Internet marketing strategies of a Finnish-Vietnamese IT Company

TrangSon NghiemTran
### Abstract:

This thesis focuses on creating an e-marketing plan for a small startup Company. XSoftware Company has been used as a case for application of an e-marketing plan. This thesis focuses on the review of literature to explain the method relating with e-marketing plan and the case Company is also introduced. During the case of XSoftware’s plan more suggestion and strategies are introduced with the aim to boost the Company to get more customers.

The research method is based on information from various internet sources and textbooks to collect important data supporting the case plan for the Company.

The effectiveness of the method XSoftware Company will be test in the near future. Obviously, if the Company designs a good e-marketing plan, it will grow and get more customers. When the Company wants to enter a new market connecting with the customers’ needs, it will need a new plan how to expand their business.

### Keywords:

- E-marketing
- Search Engine Optimise (SEO)
- SONTAC planning model
- Link Building
- Ad-words
- Online Marketing
- Search Engine Market (SEM)

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Glossary

BPO = Business process outsourcing

IT = Information technology

ITO = Information technology operations

SERPs = Search Engine Result Page

SMEs = Small and medium-sized enterprises

S.W.O.T = Strengths (S), Weakness (W), Opportunities (O), Threats (T)

VND = Vietnamese dong, the currency of Vietnam

ICT = Information and Communication Technologies

AFACT = Asia Pacific Council for Trade Facilitation and Electronic Business

SEO = Search Engine Optimization

SEM = Search Engine Marketing

XML = Extensible Markup Language

IP = Internet Protocol

DNS = Domain Name System

RSS = Really Simple Syndication

HTML = Hyper Text Markup Language

X = the name of the real Company in Finland and must be confidential
FOREWORD

I would like to express my sincere thanks to Mr. Peter Mildén, my supervisor for helping me to write the research and his feedback. In addition I would like to send special thanks to the vice manager of XSoftware Company, Mr. ------, for giving valuable information for my research.

This study was conducted under the perspective of writer as an adviser of XSoftware Company.

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Helsinki, February 2012
1. INTRODUCTION

1.1 MOTIVATION BACKGROUND AND PURPOSE OF THESIS

In this century of technology, when people increasingly spend more time surfing the Internet it can be viewed as an effective promotional tool for businesses to reach out to customers.

Businesses have used the advantages of the Internet to develop and create a link between brands and consumers, which affect shopping behavior and use their goods.

With the Internet, Companies can give consumers the accurate information they are looking for and adjust their messages to match the behavior and attitudes of consumers. So the way of enterprises can capture and attract the attention of consumers by directly meeting their specific preferences.

Through advertising, Companies can build their brand image and create an attractive story in a creative way. The feeling could be surprise, laughter, nostalgia or any emotions that might connect with products. With the tools of online advertising and mobile interactive advertising, businesses can now create many interesting topics around their brands to make an impression with consumers. And once a consumer has an impressive story, they will be willing to share it with others.

When stories are transmitted and shared over the Internet, the consumer acts as a "missionary" to mount with the brand name. Today the brand not only gives consumers the ability to share stories, but also does it more creatively through several different methods, for instance, from the use of user-generated video to display the individual pictures to share with friends, or from the more traditional form to update the status situation. The innovative activity to share on that message of the brand becomes more powerful than ever.

Businesses look to the Internet to bring the brand vitality and positive impact to the behavior of consumers. However, they realize that to be truly effective, they are not just storytelling skills, but also to equip themselves with the necessary knowledge about the features of the product.
Marketing is becoming more and more important for the success of the business life. Every Company must use new strategies to succeed and develop in the future. Marketing is a very dynamic subject that is developing continuously. Nowadays many of the Companies are dominated by the traditional way to promote and present their product for example using mass media advertising, newspaper, etc. In the case of XSoftware Company the idea is to develop marketing strategies for immigrants Startup Company to be successful in the Finnish market.

XSoftware Company is a small software development Company headquartered in Finland established in 2009. The Company has two teams. One team is located in Finland and the other in Vietnam. XSoftware Company can provide a vast range of skills and technologies with many partnerships of Finnish and Vietnamese IT professionals who have many years’ experience in software development for world leading Companies as well as SMEs around the world. By leveraging technical resources from Vietnam and local support from Finland, the Company can provide quality ITO and BPO services at low cost.

By outsourcing to Finland and Europe, XSoftware Company want to improve their customers and expand their brand (www.xsoftware.com)

The purpose of the thesis is to develop a model for evaluating the market opportunities for the start-up Company, to develop a well-defined market profile in the Finnish and Vietnamese market area. The thesis tries to solve the problem of planning the marketing and future development for the X Software Company in the internet market competitor.

For this case, primary and secondary information will be used. Primary information will be based on the observation around the e-marketing plan of XSoftware Company, and directly contact the customer.

Second research of the thesis will base on the question and answer for applying the e-marketing plan to the XSoftware Company and suggest a good strategy for the Company.

This thesis is using some of the results on marketing theory from literature and also from the results of the marketing survey, including some marketing tools such as emailing, phone to phone, Yahoo chat etc.
State for preparation of e-marketing plan

Figure 1: A generic Internet marketing strategy development process (Source: Dave Chaffy, 2005)

According to Chaffy (2005) for successful marketing in the social network, a Company needs to manage the business such as modification development for the Company, planning and strategy or managing the customer’s contact. The purpose of this thesis is used advertising and marketing over the social network to get more customers.
1.2. SUMMARY OF THESIS

Chapter 1 presents introduction and a summary about the plant of e-marketing strategy.

Chapter 2 contains research approach and data collection method.

Chapter 3 presents literature review about marketing tools.

Chapter 4 gives more details about e-marketing planning.

Chapter 5 presents XSoftware Company overview and application of theories to the Company.

Chapter 6 contains the collusion and discussion about the plan should be applied for the Company in the future.

Chapter 7 contains the references and appendix of the thesis
2. METHOD AND DATA COLLECTION

2.1. RESEARCH APPROACH AND STRATEGIES

The researching is based on a plan for the internet marketing. This research is combination of case study and induction approach. The purpose of induction is make is to clarify the theory as and to get a close understanding of the research context (Saunders, Thronhill& Lewis, 2009). The purpose of case study is responsible for the type of research question like “How”, ”Why “ and “What” (Yin ,2006)

Many kinds of research methods and techniques can be applied for the start-up Company of small size and will produce different results. The author uses two types of research basic and applies research for the Companies .The research belong to the applied ,try to answer the problem such as

1. How to use the social network to improve the business of XSoftware Company?

2. What are the kind of methods and the plans for creating the marketing for XSoftware Company to spread their market in Finland and Europe?

3. What are the advantages and disadvantages when using social networks as a marketing tool for both Vietnamese and Finnish markets?

4. How to apply the chosen techniques in e-marketing for the XSoftware Company?

The thesis is based on the e-marketing with basic researching and collecting the information through literature, the internet or social network websites in the following way:

- Based on the literature review to analyze the communication channel for the start-up Company and the benefit that the e-marketing brings for their Companies

- Based on the situation of the X Software Company to suggest a new marketing plan for X Software Company.

- Suggest for X Software Company to use big social networks such as Facebook and LinkedIn to apply in their e-marketing plan
After researching many sources and collecting and analyzing the information will give the following answer for X Software Company:

1. A general description about traditional marketing and network marketing

2. E-marketing introduction

3. The benefits of doing e-marketing when apply the planning marketing in the internet

4. The description and of six digital media communication channels in e-marketing including overview of the Vietnam and Finnish e-markets

5. Analyze the benefits to give the reasons why X Software Company should apply e-marketing instead of the traditional way

6. Selection of the suitable digital media communication channels as well as providing the reason why they are taken for the campaign.

7. Some suggestions for the Company to apply the methods based on these channels for making the marketing campaign, for the Company based on the connecting of LinkedIn, Facebook service
3. LITERATURE REVIEW

Internet marketing is a part of business representing lots of opportunities (Chaffy 2008, p14), when customer wants to order something, they have a wide selection of choice for them. According to Kotler (2005) on marketing “The internet will create the new winners and burry the laggard” the network marketing is one of the very important tools to improve your business. The amount of websites on the internet as of May 2010: 206,026,787 sites (netcraft.com, 2010)

The analysis of traditional marketing is a process by which Company a makes individuals and groups interested in their product so that it can attract people to buy. The process can be sales techniques, Business communication, and business developments or integrated marketing process. (Kotler, 2005, p.6)

The differences between traditional marketing and Network marketing are:

<table>
<thead>
<tr>
<th>Traditional marketing</th>
<th>Network marketing</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) Newspaper Ads</td>
<td>1) Ad Words and Affiliate marketing</td>
</tr>
<tr>
<td>2) TV Ads , Radio Advertising</td>
<td>2) Social Media: Facebook, Twitter ,Yahoo, Friend</td>
</tr>
<tr>
<td>3) Magazine Ads</td>
<td></td>
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<tr>
<td>4) Coupons, Direct Mail Advertising(snail mail), Billboards</td>
<td>3) e-mail and e-mail campaigns (newsletters, special offers, coupons)</td>
</tr>
<tr>
<td>5) Telemarketing</td>
<td>4) Web Banner Ads</td>
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<td></td>
<td>5) Website subscriptions</td>
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Table1: Difference of traditional marketing and network marketing (Source: create by author)
3.1. MARKET OVERVIEW.

For the year 2010 to 2020 the Vietnamese market need around 500,000 more workers for the IT field including 148,000 in the software sector. In the between of 2008-2010 the market got into a financial crisis, but the growth rate will increase in the year 2011 and after in the near future (Vietnam Business & Economy News, 2010-2011)

Currently, most software Companies in Vietnam are small-sized, with exception of three mid-sized enterprises with more than 500 programmers: FPT, TMA Solutions and FCG Vietnam. Despite this, Vietnam has been quite successful in attracting numerous big corporate Companies to outsource software projects to Vietnam. Among the names that have done so are IBM, Bayer, BP, Fuji, Nortel Networks, NTT and Sony. All have outsourced software projects to Vietnam either directly or through third-party subcontracts. Although the software industry revenue in 2005 of $200 million was far from expectations, the steady growth rate in the last five years is 25%, which is forecasted to continue through 2010, certainly reveals the Vietnamese government’s ambition and aspiration for technology advancement in this industry

(www.mpv.gov.vn, 2011)

3.2. COUNTRY OVERVIEW

From the year 2006 onwards, Vietnam is among the fastest growing economies in Asian market. Vietnam is competing for outsourcing of IT services. In 1987 Vietnam took steps to resolve their economic problems such as inflation, slow and stagnant economic growth, deteriorating living conditions, and severe trade imbalances. Ten years later (1997), Vietnam’s government streamlined the process for foreign direct investment. In November 2001, Vietnam's trade, agreement opened U.S. markets to Vietnam's goods and services.

(Source: mongabay.com, 2011)
3.3. OVERVIEW ONLINE ADVERTISING MARKET IN VIETNAM AND FINLAND

This part will discuss about the target online advertising market of X Software Company and their customer option profiles

3.3.1 Vietnam markets

Overview of the Vietnamese market: Vietnam’s IT industry is considered to be under-developed compared to another European countries or the States. Since 11. November 2000, Vietnam government has decided to help the ICT industry, software and Telecommunication, Information Technology for education. From 2000 to 2011, the ITO in Vietnam grow by 18, 5%. During the period of 2005 – 2008, the growth rate was always around 40-50%. In 2009, despite of many difficulties due to the global financial crisis, Vietnam’s software maintained its growth rate of nearly 30%, reaching USD 880 million.

Vietnam software outsourcing is one of the 10 most appealing countries for outsourcing based on the survey of 50 countries on the costs, labor force skills, the environments of business in every country (vneconomy.vn, 2009)

Follow the report of business-in-Asia Blog, Vietnam was the first range of Japanese Companies investing for software outsourcing finding. According to the report of the government software, the industry got grow up 40% rate with US$800 Million in the year of 2010. (Business-in-asia.com, 2011)
The software outsource Industry in Vietnam is still expected to grow fast in the near future. Hanoi capital and Ho Chi Minh City have outstanding advantages in human resources and infrastructure and both of them include 90% of Vietnam’s IT Companies.

3.3.2. E-marketing in Vietnam

Currently, many of the Vietnamese Companies have their website to showcase products and services to their customer as well as e-shopping (online B2C). There are many e-commerce sites in Vietnam business organization as VDC Co.ltd, VnEmart, FTP Co ltd .etc.

According the AFACT report in the year of 2010 Vietnam’s e-marketing in the period 2009-2010 grew up by 92%. Businesses using accounting software, enterprises bravely invested specialized software such as human resource management (43%), supply chain management (32%), customer relation management (27%) and enterprise resource planning (9%) (Afact.it/wordpress, 2011)

IT Companies in Vietnam

With the rapid growth in the IT industrial field as in the period of 1996 Vietnam’s market has 96 IT Companies in the country. 12 years later they have multiplied to 800.
Although there is a big number of Companies in the IT field but overall they are still small-sized.

According to the Business In Asia report, 37% of Vietnamese software companies have less than 20 employees, 39% of them have from 20 to 50 employees and only 4% of them have more than 200 employees. These figures show the fact that Vietnam’s IT industry as well as ITO still has a lot of things to do and follow with other countries (vietnambusiness.asia, 2011)

![Figure 3: Number of the Companies in Vietnam (excelbrothers.com, 2011)](image)

3.3.3. Behavior of people in Vietnam

According the result of Yahoo!-TNS Net Index when they have market survey mission in many big Vietnam’s cities, the year 2010 about 28 million users on the Internet and the buyer on the shop online still go up. Social Network still grow up daily from 41% to 55% in 2011, range of user for examine from 15 to 54 years old. For the communication in social network, people using email and messenger chatting (all most 90% they are using Yahoo communication). (scribd.com/doc, 2011)

3.4. NETWORK MARKETING METHODS

Network marketing or E-Marketing is a method of marketing strategy using the network of distributors to grow a business. Network marketing combination of responsible business agent and direct contact to customers, network marketing using three basic type’s strategy such as lead generation, recruiting, management and building to create the successful of the companies.
For the success of the network marketing method, the Network marketing needs to develop many of strategy tactics such as Search Engine Optimizations (SEO), Pay-per-Click, etc. In the few year between 2008 to 2010 many companies began to use websites containing the link to many search engine tool, for example, all of the SEO such as Google, Bing, Yahoo, Ask, AOL got over 95% in the SEO market. In this century, almost every field are related to the internet, specifically websites and social network (Source: website-hit counters.com, 2011)

- Google share grew to 65.7 percent in March 2011 and will grow from 65.4 percent in February
- Yahoo Co Ltd has fallen to 15.7 percent
- New searching from Microsoft Bing grew from 13.6 to 13.9 percent.
- Ask fell from 3.2 to 3.1 percent, AOL fell 1.7 to 1.6 percent

For the totals 16.9 billion searches conducted in March 2011, Google came in first with 11.1 billion searches, while Yahoo accounted for 2.7 billion, Bing ranked third with 2.4 billion, Ask had 520 million, and AOL had 272 million(searchenginewatch.com,2011)

The result is based on the report survey by the statistics and researching Company such as figure 2

*Figure 4: March-2011-Search-Engine-Market-Share-infographic (Source: searchenginewatch.com, 2011)*
Search market is also the important tool which to improve their discoverable in the search engine tool and most people spend their time in the searching web wide world (over 90%, Forrester Research). Searching engine listings are the greatest way to generate qualified traffic to websites. Peoples use search engine to finds what they want as products and services.

According to Wikipedia, Search engine market as a form of Internet marketing to further their website by increasing their visibility in search engine result pages. There are many methods for using in this case as Search Engine Optimization (SEO), Pay per click and Pay for Inclusion (Wikipedia info).

According to Chaffy and Smite (2008) for spreading the e-marketing need to follow 6 options channel as the example diagram

![Image](image.png)

Figure 5: Options available in the digital communications mix for traffic building (Chaffy and Smite, 2008, p.301)
3.5. SEARCH ENGINE OPTIMIZATION (SEO)

SEO is an advanced way of improving of a website in the World Wide Web to be promoted engine. Other forms of search engine marketing (SEM) target paid listings. In general, the earlier (or higher on the page), and more frequently a site appears in the search results list, the more visitors it will receive from the search engine's users. SEO may target different kinds of search, including image searches, local search, video search, academic search, news search and industry-specific vertical search engines.

3.6. PAY PER CLICK (PPC)

“Paid search marketing or Pay per click (PPC) is similar to conventional advertising; here a relevant text ad with a link to a Company page is displayed when the user of a search engine types in a specific phrase”. (Chaffey & Smith, 2008)

When the users click in the website, the advertiser must pay for every click in the advertiser’s website. The amount paid for click-through is arranged at the time of the insertion order and varies considerably (Brown, 2006).

3.7. PAY FOR INCLUSION (PFI)

The Company business used advertising on the web and using tool as search engine for indexing of a site. The meaning of PFI is the total customers pay a certain amount per URL for quick inclusion into the search engine database.

With Pay for Inclusion (PFI) the Company’s website will repeat in the network every 48 hours and make the pages reload faster (homebusiness.about.com, 2011)

3.8. ONLINE ADVERTISING

According from the tutor web defined (About.com) Online Advertising is a form of marketing, using the connecting over internet world wide for connect to customer as
search engine tool, banner ads, rich media ads, social network advertising, webpage ads, online newspaper ads, email and spam also for marketing.

Internet ads are going to expand more than before and make the inverter put more their risk money to advertising and also bring a lot of benefit to them and their consumer. The customer may easy to control over the item they want to buy or investing. Online ads also can offer various forms of animation. In its most common use, the term online advertising comprises all sorts of banner advertisement, e-mail advertising, in game advertising, and keyword advertising, on platforms such as Facebook, Twitter, or MySpace has received increased relevance.

Online Advertisement model around with some of method

- Cost per Mile (CPM) is called cost % or cost per thousand (CPT) is the total amount paid for their advertising per 1000 views of the ad
- Cost per Visitor (CPV) pay for the delivery of customer to the advertiser website
- Cost per Click (CPC) is total amount paid for each time a user clicks to their website.
- Cost per Action (CPA) is performance based in the Advertising field and in the marketing practice area. The payment base on the publisher takes all the running ad, pay for only the users who have completed a transaction, examples: purchase or sign up
- Trusted Feed

The trusted feed is the ad or search listings content is automatically uploaded to a search engine from a catalogue or document database in a fixed format and they uses the XML data exchange standard. For the technique is mainly used by retailers who have large product catalogues for which prices and product descriptions may vary and so potentially become out-of-date in the SERPs. A related technique is paid for inclusion (PFI)(Chaffy and Smite, 2008)
3.9. EMAIL MARKETING.

Email Marketing is a very important part of the internet marketing method. It offers many practical benefits over traditional direct mail. Its lower cost means it is possible to send better targeted, messages to each recipient as part of the campaign. (Dave Chaffey, p21, 2003)

“E-mail marketing as an advertising medium will become one of the dominant resources for the “click and mortar” companies of the new millennium. And due to its relatively low cost, personalization, and tracking capabilities, it will be the choice of direct marketers across all vertical markets.”(Steve H, 2002)

Nowadays most of the companies communicate directly with their customer via email. Email Marketing contains two parts: outbound email and inbound email. Outbound is the email sent to the customers and expectation from their customer or their companies. The inbound email is used for managing purpose and internal communication.

According to Chaffey (2003) marketing emails can be sent directly to other media as a form communication. The sample result got in the year of 2002, January, about 550 million e-mails has sent and compare with normal letter mail is 258 Million.

*Advantages of email marketing

Currently, we cannot deny the benefits that email has brought to our lives but great challenges have also risen at different levels. By examining a Company from two different perspectives, the advantages and disadvantages of email marketing may be revealed more evidently.

- Email marketing brings lot of cost benefits for the Company. The amount of e-mail recipients does not greatly affect the cost
- Maintaining a mailing list is relatively inexpensive, as well as sending out a newsletter. The cost of sending thousands of pieces of direct mail would be much more expensive to reach the same number of customers.
- Easy to trace: Thanks to numerous tracking metrics, companies may follow up their customers’ responses toward newsletters and assess the effectiveness of marketing strategy simultaneously.
• Speed up the delivery time: Nowadays, with the incredible development of data transfer rate, emails arrive to customers’ mailboxes within seconds. Therefore, companies may save time in both process of sending newsletters and receiving responses.

• Flexibility: Obviously, editing an email for a specific subject is an easier task than making a new printed version. From another perspective, by sending an email to the customer, companies will have a more effective as well as economical way of testing their new campaign.

• Integration: In combination with other direct media, email marketing becomes even more effective in delivering the message to companies’ target customers.

• Reduce the quantity of papers: Without the email strategy, offices will definitely be flooded with documents and letters. Thus email marketing has a great contribution to reduce huge amount of physical papers by storing all mails and responses online or simply in computer’s memory.

• Ecological: Last but not least, natural resources will be reserved when people use electronic emails instead of classical letters which usually end up in a trash bin. (Chaffy, 2008)

*Disadvantages of Email Marketing

Emails never arrive: this situation originates from the auto-protection programs. Almost every Company and individual possesses a security system to prevent spam letters, so the real emails may be deleted or put into trash folder accidentally.

• Unrecognizable: To some people, there are tens of even hundreds of emails arrive daily. Among that mess, many letters could never be opened since they did not draw the attention from him/her. Otherwise, these people are usually under great pressure of time, hence they may be overload with reading emails

• Downward response rate: At first, recipients are very responsive with the initial emails but later on, they feel more and more unpleasant after experiencing too many newsletters and stop giving answers.

• Communications preferences: People tend to have their own preferences for offers, contents and frequency. Correspondingly, these factors have to be managed closely in order to succeed in gaining customers.
• Technological issues: Additional people and technology are needed to conduct email marketing strategies efficiently (webicy.com/. marketing.html)

3.10. WEBSITE IN INTERNET MARKETING

Using website is the one of method in marketing on the internet today because it is a market factor to decide the success of the Company’s business and they are support for their goals as marketing for sales, contact, and support. etc. Thus, using the website is the most important and powerful choice of the online business. Even though, a bad design may cause negative visual impact to surfers and therefore, big changes in website’s effectiveness will be observed.

Marketing on line cannot go better without the website, but still many companies commit their website for the IT and never checking again or not update. This is the big problem; the customers not care about the technical, only about the information they can get. If not satisfied, the customers may go for another site, that the reason they lost many numbers visiting

3.11. ONLINE PARTNERSHIPS.

According Chaffy & Smite (2008) marketing mix as P “partnerships” or Marketing marriages. In UK almost in the 1000 companies (around two thirds) confirming they have dedicated to partnerships marketing to open the door of large area marketing.

Types of online partnerships can define as three key types of online partnerships for managed as link-building, affiliate marketing and online sponsorship

3.11.1. Link-building

Link building is the way to create inbound links to single owned website. Link building can be list in newsletter, search engine, etc.

Link building also have the structure of many links from many website link to the host link of their companies. Types of link building can be declared as reciprocal Link building, one way link building, three way link building
Most of websites relating with Search Engine Optimization and involved in promotion of websites realize the importance of Link Building to achieve high rankings in Search Engines such as Google, Yahoo, and now as Facebook, preliminary reading on the Internet guides them to initiate link exchange with websites, particularly with higher PageRank link pages.

(Source: http://www.theadminzone.com, access 15.6.2011)

3.11.2. Affiliate Marketing

According Chaffy & Smite (2008) affiliate marketing is one of advertising tool or services when the advertisers pay for the final result only (special for sale). The process to take a place defined relationship is affiliate program. According Lorrie (The McGraw-Hill’s course, 2011) Affiliate marketing is the revenue sharing between online salesman and their customer or salespeople, using one website to drive traffic to another. Affiliate marketing is used largely to advertise web sites, and they are rewarded for every visitor, subscriber or customer provided through their efforts.

![Affiliate Marketing Diagram]

*Figure 6: The affiliate marketing model (Source: gidenlim.com, 2010)*
3.11.3. Online sponsorship

Follow the defined of Ryan and Whiteman (2000) “The linking of a brand with related content or context for the purpose of creating brand awareness and strengthening brand appeal in a form that is clearly distinguishable from a banner or other standardized ad unit”.

In advertising area, online sponsorship got the benefit from the name which associated with an online brand that user are familiar with the webpage they usually visited.

3.12. INTERACTIVE ADVERTISING

Customer when visiting the website, they are sometime click on the banner at an advertising site will be transfer to the website which the companies pay for the banner advertises. According with Chaffey (2008) Interactive Advertising is the tool which using the display advertising on the internet such as banners and rich media ads “to achieve brand awareness and encourage click-through to a target site “

The most typical of Interactive advertising are banners advertising, pop-up advertising and sponsorships

3.12.1. Banner advertising

Banner advertising is a form of advertising delivered by an advertising host or ads server. This form consists of embedding an advertisement into a webpage that is intended to attract traffic to a website using the link connecting to the website of the advertising. The advertisement is constructed of an image (GIF, IMG, Flash, sound, or video to maximize presence).Images are usually in a high-aspect ratio. These images are usually placed on web pages that have interesting content, such as a newspaper article or an opinion piece. Affiliates earn money usually on a CPC (Cost per Click) basis. For every unique user click on the ad, the website of marketing earns money (wikipedia.2011)
3.12.2. Pop-up advertising

Pop-up ads are similar to banner ads but don’t link to another website, these ads open on the website but do not move (Moore, 2008). However, using lots of pop-ups for advertising will be troublesome for their Company. People usually close the pop-up when they begin displaying or use a pop-up tool ban to ignore the pop-up.

According to Silverstein (2001) Pop-up appear between Website pages, the pop up open the new page show some of the information which carry something about a Company and its products or services.

3.12.3. Sponsorships

According to Chaffy (2008), Sponsorship consists of a Company paying money to advertise on a web site. The arrangement may involve more than advertising. Sponsorship is a similar arrangement to co-branding.
4. THEORY OF E-MARKETING AND SOCIAL MEDIA MARKETING

4.1. FRAMEWORK FOR E-MARKETING PLAN

E-marketing means using digital technologies or the media technology such as website or internet network to help sell your goods or services. These technologies are a valuable complement to traditional marketing methods whatever the size of your Company or your business model. E-marketing plan includes the marketing plan with the context of the business in the e-environment field (Chaffy, eMarketingeXcellence p459). For the successful marketing plan the e-marketing plan should be based on traditional marketing and planning techniques.

According to Chaffy and Smith(2008) all these plans can use the SOSTAC® Framework and the framework they are using for the successful in e-marketing plan base on the SOSTAC planning system (PR Smith,1993) SOSTAC stands for :Situation analysis, Objectives, Strategy, Tactics, Actions and Control such as in the Figure 5

![SOSTAC® Framework for e-marketing planning](chinaclck.com.cn.2010)

**Figure 7: SOSTAC® Framework for e-marketing planning (chinaclck.com.cn.2010)**

Situation analysis (S): answer for the question “where we are now? “

Situation analysis shows the mission of the Company as the external environment of the status of the customer access to the internet and checking for the process of their competitors. Situation analysis also analysis and asks what the current state of the business is.
Objectives (O):

Objectives is means of where are we going? (Chaffey, 2008) or where the plan of marketing will be plan in the market areas? According to Chaffy and Smith the objectives have five broad benefit of internet marketing (Sell, Speak, Serve, Save and Sizzle)

Strategy(S)

Strategy represents for the question “how do we get there? “. Strategy is deciding the segment and market to target. According to Chaffey (2008) strategy summarizes how to achieve the objectives and how to improve the tactical decision. Strategy is definition for investment for online channel and product marketing positioning.

Tactics (T)

According to Chaffey (2008) Tactics is a part of strategy, use the website, digital media, email such as a pay of search and display advertising, sponsorship or virtual exhibitions etc. Tactics is a valuation for e-tool can or cannot do. Tactics explain how the strategy can do

Actions (A)

Follow Chaffey et all (2008) define Actions are the details of tactics when the actions have to be taken create for the banner ad, interactive TV ad, an opt-in e-mail campaign. An action in every working is a mini project. Thus this is the weakest part of the planning process in the plan of SOSTAC planning modern on the most companies (as identified by Bossidy and Charan 2004).

Control(C)

Control is responsible for the question why some of the Company’s collapse because they know if you are not succeeding for the control of internet marketing This is where web analytics systems regularly measure and monitor the key online measurable visitors, durations, enquiries, subscriptions, sales, conversion rates, churn rates, loyalty levels and more. Control needs to be built into a plan, i.e. who reports on specific control criteria (e.g. usability testing, web stats analysis and external trend spotting) and how frequently (Chaffey 2008)
4.2. SOCIAL MEDIA MARKETING

Social media marketing for a small business is using the interest of the customer in any of the media channel or the social public networking. According to Andreas and Michael (2010) define Social media as “a group of Internet-based applications that build on the ideological and technological foundations of Web 2.0 and that allow the creation and exchange of user generated content”. Social media to identify for the companies by use of applications as YouTube, Facebook, Twitter, Yahoo blog, Google +.

According to the report by Pew internet, over 85 % internet users use Social media in the year 2010. In Vietnam, according to VinaLink report, about 54 % internet users are using a social network (pewinternet.org.2011)

![Social Network Vietnam 2011](image)

**Figure 8: Social Network Vietnam 2011 (source: Vinalink Media)**

4.2.1. Facebook:

![Facebook logo](image)

**Figure 9: A sample of Facebook logo (facebook.com)**

Created by Mark Zuckerberg in 2004 like a tool for sharing information with other people after few years the Facebook social network became famous with more than 800
million users. Facebook is principally used for connecting friend, photos, video, reading
news and entertainment. At this present, it is an addict for many social classes and make
Facebook go to the first of Social Network in global.

In Vietnam over 65 % people use Facebook. More CEO’s in Vietnam use Facebook for
marketing plan to get the benefit. The companies can be using the option as “Facebook
official page” to communicate with their customer. Based on comments or responses
from customers companies will know exactly what their customers want

In the Vietnam Net Citizens Report 2011, 26.8 million people in Vietnam were using
the internet in 2010 (around 31% of population in Vietnam). Most of the internet usage
was for communication and online interaction. Around 70% used for chatting and email,
36 % for social networking and 20 % for blogging

Google website is the most popular for general searching. Yahoo! Inc and Zing VN
were used more for entertainment.

Business in Facebook

Today’s network people cannot avoid the effect of Facebook to their life and their
business. Facebook can be used as great tool of marketing and connecting with their
customer

Users can manage their profile by setting up their personal account or business account.
According to the Hubspottutorial (Hubspot.com) user setup their profile in Facebook for
personal and setup Page for business the difference between of personal and business
for created Facebook, sample as Table 2

<table>
<thead>
<tr>
<th>Personal profile</th>
<th>Business page</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Connecting to friend, required acceptance get some Fan for your page design</td>
<td>- Allow your design with multi administrator for easy control the account,</td>
</tr>
<tr>
<td>- Access to the personal profile pages are Limited</td>
<td>Page will public and start ranking and connect to searching engine and get the result</td>
</tr>
<tr>
<td></td>
<td>- Can separate to different local business and new brand</td>
</tr>
</tbody>
</table>
Table 2: Difference of Personal and Business of Facebook

Facebook in mobile marketing

Figure 10: A sample of Facebook app for mobile (source: www.facebook.com)

Much kind of mobile phones are released as smart mobiles with internet access (Wi-Fi, 3G) from anywhere, Facebook advertising on the mobile phone by email, web browser in the mobile and with the support of mobile with total over 200,000,000 mobile users today (source:about.com/mobile). This is the reason Facebook advertising on mobile will get many advantages.

Facebook in Vietnam

Although Facebook has been block in Vietnam country before but users in Vietnam has find out the solution for the problem by avoid the checking from government under virtual IP or DSN from another country. According to the report of Social Bakers Company, at this presents Vietnam have over 3.6 Million users own Facebook. That is not the small number and also the rick pick for marketing in Facebook (socialbakers.com, 2011)

At this present, though another 3nd party as FTP Corporation becoming a Preferred Developer Program Consultant for Facebook, user in Vietnam can be connecting to Facebook normally.

Facebook in Finland

Also according to Socialbakers report, Finland with population as 5.5 million owner over 2 million Facebook users or near 60 percent of Finland people own Facebook. Beside the great number using Facebook, Finland also is one of leader in
Telecommunication in the world, which according to Statistics Finland’s survey (base on ICT 2011 survey) 42% of Finnish users had used a smartphone in spring 2011 (socialbakers.com, 2011)

Using social media marketing in Finnish companies

According to Investing Finland survey, of the 400 member companies about 80% of them invest in advertising on the internet. According to RitvaHanski-Pitkäkoski (Association of Finnish Advertisers companies) companies that are expecting to increase their advertising say they will do so by an average of 17%. Finnish companies are most interested in investing in web media, email and mobile advertising.

Around 90% of the Finnish companies responding to the advertising barometer plan to use social media in their marketing. From the companies that use Facebook around 88% have their own pages groups. In the Advertising in Facebook, around 52% buy Facebook adverts and about half have their own applications.

Facebook marketing

Facebook gives the companies many options for advertising or website connection and improve the application for the marketer. Facebook marketing strategy is based on the campaign with clear strategy and method.

- Facebook Page profile or group for Company business, After creating an account in Facebook, the Company must decide the goals for building a public community (Justin Jey, 2010.p127). After finishing the first step, the next step is adding photo, videos, Company’s website information.
- Company partner or friends: Facebook page can contain friend or group of their Company partner which the info of their Company can be shared through the posts on the Company profile page.
- Post in the Facebook: Leave comments or using applications or using Facebook wall to express their ideas. Beside that the conventions of Facebook is sharing with other sites
- Facebook applications: There are over 2000 applications for Facebook for sharing the information of the companies or personal.
- Include RSS feeds: Facebook can add the personal or Company Facebook can add the personal or Company RSS feeds from their website or personal blog.

4.2.2. Yahoo Blog

![Yahoo Blog Logo](image)

Figure 11: The Yahoo Blog Logo (yahoo.com, 2005)

Yahoo! Inc. was found by Jerry Yang and David Filo when they created a website using for searching and web portal, include services in mail services. Yahoo services are able to collect more data from user in web. After few years Yahoo! also became the big communication web in the world. Before Facebook come out in the market, Yahoo Blog is the first choose for the blogger in Vietnam. In this period Blogging become the mainstream of young people as blogger of business, health blogger, family bloggers .technology bloggers, millions of users in global use blogs for share information.

Business in Yahoo Blog

Most of the young people in Vietnam like to write blogs and spend a lot of time on Yahoo Blog and will bring many changes for the companies if they want invest to the Vietnamese market

According to the report by Alexa (alexa.com) Yahoo is the leader in Vietnam with more 18 million users .The companies who advertise on Yahoo channel will connect to millions of customers easily.

Vietnam´s users access to Yahoo with a figure of 824 million pages a month through email, content and search functionality and chatting communication
4.2.3. YouTube

Figure 12: An example of video in YouTube (youtube.com, 2005, arcada)

The world’s most successful site for sharing video clips is now YouTube. Millions of video clip now in any country can be posted. Reviews in marketing, the companies have created their own channels in YouTube for marketing, video conference, video guides for the customer, etc.

In the year 2008, around 79 million videos have been uploaded in March and still growing at 20 percent every month and five months later, in July 2008, about 5 billion videos have been viewed on YouTube (About.com, access 12.2011)

Combined with Facebook, Yahoo! Inc, ZingVN, YouTube is a powerful tool for quickly spreading information on the Internet.

According to Miller (2009, p28) YouTube was immediately famous on the first day of business and still faster in the World Wide Web, YouTube is one of the top ten sites on the Webs.

With YouTube, users can upload video as Car (sample, model), Education (e-learning, etc.), sports, Entertainment, Gaming, etc. Many of big Company using large investment to created videos for their Company’s channels to advertise their product and marketing
4.2.4. ZING Vn

Figure 13: An example of ZINGVN logo (me.zing.vn, 2004)

Zing VN has founded on September 9, 2004 as the Group Corporation Vina (name Vina game). After four years of development, portal online entertainment website Zing.vn became head of Vietnam (according to Google Ad Planner). On 07/1/2010, VinaGame Company was officially renamed Corporation Vina Group (VNG), the renamed VNG may also be considered as a strategy to develop further in the entertainment market online.

A brand of ZINGVN is Zing Me social network, after nearly a year testing (starting 01.08.2009) has officially put into operation and become the most popular social network in Vietnam.

ZingMe Social Network is a social network built by the VNG to meet the entertainment needs, make friends, and find friend to share information of users in Vietnam. ZingMe to become No. 1 in Vietnam social network with 911,000 active members and in 1/2010 Zing Me reaches 5 million active members. (me.zing.vn, 2010)

Disadvantages when using ZINGVn and social network in Vietnam

Vietnam’s government is a communist party and it still has supervision and control over country so they will block your website if your Company has some sensitive information to their policy.

The securities for network are not well protected and cannot compete against attacks from outside and are easily crashed when hacked. Hackers’ spawns harmful viruses to steal credit card, password, etc. If the customer is not satisfied with the safety, they shall not trust in the e-commerce marketing
4.2.5 LinkedIn

LinkedIn is a business networking site, founded by Reid Hoffman and their team from PayPal and Socialnet.com. They began in December 2002 and on 4.4.2011, LinkedIn had 120 million members and it is mainly used for professional networking (Wikipedia). With LinkedIn can help the companies to introduce each other in their business.

LinkedIn helps the customer to set up their professional profile and post their command. Student can be contact with the companies if they want to apply for jobs, for example some report in the year of 2009, nearly 81 percent are bachelor people connected(blog.hubspot.com, 2011).

LinkedIn is based on the free service's host, which has received the big investor from two companies as Sequoia Capital and Greylock Partner. Besides that LinkedIn also have more of investors Companies as Paypal Co and some small partner.

By using LinkedIn network people can get the information about the person which relation with their professional studies, collect data and share document. Another advantage can be for the Company is that they can easily find the person who fulfills their requirements.

By creating a forum in LinkedIn, the Companies can get many ideas easily through communication with their customer. If the Companies have LinkedIn, they can share and join business with other Companies.

User can connect with twitter by using their status profile in LinkedIn account, LinkedIn feature allows user to post a LinkedIn status message to twitter and to pull a tweet into their LinkedIn status.

Thus, LinkedIn bring lots of opportunities for the internet business especially in the marketing department, but LinkedIn also comes with some disadvantages such as
+ Not good in security, in protecting their user’s privacy on Net. LinkedIn displays their email. Personal privacy is at risk if they get stolen.

+ Requires a huge amount of time as well as an effective strategy at Company scale to work with LinkedIn.

+ Not the same with another social network website, LinkedIn runs website with multi membership program and if user want to searching, directing contact via email, instant message and must be pay fee every month.

4.2.6. TWITTER

*Figure 15: A logo of twitter (twittle.com, 2006)*

Twitter is a micro blogging and founded by Jack Dorsey, Evan Williams in San Francisco, California. Twitter is the same function of Facebook or Yahoo blog as an online social networking. After 5 years, from 2006 to 2011, twitter rapidly grow up with over 300 million users (alexa.com, 2011)

After registering on the Twitter website, with an account, the customer can share their Company’s product, connect to people, etc. Twitter is a great website to use for business in the internet marketing.

Using twitter is not costly because it’s free if used wisely. Usage is simple as registering an account doesn’t take more than a minute. Twitter server also has support for multi-account, after registering the users can be “tweeting”

In twitter, you can hide your information by using another nick or another name, unlike Facebook need your real name and in the marketing Twitter can be used to offer free Apps or widgets in your Company website

Disadvantages when using Twitter

+ Easy to join and big amount of users can create an account in short time will make the twitter server overload.
Simple to create an account and the profile is quite basic by allowing users only to upload one photo and a few details about themselves. This is not a good way for Companies to market or distribute info about their Company.

Twitter is a good place for spammers and you must filter them, otherwise they will affect the marketing plan.

4.2.7. RSS (Really Simple Syndication)

Figure 16: A logo of RSS icon (rssboard.org, 2006)

RSS or Really Simple Syndication is an XML (Extensible Markup Language, same function like HTML) based on icons with the goal to distribute the content summaries of news, for blogger, website or the forum, weather alerts. RSS can be used for communicating as email like spam, messages will be deleted if they are full, sometime RSS can act like virus as more and more legitimate messages are not reaching their destination due to the proliferation of viruses.

RSS Feed as a list of notification in the maintain of the website, RSS aggregators as a program using to access the RSS feeds of websites which care about the organization for the result for the owner. Using RSS will get the benefit and more traffic to increased member and bandwidth for the website.

* RSS Opt-In – users select which feeds which they subscribe to.

* RSS is a defined standard for syndicating content, feeds extend reach

* Content of RSS is steady stream of fresh web content

* Users can quickly scan multiple content streams and click on items of interest saving time
4.2.8 SKYPE

According to Wikipedia, Skype is one of the software using Internet Protocol services allowing its users to communicate with each other through video, voice and instant messages. Services of Skype are free of charge when using desktop computer or laptop to call together with Skype software installed in the computer. Some smartphones also have free function as making calls but with other types of cell phones, users have to pay fees via purchasing monthly or annual credits for their accounts. With 663 million users registered (09/2011), Skype is considered to be one of the biggest communication software Company in the global.

4.2.9 GOOGLE TOOLS

- Google Adword
  
  Google Adwords are used for advertising products and main source for the revenues of the Company. Google AdWords created by Google Inc. bring Pay-Per-Click (PPC) and Cost –Per-thousand (CPM) advertising to the market

- Google Map
  
  Google Maps is a web mapping service provided by Google. It is free of charge (for non-commercial users) and includes different map-based services such as Google Ride Finder, Google Transit… Google Maps allows users to find routes, destinations, traffic conditions, and many interesting locations all around the world with GPS (global positioning system). It also offers maps embedded on third-party websites via Google Maps API (Application Programming Interface).

- Google Analytics
Google Analytics (GA) is another free tool provided by Google. It is popularly known for the powerful ability in providing statistical features about subscribers’ websites. Not only number of visits but GA also tracks other parameters relating to customers’ surfing and purchasing online action.

4.2.10. IRC GALLERIA

IRC-Galleria or IRC Gallery is one of the biggest of Finnish Social network with over 500,000 members (Wikipedia, 2009). IRC Gallery was founded by TomiLintelä (2000) and the first services are storing and displaying the photo gallery based on Internet Relay Chat (IRC).

The function and the services of IRC Galleria is the same as YouTube and Facebook website. Users need to register in the website and after getting an account, they can use almost every applications in the IRC website.

Came to the market before Facebook and YouTube, after nine years IRC gallery had 500,000 members, most of the users come from Finland and speak Finnish. Users’ average age in IRC Gallery is about 22. There is advantage for X Software to put advertising on it in order to look for the customers in Finland.

After March, 2011, IRC Gallery has belonged to Somia Reality Company and opened new market in Russia, Estonia and Germany.

By registering in IRC Gallery, users can connect to many famous social network such as Facebook, Google, Twitter, MySpace and Flicker.
Disadvantages of IRC gallery

+ The major language on IRC gallery is Finnish. Meanwhile Finland is a multicultural country, some people may not be able to use Finnish fluently, and that is a big obstacle preventing IRC from expanding market domestically as well as internationally.

+ Although IRC Gallery has similar functions to Facebook and YouTube but its development strategy was not effective since it focuses mainly in Finland and some other Scandinavian countries. If the managers widen their perspective to a world wide scale, IRC might be more well-known than it is today.

+ Another drawback is the cost of putting ads on IRC site.

4.3. SUMMARY

The aim of this chapter is review and definition of the literature for e-marketing in the internet. In this chapter, lots of method was listed such as Facebook, LinkedIn, etc. and give for the Company many ways to do the e-marketing. The important of this chapter is reaching the customer for the Company and disadvantages and advantages of the internet marketing method also discussed shortly and their effect to the X Software Company

The main feature of development of the field business in the future, for the Company it is very important to know about what the customers the Company are communicating with, follow the topic is how to plan a strategy for an Company, the chapter 3 can be display such as the model method base on the internet through the Company website
Figure 19: The summary of the method using to create a strategic e-marketing plan for X Software Company (source: created by author)
5. MARKETING PLAN FOR X SOFTWARE COMPANY

5.1. INTRODUCTION

Xsoftware is a small Business-to-Business (B2B) Company. The Company came to the market in 2009 and also is new in their business plan. The Company mission is outsourcing for the software industry and researching for customers wanting to find contacts in any field in Vietnam and Finland. Below are some facts of the X Software Company:

- Personnel: 3 person
- Initial investment: confidential
- Expected capital recovery period: about 2 or 3 years
- Working fields: any field, especially in Information technology
- Orientation during the time: In the year 2009-2010 Anne P…., the CEO of Xsoftware decided to move the Company to Vietnam, and open a second office in Mekong delta. The Company believed with the second brand in Vietnam will get many benefit and more of customers. Beside that X Software Company will have better control over the management and quality of their project in Vietnam.

For the case of study, we can apply some of the tool in chapter 3 for effective process in the internet marketing of Xsoftware as Search Engine optimization and Email Marketing, include the traditional classic marketing

5.2. SERVICES AND MISSION

Xsoftware concentrates in marketing in Vietnam which is growing market in Asia. Based on the support of Finnish and Vietnamese Government for the IT software industry X Software Company promises to provide high quality software, to be cost effective in IT industry and outsourcing in business for their clients. Using the resource of outsourcing from Vietnam with the lower labour costs comparative with China and India which are big markets for outsourcing.
In the strict business environment today, keeping operating costs to a minimum is always a major concern, and more and more businesses realize the benefits of outsourcing IT services operation. Instead of maintaining a resource to manage IT systems, the businesses can choose to outsource service

5.2.1 Form and content.

The homepage interface of X Software Company

![Xsoftware Homepage](Xsoftware.com, 2009)

With the server in USA, XSoftware’s website can be easy for setup, modify or corporate to website intranets and extranets.

The owner has decided to communicate by email or directly by Skype which is popular software. Users can easily contact the Company. The Company also design for easy to go their head office in Google Map services include chat online in website, very advantageous when the customer wants to contact.

![Google map for Xsoftware location](Xsoftware.com, 2011)
5.2.2. Search Engine Optimization (SEO)

Xsoftware is not supplied for the SEO jet; soon they will code the website link to Google, Yahoo, and Bing. Xsoftware website also is not using Google analytics for tracking the customer behaviors.

The Google Analytics is not difficult for adding their website in the Google SEO, just only register and supply your website in Gmail box then apply for Google analytics account. The code for apply for your website has been provided by Google SEO such as

![Google Analytics after register account](image)

*Figure 22: Google Analytics after register account*

Because the Company very new in the market of out sourcing and not supply in the Google analytics so the result have nothing.

![Google analytics tracking customer visitor](image)

*Figure 23: Google analytics tracking customer visitor*
5.2.3 Google Adwords

Google Ad words are used for advertising products and main source for the revenues of the Company.

Xsoftware is not using Google Ad-words for promoting their website. When a Company wants to advertise in Google Adwords, they must pay the fee. For the small Company this can be a problem as if their financial capabilities are low.

5.3. XSOFTWARE AND THE NEW PLAN WITH E-MARKETING

Obviously, if the Companies design a good e-marketing plan, they will grow and get more customers. When the Company wants to enter a new market connecting to customer needs a new plan how to expand their business

5.3.1. SWOT analysis

S.W.O.T is a tool for scanning the internal and external environment of the strategic planning for the Company. The internal environment can be display as strengths (S), Weakness(W) and the external can be classify as opportunities (O) or threats (T) (QuickMBA, 2010)

5.3.1.1 Xsoftware SWOT –Analysis

The S.W.O.T of X Software Company can be in the table 3 will help to determine the point of the Company can be repair or rebuild before it is setup in their business. The S.W.O.T also helps for the planning of e-Marketing of X Software Company

<table>
<thead>
<tr>
<th><strong>Strengths</strong></th>
<th><strong>Weakness</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>-The first Company in Finland making outsourcing to Vietnam and other with the high quality</td>
<td></td>
</tr>
<tr>
<td>-Using Vietnam and Finnish language as one of the communication to Vietnam</td>
<td></td>
</tr>
<tr>
<td>-Not enough experience in e-Marketing market</td>
<td></td>
</tr>
<tr>
<td>Opportunities</td>
<td>Threats</td>
</tr>
<tr>
<td>---------------------------------------</td>
<td>--------------------------------</td>
</tr>
<tr>
<td>- More of chance when open new brand in Vietnam market</td>
<td>- Effect from the crisis of global economy crash</td>
</tr>
<tr>
<td>- Much more customers in the global social network</td>
<td>- Base on the behavior of the customer in the new market</td>
</tr>
<tr>
<td>- Searching more of new market</td>
<td></td>
</tr>
</tbody>
</table>

Table 3: S.W.O.T of X Software Company (create by author)

5.3.1.2. SWOT of E-Marketing in Vietnam

- Strengths

The internet and social network still growing strongly by the online user in every age. Most of the internet users are young and looking for entertainment, relax, buy online, etc. Vietnam is the big number of internet user increase per capita from 25% to 35% in 2010.

Amount of broadband supply as 1.275 000, quite a big number in the Asia area

A lot of Foreigner Company as Google and Yahoo, Twitted, baidu starts study on Vietnam market, include some of the local searching engine in Vietnam market as vinaseek.com, zing.vn, socbay.com , make the color of the picture e-marketing more attractive

The improving education system is successful in producing technically well-prepared and talented graduates in software development and other internet marketing areas, and the labor market offers exceptional labor price advantages (averaging 30-50% relative...
to establish offshore software exporting competitors.) Vietnam also enjoys close proximity to huge future markets (report on VNCl, 2010)

- Weaknesses

Infrastructure

Vietnam’s infrastructure is still poor at the present, the cost of internet is not cheap and the connection still intermittent, include the bandwidth is extremely limited. The Vietnamese students in technology school graduates and professionals have relatively poor skills in English and other major international languages, when they are compared with established outsourcing competitors

The software industry of Vietnam is also affected by the lack of certification mechanisms and the using of illegal pirated software at around 98 %.

- Online services fee very high cost

Online service's fee in Vietnam still is the highest in the Asian as the price average from 15-50 times compared in another country and in this present economical crisis, the prices might be increasing.

- Worker lack qualification

E-market of Vietnam has advanced as large of young worker, but they are lacking of the qualification's skill for the project when thousands of students got the interview after graduated in their school but not satisfy for the examiners. According to TMA ltd (Vietnam outsourcing Company) only 10 % of the application can be qualified for the outsourcing jobs (Source: www.tmasolutions.com)

- Small size of software industry

Vietnam’s IT industry is not big in the software global ,with about less than 50 people in normal (about 80%) only more 2% of the Companies have more 500 employees (as FTP L.t.d ,TMA,CMC ,Nash…)
The government don’t have good plan for absorb from the foreign Companies to invest in outsourcing software industry in Vietnam include the inconvenient of these policies is difficulties

Vietnam’s capacity software outsourcing supply is weak on their ability to sales and manages, almost business are lacking of the marketing plan

- Poor security in the e-marketing

The channel of e marketing in Vietnam has the poor security standard with 461 websites got to hack in 2008 and over 46 cases involving hi-tech criminals, the government has suffered the loss of the VND 30 trillion (Report of Department of information technology), besides the environmental business of the outsourcing development, Vietnam is one of the leading of using illegal software using and copyright infringement (according to BSA, 2002)

- Opportunities

From 2007 to 2009 lots of IT industries around global have a sign of recovery and growth up slowly. From many biggest IT industry's markets as America, European, Japan which using outsourcing as the operating target in their business, Vietnam is considered to be an ability competitive market with the price of IT worker is very low.

More of big international Companies as Google, Yahoo, and Microsoft opens their agency in Vietnam and spread their business in the whole country and created the competitive market and professional.

Hanoi and Hochiminh city became leading in the IT industry software with more professional, hard-working and working and competitive. In 2011, both of them received the big investment from their government and oversea.

Vietnam has a good community of with the Vietnam people whom are living and working in many foreign countries; they have enough knowledge and work experts in the field of software development. If exploited, this force would be a great resource for outsourcing software exporter. Vietnam can be called on overseas Vietnamese in the
developed countries, such as in Silicon Valley, to invest in developing the domestic software-development industry.

- Threat

Software industry in Vietnam in 2011 must be stood for their neighbor competitor as India, Thailand, and especially China. China's outsourcing can compete with Vietnam in price of labor and quality with low costs.

Software industry is one of the branches which very fast growth and has a short like a cycle of technology, when Vietnam’s Companies want to expand to the new market required big amount investment cost. Vietnam software development is the young, lack of experience will make more difficult for the small software enterprises if they want to jump in the international market.

5.3.2. Cultural of Vietnam customers in E marketing

Vietnamese cultural is in many points same to Chinese cultural but not much in their high text culture. In Vietnam, the Companies want to be successful in the business they should have contact the right partner.

According to the website of Denmark's embassy in recent years more of Vietnam’s Companies still owned by their government or local district, covert under the business belong to the communist party economy. Although English now is the common language in the global when they are making business negotiation but the Vietnam businessman like prefer to talk Vietnam language even they understand English well

5.3.3. Finland and European´s internet markets

Finland and European is the big market of e-commerce by the popular of the internet and social media channel. According to Anssi Eriksson* and the report of Tilastokeskus (a research and statistics Company), the stronger of internet marketing in Finland base on the services of high-tech Companies as Nokia or secure as F-security and more 80% of Finnish apartment owned internet home and according to MVF global report, Finland is in the top of ten countries worldwide in terms of internet penetration
According to Clare Staution (E-commerce across Europe, nVision, p8) in the next year 2013, more than half of Europeans will purchased online. The percent to grow up in Southern Europe. In the north-west Europe special in France, the percent internet shopping still increase after 1983.

In the Nordic region, they are expected to the year 2013 still in the leader with 60 % in Swedish and three-quarter of adult in Denmark go shopping online and in Finland will be 55 % in the year of 2013

![Figure 24: Percent of Adults people on the internet by country (Eurostat/nvision, 2008)](image)

5.4. COST EFFECTIVENESS FOR XSOFTWARE

Using e-marketing for the small Companies is the best choice for their retrench because the cost for spreading e-marketing is cheaper than traditional marketing. This is very important when supply for the Company. They can do the good plan of marketing without create an expensive campaign.

Email and website or social network blog can be save a lot of money when applying to internet marketing to customers with the cost for investment not so much.

For the host of server of Xsoftware website, not expensive as the render around 100 US/year
And easily to find on the World Wide Web, sample as http://www.bluehost.com (USA host) or www.pavietnam.vn (Vietnam host server)

With the website cost only for XSoftware Company, another is free

5.4.1. Virtual Office online

Rental cost of one room or apartment in Helsinki specifically and in Finland generally is not cheap for small Company. With many people working from home is the good way to save their cost for rent a real apartment at least in this crisis economy in our global. Event big companies also save their money if they do the same way

Using virtual office, the companies have free working environment for their companies, save more moneys by hired more part-time workers, saved time

Disadvantages when working in virtual office

+Some time the companies will be face with technical difficult, team work not good in cooperation or communicate in group by they are not connect directly

+Not differentiate between time working in real office and time working in virtual office because the works away follow them

XSoftware Company also plan to hide an account in the virtual Office online in Finland for prevent the crisis economy in the world

5.5. XSOFTWARE E-MARKETING MIX PLAN

Xsoftware using some of channels can be using for the marketing in the Finnish, European area and the Scandinavia market.

5.5.1 LinkedIn

Xsoftware Company plan to using LinkedIn as one of important marketing tool in the marketing of their business because LinkedIn will bring many benefits for their Company
Figure 25: An example about LinkedIn account front page

Purpose for creating XSoftware in LinkedIn. The owner wants to spread their business, grown up and do not spend a lot money for marketing

Purpose to creating XSoftware Company in LinkedIn by some steps

- Go to the Companies bar in LinkedIn menu, select Add Company

Figure 26: An example to setup LinkedIn Page’s Company

After that, click on Add a Company

Figure 27: An example to setup LinkedIn Page’s Company continuous
Put XSoftware Company name include Company email in the required field and follow LinkedIn´s wizard, the owner can add the Company logo, the location etc..

Using LinkedIn to created Company profile, all of data and information about X Software Company will give to their customers whom interesting in XSoftware Company by the automatic update function in LinkedIn

Because the technical of XSoftware Company to redraw the information in LinkedIn, so the author take another example in the LinkedIn for an Company

Figure 28: An example an XSoftware´s LinkedIn profile

Amount of information in LinkedIn for the companies in big as the result when created the Company profile, include the databases with industry, years, employees etc...) , very important for the Company introduce to another

In the front page of Company profile, connecter can view how situation, how big of the companies and how many workers, all things is present in LinkedIn profile .In the Company profile ,customers can see how the Company working at the present and also in the past

For the planning of internet marketing for X Software Company suggest the Company will update and using LinkedIn for the develop marketing in the internet by the spread effect of LinkedIn in the social public network

Advertising in LinkedIn
*LinkedIn Advertising Sales with the budgets around 25 pound or more to display advertising on LinkedIn

*LinkedIn Direct Ads with the budgets in 50 pound to display low-cost test on LinkedIn

*Access LinkedIn via Mobile network and with the Wifi or 3G connected to internet

### 5.5.2 Facebook

The goals of XSoftware Company choose Facebook and LinkedIn are the main marketing future of their Company base on Facebook also offers many opportunities for marketer.

Suggest for build the Facebook of XSoftware can be rebuild for interesting, set up

Facebook page for XSoftware is not difficult as setup for LinkedIn required more information about companies, background history

Using profile of Company is very important marketing tool and researches the potential customer, because XSoftware not creates a page for business, suggest making new.

Follow the setup page for XSoftware Company, in Facebook in some step; first go to create a page

The next screen will be as

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*Figure 29: Facebook, Create a page*

Choose Company, organization or institution, and select the right branch, put the name of the Company, click next, and upload the Company image
Figure 30: Facebook page steps 1 create for XSoftware Company

After Invite friends to connect another partner and import the contacts list, after complete register, the final XSoftware page is start

Figure 31: Facebook page for X software Company

At this present the page does not have any post but in the near future, they will update the database for process their business and the business will grow up

5.5.3. Company website

The website of XSoftware at the first sight is designed by their option branding, the author thinks their website is simple design, may be effect to the customer. suggest for the new design of the front page and website for the Company as (personal opinion)
Figure 32: A suggest front page for X Software Company

The author using the free flash template for example (source: wix.com, edit by author)

If the Companies design to create new look, the invest is not much for their Company

(Only the blog of XSoftware is success of design when the customers come to visit their blog)

5.5.4. Search Engine Optimization (SEO)

SEO for XSoftware, is not bad but must be improve the content in Google SEO, second to description about more of information in the special business area

In the SEO, searching engine of some the big engine searing as yahoo .com, Bing.com, etc… XSoftware Company must be register and spread their marketing on that

5.5.5. Call marketing and Email marketing

In Vietnam, the brand of XSoftware Company using call to advertising and contact other because using e-marketing in Vietnam now is got some problem by the people in Vietnam don’t trust in the internet marketing ,hope in the near future they will see the benefit of ecommerce. In Vietnam, the corruption still high and their companies enjoy
face to face discussion for the contact, in Finland base on the clean social education and owned the highest technical in the world, call and email for marketing is also the good way for pickup.

The big problem is Vietnam when the Xsoftware spread their business because the poor of security and spammer, according to Securelist Company (www.securelist.com), Vietnam is one of 10 countries which distribute spam.

Interview with CEO of XSoftware Company, Anne said that when they called for marketing, around fifty calls they will get one customer .So the successful base on calling marketing in XSoftware is 0,02 percent in probability

In Finland, the successful is higher than the result Xsoftware got in Vietnam around 2 percent (simple XSoftware is a small Company and just brand new in the outsourcing market)

The Author propose as

- Send regular a week letter to advertising about XSoftware Company and avoid the received think that is spam

- Focus about the market if they want to campaign and send their idea to discuss with their customer

5.5.6. Social Media

Include to marketing in Facebook and LinkedIn are the main of XSoftware company plan in the spread of internet marketing, suggest XSoftware company have to use YouTube as the second step for improve their business

The benefit of marketing in YouTube bring back for XSoftware is not less than the result of Facebook and LinkedIn.

The Author also propose as

- Setting a private YouTube channel in the future and if the cost for invest higher for the Company, can be replace by the short clip introduce about the XSoftware Company or the personal video home maker
- Improve to update and refresh the front page of XSoftware’s website, include repairing and upgrading their Facebook, LinkedIn in the near future

However in the next of XSoftware’s internet marketing plan, this method is the good way to develop strategy of their Company

5.5.7. Blog and RSS

Free blog can be create easy as Yahoo blog or Google+, simple setup an account in their website and starting to writing something or upload in their blog or through of the open source website blog as Blogger or Wordpress.com. All most of blogger setup page have the hyperlink to the Company’s website and become as the good tool for e-marketing plan.

RSS is also the tool for e-marketing which many Companies using include XSoftware Company’s Blog(http://www.blog.Xsoftware.com). RSS feed using for update and post the comment in the blog and show the news immediately in their website or their Blog. Some cost will be count if RSS using for marketing the XSoftware Company but not much and can be accepted

5.5.8. Yahoo Blog and Google +

Using the yahoo blog in Vietnam is also the good way for the XSoftware Company but in this present with the grow up very faster of Google+ blog and Yahoo Co ltd. decided close their blog to crash down the plan using Yahoo blog for marketing in the Vietnam’s market area

Google+ blog is new in the strategy of Google Co Ltd to direct competitor with Facebook and Yahoo blog in the internet market share.

More of recommendations

- Twitter
Like Facebook and LinkedIn, Twitter is one of the most powerful social Network tool using for e-marketing. The inconvenient of Twitter’s application not free of charge and introduce of the Companies are simple and shortly. If the campaign of the Company is not effect to much their budget, twitter is also one of recommend tool for marketing

- Logo and Slogan of XSoftware Company

Logo and Slogan of XSoftware Company has been created by An.. And N.., looks very special.

- Google Adwords

For the small Company if not strong enough in the finance, the Google Adwords not recommend for apply to the e-marketing by the highest cost for the long period of the Company’s campaign, but in another side, apply the e-marketing on Google Adwords is a good way to successful

- Language for the website

XSoftware’s website convergence three of common language in the Scandinavia’s area
And English is also the second language using for advertising in Europe’s countries. Overall the design of XSoftware is good in the language tool but suggest include Vietnam language beside of Finnish ,English and Swedish if the y want to marketing good in Vietnam’s Market

5.6. THE BUDGET FOR XSOFTWARE´S E-MARKETING PLANNING

-Host for the server in XSoftware per year: 100 USD /year = 78. 30 Euro/year
-Telemarketing for contact with customer = 24-30 Euros/months or 288-360 Euros/year
-Cost for virtual office online (if buy an account)
Platinum Package: US$140 per month = 109.62 Euros per month, 1315.44 per year
Platinum Plus Package: US$315 per month = 246.65 Euros per month, 2959.8 per year

Packages require a one-time US$100 setup fee (78.30 euro)

-Facebook advertising for Company is around US$70 per month = 54.81 Euros per month

Or 657.82 Euros per year

Sum of the budget per year around 3500-4000 Euros per year

5.7. PREDICT THE E MARKETING CAMPAIGN

Above some of the campaign have suggest for apply to the XSoftware Company and will see on the Year 2012 if the Company apply the method. If the number of customer and visitors online grow up after the method of e-marketing have supplied, shall the campaign be successful in the way of marketing?

Just release on the outsourcing market in the year 2009 and still a toddler in the e-marketing, XSoftware day by day to grow up better and the method need time for verified the benefit of e-marketing bring for them.

XSoftware invests to Vietnam which is one of faster country in Asian development in year 2010 and still hiding many risks in their economy market. Invest to Vietnam the Company can get the big of benefit and chance but more ricks .In the year 2012 the Vietnam’s Government focus on the e-government and security .that is the good time for spreading their e-marketing plan and the method will help Xsoftware company get the better in their competitor’s market of outsourcing
6. CONCLUSIONS AND DISCUSSION

Amongst different e-marketing methods, social media marketing is the most important channel to XSoftware Company. However there are numbers of other methods mentioned in the thesis which may be considered carefully to apply to this case study as well.

Although there are still obstacles and disadvantages of e-marketing namely privacy, security, credibility... people cannot deny the conveniences come from it. The flow of information has never been as easy as in nowadays. Sellers and buyers are only a few clicks away to be able to trade with each other. At a wider perspective, even the internet is still at an early age in human history but it has changed the way people doing business forever. In another words, the ones who can take advantages from internet will gain great benefits.

With a choice of six digital communications channel for e-marketing, the Companies can easily to select the good suitable channel for their marketing strategies. Those E-marketing tools suitable for XSoftware Company can be listed as Search engine optimization (SEO), RSS feeds, Blog, Facebook, LinkedIn, PPC (Paid per Click), Google Ad words.

In the example of XSoftware Company’s strategy for E-marketing, the Company prefers to use Facebook, LinkedIn which is the goal of their campaign advertising in the social network.

The thesis has been written by the author who studies in engineering as his major, but he likes to research and learn the business. Thus, the thesis still lacks of proper knowledge and language in the economic field. After writing this thesis the author got studies and experience by reading and searching in the internet, books, and discussing with CEO of XSoftware Company. Finally, the goal of this thesis is describe a picture of marketing which uses the social media channel as a powerful marketing tool.

In the next of century or after 2012, the new century will open new opportunities for the e-marketing due to the reason that our life become more dependable on the internet social channels which makes e-marketing turned out to be a great tool for the Company’s strategy plan to improve their business. The internet will contribute greatly to the success of marketing strategy for the development of their Company. Together with the SOSTAC® framework and by choosing wisely the correct e-marketing tool, the manager may lead XSoftware to a great success.
7. REFERENCES

**Books**


Robinson, Rebecca (2011) *Facebook for Business: How to Create Facebook Business Page That Works*.


Rutledge, Patrice-Anne (2010) *Using LinkedIn*. Que


**Electronic Source**


APPENDIX

Interview with Mr N T, vice president of XSoftware Company. interview 27.5.2011

Telephone: 050336--

Date: 6.9.2011

Interview method: meeting

Duration: 30 minutes

Method of recording: Note-taking

Interview questions

1- Could you please introduce briefly about your Company?

2- How about the plans of marketing campaign of XSoftware Company?

3- Why the Company choosing e-marketing strategies?

4. What are the advantages and disadvantages when using social networks as a marketing tool for both Vietnamese and Finnish markets?

5. What is the different of Finnish Market and Vietnam market when the Company applies the e-marketing method?

6. Do you think the e-marketing will successful for your Company?

7. Which social media channels should you be using in the plan e-marketing for XSoftware?