



Vietnam's premier roasted coffee

**More detail:**

**<http://nqcenter.wordpress.com/>**



*Vietnam's premier roasted coffee*

# MARKETING COMMUNICATIONS CAMPAIGN

Presented by: G3



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# PART I





# INTRODUCTION

- Highlands Coffee known since 1998, owned by a “Viet kieu”.
- About 30 outlets all over Vietnam
- Highlands Coffee brings a fresh style to humdrum coffee shops
- Diversification in coffee and other beverage, outstanding kinds such as:
  - **Espresso, Cappuccino, Macchiato, Americano, Latte, and Filter Coffee, Ground Coffee, Instant Coffee (Traditional, heritage and sophisticated), Sodas, Teas, Ice Cream, Fruit and Vegetable Juices.**



# INTRODUCTION

- Highlands foods includes many kinds such as:
  - **Cereals, Cheese, Salads, Cake, Pizza, Sandwich, Sausage, Spaghetti, Box Lunch, Chinese and Vietnamese Foods...**
- Highland's distribution system expands rapidly but closely controlled, no agency, no franchise...
- New style of decoration, performance, services and products; modern management, good facilities

# Market Environment

- **Socio - Cultural**
- **Legal - Political**
- **Economy**
- **Technology**





# Socio-Cultural

- The population of 84 million (year 2005)
- The ages of 15 – 30 is about 20 million
- Coffee appear in Vietnam 100 years ago
- Vietnamese drink coffee every morning and evening at coffee shops
- Coffee shop is considered as a place to both relax and do business.
- Vietnamese prefers drinking coffee at coffee shop with friends or colleagues than at home and others
- There are many coffee shops appear in any corners of streets.



# Legal - Political

- Government encourages and motivates investment.
- Especially, there are many favor policies for agriculture products.
- Policy of limiting exporting agriculture products to protect domestic products.



# Legal - Political

- Vietnam legal ban all kind of whoring or presenting sex and violent films.
- All coffee bars must close door before midnight
- Government is controlling the operation of coffee shops.



# Economy

- The grow rate of economy is so high at 8.2%/year (year 2004).
- The income per person is about 500 USD/person/year 2004
- The economy of Vietnam mainly bases on agriculture
- Vietnam is the second largest country of exporting coffee in the world (after Brazil)
- Coffee is the second in importance (after rice) with haft a million hectares



# Technology

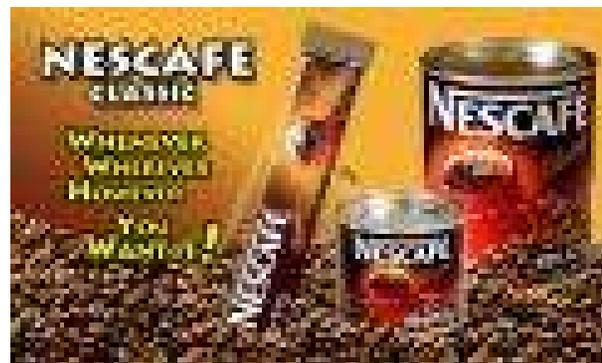
- National Standards for coffee were fully set up to form a basis for market transaction
- There are approximately 30 criteria of National Standards for coffee
- Technology of instant coffee are updated into Vietnam.
- Coffee machines appear in VN



# Competition

- Instant coffee brands
  - Instant coffee is only for home using and gift-giving in special occasions.
  - Instant coffee could be distributed in supermarket, outlets, open market and retailer shops.
- Vinacafe/ Nescafe/ G7
  - Nescafe and Vinacafe have dominated instant coffee market with nearly 70% of market volume.
  - Nescafe:
    - more Vietnamese taste,
    - TV Commercials, prints ads in high frequency
  - Vinacafe's sales promotion campaign is rather like Nescafe's.
  - G7- instant coffee brand of Trung Nguyen approximately occupy 15-20% of market volume.
  - G7 instant coffee has launched new slogan "Real instant coffee".

# Instant coffee brands



# Café

- Trung Nguyen coffee shop
- Highlands café





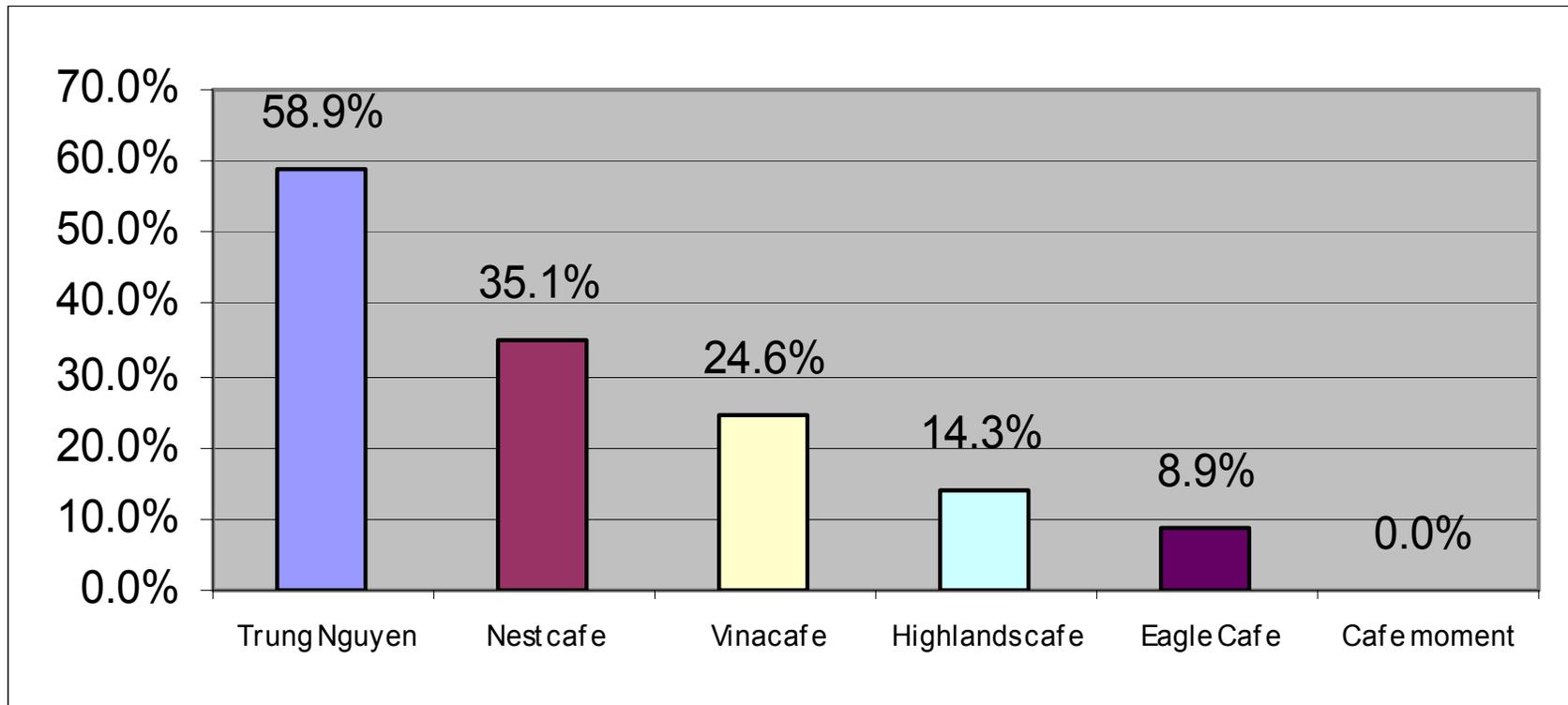
# SURVEY OUTCOMES

- **Objectives**
  - Consumer behavior on coffee
  - Impact of communication channels to customer buying decision
- **Sample**
  - Number of observations: 59
  - Comparison among 6 coffee brands: Trung Nguyen, Nescafe, Vinacafe, Cafe moment, Eagle Coffee and Highlands coffee



# SURVEY OUTCOMES

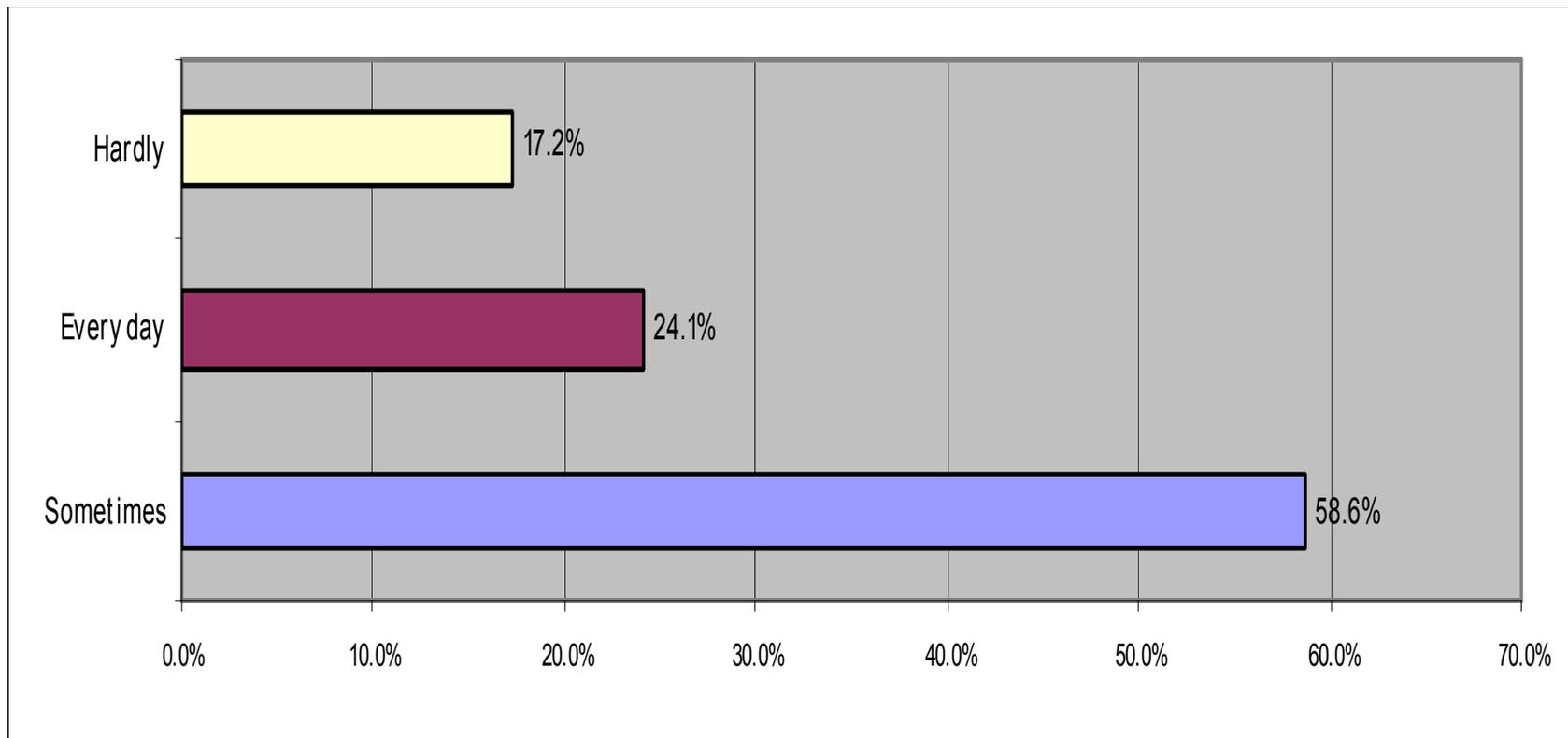
- **Trung Nguyen is the most favorite coffee brand**
- **Only 14.3% of the sample often drink Highlands coffee**





# SURVEY OUTCOMES

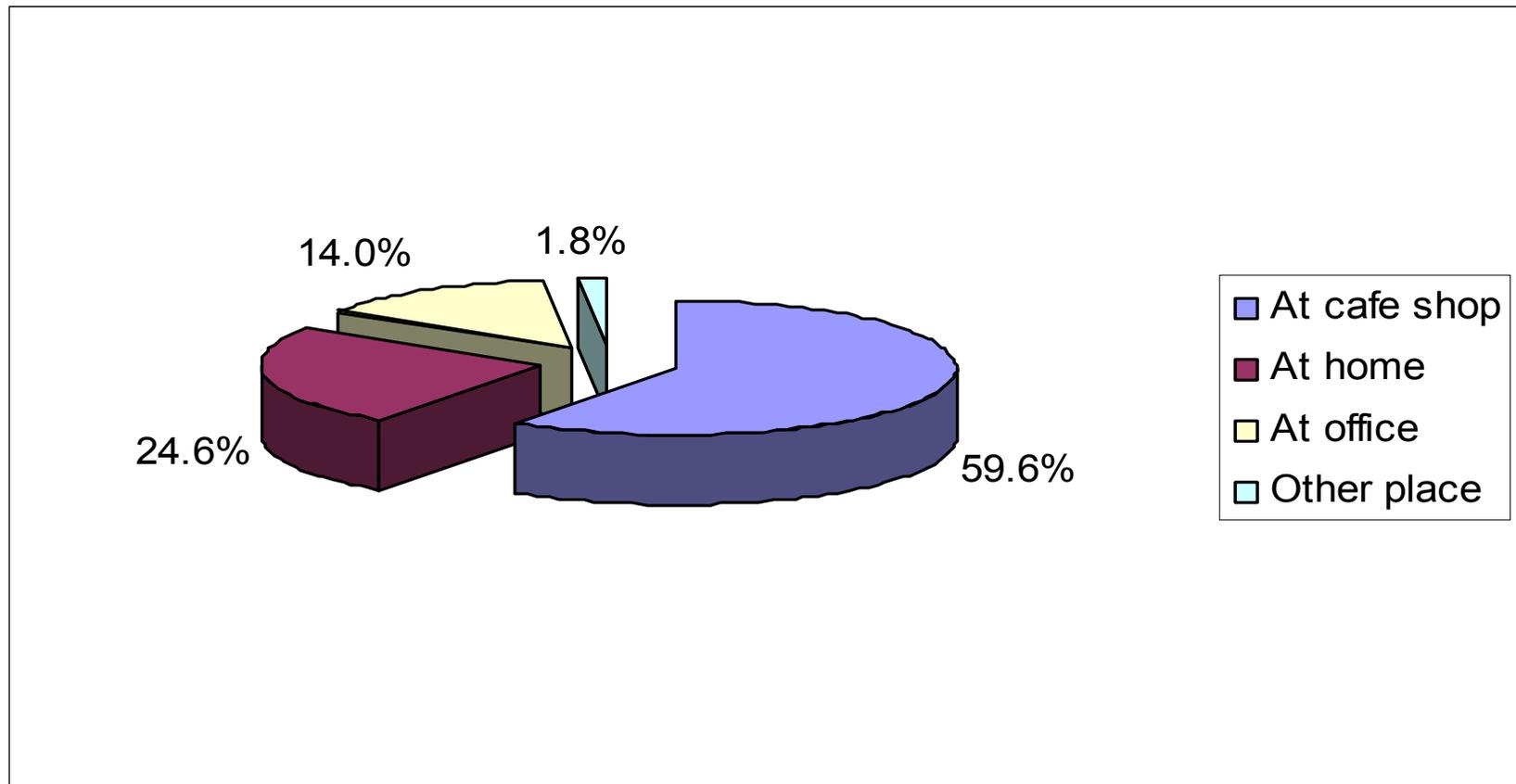
24.1% of them drink coffee every day





# SURVEY OUTCOMES

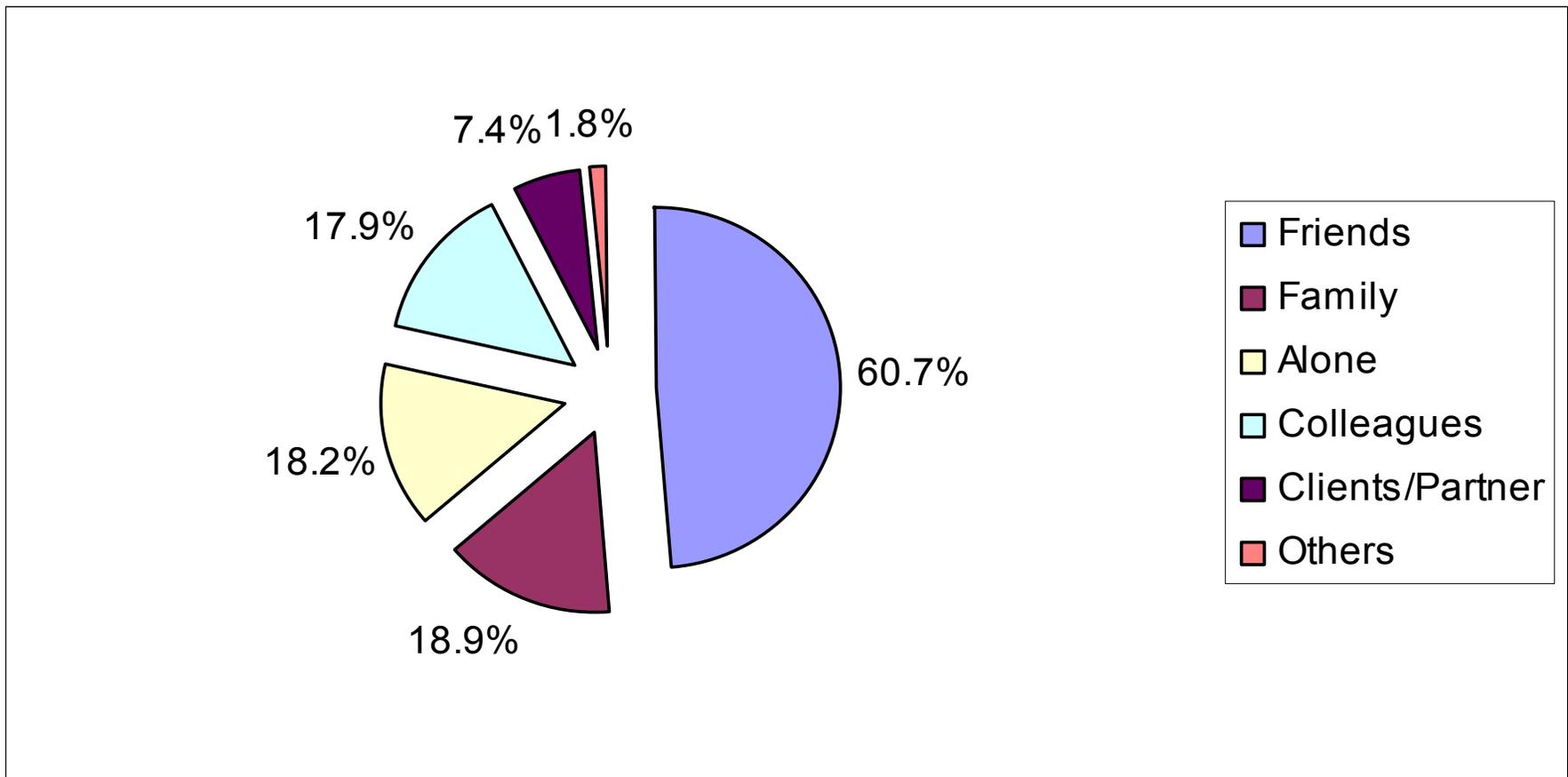
59.6% of them drink at cafe stores/shops





# SURVEY OUTCOMES

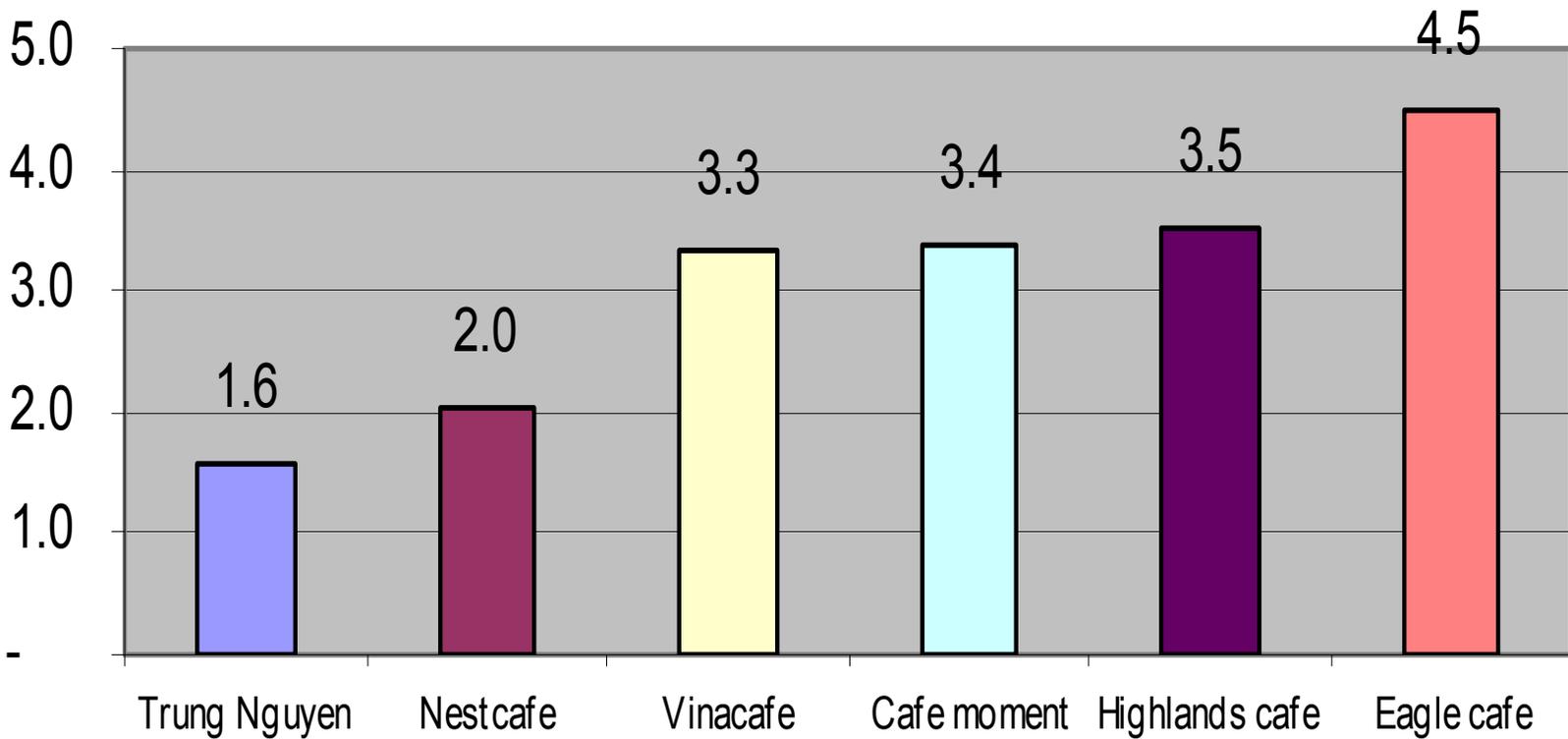
60.7% of them drink coffee with friends





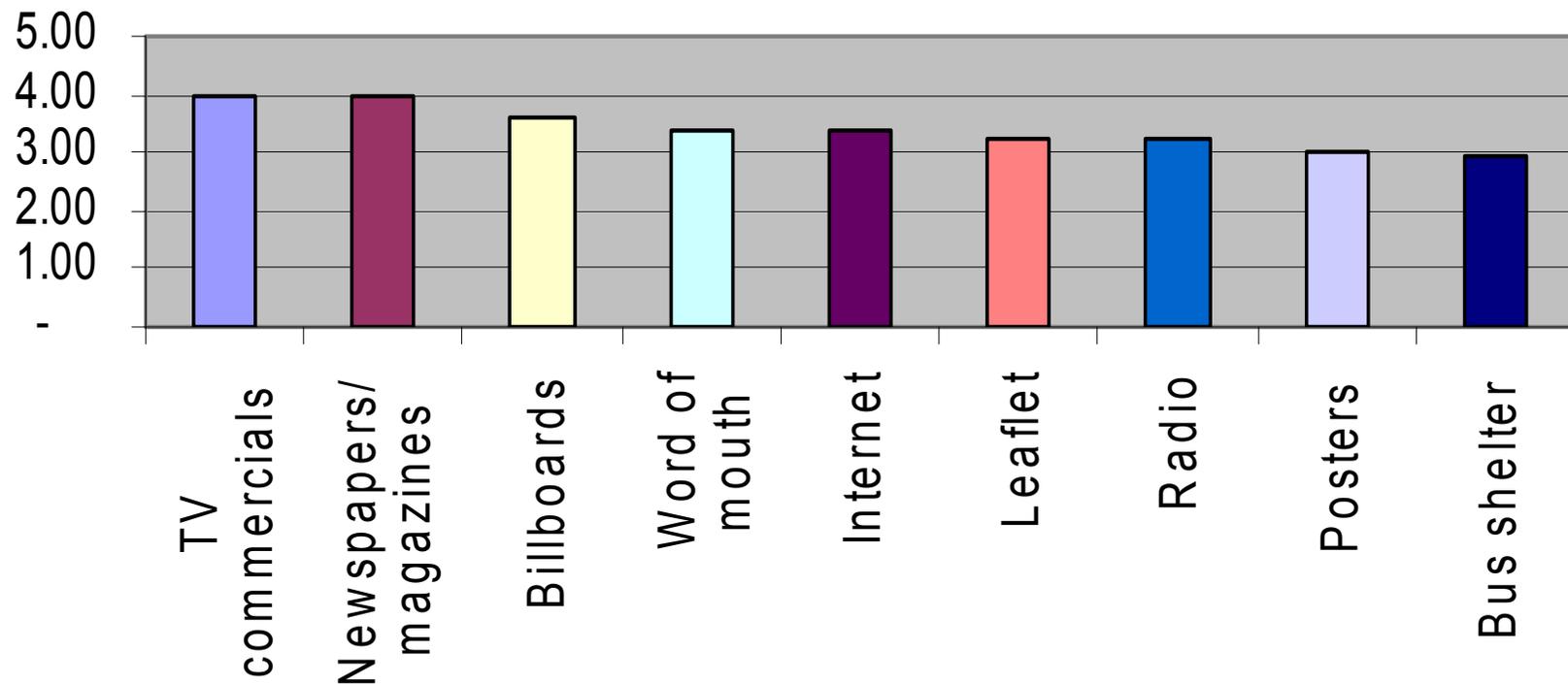
# SURVEY OUTCOMES

## Rankings of favorite coffee brands



# SURVEY OUTCOMES

Level of importance of 9 communication channels (to the sample)



# SWOT Analysis

- Strength
- Weakness
- Opportunity
- Threat





# Strengths

- **New style** of mixed culture between the West and the East
- Consistency in Western identical **decoration and delivery service**
- **Diversify coffee products** every six weeks
- **Good location** with beautiful view
- Many stores in one city make good brandname for Highlands
- **Staff** are friendly and professional
- Highlands café follows **a modern and effective management**
- Managing Director of Highlands café is **powerful in capital**
- All Highlands cafe stores belong **to one owner, Mr David Thai**



# Weaknesses

- It looks so premium that many customers seem reluctant to enter while they can afford
- Western style need time to be suitable for Vietnamese lifestyle
- Highlands coffee is rather expensive due to high cost in materials and operating system.
- Highlands café does not focus much on promotion campaign.
- HL depends much on foreign material



# Opportunities

- There are not many cafe stores professional in style and service
- Vietnamese people habit is to go to cafeteria for their business
- Number of office staff and businesspersons- Highlands' target market- is increasing very fast



# Threats

- Coffee market is now matured and fiercely competitive
- It's difficult for outdoor cafe store like Highlands to attract customers in cold winter
- Supplies are not stable
- Most buildings in cities have already had at least one cafeteria inside, it's difficult for Highlands to jump in and replace
- The organization structure of Highlands' branches is different from franchising. It's challenging for Highlands to increase number of stores fast



# Marketing Mix

- **Product**
  - Premium on serving only the highest quality food and beverages
  - A string of high-end java bars → middle-class aspirations
  - More Parisian elegant branches
  - A cosmopolitan menu including juices, smoothies and food
  - 3 product lines: Tradition, Heritage and Stylish
  - Combination of a coffee shop and a dining experience





# Marketing Mix (*cont*)

- Price
  - priced at high level but not the top
  - average price from VND15,000 for each drink/ dining
- Promotion
  - offer 2 kinds of card as sales promotion and brand image building
    - VIP card: price-offs, free goods, gifts, rewards and other specialty advertising items
    - discount card for loyal customers or on special occasions



# Marketing Mix (*cont*)

- Place
  - launched first outdoor outlets at the end of year 2001
  - plan to reach 100 outlets in 2007
  - coffee package
  - two main channels: point of sales and supermarkets
  - impressive placement famous for their fancy and beauty
  - three out of four five-star hotels in Vietnam as partners



# Marketing Mix (*cont*)

- People
  - friendly, professional and well trained staff in service delivery
- Physical Evidence
  - service mix
    - delivery of high-quality
    - diversified product
    - friendly people
    - fancy placement
    - relaxing atmosphere
  - a unified and professional Western coffee style
- Process
  - product and service process from manufacturing to end-user delivery → an efficiency and productivity

# Target Market

- **Demographic**
- **Geographic**





# Target market profile(1)

## Demographic

- Age: adults
- Income: quite high income
- They are
  - Business person/ office staff
  - Foreigners or Viet Kieu
  - Active young generation



# Target market profile(2)

## Geographic

- Location in Big Cities like Hanoi, HCMC
- Criteria for choosing a location/site
  - Center of the city
  - Lake view
  - Commercial building or supermarket/hypermarket
  - Office building



# PART II





# Marketing Objectives

- To increase the number of stores from 30 across Vietnam (at the moment) to 70 by 2007
- To increase sales of each current store by 20% compared to previous year, especially in Hanoi and Ho Chi Minh cities
- To attract more target potential customers (office staff) in big office buildings in big cities.



# Marketing Strategies

- Undertake a sales promotion campaign
  - Offer small promotion gifts for customers on Christmas, New Year Day and Tet holidays of year 2006 (Desk calendar) to customer at point of sales and also selected potential customer in office building
  - Do a Tet holiday 3 month (Dec-Feb) sales promotion to offer customer a bonus point/ discount card
  - Each week, Highlands cafe offer dozens of couple tickets for potential (Viet Kieu or active youth)
- Expand distribution channel to total 70 stores in 2007
  - from 8 stores in Hanoi to 15 stores by 2007;
  - from 20 stores in HCMC to 40 stores by 2007;
  - open 3 stores in Hai Phong city;
  - 2 stores in Da Nang province; ...



# Marketing Strategies (*cont*)

- Strengthen existing distribution channel capacity and relationship by
  - Nonstop training and motivating staff at existing stores to be professional in delivery services
  - Develop standard criteria for choosing a location of cafe store:
    - city with relatively high growth rate of development and living standard
    - next to or near by big office buildings or lake with beautiful view in city center
- Undertake 1 year Ads and PR campaign informing target potential customers Western Highlands coffee style



# Advertising Objectives

- To inform target potential customers about sales promotion programs during Noel & Tet holiday 2006
- To highlight the differentiated image of Highlands cafe as the place where obtain
  - Mixed culture between the West and the East
  - Identical décor and service delivery
- To increase customer awareness of Highlands cafe as the place for
  - business discussion
  - the moments to enjoy yourself or with their friends



# Advertising Strategies

- Develop traditional advertising media
  - TV commercial 6 months advertising campaign on VTV1 and HTV7
  - Print ads 1 year advertising campaign “Sanh dieu”, Heritage magazines



# PR Objectives

- To increase awareness of community about Highlands café as Vietnam premier roasted coffee and drinking Highlands coffee is a dynamic and modern, connoisseur lifestyle
- To strengthen favorable positive image with slogan “A moment with Highlands coffee – A moment to be forever”
- To strengthen favorable positive image for Highlands Coffee Brand as a socially-responsible brand.



# PR Strategies

- Work closely with ministry of Coffee and Cocoa Associations of Vietnam support their programs of Coffee Festival create publicity on 2006.
- Sponsor for the contest of “Establishing Business” in VTV3 for year 2006.



## PR Strategies (*cont*)

- Organize and take publicity an event named “Romantic Jazz” in Highlands café Diamond Plaza in HCM city and Westlake in HN on Valentine day 2006.
- Working close with “Viet Kieu” association in Hanoi, collecting database and organizing the meeting for them at The First day of next Lunar year.



# Creative Objectives

- Clearly describe Highlands coffee as brand of high quality coffee products in a elegant but luxury atmosphere
- To make the target market excited about people know who they are when they drink Highlands coffee



# Creative Strategies

- Show a television commercial of people drinking Highlands Coffee, relaxing. On Tet holidays time on VTV3, HTV7.
- Put focus/ emphasis on the key brand benefits in a print-ads.



# Media Objectives

- Reach primary target customers first in Hanoi and HCMC, later in other big cities and provinces.
- Reach potential target market in the major cities like Hai Phong, Da Nang, Nha Trang, and Can Tho

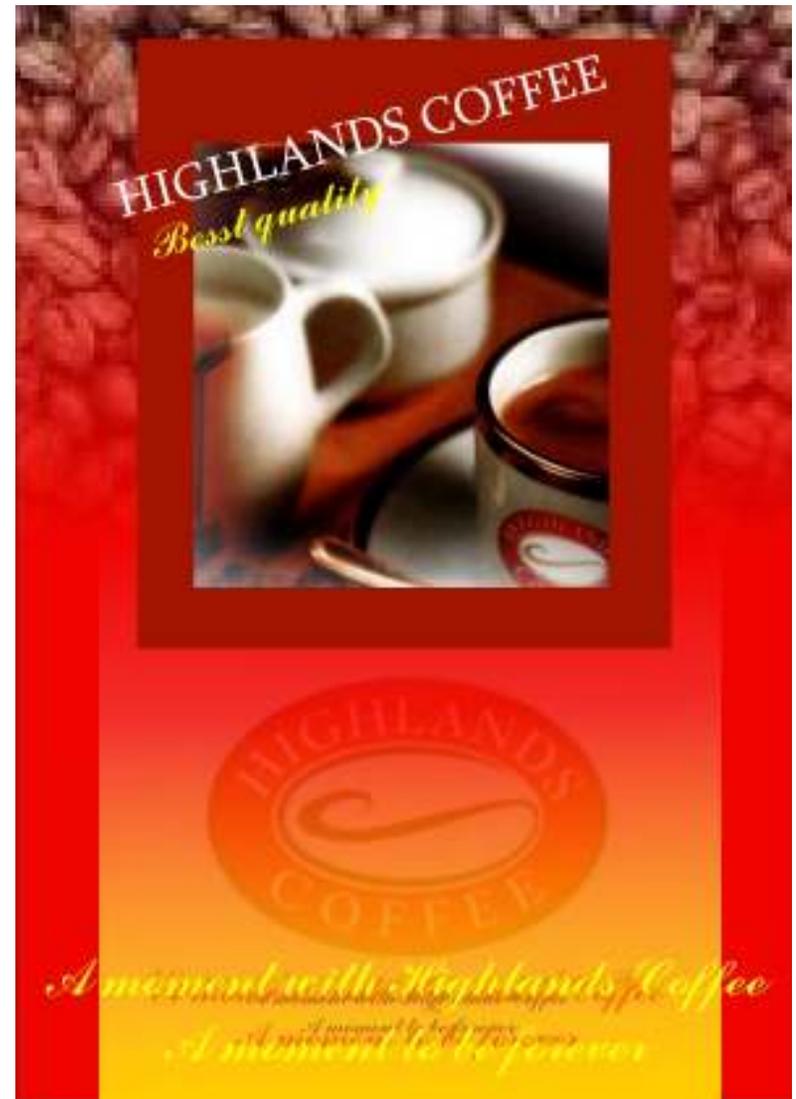


# Media Strategies

- Use 30s TVC in “Films on Tuesday evening” program on HTV7, “Weekend films” program on VTV1 for 6 months (Dec – Feb)
- Publish 1 year print ads with slogan in Heritage, Sanh Dieu, Dep magazines
- Put billboards in Ho Tay lake, Hoan Kiem lake, Con Rua lake in during year 2006.
- Post some publications about Highlands cafe and the meeting of VietKieu on [www.nguoivienxu.vietnamnet.vn](http://www.nguoivienxu.vietnamnet.vn) or some newsletters for Viet Kieu.

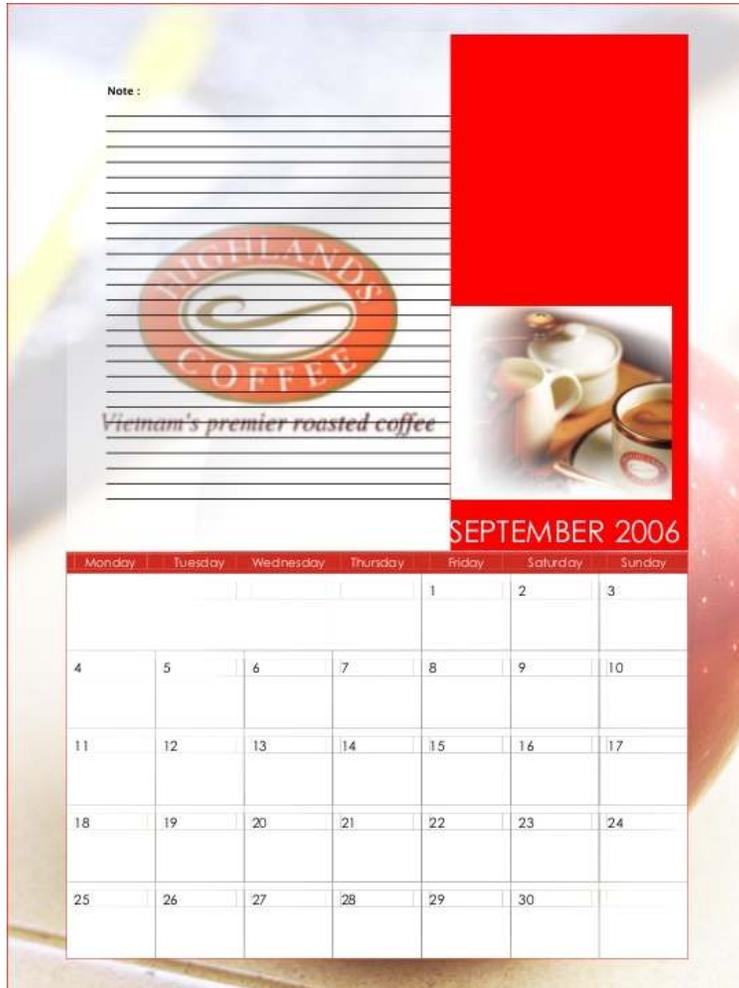
# PRINT ADS

- Unity
- Harmony
- Sequence
- Emphasis
- Contrast





# GIFT-GIVING DESK CALENDAR 2006





**THANK YOU FOR YOUR ATTENTION!**



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