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International market entry strategy of Viettel Telecom Corporation

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Internationalization process is increasing day by day. The enterprises have competed with not only domestic enterprises but also foreign enterprises. When the domestic market has become increasingly crowded, searching a new foreign market is demand of each enterprise to expand their scale. However, not all of the Vietnamese enterprises in which investing in foreign market has achieved in the foreign market. The case study of Viettel is the phenomenon when achieving the success not only in the domestic market but also in the foreign market. From 2009, Viettel has invested in a number of foreign markets such as Cambodia, Laos, Haiti, Mozambique, and Peru. They are the difficult market but have a number of potentials to develop in the next few years. In these markets, Viettel has had some initial success such as becoming the biggest mobile network operators in Cambodia, achieving the award from international telecommunication organizations. This research focuses on analyzing the international market entry strategy of Viettel when operating business in foreign market. Moreover, this research has investigated the opportunities and challenges for Viettel in the process of penetrating foreign market. Evaluating the case study of Viettel in Cambodia could help Viettel to get the useful lessons in order to become more successful in the business operators in the future.

Key world: telecom, internationalization, foreign market
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<tr>
<td>ADSL</td>
<td>Asymmetric digital subscriber line</td>
</tr>
<tr>
<td>AMPS system</td>
<td>Advanced Mobile Phone System</td>
</tr>
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<td>ASEAN</td>
<td>The Association of Southeast Asian Nations</td>
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<td>ARC</td>
<td>Australian research council</td>
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<td>BTS</td>
<td>Base Transceiver Station</td>
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<td>CDMA</td>
<td>Code division multiple access</td>
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<td>EDGE</td>
<td>Enhanced Data rates for GSM Evolution</td>
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<td>FDI</td>
<td>Foreign direct investment</td>
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<td>GDP</td>
<td>Gross domestic product</td>
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<td>GSM</td>
<td>Global System for Mobile</td>
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<td>GPRS</td>
<td>General Packet radio service</td>
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<td>ITU</td>
<td>International Telecommunication Union</td>
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<td>WLL</td>
<td>Wireless local loop</td>
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<td>WTO</td>
<td>World Trade Organization</td>
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1 INTRODUCTION

1.1 Background of study

Internationalization brings a number of challenges and opportunities to all economies around the world. International process has affected all aspects of the economy in all countries around the world. All of the enterprises in each country must have their own plan for maintenance and growth in international context. In cases, a number of enterprises choose to go international. There are many reasons for this choice of enterprises. Several cases invested to other countries because they have their own evaluation on domestic and foreign market and have conclusion that the domestic market is so stagnant and going abroad is one of the best way for growing faster. The other go abroad in order to compete with their domestic competitors. Whatever reasons for going international, the final purpose of every enterprise is the prospected profit to be made (Root, 1994, 1564). In order to achieve this aim, each enterprise must have suitable entry mode choice to expand.

Internationalization process implements in all area of global economy. Telecommunication is not an exception. According to Afullo (1999, 287-296), telecommunication is the engine for economic growth. It has participated to internationalization process of all areas of the global economy. It helps other service business to deliver service and help international communication to become easier and faster (Lovelock and Yip, 1996, 64-68; Knight, 1999, 347-360).

In Vietnam, the internationalization has influenced in all aspects of the economy. The accession of the international associations, organization (WTO, ASEAN,
AFTA, CEPT, CAPT) opened the door for domestic enterprises to integrate the global economy. In international process, Vietnam has rapidly expanded to import, export, promote the development of domestic manufacture, create more jobs, etc... in 1990, the export volume reached 2.404 billion USD and import volume was 2.752 billion USD. To 11/2011, the total volume of export and import reached 197,28 billion USD (General Department of Customs, 2012).

In Vietnam, the internationalization process of mobile network operators have grown rapidly and play a vital role to the economy of the country. Before 2000, the Vietnamese telecommunication market had only one supplier named Vietnam Posts and Telecommunications Corporation (VNPT). With the entry of Viettel in 2004, the Vietnamese telecommunication market become more competitive; eliminate the monopoly status in the market. Besides, after accessing the WTO, with its commitments, Vietnam has to break a number of tariff and non-tariff barriers, open the domestic market to the foreign enterprises. It leads to the fact that the Vietnamese market becomes more competitive because not only domestic enterprises but also foreign enterprises (Vinpelcom, Gtel, Hutchison, Comvik, and SKtelecom) have traded in telecommunication sector. This is a great challenge for Vietnamese operators but also an opportunity for domestic operators to evaluate themselves in order to investigate the way to maintain and develop brand and the market share. In this context, expansion is one of the best choices for operators. On the one hand, domestic operators have a number of strategies such as developed more new technology such as 3G, increase the service quality, cut tariff in order to attract the customer and maintain in the domestic market. On the other hand, with suitable strategies, Vietnamese operators expand to the foreign market by investing infrastructure, having merger and acquisition deals with the domestic operators in the host countries. The Vietnamese operators have invested up to hundreds of millions dollars to expand in the targeted foreign market. And up to this time, they had the initial results.
In international trend of Vietnamese telecommunication suppliers, Viettel is the pioneer. In 2006, Viettel started looking for overseas market research and to 2/2009, Viettel has officially opened Metfone mobile network in Cambodia, and has begun the process of doing business in foreign countries. After that, Viettel continued to expand its market to Laos with branded mobile network Unitel on 10/2009. On 9/2011, Viettel penetrated to the American market with the opening of the mobile network Natcom in Haiti. Viettel has invested and traded in three continents such as Asia (Laos, Cambodia), the Americas (Haiti, Peru) and Africa (Mozambique, Cameroon). In particular, in 2012, Viettel launched a mobile network in Mozambique and had more investment license in Cameroon. Besides, Viettel has promoted to invest in other areas such as Kenya, Ethiopia. The telecommunication network that Viettel investment and overseas business after two years are starting with interest and become large companies in the host country. With all of efforts, it is the first time Vietnam has one brand ranked in the 100 biggest networks. Nevertheless, Viettel has faced up with a number of difficulties. It requires a document to study detailed on the entry mode strategy of Vietnamese telecom operators in general and Viettel in particular. But in the scope of this study, the researcher only focuses on entry mode strategies of Viettel in Cambodia telecommunication market because it is the first foreign market that Viettel entered and the lessons from this foreign entry strategy could have recommendations for the next foreign markets.

1.2 Research objective

This research has three objectives:

- Clarify theoretical issue on international market entry strategy.
- Study and evaluate the efficiency of international market entry strategy of Viettel in Cambodia.
• Formulate the recommendations for Viettel in order to develop the international market entry strategy in Cambodian and in other country market.

1.3 Research question

There are two main research questions of this research as followings:

• What is Viettel's choice in order to entry a foreign market?
• Which Viettel gain from the foreign market and what difficulties that they have to face up with?

1.4 Significance of the study

This study is contributed and contributes to both the theoretical and practical side:

Academically, this study investigates the theories related to international market entry mode such as conception of internationalization, international market entry mode.

Practically, this research also provides the general point of internationalization process around the world especially in telecommunication sector. In this context, the Vietnamese telecommunication market has been also more competitive. The domestic operators have had a number of difficulties in order to maintain and develop in the traditional market. Expanding to the targeted foreign market is a good solution for them. But not all of Vietnamese enterprises could invest abroad and not all of them could gain profit from the foreign market. Thus, analyzing the case study of Military Telecom Corporation Viettel could be a useful lesson for other Vietnamese enterprises, not only telecom enterprises but also enterprises in
other sectors, who want to expand to foreign market. It is one of the most important values of this research.

1.5 Outline structure of the study

Introduction

This chapter provides a background of internationalization as well as internationalization process around the world, especially in telecommunication sector. It also presents a general international market entry situation of Viettel. Moreover, this chapter also provides the research objective, research questions and the significance of the study.

Literature review

This chapter focuses on providing theories on international market entry mode, the target market.

Research methodology

This chapter presents theories related to the research strategy as well as research method and data collection.

International market entry mode of Viettel

This chapter presents the current business situation of Viettel in domestic market as well as investigates the strength and weakness of the Viettel when expanding to foreign countries. In the next part, this chapter analyzes the market entry mode of Viettel with case study in Cambodia.
Conclusion

This chapter summarizes all the contents and analyses of the study. Moreover, it also provides a number of recommendations for the international market entry mode of Viettel.

2 LITERATURE REVIEW

2.1 Definition

This part of study will provide the definitions of internationalization, international market entry mode, and international market entry strategy.

There are various concepts of internationalization. According to Beamish (1990, 77), internationalization is the “process by which firms both increase their awareness of the direct and indirect influences of international transactions on their future, and establish and conduct transactions with other countries”. Johanson & Vahlne (1990, 38) definite internationalization in simple way: it is the process in which enterprises could increase their international involvement. Other definition of internationalization is presented by Calof and Beamish (1995, 116) as the process of applying the activities of the firms on the aspects of strategy, resources, structure into international environment.

International market entry mode is also definite by Root (1994, 15) as the way in which enterprise could bring their products, technology, management, human skill or other resources to entry a foreign country. According to Root (1994, 8), international market entry mode is classified into export entry modes, contractual entry modes and investment entry modes.
International market entry strategy is a strategy in which enterprises could raise their market share in the foreign market. According to Costa R. (1999, 35), there are three main factors affecting entry mode of internationalization strategy as market entry, the competitors and the capacity of the enterprise. With the purpose of expanding in foreign market successfully, each enterprise must investigate the way to chose their foreign market, bring their products to the foreign target market, maintain in this market.

After accession of WTO, the Vietnamese telecommunication market has been rapidly developed. From a market with only one network operator, the current market has 7 suppliers operating in domestic market with the market share as
With internationalization process, a number of foreign operators have entered in this market. Increasing competition makes domestic operators to investigate a suitable strategy in order to maintain and develop their business operations. In this
2.2 Steps to build international market entry strategy

According to Forsgren (1997, 124), there are three main steps to build the marketing mix in order to entry a new foreign market:

- Determine the long term and short term goals when entering a new foreign market. This determination could help enterprises to make appropriate strategies in order to penetrate the target foreign market.
- Determine the target country and target market: Determining target country and target market is an important step in building international market entry strategy. In this step, enterprises must analyze all factors which affects to the international market entry mode of each enterprises.
- Select the entry mode choice: After choosing the target country and target market, enterprises will identify and choose the suitable entry mode choice into a foreign market. This step is so important because it could affect to the success of enterprises’ penetration and gain the expected benefit from the target market.

Based on this theory from Forsgren, this study will expand with analysis on the target market, enterprises resources, international market entry mode, marketing mix, international strategy.

2.2.1 Market analysis

The first important step for enterprises when expanding to foreign market is market analysis. The selection of the right market, in which enterprises want to enter,
could lead to the business’s future success, especially for small and medium enterprises (Rahman, 2003, 128). According to Cavusgil (1994, 27), market analysis is also important to both foreign market and home market, it is a vital tool that can reduce uncertainty and determine solutions. In order to do that, enterprises should have knowledge on the world economy and have some foreign market that they interest. When analyzing the attractive foreign market, enterprises should evaluate the sales potential in each candidate market for the enterprises’ products and how it could be distributed (Calvusgil, 1994, 32). There are a number of factors affecting to selection of target country. Terpstra and Sarathy (2000, 356) stated that there are a number of issues which enterprises must evaluate for selection of target country and market such as the geographical distance of foreign market, the difference in cultural, politic, legal, economic. Rahman (2006, 84) suggested four main indicators that enterprises should evaluate before entering a new foreign market such as business structure, distribution system, legal system and business culture compatibility.

2.2.2 Evaluation on the enterprise resources

In order to enter a new foreign market, enterprises should analyze their resources with a purpose to understand their own capacity and make a decision to have an appropriate market entry strategy. In several entry strategy models, the researchers have discussed this issue (Tisher, 2004; Barney, 1991, 99-120). Javalgi and Martin (2007, 394) analyze three main factors of firm resources such as firm level resource, management characteristics, firm characteristic. In these factors, they focus on market orientation, entrepreneurial orientation, service innovation capability, global mindset, international experience, size, service type and year in business. Ekeledo and Sivakumar (2004, 88) have evaluated this issue namely firm specific resource such as proprietary technology, tacit knowledge, business experience, specialized assets, firm size, organizational culture and reputation. The theory presented by Dunning (1998) is based on the
ownership advantage (resource commitments) in three main factors: firm size, multinational experience and ability to develop differentiated products. According to Forsgren M. (2002), there are several internal variables such as financial situation, technology, equipment, product quality, level of human resources, organizational capacity, firm management, corporate culture, and marketing activities. These factors could give the references for a choice of foreign market entry strategies.

2.2.3 Market segmentation

The next step in international market entry strategy is market segmentation. It is the process in which enterprise could divide their market into smaller group of buyers (Kotler and Amstrong, 2006, 168). According to Shiffman and Kanuk (2000) there are five major variables in market segmentation: demographic, geographic, psychological, socio-cultural and behavioral variables. In this study’s framework, the researcher would analyze the market segmentation in three main major: geographic segmentation, demographic segmentation and psychographic segmentation.

Demographic segmentation

According to Armstrong and Kotler (2005, 187), by demographic segmentation, the customers are divided into segments based on the variable such as age, gender, education, religion, income, family size, occupation, race, generation, social class and nationality. Demographic segmentation is often to be used because it is easy to measure the variable affecting to operation of enterprises in foreign market. Gunter and Furnham (1992, 9) stated variables of demographic segmentation as following:
• **Age and life-cycle segmentation**: Analyzing this variable could help for firm to understand their customer’s needs. Each age have the different needs and wants. For example, young people like value added service but the older only want to listen and receive calls. It will affect to the decision of the operators to provide the package of services. But Armstrong and Kotler (2005, 188) also gave a warning to the marketers using the age and life-cycle segmentation that they must be careful to protect against stereotypes.

• **Income segmentation**: Income segmentation divides the market into different income group. Through income segmentation, firm could clearly identify their target customer and have an appropriate entry strategy. However, income is not always the reliable value for enterprise because the customer could have other priority on spending their money (Kotler and Keller, 2009, 257)

• **Gender segmentation**: By analyzing gender variable, enterprises could understand their customer ‘wants and needs and the difference between their man and woman customer. This factor is so important in a number of fields such as magazine, clothing, cosmetic.

• **Generation segmentation**: The time when each generation grew always affects to the characteristic of this customer group. Therefore, in order to direct to this customer group, the marketer could use the icons and images relating to the generation in the marketing strategies (Kotler and Keller, 2009, 259)

• **Social class segmentation**: The customer could classify in their preference groups such as home furnishings, clothing, and retailers. At present, a number of enterprises design/manufacture the special products for social class (Kotler and Keller, 2009, 260)

**Geographic segmentation**

Customers are classified into group based on the geographical unit such as nations, cities, provinces, regions. However, in geographic segmentation,
enterprises always face to the change of data because of population shift (Pickort and Broderick, 2005, 376). Gunter and Furnham (1992, 5) stated that the consumer behavior is always affected on their living area, working area. It leads to the fact that a number of enterprises have an appropriate marketing strategy (product, promotion, sale, and advertising) to meet the needs of geographical variables (Armstrong and Kotler, 2005, 186). Geographic segmentation is one of the most efficient tools for enterprise to predict their consumer behavior (Gunter and Furnham, 1992, 7)

**Psychographic segmentation**

With psychographic segmentation, customers are divided into two major variables: personal and lifestyle profiles. Psychographic only supplies the supplementation to the evaluation because it cannot provide the overview of consumer behavior. Psychographic divided the customer according to their attitude, lifestyle, interest and opinion (Pickton and Broderick, 2005, 377) While the geographical and demographical factors provide the customer segmentation, intensify the knowledge on the current consumer behavior and on the target market (Gunter and Furnham, 1992, 26).

2.2.4 **International market entry mode selection**

The choice of a suitable international market entry mode is a vital factor affecting to the successful business operation of enterprises in foreign market. According to Root (1994), there are three main groups of entry mode: the independent, co-operative and integrated. There a number of market entry mode. The electric paradigm of Dunning (1977, 1988) is one of the earliest models of market entry mode. Dunning (1977, 198) stated that there are three types of factors affecting to market entry mode: ownership advantages, location advantages and internationalization advantages. In each type, the researcher presented the other
important factor such as firm size, multinational experience, ability to develop differentiated products, market potential, investment risk, contractual risk.

Javalgi and Martin (2007) provide a model for the internationalization process of services firms.
FIGURE 2. Internationalization of service (Javalgi and Martin, 2007)
In this model, the author focus on analyzing factors such as firm level resources, management characteristics, firm characteristics, competitive advantage, international advantage, the factors of host country such as culture, government regulations, technology, economic development and market structure.

Other famous model is developed and improved by Ekeledo and Sivakumar (1998, 2004)

![Diagram of foreign market entry (Ekeledo and Sivajamar, 1998)](image)

**FIGURE 3.** A model of foreign market entry (Ekeledo and Sivajamar, 1998)
This model of Ekeledo and Sivajumar provided special variables such as firm-specific resources, strategic issues, home country factors, host country factors and nature of products. These factors provide the general view of the market, the enterprise resources and help enterprises to have an appropriate entry strategy.

2.2.5 Marketing mix for market entry

The concept of marketing mix is existed several years ago. A great number of researchers investigated and improved the theory of marketing mix such as Culliton (1948), Borden (1965), Lauterborn (1990), Kotler (1994, 2003), Kent and
Brown (2006), Fakeideas (2008). Marketing mix is “the set of marketing tool that the firms use to pursue its marketing objectives in the target market” (Kotler, 1994, 98). According to Palmer (2004, 165) stated marketing mix as the tool to grow both long-term and short-term strategy. Bennett (1997, 152) presented marketing mix is the way in which the marketing makers could translate the marketing planning into practice. It affects to the development of marketing practice and theory (Möller, 2006, 440). According to Grönroos (1994, 13), the combination of factors in marketing mix could change the competition of the enterprises.. The terminology “marketing mix” is stated the first time by Borden (1965, 388). According to Borden (1965, 390) marketing mix has 12 different factors such as product plan, price, brand, channels of distribution, advertising, promotion, display, service, personal selling, fact finding, analysis, packing. Lazer and Kelly (1962, 213) stated three main factors of marketing mix such as the communication mix, distribution mix and the service and good mix. After investigating the work of Borden (1956), McCarthy (1964, 56) presented the four main elements of marketing mix namely 4Ps. 4Ps is abbreviated of the words: product, price, place and promotion.

Product

According to Hollensen (2004) is the most important thing for enterprises in global marketing mix in order to get success in foreign market. Thomke S. von Hippel E. (2002) stated that there are three main strategies to appropriate with the basic products in foreign. It is consisting of common product maintenance, change to adapt the product and innovation of new product.

Price

Kotler (2005) defined price as the sum o all the values that consumers transfer in order to gain the benefit for the product or services. This variable is so important for the international market entry strategy in especially in poverties area or
countries. There are four main factors of international pricing strategy namely firm level factor, product factors, environmental factor, and market factors.

**Place**

“Place is concerned with getting the right product to the target market. In the place area, we will see where, when and by whom the goods and services can be offered for sale.” Mc Charty, (1982, 36). “The place of purchase also communicates, e.g. an item purchased in Harrods has a different perceived value to an item purchased from a street stall. (Smith, 1999, 6)

**Promotion**

“Promotion is concerned with telling the target market about the right product. Promotion includes personal selling, mass selling and sales promotion” (McCharty, 2001, 37). According to Kotler (1994, 596), there are five major tools of promotion mix as following:

- Advertising
- Direct marketing: use email, telephone
- Sales promotion
- Public relation and publicity
- Personal selling
3 RESEARCH METHOD

3.1 Research strategy

Firstly, research has been defined by a number of authors. However, in 2008, Australian research council (ARC) has expanded the definition of research as “the creation of new knowledge and/or the use of existing knowledge in a new and creative way so as to generate new concepts, methodologies and understandings. This could include synthesis and analysis of previous research to the extent that it is new and creative” (ARC, 2008, 1) According to Creswell (2009, 193-200), the Research strategy is related to make a decision for the method of collecting and analyzing the data. Qualitative strategy is applied for this research. With qualitative strategy, the researcher should gather and analyze the data with concentrating on words more than quantification (Bryman and Bell, 2007, 28). With the qualitative method, the researcher could have comprehensive focus, achieve the deep knowledge on the issue and understand deeply about the subject (Duffy, 1986, 187). International market entry strategy is a holistic process with deeply understanding and qualitative method could respond to this requirement. For the requirement of the intensive nature, the qualitative method usually uses the small and selective simple to analyze (Cormack, 1991, 156). In order to understand and analyze deeply the decisions of Viettel in expanding to foreign language, the researcher used a number of different methods such as questionnaire, interview, and survey.

3.2 Research design

Research design is a detailed plan for the research in order to gather and analyze the data. Research design is a useful tool for the researchers to investigate and obtain the results on the relationship among the variables. Yin (1994, 154) stated
that there are at least four issues that must be solved in this detailed plan such as the study question, relevance, data collection and result analysis. Numerous other researchers have investigated about the research design. Christensen & Engdahl (2001, 189) asserted that there are two main types of research design: narrow-deep research and abroad-external research. Other researcher (Sekaran, 2003, 56) presented that there are three main types of research design namely exploratory, descriptive and casual research. Zikmund (2003, 125) also studied on three type of research design. According to Zikmund, exploratory research is implemented to determine the nature of the issue; the descriptive presented the characteristic of phenomenon; the casual research is implement after the process of limiting the scale of the research and analyses the causal relationships among the different variables. Lee and Ling (2008, 235) stated that in research design, the concept observation could help researcher easier to solve the research question.

According to Zikmund & Babin (2007, 208), the descriptive research would supply the general view for the study issues with variable description.

In order to bring out the issues, the researcher also used the case study design. There are three main reasons for gathering case study: (1) it could help researcher to collect and decide when having difficulties in data collection, (2) it is very useful for the studiers to get the results through actual phenomenon, (3) it is easier for researchers to understand the process with “why” and “how” question (Benbasat, 1987, 398)

### 3.3 Data collection

Data could be classified into two main types: primary and secondary data. There are a number of researchers classified the ways to collect primary data such as Lewis (2003, 125) stated two ways of primary data collection namely observation
and interview; Kotler (2010, 34) presented five different ways: groups, observation, survey, experience and behavioral data.

Saunders at al. (2003, 98) defined as data gathered and used by previous studies. Czinkota et al. (1997, 123) provided various sources of secondary data such as newsletters, commercial information, libraries, and databases.

Due to these theories about the data collection, the author will apply both secondary and primary data in order to have a deep knowledge on this issue.

In this study, primary data was used with interview method with four senior of Viettel group on foreign entry mode strategy with focus on strategy into Cambodia market.

Secondary data is used in the way of gathering the information of trading environment in the foreign target market in order to help Viettel to know the opportunities and challenges that they would face up with. Moreover, the business situation of Viettel would be determined through analyzing the market statistics and the business operation statistic of Viettel.

### 3.4 Reliability and validity

According to Yin (1994, 35), reliability is represented by the accurate repeat of the same process and research of the previous study and it lead to the same results and conclusions. Patton (1990, 154) listed a number of factors affected to reliability into three main groups: (1) the reliability of the author, (2) philosophical confidence in the phenomenological paradigm, (3) rigorous methods and techniques for collecting data. In this study, with the purpose of getting the reliability, the researcher took the detailed steps for implementing the study and ensures that it has the reciprocal relationship among the steps. Moreover, this
study has been strengthened with interviews in order to increase the reliability from various sources.

The method for the different contents of the research depends on validity (Yin, 1994, 68). Yin (1994, 54) also state three main elements affecting to validity: using (1) draft case study, (2) various data source collection, (3) series proof. In this study, the researcher applied the three steps of Yin (1994, 124) to analyze the issue of international market entry mode strategy. Firstly, in order to analyze the international market entry strategy, the researcher used the case study of Viettel especially in Cambodia to investigate the context, profitability of Viettel and then evaluate if the international market entry strategy of Viettel is suitable or not. Secondly, this study use a number of different data sources collection from the prestige sources with the aim to have a holistic view about this issue. Finally, several evidences were used in this research. Moreover, interviewing four managers of Viettel will evaluate the quality of the data collection. This study would determine the success and its difficulties of Viettel when operating in the foreign markets. This study focus on analyzing the operation of Viettel in Cambodia because Cambodia is the first foreign market of Viettel after deciding to expand in foreign market and the lessons from expansion in Cambodia could help Viettel gain more experience in other foreign market.

4 VIETTEL’S INTERNATIONAL MARKET ENTRY STRATEGY

4.1 The general situation of Viettel’s international market entry strategy

This part is an overview of the business operation of Viettel in their foreign target market with the reliable figures, most of them are provided by the Viettel Global. Currently, Viettel has developed their business in Cambodia, Laos, Mozambique, Peru and Haiti. The international market penetration strategy of Viettel has begun
in 2009 with the launch of two mobile network operators in Cambodia (MetFone-2/2009) and in Laos (Unitel-10/2009). Currently, Viettel is in the process of negotiating with the number of governments in order to expand their business activities in the international environment such as Laos, Thailand, Myanmar, Cuba.

In the invested and investing market of Viettel, Peru is the country with the largest population of nearly 30 million people (ranked 42nd in the world). The next rank is Mozambique with 23 million people (ranked 51st in the world). Among these countries, the population structure of Peru is similar to Vietnam. The population group in labor age is nearly double the population group in dependent age. The proportion of Peru’s population under the labor age is 28.5%, over the labor age is 6.4%, this number of people in the labor age is 65.1% and the average age of Peru’s population is 26.2. One of other foreign market of Viettel, Mozambique, has the same situation. This country is one of the countries in the world having the youngest population with the average age of 16.8 years old. The percentage of population under the labor age is 45.9%, over the labor age is 3% and this number of people in the labor age is 51.1%. Because the characteristics of the population in these countries have similarity in comparison with the population situation in Vietnam, Viettel has a great opportunity to achieve success in telecommunication service in these countries.

FIGURE 5. The population structure of Peru and Mozambique
The revenue of Viettel from foreign market in quarter 1/2011 has increased 200% over the same period. In 2010, the telecommunication turnover from Cambodia and Laos market is 220 million USD, in which the revenue from Cambodia was 161 million USD and this number in Laos was around 61 million USD (increase 2.8 and 4.5 time in comparison with the same period in 2009). In 2011, the market turnover of Viettel in Cambodia was 256.4 million USD, up 76% compared to 2010. Profit after tax of Viettel increased 32% from 3.132 million USD to 35.90 million USD. In Laos, in 2011, the profit receiving from Star Telecom is about 10.07 million USD – increase 50% in comparison with 2010.

It could be found that the overseas investment strategy of Viettel is a transnational strategy. It is applied when a company faces up with the pressure on decreasing the cost and satisfies the requirements of the local. Most of the countries in which Viettel focused on searching for investment opportunities are developing market, both on economic and telecommunication. Simply because Viettel is a young operator, all of the attractive market have been invested and expanded by the well-known operators. However, Viettel investigated their advantage in this difficult market. In total 30 international telecom investors, Viettel is the poorest. Because of poverty, growing up in a developing market like Vietnam, Viettel has a number of experiences to operate their business in difficult market, understand and share the things that the developing country concerns. That confirmed that Viettel expand to foreign countries with the ambition to become one of the largest operators in the host countries. In order to do that, Viettel has applied to the blue ocean strategy- it means that they created themselves a new business branch, a new market, an “ocean” of the new service in a land still has not been one explored.
4.2 Investment in Laos

Ensuring to serve the customers 24/7 is one of the most important tasks for all telecom operators. Doing this task is one of the difficulties for Viettel in Laos market because of the habits of the indigenous employees that they don’t work over time and in the weekend. In communication at work place, the Laotians employees prefer to speak softly and not familiar with the military manner. In Laos, Viettel had a joint venture with Star Telecom namely Unitel and on 10/2009, Unitel launched official. After three years of official service providers, from 4th position in the Laos market share, Unitel reaches the first position with the 44% of the market share. The appearance of Unitel with its wide network has helped Laos Telecommunication sector to develop considerably and taken the telecom density in Laos to increase fourfold. Averaged over one million people, the optical density was increased from 1,300 km to 6,600 km (6.6 times compared to the global average density), the density of stations increased from 250 BTS (Base Transceiver Station) to 950 BTS (about five time in comparison with the global average density). In order to reach out and provide services to all people, including the people lived in the furthest places, Unitel has socialized to provide services with the network of 15,000 agents. This network has created stability of job and salary for 20,000 local employees. All the innovation in business bring Unitel to become the best telecommunications provider in growing market (Unitel was awarded in 13/11/2012 by World Communication Award)

4.3 Investment in Peru

Viettel has planned to invest 27 million USD in order to build a new mobile network in Peru. The tender for the license of 4th mobile network in Peru have the participation of four network operators namely Viettel, Americatel, Hits Telecom and Winner Systems
Viettel won the bid thanks to its commitment to serve free for 4025 education organization in Peru over the next four years, more than two-fold compared to the commitment of the two other rival competitors. Other conditions of the license is Viettel must have a minimum of 15,000 connections in the first year and 338,000 connections in the 3rd year as well as coverage into 5 provinces outside of the capital Lima and Callao in two years.

Currently, Peru has three mobile network operators, including Claro (owned by America Movil SAB Group of Mexico), Movistar (owned by Telefonica Moviles SAC, a member of the group Telefonica SA of Spain) and Nextel del Peru SA, a member of NII Holdings Inc. In particular, according to statistic to the end of 2009, the Movistar is the largest operators, accounting for 63% of Peruvian mobile market with 15.6 million subscribers, followed by Claro (33% market share and 8.25 million subscribers) and Nextel del Peru SA (more than 800,000 subscribers and 3.3% market share). According Telecompaper.com website, mobile phone penetration in Peru has reached 97% by the end of 2010, up 17% from last year. Peru has nearly 30 million people with a per capita income being about $3,500 to the end of 6/2010. This South American country has more than 8 million Internet users, reaching 27%.

4.4 Investment in Mozambique

On May, 2012, The Mozambique government has granted licenses to provide mobile telecommunications services for Movitel. Movitel gained a victory over two other competitors namely Uni-Telecom, a joint venture between Angola’s Unitel SA and Mozambique’s Energy Capital SA; and TMM, the company’s telecom operator of Portuguese (Portugal Telecom).

Auction given the condition that the involved companies must have at least 2 million customers in the countries where they have operations and have proven that their sales reached over 50 million USD per year. Movitel spent $28 million
for the third mobile license in Mozambique. This auction for the 3rd mobile license in Mozambique has 22 participating companies. With this license, within 12 months, Movitel has to start their services provide. In the next five years, Movitel will invest 400 million USD to develop the business while ensuring coverage to 85% of the population of Mozambique.

Movitel is an alliance between Viettel and SPI, a joint stock company of Mozambique. Mozambique currently has 20.3 million people, of which about 7 million people have been customers of two mobile service providers Mcel and Vodacom. Capita income of the people in Mozambique was 464 USD by the year 2009 and is one of the world's poorest countries.

13/11/2012, Movitel has become the enterprise with the best solution to improve telecommunications in Africa rural area in the ceremony of Africa Communication Award (Africa Com). From the beginning, Movivet has deployed on a large scale the infrastructure and business network throughout the whole country and make Mozambique to be one of three countries with the best telecommunication infrastructure in sub-Sahara area. This is the important condition to deploy the advanced management tools such as e-government, developing ITC applications in the fields of education, health.

4.5 Investment in Haiti

9/2011, Natcom company was officially launched in Haiti. It is a joint venture between Viettel (holding 60% of the share) and the Teleco of Haiti government (holding 40% of the share).

After the next months of implementing the services, the calls from other network providers to mobile phone and fixed line of Natcom are also successfully testing. In 2011, Natcom had 1000 BTS in order to operate the services in Haiti telecommunication market.
On 4/5/2010, the government and central bank of Haiti has signed an agreement in which allows Viettel to invest in state-owned telecommunications operator namely Telecommunications d’Gautu (Teleco). Under the agreement, Viettel will invest a package with the value of 99 million USD into Teleco. And Viettel has agreed to invest 59 million USD in the initial year and 40 million USD for the next four years in order to upgrade the telecommunication network and service of Telecom which were severally damaged after the earthquake on January, 2010. According to the previously published documents, Viettel will take over the old debts of Teleco (estimated about 30 million USD).

In Haiti, the service infrastructures of fixed-line of Teleco operator were almost completely destroyed after the earthquake on January, 2010. Therefore, Viettel and their partner conducted to replace and additionally invest in infrastructure in order to supply more telecommunication services. Currently, Natcom is providing the services in leasing international channels, fixed-line and internet ADSL services.

After receiving the investment of Viettel, Teleco will become a new telecommunication joint venture having license and waveband which respond to all telecommunication services such as international submarine cable, wireless broadband and mobile.

### 4.6 Investment in Cambodia

At the end of 2006, the Military Telecom Corporation (Viettel) had the first step into Cambodia market and become the first telecommunication enterprise of Vietnam investing into foreign market. This is the first foreign market and the most successful market of Viettel. It will be explored the reason for the success and the results which Viettel gained.
4.6.1 Current situation of the target market – Cambodia

Overview about the Cambodia economy

Cambodia is an agricultural country with 58% of the population employing in agriculture and agriculture accounted for about 40% of the whole country’s GDP. The Cambodian government proposed the planning on developing national strategy from 2006 to 2010 and then Cambodia has gained the remarkable achievement. The Cambodia economy has been out of recession and stagnation. The macroeconomic is stable and continues to maintain the high growth rates around 10% per year (this number in 2004 was 11.7%, 2005 reached 13.4%, 2006 was 10.6% and 2007 reached 9.6%). The global crisis of economic and finance in 2008 affected to the Cambodia economic: Inflation increase to over 20% of GDP, the GDP in 2009 decreased 2%. However, in 2010 and 2011, the GDP was grown up to 6.2% and 6.7%. The FDI inflow of Cambodia has increased continuously from 2010 to first half of 2012:
### Table

<table>
<thead>
<tr>
<th>Region / Economy</th>
<th>2010 H1</th>
<th>2010 H2</th>
<th>2011 H1</th>
<th>2011 H2</th>
<th>2012 H1</th>
<th>Growth rate over 2011: H1 (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>World</td>
<td>580,0</td>
<td>771,6</td>
<td>728,7</td>
<td>849,4</td>
<td>667,6</td>
<td>-8.4</td>
</tr>
<tr>
<td>Developed economies</td>
<td>256,4</td>
<td>397,1</td>
<td>329,2</td>
<td>462,0</td>
<td>298,1</td>
<td>-9.5</td>
</tr>
<tr>
<td>European Union</td>
<td>147,0</td>
<td>207,4</td>
<td>182,7</td>
<td>249,5</td>
<td>175,9</td>
<td>-3.8</td>
</tr>
<tr>
<td>United States</td>
<td>65,3</td>
<td>132,6</td>
<td>94,4</td>
<td>132,6</td>
<td>57,4</td>
<td>-39.2</td>
</tr>
<tr>
<td>Developing economies</td>
<td>286,8</td>
<td>336,3</td>
<td>352,8</td>
<td>340,3</td>
<td>336,0</td>
<td>-4.8</td>
</tr>
<tr>
<td>Africa</td>
<td>20,9</td>
<td>21,9</td>
<td>22,0</td>
<td>21,4</td>
<td>23,1</td>
<td>5.1</td>
</tr>
<tr>
<td>Latin America and the Caribbean</td>
<td>85,1</td>
<td>102,6</td>
<td>108,4</td>
<td>111,5</td>
<td>117,3</td>
<td>8.2</td>
</tr>
<tr>
<td>Asia</td>
<td>179,8</td>
<td>210,5</td>
<td>221,7</td>
<td>206,5</td>
<td>196,9</td>
<td>-11.2</td>
</tr>
<tr>
<td>ASEAN</td>
<td>36,8</td>
<td>46,8</td>
<td>49,8</td>
<td>57,2</td>
<td>47,4</td>
<td>-4.9</td>
</tr>
<tr>
<td>Cambodia</td>
<td>0,3</td>
<td>0,5</td>
<td>0,3</td>
<td>0,6</td>
<td>0,9</td>
<td>165.7</td>
</tr>
<tr>
<td>Indonesia</td>
<td>6,3</td>
<td>7,4</td>
<td>10,3</td>
<td>8,9</td>
<td>8,2</td>
<td>-20.6</td>
</tr>
<tr>
<td>Malaysia</td>
<td>3,7</td>
<td>5,5</td>
<td>6,9</td>
<td>5,1</td>
<td>4,4</td>
<td>-36.6</td>
</tr>
<tr>
<td>Philippines</td>
<td>0,7</td>
<td>0,6</td>
<td>0,8</td>
<td>0,4</td>
<td>0,9</td>
<td>10.6</td>
</tr>
<tr>
<td>Singapore</td>
<td>20,2</td>
<td>28,8</td>
<td>27,9</td>
<td>36,2</td>
<td>27,4</td>
<td>-1.9</td>
</tr>
<tr>
<td>Thailand</td>
<td>5,6</td>
<td>4,0</td>
<td>3,4</td>
<td>6,1</td>
<td>5,6</td>
<td>62.1</td>
</tr>
<tr>
<td>Transition economies</td>
<td>36,8</td>
<td>38,2</td>
<td>46,7</td>
<td>47,0</td>
<td>33,5</td>
<td>-28.3</td>
</tr>
</tbody>
</table>

FIGURE 6. FDI inflow of Cambodia

Source: UNCTAD Revised

World and regional totals estimated Total covers only 6 ASEAN countries for which data are available

The Cambodia government takes an environment with a number of policies which create an advantage environment for the foreign investors operating their business. Investors do not have to pay taxes for three years and are eligible for 3 years depending on the activity or field of investment. They must only pay taxes when having profit but not more than the 4th year. Investors are exempted from
import duty of 100% for the items as building materials, production equipment, machinery, raw materials and spare parts. The Cambodia government ensures that the foreign companies would not be nationalized. The government will not control the price. There are no different between the domestic investors and foreign investors. Cambodian law also allows the establishment of enterprises with 100% foreign capital. In Cambodia, the lease period for foreign investment up to 79 years and can be extended to 99 years, the law is respect and protect the assets of investors.

Currently, Cambodia has also some limitations. Firstly, Cambodia is only a small market with only about 14.7 million people. Secondly, although the Cambodian government has tried to improve the infrastructure, the infrastructure in Cambodia is still not complete. The other difficulty for foreign investors in Cambodia is the price of electricity. However, in less than next ten years, this is not problem for investors because a number of hydropower projects have started to build.

The business operations of Viettel in Cambodia have taken a number of advantages. These advantages are created firstly through the cooperation between two governments. The two governments have created a advantageous environment for trading between the enterprises. Two-way trade volume between two countries has increased annually. For geography, Vietnam and Cambodia are two neighbor countries so it created favorable advantages in trade border. All of these create opportunities for Vietnamese enterprise to trade in Cambodia.

4.6.2 The situation of the Cambodia Telecommunication market

Overview

Previously, the Civil war was occurred continuously. It destroyed the country's infrastructure especially in telecommunication network. Cambodia has been sponsored from the international organizations and foreign countries in order to restore the telecommunication network. In 1990, Cambodia received 21.5 million
USD from the United Nation to implement the project in which set up the fix-line, PABXs office, satellite earth station. In 1996, the Government of French and Japan financed to Cambodia to build the telecommunication infrastructure and extend the fixed line network. In 1997, the International Development Research (an organization of Canada) helped Cambodia to develop the internet infrastructure.

After these help, the Cambodia telecommunication infrastructure has improved significantly. Up to 2012, Cambodia had eight telecommunication network operators namely Hello, Excell, Smart, Mfone, Beeline, Metfone, Cadcom, Mobitel and four fixed line providers namely Mfone, Mobitel, Camitel and Viettel. Although the infrastructures of fixed line network were destroyed in the Civil War, until 2011, Cambodia has had 40.000 fixed line subscribers.

Although Cambodia has more than 50 ISPs (Internet Service Providers) the number of users is low and the fee for internet is still high in comparison with the average income of the population. There are a number of reasons for this situation such as the education level is low, about 90% of the population are the Khmer but there is lack of Unicode font for Khmer that could limit the expansion of the local application and affect to the development of the internet. According to Paul Budde Communication Ltd (2012) until 2012, Cambodia has had 9.000 internet subscribers with 48,000 users, the internet density reaches 0.3%, and amount of personal computers is 40,000. In 2010, Cambodia operated the optical system with 100% inland investment in order to improve the competitiveness and reduce the telecommunication charges. It is also the effort of the Cambodia government with the purpose of attracting more foreign investors in Cambodia.

The government of Cambodia played vital role in supporting the development of telecommunication sector. According to Saroeun (2010, 12), the Ministry of Post and Telecommunication is the only organization established the regulation for the Cambodia telecommunication. And one state-owned company, Telecom
Cambodia, has managed all infrastructures in Telecommunication area of Cambodia.

**The mobile phone service market of Cambodia**

The cellular phone market of Cambodia has drawn the investor’s attention with their strong investment in order to be more competitive in the market. Because of the competition of eight mobile service providers in the small market (with only more than 14 million people), the telecommunication market of Cambodia has become trouble-spot of the economy. The cellular phone market of Cambodia has developed faster than expected and the development of the fixed line market.

**The number of subscribers**

The telecommunication infrastructures of Cambodia were destroyed in the Civil war. The Cambodian government has attempted to improve the telecommunication infrastructure with the aim to attract foreign investors. Moreover, the Cambodia government has liberalized the telecommunication market, in which allow the foreign investors to entry the domestic market. With all effort of the government, Cambodia has gain several achievements. In 2000, Cambodia gained 1% in telephone density. In 1992, number of the fixed line subscribers was 4000. After one year, number of mobile phone subscribers is more than number of fixed line subscribers. In 2011, Cambodia had about one million subscribers and this number in 2012 was 1.6 million subscribers (International Telecommunication Union-ITU, 2012). One of the main reasons for this situation is the convenience of mobile phone services. With mobile phone services, the user could pay the telephone fee with the prepaid services. Because Cambodia is one of the poorest countries, prepaid is appropriate for the Cambodia.

**The growth rate and density of the mobile phone subscribers**
In 2011, the growth rate in Cambodian mobile phone sector was only about 23% (ITU, 2011). According to ITU, in ten countries of ASEAN, Cambodia has been ranked 9th in the total of ten countries with the following statistic:

<table>
<thead>
<tr>
<th>Population (million persons)</th>
<th>GDP/person/year (USD)</th>
<th>Total subscriber (1000)</th>
<th>Telephone density/100 persons</th>
<th>CARG (%) (2000-2011)</th>
</tr>
</thead>
<tbody>
<tr>
<td>14.07</td>
<td>375</td>
<td>1.062</td>
<td>7055</td>
<td>52.1</td>
</tr>
</tbody>
</table>

**FIGURE 7.** The growth rate and density of the mobile phone subscribers

Source: ITU (2011)

GDP structure affects so much on the growth rate of service sectors including mobile phone market. The penetration rate of cellular phone has growth rapidly from 2004 to 2011 (the penetration rate in 2011 was 91%). In 2004, Cambodia had about 660,993 mobile phone subscribers; this number in 2011 was 12,500,000. According to Robinson (2011, 89), Cambodia was one of the countries in which the mobile phone market has increased fastest around the world. However, currently, the growth rate of Cambodia mobile phone market has slowed down. Because the Cambodia telecommunication market is small market with small large-scale population; moreover, in this small market, there are too many mobile service operators. It lead to the fact that after the fast-growing period, the market would be rapidly become saturated period. Other reason for this situation is the income/person/year of Cambodian is quite low (about 375 USD). This number is lower than other countries in region and around the world. The Cambodia government has aware of this issue. Therefore, in the national development strategy until 2012-2022, the Cambodia government establishes the norm of the growth rate for GDP being 6-7 percents.

**The service in the mobile phone market**
Service is always important for mobile phone market. Especially in one competitive market like Cambodia, it is the vital issue for the existence of each operator. Because of the convenience, prepaid service is the most favorite service in Cambodia with the rate of 90%. Among the mobile phone service providers, the percentage of prepaid users of CamGMS (Mobitel) is the highest with 99%. However, the service of Cambodia cellular phone market has been limitation. The main service of mobile phone market is only phone call. Previously, some mobile phone service operators of Cambodia provided SMS text services for the users. But it was not successful due to the characteristics of the Cambodia population. Most of the Cambodia population is the Khmer. However, there has not yet been Khmer font in cellular phone. It means that the mobile service providers have to face up with this difficult issue when providing services such as SMS text services and service in using Internet with mobile phone.

About Viettel, Cambodia is a great opportunities and challenges for their activities. Viettel has a number of opportunities in this market. Vietnam and Cambodia is two neighbor countries. Thus, the difference of culture and the geographic distance could be easier to shorten. When operating in Vietnam, Viettel has had a number of strategies to compete and increase the market share. With suitable strategies, Viettel has become the mobile service provider with the biggest market share in Vietnam. The population structure of Cambodia is similar to Vietnam. Therefore, the successful operations of Viettel in Vietnam could be useful lessons for them when investing in Cambodia. However, Viettel has also a number of difficulties in Cambodia market. This market is small with only 14.7 million people but it has also 8 mobile service providers. It has a great level of competition. Moreover, the telecommunication infrastructure of Cambodia is not complete. Investment in Cambodia has required the company to have a great economic potential to invest in infrastructure.

4.6.3 Business environment of telecommunication sector in Cambodia
The management policies of the Cambodia government

In development planning of Cambodia government until 2012, there are three main objectives, which Cambodia would achieve, as following: the government will (1) encourage developing the activities of the private economic zone, (2) attract the foreign investment and (3) encourage growing the telecommunication zone. In the development strategies, the Cambodia government has focus on improving two main major sectors as telecommunication and bank. In order to attract the foreign investors, the Cambodia government has attempted to improve the investment environment, stabilize the political environment.

Previously, the Ministry of Post and Telecommunication of Cambodia managed all about the post and telecommunication sector in the country such as operation, business, and infrastructure. However, in 2012, the Cambodia government has divided the Ministry of Post and Telecommunication in accordance with the specified functions. The Ministry of Post and Telecommunication of Cambodia will manage the general policies of the sector. One state-owned company namely Telecom Cambodia will take over the business operation activities as well as the infrastructure of the Cambodia Telecommunication sector. Separating Ministry of Post and Telecommunication into specified functions will make the Cambodia telecommunication sector more transparent and more attractive in the eye of the investors.

The environment of nature and society

According to ITU, until 2011, Cambodia population is 14.7 million people, in which the amounts of people living in the city consist of 16%. Most of the Cambodian is Khmer (90%). And other 10% is Laos, Vietnamese, Chinese, Thailand, Myanmar, and Malaysian. According to ITU (2011), Cambodia has young population with 42.8% of population under 15 years old, 26.1% in the age of 15-19 and 31.1% of population over 30 years old. Moreover, the estimated annual growth rate of Cambodia population is about 1.54% (NIS, 2009). In general, in the social aspect, Cambodia is a potential market. Although the current market of Cambodia is quite
small with only 14.7 million people, this number would increase quickly because of the annual growth rate of population.

Moreover, the natural environment in Cambodia takes also a number of opportunities for Viettel in market penetration process. Most of Cambodia populations (more than 80 percents) live in rural or underdeveloped area such as the hill area swam area. With the topography of these areas, it is difficult to develop the fixed line network. In addition, the civil war was also damaged most of the infrastructure of fixed line network in these areas. It is a challenge for developing fixed line network but also an opportunity for improving mobile phone network.

**Technological environment**

Currently, the technology of telecommunication sectors has increased quickly both in quality and the multiform of the services. There are number of technology in telecommunication around the world such as CDMA, US TDMA, GSM, PDC, and third technology in which the users could be provided more value-added services including internet accession, voice services. Everything has two sides and telecommunication technology is too. Both of technology has their own advantage and disadvantage. However, CDMA and GMS are the most popular technology used in telecommunication in the world. Between CDMA and GMS, CDMA has less advantage on business aspect in comparison with GMS. Because with GMS technology, the mobile service providers could supply a number of services such as WLL (Wireless local loop), limited mobility.

In Cambodia, although the Telecommunication sector was developed from 1993, currently, Cambodia has only really had the GMS cellular phone service provider. According to Global Mobile, to the end of 2011, Cambodia has about one million mobile phone users and four main GMS network operators namely Casacom, Mobitel, Cam tel and Camshin with the following information:
- **Casacom** was established in 1999. This provider has used GMS system. The annual growth rate of Casacom has estimated about 39%.

- **Mobitel** was established in 1997. This operator has used the system of GMS-900/1800. The annual growth rate of Mobitel has been 31.9%.

- **Cam Tel** was established in 1993. It has used AMPS system. The annual growth rate has been -47%.

- **Camshin** was established in 1998. This mobile service provider has used GMS-1800 system.

In fact, the GMS providers have achieved the success in the Cambodia telecommunication market. Other technology such as AMPS and CDMA could not compete in this market. The Cambodia mobile phone users has usually used the voice services, the other services such as value-added services is not concerned with. This fact has also proved that GMS system is the most appropriate to the Cambodia telecommunication market.

Around the world, new telecommunication technology has developed continuously, the development of new technology has always affected to the existence of the older. The Cambodia telecommunication market has been no exception to this trend. However, with characteristic of Cambodia telecommunication market, it is not easy for the new technology to develop in Cambodia. For example, the voice service using IP system is so difficult to apply in Cambodia because the telecommunication infrastructure in Cambodia has not yet developed. Therefore, it could only compete with the fixed line network due to the cheaper price of the service.

Applying CDMA is also a story that needs to talk. CDMA has a number of advantages in technology. It could supply a number of services beside the traditional mobile services. With CDMA, the phone is not only use for listening and telling but also is a useful computer. Therefore, it is very popular in the developed countries. However, CDMA has a disadvantage, which is one of the most important affecting to the choice of customer in Cambodia market. In order to use
the services with CDMA technology, the users must pay more for this service than GSM. In fact, the living standard of Cambodia has not been high with the Gross national income per capita of 760 US$ (World Bank, 2012). CDMA network is only suitable with the industrial countries in which the Gross national income per capita is about 1,000 USD per year.

One more threatening for the existence and development of GMS is the developing of wireless technology. This new technology has a number of advantages. But in the next few years, it could be difficult to apply in Cambodia because of the three main reasons as following:

- It is not appropriate with the countries with low income per capital like Cambodia
- It takes a long time to improve the network infrastructure.
- It is difficult to share the view of point and standards in order to connect the equipments among the providers.

In comparison with other technology, GSM has a number of advantages when applying in Cambodia. One of the most important factors affecting to the consumer choice is the popular of the GSM cellular phone. More and more GMS cellular phones are manufactured by a number of different producers. The more producers do business in the market, the more competition increase. It leads to the race among the manufacture in design, price, and the price has trend to increase. Moreover, the price of GSM devices is cheaper in comparison with the price of other devices such as wireless technology, CDMA. This is one of the important things affecting to the mobile service providers when choosing telecommunication technology.

In conclusion, it is easy to be seen that the cellular phone market of Cambodia used mostly by GMS technology and upgraded services from GMS namely GPRS and EDGE. It is appropriate with the needs of the users in Cambodia in the next few years.
The situation of competitive environment of Cambodia mobile phone market

At present, the mobile market of Cambodia has become more and more competitive because of the business operations of 7 mobile service providers (not include Viettel). In order to compete, the operators are required to improve network infrastructure, develop the coverage area, and enhance the service quality. Moreover, there is a race on promotion among providers in order to attract more consumers and increase their market share.

Viettel has faced up with a number of issues when entering Cambodia mobile phone market. In 2009, when having a plan to invest in Cambodia, Viettel realized a number of difficulties in competitive aspect. The Cambodia market has a small scale but in this market, not only domestic operators but also foreign operators with their financial and international experience potentials have operated in this market. When entering Cambodia market, Viettel has competed with three big operators namely Mfone, Mobitel and TMIC Cambodia. They have entered the mobile market of Cambodia for 10 years and consisted of 95 percents of the market share. One more important competitor of Viettel is the joint venture of Millicom and Cambodia Royal Group namely Mobitel. Other Joint Ventures with Thailand, Sweden and Norway has increased the challenges for Viettel. Besides, Cambodia is also a potential market for Viettel. Most of Cambodia use mobile phone as their main communications means. Only 5 percents of Cambodia population has used fixed lines. This market has also many opportunities for Viettel to exploit the new market.

In order to analyze all aspects related to foreign entry market strategy of Viettel in Cambodia telecommunication market, the researcher presents SWOT model of Viettel in Cambodia.

**Strengths:** Viettel has number of strengths in Cambodia market. Due to the good relationship between two governments, the relationship between Viettel and Cambodia government is so good. Moreover, in Vietnam, Viettel has also operated
in telecommunication sector, so it also has a good relationship with the international provider. When providing services, Viettel has received the technical assistance from the experts. In operation process, Viettel has achieved international quality standard for their services.

**Weakness:** The Viettel employees have a background on technology and management but they have not so much experience in Account and marketing. Viettel has developed their business activities in many part of the telecommunication sector. It required a number of various experts in different technology.

**Opportunities:** More and more people choose Metfone as their mobile service providers. It leads to the fact that the market share of Viettel in telecommunication market has increased. It also affects to the belief of the investors and through that, they could increase the funds for improving the business activities. The Cambodia telephone market has a great potential because of unexploited areas.

**Threats:** In the context of fierce competition, Viettel has to face up with not only local providers but also international providers. It is really a great challenge for Viettel. In 2008, the global economic crisis influenced to the economy of all countries around the worlds and Cambodia is no exception. When deciding to invest in Cambodia in 2009, Viettel has confronted with a number of issues which could affect to their business operations.
4.7 Viettel’s marketing activities in Cambodia market

4.7.1 Market and customer research

With tools of research and analyzing the market, the factor affected the consumer choice behavior; Viettel has classified customers into two main criteria as following:

- **Current service users**: It consists of three main small groups
- Potential customer who has not used the services of any mobile service providers because of these main reasons: (1) due to the expensive cost, (2) customers in the uncoverage area, (3) customers don’t realize the benefit of Metfone
- Current customers of other mobile service providers.
- Spreaderd customers such as students, officials, military.
- **Social characteristic**: The customer group based on social characteristic including seven smaller groups namely Vietnamese and Chinese in Cambodia, laborers in rural area, business men, students, the monk, international tourist, persons working in the system of government.

4.7.2 Research and analyze the customer groups

In the next step before entering a new foreign market, Viettel has research the customer group in order to understand the needs, wants, consumer choice behavior, and habit. In each market segment, Viettel has classified into different characteristics according to internal and external factors of customer.

Moreover, customers have also divided according to social status and their age. It is one of the important factors affecting to the consumer choice. Analyzing social
status and age of customers could help Viettel to know more about the level of payment for mobile phone services and the taste of the customer.

For example, in case of studying the group of international tourist, Viettel has realize some characteristics of this customer group in order to provide the mobile phone services to this group. The customers in this group have usually used the international service package than inland service package but they consume a little time on network and they usually move due to the travel schedule.

Or in case of studying the group of labors in rural areas, they usually use only main mobile service as make and receive the calls. They seldom use the value-added services or SMS service. Contrary to this group, the group of students has usually preferred the SMS service than calling and receiving calls.

4.7.3 Policies on price aspect

When doing business in Vietnam, Viettel has a number of experiences in developing subscribers by using price strategy. The Cambodia telecommunication market and Vietnam telecommunication market has similarities on population structure, geography. Because two countries are developing country, the income per capita is low so the price of the service could affect to the consumer choice of the services. It is the reason why Viettel could apply pricing policies when entering mobile phone telecommunication in Cambodia.

Firstly, Viettel has applied the way of calculating charge with one second block. In the Cambodia mobile phone market, Viettel is the only mobile service provider applying this way of charges. By this way, the consumers could be spent a lot of money because this calculation method divided the fee into smaller block. This is one of the most attractive points of Viettel in comparison with their competitors. Moreover, this method applies not only for the special package but also for all customer groups and all mobile services including both inland and international
calls. Because of applying this calculation method, the Cambodia consumers could save 25% of the cost.

Secondly, Viettel has provided the cheap and flexible service packages which are appropriate with every customer. The Cambodia has an opportunity to approach the different services packages and plentiful value-added services. In Cambodia market, Viettel has engaged to provide the value-added services in which its charges are lower 20-25% than other mobile services providers in the Cambodia mobile phone market. Moreover, the countries, which have closed relationship with Cambodia in all aspects namely Thailand, America, China will be also received more benefits from the pricing strategy of Viettel. Furthermore, Vietnam is one of the biggest investors of Cambodia in all area. Trade transaction between two countries has increased in current years. Therefore, Viettel has provided preferential package for their users in Viettel system both in Vietnam and Cambodia.

Thirdly, Viettel has the sharing profit policy with the customers. Viettel is the only mobile service provider has applied this policy in the market. Accordingly, the customers will receive the bonus each month based on the minutes in which they heard regardless of off-net or on-net.

4.7.4 Product policies

Telecommunication is a special product. It is determined based on the effect of transmitting the information. In order to evaluate the product of Metfone, it is necessary to appreciate all aspects of the mobile network such as the width, the quality. There are a number of factors in which could be evaluated the quality of the mobile phone services such as transmission speeds, the degree of accuracy of the information when transmitting and recovering and the stability of the media when operating. All of these factors would affect to the value of the telecommunication products and the interests of the users. It is easy to realize that
technology is one of the most important factors for all enterprises in service area, especially in telecommunication service. This element could help telecommunication enterprises to create the better products and services, do the business in the more effective way, keep the old customers and attract more new customers. It is required to make not only the business men but also the technological specialists responsible for their products. In accordance with the acquirement of technology standards, the technological specialist must create the quality products which respond to the most customers' requirement. Moreover, the business man are required to purchase all the products and get the feedback from the customers on the quality, technology and the mobile network coverage in order to develop the product quality. In addition, the business men have to take recommendations on the areas in which would have number of potential customers in the future in order to build the new stations.

Through the process of business operation in Vietnam, Viettel has awareness all about this aspects. It is also one of the most difficulties of Viettel when deciding to invest in Cambodia because after the Civil war, most of the telecommunication infrastructure of Cambodia has damaged. Thus, the first step of Viettel in Cambodia is to build the mobile phone infrastructure with the aim to supply the best mobile phone services to the customers in Cambodia market.

Segmenting the customer groups and market is a vital factor affecting to the success of the enterprises in the new market. In order to conduct this activity, the mobile network operators must provide the special products which have been designed for each customer group. Based on the customer demands, the mobile network operators has designed the products and service packages which appropriate with the customer group such as the fees, customer care. In the process of developing the service package, customer classification is a necessary step. For instance, when Metfone determined their customers as the students, the service packages must provide the attractive price; the value-added services must be abundant, the service package must have a long using time.
Because of the force competition in the Cambodia Telecommunication market, the mobile service providers has always focused on the renovation, creative, the differentiation with other competitors’ service package. The policies of the service package will express the competitive capacity both in price and attraction. By this way, Metfone has always had a tendency to decrease the price of the product package lower 15% - 25% in comparison with their competitors.

Viettel has applied all these above policies for their products and services when entering Cambodia mobile phone market. In order to enrich the service and product package, Viettel has provided a number of different package namely Metbiz, Met4ever, Meteco. Supplying these service and product packages is the way in which Metfone could satisfy the customers’ want and requirement. In addition to providing the different service packages, Viettel has also supplied a number of products relating to their mobile phone services such as USB in which the user could access the Internet via GPRS, mobile phone with the brand name of Metfone, Modem ADSL. Metfone has also provided the special mobile service package for each customer groups, for example, the MetTravel package for the tourists, the package of MetEco, Met4ever for the customer group which want to use the mobile phone services in unlimited time; or understanding the need of the business men, Metfone has supplied more value-added services in Internet, having conferences in Video, Leaseline. In order to attract more customers, Viettel has also provided all-in services such as with only 14 USD, the customers could own a set of product including new cellular, one SIM and 5 USD in their account.

4.7.5 Distribution policies

In the process of doing business in Vietnam, Viettel has realized that the system of the distribution channel is so important for the development of the telecommunication operators. With the purpose to developing in the foreign market, Viettel has always focused on building and improving the distribution channels and pointed out that it took a long time to do that. Because Viettel
consists of 100% of the Metfone shares, so they must build and develop the channel by themselves. In the process of improving the distribution channel system in Cambodia market, Viettel has attached special importance to widely expand the distribution channel with the aim to cover all telecommunication market with their mobile phone service; try their best to satisfy their customers. In order to serve the customers in the best way, Viettel has built the system of multiform distribution channels in all of the country as authorized agencies, retail sales channels (sale place), direct transaction store. After the first year, Viettel has had about 50 direct transaction stores and this number in the next year is 100 stores in all cities and provinces of Cambodia. With these distribution policies, the customers of Viettel will receive the convenience when using the mobile phone services of Metfone.

In addition to expanding the number of distribution system, Viettel has had a number of supported policies for their agencies for the purpose of popularizing the image and provide more information about the products and the services of Viettel. At the beginning, Viettel has chosen carefully the agency place. These agencies will garnish with logos, banner, signs, poster, etc… in order to pay the attention to the customers. Moreover, the staffs of Viettel in these agencies has been training and testing special skills carefully in order to understand and supply the services or products to the customers in the quickest, the most professional and the most effective ways. Viettel make all of these policies in order to build a system of multi-service agencies. Furthermore, the expansion of distribution channels will help Viettel to approach closer to the taste, need and requirement of the customers and through that; they will improve the quality of the products and services in order to serve more customers and achieve more profits.

4.7.6 Policies in encouraging the business activities and promotion

Public Relations (PR) activities
Currently, in the integration world, the role of Public Relations has increased significantly. Therefore, Viettel has had a number of public relations activities. When entering in Cambodia market, Viettel committed to fund free internet services in a number of Cambodia schools and in the five years later, Viettel will supply free internet services for more than 1000 schools in Cambodia. The total fund for this activities is estimated about 5 million USD. The first activity of Viettel in Cambodia has been impressive for the Cambodia and makes the Metfone’s brand easier to penetrate the Cambodia telephone market. In order this activity, Viettel has invest to build the telecommunication infrastructure, it could also improve the product and service quality of Viettel.

Whether operating in Vietnam or in Cambodia, the business principle of Viettel has always been to combination between business and social responsibility. Thus, Viettel has a number of social operations as establishing the poor foundation, schools foundation, hospital foundation. All of these activities could help Viettel reach to the heart of Cambodians and consolidate their position in the Cambodia market.

The other public relations activities of Viettel in Cambodia are financing for organizing the exhibition with the subject as “Cambodia ITC & Telecom World Expo”. This exhibition took place during 3-5/04/2009 and was one of the largest information technology exhibitions. This exhibition was also an opportunity for Viettel to introduce their products and services to the Cambodia. The department of Viettel consisted of four main areas. The first area is the area for exhibiting and introducing the products and services. About the services, Viettel presented their own packages which appropriating with all the customer groups such as MetTravel, Met4ever, MetEco. About the products, it is an opportunity to introduce their technological products such as mobile phone brand of Metfone, USB, Modem ADSL. Secondly was the area for the companies. In this area, Metfone present the product and service package designed especially for the customer group of enterprise with special package in Internet services, Conference in Video, Leasedline. The third area is for the value-added service such as game namely
Lucky Draw, Imuzik. The last area is spending for answering all the questions of customer about the products and services of Metfone. The Metfone’s department attracted 5000 people each day. They went there in order to seek the information, join the games. During the time of exhibition, there were a hundreds of customers gained the gift from Metfone such as Metfone SIM, Metfone cellular phones, T-shirt. Through the exhibition, Metfone has attracted the number of new customers with the main elements being students, employees who interested in technology and telecommunication.

With all above activities, Metfone has been easier to approach the Cambodia customer, improve their brand and image in the eye of the Cambodian. With these strategies, Viettel has not only received the supports from the Cambodia government but also from the people.

4.7.7 Other policies

When entering Cambodia market, Viettel has had a number of policies in order to take care their customers. Firstly, with serious activities, Viettel has presented their purpose that the Cambodians would realize Metfone being their network provider. Moreover, with the aim to understand the Cambodia customers, Viettel has built the main force of the Metfone systems being Cambodia because Viettel has known that they always understand and know what their customers want and need. In addition, Viettel has compliance with the law in the host country as well as investigating and adapting to the customs, habit and culture of the Cambodian. The final aim of Viettel is Metfone becoming the network operator of the Cambodian. Caring the Cambodia is also the method in order to improve the brand, image, prestige of Viettel in the eye of the Cambodia community.

Besides, Viettel has also a number of special policies for the Vietnamese subscribers in Cambodia and the Cambodian subscribers in Vietnam with the
purpose of providing all the best services for their customers whether they are Vietnamese or Cambodian.

4.8 The results from the survey with the manager of Viettel

4.8.1 Reason for investment in Cambodia

There are a number of reasons for the investment of Viettel in Cambodia

The macro economy and financial system of Cambodia is stable and continue to keep the growth under 10% in the recent years. It could decrease the risk of finance due to the stability of the economy.

The relationship between Cambodia and Vietnam are developing in all aspects under the motto: "good neighborliness, traditional friendship, comprehensive cooperation, long-term sustainability". It is the important and convenient foundation for the enterprises in both two countries to intensify the investment and promote the trade between two countries.

The Vietnamese enterprises take a number of advantages when investing in Cambodia than other countries such as Thailand, China due to the closer geographic location, advantages in transporting goods when having both rivers, roads and, sea gate and a number of international border gates that convenient to the movement of staffs and goods between two countries.

The tastes of the customers in Cambodia is similar with its in the domestic market and appropriate with the products and goods from the Vietnamese enterprises in both quality and price. The large Vietnamese community in Cambodia is also the important consumers for Vietnamese goods. Currently, it has been more than 500
Vietnamese enterprises registered official in Cambodia. Viettel could apply the business strategy in Vietnam to Cambodia.

The government of Cambodia has continue to implement the reform on administrative procedures and open the economy, create the best business environment for developing economy, trading, increasing the foreign investment in order to create more new jobs, improve the life of the people.

The Vietnamese enterprises has considered the Cambodia market being a new potential market but had yet a number of risks by complex payment method, not safety, the skill of employees are still weak, the infrastructure is not completed. However, these weaknesses will create the real investment opportunities for Vietnamese in related sectors.

When investing in Cambodia, the investors will receive a number of preferences on tax because currently, Cambodia has received preferences for GPS on trade preferences from more than 40 countries in the Southeast Asia and around the world.

Besides, the relationship between the two governments has been long standing, especially in the military aspect. Thus, Cambodia has received a number of attention and direction from the both government.

4.8.2 The foreign entry mode strategy of Viettel in Cambodia market

It is so important for all enterprises to choice the appropriate strategies when penetrate a foreign target market. Viettel is not the exception. Viettel selected the form of 100 percents of foreign owned enterprise to enter a growing market in Cambodia. The Ministry of Planning and Investment of Cambodia agreed for Viettel to establish a mobile phone service provider in Cambodia namely Viettel
Cambodia Pte Ltd. Viettel presented clearly that the only purpose of this company is to investigate the way in order to penetrate into Cambodia mobile phone market.

After establishing the company, Viettel has invested to develop a mobile phone network structure. In the process of research the Cambodia market, Viettel has realized that GMS is the suitable technology in which could apply for this market. Viettel constructed a room for center machine in order to lay the equipment of the core network. Moreover, more than six surrounding provinces of Phnom Penh are established the transaction stores and open the offices for the division of rescuing the information and setting up the BTS equipments.

The strategy of investing to establish the company with 100% foreign capital is an opportunity as well as the challenge for Viettel. When choosing this method, Viettel has decreased the situation of uncontrollability and technological supervision with the competitors. Moreover, it could help Viettel to strict control in order to increase the economic scale, working experiences and assist Viettel to compete with other operators in the market.

Nevertheless, direct investment has also brought a number of difficult for Viettel especially in capital aspect when having to build by them the entire infrastructure, mobile network to improve in the Cambodia market.

4.8.3 Target market analysis

Analyzing the target market is one of the first steps in the penetrated process. When penetrating the telecommunication market of Cambodia, one of the biggest troubles for Viettel was a number of international mobile service providers have been successful when operating their business in Cambodia urban market. Thus, penetration is the difficult problem for Viettel. In this situation, Viettel chose to improve mobile network before developing business operations with a purpose of having a solid foundation. Metfone has constructed 13,000 km optical fiber
transmission network in order to approach the remote areas, islands, rural areas and border areas.

When the other mobile phone operators only focused on improving the telecommunication infrastructure in the large cities, Metfone chose to develop their business operations in rural areas. In order to do that, Metfone has set up their distribution channels in each village. After only a short time, Viettel had about 6,000 sellers in rural areas and 24,000 sale agencies in the whole country. In order to achieve this success, Viettel has to understand all about the Cambodia market such as culture, Cambodia characteristic, habits and use the Cambodia collaborators (Mr Vu Duc Nguyen, vice sale director of Metfone).

Moreover, with the successful lessons in Vietnam, Metfone has been not only investing in mobile telecom (due to the low cost of investing infrastructure and gain the high profits) but also Internet telecom. This segment has been skipped by the other competitors and Viettel will become the pioneer in this sector.

4.8.4 **Strategy for competing in Cambodia market**

Viettel has chosen the low cost strategy as well as the differentiation strategy to exist and develop in the Cambodia telecommunication market.

In order to conduct the differentiation, firstly, Viettel has chosen the strategy on product quality with the coverage of all regions in the best price level. The value is not defined in the currency but in the product quality, service attitude of the enterprise. Moreover, Viettel has a number of policies for the subscribers of the Vietnamese in Cambodia and the subscribers of Cambodian in Vietnam. It expresses the Viettel gratitude for their customers. Although their competitors focus only on mobile phone network, Viettel pay attention to invest mobile phone network, fixed line network and Internet. Other competitors focus on developing their distribution channels, Viettel focus on socializing the sale and create the jobs
for Cambodians. With this strategy, Viettel has introduced their services in each Cambodian house. Although other providers have developed microwave technology, Viettel has chosen to develop optical fiber network.

The low cost strategy is appropriate with the living standard of the Cambodians. Moreover, Metfone has invested to develop fixed line and internet infrastructure and value added services for the customers. Formally, all of the mobile service providers has not connected to the other. This leads to the fact that each user must have many SIM in order to connect with users in the other mobile network. This situation causes the inconvenience for the users. In order to solve this situation, Viettel bargained with other mobile network operators to connect with the Viettel SIM in order to decrease the cost for the customers and provide more convenient services for the Cambodians. Thus, a number of subscribers of other mobile network providers turned to Metfone. Currently, the fees of international calls reduced four times from 80 cents to 15 cents per minutes, the cell phone decreased 2 times from 12 cents to 7 cents per minute.

4.8.5 Evaluating the difficulties of Viettel in the process of penetration

There are four main difficulties of Viettel when penetrating Cambodia market. Firstly, Viettel has no advantage in competing in Cambodia. In comparison with other foreign investors, Viettel has not so much advantage because of lacking experience in international business operation, the limitation of financial resource. At the beginning, when deciding to invest in telecommunication market, the telecommunication market of Cambodia was the monopoly market with the only mobile service provider, which was the state owned enterprise. Thus, this mobile network provider received the protection from the Ministry of Post and Telecommunication. After granting the license of Viettel with the service of VoIP, the Cambodia government licensed for nine other mobile service providers to trading mobile phone services. It is only six month for transforming from the monopoly market to the competitive market. Although the Cambodia market has a
number of potentials for business operations because of the habits of using mobile
phone of the Cambodia market, the competition in the market is increasing
continuously. When entering in Cambodia mobile phone market, Viettel has faced
up with three other big operators which consist of 95 percents of the market share.
Beside, the operations of other foreign mobile network providers in Cambodia
have increased the challenge for Metfone.

Secondly, the market has continuously narrow and become to the saturation
situation. That mean the “door” to penetrate into the market has been narrowed.
Thus, in order to compete in this market, Viettel has not only had suitable
strategies to attract the more potential customers but also have to provide the
good services for customer care. Moreover, when the market come to the
saturation situation, it is so important for Metfone to attract the customers of other
mobile service providers. This is a big question for Viettel in order to exist and
develop in Cambodia market.

Thirdly, human resources also play a vital role to contribute in the business
development. Viettel has a strategy to train the technology and business skills and
knowledge for the key people in the Viettel system. The main purpose of Viettel in
human resource issue has been to have 10 percents of mental labors and 90
percents of simple labors. It has taken a long time for Viettel to reach this purpose.
Moreover, in order to train the simple, it has been not only to take a long time but
also to spend a lot of financial resources as well as to get a number of problems
due to the differences in culture, language, habit.

Finally, developing the mobile phone network in Vietnam has a special difficulty
which has only in Cambodia. Due to the lack of electricity, the mobile network
providers in Cambodia have a number of difficulties in maintaining the BTS
operators. It is not the issue of Viettel but also the problems of all mobile network
providers operating their business in Cambodia. It is estimated that 50 percents of
Viettel BTS could not normally operate due to the electricity problems.
5 EVALUATION, RECOMMENDATION ON THE CURRENT SITUATION OF VIETTEL IN CAMBODIA

5.1 Recommendation in order to improve the efficiency of the penetration process of Viettel.

5.1.1 Increasing the quality of human resources

Telecommunication has played an important role in the globalization. The development of the telecommunication has influenced to the manufacture and business operation of other area such as human resource and business management, the employees’ thinking. Thus, it is required to train and improve the human resource in order to respond to the changes of the environment. Moreover, it is necessary to realize, solve with the trend of the technologies and services and gather the suitable education methods.

In order to penetrate and exist in the new foreign market, it is necessary to develop the competitive capacity of the enterprises. With the purpose to do that, the enterprises should develop the staffs with high skillful knowledge which could increase the efficiency of their business operators in foreign markets. When starting to invest in the foreign market, Viettel has known that the resource of high quality employees is limited. Thus, they should concentrate in educating more specialists in the field of economy, management, and technology. A number of enterprises have applied the method for decreasing the cost of products and increase the competitiveness by the way of decreasing the labor cost. In the context of globalization, this method is not right. In order to increase the competitive capacity, Viettel should concentrate on enhancing the quality of human resource in order to improve the productivity, gain more profit. Viettel must have special attention for different methods to manage the employees as following:
The labors need to be trained to adjusting to the new environment, technology. In the training period, it is necessary to increase the opportunities for the employees to practice more with new equipments. In this case, the labor standard is considered to base on the efficiency of the labors and productivity.

Managing employees is always an important activity for each enterprise. Viettel should focus on devolving manager, using the ideas from all staff level, having clear policies to develop the business activities.

Moreover, Viettel needs to enhance the knowledge on their own services, skills on customer collection and services.

Labor evaluation always plays an important role for building education planning in order to achieve the business and development task of Viettel. It is necessary to have the detailed criteria which appropriate with the business demand. Moreover, besides using the current human resource, Viettel need to have a suitable policy for attract the specialist in the host country.

5.1.2 Improve the activities of market research

Researching the market has a special vital significance because market research will suggest the enterprise to realize the need of the market. After having results of market research, the enterprises could have exact decision to the manufacture planning. Moreover, the process of researching the target market will have to improve the operation of the next process. One of the most important objectives of the market research is to know the need and consume capacity of the products and the services of each enterprise. Based on these researches, Viettel could determine the appropriate strategies in order to increase the market share, develop the efficiency of the economy and manufacture. Especially for Viettel, researching market carefully could help enterprise to decrease the risk in the process of penetrating the foreign market.
The telecommunication sector is so special with a number of difficulties for its diversified and special characteristics. Thus, the role of research market is more important than other sectors. The requirement of customer for the services and products of this branch changes continuously. That requires Viettel to research the market not only in the process of penetration but also in the later business.

5.1.3 Enhancing the quality of services and products

In order to exist and develop in the international competitive environment, Viettel has focused on developing the quality of services and products.

There are two main factors affected to the quality of service such as technical service quality and labor quality. Viettel has concentrated on both two factors with the purpose to increase the service quality.

**Increasing the technical service quality:** There are a number of methods to increase the technical service quality. But all of them must lead to the final result in providing the best service quality of technology in the following aspects such as time to access the service, the speed of accusing services, the security, and the quality of sound, image). This issue could be solved by the way of modernizing mobile phone network so that the customer could have the best quality in connecting services. Moreover, Viettel has pay attention to improve and maintain their network with the aim to ensure the supplied resources satisfying the customer's requirements.

**Improving the customer services:** The customer service include three stages such as the pre-sale, sale and after-sale activities. In order to improve the customer services, the enterprises should focus on both three stages of sale. Pre-sale activities is the begin of the sale process. And it creates the first image of the Viettel's brand in the eye of the customers. In this step, enterprises have to intensify the activities of the public relations focusing on the new products and
services. The activities in the process of selling services or products to customers are also important. The purpose of this step is to supply the fastest services with the most convenience for the customer. The next step is the activities after selling services for customers. It is required the enterprises to solve the problem of the customers exactly in the short time. In order to achieve this purpose, the intermediate stages need to be reduced.

**Service multiform**: In the context of current globalization, in order to exist and develop in the foreign market, Viettel must have diversified their products and services with the purpose of meeting the requirements of all customer groups. Firstly, it could be conducted by the way of applying new technology in order to provide more high quality service for the customers. Secondly, Viettel could apply the value-added services so that their customers could take more benefits. Thirdly, Viettel should have a policy to develop the amount of customers in the rural areas so that they could understand more about the different services of Viettel and the advantage of these telecommunication services in comparison with the services of other competitors.

**Pricing policy Formatted**: One of the most important factors affecting to the choice of Cambodia for the mobile service provider is the price of products and services. The price has directly influence to the consumed capacity of the service and products. It also helps the enterprises to increase their market share and gain the business objectives. Price has played a vital role for the competitive capacity of enterprise in the market. In the first steps of penetrating the foreign market, the price policies has direct affected to the existence and development of Viettel in the foreign target market.

In the process of building an appropriate price policy, Viettel has paid their attention to three main issues as following: (1) the factors influencing to the price of services and products such as inputs, the supply and demand relationship, technology. (2) The international competition and the rate of exchange, (3) determining price level appropriating with ability to pay of the customers with a
number of method such as determining the cost of business operations, investigating the foreign market and find the best provider for the equipments with the most reasonable price level, studying and put the new technology into practice in order to cut off the cost for purchase and decrease the price for products and services.

5.2 Conclusion

Analyzing the international market entry strategy of Viettel could help researchers to understand the operations of Viettel and the decisions helps Viettel do deal with difficulties in order to become the leading telecom brand of Vietnam in international market. International business strategy in addition to the flexibility of international market penetration has contributed to the success of Viettel in international market. The new position of Viettel has increasingly strengthened.

With the aim to analyze the international market entry strategy of Viettel in the process of penetrating in Cambodia telecommunication market, the research has firstly focus on studying the basic reasons for the international market penetration and for the investing and improving the business operations in the target foreign markets. The international market penetration of Viettel has also analyzed the factors affected to the decisions, the choice of the target market, the entry mode choice and activities of marketing mix. This analysis leads to the only result that the researcher could investigate the advantage and disadvantage in the process of international market penetration of Viettel. At the end of this dissertation is some recommendation in order to help Viettel to improve their international market penetration.

The international market has a number of potential for Vietnamese enterprises in all sectors especially for telecommunication enterprises. In the context of globalization, the competition between mobile service providers has increased continuously and the domestic market has become saturation. It requires the
enterprises to have an appropriate strategy to develop the business operations. Investing in foreign market is one of the best choices for all enterprises in this time especially for telecommunication enterprises. However, it is not easy to penetrate a foreign because each country has a number of barriers in order to protect their domestic enterprises. For the case study of Viettel, the international market penetration is a great opportunities but it also provides a number of difficulties and risk in the process of doing business in international market. In order to exist and develop in the international market, Viettel has always tried their best to understand the foreign market, their customers’ demand, interest, habit. This dissertation is necessary for improving the effective investment of Viettel. Moreover, it also provided a number of recommendations in order to help Viettel as well as other Vietnam telecommunication enterprises to have more success when operating business in foreign market in the future.
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