



LAHDEN AMMATTIKORKEAKOULU
Lahti University of Applied Sciences

B2B STRATEGY MAKING AND PLANNING

Case: DATNAM Technologies and Trading Company, Ltd.

LAHTI UNIVERSITY OF APPLIED
SCIENCES

Degree programme in
International Business

Thesis

Spring 2013

Hoang Hong Tu

Lahti University of Applied Sciences
Degree Programme in International Business

HOANG, HONG TU: B2B Strategy Making and Planning
Case: Datnam Technologies and Trading Company, Ltd.

Bachelor's Thesis of Degree Program in International Business, 64 pages, 4 pages
of appendices

Spring 2013

ABSTRACT

There is an increasing demand for safety and security equipment market in Vietnam thanks to the encouragement of the government and the growing concentration on working condition improvement. Therefore the Case Company Datnam Technology and Trading Company, Ltd., a successful SME in Vietnam, realized the rising demand in B2B market and assigned the author to do research about this topic.

The purpose of the study is to assist the company to launch the breath alcohol tester (BAT) product FC20 in B2B market. In order to achieve this goal, a situational analysis was conducted, which covered all factors in internal and external environment. Then the target customers were visualized with positioning of the Case Company. Last efficient strategies were suggested to strengthen the introduction of the new product as well as create the best customer-values.

The theoretical part covered all the analysis methods and marketing concepts available in the study. The data were collected from many sources such as published or electronic books or articles. The interviews with the company and potential customers were also included as a research part.

The empirical part showed how the theories were applied in practice. The result supported the entrance of the Case Company into B2B market with competitive advantage of differentiation. It is also recommended that the company should do more research for further reference to support the success of becoming a market leader in the targeted market in the future.

Key words: breath alcohol tester, marketing strategy, customer value, business buyer.

LIST OF FIGURES

FIGURE 1. Research questions	4
FIGURE 2. Research Methodology	4
FIGURE 3. Deductive approach model	5
FIGURE 4. Theoretical framework	6
FIGURE 5. Thesis structure	8
FIGURE 6. Strategic planning process	13
FIGURE 7. Porter's Five Forces (Jones & Hill, 2010, 43)	16
FIGURE 8. SWOT Analysis (Armstrong & Kotler 2013, 83)	19
FIGURE 9. Customer-driven marketing strategy (Armstrong & Kotler 2010, 216)	20
FIGURE 10. Porter Generic Strategies (Porter, 1985)	21
FIGURE 11. Marketing mix (Armstrong & Kotler, 2013, 81)	23
FIGURE 12. Location of Vietnam	25
FIGURE13. Lifeloc FC20 compared to other BAT products (Datnam 2012)	32
FIGURE14. Datnam company structure	40
FIGURE 15. SWOT Analysis of the Case Company	41
FIGURE 16. Lifeloc FC20 Kit sold in Vietnam market (Lifeloc Ltd. 2013)	42
FIGURE 17. Current Positioning map of FC20 in B2G market	47
FIGURE 18. FC20's value proposition	48

FIGURE 19. Considerations in setting price (Kotler 2010, 315)	53
FIGURE 20. Distribution of FC20 by personal selling	55
FIGURE 21. Further research	59

LIST OF TABLES

TABLE 1. PEST Analysis (Analoui & Karami 2003, 76)	14
TABLE 2. Competitor analysis	17
TABLE 3. Competitor decision matrix	18
TABLE 4. Vietnamese general information (CIA 2013)	27
TABLE 5. Vietnamese economy's figures in 2012 (CIA 2013)	29
TABLE 6. SSE industry statistics (US Commercial Service – Vietnam, 2012)	32
TABLE 7. Competitor Analysis (Datnam's data, 2012)	36
TABLE 8. Competitor Decision Matrix	37
TABLE 9. Datnam's information	39
TABLE 10. Target segment for FC20	46
TABLE 11. Quantity discount	54
TABLE 12. Summary of the findings	58

GLOSSARY

ASEAN	Association of South East Asian Nations
B2B	Business to Business
B2C	Business to Consumer
B2G	Business to Government
BAT	Breath Alcohol Tester
DSMQ	Directorate for Standards, Metrology and Quality
FDI	Foreign Direct Investment
GDP	Gross Domestic Product
HCMC	Ho Chi Minh City
MoIT	Ministry of Industry and Trade of Vietnam
MoLISA	Ministry of Labor, Invalids and Social Affairs of Vietnam
MoT	Ministry of Transport
SME	Small and Medium Enterprises
SSE	Safety and Security Equipment
VND	Vietnam dong, Vietnamese currency
WTO	World Trade Organization

1 INTRODUCTION

The first chapter starts with the background information to introduce the topic as well as the reasons for conducting the thesis. In addition to the objectives and the list of research questions, the theoretical framework and the thesis structure are also included to illustrate an overview for the whole thesis.

1.1 Background

The safety and security equipment market is currently becoming more and more attractive in Vietnam when many companies tend to invest in their own human resource, which results from external supporting factors within the country as well as the internal supporting factors derived from the companies.

Since becoming a member of the WTO in 2007, Vietnam, with the GDP growth rate of 5.1% in 2012 (CIA 2013), has been considered one of the top countries in Asia having the highest rate of Foreign Direct Investment (FDI), and have attracted foreign investment not only in commercial but also in technological issues. Together with the rapid development of the domestic economy, there are more and more international companies as well as individual enterpreuships established in Vietnam. In order to strengthen their position in their targeted market, besides concentrating on their customers' satisfaction and values, many companies have also been focusing on their human resource, which plays a vital role in the organizational development. According to the Ministry of Industry and Trade of Vietnam (MoIT) in Parliamentary Session 2012, although profitability and customers' satisfaction were the most important elements in any organization's business strategies former years ago, more and more companies are currently investing in developing their workforce with better training programs, working conditions, salary and benefits (Baomoi 2013).

When mentioning about working condition, in common with the rapid innovation and high demand of technology and living standard, there is a high demand of workers in many industrial business organizations. Regardless their important role, they have to work in dangerous and highly risk environment such as construction, electricity, producing factory, etc with poor working conditions

which are reasons for many workplace injuries and accidents occurred. According to an annual report from Ministry of Labor, Invalids and Social Affairs of Vietnam (MoLISA) (2012), the number of occupational injuries in the year 2012 is 3,060, in which more than 250 people were killed. Moreover, as mentioned in the report, alcohol is one of the main reasons causing workplace injuries, especially in the field of the heavy industry (MoLISA 2012). Therefore safety and security are the most important factors to be concerned to protect workers from accidents occurring during the manufacturing and working process. This is also the reason for some companies such as the Case Company, Datnam, intends to invest into Safety and Security Equipment (SSE) industry with a Breath Alcohol Tester (BAT) device called FC20. The product is used to detect alcohol level in breaths of workers before starting their work in order to prevent them from injuries or accidents due to effects of alcohol.

Furthermore, having done her internship in Datnam Technology and Trading Ltd., one of the top companies specializing in supplying safety and security equipments for the government and demanding individuals, the author found out that it is potential for Datnam to expand their B2B (business-to-business) market with the product FC20, an alcohol breath tester. Being successful in B2G (business to government) market with the product, it is believed that with the high demand in safety and security equipment industry, the product will bring not only the profitability and reputation to Datnam but also the best value to their customers.

Last but not least, this thesis is conducted to assist the Case Company, Datnam, to identify their target customers as well as to alternate the best strategies for introducing their Breath Alcohol Tester product, FC20, into the new B2B market.

1.2 Thesis objectives and research questions

The primary objective of the thesis is to prove that it is potential for the Case Company, Datnam Ltd., to launch the product FC20 in B2B market. Moreover the secondary objective is to suggest an effective marketing plan for introducing and developing the product in its market as well as create values for its customers.

As a consequence, the research questions and the supporting questions are shown in the following figure.



FIGURE 1. Research questions

The content of the study is in the order of the questions and the sub-questions with the aim to answer them all reasonably with practical information. The detailed discussion will be in the following chapters.

1.3 Research methodology

Below figure is an overview of the study's methodology:

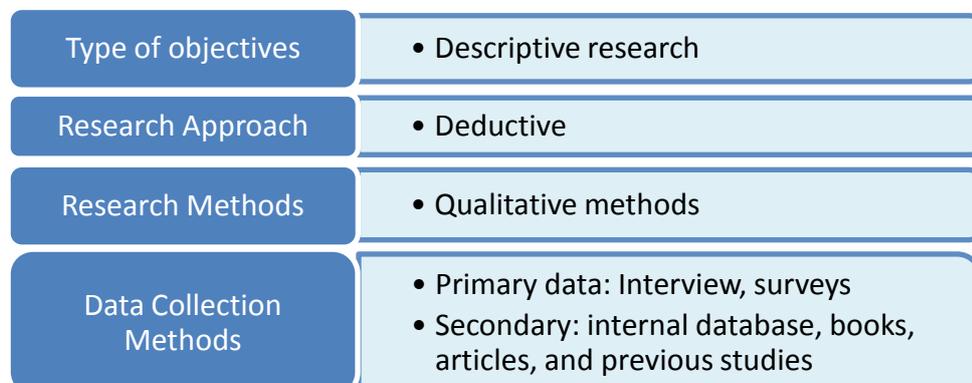


FIGURE 2. Research Methodology

Marketing research, known as a systematic collection and analysis of data, provides customer and market insights for specific marketing situations and decisions (Armstrong & Kotler 2010, 129). Basically, there are three types of research objectives: exploratory research, descriptive research, and causal research. Because the aim of the study is to prove the market potential for the new product, descriptive research is used to better describe marketing factors relevant to the Case Company's objectives.

According to Burney (2008), there are two main methods of reasoning, which are defined as deductive and inductive approaches. He stated that the first approach is to work from the general concepts to the more specific things; and the later one, however, moves from the specific observations to broader generalizations and theories (Dr Burney 2008). After considering the nature of the Case study, the author selected deductive research approach, which is illustrated in Figure 3.



FIGURE 3. Deductive approach model

About the research method, a qualitative method is used to achieve the practical information. As one type of qualitative methods which focuses on insight ideas, interview was conducted by the author with relevant and important interviewees such as the director of Datnam, the Case Company, the sales manager of Datnam, two managers of the potential customer companies. Due to geographic distance, most of the interviews were phone interviews. About the interview structure, there are three types: highly structured, semistructured and unstructured (Merriam 2009). The author selected the semistructured interview for the qualitative study. The *semistructured interview* includes a mix of more and less structured interview questions, in which all of them are flexible and usually require specific data from respondents (Merriam 2009).

Last but not least, to have adequate information for the analysis, it is essential to collect the data from various sources. In the theoretical part, most of the data sources come from secondary sources such as books, lectures, articles, etc. with the author's personal reasoning to build up the framework for the study. Then in the empirical part, data was collected and classified from both primary sources (surveys and interviews) and secondary sources (company's database, newspapers, previous studies, etc.)

1.4 Theoretical framework

The theoretical part of the thesis will provide general concepts and definitions needed to establish and develop an efficient and effective strategy for the Case Company. To make it easy to follow, in addition to the Strategic planning process used as the main structure for the whole study, the theoretical part is divided into two smaller parts: analysis tools and recommended strategies (Figure 4).

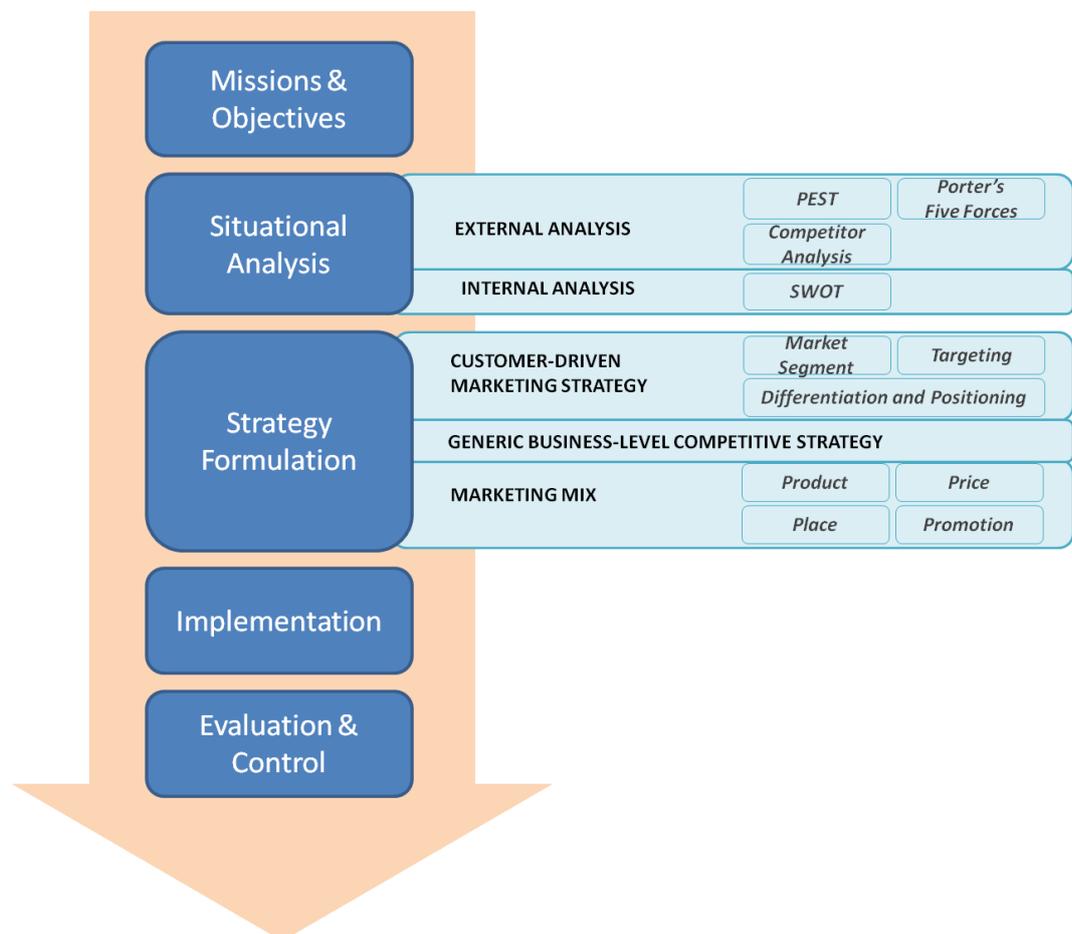


FIGURE 4. Theoretical framework

First of all, it is usually said that a market analysis is considered to be a vital part in an organization's marketing process. To understand the market place as well as the customers' needs and wants, it is obligatory for the marketers to understand the internal and external environment, where the marketing operates (Kotler 2010, 88). The external analysis gives the overall view of the macro-environment, which PEST is used to identify affecting factors within the country; and micro environment, which Porter's five forces is used to identify attractiveness in the industry. Moreover, competitor analysis is discussed to complete the overall picture of the external marketing environment that the Case Company is operating. Next SWOT is used in internal analysis part, which assists the company to determine its pros and cons not only to face against the environment's changes but also position and differentiate itself in the market competition.

Then following is the strategy part, which provides basic knowledge about the marketing strategies used in this study, includes:

Customer-driven marketing strategy, including Market segment, Targeting, Differentiation and Positioning, is used to identify and creating value for target customers.

Generic business-level competitive strategy is used to select the right strategy for the Case Company to follow.

Marketing mix, or the four Ps, is a tactical marketing tool for the company to create marketing activities to response to its market.

Due to the limitation and the concentration of the thesis, the author will discuss the basic, important and necessary knowledge in each theoretical part.

1.5 Thesis structure

Below is the figure demonstrating the thesis structure

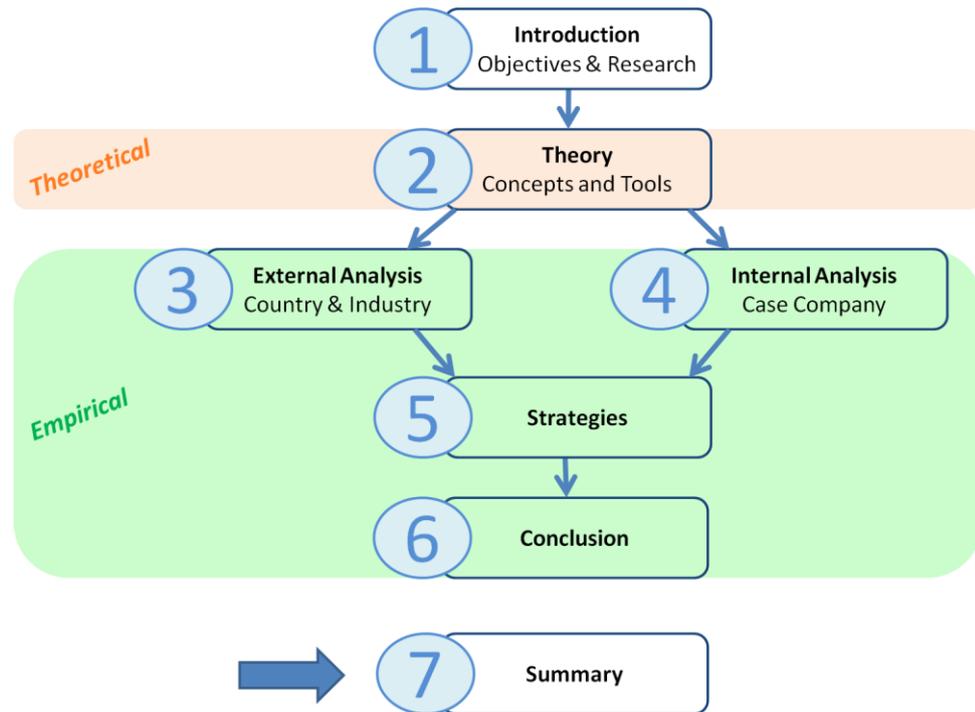


FIGURE 5. Thesis structure

Basically, with the aim to assist the Case Company, Datnam, to launch an effective marketing plan for the Breath Alcohol Tester product, FC20, in the B2B market in Vietnam, the author has come up with the research questions, making theoretical review, doing research in both internal and external environment, then suggesting promising marketing strategies and an action plan. All the results were presented in the thesis, which is divided into seven chapters consequently. In addition to the theoretical concentration in Chapter 2, the content from Chapter 3 to Chapter 5 focuses on the empirical studies.

Firstly, the Chapter 1 gives the readers the general introduction about the thesis including the reasons for the author to conduct this topic, the objectives to achieve, the research questions and methods as well as the overall view of the thesis' content. Then all the literatural materials needed to build up the theoretical part, consisting of marketing concepts, recommended strategies and analysis tools, are discussed in the Chapter 2. Thanks to the previous theories, the market analysis focusing on customers' value, which is conducted in both external and internal environment by doing secondary research as well as survey and interview, was mentioned in Chapter 3 and Chapter 4 respectively. Later, Chapter 5 is aimed

to explain how the Case Company will apply three strategies including Customer-driven strategy, Porter's generic strategy, and Marketing mix in practice to solve the research questions. A final conclusion as the answers for the primary research questions and objective is given in Chapter 6. Last but not least, Chapter 7 is a summary for the whole thesis.

2 MARKETING CONCEPTS AND ANALYSIS TOOLS

Chapter 2 provides the readers with the theoretical knowledge of all the analysis tools and concepts used in the whole study. Firstly, it is a definition about business market. Then as it is said in theoretical framework in Chapter 1, this chapter is divided into two sections: analysis and strategies. The first section discusses about analysis tools used for external and internal analyses. The next ones are basic definitions and models of three suggested strategies for the Case Company.

2.1 Characteristics of business market

In the case of this study, the final customers are not an individuals but companies, which are called business buyers. They purchase products for their own business operating. Although the business market and the consumer market have some similarities in selling and buying to fulfill the needs, it is obvious that the business market is more enormous and requires more business decisions than in consumer market. According to Kotler (Kotler 2010, 193), there are differences in three issues: market structure, nature of the buying unit and types of decisions, and the decision process. Firstly, although there is not much buyers in the business market compared to the consumer market, but they account for larger amount of purchases. Many business markets have more inelastic and more fluctuating demands, because their demand is not dependent on changes in price and tends to change rapidly to satisfy their needs in operating and manufacturing. In the side of nature of the buying unit, the more complex the purchase is, the more buyers and professional purchasing effort there is. Lastly, due to the business to business situation which requires more communication, documents, and buying process stages, the business market consists of more complex buying decisions, needs formalizing, and tends to build close long-term relationships between the sellers and the buyers (Kotler & Armstrong 2010, 193).

Talking about the relationships between the sellers and the buyers, there are three types of buying situations: straight rebuy, modified rebuy, and new task.

- **Straight rebuy:** There is already a close relationship between the sellers and the buyers, in which the buyers are confident enough to reorder products from the seller without any modifications
- **Modified rebuy:** This situation requires more participants and decisions than the first one, in which the buyer wants changes in product specification, prices, terms, etc.
- **New task:** The buyer purchase products or services from the seller for the first time, which requires the large amount of decision participants and processes

(Kotler & Armstrong 2010, 194)

So who will be the ones making decision in business market? Basically, there are five members in the organization's buying center. Their names and responsibilities will be discussed respectively below.

- **Users** are the ones who actually use the products.
- **Influencers** affect the buying decision and help define product specifications, provide information to evaluate alternatives.
- **Buyers** are the ones making an actual purchase.
- **Deciders** will choose and decide who the final supplier is.
- **Gatekeepers** control the flow of information to others.

(Kotler 2010, 198)

In the new-task situation, all members in the buying center have to negotiate to go through eight stages in the business buying process. There are problem recognition, general need description, product specification, supplier research, proposal solicitation, supplier selection, order-routine specification, and performance review.

2.2 Strategic planning process

Strategic planning process is one of the most basic and helpful framework that an organization can apply for many purposes. Thanks to the main objectives and missions, the organization can draw their own strategic plan at all levels and doing

internal and external research not only to prevent threats but also pursue opportunities. Moreover, the good strategic plan will keep the organization in step with any changes occurring in the market environment (Mullins 2010, 34). There are five main steps in Strategic planning process (QuickMBA 2013).

1. **Mission and Objectives:** To determine the goal and objectives that the organization pursue to develop currently and also in the future
2. **Situational Analysis:** To analyze the necessary information in internal (within the organization) and external (macro environment and industry) environment
3. **Strategy Formulation:** To build a suitable and efficient strategy which is consistent with the goals and objectives
4. **Implementation:** To implement the strategies according an efficient action program
5. **Evaluation and Control:** To evaluate the results achieved and make any adjustment if needed

It is obvious that doing business in a new market without any objectives or strategy will put the organization into the middle of nowhere and then into a know-nothing-to-do situation. Therefore the author selected the Strategic Planning Process as the main analysis framework for conducting the marketing plan for the Case Company. The Figure 6 shows how the Strategic planning process is used in the case of the study.

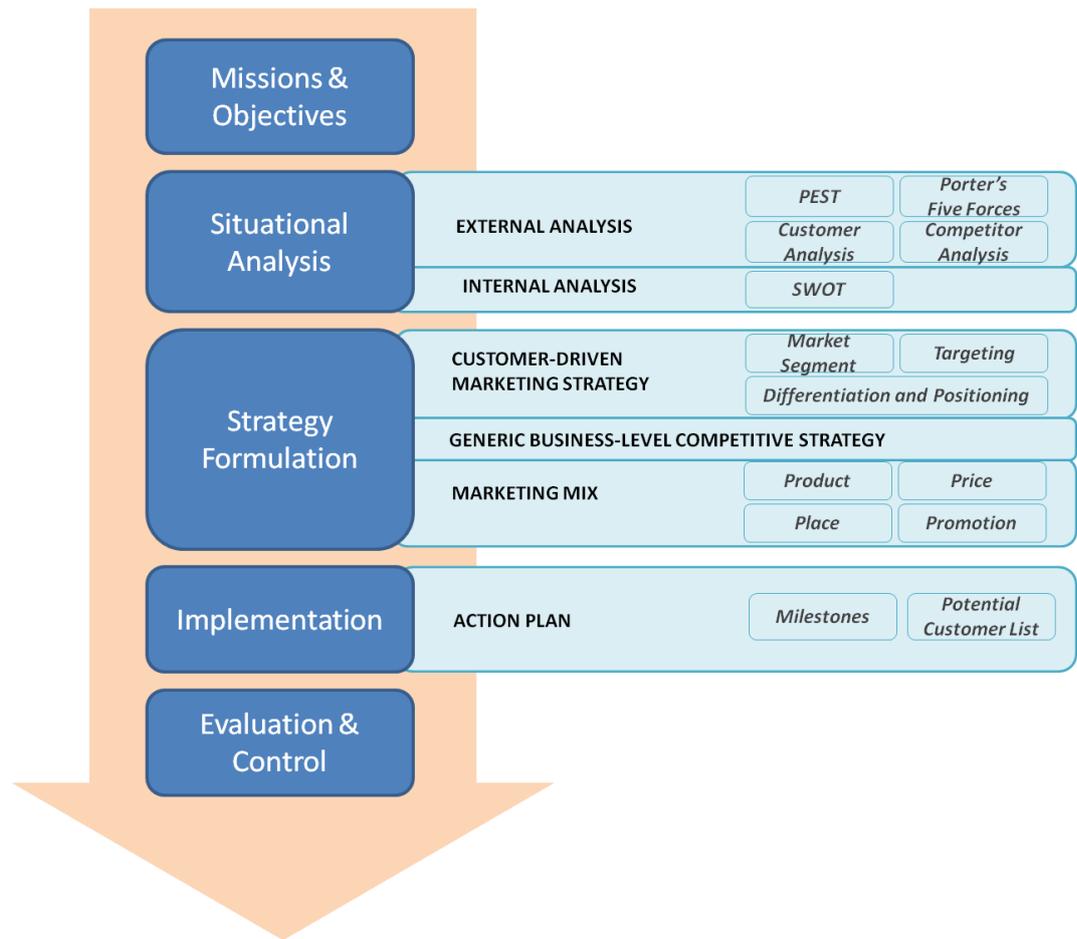


FIGURE 6. Strategic planning process

It is noted that the study focuses on the situational analysis and the strategy formulation to provide the overall vital information of the potential market and assist the company to select the suitably effective strategy to apply in practice.

2.3 External analysis

In order to set up and maintain successful relationships with target customers, it is essential and important for the company to understand the marketing environment consisting of a macroenvironment and microenvironment. The macroenvironment elements mean all the larger social forces in the target country, Vietnam in this case study, which are analyzed and demonstrated by PEST analysis method. Then on the side of microenvironment, an analysis of the operating industry is conducted with the Porter's Five Forces model. The customer and competitor analysis methods are also discussed in this part.

2.3.1 PEST analysis

PEST, or STEP, is widely known as a helpful tool when collecting general information in an external business environment, known as a macro-environment. As a result, most of its factors are country-specific (Nejati 2008, 452). PEST is an abbreviation for the words Political, Economical, Socio-cultural and Technological factors. The below table is a summarized description for these factors.

TABLE 1. PEST Analysis (Analoui & Karami 2003, 76)

Political factors	Economical factors
<ul style="list-style-type: none"> • Taxation law • Political changes at different levels • Changes in employment laws • Environmental and consumer-protection legislation • Political stability • Critical situations 	<ul style="list-style-type: none"> • Stage of business cycle • GDP per head • Income distribution • Rate of inflation • Exchange rate • Energy availability and cost • Employment level • Labor cost • Banking policies & interest rate • Investment
Socio-cultural factors	Technological factors
<ul style="list-style-type: none"> • Cultural changes • Customers' values • Demographic changes • Population's age and geographical distribution • Birth and death rate • Life expectations • Education and health care • Social attitudes and social taboos 	<ul style="list-style-type: none"> • Investment in R&D • Impact of emerging technologies • Impact of Internet, changes in communication costs and remote working • Spread of technology transfer • Electronic commerce

Henry (2008, 51) believed that PEST provides a connection between the general and competitive environment, in which a small factor in general environment is possibly able to become a key force for changes in competitive environment. Furthermore, PEST analysis plays an important role in research and analysis process, when an organization plans to enter or adjust to new markets or countries efficiently (Edwards 2010). Therefore the author will apply PEST to identify the general information about Vietnam, which related to the Case Company and its product in Chapter 4 later.

2.3.2 Porter's Five Forces Model

Created by Michael E. Porter in 1979, the Porter's Five Forces analysis is a useful framework for determining an industry's attractiveness by analyzing a combination of five forces, including rivalry among existing competitors, threat of new entrants into the industry, the bargaining power of suppliers, the bargaining power of buyers, and the threat of substitute products (Mullins 2010, 82).

Rivalry among present competitors: The rivalry happens among companies producing goods that are close substitutes for each other. The bigger the competitive rivalry in an industry, the less attractive it is for new entrants to enter. The affecting elements include the number of competitors, quality differences, switching costs, customer loyalty, and cost of leaving market (Manktelow 2005, 57).

Threat of new entrants: New competitors are able to enter into an industry and try their best to gain their market shares, which makes the competition more intense. Therefore, the greater the threat of new entrants is, the less attractive the industry is. The affecting elements include time and cost of entry, economies of scale, cost advantages, technology protection and barriers to entry (Manktelow 2005, 57).

Bargaining power of suppliers: The power in an industry depends on those who supply the inputs such as materials, services, etc. The greater the bargaining power of suppliers to an industry, the less will be the industry's attractiveness.

There are some affecting elements such as number of suppliers, size of suppliers, uniqueness of service, cost of changing (Manktelow 2005, 57).

Bargaining power of buyers: Buyers can have powers in driving their expected prices, improved products' quality, etc. depending on the nature of an industry. The greater the bargaining power of buyers in an industry, the less attractive will be that industry. The affecting elements consist of number of customers, size of each order, differences between competitors, price sensitivity, ability to substitute and cost of changing (Manktelow 2005, 57).

Threat of substitute products: It can be seen that the more substitutes available in an industry, the more difficult will be the competition. There are affecting elements such as time and cost of entry, special knowledge, economies of scale, cost advantages, technology protection, barriers to entry (Manktelow 2005, 57).

Figure 7 illustrates the Porter's Five Forces model.

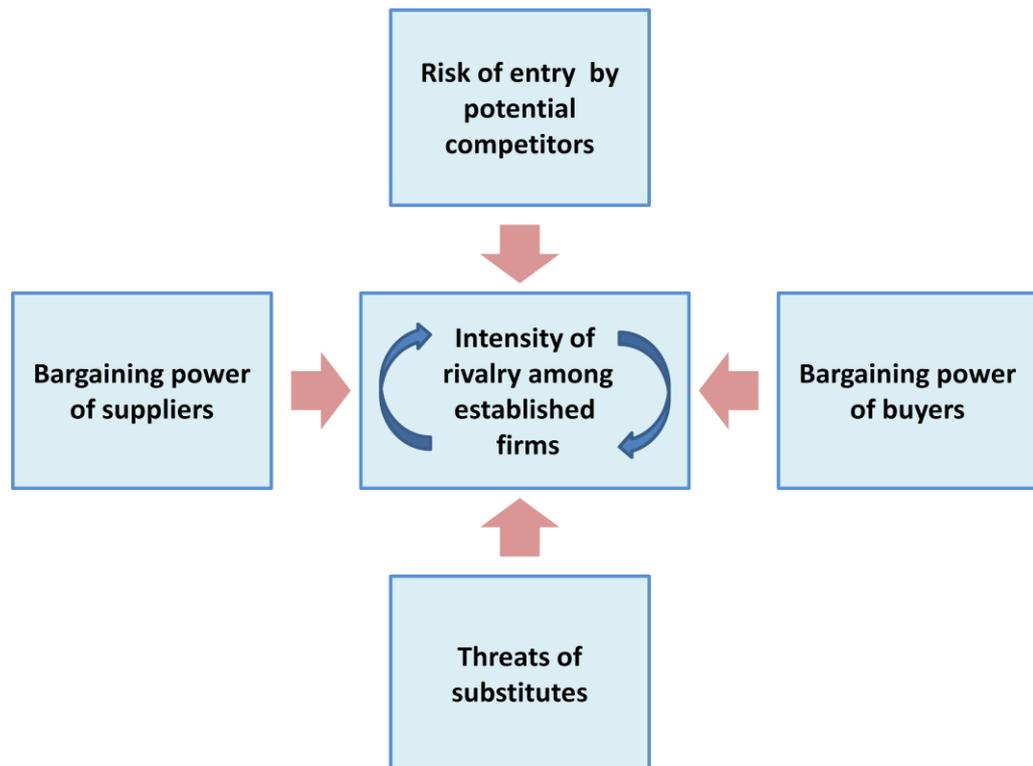


FIGURE 7. Porter's Five Forces (Jones & Hill, 2010, 43)

Porter's Five Forces is, therefore, believed to give the overall view at the level of a micro-environment analysis of the industry's attractiveness that the Case

Company intends to enter. This framework will be applied with practical data in Chapter 3, which is about Vietnamese market analysis.

2.3.3 Competitor Analysis

The competitor analysis plays an essential role in planning an effective marketing strategy. Jim Riley (2012) stated that when a company doing a competitor analysis, it helps the company to understand their competitive advantages and disadvantages compared to their competitors, and giving the information about their competitors' past, present or future strategies. Thanks to this action, the company can identify their main competitors and collect information about their weaknesses, strengths, strategies, etc. Then they can make up their mind which competitors they should attack or avoid (Kotler 2010, 553).

In this case, the competitor analysis includes two smaller parts. Firstly, there is an analysis of strengths and weakness of each competitor, which can be seen in the Table 2. Then the decision matrix, in which selected criteria are weighed depending on its importance, is used to compare and identify the main competitors of the Case Company. Table 3 illustrates simply how to use the decision matrix to decide the main competitors respectively.

TABLE 2. Competitor analysis

	Strengths	Weaknesses	Market share
Competitor 1	• •		
Competitor 2			
Competitor 3			

TABLE 3. Competitor decision matrix

	Rating (Scale 1-5, 1: Poor, 5: Excellent)			
Criteria	Weighting	Competitor 1	Competitor 2	Competitor 3
Criteria 1	50%	5 x 50%		
Criteria 2	20%	4 x 20%		
Criteria 3	15%	3 x 15%		
Criteria 4	10%	2 x 10%		
Criteria 5	5%	1 x 5%		
Total	100%	4.0		
Rank				

2.4 Internal analysis

Basically, the internal analysis identifies and evaluates specific characteristics of an organization, which consists of resources, capabilities and core competencies (Trinity Web Works 2013). However, due to the limitation of this study, beside the general information about the Case Company, SWOT analysis was used to identify the strengths and weaknesses of the Case Company. Then having linked with the previous external analysis, the opportunities and threats were found out to complete an overview of internal analysis.

2.4.1 SWOT analysis

SWOT analysis, which is credited to Albert Humphrey, standing for Strengths, Weaknesses, Opportunities and Threats, is widely known as a basic but useful analysis tools to evaluate the company's current situation (Dun & Bradstreet 2008, 35). As a result, it is possible for the company to understand their internal strengths and weakness, as well as their external opportunities and threats (Griffin 2007, 88). The explanation of the four elements in SWOT is shown in Figure 8.

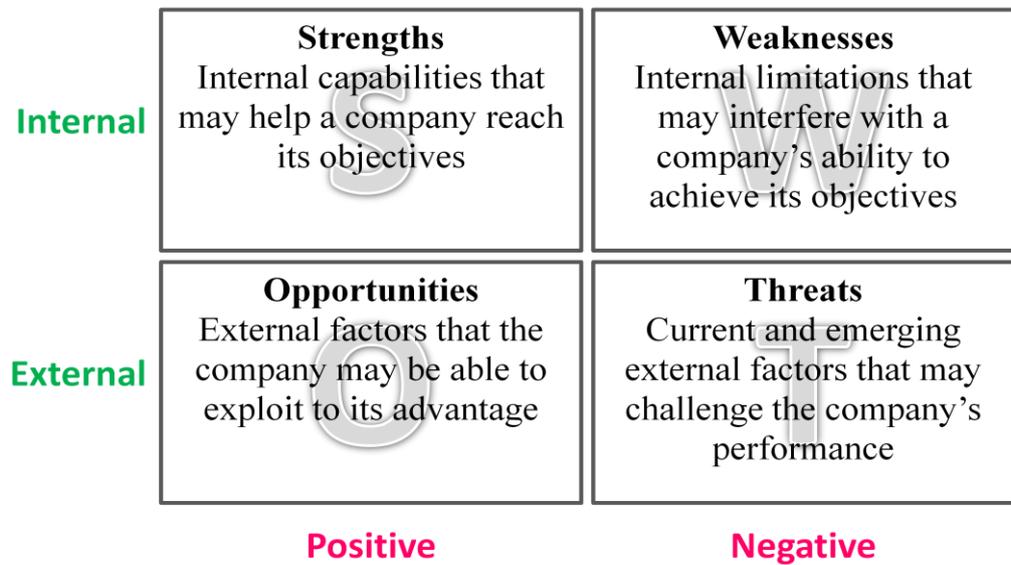


FIGURE 8. SWOT Analysis (Armstrong & Kotler 2013, 83)

Moreover, this simple and straightforward analysis tool can help the company to identify its strengths to achieve attractive opportunities and eliminate the weakness to reduce foreseeable threats in its business environment (Armstrong & Kotler 2013, 82). Therefore, the author use SWOT as an effective tool to analyze the current situations of the case company in Chapter 4.

2.5 Marketing strategies

After collecting an adequate amount of data needed, thanks to the analysis process, to understand consumers as and the marketplace, it is ready to come up with the marketing strategies and tactics. Following discussion will be three strategies recommended for the Case Company.

2.5.1 Customer-driven marketing strategy

It is an obvious truth that it is impossible for a company to serve all consumers. Due to the large number of buyers, their different and various demands and interests, it is highly recommended for the company to select the parts of the market that can be served best and most profitable in order to build the right relationships with the right customers (Kotler, 2010, 215). Therefore, the

customer-driven marketing strategy is defined as an efficient strategy to assist the company to create the value for their customers and build the customer relationship by four main basic steps: market segmentation, targeting, differentiation and positioning. Figure 9 shows the four main steps when designing a customer-driven strategy according to Kotler (Kotler 2010, 216).

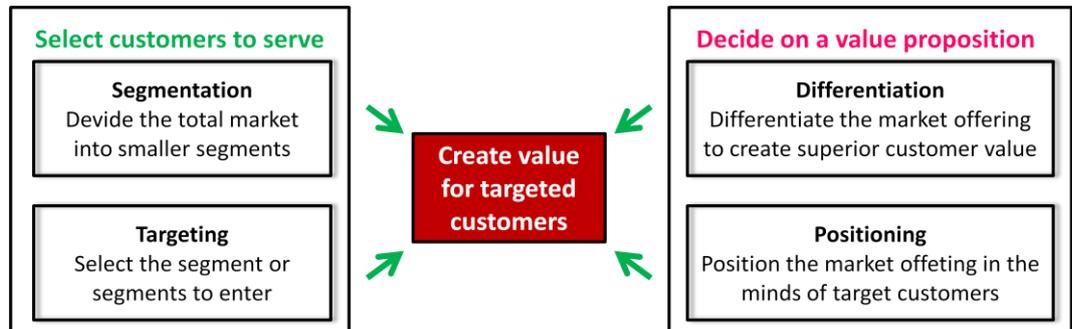


FIGURE 9. Customer-driven marketing strategy (Armstrong & Kotler 2010, 216)

On the other hand, it is important to notice that the customers in the study are organizational consumers or business buyers, who buy goods for using in their own business operations. There are several differences between the business buyers and the normal consumer buyer in market structure, nature of buying unit as well as decision process (Kotler 2010, 193). Therefore, when being divided into smaller segments to target, the segmentation variables are different and depending on the aims of the seller company. The usually used variables are operating characteristics, purchasing approaches, industry, company size, etc. Moreover it is wisely to pay attention to the characteristics of the purchasing decision maker, which include age, job responsibility, educational background, or decision style (Kotler and Armstrong 2010)

In order to have an effective customer-driven strategy, the Case Company needs to pay attention to the segments' characteristics. They must be *measurable, accessible, substantial, differentiable, and actionable* (Kotler 2010)

2.5.2 Generic business-level competitive strategy

Porter, M.E (1980) stated that firms, which lack a distinctive strategy, are “stuck in the middle” and will perform poorly. One of his widely popular strategies,

which are applied by many companies in the world, is Generic business-level competitive strategy, or known as Porter's generic strategies. The main purpose of this strategy is to increase and maintain the company's competitive advantages, based on their concentration on cost or differentiation (Walker, JR. 2010, 227).

		Competitive Advantage	
		Positive	Differentiation
Competitive Scope	Broad Target	Cost Leadership	Differentiation
	Narrow Target	Focused Cost	Focused Differentiation

FIGURE 10. Porter Generic Strategies (Porter, 1985)

As can be seen in the Figure 10, there are three strategies in Porter's generic strategies:

Overall cost leadership: An organization tries to increase its competitive advantage by decreasing the costs below the costs of competitors (Griffin 2012, 212)

Differentiation: An organization tries to increase its competitive advantage by the better quality of its products or services (Griffin 2012, 211)

Focus (which includes focused cost and focused differentiation): An organization focuses on a specific defined market niches (Griffin 2012, 212)

Due to the specific situation of the Case Company, the author determined *Focused Differentiation* to be the appropriate strategy to gain the company's competitive advantages when entering the new B2B market. In order to achieve the differentiation, the system selling, or known as solution selling, is also mentioned.

Systems selling or solution selling is defined as buying a packaged solution to a problem from a single seller thus

avoiding all separate decisions involved in a complex buying situation

(Kotler 2013, 197)

This is also a business strategy for the Case Company to gain their competitive advantage in their potential market.

The more information and practical analysis for the decision will be discussed later in the empirical part of the study, which means Chapter 5.

2.5.3 Marketing mix

Proposed by E. Jerome Mc Carthy in 1960, the marketing mix, or the four Ps marketing is widely known as a practical marketing tactics used by various marketers in the world. It is a combination of four elements: Product, Price, Place and Promotion with an aim to satisfy the customers' needs as well as to achieve the organization's objectives through the marketing activities (Gitman & McDaniel 2009, 295).

Firstly, while the Product means the goods, or services, or a combination of both, which the company offers to its target market, the Price is defined as the amount of money that the customer need to pay for the product or service (Kotler 2013, 80). All the distribution activities to get the right product to the right customer in the right place at the right time are included in the element Place (The Times 100, 2012). The final element, Promotion, which is concerned as the most interesting part of the marketing mix, consists of all activities to create a promotional blend to communicate and persuade the customers for purchasing (Gitman 2009, 296). To sum up, Figure 11 shows more detailed factors in each elements of the marketing mix.

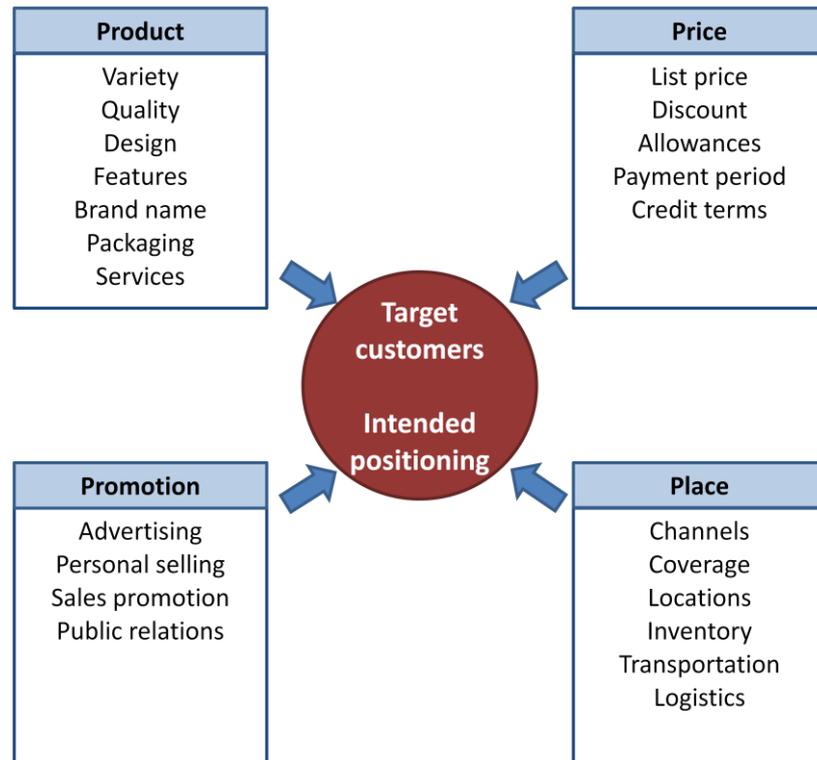


FIGURE 11. Marketing mix (Armstrong & Kotler, 2013, 81)

Chapter 5 will show how the Case Company applies successfully the marketing mix into their marketing operations.

2.6 Summary

The whole chapter gave the readers the basic literature review and knowledge for the ideas in the study. Depending on the strategic planning process, which is considered as the thesis's general structure, it can be seen that after finding out the objectives of the Case Company, the situation analysis will be conducted in both internal and external environment. In the case of the external analysis, while the PEST methods is used for identifying all the country-specific factors, the Porter's Five Forces method is responsible for affecting factors inside the industry. The competitor analysis with the use of the decision martrix is also included in this section in order to make a general picture of an external marketing environment. Moreover SWOT is applied for the internal analysis, which mentions about the company's evaluation.

After collecting adequate analyzing data, the strategy formulation is mentioned. Most of the parts are concepts and definitions about the marketing strategies as well as its models and affecting factors. There are three strategies included: customer-driven marketing strategy, generic business level competitive strategy, and marketing mix. In the first strategy with an aim to create the customer's values and good relationships, the knowledge about the market segment, targeting, differentiation and positioning is discussed to support the idea. Next, the focused differentiation strategy is selected in Generic business level competitive strategy due to the nature and specifications of the Case Company. Last strategy, marketing mix, known as four Ps, is known as the marketing tactics in this study. It gives ideas about the marketing activities in four sections: Product, Price, Place, and Promotion.

Because the study focused on two stages in the strategic planning process: Situation analysis and Strategy formulation, the stage Implementation is presented simply with an implementation schedule and a list of potential partners.

Following chapters present how the above concepts and analysis tools are applied into the Case Company.

3 MARKET DESCRIPTION AND ANALYSIS

Chapter 3 is divided into three parts, in which the first part visualizes an overview picture of Vietnam. The next part strives to give the general ideas about Vietnam as an operating market, which using PEST analysis tool. The last one, there is an overall market description, including an overview of Safety and Security Equipment industry in general, with the use of Porter's Five Forces, to assist to gain practical knowledge about Breath Alcohol Tester (BAT) market in particular.

3.1 An overview of Vietnam



FIGURE 12. Location of Vietnam

It can be seen in the Figure 12 that Vietnam, with a long coastline commanding the South China Sea, locates in a strategic position, which is bordered by China, Laos and Cambodia and the East Sea. As a result, Vietnam has played an important role in transportation and economy not only in ASEAN, but also in the international arena (Asia Society, 2013). Being totally independent in 1975, Vietnam, nowadays, has the full name Socialist Republic of Vietnam, with the capital Hanoi locating in the north of Vietnam. With the area of more than

331,000 square kilometer and population of 92 million inhabitants, the country is divided into 58 provinces, in which Hanoi, Ho Chi Minh, Da Nang, Hai Phong and Can Tho are five centrally controlled municipalities and the most developing cities, attracting both tourism as well as foreign investment in many fields of industries (Institute of Developing Economies, 2010). Although Vietnamese is known as an official language in Vietnam, English is, nowadays, used popularly by the young generation and can be considered as the second language there. About climate, it is quite different when going from the north to the south of Vietnam. The north is monsoonal tropical with typical four seasons. The south, however, has only two seasons: the rainy season and the dry season. Thanks to its geographic position, there are many natural resources in Vietnam such as coal, manganese, rare earth elements, chromate, offshore oil and gas deposits, etc (CIA, 2013).

About political and legal issues, in the year 1954, Vietnam was divided into Communist North and anti-Communist South. After US armed forces were withdrawn in the year 1973, two years later, North and South reunited the country under Communist rule (CIA, 2013). Due to the conservative leadership policies, not until the “Doi moi” (renovation) policy did Vietnamese economy reform and develop. Participating in WTO, Vietnam, nowadays, is well-known as a country with a high economic developing rate and an attractively invested point in the world. For example, from February to March 2013, there is a sharp rise in FDI, accounting for \$5.4 billion in Vietnam (Vietnam Investment Review, 2013). Moreover, Vietnam also has GDP ranked 42 compared to the world in 2012 (CIA, 2013). Although the GDP rate in the first quarter of the year 2013 increase 4,89% only, MoIT believed that 2013 will be the year of the economic recovery and development, especially in the field of real estate, construction and banking.

Below is the table of Vietnamese figures in general.

TABLE 4. Vietnamese general information (CIA 2013)

Country Name	Socialist Republic of Vietnam
Capital	Hanoi
Location	Southeastern Asia
Border Countries	China, Laos, Cambodia
Administrative Divisions	58 provinces
Area	331,210 sp km
Climate	Tropical in south; monsoonal in north
Population	92, 477, 857
Languages	Vietnamese (official), English (second language)
Government Type	Communist state
Natural Resources	coal, manganese, rare earth elements, chromate, offshore oil and gas deposits, etc.
Legal System	Civil law system
GDP rate	5.1%
Inflation rate	9.2%

3.2 PEST Analysis

PEST is a useful analysis tool for defining a macro-environment, which contains Political factors, Economic factors, Socio-cultural factors and Technological factors. In this study, PEST will cover the country-specific factors that affecting the Case Company directly or indirectly in general.

3.2.1 Political factors

Having experienced two wars against France and the US, Vietnam declared independence with the national unity of the North and the South in 1975. From then the politics of Socialist Republic of Vietnam have been operating as a single-party system, in which there are three government powers: executive power belongs to government and the President of Vietnam, the legislative power is decided by National Assembly of Vietnam, and judiciary is independent with the executive (Article 12 of the Constitution of the Socialist Republic of Vietnam). The National Congress of Vietnam's Communist Party is held every five years to decide the orientation, strategies and solutions for the national development in

many aspects. After the independence, due to the conservativeness in the government's operating policies, there was a serious decrease in Vietnamese economy. Not until the year 1986, when the renovation policy called "Doi Moi" was applied, did Vietnamese economy gradually increase, tending to export-oriented, and opening to private ownership and foreign investment opportunities (CIA, 2013). Mr. Philippe, an economic and political researcher, has said that political stability has helped Vietnam pursue its economic development as well as attract more foreign investment (VOV 2010).

About legal issues relating to the case study, according to the Law of Import and Export agreed by the National Assembly of Vietnam, the product FC20 is classified as an electronic industry product whose export tax is none and VAT rate is 10% (45/2005/QH11, 2005).

3.2.2 Economic factors

Since becoming a member of WTO in 2007, Vietnamese economy has been promoted to be more open, export-driven and competitive. The GDP growth rate of Vietnam is 5.1%, equaling \$137.7 billion dollars. Although agriculture still plays a vital role in the economic structure, which accounted for 21.5% in total GDP, there is a decrease in the agriculture outputs from 25% in 2011 to less than 22% in 2012. The shares of the industry, however, increase from 36% to about 41% (CIA The world factbook 2013). In order to reduce the poverty, the decision of the project 103/2008/QD-TT has been established to focus on creating vocational training and jobs from the year 2008 to 2015, in which the young people in 62 poor provinces have chances to be trained and hired. Many organizations have built the start-up or entrepreneurship funds to support business ideas from the youth (Dantoc Magazine, 2013). Most of the people in Vietnam are working in the agriculture sector, account for 48% in total labor force. Following is the service sector with 29.6%. The unemployment rate is 4.3% and the inflation rate is 9.2% (CIA 2013).

Moreover, in the Vietnam report with the responses from the representatives of 192 companies in V1000 (which is top 1000 business companies paying the highest tax), VNR500 (which is top 500 largest business companies) and FAST

500 (top 500 business companies having the highest development rates), most of respondents, accounting for 90% of the total responses, thought that organizational restructuring have been occurring strongly in many Vietnamese organizations. They also believed that the government will have right policies to prevent inflation, and trade deficit, and balancing the exchange rates in the year 2013 (Vn Economy 2013). At the beginning of 2012, a serious decrease in the overall purchasing power caused various troubles such as a reduction in the individual purchasing power and production, and an increase in inventory and bad debts. In 2013, despite the better current situation, there are three challenges that Vietnamese economy has to face. Firstly, there is possibility of the return of the inflation slowing down the economic development. Secondly, bad debts are able to cause congestion in the credit market, which makes it difficult for small and medium companies to approach their capital resource. Last there is still a remarkable reduction in the field of real estates (Kinhte 2013).

Below is the brief summary of Vietnamese economy's figures estimated in 2012.

TABLE 5. Vietnamese economy's figures in 2012 (CIA 2013)

GDP (official exchange rate)	\$137.7 bil.
GDP growth rate	5.1%
GDP – per capital	\$3,500
GDP – by sectors	
Agriculture	21.5%
Industry	40.7%
Services	37.7%
Labor force	49.18 million
Agriculture	48%
Industry	22.4%
Services	29.6%
Unemployment rate	4.3%
Inflation rate	9.2%
Exports	\$109.4 billion
Imports	\$109.6 billion
Exchange rate	Approx 1 USD = 20,858 VND

3.2.3 Socio-cultural factors

As one of the most populated countries in the world, Vietnam consists of more than 90 million people, in which more than 50% of them are under working age. Therefore, Vietnam has been an attractive point for labor force as well as a consumer market thanks to the young culture and the strong purchasing power. Moreover, in addition to the fact that Vietnamese is the official language, English has been used widely in Vietnam nowadays. Kinh (Viet) ethnic group accounts for 85.7% of Vietnamese people. The other groups include Tay, Muong, Mong, Khmer, etc. Thanks to the development of industrialization and modernization, urbanization has been increasing remarkably, in which urban population accounts for 30% of the total population. Like most of the countries in Asia, the main religion in Vietnam is Buddhism, which is about 9.3% of the population. Following is Catholics, which is about 6.7% (CIA 2013).

Relating to the case study, it is necessary to mention about the alcoholic drinking culture in Vietnam. It is common to say that in Vietnam, a man without drinking is like a flag without a wind. Drinking beer after long hours of working is a common thing to people in the working class. They drink and talk about everything happening within or beyond the country, about their life or family, or so on. In Vietnam, it is easy to see a group of construction workers drinking together. Although it is impossible to deny the fact that they can reduce stresses from work, many workplace accidents have been happened due to the alcohol overuse. According to the report of Ministry of Labor, Invalids and Social Affairs, the overuse of alcohol causes the workers to lose control, leading to, mostly, falling and electric shocking during working hours (Workplace accident report 2012).

3.2.4 Technological factors

Together with the development of the economy and living standard, there are many improvements in technological aspects. Firstly, internet has played an essential role in everyday life of Vietnamese people regardless of their age or occupations. According to WeAreSocial, a global social communication research organization, the number of Vietnamese people using Internet is 30.8 million,

accounting for 34% of the total Vietnamese population, which is higher than the average number of the world (33%). It is interesting to find out that there are 8.5 million people using social network, mostly Facebook. Reading online newspapers and watching online videos, shopping online are the most common activities that people do when using Internet (Laodong 2012).

Another factor to notice in technological section is the fact that many Vietnamese companies have applied technological innovations into their production in many industries, especially in heavy industry (Laodong 2012).

3.3 Market description

There are three issues will be discussed to visualize the picture of the operating market in this case. First of all, the market review will go from the general information about the Safety and Security Equipment (SSE) market and then narrow down to the Breath Alcohol Tester (BAT) market. Next the application of Porter's Five Forces will analyze the attractiveness of BAT market to investors. Last the competitor analysis will complete the overall vision of the market description.

3.3.1 Market review

On Ninh Binh newspaper (March 2013), Mr Pham Ngoc Phuc, a inspection specialist from Ministry of Labor Invalids and Social Affairs, has said that in former years, many companies have paid too much attention to profit and productivity, and thought carelessly about safety and security of their employees at workplace. However, together with the encouragement from the government, the situation, nowadays, has changed (NinhBinh 2013). Moreover, because of the development of foreign-invested construction and property projects together with an increasing interest by the government in safety standard, there are a growing demand in the Safety and Security Equipment (SSE) market (Global Trade 2013). As can be seen in the statistics conducted by the US Commercial Service in 2012 (Table 6), there was an increase in the size of the SSE market from \$117 million dollars in 2009 to 133 million dollars in 2012.

TABLE 6. SSE industry statistics (US Commercial Service – Vietnam, 2012)

Safety and Security Equipment (not including defense)	2009	2010	2011	2012 (estimated)
Total Market Size	117	121	127	133
• Safety equipment (60%)	70.2	75	78.7	82.6
• Security equipment (40%)	46.8	46	48.3	50.7
Total Local Production	6.5	6.9	7.2	7.5
Total Exports	0	0	0	0
Total Imports	110.5	118.2	124	130

Because of the strong investment for infrastructure construction and usage in power plants, oil and gas complexes, and heavy industry, there will be a rapid increase at an annual rate of over 20 percent per annum. Most of the equipments are imported because of the domestic technological limitations. The import duties range from 0 to 40 percent based on their components and manner of importing into Vietnam (US Commercial Service 2012).

To narrow down to the case company situation, it is essential to have a look at the BAT market. According to the interview with Mrs Tran, a sales manager of Datnam, there are about four popular brand names in this market including FC20. The below pie chart is the market share of FC20 compared to other popular BAT products available in Vietnamese market.

UNPUBLISHED DATA

FIGURE13 Lifeloc FC20 compared to other BAT products (Datnam 2012)

3.3.2 Porter's Five Forces Analysis

After visualizing the picture about Vietnam market, it is necessary to identify the Breath Alcohol Tester (BAT) industry by applying Porter's Five Forces.

Rivalry among present competitors: Low

The Breath Alcohol Tester (BAT) is not a popular product in the business to business (B2B) market in Vietnam. There are a few companies detecting alcohol level of their employees before starting to work. In an interview conducted with Mr Nguyen (2013), the human resource manager of Zamil Steel Company Ltd., he said that it is complicated and time wasting to detect alcohol level of every employee, even though it may prevent them from possibility of occupational injuries. Moreover, most of the BAT devices are imported from foreign countries to Vietnam by individual companies with a small amount of units, and there are not many brand names in Vietnam market (Mr Tran 2013). The case company, Datnam, have traded the product FC20 in the B2G market for years and become an authorized distributor for this product. As a result, they have advantages in price and sale experience, which is difficult for other companies with similar products to compete. So the level of rivalry is low at the early stage of the FC20 introduction to the B2B market.

Threat of new entrants: Low to Medium

Due to the promising demand in Breath Alcohol Tester (BAT) market, it is attractive enough for new competitors to enter this market. Although the price for a single BAT device ranges from \$500 USD to \$1,500 USD, which requires large capital resource when deciding to enter this market, it is still possible for some big companies to enter the market with their financial readiness. Moreover, small companies can look for the cheaper products or focus on a niche market. Being an authorized distributor for FC20 is a great advantage in technology and brand name protection for Datnam to establish and maintain their position in the B2B market.

Bargaining power of suppliers: High

In order to be traded in Vietnam, it is obligatory for a Breath Alcohol Tester (BAT) product of a specific brand to be quality examined by Directorate for

Standards, Metrology and Quality, which causes high cost of changing suppliers, due to time and effort wasting. Datnam focus on developing the product FC20 in B2B market as their business mainstream in 2013. Therefore, if any problem with supplier Lifeloc Ltd. occur, it will be difficult for them to handle and find another supplier to provide a product with the similar price (due to long-term relationship), features and quality.

Bargaining power of buyers: Medium

There are not so many buyers in the business market. When comparing only the using purpose, there is little difference between different brands. If the buyers ignore all the added values offered by the Case Company, there are two situations possibly happening. In the first situation, there will be a price war when deleting all services added, and Datnam has an opportunity to be a winner. In the second one, it is challenging for Datnam to compete with other products available in the market just by the product, because the buying decision belongs to the buyer.

Threat of substitute products: Low to Medium

Because Datnam chose the differentiation by adding more values and benefits into a purchase as their advantage edge, it will be difficult for the buyers to find the same products with exactly the same values and benefits. Moreover, in the business market, it takes much effort and many participants to give a final purchasing decision. So when there is no serious problem happening, switching for a substitute product is not a good choice for the buyer.

To sum up, there is only one factor (bargaining power of supplier) in Porter's Five Forces is high. The other ones, whose level is low or low to medium, express the attractiveness of the Breath Alcohol Tester market not only to the Case Company, but also to the new entrants, who have adequate capacity of capital resource and partner relationship.

3.3.3 Competitive review

In Vietnam, the Breath Alcohol Tester (BAT) is not a popular product consumed by a large amount of people. It is mostly used by the police for detecting alcohol

level of drivers participating in traffic activities., which is considered as business to government (B2G) business. There is also a small number of BAT purchased by some individuals with specific demands such as for resale or using in their own organization. As a consequence, there are not so many popular brands of BAT available in Vietnam. According to Mrs Ha Tran (2011), sales manager of Datnam, there are main four brands accounting for 85% of BAT units sold in the overall market (including B2B, B2C, and mostly B2G). There are Lifeloc FC20 of Lifeloc Technologies Ltd. (USA) (as a Case Company's product), Alcolizer LE of Alcolizer Pty. Ltd. (Australia), Prodigy 2 of Andatech Corporation Ltd. (Australia), Drager Alcotest 6810 of Dragerwerk AG & Co. (Germany) (Datnam internal data source, 2012). The four international companies all produce many product lines within safety and security equipment industry. It is difficult and unnecessary to analyze the whole four companies and all their products in this study, because they are all the foreign manufacturers, and BAT products sold in Vietnam are imported by various different companies. So the comparison about strengths and weakness in this case is just about the BAT products that those companies have been trading in Vietnam. The competitor analysis in Table 7, given by the Case Company, Datnam, will illuminate the advantages and disadvantages of Lifeloc FC20 as well as the other competitors' BAT products traded in Vietnam recently. Moreover, having been mentioned in Chapter 2, the decision matrix method is applied to rank the competitors to draw an overall picture of BAT competitive review, which is shown in Table 8.

TABLE 7. Lifeloc FC20 in Competitor Analysis (Datnam's data, 2012)

UNPUBLISHED DATA

Furthermore, Lifeloc FC20 has potential to be a winner in a price war. However, price does not play a totally decisive role in decision making when dealing with business customers. Moreover, there are not so many differences in the using purpose of Breath Alcohol Tester: "to detect alcohol level in breath". So it is difficult to make the product stand out of other competitors just by the product's characteristics itself. For that reason, it is highly recommended for the Case Company to think about adding more values into a purchase, which means that a purchase contains not only the product, but also services and other benefits. This matter will be discussed more in Chapter 5, which is about marketing strategies.

TABLE 8. Competitor Decision Matrix

Criteria	Rating (Scale 1-5, 1: Poor, 5: Excellent)				
	Weighting	Alcolizer LE	Prodigy 2	Drager 6810	Others
Quality	15%	4	3	3	2
Durability	10%	4	2	3	1
Accuracy	20%	4	4	4	2
User-friendly	5%	3	4	3	3
Appearance	5%	3	3	4	4
Expense	5%	3	4	2	4
Customer Awareness	20%	4	4	3	1
Technical Assistance	5%	2	3	3	1
Selling Assistance	10%	3	3	3	2
Paying Methods	5%	4	4	3	3
Total	100%	3.5	3.45	3.2	1.95
Rank		1	2	3	4

The Table 8 shows the comparison among the potential competitors of FC20. The most important things to consider are the accuracy level and the customer awareness. Next one is the quality, the durability, and the selling assistant. The other criteria are following. The criteria chosen express the following questions respectively. Each product from the different competitors will be graded from 1 to 5, in which 1 is poor and 5 is excellent.

- Quality: Does the product have high quality?
- Durability: Is it easy to be damaged or broken down?
- Accuracy: Does it give accurate results of measurement?
- User-friendly: Is it easy to use?
- Appearance: Is it well-designed to operate?
- Expense: Does it cost acceptable price?
- Customer awareness: Is it popular to recognize?
- Technical assistance: Is the guarantee efficient if problems occurred?
- Selling assistance: Is there any support from companies in buying process?
- Paying methods: Is it convenient for completing payment?

To sum up, Alcolizer LE and Prodigy 2 are the two most competitive products, to which Datnam should pay more attention. Even though FC20 has advantage in their low cost, Alcolizer and Prodigy 2 are considered to be better in quality (Alcolizer LE) and user-friendliness (Prodigy 2) in the B2G market. Therefore, in order to attract the customers' awareness, it is essential for Datnam to increase the extra-benefits for their customers, who choose FC20 instead of other alternatives.

4 CASE COMPANY PRESENTATION

As can be seen in the thesis structure, Chapter 4 is the internal analysis part, which focuses on presenting the Case Company, Datnam. Furthermore, the product FC20 is also analyzed and discussed in this chapter.

4.1 Case company analysis

TABLE 9. Datnam's information (Datnam's Company Profile 2007)

Name:	DATNAM Trading and Technologies, Ltd.
Logo:	
Industry:	Safety and Security Equipment Traffic and Criminal Science Equipment
Established:	2005
Location	Ho Chi Minh City, Vietnam
Mission:	Improve performance Attract talents Develop responsibly and sustainably
Vision:	Safety is the best
Number of employees:	40
Annual revenue:	12 bil. VND (est. 443,000 euro)
Website:	http://www.datnamco.vn/

Established in Ho Chi Minh City, Vietnam, in 2005 by Mr. Hoang, Datnam Trading and Technologies Company, Ltd., (known as Datnam) is one of the leading companies supplying safety and security, traffic and criminal sciences equipments, mainly for government and police force in Vietnam, as well as for company or individual demanding in this field (Datnam 2013). Therefore there are two main lines of business in Datnam: Business to Business market (B2B) and Business to Government market (B2G). In the B2G, they have a strong position in most key product areas, thanks to their long history of operation, wide ranges of products, and customers' loyalty. In the B2B, they not only serve clients in Vietnam, but also have currently tried their best to develop exportation to neighbor countries (such as Cambodia, Indonesia, India, etc.). Together with providing their customers with high-quality products, Datnam has been investing into Research and Development (R&D) department to upgrade, modernize and

diversify their products to satisfy more and more demands in the market (Mr Hoang, director of Datnam, Interview 2013).

About human resource, Datnam is classified as a SME company in Vietnam. There are about 40 employees in Datnam, divided into three departments: Technology – R&D department, Finance and accounting department, and Sale department (also known as Marketing department).

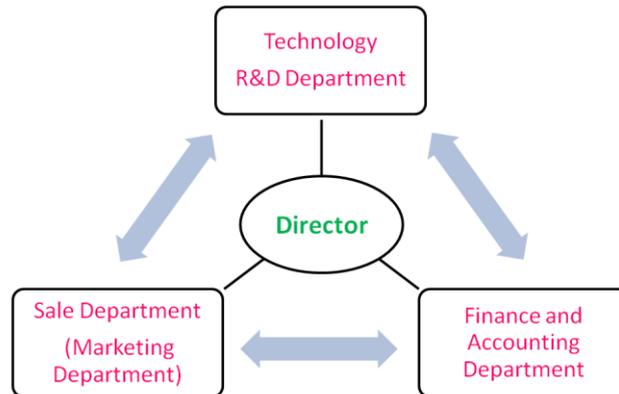


FIGURE14. Datnam company structure

According to their sale report in recent years, the top three products with high orders and purchases are speed gun, breath alcohol tester, and industrial weight pad (Datnam 2012). In 2013, to focus more on concentration and specialization, Datnam have considered two products, speed gun Photo Laser and Breath Alcohol Tester FC20, as their main competitive edge not only in national market, but in international one as well (Mr Hoang, director of Datnam, Interview 2013).

Moreover, below is the SWOT analysis of Datnam in the field of Safety and Security Equipment industry.

Internal	Strengths	Weaknesses
	<ul style="list-style-type: none"> •Leader in B2G market •Being authorized distributor •Wide range of products •Technical knowledge 	<ul style="list-style-type: none"> •Lack of promotional activities •Training selling team in B2B market
External	Opportunities	Threats
	<ul style="list-style-type: none"> •Leader in B2B market •Attract customers' awareness 	<ul style="list-style-type: none"> •Competed by cheaper products •Development of competitors
	Positive	Negative

FIGURE 15. SWOT Analysis of the Case Company

To conclude, having been nominated as one of the most developing SMEs in the south of Vietnam, Datnam has been tried their best to increase their performance in technology and trading in order to strengthen their position in the market and to achieve customers' satisfaction for their responsible and sustainable business.

4.2 Product analysis

As one of the top brand of professional Breath Alcohol Tester (BAT) devices, FC20, an innovative product produced by Lifeloc Technologies Ltd. (USA), has been used for law enforcement and professionals in many countries over the world (Lifeloc 2013). Thanks to its user-friendly operating system, FC20 provides its users with "Lifeloc Sequence" software, which ensures each step of the testing process to be tailored for their specific test protocol (Lifeloc Ltd., 2013). Moreover, there are three test modes: automatic, manual and passive testing. It is noticed that FC20 can store 500 test memories, print the results and connect with a computer with keyboard options. The user is encouraged to use the printing options, including thermal, impact or direct printing from the computer by Lifeloc DataTrak software.

Therefore, since imported in Vietnam, FC20 has become one of the most powerful and popular BAT device used by the police and the law force agency. Although

Lifeloc offers many types of FC20 kits, the kit in Figure 16 has been recently imported and used by the police in Vietnam.



FIGURE 16. Lifeloc FC20 Kit sold in Vietnam market (Lifeloc Ltd. 2013)

Mostly, FC20, together with the other BAT products available in Vietnam, has been developed in the B2G market. However, SSE demand has been growing in the B2B market in Vietnam recently because of the development in the field of construction and property, ship building and electricity, as well as an increasing interest by the government in safety and security standard (US Commercial Service 2012). As a result, although more and more companies have imported and traded BAT devices to satisfy this growing demand, FC20 is, up to now, still the most popular products used in the B2G market (Mrs Tran, manager of Sales Department, Datnam, Interview 2013).

5 MARKETING STRATEGIES

Chapter 5 will cover all the strategies recommended for the Case Company, including Customer-driven strategy with segmentation and positioning, Generic business-level competitive strategy to define the direction of the marketing plan; and Marketing mix as marketing tactics.

5.1 Customer-driven strategy

In more than eight years of their operation, in addition to increase their reputation and market share, Datnam have tried their best to concentrate on creating values to their customers in all markets (B2G, B2C and B2B). Due to the development of technologies and living standard, as well as the changes in the society and culture in Vietnam, the demands of buyers have been more and more numerous and varied in both consumer and business market. It is impossible for Datnam to attract all buyers in the marketplace. Especially, it is the first time Datnam have invested into the B2B market with the product FC20. Therefore, it is highly recommended for them to apply the customer-driven strategy to get rid of mass aimless marketing, and focus on target marketing by identifying marketing segments, differentiating and positioning

5.1.1 Market segment and targeting

As being mentioned in the theoretical part, the segmenting means narrowing down the whole market to smaller segments in order to select a target group, on which the company will focus. Like the situation in the consumer market, the business market also has some similar variables to segment their market such as geographic segments and demographic segments. There are, however, some different segments relating to the current situation, purchase approach, and operating characteristics. It is also recommended for the company to have the background knowledge about the purchasing decision maker in the business market (Kotler 2010, 222). Below is the further discussion about each segment.

First of all, in the business market, the geographic segment consists of a region and a country that market activities operate. In the limitation of the study, the

Case Company focuses on the customers in Vietnam. Then demographically, according to GICS, standing for Global Industry Classification Standard, there are 10 main sectors, including energy, materials, industrials, consumer discretionary, consumer staples, health care, financials, information technology, telecommunication services, and utilities. There are 24 industry groups, 67 industries and 147 subindustries (MSCI 2002). Although there are a huge variety of industries, Breath Alcohol Tester (BAT) is not being used in all of them. Because the purchasing purpose is that using BAT to prevent workplace injuries and accidents, the target segment will be an industry, which requires employees to work at high risk and dangerous place. Moreover, the size of the companies is medium or above, in which there are more than 150 employees. Therefore, the target industries turn into construction, ship building and steel and metal production. There are nearly 3,000 companies and corporations doing business in construction sector, in which corporation of construction under Ministry of Construction are 19, and other individual or foreign-invested companies are more than 2,600 (Asia Construct Conference 2008).

Then it is also important to pay attention to the current situation and relationship between the business buyer and the Case Company, which is demonstrated specifically by the segmentation, based on criteria such as situational segments, purchasing approaches, and the business buyer's operating characteristics. In situational factors, there are three types of the business buyer situation: straight rebuy, modified rebuy, and new task (which were explained in sub-chapter 2.1). Because it is the first time Datnam introduces FC20 to the B2B market, they tend to focus on new customers, who have no or little ideas about the product. Even though it will be a hard mission, it is a good way to become the market leader because after having been convinced by the FC20, the customers will think about Datnam firstly when mentioning about BAT products. About purchasing approach, it is obvious that Datnam should not stop at selling the product, but maintain the good relationships with their partners to pursuit customer loyalty. In order to have profitability, it is recommended for Datnam to sell at least 5 units per order. The quantity discount and the trade-in allowance will be applied, which will be discussed more detailed in the marketing mix later. Even though in Vietnam, there are a large number of companies trading in the field of

constructions and heavy industry, some of them do not actually think about working condition as a serious matter. In the conference about solutions to improve working conditions and environment for employees of SMEs in accordance with the conditions of Vietnam, the Vietnamese Federation of Labor (VFL) said that many SMEs in the survey, conducted by VFL, paid little attention to their workforce such as temporary and shabby workshops (73.73%), unsafe electric system (39%) (Baomoi 2012). So to narrow down the market as well as give the right product to the right customers, the Case Company focuses on any organizations having interest in investment of their safety and security equipment and serious concerns about their working employment for their workers as well.

The last segment to concern is the background information about the purchasing decision maker in order to select the right person for negotiation. Like other countries in Asia, relationship is considered as one of the most important factors deciding the success of the business. Therefore, understanding the person giving the final purchase decision will be an advantage in negotiating and introducing the product. Moreover, this is also narrow down the market, based on the characteristics of the decision maker such as age, educational background, responsibilities, etc.

About targeting, there are four levels of how company targets their customers. They are undifferentiated (mass) marketing, differentiated (segmented) marketing, concentrated (niche) marketing and micromarketing (local or individual marketing) (Kotler 2009, 197). It is recommended for Datnam to choose *concentrated marketing* as their targeting level, which means the company will go for one segment to achieve a strong position, thanks to the more knowledge customer demands.

After analyzing and studying all the criteria in the segmentation process, based on the Case Company resource and situation, the final target customer is a company in Vietnam which has traded in the industry of construction, ship building, and steel and metal producing. It is also the first time that Datnam do business with the company and convincing the company to use FC20 in detecting alcohol level of their employees as their first attempt. Moreover, the targeted companies, who

concern about the human resource development as well as the improvement of their working condition, is also the end-user, which they use the product for their own business operating as a fixed asset, not for reselling or hiring. On the side of Datnam, they will do business with an order of more than five units. It is also essential for them to take advantage in their already relationships with recent partners, and to search for new and potential ones for future cooperations. In order to support that reason, Datnam select the decision maker of the targeted company, who are from 28 to 60, decisive, flexible and ready to take risk and new things. The Table 10 summarizes the target segment that the Case Company will concentrate on.

TABLE 10. Target segment for FC20

Segmentation variables		Data
Geographic segments	Region	Pacific Asia
	Country	Vietnam
Demographic segments	Industry	Construction, ship building, steel and metal producing
	Number of employees	150
	Company type	Not related to government
Situational factors	Stage in the purchase decision process	Early stage
	Type of situation	New task
Purchasing approaches	Quantity/order	5 units
	Nature of existing relationships	Already / non
	Loyalty	yes
Operating characteristics	Product usage	End-user
	Human resource focus	yes
	Safety at workplace	yes
Personal characteristics (of the decision maker)	Age	28 - 60
	Education background	Bachelor or above
	Job responsibility	Purchasing decision
	Decision style	Decisive and flexible
	Risk	Risk taker

The segmentation and targeting process assist the Case Company to narrow down the market and identify the right customers to serve. They are also the first steps

in designing the customer-driven strategies, which support the next steps, differentiation and positioning.

5.1.2 Differentiaton and positioning

As being mentioned in Porter's generic strategy in the theoretical part, the differentiation is the competitive advantage of Datnam. Below is the positioning map when comparing the product FC20 with the other products of the potential competitors in the B2G market.

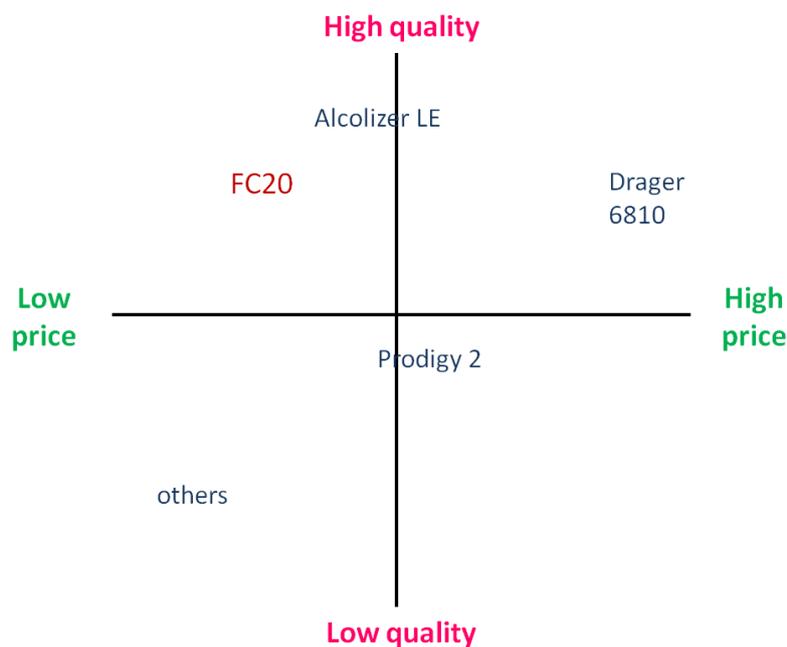


FIGURE 17. Current Positioning map of FC20 in B2G market

Although the FC20's quality is well-estimated, FC20 is cheaper than the others. It gives Datnam the advantage in pricing aspect, so they can put their effort into product values added to make the differentiation. The selling system is one of the good strategies to apply, which will be explained more in the marketing mix. About the brand's value proposition, Figure 17 shows possible value propositions, in which red cells are losing value propositions, yellow cell is the best marginal proposition, and the green are five winning value proposition that company can position their products: more for more, more for the same, the same for less, less for much, and more for less.

		Price		
		More	The same	Less
Benefits	More	More for more	More for the same	More for less
	The same			The same for less
	Less			Less for much less

FIGURE 18. FC20's value proposition

In the case of the Case Company, Datnam, which can be seen in the positioning map, the author recommends using *More for the same* propositioning, in which the FC20 is offered comparable quality with more values added but at a lower price. Due to the fact that FC20 is cheaper than other competitors, Datnam can raise the price of FC20 in order to add more benefits to create the customer values, but do not make the product too expensive to be afforded.

To sum up, the positioning statement of FC20 can be “*To SMEs who concern about safety and security at workplace, FC20 is an innovative breath alcohol tester device that gives you not only the accuracy in measurement but all so the great benefits in purchasing service at an affordable price*”.

5.2 Generic business-level competitive strategy

As being mentioned in the literature review, **Focused differentiation strategy** is chosen among the three other strategies in Generic business-level competitive strategy. There are two reasons relating to the Case Company's competitive scope and competitive advantage. Firstly, although there is an increasing demand in Safety and Security Equipment industry in general and the Breath Alcohol Tester (BAT) market in particular, it is impossible for the company to satisfy all customers' demands. In the customer-driven strategy, it can be seen that Datnam

focuses on one targeted customer group (group of business buyers) to narrow down the market as well as can give their customers the best values. So the *Focus strategy* will be the best choice for the Case Company to follow.

Moreover in the side of the competitive advantage, it is a big question for any company to select between overall cost leadership and differentiation. In the B2G market, FC20 is the cheapest product among the potential competitors' products (Table Competitor Decision Mix). Thanks to being an authorized distributor of the manufacturer, Lifeloc Technologies Ltd., Datnam has already had advantage in pricing competition when selling the FC20 in Vietnam. According to previous research provided by Datnam, most of respondents agreed that they are willing to pay more to get better products and services (Datnam data, 2012). Moreover, the targeted customers are business customers, who purchase products and use them as fixed assets for their business operating. According to Vietnamese perception, the cheap product is not the good one, which has influence in purchasing decision of many buyers. As a consequence, focusing on cost is not the right choice. It is reasonable and wisely for Datnam to enter the B2B market with *Focused differentiation strategy*.

In addition, it is possible to apply the generic business-level competitive strategy into Porter's five forces to find out the advantages and disadvantages when using the *Focused differentiation*. The most competitive advantage of this strategy is the first step to build customer loyalty thanks to the product's unique and quality. All BAT devices have the same function, which is to detect the alcohol level in the user's breath, regardless of brands or manufacturers. Therefore, it is difficult to consult the customers to buy FC20 at the first time. So thanks to the unique and differentiation, FC20 creates the customer's loyalty, which keeps the customers from rivals and threats of substitution. Besides, having advantage in price and focusing on differentiation, the Case Company has strengthened the barriers of the BAT market against other new entrants. About supplier power, it is also possible for Datnam to pass on supplier price increases to their customers. Mentioning about disadvantages, it is in the buyer power. Because of the little differentiation is the using purpose, the buyer can delete all the values added in FC20 and switch to another alternative product. Furthermore, it is difficult to maintain differentiation for a long time because the customer may no longer need those

unique factors. Last, other competitors are able to focus on the same segmentation with Datnam and create the better values, which are more welcomed by the customers.

So how can the Case Company apply efficiently and effectively the *focused differentiation* strategy into their situation? System selling is suggested as their competitive edge. Simply, Datnam will not only sell a particular product but a system selling product, in which covers from the very beginning of the buying process (consulting and supporting), purchasing process (purchase and payment), post-purchase services (training and guarantee). The more detail of this suggestion will be discussed later in the Product of Marketing Mix. The system selling will be connected with other factors in the marketing mix in order to make FC20 different and unique in the BAT market.

To sum up, it is wisely recommended for the company to use the focused differentiation strategy as a defined direction in the introductory stage of the product FC20 in the B2B market.

5.3 Marketing mix

The marketing mix is a popular marketing strategy for a company in order to serve the right customer with the right product at the right time, at the right place and in the right way. Those matters are demonstrated into 4Ps including Product, Price, Place and Promotion. These marketing activities will combine together to create the best marketing tactics, with the aim to create differentiation for the product FC20. The main strategies for each sector are

- Product: system selling purchase
- Price: value-added pricing, market-penetration strategy
- Place: personal selling controlled by the company
- Promotion: personal communication channels

Below discussion will be about the marketing activities in each sector to achieve success when introducing FC20 into the B2B market.

5.3.1 Product

Having been mentioned in the focused differentiation strategy above, Datnam offer their targeted customers a product as a *system selling product*, in which other features will be added into a purchase besides a single product. It is a promising solution to make FC20 different from other BAT products available in the market. According to Mr. Nguyen (Manager of Human Resource Department of Zamilsteel Co., Interview 2013), it was complicated for his company to buy a single product from a company, and then bring it to another company for repairing when problems occurred. In another situation, Mr Ngo, the director of steel producing company in HCMC, agreed that it is acceptable and worthy for a business company to buy goods included an instruction and guarantee plan regardless of its higher price compared to other products (Mr Ngo, Director of Thai Nguyen Steel Ltd 2013). So the system selling is a packaged solution from the Case Company for the product FC20 when selling it to their business buyers. It covers all the separate decisions in buying situation to give the buyer the best value and convenience. Basically, one purchase includes one FC20 kit, a discount for purchase of mouthpiece replacement, a training program and three-year guarantee. Moreover, the customer will be consulted about product features as well as guarantee plans during using period, which will be discussed more detail in Promotion section. Following will be information about the elements in Product section.

Brand name: In B2G market, FC20 is a well-known brand and used by the police in many cities and provinces in Vietnam. On contrary, in the B2B market there is not so many people having idea about it. It is also a challenge for Datnam to convince their target customers and make them loyal to this brand. Thanks to the good relationship with some companies in the B2G market, it is possible for the Case Company to make FC20 popular brand name in the B2B market.

Design: The product is designed to be easily portable, compact and user-friendly. The most innovative thing is protective rubber grip sold together with FC20, which not only prevent from slippery, but also make it easy to hold when detecting alcohol by breathing (Lifeloc 2013)

Quality: FC20 is considered to be the fastest, most economical and reliable BAT on the market (Lifeloc 2013). It is manufactured, tested and approved by the USA Department of Transportation, and carried CE Mark. In Vietnam, FC20 has been sold in the B2G market with the approval of Ministry of Transport (MoT) and Directorate for Standards, Metrology and Quality (DSMQ).

Features: In order to make the breath test become quick and easy, there are many innovative features in Lifeloc FC20 such as menu driven software to customize testing needs, innovative breath pressure sensor to give the precise results, security features with password protection, data management solutions for multiple data entry fields for unique ID. The most convenient and useful is the capability of connecting with a computer, and printing with a portable thermal printer (Lifeloc 2013)

Packaging: FC20 is imported directly from USA by Datnam. The package will be sold in Vietnam with an original carrying case of Lifeloc USA. The FC20 kit includes one FC20 device, a compact thermal printer, thermalast printer paper, a printer charger, a protective rubber grip, mouthpieces, AA batteries, user manual in both Vietnamese and English, wrist strap, carrying case (Lifeloc 2013)

Customer Care: In order to create the most customer value, Datnam offer more added values to their customers for purchasing FC20, which includes a comprehensive and efficient training program, a discount for accessories, and three years of guarantee as being metioned in the system selling strategy above.

5.3.2 Price

Price is the only element producing revenue in the marketing mix. In business market, price is not an amount of money charged for a single product, but also a factor to create customer values and build customer relationships. There are many factors the affecting pricing decision which is shown in the Figure 19. It is ideal to have the price below the price ceiling, which is the highest expected price from customers, and above the price floor, which equals the cost needed to produce the product (Kotler 2010, 315). As a result, the high price leads to no demand from

customers, and the low price means no profits for the seller.

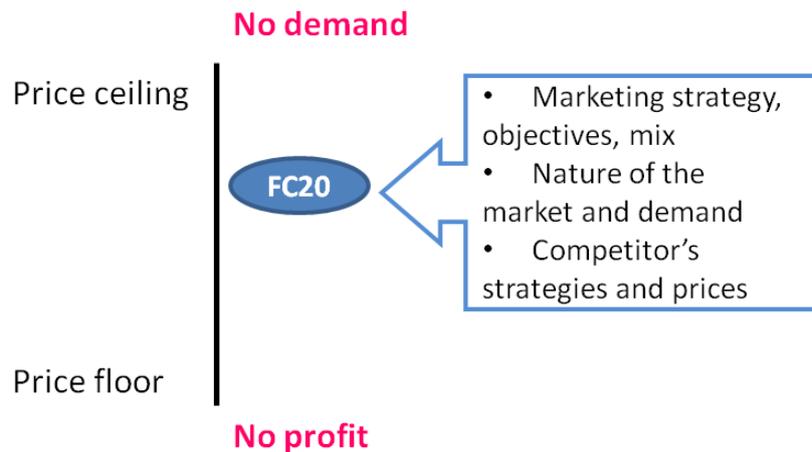


FIGURE 19. Considerations in setting price (Kotler 2010, 315)

In the situation of the Case Company, although the product FC20 is cheaper than the other BAT products available in the market, it is difficult to come up with the right price for the product in the B2B market, because the product FC20 has been already sold in the B2G market in Vietnam. So if the price is higher than it is in the B2G market, the price will become a barrier for the Case Company to build relationships with the B2B customers. On contrary, if the price is lower, there will be a situation, in which the B2B customers become resellers, or competitors of the Case Company in the B2G market. With the aim to create the customer values, Datnam is suggested to use *value-based pricing* as the key for a pricing strategy. In this pricing method, the price will be decided based on buyers' perceptions rather than on sellers' costs (Kotler 2010, 315). In practice, Datnam will go through four steps. Firstly, they need to access customer needs and find out their expected price, which can be done by surveys or interviews. Next, target price is set in order to fit with the customer expected price. All costs, including fixed cost and variable costs, are summarized. Last the Case Company can add values and benefits to the product (as system selling package) in order to deliver desired values at the target price. Moreover, in order to connect with the customer-driven strategy, the *value-added pricing* is chosen. Regardless of the higher price charged to the product, the target customers are possibly appealed by the value-added features and services offered by the company.

At the first stage of launching FC20 in the B2B market, Datnam will apply a *market penetration strategy*, which offers a low price to their customers, to attract a large amount of buyers, creating awareness, and achieving a large market shares at the beginning. This strategy consists of quantity discount, trade-in allowance and promotional pricing.

Furthermore, other elements concerned in pricing section are listed below.

List price: the list price, or retail price, included VAT 20%, suggested by the Case Company, includes FC20 kit and all other services and benefits added.

Discount: quantity discount is applied for customer buying a large volume as the following table.

TABLE 11. Quantity discount

Number of units	Discount rate (%)
5 - 10	0
11 - 20	5
Above 20	10

Allowances: trade-in allowance, in which the customers can buy new products at discount price when returning the old items, is applied for the modified rebuy and straight rebuy customer.

Payment method: All the transactions have to be executed in 30 days after the delivery is completed. Bank transfer is used for payment.

5.3.3 Place

Thanks to the close relationship between Datnam and Lifeloc Ltd., Datnam has become an authorized distributor of the product FC20 in the Vietnamese market. The primary aim of distribution is to make products available for consumption by the business user. Moreover, in the early stage of the new product development, there is a requirement for building intensive distribution within Vietnam. Being compared to the consumer market, there are fewer but larger buyers who have

fluctuating demand in the business market. Therefore it is vital and essential for the Case Company to follow and be able to deal with any changes to fulfill the customers' needs. For those reasons, personal selling is selected as the main distribution method for the Case Company to follow, which is shown in Figure 20

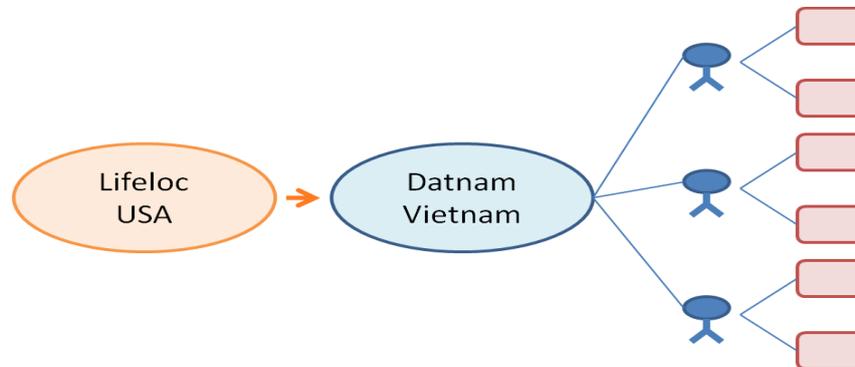


FIGURE 20. Distribution of FC20 by personal selling

How does this distribution method work? FC20 is imported directly from Lifeloc, USA to Vietnam. Then Datnam uses their own salesforce to introduce and present the product to their potential customers in order to make sales and build relationships. Basically, one salesperson is responsible for one or two business companies which have some similarities (industries, sizes, etc.). He also contacts and assists his customer(s) to deal with any problem occurring during and after the purchasing process. It is possible to implement because the salesforce of Datnam have already had experience in selling BAT in the B2G market before.

Channels: FC20 is sold buy Datnam's salesforce

Coverage: At the first stage, Datnam will focus on HCMC and the south of Vietnam.

Inventory: Inventory is stored in Datnam's warehouse for testing before delivery.

Transportation: The products are transported mainly by trucks provided by a sub-contractor with Datnam.

5.3.4 Promotion

As the stage of introducing the product, it is necessary to attract the awareness of customers. Due to the nature of the market, purchasing decision maker and the characteristics of the product, it is unnecessary for advertising on TV, newspaper or radio. Because using personal selling as the main distribution method, *personal communication channels* are the effective way to identify the right customers' characteristics, and make changes if necessary. In personal communication channels, the salesperson controlled by the company will contact the customer directly face to face, by phone or by mail in order to present the product and collect feedback. Another issue, which can be considered in promotion, is promotional event. An event, to which important members in the buying center of potential companies are invited, is a good way to increase reputation, attract customer attention for FC20 introduction and find target customers. According to Saigon Exhibition and Convention Center (SECC), there is an international exhibition, called Vietbuild 2013, about construction and building materials hosted in June 2013 (SECC 2013). It is a good chance for Datnam to look for target customers as well as introduce FC20 as a technological solution for safety and security at the workplace.

6 CONCLUSIONS AND RECOMMENDATION

This chapter will give the answers to research questions proposed in Chapter 1 with the aid of the study and analysis above. Then the limitation and recommendation for further study will be included as well.

6.1 Research questions and finding

First of all, the first objective of the study is to find out if the Case Company, Datnam, should launch the product FC20 in B2B market. About external aspects, PEST, Porter's Five Forces, and competitor analysis in the study above showed the attractiveness of the Breath Alcohol Tester market. Nowadays, thanks to the encouragement of the government as well as the increasing focus in human resource development, more and more companies pay much attention to investments into workplace conditions for their employments. About internal resource, having done business with Lifeloc Ltd., the manufacturer of FC20 in USA, for years, Datnam became the authorized distributor for the product in Vietnam. Moreover, because the FC20 has been sold by Datnam in the B2G market since 2010, their salesforce as well as technical specialists have great experience in selling and dealing with problems happening when using the product. Therefore Datnam are ready for the demand in the B2B market.

Then the segmentation and targeting have assisted the Case Company to identify how to best serve the target segment. The targeted companies are medium or big companies working in construction, ship building, and steel and metal production. Caring for working conditions and interest in safety and security equipments, the target companies will become loyal customers of the Case Company in the future. In order to achieve the close relationship with customers, it is recommended that Datnam should identify the right competitive advantage, create the best customer values and the efficient marketing tactics. As a result, Porter's generic business-level competitive strategy, customer-driven strategy, and marketing mix will help the company to achieve these marketing objectives respectively. To become a winner in the BAT market, focused differentiation is the definite direction for the Case Company's marketing strategy. The differentiation is created mostly by the system selling method in the marketing mix, which means the product is sold with

added values and benefits in a purchase to bring the customer the best benefits. Additionally, some marketing methods are also applied to improve marketing activities at the first stage of FC20 introduction in B2B market such as personal selling, quality discount, introductory event, etc.

Below is the summarization of the findings in the study

TABLE 12. Summary of the findings

Introduction of FC20 to B2B market	Promising market due to the increasing demand in the market and available resources of the company
<i>Analysis methods</i>	PEST, Porter's Five Forces, SWOT
<i>Macro-environment (country)</i>	<ul style="list-style-type: none"> • Government's encouragement • Drinking culture • Situation of workplace accident
<i>Micro-environment (industry)</i>	<ul style="list-style-type: none"> • Investment into construction industry • A few competitors • Potential customers and growing demand
<i>Internal environment (company)</i>	<ul style="list-style-type: none"> • An authorized distributor of FC20 in Vietnam • Experienced in B2G market
Strategies to applied	<ul style="list-style-type: none"> • Customer-driven strategies • Porter generic strategies • Marketing mix
<i>Target customers</i>	Target segment (as in Table 10)
<i>Marketing objectives</i>	<ul style="list-style-type: none"> • Create customer value • Close relationships with customer
<i>Competitive advantages</i>	Focused differentiation
<i>How to apply into practice</i>	<ul style="list-style-type: none"> • System selling • Personal selling • Personal communication • Quantity discount • Trade-in allowance • Introductory event

After all, the final answer for the whole study is that it is promising for the company to launch FC20 into the B2B market with the strategies focusing on creating customer values to establish close relationships in the future. The list of potential customers will be included in the Appendices section.

6.2 Limitation and Recommendation

The study focuses on situational analysis, in both internal and external environment, identifying the target customers, and finding the best strategies for the Case Company to serve them. As can be seen in the strategic planning process, there is a lack of implementation stage and evaluation and control stage.

Moreover, the survey for the customer behavior was sent to potential customers throughout Vietnam, but the author has not received and analyzed the results yet due to the lack of time. Because of the use of personal selling and communication as the primary methods to design the system selling product for the customers, it is essential to make a detailed training program for the Case Company's salesforce. This thesis also does not include the supplier analysis, logistics planning and detailed schedule for conducting marketing activities in the marketing mix.

Figure 21 shows the author's suggestions for further research based on marketing tactics, the marketing mix.

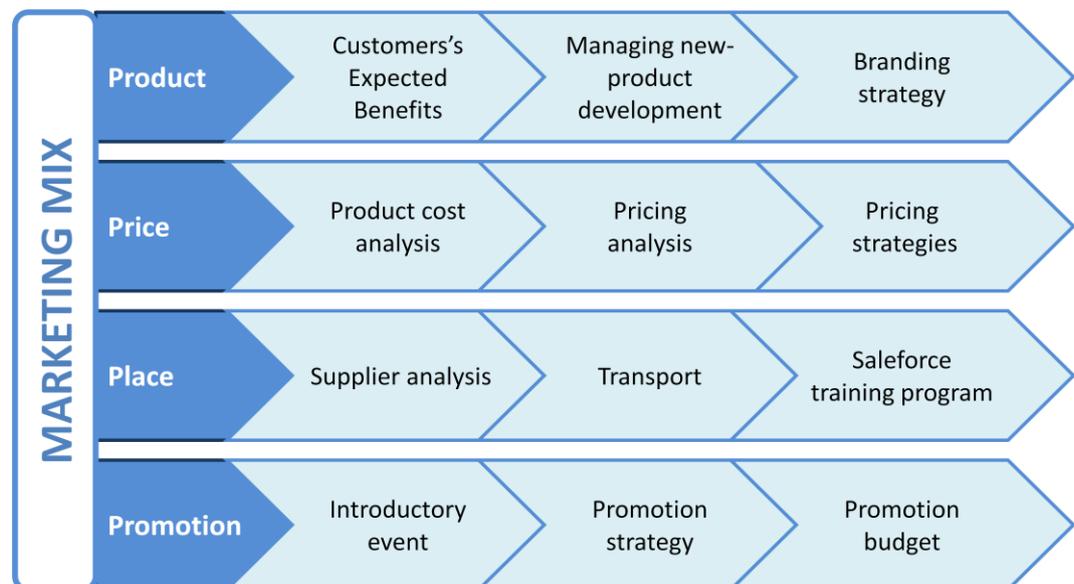


FIGURE 21. Further research

7 SUMMARY

As a result of her internship in the Case Company, the author has done the thesis to assist in the decision of launching FC20 in B2B market for the Case Company. The study consists of many analysis methods as well as marketing concepts to give the readers the basic foundation knowledge and how to apply it in the Case Company and its operating marketing environment. There are two main parts in the study: the theoretical and empirical parts.

First of all, the theoretical framework contained the theories about analysis methods and marketing concepts available in the study. In order to analyze the current situation, PEST and Porter's Five Forces are used to illustrate external environment, which is about the country and industry; and SWOT is used for identifying the current situation of the company. Moreover, the theoretical part also includes supportive concepts about strategies suggested for the company: customer-driven strategy, Porter's generic business-level competitive strategy and marketing mix.

Then the empirical part applies the theories in practice. The main objectives are to prove that FC20 is promising to launch into the B2B market, finding target customers, suggesting the effective strategies for the company as well. The most remarkable point that the Company should pay attention to is creating values added for the target customers through extra benefits when making a purchase.

In conclusion, it is highly recommended for the Case Company to enter the B2B market with FC20. The right strategies will support them to achieve the success not only for FC20 but also in building close relationship with potential partners. Further research is suggested to be done to assist in the success of the Case Company.

REFERENCES

Published References

Analoui, F. & Karami, A. (2003). *Strategic Mangement in Small and Medium Enterprises*. Cengage Learning EMEA

Armstrong, G. & Kotler, P. (2013). *Marketing: an introduction*. Harlow: Pearson.

Dun & Bradstreet Information Services. (2008). *Equity Research and Valuation*. New Delhi: Tata McGraw – Hill Publishing.

Electronic version: Ricky W.Griffin, *Management*, 11th Edition 2012 South Western, Cengage Learning

Evert, G. (2008). *Total relationship marketing*. Oxford: Butterworth-Heinemann.

Gitman, L.J. & McDaniel,C. (2009). *The future of Business: The Essentials, 4th edition*. South-Western, a part of Cengage Learning.

Griffin, R.(2007). *Fundamentals of Management*. 6th Edition. Manson: South Western Cengage Learning.

Henry, A. (2008). *Understanding Strategic Management*. New York: Oxford University Press Inc.

Kotler, P. & Armstrong, G. (2010). *Principles of marketing*. Upper Saddle River: Pearson.

Merriam S.B. (2009). *Qualitative Research:A Guide to Design and Implementation*. John Wiley & Sons, Inc.

Mohr, J., Sengupta, S., Slater, S. (2010). *Marketing of high-technonology products and innovations*. Upper Saddle River (NJ): Pearson Education.

Mullins, J.W., Walker, O.C. (2010). *Marketing management: strategic decision-making approach*. Boston: Prentice Hall.

Nejati, M., Shafaei, A., Nejati, M. (2008). *Issues in Global Business and Mangement Research*.Florida: Uinversal Publishers Boca Raton

Porter, M.E. (1985). *Porter's Typology and Generic Strategies. From Competitive Advantage: Creating and Sustaining Performance*. New York: Free Press.

Porter, M.E. (2008). *The Five Competitive Forces That Shape Strategy*. Harvard business Review.

Electronic References

Asia Society (2013). Vietnam: A historical introduction. [referenced 20 March 2013]. Available at <http://asiasociety.org/countries/vietnam>

Alcolizer Ltd. (2013). Alcolizer LE. [referenced 19 March 2013]. Available at <http://www.alcolizer.com/products/alcolizer-le>

Andatech Ltd. (2013). Alco Sense Prodigy II. [referenced 19 March 2013]. Available at <http://www.andatech.com.au/breathalysers/industrial-breathalysers/alcosense-prodigy-ii/>

Baomoi (Dec 2012). Dieu kien lam viec cua NLD con kem. [referenced 22 March 2013]. Available at <http://www.baomoi.com/Dieu-kien-lam-viec-cua-NLD-con-kem/47/9924037.epi>

Burney, A. (2008, March 06). DrBurney.net. [referenced 4 March 2013]. Available at <http://www.drburney.net/INDUCTIVE%20&%20DEDUCTIVE%20RESEARCH%20APPROACH%2006032008.pdf>

Changing Minds.org (2013). System Selling. [referenced 14 March 2013]. Available at http://changingminds.org/disciplines/sales/articles/system_selling.htm

CIA The World FactBook (2013). Vietnam. [referenced 26 March 2013]. Available at <https://www.cia.gov/library/publications/the-world-factbook/geos/vm.html>

Drager Ltd. (2013). Drager Alcotest 6810. [referenced 19 March 2013]. Available at

http://www.draeger.fi/CA/en_US/products/alcohol_drug_detection/screening/cdi_alcotest_6810.jsp

Edwards, G. (24 Dec 2010). Bright Hub PM. Performing a PEST Analysis: Walking Through an Example. [referenced 20 March 2013]. Available at <http://www.brighthubpm.com/project-planning/100507-performing-a-pest-analysis-walking-through-an-example/>

Globaltrade.net (4 March 2011). Safety and Security in Vietnam. [referenced 21 March 2013]. Available at <http://www.globaltrade.net/f/market-research/text/Vietnam/Security-Public-Order-Fire-Safety-Services-Safety-and-Security-in-Vietnam.html>

Hoai, N. (5 Dec 2012). VnEconomy. Kinh te Viet Nam 2013. [referenced 25 March 2013]. Available at <http://vneconomy.vn/20121205095527742P0C9920/kinh-te-viet-nam-2013-duoi-goc-nhin-cac-ong-lon.htm>

Institute of Training Research and International Relations. Academy of Managers for Construction and Cities. Ministry of Construction, Vietnam (23-24 Oct 2008). Vietnam Report: Country Report and Theme Paper. [referenced 22 March 2013]. Available at http://www.asiaconst.com/past_conference/conference/14th/03Vietnam.pdf

Laodong (22 Oct 2012). Gan 31 trieu nguoi Vietnam dung Internet. [referenced 20 March 2013]. Available at <http://laodong.com.vn/Sci-Tech/Gan-31-trieu-nguoi-Viet-Nam-dung-internet/88574.bld>

Lifeloc Technologies Ltd. (2013). FC20 Breath Alcohol Tester. [referenced 19 March 2013]. Available at http://www.lifeloc.com/fc20_int.aspx

Morgan Stanley Capital International (MSCI). (2002). Global Industry Classification Standard. [referenced 1 April 2013]. Available at <http://www.msci.com/resources/pdfs/MK-GICS-DIR-3-02.pdf>

Nguyen, H. (14 March 2013). NinhBinh Online. An toan lao dong trong doanh nghiep. [referenced 22 March 2013]. Available at

<http://baoninhbinh.org.vn/news/30/2DEF2D>

Porter, M.E., (January 2008). Harvard Business Review. The Five Competitives Forces That Shape Strategy. [referenced 5 March 2013]. Available at

<http://hbr.org/2008/01/the-five-competitive-forces-that-shape-strategy/ar/1>

Quick MBA (2013). The Strategic Planning Process. [referenced 4 March 2013].

Available at <http://www.quickmba.com/strategy/strategic-planning/>

Riley, J. (23 Sep 2012). Tutor2u. Competitor Analysis. [referenced 15 March 2013]. Available at

http://www.tutor2u.net/business/strategy/competitor_analysis.htm

The Times 100, Business Case Studies (2013). [referenced 14 March 2013].

Available at <http://businesscasestudies.co.uk/business-theory/marketing/marketing-mix-price-place-promotion-product.html#axzz2O0rRo887>

Tran, D (Feb 2013). Kinhte24h. Vietnamese Economy 2013: Opportunities and Threats. [referenced 25 March 2013]. Available at

<http://www.kinhte24h.com/view-gh/54/102363/>

Trinity Web Works (2013). Internal Analysis: Your Competitive Advantage.

[referenced 5 March 2013]. Available at <http://trinitywebworks.com/blog/internal-analysis-your-competitive-advantage.html>

U.S Commercial Service (March 2012). Vietnam Market for Safety and Security. [referenced 21 March 2013]. Available at

http://export.gov/vietnam/build/groups/public/@eg_vn/documents/webcontent/eg_vn_051778.pdf

Vietnam Investment Review (31 March 2013). FDI capital sees sharp rise in March. [referenced 20 March 2013]. Available at

<http://www.vir.com.vn/news/coverage/fdi-capital-sees-sharp-rise-in-march.html>

Interviews

Nguyen, H. 2013. Manager of Human Resource Department. Zamilsteel Co.
March 2013

Hoang, T. 2013. Director. Datnam Technologies and Trading Ltd. March 2013

Tran, H. 2013. Manager of Sales Department. Datnam Technologies and Trading
Ltd. March 2013

Ngo, A. 2013. Director. Thai Nguyen Steel Ltd. March 2013

Law

45/2005/QH11. Vietnamese government. Hanoi, 14 June 2005

Unpublished references

Datnam Ltd. (2008). Company profile.

Datnam Ltd. (2013). Financial Report 2012.

Lifeloc Technologies Ltd. (2010). FC20 Brochure.

Ministry of Labor Invalids and Social Affairs (August 2012). *Report of Workplace
Accident Situation 2012*

APPENDICES

Appendix 1

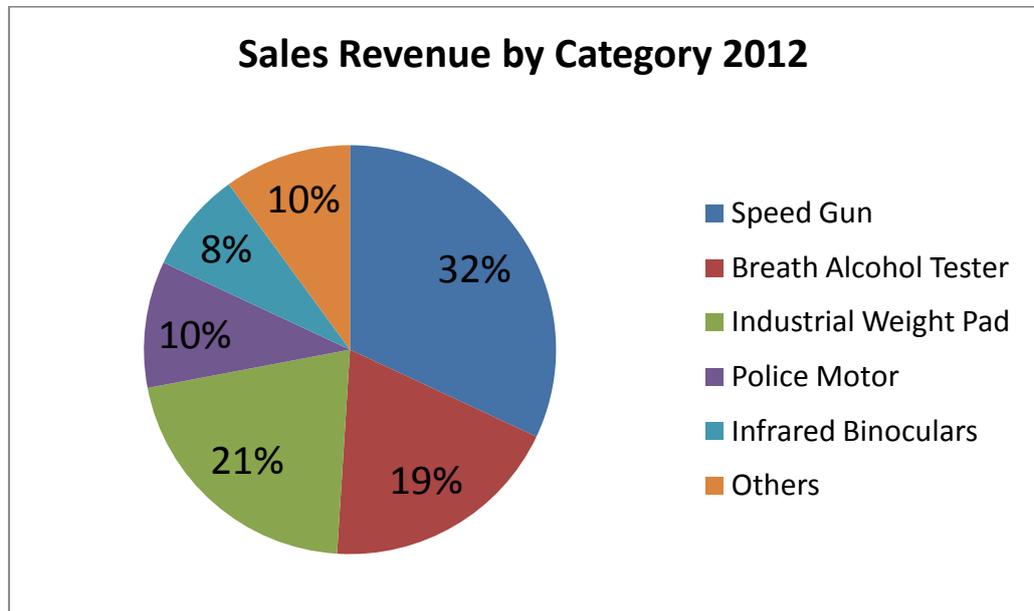
Comparison of workplace accident situation in the first six months in 2012 with the one in 2011

Case	The first 6 months in 2012	The first 6 months in 2011	Increase / Decrease
Number of cases	3060	3531	- 13.3%
Number of cases leading to fatalities	256	233	9.9%
Number of people injured or killed	3160	3642	-13.2%
Number of fatalities	279	273	2.2%
Number of people suffering from serious injuries	671	544	23.3%
Number of females	839	630	32.2%

Source: Ministry of Labor Invalids and Social Affairs (August 2012). Report of workplace accident situation 2012

Appendix 2

Sales Revenue by Category 2012



Source: Datnam Ltd. (2013). Datnam financial report 2012

Appendix 3

Semi-structured interview for potential customers including: Manager of Human Resource Department of Zamilsteel Co., and Director of Thai Nguyen Steel Ltd.

1. What do you think about working condition situation nowadays, especially in the case of your company?
2. What are the main reasons causing accidents at workplace, due to employees or employers?
3. Do you think that investment into safety and security equipment is a good idea to prevent workplace accidents and injuries?
4. What do you concern most when purchasing safety and security equipments?
5. Do you know about any Breath Alcohol Tester devices? About FC20?
6. What do you choose between a cheap product with basic features and a more expensive one with more values added?

Appendix 4

Semi-structured interview for Director of Datnam Technologies and Trading Ltd.

1. Could you introduce Datnam Technologies and Trading Company briefly?
2. Which products are focused to develop in the year 2013?
3. What is the primary developing direction of Datnam in the future?

Appendix 5

Semi-structured interview for Manager of Sales Department. Datnam Technologies and Trading Ltd.

1. What do you think about the increasing demand in Safety and Security Equipment industry in general and Breath Alcohol Tester in particular?
2. How about competition review in Breath Alcohol Tester market?
3. How about the position of FC20 in B2G market?

Appendix 6

List of Potential Customers

UNPUBLISHED DATA