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MARKETING: MARKET RESEARCH FOR A START-UP BUSINESS – A BASKETBALL STYLE COFFEEHOUSE

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THESIS ABSTRACT

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The aim of this thesis was to conduct researches on Vietnam, especially Hanoi market environment, and targeted customers behaviours and opinions towards a business idea of initiating a basketball-themed coffeehouse in Hanoi, Vietnam. The objectives of the thesis were to study the current market characteristics considering its macro- and micro-environment, as well as analysing the targeted customers' expectations; and propose initial recommendations to support the business establishment progress and further operation.

The theoretical background concentrated on theories of marketing environment, customer buying behaviour, and customer-driven marketing strategies in terms of market segmentation, target marketing, and marketing positioning.

This thesis' empirical part involved a descriptive research based on a quantitative approach that exposed the targeted customers' demographic peculiarities such as age, gender, occupation, and frequency of visiting coffee shops and consuming offered products and services; and designed open-ended questions included in the second part revealed the targeted customers' expectations and suggestions contributed to the coffeehouse further marketing activities. Besides, a secondary research was undertaken that covered comprehensive information regarding the marketing environments and forces that influence the targeted customers' buying behaviour.

An outcome of the research resulted in the finding should function as a beneficial fundamental part of further strategic marketing researches.

Language of Thesis	English
Keywords	Marketing environment; Customer buying behaviour; Customer-driven marketing strategy; and Marketing research.
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PREFACE

This thesis was written in the period from September to November 2013. It was accomplished in the form of descriptive research with the topic that is related the author specialization in Marketing.

This work could not have been completed with my supervisor, Ms. Mervi Väisänen. I would like to send Ms. Väisänen all my gratefulness for her valuable support and incredible advices as well as her trust in my ability to carry such a heavy subject.

Furthermore, I would like to send my thankfulness to all my close friends who have supported me during my whole stay in Finland. Without them, I could not have finished my study as well as this thesis this smoothly.

Last but not least, my deepest gratitude to my family, especially my parents who support me unconditionally during my study.

Kajaani, November 2013.

Hoang Nguyen.

CONTENTS

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1 INTRODUCTION

The main purpose of this thesis is to conduct market and consumer behaviour researches for a business idea of opening a basketball style coffeehouse located in Hanoi, Vietnam.

Originally, the idea of the thesis arose from a desire to deeply study about marketing for hospitality and service, explore the hospitality industry in Vietnam market, and seek for an opportunity to establish a small-medium size business, or in other words, a small themed coffeehouse, in Vietnam. To be precisely, the thesis looks for a possibility to open the basketball-themed coffeehouse in Hanoi – the capital of Vietnam. Considering the large scale of the original idea which requires a lot of effort, times, and human resources to fully study the market and develop a strategic marketing plan regarded with the research result, this thesis will mainly concentrate on describing and providing a comprehensive of the market and peculiarity that affect the progress of establishing the business.

The basketball-themed coffeehouse could be referred as a socialising and dining spot dedicated to the basketball lovers and players. Its initial segment customers were male and female students engage in senior high school and university education, and are interested in basketball activities, whose ages ranged from 15 to 23 years old. In order to study the targeted customers, a customer survey will be conducted followed by the analysis of the result. The survey result should uncover the basic personal information of the targeted customers who are interested in the coffeehouse idea, their behaviours, attitudes, and expectations towards the idea; followed by the discussion and recommendation of the researcher.

Prior to the quantitative survey, an inclusive overview of the Vietnam market in general, and Hanoi market in particular will be presented. A secondary research will be undertaken to specify the market environments characteristics regarding the macro- and micro-environment. The researches mainly base on the concepts introduced in the theoretical background, which performs as an efficient and helpful guideline to the success of the thesis.

Considering the observation and initiative study of the researcher, the competition environment of the market has been significant severe because of a huge and increasing number of operating competitors in the market. This thesis will embellish and contribute to the researcher's knowledge and understanding regarding the market environment and targeted customers; and strengthen the foundation of further studies.

2 THEORETICAL BACKGROUND

2.1 Marketing Environment

Marketing environment consists of micro- and macro-environment. Briefly, according to Kotler (2005, 114), micro-environment is made up of factors that directly affect a business's performance or its ability to fulfil its customer needs or demands; whilst macro-environment is characterised by societal elements. The following sections provided definitions and discuss about the forces regarding the two marketing environment extracted from different models to present the most adequate view of the environment.

2.1.1 Macro-environment

There are different models that illustrate marketing macro-environment of a company. According to Kotler (2005, 117), macro-environment consists of seven uncontrollable forces that shape opportunities and pose threats to the company. (Figure 1). Considering works of other authors, demographic trends are not specifically described as a particular force. In comparison to Kotler's work, cultural forces are identified and explained as sociocultural forces, belongs to which is a subcategory named demographic trends. This paper, however, presents demographic trends as singular external factors besides cultural forces that manipulate the company's marketing performance.

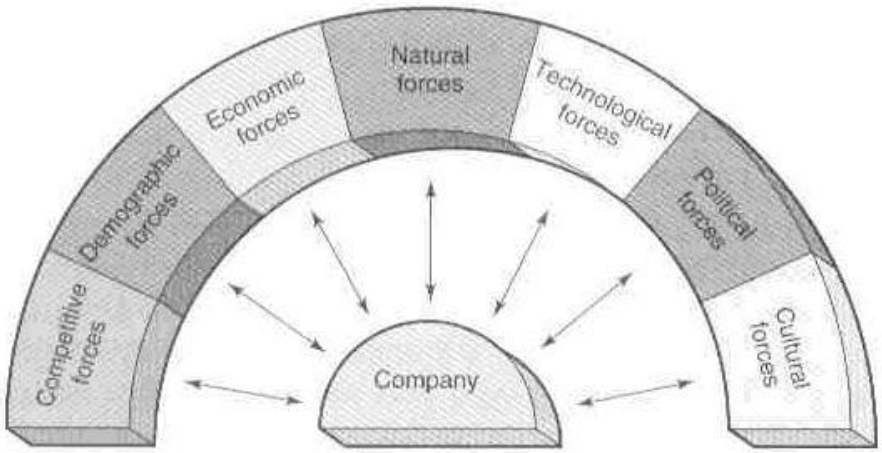

Figure 1. Major forces in the company's macro-environment (Kotler et al. 2005, 118)

Competitive forces

In order to provide an overview about the industry competition, Michael Porter's five forces model was utilised. There are five aspects mentioned: rivalry among existing competitors, threat new entrants and threat of substitutes, bargaining power of buyers and bargaining power of suppliers. It is argued that the stronger the forces, the more limited ability of companies to raise prices and earn greater profits (Hill & Jones 2010, 43). (Figure 2).

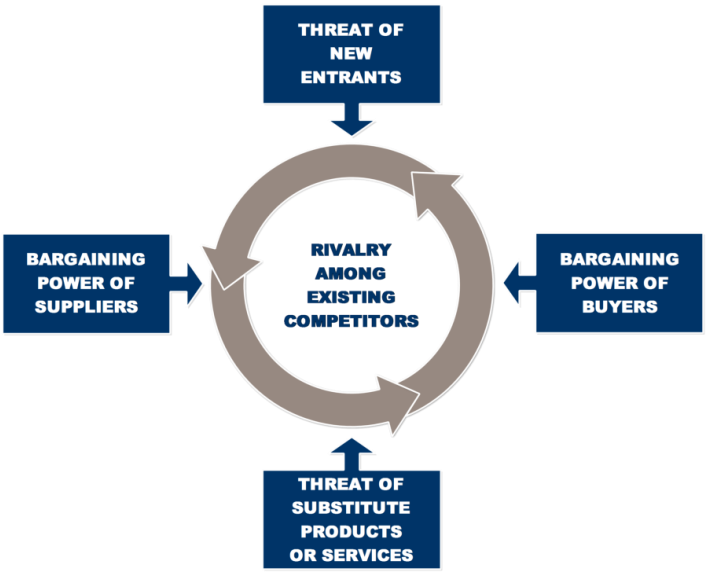

Figure 2. Five forces driving competition (Mason Myers Blog 2013)

Rivalry among existing competitors refers to the primary source of competition, which is also recognised as the most intense force (Hooley, Piercy & Nicoulaud 2012, 68). There are different forms of competition, such as price competition, advertising battles, product competition, etc. These competitions are majorly characterised and influenced by: (1) numerous or equally balanced competitors – results in the likelihood of a firm to act when too many competitors operate in the same industry or when the differences between those firms are hardly noticeable, (2) slow industry growth – results in the chaos in fighting for market share when firms seek for expansion in their sales, (3) high fixed or storage costs – results in the pressures on increasing capacity of storage would lead to escalating price cutting, (4) lack of differentiation or switching costs – results in the intensity of price and service competition when product or service is perceived as a commodity or near commodity, (5) capacity augmented in large increments – results in the disruption of the industry supply/demand balance, and (6) high exit barriers. (Dess, Lumpkin & Esiner 2008, 56 – 57.)

Besides the existing rivals, potential entrants are needs to be considered. The opportunity of entering the industry for new entrants depend on existing entry barriers. The higher the barriers, the lower the threat of entry. The barriers involve the influences of: (1) economies of scale – deterring entry by forcing the entrant to come in either at a large scale and risk strong reaction from existing firms, or at a small scale and accept a cost disadvantage, (2) product differentiation – great range of product differentiation threatens new entrant to overcome existing competitors' strong brand identification and customer loyalties, (3) capital requirements – discouraging the new entrant with risky large amount of financial investment in upfront advertising or research and development, (4) switching cost – high costs to switch from one supplier's product or service to another would intimidate the buyers as well as the new entrant, (5) access to distribution channels, and (6) cost disadvantages independent of scale. (Dess et al. 2008, 52 – 53.) Furthermore, threat of substitute products and services is mentioned. Threat of substitute is generated from the operation of industries producing products and services perform the same function as the industry's offerings (Dess et al. 2008, 55).

Customer is believed to possess specified power that force price downgrade, quality increment, and involve intense competitions. Bargaining power of buyers is backed by (1) the volume of purchased products or services by the buyer, (2) the standardisation of offered products or services from the industry, (3) switching costs, (4) profitability of buyers, (5) involvement in posing a credible threat of backward integration, and (6) the level of the importance of the industry's products to the quality of the buyer's products or services. (Dess et al. 2008, 54.)

Another type of bargaining power belongs to suppliers. There are possibilities of suppliers raising prices or reducing the quality of goods or services. It is stated that supplier bargaining power is supported by factors that are contrast to those buyer bargaining power factors. These factors involve (1) the number of companies dominate the supplier group, (2) the level of competition between the supplier group and substitute products, (3) the level of the importance of the customer to the supplier group, (4) the level of the importance of the supplier's product to the buyer's business, (5) the differentiation of the supplier's products, (6) built up switching costs, and (7) the involvement of the supplier group posing a credible threat of forward integration. (Dess et al. 2008, 55.)

Demographic forces

According to Kotler (2005, 121 – 125), demography presents the study of human populations regarding size, density, location, age, gender, race, occupation, and other statistics. According to Kotler, increasing diversity is one of the major demographic trends that marketers are interest in. Nowadays, marketers face increasingly diverse markets since operations are getting more globalised in scope.

Economic forces

Economic environment includes factors that influent consumer purchasing power and spending patterns (Kotler et al. 2005, 126). Besides, their overall impressions of the economy, and ability and willingness to spend, under the form of high and low confidence, can affect the company. Assume that they have the ability to spend certain amount of money, they might not be willing to pay higher prices even to obtain premium products in times of low confidence. (Ferrell et al. 2010, 105.) Considering the levels and distribution of income, the world economy is divided into two: subsistence economies refers to those that offer a few market opportunities since they mostly consume their own agricultural and industrial products; and industrial economies which are potential rich markets for different kinds of products, in contrast (Kotler et al. 2005, 126). Added to the income levels, there are other economic elements, such as inflation, employment levels, interest rates, taxes, trade restrictions, tariffs, and current and potential stages of the business cycle. Marketing managers should examine the economic conditions at the national, regional, and local levels. (Ferrell et al. 2010, 105.)

Natural forces

The natural environment refers to natural resources required by marketers or affected by marketing activities. In the last several decades, environment has been a great concern to public and individuals as modern industry activities increase and cause damages to the natural environment. (Kotler et al. 2005, 128.) There are two possible trends in current and future situations of the natural environment, which are shortages of natural raw materials considering infinite (air, water), renewable (forests, food, etc.) and non-renewable (oil, coal, minerals, etc.) resources; and increasing level of pollution. Being aware of such situation, governments should increase their level of intervention in order to balance the condition and protect the

environment, which can be considered as the third trends in the natural environment. (Kotler et al. 2008, 79.) One of the most popular methods is to reduce amount of waste and stimulate recycling activities throughout the businesses and industries.

Technological forces

According to Kotler (2005, 130), the development of technology enhances people's lives by moderating their access to the Internet and easing their communication and transportation activities. It is essential that marketing managers notice the accelerated changes of technology over time because of the replacement of old technologies by new technologies, which might affect the company's performance negatively if the technologies are not updated. Thanks to the changes, nevertheless, new technologies create new markets and opportunities. (Kotler et al. 2008, 80 – 83.) Technologies are able to be categorised into front-stage and back-stage presences. Front-stage presence refers to noticeable technologies by the customers, which provides new marketing opportunities by generating new products exploiting new technologies for the company. On the other hand, back-stage presence efficiently and effectively supports marketing activities with advance technologies that might not be recognised by customers. Considering marketing function, advance in computer technologies results in significant enhancement in communicating and interacting with customers. (Ferrell et al. 2010, 107 – 108.)

Although changes in technological environment provoke new markets and marketing opportunities, it simultaneously increase the competitiveness in the industry as new entrants are empowered to enter the market with advance technologies at lower cost base. New competitors based on low production and management costs are able to offer products and services at competitive prices, and rapidly gain market share. (Henry 2008, 58.)

Political forces

Political environment consists of laws, government agencies, and pressure groups that have an impact on and limit the activities of organisations, especially marketing function and decisions, and individuals in a society (Kotler et al. 2005, 132). Regulation and public policy are developed in order to encourage competition and ensure fair markets, and guide commerce that limit business for the good of society (Kotler et al. 2008, 82). There are organisations acknowledge political factors as uncontrollable factors and hardly pay attention to adjust the

company's strategies to adapt to the changes; whereas others actively seeking solutions to accommodate the trends. (Ferrell et al. 2010, 106.)

There are three political trends that should be carefully studied since it potential changes and developments of political environment might have certain effect on the company. Recently, legislation and regulation affecting business has increased regularly due to the increase of levels of complexity of products and of concern about their own safety. Besides, it is claimed that such legislation and regulation enacted to protect companies from each other, to protect consumers from unfair business practices, and to protect society's interests against unrestrained business behaviour. (Kotler et al. 2005, 132 – 133.) The second trend is the changes in government agency enforcement. There are numerous agencies engaged in enforcing trade policies and regulation that international managers will encounter. Because of the discretion in enforcing the law, they have major influence on a company's marketing performance, which is sometimes overly eager and unpredictable. It is essential that executives consider the development of new regulations and enforcement; and marketers be aware of major law protecting competition, consumers, and society at the local, state, national, and international levels. Last but not least, increased emphasis on socially responsible actions and ethics is another trend. Marketing managers need to look beyond the regulations and legislations and into social codes and rules of professional ethics. Recently, the increasing of business scandal regarding ethical and social responsibility is a controversial issue. Environmental responsibility is one of the major concerns nowadays. Such circumstance requires businesses to develop codes of ethics, or policies and guidelines to respond to social responsibility issues. (Kotler et al. 2008, 84.)

Cultural forces

Cultural environment is made up of institutions and other forces that have an impact on a society's basic values, perceptions, preference, and behaviour. Persistence of beliefs and values is one characteristics of the cultural environment. It consists of core and secondary beliefs, and values. Core beliefs and values are passed from generations to generations, and are reinforced by surrounding institutions; in contrast, secondary beliefs and values are more open to change. (Kotler et al. 2005, 136 – 137.) It is possible that marketers can change the secondary values, yet not the core values (Kotler et al. 2008, 86).

Marketers are capable to understand cultural values of a society by learning people's views of themselves and their surroundings. The way people emphasis on serving themselves affecting

how they consume purchased products, base on which marketers can target their products and services. People's views of organisations refer to their attitudes towards different forms of organisations, such as corporations, trade unions, universities, so on and so forth. To some extent, it can reflect people's trust and loyalty to companies. People's views of society regard to their orientation to their society, which can place an impact on their consumption patterns and attitudes toward the market place. People's views of nature refers to individual attitudes towards the natural world. Their beliefs have shifted from seeing natural as a bountiful resources to realising it is finite and fragile. People's views of universe refers to their beliefs about the origin of the universe and their place in it. To be precisely, it regards religion and spirituality. Marketers who are capable to aware the influences of spiritualism can present unique marketing opportunities. (Kotler et al. 2008, 86 – 89.)

Within every society, there are subcategories acknowledges as subcultures. It refers to groups of individuals sharing common value system, such as life experiences beliefs, preferences, and behaviour. To certain extent, they may share common wants and buying behaviour that could be considered as target markets by companies and marketers. (Kotler et al. 2005, 137 – 140.)

2.1.2 Micro-environment

Generally, micro-environment is divided into principle parties: the company, suppliers, and marketing intermediaries, customers, competitors, and public. PRESTCOM model briefly defines the factors as competitive, organisational, and market factors.

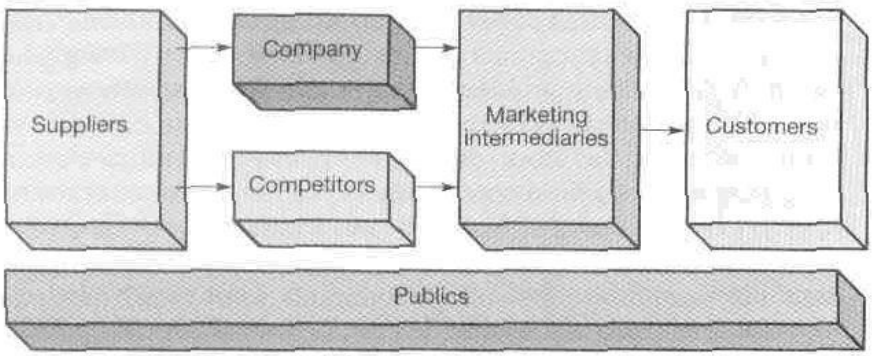

Figure 3. Major actors in the company's micro-environment (Kotler et al. 2005, 115)

Company

The company as a whole, or the co-operation of all departments in an organisation, is one of the most primary factors that strengthen the ability of a business to deliver exceptional customer value and satisfaction (Kotler, Bowen & Makens 2005, 115). Such interrelation form the internal environment (Kotler & Armstrong 2008, 65). To some extent, consistent internal environment exercises its influence on the marketing department thus plays an important role on designing marketing plans and actions (Kotler et al. 2005, 115). For instance, marketing decisions frequently seek for the consent of not only different departments but also among top management inside the organisation. Additionally, assenting with Kotler, Masterson and Pickton (2010, 46) emphasis customer orientation as a channel to stimulate harmony considering working environment and communication among the organisation's functions.

From another point of view, current objectives, strategy, performance, resources, organisational culture, and structure of the company are considered as internal environment of the organisation. There is a necessity of assuring the organisation's marketing objectives consistency in the relation with its mission as well as the developing customer and external environments. The company's marketing strategies have certain effect on its performance and outcomes. Internal causes to poor performance of a business are inconsistent marketing goals or objectives, dysfunctional marketing strategy, and inferior implementation. Secondly, levels of resources required by the marketing function consist of financial, human, and experience resources. Marketing managers should be aware of the fluctuation of the resource levels in order to accordingly establish marketing objectives and strategies, and create competitive advantages. Last but not least, it is claimed that, regarding the political hierarchy, marketing does not hold an eminent position that leads to the difficulty in obtaining approval of marketing plans. Besides, changes in executive positions within the organisation should be perceived by marketing managers so that they can flexibly adapt with the changes. (Ferrell et al. 2010, 92 – 94.)

Competitors

There is a broad range of competitors that every company has to face, and/or succeed by satisfying the needs and wants of consumers better than its rivals. In order to do so, the company needs to not only adapt to the needs of target customers, but also adapt to its competitors' strategies. Besides, it is critical to strongly position the company's product in the minds

of consumers so as to gain strategic advantage. It is recommended that every company should design its own competitive marketing strategy regarding its size and industry position. Regardless the size, each company needs to find marketing strategies that can benefit them with specific advantages. The fact is that companies are often unable to accurately analyse their rivals, or in other words, underestimate the competition. To avoid such situation, the company is endorsed to cautiously monitor three variables while interpreting its competitors: share of market, share of mind, and share of heart. Share of market refers to the competitor's share of the target market; share of mind refers to the percentage of customers initially recall the name of the competitor when talking about a certain industry; and share of heart refers to the percentage of customers initially recall the name of the competitor from whom they would prefer to purchase the product. (Kotler et al. 2005, 118.)

Furthermore, marketing managers need to be aware of four types of competition: brand, product, generic, and total budget competitions. Brand competitors are those who provide products with similar features at similar prices to the same target customers, whilst product competitors offer products with different features, benefits, and price, yet in the same product class; generic competitors refer to those who provide different products yet solve the same problem and fulfil the same customer needs as the company's products; last but not least, total budget competitors refer to those who compete for the limited financial resources. It seems that brand competition attract more attention from organisations than other three types of competitions. The main reason would be the availability of direct substitutes and the possibility of customer switching brands. (Ferrell et al. 2010, 101 – 103.)

Suppliers

Suppliers involve firms and individuals that enable the company to deliver values to its customers under the form of goods and services by providing needed resources (Kotler et al. 2005, 115). By considering the developments of suppliers, it is uncomplicated to recognise how it affects the company's productivity (Kotler et al. 2008, 65). Any shortages or delays of supply activity might seriously harm the business' performance and its ability to satisfy the customers, to some extent. It could also make a negative impact on manufacturing cost, which ultimately affects the selling prices of the goods or services. Hence, there is needs for marketing managers to inspect the supplying process in order to ensure the efficiency of the value delivery process of the company to its end customers.

Marketing intermediaries

Marketing intermediaries refer to those who support the company to promote, sell, and distribute goods and services to end customers (Kotler et al. 2005, 116). From different industries, there are distinguish groups of marketing intermediaries. Generally, it specifies resellers, physical distribution firms, marketing services agencies and financial intermediaries (Kotler et al. 2008, 65). Particularly, from service industry perspective, marketing intermediaries involve travel agents, wholesale tour operators, and hotel representatives (Kotler et al. 2005, 116). It is essential that marketers recognise the crucial role of marketing intermediaries because of its contribution to the company's overall value deliver system. Hence, it is necessary that the company partner effectively with marketing intermediaries so as to optimise the performance of the entire system rather than its own performance. (Kotler et al. 2008, 66.)

Customers

In addition, there are five types of customer markets with distinguish characteristics that are needed to be carefully examined. Consumer markets refer to individuals and households that purchase goods and services for personal purpose. Business markets refer to those who buy goods and services for further processing or production process purpose. Reseller markets refer to those who purchase goods and services for reselling purpose. Government markets refer to government agencies that buy goods and services for public purpose. Last but not least, international markets refer to foreign buyers, including consumers, producers, reseller, and governments. (Kotler et al. 2008, 66.)

Additionally, Ferrell and Hartline bring up the 5W Model: Who, What, Where, When, and Why, which is exploited in customer analysis to understand buyer behaviour and product usage characteristics. To answer the 'who' question – current and potential customers, demographic (gender, age, income, etc.), geographic (where customers live, density of the target market, etc.), and psychographic (attitudes, opinions, interests, etc.) characteristics are examined. The 'what' question seek for the rate of product consumption, in other words the usage rate, different between heavy and light users of products, complementary usage during consumption, so on and so forth. The 'where' question refers to distribution (traditional channels of distribution: brokers, wholesalers, retailers versus today channels: non-store retailing – vending machines; direct marketing – catalogues, home sales; and electronic merchandising – Internet, interactive television, video kiosk) and customer convenience. According to the

'when' question, situational influences, such as the seasonality of the product and the variability in purchasing activity, as well as subtle influences like physical and social surroundings, time perceptions, and the purchase task. The 'why' question consists of both why current customers select and potential customers do not select certain products. Both questions involves customer current and future basic needs satisfied by the company's products. (Ferrell et al. 2010, 95 – 100.)

Publics

Publics refer to any group that has an actual or potential interest in or impact on an organisation's ability to achieve its objectives (Kotler et al. 2008, 67). There are seven types of publics: financial, media, government, citizen-action, local, general, and internal publics. The company can have marketing plans for major publics and customer markets, yet in order to be able to fascinate specific publics or customer markets, the company would have to design an attractive offer to the publics.

2.2 Consumer Buying Behaviour

Consumers play an essential part to the sustainable existence of an organisation. They can decide on continuously purchasing products from certain brand names, yet they also can decide to switch to other brands to seek for unsatisfied needs and demands. Thus, properly studying and understanding their needs, wants, and demands might help the business to win customer satisfactory, and their loyalty considering the long-term orientation. Considering how needs, wants, and demands can drive their buying and consuming behaviour, it is crucial that marketers link their perceptions regarding consumers' needs and wants to buying behaviour. Besides, there is awareness of other internal and external factors that affect the buying behaviour.

2.2.1 Needs, wants, and demands analysis

As described earlier, being able to understand customers' needs, wants, and demands is critical. Additionally, the nature of marketing is to look for unsatisfied or unrecognised needs, wants,

and demands, and fulfil the unpleasant. Those who accurately define and please their consumers have greater opportunities to win the consumers' loyalty as well as the market share.

Needs

Need is the most fundamental element that shapes people purchasing motivation. According to Abraham Maslow, there are five degrees of needs that are categorises regarding the difficulty of obtaining and fulfilling them. The levels are also known as the Maslow's hierarchy of needs. (Figure 4).

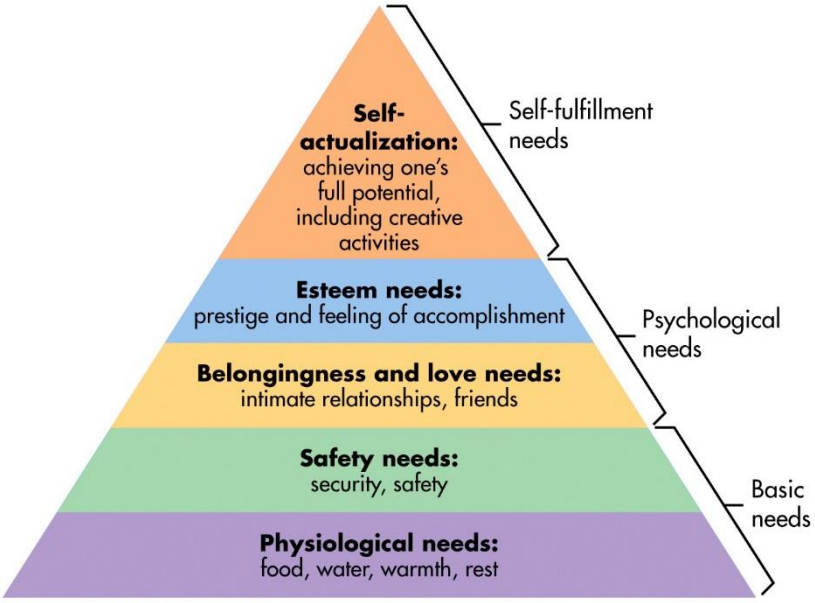

Figure 4. Abraham Maslow's hierarchy of needs

The first level of needs refers to physiological needs that are necessary for physical survival, such as food, water, warmth, etc. Basic needs, however, imply beyond the physical fundamentals. There are also needs for safety and security arise when the most crucial needs are fulfilled. When the basic needs are satisfied, psychological needs, which are made up of social and esteem needs, emerge. Social needs involve needs for different kinds of relationships; and esteem needs include needs for prestige and feeling of accomplishment. Last but not least, need for self-actualisation is the last level of the hierarchy. After mentioned needs are fascinated, people tend to seek for self-fulfilment needs when they actualise themselves by achieving their potential and what they are best at. (Klopper, Berndt, Chipp, Ismail, Roberts-Lombard, Subramani, Wakeham, Petzer, Hern, Saunders & Myers-Smith 2006, 93 – 94.) It is be-

lieved that an individual's needs are comparatively shaped by the level of economic developments. Less developed economies likely give priority to basic needs. From cross-cultural point of view, however, culture is another factor that has an impact on how people needs are formed. There are cultures, for example, that stimulate their members to seek for satisfaction of self-actualisation rather than to have other basic and psychological needs fulfilled. In other words, Maslow's hierarchy of needs sometimes cannot reflect a universal view cross-culturally. (Usunier & Lee 2009, 70.)

According to Klopper (2006, 94), there are needs defined as learned needs, which are differed from physical needs people are born with by Maslow's theory. Individuals obtain such needs from families, academic institutions, and interacting with societies. Besides, another hierarchy of needs that is presumed to provide a simpler prospect of human motivation is introduced under the name PSSP. The hierarchy implies and explains physiological, safety, social, and personal needs.

Wants

Needs shaped by culture and individual personality are defined as wants (Armstrong, Kotler, Harker & Brennan 2009, 8). Differentiated from unavoidable yet limited needs, wants are believed to be virtually unlimited and unpredictable (Middleton 2011).

Demands

Demands are wants backed by purchasing power that urge individuals to require and expect beneficial, high value and satisfaction products (Armstrong et al. 2009, 8).

2.2.2 Characteristics affecting consumer behaviour

Besides needs, wants, and demands, there are factors that also strongly influence purchases. According to the model of buyer behaviour, there are environmental factors, known as stimuli, and buyer's characteristics, known as buyer's black box, that affect and result in their buying responses. (Figure 5.) Mostly, factors involved in buyer's black box are out of marketers' control, yet essential to be cautiously considered (Kotler et al. 2005, 199). This chapter briefly

explains and discusses the basic knowledge regarding the buyer's characteristic, based on what he or she perceives and reacts to the stimuli (Kotler et al. 2013, 157).

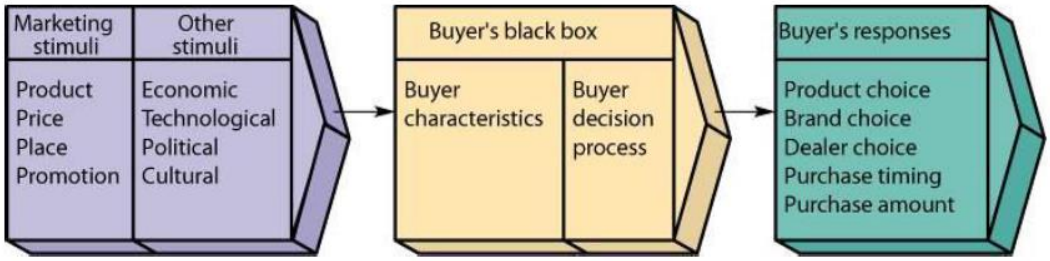

Figure 5. Model of Buyer Behaviour (Kotler et al. 2013, 157)

The buyer's black box is made up of buyer characteristics and their decision process. Although it is mysterious to marketers and there is no specific formula to precisely interpret buyer's black box, there is an agenda of buyer characteristics that marketers should be aware of. The list is subcategorised into four main factors: cultural, social, personal, and psychological factors. (Figure 6).

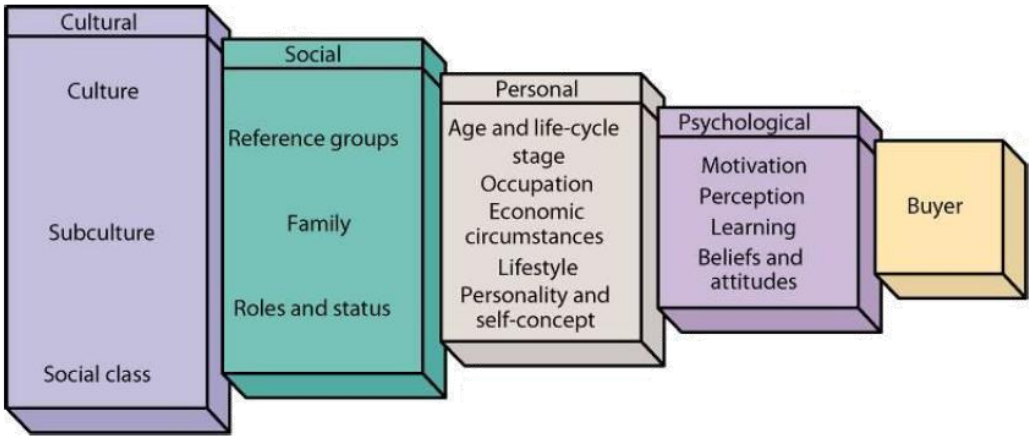

Figure 6. Factors influencing behaviour (Kotler et al. 2005, 199)

Cultural factors

Cultural factors are mainly made up of buyer's culture, subculture, and social class. In brief, culture determines an individual's wants and behaviour by comprising his or her basic values, perceptions, wants, and behaviour learned continuously in a society (Kotler et al. 2005, 199). Since culture involves unconscious thinking behaviour, it implies that individuals' value, customs, rituals, etc. are part of their daily habits (Klopper et al. 2006, 107). Nowadays, it is critical

to have cultural shifts progressively identified so that new products and services will be conceived (Kotler et al. 2005, 199). Cultural shifts refer to the changes of culture to adapt people's changing needs as well as the changing environment (Klopper et al. 2006, 107).

Within any culture, there are group of people sharing common value systems formed with common life experiences and situations. Such groups are known as subcultures, which consist of nationalities, religions, racial groups, and geographic regions. The existence and development of subcultures constitute important market segments according to which products and services are often designed to please. There are layers of subcultures with distinguish preferences and behaviour. (Kotler et al. 2005, 200.)

Social class refers to relatively permanent and ordered divisions within a society. Members in the same social class tend to share identical values, interests, and behaviour. There are seven American social classes identified: upper uppers, lower uppers, upper middles, middle, working, upper lowers, and lower lowers. Social class structures, nevertheless, vary from societies. Almost every society has its own form of social class structure. (Kotler et al. 2005, 202.) Vietnamese social class might be different from American's. Social class is an interesting aspect to marketers since individuals within a given class are likely to share analogous buying behaviour (Kotler et al. 2005, 202).

Social factors

Social factors involve the consumers' groups, family, social roles, and status. There are numerous small groups that influence an individual attitudes and behaviour. Shortly, groups are divided into two: primary groups, and secondary groups. An individual's family, friends, neighbours, and colleagues make up his or her primary groups, with whom he or she might have regular yet informal interaction. In contrast, secondary groups, such as religious groups, professional associations, and trade unions, are those with whom an individuals have more formal and less regular interaction. It is possible that secondary groups have a direct influence on their member, which make them membership groups. (Kotler et al. 2005, 203.)

Reference groups refer to those that directly or indirectly form an attitude towards certain products, services, trends, and/or any other aspects. There might be formal or informal type of groups that influence an individual's buying behaviour towards different products. By extracting appropriate values from references groups, such as how other members consume the

product, people are able to propose and use similar reasons to make their own purchasing decisions. Direct reference groups refer to mentioned primary and secondary groups. There are also indirect reference groups to which an individual does not belong. These groups are also distinguished into two types: aspirational groups, and non-aspirational groups. Aspirational groups concern towards to which an individual would like to belong. Contradictorily, there are groups that people do not wish to belong to in order to avoid being associated with a certain group. Such group is known as non-aspirational groups. (Klopper et al. 2006, 105 – 106.) Thanks to reference groups, a person is exposed to new behaviour and lifestyles, his or her attitudes and concept are also influenced (Kotler & Armstrong 2013, 161).

People are influenced by another force named word-of-mouth influence. It refers to personal words and recommendations of trusted friends, associates, and other consumers. It seems that such recommendations are a more credible and trustworthy source comparing to suggestions from advertisements or salespeople. It is possible that marketers create positive conversations about their brands considering how word-of-mouth influence happens. (Kotler et al. 2013, 161.)

Concerning the development of Internet, there is an online version of reference groups which is known as online social networks. It involves numerous mediums like blogs, message boards, social networking websites, and virtual worlds. Social network is seen as a channel through which marketers can build customer relationships, interact, and become a part of their conversations and lives. (Kotler et al. 2013, 161.)

It is believed that one's values, attitudes, self-concept, and buying behaviour are significantly influenced by his or her family; since there is a consideration of family being the main social organisation for people (Klopper et al. 2006, 102). It is seen as the most important consumer buying organisation in society, too (Kotler et al. 2013, 164). Family ensures the process of transferring, forming and developing cultural values, norms, and attitudes from generations to generations; that is identified as socialisation (Klopper et al. 2006, 102), or intergenerational transfer (Batra & Kazmi 2008, 314). Additionally, skills and knowledge that support the new generation in becoming smart consumers are also passed on (Batra et al. 2008, 314). There are immediate families that are made up of just parents and children, and extended families that include many generations within (Klopper et al. 2006, 102). It is claimed that children not only are influenced by the family, but also have certain impact on their parents' consumption decisions (Batra et al. 2008, 134).

Last but not least, a person's role and status in different groups can specifically affect his or her buying behaviour. Apparently, people tend to purchase and consume products that reflect their role and status. (Kotler et al. 2013, 164.)

Personal factors

Personal factors consist of buyer's age and life-cycle stage, occupation, economic situation, lifestyle, personality, and self-concept. Changes in a person's age and stage of life-cycle lead to their adjustments in purchasing goods or services. Occupation has significance on his or her behaviour as well. From another perspective, economic situation will affect his or her product choices. A student might want to buy products, for example low-priced clothes that are more appropriate to his occupation and budget rather than purchasing expensive blue-collar worker clothes. (Kotler et al. 2013, 165.)

Regardless the fact that people share the same social class, occupation, and even subcultural characteristics, they have different lifestyles, which are defined as their patterns of living expressed in their psychographics. There are dimensions to measure buyers' lifestyles, such as activities (work, hobbies, sports, social events, etc.), interest (food, fashion, family, recreation, etc.), and opinions (social issues, business, products, etc.) According to a person's lifestyles, it is possible to profile his or her whole pattern of acting and interacting to the surroundings. Offering products that propose lifestyle values to appropriate customers might benefit the business. (Kotler et al. 2013, 166.)

It is critical that marketers recognise customers' personalities and build an applicable brand that match the personalities of the customers. Briefly, personality refers to the unique psychological characteristics that differentiate a person or a group of people. Cautiously considering customer personalities might assist the process of analysing their product or brand choice. In order to attract customers, a business should study and combine their target customer' traits and create a proper brand personality. (Kotler et al. 2013, 166.)

Psychological factors

Psychological forces involve motivation, perception, learning, and beliefs and attitudes. A person's motivation is known under the name of needs. As mentioned, there are five levels of

need, demonstrated in Abraham Maslow's hierarchy, that urge individuals to seek for satisfaction. Another theory that discusses people's motivation is Sigmund Freud's. This theory consider motivation as unconscious and uncontrollable factors that shape individuals' behaviour as well as buying decisions. There is a suggested possibility that a person may not fully understand their behaviour and decisions. (Kotler et al. 2013, 167.)

According to Kotler, perception influences how a motivated person act. Perception refers to the process of entirely understanding the surroundings by selecting, organising, and interpreting information. (2013, 168.) It is claimed that people might differently recognise and interpret the same stimuli under the same conditions regarding their own needs, values, and expectations (Klopper et al. 2006, 95). Because of thousands of stimuli received every day, it is impossible for an individual to pay attention to all of them. They are likely to select and evaluate information that are most relevant to them. Such process is named selective attention. Another process is selective distortion, which refers to the tendency of people select and/or eliminate information that suit and support their beliefs. The last process is selective retention. It implies the process of an individual remember good traits of a brand they favour and forget good traits of its competitors. Not only marketers, but also consumers worry about the level of effect of commercial messages. (Kotler et al. 2013, 168.)

Experiences affect an individual's behaviour. Accumulation of experiences is known as learning, in other words. It is believed that human behaviour is mostly learned through the interplay of drives, stimuli, cues, responses, and reinforcement. A drive implies a strong internal stimulus calls for actions, which later becomes a motive when it encounters a particular stimulus object. Cue refers to minor stimuli that control how, when, and where the person responds; it then might affect his or her response to the interest in purchasing the product or service. Considering the customer finds the product from a certain brand beneficial and valuable, there is an opportunity that he or she might continuously purchase products from the brand. It means that his or her response to the brand is reinforced. (Kotler et al. 2013, 169.) It is, however, speculated that people's learning is unable to exclusively predict their behaviour considering temporary forces, such as being short of money or time. Temporary situations might lead an individual to behave differently from his or her learned responses. (Klopper et al. 2006, 98.)

Last but not least, beliefs and attitudes have certain impacts on individuals' buying behaviour. In short, one's belief refers to his or her descriptive thought about the surroundings based on knowledge, opinion, or faith, and with or without emotional effect. Since beliefs make up

product and brand images, it is crucial to present target customer's beliefs properly or it will harm the brand images. Attitude, from another perspective, not only illustrates an individual's evaluations, feelings, and tendencies toward a certain object or idea, but also shape his or her mind of liking or disliking, moving towards or away from things. (Kotler et al. 2013, 169.) The tendencies might be recognised as positive and negative attitude (Klopper et al. 2006, 98). It is acknowledged that attitudes are difficult to change since it fits into an individual's pattern. A business, therefore, should try to adapt to its target customer's current attitude rather than asking them or attempt to change to fit the company's products or brand. (Kotler et al. 2013, 169.) Marketers also have responsibility for linking customer's attitude to their buying behaviour regarding the fact that one might have positive attitude towards a certain product but does not have tendency to purchase it. Influences that prevent customers from purchasing products or services are named inhibitor. (Klooper et al. 2006, 99 – 100.)

2.3 Customer-Driven Marketing Strategy

Considering the differences among distinguish markets and customers, it is uncritical to do mass marketing. Majorly companies move towards target marketing, which involves processes of identifying and selecting market segment, and developing products and marketing campaigns that matched the selected segment. In other words, nowadays, companies tend to focus on buyers that have greater interest in the offered value instead of trying to aim at all segments. In order to fully achieve certain segments, it is essential for businesses to design and develop customer-driven marketing strategies that build the right relationships with the right customers. In brief, there are four main phases in designing a customer-driven marketing strategies known as market segmentation, market targeting, differentiation, and positioning. (Kotler et al. 2013, 192.) (Figure 7).

Figure 7. Designing a customer-driven marketing strategies (Kotler et al. 2013, 192)

2.3.1 Market segmentation

Briefly, market segmentation separates a given market into smaller segments of buyers regarding needs, characteristics, or behaviours. Different groups with distinguish characteristics may require distinguish marketing strategies. There are different methods to segment the market, according to Kotler: segmenting consumer markets, segmenting business markets, and segmenting international markets. Considering the main objective of this research, it is not difficult to recognise the business-to-customer model of the business idea. This paper, therefore, is going to focus on segmenting consumer markets. (2013, 192 - 192.)

There are variables adopted to define and group the market, such as demographic, geographic, psychographic, and behavioural segmentation variables. Demographic segmentation variables, which are considered as the closest to customer needs, wants, and usage rates, and the easiest measurable variables, can be referred to the company's macro-environment discussed earlier. It is apparently that there are needs to identify the variables so that marketers are capable of assessing the size of the target market and reach it properly (Kotler et al. 2013, 194). Whilst demographic variables involve aspects of people themselves, geographic segmentation variables are made up of factors of where they originally come from, the climate they live in, or their cities' size, so on and so forth (Klopper et al. 2006, 127). There are possibility that a company can focus their operation on one or a few geographical area, or operate in all areas but localise their products and promotion strategies to fit the needs of each geographical area (Kotler et al. 2013, 193).

According to Kotler, psychographic segmentation variables categorise buyers into segments consider their social class, lifestyles, and personality characteristics. Another variables used is behavioural segmentation. Considering buyers' knowledge, attitudes, or responses to a product, it groups them into segments. Within these variables, there are five sub-variables named occasion, benefit, user status, user rate, and loyalty status segmentations. Occasion segmentation refers to when customers have the idea and actually purchase, or consume the purchased product. Marketers tend to propose special offer prior to the holiday occasions in order to boost their sales and profit. Benefit segmentation regards the different benefits that sought from a certain product. It implies the requirements of defining the sought benefits in a product class, the kinds of individuals who look for each benefit, and the major brands deliver each benefit. Thirdly, it is possible that markets are segmented based on their user status, such as nonusers, ex-users, potential users, first-time users, and regular users of a product. Concerning

an ideal condition, regular users are reinforced and retained, targeted nonusers are attracted, and relationships with ex-users are reinvigorated. (2013, 198 – 199.) It is, however, claimed that the cost to acquire new customers are more expensive compared to retain current ones (Reid & Bojanic 2010, 59).

Market segments are also defined as light, medium, and heavy product user segments. Heavy user implies the small percentage of the market yet account for high percentage of total consumption. Last but not least, a given market can be segmented regarding customer loyalty. There are three levels of loyalty status: those who are completely loyal to one brand, those who are somewhat loyal to two or three brands, and those who show no loyalty to any brand. By studying loyalty patterns of the current loyal customers, businesses are capable to work on their marketing strategies for such segment properly. On the other hand, analysing less-loyal customers can reveal the business' marketing weaknesses and needed action so that correct the mistakes. (Kotler et al. 2013, 198 – 199.)

There are fundamentals that market segments should be: measurable, accessible, substantial, differentiable, and actionable. To be precisely, measurable refers to the ability of marketers to measure different aspects of each segments regarding its size, purchasing power, and value. Another requirement is that market segments should be effectively reached and served, in another word, accessible. Substantial fundamental implies that certain market segments must be profitable. It involves the levels of the market demand on different product ranges. The forth fundamental is differentiable, which means that the segments must show different responses towards different marketing mix elements and campaigns. (Kotler et al. 2013, 202.) It is meaningless to invest and develop special strategies to target specific segments that react the same towards certain products. The last essential requires marketers to rely on each segment to execute programs to attract and serve them adequately (Kotler et al. 2013, 202).

2.3.2 Market targeting

Mainly, the market targeting consists of two major phases named evaluating and selecting target market segments. By studying how a company evaluate different segments, it reveals three factors that needed to be concerned: segment size and growth, segment structural attractiveness, and company objectives and resources. Targeting the largest and fastest-growing

segments is not always an ideal option to all companies, especially the small ones with shortages of skills and resources. Companies, therefore, need to identify and select target segments tailored to their condition regarding the size and growth characteristics. Besides, it is important to examine the structural attractiveness considering the condition of current competition within given segments, such as the aggressiveness of current competitors and/or the difficulty level for new entrants. It also includes the amount of substitute products existing in the segments which might have negative impacts on pricing strategies of the company. Last but not least, the power of buyers and suppliers also influence the attractiveness of a certain segment. Concerning the least attractive segment, it is apparently that the segment has strong and aggressive competitors, is easy for new entrants to enter, and has many actual or potential substitute products, powerful buyers and suppliers. These factors should be circumspectly valuated before segments selection decided. The last evaluation element is the company's objectives and resources. Thoroughly understanding its own long-term objectives and resources might result in selecting the right segments. It is believed that entering the segments that could benefit the company under the form of offering superior customer value and gaining advantages over its competitors is an optimal solution. (Kotler et al. 2013, 202 – 203.)

The next phase is deciding which and how many segments to target. Market targeting can be executed at different levels, from very broad to very narrow as shown in Figure 8. Mass marketing strategy refers to doing marketing regardless market segment differences, targeting all the customers, and proposing the same offer to the whole market. Although it helps reduce manufacturing costs and distribution methods, it is challenging to satisfy all customers at once though they might share common needs, competed to more-focused companies. (Kotler et al. 2013, 203)

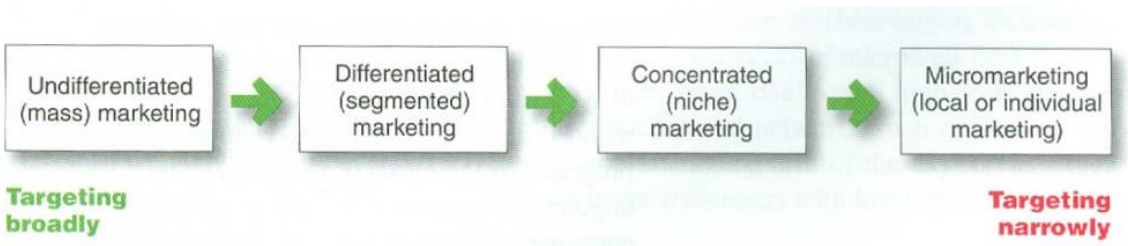

Figure 8. Market targeting strategies (Kotler et al. 2013, 203)

On the other hand, micro-marketers aim to offer products and marketing programs tailored to specific individuals and locations. Developing brands and promotions to match the local customer group', such as cities, neighborhoods, and specific stores, needs and wants is

acknowledged as local marketing. Although local marketing supports the company in easing the differences regarding regional and local in demographics and lifestyles, it is difficult for, for instance, logistics function to meet varied requirements of different regional and local markets. Individual marketers, in the extreme, attempt to satisfy the needs and preferences of individual customers. It is also named one-to-one marketing, mass customisation, and markets-of-one marketing. Being backed by new technologies eases the process of designing products and services matched to individual needs by interacting one-to-one with them. Because of the return of individual marketing, the importance of customer relationship is emphasised. (Kotler et al. 2013, 205 – 208.)

In the middle of broad and narrow market targeting are segmented and niche marketing. Once segmented marketing strategy is adopted, a company targets several market segments and designs separate offers for each of them. It is possible that the company gain stronger position which result in higher sales within each market segments in return. Costs of developing and manufacturing units of different products are claimed to be more expensive, however. It happens the same when developing separate marketing plans and promotion campaigns. Companies that implement niche marketing strategy seek for a large share of one or a few small segments or niches. With sufficient knowledge of consumer needs in the niches, companies can accomplish special reputations and strong market positions. Besides, small size companies can focus resources on serving and satisfying the niches. Concentrated marketing, however, involves higher risk rate under the circumstance that the segments are no longer in good condition. Diversification in market segments is recommended considering such situation, consequently. (Kotler et al. 2013, 203 – 205.)

2.3.3 Positioning

Beyond selecting target market, there is need to pursue position plans though customers position brands and products with or without the influence of marketers. Shortly, a product position refers to the place the product occupies in consumers' minds. A certain brand or product is positioned by the perceptions, impressions, and feelings obtained while consuming the product compared with competing products. (Kotler et al. 2013, 210 – 211.)

To have an adequate vision of the brand position competition, perceptual positioning maps are adopted, which help to illustrate consumer perceptions of certain brands versus competing

products on important buying dimensions (Kotler et al. 2013, 211). An example of a perceptual positioning maps is shown in Figure 9. The mapped products, or brands, are demonstrated in the forms of different sized and coloured circles. The sizes of the circles expose the brands' market share while its positions indicate its perceived positioning. The brand trademarks might also be used on the map that stand for the same illustration. (Kotler et al. 2013, 211.)

It is critical to make decision on choosing a legitimate differentiation and positioning strategy tailored to each selected segment. According to Kotler (2013, 211 – 212), there are three steps to follow to differentiate and position brands and/or products: identifying possible value differences and competitive advantages, choosing the right competitive advantages, and selecting an overview positioning strategy.

Figure 9. Example of perceptual positioning maps (Webdesignerdepot.com, 2012)

After successfully defining the market segment and deciding which one to target, marketers need to exceed their competitors in understanding their customers' needs and expectations, and delivering more customer value. By favourably differentiating and positioning itself, the company gains its competitive advantage. The company might offer their products with promises of great quality and service, yet it is more crucial to actually deliver the promised features. Besides, there are five elements that can be based on to help differentiate certain brands: product, services, channels, people, or image. Brands can be differentiated on differences of features, performance, or style and design of the product. Service differentiation consists of

the speed, convenience, or delivery features of the service. Firms that exploit channel differentiation shall take care of their channel's coverage, expertise, or performance. By cautiously employing and training customer-contact people, there is possibility that the company gains competitive advantage through people differentiation. Last but not least, competitive advantages might also result from brand differentiation which covers the products' distinctive benefits and positioning. It requires long haul working efficient and creativity to achieve a strong and distinctive image in the customer's mind. (Kotler et al. 2013, 212 – 213.)

The next step is to choose the right competitive advantage based on which the company is able to build its positioning strategy. It is recommended that marketers should commence with deciding on how many differences to promote. Some believe that only one offered benefit should be aggressively promoted while others agree that there should be more than one differentiator, especially when two or more companies are competing. After determining how many differences to promote, it is necessary to proceed with choosing the exact differentiators. There are criteria adopted to define the worthiness of a certain differentiator: (1) the ability to deliver highly valued benefit to target buyers – important, (2) the distinction that competitors cannot exceed - distinctive, (3) the superiority in offering benefit to customers – superior, (4) the ability to be communicated and visualised to buyers – communicable, (5) the inability to be imitated by competitors – preemptive, (6) the affordability of the difference – affordable, and (7) the profitability of introducing the difference – profitable. By accurately deciding on which right competitive advantage to develop positioning strategy, the company is capable to stand out. (Kotler et al. 2013, 213 – 214.)

Last but not least, the activity of selecting an overall positioning strategy is proceeded. Considering brand positioning, there is a full mix of benefits on which a brand is differentiated and position, which is illustrated in Figure 10. The five green cells (more-for-more, more-for-the-same, more-for-less, the-same-for-less, and less-for-much-less) represent winning value propositions – from which differentiation and positioning the company obtains competitive advantage; the red cells represent the losing value propositions; and the remaining yellow cell represents the marginal proposition. (Kotler et al. 2013, 214 – 215.)

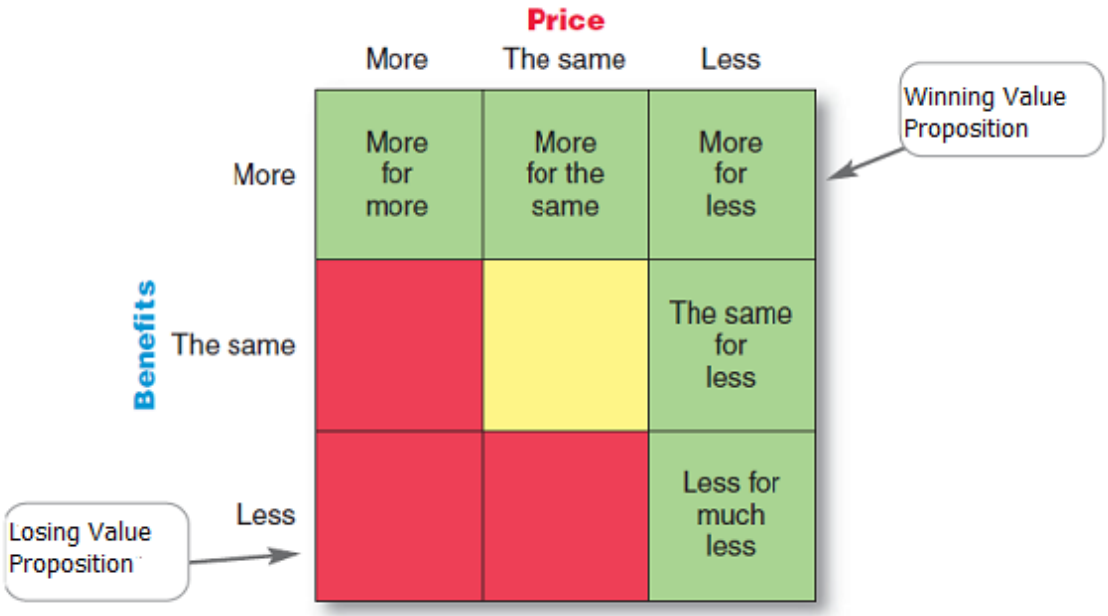

Figure 10. Possible value propositions (Kotler et al. 2013, 214)

More-for-more positioning means offering the most upscale product or service and charging a higher price in order to cover the higher costs. From a more-for-more market, customers receive also prestige besides high quality offers. Despite the fact that more-for-more strategy is profitable, it is also vulnerable considering competitors imitating the offered quality at lower price. Marketers can also consider proposing comparable quality products or services at a lower price to compete with competitors' more-for-more strategy. It is named more-for-the-same positioning. Another powerful value proposition is the-same-for-less which offers buyers a good deal – pay less for the same benefits offered by other brands. Considering this strategy, marketers usually do not proclaim to offer different or better quality products. The forth positioning strategy, as known as less-for-much-less, is meeting customers' lower performance or quality requirements at a much lower price. Last but not least, the winning value proposition is known as more-for-less which is adopted broadly nowadays to achieve lofty positions in a short run. Yet, considering the costs of offering in the long run, it is difficult for companies to pursue this most optimal positioning strategy. (Kotler et al. 2013, 215 – 216.)

3 RESEARCH METHODOLOGY

The purpose of this thesis is to analyse the targeted customers and studying the market environment characteristics for the idea of initiating the process of opening the basketball style coffeehouse in Hanoi, Vietnam. Apprehending the market peculiarity, and targeted customers' opinions, behaviours, and attitude about the business idea would be the key answers for the whole thesis. Accordingly, the researcher has decided to adopt quantitative and secondary approaches to obtain the needed information.

3.1 Quantitative Research Method

Regarding the objective of this research – studying characteristics, needs and demands, and behaviours of the target customer market, survey research method was adopted. According to Kotler (2013, 129, 134), this type of research is applicable for gathering descriptive information, which provides an overview of, for example, the market potential for a product or service, or attitudes and behaviour of potential customers who actually buy and consume the product or service. To be precisely, according to Taylor (2005, 91), quantitative research method was exploited because of the valid and objective description of the result. Besides, quantitative research does not allow the researcher biases influence the analysis and interpretation of the data. Involvement of personal contact is also minimised during the quantitative research progressed. There are premises claim that quantitative research cannot successfully evaluate the full range of human behaviour concerning no complete control and objectivity in the behavioural sciences, and the possibility of questions left undone.

There are characteristics of the quantitative research methods defined by different authors, which are: "quantitative research uses numbers and statistical methods. It tends to be based on numerical measurements of specific aspects of phenomena; it abstracts from particular instances to seek general description or to test causal hypotheses; it seeks measurements and analyses that are easily replicable by other researchers" (King, Keohane & Verba 1994, 3 – 4), and "quantitative researchers seek explanations and predictions that will generalise to other persons and places. Careful sampling strategies and experimental designs are aspects of quantitative methods aimed at produce generalisable results. In quantitative research, the re-

searcher's role is to observe and measure, and care is taken to keep the researchers from 'contaminating' the data through personal involvement with the research subjects. Researchers 'objectivity' is of utmost concern" (Glesne & Peshkin 1992, 6) (Thomas 2003, 2).

3.2 Data Collection Process

3.2.1 Questionnaires

A targeted customers' designed-questionnaire (Appendix 1) was designed to gather empirical data. The respondents were asked to describe their demographic information, and expose their opinions, attitudes, and behaviours through answering the multiple choice questions. The sample questionnaire consisted of 12 questions. The first part of the survey began with basic information questions for respondents to select answers regarded with their age, gender, occupation, and frequency of visiting a coffee shop at different times; followed by the targeted customers' behaviour, opinion and expectation questions. The majority of the opinion questions asked for the respondents' evaluation by rating categories: Very interested, Interested, Average, Not very interested, and No interested. Five out of seven questions in the second part were open-ended questions seeking for respondents' motivation to visit a coffee shop, influential factors on choosing a coffee shop to visit, their spending pattern for one dining out meal, suggestion about featuring the coffeehouse, and their attractiveness towards new opened coffeehouse. The questionnaire was designed on Qualtrics – a free Web-based tool for creating and conducting online surveys; because of the distance between Finland and the targeted market, the survey was mainly spread via Facebook. During nearly two weeks from 21st October to 1st November 2013, the researcher achieved 137 responses out of 350 reached individuals.

The researcher's knowledge and understanding of the targeted customers would be assisted by the survey's result analysis. Besides, suggestions and recommendations could be provided according to the results.

3.2.2 Secondary Data

Along with the primary data, secondary researches about market macro- and micro-environment, and targeted customers' characteristics that affected their buying behaviours were conducted simultaneously, which were gathered from academic references, journals, and official e-newspapers and sources. The researcher's observation and knowledge of the market also played an important part to success of the research.

3.2.3 Reliability and Validity

Reliability and validity essentially affect the effectiveness of the research. According to Joppe (2000), reliability is defined as 'an accurate representation of the total population under study' while a reliable research is the one that capable to produce consistent result under the same methodology. A validate quantitative research should provide results that are truthful and answer to the original objectives.

The process of data collection was reflected to evaluate the reliability and validity of this thesis work. The questionnaires were anxiously designed by the researcher, and the correction and suggestions of the supervisors to produce the most suitable questions and logical survey structures. Due to the method of survey distribution, the survey reached a large number of respondents, yet only nearly 40 percent of the reached population were interested in the business idea and the survey. Although the number of respondent was 137, the valid number of answer was only 99. Because of the different levels between the reported and the authentic number of respondent, the final result and analysis process will be affected. Since the results were calculated according to the frequencies of the selected answers, however, it could still be accurate. The survey result should have been more conclusive provided that the number of valid answers were greater, and the numbers of answer collected from every questions were alike. After concluding the survey, the data were clarified and analysed deductively.

4 EMPIRICAL PART AND RECOMMENDATION

It is anticipated that this section of the thesis will be replete with a great amount of Vietnam market in general, and Hanoi market in particular, followed by characteristics and expectations of targeted customer. The findings would provide the researcher and the readers an overview of the market regarding its external characteristics that would affect the business. According to the following data and analyses, recommendations will be discussed in the next section.

4.1 Market Analysis

4.1.1 Market Overview

Vietnam's political and physical boundaries were clearly described in Figure 11. Vietnam locates in Southeast Asia area, and shares boundaries with China to the north, Laos and Cambodia to the west, and Eastern Sea to the east. Although it was presented as South China Sea, 'Eastern Sea' was preferred by the Vietnamese concerning the political issues (Shultz 2011, 8). The coastline is 3,444 kilometres long; the narrowest part is 50 kilometres wide; and the total land area is 310,070 square kilometres (CIA 2013). Hanoi, the capital and second largest city which locates in northern area of Vietnam, was identified as a red star on the map of Vietnam. Together with other ten cities and towns, Hanoi locates in the Red River Delta. Hanoi consists of 29 districts.

Figure 11. Map of Vietnam (Central Intelligence Agency, 2001)

4.1.2 Marketing Environment

Macro-environment

- Demographic trends

Being emphasised on the biggest online newspapers earlier, as of 1st November 2013 the population of Vietnam was expected to reach 90 million according to Duong Quoc Trong, Chief of General Office for Population Family Planning (TuoitreNews 2013). In recent years, Vietnam's population gradually grew. According to the General Statistics Office (GSO) of Vietnam, the total population in 2009 was approximately 85.8 million people, increased to nearly 90 million people at the beginning of November 2013, advanced by roughly four million people in the last five years, from 2009 to 2013. (Figure 12). It is possible to conclude that Vietnam's population increased by nearly 840 thousand people each year. Apparently, the total population would exceed 90 million at the end of 2013, and tend to steadily rise.

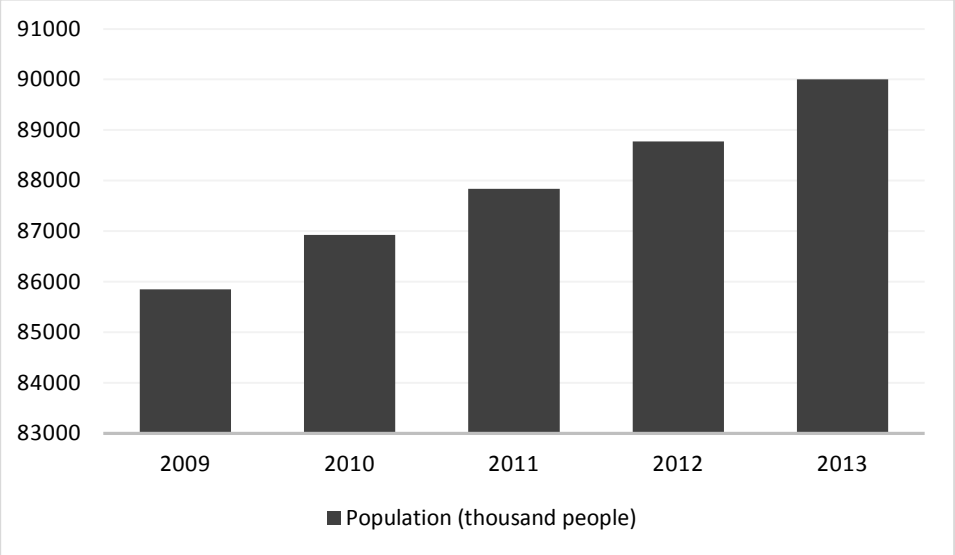

Figure 12. Vietnam's population growth from 2009 – 2013 (GSO, 2009 – 2013)

In 2009, the GSO predicted population growth in the following years, which were categorised into five-year periods of time. The prediction concerned three projects: high, low, and average birth rate. It was proclaimed that low birth rate project was more likely to occur according to the current situation. At the beginning of April 2014, the population was foreseen to be 90.7 million people, increased by 4.49 percent compared to the same period of time in 2009. In the next five years, 2019, the population would be more than 94.6 million, increased by 4.38 percent compared to the year of 2014. (Table 1). It was obvious that the population retained arising from years to years, yet at a slower pace, concerning other two projects also.

	1.4.2009	1.4.2014		1.4.2019	
	Population (thousand people)	Population (thousand people)	Growth rate (%)	Population (thousand people)	Growth rate (%)
High birth rate	86, 443	90, 991	5.26	95, 528	4.99
Low birth rate	86, 443	90, 710	4.49	94, 679	4.38
Average birth rate	86, 443	90, 410	4.59	93, 811	3.84

Figure 13. Population and growth rates, 2009 – 2019 (General Office for Population Family Planning 2011)

According to TuoitreNews (2013), in the last 50 years, Vietnam has been tackling with the population boom challenges, and accomplished certain achievements. In 1961, almost 6.3 children were born by each woman of child-bearing age. This number decreased to two in the year of 2010. Those who were born in the population boom now make up the potential demographic golden period since the working-age group reaches its maximum. Additionally, life expectancy increased from 40 in the year of 1960 to 73 in 2010. Lately, Vietnam has been aware of challenges regard with the decreasing birth rate, which might lead to the deficiency of human resources in the future.

The population is subdivided into five age groups: 0 – 14, 15 – 24, 25 – 54, 55 – 64, and 65 years of age and over. As mentioned, the target group falls between 15 and 24 years of age, which makes up 18.4 percent of the total population, and recognised as the third largest age group. (CIA 2013.) It is apparently that Vietnam's population has been aging in recent years considering the population pyramids of the year 2009 and 2013 shown in Figure 13. As explained earlier, people who were born in the population boom were engaged in the working-age group that would retire in the next several years. According to The Voice of Vietnam (VOV) online (2013), generally, Vietnam's population was rapidly aging. It was estimated that Vietnam's population structure would change from the 'aging' population to the 'age' population structure in roughly two decades.

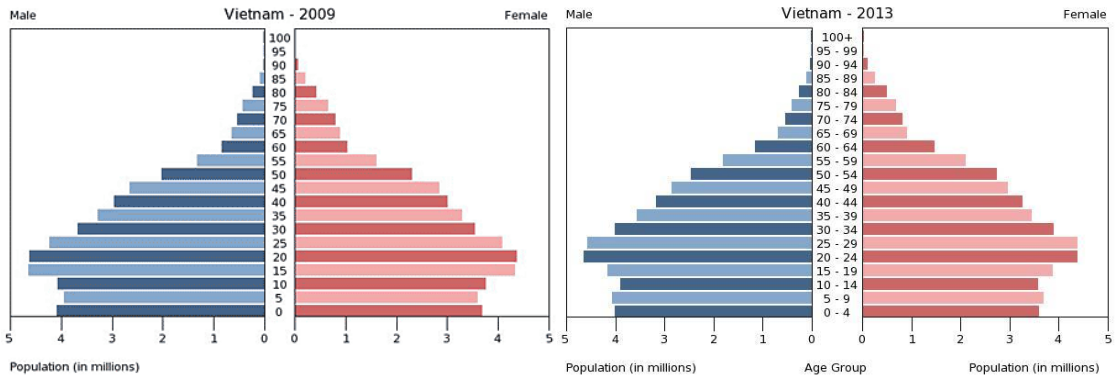

Figure 14. Population pyramids of Vietnam from 2009 to 2050 (forecasted) (MoneyWeek 2009 & CIA 2013)

After being merged with Ha Tay province in 2008, Hanoi's total area increased from nearly 1, 000 square kilometres to roughly 3, 300 square kilometres (Nguoi Lao Dong 2013), and total population exceeded 6.8 million people in the year of 2012 (GSO 2013). The population was expected to reach 7.3 million by 2015. Besides, the gender ratio of Hanoi population was imbalance. (Hanoitimes, 2012.) The merge benefited Hanoi in terms of increasing number of

young and high quality human resources; yet also pressed the socio-economic, urban development, hospitals and schools overload, population control, quality of family planning and health care service (TuoitreNews, 2013). By acknowledging the current condition, the local authorities took certain actions. In 2012, the local authorities set a target to keep the gender ratio under 116 boys over 100 girls. Besides, there were effort to enhance the residents living quality in terms of physical, mental, and spiritual features, ensuring appropriate birth rates, and implementing the two-child policy. (Hanoitimes 2012.) To be precisely, in 2011, the Resolution on Economic and Social Development Plans for Hanoi in 5 Years 2011 – 2015 declared to decline birth rate by 0.02 percent per year, and decrease third-child birth rate to under 5 percent by 2015.

- Economic trends

After centuries being occupied by foreigners, Vietnam remained a closed socialist economy, isolated from the western world, saddle with the US embargo, and dependent heavily on the USSR started from 1976 and lasted a decade. That led to the economic devastation, poor agriculture, resulted in starvation conditions and social unrest. The Doi Moi reforms were urged to be implemented, which moved the country's economy to the socialist-oriented market economy. (Paswan & Tran 2011, 18.) Thanks to the Doi Moi, Vietnam was more broadly open to the world, joined the World Trade Organisation (WTO) in the year of 2007, normalised trade relations with the US (Breu, Dobbs, Remes, Skilling & Kim 2012, 1), took part in the Trans-Pacific Partnership trade agreement in 2010 (CIA 2013). Early 2012, Vietnam proposed the 'three pillar' economic reform which involved restructuring of public investment, state-owned enterprises, and the banking sectors (CIA 2013). Annual output was made up of 40 percent of industrial and another 40 percent of services sectors (Breu et al. 2012, 1) while agriculture's share progressively shrank from 25 percent in 2000 to less than 22 percent in 2012 (CIA 2013). Exports of manufactured goods, such as textiles and footwear, were expanded besides serving a growing domestic market (Breu et al. 2012, 1).

In brief, GDP at purchaser' prices preferred to the sum of gross value added by all local producers plus any taxes and minus any subsidies excluded in the value of the products. Generally, the Vietnam's GDP continuously grew over the past few years, from approximately $39.55 billion in 2003 to nearly $141.67 billion in 2012, yet at a low rate (The World Bank 2013.) (Figure 14). Considering the global recession, Vietnam's economy was affected. The GDP growth rate in 2012 was 5 percent, which was concern at the lowest since 1999. On the

other hand, export activities increased by more than 18 percent, reach $114.3 billion in 2012. Up to the year 2012, the US (17 percent) and China (12.9 percent) were the two biggest export partners of Vietnam, followed by Japan (12 percent), and South Korea (4.6 percent). The currency value was remained balance in 2012 after the devaluation which exceeded 20 percent. The foreign direct investment (FDI) inflow decrease by 4.5 percent to $10.5 billion in 2012. Regard with undercapitalised banking sectors, there were challenges to face, such as non-performing loans, and increasing rate of bad debt (8.8 percent in September 2012 and predicted to be over 15 percent). The inflation rate in 2012 was 9.1 percent, decreased from 18.7 percent in 2011. Vietnam's external debt at the end of 2012 was nearly $53 billion, dropped from $57.84 billion in 2011. (CIA 2013.)

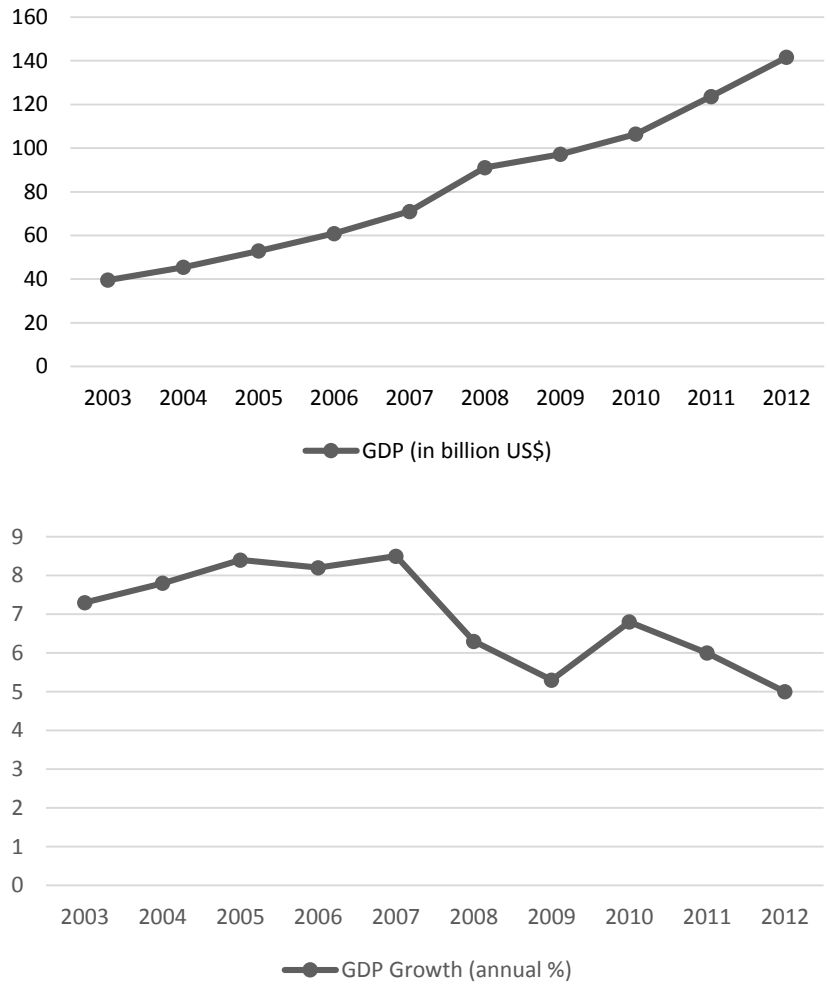

Figure 15. Vietnam's GDP and growth rate (The World Bank 2013)

In the last nine months of 2013, Vietnam's GDP grew by 5.14 percent compared to the same period in 2012. In which agriculture, forestry, and fishery rose 2.39 percent, industry and construction rose 5.02 percent, and service rose 6.25 percent. Within service sector, information

and communication, accommodations and food, and transportation and warehousing services highly contributed. (TuoitreOnline 2013.) Based on the GDP growth in the first quarter, a prediction of the GDP growth in 2013 was revealed. It was forecasted to reach 5.2 percent, and might pick up to 5.6 percent in 2014 in the event that banking sector was strengthened, and major industrial economies were recovered. (TuoitreNews 2013.) The envisioned GDP growth was proclaimed to be lower than planned (Dan Tri 2013). In June 2013, inflation was 6.7 percent, which was considered as an achievement and a moderated rate (The World Bank 2013). Inflation rate was forecasted to be averagely 7.5 percent in 2013 and quickening to 8.2 percent in 2014 (TuoitreNews 2013). In the first six months, total export value rose by 16 percent; FDI/GDP ratio decreased from 11.8 percent in 2008 to around 7.7 percent. Vietnam, however was facing the development of existing competitors' performance, such as Indonesia and Thailand, and emerging competitors, such as Myanmar. Regardless the competitors, Vietnam was still an attractive destination for foreign investors. (The World Bank 2013.)

Imbalanced macro-economic has put pressure on Vietnam's economy, especially on inflation, since the global recession occurred in 2008. The economy started to recover from the second quarter of 2012 even though it was at a very slow pace. Considering the short-term period of time, there were four challenges named by the Tap Chi Tai Chinh (2013): high inflation rate together with stagnation risks, harmful bad debt condition, difficulty in managing interest rates, and unhealthy real estate market. Concerning the long-term, Vietnam's export value was claimed to mainly depend on FDI while domestic businesses were not able to contribute to the export growth. Although Vietnam was a strong exporter of rice, its transaction of seven million tons of rice only gained $3.5 billion, which was not able to profit the rural market. Reduction in total factor productivity and increase capital investment, and imbalances between savings and investment resulted in inflation. Last but not least, problems in logical thinking decelerated the process of the economic structural reform.

Furthermore, the World Bank (2013) considered the higher development pace of Indonesia and Philippines compared to Vietnam's first time in two decades as harmful which could decline foreign investment rate to Vietnam. Descent import value by domestic sector in 2012 (fell by 7 percent) anticipated a low demand for capital investment and intermediate goods, and weak private consumption. Although external debt endured sustainable, domestic debt was quickly accumulating.

After five years merging with Ha Tay, Hanoi's GDP, whose growth was 9.5 percent, made up 10 percent of the country. The growth rate was announced to be 1.5 times higher than the

whole nation's. The population income in 2012 was 2.6 times higher compare to the year of 2008. (Nguoi Lao Dong 2013.) In the next two years, Hanoi's GDP growth was projected to meet 12 – 13 percent per year, within which service sector made up 12.2 – 13.5 percent. The economic structure at the end of 2015 should consist of 54 – 55 percent of service, 41 – 42 percent of industry and construction, and three to five percent of agriculture sectors. Furthermore, average export growth should be 14 – 15 percent per year. (Thu Vien Phap Luat 2011.)

- Natural trends

Generally, Vietnam's climate is tropical in the south, and monsoonal in the north with two seasons: rainy and warm, and dry. Vietnam possesses great range of natural resources, such as phosphates, coal, bauxite, offshore oil and gas deposits, and other rare earth elements. (CIA 2013.) Prediction on places people would settle, and what customs and practices would emerge might be predicted regarded with the nation's topography, climate and natural resources (Shultz & Pecotich 1997; Shultz 2011, 9). From May to January each year, Vietnam faces and suffers different natural threats, for instance occasional typhoons with extensive flooding, especially in the Mekong River delta. Currently, Vietnam is facing natural issues regarded with deforestation and soil degradation results from slash-and-burn agricultural practices, water pollution and threated marine life populations, fast growing urban industrialisation and population migration in Hanoi and Ho Chi Minh City. (CIA 2013.)

Hanoi is claimed to have a critical location. As mentioned, Hanoi's total area is approximately 3, 300 square kilometres, which diversified in types of topography, such as delta, semi-mountainous, and mountainous with various flora and fauna ecosystems. Hanoi is located nearby big rivers, which supports trading-traffic with other cities. There are other transportation systems connects Hanoi with other cities and towns within the northern area, such as motorways, railways, and airways. (Dang Cong San Viet Nam 2010.) Hanoi is featured with monsoon climate, which is cold and dry in the winter, and hot and rainy in the summer. Hanoi experiences significant winter in comparison to other southern areas. Each year, from June to October, Hanoi suffers extreme flood-tides results in loss of life and property. Besides, fast progress of industrialised development consequently increase the speed of water, air, and earth pollution. Development of infrastructure is not sufficient to meet the growth of population and urbanisation, and the needs of environmental services. (VietnamPlus 2012.)

Being aware of the environment conditions, the authority has decided to enhance the process of disposing of daily refuses to 100 percent in the urban area, and 80 percent in the suburban

area. Besides, 100 percent of industrial parks' wastewater treatment systems should meet the national standard. Last but not least, the process of discarding 95 percent of normal solid disposals, 85 percent of hazardous solid disposals, and 100 percent of medical disposals have been required to meet certain standards.

- Technological trends

Vietnam's technology is evaluated to have a weak foundation although there are numerous famous scientists achieves recognition and contributed to the country throughout the wars. The period of 1945 – 1980 was the golden age of the mathematics and mechanical engineering technology with the support of the former Soviet Union. After the advantageous period of mathematics and mechanical technology, information technology (IT) emerged. (Vietbao 2003.) In the last decade, the number of IT companies quickly boosted. In 2012, there were more than 750 software companies, among which 150 were outsourcing companies. Vietnam was acknowledged as one of the five most attractive destinations of outsourcing in Asia (BBC 2012), and was predicted to be the next outsourcing hubs for software development. Currently, FPT was a telecom giant that dominated the global outsourcing provider market whose revenue in 2011 was $62.5 million, made up nearly 21 percent of the country outsourcing to global market. The second biggest software outsourcing company was VietSoftware International (VSII) which was the biggest Offshore Deliver Center (ODC) of IBM in Vietnam. (Forbes 2012.)

Concerning the progress of software outsourcing, companies have faced different challenges: (1) severe competition with peers from other emerging countries, especially India, (2) deficiency of talented and well-educated human resources in large projects, (3) shrinking margin that urged companies to develop its own IT products, (4) level of business English communication, (5) level of soft skills besides hard skills of the labour force, (6) gaps of cultural difference, (7) unattractive sales and marketing activities to foreign market, (Forbes 2012,) (8) shortage of capital investment, and (9) lack of government support (BBC 2012).

In 2007, on the basis of the development of the Ministry of Post and Telematics, Ministry of Information and Communication (ICT) was established. In the last few years, ICT has greatly contributed to annual GDP growth. By the end of 2010, software industry and digital content industry earned $2 billion, together with $5.6 billion revenue of the hardware industry, and more than $9.4 billion revenue of telecommunications services. In total, the revenue of telecom and IT industry in 2010 was $17 billion, 19 times higher than in 2000. Besides, there were

126 million of nationwide telephone subscribers, and 3.7 million of broadband Internet subscribers at the end of 2010. Vietnam was recognised as one of the countries that have the highest number of Internet users. The number of households with computers and laptops was 14.76 percent, and the number of households with Internet access reached 12.84 percent. ICT also played significant roles in public services, such as distance education, electronic libraries; and in many industries, such as constructions, mechanics, textiles, petroleum, etc. (National Steering Committee on ICT – NSCICT 2011, 15 – 17.)

In 2012, the Prime Minister Nguyen Tan Dung announced the decision on Approving the Strategy for Science and Technology Development for the 2011 – 2020 period. According to the decision, the contribution of science and technology to the economic growth and restructure of the economy would account for 45 percent of the GDP. The pace of technology and equipment innovation should be 10 – 15 percent per year during the 2011 – 2015 period; and over 20 percent per year in the next five-year period. (Ministry of Science and Technology 2012.)

- Political trends

The Communist Party of Vietnam (CPV), which was established on 3rd February 1930, has formed, led a nationwide political system, and been a critical member of the system, with the Party serving as the core, and formulated a national construction program that could be described as rich people – strong nation – equitable, democratic, and civilised society. The principle of 'the people as the country's roots' is strictly and efficiently followed so that the CPV would be capable to achieve the proposed goals. The CPV main aim is to generate Vietnam a strong, independent, prosperous and democratic country with an equitable and civilised society. Besides, the CPV is realised as the vanguard of the working people, and the nation; a loyal representative of the working class and the nation's interests. Since the CPV roots in the people, and all powers belong to the people, the whole population's mastery is honoured and endorsed under their supervision. (Socialist Republic of Vietnam – Government Portal.)

The powers of the people are exercised through the State. The State of the Socialist Republic of Vietnam is a law-governed state, and the central organisation and the pillar of the political system. It acts on behalf of the people based on their wills and powers, and is accountable to the people. (Embassy of the Socialist Republic of Vietnam in the USA.) The structure of the State's system was reflected in Figure 15. The highest representative organ of both the people and the State power is the National Assembly. Its responsibilities cover the actions of (1)

adopting, amending the Constitution and the laws, (2) deciding on the legislative program and important issues of the State, such as socio-economic development plans, financial and monetary policies, etc., and (3) supervising activities of the State. The National Assembly also exert its power on electing the President, the Chairman of the National Assembly, and the Prime Minister, and approving appointments of Ministers upon the recommendation of the Government. The current President of the State is Truong Tan Sang, and the Prime Minister is Nguyen Tan Dung. The National Assembly is led by Nguyen Phu Trong, the Chairman of the National Assembly (Socialist Republic of Vietnam – Government Portal.)

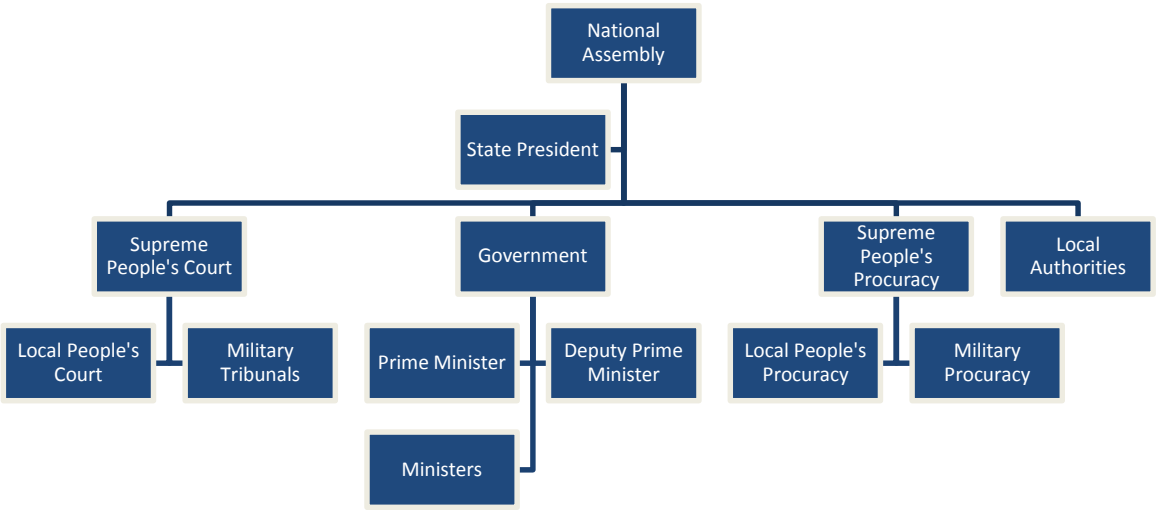

Figure 16. Political system of Vietnam

The Government is the executive organ of and was accountable to the National Assembly and the President, and the supreme state administrative agency of the State. Its components are Prime Minister, Deputy Prime Ministers, and Ministers and Heads of ministerial-level agencies. The Government is subjected in politics, socio-economy, national defense, security and external relation, etc. Other organs that are accountable to the National Assembly are the Supreme People's Court and the Supreme People's Procuracy. (Socialist Republic of Vietnam – Government Portal.)

Although the current political environment has been internationally perceived as stable (Ineichen-Fleisch & Maser 2012, 6), it still struggles against dilemmas. The most serious issue that Vietnam has been confronting was the corruption and bribery issues. In the year of 2013, there were roughly $5.5 million corrupted yet were able to retrieve only about $2.8 million revealed from investigation. In total, the value of corruption in 2013 was approximately $439 million plus 155 thousand square meter of land. (CafeF 2013.) The effort of anti-corruption

was not adequate enough due to the ineffectively implementation of laws and unconfident attitude of the people (Freedom House 2011; Global Integrity 2009; Bertelsmann Foundation 2010), although the result showed the significant improvement after the Anti-Corruption Law was adopted in 2005, as well as the National Strategy on Anti-Corruption to 2020 (Martini 2012, 5 – 6.)

Vietnam's international relations plays great impact on the political situation. Besides gaining political and economic benefits from the international relationships, Vietnam has encountered with complicated relation with China recently, who has the major economic role in Asia, concerning the conflict of Spratly and Paracel islands possession. (Ineichen-Fleisch & Maser 2012, 6.) During the last three-day visit of the Chinese Prime Minister Li Keqiang from 13rd to 15th October, responsibility of further developing the two countries' bilateral friendship was emphasised. A comprehensive strategic cooperative partnership between China and Vietnam was also affirmed by the Premier Li. Moreover, the two sides agreed to tighten control of sea disputes and not to worsen the disputes. (ThanhnienNews 2013.)

As stipulated in Article 52 of Decree 43/2010, the coffeehouse could register as an individual business, whose registration is valid for one location, staff member is not allowed to exceed ten people, and owner must take responsibility for the business property. Under the provisions of Circular No. 30/9/2008/TT-BTC dated 30th September 2008 of the Ministry of Finance, and the Decree No. 100/2008/ND-CP of the Government dated 8th September 2008, personal income tax is charged on the individual business' owner instead of corporate tax. In the event that more than one individual owned and operated the business, personal income tax is charged on the registered individual. The business registration records consists of an application and a copy of the owner's identification documents. (ViettinLaw 2013.) Besides, in accordance with Circular No. 30/2012/TT-BYT dated 5th December 2012, food service providers must adopt the following food hygiene and safety guidelines: (1) cleanliness of food and beverages process facilities, dining area, separate raw and cooked ingredient storages, (2) cleanliness of cooking tools, and food containers and packages, (3) identification of permitted ingredients, additives, and processed food, (4) control of temperature, humidity, and ventilating conditions of the storages and food preparation facilities, so on and so forth.

- Cultural trends

Originally, Vietnamese dining habit tends towards vegetarianism. Rice, or other starchy food, and vegetables are considered as the main course of the meals that maybe diversified by

aquatic products. Vietnamese prefer to consume synthetic food processing style that consists of many different materials and ingredients. As of today, meat and fish are included as a component of the main dishes, (Embassy of Vietnam in the United Kingdom,) starchy food still appears as a basic element. Started from the invasion of China and French, Vietnamese cuisine has been tremendously influenced. Northern Vietnamese cuisine has been heavily manipulated by China with stir-fries and noodle-based soups; while Southern Vietnamese cuisine has been more Thai and Cambodian, and sweeter. The today Vietnamese 'banh mi' is the most obvious evidence of cultural colonisation of French, which originally was the French baguette filled with meat paste (as known as pâté). Another typical dish is 'pho', which is a combination of Vietnamese rice noodles and Frech-minded meat broths. Vietnamese cuisine universal theme also engages sauces, especially fish sauce, herbs and aromatics, and fruits acted as both vegetables and dessert. (Zimmer 2013.)

Vietnamese people enjoy meals together with friends, and/or families. People share dishes with others, and relish conversations during meals. Vietnamese concern meals as times of relatives and friends gathering together and communicating. (Hoc Mon People's Committees 2011.) Besides, chopsticks play an important and irreplaceable part in Vietnamese culture with different explanations of its origin (AFamily 2010).

Additionally, snacking and dining out are seen as irreversible and indispensable parts in Vietnamese daily life nowadays. In July 2012, a research was conducted to study the habit of snacking of Vietnamese people. More than 60 percent of people consumed street food in the last three months (from April to June 2012), of which 90 percent purchased street food at least once a week. Female was argued to consume street food more frequent than male. 76 percent of people would like to have street food in the evening, especially around 17.00 and 18.00 o'clock. More than 50 percent of both male and female's decision on choosing a street food kiosk was based on the reason of 'good cheap food'. 54.5 percent of male customer selected a coffee shop because of the suited location for getting along with friends and colleagues, while 68 percent of female dined out at a certain restaurant because of the offered dishes. (VinaResearch 2012.)

- Competitive trends

According to the latest information, there were more than 26 thousand food service providers in Hanoi. Most of them were street food kiosks or food stalls, and the minority was registered

restaurants. Although the Ministry of Health ordered the removal of approximately 16 thousand food service providers that did not meet the food hygiene and safety standards early this year, there were still numerous of existing competitors remain. (PetroTimes 2013.) Regardless the expensive restaurants, street food stalls offer good food at the most competitive prices. Price differences mostly do not exist, which means that switching cost is obviously low. Additionally, people are more loyal and tend to prefer familiar food service providers. Those with good recommendations on different social media channels are favoured as well.

Concerning the great number of operating food service providers and the influences of customer loyalty, it is extreme for new entrants to compete and promote their differentiated offers. Besides, initial capital investment is one intimidator of new entrants. For those who plan to initiate a small and medium size restaurant in Hanoi, the capital requirement could exceed $10 thousand; opening a street food kiosks, on the other hand, requires much less capital investment. New entrants, however, could utilise the low switching cost characteristic to attract and engage their target customer in trying their product and/or service. Furthermore, legally the process and requirements of applying for business license in Vietnam are not too extreme to constrain new entrants enter the market.

Besides direct competitors and new entrants, the rivalry involves competing with substitute products. Processed or pre-made food sold in supermarkets, or homemade food is a variety of substitute.

Since the switching cost from a food service provider to others is low, or to the substitute products, and there are extremely lots of them, buyer have more power in choosing and being loyal to any specific seller. Besides, if they purchase the food in a large amount, or they are frequent guests for a long time, they could ask for, or be offered with discounts in terms of paying less, or getting more for the same price. There are circumstances buyer power is not practiced: at the food street kiosks or food stalls. That refers to the unattractive fact that some food kiosk or stall owners show disrespect and mistreated their customer. Mostly they are well-known kiosks that offer good food and possess strong position; and that their misbehaviour attracts more buyers and strengthen their reputation.

Supplier is constituted by different varieties: independent small size supplier, local markets, supermarkets, wholesaler, so on and so forth. Supplier groups might also obtain their bargaining power if they simultaneously have lots of customers. The more customers they have, the

more power they are. Currently, however, there are quite many independent small size suppliers that offer homemade material and ingredient at a competitive price. Suppliers, thus, do not have strong bargaining power at this point. Additionally, concerning the food hygiene and safety issues, food providers commence to produce ingredients themselves. That might cause disgrace of the suppliers in general. Customers might also consider to switch to another groups of suppliers, such as supermarkets and wholesalers who are able to provide ingredients at certain quality standard although the price is a bit higher. Since the supermarkets and wholesalers serve other types of customers besides the food service providers, they do not experience the loss of these customers.

In brief, the food service providing competition in Hanoi is intense. The rivalry among existing competitors is challenging because of the enormous number of rival. Besides, threat of new entrant to the market is quite high when basically a street food stall do not require big amount of capital investment, and buyers could easily switch to another food service provider without switching cost consideration. Likewise, competition with substitute products should be aware. Generally, buyers have great powers, yet at certain food kiosks their powers are not practiced. Last but not least, suppliers have quite weak power within the industry.

Micro-environment

- Competitors

As mentioned, there were around 26 thousand food service providers in early January 2013. Although 16 thousand providers were ordered to be eliminate, the number of competitors would continuously enlarge. Currently, there are quite many type of food service providers operating in the market. Street food providers account for the biggest share while fast-food providers' share progressively boosted. The three biggest fast-food chains in Vietnam generally, and in Hanoi particularly are KFC, Lotteria, and Jollibee. Subway, Burger King, Pizza Hut, and Domino's Pizza starts to achieve certain market share in the last few years. Another giant fast-food provider plans to enter the market is McDonald's at the beginning of 2014. (Bao Moi 2013.) Whilst snacking and street food is a part of the dining culture, and serves all types of customers, fast-food chains target middle- and high-end customers. Another direct competitors are middle- and high-end restaurants with elegant appearance, high quality food, high quality service, and undoubtedly at higher price.

To be precisely, roughly there are more than 3.5 thousand coffeehouses operating with different themes in Hanoi. The research, however, showed that the idea of basketball style coffeehouse has not been realised in the market yet; thus the business possesses an opportunity to fascinate and delight the targeted customer's interest. From another perspective, there are many small local coffee kiosks based near basketball courts where young basketball players purchase beverages. Though these coffee kiosks could not please the customers in term of their interest, they perform the most basic function of a coffee shop and satisfy the most basic needs of the customers. The targeted customers could also satisfy their need of thirst by purchasing bottled-beverages from any supermarket or from any nearby grocery.

- Suppliers

As mentioned, there are many types of suppliers: independent small size supplier, local markets, supermarkets (BigC, Coop Mart, etc.), wholesalers (Metro Cash & Carry), etc. Products purchased from supermarkets might be more high-priced than from wholesalers, local markets, and independent small size suppliers. Metro Cash & Carry, who offers quality products at affordable, competitive, and profitable prices has always been a reliable supplier for small and medium size restaurants and coffeehouses. It gains certain attraction and interest from households and families as well. Besides, diversified products with different value could be

found at the supermarkets and wholesalers, which means customers are benefited with more choices.

- Marketing intermediaries

Since the coffeehouse is the business to customer (B2C) organisation, intervention of marketing intermediary is limited. The most efficient channel is social network, especially Facebook which allows mass advertisements to widely reach targeted customer. According to TechInAsia (2013), there were around 22 million Vietnamese Facebook users that accounted for over 70 percent of the total number. Internet marketing is acknowledged as a cost effective approach to promote the business. Advertising activities executes on Facebook are mostly based on pay-per-click (PPC) approach, which is effective but not cost effective. When the coffeehouse's website is successfully launched, it is advised to work on the site's content and afterwards choose suitable keywords to boost its rank on the search engines, for example Google or Bing.

- Customers

Age of the targeted customer is identified between 15 to 23 years old. The business idea mainly aims at the young people studying in senior high schools and universities, and engaging in full-time employments. According to the educational system of Vietnam, children start their first year in elementary schools at the age of six. After completing five years in elementary and another four years in junior high schools, they start their senior high schools at the age of 15. Since the targeted customers are majorly students, they are not expected to possess any certain amount of income yet allowances, which heavily depended on families. As mentioned, the targeted customer shares great interest in snacking and dining out that highly contributed to its growth. They are expected to share common interest in basketball and playing basketball. According to the research regarding young people dine out habits, targeted customer finds interest in dining out in the early evening, particularly around 15.00 to 20.00 o'clock. Since the business idea is new to the market, it would successfully attract the targeted customer in the initial period, yet considering the long-term progress, it is crucial to develop sustainable marketing strategies.

4.2 Customer Analysis

4.2.1 Buyer Characteristics

It is apparent that Vietnamese young people enjoy dining out and snacking, and seen it as parts of their culture, habit, and lifestyle. Since snack and street food vendors, both mobile and fixed, could be found everywhere, especially near residential and school areas, children are introduced to snacking habit at the early age. Regardless the fact that children are not allowed to excessively consume snacks and street food by their parents, they are influenced mostly by friends, and those who belong to their primary reference group that directly places impact on them, and surroundings. Psychologically, people tend to be more curious and attractive to prohibited subjects, which urge the children to experiment the food themselves. Besides, because of the low price, snacks and street food seem to fit their allowance.

The targeted customer, as identified, belongs to the age group of 15 – 23, who mainly are students with limited source of income, or allowance. By targeting the basketball fan and player customers, the basketball style coffeehouse could value their personal interest by offering relevant atmosphere and features. As the targeted customers are young and active, appropriate environment are promised as well.

Psychologically, targeted customer is promised to obtain satisfaction of their most physiological needs for food and drinks, as well as social needs for strengthening social relationships, such as classmate and basketball teammate connections, and fascinating their interest. Besides, it is believed that good snacking is capable to ease the stress and nervousness (VietnamNet 2013).

4.2.2 Result and Interpretation

In order to segment the customer market for the coffeehouse, the following demographic varieties were questioned in the survey: age, gender, occupation, and frequency of dining out.

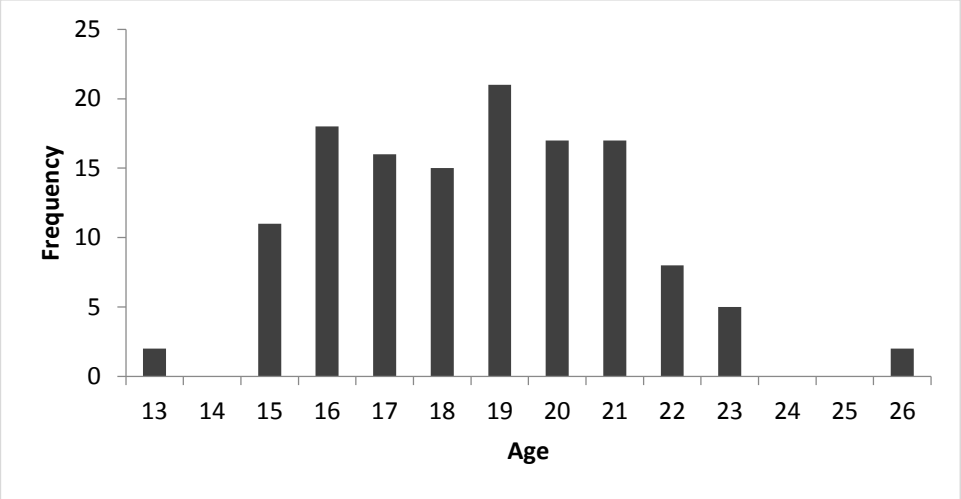

Figure 17. Age statistic of the targeted customers (n = 133)

The age of the samples ranged from 13 to 26 years old while the majority were in between 15 to 21 years old.

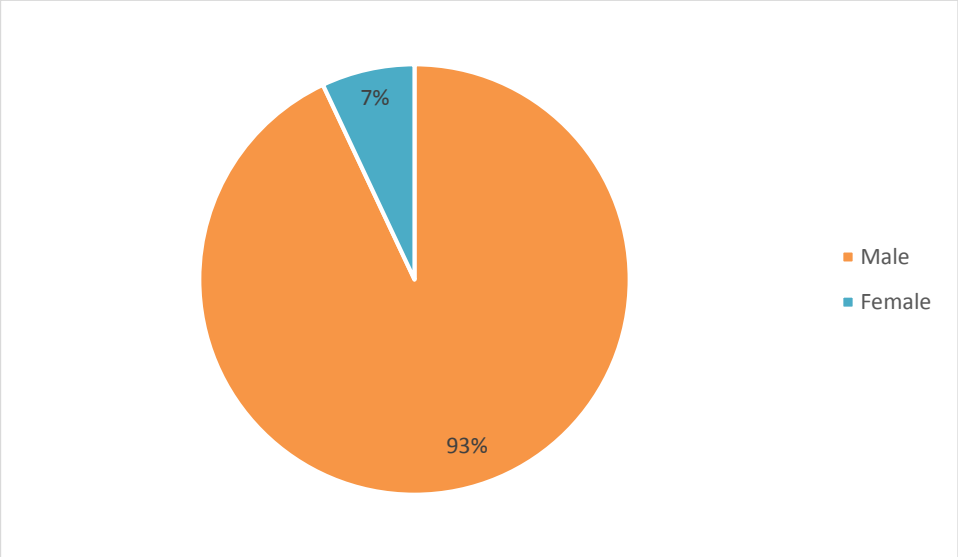

Figure 18. Gender of the targeted customers (n = 133)

93 percent of the responses were from male while 7 percent were female.

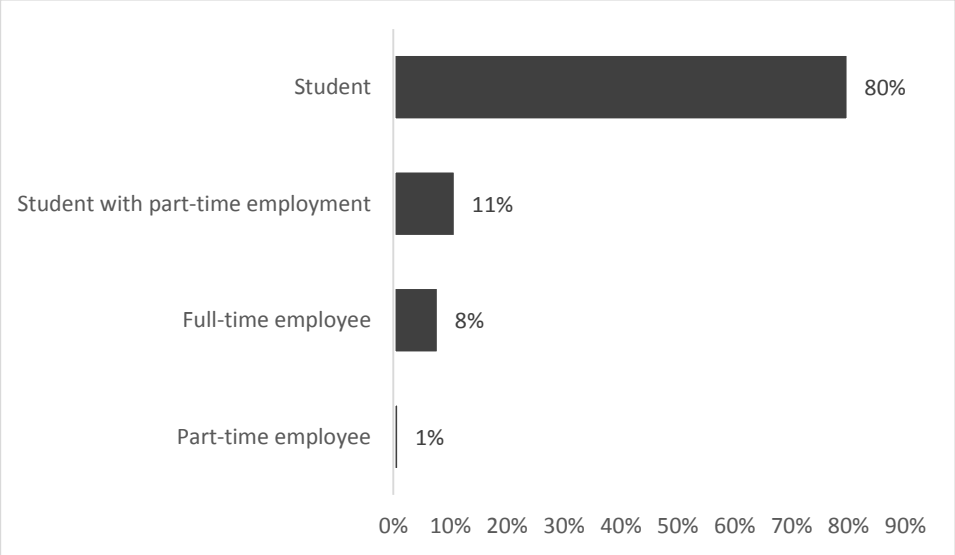

Figure 19. Occupations of the targeted customers (n = 133)

Most of the samples were students, accounted for 80 percent while students with part-time jobs and full time employees made up of 11 percent and 8 percent respectively. From the sample it can be concluded that most respondents were engaged in either high school or university education.

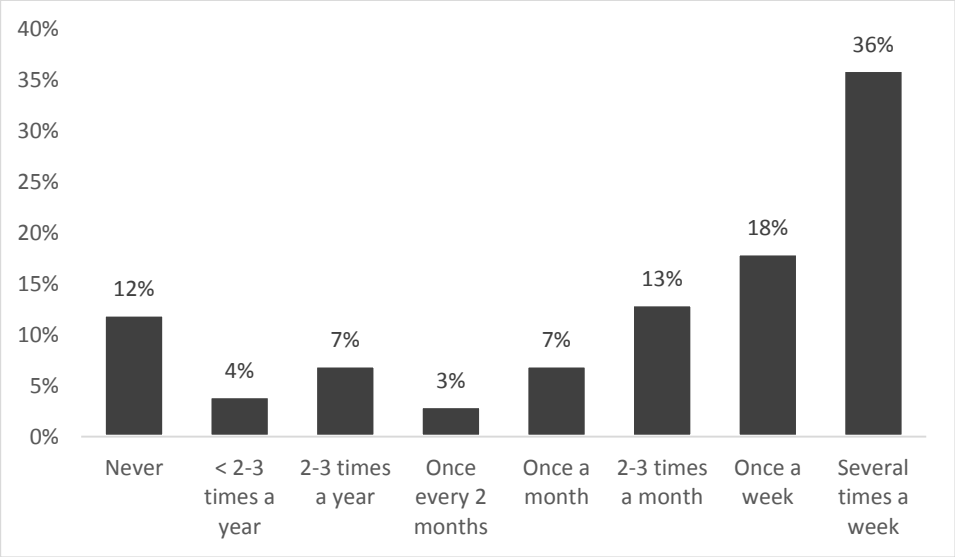

Figure 20. Targeted customers' frequency of hanging out at a coffeehouse after playing basketball (n = 132)

When a question about the frequency of going to a coffeehouse after playing basketball was raised, 36 percent responded with 'Several times a week', 18 percent went at least once per week.

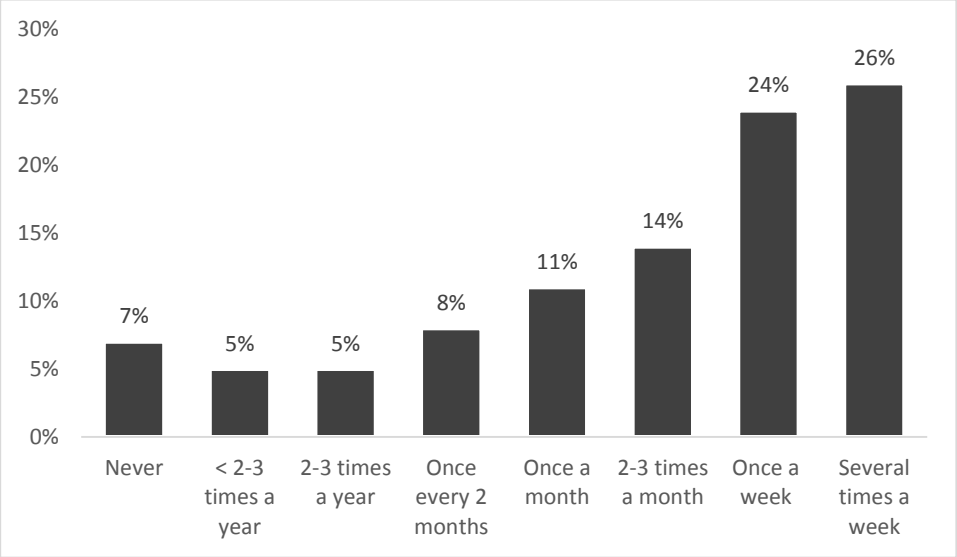

Figure 21. Targeted customers' frequency of hanging out at a coffeehouse (n = 132)

When the researcher asked about their frequency of going to a coffeehouse generally, 50 percent of the respondents belonged to the group of 'Once' to 'Several times a week'. The differences between the samples from two questions were not very noticeable. Half of the samples regularly went to a coffeehouse while 40 percent visited those places less frequently. Only less than 10 percent responded that they never went to a coffee house.

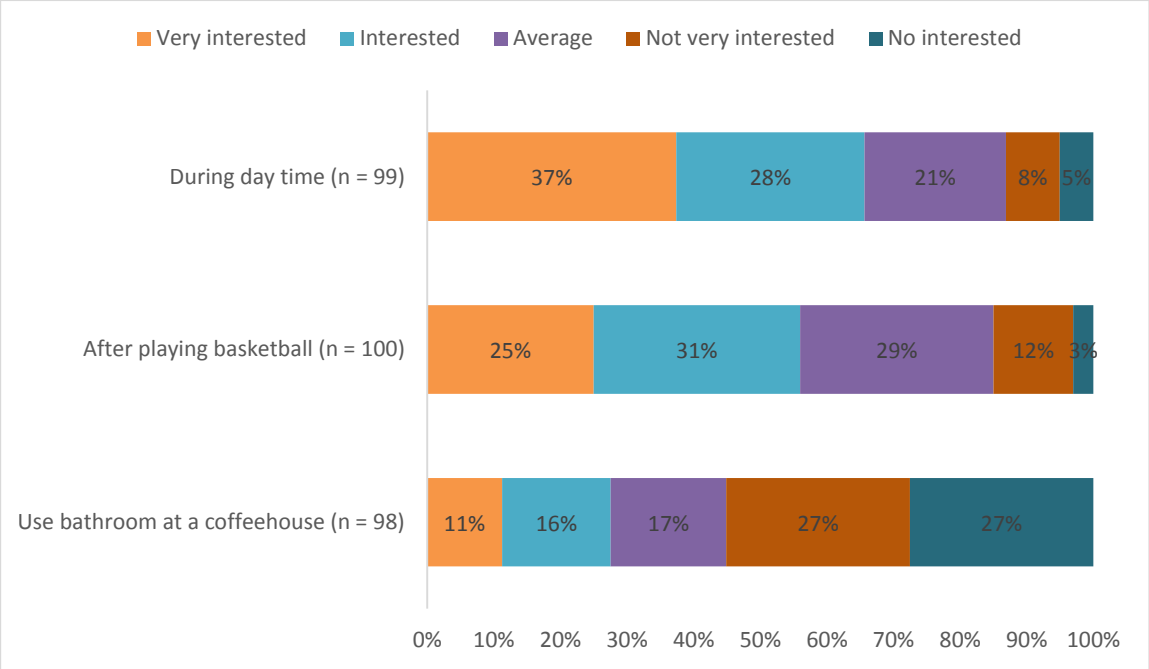

Figure 22. Targeted customers' opinion about spending time and showering at a coffeehouse after playing basketball, and during day time

It was apparent that the majority of targeted customers were quite interested in hanging out after playing basketball at a coffeehouse. 31 percent of them ranked the idea 'Interested' and 25 percent of them found the idea 'Very interested'; 29 percent of respondent exposed neutral feeling while 12 and 3 percent thought that the idea was not interested. 'Very interested' and 'Interested' were what 65 percent of respondents chose when they were asked about the idea of spending time at a coffeehouse during day time. 28 percent provided neutral attitude towards the question while 13 percent of respondents showed no interest. The suggestion of featuring shower besides toilet was raised by a basketball player considering her need of personal hygiene and cleanliness after playing basketball, yet was not really appealing to others. 'Not very interested' and 'No interested' were chose by 54 percent of respondent (27 percent each); only 27 percent of responses showed interest opinion.

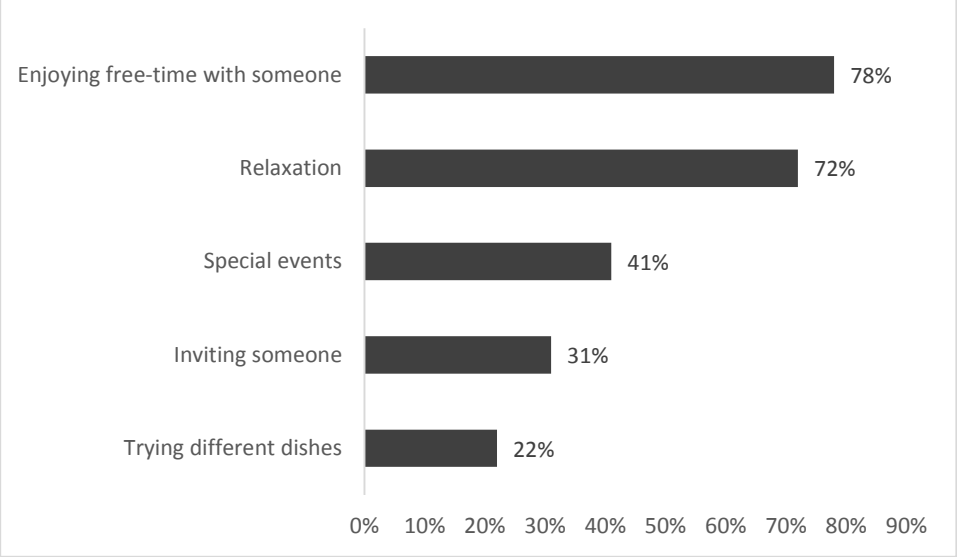

Figure 23. Targeted customers' motivation for visiting a coffeehouse (n = 101)

The reasons the samples gave for their reasons to go to a coffee house (up to three answers can be selected), hanging out with friends and relative got the most votes with 78 percent of the respondents, relax was the second reason the samples gave with 72 percent. Special events, invite friends out and have a change of pace scored closely with 41, 31 and 22 percent, respectively. Another reason arose in the open-answer as relaxing and recovering after playing basketball.

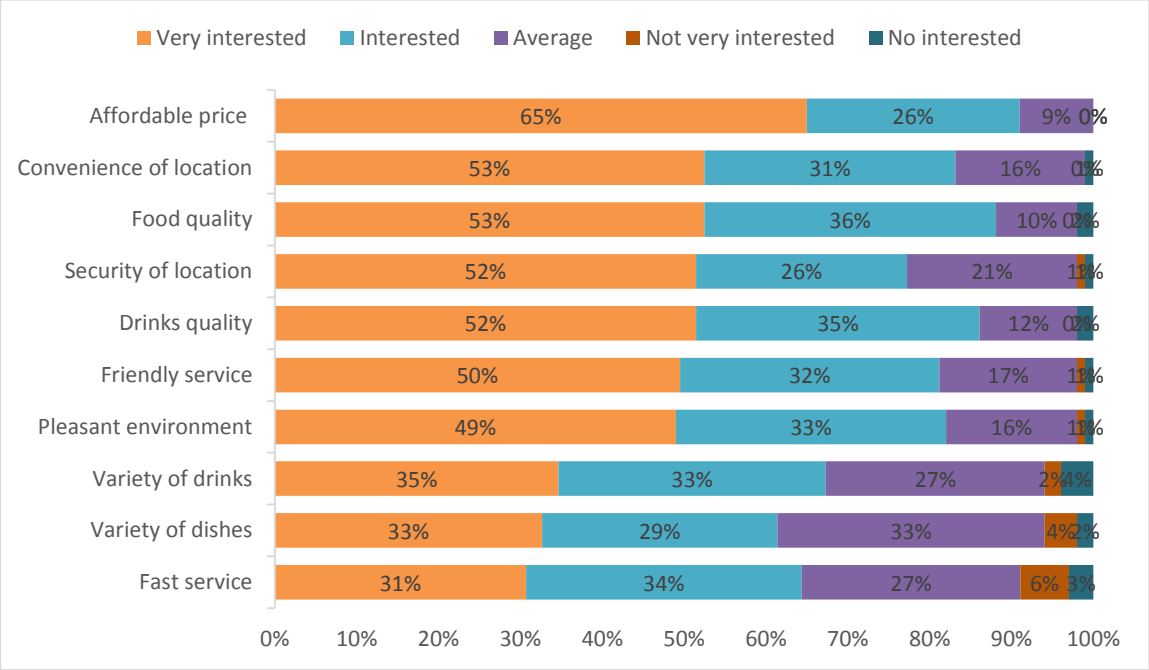

Figure 24. Targeted customers' opinion about factors affecting deciding on dining out location (n = 101; exception for 'Affordable price' n = 100)

Majorly 'Affordable price' factor greatly influenced the respondents' decision making process of selecting a coffeehouse, followed 'Convenience' and 'Security of location', 'Food' and 'Drink quality'. It was claimed that the respondents also sought for 'Pleasant environment' and 'Friendly service' as influential characteristics of a coffeehouse. 'Fast service', on the other hand, were the less important force to their decision making process. In addition, there were interests in service quality, food hygiene and safety, promotion events for regular customers, and cleanliness of toilet facilities.

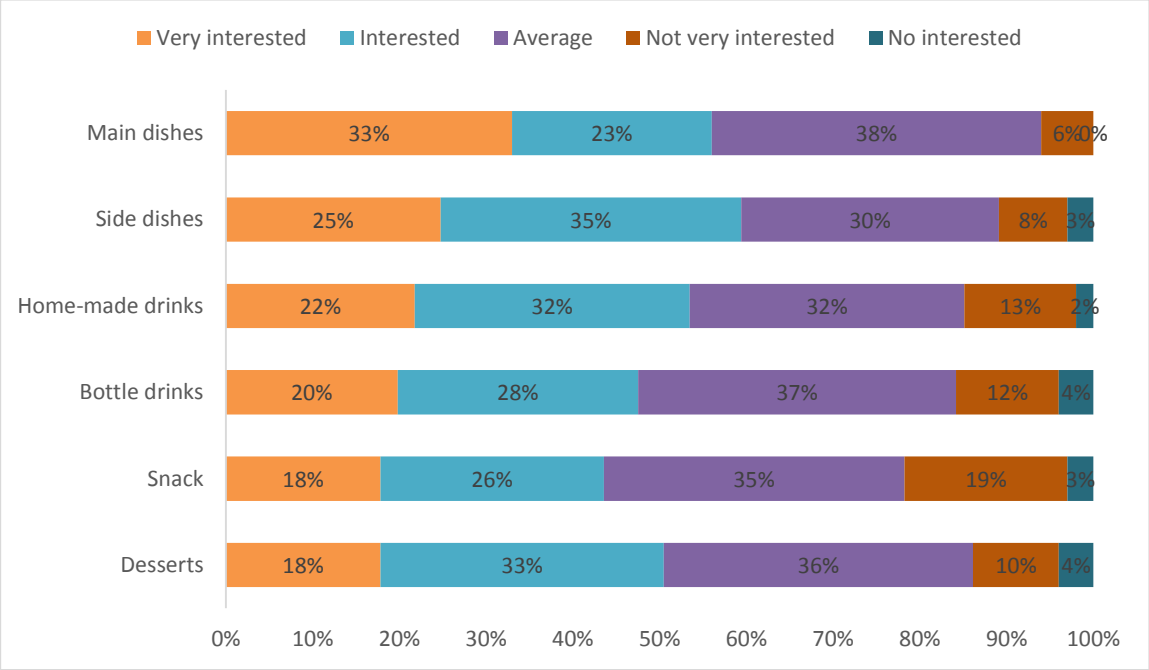

Figure 25. Targeted customers' opinion about food and drinks (n = 101; exception for 'Main dishes' n = 100)

It seemed that respondents exposed more neutral attitude towards this question. There were, however, a preference towards side dishes considering the percentage of people that answered 'Very interested' and 'Interested'. Besides, although there were no big differences between respondents' interest in bottle-drinks and home-made drinks, it was apparent that they slightly preferred home-made drinks.

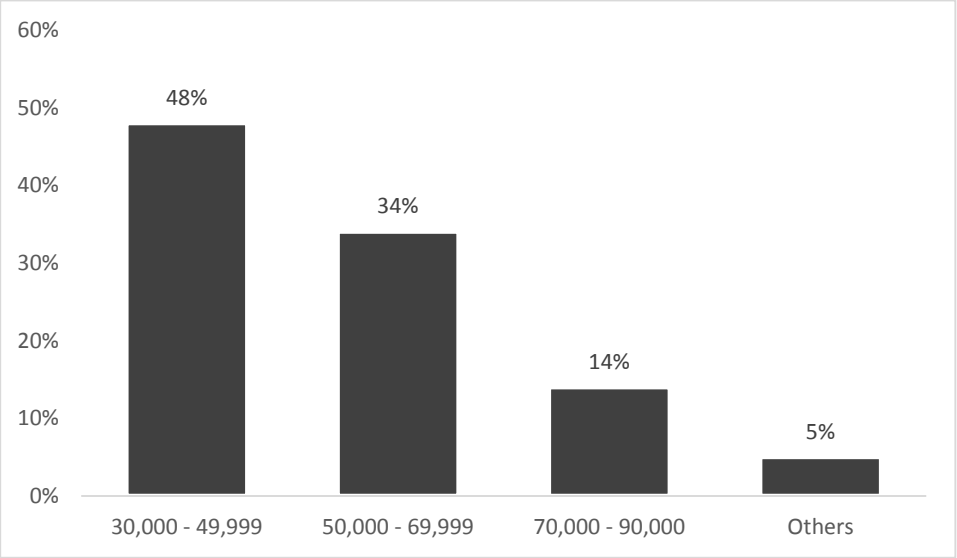

Figure 26. Targeted customers' spending pattern (n = 101)

The respondents suggested a strong preference toward low price food and beverages. Almost half of the answers chose the lowest price range for one meal, 30 thousand to 49.9 thousand Vietnamese Dong (1 EUR equals 28 thousand VND). 34 percent of the samples preferred the price range of 50 thousand to 69.9 thousand VND while only 14 percent agreed to pay more than 69.9 thousand VND. There are 'Others' suggestions preferred lower prices, such as 20 thousand VND, or from 25 thousand to 30 thousand VND. Yet, one respondent described his or her spending pattern for one meal as around 100 thousand to 300 thousand VND. Such price range seemed to be more suitable to full-time employed individuals.

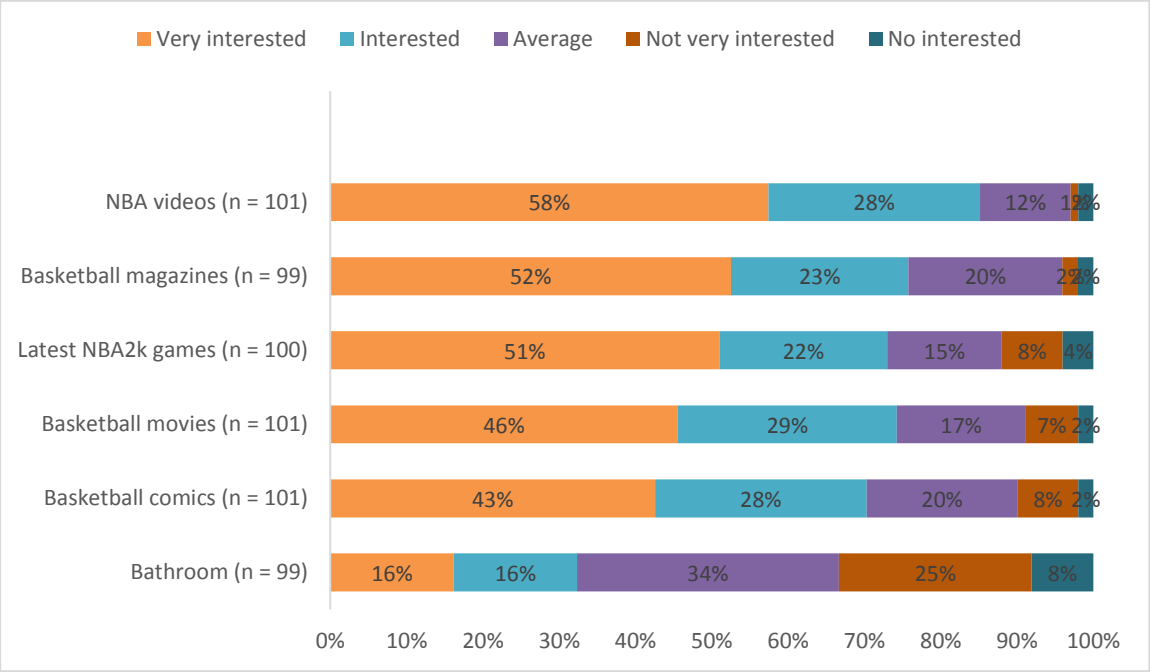

Figure 27. Targeted customers' opinion about suggested offers

This question reinforced the fact that respondents did not evaluate featuring bathroom in the coffeehouse as an attraction; offering basketball video was more appealing to the majority. Basketball magazines and NBA2K games were also preferred by the samples. Last but not least, basketball movies and comics were not as favoured as others suggestions, yet received quite many 'Very interested' votes from the respondents. Extracted from the open-answers, there were quite many requests for mini basketball hoop, live NBA games, and basketball accessories showcase.

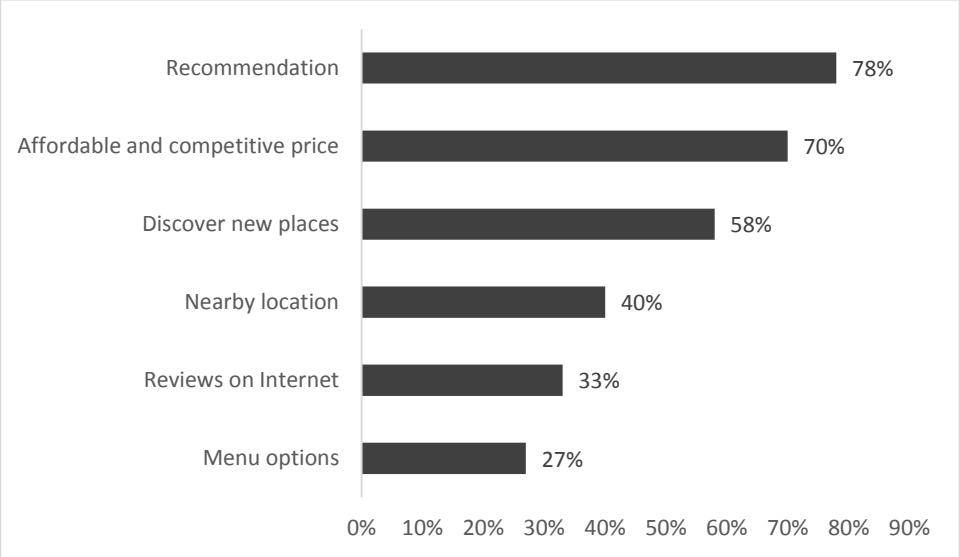

Figure 28. Targeted customers' attraction towards a new coffeehouse (n = 101)

On a scoring chart of motivation for going to a new place, 'Recommendation from friends and/or relatives' and 'Reasonable prices' were both at the top with a high frequency: 78 percent and 70 percent of votes from the samples. Curiosity was also a good motivation as 58 percent of the respondents chose this reason. Location was another important factor as 40 percent stressed that they will come to a new place if it was near their house. One third of the respondent agreed that a review from the Internet or a magazine also affected their decision. 'Menu option' was considered the least important factor which was only chose by 27 percent of the samples. Additionally, 'Appealing environment' was referred to in open-answers.

5 DISCUSSION

Briefly, Hanoi is a promising market with increasing population, growing economic situation, accessible business registration process, and the population's positive attitude towards the industry. It is, however, a challenging market considering its competitive environment with existing competitors as well as new entrants, and the relationships with customers and suppliers.

Originally, the researcher segmented the market regarding the potential customer demographic and psychological characteristics, such as age (from 15 to 23 years old), occupation (students, students with part-time employment, etc.), and interest (basketball). After carefully studying the market and customer, the male student segment whose ages range from 15 to 21 years old, which has been ignored by the market, is targeted. The number of coffeehouses and themed coffee shops are continuously increasing; yet there has not been any coffeehouse dedicates to the basketball fans and players although the number of people engage in the interest is rising. As the business targets only one segment, there is no need for implementing many differentiate marketing strategies. Considering the competitive situation, it is advised that the coffeehouse offer the same products and service quality for lower price compared to other coffee shops. Besides, customer added values will also be added in terms of additional services such as delivery, free access to different facilities offered by the coffeehouse. In long-term, the coffeehouse is planning for the more-for-less value propositions where both the business and the customers experience a win-win solution.

The targeted customers, in short, are very involved in the snacking and dining out habits considering their frequency of visiting coffee shops both in general and after playing basketball; however, they are not very active towards the offer of using bathroom after playing basketball at the coffeehouse, which can be interpreted from the number of rejection votes. It is suggested that the bathroom should not be featured in the coffeehouse initially to reduce the costs of equipping and maintaining the facility. Customers' interest in such facility should be studied again in further researches as the coffeehouse actually be proceeded. In the event that customers expose their need towards the accommodation later, further action will be undertaken to meet the needs.

According to the survey result, the majority of targeted customers thought of a coffeehouse as a good place for relaxing and enjoying times with friends and relatives. They were mainly attracted by the pricing, food and beverages quality, and location aspects when choosing a

certain coffee shop to visit. Although the service quality requirement was not too high, they would like to experience friendly service.

It seems that the targeted customers did not regard menu options as an important issue, yet they exposed attraction towards side dishes and home-made drinks. It is possible to recommend that the business should concentrate on providing an appealing and enjoyable environment, together with friendly and respectful service so that the customers could have comforting experiences during and after purchasing and consuming products and services at the coffeehouse. The menu will be designed to meet the expectations of the targeted customers. Since there are great interests in side dishes and home-made beverages, the coffeehouse will manage to offer the most favourable dishes and drinks, such as fried sweet and sour chopped meat (nem chua rán), stirred rice paper salad (bánh tráng trộn), jelly or flan (rau câu), boiled/stir-fried/grilled maize (bắp luộc/xào/nướng), fried fish/beef balls (cá/bò viên chiên), spring rolls (gỏi cuốn), sweetened soup or pudding (chè), so on and so forth.

Considering the targeted customers' spending pattern, the products (foods and beverages) should be carefully priced. The majority found the price range from 30 thousand to 70 thousand VND was acceptable and affordable. The menu, therefore, will follow the range. Besides, pricing estimations will be conducted and compared to the later market price research results. According to the targeted customers' preference towards the added service offers, it is possible to characterise the coffeehouse environment with the mentioned suggestions. It is also recommended that the coffeehouse installs the proposals collected from the open-answers. In case other requests arise, further action will be properly undertaken.

Last but not least, the business is going to work on and boost the marketing strategies and activities. People tended to prefer word-of-mouth approach rather than Internet reference. It turns out to be a great challenge for a new entrant like the coffeehouse at the beginning since it is quite difficult for it to have good word-of-mouth reviews. That requires the business owner a lot of effort and patience to attract targeted customers. Although reviews on the Internet were not appealing to the potential customers, the research found it was efficient to execute promotion on Facebook. The researcher recommend that a Facebook Page should be launched for the coffeehouse that replete with the idea, concept, and information of the coffeehouse.

6 EVALUATION AND CONCLUSION

The researcher would like to remind readers about the purpose of this thesis that is studying the market environment characteristics, and analyse the targeted customers for the business idea of opening the basketball style coffeehouse. The customer segment was male and female students whose age ranged from 15 to 23 years old. After the survey conducted, the segment was slightly narrowed down to majorly male students from 15 to 21 years old, who exposed more interest in the idea of the business.

Thanks to the respondents' willingness to participate in the survey, their characteristics and expectations were unveiled through the questionnaire. Besides the secondary market environment researches, it supports and enhanced the researcher understanding about the market and targeted customers. The market environment researches that consisted of micro- and macro-environments provided an overview of the Vietnam market in general, and Hanoi market in particular from different perspectives. Additionally, the successful of this research also greatly depended on the adequate of the theoretical background that guide the researcher through the researches. To be precisely, the concepts covered and explained in the theoretical background were derived from the needs of information that was desired to gather from the researches.

The survey result provided broad needs, attitudes and behaviours of the customer segmentation toward the idea of basketball style coffeehouse business, which should be deeply and properly studied in the future so that their accurate expectations could be revealed. According to the result, the researcher offered recommendations to add more customer values and initiate deciding on appropriate competitive advantages and designing the marketing strategies regarded with the differentiators.

The secondary research result might not cover every aspects of the market, yet should sufficiently describe the food service providing industry in Vietnam. The restraint of this thesis is the limited sample size that might affect the accuracy of the findings.

Since this research only specifies the most comprehensive characteristics of the market and customer segment, it is recommended that further researches should be conducted regarding the requirements of better understanding of the market; and works should be undertaken to successfully implement the business idea.

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CUSTOMER SURVEY

Thank you for taking your time to take part in this survey. Our purpose is to collect the feedback from people that are interested in basketball in general in order to sketch a plan for a coffee house that is made for basketball fans by basketball fans.

1. What is your age? (Please choose 1 answer)

- ○ 15
- ○ 16
- ○ 17
- ○ 18
- ○ 19
- ○ 20
- ○ 21
- ○ 22
- ○ 23
- ○ Other (please specify) _____

2. What is your gender? (Please choose 1 answer)

- ○ Male
- ○ Female

3. What is your occupation? (Please choose 1 answer)

- ○ Student
- ○ Student and part-time employee
- ○ Part-time employee
- ○ Full-time employee
- ○ Other (please specify) _____

4. How often do you hang out at a cafeteria after playing basketball? (Please choose 1 answer)

- ○ Never
- ○ Less than 2-3 times a year
- ○ 2-3 times a year
- ○ Once every 2 months
- ○ Once a month
- ○ 2-3 times a month
- ○ Once a week
- ○ Several times a week

5. How often do you hang out at a cafeteria? (Please choose 1 answer)

- ○ Never
- ○ Less than 2-3 times a year
- ○ 2-3 times a year
- ○ Once a month
- ○ 2-3 times a month
- ○ Once a week

○ Once every 2 months ○ Several times a week

6. What is your opinion about (Please rate from 'Very interested' to 'No interested')

	Very interested	Interested	Average	Not very interested	No interested
A) Spending time at a basketball themed cafeteria after playing/practicing basketball?	○	○	○	○	○
B) Hanging out at a basketball themed cafeteria during day time?	○	○	○	○	○
C) Taking shower at a basketball themed cafeteria after playing basketball?	○	○	○	○	○

7. What are your main motives for going out to cafeterias? (Please choose up to 3 reasons)

☐ To go out

☐ To relax

☐ To invite someone (friends, relatives, etc.)

☐ To enjoy free-time with someone (friends, relatives, etc.)

☐ To eat something different

☐ For special events (birthdays, anniversary, etc.)

☐ Other (please specify) ☐

8. What factor do you consider most when deciding on where to dine-out? (Please rate from 'Very interested' to 'No interested')

	Very important	Somewhat important	Average	Not very important	No important
Convenience of location	○	○	○	○	○

Security of location	○	○	○	○	○
Affordable price	○	○	○	○	○
Pleasant environment (decoration, atmosphere, etc.)	○	○	○	○	○
Friendly service	○	○	○	○	○
Fast service	○	○	○	○	○
Variety of dishes	○	○	○	○	○
Food quality	○	○	○	○	○
Variety of drinks	○	○	○	○	○
Drinks quality	○	○	○	○	○
Other (please specify)	○	○	○	○	○

9. What food do you expect to eat and/or drink at a cafeteria? (Please rate from 'Very interested' to 'No interested')

	Very interested	Interested	Average	Not very interested	No interested
Main dishes (starch + meat + veggies)	○	○	○	○	○
Side dishes (fries, small piece of meat)	○	○	○	○	○
Snack (nuts, fruits)	○	○	○	○	○
Desserts (cake, sweet breads, pudding)	○	○	○	○	○
Bottled drinks	○	○	○	○	○
House-made drinks (coffee, tea, smoothie, shakes, wheat grass)	○	○	○	○	○

10. How much do you normally spend on one dining out time? (Please choose 1 answer)

○ 30,000 - 49,999 VND

○ 50,000 - 69,999 VND

○ 70,000 - 90,000 VND

Other (please specify)

11. What is your opinion about featuring the cafeteria with (Please rate from 'Very interested' to 'No interested')

	Very interested	Interested	Average	Not very interested	No interested
Bathroom and restroom?					
Latest nba video games?					
Basketball related comic books?					
Basketball related movies?					
Basketball related magazines?					
Nba videos?					
Other (please specify)					

12. What would attract you to try a new cafeteria? (Please choose up to 3 answers)

- Recommendations by friends and/or relatives (word-of-mouth)
- Reviews on Internet/magazines
- Close location from where I live
- To discover new places
- Menu options
- Affordable prices, cheaper than other cafeterias
- Other (please specify)

FREQUENCY TABLE

1. Age

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	15	11	8.0	8.3	8.3
	16	18	13.1	13.5	21.8
	17	16	11.7	12.0	33.8
	18	15	10.9	11.3	45.1
	19	21	15.3	15.8	60.9
	20	17	12.4	12.8	73.7
	21	17	12.4	12.8	86.5
	22	8	5.8	6.0	92.5
	23	5	3.6	3.8	96.2
	Other (please specify)	5	3.6	3.8	100.0
	Total	133	97.1	100.0	
Missing	System	4	2.9		
Total		137	100.0		

1. Age – TEXT

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid		132	96.4	96.4	96.4
	13	2	1.5	1.5	97.8
	25	1	.7	.7	98.5
	26	2	1.5	1.5	100.0
	Total	137	100.0	100.0	

2. Gender

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	124	90.5	93.2	93.2
	Female	9	6.6	6.8	100.0
	Total	133	97.1	100.0	
Missing	System	4	2.9		
Total		137	100.0		

3. Occupation

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Student	107	78.1	80.5	80.5
	Student with part-time employment	15	10.9	11.3	91.7
	Part-time employee	1	.7	.8	92.5
	Full-time employee	10	7.3	7.5	100.0
	Total	133	97.1	100.0	
Missing	System	4	2.9		
Total		137	100.0		

4. Frequency of hanging out at a coffeehouse after playing basketball

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Never	16	11.7	12.1	12.1
	< 2-3 times a year	5	3.6	3.8	15.9
	2-3 times a year	9	6.6	6.8	22.7
	Once every 2 months	4	2.9	3.0	25.8
	Once every month	9	6.6	6.8	32.6
	2-3 times a month	17	12.4	12.9	45.5
	Once every week	24	17.5	18.2	63.6
	Several times a week	48	35.0	36.4	100.0
	Total	132	96.4	100.0	
Missing	System	5	3.6		
Total		137	100.0		

5. Frequency of visiting a coffeehouse in general

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Never	9	6.6	6.8	6.8
	< 2-3 times a year	7	5.1	5.3	12.1
	2-3 times a year	6	4.4	4.5	16.7
	Once every 2 months	11	8.0	8.3	25.0
	Once every month	15	10.9	11.4	36.4
	2-3 times a month	18	13.1	13.6	50.0
	Once every week	32	23.4	24.2	74.2
	Several times a week	34	24.8	25.8	100.0
	Total	132	96.4	100.0	
Missing	System	5	3.6		
Total		137	100.0		

6a. Opinion about hanging out at a basketball style coffeehouse after playing basketball

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very interested	25	18.2	25.0	25.0
	Interested	31	22.6	31.0	56.0
	Average	29	21.2	29.0	85.0
	Not very interested	12	8.8	12.0	97.0
	No interested	3	2.2	3.0	100.0
	Total	100	73.0	100.0	
Missing	System	37	27.0		
Total		137	100.0		

6b. Opinion about hanging out at a basketball style coffeehouse during day time

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very interested	37	27.0	37.4	37.4
	Interested	28	20.4	28.3	65.7
	Average	21	15.3	21.2	86.9
	Not very interested	8	5.8	8.1	94.9
	No interested	5	3.6	5.1	100.0
	Total	99	72.3	100.0	
Missing	System	38	27.7		
Total		137	100.0		

6c. Opinion about using bathroom at a basketball style coffeehouse after playing basketball

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very interested	11	8.0	11.2	11.2
	Interested	16	11.7	16.3	27.6
	Average	17	12.4	17.3	44.9
	Not very interested	27	19.7	27.6	72.4
	No interested	27	19.7	27.6	100.0
	Total	98	71.5	100.0	
Missing	System	39	28.5		
Total		137	100.0		

7a. Motives for visiting a coffeehouse – Relaxation

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	74	54.0	100.0	100.0
Missing	System	63	46.0		
Total		137	100.0		

7b. Motives for visiting a coffeehouse – Inviting someone

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	31	22.6	100.0	100.0
Missing	System	106	77.4		
Total		137	100.0		

7c. Motives for visiting a coffeehouse – Enjoying free-time with someone

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	80	58.4	100.0	100.0
Missing	System	57	41.6		
Total		137	100.0		

7d. Motives for visiting a coffeehouse – Trying different dishes

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	22	16.1	100.0	100.0
Missing	System	115	83.9		
Total		137	100.0		

7e. Motives for visiting a coffeehouse – Special events

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	41	29.9	100.0	100.0
Missing	System	96	70.1		
Total		137	100.0		

7f. Motives for visiting a coffeehouse – Others

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	4	2.9	100.0	100.0
Missing	System	133	97.1		
Total		137	100.0		

7f. Motives for visiting a coffeehouse – Others – TEXT

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid		134	97.8	97.8	97.8
	Public holidays	1	.7	.7	98.5
	Recovering after playing basketball	1	.7	.7	99.3
	Drinks	1	.7	.7	100.0
	Total	137	100.0	100.0	

8a. Opinion about factors affecting location decision – Convenience of location

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very interested	53	38.7	52.5	52.5
	Interested	31	22.6	30.7	83.2
	Average	16	11.7	15.8	99.0
	No interested	1	.7	1.0	100.0
	Total	101	73.7	100.0	
Missing	System	36	26.3		
Total		137	100.0		

8b. Opinion about factors affecting location decision – Security of location

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very interested	52	38.0	51.5	51.5
	Interested	26	19.0	25.7	77.2
	Average	21	15.3	20.8	98.0
	Not very interested	1	.7	1.0	99.0
	No interested	1	.7	1.0	100.0
	Total	101	73.7	100.0	
Missing	System	36	26.3		
Total		137	100.0		

8c. Opinion about factors affecting location decision – Affordable price

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very interested	65	47.4	65.0	65.0
	Interested	26	19.0	26.0	91.0
	Average	9	6.6	9.0	100.0
	Total	100	73.0	100.0	
Missing	System	37	27.0		
Total		137	100.0		

8d. Opinion about factors affecting location decision – Pleasant environment

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very interested	49	35.8	48.5	48.5
	Interested	33	24.1	32.7	81.2
	Average	16	11.7	15.8	97.0
	Not very interested	2	1.5	2.0	99.0
	No interested	1	.7	1.0	100.0
	Total	101	73.7	100.0	
Missing	System	36	26.3		
Total		137	100.0		

8e. Opinion about factors affecting location decision – Friendly service

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very interested	50	36.5	49.5	49.5
	Interested	32	23.4	31.7	81.2
	Average	17	12.4	16.8	98.0
	Not very interested	1	.7	1.0	99.0
	No interested	1	.7	1.0	100.0
	Total	101	73.7	100.0	
Missing	System	36	26.3		
Total		137	100.0		

8f. Opinion about factors affecting location decision – Fast service

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very interested	31	22.6	30.7	30.7
	Interested	34	24.8	33.7	64.4
	Average	27	19.7	26.7	91.1
	Not very interested	6	4.4	5.9	97.0
	No interested	3	2.2	3.0	100.0
	Total	101	73.7	100.0	
Missing	System	36	26.3		
Total		137	100.0		

8g. Opinion about factors affecting location decision – Variety of dishes

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very interested	33	24.1	32.7	32.7
	Interested	29	21.2	28.7	61.4
	Average	33	24.1	32.7	94.1
	Not very interested	4	2.9	4.0	98.0
	No interested	2	1.5	2.0	100.0
	Total	101	73.7	100.0	
Missing	System	36	26.3		
Total		137	100.0		

8h. Opinion about factors affecting location decision – Food quality

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very interested	53	38.7	52.5	52.5
	Interested	36	26.3	35.6	88.1
	Average	10	7.3	9.9	98.0
	No interested	2	1.5	2.0	100.0
	Total	101	73.7	100.0	
Missing	System	36	26.3		
Total		137	100.0		

8i. Opinion about factors affecting location decision – Variety of drinks

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very interested	35	25.5	34.7	34.7
	Interested	33	24.1	32.7	67.3
	Average	27	19.7	26.7	94.1
	Not very interested	2	1.5	2.0	96.0
	No interested	4	2.9	4.0	100.0
	Total	101	73.7	100.0	
Missing	System	36	26.3		
Total		137	100.0		

8j. Opinion about factors affecting location decision – Drinks quality

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very interested	52	38.0	51.5	51.5
	Interested	35	25.5	34.7	86.1
	Average	12	8.8	11.9	98.0
	No interested	2	1.5	2.0	100.0
	Total	101	73.7	100.0	
Missing	System	36	26.3		
Total		137	100.0		

8k. Opinion about factors affecting location decision – Others

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very interested	13	9.5	26.0	26.0
	Interested	7	5.1	14.0	40.0
	Average	8	5.8	16.0	56.0
	Not very interested	3	2.2	6.0	62.0
	No interested	19	13.9	38.0	100.0
	Total	50	36.5	100.0	
Missing	System	87	63.5		
Total		137	100.0		

8k. Opinion about factors affecting location decision – Others – TEXT

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid		124	90.5	90.5	90.5
	Popular	1	.7	.7	91.2
	Promotion for regular customers	1	.7	.7	92.0
	Promotion events	1	.7	.7	92.7
	Service quality	1	.7	.7	93.4
	Good music	1	.7	.7	94.2
	Basketball hoop	1	.7	.7	94.9
	Basketball hoop	1	.7	.7	95.6
	Eco-friendly	1	.7	.7	96.4
	Popular	1	.7	.7	97.1
	N/A	1	.7	.7	97.8
	Fast service	1	.7	.7	98.5
	Food hygiene and safety	1	.7	.7	99.3
	Food hygiene and safety	1	.7	.7	100.0
	Total	137	100.0	100.0	

9a. Opinion about food and drinks – Main dishes

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very interested	33	24.1	33.0	33.0
	Interested	23	16.8	23.0	56.0
	Average	38	27.7	38.0	94.0
	Not very interested	6	4.4	6.0	100.0
	Total	100	73.0	100.0	
Missing	System	37	27.0		
Total		137	100.0		

9b. Opinion about food and drinks – Side dishes

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very interested	25	18.2	24.8	24.8
	Interested	35	25.5	34.7	59.4
	Average	30	21.9	29.7	89.1
	Not very interested	8	5.8	7.9	97.0
	No interested	3	2.2	3.0	100.0
	Total	101	73.7	100.0	
Missing	System	36	26.3		
Total		137	100.0		

9c. Opinion about food and drinks – Snacks

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very interested	18	13.1	17.8	17.8
	Interested	26	19.0	25.7	43.6
	Average	35	25.5	34.7	78.2
	Not very interested	19	13.9	18.8	97.0
	No interested	3	2.2	3.0	100.0
	Total	101	73.7	100.0	
Missing	System	36	26.3		
Total		137	100.0		

9d. Opinion about food and drinks – Side dishes

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very interested	18	13.1	17.8	17.8
	Interested	33	24.1	32.7	50.5
	Average	36	26.3	35.6	86.1
	Not very interested	10	7.3	9.9	96.0
	No interested	4	2.9	4.0	100.0
	Total	101	73.7	100.0	
Missing	System	36	26.3		
Total		137	100.0		

9e. Opinion about food and drinks – Bottle drinks

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very interested	20	14.6	19.8	19.8
	Interested	28	20.4	27.7	47.5
	Average	37	27.0	36.6	84.2
	Not very interested	12	8.8	11.9	96.0
	No interested	4	2.9	4.0	100.0
	Total	101	73.7	100.0	
Missing	System	36	26.3		
Total		137	100.0		

9f. Opinion about food and drinks – Home-made drinks

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very interested	22	16.1	21.8	21.8
	Interested	32	23.4	31.7	53.5
	Average	32	23.4	31.7	85.1
	Not very interested	13	9.5	12.9	98.0
	No interested	2	1.5	2.0	100.0
	Total	101	73.7	100.0	
Missing	System	36	26.3		
Total		137	100.0		

10. Spending pattern

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	30,000 - 49,999 VND	48	35.0	47.5	47.5
	50,000 - 69,999 VND	34	24.8	33.7	81.2
	70,000 - 90,000 VND	14	10.2	13.9	95.0
	Other (please specify)	5	3.6	5.0	100.0
	Total	101	73.7	100.0	
Missing	System	36	26.3		
Total		137	100.0		

10. Spending pattern – TEXT

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid		133	97.1	97.1	97.1
	100,000 - 300,000	1	.7	.7	97.8
	2,000 - 100,000	1	.7	.7	98.5
	20,000	1	.7	.7	99.3
	25,000 – 30,000	1	.7	.7	100.0
	Total	137	100.0	100.0	

11a. Opinion about offered features – Bathroom

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very interested	16	11.7	16.2	16.2
	Interested	16	11.7	16.2	32.3
	Average	34	24.8	34.3	66.7
	Not very interested	25	18.2	25.3	91.9
	No interested	8	5.8	8.1	100.0
	Total	99	72.3	100.0	
Missing	System	38	27.7		
Total		137	100.0		

11b. Opinion about offered features – Latest NBA2K games

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very interested	51	37.2	51.0	51.0
	Interested	22	16.1	22.0	73.0
	Average	15	10.9	15.0	88.0
	Not very interested	8	5.8	8.0	96.0
	No interested	4	2.9	4.0	100.0
	Total	100	73.0	100.0	
Missing	System	37	27.0		
Total		137	100.0		

11c. Opinion about offered features – Basketball comics

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very interested	43	31.4	42.6	42.6
	Interested	28	20.4	27.7	70.3
	Average	20	14.6	19.8	90.1
	Not very interested	8	5.8	7.9	98.0
	No interested	2	1.5	2.0	100.0
	Total	101	73.7	100.0	
Missing	System	36	26.3		
Total		137	100.0		

11d. Opinion about offered features – Basketball movies

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very interested	46	33.6	45.5	45.5
	Interested	29	21.2	28.7	74.3
	Average	17	12.4	16.8	91.1
	Not very interested	7	5.1	6.9	98.0
	No interested	2	1.5	2.0	100.0
	Total	101	73.7	100.0	
Missing	System	36	26.3		
Total		137	100.0		

11e. Opinion about offered features – Basketball magazines

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very interested	52	38.0	52.5	52.5
	Interested	23	16.8	23.2	75.8
	Average	20	14.6	20.2	96.0
	Not very interested	2	1.5	2.0	98.0
	No interested	2	1.5	2.0	100.0
	Total	99	72.3	100.0	
Missing	System	38	27.7		
Total		137	100.0		

11f. Opinion about offered features – NBA videos

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very interested	58	42.3	57.4	57.4
	Interested	28	20.4	27.7	85.1
	Average	12	8.8	11.9	97.0
	Not very interested	1	.7	1.0	98.0
	No interested	2	1.5	2.0	100.0
	Total	101	73.7	100.0	
Missing	System	36	26.3		
Total		137	100.0		

11g. Opinion about offered features – Other

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very interested	21	15.3	37.5	37.5
	Interested	7	5.1	12.5	50.0
	Average	8	5.8	14.3	64.3
	Not very interested	3	2.2	5.4	69.6
	No interested	17	12.4	30.4	100.0
	Total	56	40.9	100.0	
Missing	System	81	59.1		
Total		137	100.0		

11g. Opinion about offered features – Other – TEXT

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid		113	82.5	82.5	82.5
	Basketball hoop	1	.7	.7	83.2
	Basketball accessories showcase	1	.7	.7	83.9
	Live NBA games	1	.7	.7	84.7
	Basketball hoop	1	.7	.7	85.4
	Basketball hoop	1	.7	.7	86.1
	Basketball hoop	1	.7	.7	86.9
	Basketball accessories showcase	1	.7	.7	87.6
	Live NBA games	1	.7	.7	88.3
	Basketball hoop	1	.7	.7	89.1
	Friendly service	1	.7	.7	89.8
	Elegant environment	1	.7	.7	90.5
	Basketball posters	1	.7	.7	91.2
	Basketball hoop	1	.7	.7	92.0
	N/A	1	.7	.7	92.7
	Basketball hoop	1	.7	.7	93.4
	Basketball accessories showcase	1	.7	.7	94.2
	Live NBA games	1	.7	.7	94.9
	Live NBA games	1	.7	.7	95.6
	Live NBA games	1	.7	.7	96.4
	Basketball accessories showcase	1	.7	.7	97.1
	Live NBA games	1	.7	.7	97.8
	Wi-fi	1	.7	.7	98.5
	Wi-fi	1	.7	.7	99.3
	Live NBA games	1	.7	.7	100.0
	Total	137	100.0	100.0	

12a. Attractiveness of a new coffeehouse – Recommendation from friends and relatives

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	79	57.7	100.0	100.0
Missing	System	58	42.3		
Total		137	100.0		

12b. Attractiveness of a new coffeehouse – Reviews on Internet

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	33	24.1	100.0	100.0
Missing	System	104	75.9		
Total		137	100.0		

12c. Attractiveness of a new coffeehouse – Nearby location

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	40	29.2	100.0	100.0
Missing	System	97	70.8		
Total		137	100.0		

12d. Attractiveness of a new coffeehouse – Discover new places

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	59	43.1	100.0	100.0
Missing	System	78	56.9		
Total		137	100.0		

12e. Attractiveness of a new coffeehouse – Menu options

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	27	19.7	100.0	100.0
Missing	System	110	80.3		
Total		137	100.0		

12f. Attractiveness of a new coffeehouse – Affordable and reasonable price

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	71	51.8	100.0	100.0
Missing	System	66	48.2		
Total		137	100.0		

12g. Attractiveness of a new coffeehouse – Other

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	3	2.2	100.0	100.0
Missing	System	134	97.8		
Total		137	100.0		

12g. Attractiveness of a new coffeehouse – Other – TEXT

		Frequency	Percent	Valid Percent	Cumulative Percent
		134	97.8	97.8	97.8
	Sporty style	1	.7	.7	98.5
Valid	Appealing environment	1	.7	.7	99.3
	Appealing environment	1	.7	.7	100.0
	Total	137	100.0	100.0	