

**Czech University of Life Sciences Prague**

**Faculty of Economics and Management**

**Department of Management**



**Bachelor Thesis**

**Marketing Analysis of a Vietnamese coffee company**

**Trung Nguyen Legend**

**Thi Thanh Huyen Do**

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# CZECH UNIVERSITY OF LIFE SCIENCES PRAGUE

Faculty of Economics and Management

## BACHELOR THESIS ASSIGNMENT

Thi Thanh Huyen Do

Economics and Management

Economics and Management

Thesis title

**Marketing Analysis of a Vietnamese coffee company – Trung Nguyen Legend**

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### Objectives of thesis

The main objective of this thesis is to analyze the marketing strategies and concepts of a Vietnamese Coffee company as it develops its market from Vietnam into the global marketplace.

The outcome will be to analyse its success and suggest proposals to increase its global influence and revenues.

### Methodology

The theoretical part of this thesis will be based on a selection of literature to summarise current thought in the area of international marketing.

The practical part will to obtain and examine data of the Trung Nguyen Legend coffee company, and use appropriate tools to determine its success, and identify possible shortcomings.

**The proposed extent of the thesis**

Approx 40-50 pages

**Keywords**

coffee, export, international marketing strategy, marketing analysis, Vietnam

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**Recommended information sources**

Aaker D.A. Kumar V. et al. (2012), Marketing Research: International Student Version, Hoboken USA.: Wiley & Sons, 662pp., ISBN-13: 978-1118321812

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### **Declaration**

I declare that I have worked on my bachelor thesis titled "**Marketing Analysis of a Vietnamese coffee company – Trung Nguyen Legend**" by myself and I have used only the sources mentioned at the end of the thesis. As the author of the bachelor thesis, I declare that the thesis does not break the copyrights of any third person.

Prague 23.03.2020

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Do Thi Thanh Huyen

## **Acknowledgment**

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**Marketing Analysis of a Vietnamese coffee company**

**Trung Nguyen Legend**

**Marketingová analýza Vietnamské kávové společnosti**

**Trung Nguyen Legenda**

# **Marketing Analysis of a Vietnamese coffee company**

## **Trung Nguyen Legend**

### **Abstract**

This bachelor thesis is focused on marketing analysis, particularly the strategies and the directions implemented by Trung Nguyen Legend Group. The primary purpose of this thesis is to demonstrate the internal and external environment as well as the key factors that affect the marketing strategies of Trung Nguyen.

In the theoretical section, the study will give an overview of the marketing and explain individual marketing concepts. Moreover, the term “strategic management” will be clarified and the importance of identifying the characteristics of marketing in the coffee market.

In the opening of the practical section, there will be a summary of Trung Nguyen Legend and its history of development. Furthermore, this thesis will concentrate on the internal and external environment of Trung Nguyen by analysing the marketing mix 7P, Porter’s Five Forces and PEST using all the information collected. Subsequently, SWOT analysis will be used to identify the strengths, weaknesses, opportunities and threats of Trung Nguyen.

In the last section, a survey will be carried out to research the knowledge of the customers about Trung Nguyen and their consumption behaviour to coffee products. Data collected will be analysed and some recommendations will be proposed to develop and expand the influence of Trung Nguyen coffee and Vietnamese coffee to the foreign market.

**Keywords:** marketing analysis, coffee, Trung Nguyen, Vietnam, customer, strategies

# Marketingová analýza Vietnamské kávové společnosti

## Trung Nguyen Legenda

### Abstrakt

Tato bakalářská práce je zaměřena na marketingovou analýzu, zejména na marketingovou strategii společnosti Trung Nguyen Legend Group. Hlavním cílem této práce je nejen vymezení vnitřní a vnější prostředí, ale také klíčové faktory, které ovlivňují marketingovou strategii této společnosti.

Teoretická část práce poskytne obecný přehled o marketingu a vysvětlí jednotlivé marketingové koncepce. Dále bude vysvětlen pojem strategický management a bude kladen důraz na důležitost identifikování marketingu v odvětví kávy.

Úvod praktické části začíná představením společnosti Trung Nguyen Legend a její historií. Dále se tato práce zaměří na analýzu vnitřního a vnějšího prostředí společnosti s využitím dat získaných z analýzy marketingového mixu 7P, Porterovy analýzy 5 sil a PEST analýzy. Následně bude použita SWOT analýza k zjištění silných a slabých stránek, příležitostí a hrozeb společnosti.

V poslední části bude proveden průzkum zaměřený na znalosti zákazníků o společnosti Trung Nguyen a na jejich spotřební chování na trhu kávy. Shromážděná data budou analyzována a následně bude navrženo doporučení za účelem rozšíření vlivu kávy Trung Nguyen a vietnamské kávy na zahraniční trh.

**Klíčová slova:** marketingová analýza, káva, Trung Nguyen, Vietnam, zákazník, strategie



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# **1 Introduction**

For centuries, coffee has become a popular beverage in the world and a major export item, ranking high among agricultural exports in many countries, including Vietnam. In Vietnam, coffee is the second leading agricultural export item and has a firm foothold to become an important production industry in the national economy. Currently, Vietnam's coffee industry recently witnessed fierce competition as more businesses joined with many new products not only from domestic but also from abroad.

Trung Nguyen Coffee is one of the leading famous brands in Vietnam and is now available in more than 60 countries around the world. Trung Nguyen Legend Group always carries with it the desire to conquer the world and improve the value of Vietnamese coffee beans globally. Therefore, during 24 years of development, Trung Nguyen Group is constantly developing and innovating to affirm its position in the country as well as bring Vietnamese coffee to foreign markets.

Marketing plays an important part in the path of achieving these objectives of Trung Nguyen Legend. Therefore, this thesis will give a theoretical overview of marketing management and strategies as well as individual methods to research internal and external environments in the literature section. The practical part is to collect practical information and data to analyse Trung Nguyen's marketing management and strategies and give some proposals for the influence and development worldwide of the company.

## **2 Objectives and Methodology**

### **2.1 Objectives**

The main aim of the thesis is to study the marketing strategy of Trung Nguyen coffee. First, the thesis will cover the basic marketing knowledge of the company. Furthermore, the thesis will focus on analysing marketing strategies, micro and macro environments that have affected the company and its activities in domestic and foreign markets through marketing analysis, the marketing concepts, the marketing mix 4P's, Porter's five forces, PEST and SWOT analysis. Besides, this thesis also shows what the company has been doing to develop the domestic market as well as the desire to expand into foreign markets. Finally, data and survey will be analysed to make proposals for improving marketing strategies for foreign market targets.

- To achieve these objectives, this study is conducted to answer the following questions:
- What is the importance of marketing and its role in the operation of Trung Nguyen?
- What are the main activities and marketing strategies of Trung Nguyen?
- Which marketing methods did the company apply to operate effectively?
- What are the achievements and remaining issues in the marketing management of Trung Nguyen?

### **2.2 Methodology**

The methodology used in the theoretical part is the document study method to conduct detailed research of the literature and relevant Internet sources. This section will present the knowledge of marketing management, its concepts and the marketing strategies. It also obtains several relevant methods such as Marketing mix 7P, Porter's Five Forces, PEST and SWOT.

Data collection and analysis method will be applied in the practical part of this thesis. It reviews the situation of the Vietnam coffee industry and particularly Trung Nguyen Legend. Secondary data in recent years are the main sources of information to collect and analyse the corporate by the method mentioned in the theoretical part.

In the end, the quantitative method will be used in the last section. A research in the form of a questionnaire with scaled answers will be used to inquire about the consumption behaviour and the knowledge of the customers in the coffee industry.

This study has been implemented mostly in the Vietnamese domestic coffee market because the information and data of the selected corporate are challenging to gather, especially the statistics in foreign markets.

## **3 Literature Review**

### **3.1 Marketing Management**

#### **3.1.1 What is Marketing?**

Marketing can be understood in terms of market access. Different definitions are depending on the target, status, scope of marketing. According to Philip Kotler, marketing is a social process by which individuals and groups obtain what they need and want through creating and exchanging products and value with others. (1, p. 5)

The American Marketing Association offers the following formal definition: “Marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large.” (1, p.5)

Marketing decides and coordinates the connection between business and production activities of businesses with the market, ensures that the business activities of the enterprise are market-oriented, knowing the market, the needs and the wishes of the customers as the strongest support for all business decisions.

#### **3.1.2 Marketing Concepts**

The marketing concept is the strategy that firms implement to satisfy customers’ needs, increase sales, maximize profit and beat the competition (4). To choose which marketing philosophy depends on a lot of factors such as product characteristics, business position, market needs, potential marketing team ... And the last thing is that philosophy must meet customer needs, not affect society and help businesses increase profits. There are five marketing concepts that companies will carry out depending on their target customers and profit aim.



*Figure 1: Marketing Concepts*

The Production concept assumes that consumers prefer available products and low prices. Product demand exceeds supply, buyers will be more interested in having that product for consumption than quality characteristics. Therefore, marketing management must focus on product distribution and increase production. (1, p. 18)

Henry Ford is one of the successful entrepreneurs at the forefront of manufacturing marketing. Since the 1900s, he has been focusing all resources on mass-production cars to reduce costs to the point where all Americans can buy cars.

However, this strategy will come to a standstill if demand is lower than supply and prices are low, and the convenience of shopping is no longer a key factor that consumers consider when making a purchase.

The Product concept assumes that consumers prefer good product quality and unique designs, so marketing management must follow the direction of continuous product improvement. However, this concept can create a short-sight vision when it comes to marketing management practices, prompting leaders to focus on products and innovate from a standpoint without regard to the actual needs of consumers. (1, p. 18)



The Selling concept states that customers do not buy products if businesses do not have promotions and strong sales efforts. This concept applies to goods with passive needs that customers normally do not think of buying such as insurance, burial service, etc. Most businesses follow the selling concept when excess production capacity. The purpose of businesses is to sell what they have made, not make things that can sell well. Thus, to sell products, marketers must carefully study the market needs, choose the right target customers, produce the right products, match prices and carry out advertising and distribution activities. (1, p. 18)

The Marketing concept was created in the 1950s but quickly received by many businesses. The concept is based on four main factors: profitability, coordinated marketing, customer trends and target market. This concept is oriented to the needs of buyers; it comes from the needs and desires of customers with the idea of finding ways to satisfy their needs by coordinating marketing efforts and what is involved in creating, distributing and consuming products, on-base that achieves its profit goal. (1, p. 18)

The Societal Marketing concept requires businesses to clearly identify the wants, needs, and interests of the target market and deliver satisfaction more effectively than competitors in ways that enhance social welfare or preserve. This concept requires balancing 3 big goals: satisfying customer needs, ensuring social welfare and profitability for businesses. Thus, marketing activities are effective and sustainable. (4)

## **3.2 Strategic management**

### **3.2.1 Definition**

Strategic management is the art and science of policy-making, implementation and evaluation of functional decisions, enabling the company to achieve its goals (5). Strategic management is the process of defining a company's goals, developing policies and plans to achieve them, and allocating resources to implement policies and plans to achieve them.

Therefore, strategic management combines activities of many functional departments in the company to achieve the set goals.

### 3.2.2 Stages of strategic management

The process of strategic management could be considered as a direction to help the companies overcome the instability in the market, reaching to a future, by their efforts and capabilities. This process is based on the view that companies continually monitor those events happening both inside and outside the company as well as trends to make timely changes. In general, strategic management processes can be divided into five stages:



*Figure 2: 5 Stages of Strategic Management*

The first stage in the strategic management process is to identify the company's mission and key objectives which will provide a context for formulating strategies. The mission presents the reason for the company's existence and indicates what it will do. For example, the mission of Yahoo! could be "connecting people to anyone and anything". The goals primarily determine what the company expects to meet in the medium and long term. Most companies pursue profitability, the goal of achieving superior competence occupies the top position. (6) (7)

The second stage is the analysis of the external and internal operating environment of the company. The objective is to identify opportunities and threats from the company's external environment and to identify the company's strengths and weaknesses within the company to create competitive advantage, and the role of different competencies, resources

and ability to create and maintain a sustainable competitive advantage for the company. This stage requires the company to achieve a superior way of efficiency, quality, innovation and accountability to customers. (6) (7)

The next stage is to identify strategic formation for the company's strengths, weaknesses, and threats. Furthermore, this process goes into a clear understanding of the nature of competitive position based on analysis to find the core resources, capabilities and competencies that underlie the development of strategic options. The company must evaluate multiple options that are relevant to the main objectives. (6) (7)

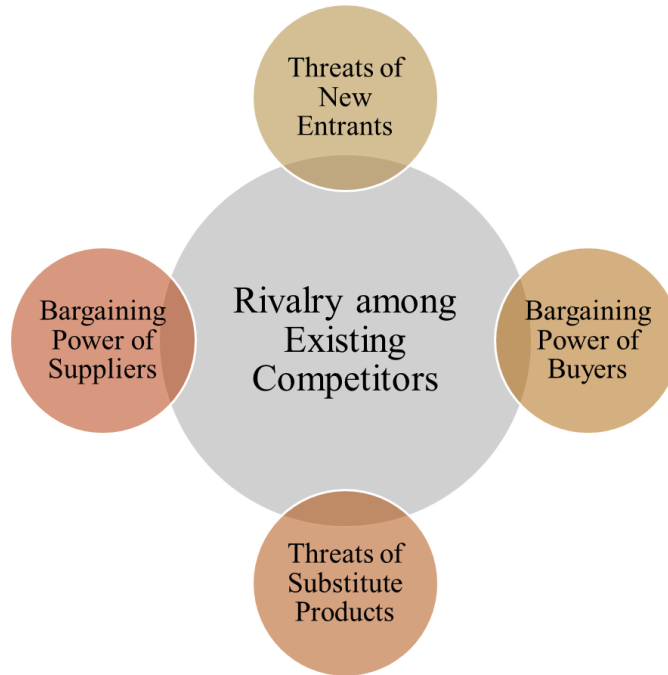
Once a company has chosen a strategy to achieve its purpose, that strategy needs to be implemented. Implementing a strategy requires assigning roles and responsibilities for various strategic activities to certain managers and departments within the company. Besides, the company needs to establish an appropriate control system and must decide on how it affects the performance and control of the operations of its divisions. A company that wants to succeed needs to create compatibility or compatibility between its strategy, structure and control system. (6) (7)

The last stage – strategy monitoring includes performance measurements, consistent review of internal and external issues and making corrective actions when necessary. Monitoring internal and external issues will also enable you to react to any substantial change in your business environment. If you determine that the strategy is not moving the company toward its goal, take corrective actions. If those actions are not successful, then repeat the strategic management process. Because internal and external issues are constantly evolving, any data gained in this stage should be retained to help with any future strategies. (7)

### 3.3 External and Internal Analysis

#### 3.3.1 Porter's Five Forces Analysis

Porter's Five Forces is a model that identifies and analyses five competitive forces that shape every industry and helps determine an industry's weaknesses and strengths. The Five Forces model is named after Harvard Business School professor, Michael E. Porter. (9)



*Figure 3: Porter's Five Forces*

The bargaining power of suppliers to the company is assessed by how easily suppliers can squeeze prices. Therefore, suppliers can be considered as pressure when they have the ability to increase input prices or reduce the quality of products and services they provide (9) (10). Their power can be determined by factors such as:

- Number of suppliers
- Distinctness of the products or services offered
- Size and strength of the supplier
- Cost of transfer
- Conversion costs of businesses in the industry
- Existence of alternative suppliers...

The bargaining power of customers is evaluated by how easy the customers are able to pressure the organization or reduce the price of a product or service it offers. Buyers can pressure by purchasing together a large volume to get a reasonable price. In case there are many suppliers, they have the right to choose which one is better, so the suppliers have to compete with one another. (8) (9)

A substitute product is another product that can satisfy the needs of consumers. Its basic characteristics often have product advantages being replaced by specific characteristics. Today, many companies compete through the creation of new values, added values, perceived values rather than their original useful values, and buyers as well as customers also are willing to spend money to buy those values. (8) (9)

Threats of new entrants are the potential competitors that are not currently competing in the same manufacturing industry but are capable of competing if they choose and decide to join the industry. This is a threat to existing companies and the level of competition will become more intense (8) (9). Therefore, existing companies in the same industry will create barriers to entry, often it includes:

- Absolute advantages in cost: technology, raw materials, human resources ...
- Differentiate products.
- Use scale advantage to reduce the unit cost of the product.
- Maintain and strengthen distribution channels.

Competitive rivalry refers to the number and strength of existing competitors that a company has. If there are many competitors in the same industry offering the same products or services, the attractiveness of that industry field will decrease. To attract customers in strong competition, companies can reduce price aggressively and organize marketing campaigns with high impacts. On the other hand, you will have great advantages and good profits when the competition is minimal. (10)

### **3.3.2 PEST Analysis**

PEST analysis studies the effects of factors that have a direct effect on economic sectors in the macro-environment, including political - legal, economic, cultural - social and technological factors. These factors are external factors of the enterprise and industry subject to the impact that it brings as an objective factor. Businesses based on these impacts will devise policies and business activities that suit them best.

#### **Political Factor**

Political factors are extremely important in the strategic management of a company because these factors are considered as the influence of the government in the economy. Political factors may be related to financial policy, labour law, environmental law, trade barriers, interest rates and political stability, which can affect the viability and development of any industry. Companies often analyse the following aspects of the political and legal environment:

- Political stability
- National socio-economic development strategies
- Policy of tax
- Laws related to business and level of law enforcement
- Bureaucracy and corruption
- Quality of public services ...

(11) (12)

#### **Economic Factor**

Businesses need to pay attention to economic factors both in the short term, long term and the government's intervention in the economy. Typically, businesses will base on the analysis of the following economic factors to decide to invest in the following sectors and areas:

- The state of the economy, the current period of the business cycle
- Factors affecting the economy such as interest rates, inflation, ...

- Economic policies of the Government
- The actual situation of future economic prospects
- Labour supply, labour costs, unemployment, etc.

(11) (12)

### **Social Factor**

Each country or state has its cultural values and social factors, and these factors are the characteristics of consumers in those areas. Changes in population, geography, culture, and society have an important impact on virtually all products, services, markets and consumers. Cultural values are the values that make up a society and can nurture that society in existence and development. Therefore, the common cultural factors are protected in a very large and strict manner, especially the spiritual culture. Besides those cultural values, social values also make businesses interested in market research. These social factors will divide the community into customer groups. Each group has different characteristics, psychology, income ... (11) (12)

### **Technology Factor**

Technical progress can have a profound impact on products, services, markets, suppliers, distributors, competitors, customers, manufacturing processes, marketing practices and positions. competition of organizations. This factor can be analysed based on the following criteria:

- Investment by the government and enterprises in research and development
- The impact of information technology, internet on business activities,
- Influence of emerging technology and technology transfer ...

(11) (12)

### **3.3.3 SWOT Analysis**

In business competitions, SWOT analysis helps businesses understand the strengths, weaknesses, opportunities and challenges that are facing and thus create a foothold in the market. SWOT includes 4 elements: Strengths, Weaknesses, Opportunities and Threats

Strengths and Weaknesses are two internal factors in a company such as reputation, business characteristics, geographic location, and you can make an effort to change. On the other hand, Opportunities and Threats are two external factors that are not controllable such as supply, competitor, market price...

#### **Strengths**

The strength of a company is often internal factors that can help it grow and build its advantage against competitors in the market. These factors are controllable and can help the company achieve its goals such as:

- Resources, assets, people
- Experience, knowledge, data
- Finance
- Marketing
- Innovation
- Price and product quality
- Certification and accreditation
- Process and technical system
- Redundancy, culture, administration

Companies need to be realistic and wise, but not so modest, especially when compared to competitors. This will highlight the advantages of the company because these should be the dominant and unique characteristics that the company holds when compared to the competitors. (17) (18)



## **Weaknesses**

Weaknesses are factors within the company that are negative or make it struggle to achieve the goals. Weak points can be compared to identify them simultaneously with strong ones. Companies need to overcome these weaknesses themselves if they want to compete with competitors in the market. There are many areas where the company needs to improve to remain competitive such as:

- Higher-than-average turnover
- High levels of debt
- An inadequate supply chain
- Lack of capital
- Lack of reputation

(18)

## **Opportunities**

Opportunities are external factors (business market, society, government, etc.) that are positive or beneficial in achieving the goals. To build and develop the business, the company needs to seize on time, prioritize and take advantage of those opportunities:

- The development of the market
- Weakness and bad reputation of competitors
- Technology trends change
- Global trend
- Beneficial contract, partner, investor
- Good season, weather

Identifying opportunities plays a very important role in finding the most appropriate goals and directions for the company. (17) (18)

## **Threats**

Threats are external factors that can adversely affect the operation of your business. Often these factors a company cannot control, it can only predict and devise strategies to deal with them. The company needs to understand and address these risks and plans to devise prevention, resolution and management options. There are some common threats such as:

- Rising costs for materials
- Increasing competition
- Tight labour supply
- Government regulations and restrictions
- Economic depression
- Liability for products

(17) (18)

### **3.3.4 Marketing Mix 7Ps**

Marketing Mix is about putting exactly one product or service in the right place at the right time at the right price. Marketing Mix 4Ps was built in the 1960s, by economist E. Jerome McCarthy including 4 factors: Product, Price, Place, and Promotion. However, the 4P model was designed only at the time of product sales but lacked a focus on service and the role of customer service in branding and development. Therefore, the 4Ps model has been upgraded to 7Ps with the new 3Ps: Process, People and Physical Evidence. (15)

## **Product**

Product is created to benefit and meet the needs of a certain target group. Products can be goods (tangible) or services (intangible). In the process of developing products, companies often have to research very carefully about the market and predict the life cycle of the product they create. As the first P in both 4P and 7P models, products play a crucial role in mixed marketing. Enterprises must ensure that their products meet the needs of the target market, the benefits of such products bring good experience and satisfaction to consumers. (14) (15)

## **Price**

The price of a product is the amount of money a buyer has to spend to get that product. This is an important component in making a profit and determining the existence of a business. After the product development is complete, the company will start pricing and researching pricing strategies in line with the target market. Setting the price too high or low will cause the company several problems, affecting its revenue and capital. If the valuation is too high, companies will not be able to compete with other similar products in the same category if the companies do not have a certain reputation in the market. When valuations are too low, companies will have to struggle to manage production costs and the amount of money to maintain internally. (14) (15)

## **Place**

Place is where customers can find and buy products from the company. Depending on the characteristics and behaviour of customer groups, companies will have different distribution strategies and distribution channels. Some common distribution strategies are widespread distribution (products are sold in many channels, shops, ...), exclusive distribution (products sold in a channel, store or chain of stores most selective distribution, selective distribution (products are sold in certain channels, shops, ...), franchising.

At present, many businesses have built a professional and effective sales network or system, ensuring a continuous supply of goods and creating convenience for buyers. (14)(15)

## **Promotion**

All sales support activities to help customers know the product or brand are considered promotions such as public relations (press conferences, exhibitions, events), advertising (television, radio, print and on the Internet), sales promotion...

Depending on the cost policies of each company, marketing, and advertising budgets will vary. The important thing is that the company has to convey the message of your brand and product to the target market, attract the customers to buy the product. Today, brands are

not simply meeting the needs of consumers, but even changing their attitudes and behaviours by educating buyers to create new needs. (14) (15)

### **People**

The people are both the target customers that the company is targeting, and also the people directly involved in providing services and products in the company. Doing market surveys is essential for the company to assess the needs and tastes of your customers, thereby making appropriate adjustments to the service provided. Employees in the business also play an equally important role, because they are the ones who provide that product or service to the customers. Therefore, consideration should be given to carefully reviewing and hiring employees. Having a great team of employees will promote the development of the company and improve the quality of work. (13) (15)

### **Process**

Process refers to the organization's management system and organization. Building a reasonable management system such as sales channel, payment system, distribution system, working processes between departments, levels, ... will help companies minimize costs and maximize profits in the operation process, ensure business operations effectively and optimally. (13) (15)

### **Physical Evidence**

Physical Evidence refers to the experience of using goods or services of consumers, as well as what businesses have built. It is also about building the best image and creating the best product for the company, so that customers can feel and give good feedback. Physical Evidence can bring a great competitive advantage to companies, helping them stand out in the eyes of customers. Besides, factors such as corporate culture, mission and vision, values of the organization, ... also help consumers to better understand and trust the company. (13)(15)

### **3.4 Marketing in Coffee market**

For centuries, coffee has become a familiar beverage for people all over the world. The first type of coffee tree was only grown in Africa and Saudi Arabia, but the latter was distributed in many other parts of the world under suitable conditions.

In Vietnam, coffee is one of the most attractive industries. Vietnamese coffee today has been introduced by the French since the French colonial period. Over hundreds of years of using this drink, until now, coffee has almost become a popular beverage of Vietnamese people. Coffee is also one of the oldest drinks in Vietnam, enjoying a cup of coffee every morning seems to have become an indispensable habit of most Vietnamese people. Nowadays, there are three popular waves of coffee in Vietnam. The first wave of coffee marked the arrival of instant coffee in the 19th century, anyone can boil water and make coffee at home. The second wave of coffee is the beginning of high-quality specialty coffee in shops. In the third wave of coffee focused on improving the quality of coffee beans and using coffee makers full of art as Cold Brew, French Press...

In the integration period, there are many famous coffee brands imported into Vietnam, although the price is high, there are many incentives such as buying 1 get 1 free, discount coupons, free ship ... However, Vietnamese coffee with a unique flavour is still one of the top choices of the people and gradually becomes a trademark beverage that impresses foreigners. Since in addition to the above-mentioned coffee types, Vietnamese people also have their creations for new types of coffee such as egg coffee, coconut coffee, yogurt coffee, weasel coffee...

In the 2019/20 period, USDA forecasts that domestic coffee consumption in Vietnam will increase to 3.4 million bags, mainly due to an increase in consumption of roasted coffee, which is forecast at 3 million bags, equivalent to equivalent to 10% of total coffee output in Vietnam. USDA forecasts Vietnam's coffee exports in the 2019/20 crop, including green coffee, roasted and instant coffee, reaching 28.3 million 60kg bags. (24)

## **4 Practical Part**

### **4.1 Trung Nguyen Legend Group**

#### **4.1.1 Overview**

Trung Nguyen Group is an enterprise operating in the fields of production, processing and trading of coffee; franchise; Modern distribution, retail and tourism services. Trung Nguyen Coffee is one of the leading famous brands in Vietnam and is present in more than 60 countries around the world.

Main office: Joint Stock Company Trung Nguyen Legend

Headquarters: 82-84 Bui Thi Xuan, Ben Thanh Province, District 1, Ho Chi Minh City

Tel: (84.28) 39251852

Email: office@trungnguyenlegend.com

Website: trungnguyenlegend.com

#### **Vision**

To become a corporation to promote the rise of Vietnam's economy, maintain the autonomy of the national economy and arouse, prove a great aspiration to explore and conquer.

#### **Mission**

To create a leading brand by giving coffee drinkers a creative inspiration and pride in the unique Vietnamese style of Trung Nguyen coffee. (19)

#### **4.1.2 History**

On June 16, 1996, Mr. Dang Le Nguyen Vu founded Trung Nguyen in Buon Ma Thuot – the coffee capital of Vietnam

In 1998, The opening of the first coffee shop in Ho Chi Minh City was the first step for the establishment of Trung Nguyen's cafe system in provinces and cities of Vietnam and other countries in the world.

In 2001, Announcement of the slogan "Originating creativity" and distilled from the best coffee beans, modern technology, unique Eastern secrets that could not be replicated with the great passion that brought China Originally conquered consumers across the country

In 2003, G7 instant coffee was born by the "G7 Instant Coffee Festival" at Thong Nhat Palace on November 23, 2003, attracting thousands of participants and G7 was chosen by 89% of people as the most favourite product.

In 2010, Trung Nguyen coffee products were exported to more than 60 countries around the globe, typically in the US, Canada, Russia, England, Germany, Japan, China, Asian ...

In 2012, Trung Nguyen Coffee is the number one brand in Vietnam with the largest number of coffee consumers and there are 11/17 million Vietnamese households purchasing Trung Nguyen coffee products

In 2013, G7 celebrated its 10th anniversary, marking the 3-year milestone leading the market and being the most popular.

In 2016, Celebrating the 20th Anniversary of the Serving Journey, announcing the new Name, Vision, Mission. Launching Trung Nguyen Legend Café - The Energy Coffee That Changes Life, becoming the largest coffee shop chain in Southeast Asia.

In 2017, Trung Nguyen Legend officially opened a representative office in Shanghai (China), one of the world's most prestigious commercial and financial centres. Launch of E-Coffee Model: Specialized Coffee System - Special, Energy Coffee - Change Life Coffee

In 2018, Inauguration of the World Coffee Museum at Buon Ma Thuot "Global Coffee Capital". Launching masterpieces of energy coffee Trung Nguyen Legend and Trung Nguyen Legend Capsule.

## **4.2 Marketing Mix 7Ps**

### **4.2.1 Product**

Coffee has long been a huge part of the daily life of not only Vietnamese but also almost all citizens of the world. Being in the top three of the most producing coffee countries in the world, Vietnamese coffee has a rich and creative taste and many drinking cultures appearing in every aspect of life. Trung Nguyen is one of the largest coffee brands in Vietnam with a wide range of products from roasted and ground coffee to instant coffee. To meet the needs of enjoying coffee of different customer groups, TN has created a diverse product range shown in 6 main product lines:

- High-quality Trung Nguyen coffee
- Coffee Roasters
- Pure coffee beans
- G7 instant coffee
- Natural coffee
- Condensed cream with sugar

(25)

According to a survey, Coffee Roasters and G7 Instant Coffee are typical products associated with Trung Nguyen brand. After these products were accepted by the market, Trung Nguyen quickly grasped the tastes of customers, invested in intensive development to create an innovative coffee product line including many types divided into ingredients. and the taste of customers' coffee

This diversification makes Trung Nguyen's coffee products reach all segments of the market, strengthening the brand power of enterprises, which not many businesses can do.

### **4.2.2 Price**

Price is one of the most important factors that help the company attract more customers together with an appropriate price policy. In the Vietnam coffee market, Trung Nguyen chose a medium price strategy. The company sets an average price which is suitable for the



living standard of most Vietnamese people. A reasonable price with good quality makes Trung Nguyen a strong competitor in the common market, especially with G7 instant coffee.

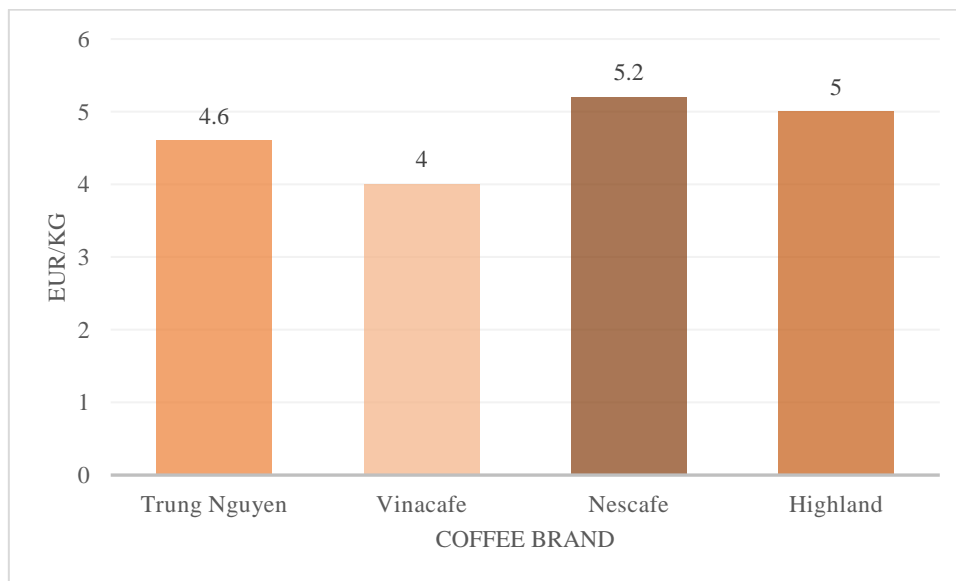


Figure 4: Price of Vietnamese Instant Coffee

Collected & calculated

In recent years, there are many coffee brands emerging in Vietnam, especially Starbucks which is a worldwide famous coffee brand and immediately gets the attention. However, in comparison with the price of instant coffee of Starbucks, Trung Nguyen is more affordable and the price remains stable, so it is still a top choice of Vietnamese people. In the foreign market, Trung Nguyen also leaves a trademark of unique and strong flavour coffee with only half the price of other famous coffee brands in the world.

#### 4.2.3 Place

Understanding the importance of distribution so that products reach consumers as quickly as possible and the acknowledge of customers to the company's products, Trung Nguyen has used a wide distribution system and effective distribution policies. The company has built retail distribution facilities along with franchising bases across the country such as Coopmark System, big supermarkets (Big C, Vinmart) and convenient stores (G7 Mart, 7-Eleven) Franchise agencies are allowed to use Trung Nguyen's brand to promote their

business, in addition to training and consulting on business models and solutions. Trung Nguyen also officially introduced to the public a system of retail stores specializing in energy coffee – life-changing coffee, under the brand new Trung Nguyen E-Coffee with the goal to reach more than 3,000 stores after one year of development - becoming the largest system of coffee shops in Vietnam.

Trung Nguyen has expanded its franchise system in other countries such as Singapore, Thailand, Cambodia, Japan, China, Germany, USA, Czech Republic ... and Trung Nguyen's products are now available in 60 countries. Currently, Trung Nguyen has a headquarter in China.

#### **4.2.4 Promotion**

Since its establishment with just a small cafe, Trung Nguyen made a spectacular breakthrough for coffee drinkers at that time: the first cafe served for free for 10 days. It can be said that, from the simplest promotions to nowadays, Trung Nguyen has developed and implemented the tools of the new era to bring its products closer to consumers like the following methods:

##### **Advertisement**

- Exploiting ads for free on virtual social networks such as Facebook and YouTube
- Advertising by posters, banners widely in the market, contacting advertising in supermarkets and commercial centres
- Advertise on domestic and foreign publications
- Join trade fairs to promote products

##### **Sales promotion**

Trung Nguyen has promotional programs that are suitable for each stage and suitable for long-term campaigns, on special occasions such as Tet Holiday, on the establishment of the company, gratitude to customers...

## **Public Relations**

Trung Nguyen has successfully implemented PR plans such as:

- Collaboration with the authority to launch the program Creativity for Vietnamese brands, encouraging the use of Vietnamese goods
- Founding the inception fund Ideaship for to encourage and create opportunities for Vietnamese youth
- Sponsoring programs for the community, for the poor and disadvantaged children...

### **4.2.5 People**

In 2018, Trung Nguyen was honoured as "Top 100 Most Favorite Employers". Trung Nguyen also ranks in the Top 7 of Retail & Wholesales businesses voted for the best working environment and remuneration (27). Trung Nguyen's training centre also organizes library activities for staffs such as reading and borrowing activities, seminars where employees are presenters to introduce books, feel about books and reading methods. In addition to this activity, Trung Nguyen is firmly on the Journey of Life-changing Books, offering 20 million books to 23 million Vietnamese young people, inspiring young people who are determined to learn and improve and complete oneself to benefit the family and society.

### **4.2.6. Process**

For more than 20 years, Trung Nguyen has been constantly expanding its system and investing in technology. Currently Trung Nguyen has 4 coffee factories. Bac Giang factory is the largest instant coffee factory in Asia, that Trung Nguyen invested in processing technology systems to meet the growth of export markets.

Not only focusing on systems and products, but Trung Nguyen also pays great attention to technology investment. Trung Nguyen decided to choose the SAP-ERP system to deploy nationwide with an investment budget of more than 50 billion VND (2 million EUR). Besides, Trung Nguyen also uses the DMS system to assist in the management of sales, liabilities, inventory ... After the comprehensive training for the sales team at

distributors, DMS system has so far helped distributors effectively and bring many other significant benefits. (28)

#### **4.2.7 Physical Evidence**

Up to now, the first Trung Nguyen Coffee Space still maintains and is the place where the programs of activities, exchanges and talks about culture, science and art took place. Besides, the activities of Saturday Coffee, Trung Nguyen Creative Space have become the convergence of intellectuals, artists and artists, domestic and international creative lovers.

Along with Trung Nguyen Coffee Space model, Brain Station model, Trung Nguyen Coffee Village is the "largest coffee shop in the world" attracting more than 43,000 visitors each month and preparing to welcome the 2 million guest, Trung Nguyen Coffee Village is an attractive and interesting destination for those who love coffee, love to create and explore the culture.

On the 12th anniversary of Trung Nguyen's vision and mission announcement, Trung Nguyen Group's CEO and office employees from different departments joined the staff to serve customers at Trung Nguyen Coffee Space to surprise customers.

### **4.3 Porter's Five Forces Analysis**

#### **4.3.1 Bargaining power of suppliers**

The number of suppliers will determine their competitive pressure and power to negotiate with the industry. If there are only a few large-scale suppliers in the market, it will create competitive pressure, affecting the entire production activities of the industry.

However, Trung Nguyen has a very efficient production system. When the raw materials used for the production of instant coffee as well as other types of coffee are originated from coffee farms invested and managed by Trung Nguyen itself. It is a great advantage that Trung Nguyen itself supplies input materials for its production. Therefore, competitive pressure from suppliers is an issue that Trung Nguyen is not facing at present.

### **4.3.2. Bargaining power of customers**

Customers are a competitive pressure that can directly affect the business activities of the industry. Enterprises involved in the supply are large-scale businesses while customers of the coffee industry are also large-scale and as many as agents, supermarkets and retail points nationwide. For the Vietnamese market, the ability of customers to put pressure on small retailers is small, but customers are still considered as a small threat. Currently, Vietnamese customers are not too fastidious, so it is easier to meet the needs of customers in developed countries like the US and Germany ... However, with the fast growth rate and the requirements for enjoying coffee increasingly high, the pressure from customers is something that Trung Nguyen must pay close attention to. In these recent years, despite the low consumption of coffee in Vietnam, there is an increase in the consumption of coffee in the world. In the first 7 months of 2019, Germany and the US continued to be the two largest coffee consuming markets of Vietnam with a market share of 13.7% and 9%. Trung Nguyen not only has a wide range of products to meet the preferences of customers but also adjust the price according to the living standards so the bargaining power of customers is low, especially with a convenient product like G7 instant coffee.

### **4.3.3 Threats of substitute products**

In the convenient coffee market, consumers in Vietnam and around the world are also quite familiar with instant canned coffee products without preparation. This type of product also attracts many people by its convenience and suitability to modern life.

On a large scale, tea is the largest substitute for coffee. In fact, coffee is the favoured and dominant product over tea both in terms of product characteristics and price so the threat of alternative products like tea is negligible.

Despite different characteristics, coffee is still in the beverage category, a market where many products can be substituted for each other. It can be said that the variety of products in Vietnam's beverage market is also significant pressure on Trung Nguyen.

#### **4.3.4 Rivalry among Existing Competitors**

For a long time, coffee brands such as Trung Nguyen, Nescafe and Vinacafe have become familiar with the people and occupy a huge market share. Therefore, it can be considered that Nescafe and Vinacafe are Trung Nguyen's two strongest competitors in the instant coffee market. Nescafe and Vinacafe focus more on the instant coffee market than Trung Nguyen. However, after investing in factories and technology, the production of instant coffee of Trung Nguyen has tripled in one year. In addition, Starbucks and Highlands are also famous coffee brands in Vietnam and also became a concern but not serious for Trung Nguyen because of the large price difference and different business forms.

In the Vietnamese market, the coffee industry is a slow-growing industry, so the level of competition is quite intense because businesses have to compete to capture and expand the market. However, the market is still not saturated and, more importantly, coffee has a lot of development opportunities in the world market.

#### **4.3.5 Threats of new entrants**

In addition to the above main competitors, Trung Nguyen is facing domestic rivals such as Vinamilk's coffee and birdy coffee companies. Along with rivals who have the same form of coffee production, there are other brands such as Phuc Long Coffee and Tea, The Coffee House with the form of business directly serving at the cafe. Therefore, the entry barrier of competitors is not high.

### **4.4 PEST Analysis**

#### **4.4.1 Political Factor**

Vietnam is the second-largest coffee exporter in the world and the world's leading exporter of Robusta coffee so the government has issued many policies to support coffee production and coffee export trade. The National bank sets monetary policy and ensures safe banking activities to support coffee farmers in a sustainable way to have a sufficient supply

for coffee businesses. Moreover, the government is also concerned about businesses and offers a number of trade policies such as:

- Extending the loan period up to 36 months for coffee exports
- Supporting loans for the purchase of machinery and equipment
- Reducing post-harvest losses
- Eliminating 5% VAT on some commodities including coffee
- Managing the purchasing system
- Improving preliminary processing technology
- Building a modern coffee consumption system

This is a huge opportunity for Trung Nguyen to develop and innovate the technology of producing coffee with lower costs and higher quality.

#### 4.4.2 Economic Factor

In 2018, the government signed the International Coffee Agreement (ICA) and Vietnam coffee participated in the global coffee chain. In addition, the accession to the World Trade Organization (WTO) and other international and regional organizations also creates a large market for the Vietnam coffee industry.

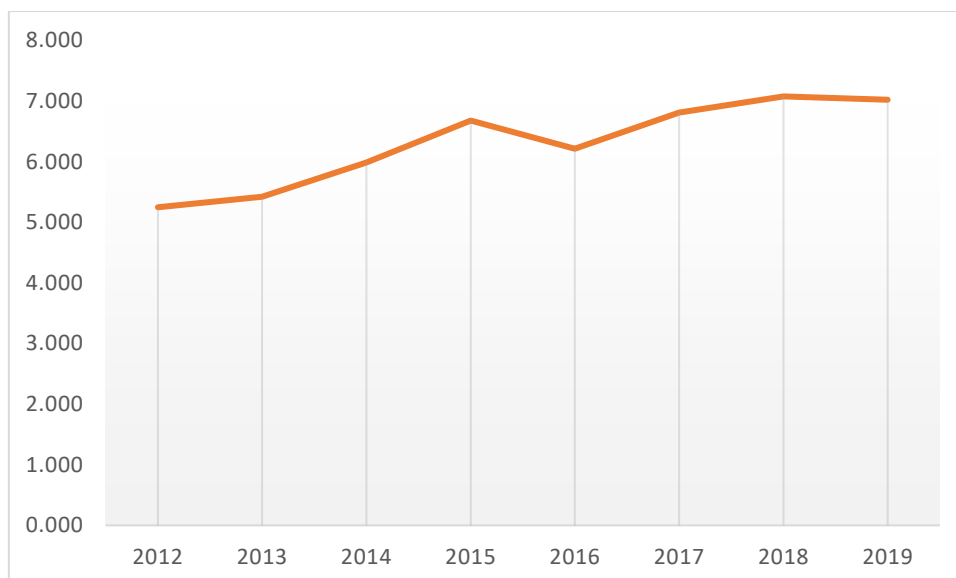


Figure 5: Vietnam's GDP Growth 2012-2019 (%)

Source: World Bank

Despite the signs of cyclical decline, Vietnam's economic outlook is still optimistic. GDP growth reached a high of 7.1% in 2018 then declined slightly to 7.02% in 2019. However, the GDP growth rate is expected to fall below 6% due to the effect of Coronavirus. This will affect seriously the economy, especially the labour force, causing immediate labour shortages, interrupting the supply chain and trade flows, stalling production and business. Trung Nguyen is not an exception in this situation because the factories will be closed, and the price will be affected.

#### **4.4.3 Social Factor**

Coffee has appeared in Vietnamese society since the 19th century. But over time, it has become an integral part of Vietnamese life and culture. The culture of enjoying the coffee of Vietnamese people also has many changes according to the daily development of society. In the 20<sup>th</sup> century, Sidewalk Café has become a typical image of Vietnamese urban area. During this time, Vietnamese preferred strong filter coffee and it still exists today and is voted by many people as a delicious way to brew coffee. However, when people become busy with work and life, a cup of delicious instant coffee with pure flavour becomes one of the top choices of Vietnamese people. In the 21<sup>st</sup> century, espresso-based coffees are imported into Vietnam with a wide range of choices such as Espresso, Cappuccino, Latte... As an ambitious company, Trung Nguyen keeps researching and producing new types of coffee that meet every customers' preference. Furthermore, Trung Nguyen focuses on not only the products but also the customers' spiritual life.

#### **4.4.4 Technological Factor**

“Investment in building a factory with modern technology is the foundation for Trung Nguyen to integrate and compete with other coffee brands in the region and globally. The factory will boost the export volume and enhance the value of Vietnamese coffee brands in the international market.” (28). Therefore, Trung Nguyen constantly changes and develops the system of coffee factories with world-leading technology, meeting HACCP standards to



create clean and delicious coffee products that follow the strict standards of the FDA organization to export coffee to the United States, Japan and Europe. Trung Nguyen also orders the world's leading companies from Italy and Germany such as FAE, NEUHAUS NEOTEC to design its own technology to ensure the retention of excellent taste.

## **4.5. SWOT Analysis**

### **4.5.1 Strengths**

Trung Nguyen has a great advantage of having a factory located right in the capital of the coffee plant and building its own coffee farm to supply raw materials so this makes sure the shipping and buying price is the lowest price available can. Trung Nguyen is a powerful corporation with solid infrastructure, fully qualified to perform and manage basic operations with the best efficiency. In addition, the management team is mostly well-trained young people, along with experienced consultants working in foreign corporations.

Trung Nguyen's product quality meets the tastes of Vietnamese people. Made from the best ingredients with modern technology and special extraction, G7 instant coffee has a different flavour with richness and charm, the unique taste of Vietnamese coffee. Besides, Trung Nguyen is known as a pioneer coffee company in the form of franchising in the Vietnam market and has a nationwide distribution channel system.

### **4.5.2 Weakness**

Trung Nguyen's franchise system is massively inconsistent and out of control, so it does not guarantee uniformity and style for Trung Nguyen. In order to maximize profits, Trung Nguyen decentralizes customers in products corresponding to product costs. However, this strategy is not suitable for a widespread franchise system that is difficult to control. The constant changes in packaging and signs cause inconsistencies and also make it difficult for customers to identify the brand. In addition, Trung Nguyen Group has too many projects and ambitions at the same time that are also the cause of scattered forces and manpower. Therefore, Trung Nguyen was not allowed to fully focus its investment to consolidate and develop its business well.

### **4.5.3 Opportunities**

Coffee is protected by the government on rights and trademarks, supporting the production costs, and facilitating export to foreign countries. Coffee associations were established to support each other in developing the coffee industry, avoiding monopolistic acts, market disputes leading to infringement of the business interests of enterprises, protecting the interests of coffee on the world market. The government also has many positive policies and supports the coffee industry in times of crisis. Furthermore, Vietnam's accession to the WTO has created more opportunities for the coffee industry in general and Trung Nguyen in particular. Trung Nguyen Coffee has been known not only in the country but also in the foreign market.

### **4.5.4 Threats**

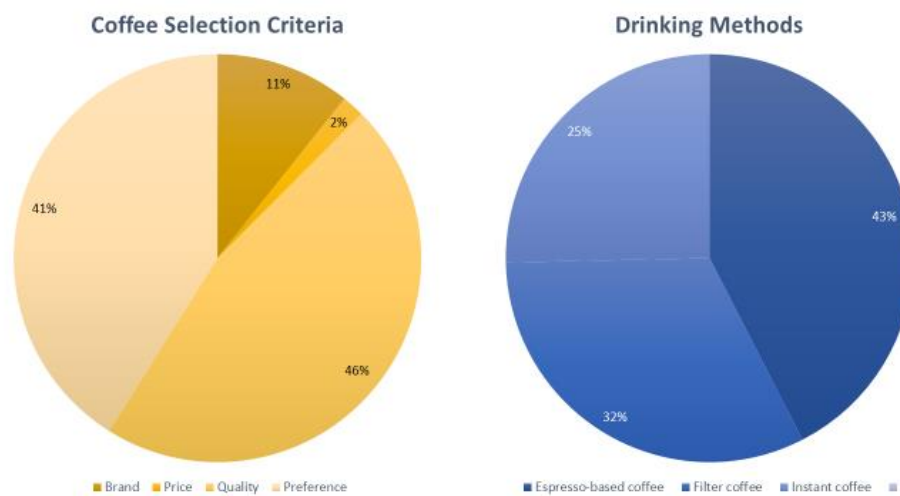
According to statistics from the General Department of Customs, coffee exports in January 2020 decreased 28% in volume and 29.9% in value compared to January 2019. Globally, Robusta prices are falling as global supply is likely to be surplus to the prospect that Brazil will have a new harvest in a few months. Especially in the case of the Covid-19 epidemic, the production disruption due to labour shortages is also a serious problem.

Besides, substitutes are becoming more diverse, besides instant coffee, filter coffee, consumers also have more choices of canned coffee or espresso-based coffee and other drinks such as soft drinks or tea. The protection of trademarks in foreign countries has not been properly cared for by Vietnamese enterprises, so many cases of trademark loss have occurred in the world market. The franchise network of Trung Nguyen is too extensive, management and supervision are weak, so Trung Nguyen coffee shops no longer retain their original identities.

## 5 Results and Discussion

### 5.1 Data analysis

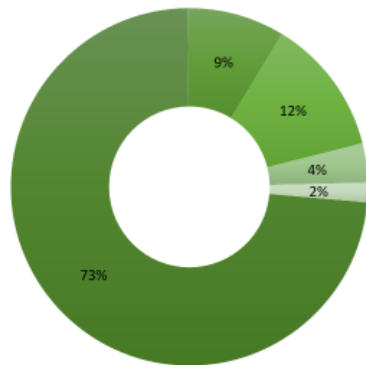
This survey aims to inquire about the customers' knowledge of Trung Nguyen coffee and their consumption behaviour. The collected data will be analysed, and the recommendations will be proposed to improve and develop this coffee brand not only in the Vietnam market but also in foreign markets.



According to the survey, a vast majority of attendees expressed that their coffee depending on the quality and preference, with 46% of quality and 41% of preference. The survey shows that the brand or price is not the priority criteria that a customer wants from a beverage like coffee. Among the drinking methods, espresso-based coffee takes the highest of 43%, which is reasonable because this type of coffee is enjoyed by not only the young but also mid-age people.

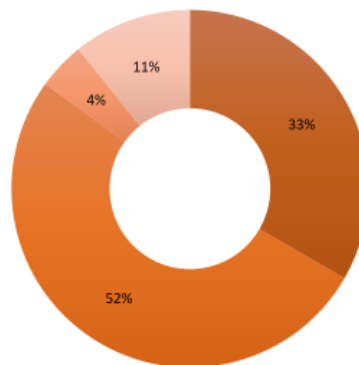
For years, Trung Nguyen has been developing and producing a variety of products to meet the customers' preferences and increase the quality of the products. However, espresso-based coffee is not an advantage of Trung Nguyen, so the company needs to plan to develop this type of coffee to attract more customers and increase revenues.

**First Mentioned Coffee Brand in Vietnam**



■ Trung Nguyen ■ Nescafe ■ Highland ■ Starbucks ■ Vinacafe

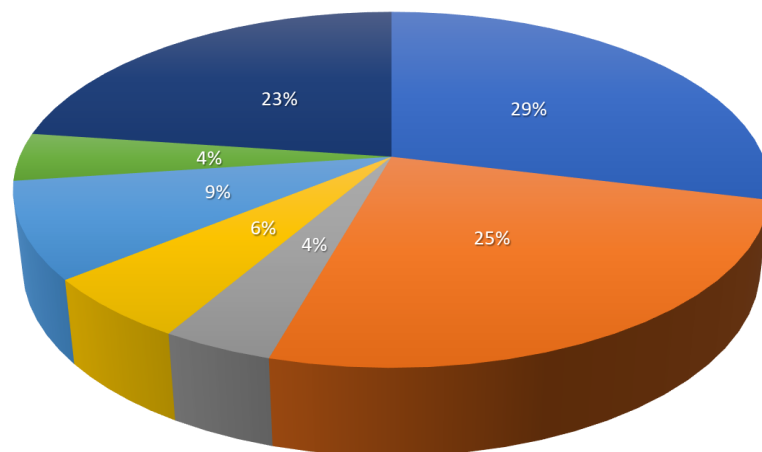
**Best-known Trung Nguyen Coffee**



■ Coffee Roasters ■ G7 Instant Coffee ■ Natural Coffee ■ High-quality Coffee

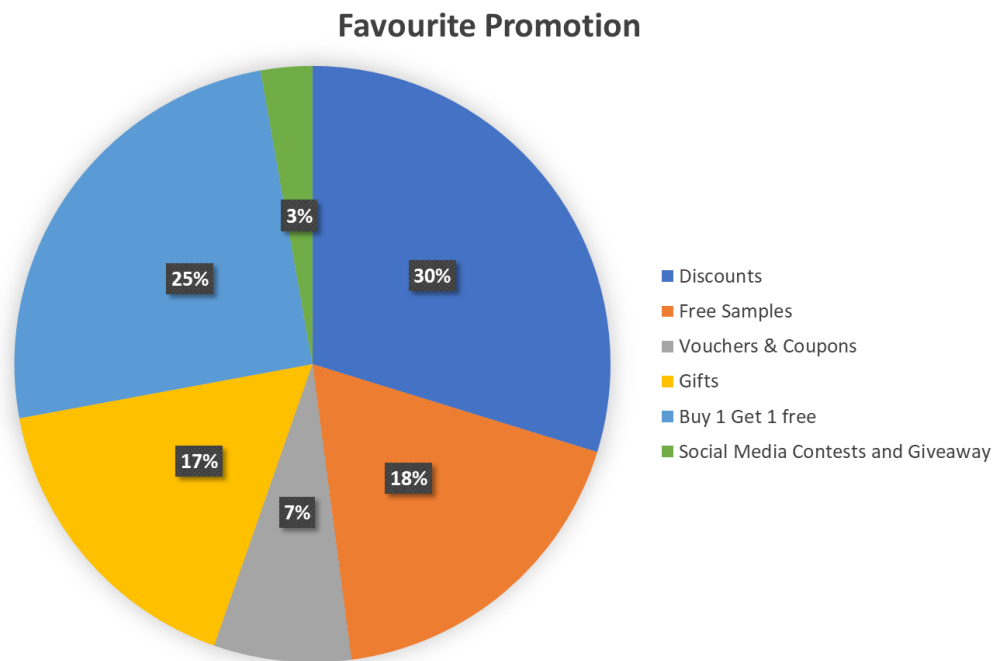
Nowadays, in Vietnam, there is a variety of domestic and foreign coffee brands, so the question is “Which brand is the first mentioned when talking about coffee in Vietnam?”, and the result shows 73% of the customers think of Trung Nguyen coffee. G7 instant coffee (52%) and Coffee roasters (33%) are the most popular products among all the coffee products of Trung Nguyen in Vietnam. However, it is important for all the products of Trung Nguyen to be known broadly by not only Vietnamese but also foreigners.

**How do people know about Trung Nguyen?**



■ TV, radio ■ Internet ■ Banner, flyers  
 ■ Ads on bus, in cinema ■ Events, sponsors ■ Forum  
 ■ Family, friends & acquaintances

Trung Nguyen has a lot of campaigns and methods to promote the products, however, the collected data of this survey revealed that most people know about Trung Nguyen through mass media such as on TV and radio, on the Internet or other people. To develop in foreign markets, Trung Nguyen needs to develop more diverse forms of promotion, suitable for each location and country.



In order to attract customers, sale promotion is also very important. It is shown that most people are interested in the form of discounts (30%) and Buy 1 get 1 free (25%), followed by free samples (18%) and gifts (17%)

## 5.2 Proposals

In light of the survey, it would be to an advantage if Trung Nguyen can consider some proposals to maintain its position in the domestic market and develop the brand and be more widely known in the foreign market.

First of all, Trung Nguyen wants to provide the customers with a top product in terms of quality and diversity. To achieve this, Trung Nguyen needs to make efforts to deal with suppliers to have the best coffee beans, besides, Trung Nguyen needs to create new types of products to meet the tastes of customers such as espresso-based coffees. When this type of

coffee was introduced to the market, the consistency of the blends among Trung Nguyen's franchised cafes is very important. Trung Nguyen needs to be cautious towards franchising and have a specific strategy. In addition, the location of a cafe is also important in image positioning. Trung Nguyen needs to find beautiful places to promote its high-end coffee brand.

When gaining loyal customers, Trung Nguyen can apply promotions to attract customers such as using loyalty cards and membership registration, customer information will be saved, for those loyal customers will have a gift-giving program on the occasion of birthday or and on special occasions. For less-known products such as natural coffee or high-quality coffee, Trung Nguyen needs to promote product promotion and apply some promotions such as buy one get one free or discount in a period...

For foreign markets, in addition to the above suggestions, Trung Nguyen should introduce its products into festivals and events held on holidays, invite customers to try, together with leaflets to promote the brand and product. Trung Nguyen can take advantage of and promote partnerships with companies organizing tours to Vietnam for foreign tourists to promote the brand and provide products. Besides, in the current situation, the disease is causing difficulties for the whole world, Trung Nguyen can support hospitals and people in Vietnam and in other countries where franchise stores are available, in some forms such as donation and contributing medical masks, supporting equipment and facilities for medical examination.

## 6 Conclusion

Marketing acts as an intermediary between business activities and the market, helping to help businesses target potential markets. Through the marketing strategy, businesses can promote their internal resources and take full advantage of the external environment to take opportunities in the market and thus help businesses improve business efficiency, enhance competitiveness during the openness and liberalization of the economy.

The major goal and objective of this thesis are to study the marketing analysis as well as the internal and external components that influence the business. Based on the given knowledge, the thesis will delve into analysing the operation and development process of Trung Nguyen in the coffee domestic and foreign marketing segment.

In the theoretical section, the first objective of this thesis is to define the marketing management and strategies as well as the marketing concepts that each company and corporate need to do research and find out their own ways to develop and gain profit. Furthermore, the methods to explore the internal factors - Marketing mix 7P and the external factors such as Porter's Five Forces, PEST are demonstrated together with the SWOT analysis. To lead to the next section, the coffee introduction and market situation in Vietnam is summarized in the theoretical part.

To begin with the practical section, there is an overview and history of Trung Nguyen company as well as its vision and mission. Firstly, the internal factors of the company are analysed by using Marketing Mix 7P. Trung Nguyen mainly focused on the diversity of coffee products and franchising systems to broaden the popularity of the products chain. Besides, Trung Nguyen also takes part in social events and sponsors to promote the products. Furthermore, Porter's Five Forces and PEST are applied to analyse the positive and negative external factors that influence Trung Nguyen. In Vietnam, the government also facilitates businesses with priority and protection policies. However, there are also many competitors appearing not only from the domestic brand but also the international brands. To maintain its position and develop abroad, Trung Nguyen needs to understand the strengths and weaknesses as well as the opportunities and challenges to carry out the right strategy.

The last objective of this thesis is to propose some recommendations to help the company innovate and develop appropriate marketing strategies. A survey is carried out to inquire about the knowledge of the customers about Trung Nguyen coffee products and their

consumption behaviours. The result shows that most Vietnamese will think of Trung Nguyen first if mentioning about Vietnamese coffee, however, not all the products of Trung Nguyen are equally popular. Moreover, recently, there has been a rising star of espresso-based coffee which affects the preference of the customers. To attract more customers and gain popularity in the foreign market, Trung Nguyen should innovate the technology and products based on customers' preferences together with Trung Nguyen's product orientation. Besides, Trung Nguyen needs to closely control the franchise systems in other countries and concentrate on social events and sponsors depending on the culture and situation of the local area.

In Vietnam's coffee industry, Trung Nguyen Legend is a very popular and familiar brand. However, Vietnamese coffee brand is not reputable in the foreign market. Therefore, with its ambition and strategy, Trung Nguyen coffee will gradually assert its position and help Vietnamese coffee to be more widely known in the international market.



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## **8 Appendix**

### **Trung Nguyen Coffee Customer Survey**

“My name is Do Thi Thanh Huyen and I am a student of Economics and Management Faculty at Czech University of Life Sciences. I am working on my Bachelor thesis about Marketing Analysis of Trung Nguyen Coffee so this survey was created for this purpose.

The survey including questions to study the knowledge of customers of Trung Nguyen coffee and their consumption behaviours. All the private information will be anonymous, and your data will not be used in any other purposes.

Thank you very much.”

### **Questionnaire**

**1. Where do you live? \***

- Vietnam
- Czech Republic
- Other: ...

**2. What is your gender? \***

- Female
- Male
- Prefer not to say

**3. How often do you drink coffee? \***

- Daily
- Weekly
- Monthly
- Occasionally
- Never

**4. Where do you drink coffee most often? \***

- Home
- Coffee shop
- Take away
- Other: ...

**5. Which criteria is your priority to choose a coffee brand? \***

- Brand
- Preference
- Quality
- Price

**6. Which types of coffee do you drink? (you can choose more than 1) \***

- Espresso-based coffee
- Filter coffee
- Instant coffee

**7. Which of the following brands do you think of first when talking about coffee in Vietnam? Please rank from 1st to 5th**

|   | Nescafe               | Trung Nguyen          | Vinacafe              | Highlands             | Starbucks             |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| 1 | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| 2 | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| 3 | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| 4 | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| 5 | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

**8. Have you ever drunk Trung Nguyen coffee before?**

- Yes
- No

**9. Which types of Trung Nguyen products do you use or know about? (you can choose more than 1)**

- Coffee Roasters
- G7 instant coffee
- Natural coffee
- High-quality coffee

**10. From 1 to 5, how satisfied are you after using any products of Trung Nguyen coffee?**



1



2



3



4



5

1 = Satisfied

5 = Dissatisfied

**11. How do you know about Trung Nguyen coffee? (you can choose more than 1)**

- TV, radio
- Internet
- Ads on bus, in cinema
- Events, sponsors
- Forum
- Family, friends, acquaintances

**12. Which kinds of promotion do you prefer? \***

- Discounts
- Free Samples
- Vouchers and Coupons
- Free Gifts
- Buy 1 get 1 free
- Social Media Contests and Giveaway