehti*, *Kaleva* in Oulu, *Savon Sanomat* in Kuopio, etc.... these local newspapers can bring the product image to readers all around Finland.

## **Personal selling**

The personal selling is the personal presentation by the firm's sales force for the purpose of making sales or building customer relationship (Kotler & Armstrong 2002:626). Personal selling can be done by company's sales forces and employed salesperson. Through personal selling, salespersons can have directly contact with customers. Therefore, the company can create a relationship with its customers. This is a good selling method. Personal selling is considered as the key for TMSWC to apply when creating its retailer network. The cooperative should do more marketing research to find more retailers as well as advertising and personal selling to expand the business network.

## **Sales promotion**

The sales promotion is one of five elements of communication strategy. It is the short-term incentives to encourage purchase or sales of a product or service (Kotler & Armstrong 2002:626). Sales promotion includes some short-term decision on the product or service to encourage customers to purchase that product or service. Therefore, price-adjustment pricing strategy is usually used in the promotion strategy. Sales promotion should be used for some special occasions such as high buying season, summer, Christmas season, Mother's day, Father's day,... coupons, contests, price reductions, premium offers, free goods and others can be used to encourage customers. TMSWC can apply these tools to promote the product and improve customer buying forces.

## **Public relations**

Public relations are the process of building the relationships between the company and publics and organizations. It is also an important factor that influences the existence and development of the business in the market. Public relations sectors can be shareholders, trade union, Red Cross, non-government or government organizations, social organization and the media. The public sectors can influence opinions on other sectors, business partners and consumers. Therefore, the public relations tool can help companies do the marketing and make the product reputation into publics and audiences. The voice of publics is very important. It can overcome the social barriers and even reach many prospects who avoid salespeople and advertisement. At the moment, TMSWC has not created its public relations. The method is quite economical because there is no or very limit expense on it. There are many methods to improve the public relations communication with specific public sectors. We can use: Trade press releases, promotional videos, product launch events, web sites to communicate with consumers. Cooperative and product videos, direct mailings, Web site and trade exhibition are for communicating with business partners. TMSWC can apply these methods to improve its relations to the public's which are very useful and very economical.

## **Direct marketing**

This is an effective communication strategy in making direct contact with carefully selected individual consumers or retailers. This method has been applied in the

marketing research for this study. Telephone, mail fax, internet and other tools are used in the direct marketing to communicate directly to specific consumers. Marketers can receive quick responses when use the direct marketing tool. The advantage of this tool is that the customers usually find it easy to trust on the product or service based on the direct discussion with sellers. TMSWC should continue using this method to create the selling network and build the good business relationship with its customers.

#### **4.4 Marketing organization**

The success of marketing activities determine the achievement of a company overall objectives. The company always tries to find out the better way to manage its marketing strategy and achieve the best result. Therefore, the marketing organization is established to carry this responsibility. The marketing organization will have to redefine its role from managing customer interaction to integrating and managing all the company's customer-facing process (Kotler & Armstrong 2003:665).

TMSWC does not really have a marketing organization department. As we already knew CED is the main physical distributor of TMSWC in Finland and Ms. Jaana Airaksinen is the core person of all business and marketing strategy in Finland. She is the person who is responsible for marketing the product, receiving orders and selling activities. She also collects responses, feedback from the customers. She also charges for the public relations marketing by making contacts with non-organizations and media to introduce the product to publics. In addition, Salka Rautio, is also a volunteering from CED, working in Vietnam to help TMSWC improve the business balance and work on the process of getting Fair Trade for the products. Besides that, she also supports to TMSWC business as a marketer. She was helping to do the marketing research in Finland and look for new business partners in Finland and other countries.

As TMSWC is expanding its business in Finland, the role of CED will become more important in the marketing process. In my opinion, CED need to look for more volunteer or to recruit more people to develop a sale department or a marketing department in order to manage the marketing strategy better to serve the customers better.

## **4.5 Marketing budget**

Marketing budget is a component of a marketing plan. It is the cost that you planned to spend on marketing to achieve the marketing objectives in a certain timeframe. This is the amount that the company spends on marketing, advertising and promoting the products. CED has tried their best to develop the marketing activities for Soundly Sleeping Dragon and to limit the marketing expenses as much as possible. However, it can be seen that the marketing strategy was not strong enough to create the strong awareness of target customers on the product. There are many companies also trying to improve the personal marketing and attract the supports from non-organizations and publics to marketing and promote the products. However, marketing firms, media and Television advertising are the most effective marketing tools for companies to select. Therefore, in my opinion TMSWC should develop a marketing budget. The budget will be used on media and Television advertising to push the images of Soundly Sleeping Dragon to the public and target customers.

## 5 Customer relationship marketing

In this chapter I would like to look in the customer relationship marketing which is also an important strategy of TMSWC. We have already done many strategies to keep the customers to stay with us, for example price-adjustment strategy and communication strategy, etc. However, they are never enough. We are in the high competitive business environment, many companies and organizations consider customer relationship marketing is a vital strategy of their business. We can define "Customer relationship marketing is the process of creating, maintaining and enhancing strong, valued-laden long relationships with customers and other stakeholders." (Kotler & Armstrong 2002:406). I totally agree with the ideology about the customer relationship marketing. Marketing is not simple only the process of selling but also the process of building the relationship between companies and customers. In my opinion, the customer relationship marketing is a necessary strategy to TMSWC. As Soundly Sleeping Dragon is a new product and has low awareness in the market. Improve selling and keeping the relationship with the customers are very important to TMSWC. As I have analyzed in the consumer buying behaviors, the role of a customer in the buying process is not only a buyer but also the influencer. The buyer's opinion can influence other buyer's buying decision. Therefore, by the customer relationship marketing strategy we have to keep the customers stay with us to be our loyalty customers and our spokesperson.

In order to make a good customer relationship marketing for TMSWC, I would like to analyze the relationship between companies with its customers; we can distinguish five different level or relationships that can be formed with customers.

- Basic level. The company salesperson only sells the products to customers, but does not follow up any way. There is no relation between the seller and the buyer in this case. The buyer may never return to buy the product again.
- Reactive level. The salesperson can encourage the customers to call back whenever he or she needs help or has any problem with the product. In this case, customer may never call or he or she does not have any problem to call back. However, the way the salesperson to encourage, the customer has good feelings about the company and the product. The customer will return to buy next time.
- Accountable level. The company has created the after sales services. Salesperson will call the customer after the short time to check whether the product has satisfied the customer's expectation. The customer may express her feelings about the product or make some complaint. The information will help the company continue to improve the product to satisfy the customer need next time.
- Proactive level. The salesperson can call time to time to have the feedback from customer, with the willing to get some suggestions for developing the new product.
- Partnership level. The company works continuously with the customers to discover the ways to delivery better value.

(Kotler & Armstrong 2002:406)

Based on the five level of customer relationship, we can see that each level has its own characteristic and display different relations between the company and its customers.

The partnership level is the highest level in the customer relationship marketing which many companies want to achieve. In this level, the customer is not only a buyer but also a value member of the company. Customers can be involved in the company's decision making. Company and customers work together to produce the better value of the product. Companies can earn more profit while customers can receive better service. The profits are shared for both companies and customers and their relationships become stronger. This is also the objective that TMSWC should work on to achieve in the future. In order to create the long-term relationship with its customers, TMSWC should create the relationship steps by steps based on the evaluation of five levels above. In addition, TMSWC should establish a relationship marketing programme in its cooperative. There are other five main steps to establish a relationship programme.

- Identify the key customer meriting relationship management. The key customers must be in the largest or best customers who are willing to be a regular and loyalty customers.
- Assign key persons to have contact with key customers. The key persons are the salespersons who have good skills in serving and developing the relations with customers. The key persons can be trained to be professionals in this field.
- Develop a clear job description for each relationship customer key person, for example responsibilities, objectives and evaluation criteria.
- Design short-term and long-term plans of each key person. These plans should contain the objectives, strategy, specific actions and evaluation.
- Evaluate and supervise key persons in a short-term and long-term report.

This marketing relationship programme is very useful for TMSWC to keep the business relationship with its retailers after sales. Retailers are big and important customers. They are not only doing selling but also doing marketing for the products. They have their own customer service centers to collect the feedback from customers and end-users. They will have right solutions to support and serve customers better. In addition, we also receive very proper feedback information from customers about our products. Retailers also have good points of view about demands, changes and the trend of the market so that we can gather that useful information from them based on our business relationship with them. I think establish the customer relationship marketing with retailers is very important to TMSWC. The programme may determine the success of the distribution channel strategy and the whole marketing strategy.

A completed customer relationship marketing for TMSWC needs to have the effective operations of the marketing organization. However, we still have to adjust the ways to establish the customer relationship marketing programme according to different business situation. In case, TMSWC does not enough resource of salesperson, it can assign a key person to follow up after sales service. This person will be the presentation of the cooperative to have regular contact with customers and develop the relationship with them. This key person also reflects the complaints from customers to the cooperative. The cooperative can base on the complaints to give the solutions and improve the services in order to satisfy the customer's expectations.

## 6 Conclusions and suggestions

In this final chapter I would like to emphasize on some important points and give some suggestions to TMSWC to achieve its marketing strategy for Soundly Sleeping Dragon in the Finnish market.

Firstly, I would like to say that Finnish market is a potential market for Soundly Sleeping Dragon. Although Soundly Sleeping Dragon has quite few competitors in the market, they are the big and experience competitors. TMSWC has to use its best resources and capacities to compete its competitors. The cooperative has the problems to improve the sales in the market because Soundly Sleeping Dragon has failed to create its images and awareness strongly and widely to the target customers. They key to overcome this barrier is to the suggested marketing strategy effectively. In addition, the cooperative should pay attention into improve the product development which is the competence objective to serve customers the better value. Fair Trade certification is also important to give the product more possibilities to compete in the market.

Secondly, in order to improve the sales the cooperative should apply the marketing mix strategy effectively in different product life cycle periods. In the marketing mix strategy, the pricing strategy and promotion strategy are very important strategies to attract customers and increase customers' perception of the product. In addition, the cooperative should take into account to develop the distribution channels as the main objectives for the sales to be increased.

Thirdly, in order to gain the marketing strategy successfully, the cooperative should improve the size of the marketing department or sales department in order to serve the customers better. As the marketing department or sales department is also the key to succeed in customer relationship management which help the cooperative keep and develop the long-term relationship with its customers.

Finally, I would like to recommend the cooperative to carry the marketing research continuously because the marketing research analysis will help the cooperative have a full view about what happens in the market, such as information about new products, competitors, consumer buying behaviors. By understanding the marketing research the cooperative can update the information and react to any business situations.

In conclusion, the marketing strategy in this study has given some suggestions to solve the business problems that TMSWC is facing with in its current business situation. The TMSWC's business is a good business idea which has produced high value products and contributed into improving the life of the Tan Minh Single Women Group in Vietnam. More researches, plans and supports are needed to help the business develop further in the future.

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## 8 Appendices

### Flyer: Soundly Sleeping Dragon as an interesting Christmas gift



## HYVÄN MIELEN JOULULAHJA, TILAA NYT!

Silkkipussit sopivat lakanaksi yökyliin ja ovat käteviä matkalla. Ne korvaavat lakanan tropiikissa ja antavat lisälämpöä makuupussin sisällä kylmässäkin.

- Sivulta avoin, helppo päästä sisään
- Tyynyä varten oma tasku
- Vahvistetut saumat

Silkki hengittää kesäkuumalla ja lämmittää kylmässä. Antaa lisälämpöä noin 5 °C makuupussin sisäpussina. 100 %:sta silkkiä. Mitat: 220 x 70 cm, 140 g.



**HINTA: 27 € kpl +  
postimaksu 2 €,  
yhteensä 29 € kpl  
kotiin kannettuna**

Pusseja voi tilata maksamalla tilattua määrää vastaavan summan Ympäristö ja kehitys ry:n tilille OP 571113-276166.

Muista kirjoittaa viestikenttään nimesi ja postiosoitteesi (myös postinumero), ja mahdolliset väritoivomukset. Makuupusseja on punaisia, sinisiä, vaalean sinisiä, vihreitä, vaalean vihreitä, oransseja, ruskeita ja liilan värisiä.

Pussin tuotosta suuri osa menee suoraan niiden valmistajille, Tan Minhin yksinhuoltajaisille Vietnamissa. Makuupusseja tuo maahan Ympäristö ja kehitys ry.

Lisätiedot jaana.airaksinen@mondediplo.fi  
www.ymparistojakehitys.fi

**Ympäristö  
& kehitys ry**



# Tan Minh Single Women Cooperative design homepage



# Tan Minh Single Women Cooperative supported from Finland

The screenshot shows the website for the Tan Minh Single Women's Group. At the top, the logo features the name 'Tan Minh' in a stylized script, with 'single women's group' and 'Tan Minh Single Women's Group' in a sans-serif font below it. A navigation menu includes links for HOME, ABOUT US, PRODUCTS, FAIR DEVELOPMENT, SUPPORTERS, FRIENDS, and CONTACT. The main content area is titled 'CED' and contains two sections. The first section, 'Ympäristö & kehitys', describes the Coalition for Environment and Development (CED) as a Finnish organization that combines poverty elimination and environmental protection. It mentions village democracy projects in northern Vietnam, a micro-loan program with 3000USD capital, and 'Operation Green Dragon' as one of the projects. The second section, 'Green Dragon', describes a project for 188 single mothers in Tan Minh, near Hanoi airport, which began about 12 years ago. It notes that these women were previously living in poor conditions and that it is difficult to maintain a living as a single mother in Vietnam. Two photographs are included: one of a woman in a red scarf and another of a woman holding a child. A copyright notice at the bottom reads 'Copyright © Tan Minh Single Women's Group'.

Tan Minh  
single women's group Tan Minh Single Women's Group

HOME ABOUT US PRODUCTS FAIR DEVELOPMENT SUPPORTERS FRIENDS CONTACT

**CED**

**Ympäristö & kehitys**

**Coalition for Environment and Development** is a Finnish organization established to seek for and find approaches that combine poverty elimination and environmental protection ideas. Following these ideological base,

Coalition has (among others) many village democracy projects running all around the north of Vietnam. They teach the basics of democracy and acting together. The villages are also in micro loan program, where the village board is given 3000USD capital for loans so citizens can buy animals, tools etc. One loan is typically 30-80USD. Operation Green Dragon is one of their projects.

**Green Dragon**

The project with a group of 188 single mothers in Tan Minh, near Hanoi airport has begun about 12 years ago. Back then, these women were living with their families in poor conditions, since it is very difficult to maintain a living as a single mother in Vietnam.

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## Soundly Sleeping Dragon Marketing Research Survey

**1. Are you currently selling any silk sleeping bags or sleeping bag liners?**

Yes                       No

\* If yes, what kind?

**2. Have you heard about the Soundly Sleeping Dragon -silk sleeping bags before?**

Yes                       No

\*If yes, where?

**3. What was your fist impression of the product?**

**4. What strengths and weaknesses it has in your opinion?**

**5. Do you think that the product being made by Tan Minh single women's cooperative in Vietnam adds extra value to it?**

Yes                       No

\*If yes/no, why?

**6. We are working towards Fair Trade certification.**

**Do you think FT certification will make difference in the market potential?**

Yes                       No

\*If yes/no, why?

**7. What would be a good price?**

**8. Would you like to hear from us again?**

Yes                       No

**9. Contact information**

Name of person

Company

Telephone

E-mail

**Thank you for answers!**