



VAASAN AMMATTIKORKEAKOULU
UNIVERSITY OF APPLIED SCIENCES

Joni Alatalo-Ly

DEFINING MARKETING STRATEGY FOR FAZER TO VIETNAM

Introducing Karl Fazer Milk Chocolate 200g to Ho Chi Minh City

Business Economics
2022

ABSTRACT

Author	Joni Alatalo-Ly
Title	Defining Marketing Strategy for Fazer to Vietnam: Introducing Karl Fazer milk chocolate 200g to Ho Chi Minh City
Year	2022
Language	English
Pages	60 + 2 Appendices
Name of Supervisor	Lotchi Kodjovi

The reasons for companies to expand internationally are to increase revenue and to expand growth possibilities. The demand for imported goods and services has increased in bigger cities like Ho Chi Minh City and Hanoi because the purchasing power and brand awareness of Vietnamese people have increased. Additionally, it has been forecasted that the value of the sugar confectionery market in Vietnam will increase.

This research uses a deductive approach and aims to explore the possibility of Fazer entering the market of Ho Chi Minh City and the most suitable methods to utilize when entering the market. After the suitable methods are set in the marketing mix and the marketing strategy is decided, they are then tested with surveys and interviews. The survey and interview findings will also answer that it is possible for Fazer to enter the market of Ho Chi Minh City.

Finally, it is concluded that the market of Ho Chi Minh city is very suitable for Fazer to enter, but Fazer should also consider having other product options on top of the Karl Fazer milk chocolate 200g to introduce to the market. Additionally, it was confirmed that the target group and the marketing mix 4p's that were selected were relevant.

CONTENTS

ABSTRACT

1	INTRODUCTION.....	7
1.1	Objectives of the thesis.....	8
1.2	Background of case Company: Fazer Oy.....	8
1.3	Background of Case Country: Vietnam.....	9
1.4	Structure of the thesis	11
2	LITERATURE REVIEW.....	12
2.1	Micro-environment analysis.....	12
2.1.1	Company	12
2.1.2	Supplier	13
2.1.3	Marketing intermediaries & Customers	14
2.1.4	Competitors.....	15
2.1.5	Publics	16
2.2	PESTLE/Macro-environment analysis.....	16
2.2.1	Political & Legal environment (Political & Legal analysis)	17
2.2.2	Economic environment (Economical analysis).....	17
2.2.3	Social environment (Social analysis)	20
2.2.4	Technological environment (Technological analysis)	23
2.2.5	Natural environment (environmental analysis).....	24
2.3	SWOT ANALYSIS.....	25
2.3.1	Strengths	26
2.3.2	Weaknesses.....	27
2.3.3	Opportunities	27
2.3.4	Threats.....	28
2.4	Marketing Strategy	28
2.4.1	Marketing segmentation.....	29
2.4.2	Market targeting	30
2.4.3	Market positioning and differentiation	30
2.5	Marketing Mix (The 4p's).....	31

2.5.1	Product.....	32
2.5.2	Pricing.....	33
2.5.3	Placement.....	35
2.5.4	Promotion	36
3	EMPIRICAL STUDY.....	38
3.1	Research methodology	38
3.2	Data Collection & Analysis	40
4	RESEARCH FINDINGS	42
4.1	Quantitative research	42
4.2	Qualitative research.....	48
4.2.1	Interview No. 1.....	48
4.2.2	Interview No. 2.....	50
4.2.3	Interview No. 3.....	51
4.3	Analysis and Summary of the interviews and surveys.....	53
5	CONCLUSION	55
5.1	Ethical considerations.....	55
5.2	Validity and Reliability.....	55
5.3	Limitations.....	56
5.4	Further research suggestions.....	56
	REFERENCES.....	57

APPENDICES

LIST OF FIGURES AND TABLES

Figure 1. Structure of the thesis	11
Figure 2. Vietnam's population pyramid 2022 (CIA, 2022).....	21
Figure 3. Vietnam vs Finland Hofstede 6-dimension country comparison (Hofstede Insights, 2022)	23
Figure 4. SWOT analysis of Fazer	26
Figure 5. Karl Fazer Milk Chocolate 200 g, Finland 100 years. (Oy Karl Fazer Ab, 2022)	32
Figure 6. Conventional distribution channel.....	36
Figure 7. Push strategy and Pull strategy (Repetico, 2022).....	37
Figure 8. Gender distribution of survey participants.....	43
Figure 9. Age distribution of survey participants.....	43
Figure 10. Monthly income of survey participants.....	44
Figure 11. Feelings awoken by Karl Fazer milk chocolate 200g.....	46
Figure 12. Reason to buy Karl Fazer milk chocolate 200g.....	47
Table 1. Vietnam's economy statistics 2017-2020 (CIA, 2022).....	19
Table 2. Vietnam's social environment figures (CIA, 2022).....	22

LIST OF APPENDICES

APPENDIX 1. Thesis survey

APPENDIX 2. Thesis Interview

1 INTRODUCTION

There are multiple reasons why companies should expand internationally, these can be revenue, customers, diversity, talent, and competitive advantage. When a company has reached its growth possibilities in a domestic market, the company can try to enter a new market for business growth. Growth in a new market brings new customers which means increased sales. When entering a new market, you will also get a new customer segment, that allows you to develop new suitable products on top of the current products. Getting revenue from multiple markets will make the income more stable, than just relying on domestic revenue. Entering a market before your competitors can give you the advantage to get customers before your competitors enter the market. (Capital Global Employment Solutions, 2022)

In Vietnam chocolate has a traditional image of being a gift for special moments. Since the chocolate is given as a gift, the chocolate should look expensive and stylish and the chocolate itself has less importance. Imported chocolate is viewed to be better since the packaging looks more expensive and sophisticated. As the purchasing power of Vietnamese people has increased, the purchases of chocolate have become more regular. According to Euromonitor International, the sales of chocolate in Vietnam have increased by 80 percent since 2011. (Foo, 2016)

1.1 Objectives of the thesis

This thesis aims to explore the Vietnamese market and create a strategy for entering the Vietnamese confectionery and chocolate market. Therefore, the study focuses to provide suggestions and a guideline for Fazer to enter the Vietnamese market.

To provide guidelines and suggestions for entering the Vietnamese market, the main research problem to answer is **“How could Fazer enter the most populated city in Vietnam?”** To answer the main research problem, the correct research questions play an important role to direct the research in the correct direction. The below research questions will guide the research toward the answer to the research problem.

1. Is it suitable for Fazer to enter the market of the most populated city in Vietnam?
2. How would the marketing mix 4Ps be applied in the market of Ho Chi Minh city?

1.2 Background of case Company: Fazer Oy

Established in 1891 as a cafeteria in Helsinki, The Fazer Ltd is an international company for food experiences. Fazer Oy creates food with a purpose, with a strong customer-centric approach, to make the food fit the taste that is requested and to find the tastes that could be used in the future. (Oy Karl Fazer Ab, 2022)

Fazer’s vision of “Towards Perfect Days” is defined by their shared road with consumers and customers. This steers Fazer to want to make every day a bit better with the tastes, surprises, and good experiences that create happiness. Fazer’s mission “Food with a purpose” is to create food with a purpose. Fazer takes pride in creating experiences for consumers whilst ensuring that the customers enjoy

and value the food they eat. Fazer also considers everything they do that what kind of impacts their actions have on the food, the people, the globe, and for the business. (Oy Karl Fazer Ab, 2022)

1.3 Background of Case Country: Vietnam

Vietnam is in Southeast Asia, with its capital Hanoi in the northern part of Vietnam and the most populated city, Ho Chi Minh City in the southern part of Vietnam. Vietnam is bordered by Cambodia and Laos on the west, the South China Sea on the East, and on the South. In the North, Vietnam is bordering China. The Population in Vietnam in 2021 is estimated to be around 98 million people. (Duiker, et al., 2022)

Vietnam's GDP per capita has increased to 2.7 times higher in 2018 than in 2002. This was because of the reform called "Doi Moi" which was launched in 1986. Vietnam was hit by the COVID-19 pandemic like other countries as well, but the Vietnamese economy showed its resilience, and the Vietnamese GDP grew by 2.9% in 2020. It is estimated that the Vietnamese GDP will increase by 6.6% in 2021 (The World Bank, 2022)

The Most populated City in Vietnam is Ho Chi Minh City, with a population amount of over 8 million people. Ho Chi Minh City's economy is one-third of the country's GDP; in 2017, more than 1.75 million tourists visited Ho Chi Minh City. (Global conference on business, hospitality and tourism research, 2018)

Demographic and social change is ongoing in Vietnam. The population amount is estimated to raise to 120 million people by 2050 and more than half of the population is under 35 years old. (The World Bank, 2022)

Ho Chi Minh City is the largest commercial center in Vietnam. On top of this from the population of Ho Chi Minh City, the number of adults that are older than 65 years, is estimated to increase by 6.8% from 2009 to 2030 and the ages between

45 and 64 are predicted to increase to 24.8% from 19.8% in 2030. (Nguyen, et al., 2019)

In 2015 the Value of the Sugar confectionery market in Vietnam was around 405 million USD and according to forecasts, the sugar confectionery market will raise to a value of around 791 million USD. (Williams & Marshall Strategy, 2021)

raising buying power and increased consumer brand awareness has increased the demand for imported goods and services, but the demands are concentrated in bigger cities like Ho Chi Minh City and Hanoi, where the average income is higher than the national average. (Eye on Asia, 2022)

1.4 Structure of the thesis

The Introduction aims to guide the reader through the main research by providing information on the backgrounds of the case country and company. The Literature review goes through the existing theories used in the thesis and is related to the research. In the Methodology part, the research will be explained and implemented. Whereas in the research findings part the results of the research are analyzed. In the final part called the conclusion, any further discussion related to reliability and validity as well as the research limitations and potential future research are discussed. Please see figure 1 below for the structure of the thesis.

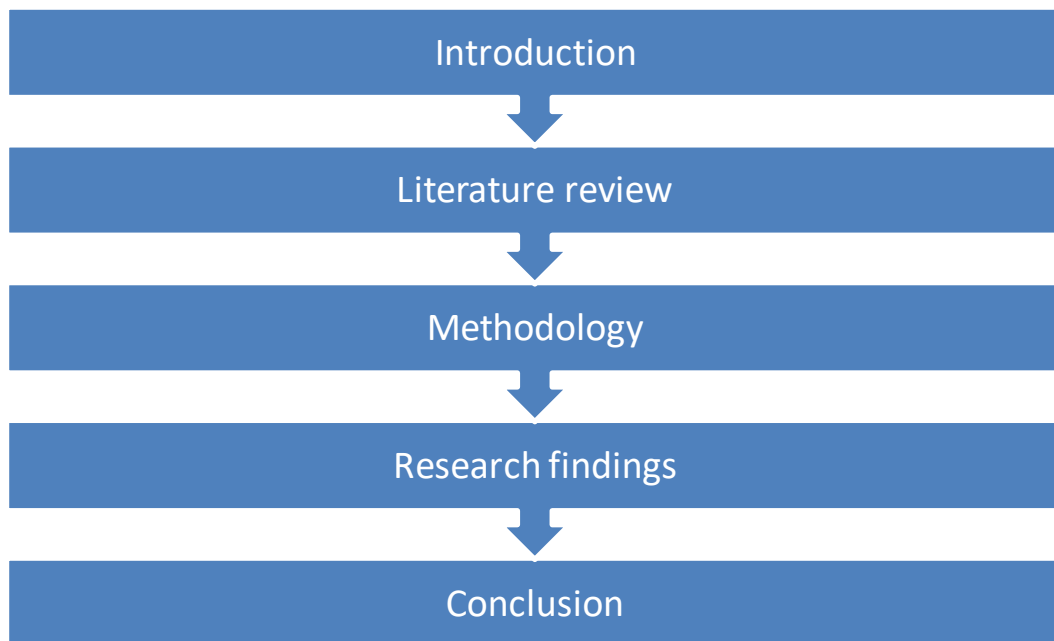


Figure 1. Structure of the thesis

2 LITERATURE REVIEW

This chapter is for presenting the theoretical section of the thesis and to answer the main question: "How could Fazer enter the most populated city in Vietnam?" To answer the question: how could Fazer enter the most populated city in Vietnam? Market research must be done. Market research is research to find out the viability of a product or service with potential customers in a potential market. With market research, the researcher may discover a potential target group or find out that there is no need for the product. (Twin, 2022)

2.1 Micro-environment analysis

A micro-environment is the close environment of the company. The Micro-environment can be divided into 6 different categories which are the Company, suppliers, Marketing intermediaries, Customers, Competitors, and Public. These six different categories can affect the company's potential to serve the customers. (Armstrong & Kotler, 2015, 95)

2.1.1 Company

When a company is designing a marketing plan, the marketing management and marketing department must take into consideration the other departments of the company. All the departments of the company are linked to each other in different ways, and they form the internal environment of the company. This means that even if the marketing team takes the lead, all the other departments share the responsibility to understand the needs of the customers and help the marketing department. (Armstrong & Kotler, 2015, 95)

According to the (Oy Karl Fazer Ab, 2021), in 2021 Fazer Ltd had around 8049 employees, and the net sales reached 1.139 billion Euros with 56% of the net sales from Finland. The net sales increased by 0.038 billion Euros from the previous year

2020. Fazer also mentioned that they will continue with their journey of transformation by reacting to the needs and expectations of the consumers that Fazer has analyzed, and they use the key findings to pilot the choices made in the business.

2.1.2 Supplier

With supplier analysis, the company can analyze and select suitable vendors for the organization. The data for the analysis can be gathered by either quantitative or qualitative research methods. (Toolshero, 2022)

Without a proper analysis of the vendors, the vendors can gain too much control of the buyer company if the buyer company is not a vital customer for the vendor or when the buyer relies only on a limited number of vendors for a certain product that is needed for the buyer's final product. (Oxford College of Marketing, 2014)

Suppliers are an important link when delivering value for the customer networks since suppliers provide the company with needed resources for production, therefore the supplier can easily also affect the company's marketing directly. (Armstrong & Kotler, 2015, 95)

Fazer has a close relationship with its suppliers and service providers to work together with them to ensure the quality, and safety of the food and good business practices while reducing the impact on the environment from raw materials production. (Oy Karl Fazer Ab, 2021)

Fazer endeavors to guarantee the best quality of raw materials and responsible operations all over the whole supply chain. Fazer has made sure that all their suppliers are evaluated by their trustworthiness, technical capabilities, competence, and how well the supplier can comply with Fazer's code of conduct. Fazer only cooperates with carefully selected suppliers and business partners who have signed Fazer's Supplier Code of Conduct. Additionally, Fazer regularly audits its suppliers towards the supplier code of conduct. (Oy Karl Fazer Ab, 2021)

2.1.3 Marketing intermediaries & Customers

Marketing intermediaries are entities that can distribute, promote, and sell the products of the company to the end users. Marketing intermediaries can be distribution firms, marketing service agencies, financial intermediaries, or resellers that can be either wholesalers or retailers. Marketing intermediaries are important for the company. It is not enough if the company just optimizes its performance. The company should partner up with marketing intermediaries that also have good performance since it is more important to work together and partner up with marketing intermediaries rather than just using them as channels to sell the products. (Armstrong & Kotler, 2015, 96)

The customers have the most important role in the company's microenvironment since the value delivery network aims to serve the customer and create a strong relationship with the customer. Customer markets consist of five different types of markets, that are consumer market, business market, reseller market, government market, and international market. (Armstrong & Kotler, 2015, 99)

With customer analysis, the company can get insights into the target market's audience by conducting a behavioral analysis and Demographic analysis. With this, the company can understand the customers and their needs, and how the product can meet the needs of the customers. Ferrell's 6W model can be used to understand the customer's needs. (Toolshero, 2022)

Fazer has a strong presence in the Nordic consumer market and Fazer engages with the end-users in the café, bakery shops, online channels, and with surveys and product packaging. Fazer knows the needs of consumers for healthy, sustainable, and convenient products, and this information is gathered via consumer engagement. Fazer admits that it is important to know the values of consumers to turn this knowledge into new products and services. Additionally, consumers place trust in Fazer and have high expectations for the Fazer brand and the quality and

safety of the products and services. In turn, Fazer wants to provide reliable information about their products, services, and the company. (Oy Karl Fazer Ab, 2021)

Marketing intermediaries and customers are interested in how Fazer can guarantee the safety and quality of the food, the sustainability of raw materials, and what are the climate actions of Fazer to reduce emissions. Fazer answers this by providing transparent information regarding the origins and other sustainability-related information of the products. (Oy Karl Fazer Ab, 2021)

2.1.4 Competitors

Companies that sell the same products or products that are alike, those companies can be considered market competitors. It is important to consider how and where the competitors sell the products and what are the prices of the competitors' products and how the competitors' products differ. (Oxford College of Marketing, 2014)

To be successful against your competitors a company must provide better satisfaction and customer value than the competitors can. This means that it is not just enough to just adapt to the needs of consumers but to also position the offering so that the customers would rather choose the company's products and not the competitors' products. (Armstrong & Kotler, 2015, 97).

The three largest confectionery companies in Vietnam are Kido Group corporation (Formerly known as Kinh Do Group), and Kido Groups' net revenue in 2021 was 10 497 billion VND. The Second largest confectionery is Orion Food Vina Company Ltd, and the third largest confectionery is Huu Nghi Food Joint Stock Company, with an expected net revenue of 2083 Billion VND in 2022. (Tran, 2022)

2.1.5 Publics

A public is any group that has an actual or potential interest in or impact on a company's ability to achieve its objectives. There are seven different publics: Financial publics, Media publics, Government publics, Citizen-action publics, local publics, General public, and internal publics. (Armstrong & Kotler, 2015, 97-98)

A company must consider how the public views the company, and how the company affects the public. This is because the public can help the company to reach its goals and on the contrary, the public can also stop the company from reaching its goals. (Oxford College of Marketing, 2014)

Fazer gives trustworthy and precise information on the company governance, development of the business, Fazer's performance, and sustainability for the financial institutions and shareholders. Fazer also creates value for society and engages in dialogue with the authorities, governments, media, NGOs, and local communities. Fazer believes in open and transparent communication. (Oy Karl Fazer Ab, 2021)

2.2 PESTLE/Macro-environment analysis

A Macro-environment is a broad environment that consists of different forces that affect the microenvironment of the company. Some of the forces in the macro environment can be uncontrollable and unpredictable and some can be handled and predicted if the company has skillful management. (Armstrong & Kotler, 2015, 98).

The six forces that belong to Macro-environment can be analyzed with PESTLE analysis. The six forces are Political, economic, social, technological, legal, and environmental forces.

2.2.1 Political & Legal environment (Political & Legal analysis)

A company's decisions can be strongly affected by the Political environment and well-made rules and laws can benefit the companies, inspire competition in a good manner, and secure the market to have fair competition. Laws and regulations that affect companies have been an increasing trend over the years and can be related to fair trade practices, protection of the environment, product safety, consumer privacy, pricing, packaging, and labeling. The reasons to make these laws and rules are to protect the companies, consumers, and the interests of society (Armstrong & Kotler, 2015, 112)

Vietnam is run by one party, which is the Communist Party of Vietnam. The Communist Party of Vietnam gives strategic direction and decides all the major policies and policy issues in Vietnam. Vietnam is a politically stable country with the main goal to grow economically. Freedom of speech is strictly restricted and political dissent is not allowed. Climate change, cyber security, and natural disasters are the key threats in Vietnam. (GOV.UK, 2021)

The import duty for chocolate and pralines falls under the food and beverage categories. The general import duty for chocolate is 13% and the average applicable VAT in Vietnam is 10%. There is no duty if the value of a product is less than or equal to 1 million Vietnam Dong. (Customs DutyFree, 2017)

2.2.2 Economic environment (Economic analysis)

A market requires people and buying power. The economic environment is built from factors that affect the consumer's power to purchase and their spending patterns. There are different kinds of countries, with different levels of economies. The different economies can be classified as industrial, developing, and subsistence economies. (Armstrong & Kotler, 2015, 107-109)

Changes in economic factors can affect the buying and spending behavior of consumers. If the economy is doing well, people dare to use their money more freely

and when the economy slows down or a recession happens, then usually consumers want more value with their money. (Armstrong & Kotler, 2015, 107-109)

Vietnam is a developing country that started its transition in 1986 (with Doi Moi) towards a more industrial-based economy. In 2017 Vietnam surpassed its GDP growth target by 0.1%. This was due to an unexpected increase in domestic demand. Vietnam joined the WTO in 2007 and made an EU-Vietnam free trade agreement in 2015-2016. Please see below the Table 1 for the economy statistics of Vietnam. (CIA, 2022)

Table 1. Vietnam's economy statistics 2017-2020 (CIA, 2022)

GDP (Official exchange rate)	(2019 est.) 259.957 billion USD
Real GDP per capita	(2020 est.) 8200 USD
Real GDP growth rate	(2017 est.) 6.8%
GDP composition by sector of origin	2017: Agriculture 15.3%, Industry 33.3% & Services 51.3%
Exports	(2019 est.) 280.83 billion USD
Imports	(2019 est.) 261.68 billion USD
Unemployment rate	(2018 est.) 3.11%
Taxes	(2017 est.) 24.8% of GDP
Public debt	(2017 est.) 58.5 % of GDP
Labor force	(2019 est.) 54.659 million people
Budget	Expenditure: (2017 est.) 69.37 billion USD Revenue: (2017 est.) 54.59 billion USD

The salaries vary strongly between urban and rural areas in Vietnam. Salaries are also different between different kinds of occupations. The average monthly salary of a person in Vietnam is 3.45 million Vietnam Dong or around 150 United States Dollars. (Vietnam Online, 2022)

2.2.3 Social environment (Social analysis)

The social environment consists of the demographic and cultural features of the country in question. Demographic data are age groups, the growth rate of the population, gender distribution ratio, and levels of education. The cultural data are beliefs, values, and attitudes of people. (Business MakeOver, 2022)

Demography consists of studying the human population, since it involves people, and the market is made of people. This means that if there are any changes in demographics these changes will also be reflected in the market. The cultural environment consists of institutions and factors that affect society. People grow up in certain societies and societies affect people. Society shapes the basic values and beliefs of the people. Cultural values can be divided into core and secondary values. A Core value is a value that has a high persistence. Core values are usually passed on from parents to children and they are also reinforced by the government, religious institutions, schools, and businesses. (Armstrong & Kotler, 2015, 100-115)

According to (Armstrong & Kotler, 2015; 115) Secondary values are values that can be changed and can be related to the core value. As an example, having a family could be a core value, but the secondary value could be that a family should be made when you are young. This value could be changed by a marketer.

The three cultural norms such as Face, Fatalism, and Self-restraint deeply influence the communication and behavior of Vietnamese people. First is the Face and which is set in many Asian cultures, and it indicates the person's influence, reputation, dignity, and honor. When one shows a person respect, one increases the self-esteem of the other person and therefore you are giving that person more face. on the opposite, people lose face when they are criticized or if they behave socially inappropriately. Secondly, Vietnamese people act with a fatalistic attitude to things. This means that they believe that things are predetermined to happen, and this way of acting is influenced by the Buddhist belief that one's previous life

directly affects the way one will experience their current life. Thirdly, a very important norm for Vietnamese people is self-restraint. Vietnamese people value self-restraint and show a lot of humility by self-humbling, talking indirectly about topics and downplaying their own emotions. (Cultural Atlas Editors, 2016)

Vietnamese people do not like to categorize people into different classes, but generally accept the hierarchies in society when it comes to a person's age, gender, status, and education level. The most noticeable classes in Vietnam are the rich and the poor. The middle class seems to be not so much recognized class by most people. Vietnamese people have a strong distinct national identity and own traditions, but the traditional culture is heavily influenced by China. The most affected are the cultural customs like family systems and ideologies like Confucianism. (Cultural Atlas Editors, 2016)

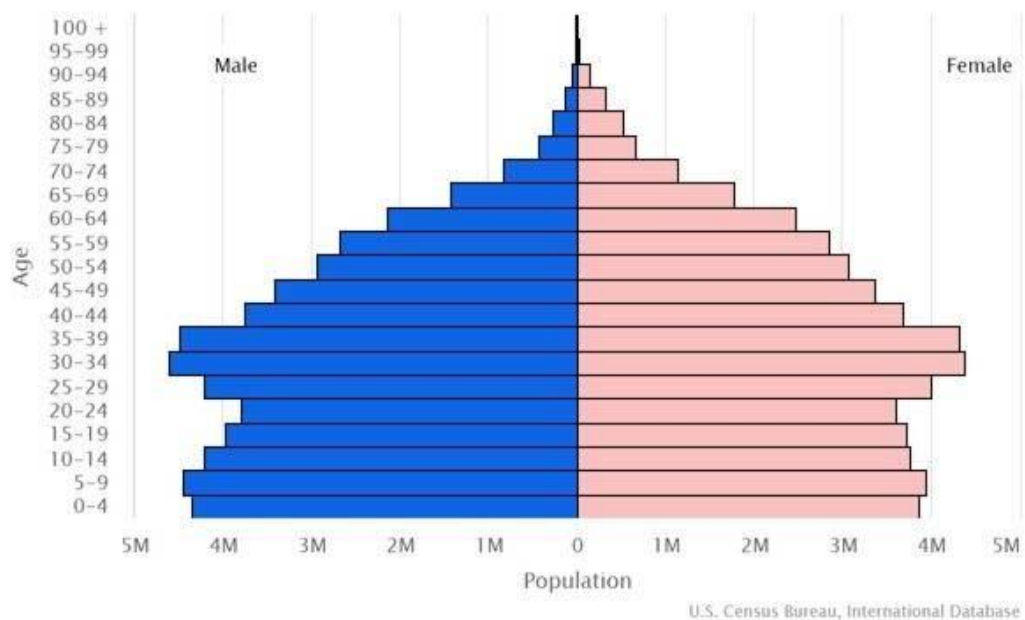


Figure 2. Vietnam's population pyramid 2022 (CIA, 2022)

Table 2. Vietnam's social environment figures (CIA, 2022)

Religions	Catholic 6.1%, Buddhist 5.8%, Protestant 1%, other 0.8%, none 86.3% (2019 est.)
Birth rate	15.69 births/1000 population (2022 est.)
Death rate	5.77 deaths/1000 population (2022 est.)
Obesity in adults	2.1% (2016)
Population growth rate	0.97% (2022 est.)
Age structure	0-14 years: 22.61% 15-24 years: 15.22% 25-54 years: 45.7% 55 years and over: 16.46%
Unemployment in youth (15-24 years old)	7.6% (2020)
Languages	Vietnamese (Official language), English (Favored second language),
Total population of the country	103 808 319 (2022 est.)

When entering the Vietnamese market, it is important to know that Finland and Vietnam are very different kinds of countries culturally and socially. A good tool for noticing the differences between Finland and Vietnam is Hofstede's 6-dimension country comparison. The graph below shows the differences in culture between Finland and Vietnam.

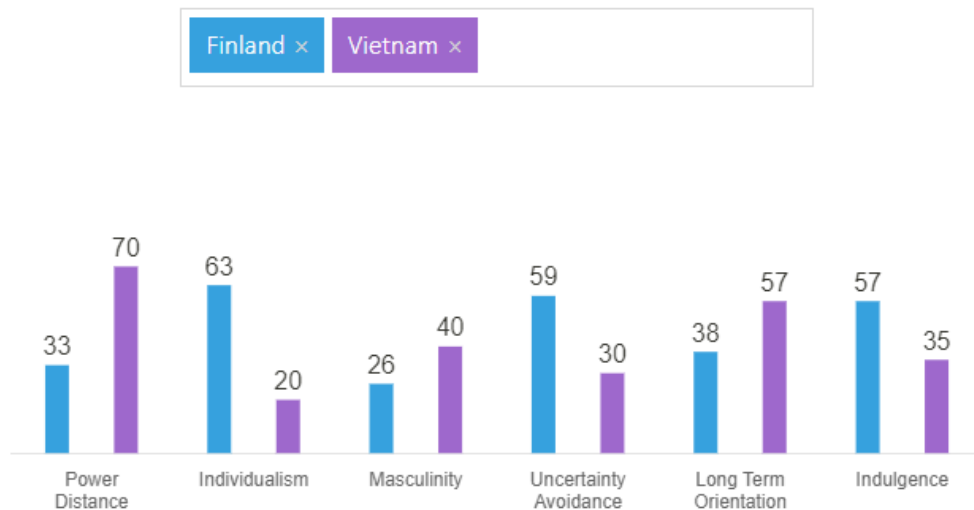


Figure 3. Vietnam vs Finland Hofstede 6-dimension country comparison (Hofstede Insights, 2022)

2.2.4 Technological environment (Technological analysis)

The technological environment is built from forces that give us new technologies while replacing the older ones and it also creates new chances and opens new markets for companies. There are some cases of companies fighting or ignoring new technologies and that made their business decline. Companies should follow the technology environment closely and listen to customer and consumer demand for technological advancements, since ignoring the technological environment can

lead the company to find out that their services, products, and offers are outdated. (Kotler, Armstrong, & Parment, 2016, 88).

2.2.5 Natural environment (environmental analysis)

The natural resources that are needed and used for products or services or for activities that are related to marketing and the physical environment itself and changes in it are included in the natural environment. The natural environment on the standard level can be anything from weather to natural disasters and when you move up on the levels to a broader level, the concerns of the natural environment and the company's environmental sustainability by the customers, consumers and governments will come up. (Armstrong & Kotler, 2015, 109).

The climate is tropical in the south of Vietnam, and the risk of getting infectious diseases are high. The current environmental issues Vietnam faces are the current agricultural practices, overfishing, contaminated groundwater, and air pollution. The current agricultural practices destroy the forests and degrade the soil, the overfishing harms and threatens the marine life, the contaminated groundwater limits the potable water supplies, and the air pollution is caused by rapidly growing industrialization. (CIA, 2022)

Vietnam has both a tropical climate and a temperate climate and that the whole Vietnam experiences an annual monsoon that brings a lot of rain. The average temperature in Southern Vietnam is 28-29 degrees of Celsius in the summer season and 26-27 degrees of Celsius in the winter season. (World Bank Group, 2021)

Fazer Chocolate is guided to be best kept in a dry and cool place, with a temperature ranging from 16 to 20 degrees of Celsius. Storing chocolate in the refrigerator is not recommended and the chocolate should not be exposed to temperature variations. Fazer also notifies, that if the chocolate is stored at high temperature,

the texture of the chocolate will change and fat crystals may develop on the surface, giving the chocolate a gray color. The chocolate is okay to eat, and the color is only an error that will affect the person aesthetically. (Oy Karl Fazer Ab, 2022)

2.3 SWOT ANALYSIS

When a company wants to get a clear view of its situation in the market, they should consider making a SWOT analysis. On the SWOT analysis the company's Strengths, Weaknesses, Opportunities, and Threats are evaluated. The Opportunities and Threats are external factors. The Strengths and Weaknesses are the internal factors. The goal of SWOT analysis is to match the Strength with good Opportunities and at the same time try to defeat Weaknesses and decrease the number of threats. (Kotler & Armstrong, 2016, 79-80).

Please see below the example of a SWOT analysis and below that the SWOT analysis of Fazer.

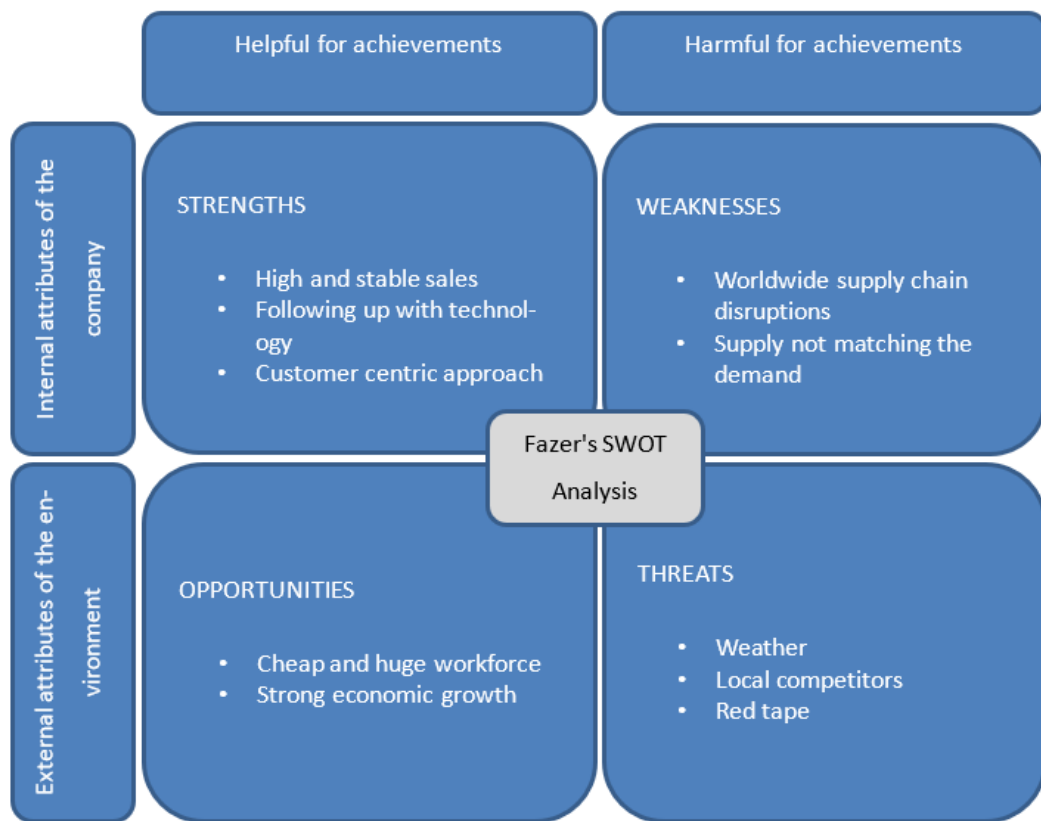


Figure 4. SWOT analysis of Fazer

2.3.1 Strengths

Fazer had a highly profitable success throughout 2021 with a high volume of sales mostly concentrated on confectioneries, seasonal products, and gifts. Fazer then analyzed the high sales growth and found out that they need to update their confectionery manufacturing resources with more efficient solutions. As a solution, Fazer has plans to invest in a new top of the line confectionery factory to meet the expectations of the consumers have better energy efficiency and make the working conditions better for the employees. If the plan is executed, the new factory will then replace the old factories and the construction would begin around 2023. (Oy Karl Fazer Ab, 2021)

From this, we can see that the strengths of Fazer are stable and high sales, following the new technology needs to increase the production, the efficiency of workers and their safety and to meet the expectations of the consumers and customers.

2.3.2 Weaknesses

The whole company faced challenges during the year 2021, and the challenges were caused by disruptions in the supply chain and inflationary trends. These challenges affected Fazer's procurement and the price of raw materials, energy, transport and packaging, and the other sourcing functions of Fazer. Additionally, the pandemic affected the workforce of the company, because of shortages of workers and this led to poor performance in multiple markets. (Oy Karl Fazer Ab, 2021)

2.3.3 Opportunities

Vietnam is undergoing reform and is currently experiencing strong economic growth. Also, Vietnam has a large population, with half of the population under the age of thirty. This makes the Vietnamese economic environment dynamic and rapidly evolving. The disposable income levels in urban areas are four to five times higher than the national average. (International Trade Administration, 2019)

Vietnam has a competitive minimum wage of 190 USD in Ho Chi Minh City which belongs to the highest minimum wage in region 1. Vietnamese workforces consist of approximately 56 million people. Finding a highly skilled workforce can be difficult since the workforce is still developing with around 12 percent of the workforce being highly skilled. On top of this, a foreign company in Vietnam must offer and cover the costs the social insurance, health insurance, and the unemployment insurance. (Dezan Shira & Associates, 2022)

Ho Chi Minh City is known as the commercial hub of Vietnam and the biggest share of workers in Vietnam are in the city with Approximately 10.6 million people in workforce. additionally, a big amount of the workforce is migrant labor and there

are a lot of talented workers situated in Ho Chi Minh City. This makes the competition for talented workers higher, and it also increases the cost of talented labor. (Dezan Shira & Associates, 2021)

2.3.4 Threats

As mentioned, in the earlier section Natural environment, the weather possesses a threat to Fazer, since the average temperature in Vietnam ranges between 26 to 29 degrees Celsius, and the recommended temperature to store Fazer chocolate is between 16 to 20 degrees Celsius.

The local competitors in Ho Chi Minh City have already established an image of their products, company, and brand in the mind of the local people. It is hard to start introducing new products to the market if the local people are not willing to give a chance for new products. Fazer's customer-centric approach could prove useful if the needs and expectations of the local consumers and customers are analyzed and investigated.

The red tape in Vietnam can also make business harder since the law requires all foreign investors who want to import or export goods to and from Vietnam must have the necessary permits from the related ministries and the imported or exported goods need to comply with the food safety and quality standards. The goods need to be also inspected by appropriate agencies before customs clearance. (International Trade Administration, 2021)

2.4 Marketing Strategy

When a company wants to create a customer-centric strategy and to produce value for the customer, The company must create a marketing strategy, to create value for the customer. The problem is that every customer can want different things and they can have different values also, therefore the company must select the certain customer groups that they want to serve and decide how to serve them. The company must divide the whole market and choose the segments that

fit them the best, on top of this the company must create a strategy to serve the chosen customer segment in a way that also creates a profit for the company. The process of creating a marketing strategy involves Market segmentation, market targeting, market differentiation, and positioning. (Kotler & Armstrong, 2016, 74-77)

2.4.1 Marketing segmentation

When doing marketing segmentation, it should be considered that a market is built from multiple kinds of different products, a plethora of different kind of customers, with varying kind of needs. A marketer should carefully choose the segments that offer the best opportunities for the company. (Kotler & Armstrong, 2016, 75).

Customers can be segmented into four different variables, and these are geographic, demographic, psychographic, and behavioral variables. In geographic segmentation, the market is divided into different geographic units such as nations, regions, states, cities, and neighborhoods. The demographic segmentation divides the market by variables such as Age, life cycle stage, gender, income, occupations, education, religion, ethnicity, and generation. On the psychographic segmentation, the customers are divided into different groups based on their social class, lifestyle, personality, and characteristics. Behavioral segmentation divides the consumers to groups based on their knowledge, attitudes, uses, or responses related to a product. (Kotler & Armstrong, 2016, 223-232).

As mentioned earlier in the social environment of Vietnam section, the age structure is the following: 45.7% are 25-54 years old, 22.61% are 0-14 years old, 16.46% are more than 55 years old and 15.22% are 15-24 years old. The total population of the country is estimated to be around 103.8 million.

2.4.2 Market targeting

Market targeting is the act of evaluating the market segments after the company has determined the Market segmentations. The company can choose to enter one or multiple segments, which it finds attractive, sustainable, and profitable for generating value for the customer. As a new business, a safe choice is to choose only one segment when entering a new market and if that proves to be successful, the company can then later add more segments to their Market targeting. (Kotler & Armstrong, 2016, 75).

The market targeting can be executed on multiple different levels to target the selected segment. There are four different levels of market targeting from broad to narrow. These four levels are undifferentiated marketing, differentiated marketing, concentrated marketing and micromarketing. (Kotler & Armstrong, 2016, 233-238).

The market segmentation that will be used, is the demographic segmentation since the variables in that segment are easy to measure. To be more precise, the target market that will be focused primarily on is the groups of 15-24- and 25-54-years old people. The style of targeting that will be used is the undifferentiated marketing strategy or also known as mass marketing.

In mass marketing the company ignores the differences that they have in marketing segments and the targeting is done for the whole segment with only one offer. This strategy focuses on the common needs of consumers and ignores what is different. the marketing program and product design is created to appeal the largest number of buyers in the market. (Kotler & Armstrong, 2016, 233-238).

2.4.3 Market positioning and differentiation

When the market segmentation and targeting are completed, the company must then decide how does it want to distinguish its products on each chosen target segment. Position of product is the spot that the product has in the consumers

mind compared to a corresponding product of a competitor. a great idea would be to develop a unique position in the market for a product, so it would be more wanted, because if there are already products that consumers perceive to be similar it does not make the consumer want to buy the new product. (Kotler & Armstrong, 2016, 75-77).

Market differentiation is the act of really distinguishing the offered product from the other products that the competitors have in the current market. If the company really makes a promise to offer something uniquely different it must then really act on the promise and really offer something different. differentiating your products from competitors products creates value for the customer. (Kotler & Armstrong, 2016, 75-77).

For the market positioning, more for more strategy will be used. Fazer's brand promise: "Northern Magic. Made Real." will be used. Since Fazer's mission is to create "Food with a purpose", Fazer wants to create magical moments with their product to the consumer, by putting a huge effort in the quality and taste of the product. Fazer's vision is "Towards Perfect Days". This vision unites Fazer's values and work. This means that Fazer wants to be part of the memorable moments of consumers life and make the daily life better.

According to (Kotler & Armstrong, 2016, 244-245) More for more positioning includes providing a product with more higher price for a more higher quality product. This represents status, higher lifestyle, and prestige. With this strategy, the risk is that it invites other companies that want to imitate to have the same quality for a lower price.

2.5 Marketing Mix (The 4p's)

Marketing mix is a tool that a company can use to create a wanted response in a target market. After the marketing strategy has been decided, the company needs to plan the details of marketing mix from things that they can control to affect the

demand of their products in the market. These are product, price, place, and the promotion. (Kotler & Armstrong, 2016, 74-79).

2.5.1 Product

A Product is anything that a company can offer to the market for the attention, for use, for purchase and for consumption that will satisfy a need. This means a product can be both the services and the goods that the company offers to the consumers in the market. The Product group in marketing mix includes the variety, quality, design, features, brand name, packaging, and services. (Kotler & Armstrong, 2016, 256-281).



Figure 5. Karl Fazer Milk Chocolate 200 g, Finland 100 years. (Oy Karl Fazer Ab, 2022)

To keep the product variable simple, only one product is introduced to the market. If the product proves to be wanted in the market and it sells well, then more products will be introduced to the market later. The product choice is the Karl Fazer Milk Chocolate 200 grams. The Karl Fazer Milk chocolate is a convenience consumer product, with a low price in Finland, but the brand is expected to have a high quality and it is well known and liked. This means that the Karl Fazer Milk

Chocolate has some traits of Specialty product. When the chocolate will be introduced to Vietnamese market, it will be an unsought consumer product with relatively high price compared to an average person's salary in Vietnam. As mentioned earlier in the economic analysis of Vietnam. The average monthly salary of a person in Vietnam is 3.45 million Vietnam Dong or around 150 United States Dollars.

The differences between convenience product, specialty product and unsought product are as follows. A specialty product is a consumer product that has certain characteristics or a certain brand image in the mind of a consumer. Unsought product is a product that the consumer does not know anything about, or the consumer knows the product, but does not normally consider acquiring the product. Convenience products are products that consumers purchase frequently with no planning and the consumers do not spend time to compare the similar products carefully. (Kotler & Armstrong, 2016, 259).

The Karl Fazer Milk Chocolate 200 grams is the most know and liked chocolate. This product is also known in Finland as the Fazer Blue. The first time this iconic milk chocolate appeared in Finland was in 1922. The blue wrapper represents the pure nature of Finland. The blue wrapper with the golden signature is a guarantee of quality, and it makes the product quickly recognizable. (Oy Karl Fazer Ab, 2022)

2.5.2 Pricing

Price is the amount that the customer has pay to get certain wanted service or a product. In pricing, the company must take in consideration the list price, possible discounts, allowances, payment periods and credit terms. (Kotler & Armstrong 2016, 78) In marketing mix price is the only element that makes revenue for a company. The other three elements can mean more costs for the company. The perception of the value of the product, sets the limit for the price of the product. If the consumer feels that they do not get as much value from the product as they would need to pay for it, they will not want to buy it. Therefore, correct pricing strategy must be used. (Kotler & Armstrong, 2016, 324-339).

Cost-based pricing will be used, since for a company to make profit, the price charged from products need to be higher than what the costs are. This means that the price is based on the cost of production, distribution and selling. Companies have two kind of costs which are fixed costs and variable costs. Fixed costs are costs that do not vary in relation to production or sales level. This are for example rent, heat and salaries. Variable cost are the costs that vary in relation with the production. These costs can be raw material costs. When both costs are summed up, the company gets the total cost. The pricing method used is Cost-plus pricing or known as Markup pricing. In cost plus pricing, the company adds a standard markup for profit. (Kotler & Armstrong, 2016, 329-339)

In the pricing strategy, the low average salary of Vietnamese people must be kept in mind. If the chocolate product costs 2.5 Euro, and the fixed costs would be 5000 Euro, the shipping costs are included in the fixed costs, VAT is 10% and import duty is 13% and we expect to sell 3000 products. The cost per chocolate product for Fazer will be calculated as follows: Unit cost = Variable cost + Fixed cost/Unit sales. The shipping costs are based on Posti's XXL-Package that costs 249.90 €, 3000 pieces of 200-gram chocolate tablets weight around 600 Kg and the maximum allowed package weight from Finland to Vietnam is allowed to be only 30 kilograms for each box. This means that 20 boxes would need to be sent and the total shipping costs would be 4998€ (Posti Group Oyj, 2022)

Unit cost = $2.5 + 5000 \text{ Euro} / 3000 \text{ products} = 4.16 \text{ Euro}$

If Fazer wants to earn a 30 percent markup on the sales, then the markup is calculated as follows: Markup price = Unit cost / (1 – desired return on sales)

Markup price = $4.16 \text{ Euro} / (1 - 0.3) = 5.94$

Therefore, If the assumption is that the price for one of Fazer Milk Chocolate 200 grams is 5.94 Euro. The Import duty is $5.94 \text{ Euro} * 13\% = 0.772 \text{ Euro}$. Value Added Tax is the price of the product + import duty * 10%, $(5.94 \text{ Euro} + 0.772) * 10\% =$

0.671 Euro. This means that the total taxation will be 0.772 Euro + 0.671 Euro = 1.443 Euro. This would mean that the Selling price including tax and import duty would be 1.443 Euro + 5.94 Euro = 7.38 Euro. The above example can be used as a rough guidance for the company. Other external factors may affect the pricing as well. The author of the thesis recommends Fazer to further research pricing of products in Vietnam.

The negative side of using markup pricing is that it does not care for the demand of the consumer, and it does not care for the value that the consumer gives for the product, also the markup pricing method ignores the competitors prices

2.5.3 Placement

The placement is the activities the company does to make their product available for the target segment. In placement the company must think about the channels, coverage, locations, inventory, transportation, and logistics. (Kotler & Armstrong, 2016, 78)

In this research the distribution channel that is chosen is the indirect marketing channel and to be more precise the conventional marketing channel. This means that there are one or more intermediaries like a wholesaler and/or retailer between Fazer and the consumer. The members in the channel do not have control over the other channel members. This type of marketing channel will eliminate the risks and costs of warehousing, inventory management and transportation in Vietnam. This is ensured by only choosing the bigger retailers and wholesale companies that are willing to take these costs and risks. Please see the figure below to clarify the distribution channel and notice in the figure that the wholesaler is colored differently, since sometimes they could be left out from the channel. (Kotler & Armstrong, 2016, 376-399)



Figure 6. Conventional distribution channel

2.5.4 Promotion

Promotion is the activity that communicates the quality and how good the product or service is, and it also convinces the customers to buy the service or the product. Advertising, personal selling, sales promotions and public relations are included in promotion activities. (Kotler & Armstrong, 2016, 78)

Fazer should carefully plan and create promotional activities to reach out to the target consumers that are the groups of 15-24- and 25-54-years old people. The recommended promotion activities are advertising, sales promotions, and direct and digital marketing with the pull strategy to direct the marketing activities towards consumers. Pull strategy is a promotion strategy that focuses on creating a "Pulling" effect. The pulling effect happens, when Fazer advertises the product for consumers and create a need for it. This makes the consumers want to buy the product and they demand the product from the retailers and in turn that makes the retailers demand the product from Fazer, therefore "pulling" the product. Please see below the figure of Push- and Pull strategies. (Kotler & Armstrong, 2016, 446-465)

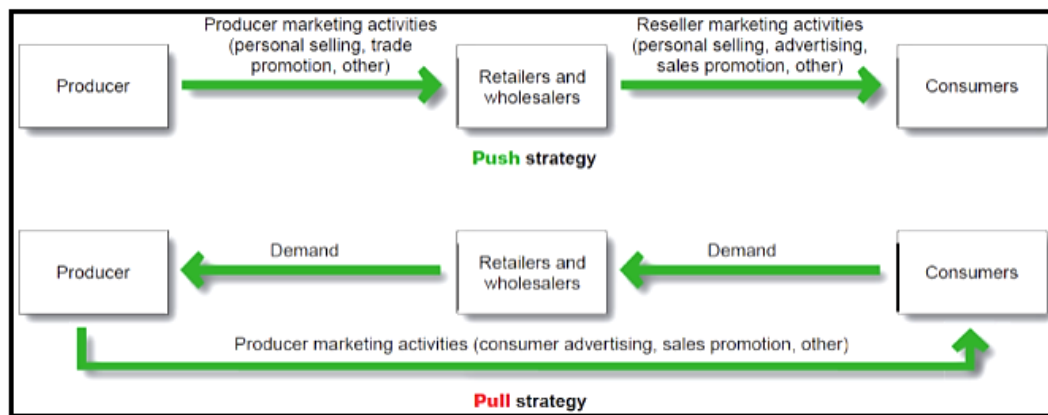


Figure 7. Push strategy and Pull strategy (Repetico, 2022)

Advertising is any purchased impersonal promotion of goods, ideas, or services. Direct and digital marketing is directed to certain consumers or customer communities and the marketing can be interactive since it can allow dialogue. Digital marketing can be telephone marketing, online and social media marketing. Sales promotion can be coupons, contest, discounts, and premiums. These are things that encourages the consumer to buy the product. (Kotler & Armstrong 2016, 446-465)

The reason why the author recommends Sales promotion, Advertising, Direct and digital marketing is because there were nearly 77 million social media users in Vietnam in the beginning of the year 2022. In 2022 the most common social media platform for networking and selling of goods in Vietnam was Facebook. (Cultural Insights in Asia, 2022) The sales promotion should happen in the retailer's end, but this can be helped by Fazer initiating good deals and prices for wholesalers and retailers that makes it possible for them to make good sales promotion for the consumers. These can be done for example by giving a bulk discount or money back on goods sold with an agreed promotion.

3 EMPIRICAL STUDY

According to (Bouchrika, 2022) Empirical research is study that is based on solid and confirmable proof and the research is done by experimentation, gathering real world and scientific evidence. To answer the research question “How could Fazer enter the most populated city in Vietnam”, empirical research needs to be carried out. Research methodology, Data collection and Data analysis methods are included in this part of the thesis.

3.1 Research methodology

The chosen method of conducting research for this study is the deductive method. In deductive method an existing theory is accepted, then it is tested against the data that is collected from the sample. (Emerald Publishing, 2022) The marketing strategy and the marketing mix part of the thesis gave an answer for the thesis research problem and the research problem was guided by the two research questions: “Is it suitable for Fazer to enter the market of the most populated city in Vietnam?” and “How would the marketing mix 4Ps be applied in the market of Ho Chi Minh city?” The chosen marketing strategy and marketing mix will be tested if they were relevant for the target market segment in Ho Chi Minh City.

Qualitative research is used to gather non-numerical data such as meaning or views of the study respondents. The answers that you get in qualitative research is more descriptive and it allows researcher to write a conclusion to support the hypothesis or a theory that is being tested. On the other hand, quantitative research is used to gather information through numerical data. Quantitative research can measure behavior, views, preferences, and other variables such as age or gender. The data that is collected in quantitative study is analyzed to address the empirical questions. (Bouchrika, 2022)

On this thesis it is considered to use mixed research methods. Choosing only one methodology for the study to answer the research problem might not be enough.

Even though the qualitative method focuses on getting more detailed and in-depth answers than the quantitative method, the qualitative method lacks with the number of samples, since the sample size is usually small. To get more broader view to answer the research problem, both methods are used. (Bouchrika, 2022)

Research can be done by including one or more methods to collect data. The most common data collection methods for Qualitative research are interviews, focus groups and experiments. The common data collection methods on quantitative research are polls, surveys and longitudinal or cohort studies. (Bouchrika, 2022)

The Methods of data collection that are used in the study for this thesis are survey and interview. A survey is used to get the numerical data and to create groups based on the data and to understand the consumers in Ho Chi Minh city and the interviews are done to support the data collected through the surveys, by getting more in-depth and descriptive answers.

Sample of research can be selected based on either probability or non-probability method. Sampling done on the probability basis means that the people participating in the research is selected randomly and people have an equal chance of being selected to take part of the research. Whereas the non-probability basis is the opposite of probability basis. On the non-probability basis, the people do not have equal chance of being selected to be part of the research, this means that the selection is based according to some factor such as convenience, purpose, or quota. On this thesis the purposive sampling is used. The author of the thesis had earlier created a Facebook page to reach out to Vietnamese people living in Ho Chi Minh City, therefore when using the purposive sampling when sending the survey for the page followers, the Vietnamese people living in Ho Chi Minh city will be reached out. The interviewees are selected as well by using purposive sampling to interview Vietnamese people living in Ho Chi Minh city. (Emerald Publishing, 2022)

The survey method used in the research is online survey, since the data for the online survey is easier to collect from Vietnamese respondents than pen and paper

surveys. This would require the author physically being in Vietnam. (Sincero, 2012) The interview structure is semi-structured interview. Semi-structured interview is an interview method with predetermined questions, and they can be followed by follow-up questions to get more information for a given answer. Semi-structured interview is a mixture of structured and unstructured interview. (Delve, 2022) The unstructured interview method is not used since the questions would not have been prepared before the interview and the spontaneity would have directed the conversation. This could lead the researcher to lose the focus and stray out of topic.

3.2 Data Collection & Analysis

A survey with 22 questions was created and sent to a Facebook page for Vietnamese people living in Ho Chi Minh City in November 2022. The semi-structured interview was done online through a video call with 3 carefully chosen Vietnamese people who live in Ho Chi Minh City.

The marketing strategy and the marketing mix part of the thesis gave an answer for the thesis research problem "How could Fazer enter the most populated city in Vietnam" The research problem was guided by the two research questions: "Is it suitable for Fazer to enter the market of the most populated city in Vietnam?" and "How would the marketing mix 4Ps be applied in the market of Ho Chi Minh city?" The research survey and interview are used to test that was the chosen marketing strategy and marketing mix the correct for the target market segment in Ho Chi Minh City.

The answers of the interviews are analyzed based on the qualitative data analysis. Qualitative data analysis is a process of converting the collected data into a comprehensive explanation. (Udemy, 2014) The qualitative data analysis involves five steps: Gathering and collecting the data, organizing, and connecting into the data, coding the data, analyzing the data for insights, and lastly reporting the insights derived from the analysis. (Dye, 2022)

The answers of the surveys are analyzed based on the inferential statistics method. In Inferential statistics method, the survey results from the sample are used to make predictions of the whole population, this means that the method can be used for testing hypothesis. (Jansen & Warren, 2020)

4 RESEARCH FINDINGS

In this chapter the findings, results and analysis of the surveys and interviews will be presented. Firstly, the Survey findings and results will be gone through. After the survey findings, the three interviews will be described separately one by one. After going through the interviews one by one, the interview results will be summarized in the sub-section. The interviews were held in November of 2022 through online video calls. The survey was opened for people to answer, and the survey link was shared to the Facebook group in November 2022.

4.1 Quantitative research

An anonymous survey (See the appendix 1) was created the survey was written in English and then translated to Vietnamese. The survey was created to test that was the chosen marketing strategy and marketing mix the correct for the target market segment in Ho Chi Minh City and to also get more understanding of the purchasing behavior and to get a clearer view of the target market in Ho Chi Minh city. The survey link was shared to a Facebook group of 170 followers in November 2022 and 68 answered surveys was collected. The response rate in for the survey in the Facebook page was 40%.

In the first question the demographic statistic, for the survey respondents between male, female and Other/I do not want to specify were 60.3% Female and 39.7% Male. The figure for the statistic can be found below

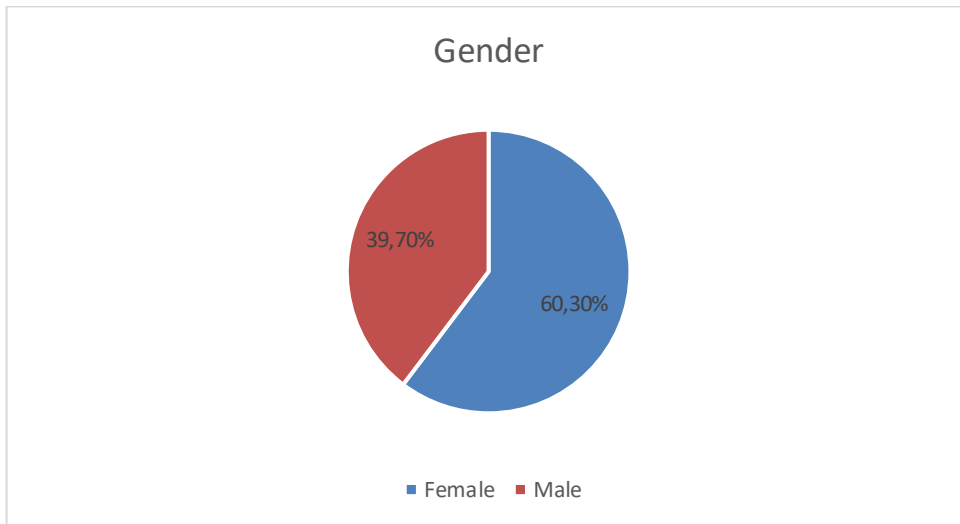


Figure 8. Gender distribution of survey participants

Question 2, the distribution of age among the survey participants. 88.2% of the participants belong to the age group of 25-54 years old and 11.8% of the participants were 15-24 years old.

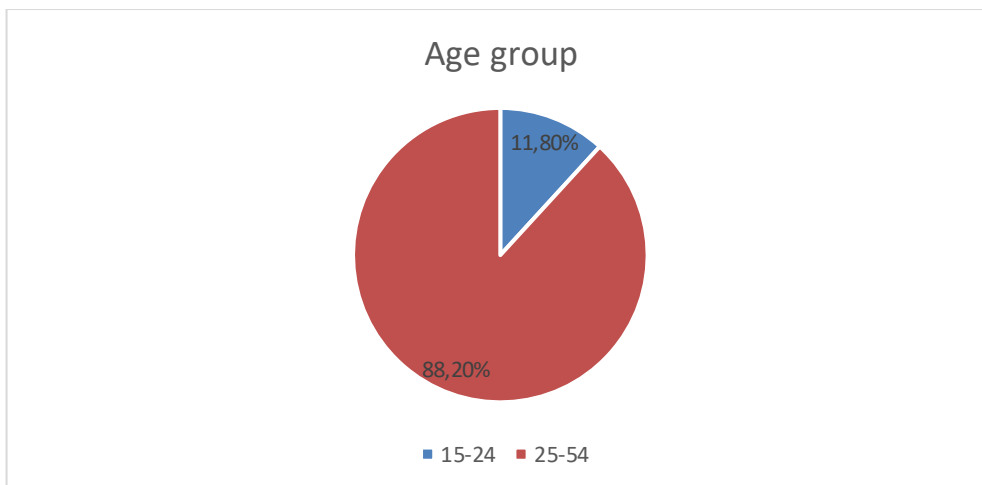


Figure 9. Age distribution of survey participants

Question 3, the monthly income of the survey participants. 10.3% has income of less than 3.5 million VND, 20.6% has income of 3.5 – 9.99 million VND, 41.2% has an income of 10 – 19.99 million VND, 27.9% has income more than 20 million VND.

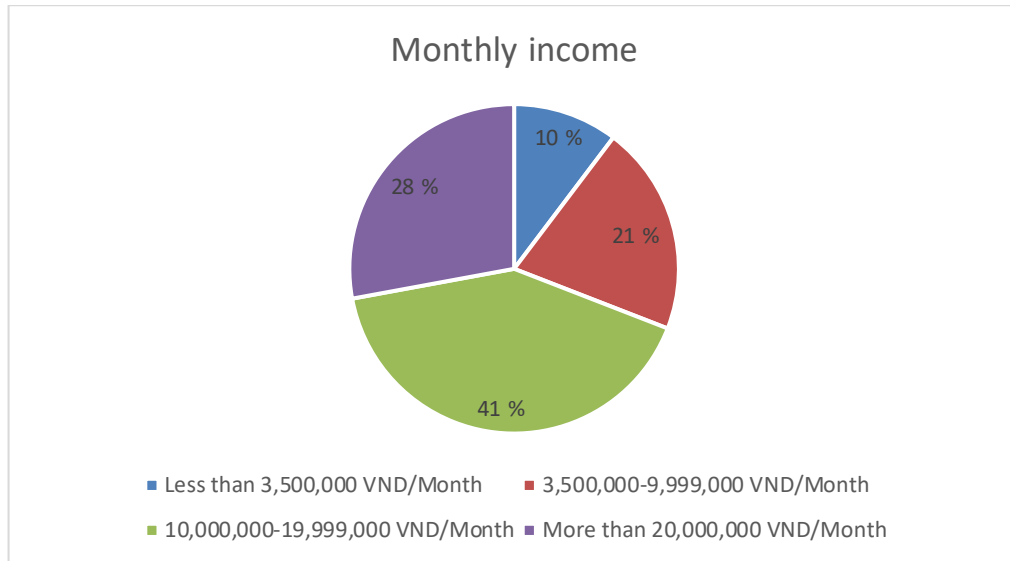


Figure 10. Monthly income of survey participants

Question 4, participants who live in Ho Chi Minh city. 97.1% of the participants live in Ho Chi Minh city and 2.9% do not live in Ho Chi Minh city.

Question 5, how often the participants eat or buy chocolate. 10.3% do not eat or buy chocolate at all, 75% eat or buy chocolate few times a year, 8.8% eat or buy chocolate one a month, 2.9% once a week, 2.9% couple of times a week and 0% of the participants eat chocolate every day.

Question 6, where the participants buy chocolate. 76.5% of the participants buy chocolate from the local market (Lotte Mart, Co.OP-mart, VinMart or Circle K), 1.5% from local cafeteria, 8.8% from online and 13.2% from a chocolate store.

Question 7, monthly spending on chocolate. 13.2% do not buy chocolate at all, 54.4% spend 0 – 125 000 VND, 22.1% spend 125 000 – 250 000 VND, 10.3% spend more than 250 000 VND for chocolate.

Question 8, occasion to buy chocolate. 35.3% buy chocolate as a gift for friend, 35.3% would buy chocolate for themselves, 29.4% would buy chocolate for loved one (Parents, grandparents, or lover).

Question 9, chocolate preference. 51.5% of the participants prefer dark chocolate, 42.6% prefers milk chocolate and only 5.9% prefers white chocolate.

Question 10, have you heard of Fazer? 89.7% of the participants have not heard of Fazer before, 10.3% has heard from Fazer before. (From friend, in supermarket, recommended by a friend, can find it in supermarket)

Question 11, have you tried Fazer before? 11.8% of the participants have already tried Fazer, 88.2% have not tried Fazer chocolate.

Question 12, the feelings awoken by the packaging of Karl Fazer Milk Chocolate 200g, (Participants were allowed to pick multiple choices). Choices were high quality, poor quality, expensive, cheap, good taste, bad taste, happy, sad and I do not like the packaging.

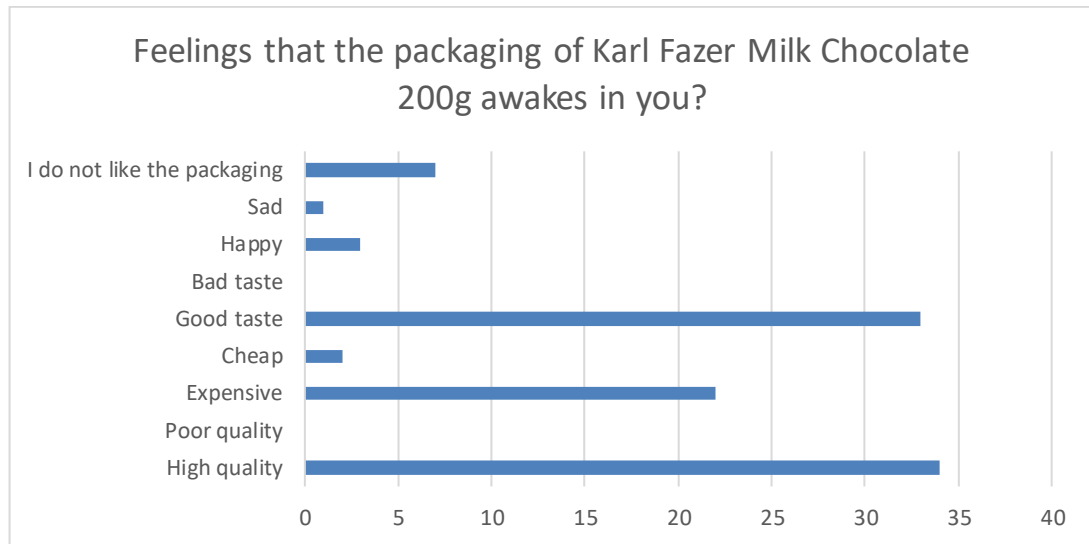


Figure 11. Feelings awoken by Karl Fazer milk chocolate 200g

Question 13, would you prefer the Karl Fazer Milk Chocolate 200g to have a different color? 83.8% of participants would not change the packaging color and 16.2% would like the packaging to have different color. Suggestion for the colors were: more bright color than blue, red, brown, green, white

Question 14, likeliness to buy Karl Fazer Milk Chocolate 200g if it was sold in Ho Chi Minh city. 16.2% Very likely, 63.2% likely, 10.3% not sure, 7.4% Not so likely, 2.9% Not likely at all.

Question 15, reason to buy Karl Fazer Milk Chocolate 200g. (Multiple choice) choices were: It is cheap, it has high quality, it tastes good, it is better than other chocolate, because it is expensive.

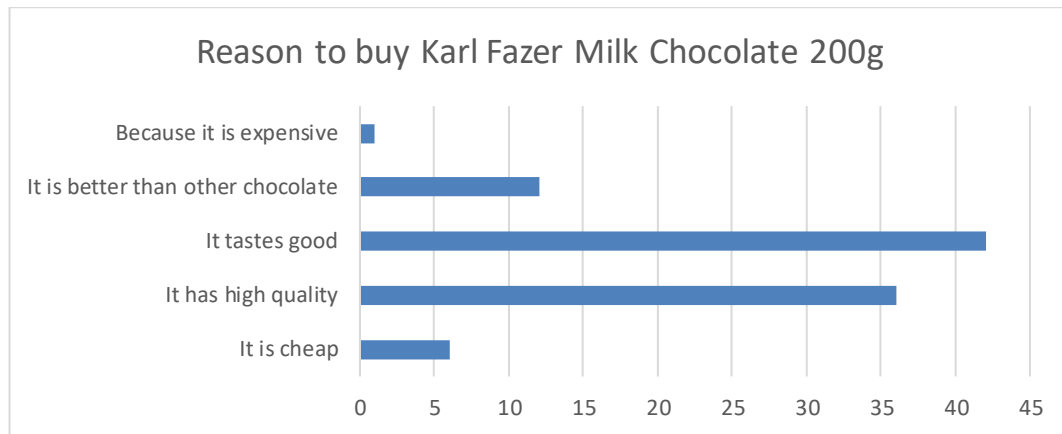


Figure 12. Reason to buy Karl Fazer milk chocolate 200g

Question 16, where would you like to buy Karl Fazer Milk Chocolate 200g. 83.8% of the participants would prefer to buy Fazer from local market, 5.9% online and 10.3% would prefer to buy from a special Fazer store.

Question 17, occasion to buy Karl Fazer Milk Chocolate 200g. 29.4% would buy as a gift for friend, 39.7% would buy for themselves, 30.9% would buy as a gift for loved one (Parents, grandparents, and lover)

Question 18, willingness to pay 195 000 VND for Karl Fazer Milk Chocolate 200g. 64.7% would be willing to pay 195 000 VND and 35.3% would pay another amount.

Question 19, preference of sales promotion. 63.2% would prefer a discounted price and 36.8% would prefer free samples.

Question 20, how often do you use social media? (Facebook, Instagram, etc). 2.9% does not use social media, 2.9% uses social media once a month, 4.4% uses couple

times a month, 1.5% use once a week, 1.5% use 2-3 days a week, 1.5% use 4-6 days a week and 85.3% use social media every day.

Question 21, how often do you watch television? 41.2% does not watch television, 4.4% watches television once a month, 11.8% watches couple times a month, 2.9% watches once a week, 16.2% watches 2-3 days a week, 4.4% watches 4-6 days a week and 19.1% watches television every day.

Question 22, if Fazer would like to reach out to you regarding new promotions, discounts, or products in Vietnam, which platform would be the best? 2.9% Newspaper, 69.1% social media (Facebook, Instagram), 7.4% Advertisement on television, 20.6% Promotion in stores.

4.2 Qualitative research

In this section the findings and results of the interviews will be presented one by one. There are totally three interviews, each of the interview were conducted in November. All of the chosen interviewees are living in Ho Chi Minh city.

4.2.1 Interview No. 1

The first interview was held on beginning of November and the interview was conducted through a video call. The interview lasted around 30 minutes. The first interviewee was a female teacher living in Ho Chi Minh city in Vietnam. The first interviewee belongs to the age group of 25- to 54-year-old and her monthly income is in the income group of 3.5 – 9.99 million VND.

When asked for her purchasing habits of chocolate, the interviewee said, I prefer to buy dark chocolate and dark chocolate ice cream for myself and I eat chocolate maybe two or three times in a month, and the average spending for chocolate is maybe around 100 000 to 250 000 VND per month.

Upon moving to the product related questions, the interviewee mentioned that I have already heard of Fazer before. The first time I heard of Fazer was when my

friend gave me Fazer chocolate as a gift in Vietnam, that is also the first time I have tried Fazer chocolate. The second time I had Fazer chocolate was when I visited Finland. The interviewee mentioned that they find the packaging color theme strange but do not dislike the colors blue and gold either. The interviewee mentioned that the Vietnamese people might prefer more brighter colors like yellow, pink or red. When asked that would the interviewee buy Karl Fazer milk chocolate 200g if it was being sold in Ho Chi Minh, the interviewee commented I would buy it, but it would also depend on the price of the Fazer chocolate. She mentioned that Vietnam also has their own chocolate brands and many international brands with varying prices. The interviewee mentioned that she would be willing to pay around 200 000 VND for Karl Fazer Milk Chocolate 200g and she would buy it for personal consumption. As a side comment she mentioned that usually other foreign chocolate brands are sold with similar prices. If she would want to buy it as a gift, she mentioned that the chocolate should be in a nice box like Fazer blue confectionaries in Finland.

on the last phase of question regarding the promotion, the interviewee said that the best way reach Vietnamese people is through advertisement on television and social media, personally she would like to see advertisement on social media (like Facebook or Zalo), since she uses them every day. As a side comment the interviewee mentioned that she does not watch Vietnamese television channels. the interviewee would personally prefer to get free samples to test the product and to physically examine and see the product herself.

As an additional comment, the first interviewee mentioned that since Vietnam is a warm country, that it would probably be also a good idea for Fazer to introduce ice cream products to Vietnamese market.

4.2.2 Interview No. 2

The second interview was held on beginning of November and the interview was conducted through a video call. The interview lasted around 30 minutes. The second interviewee was a male real estate broker living in Ho Chi Minh city, the second interviewee belongs to the age group of 25- to 54-year-old and the monthly income of the interviewee belongs to the income group of more than 20 million VND a month.

When asked for the purchasing habits of chocolate from the second interviewee, the interviewee said he eats 1 chocolate bar a week so in a month he eats around 4 chocolate bars and his monthly spending for chocolate is around 20 USD or around 500 000 VND. He mentioned that he prefers to buy chocolate for himself, but on some rare occasions he can buy chocolate for friends as gift. he specified that these occasions can be birthdays or days when he needs to buy a gift. the second interviewee specified that he likes dark chocolate the most and then milk chocolate and he mentioned that he does not like white chocolate at all.

Upon moving to the product related questions, the second interviewee mentioned that he has already heard of Fazer before. He said that he knows Fazer products because he has tried it in Finland, and he mentioned that he knows that Fazer chocolate is popular in Finland. The second interviewee says that he likes the packaging of Karl Fazer milk chocolate 200g. The packaging is simple and there is enough information. I like the shape of the packaging and the chocolate; it looks very appetizing. He mentions that the color of the packaging has no difference for him, but blue is a nice and simple color choice. When asked that would the interviewee buy Karl Fazer milk chocolate 200g if it was being sold in Ho Chi Minh, he then commented that if Fazer chocolate would be sold in the local supermarket, he would buy it. Additional comment made by the interviewee was that he said that the reason he would buy Fazer chocolate is that he knows the taste is good and that Fazer has good quality in their products. When asked the price he would be willing to pay, he commented that I would happily pay 1.20 USD or 30 000 VND

On the last phase of questions regarding the promotion, the second interviewee mentions that he likes to buy things in bulk or a bundle so he can get good unit prices and different flavors. He prefers marketing and advertising in social media since he uses Facebook, Instagram and Tik Tok every day. As a side comment he mentioned that Fazer should focus on advertising the chocolate for students who move back to Vietnam from their studies in Finland, since word of mouth can help to create image of the brand and the quality of the products.

As an additional note the second interviewee recommends that Finnish products should be advertised in Vietnam more to make the brand awareness higher and the products and their quality more known.

4.2.3 Interview No. 3

The third interview was held on Mid November and the interview was conducted through a video call. The interview lasted around 20 minutes and the third interviewee was a male environmental manager living in Ho Chi Minh city, the third interviewee belongs to the age group of 25- to 54-year-old and the monthly income of the interviewee belongs to the income group of more than 20 million VND a month.

When asked for the purchasing habits of chocolate from the third interviewee, the interviewee said that he eats chocolate sometimes and buys it as a gift for other people. The third interviewee prefers dark chocolate over all the other flavors, but if the chocolate must be bought as a gift for someone, then the interviewee chooses other flavor than dark chocolate. The third interviewee spends around 20-40 USD or 496 000 – 992 300 VND in a month for chocolate

Upon moving to the product related questions, the third interviewee mentioned that he has never heard or tried Fazer before and commented that “it must not be popular brand in Vietnam then”. When asked to give his opinion of the packaging of the Karl Fazer milk chocolate 200g, the third interviewee says that he likes

the packaging and the shape of the chocolate pieces, the color combination of blue and yellow is strange, but it seems to fit together, so I would say that the color is good, and I would not change it. as an additional comment the third interviewee mentioned that the chocolate reminds him of chocolate that he used to have in his childhood. The third interviewee was not sure if he would buy Karl Fazer milk chocolate 200g if it would be sold in Ho Chi Minh city, he then said that his favorite chocolate is currently Toblerone and that he would need to test both Toblerone and Fazer at the same time to know which is better. When asked why he would buy Karl Fazer milk chocolate 200g, the third interviewee said that if he would buy it for himself, he would buy it as a snack to take to work and have it at brake time. He also said that he could buy the Karl Fazer milk chocolate 200g as a gift for people. The interviewee mentioned that he would like to buy Fazer chocolate from local supermarket, so he can inspect the product physically himself and choose the best one. When the interviewee was asked to elaborate, he mentioned that what he meant choosing the best one, was that he would check the longest best before dates and best condition products. The third interviewee said that he would be willing to pay 75 000 VND per 100 grams for Karl Fazer milk chocolate 200g, since that is the 100-grams price he pays from Toblerone. So, in total he would be willing to pay 150 000 VND from the Karl Fazer milk chocolate 200g product.

On the last phase of questions regarding the promotion, the third interviewee mentions that he would prefer promotions in the local supermarket, since he wants to get to know to the product himself and inspect it physically. He also mentioned that he would like price discounts, because he does not like to buy big amounts of chocolate and then he commented "I cannot eat that much chocolate" The third interviewee mentioned that he uses social media every day and does not watch traditional television anymore. He then commented that he buys things online also but prefers the ability to inspect products in a physical store.

4.3 Analysis and Summary of the interviews and surveys

In this section the results and findings of the surveys and the interviews will be summarized. The research problem was **“How could Fazer enter the most populated city in Vietnam?”** and two research questions were made to guide the research towards the answer for the research problem. The questions were: “Is it suitable for Fazer to enter the market of the most populated city in Vietnam?” and “How would the marketing mix 4P’s be applied in the market of Ho Chi Minh city?”

In the Marketing strategy the selected target segment was the groups of 15-24- and 25-54-years old people and according to the survey, 100% of the participants are either belonging to the age group of 15-24 or 25-54 years old. In the marketing mix Product, the product that was chosen was Karl Fazer Milk Chocolate 200g. 16.2% of the survey participants would buy Karl Fazer Milk Chocolate 200g very likely and 63.2% of the participants would likely buy the chocolate, additionally 42.6% of the participants prefer milk chocolate. In the marketing mix price, the price was set to be as 7.38 Euro and 64.7% of the survey participants answered that they are willing to pay 195 000 VND or 7.6 Euro for Karl Fazer milk chocolate 200g. In the marketing mix placement indirect marketing was chosen and to be more precise conventional marketing channel was chosen to be used, this means that the chocolate is sold B2B for retailers that can be local supermarkets. 76.5% of the participants mentioned that they would prefer to buy chocolate from local supermarket. In the marketing mix Promotion, the selected promotion method was advertising, digital marketing in social media and sales promotion. According to the survey participants 69.1% would prefer to see promotions or advertisement in social media and 20.6% would prefer to see promotions and advertisement in stores. As an additional note 10.3% of the participants do not eat or buy chocolate at all, but 89.7% of the participants eat or buy chocolate. These survey findings confirm that the marketing strategy’s target group and marketing mix 4p’s choices were relevant and can be applied to enter to Ho Chi Minh city.

The interviews were done to support the findings of the surveys and the key findings on the surveys were that All the interviewees, belong to the target segment age group of 25-54 years old people. regarding the product, two of the interviewees mentioned that they would buy Karl Fazer Milk Chocolate 200g and one of the interviewees was not sure yet that would he be willing to buy it or not. One of the interviewees was willing to pay even more than the set price of 195 000 VND and two of the interviewees were not willing to pay the set price. One of the interviewees said that they are willing to pay only 150 000 VND, because he compared the price to his current favorite chocolate and the other interviewee said that 30 000 VND would be a fair price to pay, this could be explained because he likes to buy things in bulks, to get the unit price of each chocolate bar to be smaller. All the interviewees gave the same answer and told that they would like to buy chocolate and Karl Fazer Milk Chocolate from a local supermarket. Two of the interviewees mentioned that they want to see promotions and advertisement in social media, but the third interviewee would prefer the promotions and advertisement in the local supermarket. These findings in the interviews match with the findings of the survey.

5 CONCLUSION

The aim of this research was to study how Fazer could enter the most populated city in Vietnam. Two research questions were guiding the research towards the answer for the research problem. The research questions were "Is it suitable for Fazer to enter the market of the most populated city in Vietnam?" and "How would the marketing mix 4Ps be applied in the market of Ho Chi Minh city?" Based on the findings of the surveys and interviews it is likely that the market of Ho Chi Minh city is highly suitable for Fazer to enter, but Fazer should also consider other product options on top of the Karl Fazer Milk Chocolate 200g. Additionally the survey and interview findings confirm that the marketing strategy's target group and marketing mix 4p's choices were relevant and can be applied when entering to Ho Chi Minh city.

5.1 Ethical considerations

In this research the confidentiality of the participants was considered and was highly important so any personal information like names or birthdays or any other relevant information that could be used to recognize the respondents was not mentioned in the results. Any data obtained during the interviews or from the surveys will be deleted and the data will not be shared for anyone when the research is completed to ensure the security of the participants. This information was given to the participants of the surveys and interviews before they started the surveys or interviews.

5.2 Validity and Reliability

Validity and reliability are concepts that clarify how well the research methodologies analyze the collected data. Reliability is used in research to specify how consistent is the research results when the research is done again under the same conditions and Validity is used in the research to specify how accurately the research methodology measures something that will be measured. (Middleton,

2019). In this thesis, both qualitative and quantitative approaches were selected to collect measurable- and descriptive data of Vietnamese people living in Ho Chi Minh city to test was the selected marketing mix 4p's and the chosen target segment relevant to be applied when entering the market of Ho Chi Minh city and also to get an answer that was it suitable for Fazer to enter the market of the most populated city of Vietnam.

5.3 Limitations

All of the studies have potential to have limitations that can impact the results of the research. This study is not an exception to this. The first limitation of this study was the sample size. The research focuses to analyze the research sample of 68 participants and predicts that similar findings can be found in the whole population of Ho Chi Minh city with the population of 8 million people. Second limitation of the study is the lack of information regarding the competitors.

5.4 Further research suggestions

This study did not include the other products of Fazer and other areas of Vietnam than Ho Chi Minh city. Therefore, potential studies can be done to research the possibility of introducing a different Fazer product and different market areas around Vietnam could be studied. Further research of local competitors is also recommended by the author

REFERENCES

Armstrong, G., & Kotler, P. (2015). *Marketing: An introduction* (Twelfth edition, Global ed.). Pearson Education.

Bouchrika, I. (2022, October 14). *What Is Empirical Research? Definition, Types & Samples*. Retrieved 14.11.2022, from Research.com: <https://research.com/research/what-is-empirical-research>

Business MakeOver. (2022). *PESTLE Analysis*. Retrieved 02.10.2022, from Businessmakeover.eu: <https://businessmakeover.eu/en/tools/pestle-analysis>

Capital Global Employment Solutions. (2022). *8 REASONS TO EXPAND INTERNATIONALLY IN 2020*. Retrieved 24.10.2022, from Capital-ges.com: <https://www.capital-ges.com/8-reasons-to-expand-internationally-in-2020/>

CIA. (2022). *The World Factbook. Vietnam: Economy*. Retrieved 18.10.2022, from CIA.gov: <https://www.cia.gov/the-world-factbook/countries/vietnam/#economy>

CIA. (2022). *The World Factbook. Vietnam: Environment*. Retrieved 03.10.2022, from CIA.gov: <https://www.cia.gov/the-world-factbook/countries/vietnam/#environment>

CIA. (2022). *The World Factbook. Vietnam: People and Society*. Retrieved 04.10.2022, from CIA.gov: <https://www.cia.gov/the-world-factbook/countries/vietnam/#people-and-society>

CIA. (2022). *The World Factbook. Vietnam: People and Society. 2022 population pyramid*. Retrieved 04.10.2022, from CIA.gov: <https://www.cia.gov/the-world-factbook/countries/vietnam/#population-pyramid>

factbook/static/ebf4efa2940f1978a3b7a8da1dc145e9/2b9a8/VM_popgr
aph2022.jpg

Cultural Atlas Editors. (2016). *Vietnamese Culture: Core Concepts*. Retrieved 18.10.2022, from Cultural Atlas: <https://culturalatlas.sbs.com.au/vietnamese-culture/vietnamese-culture-core-concepts#vietnamese-culture-core-concepts>

Cultural Insights in Asia. (2022, July 27). *Social Media Penetration in Vietnam [Research]*. Retrieved 12.11.2022, from Digital Business Lab.: <https://digital-business-lab.com/2022/07/2-social-media-penetration-vietnam-research/>

Customs DutyFree. (2017, September 23). *Customs or Import duty for Chocolates and pralines-truffles to Vietnam*. Retrieved 06.11.2022, from Customs DutyFree: <https://customsdutyfree.com/customs-or-import-duty-for-chocolates-and-pralines-truffles-to-vietnam/>

Delve. (2022). *Semi Structured Interviews*. Retrieved 16.11.2022, from Delvetool.com: <https://delvetool.com/blog/semi-structured>

Dezan Shira & Associates. (2021, April 6). *Q&A: Understanding Vietnam's Labor Market and Key HR Compliance*. Retrieved 26.10.2022, from Vietnam Briefing: <https://www.vietnam-briefing.com/news/understanding-vietnams-labor-market-key-hr-compliance.html/>

Dezan Shira & Associates. (2022, March 2). *Assessing Vietnam's Labor Market and Payroll Considerations*. Retrieved 26.10.2022, from Vietnam Briefing: <https://www.vietnam-briefing.com/news/assessing-vietnams-labor-market-and-payroll-considerations.html/>

Duiker, W. J., Buttinger, J., Jamieson, N. L., Osborne, M. E., Hickey, G. C., & Turley, W. S. (2022). *Vietnam*. Retrieved 25.10.2021, from Encyclopedia Britannica: <https://www.britannica.com/place/Vietnam>

Dye, T. (2022). *Qualitative Data Analysis: Step-by-Step Guide (Manual vs. Automatic)*. Retrieved 19.11.2022, from Getthematic.com: <https://getthematic.com/insights/qualitative-data-analysis/>

Emerald Publishing. (2022). *How to conduct empirical research*. Retrieved 16.11.2022, from Emerald Publishing: <https://www.emeraldgrouppublishing.com/how-to/research-methods/conduct-empirical-research>

Eye on Asia. (2022). *Vietnam - A country profile*. Retrieved 07.11.2022, from Eye on Asia: <https://www.eyeonasia.gov.sg/asean-countries/know/overview-of-asean-countries/vietnam-a-country-profile/>

Fletcher, J. (2022, November 5). *What Is a Micro-Environmental Analysis?* Retrieved 23.04.2022, from Wisegeek: <https://www.wise-geek.com/what-is-a-micro-environmental-analysis.htm>

Foo, D. (2016, December 31). *How Vietnam is developing a sweet tooth – for chocolate*. Retrieved 18.01.2021, from LinkedIn: <https://www.linkedin.com/pulse/how-vietnam-developing-sweet-tooth-chocolate-dennis-foo/>

Global conference on business, hospitality and tourism research. (2018, October 2). *Introduction to Ho Chi Minh City*. Retrieved 27.10.2021, from GloSearch.org: <https://glosearch.org/introduction-ho-chi-minh-city/>

GOV.UK. (2021, February 25). *Overseas Business Risk: Vietnam*. Retrieved 16.10.2022, from GOV.UK:

<https://www.gov.uk/government/publications/overseas-business-risk-vietnam/overseas-business-risk-vietnam>

Hofstede Insights. (2022). *COUNTRY COMPARISON*. Retrieved 18.10.2022, from Hofstede Insights: <https://www.hofstede-insights.com/country-comparison/finland,vietnam/>

International Trade Administration. (2019, October 13). *Market Opportunities*. Retrieved 26.10.2022, from International Trade Administration: <https://www.trade.gov/country-commercial-guides/vietnam-market-opportunities>

International Trade Administration. (2021, September 15). *Import Requirements and Documentation*. Retrieved 26.10.2022, from International Trade Administration: <https://www.trade.gov/country-commercial-guides/vietnam-import-requirements-and-documentation>

Jansen, D., & Warren, K. (2020, December). *Quantitative Data Analysis 101: The lingo, methods and techniques, explained simply*. Retrieved 19.11.2022, from Grad Coach: <https://gradcoach.com/quantitative-data-analysis-methods/>

Kotler, P., & Armstrong, G. (2016). *Principles of marketing* (Sixteenth edition. Global ed.). Pearson.

Kotler, P., Armstrong, G., & Parment, A. (2016). *Principles of marketing* (Scandinavian edition. 2nd ed.). Pearson.

Middleton, F. (2019, July 3). *Reliability vs. Validity in Research | Difference, Types and Examples*. Retrieved 21.11.2022, from Scribbr: <https://www.scribbr.com/methodology/reliability-vs-validity/>

Nguyen, S. M., Deppen, S., Nguyen, G. H., Pham, D. X., Bui, T. D., & Tran, T. V. (2019, January). *Projecting Cancer Incidence for 2025 in the 2 Largest*

Populated Cities in Vietnam. Retrieved 06.11.2022, from ResearchGate: https://www.researchgate.net/publication/334629028_Projecting_Cancer_Incidence_for_2025_in_the_2_Largest_Populated_Cities_in_Vietnam

Oxford College of Marketing. (2014, November 4). *The Impact Of Micro and Macro Environment Factors on Marketing*. Retrieved 03.05.2022, from Oxford College of Marketing: <https://blog.oxfordcollegeofmarketing.com/2014/11/04/the-impact-of-micro-and-macro-environment-factors-on-marketing/>

Oy Karl Fazer Ab. (2021). *2021 Annual review*. Retrieved 12.10.2022, from Fazer: https://www.fazergroup.com/contentassets/4263ee6723f34b95a48a80782c3aa393/fazer_annual_review_2021.pdf

Oy Karl Fazer Ab. (2022). *Fazer—The Food Experience Company*. Retrieved 25.10.2022, from Fazer: <https://www.fazergroup.com/this-is-fazer/>

Oy Karl Fazer Ab. (2022). *Finland's most valued brand*. Retrieved 04.11.2022, from Fazer: <https://www.fazer.com/products/our-international-brand-selection/karl-fazer/finlands-most-valued-brand/>

Oy Karl Fazer Ab. (2022). *Frequently asked questions. Shelflife and packaking: How should I store chocolate?* Retrieved 19.10.2022, from Fazer: <https://www.fazer.com/customer-service/frequently-asked-questions2/>

Oy Karl Fazer Ab. (2022). *Karl Fazer – portrait*. Retrieved 11.10.2022, from Fazer: <https://www.fazer.com/products/our-international-brand-selection/karl-fazer/karl-fazer--portrait/>

Oy Karl Fazer Ab. (2022). *Karl Fazer Milk Chocolate 200 g*. Retrieved 04.11.2022, from Fazer: <https://www.fazer.com/products/product-info/775/karl-fazer-milk-chocolate-200-g/>

Oy Karl Fazer Ab. (2022). *Mission and vision*. Retrieved 01.11.2022, from Fazer:
<https://www.fazergroup.com/this-is-fazer/mission--vision/>

Posti Group Oyj. (2022). *Lähetäminen. Maakohtaiset tiedot: Vietnam*. Retrieved 21.11.2022, from Posti:
<https://www.posti.fi/fi/asiakastuki/lahehtaminen/maakohtaiset-tiedot>

Posti Group Oyj. (2022). *Paketti ulkomaille: Vietnam*. Retrieved 21.11.2022, from Posti:
<https://www.posti.fi/palvelutverkossa/lahehtaminen/#/ulkomaanPaketti/koko>

Repetico. (2022). *Push vs. Pull Promotion Strategy*. Retrieved 09.11.2022, from Repetico:
<https://www.repetico.com/card-77720893>

Sincero, S. M. (2012, October 16). *Online Surveys*. Retrieved 16.11.2022, from Explorable.com:
<https://explorable.com/online-surveys>

The World Bank. (2022). *The World Bank In Vietnam: Overview*. Retrieved 27.10.2022, from Worldbank.org:
<https://www.worldbank.org/en/country/vietnam/overview#1>

Toolshero. (2022). *MICRO ENVIRONMENT ANALYSIS*. Retrieved 02.05.2022, from Toolshero.com:
<https://www.toolshero.com/tag/micro-environment-analysis/>

Tran, H. (2022, August 1). *TOP 5 LARGEST CONFECTIONERY COMPANIES IN VIETNAM*. Retrieved 16.10.2022, from Vietnamcredit.com:
https://vietnamcredit.com.vn/news/top-5-largest-confectionery-companies-in-vietnam_14781

Twin, A. (2022). *Researching the Market: How to Conduct Market Research, Types, and Example*. Retrieved 23.04.2022, from Investopedia.com:
<https://www.investopedia.com/terms/m/market-research.asp>

Udemy. (2014). *Qualitative Data Analysis – What is it About?* Retrieved 19.11.2022, from Udemy.com: <https://blog.udemy.com/qualitative-data-analysis/>

Vietnam Online. (2022). *Average Salary*. Retrieved 29.10.2022, from Vietnam Online.com: <https://www.vietnamonline.com/az/average-salary.html>

Williams & Marshall Strategy. (2021, June 4). *Vietnam: Sugar Confectionery Market to Grow at CAGR of 6.13% until 2025*. Retrieved 27.10.2021, from Williams & Marshall Strategy: <https://www.wm-strategy.com/news/vietnam-sugar-confectionery-market-to-grow-at-cagr-of-613-until-2025>

World Bank Group. (2021). *Vietnam: Current Climate*. Retrieved 04.10.2022, from Worldbank.org: <https://climateknowledgeportal.worldbank.org/country/vietnam/climate-data-historical>

APPENDIX 1

Fazer Survey for target market

Please take a moment to review and answer all the questions.

Kindly answer the questions honestly.

The survey only takes 4 minutes, and the data is only used for my thesis.

This survey is created to find out the possible target market and the purchasing habits of Vietnamese people regarding chocolate in Ho Chi Minh City and to find out would it be a good idea to import "Karl Fazer Milk Chocolate 200 g" from Finland to Ho Chi Minh City Vietnam.

Demographic data

Are you?

- a. Male
- b. Female
- c. Other/ I do not want to specify

Age group

- a. 0-14
- b. 15-24
- c. 25-54
- d. 55 years or older

Monthly income (Salary, Bonuses, Investments, rental income, royalties, etc)

- a. Less than 3,500,000 VND/Month
- b. 3,500,000-9,999,000 VND/Month
- c. 10,000,000-19,999,000 VND/Month
- d. More than 20,000,000 VND/Month

I live in Ho Chi Minh City

- a. Yes

b. No

Purchasing habits

a. How often do you eat/buy chocolate?

b. Not at all

c. Few times a year

d. once a month

e. Once a week

f. Couple of times a week

g. Everyday

Where do you buy chocolate?

a. Local market (For example Lotte Mart, CO.OP-mart, VinMart or Circle K)

b. Local cafeteria

c. Online

e. Chocolate store

How much money do you usually spend on Chocolate monthly?

a. I don't eat chocolate

b. 0 – 125,000 VND

c. 125,000 – 250,000

e. More than 250,000 VND

f. On what occasion you would buy Chocolate?

g. As a gift for friend

h. I would purchase it for myself

i. As a gift for a loved one

When you buy chocolate, which type of chocolate you prefer?

a. Dark chocolate

- b. Milk chocolate
- c. White chocolate

Product

Have you ever heard of Fazer?

- a. Not yet.
- b. Yes, please specify where:

Have you ever tried Karl Fazer Milk Chocolate 200 g? (Picture)

- a. Yes
- b. No

What feelings does the packaging of Karl Fazer Milk Chocolate 200 g awake in you? (Multiple choice)

- a. High quality
- b. Poor quality
- c. Expensive
- d. Cheap
- e. Good taste
- f. Bad taste
- g. Happy
- h. Sad
- i. I do not like the packaging

Would you prefer the Karl Fazer Milk Chocolate 200 g to have a different color?

- a. No
- b. Yes, please specify which color:

How likely would it be that you would buy Karl Fazer Milk Chocolate 200 g if it was being sold in Ho Chi Minh City?

- a. Very likely

- b. likely
- c. Not Sure
- d. Not so likely
- e. Not likely at all

**If you would buy Karl Fazer Milk Chocolate 200 g what would be the reason?
(picture) (multiple choice)**

- a. It is cheap
- b. It has high quality
- c. It tastes good
- d. It is better than other chocolate
- e. Because it is expensive

From where you would like to buy the Karl Fazer Milk Chocolate 200 g?

- a. Local market (For example Lotte Mart, CO.OP-mart, VinMart or Circle K)
- b. Local cafeteria
- c. Online
- d. Special Fazer store

On what occasion you would buy Karl Fazer Milk Chocolate 200 g?

- a. As a gift for friend
- b. I would purchase it for myself
- c. As a gift for a loved one

**Would you be willing to pay 195 000 VND for Karl Fazer Milk Chocolate 200 g?
(The picture)**

- a. Yes
- b. No, please specify an amount you would be willing to pay:

Promotion

What kind of sales promotions would you prefer?

a. Discounted price

b. Free samples

How often do you use social media? (Facebook, Instagram, etc)

a. I don't use social media

b. Once a month

c. Couple times a month

d. Once a week

e. 2-3 days a week

f. 4-6 days a week

g. Every day

How often do you watch television?

a. I don't use television

b. Once a month

c. Couple times a month

d. Once a week

e. 2-3 days a week

f. 4-6 days a week

g. Every day

If Fazer would like to reach out to you regarding new promotions, discounts, or products in Vietnam, which platform would be the best?

a. News paper

b. Social media (Facebook, Instagram)

c. Advertisement on television

d. Promotion in stores

APPENDIX 2

Interview

Background

Can you introduce about yourself?

(Male/Female? Age? Monthly income roughly? Where do you live?)

(What is your educational background? What is your profession?)

Purchasing Habits of chocolate?

If you eat chocolate, how often?

How much money do you usually spend on chocolate?

On what occasion you buy chocolate?

Preferred chocolate?

Chocolate product Fazer

Have you ever heard of Fazer? If yes, how did you know about it?

Have you tried Fazer? If yes, where did you try it?

When you look at the Karl Fazer Milk Chocolate 200g, what do you feel?

Would you like the packaging or color be different?

If "Karl Fazer Milk Chocolate 200g" was being sold in Ho Chi Minh City how likely you would purchase it?

Why would you buy or on what occasion would you buy Karl Fazer Milk Chocolate 200g?

Where would you like to buy the Karl Fazer Milk Chocolate 200g?

How much would you willing to pay for the Karl Fazer Milk Chocolate 200g?

Promotion

What kind of promotions you prefer?

How often you use social media?

How often you use television?

best platform to promote Fazer chocolate for you?

Anything you would like to add?