

Gia Phat Lam

MARKETING MIX FOR THANH TAM COMPANY IN VUNG TAU
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Lam, Gia Phat

Satakunnan ammattikorkeakoulu, Satakunta University of Applied Sciences

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The main purpose of this thesis is to provide suggestions for Thanh Tam Company Limited (hereinafter referred to as “the company”) to help the company create a comprehensive marketing strategy in the new market in Vung Tau city. All the suggestions are mostly based on the basic marketing principles and SWOT analysis. As the company almost has no marketing knowledge, the recommendations are expected to give the company clear instructions of how it can implement an effective marketing strategy in the new market in order to thrive in the market of Vung Tau city.

The thesis comprises two different parts, which are theoretical and empirical parts. In the theoretical part, the author introduced and explained some fundamental marketing principles and SWOT analysis model which can help the company understand what marketing principles are all about as well as how a marketing plan can contribute to the success of a business. When it comes to the empirical part, the author did SWOT analysis for Thanh Tam company to give the company an overview of its strengths and weaknesses as well as threats and opportunities the company may have in the new market. Further, factors relevant to the new market such as market size, existing competitors, customers will be analyzed. Also, in this part, the author showed the company how it can choose appropriate segment(s) to serve and position its brand in customer mind. Based on this, the author offered a comprehensive marketing mix plan for the company which includes product offer, product price, promotion strategy, and distribution channels.

All the information and statistics used in this thesis are based on various sources including websites, customer survey, and the interview with the company's owner. The customer survey is quantitative. It contains 25 highly-structured questions providing information which will be used to help the company segment the market, choose the right products to offer, set the suitable product price levels, create an effective promotional mix, and select an efficient distribution channel. While, the interview with the company's owner is a qualitative and in-depth interview comprising unstructured questions. By making the interview, the author can get valuable information about the market and internal matters of the company. All the information collected from the interview was mainly used for the purpose of SWOT analysis. Furthermore, some information can be used to support the making of 4 Ps as well.

The key findings presented in this report include customers' income, prices customers are willing to pay, products preferred or expected by customers, the way customers purchase roller-shutters and relevant products, the efficient ways to help the company approach and attract customers. Moreover, the key findings also comprise the evaluations of existing competitors and the company's situation. All the key findings are summarized and presented in Chapter 7 of this report.

In the last part of the thesis, the author gave some recommendations for the company. Specifically, the author indicated aspects that need improvements so that the company can correct or make those matters better. The recommendations suggest that the company should improve its promotion program and distribution channel. In addition, the company should also keep a close eye on the two existing competitors in Vung Tau market. As presented in the recommendations, the company need to find a more reliable motor supplier to reduce risks. Besides, burglar alarms should be added to the company product mix to meet customer demands. The ultimate purpose of the recommendations given in this part is to make the company aware of its situations and able to adhere to the marketing practices suggested in the previous parts. Readers can refer to Chapter 9 of this report for more details.

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1 INTRODUCTION

1.1 Purpose of the thesis

The case company the author chooses in this thesis is Thanh Tam company. This is a small company operating in the roller-shutter industry. The company's target customers are both private and business customers in Ho Chi Minh City. Recently, the company wants to expand its operation to Vung Tau City, which is situated approximately 120 km southeast of Ho Chi Minh City. Vung Tau has been developing considerably throughout the last 10 years but is still small compared to Ho Chi Minh City.

When it comes to the writing of this thesis, there are some reasons that encourage the author to choose this topic. However, the most crucial one is because Thanh Tam company which is located in Ho Chi Minh City (hereinafter referred to as "the company") wants to expand its operation into Vung Tau market. It is a family-owned company; and despite of its 40 years of experience in the roller-shutter market, it has almost no knowledge in marketing area. Knowing that marketing plays an important role in business success, the author proposed to create a marketing plan for the company. Moreover, the author desires to apply his knowledge related to marketing area in the real life as well. The author expects that with the proposed marketing plan, the company will know exactly what it should do in order to raise customers' awareness of its brand and attract as more new customers as possible in the new market of Vung Tau city. Last but not least, the author hopes that with his marketing plan, he can show the company how important marketing is when it comes to a company's success. Therefore, they can consider utilizing marketing plan in their daily operation.

1.2 Structure of the thesis

The thesis is divided into two different parts including theoretical and empirical part. In the theoretical part, the author will explain theories of marketing 4 Ps, segmentation, targeting, positioning, and SWOT analysis. While, in the empirical part, the author will apply knowledge of theories mentioned in the theoretical part to the case of Thanh Tam company. In the empirical part, the author will do research on market analysis,

SWOT analysis for the company. Moreover, the author also shows the company how to segment the market, choose target customer and position the company brand in the market. In the final stage, the author will propose a marketing mix plan to the company.

2 PROBLEM SETTING AND CONCEPTUAL FRAME OF REFERENCE

2.1 Problem setting

Thanh Tam company has been in the roller-shutter industry for more than 40 years. However, it does not have enough knowledge in marketing area. In the long term, this will be a fatal weakness which makes the company incompetent in competing with competitors who have good marketing practices. Moreover, the company has decided to join Vung Tau market. In the new market, people may not know much about the company. Hence, it is necessary to have a suitable marketing strategy when entering such a new market.

Therefore, the author will do the study in order to give the company an overview of the important role of marketing in the success of a business. The thesis will analyze various factors relevant to the implementation of a marketing plan in the new market. The study will end up creating a marketing mix plan for the company with the expectation that it can thrive in the new market.

The thesis will cover the following objectives

- Identifying the target customers in the new market
- Analyzing population size and economic size of Vung Tau city
- Analyzing existing competitors.
- Creating marketing plan
- Doing company's SWOT analysis

Based on those objectives, the author has made his own research questions. The questions include the followings

- Which kinds of roller-shutters are preferred by customers?
- Who are potential competitors?
- How much are customer willing to spend on roller-shutter products?
- Which marketing channels that the company should use to reach its potential customers?
- What are distribution channel/ delivery method?

2.2 Conceptual framework

In this thesis, the author would like to get knowledge from both the company and the market. Firstly, the author will find out information about the company. Then he will make research about the market. Finally, there will be a comparison between various factors before solutions and recommendations are offered.

The thesis is divided into three stages. In the first stage, the author interviewed the company's owner to find out information about the company history, the product range, the prices, the vision, current marketing practices, etc. In the next stage, there are two parts (theory and empirical) to be covered. Firstly, the author reviewed the theoretical background of SWOT analysis, segmentation-targeting-positioning (abbreviation: STP), marketing mix 4 Ps. After that, the author applied these theories in the real case of the host company. This will help the company know more about its strengths and weaknesses as well as the threats and opportunities from the environment. Moreover, when it comes to segmentation – targeting – and positioning, the company will know how to segment the market and choose the right customers to server. It will also know how to position itself on the market. Finally, all of those will constitute the marketing 4 Ps plan. In the third stage, a complete marketing mix plan is offered and being accompanied with recommendations and conclusions.

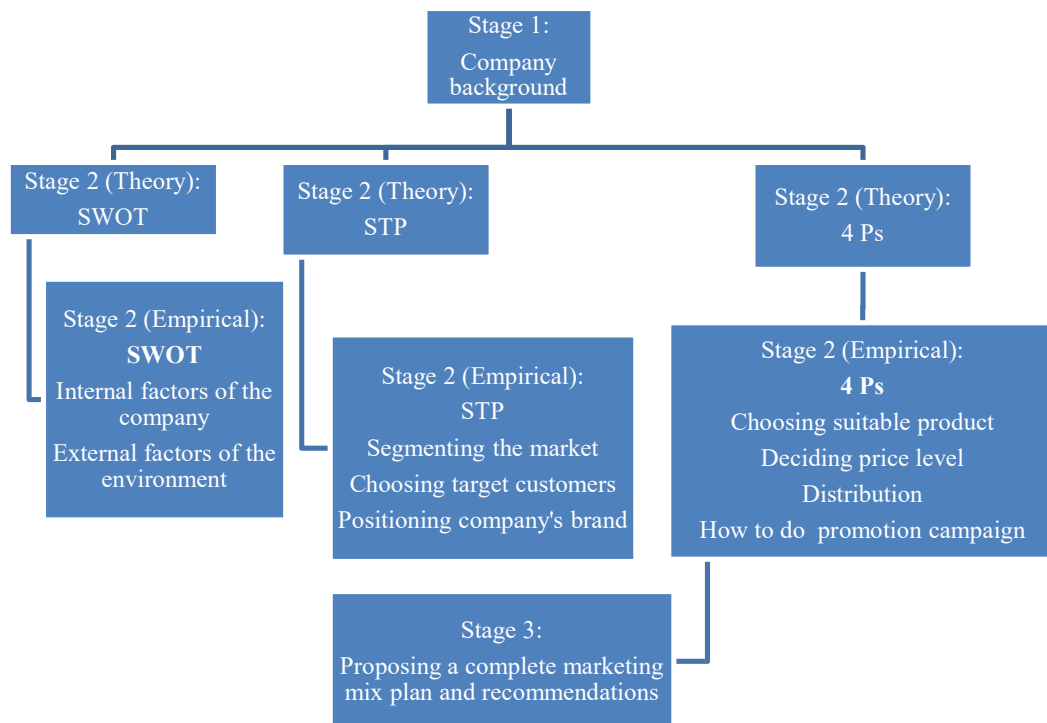


Figure 1. Conceptual framework (Lam 2019)

3 MARKETING MIX

3.1 Product

Product is what a company produces and offers to the market. It is considered core element of marketing mix as it can satisfy the needs of the customers. Service can also be referred to as a product. However, the difference between the terms “product” and “service” is while a product is tangible, a service is intangible. In other words, product is something that people can hold, see, or physically own. By contrast, a service cannot be hold or physically owned. It can only be “consumed” by the customers (Jobber 2010, 303).

Another definition of product is “anything that is offered to a market for attention, acquisition, use or consumption that might satisfy a want or need” (Kotler, Armstrong, Saunders & Wong 2008, 500).

A product has three levels. The first level is called core product. This includes benefits that can solve the problem of customers. The core product is what customers are actually buying. The next level comprises five characteristics that are packaging, features, brand name, quality, and styling. Those characteristics help turn the core benefit into the actual product that customers can see, touch and buy. The last product level is augmented product which include installation, delivery and credit, warranty, and after sale service. Those are benefits and services which add more value for the core and actual product (Kotler, Armstrong, Saunders & Wong 2008, 501 - 502).

However, when we look at the nature of what the customer is buying, everything is service. For instance, when a customer buys a tangible product like a car, he or she does not only own the car but also enjoy the benefits it brings to him or her. The car can provide the customer transportation service from one place to another (otherwise the customer may have to use public transport). Besides, when a customer buys an intangible product such as flight ticket, he or she can “consume” the flight services such as transportation, on-board entertainment and meals. Despite the customer does not “own” the flight, his or her needs are satisfied by the flight service. In summary, in the case of marketing mix, the terms of “product” and “service” can be used interchangeably (Jobber 2010, 303).

3.1.1 Branding

Every product has its own brand. A company needs to brand its product. As stated by David Jobber (2010, 303), “branding is the process by which companies distinguish their product offerings from the competition”. A company, through the naming of its product and the design of its product’s package, has created a brand. Moreover, a logo may be created as it plays an important role in supporting the identity of a product (Jobber 2010, 303).

A brand is anything such as term, sign, name, design which support the identification of manufacturers or seller of a product or service (Kotler, Armstrong, Saunders & Wong 2008, 511).

All products need packaging. This is the process of designing and making the container or wrapper of a product. In the past, the package is used to hold or contain a product. Nonetheless, nowadays, many features have been added to the package and make it a useful marketing tool. Therefore, the package can help attract customer attention and give information about the product (Kotler, Armstrong, Saunders & Wong 2008, 512).

When discussing on the “Product” in the marketing mix, it is necessary to mention the terms “product line” and “product mix”. There is a strong connection between branding and those terms. ”Brands are not often developed in isolation” (Jobber 2010, 303).

3.1.2 Product line and product mix

A product line is a combination of product that have the same functions or satisfy the same customers’ needs. Each product in a product line has its own brand. This is the reason why it is said that there is a connection between branding and product line. There are various factor determining the depth of a product line. Those may include the segments in the market, the competitors, or the available resources of the company itself, etc. (Jobber 2010, 304)

A product mix can be defined as a total number of all the product brands offered to the market by a company. Some company may offer a wider product mix, and some others may market a much narrower one (Jobber 2010, 304).

3.1.3 Brand type

There are two kinds of brand types comprising manufacturer brand and own-label brand (Jobber 2010, 304).

”Manufacturer brands are the ones created by the producers” (Jobber 2010, 304). In other words, the producer names its product and is responsible for marketing that product in the market.

”Own-label brands, occasionally referred to as distributor brands, are the ones created and owned by distributors” (Jobber 2010, 304).

It is necessary to distinguish between categories, brands and variants. Within those terms, a product category is broken up into various brands. Then each brand can be divided into different variants. To make it clearer, Heinz (brand) is taken as an instance. In this case, soup is the category, Heinz is the brand within the soup category, Heinz tomato soup is a variant of the Heinz brand (Jobber 2010, 304).

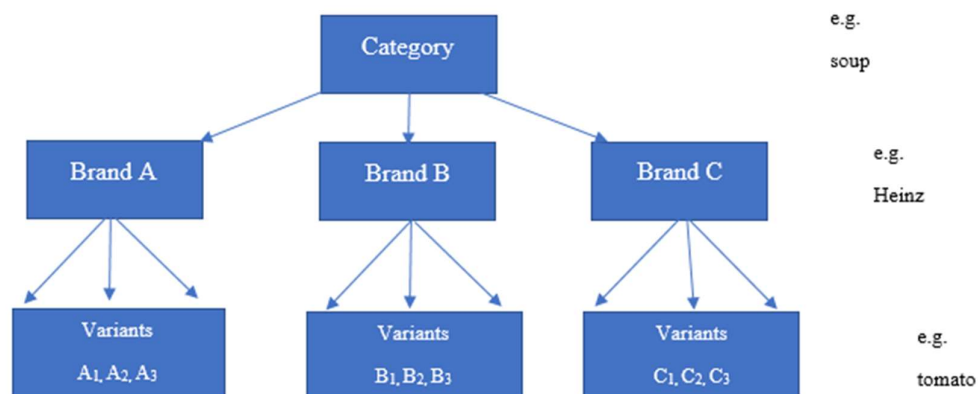


Figure 2. Categories, brands and variants (Jobber 2010, 304)

3.2 Price

Price is an important factor in the marketing mix. According to Jobber (2010, 422), “the price of a product is what the company gets back in return for all the effort that is put into producing and marketing the product”. This is the only element in the marketing mix related to revenue, while the three other elements are just about costs. Price of a product is the amount of money customers have to pay to own that product. Price is an element that has a high correlation with the revenues a company can generate. Revenues, in turn, can partly determine whether a company will make a loss or profit. Therefore, pricing is important for a company when it sells a product.

If a company overcharges its product, sales will drop. By contrast, if it undercharges its product, revenues will decrease. Both undercharging and overcharging can affect the profitability of a company (Jobber 2010, 422).

Another definition of price can be stated as “the amount of money charged for a product or service, or the sum of the values that consumers exchange for the benefits of having or using the product or service” (Kotler, Armstrong, Saunders & Wong 2008, 639).

However, setting a right price level for a product is not an easy task. As price is just a part of the marketing mix, it cannot be considered separately. It has to be determined based on a thorough consideration of other factors in the marketing mix which are product, place and promotion. Furthermore, other factors rather than marketing mix should be taken into account as well such as fixed and variable costs, competitors’ product’s price, supply and demand, etc. (Jobber 2010, 422).

Moreover, customer perceptions of value is also a factor to be considered when pricing a product. The price of a product is right or not will be judged by customers. When customers buy a product, they will exchange money for the benefits they receive from the product. When pricing a product based on customer perceptions of value, marketers must understand how customers value the benefits they get from the product and set an appropriate price which can be considered suitable for the product (Kotler, Armstrong, Saunders & Wong 2008, 639 - 640).

When pricing, there are some approaches that marketers usually use. Those comprise economist’s approach to pricing, cost oriented pricing, competitor-oriented pricing, marketing-oriented pricing (Jobber 2010, 422).

The first one to be mentioned is economist’s approach to pricing. This is a pricing approach that is taken by economists. The concept is based on the demand curve. With this approach, two factors of price and quantity are taken into account (Jobber 2010, 422).

The following figure will show the relationship between price and quantity and how the demand curve is plotted.

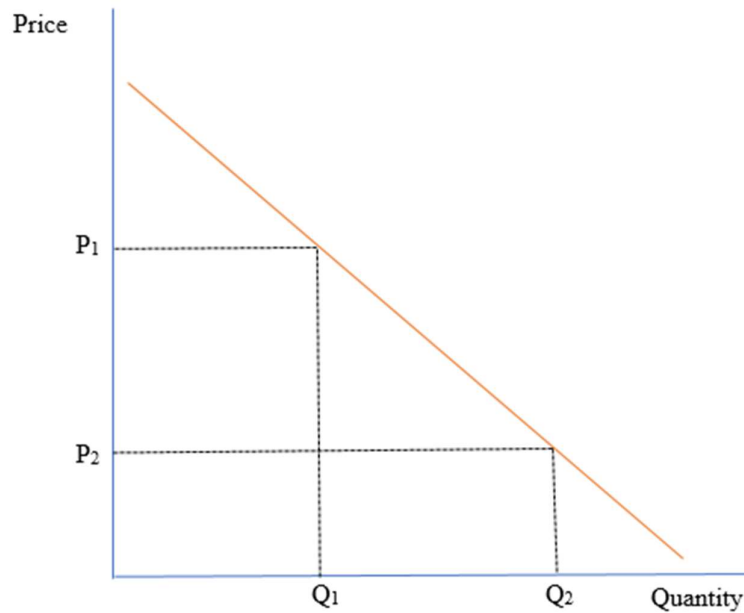


Figure 3. The demand curve (Jobber, 2010, 422)

From the perspective of economists' approach, demand is regarded as a fundamental factor in pricing. It is influenced by the price set to a product and the sales of that product. In the figure, the demand is illustrated by a line called demand curve. As can be seen from the figure, at the price P_1 , the quantity is Q_1 . When the price is lowered to P_2 , the quantity will increase to Q_2 . It means, theoretically, the higher the price, the lower the quantity; and vice versa. However, in reality, things are not always going like this. For a product, if the sales of that product increase when the price is lowered and decrease when the price rises, it can be said that the product is price elastic. By contrast, for some other products, the sales do not change significantly even if the price has changed remarkably. In other words, a drop or rise in the price does not lead to a remarkable change in the quantity of products sold. In such case, those products are regarded price inelastic. Depending on whether a product is price elastic or inelastic, marketers will have suitable pricing decision.

However, the economists' approach has limitations when applied in real life. There are some reasons for that. The first one is because it is hard to accurately plot the demand curve in real life as there are many other factors influencing the demand such as advertising, salesforce, price set by competitors. Moreover, customers' taste, income, regions where the product is sold contribute to the change of demand as well. As can be seen, price is not the only factor that determines demand. Therefore, it can be said that it is not feasible to apply the economists' approach in real life. This approach should only be used to explain theoretically the relationship between price and demand. This is why the marketers have to refer to other approaches when making pricing decision (Jobber 2010, 422 & 423).

Cost-oriented pricing is another approach which can be used. This approach is usually used by companies. There are two methods that are frequently used when a company prices its products. Those are full-cost pricing and direct cost pricing (Jobber 2010, 423).

When it comes to full cost-pricing, companies will base on the total costs they incur to set the price of their products. In a cost structure of a company, there will be variable (direct) and fixed costs (or overheads). Variable costs are the costs that a company has to pay for its inputs such as materials, labor. The variable costs are proportional to the amounts of products made. If the output is increased, the variable costs will rise as there are more need of materials, workers. While, fixed costs remain the same regardless how much products are made. Office rent, machinery depreciation, facilities costs, etc. are examples of fixed costs (Jobber 2010, 423).

A company will calculate the direct costs of each item it produces. Then, it will allocate the overheads equally to each of the items made. As a result, the company can know the total costs of each item produced. The last step is that the company will add a mark-up (the percentage of costs added to the costs themselves) to each item before selling them to the market. How high the mark-up is depends on each company (for example: 10 percent). In summary the price of a product will be the sum of total costs and mark-up (Jobber 2010, 423).

As the overheads are allocated to each item and do not change, it can be seen that the more items a company produces, the less overheads per item. It means that the more products sold, the lower total cost of each item (as fixed costs drop), and vice versa. Like other methods, the full-cost pricing method has its own drawback as well. The first one should be mentioned is the unexpected drop in sales. If the sales drop (due to economic crisis, for example), the product total costs will increase (as fixed costs per item increase). This leads to a rise in price. Therefore, the product will become more expensive in customers' eyes. The second problem to be discussed is the pricing process. "It is considered illogical as the sale estimate is made before a price is set" (Jobber 2010, 424). The last issue is that this method just pays attention to the internal costs of a company. It has ignored the customers' responses. In other words, it does not study how much customers are willing to pay for a product (Jobber 2010, 423 - 424).

In terms of direct cost pricing method, occasionally, a company may use this method. This method is partly similar to full-cost pricing. The difference is that companies using this method only calculate the direct costs of each item produced. Then a mark-up (10 per cent, for example) will be added to the direct costs to make the final price of the product. Obviously, the fixed-costs are not taken into account. It means the product is sold under the total costs. Logically, companies will make loss. Nonetheless, it does not mean this method cannot be used in real life. In fact, this method is helpful in some occasions. When a company does not have as many orders as expected and the production line of the company is running far below the full capacity, it is necessary for the company to have new orders. The company can sell its product at low price which just equals the sum of direct costs and mark-up. When the product is sold at such low price, it's possible that there will be more orders to come. This helps the company use its production line at higher capacity, therefore, be able to partly cover the fixed costs (Jobber 2010, 424 - 425).

For example, a company which produces and sells chairs has the fixed cost of €1000,000, and direct cost of each chair is €50. The quantities of chairs produced by the company are 100,000 units. Based on calculation, the fixed costs for each chair will be €10 ($€1000,000/100,000$ units). In total, the cost for each chair will be €60. The company want to add a 10 percent mark-up (€6) to each chair. The price of each

chair will be €66 ($€60+€6$). In case that there is an economic crisis, and the company doesn't have any orders. It means the company's production line is idle. Therefore, the company will not have money to cover its fixed-cost. Then the company decides to use direct cost pricing for its products. It only prices its chairs based on the direct costs (€50) and add a 10 percent mark-up (€5). In total, each chair will be sold at €55 ($€50+€5$). Obviously, the new price is lower than the real cost (€60). However, with the new price, the company can make more sales as customers will appreciate the new low price. If there are some business customers placing some orders of 50,000 chairs at the price of €55, the company can make a revenue of €2,750,000 ($€55 \times 50,000$ units). After deducting direct costs of €2,500,000 ($€50 \times 50,000$ units) from the revenue, the company will have €250,000 in remain. The amount of €250,000 will go straight back to cover a portion of the fixed cost of €1,000,000. As can be seen, with the direct pricing method, the company can pay back one fourth of its fixed costs. Otherwise, it is hard to know what will happen if the company does not use this direct pricing method and refuse all the orders at the price of €55. The answer is that the company will not earn even one euro to cover its €1,000,000 fixed costs.

The direct cost pricing is especially useful in service industry such as airline industry, hotel. The reason is because an aircraft seat, a hotel room cannot be kept in inventory for later sales. If a flight is not fully booked, and once the aircraft takes off, the sales is lost. Therefore, it is necessary to apply direct cost pricing to offer tickets to passengers at a much lower price (maybe lower than the total cost). This will help an airline make extra revenues which may contribute to the fixed costs (Jobber 2010, 424).

However, the direct cost pricing has its own risk. The remarkable one is the low-price offerings may affect the way customers value the product. Some customers may think that the product is just worth that low price. In the long term, they may demand such price when dealing with companies making that product. Companies applying this pricing method should carefully consider this risk (Jobber 2010, 424).

The third pricing method to be discussed is competitor-oriented pricing. This approach has two methods. The first one is going-rate pricing. Companies can apply going-rate pricing method in market where there is no product differentiation. As all products from different sellers available in the market are not different from each other, it is difficult for sellers to charge a premium price on their products. Therefore, if a seller wants to sell its product at a higher price than that of competitors, it has to make its products somewhat different. Some features or benefits can be added to the product so that the customer can feel the differences. Once the customers highly appreciate the added values, they are willing to pay more for a product of a certain seller (Jobber 2010, 425). Jobber (2010, 425), gave an example of a company using this pricing method. That is the case of Austin-Trumans, a steel stockholder. This company differential advantage was built on delivery. Austin-Trumans guaranteed on-time delivery. If it failed, it would give back ten percent of the price to the customers. In return, customers have to pay an extra of 5 percent of the price. With this pricing method, Austin-Trumans became the most profitable company in the market for many years.

As can be observed, going-rate pricing means companies will try to build differential advantage which make their products different from others in the market. As a result, they can set a higher price for their products while the customers are willing to pay.

Another method of competitor-oriented pricing is competitive bidding. In some projects, the buyers will set product specifications and requirements. Based on this, the suppliers will quote a price. The supplier quoting the lowest price will be the winner (chosen by the buyer) (Jobber 2010, 425).

The last pricing approach is marketing-oriented pricing. This pricing approach can be considered the most sophisticated one. It takes into consideration much more factors than other approaches. Marketing-oriented pricing approach can consist of ten factors, including value to customer, marketing strategy, price-quality relationships, product line pricing, negotiating margins, political factors, costs, effect on distributors/retailers, competition, explicability (Jobber 2010, 427).

The figure below shows all the factors covered by marketing-oriented pricing approach.

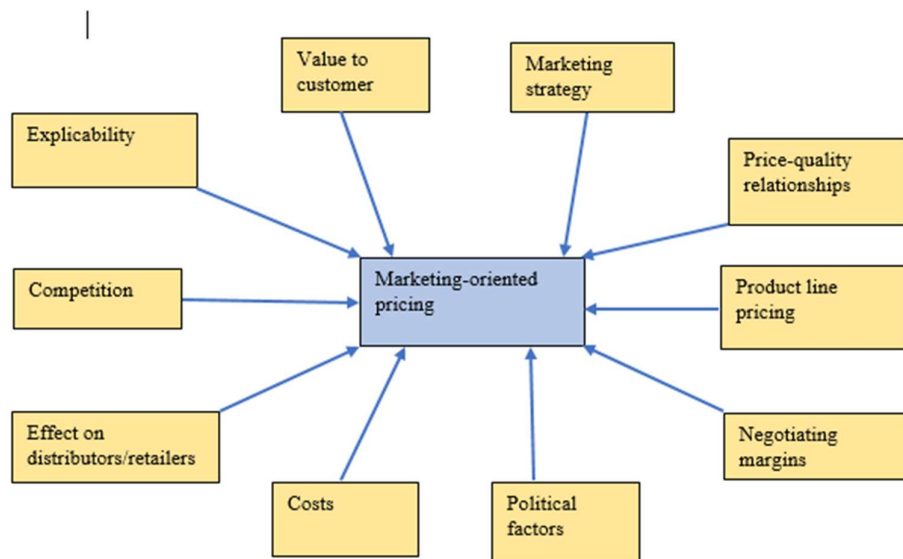


Figure 4. Marketing-oriented pricing (Jobber 2010, 427)

The author will give brief explanations on each factor of the marketing-oriented pricing.

The first factor is value to customer. It's necessary to consider how the customers value the product. Normally, customers are willing to pay a higher price for a product when they can receive more value from that product compared to other products available in the market. Therefore, depending on the benefits a product gives to customers or how customer value that product, the seller can decide at which price level that product should be sold (Jobber 2010, 435).

The next factor is marketing strategy. The act of pricing a product should not be made in isolation. It, however, should be linked with other marketing decisions such as targeting, positioning, promotion. If a product is priced without the consideration of other marketing decisions, the price of that product will make customers confused (Jobber 2010, 427).

The third factor in this approach is price-quality relationships. Price is used as an indicator of quality when customers considering buying a product. Most customers believe that a product sold at high price has higher quality compared to other products sold at lower price. Even if in some cases, two products have the same features and offer the same benefits, the one sold at higher price will be supposed to have higher quality (Jobber 2010, 439).

Product-line pricing is the next factor to be considered. "Marketing-oriented companies also need to take account of where the price of a new product fits into its existing product line "(Jobber2010, 440).

With respect to negotiating margins, in some situations, customers expect a price reduction. Companies offer price reduction because of order-size discount, fast-payment discount, promotional allowances, etc. Therefore, in fact, the price customers pay (transaction price) is lower than the listed price (list price). The difference between the transaction price and list price is described by a price waterfall. The price waterfall takes into account of all the mentioned price reductions and costs of goods sold. As discount is very common in business life, companies need to build negotiating margins which ensures the price will fall within the gap of list price and transaction price. This makes sure that companies can set profitable prices after negotiating with customers (Jobber 2010, 442).

When it comes to political factors, in some cases, when a company set a very high price for its product; and the price is not in line with production costs, the government will intervene. In such cases, the government may force the company to cut down the price (Jobber 2010, 442).

Cost is an important factor to bear in mind when setting price. Companies should make sure that the price can cover all the manufacturing costs and marketing costs before launching a product to the market. Normally, products with higher costs will be sold at higher price and vice versa. However, it's not always the case. Sometimes, a product made with lower costs can be sold at higher price as it offers more benefits for customers (Jobber 2010, 443).

The effect on distributors/retailers should be considered as well. Companies, when setting price, should take into consideration the need of its distributors and retailers. The price set for the product need to cover not only the profit of the company but also its retailers' or distributors' expected profit. If the profit of selling the company's products is too low compared to that of other companies, the retailer/distributor may refuse to distribute the products. In other words, in such case, the company must use another way to sell its products (Jobber 2010, 442).

The next factor that should be taken into account is competition. Companies should know about their competitors when setting price. They need to know how much their competitors are charging customers. Competitor in this case is not only companies who sell the same products but also the ones selling different products which can solve the same problem for customers. For example, a railroad company, when calculating the price for its freight transportation service, needs to take into account not only other railroad companies but also airlines which offer cargo transport service as well. If all the railroad companies in the market enter collusion with each other to quote unacceptable high price for their service, the customers will respond by switching to air cargo service. Therefore, each railroad company needs to have a look at the price quoted by not only railroad competitors but also airlines competitors (Jobber 2010, 441).

The last factor of marketing-oriented approach is explicability. Sometimes, customers are asking for explanations of the high price charged by sellers. In such cases, the sale force of a company must be able to explain the relations between the high manufacturing cost and the high price charged. In other words, the salespeople need to convince the customers that the high price of the product is set to cover the high costs that the company incur to produce the product (Jobber 2010, 441).

3.3 Promotion

Promotion is an important part of marketing mix. There are six elements constituting the promotional mix. Those include advertising, personal selling, direct marketing,

internet promotion, sales promotion, publicity. Promotional mix helps marketers communicate with target/potential customers (Jobber 2010, 462).

Those elements are explained in brief by the author as the followings.

Advertising is a way to convey the messages of a company about a product to audiences. This form uses media such as television, newspaper advertisement, radio. This method is effective as it can reach a lot of audiences in a short time. Advertising can also boost sales of a certain product. However, advertising is impersonal and inflexible. It is also not interactive as customers cannot ask questions and receive responses (Jobber 2010, 462).

The next element is personal selling. This method aims at communicating directly with the prospects to persuade them to buy a product. One of the advantages of this method is that a strong relationship with customers can be built over time. Moreover, it is a two-way communication process in which the seller and the buyer can discuss, argue issues of their own interests before the sales is made. But, personal selling is costly as sales people have to travel a lot to meet customers. They also have to make a lot of costly sale calls which may become a burden for the budget (Jobber 2010, 462).

Direct marketing is another element to be considered. This is a form of marketing which allows marketers to directly communicate with target customers to give them information on products or promotional program. This form also allows customer to respond to the message they receive. Direct marketing can take a form of email, telephone call, messages, catalog distribution, etc. A direct marketing message can be personalized to match customers' interests. Some customers who have interests on the product may respond to the message. One more advantage is that what a company does with the customers are rarely visible to competitors. Nonetheless, there are two limitations of this method. The first one is the low response rate. The second one is that customers will feel the contacts are annoying, especially in case that those customers are wrongly chosen by a company as target customers (Jobber 2010, 462).

Internet promotion is a promotional form that companies use to promote a product. With this method, companies use the internet environment (including website, email,

social network, etc.) to promote their products or convey promotional messages to customers. This promotional element is cheap. Furthermore, the promotional content and product prices can be revised or updated in a convenient and cost-saving way. The limitation of internet promotion is the lack of interaction between salespeople and customers (Jobber 2010, 462).

Sales promotion give customer incentives which can help boost sales in short term. The drawback of sales promotion is the overuse of incentives (rebate, discounts, etc.), therefore, companies may incur more costs (Jobber 2010, 462).

The next element is publicity. It's relevant to the act of placing some information about a company or a product on newspaper, interview, industry magazines, etc. The information is published by the third-party, therefore, is considered credible. It is cheap compared to advertising as companies don't pay for it. However, the information posted on newspaper or magazines may be distorted (Jobber 2010, 462).

Before deciding which elements to be put into the promotional mix, marketers should consider different factors. Normally, the following factors should be taken into account.

The first one to be considered is resource availability and the cost of promotional tools. It is important for marketers to know if they have enough resources for a promotion campaign. Some elements in the promotional campaign are more expensive than others. If there is a budget constraint, marketers should choose a promotional mix containing suitable and low-cost elements (Jobber 2010, 462).

Marketers should also take into account the market size and concentration. In a small and geographically-concentrated market, personal selling may be viable as it is easy to reach potential customers. But, if potential customers are living in a wide area, it is not recommended to use personal selling as it is very expensive to meet potential customers one by one in such a wide area. Instead, companies can use internet marketing or advertising (Jobber 2010, 462).

When choosing elements to put into promotional mix, marketers should consider customer information needs as well. In some cases, customers may require thorough explanations of technical aspect of a product, it is necessary to deploy personal selling (Jobber 2010, 462).

Another factor that marketers need to pay attention to is product characteristics. Based on the nature of the product, companies have to select the appropriate promotional element. For instance, a business-to-business company may prefer personal selling than advertising. While, a company producing consumer goods may be interested in advertising (Jobber 2010, 462).

Type of market should be taken into consideration when marketers are deciding on promotional mix elements. Business-to-consumer company usually draw customer to their products. Therefore, they allocate more resources to advertising. While in business-to-business market, companies usually pay more for personal selling (Kotler, Armstrong, Saunders & Wong 2008, 717).

One more thing to be considered is the buyer-readiness stage. For example, in the awareness and knowledge stage, advertising and public relations are more effective. While in the last stage where the sales is closed, sales calls and sales promotion should be used (Kotler, Armstrong, Saunders & Wong 2008, 717).

The last factor that the author would like to discuss is the product life-cycle stage. Depending on the stage of product life-cycle, the effectiveness of various promotion tools may vary. In the introduction stage, advertising and public relations are preferred as they can help rise customer awareness. Advertising and public relations are still useful in the growth stage. However, in the mature stage, sales promotion are supposed to be more effective than advertising (Kotler, Armstrong, Saunders & Wong 2008, 717).

3.4 Place

Place can be referred to as “distribution” as well. Place is the fourth element in the marketing mix. Companies need to make sure they have enough products to sell to customers. Moreover, the products need to be present in stores conveniently located for customers. It means company should ensure that customers can buy their products whenever they want at convenient location. As can be seen, distribution is an important factor to be considered to satisfy customers (Jobber 2010, 625).

Only a few manufacturers sell products directly to end-users. Instead, most of them rely on third parties or intermediaries to launch their products into the market. (Kotler, Armstrong, Saunders & Wong 2008, 881). As a result, a distribution channel is needed.

A distribution channel (also known as marketing channel) is a combination of different parties which are interdependent in the process of making a product or service available for the consumption of consumers or business customers (Kotler, Armstrong, Saunders & Wong 2008, 881).

Companies should also pay attention to the number of channel levels. A channel level is a layer including intermediaries that are responsible for certain work in order to bring the product and its ownership closer to the final buyer (Kotler, Armstrong, Saunders & Wong 2008, 884).

A channel without any intermediaries is called direct marketing channel. In this channel, companies sell their products directly to consumers (Kotler, Armstrong, Saunders & Wong 2008, 884).

When it comes to distribution, companies need to take into consideration not only their customers’ needs but also the needs of their intermediaries in the supply chain. Without the presence of intermediaries, companies may not be able to sell their products to customers. For some companies, the costs of selling products directly to customers are very high in comparison with that of selling through intermediaries. Therefore, sometimes, companies are dependent on intermediaries in the supply chain. In such cases,

companies must convince intermediaries (retailers) that stocking and selling the companies' products are profitable (Jobber 2010, 625).

In terms of building an effective supply chain, companies need a channel strategy. "Channel strategy decisions involve the selection of the most effective distribution channel, the most appropriate level of distribution intensity and the degree of channel integration" (Jobber 2010, 632).

The following figure shows the elements of a channel strategy.

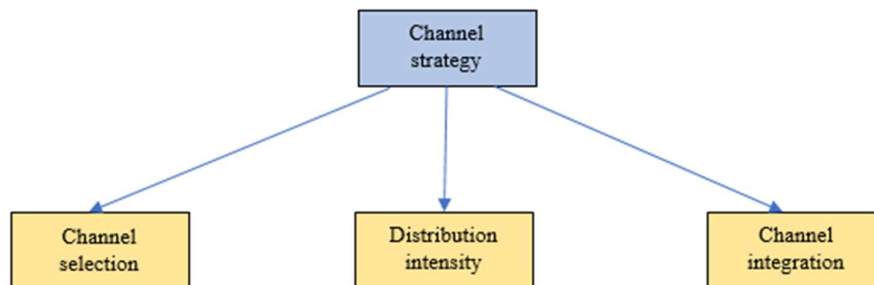


Figure 5. Channel Strategy (Jobber, 2010, 632)

First of all, the author will mention channel selection. As can be observed, different companies select different channel of distribution. The question here is why they don't deploy the same way of distribution. The reason is because there are various factors influencing the selection of distribution channels. Those factors include the followings (Jobber 2010, 632).

Market factors are constituted by many smaller factors.

The first factor is buyer behavior. Buyers' expectations will decide where the product should be sold. If companies sell their product in a place that customers don't want to go to, they will fail.

The second factor is the profit demanded by retailers and distributors. Companies need to compare the intermediaries with their own salesforces to see which one is more effective. If retailers require very high margins, companies should switch to their own salesforces.

The third market factor is the geographical concentration of customers. When customers are living in the same geographical area, it is most likely companies will use direct distribution channel. If there are a large number of customers dispersing in a wide area, companies may use intermediaries to distribute products to customers as it is more cost efficient (Jobber 2010, 632 & 633).

When it comes to producer factors, in some cases, producers don't have enough resources (skill, financial, etc.) to maintain their own distribution channel. Therefore, they have to rely on retailers or distributors to reach their customers (Jobber 2010, 633).

With regard to product factors, companies which sell large or perishable product may prefer direct distribution. Distributors may refuse to stock large and bulky products as there may be problems arising. Perishable products such as milk, fresh meat need to be distributed to customers in a short time so pushing those products through many distribution levels is not a good choice (Jobber 2010, 633).

In terms of competitor factor, in a market where competitors control all the distribution channel, companies should find a way to supply their products to customers. Those companies can create their own salesforces or create a supply chain on their own (Jobber 2010, 633).

In this step, the author will discuss distribution intensity. Distribution intensity include three options. Those are intensive, selective, and exclusive distribution (Jobber 2010, 634).

When it comes to intensive distribution, companies using this option will seek for the intensive coverage of the market by putting their products in all outlets available in the area. For some mass-market product such as beer, newspaper, cigarette, customers are

willing to switch to another brand if they cannot find the brand of their favorite. Therefore, a product which are present in all the outlets will have a high probability of being chosen by customers (Jobber 2010, 634).

While, selective distribution is somewhat different. Market coverage may also be achieved through selective distribution, in which a producer uses a limited number of outlets in a geographical area to sell its products. By doing this, a company can only focus on several outlets to train the distribution staff, thus, can reduce costs. Upmarket products are usually sold in some selected shops instead of all available shops (Jobber, 2010, 634).

Exclusive distribution is the extreme form of selective distribution in which only one whole seller, retailer or industrial distributor is used in a geographic area. Some products such as car are sold through exclusive distribution channel. This aims to lower buyers' power to bargain over price. The buyers cannot find another distributor which offers lower price so they have to buy from the exclusive distributor. In some occasions, a distributor may require to be exclusive distributor if a company want it to stock the company's brand. By contrast, sometimes, a company may require its distributor not to stock products from competitors (Jobber, 2010, 634).

The last element of channel strategy is channel integration. There are three channel integration strategies. Those include conventional marketing channels, franchising and channel ownership (Jobber 2010, 635).

The first strategy is conventional marketing channels. In conventional marketing channels, manufacturers and distributors are independent. Manufacturers are responsible for producing while distributors are dealing with distribution. Because of separation in ownership, in some cases, there are conflicts between manufacturers and distributors. For instance, a retailer wants to reduce stocks so they decrease the price. But the manufacturer does not agree as it supposes that a low price can damage its' brand image (Jobber 2010, 635).

Despite the independence in the relation between manufacturer and distributor, manufacturer can have great power on its distributor as long as it has large market share and

strong brand. In contrast, some retailers or wholesalers which have strong powers in supplying products to the markets can have strong influence on manufacturers (Jobber 2010, 635 - 636).

Franchising is the second strategy of channel integration. "A franchise is a legal contract in which a producer and channel intermediaries agree each member's rights and obligations". Unlike conventional marketing channels, a franchise is an option which allows manufacturers/producers (franchiser) to control the intermediaries (franchisee). The franchisee must follow the standards set by the franchiser. In return, the franchiser will support the franchisee in, for example, designing outlets, promotional program, etc. Although the franchiser has power and the right to control the distribution channel, occasionally, there are still conflict between franchiser and franchisee. For instance, the franchiser may not be satisfied with the service standard in the franchisee's outlet. Similarly, the franchisee may claim that the franchiser hasn't given it adequate support (Jobber, 2010, 636).

Franchise can be considered an option for companies to overcome resource constraints. For instance, if a company, while trying to penetrate a new market, feels it difficult and costly to conduct market research to get useful information about the market, it can make a franchise contract with a local franchisee. The franchisee, as a local business, may have good knowledge on the market so it can help the franchiser penetrate the new market (Jobber, 2010, 636).

Channel ownership can be used as a strategy in channel integration. This is an option by which producers control the whole distribution channel. The producer acquires retail outlets, therefore, control all activities such as purchasing, production, and marketing. In clothing industry, companies commonly use channel ownership (Jobber 2010, 637).

Companies need to carefully measure the costs of acquisition when using channel ownership. It may be very costly as companies have to pay a large amount of money to own the retail outlets. Moreover, there will be more managerial work for companies when they get into the retailing area (Jobber 2010, 637).

4 SWOT ANALYSIS

SWOT stands for Strengths, Weaknesses, Opportunities, and Threats. It is a tool to analyze both the external environment in which a business is operating in and the internal environment of the business itself. When it comes to the external environment, O-T (Opportunities-Threats) is used to tell a business factors that may become opportunities for or put threats on it. In terms of the internal environment, S-T (Strengths-Threats) is used to show what are the strengths and weaknesses of a business. One thing to notice about the “strengths” of a business. Normally, people suppose that “strengths” are something a business can perform well. In fact, it’s not totally right. A strength of a business is something the business does better than its competitors (Mooradian, Matzler & Ring 2012, 224).

When it comes to external environment, a business unit should track important macroenvironment factors as well as considerable microenvironment factors as those can impact the profitability of that unit. It is necessary for that unit to create a system which allows it to keep up with the trends and developments of the market and relevant opportunities and threats (Kotler & Keller 2016, 71).

In terms of opportunities, “good marketing is the art of finding, developing, and profiting those opportunities”. Market opportunities comprise of three key sources. The first one is that a company will offer some goods that are in shortage. This opportunity does not require excellent marketing competence as the needs in the market is obvious. Besides, the second opportunity source is the supply of already available goods or services but in a new and much better way. Companies can use the problem detection method which ask consumers to express their idea on how a perfect version of goods or service will look like. Moreover, marketers can also use the consumption chain method to have a good understanding on how consumer acquire, use, and dispose the product. Finally, the third source of opportunity is to offer totally new goods or services to the market (Kotler & Keller, 2016, 71).

While, a threat is a challenge arising from an expected trend or development; and would lead to the decreasing sales without a defensive marketing action (Kotler & Keller 2016, 72).

With respect to internal environment (strengths and weaknesses), a company should assess its internal strengths and weaknesses. It should be able to find and take advantage of opportunities by using its strength (Kotler & Keller 2016, 72).

However, a SWOT analysis should not list all features of a company. It should list only the strengths and weaknesses related to critical success factors. If a list of strengths and weaknesses is too long, it will be very difficult for a company to discriminate and focus on what are actually important. A company needs to note that strengths and weaknesses are just relative, not absolute. Once the competition become tougher, a strength may become a weakness (Kotler, Armstrong, Saunders & Wong 2008, 138).

A SWOT analysis will start at spotting the threats and opportunities. There are many factors that can create an opportunity or a threat to a business. Those include changes in customer behavior, segment changes, political factors, etc. Moreover, competitors can also create an opportunity for a company or expose the company to a new threat (Mooradian, Matzler & Ring, 2012, 224 - 225). The author will give an example to clarify the theory. A company selling fast foods is now facing changes in the external environment. The first one is the change in customer behavior. Customers are now more aware of eating habits. They know that fast foods are not good for their health so they are trending toward healthier foods, therefore, consume less fast foods. This can be considered a threat for the company. The second change in the market is some competitors are withdrawing from the market as their operating results are not good, therefore, leave more space for the company to increase market share. This is regarded as an opportunity for the company. As can be seen from the example, changes in market relevant to customer behavior, segment changes, etc. can create opportunities for a business or pose a threat on it as well.

After analyzing the external environment, a company should look at internal factors. Something the company is able to do better than the competitors can be considered

as the company's strengths. By contrast, something the company is not doing well in comparison with other competitors should be seen as its weaknesses.

When all elements in SWOT (strengths, weaknesses, opportunities, threats) are identified, a company should create a SWOT matrix. The matrix will help the company know what to do in order to, for example, get the best out of available opportunities, avoid or reduce risk (threat), avoid or improve weaknesses. The following figure is a SWOT matrix.

	Strengths	Weaknesses
Opportunities	<p>Exploit:</p> <p>Use strengths to Take Advantage of Opportunities. This is the Cell to build Strategies on – Target Opportunities That are a Good Fit with the Firm's Strengths.</p>	<p>Develop:</p> <p>Invest to improve Weaknesses into Strength to Target the Opportunities and/or Overcome Weaknesses by Taking Advantage of Opportunities.</p>
Threats	<p>Contend:</p> <p>Use Strengths to Avoid Threats (Reduce Exposure to Threats), Turn Threats into Neutral Factors, or Even Turn Threats into Opportunities. (Defensive Marketing).</p>	<p>Address/Avoid:</p> <p>Address Weaknesses and/or Avoid Threats. If a Threat puts at Risk the Core Business, Then the Weakness Requires Investment; if the Threat does not Jeopardize the Core Business, Then the Weakness-Threat Situation can be Avoided.</p>

Figure 6. Strategic Implications of SWOT Analysis (Mooradian, T. A., Matzler, K. & Ring, L. J. 2012, 226)

As can be observed from the SWOT matrix, there are four strategies which can be built. Those are listed as below.

The first strategy is Exploit (S-O) . Companies will look at its strength and opportunities in the external environment to find a fit between them. In this strategy, companies use their strengths (S) to grasp the opportunities (Mooradian, Matzler & Ring 2012, 226).

The second strategy is Contend (S-T). In this strategy, companies use their strengths to neutralize the threats (T). In some cases, companies can even turn a threat into an opportunity. This help companies avoid threats or even take advantage of a new opportunity (Mooradian, Matzler & Ring 2012, 226).

The third strategy is Develop (W-O). Companies have to invest more in order to improve their weaknesses (W) and turn them into new strengths. Then with the new strengths, companies can take advantage of the available opportunities. On the other hand, companies can rely on the opportunities on the environment to overcome their weaknesses (Mooradian, Matzler & Ring 2012, 226).

The last strategy can be built is Address/Avoid (T-W). When an external threat puts a risk on companies' core operation, the companies must look for a way to improve their weaknesses. They can invest or make changes in their operation in order to turn the weaknesses into strength or at least, just overcome them. Therefore, the threats will not be a risk of the companies' core operation anymore (Mooradian, Matzler & Ring, 2012 226).

Based on the SWOT matrix, a business can do its SWOT analysis. There four steps to conduct a SWOT analysis listed as followed.

At the first step, a company will find out its competitive advantages (strengths). Then, the company should compare its strengths with that of competitors. The company should know what it is best at (better than competitors) and whether it's difficult for the competitors to level the gap (Mooradian, Matzler & Ring, 2012, 226 - 227).

Then, the company has to pay attention to the changes in the environment. Then it should examine how those changes affect the consumption. Furthermore, it needs to make a connection between those changes with customers' needs to see how those changes affect customers' needs (Mooradian, Matzler & Ring 2012, 227).

At the third step, the company must look at the internal analysis (S-W) and external analysis (O-T). Then it should see how it can combine the internal factors with the

external factors to create a strategy, for example, S-O (use the strengths to grasp opportunities), S-T (use strengths to get rid of the threats), etc. (Mooradian, Matzler & Ring 2012, 227).

The last step is where the company consider which strategy is most suitable. Then the company will choose, plan, and implement it (Mooradian, Matzler & Ring 2012, 227).

In summary, SWOT is an important tool which helps companies build suitable strategy. There is a misconception that SWOT is just a tool to describe the situation inside and outside of a company. Therefore, when doing SWOT, people usually end up making a list of strengths, weaknesses, opportunities, and threats. Then no actions are taken. In fact, that is not what SWOT is about. However, SWOT is a tool which help businesses identify the situation they are facing. Based on this, they are able to build suitable strategies which best match their objectives and expectations. Therefore, as can be seen a SWOT analysis is not only descriptive but also prescriptive (Mooradian, Matzler & Ring 2012, 224).

5 SEGMENTATION, TARGETING AND POSITIONING

5.1 Segmentation

”Market segmentation is the process of dividing a market into distinct groups of buyers with similar requirements” (Hollensen 2003, 307). As a market may be too wide and comprises of a large number of customers who have different needs and expectations, it is extremely difficult for companies to satisfy all the customers. Therefore, they need market segmentation. Market segmentation is regarded one of the most important concepts in marketing area. Thank to market segmentation, companies can have a better understanding of the market. They can identify different groups of customers who have different needs; and choose a group of customers to serve instead of trying to serve all segments. This help companies allocate their resources more effectively.

Moreover, they will find it easier to use marketing mix to promote their products.

However, segmentation, like any other concepts, has its own limitations. The first one is segmentation is not able to help marketer predict what will happen in the future. Instead, it just has the ability to describe what is going on in the market. The next limitation is segmentation, on one hand, assumes that customers in the market are different so they need to be divided into smaller groups called market segments. But, on the other hand, it assumes that customers in the same segment are homogenous. This is not totally exact. In reality, customers in the same segments may be different from each other. They may be a little bit different from each other in terms of tastes, needs, habits, etc. Nonetheless, people rarely pay attention to this fact. The third drawback of segmentation is that companies just take competitors into account when selecting segment. However, once segments are chosen, companies tend to ignore competitors. This can lead to many consequences. The last drawback to be discussed is that segmentation, on some occasion, may result in the wrong segment. Sometimes, after the process of segmenting the market and choosing the target segment to serve, companies may overlook a large number of prospects who should have been included in the target segment. By contrast, many non-prospects are included in the target segment (Hollensen 2003, 307 & 308).

When segmenting a market, marketers need to take into consideration some requirements. Those requirements include the followings.

Firstly, marketers need to make sure that the market is of adequate size. They need to consider whether the market is large enough to make a marketing program for it (Hollensen 2003, 311).

Secondly, it is necessary to make sure that the market is measurable. The variables related to the market need to be measurable. Normally, abstract and specific variables are used to measure a segment (Hollensen 2003, 311).

The third requirements marketers need to take into account is the accessibility. Marketers assess the level of feasibility that the company can implement its marketing plan on the selected segment (Hollensen2003, 311).

The fourth requirement is responsiveness. Various market segments respond in different ways to the marketing mix elements that a company use such as promotion, price. Marketers need to evaluate the level of the differences in behavior of customers in each segment (Hollensen 2003, 312).

The compatibility also needs to be examined. Companies need to examine the level of compatibility between the company's business and marketing strengths with the competitions and technological aspects of the market (Hollensen 2003, 312).

Market segmentation can be applied to both B-2-C (business to customers) and B-2-B (business to business) market. However, within the scope of this thesis, the author would like to examine B-2-C only as the host company in this thesis is a B-2-C company.

When it comes to segmenting a market, marketer cannot rely on only one way to segment a market. Various segmentation variables should be considered either separately or in combination. This helps marketers see the market structure (Kotler, Armstrong, Saunders & Wong 2008, 411).

In this part, the author would like to examine some main segmentation variables. Those are geographic, demographic, psychographic, and behavioral variables (Kotler, Armstrong, Saunders & Wong 2008, 411).

The first segmentation variable to be discussed is geographic variables. Geographic segmentation is the way which divides the market into different geographical units such as regions, nations, states, counties, cities. Based on this, a company can choose suitable geographic areas to operate in. In some cases, a company can operate in all areas but it has to consider needs and wants in different regions (Kotler, Armstrong, Saunders & Wong 2008, 411).

Besides, marketers can also rely on demographic variables to segment a market. In demographic segmentation, the market is divided into different groups based on the basis of age, gender, family size, family life cycle, income, education, religion, etc. Demographic variables are most used when marketers segment a market as customers'

needs and wants and usage rate have a strong connection with demographic variables. One more reason to make demographic segmentation become popular is because demographic variables are easy to measure in comparison with other variables. In case that a market is segmented by using other variables, demographic variables should also be used in order to measure the size of the market (Kotler, Armstrong, Saunders & Wong 2008, 413).

The next variable to be considered is psychographic variables. Marketers use various variables such as lifestyle, personality characteristics, social class to divide a market into different groups. However, marketers should know that even in the same demographic group, people may have different psychographic make-ups (Kotler, Armstrong, Saunders & Wong 2008, 415).

The last way to segment a market discussed in this part is behavioral segmentation. Relying on customers' knowledge, attitudes, uses or responses to a product, marketers will divide those customers into different behavioral group. Moreover, occasions segmentation can also be used to group customers in different groups based on the frequency that they have the idea of buying, make their purchase, or use the purchased product. Besides, marketer can consider the buyer status to segment a market. The users may be first time user, non-user, ex-user, or potential user. Usage rate is also a basis to segment a market. Based on usage rate, customers can be classified as light, medium, heavy users. Further, customer loyalty is also a factor which can be used to segment a market (Kotler, Armstrong, Saunders & Wong 2008, 417). In terms of loyalty, customers are divided into three groups including switchers, moderately loyal, and loyal customers (Hollensen 2003, 316).

5.2 Targeting

After segmenting the market, companies will select one or some segments to serve. That act is called targeting. Companies' products and services are also created based on the needs and expectations of customers in these segments (Hollensen, 2003, 330).

Some multi-nationals can serve various market as they have great resources. While, small and new established companies should choose only one or two segments to serve as their resources are not enough to support the cover of too many segments. The number of segments of a company' choice will be based on that company's goals, manufacturing facilities, etc. Moreover, companies will consider the attractiveness of segments and compare the potential of those segments in the future before making a decision on which segment(s) to be selected (Hollensen, 2003, 330).

When it comes to targeting, there are three strategy that are usually used. Those include undifferentiated marketing, differentiated marketing, concentrated marketing.

Undifferentiated marketing can be also referred to as mass-marketing. When using this strategy, a company will overlook the differences between segments and serve the market with only one offer. This strategy concentrates on the most common characteristics in customer needs instead of looking for differences in their needs. Therefore, the company will design a product and create a marketing program which will appeal to the largest number of buyers. However, marketers are doubtful about this strategy (Kotler, Armstrong, Saunders & Wong 2008, 424).

The second strategy the author would like to discuss is differentiated marketing. This strategy can be called segmented marketing as well. By using this strategy, a company will aim at some market segments and will offer different products for each segment (Kotler, Armstrong, Saunders & Wong 2008, 424). By having different marketing mix strategies for different segments, companies can do better to satisfy the needs of customers in each segment. This is considered an advantage of differentiated strategy. This strategy, however, has its drawback as well. As many marketing mix strategies are designed for different segments, companies may incur more costs (Hollensen 2003, 332).

Last but not least, concentrated marketing strategy should be referred to as well. This strategy is also known as niche marketing. It is very useful when a company has resource constraints. Companies using this strategy will look for a large share in different smaller segments or niches instead of trying to get small share in a large market. Companies operating in a niche can do more effective marketing by designing and adjusting

its offers, prices, etc. to meet the needs of customers in a small but well-defined segment. Concentrated marketing can help companies acquire good market position and reputation due to their knowledge of consumer needs in the niche market (Kotler, Armstrong, Saunders & Wong 2008, 427).

Furthermore, micromarketing, local marketing and individual marketing can also be used by marketers. Micromarketing allows companies to tailor their marketing program to the needs and wants of narrow geographic, demographic, psychographic or behavioral segments. While, local marketing is relevant to act of tailoring brands and promotions to the needs and wants of local customers. Being used at a much smaller scope, individual marketing helps marketers design products and build marketing program which match the needs and preferences of individual customers (Kotler, Armstrong, Saunders & Wong 2008, 428 - 429).

5.3 Positioning

When marketers finish segmenting and targeting a market, they can position the company's offerings in the market.

“Positioning is the process of creating in the mind of customers an image, reputation, or perception of the company and/or its products relative to competitors” (Hollensen 2003, 333). A company should define its positioning concept based on competitor's offerings and the needs of customers.

It is necessary to make customers perceive that the company's offerings can bring them their desired benefits which competitors cannot do. This will give the company an advantage over the competitors. The desired market position of the company is related to both the company's offerings design as well as its marketing mix. The company can design its products in a way that can satisfy customers. Moreover, the marketing mix can help the company assert its position in the customers' eyes (Hollensen, 2003, 333).

Positioning can start at product category level and brand level. In terms of product category level, marketers need to take into account all products available in the market

that might be considered substitutes for the company's products. Customers may seek and buy those products to satisfy their needs as those products can offer them the same benefits when compared to the company's products. The company need to study the customers' perception of its products and substitute products offered by other companies. It is necessary for the company's marketers to point out what are critical attributes that can impact customers' perception of the company's products and substitute products (Hollensen, 2003, 333).

For instance, in Vietnam market, there is a company selling motorcycles which aims at high-school students who need a scooter just for commuting from home to school on a daily basis. The company supposes that its scooters can help target customers save travel time (compared to public transport). However, in the market, there are some models of electric bicycles which can provide target customers (the students) the same benefits. In other to make its product (the scooters) stand out in the competition, the company should point out what are the important attributes that customers consider before making purchase decision. In this case, the convenience (take less time than public transport), price, and design are the important attributes. The company's marketers should study how customers perceive the company' scooter compared to electric bicycles in terms of those attributes. Then the marketers can develop a marketing mix satisfy those target customers.

Similarly, when it comes to positioning at brand level, marketers should also study the customers' perception of the company' brand and other competitors' brand. Companies should look at the customers' response when competitors add a new brand into the same product category. For example, when a competitor introduces a new model of motorcycle into the motorcycle category, the company in the example above should examine customers' perception of its product brand and the new brand of the competitors. It should point out the attributes of customers' concerns. Those attribute in this case may be price (the competitor may sell motorcycles at lower or higher price), design (the design of the new model may be more or less attractive). To compete with the new brand, the company's positioning strategy should be built around those attributes to make the company's brand outstanding. Further, thereafter, a marketing mix should be created to meet customers' needs.

There is one aspect to notice is that there are no differences in the positioning in B2C and B2B market. The reason is because in both case, what should be paid attention to are the values a company promises to deliver when claiming its market position and how the company coordinate its strategies to fulfil its promise (Hollensen 2003, 334). If a company claims to offer on-time delivery as its strengths over competitors, it should always be on-time.

In order to build a differentiation and positioning strategy, a company should go through three steps including “identifying a set of possible customer value differences that provide competitive advantages upon which to build a position, choosing the right competitive advantages, and selecting and overall positioning strategy” (Kotler, Armstrong, Saunders & Wong 2008, 435).

First of all, the author would like to discuss on how to identify possible value differences and competitive advantages. To build a profitable relationship with customers, marketers must do better than competitors in terms of understanding customer needs and delivering more customers value. When a company is able to differentiate and position itself as superior value provider, it achieves competitive advantage. Nonetheless, company position cannot be built on empty promise. Once it promises to customers, it has to deliver the promised quality and service to customers. In order to find out the points of differentiation, marketers must understand the full experience that customers have with the company’s product and service. On one hand, product differentiation can be physical. For example, some products can be found different on features, performance, style or design. On the other hand, product differentiation can be beyond physical. Some companies try to differentiate the service accompanied with their main products such as fast, convenient, and careful delivery (Kotler, Armstrong, Saunders & Wong 2008, 436).

Once finishing identifying possible customers value differences, marketers will move to the next step. This step is choosing the right competitive advantages. At this step, marketers should decide on how many differences they should promote. Many marketers suppose that companies should aggressively promote only one benefit to the chosen market. Nevertheless, some other marketers encourage companies to position themselves based on more benefits promoted to the market. Not all differences are

helpful. Therefore, companies need to decide which differences should be established and promoted based on certain criteria. A difference that should be established and promoted must be important, distinctive, superior, communicable, pre-emptive, affordable, and profitable (Kotler, Armstrong, Saunders & Wong 2008, 440 - 441).

The last step in the positioning process is selecting an overall positioning strategy. Based on the previous two steps, there are five strategies that should be taken into consideration.

The first positioning strategy is “More-for-more”. This strategy is related to the providing of most upscale product and service and charging more to compensate for the higher costs. Nonetheless, this strategy has its own risks. The first one is that when other companies try to offer the products with the same quality but charge lower price. The second risk is that when there is an economic crisis, customers tend to limit their spending, therefore, cannot afford luxury products sold at high price (Kotler, Armstrong, Saunders & Wong 2008, 442).

Another strategy is “More for the same”. This strategy enables companies to attack their competitors’ more-for-more positioning strategy by offering products with almost the same quality but at lower price (Kotler, Armstrong, Saunders & Wong 2008, 442).

Marketers can also opt for the third choice which is called “The same for less”. Companies using this strategy don’t claim that they offer better products. In fact, they offer the same products at deep discount based on their advantages such as lower-cost operation and superior purchasing power (Kotler, Armstrong, Saunders & Wong 2008, 443).

“Less for much less” is the fourth strategy to be applied. Customers are happy to choose less than optimal performance or even give up some product features in return for a lower price. For example, some travelers looking for accommodation will not pay for what they find unnecessary such as swimming pool (Kotler, Armstrong, Saunders & Wong 2008, 443).

The strategy which can be selected is called “More for less”. This strategy is considered the winning value proposition. With this strategy, customers can have more benefits but will pay less. In the short term, “more for less” strategy can help companies applying it gain a high position in the market. However, in the long term, companies will find it very difficult to keep this positioning strategy as there will be more costs when companies offer more (Kotler, Armstrong, Saunders & Wong 2008, 443 - 444).

6 METHODOLOGY

6.1 Research design

Research design includes three different categories which are exploratory, descriptive, and causal. Depending on the objectives of the research, a suitable category will be selected (Burns, Veeck & Bush 2017, 93).

First of all, I will mention exploratory research. Exploratory research is unstructured and informal. Normally, researchers do not have any sets of objectives, sample plan or questionnaire. When researchers get more information of the problem, the research nature may change. In exploratory research, the samples are not representative (Burns, Veeck & Bush 2017, 94 & 95).

Researchers use exploratory research when they do not know much about the situation. In other words, they lack information and wish to get more information (Burns, Veeck & Bush 2017, 95).

To conduct exploratory research, a researcher can use secondary data analysis, experience survey, and case analysis. Those are the methods which support the implementation of exploratory research. Secondary data is the one that are already available, for example, in books, magazines, or on Internet, etc. While, experience surveys can be used to get information from people who are supposed to have knowledge or expertise

on the research problem. The last method is case analysis. This is the method of analyzing past cases in order to have more knowledge about the research problem (Burns, Veeck & Bush 2017, 96).

Secondly, I will mention descriptive research. Descriptive research is used when researchers want to answer the questions of who, where, how, what, or when. When the sample of the research is representative, we can use the results of the descriptive research to make prediction on various variables (Burns, Veeck & Bush 2017, 99).

The last research method is causal research. It is used when we want to examine the causality of a relationship. If one or more variables affect one or more other variables, we can call such condition a causality. “If-then” statement is a very important statement when we deal with our variables in a casual research (Burns, Veeck & Bush 2017, 102).

6.2 Research method

There are two research methods including quantitative and qualitative method.

The first method to be discussed is quantitative method. It is a traditional method to collect data. It can be called “survey research” as well. Quantitative research includes questions that are structured. Moreover, researchers will determine the number of responses. The respondent will answer the question by choosing one or more proposed options. Normally, quantitative research requires a lot of respondents to get involved to the research. The sample of a quantitative research is representative. Furthermore, the researchers know and understand clearly the purpose of a quantitative research (Burns, Veeck & Bush 2017, 143 - 144).

In contrast, qualitative research involves the use of unstructured questions. When doing qualitative research, researchers will observe the behavior of people. Then they will analyze and interpret the results (Burns, Veeck & Bush 2017, 144). When the research results are different from the expectations, the qualitative method should be used to have a better understanding of the problem (Malhotra 2012, 182). Qualitative

method includes the use of depth interview, focus group, etc. The purpose is to help researcher have a good understanding of the underlying reasons of why people behave in a certain way.

Market research is mostly quantitative and requires numerous respondents. To some extent, it can generate some truthful information which is statistically significant. It can tell us the percentage of people who use a certain service. However, a quantitative research cannot tell us why people use or not use a service. For example, a quantitative research may show that seventy percent of people don't use bikes. But it cannot show the underlying reason why people don't ride bikes. In fact, people don't ride bicycle maybe because there are not enough bike lanes in the city. A qualitative research can show that hidden reason. If we just look at the statistics of the quantitative research, we may come up with the conclusion that there are only thirty percent of people who cycle. Therefore, we just try to make more better buses and cars. This can lead to the reduction of bike lanes, therefore, there will be fewer cyclists. As can be seen, qualitative research help researchers understand the emotions which make people behave in an illogical way (Polaine 2013, 39 - 40).

6.3 Population and sample

The first to be discussed is population. A group of people who are the objects of a research is called population. Normally, researchers have a more specific definition of the term "population" in comparison with that of company managers. This is because the researchers must make sure that the term of "population" is defined in a correct way (Burns, Veeck & Bush 2017, 238).

A sample is a group covered by a population. It can represent the population. Researchers are able to find which group included in a population is representative for that population (Burns, Veeck & Bush 2017, 239).

While a sample is a group included in a population, a sample unit is the unit that constitutes the sample. A sample unit could be a person, a company, or a purchasing department, etc. (Burns, Veeck & Bush 2017, 239).

The notion of census should be taken into account as well. A census is an investigation which involves all units that make up a population. For example, if we want to know the average age of a population, it is necessary to ask for the age of all people included in the population. Then we will calculate the average age of that population (Burns, Veeck & Bush 2017, 238).

As can be seen, when the population is very large, a census is hard and expensive to make as we have to get data of all of that population units. The analysis and interpretation of the huge data collected is impossible due to technical limitations (Burns, Veeck & Bush 2017, 240 & 241).

6.4 Questionnaire design

A questionnaire is a set of questions used to collect information for a research. A questionnaire needs to have three specific objectives. The first one is a questionnaire must be able to turn the needed information into questions that can be answered by participants. The second objective is the ability to make people get involved in the research by answering the questions. The last objective of a questionnaire is that it should be able to reduce the response error to the minimum level. Response error occurs when respondents give the wrong answers or their answers are analyzed in an inaccurate way (Malhotra, Birks & Wills 2013, 184 & 185).

When it comes to questionnaire design process, there are ten steps that we need to pay attention to.

The first step is to specify the information needed. It is important to have a look at some components such as research questions, hypotheses, research problems, etc. Researchers must consider the appropriateness of wording and style of questions (Malhotra, Birks & Wills 2013, 186).

The second step is the type of interviewing method. Depending on how the interview is made, researchers need to design suitable questionnaire. A telephone interview is

different from an online survey, therefore, the questionnaires used for each case are different. For example, a questionnaire used for an online survey needs to be simple and give detailed instructions. While, a questionnaire used for a telephone interview may be short and written in conversational style (Malhotra, Birks & Wills 2013, 186 & 187).

The third step is the determination of individual questions' content. Researchers need to answer whether a question is necessary. Each question needs to be able to unveil necessary information from the respondent. Therefore, it should be related to the research problem. However, sometimes, neutral or unrelated questions can be added to create the involvement and support of the participants. Sometimes a question may be asked twice in order to verify the reliability and validity. Moreover, it is necessary to consider whether one question is enough or we need several questions. In some cases, several questions may be combined into one question. Therefore, the answer of the participant may not give an exact information needed. Questions like this is called double-barrelled question (Malhotra, Birks & Wills 2013, 187).

The fourth step is to overcome the participant's inability and unwillingness to answer. Researchers need to pay attention to some problems that may arise during the survey if they want to encourage participant to answer their questions. One of the problems is that, for some subjects, the participants are not well-informed so they cannot give the accurate answer on that subject. Moreover, when a participant is being asked about the quantities of product they consume, they cannot give the exact answer as they don't remember. The next problem is sometimes the participants are not able to use the correct words to describe their experience. Some other problems may be participants don't want to answer the questions if they much put too much effort on those questions. Moreover, participants may refuse to answer questions that they consider sensitive (Malhotra, Birks & Wills 2013, 188 – 190).

The fifth step is to determine the structure of the questions. There are structured and unstructured question. The unstructured questions are the ones that allow participants to answer in their way. While structured questions are accompanied with predetermined response options. A structured question may be a multiple choice, dichotomous or scale question. When answering a multiple-choice question, respondent can choose

one or more given alternatives. While, a dichotomous question normally has two options, “yes” or “no”, for example. Sometimes, a neutral option can be added, such as “I don’t know”. The last one is scale question. In a scale question, for example, a scale of one to five is given. The number one is “definitely will not buy”, and the number five is “definitely will buy”. The respondents will choose one of the five options in the scale which match their situation (Malhotra, Birks & Wills 2013, 190 – 192).

The sixth step is the choice of question wording. This is the process of translating the content of questions into words that are understandable. By doing this, participants will be willing to answer the questions. By contrast, if questions are poorly expressed, the participants may refuse to answer or may answer in the wrong way (Malhotra, Birks & Wills 2013, 193).

The seventh step is giving the questions the right order. The order of questions in a questionnaire has an important role. It can be as important as the wording of question. The question order can impact the way respondents understand and answer the questions (Malhotra, Birks & Wills 2013, 197).

The eighth step is designing the form and layout of the questionnaire. The results of a questionnaire can be affected by the way questions are formatted and organized. Questions in a questionnaire should be numbered, especially when there is the branching of question (Malhotra, Birks & Wills 2013, 199).

The ninth step is the reproduction of questionnaire. The design of a questionnaire should be done. There are something should be done and others shouldn’t be. For example, it is more convenient for respondents to read the questionnaire through a single column rather than across a few columns. The act of grouping questions together in order to make the questionnaire shorter is not recommended. Furthermore, the instructions and directions of each question should be put near to that question. The use of color is also an aspect of interest. In general, a questionnaire needs to be design and displayed in a way that is convenient for respondents to read and give responses (Malhotra, Birks & Wills 2013, 199 - 200).

The last step is called pilot-testing. This practice involves the picking up of a small sample from the same population and let the chosen participant answer the questionnaire. The purpose is to discover and get rid of the problems. All respects of a questionnaire such as layout, content, instructions should get tested. It should be that the participants chosen for the pilot test are the same with the ones who will answer the questionnaire in the real survey. At last, there will be the analysis of the pilot test. The results of the analysis of the pilot test will make sure that all the collected data are used. Moreover, it guarantees that the questionnaire can get enough necessary data (Malhotra, Birks & Wills 2013, 200 - 201).

The following figure shows the suggested steps in making a questionnaire

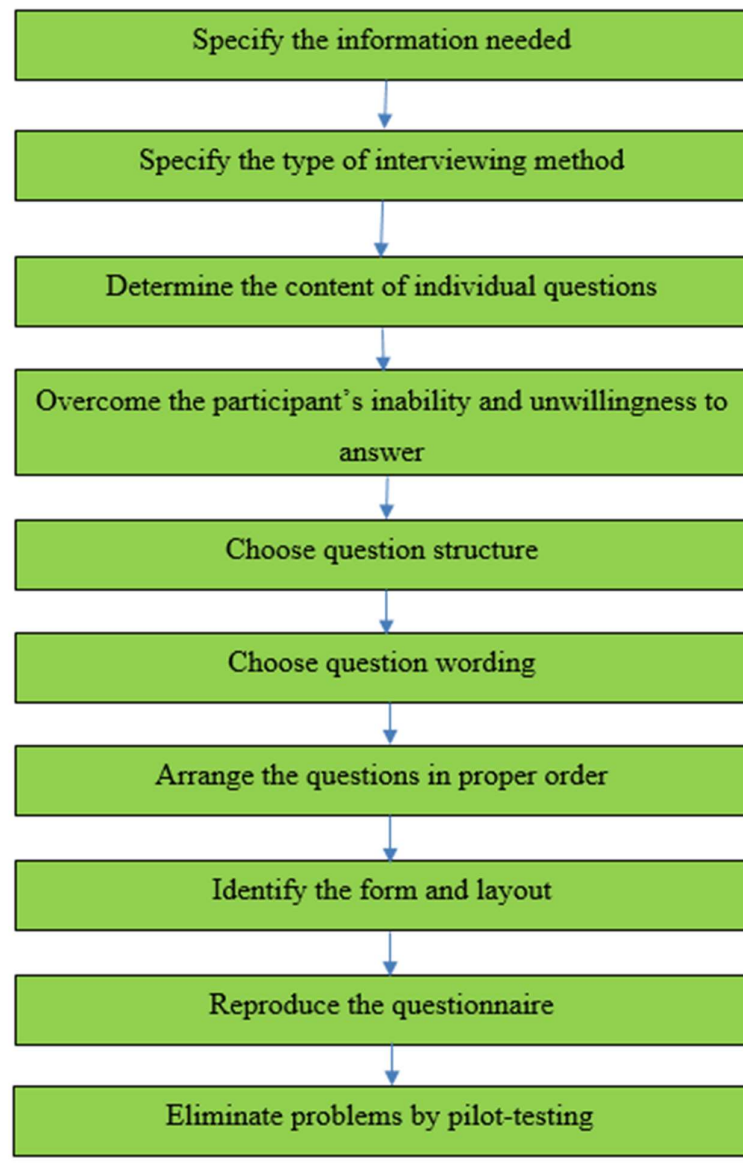


Figure 7. Questionnaire design process (Malhotra, Birks & Wills 2013, 186)

6.5 Data collection and analysis

There are two kinds of data including primary and secondary data.

Primary data is generated by the researcher who carries out the research. The primary data is collected for the purpose of supporting the decision makers of organizations

who pay for the research. It costs more money and consumes more time to generate and analyze primary data (Malhotra, Birks & Wills 2013, 61).

Secondary data are the ones already collected for the sake of solving other issues instead of the current problem. As secondary data are already available in various sources, researchers can rapidly collect and use them without having to pay too much money (Malhotra, Birks & Wills 2013, 61).

Primary data is generated by the researcher who is conducting the research. Survey questionnaires, interviews, etc. are some means can be used to generate primary data.

While secondary data can be collected from other sources. There are two sources of secondary data including internal secondary data and external secondary data (Malhotra, Birks & Wills 2013, 64). Internal data are the ones which are collected from an organization archives such as records of activities, transaction (Malhotra, Birks & Wills 2013, 65). External data can be gathered from various external sources such as local authorities, governments, organizations (Malhotra, Birks & Wills 2013, 67).

When it comes to qualitative data analysis, it is necessary to look at the following figure that illustrates different phases of the process.

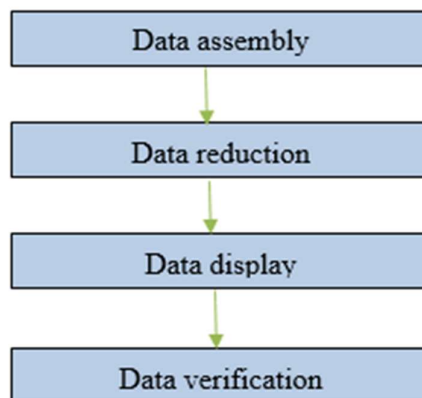


Figure 8. Stages of qualitative data analysis (Malhotra, Birks & Wills 2013, 309)

As can be seen from the figure, the first stage is data assembly. In this stage, data are gathered from various sources (Malhotra, Birks & Wills 2013, 309).

The second stage is data reduction. After collected, data will be organized and structured. Some data will be cut off from the whole data volume generated. For example, the data collected from ten focus group discussion can be too large so researchers need to get rid of some data (Malhotra, Birks & Wills 2013, 312).

The third stage is data display. This is the stage in which researchers will organize and compress qualitative data in a form which facilitates the process of making conclusion and taking action. Qualitative data can be displayed in an extended text, spread sheet, or graphic boxes, etc. (Malhotra, Birks & Wills 2013, 316).

The last phase is data verification. This stage is relevant to the seeking of the other explanations from different sources of data and theories. Researchers can refer to the findings and explanations of other researches made by other researchers to verify the data. Once researchers have made conclusions, they need to prove that the meaning of the data they presented is valid. It is important for researchers to show that the explanations on data meaning given by them are not subjective but unbiased (Malhotra, Birks & Wills 2013, 319).

In terms of quantitative data analysis, there are some basic analyses can be used. Those include frequency distribution, cross-tabulation, and hypothesis test (Malhotra, Birks & Wills 2013, 333).

Frequency distribution can be used when there is one variable examined at a time. The purpose of this is to calculate the number of responses to different value of a variable (Malhotra, Birks & Wills 2013, 332).

When there is a need of linking a variable to other variables, cross-tabulations can be used. A cross-tabulation examines two or more variables at the same time. The cross-tabulations enable us to understand the relationship between one variable to another one. For example, if we want to see the relationship between the two variables brand loyalty and gender, cross-tabulation can help (Malhotra, Birks & Wills 2013, 337).

Hypothesis tests can be used when there is one hypothesis needed to be statistically tested. For instance, we have a hypothesis “A cinema is being patronized by more than 10 per cent of the households in a city” (Malhotra, Birks & Wills 2013, 342). We need to build a hypothesis test in order to test that hypothesis. There are some concepts need to be reviewed before doing hypothesis testing. Those are statistical concepts such as sampling distribution, confidence interval (Malhotra, Birks & Wills 2013, 342).

6.6 Reliability and validity

Reliability is an important factor of measurements. Researchers should make sure the measurements they use are reliable and valid. A measure is reliable when a respondent gives the same or nearly the same answers to the same question. If a question can be answered in different ways by the same person, it is unreliable (Burns, Veeck & Bush 2017, 215).

Validity is about the accuracy of the measurement. In other words, it evaluates how accurate the measurement is in relation with what is really existing. Validity is somewhat different from reliability. To make it clearer, let take an example. A person answers a question about his income. His actual income is \$40,000 annually but his response to the question is “Over \$100,000.” Then, when a retest is made, he still insists that his income is over \$100,000. As can be seen from this case, the question is reliable as the respondent gives the same answer for identical questions. However, the answer is invalid as the respondent give the false answers repeatedly. Actually, lying (like this case) is not the only cause for invalidity. Sometimes, respondents don’t have good memory and cannot give the answers that match the reality (Burns, Veeck & Bush 2017, 215).

6.7 Thesis process

When it comes to thesis process, this thesis is divided into three stages. The first stage is the creation and introduction of thesis plan. The next stage is the presentation of theoretical background of the thesis as well as the submission of interview questions

and survey questionnaires for approval. Later, the interview questions and survey questionnaires, once approved, will be sent out to collect necessary information for the thesis.

For the purpose of conducting the empirical part of the thesis, an interview with the company's owner was made and survey questionnaires were sent out to potential customers. Moreover, information from various sources such as websites, General Statistics Office of Vietnam were used as well. Information from those sources is secondary. While data collected from interview with company's owner and survey are primary. The research method used in this thesis will be both qualitative and quantitative. Specifically, the interview with the company owner is a qualitative as it is an in-depth interview. The author will try to get important information about the company, the market, etc. from the company owner; then the information will be interpreted for the sake of conducting the empirical part of the thesis. While, the survey is quantitative and will show the author how many respondents choose a certain answer from each question. Based on the survey result, the author will start analyzing the data and transform them into helpful information which can facilitate the creation of a 4 Ps marketing plan for the company.

In terms of the content of the interview, the interview with the company's owner is an in-depth interview. The questions used in the interview are mostly unstructured. Those questions will help the author know how the company are doing its marketing program. Moreover, by conducting the interview, the author would like to achieve various objectives. The first one is to examine what the marketing 4 Ps that the company is conducting. Secondly, the author needs to get more knowledge about the market and competitors in the market. Moreover, the interview also shows the author what are the company's strengths and weaknesses as well as the threats and opportunities from the business environment. Last but not least, in this interview, the annual marketing budget that the company can afford is also an aspect of the author's interest.

In terms of the survey, most of the survey questions are highly structured. There are 25 questions in total. The respondents would be at least 60 (not including the respondents who answer "No" in both Questions 1 and 2) to make sure that there is enough information to support the thesis. The target respondents are Vung Tau residents or

people who have hotels, shops in this city. The technique used for the survey is quantitative method which can be considered conclusive. The survey will be sent through different channels such as Facebook group, emails. The Question 1 in the questionnaire will be “Are you a Vung Tau’s resident who have your own house, shop, or hotel?”. The Question 2 in the questionnaire will be “Are you currently using roller-shutter or do you intend to equip your house, shop, or hotel with roller-shutter in the future?”. If the answers for either Question 1 or Question 2, or both, are “No”, then the questionnaire will be stopped immediately; and the respondent don’t have to answer the remaining questions. The purpose of this is to make sure that the people answering the questionnaires are the right target respondents. If the respondents in such case continue to answer other questions, the answers will be unreliable and invalid.

Both interview questions and survey questionnaire are bilingual (English – Vietnamese) as all respondents of the research are Vietnamese; and the author also needs to analyze the survey data into useful information to support his reasonings in the thesis which is written in English.

7 RESEARCH FINDINGS

The research was conducted under the form of an in-depth interview with the company’s owner and an online survey. The information collected from the research would be used for the writing of this thesis.

7.1 Interview results

After an interview with the company’s owner, the author has gathered some crucial information about the company and the business environment in which it operates in. The author has asked the company’s author around 20 questions. In this part, the author would like to summarize and present the contents of the answers of the company’s owner.

When it comes to questions related to the products, there are several main points. First of all, the company designs and produces roller-shutters on its own. The roller-shutters are made from three different materials including stainless steel, Taiwanese colored zinc-coated steel, and transparent crystal. The materials are imported from three main countries of Taiwan, Germany, and Australia. Of those, material imported from Germany is preferred by customers. In other words, the German roller-shutters are the best sellers of the company in Ho Chi Minh City. The company's owner also revealed that most of the companies in the market are offering the same kinds of roller-shutters. Therefore, the prestige and experience of a company will determine whether it can be successful in the competition instead of the products only. Moreover, in terms of design and functions of roller-shutters, the company's owner also said that product differentiation is not important for the company to compete in the market as there are not too many features of roller-shutters that can be differentiated. Hence, materials, durability, customer service, etc. will be the main competitive factors.

With regards to product price, the company's owner supposes that the company's products are sold under reasonable prices compared to competitors. The company is now trying to cut costs in order to become a cost-leader in the market so that it can get larger market share. Besides, customers usually bargain for a better price, and they often make price comparison between different companies. Depending on each case, the company can accept a 5 percent price reduction for customers who order large quantities.

In terms of distribution, the company deliver roller-shutters to customers' places by using its own vans. The company does not have any distributor or retailer to deliver products to customers. Further, the company only has one facility in Ho Chi Minh City. That facility is used as an office, a showroom, and a manufacturing facility.

With respects to promotional mix, the company mostly uses its website to promote its product. Furthermore, the company also contacts some construction contractors to advertise its products. Newspapers and TV advertisements are not being currently used.

When it comes to questions relevant to SWOT analysis, the company's owner supposes that the biggest strengths of the company are competent workers and good customer service. While, the main weakness of the company is the strong dependence on motor suppliers. In terms of external environment, the major opportunity is that there had been an increase in the construction area in Vung Tau city. More houses and shops are built but there are just a few roller-shutters operating in Vung Tau city, therefore, customers must buy roller-shutters from suppliers in Ho Chi Minh City. By contrast, there is one risk that the company has spotted. That is the emergence of some small companies in the market. Those companies offer low-quality roller-shutters at much lower prices. This can be a harmful for the company in such a price-sensitive market.

7.2 Survey results

The survey questionnaire includes 25 questions. The questionnaires are sent via Facebook and email to different respondents. After that, the author has collected 78 responses. In this part, the author will present and interpret the survey results.

The first two questions of the questionnaire are called filter questions. Those questions are used to determine if the respondents are qualified for the subsequent questions. In the introduction part of the survey, the author has clearly stated that only respondents who answer "Yes" for both questions will continue to the subsequent questions. By contrast, the respondents choosing "No" must stop the survey. The results collected from the survey show that there are 78 (100 percent) respondents answer "Yes" to Question 1 and Question 2, therefore, are qualified to answer the subsequent questions.

1) Are you a Vung Tau's resident who has your own house, shop, or hotel? (Bạn có phải là một cư dân ở Vũng Tàu và đang có nhà riêng, cửa hàng kinh doanh, hoặc khách sạn riêng?)

78 responses

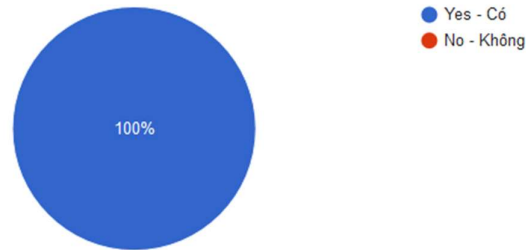


Figure 9. Survey question number 1

2) Are you currently using roller-shutter or do you intend to equip your house, shop, or hotel with roller-shutter in the future? (Bạn có đang sử dụng cửa cuốn hoặc dự định sử dụng cửa cuốn cho nhà, cửa hàng, khách sạn của bạn trong tương lai?)

78 responses

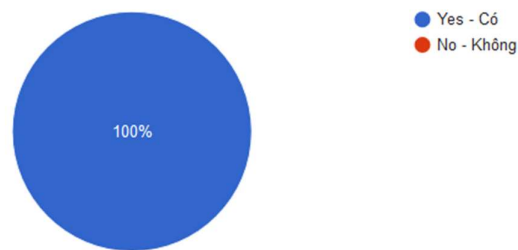


Figure 10. Survey question number 2

The question number 3 shows what are the percentages of people owning a shop, a house, or a hotel. The results were that there were 47.4% of respondents owning a shop, 75.6% owning a house, and 17.9% owning a hotel.

3) Please tell which facilities you own in Vung Tau? More than one answer can be chosen. (Xin nói cụ thể bạn sở hữu loại bất động sản nào ở Vũng Tàu? Có thể chọn nhiều hơn một đáp án)

78 responses

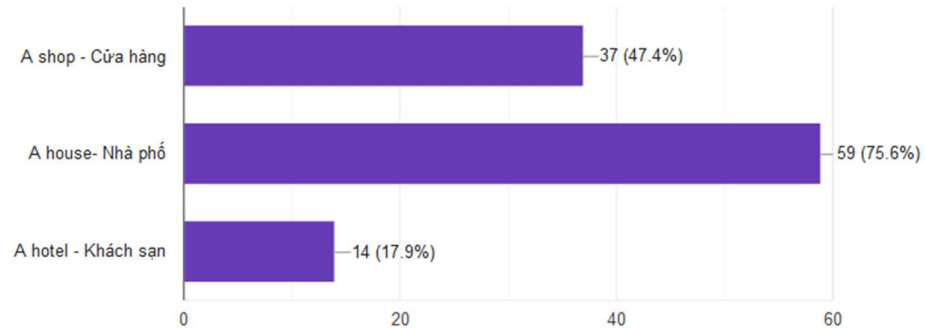


Figure 11. Survey question number 3

The question number 4 shows the income level of the respondents. People who has monthly income between 15 million to 20 million VND account for the largest percentage (41%).

4) Please choose one of the alternatives below which best matches your monthly income level (VND). (Xin vui lòng chọn mức thu nhập phù hợp với thu nhập thực tế hàng tháng của bạn. Đơn vị tính: VND)

78 responses

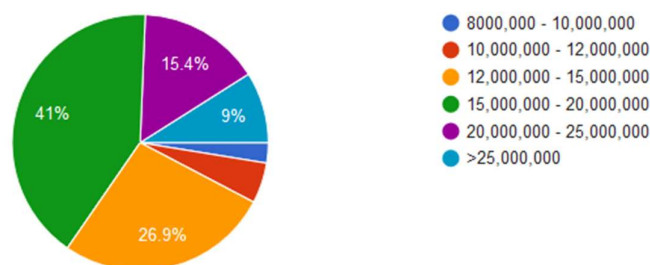


Figure 12. Survey question number 4

From question number 5 to question number 13, the respondents are asked about their opinions on roller-shutter products. The results show that there are 89.7% of respondents suppose that durability is an important criterion when buying roller-shutter, while 84.6% choose “country of origin” as an important criterion. In the question number 6,

there are 88.5% respondents answered that they prefer roller-shutters made from German materials; 41% chose materials imported from Australia; and only 23.1% like Taiwanese materials. Question number 7 asks people which designs of roller-shutters they like most. There are 88.5% respondents chose tight-slat roller-shutters; only 11.5% chose lattice-slat roller shutter. Question number 8 asks respondents which materials they like most. There are 71.8% respondents chose stainless steel. Only 21.8% chose Taiwanese colored zinc-coated steel; and 6% chose transparent crystal. In question 9, when being asked which types of roller-shutters they like most, there are 83.3% respondents choosing automated roller-shutters which overwhelms 16.7% of respondents who chose manual roller-shutters. The question number 10 asks which kind of roller-shutter motors that the respondents like most. The results were that there are 62.8% prefer German tube motor; while there are only 25.6% and 11.5% of respondents prefer “Taiwanese motor with waterproof control box” and “Taiwanese super-speed motor” respectively. The question number 11 asks about operation safety. There are 92.3% of respondents answered that they want their roller-shutters can stop immediately when encountering obstacles. While question number 12 ask for security aspect. There are 78.2% of respondent want to equip burglar alarm for their roller-shutters; 21.8% don’t want a burglar alarm. In question number 13, respondents are asked which color they want for their roller-shutters. Most respondents (more than 80%) like white, coffee, and cream color.

5) Which criteria do you take into account when choosing a model of roller-shutter? More than one option can be chosen. (Tiêu chí nào sau đây mà bạn quan tâm khi chọn mua một mẫu cửa cuốn? Bạn có thể chọn 2 câu trả lời trở lên)

78 responses

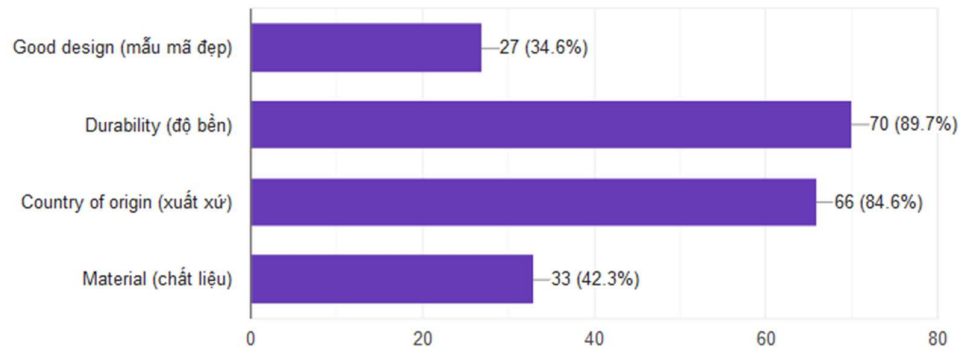


Figure 13. Survey question number 5

6) Do you want to buy roller-shutter made from materials imported from which of the following countries? More than one option can be chosen. (Bạn muốn mua cửa cuốn làm bằng vật liệu nhập từ nước nào? Có thể chọn nhiều hơn một đáp án.)

78 responses

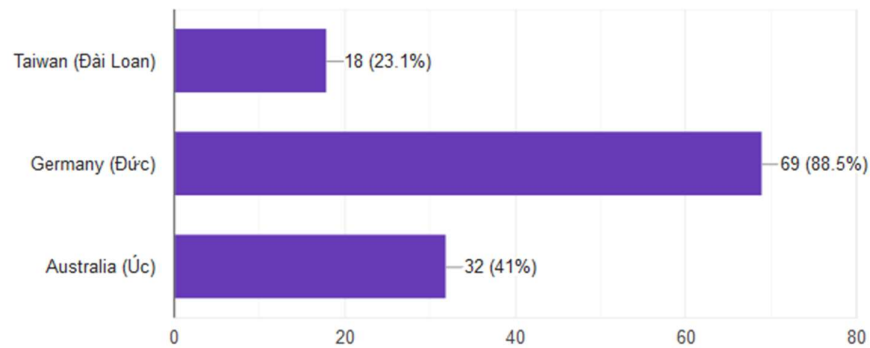


Figure 14. Survey question number 6

7) Which of the following designs of roller-shutter do you prefer?(Bạn yêu thích thiết kế cửa cuốn nào sau đây?)

78 responses

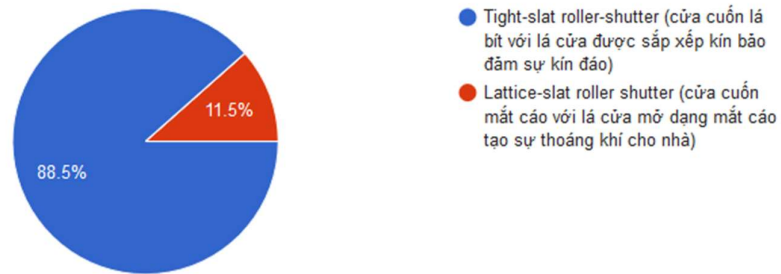


Figure 15. Survey question number 7

8) Which of the following roller-shutter materials that you prefer?(Loại vật liệu làm cửa cuốn nào mà bạn ưa thích?)

78 responses

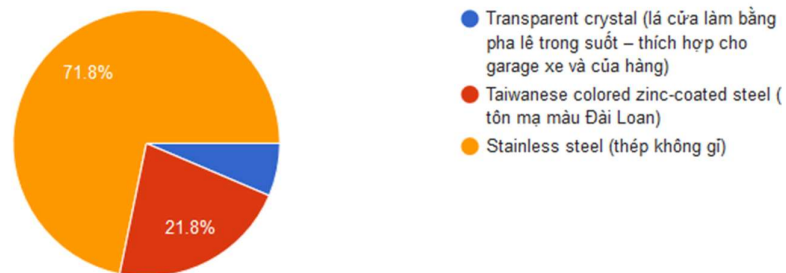


Figure 16. Survey question number 8

9) Which of the following types of roller-shutter do you prefer?(Loại cửa cuốn nào sau đây bạn thích hơn?)

78 responses

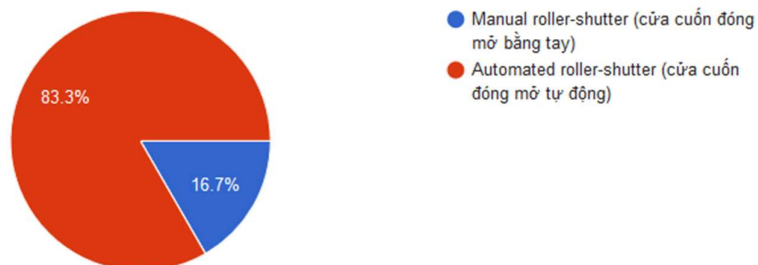


Figure 17. Survey question number 9

10) Which kind of roller-shutter motors do you prefer?(Loại moteur cửa cuốn nào mà bạn ưu thích?)

78 responses

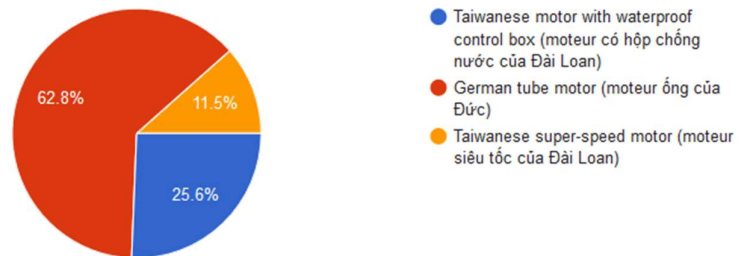


Figure 18. Survey question number 10

11) For safety reason, do you prefer using roller-shutters which can automatically pause when encountering obstacles?(Vì lý do an toàn, bạn có muốn sử dụng loại cửa cuốn có thể tự động dừng khi đụng chướng ngại vật hay không?)

78 responses

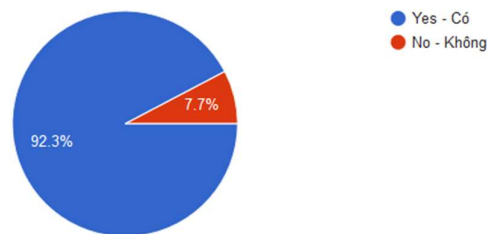


Figure 19. Survey question number 11

12) Are you willing to pay more for the burglar alarm functionality of the roller-shutter?(Bạn có sẵn lòng chi thêm tiền để trang bị thêm chức năng chống trộm cho cửa cuốn của mình hay không?)

78 responses

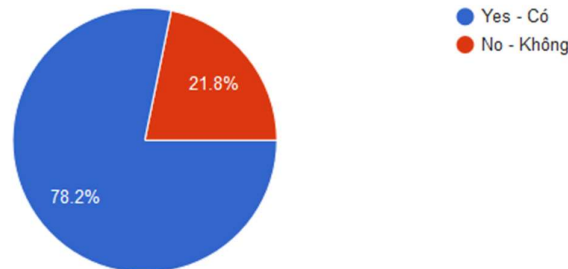


Figure 20. Survey question number 12

13) Which of the following colors do you prefer for your roller-shutter?(Bạn ưu thích màu cửa cuốn nào sau đây?)

78 responses

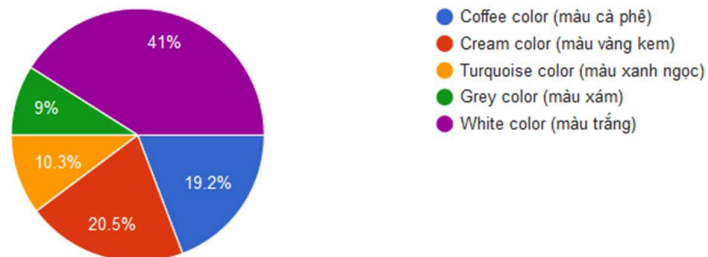


Figure 21. Survey question number 13

From question number 14 to question number 17, the author asked the respondents about the product price. Question number 14 asked respondents about the price that they can pay for their roller-shutters (per square meter). There are 57.7% of respondents can pay from 1 million VND to 1.5 million VND for one square meter of roller-shutter; there are 26.9% can afford the price of 750 thousand VND to 1 million VND. The question number 15 asked how much money respondents can pay for a roller-shutter motor. There are 39.7% of respondents can pay from 12 million VND to 15 million VND; and 30.8% can pay from 9 million VND to 12 million VND. In total, there are more than 70% of respondents can pay from 9 million VND to 15 million VND. For the question number 16, there are 92.3% of respondents suppose that price

is the most important factor to be considered when buying roller-shutters. For the question number 17, there are 62.8% of respondents are price sensitive; the remaining ones are not price sensitive.

14) What is the price range of roller-shutter that you can afford?
(VND/m²)(Mức giá cửa cuốn nào là phù hợp với bạn? (VND/m²))

78 responses

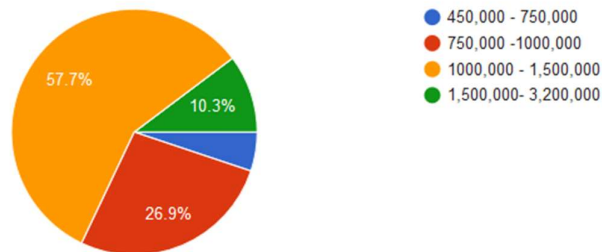


Figure 22. Survey question number 14

15) What is the price range of motors that you can afford?
(VND/motor)(Mức giá mà bạn có thể trả để mua moteur cửa cuốn?)
(VND/moteur)

78 responses

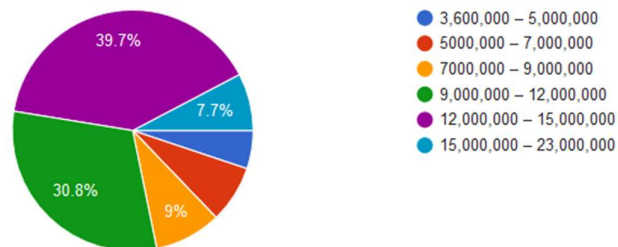


Figure 23. Survey question number 15

16) Do you think price is the most important factor to be considered when making buying decision?(Bạn có nghĩ rằng giá cả là một yếu tố rất quan trọng khi cân nhắc mua cửa cuốn?)

78 responses

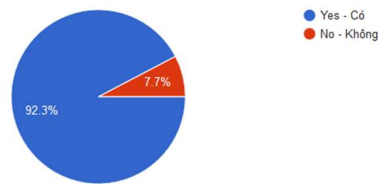


Figure 24. Survey question number 16

17) Are you price-sensitive? In other words, will you switch to another supplier who offers lower price?(Bạn có phải là người dễ bị tác động bởi giá cả? Nói cách khác, liệu bạn có sẵn lòng đổi nhà cung cấp cửa cuốn nếu được hưởng mức giá thấp hơn?)

78 responses

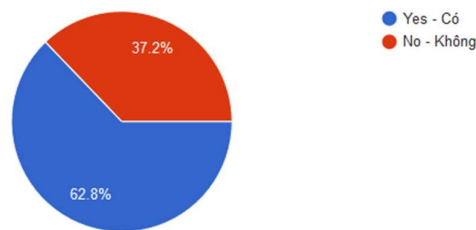


Figure 25. Survey question number 17

The questions from number 18 to 22 asked for customers' opinion on promotion. The question number 18 asked how respondents search for roller-shutter suppliers. There are 73.1% of respondents answered that they will search on Google; while 17.9% of them will ask from other people (word-of-mouth). For question number 19, 80.3% of respondents answered that they will contact supplier by phone; only 19.2% said that they will visit the supplier's outlet. The question number 20 asked whether a well-established company is more reliable than a new entrant. There are 88.5% of respondents answered "Yes"; only 11.5% answered "No". The question number 21 asked if respondents want a discount when buying with large quantities, there are 96.2% of respondents chose "Yes"; only 3.8% said "No". The question number 22 asked if respondents will ask for explanations from the supplier when they think that the supplier is charging them a price higher than expected. There are 80.8% of respondents chose "Yes"; only 19.2 % of them chose "No".

18) If you want to buy roller-shutter, how do you search for suppliers?(Khi muốn mua cửa cuốn, bạn tìm nhà cung cấp bằng cách nào?)

78 responses

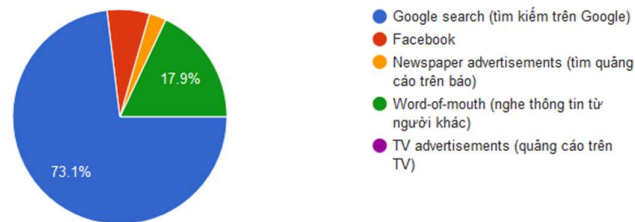


Figure 26. Survey question number 18

19) When supplier is found, how do you contact the supplier? (Khi đã có thông tin về nhà cung cấp, thì bạn sẽ liên lạc họ bằng cách nào?)

78 responses

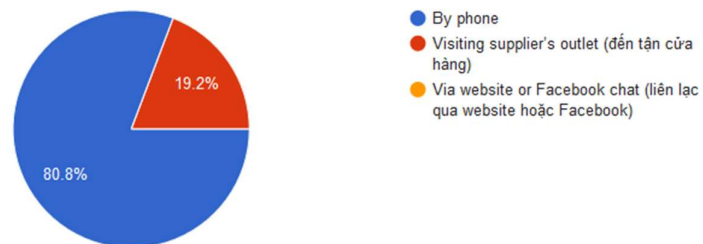


Figure 27. Survey question number 19

20) Do you think a well-established company is more reliable than new entrants?(Bạn có nghĩ là một công ty cửa cuốn lâu năm trong ngành sẽ đáng tin cậy hơn các công ty mới?)

78 responses

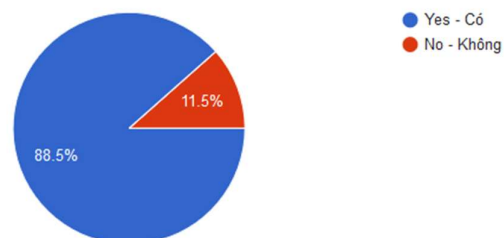


Figure 28. Survey question number 20

21) Do you expect a discount based on large purchase? (Bạn có muốn được giảm giá nếu mua hàng số lượng lớn)

78 responses

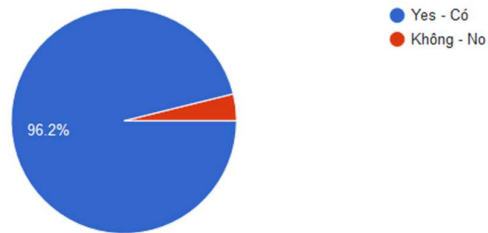


Figure 29. Survey question number 21

22) In case that you think the roller-shutter supplier is charging you a price higher than expected, do you request explanations from the supplier's sales forces or representative? For example: explanation on manufacturing cost, transport costs, other technical reasons, etc. (Khi bạn nghĩ nhà cung cấp cửa cuốn đang tính một mức giá cao hơn mong đợi của bạn, thì bạn có yêu cầu một sự giải thích từ những người bán hàng hay không? Ví dụ: bạn có thể đòi giải thích về chi phí sản xuất của sản phẩm, chi phí vận chuyển, hoặc các lý do kỹ thuật khác?)

78 responses

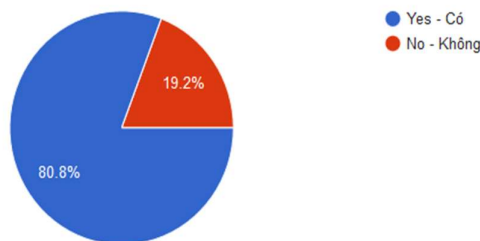


Figure 30. Survey question number 22

The question number 23 and 24 are about place (distribution). For the question number 23, there are 97.4% of respondents said that they want free delivery when buying roller-shutters. For the question number 24, there are 93.6% of respondents said that they want to buy roller-shutter directly from the supplier.

The question number 25 ask people who can influence their buying decision. There are 50% of respondents answered that there is no one who influence their buying

decision. While, 41% of them said that their wife or husband can influence their buying decision.

23) Do you want the roller-shutter supplier to provide free delivery service?(Bạn có muốn được nhà cung cấp cửa cuốn vận chuyển hàng miễn phí ?)

78 responses

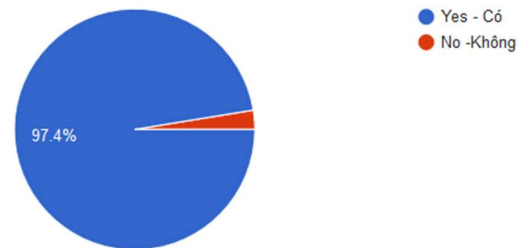


Figure 31. Survey question number 23

24) In terms of buying roller- shutter, which of the following options do you prefer?(Khi mua cửa cuốn, bạn thích lựa chọn nào sau đây hơn?)

78 responses

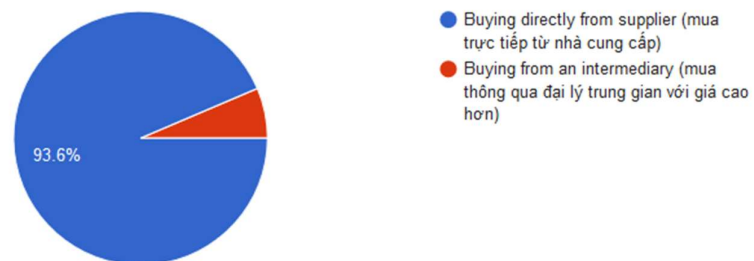


Figure 32. Survey question number 24

25) When it comes to buying roller-shutter, who are the ones that influence your buying decision?

78 responses

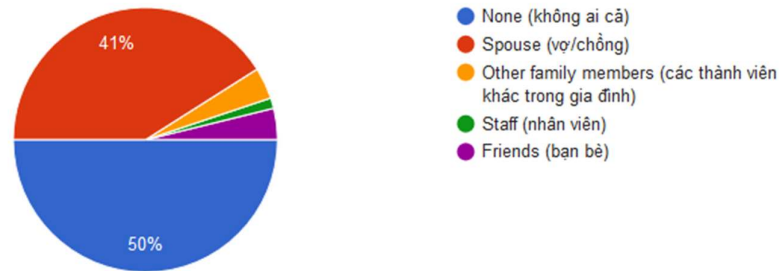


Figure 33. Survey question number 25

8 PROPOSED MARKETING PLAN FOR THANH TAM COMPANY

For this chapter, all the information used is based on the survey results and the interview with the company's owner. The interview questions and the survey results are covered in Appendix 1 and Appendix 2. For the convenience of the readers, the author recommends that the readers should refer to the information recorded in both Appendix 1 and Appendix 2 while reading the analyses in this chapter.

8.1 SWOT analysis for Thanh Tam Company

In this part, the author will make analysis of the company's strengths and weaknesses. Moreover, the external environment in which the company operates will be analyzed as well.

The SWOT analysis is conducted based on the interview that was done by the author. The author has interviewed the company's owner to get information about the company itself and the external environment.

When it comes to the company's internal environment, there are two aspects to be analyzed including strengths and weaknesses. As already mentioned in chapter 4, a company should not list all of its features. Instead, it should list some strengths and weaknesses that are considered important. Therefore, the author only lists some important strengths and weaknesses of the company.

The company has two strengths. The first one is technical skills as the company's workers are well-trained and have been working for a long time in the industry. They have good installation skill which is appreciated by the customers. The second strength of the company is its high competency in customer service. It can respond to customers inquiries and requests within a short time (normally within one day).

With regards to weaknesses, there is one weakness that may impact the company's reputation in a negative way. The company has been strongly dependent on motor suppliers. As the company cannot manufacture roller-shutter motors itself, it has to buy the motors from other suppliers. Sometimes, it cannot control the quality of the motors. In case that there are some problems with the motors, the customers will blame the company on the problems. However, the problems do not come from the company but the suppliers.

In terms of the opportunities of the external environment, the company's owner supposes that the development of Vung Tau city will be the major opportunity for the company. As there are more houses built, the demand for roller-shutters will rise. Moreover, there are just a few small roller-shutter companies operating in Vung Tau city, most of customers in Vung Tau have to order roller-shutters from Ho Chi Minh city.

With respect to the threats from the external environment, the company's owner does not suppose that there are too many risks in the environment. Nonetheless, he considers that there is one risk that can affect the company operation in short term. The mentioned risk is the emergence of some small and nameless companies which offer low-quality roller-shutter and poor after sales service. Nevertheless, those companies charge low prices, therefore, be able to take a portion of market share in short term.

However, in long term most of them cannot survive as customers will not use their products and services. Hence, this can be regarded a minor risk for the company.

After referring back to the chapter 4 SWOT analysis and based on the available information of the current situation of the company, the author suggests two strategies for the company

The first strategy the author suggests is “Exploit”. This strategy is based on the company’s strengths and the opportunities given by the environment. The company can use its strengths to grasp the opportunities around it. As the company has good technical expertise and customer service, it can rely on those strengths to take market share. Vung Tau city has been growing and witnessing the remarkable growth in real estate area. However, there are just a few small roller-shutter companies operating in this city. Therefore, there is too much room for such a well-established and competent company like Thanh Tam.

The second strategy that Thanh Tam should take into account is “Contend”. With this strategy, the company can use its strengths to neutralize or even eliminate the threats. As there are some small roller-shutter companies are operating in the market and offer low-quality products accompanied with poor customer service, Thanh Tam can use its strengths on technical expertise and customer services to compete with those companies and put them aside the competition.

In this part, the author will not recommend “Develop” and “Address/Avoid” strategy as those two strategies require the company to invest more in order to improve the weakness or even turn the weakness into a strength. After discussing with the company’s owner, the author and the owner have reached a consensus that the company will not invest more money to change its weakness. The first reason is that the dependence of the company on roller-shutter motor suppliers is a fact, and the company cannot find any solutions for that problem. The second problem is that the company does not have enough financial resources to build a manufacturing line which manufactures roller-shutter motors. As a result, it is impossible to implement the two strategies of “Develop” and “Address/Avoid”. In other words, the companies must accept its situation on the weakness problem.

8.2 Segmentation – Targeting – and Positioning in Thanh Tam case

8.2.1 Introduction of Vung Tau City

Vung Tau is a coastal city in the Southeast region of Vietnam. The city is situated 125 km away from Ho Chi Minh City. The city covers an area of approximately 144 km². The population of Vung Tau is around 310,000 (Website of Provincial Party of Ba Ria – Vung Tau 2019). Vung Tau is regarded as the third richest city in Vietnam as its GDP per capita is above 5,280 USD/year (Website of The City of Vung Tau 2019). Vung Tau's economy relies heavily on tourism, petroleum drilling and production which bring the city good sources of income.

8.2.2 Segmentation

In the case of Thanh Tam company, the market is Vung Tau city. Based on the theory of segmentation, the author would like to divide the market into smaller groups so that the company will find it easier and more convenient to choose a segment to serve.

When it comes to segmentation variables used to segment the market, the author would like to use three variables including geographic, demographic, and loyalty variables. With respect to geographic variables, the company has chosen Vung Tau city as its new market to operate in. Besides, based on demographic variables, the author suggests that the company should refer to the online survey results to cluster customers into various group with different income levels. Moreover, customers should also be allocated into different groups based on which kind of properties they own. With regards to the loyalty variables, the company should classify the potential customers in the market as switchers, moderately loyal, and loyal customers.

There are some reasons that make that author decide to choose the mentioned variables. The first reason is because those chosen ones are relevant to the segmentation of a roller-shutter market. The next reason is that the geographic, demographic, and loyalty variables are measurable and can be supported by data collected from the survey and the interview with the company's owner.

8.2.3 Targeting

After segmenting the market, the author will help the company target the right customers. Based on the survey results and the chosen segmentation variables, the author has some suggestions as follows.

When it comes to income, the company should target the customers whose income levels fluctuate between 15 million VND and 25 million VND. As can be observed from the survey results, those people who have income from 15 million to 25 million VND account for more than 83% of the respondents.

When kinds of properties are taken into account, the company should pay attention to the people who own private houses or shops as there are 75.6% of respondents answered that they own a house; while there are 47.4% of them own a shop. The percentage of respondents who own a hotel is relatively small (17.9%). Therefore, the main customers of Thanh Tam should be house and shop owners.

In terms of loyalty, as can be seen from the survey results, there are 92.3% of respondents suppose that price is the most important factor to be considered when buying roller-shutters. There are 62.8% of respondents answered that they are price-sensitive and will switch to another supplier for a lower price. Therefore, it can be said that the roller-shutter market in Vung Tau city is quite price sensitive. Moreover, the customers are not too loyal. This fact matches the judgement of the company's owner that the customers in the roller-shutter market are not loyal and prone to change. Hence, the company should classify its target customers as switchers or moderately loyal customers and have suitable marketing program for those ones.

As far as targeting strategies are concerned, the author suggest that the company should apply undifferentiated strategy. All companies in the market just offer almost the same roller-shutter products. In other words, the products available in the market are not different from each other regarding to design, materials, function, etc. Therefore, it is not necessary to try to differentiate roller-shutter products to compete in the market. Furthermore, the company's resources are limited so it cannot invest in research and development to modify the products. The last reason to choose this strategy is that the

author has clearly defined the target segment that the company should serve. Hence, the company just needs to choose the best offer for the target segment and don't have to make various product offers to serve different segments.

8.2.4 Positioning

When it comes to positioning, the company needs to see which attributes the customers value most. Based on the survey and the interview, it can be said that customers value some factors such as price, free delivery, discount. Another attribute is highly regarded by customers is experience of a company. Therefore, the company should build its positioning strategy based on those attributes. The company can promise to its customers that it is able to offer products at reasonable prices and will always offer free delivery. Such promise will be highly regarded in such a price-sensitive market. When delivering promotion message to the customers, the company should emphasize its 40-year experience in the industry.

When it comes to positioning strategies, the author recommends the company to use the strategy "The same-for-less". As there are almost no differences in the roller-shutter market, the company should not claim to be the one that can provide superior products and charge more for this ("More-for-more" strategy). Instead, it should tell customers that it can provide good products which are of the same quality of that of competitor but will charge less. This strategy is suitable for companies which have low operating costs. As stated by Thanh Tam's owner, the company has low operating costs and good delivery fleet which is cost-efficient. Thus, the strategy "the same-for-more" is suitable for Thanh Tam company.

8.3 Marketing mix for Thanh Tam Company

8.3.1 Product

The survey results show that 89.7% of respondents consider durability an important factor to be considered when buying roller-shutters; 84.6% of them are interested in country of origin. When it comes to country of origin, 88.5% of respondents prefer products made from materials imported from Germany. While, 41% and 23% of respondents like materials imported from Australia and Taiwan, respectively. Therefore, the author suggests the company to offer products made from material imported from Germany and Australia as the figure shows that materials from those two countries are preferred by the customers.

When it comes to design of roller-shutters, there are 88.5% of respondents said that they prefer tight-slat roller-shutter; only 11.5% of them prefer lattice-slat roller shutter. Therefore, the author recommends the company to mainly offer tight-slat roller shutter in Vung Tau market.

In terms of materials, nearly 72% of respondents chose stainless steel; and roughly 22% chose Taiwanese colored zinc-coated steel; the amount of respondent choosing transparent crystal is not considerable. As can be seen, Vung Tau is a coastal city; and the air and water there contain high concentration of salt which can damage roller-shutters. Moreover, the city also receives too much sunlight every year. Therefore, most respondents prefer roller-shutters made from stainless steel which is durable under tough weather condition. The author suggests the company to offer roller-shutters made from stainless steel to the market.

There are more than 83% of respondents prefer automated roller-shutters; while only 16.7% of them chose manual roller-shutters. Therefore, the company should concentrate on making automated roller-shutters (normal roller-shutters accompanied by motors).

In terms of roller-shutter motors, 62.8% of respondent prefer German tube motor; 25.5% of the prefer Taiwanese motor with waterproof control box; and only 11.5% of them choose Taiwanese super-speed motor. Hence, the company should offer only German tube motor and Taiwanese motor with waterproof control box.

As there are more than 92% of respondents want to buy roller-shutters which can stop when encountering obstacles and more than 78% of them are willing to pay more for burglar alarm, the company should offer roller-shutters accompanied with a sensor and a burglar alarm.

Furthermore, there are 41% of respondents prefer the color white; 20.5% of them prefer the cream color; and 19.2% of them like coffee color, the company should offer roller-shutters which have those three colors to the market.

8.3.2 Price

With regards to pricing, the author recommends the company should take into consideration various factors including value to customer, competition, and explicability.

Firstly, the factor of value to customer is one of the factors that can help the company price its products. This factor will be based on the survey results. According to the survey results, 57.7% of respondents answered that they can pay from 1000,000 VND to 1,500,000 VND for one square meter of roller-shutter; 26.9% of them can pay from 750,000 VND to 1,000,000 VND for one square meter of roller-shutter. Hence, the company should sell roller-shutter at the price of 750,000 VND to 1,500,000 VND as there are nearly 85% of respondents can pay such prices. Moreover, there are 30.8% of respondents said that they can pay up to 12,000,000 VND for one roller-shutter motor; and 39.7% of them can pay up to 15,000,000 VND for one roller shutter motor. Based on the price list of Thanh Tam company and customers' preferences, the author suggest the company to offer German tube motor at the prices varying between 3,900,000 VND and 7,600,000 VND. In addition, the company should also offer Taiwanese motor with waterproof control box at the prices of 4,900,000 VND to 11,000,000 VND.

When it comes to competition, the company should look at the competitors operating in the Vung Tau city to know how much they charge their customers. Based on the research, the author identifies two major competitors who can compete with the company in Vung Tau. The first one is Dong Nam company. This company offers roller shutter made from German materials. According to the price list of this company, roller-shutters made from German materials are sold at the price of 1,260,000 VND to 1,660,000 VND. Dong Nam company also sells roller-shutter motors at the price of 4,300,000 VND to 7,500,000 VND (Website of Dong Nam Company Limited 2019). Another competitor is Austdoor company. This company mainly offers Australian roller-shutters. Austdoor company sells roller-shutters at the price of 1,750,000 VND to 4,050,000 VND per square meter. Moreover, Austdoor company also sells roller-shutter motors at the prices fluctuating between 6,300,000 VND and 7,950,000 VND (Website of Austdoor Company Limited 2019). As can be seen, Austdoor company offer products with the highest price; while Dong Nam company offers products roller shutter at a higher price than that of Thanh Tam company.

Furthermore, as the customers in Vung Tau market are quite price sensitive and will ask for explanation if they think they are charged unreasonable price, the company should prepare to explain why it charges customers a certain price. It must make sure that the explanations are good and persuasive. This is called “explicability”.

8.3.3 Promotion

The company does not have an effective promotional mix. Therefore, the author suggests the company to rely on some promotional elements to promote its brand including personal selling, Internet marketing, and sales promotion.

Personal selling should be used because Vung Tau is a small city and customers concentrate in a small area. Therefore, it will not cost much if the company’s salespersons visit potential customers frequently. Moreover, when applying personal selling, all information related to products, prices, and other agreements with customers are invisible to other companies so the competitors cannot copy the way the company is doing

business. Personal selling also encourages the two-way communication between the company and the customers, therefore, the company can understand the needs and expectations of the customers.

The next promotional element to be used is Internet marketing. As there are 73% of respondents answered that they will refer to Google search to find roller-shutter suppliers, it is necessary to use Internet environment such as websites, Facebook, search-engine optimization, etc. to promote its brand.

The last promotional element that the author considers suitable for the company situation is sales promotion. Almost all respondents (96.2%) said that they expect a discount when buying with large quantities. Thus, the company should have a good sales promotion strategy to give customers discounts and incentives when they buy with large quantities. This helps build a strong and profitable relationship with customers.

8.3.4 Place

Roller-shutters are bulky and heavy so it is difficult for the company to persuade a distributor to stock and deliver its products. Moreover, it will make the company incur more costs when it has to pay for distributors to make sure that the distributors can have profit. As a result, the product prices will increase. This is not the company's expectations. In addition, more than 93% of respondents answered that they prefer buying roller-shutters directly from the manufacturer instead of distributors.

Thus, the author suggests the company to sell the roller-shutter products directly to the customers. The company can deliver roller-shutters directly to customers by its vans. Besides, Vung Tau is a small city so it is not expensive to deliver products directly to customers in comparison to bigger cities. When eliminating all intermediaries, the company can save costs and don't have to rely on any distributors. Therefore, the company can control all activities from manufacturing to delivering and marketing its products.

9 CONCLUSION AND RECOMMENDATIONS

Based on the research results and the result analyses, the author will propose some recommendations for the company related to marketing plan.

First of all, the author will propose a product mix that the company should offer to the market. The tables below show all the products that should be offered to the market and the prices of them. The suggestion is based on the survey results and the company's owner's judgement. In addition, the prices charged by competitors for similar products taken into consideration as well.

Roller-shutters (Code)	Price (VND)/m ²	Country of origin
MS 94 A	850,000	Germany
MS 94B	880,000	Germany
MS 53	1,030,000	Germany
MS 51	1,070,000	Germany
MS 903	1,250,000	Germany
MS 901	1,370,000	Germany
PM 503	1,100,000	Germany
PM 482	1,230,000	Germany
PM 481K	1,400,000	Germany
MS 5232	1,350,000	Germany
MS 300	800,000	Australia

Figure 34. Price list of roller-shutters (Website of Thanh Tam Company 2019)

Motors types	Price (VND)/motor	Country of origin
German tube 50Nm	3,900,000	Germany
German tube 100Nm	4,900,000	Germany
German tube 120Nm	5,400,000	Germany
German tube 140Nm	6,400,000	Germany
German tube 230Nm	7000,000	Germany
German tube 300Nm	7,600,000	Germany
Taiwanese 300kg YH	4,900,000	Taiwan
Taiwanese 400kg YH	5,600,000	Taiwan
Taiwanese 500kg YH	6,600,000	Taiwan
Taiwanese 700 kg YH	11,000,000	Taiwan

Figure 35. Price list of roller-shutter motors (Website of Thanh Tam Company 2019)

According to the survey results, customers (78.2%) are willing to pay more to equip their roller-shutters with burglar alarms. However, the company does not have that product so it cannot meet customers' demand. Hence, the author recommends the company to find some suppliers who can provide the company with burglar alarms so that the company can add that product to its product mix.

The next recommendation that the author would like to give is related to promotion and place. As the company don't have a true salesforce now, it should form a salesforce comprising of several staff who are responsible to contact and persuade customers to buy products. Residents in Vung Tau city concentrate in a small area so it is necessary and convenient to let the salesforce to visit customers' places on a frequent basis. Moreover, as there are more and more people using Internet and technological devices, the company find some companies specializing in search engine optimization (SEO) to help it promote its brand online and reach potential customers. Furthermore, as more than 88.5% of respondents believe that a well-established company is more reliable than new entrants, the company should emphasize that it has approximately 40 years of experience in the industry when trying to persuade customers to buy its products. When it comes to distribution, the company should use direct marketing channel. It means the company will sell the products directly to customers. This option is

beneficial for the company as it does not have to pay commission for the intermediaries, therefore, it can offer products at lower prices.

With regards to the competitors, the author supposes that Dong Nam company is the main competitor of Thanh Tam company. Dong Nam company offer similar products and sell those products at the nearly the same price level with Thanh Tam company. While Austdoor mainly offers products made from materials imported from Australia. The prices of some products of Austdoor are quite high compared to that of Thanh Tam company. For instance, a motor of Austdoor can be sold at the prices from 25,000,000 VND to 52,000,000 (Website of Austdoor 2019). The products of Austdoor are of higher quality in comparison to Thanh Tam company. Therefore, the author supposes that Austdoor company may concentrate on another segment which has higher income and is more demanding. Finally, the company should make an effort to monitor Dong Nam company and have necessary changes to compete with this competitor.

The last recommendation is that the author encourages the company to find a reliable and well-established motor supplier who can provide good quality motors. The company needs to work with the supplier to control the quality of motors before accepting them and resell them to the customers. If the motors are not well-checked, some motors with defects can be sold to the customers, therefore, will harm the company's prestige.

In conclusion, Thanh Tam company is a small family-owned company with 40 years of experience in the roller-shutter industry. This company does not have solid marketing knowledge and may have difficulties when entering a new market. By conducting this research, the author hopes that the company can understand the nature of marketing and will be able to apply the marketing knowledge in real business life. Moreover, the company can realize the importance of marketing for a business. In Vung Tau city, a new market, the company can try to apply the proposed marketing plan to the real life and see how it works. The author expects that, to some extent, the proposed marketing plan can contribute to the success of the company in the new market of Vung Tau City.

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Interview Questions with Company's Owner

- 1) Could you tell me how many kinds of roller-shutters your company is selling?
- 2) Does the company make the roller-shutters itself or does it buy those from another company and then resell to the customers?
- 3) Which kind of roller-shutters are best-seller?
- 4) Does your company offer the same kinds of roller-shutters with that of you the competitors?
- 5) Do you think product-differentiation is important to compete?
- 6) Could you give me the price list of each kind of roller-shutters?
- 7) Do you think your company is now offering products at a more reasonable price than that of competitors?
- 8) Do you think your company can become a cost leader in the market? I mean are your company willing to cut down the price of the products to compete with competitors? If not, why?
- 9) Do customers usually ask for price reduction? If yes, what are their reasonings for it?
- 10) Does your company offer price discounts for customers if they buy with large quantity? If yes, what is the percentage?
- 11) How your company deliver roller-shutters to customers?
- 12) Does the company have any retailer/distributors?
- 13) Does the company have its own outlets? If yes, how many?
- 14) In the new market, does your company want to apply the same distribution chain?
- 15) What does your company's promotional mix include? (advertising, personal selling, direct marketing, Internet promotion, sales promotion, publicity)
- 16) Which one is most used in the 6 elements mentioned above? Why
- 17) Could you tell me what are you company's strengths?
- 18) What are its weaknesses?
- 19) As an experienced businessman in the industry, could you tell me what can be considered opportunities from the external environment (Vung Tau market)?

20) And, what do you suppose the risks for your company?

21) Could you tell me the names of some of your company's current competitors?

22) Does your company now have a marketing department?

23) Does your company have a salesforce?

Survey questions

1) Are you a Vung Tau's resident who has your own house, shop, or hotel?
(Bạn có phải là một cư dân ở Vũng Tàu và đang có nhà riêng, cửa hàng kinh doanh, hoặc khách sạn riêng?)

- Yes - Có
- No - Không

2) Are you currently using roller-shutter or do you intend to equip your house, shop, or hotel with roller-shutter in the future? (Bạn có đang sử dụng cửa cuốn hoặc dự định sử dụng cửa cuốn cho nhà, cửa hàng, khách sạn của bạn trong tương lai?)

- Yes - Có
- No - Không

3) Please tell which facilities you own in Vung Tau? More than one answer can be chosen. (Xin nói cụ thể bạn sở hữu loại bất động sản nào ở Vũng Tàu? Có thể chọn nhiều hơn một đáp án)

- A shop - Cửa hàng
- A house- Nhà phố
- A hotel - Khách sạn

4) Please choose one of the alternatives below which best matches your monthly income level (VND). (Xin vui lòng chọn mức thu nhập phù hợp với thu nhập thực tế hàng tháng của bạn. Đơn vị tính: VND)

- 8,000,000 - 10,000,000
- 10,000,000 - 12,000,000
- 12,000,000 - 15,000,000
- 15,000,000 - 20,000,000
- 20,000,000 - 25,000,000
- >25,000,000

5) Which criteria do you take into account when choosing a model of roller-shutter? More than one option can be chosen. (Tiêu chí nào sau đây mà bạn quan tâm khi chọn mua một mẫu cửa cuốn? Bạn có thể chọn 2 câu trả lời trở lên)

- Good design (mẫu mã đẹp)
- Durability (độ bền)
- Country of origin (xuất xứ)
- Material (chất liệu)

6) Do you want to buy roller-shutter made from materials imported from which of the following countries? More than one option can be chosen. (Bạn muốn mua cửa cuốn làm bằng vật liệu nhập từ nước nào?) Có thể chọn nhiều hơn một đáp án.

- Taiwan (Đài Loan)
- Germany (Đức)
- Australia (Úc)

7) Which of the following designs of roller-shutter do you prefer? (Bạn yêu thích thiết kế cửa cuốn nào sau đây?)

- Tight-slat roller-shutter (cửa cuốn lá bít với lá cửa được sắp xếp kín bảo đảm sự kín đáo)



- Lattice-slat roller shutter (cửa cuốn mắt cáo với lá cửa mở dạng mắt cáo tạo sự thoáng khí cho nhà)



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8) Which of the following roller-shutter materials that you prefer?(Loại vật liệu làm cửa cuốn nào mà bạn ưa thích?)

- Transparent crystal (lá cửa làm bằng pha lê trong suốt – thích hợp cho garage xe và cửa hàng)
- Taiwanese colored zinc-coated steel (tôn mạ màu Đài Loan)
- Stainless steel (thép không gỉ)

9) Which of the following types of roller-shutter do you prefer?(Loại cửa cuốn nào sau đây bạn thích hơn?)

- Manual roller-shutter (cửa cuốn đóng mở bằng tay)
- Automated roller-shutter (cửa cuốn đóng mở tự động)

10) Which kind of roller-shutter motors do you prefer?(Loại motor cửa cuốn nào mà bạn ưa thích?)

- Taiwanese motor with waterproof control box (motor có hộp chống nước của Đài Loan)



- German tube motor (motor ống của Đức)



- Taiwanese super-speed motor (motor siêu tốc của Đài Loan)



11) For safety reason, do you prefer using roller-shutters which can automatically pause when encountering obstacles?(Vì lý do an toàn, bạn có muốn sử dụng loại cửa cuốn có thể tự động dừng khi đụng chướng ngại vật hay không?)

- Yes - Có
- No - Không

12) Are you willing to pay more for the burglar alarm functionality of the roller-shutter?(Bạn có sẵn lòng chi thêm tiền để trang bị thêm chức năng chống trộm cho cửa cuốn của mình hay không?)

- Yes - Có
- No - Không

13) Which of the following colors do you prefer for your roller-shutter?(Bạn ưu thích màu cửa cuốn nào sau đây?)

- Coffee color (màu cà phê)
- Cream color (màu vàng kem)
- Turquoise color (màu xanh ngọc)
- Grey color (màu xám)
- White color (màu trắng)

14) What is the price range of roller-shutter that you can afford? (VND/m²)(Mức giá cửa cuốn nào là phù hợp với bạn? (VND/m²))

- 450,000 - 750,000
- 750,000 - 1000,000
- 1000,000 - 1,500,000
- 1,500,000- 3,200,000

15) What is the price range of motors that you can afford?
(VND/motor)(Mức giá mà bạn có thể trả để mua moteur cửa cuốn?)
(VND/moteur)

- 3,600,000 – 5,000,000
- 5000,000 – 7,000,000
- 7000,000 – 9,000,000
- 9,000,000 – 12,000,000
- 12,000,000 – 15,000,000
- 15,000,000 – 23,000,000

16) Do you think price is the most important factor to be considered when making buying decision?(Bạn có nghĩ rằng giá cả là một yếu tố rất quan trọng khi cân nhắc mua cửa cuốn?)

- Yes - Có
- No - Không

17) Are you price-sensitive? In other words, will you switch to another supplier who offers lower price?(Bạn có phải là người dễ bị tác động bởi giá cả? Nói cách khác, liệu bạn có sẵn lòng đổi nhà cung cấp cửa cuốn nếu được hưởng mức giá thấp hơn?)

- Yes - Có
- No - Không

18) If you want to buy roller-shutter, how do you search for suppliers?(Khi muốn mua cửa cuốn, bạn tìm nhà cung cấp bằng cách nào?)

- Google search (tìm kiếm trên Google)
- Facebook
- Newspaper advertisements (tìm quảng cáo trên báo)
- Word-of-mouth (nghe thông tin từ người khác)
- TV advertisements (quảng cáo trên TV)

19) When supplier is found, how do you contact the supplier? (Khi đã có thông tin về nhà cung cấp, thì bạn sẽ liên lạc họ bằng cách nào?)

- By phone
- Visiting supplier's outlet (đến tận cửa hàng)
- Via website or Facebook chat (liên lạc qua website hoặc Facebook)

20) Do you think a well-established company is more reliable than new entrants?(Bạn có nghĩ là một công ty cửa cuốn lâu năm trong ngành sẽ đáng tin cậy hơn các công ty mới?)

- Yes - Có
- No - Không

21) Do you expect a discount based on large purchase? (Bạn có muốn được giảm giá nếu mua hàng số lượng lớn)

- Yes - Có
- Không - No

22) In case that you think the roller-shutter supplier is charging you a price higher than expected, do you request explanations from the supplier's sales forces or representative? For example: explanation on manufacturing cost, transport costs, other technical reasons, etc.(Khi bạn nghĩ nhà cung cấp cửa cuốn đang tính một mức giá cao hơn mong đợi của bạn, thì bạn có yêu cầu một sự giải thích từ những người bán hàng hay không? Ví dụ: bạn có thể đòi giải thích về chi phí sản xuất của sản phẩm, chi phí vận chuyển, hoặc các lý do kỹ thuật khác?)

- Yes - Có
- No - Không

23) Do you want the roller-shutter supplier to provide free delivery service?(Bạn có muốn được nhà cung cấp cửa cuốn vận chuyển hàng miễn phí ?)

- Yes - Có
- No -Không

24) In terms of buying roller- shutter, which of the following options do you prefer?(Khi mua cửa cuốn, bạn thích lựa chọn nào sau đây hơn?)

- Buying directly from supplier (mua trực tiếp từ nhà cung cấp)
- Buying from an intermediary (mua thông qua đại lý trung gian với giá cao hơn)

25) When it comes to buying roller-shutter, who are the ones that influence your buying decision?

- None (không ai cả)
- Spouse (vợ/chồng)
- Other family members (các thành viên khác trong gia đình)
- Staff (nhân viên)
- Friends (bạn bè)