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EUROPEAN WINERIES' POSSIBILITIES OF PENETRATING THE VIETNAMESE WINE MARKET

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Abstract

The thesis provides a broad knowledge of the Vietnamese wine market and gives advice for small and medium-sized European wine producers on entering the market. Primary and secondary data collection are both implemented through two main activities: books, journals, articles, information searches and online interviews of local experts.

The paper reveals changes in the business environment and consumer trends after the transition of the Vietnamese economy. The research also points out the positive and negative factors affecting the business activities of foreign wine enterprises that have been and will be entering Vietnam. Finally, notes and advice from local businesses and wine experts can help European businesses avoid significant mistakes and take advantage of their own strengths to go deep into the Vietnamese wine market.

The author has found out a strong Western-lifestyle orientation from local wine consumers, together with significant benefits between the EU and Vietnam trade after the adoption of the EU-Vietnam free-trade agreement. This consequently could lead to future research on increasing business partnerships between the two regions.

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APPENDICES

1 INTRODUCTION

1.1 Background

According to the Global Wine Market report (Zion Market Research 2018), the growth of the global wine market is spectacularly increasing, expected within five years (2017-2023) exhibits a growth of almost six percent at Compound Annual Growth Rate (CAGR). The European wine scope is not an exception. The wine exporting volume in Europe has been escalating rapidly, achieving the award of Leading Wine Export Worldwide in 2017 with the top three stated as Spain (22.1%), Italy (21.4%) and France (15.4%) (OIV - Organization Internationale de la Vigne et du Vin 2018). Consequentially, European wine exporting companies continue to seek further opportunities to bring their wines around the world.

Vietnam is a developing country located in Southern Asia. Recently it has been noticed for potential business activities due to its speedy growth. This country ranks among the top three economies with the fastest Gross Domestic Product (GDP) growth rate in Asia, holding 7.1% in 2018. This has increased the global interest as an ideal destination for foreign investment (Asian Develop Bank 2018). In regards to the alcoholic beverage market, Vietnam has peaked in regards to the growth of beer and wine consumption among all Southeast Asian countries. Vietnam Investment Review (2015) has authenticated by its salient expenditure of approximately 2.6 billion euros a year for beer and 566 million euros a year for trademarked wine. Even though beer consumption makes up the largest market share (96.63% of the total), the potential of the wine industry is powerfully affirmed due to the reliable prediction of consumption growth of 33% within the 6 years from 2012 - 2017 (European Commission 2016). In light of the cognition of great investment potential, the commissioning company, which operates as a medium-sized Italian Winery located in Marche region, has assigned the author with a research project to perceive the penetrating opportunity into the Vietnamese market.

This research's motive focuses on small and medium-sized companies that plan to extend their global opportunities through exporting activities or those that currently own a market share in Vietnam and are willing to develop their penetration tactics. Therefore, the author only attentively interprets the exporting modes as the first and most common methods in the market entry strategy (refer to more entry modes in appendix 1).

1.2 Aim

This research aims at incipient European wine producers that are orienting a strategic approach to internationalization and taking into consideration Vietnam as their potential exporting market. The case company belongs to this category and will particularly obtain specific data, adapting it to its circumstance. The writer, moreover, also determines the existing exporters as the beneficiaries for optimal resource utilization from the findings and future recommendations. Acquiring these understandings carries out the general picture of the wine market in Vietnam and selective advice from experts' precious experiences to enter and lay a solid foundation without repeating the previous mistakes. This study corroborates the market penetration strategy; however, it falls short of illustrating the detailed importing-exporting process, which can be broadly acquired through in-depth knowledge about the Vietnamese business environment, market analysis and primary data collection within interviewing and observing activities. According to the boundless knowledge resources, this study only concentrates on small to medium-sized enterprises (SMEs) at the beginning stage with a limited labor force and financial situation in order to directly recommend intensive solutions for a penetrating strategy. A brief research about different exporting methods will be considered in chapter 2.

There is one requisite research question to be broken down into a combination of sub-questions. The main research question is stated as:

- How can European wine producers increase their penetration possibilities in the Vietnamese market?

The following are sub-questions which will be answered precisely in the text:

- What is the Vietnamese business environment in connection with the wine market?

- What is the current Vietnamese wine market situation and what are the current consumer behaviors?
- Who are strong suppliers in the Vietnamese wine market?
- What could be the opportunities and challenges when entering the local wine market?
- What are the key criteria for success in terms of Product, Price, Position and Promotion for European wine exporters?

The paper not only interprets an in-depth knowledge of the Vietnamese wine market penetration strategy but also contributes a new perspective of efficiently connecting with target customers through previous experiences pertaining to prior investigations of wine experts/specialists to verify companies' entry strategy or even expand their current market share. The research could deliver the possibility to form a solid ground for the decision-making process in term of an executing strategy. This could be combined with an available precise market entry plan to appraise the principal controversy of whether or not Vietnam is an advisable destination to export in regard to the company's status and further the evaluation of wine manufacturers' current performance and continuous improvement. The recommendation and future research will be announced at the end to clarify a broader understanding of audience differentiated purposes. Details of research approach, methods, data collection sources, and layout structure will be drawn convincingly in the following chapters.

1.3 Methodology

The writer strategically reveals the Vietnamese business environment considering the wine market aspect based on prior research in order to accentuate the wineries' standing. The investigations subsequently administer the remaining sub-questions related to the contribution network and communication methods highlighting with ongoing knowledge base coherently. Findings will be cautiously justified through primary data and secondary data collection as shown in table 1 below:

Table 1. Thesis data collection.

Topics	**Primary Data**	**Secondary Data**
- Business environment - Wine market - Consumer behaviors - Competition - Challenges/Opportunities - Key criteria for success	- Interview - Observation	- Books - Journals - Newspapers - Reports - Working papers - Previous studies, investigations, etc.

In the primary data collection, the author gathers qualitative sources through interviews with open questions and observations in wine fairs and exhibitions. The author conducts interviewing activities as a part of this mode to demonstrate the new findings hidden in prior investigations and to prudently suggest new educed studies. The result also brings different points of view from participants by empirically providing advice on the keys to success for wine producers who are at the initial stage of entering the Vietnamese market. The interviews are conducted online to the target country destination with the purpose of involving actual conditions. Qualitative questions are structurally defined concerning the target knowledge expected to obtain, requiring two main types of participants addressed within the purview of the target scope:

- Those for whose wine is their main resource of income,
- Those who acquire expertise in wine knowledge and experiences and are relatedly involved via secondary activities or pleasures.

Secondary data are vigilantly gathered through verified sources such as books, journals, reports, research papers, etc. guaranteeing a high level of validity and reliability for this research in terms of ethical and legal issues (Thesis Committee 2014). The theoretical background, empirical evidence as well as authorized sources evaluated by researchers, scholars, economists, scientists, etc. have consolidated the paperwork and its results. This data collection interprets the overall beverage industry following with the particular wine market in Vietnam. An updating trend of the Vietnamese business environment correlating with consumer and competition analyses have utilized this available trustworthy information on behalf of formulating the most objective prospects for companies to profitably penetrate into the Vietnamese wine market.

This framework, nevertheless, solely pertains to particular circumstances possessing possibly objective experiences (from interviews) along with the constraints in finance, location, and reachable resources. Hence, there were noticeable challenges during the data collecting procedure. The survey environment is not presumed controllably, so the respondents' opinions and answers could be unintentionally subjective and affected by other people around them. The author used an online website called XE.com to convert USD currency into euros on 14 January 2019.

1.4 Outline of the report

The author dissects the thesis into five main parts, including Introduction, Vietnam Business Environment, Market Analysis, Key Criteria for Success and Conclusion. The paper starts with an overall perspective of the business environment in Vietnam in terms of its political and legal, economic, social-cultural, and technological effects.

The first chapter notices the external aspects potentially influencing the exporting decision and more precisely the successful penetrating conduct of business. By identifying and adapting with the fluctuating environment and sudden situations, enterprises could immediately capture opportunities to develop marketing strategies and avoid or reduce the hidden threats in new markets. An extensive comprehension of the target market is analyzed in the third section, which contains alcohol industry and wine market information, consumer behaviors, direct/indirect competitors and the prospects of the Vietnamese wine market concerning its opportunities and challenges of entry. The author will dissect a study of consumer behaviors bearing on a marketing campaign and public relations decisions to effectively connect with potential customers. Consumer perceptions and attitudes are clarified for a particular kind of wine or a wine segment range propelling to affluently competitive advantages. Cultures, lifestyles and personal experiences of consumers also emerged as some of the fundamentals in winning a lucrative market share. Deriving from market segmentation, a positioning tactic is empirically educed as its consequent correlation accounting product, price, place and promotion where wine producers could practically implement booming marketing and developing strategies contingent on market and consumer background knowledge.

A highlight of criteria for success will be empathized in Chapter 4 as a proof of a new finding in the thesis work researched and refined from local experts' experiences. This provides a source of practical knowledge to facilitate European wine businesses in choosing decent investments and reducing unnecessary losses. A conclusion and further recommendations are located at the end of the paper.

2 BUSINESS ENVIRONMENT OF THE WINE MARKET IN VIETNAM

The environmental condition contains numerous external forces such as economic, political and legal, social and technological factors (Hamilton & Webster 2015). Each of these sectors establishes a unique set of challenges and opportunities as well as their correlation for businesses.

2.1 Political and legal aspects

Entering the Vietnamese market requires affluence in political and legal learnings in behalf of identifying how and in which degree a government intervention in the economy could impact on firms in respect to their business development and growth. Under the Vietnamese Ministry of Health, imported wines must obtain a Quality Registration Certificate by the Vietnamese Food Administration and fundamentally endure Customs Clearance at three center-point areas: Hai Phong, Da Nang and Ho Chi Minh City (Ministry of Health's Portal 2018). The local agencies (importers/ distributors) are compelled to bear an authorization letter from the foreign companies to officially prove their collaborating activities of wine importing in Vietnam (Vietnam Supply Chain 2014).

Since the adoption of the EU-Vietnam Free Trade Agreement (EVFTA), Vietnam has opened up many opportunities and challenges for domestic and foreign businesses (Russell 2018). According to the Foreign Trade Association (2018), the Free-Trade Agreement with Vietnam has been precisely estimated as the most ambitious commitment among related scopes ever contracted between the European Union and a developing country. From European firms' perspectives, Vietnam is considered a particularly attractive market to do business in, not only because of its competitive production base offering low labor costs and the access to the dynamic Southeast Asian region, but also due to the swift market growth for overseas export potential. There have been momentous changes European traders could benefit from. The European Union-Vietnam free-trade agreement brings together a bridge of solidarity between the two regions. Another beneficial change recorded by the FTA is the non-tariff obstacle diminution as well as simplified and standardized customs procedures from Vietnam regulations. European companies will also be secured to effortlessly enter into the Vietnamese Procurement Agreement rules by the ability to bid for public contracts and in a more leisurely manner get access to Vietnamese service markets. Investments from Europe will also be assuredly protected especially in the food and beverage manufacturing sector which is assumed to be one of the most complex import policies in trading activities.

Thanks to FTA integration correlating with International Labor Organization and UN conventions, environmental and social standards in Vietnamese are also assigned to improve, supportively promoting a sustainable development in Vietnam, which undoubtedly impacts EU investors' humanized benefits. Beside the transformations after the EU-Vietnam FTA, Vietnam is also evolving and becoming more business-friendly as another respect for its integration into the global trade community (Russell 2018). The country remains an active member of ASEAN with many important trading partners and it officially became the 150th member of the World Trade Organization (WTO) in 2007 (Vo et al. 2015). By means of all economic efforts, Vietnam has successfully increased market interaction and in a certain way eliminated trade barriers, created bilateral cooperation globally for goods and services, strengthened legal protections and transparency, enhanced national and international commercial disputes as well as its trade facilitation negotiations.

Several facts have confirmed that stakeholders do not hesitate to flinch over human rights and other legal concerns (Foreign Trade Association 2018). Economic development has grown surpassing the political adjustments in Vietnam, where the governmental system still remains a one-party state with no dissidence. Despite the remarkable country development, laws and regulations in Vietnam are still lagging behind and fail to catch up with international statures. Transparency International (2017) has produced conveys and reported in its Corruption Perceptions Index (CPI) that Vietnam ranked 107th out of 180 countries with 35/89 CPI scores, demonstrating a noticeably high level of corruption. In 2016, the regulatory quality in Vietnam was positioned at 136th out of 214 assessed countries and 14th out of 18 Eastern Asian and Pacific countries (Mälkki, Striapunina & Staffa 2017). This statistical evidence has condemned poor management capacity from the government in terms of creating and implementing policies and procedures for social welfare and economic growth aids. The World Press Freedom rank in Vietnam has been scored extremely low, at the 175th position out of 180 stated nations (World Press Freedom Index 2018). All media communication is harshly controlled by the Communist Party. All journalists, bloggers and activists against the party leadership will endure severely terrorizing punishment and either be expelled or jailed in liaison with their actions. Independent trade unions are prohibited, limited laws have been lodged to protect labor rights.

2.2 Economic and technological development

Vietnam has continually been one of the fastest growing countries in Asia, among the top three economies with the highest forecast GDP growth in 2018 (Asian Development Bank 2018). The reporters have recorded Vietnamese developing capacity mounting 7.1% of its Gross Domestic Products (GDP) growth rate in 2018, continuing a slight descent of the 6.8% predicted in 2019. This year's forecast favorably indicates its solid augmentation in private consumption and fixed investment. Additionally, robust export trading extension, raising domestic demand, and agricultural intensification are other beneficial expectations (Asian Development Bank 2018).

Overall, this country still holds a stable economic integration and the broad development of its market-oriented renovation in the last two decades. It is substantiated by the raising income per capita from under 784 euros in 2007 to over 1656 euros in 2013 and consecutively up to almost 2615 euros in 2017 (figure 1). These spectacular changes have resulted in a suspicious reduction of poverty levels, which drives Vietnam to inscribe itself into lower-middle income countries rank.

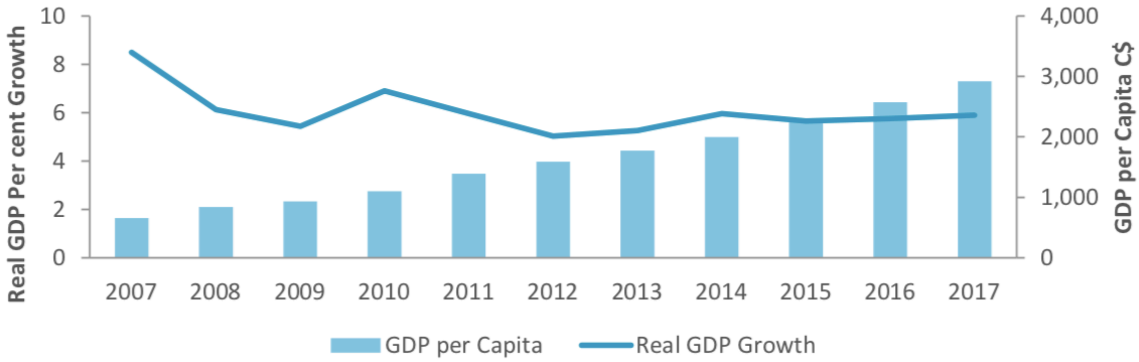

Figure 1. Real GDP growth (%) and per capita (USD) in Vietnam from 2007 to 2017 (Source: EVBN 2018).

According to international currency converter XE on 14 January 2019, 1 euro equals to 26,464.61 Vietnamese dong. Figure 2 records the evolution of the Euro/Vietnam Dong from 2008 to 2018 and its currency rate prediction in the years 2019 and 2020. The movement has significantly fluctuated since 2009 until the middle of 2015; the trend line continues to grow afterward and is predicted to reach 29,000 VND for 1 euro in 2020 (Wallet Investor 2018). The devaluation of the Vietnam dong combined with a slight increase in inflation (around 4% annually according to the International Monetary Fund in 2018) has caused many shortcomings for importers in Vietnam. Appendix 2 provides reference numbers for Vietnamese economic indicators in 2018.

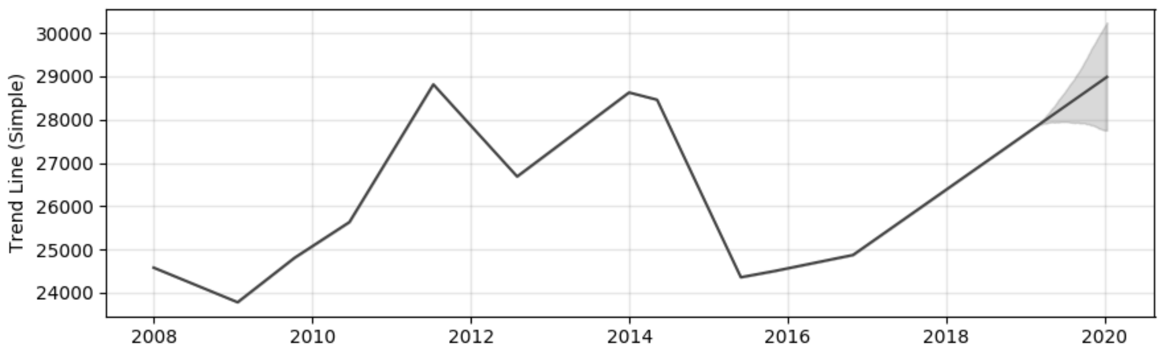

Figure 2. Trend line of the euro/Vietnam dong from 2008 to 2020 (Source: Wallet Investor 2018).

The report has noticed an increase in travel and tourism displayed in recent years with the number of foreign visitors to Vietnam increasing steadily (11% year-on-year reported 13 million arrivals in 2017). European tourists have been stated to accelerate the number of arrivals up to 14.6% (1.2 million people), supporting internal consumption. The differentiation in the country's labor force among the separated sectors specifies the persistent modification in three sectors' employment, particularly the increasing workers in services and its contrast in agriculture. The main contribution to these production chains was from low-skilled labor resources which currently moves to higher qualified-skill trends meeting the modern demands of a fast industrial-oriented developing country. This phenomenon divulges new opportunities and threats for overseas businesses during their upcoming internationalization to Vietnam.

Technology has been proven as one of the most essential elements affecting companies' penetrating strategies. In this circumstance, Vietnam is a rapidly developing country possessing the main target of improving infrastructural building and research and development methods (R&D) in its national strategic plan period 2011-2020 (Costello et al. 2010). According to the plan, the country has been upgrading several expressways and local transportation systems under approved goals regarding its requirements of rural industrialization and modernization. The country is also located in the 7^{th} highest position with 64 million internet users in January 2018. This is in the Asia Pacific Region, where was found the largest number among worldwide internet users (43.8%) in 2015 (Statista 2018). Free wi-fi areas have covered almost every region in Vietnam, especially all over major cities. Social media has been broadly utilized for marketing and advertising, which impacts mostly on the major part of local consumers, specifically the youth. Internationalization has brought local communications and internet infrastructure into an upgraded scale catching incremental market demands. Online and offline English-language newspapers and magazines are presently common in Vietnam with both foreign and local publishers. Other media communicating transportations such as television and radio are also transmitted in additional languages, mainly in English and French.

As an active member of the World Trade Organization, Vietnam will continuously implement tax reduction due to its information technological agreement. The country has reinforced its liberalization in new technologies and infrastructures. However, it is still deficient in fast updated knowledge sources hence become negatively dependent on external expertise. Owning to the early stages of its technological development, Vietnam has opened anticipated opportunities to encourage foreign businesses that bring new and updated innovative products or services and profitably gain a good market share in an emerging marketplace.

2.3 Social and cultural affects

According to the World Population Review (2018), the estimated population in Vietnam in 2018 is 96.49 million with a 0.99% growth rate making the country the 14th most populous nations in the world, offering marvelous advantages to a large number of workers. A young population is represented by under 25 years making up 39.78% of the total and from 25 to 54 years at 45.56% of the total population in 2014 (Central Intelligent Agency 2018), Vietnamese consumption has been shifting to the growing middle-class incomes. The Eu-Vietnam Business Network (2018) has predicted the number of middle-income earners in 2020 to reach 44 million, which expectedly increases at 18% annually within the years 2016 – 2020. Residents under the age of 30 account for half of the whole country. This is considered as a potential consuming group due to their easily open-minded orientation with new products. This group represents the high living standards and continually receives a rise in disposable income and remarkably a rising demand for overseas products or services. Life expectancy was measured at 75.9 years in 2015, which is relatively higher than the regional average in East Asia and the Pacific zone.

Literacy in Vietnam is statistically high in global comparison displayed through its literate population of 94.5% in 2015 (Mälkki et al. 2017). Nevertheless, the majority of the country's inhabitants stop after in primary and lower secondary education (25.8% and 34.3% respectively) together with a high percentage of poverty in rural regions producing a large amount of low labor-cost resource (International Labor Organization 2018).

The state recognizes more than 54 ethnic minority groups within the country, which arguably records one of the most ethnically diverse regions on earth. The densest population lies in Ho Chi Minh City, Hanoi and Da Nang; concurrently the three major political and economic influencers in Vietnam. Hanoi is the capital city and the political-administrative center of the country while Ho Chi Minh (or Saigon) is well-known as the largest-sized city as well as the commercial hub of Vietnam. The urban area makes up 43% of the population and is predicted to enhance by 9%, reaching 44.3 million citizens in 2030 (EVBN 2016a). The expansion of urban cities has fostered the growth of urban-based industrial and services sectors, particularly the increasing quality of construction sectors such as the appearance of high-rise buildings or modernized offices. In 2014, 20% of richest population share accounted for 44.6% of total income in the country, while only 6.6% of the income share belonged to the 20% lowest. The female labor force working population occupies almost 49% of the entire country in 2016. This exposes vigorously the magnitude of female consumers (a deep discussion will be provided in Consumer Behavior section).

Vietnamese profile is presumed to contribute a sizeable share of their expenditures on food and beverage categories. Over 50% of daily consumption belongs to food segments with a perception of very little purchasing of high-valued processed goods in terms of average household spending. Local buyers still make daily purchases with small quantities in wet markets and other traditional retail outlets which are conveniently located near common residential zones due to consumer preference for fresh food as well as low and negotiable prices (EVBN 2015). On the other hand, the popularity of modern retailers such as malls or supermarkets is incremental, especially when urbanization is influencing Vietnamese consumers' behaviors and lifestyles. The Europe – Vietnam Business Network also admitted that urban dwellers are more willingly pay a premium on products and services through modern retailers on account of the rise in living standards in major cities (EVBN 2018). The report also indicated that the tendency in expanding foreign agricultural products has been greater, recording over 8.9 billion euros of local consumption in 2014.

High-valued food production plays a substantial role in local market and is spreading across other categories, verified with over 8.9 billion euros of imported agricultural products in 2014, revealing the new concept of health-consciousness as an emerging element in Vietnamese customer-oriented market characteristics (Trading Economics 2018a). This trend has been upwards. This has been seen through an increased awareness of food safety, quality and hygiene, likely based on recent epidemic disease outbreaks and the rise of medical and healthcare costs. Attention has been turned to products' origins, indicators of quality, wellness, ingredients, nutritional information and the belief that the more one pays, the better the quality. This is notable in imported products from well-developed countries in Europe. In urban areas, organic food has become one of the main concerns in daily meals preferably acquired in more reliable retail stores. Although traditional stores or wet markets are commonly the destinations for easy to buy foods, they are losing their competitive advantages to modern forms in due to the former's poor quality and origin verification.

Culture is one of the supreme considerations when doing business in Vietnam. Adequate communication and behavioral manners are vital. (Lincoln 2016.) In a typically Asian tradition, men play leading roles making most of the main decisions in the family while women play other roles, including raising children and managing finances. There is one famous proverb in Vietnamese: "*Dan ong xay nha, dan ba xay to am*" which literally means "men build a house and women build a home". This emphasizes the apparent distinction in social status between men and women in Vietnam.

Vietnamese cuisine represents a combination of Chinese, Thai and French characteristics, with rice as the staple food in every meal (JBC International 2010). Alcoholic consumption within home meals is popularly accepted in both traditional and modern families with distinct drinking categories. Some business etiquette and behaviors should be precisely interpreted for successful transactions. The initial approach in business contacts is often from associative recommendations. These referrals could strongly build trust and kindness, leading to long-term business relationships. Meetings are friendlily approached in Vietnam and commonly referred through carousals as Vietnamese word "*nhau*". Unlike Western styles, local businessmen tend to be more demonstrative and easier to negotiate with after some glasses of alcohol. This substantiates the magnitude of socializing over formal processes. Personal life may enhance a business relationship.

The Vietnamese are mostly a high-context culture, and overly direct problem discussions are presumably rude (Vo, Tran, Bui & Ward 2015). Consequently, many business meetings usually happen with long moments of silence. Disagreements are not patently expressed because of the fear of losing face. Foreign firms should stay patient and keep smiling, even when making difficult points. Thoughtful but inexpensive gifts are welcomed when companies come to visit their partners. However, they should be aware of rank and seniority, which reflects "giving face" as a crucial concept in maintaining formal contacts. Higher-quality gifts should be for seniors, while lower boards receive lower-level ones, according to Mazars (2014). This applies the same in all other business manners, showing high respect for Vietnamese employers and conceivably increasing the bargain achievement.

3 MARKET ANALYSIS

3.1 The alcohol industry and wine market in Vietnam

3.1.1 The alcoholic industry in Vietnam

The beverage industry in Vietnam is amongst the most highly developed in terms of the fast-moving consumer goods industries. As stated in the Vietnam Economy report (EVBN 2016b), economists have delved into the group of food, beverages and tobacco, deliberately exposing contributions to the largest proportion of over 40% in consumer expenditure per capita in 2019. Among the noticeable expansions, beverage consumption is widely anticipated to reach 109 billion liters in the year 2020. The paper also reported acceleration in disposable income in Vietnam over recent years and forecasted it to continue growth in the upcoming period. The country's middle-income level movement, along with the boost in consumption has hastened the investment potentials in drinking industry (EVBN 2015). The consuming style is shifting towards beverage categories with higher value, opening opportunities of penetration to upper-class beverage segments. Responding to the upward trend in total earnings and consequently the increase in consumer expenditure, both local and foreign investors have promptly attempted to seize these attractive benefits.

Due to the inconsistencies in income distribution between urban and rural areas (Mälkki et al. 2017), the alcoholic consumption trend is particularly concentrated on urban centers such as Ho Chi Minh City, Hanoi and Da Nang. The Ministry of Industry and Trade (MOIT) has established an industrial development orientation plan for the beverage industry following the country's sustainable viewpoints on behalf of food safety assurance and environmental protection (figure 6).

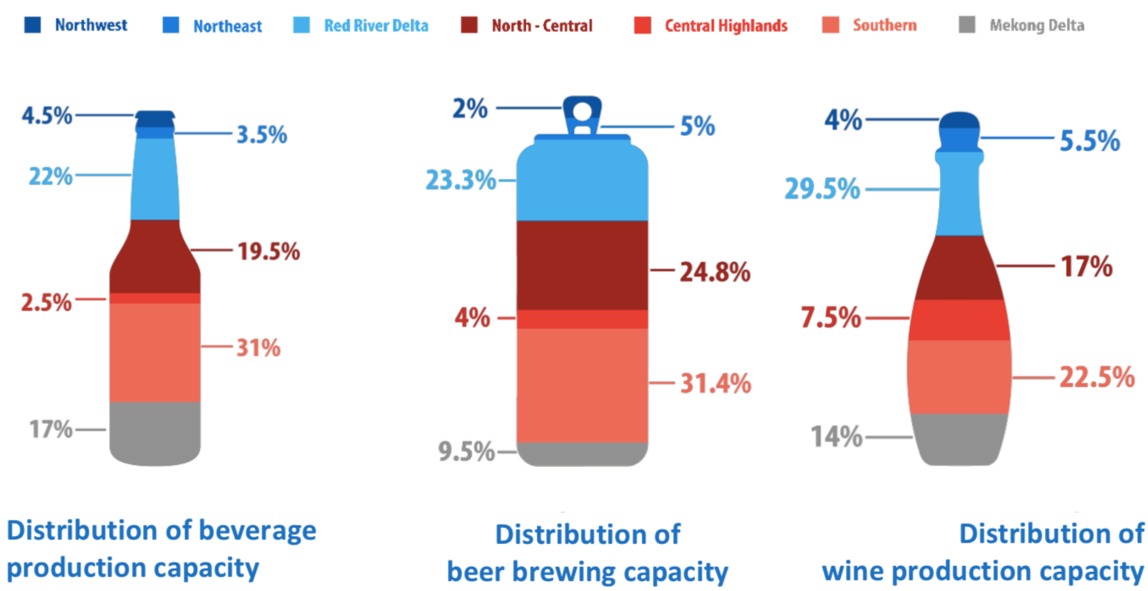

Figure 1. Distribution of production capacity in Vietnam's development plan on beer, wine and beverage to 2025 with a vision to 2035 (Source: Socialist Republic of Vietnam - Ministry of Justice 2016).

The production of beverages will be focused on the Southeast Region, the Red River Delta Region, north-central and central coast region. By 2025, the beverage output proportion in the northern region is predicted to fulfill 8% of the total (4.5% in the northwest and 3.5% in the northeast), the Red River Delta 22%, the North-Central region 19.5%, the Central highlands 2.5%, the Southern region 31%, and the Mekong Delta 17%. Meanwhile, wine production volume will be focused on the Red River Delta, the Southern region and the Mekong Delta. The Central Highlands and North-Central region are ideal for developing the fruit wine (Vietnamese considers the term "wine" for several kinds of alcoholic drinks which will be better declared in section 3.3), while other regions aim to develop other types: white wine and mixed wine. Finally, the beer production structure will shift towards increasing output in areas which are low in population, such as the Midlands and northern mountainous areas, Central Highlands, the Mekong river delta. (Socialist Republic of Vietnam - Ministry of Justice 2016).

Apart from domestic advantages of local businesses (detailed reasons will be clarified in section 3.3), overseas firms retain a predictably positive outlook due to Vietnamese consumers' preference of carrying international brands. Besides a demographic calibration, recent investigations conceded that target consumers have been raising the foremost health-conscious standard in Southeast Asia. This behavior has suggested that manufacturers reconsider market supplies towards healthier production processes or more organic/biological ingredients (further details in Consumer Behaviors section).

Continuously affluent tourism and the retail-networking development in Vietnam also provide impetuses for the beverage industry to spread because of the demand for sophisticated drinking segments as well as enhancing the connection of beverage product distribution via modern trade channels.

United Nations ESCAP has compiled a survey appertaining to alcohol consumption in the Asia Pacific Region in 2015 (ESCAP Statistical Online Database 2016). It disclosed Vietnam as the fourth largest market in the region by holding the greatest alcohol consumption annually within Southeast Asian countries, absorbing 8.6 liters per capita (see figures 3 and 4).

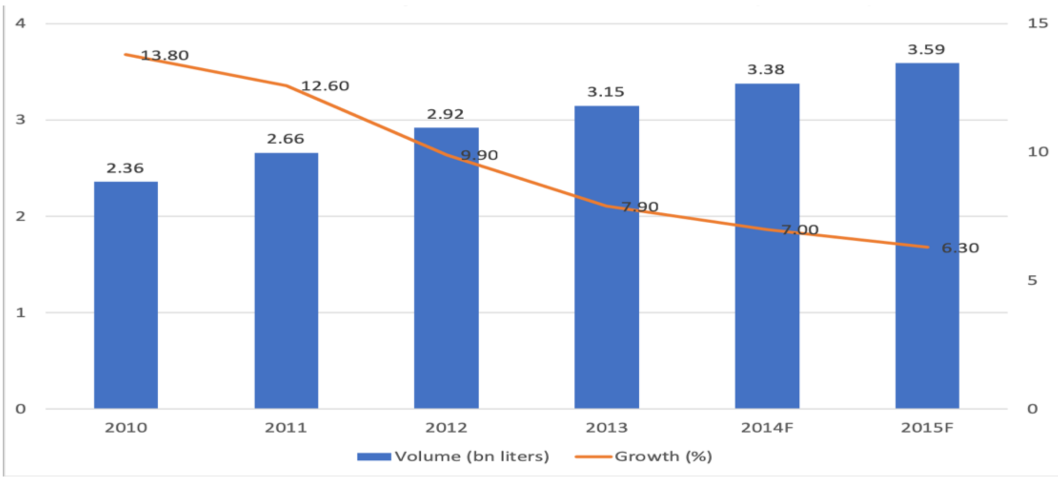

Figure 2. Vietnamese alcohol consumption: absolute volume and growth of volume 2010 – 2015 (Source: EVBN 2015).

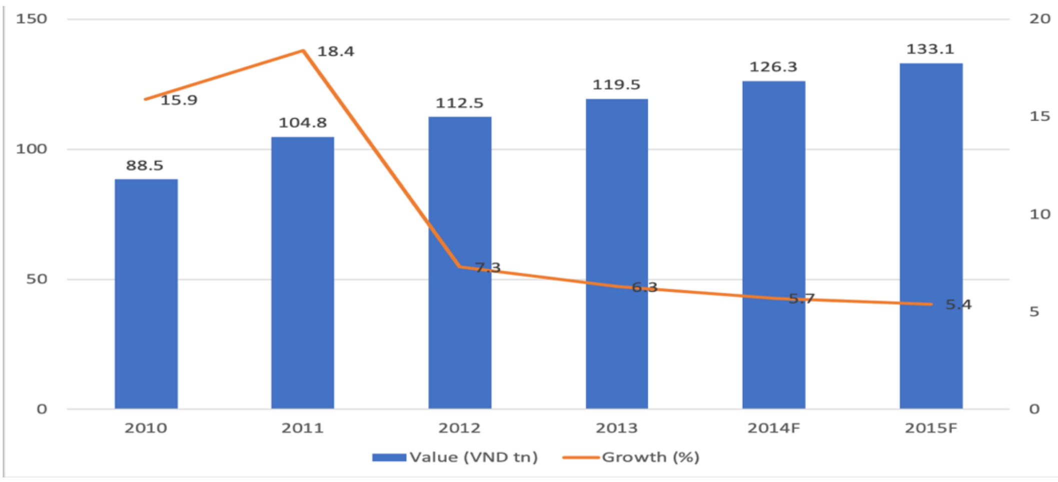

Figure 3. Vietnamese alcohol consumption: absolute value and growth of value 2010 – 2015 (Source: EVBN 2015).

Additionally, among beverage types, alcoholic drinks remain the largest sector with 70% contribution to the total market value. The drinking culture trend has been changing in the past couple of decades towards a more global orientation, particularly the Western exposure with their well-known drinking concept to socialize and interact. Vietnam alcoholic consumption annually mounts and has gained the biggest retail sales among other beverage categories which are analytically supplemented by the expanding numbers of tourists and expatriates living in big cities. The EU-Vietnam Business Network (2015) has indicated that during 2013, Vietnamese drinkers consumed a remarkable amount of alcohol at 3.15 billion liters, equivalent to 119.5 trillion VND (4.9 billion euros), illustrating a double-figure CAGR of 10.1% and 10.6% within the 3 years from 2010 to 2013. Despite the moderate growth since 2012, the alcoholic industry in Vietnam persists highly profitable in trading.

3.1.2 The Vietnamese wine market

The European Commission (2016) has reported that Vietnam spends around 584 million euros a year on wine, making the consumption per capita at an estimated 3.8 liters/year in 2003 – 2005 and 6.6 liters/year in 2010. Investigations have predicted that this value will rise to 7 liters/year by 2025. According to the Vietnam Supply Chain (EVBN 2016a), the Vietnamese consumed 70 million liters of wines and spirits in 2015 (figure 5), numerically estimated to accelerate more than 30% of their consumption in the next 5 years (equivalently around 100 million liters).

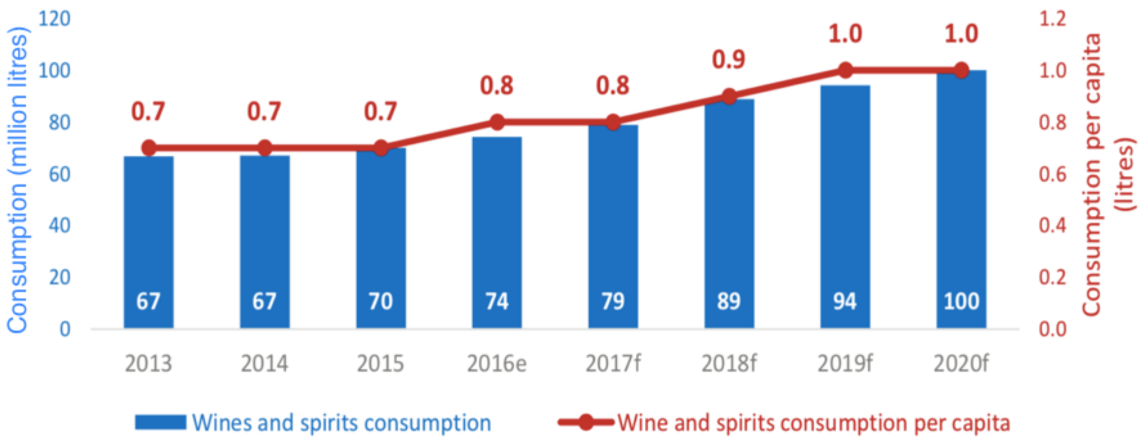

Figure 4. Wine and Spirits consumption and consumption per capita 2013 – 2020 (Source: EVBN 2016a).

Red wines predominate over the market with 65% of the total consumption, followed by white and sparkling wines with 25% and 10%, respectively (European Commission 2016). According to data from the Association of Alcohol and Beverage, Vietnam has more than 15 enterprises specializing in producing and bottling wine. The consumption of domestic and foreign wine is hardly comparable because the problem of fake foreign wine is widespread in the Vietnamese market. Another trouble is that when official imported goods enter the country, the goods owners declare frauds in quantity and categories. Precisely, the managerial slack in controlling domestic and imported goods has brought many difficulties for genuine alcohol importers. However, thanks to the tendency of Western style from local drinkers, foreign wine still stays as the first choice when it comes to consumption for special occasions (see section 3.2).

Since 2004, the amount of imported wine has increased by 25% a year, the period from 2010 onward increased steadily by an average of 10% per year (General Statistics Office of Vietnam 2015). Particularly in 2010, the total import turnover of this item reached 46.6 million euros, an increase of 85% compared to 2009. France, Chile, Italy, Argentina, Australia are countries with large quantities of imported wine into Vietnam. With an average growth rate of 10% a year, Vietnam is considered one of the markets for fine wine consumption in Asia.

European wineries entering the Vietnamese market generally should presume two target marketing efforts, one concentrating on the northern part of the country where the higher concentration of government ministries and regulatory agencies are located, and the other one in the south as the capital commercial hub of the country. Besides, the center of Vietnam with its speedy development has also been determined as the third most important industrial city among others. Each region contains the most imperative government bodies of Vietnam, holding the power to decide most of the political and economic policies inside the country and their impact on foreign businesses (Mazars 2014).

3.2 Consumer behavior

Due to the changes in the country's economic, political, social and technological situations, the Vietnamese wine consumption trend has quickly transferred into a modern Western-style orientation, opening new doors for foreign producers to penetrate and capture the market share. However, its solid cultural and historical background has limited the communication and interaction capacities of external resources. European wineries, hence, should consider prudently conducting consumer research before entry activities.

Wine consumption trends based on gender

Traditional behaviors are still a great barrier for gender equality in Vietnam, with male dominance in most of casual as well as formal activities. The wine market is not an exception (JBC International 2010). There is, however, a growing trend in female alcohol consumption, causing a shift in the modern wine customer segmentation. The social position of Vietnamese women is increasingly strengthened and extended in many different fields such as business, tourism, education. This boosts their purchasing power. Wine, associated to possess a romantic and sophisticated taste requiring a comprehension of culinary value, attracts women to be a potential target market in the future. Vietnam Asia Life Magazine (2018) has corroborated that "wine is more appropriate for women than other alcoholic drinks". Due to the current trend of modernity and individualism in Vietnam as an influence from the Western world, drinking wine seems to intensify the positioning of Vietnamese female in modern social relationship in aspects to country equality level. The magazine has noticed that Vietnamese women will hardly become addicted drinkers but accept enjoying and learning about wine as a part of the latest culture.

Wine consumption trends based on regions

A recent investigation conveyed by Ipsos UU (EVBN 2016a) has uncovered some major differences in individual alcohol consumer behaviors in the three main country's regions: North, Central and South. Southern Vietnam is presumed to be the major market where customers are easy-going, open-minded and willingly try new brands/tastes, while drinkers in the central region perform to be more reserved (appendix 4). The analysts disclosed northern consumers as "trend followers" who paying higher attention to packaging, especially when they are gifted. According to the results, the perceptions of taste, quality, color, origin, label, packaging, brand awareness and loyalty, etc. are diversified, following every region's characteristics.

Wine consumption trend based on occasion

Wine demand in Vietnam is seasonal, with the peak time occurring around the year-end festive season, such as the Tet festival (Lunar New Year), the Christmas holiday and the New Year celebration, recording 60% to 70% of total wine consumption during this period. Remaining expenditure occurs during other occasions, such as business meetings, weddings, death anniversaries, birthdays, special celebrations, etc.

- **Drinking wine as a luxury symbol**

Vietnam reportedly spent 82.3 million euros on imported wine of fresh grapes in 2016 (EVBN 2016a) reporting an exceptionally rising wine consumption, partly from Western expatriates and tourists. Changes in domestic drinking habits from the preference of spirits such as vodka, cognac, brandy and whiskey to wine have initiated with concentrated groups of higher income consumers and greater exposure to Western cultures. Vietnamese drinkers still maintain a humble knowledge of wine and its drinking culture in comparison with other alcoholic-drink categories such as beers or ciders. The general image of wine is as a luxurious good from end-consumers' point of view; therefore, it is not common to see people drinking wine in a family meal but rather in restaurants or higher-standard venues. However, owing to the increasing trend in internationalization, locals have started to consume more wine. Jim and Alfredo (Vietnam Asia Life Magazine 2018) have argued about the emergence of the middle class, who not only enjoys high-status symbols along with expensive wine but is also open to learn and experiment with new tastes.

- **Drinking wine as a sign of wealth/success**

An investigation from the Journal of Wine Research (2009) demonstrated the different perceptions of Vietnamese and French wine consumers giving out a precise formula of Vietnamese consumer behaviors in relation to other cultural backgrounds with French specialty. The result revealed the reference in Vietnamese wine consumption as a sign of success/wealth in social life and knowing about wine as a sign of high cultured maturity. On the other hand, the outcome showed negative feedback in the definition of wine as a part of a normal lifestyle in the family from historical tradition. Local drinkers disagreed with French opinion of wine as indispensable and prestigious drink compared to other alcoholic drinks (Do et al. 2009). They did not concede the conceptual and educational requirement with respect to wine appreciation, although both perceptions approved the same expression in the intercalation between a meal and good wines as well as enjoyment with fine foods. Interestingly, the survey disclosed positive perceptions in terms of wine and its cultured drinkers in Vietnam regarding social values in building a relationship, facilitating business and reducing stress.

Wine consumption trend based on health benefits

Vietnamese wine consuming sophistication also involves other factors such as the belief in health and well-being perspectives from drinking wine for its wholesomeness and lightness. They rigorously traced an influence in the modern perception of wine as a healthy beverage carrying several utilitarian benefits as a part of Western-oriented alignments in globally modernized technological development. The majority of Vietnamese alcoholic drinkers presumed wine as favorable for digestion and virility; moreover, it is considered defense against heart-attack threats (Do et al. 2009). The Eu-Vietnam Business Network (2016a) has pointed out that almost half of Vietnamese citizens in 2015 admitted “staying fit and healthy” as the top goal for the future living criteria. Locals are willing to pay much more for quality and organic foods and drinks in exchange for consuming security. This unique opportunity opens more doors for wine businesses who are currently following this trend to develop their customer satisfaction promptly. Wine production with a foreign background is fairly preferred due to the hygiene/quality-guaranteed reputation and stable origin.

Vietnamese wine consumer profile

Vietnam National University (Le et al. 2013) has suggested the overall profile of Vietnamese wine consumers based on four categories: gender, age, education and income level (table 2).

Table 2. Profile of Vietnamese wine drinkers based on gender, age, education and income level (Source: Le et al. 2013).

Characteristic	**Percentage (%)**	**Characteristic**	**Percentage (%)**
Gender		*Education*	
Male	56.6	Below university	24.3
Female	43.4	University	75.7
Age		*Income (euros/month)*	
20 – 29	39.4	Less than 200	27.9
30 – 39	36.3	200 – 400	50.6
From 40	24.3	More than 400	21.5

The evidence has indicated the tradeoff in gender differentiation and young drinker concentration with low-average incomes. Interestingly, purchasing power is moving forward to relatively higher educated consumers, with 75.7% having a university background. From this fact also emerges the most influenced determinant in consumption and spending: knowledge. A study from Johnson and Bastian (2007) demonstrated that consumers with high expertise in wine drink more and tend to spend more compared to other drinking groups with lower wine knowledge level. Another finding to support this argument has revealed buyers' strong dependence of sellers' recommendation who likely purchase less. The lack of related knowledge leads them to an uncertain buying decision. A precise source of information would help increase brand awareness and foster customer's purchasing-decision process (Mitchell & Greatorex 1989). This defines the first group in customer segmentation: the wine expert group. However, there are four other consumer groups who are worth considering in Vietnamese current wine market: Enjoyment-oriented Social group, Basic group, Price-conscious group and Image-oriented group (table 3). The author has selected data from several sources in local market research journals and reports such as EVBN (2016a), Yoo et al. (2013), Vietnam Asia Life Magazine (2018), Zaca (2015), Do et al. (2009), etc. to finally identify the customer segmentation in Vietnamese wine market.

Table 3. Consumer segmentation in Vietnamese wine market (Several sources).

Group	Characteristics	Profile
Wine expert drinker	- High purchasing power - High wine knowledge - High market contribution - Medium brand susceptibility - Low price-sensitiveness	- Age: over 45 - Urban men and women - High-level education - High income
Image-oriented drinker	- High purchasing power - Medium wine knowledge - High market contribution - High brand susceptibility - Low price-sensitiveness	- Age: 35-45 - Urban men - Medium-level education - Average-high income
Enjoyment-oriented social drinker	- Medium purchasing power - Medium wine knowledge - Medium market contribution - Medium brand susceptibility - Medium price-sensitiveness	- Age: 25-35 - Young urban men and women - Medium-level education - Average income
Basic drinker	- Low-medium purchasing power - Low wine knowledge - Low-medium market contribution - Low brand susceptibility - Medium-high price sensitiveness	- Age: 30-55 - Equally urban and rural men and women - Low to medium-level education - Low-average income
Price-conscious drinker	- Low purchasing power - Low wine knowledge - Low market contribution - Low brand susceptibility - High price-sensitiveness	- Inhomogeneous: younger population (students) + old retired men - Low-level education - Low income

There are several elements affecting customer purchasing behaviors: price, quality, color, origin, health, label, etc. Red wines are reported as the most common alcoholic beverage in related categories (Do et al. 2009) accounting for 65% of the entire market, followed by white and sparkling wines with 25% and 10% respectively. However, these factors have separate effects on different consumer groups (Luka, Domagoj & Sinisa 2017).

Drinkers who participate in wine tastings and visit wineries are noticed to willingly consume and spend more money on wine with a small influence from price but caring more about quality and brand. Image-oriented drinkers concentrate mostly on a brand and its reputation; they are likely willing to pay more for well-known wines. The enjoyment-oriented social group chooses to drink wine to make themselves feel comfortable, preferring lower prices for their consumption without deliberating on a brand. Basic and price-conscious consuming groups respectively suffer most in the price element: they try to bargain to drink more wine while paying less for it. These groups consume the highest amount of wine but contribute the average amount to the total revenue of the market. The challenge of wine marketers appears as the strategy to stimulate the high consuming group to purchase more expensive wine and the high-valued wine drinkers to consume more of them.

3.3 Competition in Vietnamese wine market

Competition in the Vietnamese wine market could be described through both direct and indirect factors, including domestic and foreign rivals. Each of the different perspectives will engender potential opportunities and risks for the process of bringing wine into the target market. Imported wines and spirits have been enhanced by over 50% of their amounts since 2009; however, the volumes of local wines and spirits have nearly quadrupled since the previous year (EVBN 2016a). This swift transformation has consequently led domestic wine and spirit producers as formidable opponents for the foreign businesses' penetration. It is noticeable that the term "wine" is widely acquired in different definitions in Vietnam apart from "grape" wine specifically (Le et al. 2013). They also mean other types of alcoholic beverages such as vodka, rum, fruit wine (from coconut, dragon fruit, banana, litchi, etc.), medicinal wine or 40-proof rice wine. The total contribution of "grape wine" in consuming market also accounted for 43% of the total sale volume of wine (European Commission 2016). In order to guarantee a precise distinction for comparison, the author clarifies grape wine as a defined object in competitors' main production. Cardinal and Chambourcin are considerably among two of the most-planned grape species for the suitability of Vietnamese soil, weather and environment.

3.3.1 Local wine producers

Local wineries who collect knowledge from overseas have improved their quality standard and are predicted to expand offerings in the upcoming years. According to the European Commission (2016), until the year 2013 in Vietnam, there have been 15 well-known local wine producers who play crucial rules in promoting the growth of the country's wine industry. Within this new but fiercely competitive market environment, three large domestic corporations have been honored among the top domestic and export wine producers: *Lam Dong Foodstuffs Joint-Stock Company* (Ladofoods), *Thanh Long Liquor Company* and *Hanoi Liquor Company* (Halico).

Lam Dong Foodstuffs Joint-Stock Company (Ladofoods) is considered to be the first and considerably largest wine producer/provider for locals with its famous brand: Vang Dalat (Dalat Red Wine). Ladofoods chooses red wine as its key product to generate a unique brand in this country, maintaining a strong image in the customers' perception when it comes to the red wine category. Ladofoods concurrently produces strong alcohol, juice and exported grains of nut. In the beverage sector, both grape and non-grape wine have been presented, but the company mainly puts effort on grape wine with its majority of the market share. The CEO and managers have decided to greatly invest in modern techniques and technologies to support the operating processing system along with the global collaboration in Italy, France and Germany in order to assure international standards in quality production, storage and its legalization issue. Ladofoods offers a range of product lines from the most economical price to luxurious-based products revealing the ambition to acquire a great scope of customer segmentation. Too high investment costs and poor domestic resources are some of the disadvantages this company is facing, requiring executive research and development (R&D) solutions.

Thanh Long Liquor Company with its predominance in manufacturing facilities and location in Northern Vietnam remains among the top producers and distributors in the wine industry. In delivering greatly affordable prices, most local consumers could manage to reach the offers in almost every type of alcoholic retailer. On the other hand, this pricing strategy has resulted in the fraudulent situation when there are more counterfeit products continuously appearing in the market without strict controls. The brand reputation consequently falls down unless the managers vigorously monitor output quality as well as focus on brand promotion activities.

Hanoi Liquor Company (Halico) currently occupies 41% of the local liquor market (EVBN 2016a), which evidently becomes one of the top wine and spirits manufacturers in the local market. The company, however, presents the preferred affluence in spirit production, which fundamentally dissects the wine market share into a minor element of its tactics. An augmented concentration in wine production could be a lucrative opportunity for the firm's sustainable development in the Vietnamese wine industry.

The author has collected the characteristic advantages of the three main local suppliers to understand their competitive features and in addition to point out disadvantages which defer the competitors to expand their profitability in the local target. Data is selected from several sources based on company information such as JBC International (2010), EVBN (2016a), Zaca (2015), etc. along with experts' comments and assessments (table 4).

Table 4. Biggest local competitors in the Vietnamese wine market.

Local companies	Advantages	Disadvantages
Lam Dong Foodstuffs JSC (Ladofoods)	- Strongest local wine producer - Unique positioning "red wine" - Large price scale - Proper taste for locals - Healthy benefits - Highly technological development collaborating with foreign experts - International standards guarantee	- New projected developing wine fields - Inferior grape varieties - Alternative products are not welcomed - Large amount of time and money of investment in R&D and technology
Thang Long Liquor Company	- Strongest presence in Northern Vietnam - Inexpensive offers	- Weak contribution network to Southern Vietnam - Ineffective marketing activities - Brands face fake wines - Poor production technology
Hanoi Liquor Company Ltd (Halico)	- Almost half of local liquor contribution - Diversified product lines - Light grape and sparkling wine concentration	- Concentrate on spirit market - Inadequate manufacturing position

3.3.2 Foreign wine producers

In terms of foreign wine sources, the European Commission (2016) has indicated the wine import value into Vietnam during the period between 2010 and 2015 increased by 28%. The European Union has noticeably accounted for 47% of the total share regarding its imported wine value in 2014, marking this region as the strongest wine importer to Vietnam. Figure 7 describes the top countries in EU contributing to the Vietnamese wine market from 2010 – 2014.

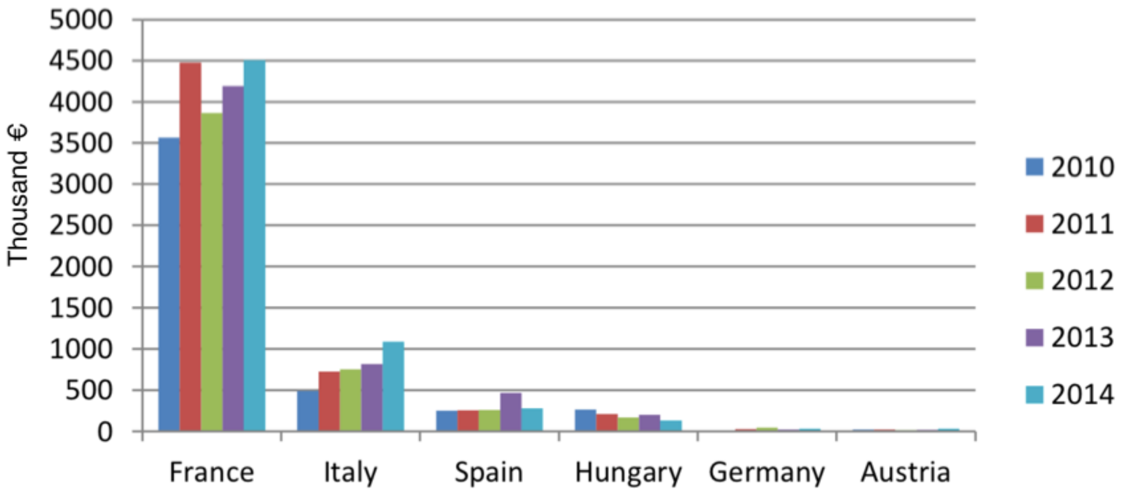

Figure 5. Vietnamese imported wines from the EU (2010 - 2014) (Source: European Commission 2016).

French wines dominate the target market with 4.5 million euros, in 2014, with France as the strongest competitor in foreign wine categories in Vietnam and with Bordeaux as its most famous product (Zaca 2015). According to the JBC International Trade Consulting firm, the French market share has recorded almost half of the total volume in imported wine market in 2007 (JBC International 2010). However, this number has been decreasing in recent years by around 30% due to the emergence of other high potential exporters such as Italy, Australia and Chile. Italian wine sales' value has been remarkably rising lately thanks to the improvements in economic and social relationships between the two countries. 20% of the Italian wine presence has been verified in the Vietnamese market in 2011 and this has consecutively gone up in following years (Yoo et al. 2013). Italian wine has received a robust perception from locals, who think Italian wineries have favorably produced high-qualified and healthy products meeting some of the top priorities in Vietnamese consumers' standards. Chilean wine has also successfully entered the local markets as a result of its low-pricing strategy after the free trade agreement between

Vietnam and Chile was enacted, lowering Chilean wines' customer duties applicable from 56% to 20% (European Commission 2016). However, because of the local consumer behaviors preferring wines as luxury goods, French wine still stands firmly on its market segment.

3.3.3 Beer suppliers as indirect competitors

The prevalence of consuming wine in Vietnam could not defeat a bigger indirect competitor in terms of alcoholic beverage categories: beer. Alcoholic beverage consumption is predominantly made up of the beer group, maintaining a CAGR of over 10% in mimic classifications between 2010 and 2013 and simultaneously holding 98% of its production volume and 91% of sales value in the last year of corresponding period (Lincoln 2016). Meanwhile, the spirits and wine consumption fulfill only 2.3% of the volume share (74 million liters) and 8.8% of the value share (429 million euros). This statistical evidence prudently substantiates beer as the largest indirect competitor in alcoholic drink categories towards wine industry. In the same year, Vietnamese beer consumers drank a significant number of more than 3 billion liters, adding up to 109.1 trillion VND or 4.5 billion euros. Virtually, analysts have recorded Vietnam as one of the biggest beer-preferring countries, fundamentally the most attractive destinations for overseas investors. Since the demand becomes saturated, market growth began to stagnate and slow-down in the following years. However, economists still predict its presumable expansion of 4.2 billion liters in 2020, accounting a CAGR 2015 – 2020 of 3.5% (EVBN 2016a).

Beer dominates the entire alcoholic beverage industry possibly due to the tropical climate with warm and humid weather around the year creating a desire for a cold drink. Unfortunately, red wine requiring an ambient air temperature can not compete with beer. According to Zaca (2015), the *Saigon Alcohol Beer and Beverages Corporation* (SABECO) continues to obtain half of the market share holding a leadership position. *Heineken Vietnam Brewery Limited Company* has merged several subsidiaries (local beer firms) and has become a beer brewing group keeping 20% of the beer market value in the whole country.

3.4 Challenges and opportunities

3.4.1 Challenges

Regarding the general market-entry issues, there are still several unavoidable challenges European wine exporters have to face and deal with. Although the Free Trade Agreement has brought about recent positive regulatory changes in product exchanges, particularly the avoidance of air import bans and tax diminution on alcoholic imports, the Vietnamese government still insists on using a range of protectionist regulations on operating costs, hence increases the wine price terminally (Zaca 2015). National support policies intentionally give favoritism to local state-owned enterprises, causing a loss of fair competition between domestic and foreign investors.

Cultural differences are among the major concerns when dealing with domestic traders because misunderstandings in behavioral communication can drive a bad impression reducing opportunities for making transactions. Vietnam is still a developing country owing to a long-standing culture associated with modern activities. This issue will become a big obstacle for foreign businesses to absorb and adapt. Consequently, a need for a local lawyer or representative is presumably essential when it comes to dealing with complex legal issues and a long administrative system where processing authorities take months or even years depending on specific types of licensing procedures. This could initiate several difficulties for SMEs who fundamentally lack financial and labor-force capacities. Assistance from local importers or agencies would be a reasonable choice in the early stages of penetrating process. Opposing most Western business cultures, corruption is not a rare activity in Vietnamese trade but unofficially accepted as a part of the business environment in most companies. Prior understanding would facilitate foreign enterprises' trading activities in this wine market industry.

Remarkably, advertising and promotion of wines and spirits are restricted or even forbidden in all virtual media based on Vietnamese legislation especially when those alcoholic beverages exceed 15% of alcohol by volume. This law reduces the capacity to transmit the necessary information when the wine knowledge of local consumers is still limited. Meanwhile, there is no advertising prohibition on beer and RTDs (Ready-to-drink beverages). From analyzing the product and consumer concerning sides, geographical distance could be a relative threat when local wine drinkers are preferably purchasing wine in small quantities with limited choices of traditional distribution channels like wet markets. Responding to market needs on time is another issue worth the consideration of foreign exporters. This is not only because of the not so well-prepared wine stores' performance as well as poor staff ability to transmit information and service, but also the cozy atmosphere and lower-price offers from the local wet markets. Locals still choose to shop here even if they notice the possibility of buying counterfeit goods.

3.4.2 Opportunities

Nevertheless, the Vietnamese wine industry is still a potential market offering several benefits for wise foreign investors who prudently take advantage of current opportunities from government and consumers and then turn these into their own strengths. Thanks to the Free Trade Agreement between European Union and Vietnam, taxes and other administrative costs have been alleviated significantly. The European Geographical Indications protection in Vietnam is forecasted to leave a positive effect on GI product sales, promising an increasing return and profit. In terms of influences by consumer trends, the rapid increase in the middle-income group is associated with the needs to enjoy new products and willingly pay a higher price for ecological and healthy items. European eco-producers hence receive more potential opportunities for growing up in this healthier-lifestyle oriented market.

Although traditional wet markets still account for a large market distribution percentage, modern retailers and supermarkets are emerging noticeably in urban zones during rapid urbanization, opening the door for foreign wines to enter. Western-style goods are highly fascinating to young consumers due to their quality and confident and luxurious appearance, which are some of the strongest advantages of European wineries to increase consumer expenditure. The swift rise of European-style hotels and restaurants also create a closer relationship for European wine merchants to access to final consumers and bring Western drinking habits into local Vietnamese society. Last but not least, wine has been verified as one of the top-growing trends in current alcoholic beverage consumption in Vietnam, bringing huge opportunities for all wine producers to fulfill the needs and share massive profits.

4 KEY CRITERIA FOR SUCCESS

Having an internal perspective from local experts will help to recognize the problem areas where data numbers are often not expressed closely. In terms of the four main features in business marketing strategy: Product, Price, Place and Promotion, the notices and advice will especially bring useful values for European wine producers to find the way of building a clear investment strategy in the Vietnamese market.

4.1 Product

Red wine still predominates in local consuming fondness; however, young drinkers are the main target consumers likely open to try new tastes and references. Sparkling wine is another popular choice for a socially concerned group who often choose wine as an essential element in a business meeting because of its luxurious appearance and status showing trends. On the other hand, local expenditure concentrates more on healthy, organic products with high quality, which consequently makes certain consumers accept higher prices for these products. The wine consumption concentration is mainly in urban areas with highly-educated drinkers, including the male predominance in the traditional Vietnamese drinking culture. However, women’s market share has been increasing as a result of the changes in perception of gender equality in Vietnam. Local women have proved their position in all economic, political and social aspects contributing to the transformation of different markets, significantly influencing Vietnamese drinking culture. Wine has been chosen as the drink for women due to its romantic, graceful and luxurious features based on locals’ perception. This new trend could become an auspicious opportunity for oversea winemakers to focus on promoting and shaping potential customer groups.

Vietnamese wine consumers are divided into different target groups depending on customer characteristics and geographical features. This comparison defines potential consumers from the most basic to the most loyal groups, providing a dissected scope of target consumer determination. In order to build a loyal consumer base, European wine producers could not avoid facing prevailing challenges of either centralizing in the premium category for high-valued wine with some particular appearances such as an elegant label, heavy bottle, etc. or moving forward to market with price-sensitive consumers. A small-capacity bottle is another recommendation based on local distributors' observations for the little-quantity consuming preference of locals.

Some local wine sellers have indicated an interesting fact of the bargaining purchasers who try to spend less money on wine (Do et al. 2009). They have noticed that the more wine buyers look for bargains, the higher the amount of wine they buy and consume, which makes this group a profitable target. Foreign winemakers are advised to considerably share a certain number of low-priced wines in their product category to satisfy these drinkers. There is just a consideration that local drinkers still prefer wine as a luxurious beverage for social context but not common for usual daily life (Le et al. 2013). High-expertise consumers are recorded to drink wine more and willingly spend more on high-valued wines than the lower-expertise group. Noticeably, there is positive news about this group as young people in the urban area are tending to increase more wine knowledge by participating in wine tasting or visiting wineries (European Commission 2016). Wine marketers should take advantage of this orientation and gradually familiarize wine drinking culture to Vietnamese locals. Prudently, high-expertise drinkers are considered as the most potential consumer group to create a sustainable loyal customer base in the Vietnamese wine market.

Lifestyles are diversified in regard to several elements such as age, education, location, income level, etc., but also affected by external factors caused by economic, political, social, and technological aspects. EU wine marketers should utilize all possible chances and threats as well as their own strengths and weaknesses to decide on a rigorous customer segmentation plan.

4.2 Price

In concordance with the target customers and the main product lines wine producers favorably exporting to Vietnam, defining appropriate prices could be variable. Different kinds of taxes restricted by the government for these specific products, such as alcoholic drinks, are also pushing up the final price and generating precautions in purchasing behaviors of wine drinkers. Conferring ideal prices in advance with local distributors to calculate realistic prices on the market is highly recommended by local experts in order to eliminate the excessive estimation in market positioning decision.

As approved by the Ministry of Industry and Trade Vietnam (EVBN 2015), imported products are reliable for three types of taxes involving Import Tax, Special Consumption Tax (SCT) and VAT as follows:

- Import Tax = Import tax rate x Import price (Including package value);
- Special Consumption Tax (SCT) = SCT rate x (Import price (Including package value) + Import tax);
- VAT = VAT rate x (Import price (Including package value) + Import tax + SCT).

The European Commission has announced that the FTA will exempt over 99% of customers' duties in both directions. In particular, duties for wines from European firms will be ratified as 50% in the first year, then completely liberalized after 7 years in the gradual process of annual reduction once the signed agreement process officially comes into force, as table 5 shows:

Table 5. Reduction stage of wine industry (Source: European Commission 2016).

	Base (%)	**Year (%)**							
		1	2	3	4	5	6	7	8
Custom Duties	50	43.8	37.5	31.3	25.0	18.8	12.5	6.3	0

Moreover, the European Commission has reported that any business transactions in Vietnam shall be responsible for Value Added Tax (VAT) at 10%, combined with an applied Special Sales Tax for Spirits and Wines. Table 6 displays this.

Table 6. Special sales tax for Spirit/Wine in Vietnam (Source: EVBN 2016a).

Products	Tax Rates (%)
A. Spirit/Wine with ABV ≥ 20°	
- From 1 January 2016 to 31 December 2016	55
- From 1 January 2017 to 31 December 2017	60
- From 1 January 2018	65
B. Spirit/Wine with ABV < 20°	
- From 1 January 2016 to 31 December 2017	30
- From 1 January 2018	35

Domestic wine is literally much cheaper than imports at price ranging 2 – 10 euros per bottle for local products compared to the 4 – 10 euros per bottle for a standard foreign wine and premium-valued wines priced at 50 – 200 euros per bottle. Price-sensitive buyers are disposed to purchase more domestic wine but often try to get imported ones if there is an available discount program. The high-income group and experts are likely to buy premium-valued wines based on a product's quality as well as brand awareness. There are, however, some other expenses on a basic fee over the total contractual transaction when foreign wineries use importing companies. In the business practice, two methods are commonly perpended to receive commissions, as commissions will be deducted directly into sales invoices (not received in cash) or will be received separately. Evidently, the price-making process should always start from the exporting product line and market segmentation of the wine enterprises, including the concern of imported taxes and other intermediate fees for local agencies or importers.

4.3 Place

The three main urban areas: Ho Chi Minh, Hanoi and Da Nang, are predicted to contribute the largest amount of the wine consumption (appendix 4). Narrowing down the market position and concentrating on an ideal customer profile are among the key successes of wineries' market penetration.

In order to conduct successful business in Vietnam, developing and maintaining the relationship with importers or local traders/distributors are greatly important. These connections could help new players like European wine producers to enter the market auspiciously. Those wine exporters could further extend the distribution network to not only in regularly modern reachable locations such as supermarkets, restaurants or hotels but also deeper in traditional trading stores of wet/flea markets or local retail shops with hidden information and hardly reach. The distribution channels for imported wine commonly contain two levels: On-trade and Off-trade (table 7).

Table 7. Types of wine retailers and service operators in Vietnam (Source: EVBN 2015).

On-trade channels	Off-trade channels	
- Café - Bars - Restaurants - Hotels - Wine outlets	**Traditional Trade**	**Modern Trade**
	- Wet markets - Out-door markets - Private shops - Other traditional markets	- Supermarkets - Hypermarkets - Minimarts - Convenient stores

However, based on the preferred target group for European wine producers as premium wines (Brunner & Siegrist 2011), these beverages tend to be consumed mostly through on-trade channels. As stated in the EU-Vietnam Business Network report, on-trade channels still occupy the majority of distribution activities in alcoholic drink categories with 82.6% out-of-home consumption (EVBN 2016a). Locals prefer to enjoy wine for socializing purposes with a satisfied-service combination in bars, restaurants, hotels, etc. rather than purchasing in a single market and consuming at home. Casual wine drinking habits are not yet common in the market; the companies will need great efforts both in finances and time to bring local consumers closer to wine cultural routines. On the other hand, modern channels are becoming well-known, providing the convenience needed for the currently industrializing tendencies, opening more profitable paths for overseas firms to increase their customer-interacting capacities and competitive advantages. Local experts have suggested that providing wider knowledge of wine and Western-style drinking behaviors through wine outlets and showrooms are some of the relatively effective approaches to increasing customers' brand awareness and possibly turnover.

As the main audiences for this research are small and medium-sized wine companies, the collaboration with local importers/distributors is highly recommended for a solid background base and extendable business networking. Figure 8 generalizes the common distribution channel system for imported wines in Vietnam.

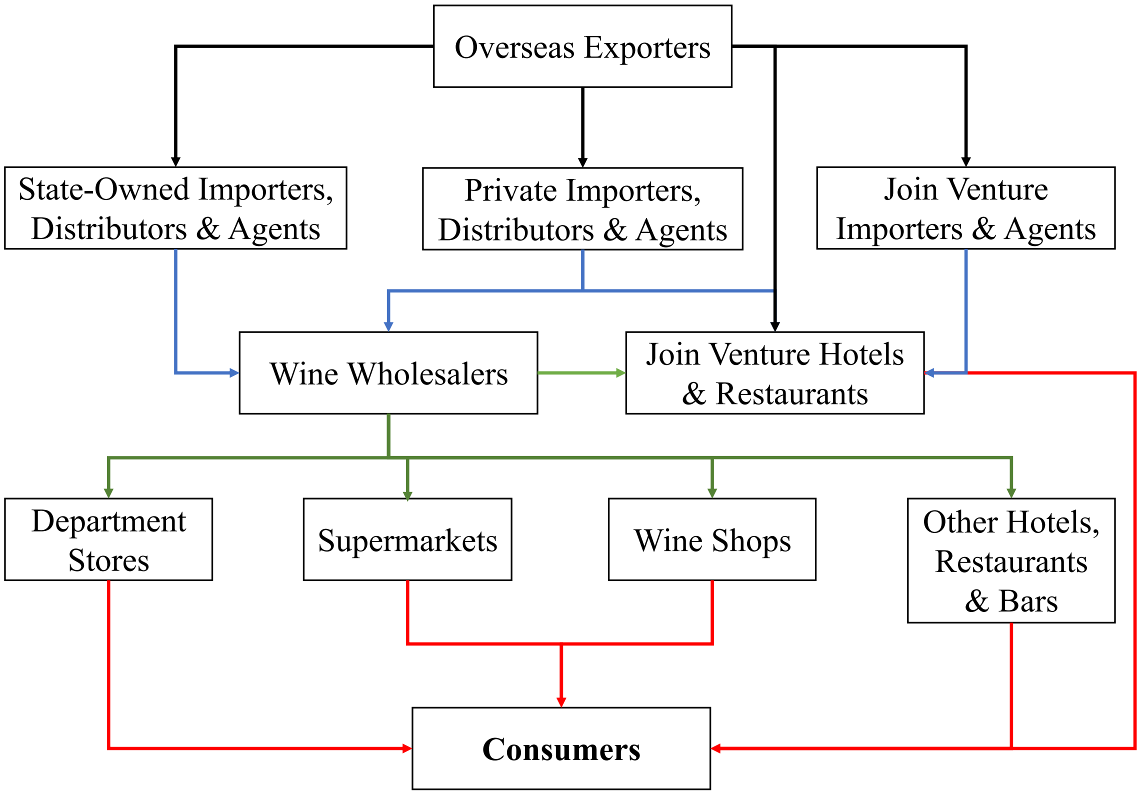

Figure 6. Common distribution channels of imported wines in Vietnam (Source: Vietnam Supply Chain 2014).

SMEs commonly consider choosing local partners, either state-owned or private companies, to extend their customer interaction. State-owned partners are usually strong at local connection thanks to close relationships with governmental parties. However, due to the high corruption level in Vietnam (EVBN 2016b), European enterprises should be careful not to receive troubles or lose time and money for long administrative processes. Meanwhile, private importers are other great options for straight and fast services but have fewer contacts and usually charge a relatively high commission percentage from contractual agreements. Appendix 1 refers to other popular entry modes in international business. Each exporting mode contains its own merits and demerits affecting firms' expansion (appendix 3). Depending on the company's current operating performance as well as financial and labor force situation, decision-making intervention should be wisely presumed in order to maximize business profitability while minimizing attendant risks from internationalization.

The local importers or traders need to guarantee their licensing authorized declaration as a part of Vietnamese import/export duty and regulations. Appendix 5 provides a selective list of Vietnamese wine distributors and importers; a greater part of them also act as wholesalers and retailers to bring this beverage to the end-consumers.

4.4 Promotion

As stated by Vietnamese Ministry of Health’s Portal (2018), circular 43/2003/TT-BVHTT stipulates that advertising with alcohol of less than 15% is partly permitted. For wines/liquors of 15% or higher, they may only be advertised within the boundaries of alcohol production enterprises, inside alcohol consuming stores and agents, but must ensure that to people outside the stores or business the advertisements are unreadable, inaudible, invisible. Accordingly, draft regulations on alcohol and beer under 5.5% must not be advertised outdoors, on public transport, in cultural, sports, theatrical, cinema and information electronic programs. 5.5%-15% alcoholic drinks are only advertised on radio and television from 10:00 pm - 6:00 am.

The trend of protecting consumers' health in most countries, including Vietnam, has tightened advertising activities for alcohol, especially with strong alcohols. For sponsors, the units are not allowed to sponsor alcohol products and must not put names, product images, and not be notified on the mass media about funding activities. Instead, wine brands are recommended to focus on activities below the line such as advertising at the point of sale (bar, dance hall, showroom), product display, planned giving marketing staff in the supermarket or booth as the most crowded, beautifully displayed, luxurious to attract consumers. With the rise of online marketing activities, the future promotion of wine will change, bringing more profitability for foreign wineries even remotely. Utilizing the power of online to deploy word-of-mouth activities, officially using celebrities in online newspapers will be a popular way to approach local drinkers.

However, it should be well concerned that bans on alcohol advertising in Vietnam have brought about several controversial problems, requiring thorough researches of advertising propaganda laws in Vietnam. Local wine marketers have revealed some hints for these beginners in smart online marketing strategies, for example: do not mention alcohol directly, but aim at the problems related to alcohol such as how to choose wine, how to enjoy wine, how to combine wine with dishes, how to prepare and preserve wine, etc. These are the basic and key strategies for promoting products of all wine labels in Vietnam.

Apart from legal concerns, selling wine in Vietnam is still considered a tricky business for various reasons (EVBN 2016a). Some of the explanations for the trend of avoiding purchasing wine in wine shops are due to a poor range of products and low-skilled staff, which hinders comfortably buying the right wines. Frequently, staff are not well-trained, and this provide insufficient information for customers, making them confused, unsatisfied and reducing their purchasing willingness. The store appearance itself is also not well performed to attract potential buyers. Advertising activities are poorly prepared, which prevents the brand awareness spreading. Successful wine stores in Vietnam are suggested to provide a suitable amount of wine knowledge for customers, both online and offline through investment in professional human resource system, wine tasting and workshops, as well as offering wide product ranges and attractive internal/external looks. Participating in beverage trade fairs and exhibitions are also highly recommended by senior wine traders to promote brands and images of wineries, simultaneously find reliable partners for profitable future transactions. A list of local trade fairs and exhibitions with detail contact information refers in appendix 6.

5 CONCLUSION

The study has conducted overall knowledge and experiences given by local experts necessary for European wine producers in preparation of successfully penetrating into the Vietnamese wine market. Overall, the consumer profile appears with young urban men and women who possess high education and low-average income levels. With the preference of clean organic products enhancing consumer health, imported wines are receiving the favor of young wine connoisseurs who earn a fair, average salary, making this group potential customers for the development of the foreign wine industry.

Local drinkers tend to use wine as a mode to socialize, hence they prefer to enjoy it in restaurants, hotels, bars, etc. rather than purchasing in markets and consuming at home. Although there are still several restricted regulations in public wine marketing and promotion, the rapid development of social media networks in Vietnam has provided potential opportunities for European firms to interact effectively with target customers and help increase brand awareness.

Prices for imported wines are still relatively high compared to local living conditions together with fast-growing local wine producers, who are eager to reach international wine quality standards. Tax duties and advertising policy regulations are some of the supreme considerations for foreign wine producers to generate market penetration. The compromise of an FTA between Europe and Vietnam has changed many of the state's key mechanisms that break down several barriers to business investment between countries and expand bilateral cooperation.

Wet markets are also other challenges for overseas companies because of the difficulty in reaching these channels and the risk of counterfeiting products as the managerial slack in governmental distributing regulation. However, an association with technological and infrastructural development, modern distribution channels such as supermarkets and convenience stores have mounted significantly and also connected in most provinces across the country, giving foreign products more opportunities to reach consumers, increasing domestic competitive advantage.

The study, however, still contains limitations due to the lack of researching conditions in a far distance from the target country. Future researches could be extended after this paper to continue for innovative penetrating strategies supporting European wineries to propitiously connect and create successful partnerships with local players in the Vietnamese wine market.

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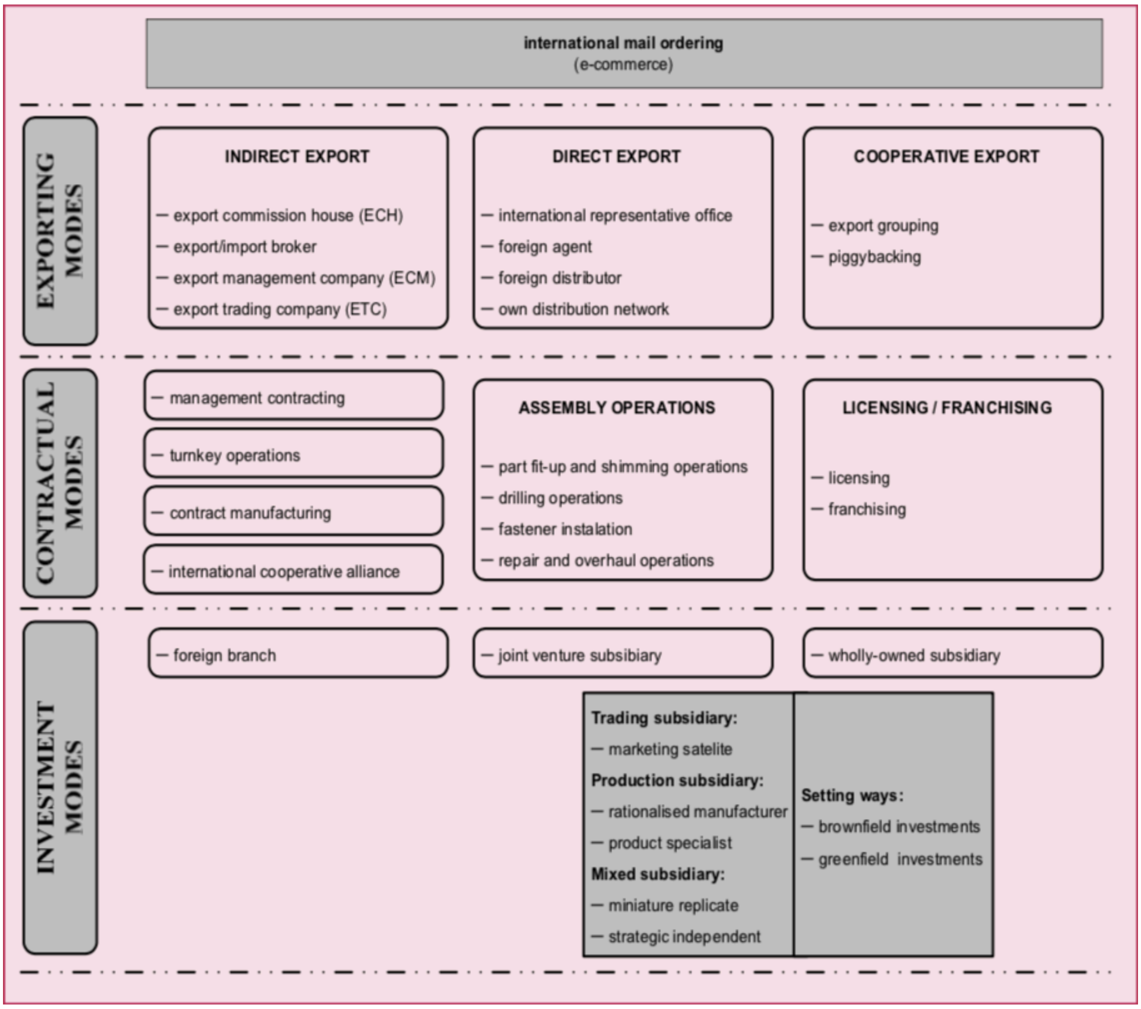
APPENDIX 1

Types of entry modes in international business (Wach 2014).



Vietnam economic indicators (Trading Economics 2018a).

Overview	Last	References	Previous	Range	Frequency
Unemployment Rate	2.2%	Sep/18	2.19	1.81:4.5	Quarterly
Inflation Rate	3.46%	Nov/18	3.89	-2.6:28.24	Monthly
Interest Rate	6.25%	Oct/18	6.25	4.8:15	Daily
Balance of Trade	349 mil euros	Nov/18	-349	-3888:2258	Monthly
Government Debt to GDP	61.5%	Dec/17	60.7	31.4:61.5	Yearly
Market	**Last**	**References**	**Previous**	**Range**	**Frequency**
Currency	23306	Dec/18	23283	13878:23360	Daily
Stock Market	957 points	Dec/18	959	337:1204	Daily
Government Bond 10y	5.21%	Dec/18	5.2	4.07:12.53	Daily
GDP	**Last**	**References**	**Previous**	**Range**	**Frequency**
GDP Annual Growth Rate	6.88%	Sep/18	6.73	3.12:8.48	Quarterly
GDP	195 bil euros	Dec/17	179	6.29:244	Yearly
GDP per capita	1599 euros	Dec/17	1512	377:1835	Yearly
GDP per capita PPP	5378 euros	Dec/17	5087	1453:6172	Yearly
Labor	**Last**	**References**	**Previous**	**Range**	**Frequency**
Unemployment Rate	2.2%	Sep/18	2.19	1.81:4.5	Quarterly
Employed Persons	54 Million	Mar/18	54.1	23.5:54.1	Quarterly
Unemployed Persons	1.11 Million	Mar/18	1.11	0.8:2.3	Quarterly

Minimum Wages	3980000 VND/Month	Jan/18	3750	1000:3980	Yearly
Population	95.5 Million	Dec/17	94.6	34.74:95.5	Yearly
Labor Force Participation Rate	76.7%	Mar/18	76.9	76.4:77.5	Quarterly
Living Wage Family	7763600 VND/Month	Dec/18	7633800	7633800 : 8250400	Yearly
Living Wage Individual	4752300 VND/Month	Dec/18	4693900	4693900 : 5258200	Yearly
Retirement Age Men	60	Dec/18	60	60:60	Yearly
Retirement Age Women	55	Dec/18	55	55:55	Yearly
Wages	5433000 VND/Month	Mar/18	5066	1399:5507	Quarterly
Wages High Skilled	10825600 VND/Month	Dec/18	10960700	10160800 : 11876600	Yearly
Wages in Manufacturing	5527000 VND/Month	Mar/18	4999	2871:5527	Quarterly
Wages Low Skilled	5372100 VND/Month	Dec/18	5040600	5040600 : 6981300	Yearly
Youth Unemployment Rate	7.29%	Sep/18	7.1	5.09:7.86	Quarterly
Prices	**Last**	**References**	**Previous**	**Range**	**Frequency**
Inflation Rate	3.46%	Nov/18	3.89	-2.6:28.24	Monthly
Consumer Price Index CPI	111 Index Points	Nov/18	111	100:111	Monthly
Core Inflation Rate	1.67%	Oct/18	1.61	1.18:2.2	Monthly
Export Prices	121 Index Points	Dec/17	109	88.1:125	Yearly
Import Prices	121 Index Points	Dec/17	105	88.4:121	Yearly

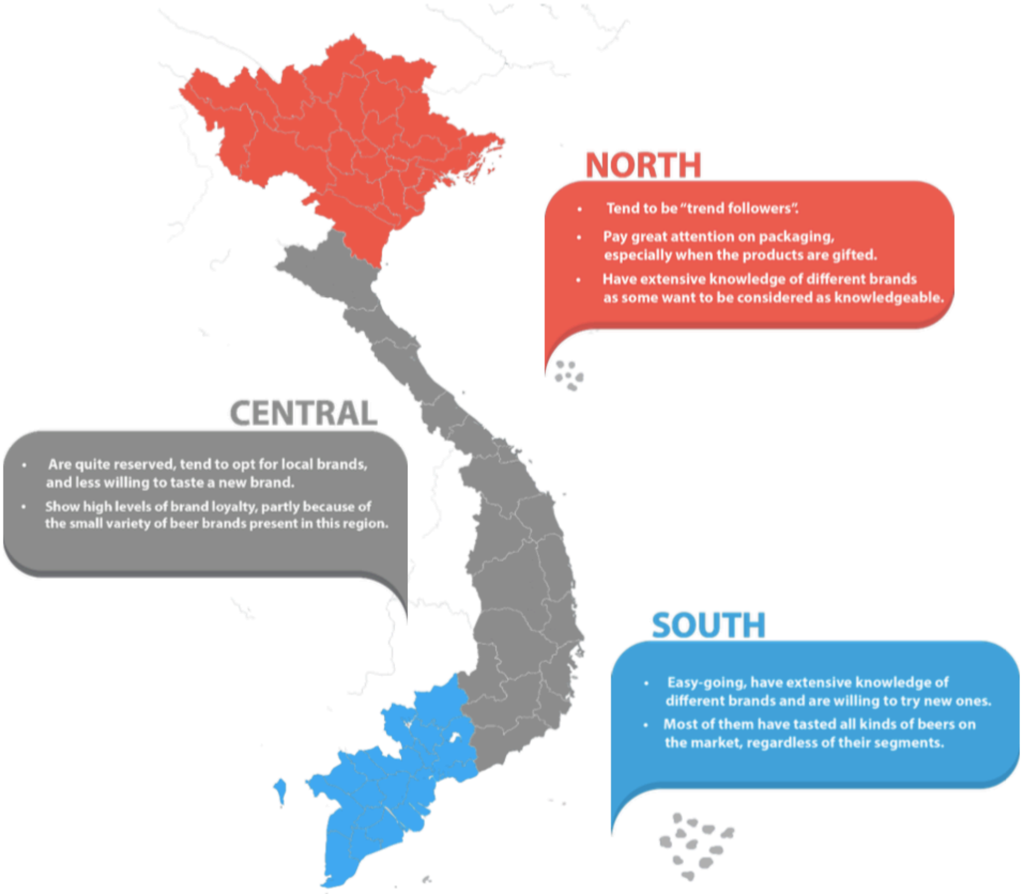
Food Inflation	2.41%	Nov/18	3.28	-10.12:74.29	Monthly
Producer Prices	104 Index Points	Sep/18	103	97.41:121	Quarterly
Money	**Last**	**References**	**Previous**	**Range**	**Frequency**
Interest Rate	6.25%	Oct/18	6.25	4.8:15	Daily
Interbank Rate	5.05%	Dec/18	5.11	2.37:19.77	Daily
Foreign Exchange Reserves	43127 mil euros	Dec/17	32153	0.01:49497	Yearly
Deposit Internet Rate	4.78%	Dec/17	4.8	3.65:22.04	Yearly
Trade	**Last**	**References**	**Previous**	**Range**	**Frequency**
Balance of Trade	348 mil euros	Now/18	-348	-3888:2258	Monthly
Exports	18818 mil euros	Nov/18	18818	537:23481	Monthly
Imports	19166 mil euros	Nov/18	19166	740:22000	Monthly
Current Account	1084 mil euros	Sep/18	3746	-10823:9471	Quarterly
Current Account to GDP	2.9%	Dec/17	3	-12.7:6	Yearly
Foreign Direct Investment	14.4 bil euros	Nov/18	13.2	0.4:17.5	Monthly
Tourist Arrivals	1302 Thousand	Nov/18	1205	529:1432	Monthly
Consumer Spending	3405750 bil VND	Dec/17	3086298	37572 : 3405750	Yearly

Advantages and disadvantages of different exporting modes in internationalization.

Modes	**Characteristics (Types)**	**Advantages**	**Disadvantages**
Indirect Export	The sale of goods or services through the domestic intermediary	- Low entry cost - Low financial risk - Low staffing requirements - Low (or no) marketing costs - Easily entry (support from domestic intermediary) - Least complicated strategy - Relatively simple extension of sales markets	- Low profitability of the transactions - Fully dependent on domestic intermediary - Lack of foreign markets' knowledge - Limited ability to gain international experience - Unstable relationship (huge number of providers as competitors)
Direct Export	Own Representative Office	- Physical presence on foreign markets - Direct contact with foreign customers - Permanent possibility to respond to foreign market signals	- Relatively high costs of maintaining - High transport costs - Potential trade barriers
	Foreign Agent	- Low entry cost - Modest financial risk - Low entry barriers (supports from agent)	- Low transaction profitability - Greatly dependent on foreign agent - Limited ability to gain international experience
	Foreign Distributor	- Fairly low staffing requirements - Low (or no) marketing costs	- Unstable relationship (huge number of providers as competitors) - High transport costs - Potential trade barriers

<table>
<tr><td></td><td>Own Foreign Distribution Network</td><td>- Physical presence on foreign markets
- Direct contact with foreign customers
- Full control over the sales process
- Fairly high profitability (comparing with other modes)</td><td>- High entry cost
- High cost of maintaining
- Take a lot of time and effort to build up</td></tr>
<tr><td rowspan="2">Cooperating Export</td><td>Export Grouping</td><td rowspan="2">- Low distribution costs
- Synergy effect</td><td rowspan="2">- Strongly dependent on exporting partner(s)</td></tr>
<tr><td>Piggybacking</td></tr>
</table>

Differences in alcohol consuming behaviors in North, Central and South of Vietnam (EVBN, 2016a).



List of Vietnamese wine distributors and importers.

No.	Name	Type	Website	Contact
1	The Premier Wine & Cigar Club	Retailer Wholesaler	https://shopruouvang.vn/	B6 Bach Dang - Ward 2 - Tan Binh District, Ho Chi Minh City +84 931 851 851
2	AJ Wine Trading LTD	Retailer Wholesaler	http://www.ajwine.vn/	34/1 Nguyen Thien Thuat, Nha Trang +84 (0)258 352 1772
3	Alchemy Wines & Spirits Asia	Wholesaler	http://alchemy-asia.com/en/	16-18 Hai Ba Trung Street, Ben Nghe Ward, District 1, Ho Chi Minh City +84 (0)8 3822 1666 Fax: +84 (0)8 3824 7490
4	Annam Group	Wholesaler	https://annam-group.com/	22 Dien Bien Phu, Ward 22, Binh Thanh District, Ho Chi Minh City +84 (0)8 3512 6400 Fax: +84 (0)8 3512 6401
5	Bacchus Corner	Retailer Wholesaler	http://bacchuscornervn.com/	1C Cong Dan, Hoan Kiem District, Hanoi +84 (0)24 39351393
6	Best Wine	Wholesaler	http://www.bestwine.vn/	103 Tran Trong Cung, Tan Thuan Dong Ward, District 7, Ho Chi Minh City +84 (0)8 3873 0022 Fax +84 (0)8 3873 0199
7	Bluebird Wine	Retailer Wholesaler	http://bluebird.com.vn/	129 Nguyen Dinh Chieu, Ward 6, District 3, Ho Chi Minh City +84 (0)8 3930 0262 Fax: +84 (0)8 3930 0263
8	Boutique Cellar	Retailer Wholesaler	http://www.fwb.com.vn/	15/4 Tran Hung Dao Street, Ho Chi Minh City +84 (0)8 3821 8425 Fax: +84 (0)8 3821 8424
9	Da Loc Company Ltd	Retailer Wholesaler	http://www.daloc.vn/	96 Hai Ba Trung Street, Hoan Kiem District, Hanoi +84 (0)4 826 2076 Fax: +84 (0)4 934 1325
10	EB Vietnam	Wholesaler		6th Floor, Fimexco Building, 231-233 Le Thanh Ton Street,

				Binh Thanh Ward, Ho Chi Minh City +84 (0)8 6255 6628 Fax: +84 (0)8 6255 6604
11	Hanoi Gourmet	Retailer Wholesaler	http://www.hanoigourmet.com/	6T Ham Long Street, Hanoi +84 (0)4 3943 1009 Fax: +84 (0)4 3943 1009
12	Interwine	Wholesaler	http://www.interwine.vn/	10/7 Phan Dinh Giot Street, Ward 2, Tan Binh District, Ho Chi Minh City +84 (0)8 5449 0680 Fax: +84 (0)8 5449 0681
13	Kangaroo Indochine	Wholesaler		6/7 Cach Mang Thang Tam, District 1, Ho Chi Minh City +84 (0)8 2210 2986
14	Lan Ngoc Indochina	Wholesaler	http://www.ruoucacnuoc.com/lanngoc/	273/44 Bau Cat, Ward 12, Tan Binh District, Ho Chi Minh City +84 (0)8 2216 8075 Fax: +84 (0)8 6292 4079
15	Phu & Em Group	Wholesaler	http://phuem.com/	489 Xo Viet Nghe Tinh Street, Ward 26, Binh Thanh District, Ho Chi Minh City +84 (0)8 898 4890 Fax: +84 (0)8 899 2962
16	Sayzzo Distribution & Co	Wholesaler		No. 23, Gate 161, Pho Thai, Hanoi +84 (0)9 8278 8446
17	Tan Khoa Distribution Corporation	Wholesaler	http://www.tankhoa.com/	76-78 Street 9A, Trung Son, Binh Hung Ward, Binh Chanh, Ho Chi Minh City +84 (0)8 5431 8840 Fax: +84 (0)8 5431 8841
18	The Pavilion	Wholesaler	https://www.pavilionwines.com/	27, 9 Street, Ward 4, 4 District, Ho Chi Minh City +84 (0)8 3943 2902 Fax: +84 (0)3 775 4330
19	The Vine Group Vietnam	Retailer Wholesaler	http://vine-group.com/wp/	7 Xuan Dieu, Tay Ho, Hanoi +84 (0)4 3719 8321 Fax: +84 (0)4 3719 8465
20	The Warehouse (Vietnam)	Retailer Wholesaler	http://www.warehouse-asia.com/	59 Hang Trong, Hoan Kiem, Hanoi

				+84 (0)4 3928 7666 Fax: +84 (0)4 3928 7655
21	Trivin SA	Retailer Wholesaler	http://www.trivin-sa.fr/	Entree 11 Ngo Thinh Hao 1, Ton Duc Thang, Hanoi +84 435 122 621 Fax: +84 435 122 623
22	Vangnhap.com	Retailer Wholesaler	https://www.vangnhap.com/	573 Huynh Tan Phat, P. Tan Thuan Dong Ward, District 7, Ho Chi Minh City +84 (0)9 0378 4248
23	Vinifera Vietnam	Wholesaler	http://viniferavn.com/	7 Thai Van Lung, Ben Nghe Ward, District 1, Ho Chi Minh City +84 (0)8 3521 0860 +84 (0)8 3521 0861
24	Vive Wine Company	Retailer Wholesaler	http://vive.vn/	Unit 13B, 1 Le Thanh Ton Street, District 1, Ho Chi Minh City +84 (0)8 6291 0357 +84 (0)8 6290 9438
25	Red Avron	Retailer Wholesaler	https://redapron.vn/	18 Pho Yen The, Ba Dinh, Hanoi +84 24 3943 7226

List of food/beverage trade fairs and exhibitions in Vietnam.

Name & Industry Sectors	Organizer	Time	Venue
Food & Hotel Vietnam (Beverages, Food, Furniture, Gastronomy, Hotel Industry, Spirits, Wine, etc.)	Singapore Exhibition Services Pte Ltd. 09-02 Pacific Tech Centre, 159303 Singapore, Singapore Tel: +65 62336638 Fax: +65 62336633 events@sesallworld.com www.sesallworld.com	Biennially Upcoming: April 2019	SECC Saigon Exhibition & Convention Center, Nguyen Van Linh Parkway, Ho Chi Minh City, Vietnam
EuroSphere (Beverages, Cosmetics, Fashion, Fine Foods, Food, Furniture, Jewelry and Games, Spirits, Wine, etc.)	EU-Vietnam Business Network The Landmark, 5B Ton Duc Thang, District 1, 700000 Ho Chi Minh City, Vietnam info@evbn.org evbn.org	Annually Upcoming: May 2019	Gem Center, 8 Nguyen Binh Khiem, Ho Chi Minh City, Vietnam
Vietnam Expo (Beverages, Electronics, Food, etc.)	Vinexad No 9 Dinh Le St., Hoan Kiem District, Hanoi, Vietnam Tel: +84 (0)4 38255546 Fax: +84 (0)4 38255556 info@vinexad.com.vn www.vinexad.com.vn	Annually Upcoming: April 2019	I.C.E. International Center of Exhibition, 94 Tran Quoc Toan, Tran Hung Dao, Hanoi, Vietnam
Vietfood & Beverage (Beverages, Food, etc.)	Vinexad No 9 Dinh Le St., Hoan Kiem District, Hanoi, Vietnam Tel: +84 (0)4 38255546 Fax: +84 (0)4 38255556 info@vinexad.com.vn www.vinexad.com.vn	Annually Upcoming: August 2019	SECC Saigon Exhibition & Convention Center, Nguyen Van Linh Parkway, Ho Chi Minh City, Vietnam
Food Ingredients Vietnam	UBM Vietnam Tel: +31 20-40 99 595	Biennially Upcoming:	SECC Saigon Exhibition & Convention

(Beverages, Food, etc.)	Tatiana.rozema@ubm.com www.ubm.com	April 2020	Center, Nguyen Van Linh Parkway, Ho Chi Minh City, Vietnam
Vietnam International Retailthech+Franchise Show (VIETFR) (Food & Beverage: Restaurant, cafe, bar, etc. Beauty & Heath: Hair, make-up salon, spa, health food store, etc.)	Coex Representative Office HCMC: 18th Fl., Green Power Building 35 Ton Duc Thang Str, Ben Nghe Ward, District 1, HCMC, Vietnam Tel: +84-8-2221-7621 nhanlieu@coex.vn	Annually Upcoming: November 2019	SECC Saigon Exhibition & Convention Center, Nguyen Van Linh Parkway, Ho Chi Minh City, Vietnam
Vietnam Foodexpo (Beverages, Food, etc.)	Vietnam Trade Promotion Agency (VIETRADE) 20 Ly Thuong Kiet St., Hoan Kiem Dist., Hanoi, Vietnam Tel: (+84-24) 39364792 Fax: (+84-24) 39369491 foodexpo@vietrade.gov.vn or vietnamfoodexpo@gmail.com; Contact person: Ms. Ngoc Nguyen (ext 121)	Annually Upcoming: November 2019	SECC Saigon Exhibition & Convention Center, Nguyen Van Linh Parkway, Ho Chi Minh City, Vietnam
Propak Vietnam (Beverages, Food, etc. Packing & Packaging, etc.)	UBM-SES Vietnam Exhibition Services Company LTD 10th Flr, Ha Phan Building 17-17A-19, Ton That Tung Street, District 1, HCMC, Vietnam Tel: +84 28 3622 2588 Fax:+84 28 3622 2527 propakvietnam@ubm.com www.ubmvietnam.com	Annually Upcoming: March 2019	SECC Saigon Exhibition & Convention Center, Nguyen Van Linh Parkway, Ho Chi Minh City, Vietnam
Shop & Store Vietnam (Beverages, Food, etc.	Reed Tradex Tel: +84 28 3822 4911 (Vietnam) Tel: +66 2686 7299 (International)	Annually Upcoming: March 2019	SECC Saigon Exhibition & Convention Center, Nguyen Van Linh

Logistics & Transportation)	contactcenter@reedtradex.co.th		Parkway, Ho Chi Minh City, Vietnam
Wine of The World Festival (Food & Beverages)	Red Apron Fine Wines & Spirits and Celliers d'Asie redapron@celliersvn.com	Biennially	Ho Chi Minh City: Sheraton Saigon Hotel & Towers, Ho Chi Minh City, Vietnam Ha Noi: Melia Ha Noi, Hanoi, Vietnam