

A Study of Vietnam and its Marketing Implications

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Abstract

The paper addresses several marketing implications regarding the 4Ps of the marketing mix as they relate to the emerging market of Vietnam. The report is based on discussions and briefings on macro-environmental factors and business practices provided by senior management of various local and international businesses, U.S. officials, and faculty members from local and international universities in Vietnam. In addition the paper reviews the literature on marketing in Vietnam. The findings of this study together with those of previous studies provide relevant information to international marketers for developing appropriate marketing strategies for conducting business in Vietnam.

Keywords: Marketing, 4Ps, Vietnam.

Introduction

In the last twenty years, the world has become a smaller place and global markets are growing rapidly. New and improved infrastructure and technologies have made it easier for people to travel, buy, and sell anywhere in the world. Since last twenty years, global trade has grown faster than domestic markets, further accelerating the speed of globalization (Gillespie and Hennessey, 2011). The scope of globalization is reflected in technology, research, capital investment, production, marketing, distribution, and communication activities (Cateora et al., 2016). Globalization has also brought about changes in innovation and product development as companies take ideas and lessons from one country and apply them to other countries (Govindarajan and Trimble, 2012).

Cateora et al. (2016) are of the opinion that there are four major events that has shaped the growth of globalization that we experience today and these events will continue in the years to come. First, the fast growth of the World Trade Organization and regional free trade areas such as the North American Free Trade Area and the European Union. Second, the developing nations or emerging markets in Latin America, Asia, and Eastern Europe have opened up their markets based on a free market system. Third, influence of the internet, mobile phones, and other global media on the dissolution of national borders. And fourth, the cooperation among countries to use their resources mindfully to protect the global environment for future generations. Some of the countries like Argentina, Brazil, Mexico, China, South Korea, Poland, Turkey, India, and Vietnam are undergoing remarkable changes in their economies and are emerging as substantial markets (*Asia Pulse*, 2008).

These and other countries have an ever growing market and changing demand for goods and services (Cateora et al., 2016). It is estimated that by 2025 the annual consumption in the emerging markets will total \$30 trillion and contribute more than 70 percent of global GDP growth (Atsmon et al., 2012). And approximately 56 percent of global financial services consumption will come from emerging markets by 2025, up by 18 percent in 2010 (Kotler and Keller, 2016).

For companies wishing to be successful in their business endeavors in international markets it is imperative for their managers to pay attention to the environments of the countries in which they do business because environmental factors such as physical, economic, cultural, political, and legal vary from country to country.

These environmental differences in turn provide the basic requirements for making sound international product, price, place, and promotion strategies. The differences also provide how research methods can be used to understand the different international consumers (Cateora et al., 2016; Gillespie and Hennessey, 2011).

The aim of this study is to address several marketing implications relating to the 4Ps of the Marketing Mix namely product, price, place, and promotion to international managers for conducting business in the emerging market of Vietnam. These are based on information on macro-environmental factors and business practices of Vietnam obtained from a sample of fifty-four respondents in two major cities of Vietnam - Ho Chi Minh and Hanoi (referenced under *Vietnam Briefings*, 2012). Out of the fifty-four respondents, twenty-six senior managers (19 males and 7 females) were employed at eight multinational corporations (7 western and 1 from Far East) in Vietnam. Seventeen were senior managers (13 males and 4 females) working in four local Vietnamese companies. Three were U.S. (United States) officials (2 males and 1 female) from the U.S. Consulate. Four males were faculty members from the two U.S. Universities having branches in Vietnam. And four faculty members (3 males and 1 female) were from a local Vietnam University. Implications are also drawn from the published articles on Vietnam, and from the author's observations, and experiences during a visit to Vietnam as a part of the U.S. supported Faculty Development Program of a University. Despite the fact that Vietnam is considered an emerging economy, little has been written about the marketing implications of doing business in Vietnam for international companies. Although a few articles related to various aspects of marketing in Vietnam have appeared in the literature, these articles have not focused on the specific 4Ps of the Marketing Mix. The aim of this paper also is to bridge the gap. The findings of this study together with those of previous studies could provide relevant information to international marketers for developing the 4Ps of the Marketing Mix for the Vietnamese market and further expand on the stream of research on Vietnam.

2. Background on Vietnam:

Amongst the Asian countries, Vietnam is now considered an emerging economy with a relatively large population (93,421,835, July 2014 est.) and availability of cheap labor (*CIA-The World Factbook: Vietnam*, 2015; *Vietnam Briefings*, 2012; <http://vietnambusiness.asia>). The labor consists of nearly 47.37 million individuals with the greatest number of people engaged in agricultural activities. The labor force is growing by more than one million people every year and the government is working to create jobs to meet this challenge. The median age of the population is 29.2 years. 34.0 percent of the people are under the age of 14 years, the life expectancy is around 72.91 years, and the literacy rate is 93.4 percent (*CIA-The World Factbook: Vietnam*, 2015). Vietnam has abundant of labor and natural resources but it lacks the availability of capital and skilled labor. However, in recent years manufacturing is rising with relative decline in agriculture. The emphasis of the government is to shift the economy to more capital and skill intensive methods (*Vietnam Briefings*, 2012).

The liberalization of economic reforms, based on free market system, "doi moi" (renovation) by the Vietnamese government in 1986 has attracted foreign investment in the country (*CIA-The World Factbook: Vietnam*, 2015; *Vietnam Briefings*, 2012). Since last ten years, Vietnam has had a stable and high growth rate of 9 percent which has placed it as the second-highest growth economy in the Asia Pacific region after China (Ngo and O'Cass, 2009, 2011). Vietnam with a GDP of U.S. \$890 per head in 2008 is considered a 'middle-income country' (Ohno, 2009; Tran, 2012). The economic prosperity is mainly in urban areas (31% population) with major foreign players and investors. Three fourth of the population still lives in rural areas and many individuals migrate to urban areas (e.g., Ho Chi Minh City, Hanoi, the capital, Haiphong, and Da Nang) for better economic opportunities (*Vietnam Briefings*, 2012). The unemployment rate is 1.5 percent. Inflation rate is about 6.8 percent (*CIA-The World Factbook: Vietnam*, 2015). The population below the poverty line in Vietnam has fallen from 40 percent to 10.6 percent in the recent years (*Asian Development Bank*, 2011; *Vietnam Briefings*, 2012). Furthermore, its membership in to the World Trade Organization in 2007 has provided an opportunity for continued business investments and economic stimulus in the country (*CIA-The World Factbook: Vietnam*, 2015; *Vietnam Briefings*, 2012; <http://vietnambusiness.asia>). It is also an active member of ASEAN and has major trade alliances and bilateral treaties with the U.S. (Pickle and Van, 2009; *U.S. Department of State*, 2013), European Union, and Japan (*Vietnam Briefings*, 2012).

In Vietnam, the use of technology and machines are still in their infancy. However, businesses are given preferential treatment by the government to promote and incorporate technology.

Most corporations do not have sophisticated software programs but efforts are being made to boost the economy through improving technology along with investment in human capital, manufacturing, and urbanization. The internet is not readily available in rural areas but is commonly available in urban areas. A considerable effort is also made to modernize and expand the telecommunication system. Vietnam is a communist one-party state. The economy is predominantly dominated by State Owned Enterprises (SOEs) which contributes 40 percent of the GDP (*CIA-The World Factbook: Vietnam, 2015; Vietnam Briefings, 2012*). The privatization of the business sector is slow however in recent years it has shown signs of improvement (*Vietnam Briefings, 2012*). The country follows a Civil Law system based on the European style civil law (*CIA-The World Factbook: Vietnam, 2015; Vietnam Briefings, 2012*). In general the legal framework for doing business is not well developed. A few of the international law firms are partnering with local firms to enhance and improve the legal system (*Vietnam Briefings, 2012*).

Vietnamese are humble, gentle, and friendly people. They respect those who respect them. Children must respect their parents, elders, and teachers. They value marital fidelity, generosity, and hard work. They despise laziness, selfishness, and disloyalty. Vietnamese have a deep sense of national pride since they had to struggle for independence from Chinese and French dominations and had to fight civil wars including a war with the U.S. In general, they have a positive attitude towards life and are willing to sacrifice personal freedom for economic prosperity. Young people are not eager to join the Communist Party but show tolerance towards it. Their focus in life is on the future and to strive for good education and occupation to improve not only their lives but also the lives of future generations. People want their children to be educated. They want to send at least one child abroad to study, work, and send money home. Due to this trend especially in the urban areas the middle class is growing and they have money to spend (*Vietnam Briefings, 2012*). This discussion supports the findings of several research studies which have found that Vietnam is low on individualism, high on power distance, medium to high on uncertainty avoidance, and moderate to high on masculinity scores (e.g., Berrell and Hoa, 1998; Berrell et al., 1999; Haley and Tan, 1999; Hofstede, 1980; Hofstede and Hofstede, 2005; Lowe and Corkindale, 1998; Quang et al., 1998; Swierczek and Hirsch, 1994).

3. Marketing Literature on Vietnam:

A study by Hau and Ngo (2012) found that among the key components of relationship marketing orientation (RMO) trust, bonding, shared value, and reciprocity had a positive influence on customer satisfaction. Components like communication and empathy did not have an impact. Moreover, trust and bonding are better than shared value and reciprocity in satisfying customers (Pickle and Van, 2009). In Vietnam intellectual property rights are not enforced and it is common to find copyrights, patents, brand names, trademarks, and trade secrets being stolen (Perri and Chu, 2012). In the absence of proper rules and regulations governing intellectual property and copyright laws, many firms are reluctant in making the first move to show their creative ideas and products due to the fear of being duplicated or imitated by the competitors (Huong, 2011).

Supply-chain management is in the early stage of development (Dinh, 2011). Vietnam ranks relatively low on 'value-chain breadth' compared to its other South Eastern neighbors (Schwab, 2011). Several professional institutions and journals have been set up to help local companies in developing integrated supply-chain networks (Dinh, 2011; Vo, 2011). A study (Nguyen and Nguyen, 2011) of Vietnamese consumers sampled found that perceived quality of brands was an important determinant in building good brand relationship with consumers and this quality relationship should be emphasized by managers in their advertising and public relations programs - the traditional marketing mix elements.

Before the economic reforms were enacted, most Vietnamese firms did not recognize the importance of brands and branding. It was a common practice amongst firms to follow unbranded practice or the use the company's name as a brand to distinguish one product from others. However when the government opened its economy, multinational companies entered Vietnam and started launching and promoting international brands. This resulted in shifting Vietnamese consumers' shopping habits from buying products to buying brands. Also this, trend encouraged Vietnamese firms to adopt branding practices, which resulted in the launching of several local brands such as Miss Saigon (perfume) and Yomilk (yogurt) (Nguyen et al., 2008). Pickle and Van (2009) found that there are differences between Vietnamese and American students regarding how they feel about negotiations before they negotiate to buy items. Their findings suggest that Vietnamese sampled agree that there are winners and losers in negotiations, the Americans on the other hand think more about win-win outcomes.

Both Vietnamese and Americans think that they are effective negotiators and purchasers. Both agree that their cultures influence their negotiation style and disagree that men are better negotiators. Based on the findings the authors concluded that a culture like Vietnam that ranks high on culture context and collectivist indexes, negotiations in that country is then based on developing long lasting relationships with appropriate business personnel. Hence the authors propose that companies doing business in Vietnam should provide training to their marketing managers to improve their negotiating skills.

Based on the findings by Ackerman and Tellis (2001) study, Pickle and Van (2009) are also of the opinion that Vietnam being a collectivist society and high on uncertainty avoidance index, Vietnamese shoppers would be more likely to be value customers who are price conscious and are willing to spend more time in searching alternatives for negotiating the best deal. Since most retail stores allow bargaining, when setting price for this market, the set prices should be realistic and retailers end up making small margins of profits and therefore change their prices daily. Vietnam marketers when negotiating with its consumers should focus on stressing the symbolic meanings of goods rather than reductions on prices.

Using a sample of Vietnamese managers by Farley et al. (2008) indicated that several types of metrics were used to monitor market performance in terms of new product, customer, channel, branding, and advertising. Metric use increases new product launches and the percent of products that are successful. The new product metric use helps performance but it is likely to occur when performance is stifled by competition. Metric user has higher level of satisfaction and greater customer loyalty especially among new customers. The use of brand metrics relates positively to brand recognition and channel satisfaction. The use of advertising metrics had no relationship to building advertising awareness. The use of metrics depended upon the type of ownership, firm size, and nature of the industry

Khanh and Hau (2007) found that consumer preferences for advertising appeals used in mobile phones reflect the Vietnamese culture in power distance, masculinity, and uncertainty avoidance. The most favored were the achievement appeals followed by independence, risk aversion, conformity, and power appeals. In general collectivism and emotions appeals were less preferred to individual and rational appeals respectively. Differences between gender, age, and price segments were also found. Women subjects preferred more emotional appeals while men preferred a more rational approach. The older and respondents from both low-end and mid-end segments preferred rational appeals to emotional appeals while this effect was not statistically significant for the younger consumers and high-end segment. According to Huff and Alden (1998) Vietnam is a high power distance society, in such a society use of coupons may not be an effective strategy to encourage Vietnamese to buy products since such an act may reflect embarrassment or 'loosing face'.

Marketing researchers have found that Vietnamese are willing to participate in focus groups. Participation rates can vary between 35 and 50 percent. Like other communist regimes it restricts what can be asked in these groups and bans topics considered to be too sensitive. Secondary data on macro indicators seems to be available. Western researchers have found that the Vietnamese tend to be very literal in their understanding of ideas. For example, if a company asks for an opinion on a new package design concept, the consumers may say that because they have never seen it before, they cannot give their opinion. Instead researchers could explain that the new packaging is available in other countries and what consumers think of it (James, 2002). A study by Deshpande and Farley (1999a) found that the Vietnamese firms which were more entrepreneurial, market-oriented, and innovative performed better than those that were not. The same authors in their other study found: presence of a very high of bureaucracy; very low consensual culture and competitive corporate culture; and both market performance and innovativeness were on average in Vietnam than compared to China (Deshpande and Farley, 1999b).

4. Marketing Implications - 4Ps of the Marketing Mix:

This section addresses several marketing implications regarding the 4Ps of the Marketing Mix to international managers wishing to do business in Vietnam. These suggestions are drawn from discussions and briefing provided by senior management of various local and international businesses, faculty members of local and international universities on macro-environmental factors and business practices, published articles discussed in the earlier section, and also on present author's observations and experiences during a visit to Vietnam as a part of a Faculty Development Program of a University. Exhibit-1 provides a list of suggestions and implications as they relate to the discussion that follows in this section.

4.1 Product and Price Considerations: Since the climatic conditions vary between North and South product contents should withstand these varying climatic conditions. For example, Nestle in Vietnam uses paraffin in their chocolate products to maintain quality of the product due to extreme variations in temperatures. Most people even in the urban areas in Vietnam do not have refrigerators hence physical products in general must contain ingredients to reduce spoilage and maintain product quality. Product should be designed based on how they are used. For example, a car is a status symbol in Vietnam; it is not a major mode of transportation for a majority of the population. Few individuals own cars, but most urban families have at least one or two motor bikes which are the major mode of personal transportation. Bicycles and public buses also serve as major modes of transportation for the general population while rickshaws are common in the rural areas. Metric System of measurement standard is used and the electrical current standard is 211 volt. A broker at a lending institution visited indicated that it is important for a company to be the first mover in new product development and be different in offering services to customers based on their needs.

Product designs and packaging have to be small in size because a majority of the Vietnamese live in small size houses and have limited income. People buy basic necessities in small quantities on a daily basis from small retailers, pop and mom stores, peddlers, and roadside stands. While calculating product pricing macro-environmental indicators must be taken into account so that average Vietnamese people can afford to buy products. Economic prosperity is mainly observed in the urban areas. Interest rates are high and credit is not readily available. These factors make investments expensive, put pressure on small and medium size businesses and make products expensive for common people. However, it should also be kept in mind that in most Asian countries global brands are able to charge a premium price since they are perceived to reflect quality products. Since Vietnamese consumers are value conscious shoppers, willing to spend time, and like to negotiate and bargain for the best price a flexible pricing policy is commonly used. It is important to focus on building good brand relationships with consumers. People in Vietnam buy most products with cash rather than credit cards. Liberal return policies like that of the U.S. are difficult to implement in Vietnam due to the nature of its distribution system. Product warranties, guarantees, and after-sale-services should be considered carefully due to a weak legal system.

Colors such as red and yellow are good to use on packaging and products since red symbolize power and yellow stands for color of the Vietnamese people. Symbols such as a star is shown in promotion and packaging since it symbolizes unity of the nation, the north and the south after the civil war. Also symbols such as sickle and hammer are included to represent skilled workers, farmers, and the communist regime. Turtles are considered as signs of longevity and are also used in artifacts.

Vietnamese is the dominant and official language spoken by an estimated 86.7 percent of the population, written in English letters with no “f” and “w” sounds and have an “o” or a “hat” on their alphabets. Six is pronounced as “sic” especially in the rural areas. Linguistic experts suggest that there are approximately 85 other languages spoken in Vietnam. Dialectical differences often serve as important symbols of regional identity in social life. Hence care should be taken of these language nuances in developing brand names, labeling, and in promotional strategies. English is the most favored second language and is taught in schools throughout the country. Most residents are bilingual and know either English, French, Chinese and/or Khmer. Popular global brands appear on packaging in English and in some cases also in the Vietnamese language. Labeling is in the native language in most cases.

Global brands do face competition coming from domestic manufacturers and substitutes. For example, pharmaceutical companies may face competition from herbal and home-made remedies since the medical system lacks modern equipment and medicine both in rural and urban areas. People grow herbs and use local raw materials to make medicines. In general the laws governing the 4Ps of the Marketing Mix are virtually non-existent hence trade-mark violations, brand counterfeiting, and smuggling of products are not uncommon. It would be a good strategy to work with local and international lawyers to mitigate some of the violations.

It was observed that product safety rules and conditions were not present. For example, people on motor bikes did not wear head helmets and even if they were wearing them they were made of poor quality and did not protect them from head injuries that are very common. It was also observed that product safety and work place conditions at several sites visited particularly at the SOEs were not very safe. For example, the safety conditions in a brick factory were virtually non-existent. One work place did not have proper ventilation and workers were spraying chemicals on products. Workers were seen hanging on ropes while working on the high rise buildings.

They did not have platforms for support or cranes to lift them. An entire coal mining town was covered with black tar and the atmosphere looked hazy due to presence of air pollution. It was not uncommon to find close proximity between people and their livestock such as chicken, ducks in market places. A few non-governmental organizations (NGOs) are making in-roads to improve the lives of Vietnamese in general.

4.2 Place and Distribution Considerations: Marketing support systems like distribution are not clearly defined since the distribution system is fragmented by small retailers, hawkers, and peddlers. Many urban Vietnamese desire to be traders or business men. This is reflected in numerous amounts of small stores found in urban areas. Due to physical space constraints and cultural attitudes of people, retailers carry limited and cluttered scrambled merchandise. Hawkers and peddlers are found selling on the streets and some even displaying their products on the ground on sidewalks. It is common to find retail stores below the apartments where some of the retailers' lived. Small eating stalls are popular where food is prepared and served to people who sit on plastic stools and eat. It is interesting to see a whole line of barbers setting up their shops on sidewalks with small mirror resting against the walls, small plastic stools, and tools. Boutiques selling bridal gowns and enclosed markets selling merchandise are also seen. Particular areas in urban cities house competing retail stores. For example, one street has only shoe stores, another has all furniture stores. These stores seem to have little traffic inside them. In most cases, more women than men are seen running the retail stores. Often they are seen sitting on the floor of their shops due to a lack of physical space.

People in Vietnam buy small quantities of merchandise and carry them on their motorbikes, the major modes of personal transportation. The shopping times vary depending upon the nature and types of retailers. Most shops remain open till 7: 00 p.m. and remain close for two hours during noon while others are open late till 9 p.m. Hawkers stay on the streets till late night. On an average Vietnamese people do not move from one place to another very easily (except in case of urban migration). Hence they could patronize the same retail stores and thereby can develop store loyalty and establish personal friendship with owners. In general small retail stores offer convenience, credit, and even home-delivery to their customers. A few malls are found in urban areas indicating that modern retailing is beginning to take place in Vietnam.

International marketers can make use of the available five basic modes of transportation. However, Vietnam lacks modern freeways, seaports, and airports. Trucks are used as a major mode of transportation on major highways which are congested. The two major rivers, the Mekong River and Red River seem to provide a good means of water transportation. The Ho-chi-Minh city has a good number of sea ports but they are not well connected to roads and they lay idle in some cases. Railroad is also present but at some places it is not completed due to lacking of funding by the government hence caution has to be taken when using this mode of transportation. Since the use of technology even in the urban areas is in its infancy, some of the components of physical distribution like the computer based inventory management system, order processing and technologies used for material handling could be slow in implementation.

4.3 Promotion: Advertising campaigns in Vietnam reflect the Vietnamese cultural norms and economic progress. For example, in magazine advertisements, family members and friends are seen together enjoying popular global brands, high rise modern apartment buildings, hotels, golf courses, gourmet coffee, cars, cameras, holiday resort areas are advertised. Television and Outdoor advertising are popular media in both urban and rural areas and are used effectively with good visual impact. Although television is restricted to a few local channels, which are mostly sports oriented, and in Vietnamese language, some international channels like CNN, BBC, Africa Business, Animal Channel are broadcast. In general it is good to reach the Vietnamese population in their own language. However, for urban populations where most youngsters can speak and read English, English is often used. For instance in Ho Minh City, a television commercial for Colgate toothpaste in English showed a young Vietnamese female advised by a Vietnamese dentist the benefits of brushing with this brand.

The advertisements of Esso, Turkish Airlines, Colgate, Kia, Rolex watches, Korean Airlines appearing on the CNN channel were in English. Anti-slavery advertisements also were broadcast in English. Advertisements also focus on product quality and building good brand names. The Vietnamese government controls all broadcast and print media. Therefore it is important to follow advertising regulations and media censorship rules. Internet usage is growing in the urban areas and is subjected to censorship by the government. Although, both international and domestic advertising agencies are not fully developed, it can be beneficial for international marketers to develop good relationships with local advertising agencies.

Sales promotional incentives are offered especially during major holidays. For example that occurs during the Vietnamese Lunar New Year in late January or early February when people tend to increase their shopping activities. Offering certain sales promotions are not very popular like quantity discounts since people make small purchases. So are coupons and mail-in-rebates since the distribution system is fragmented with small retailers and street peddlers. The use of coupons is also perceived as “losing face” in the Vietnamese culture. Having face is synonymous with prestige and is very important to the Vietnamese people.

Regarding personal selling it is important to keep in mind that at the work place and during sales negotiations and meetings the general etiquettes of culture, gestures, dress, and food are observed. One has to be polite, patient, cordial, and on time. For example, at the stock exchange people were cool and calm and there was no shouting or chaos. One must know how to address older and younger people and must not call either of them by their first names. Most youngsters in the urban areas speak and read English hence English is used. While introducing one-self the practice of giving business cards with two hands with a slight bowing of the head, and standing at a distance of three feet should be followed. Educated females work in both domestic and international companies along with their male counterparts. At the work place, one should not make off color jokes, avoid discussing sensitive issues like politics, men should not flirt with women, and both men and women should be dressed professionally. It is important to know who the boss is. Employees have to listen to seniors and managers for final decisions. It is imperative to develop personal long lasting relationships with co-workers and appropriate business personnel.

Since the legal system dealing with management issues in Vietnam is weak, nepotism and favoritism is present in personnel hiring and firing practices. Since the education system does not provide good opportunities to develop human skills, management can face difficulties in finding and hiring right people with skill and talents in which case it will have to provide good training and retraining programs for its employees. Some Business schools are offering MBA Executive Programs to develop human capital. Some of the business groups are hiring global consulting firms such as BCG, McKinsey for strategy formulations, and are also adopting strategy management tools.

With regards to Marketing Research, researchers have to keep in mind that they have to take the permission of the country’s communist regime to conduct research including which methodology is to be used and what can and cannot be asked while collecting data. Focus groups are used by international marketers in Vietnam. International marketers can explore the possibility of using ethnographic research to gain in-depth understanding of Vietnamese cultural values and how they live and work. Secondary data on macro indicators are available and are used in research projects.

5. Conclusion:

While interpreting the results of the study, some of its limitations should be recognized. The study sample size is small. Only two major cities of Vietnam are considered. The study did not use a structured questionnaire and no hypotheses are developed and tested. It is qualitative in nature and the findings reflect the briefings, discussions, observations, and experiences with the managers of the local and international companies visited, local and international faculty members, and U.S. officials. In the present study, the marketing implications addressed regarding the 4ps of the Marketing Mix (product, price, place, and promotion) imply that marketing and business practices in Vietnam are influenced by several macro-environmental factors such as physical, infrastructure, technological, media, economic, demographic, technological, social/cultural, political, and legal factors as shown in Exhibit-1. They also lend support to the findings of the studies on marketing in Vietnam.

In essence, international marketers, to be successful in Vietnam, must be knowledgeable about the macro-environmental factors of Vietnam and its business practices. Such knowledge is useful in the development of appropriate marketing mix strategies for the Vietnam market. Vietnam market offers both opportunities and challenges to international marketers. Vietnam is emerging as a major market with its growing economy, availability of cheap and abundant supply of labor force, and growing middle class. Although, there is a high intervention by government in developmental policies, the government is stable and pragmatic. Its economic liberalization and structural policies have allowed and encouraged foreign companies and investors to invest in the country in order to modernize the country and produce more competition driven export industries.

Efforts are also made by the government to restructure the financial and banking systems and SOEs. Other measures include supporting technology, investment in human capital and natural resources, expanding manufacturing, urbanization, and strengthening international integration. In addition, it has come up with tight flexible monetary and fiscal policies to curb inflation, maintain economic growth, improve standard of living, and improving quality, efficiency, and competitiveness of the economy (CIA-The World Factbook: Vietnam, 2015; Vietnam Briefings, 2012). All the measures mentioned provide more opportunities than challenges for international companies in a competitive global environment to conduct business in Vietnam.

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- A major portion of the discussion is also based on the author's observations and experiences during the visit to Vietnam in 2012.
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Exhibit -1**Marketing Observations and Suggestions Based on Briefings**

- Physical product contents and quality withstand varying temperatures.
- Products designed on how they are used by consumers.
- Adaptation of electrical and measurement systems.
- Product designs and packages smaller in sizes.
- Reflections of macro-environmental indicators in product pricing.
- Value conscious shoppers willing to spend time and search for best price.
- Flexible pricing policy based on bargaining and negotiations by consumers.
- Use of more cash than credit cards.
- Weak product safety rules, warranty, after-sales-services, and return policies.
- Appropriate use of colors, symbols, languages in packaging, branding, and advertisements.
- Importance of product quality and building positive brand names.
- Expect product trade mark violations, brand counterfeiting, and smuggling.
- Distribution system dominated by small retailers, hawkers, and peddlers.
- Line-up of small retailer on streets in urban and rural areas.
- Limited scrambled merchandise carried by retailers due to physical constraints and cultural attitudes.
- Consumers develop store loyalty and personal relationships with owners.
- Small quantities of products bought on frequent basis.
- Purchases primarily carried on motor bikes.
- Particular areas in urban areas house competing retail stores.
- Infrastructure lacks modernity.
- Five basic modes of transportation available.
- Use of technology limited in some components of physical distribution.
- Advertising reflect Vietnamese cultural norms and economic progress.
- Portrayal of both men and women in positive roles in advertisements.
- All available media controlled by government.
- Television and Outdoor popular media in urban and rural areas.
- Certain sales promotion tactics may or may not work due to cultural values.
- General etiquettes of culture, gestures, dress, and food observed at work place and meetings.
- Training and retraining of sales personnel important.
- Important to know who is the boss? Employees listen to superiors.
- Important to develop long lasting personal relationships with co-workers and appropriate personnel.
- Work place consists of both males and females.
- Work place conditions not very safe.
- Nepotism and favoritism present in hiring and firing of sales personnel.
- Use of research methodologies such as focus groups and ethnography. Use of secondary data available for research.