Henri Juhana Aleksanteri Nyberg

ADAPTING WESTEREN ONLINE SERVICES TO THE VIETNAMESE MARKET

Business Economics and Tourism
2014

VAASAN AMMATTIKORKEAKOULU
International Business

TIIVISTELMÄ

Tekijä	Henri Juhana Aleksanteri Nyberg
Opinnäytetyön nimi	Adapting Western Online Services to the Vietnamese Market
Vuosi	2014
Kieli	Englanti
Sivumäärä	57 + 3 liitettä
Ohjaaja	Thomas Sabel

Vietnamin talous on ollut noususuhdanteessa jo pitkään. Tämä on synnyttänyt maahan uuden keskiluokan. Yhä useammalla ihmisellä on mahdollisuus päästä internetiin joka kotikoneillaan tai älypuhelimillaan. Kasvava käyttäjien määrä on saanut aikaan hyvät markkinat internetpalveluille. Tämän tutkimuksen on tarkoitus antaa kattava kuva Vietnamin internetpalveluiden nykytilasta sekä antaa neuvoja ihmisille jotka haluavat alkaa käydä kauppaa Vietnamissa.

Tutkimuksen teoreettinen osio tehtiin tutkimalla internetin kirjallisia lähteitä sekä viettämällä 8 kuukautta Vietnamissa tekemässä töitä. Tutkimuksen tarkoitus oli löytää internet palveluita jota toimivat länsimaissa sekä muilla kehittyneimmillä markkinoilla, mutta ne puuttuivat vielä Vietnamista. Tutkimuksessa on myös mukana katsaus Vietnamilaisiin internet palveluihin joissa on parantamisen varaa.

Tutkimuksen empiirinen osuus tehtiin haastattelemalla internet yrittäjää heidän motiivistaan lähteä kilpailemaan internetiin ja heiltä kysyttiin internet myynnin hyvistä ja huonoista puolista Vietnamissa.

Tutkimuksen loppupäätelmä mukaan Vietnam on hyvä maa sijoittaa jos markkinatiedot ovat kunnossa ja sijoittajalla/yrittäjällä on hyvät yhteistyö kumppanit. Vietnam on hyvin samanlainen kuin Kiina 2000-luvun alussa. Maa on pullollaan mahdollisuuksia, mutta myös riskit ovat suuria.

Avainsanat	Vietnam, Internet-palvelut, Kehittyvät markkinat, Internet

ABSTRACT

Vietnam is a nation that is experiencing fast growth and which has brought about a new middle class. With more people than ever having access to the internet, both via desktop and smartphones there is an increasing market for online services. This research paper aims to give an overview of the current Vietnamese online market as well as give advice to anyone wishing to enter the Vietnamese market.

The theoretical section of the research was done by looking at online literary sources as well as spending 8 months in Vietnam working in various jobs. The aim was to find online services that existed in western and more developed markets but did not yet exist in Vietnam. The paper also takes a look at Vietnamese services that still have room for improvement.

The empirical study was conducted by interviewing an online retailer about the motive of entering the online market as well as asking about the pros and cons of online retail in Vietnam.

The conclusion of the research is that Vietnam was a great market to invest in as long as one has a good knowledge about the market and one is working with the right people. Vietnam is a lot like China in the early 2000s with a lot of opportunities but also great risks.

CONTENTS

LIST OF FIGURES AND TABLES

LIST OF APPENDICES

APPENDIX 1. Interview 1 (interview date: 29.10.2014)

APPENDIX 2. Interview 2 (interview date: 6.11.2014)

1   INTRODUCTION

This thesis was commissioned by the Kajala Group Ltd in order to evaluate the feasibility of new online ventures in Vietnam. Kajala Group Ltd has created the Avointyopaikka.fi service and its client include Sanoma Media Finland, Standard & Poor's, Studio of Modern Architecture (acquired by Sito in 9/2011), University of Kajaani, Ocaco Finland, Force Stone (Japan), TheMobileGamer (Singapore), Secure Action (Finland).(Kajala Group 2014)

One does not always need a new idea to be successful. Oftentimes it is enough to execute an exciting better than your competitors. The Kajala group wanted to know if there are any western web businesses that do not exist in Vietnam or they are poorly executed. Vietnam is still relatively new to e-commerce and other web businesses but the market is growing very fast.

The economy of Vietnam has been growing quickly during the recent years. From 2009 to 20013 the GDP has grown more than 5 percent points annually (World Bank Group 2013). This recent growth has brought about the rise of a new middle class in Vietnam. With more and more people having excess money to spend it is inevitable that a number of new business emerge. The focus of this study is to identify if there are any western online businesses and practices that can be adapted to the Vietnamese market.

Currently the Vietnamese market still suffers from corruption, a complicated legal system, low number credit card users and lack of skilled workers. However, as the economy develops there will be solutions to most of these problems. For example Japanese foreign investment in Vietnam has experienced a large increase from just 169 Million USD in 2010 to 4,45 billion USD in 2013 (Song 2014). Vietnam has become a lucrative market in a very short space of time, which means there are both great risks and rewards.

1.1 Research topics

This thesis paper is a market research style study aiming to answer the following questions.

- What web services are available in the west but are not available in Vietnam?

- What services are available in Vietnam but poorly executed?

- What kind of areas, e.g. in e-commerce, could be potential/interesting in Vietnam?

- What might be the reasons why some specific service is not available in Vietnam?

- How feasible adapting those services for the Vietnamese market could be?

- What changes would need to be done to the concepts?

- What environment assumptions need to be made? For example "20% of population is comfortable of doing online payments"

The research will be done by looking at and using Vietnamese online services and comparing them to their western counterparts. The research also aims to give a detailed view of the current state of the Vietnamese online business field and the pros and cons of entering this market.

1.2 Structure of the research

At first the research will take a look into the current state of the Vietnamese online market. This will be done both looking at literary sources and by interviewing a small online retailer.

Secondly, this paper aims to find popular western online businesses that at the moment do not exist in Vietnam. After identifying these kinds of businesses the focus will be on explaining why they have not yet reached the Vietnamese market.

Thirdly the research focuses on businesses that do exist in Vietnam but for whatever reason do not do as good of a job as they ought too as in they are poorly executed. As mentioned in the first introductory chapter Vietnam still suffers from many problems and in this chapter will show more closely how the problems affect the online business field.

Fourthly, thesis will be taking a look into new online business ideas which have potential to be successful in the Vietnamese market. This will be done by looking at the general trends of the western (US and EU) online business field and seeing if the current best ideas from the west can be brought to Vietnam.

Lastly the research aims to give insight on how to adapt one online business idea to the Vietnamese market. The unique Vietnamese language and culture make it impossible to just copy a western idea and bring it in to the country. One has to make adjustments and this study aims to clarify what those adjustments are.

1.3 Research methods

The theoretical part of the research was done by looking into US and Asian technology publications such as "tech in Asia" and "the verge" to find out the latest online trends in online services and retail. The decision to use these kinds of references was done because the online field is changing very rapidly and there are few if any books about the online field of Vietnam written in English. Most of the theory data is from years 2013 and 2014 in order to give the most up to date view of the Vietnamese online market.

The empirical part was done by using a qualitative approach where two online retailers were interviewed about their motives to enter the online market as well as their view on the pros and cons doing online business in Vietnam. The two companies chosen for the interview were chosen based on their field of business, electronics and women's appeal. One is a popular male category and the other is a popular female category.

2   GLOBAL ONLINE MARKET

Today most business in connected to the internet in some form, be it with having an online presence in form of a website or in a more extreme case having the whole product or service existing solely online. The most familiar online business model is the B2C (Business to customer) model where a retailer puts pictures and descriptions of his products online. The customers can then browse through the products and if they find products they like they can pay for them with various online payment method and have the products shipped to them. This kind of traditional online business model has found its way to every corner of the world and the value of B2C online commerce is predicted to be 1,5 trillion US dollars by the end of 2014 (eMarketer 2014). The internet is also full of C2C services where service providers try to offer some products or service that will bring increased value to other businesses. An example of this could be an online store creating service that lets a business create a fully function online store with ready payment gateways. The emergence of smartphones and tablets have made the application (app) field almost equally important than the traditional desktop field, especially in markets where smartphone penetration is high.

2.1 Size and figures

The global internet penetration average stands at 39.0% percent with the less developed countries in Africa and Asia dragging behind the west and the developed world being the leader. One has to remember that internet services are of no use in market where people do not use the internet. However, the number of internet users is growing everywhere. For example Asia where internet penetration is only at 31.1%, still houses almost 50% (45.1%) of all global internet users. With the economic and infrastructure growth in China, India and the SEA (south East Asia) region Asia is already shaping up to be the most important internet market (eMarketer 2014). This being said a lot of the well-established tech companies that function in the internet field still come from North America and Europe (Gannes 2014) but the Asian countries are catching up quickly. China's Waibo (China's Facebook/twitter) and Alibaba (China's amazon/eBay) are already among the

biggest online companies in the world. Japan, South-Korea and Singapore are also developing interesting online services and companies with Japan's Rakuten[17] being the most notable player in the field.

Internet Users in the World
Distribution by World Regions - 2013 Q4
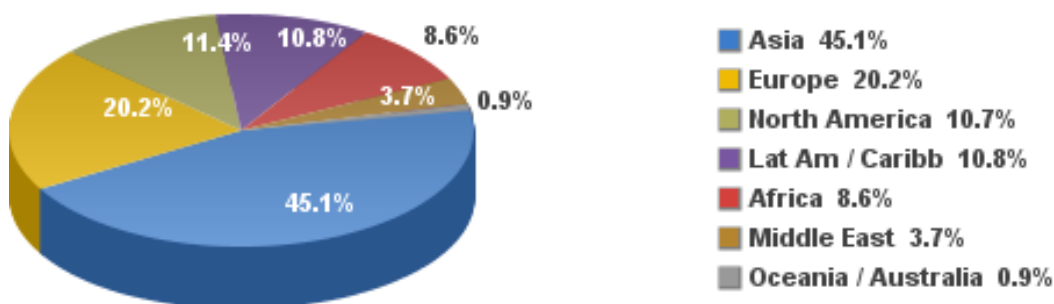
Source: Internet World Stats - www.internetworldstats.com/stats.htm
Basis: 2,802,478,934 Internet users on Dec 31, 2013
Copyright © 2014, Miniwatts Marketing Group

Chart 2 Internet World Stats

World Internet Penetration Rates
by Geographic Regions - 2013 Q4
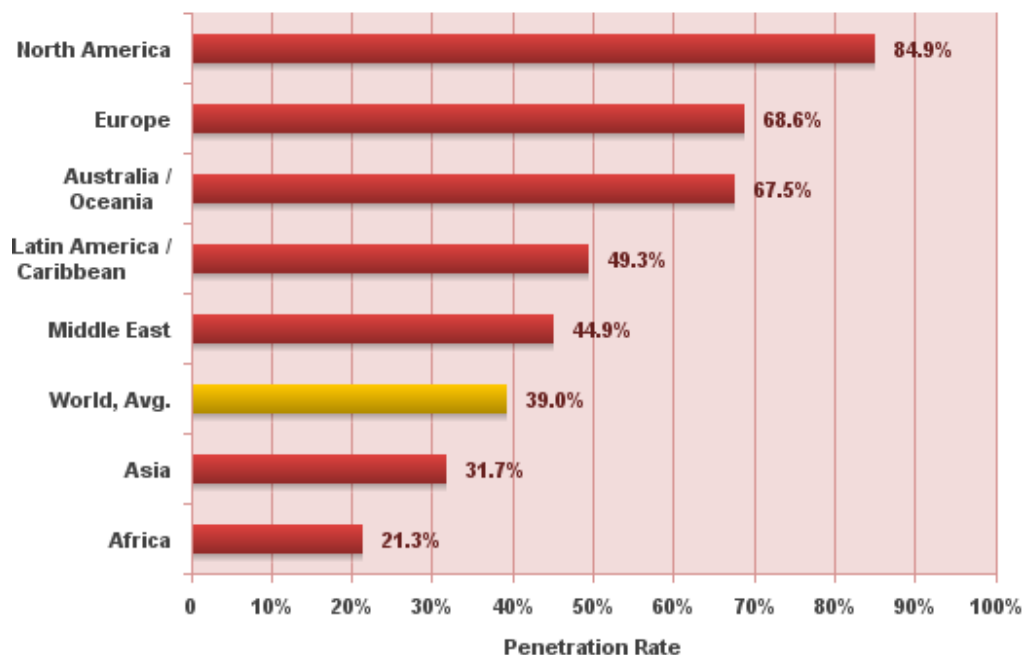
Source: Internet World Stats - www.internetworldststs.com/stats.htm
Penetration Rates are based on a world population of 7,181,858,619
and 2,802,478,934 estimated Internet users on December 31, 2013.
Copyright © 2014, Miniwatts Marketing Group

Chart 1 Internet world stats

2.2 Current trends
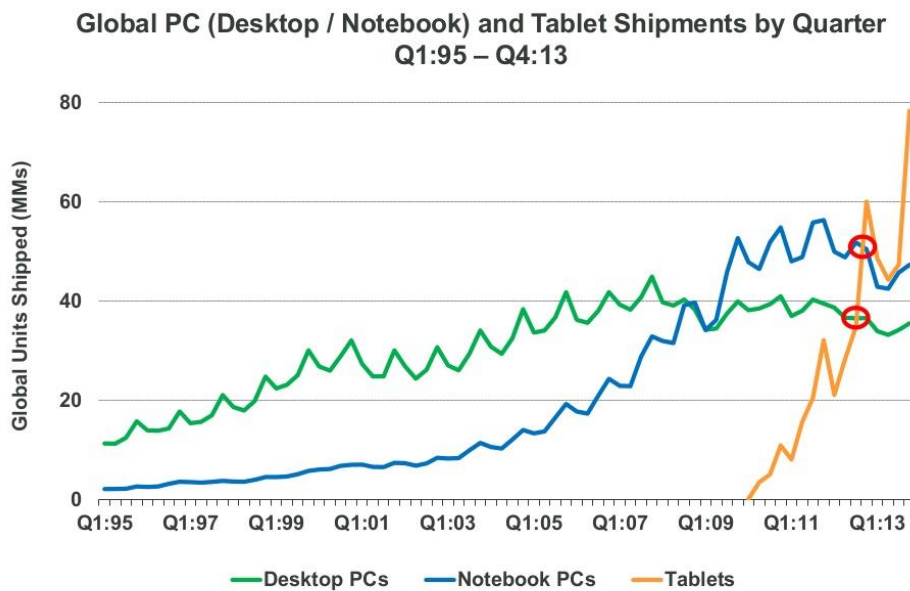
Chart 3 KPCB Mary Meeker 2014

Online trends are changing rapidly. One of the current trends is the divarication of how people view content online. With the advent of the smartphones and tablets and now even smart TV's that plug in to the internet 24/7 people consume more content online than ever. Content and services have to also be adjusted to work on multiple platforms. This trend also gives developers more opportunities to create new and interesting products and services.

Social media has grown exponentially during the last decade. More and more individuals have an online presence. This has led to a myriad of services and products that cater to this segment of people. For example, the raise of simple image editing and sharing apps like Instagram and Afterlight is solely due to the fact that most people carry a camera and computer in the form of a smartphone in their pocket. The rise of social media has not gone unnoticed by marketers either. The popular social networking sites like Facebook and Youtube are full of advertise-

ments and it is common for big websites to sell their user data forward to marketing companies and other businesses.

Currently it is also easier than ever to gather data about one's online customers using free tools like google analytics. After identifying the location and demographic of key customers it is possible to advertise directly to these people using online advertising services like google AdSense (Lord 2013). This kind of direct marketing was impossible just a decade ago. It is also becoming increasingly difficult to be noticed in the in the ever expanding digital market place which highlights the importance of unique ideas or new executions of existing ones.

2.3 Forecast

Analysts' are constantly trying to predict where the online field is moving next. To a certain extent it is possible to predict what is going to happen in the short term but long term predictions have rarely been accurate. The focus of this chapter is to see what experts believe is going to happen in the immediate future with the online field.

The easiest prediction to make is that computers will find their way into more and more places. After some time these computers will eventually be connected online. This has already happened with phones, watches and TVs. But eventually even more "things" will be connected to the web. This Internet of Things or IoT is a future business field that is already being heavily invested in by tech companies like Microsoft (Microsoft 2014). For online business's this is good news since it will bring more options to create services and products that serve this new field. Naturally all these "things" that will connect to the internet will have a set of analytics methods developed to best take advantage of the date that can be collected from these devices (Thibodeau 2014). The tools to help analyze this data will be increasingly important for all online business's and service.

Cloud and client computing will increase (Thibodeau 2014). Less and less things will be stored on the end users devices, instead the programs will run on some separate server and stream online to the clients device. This also means greater

care needs to be taken with online security. With most things online today, hackers and other criminals can access valuable information. For example in August 2014 a group of hackers obtained private photos of people from Apple's iCloud service targeting individual accounts (Kovach 2014) allegedly using phishing techniques to obtain usernames and passwords.

Biometric security features like fingerprint scanners have already found their way to smartphones. These kinds of features are already being use in identification and payment solutions. For example Apple pay secured more than 1 million users during the 72 hours of its launch (Ingraham 2014). When combined, features like this could eliminate the need for cash and eventually when they find their way into developing markets improve people's trust in credit card payments.

3 VIETNAMESE ONLINE MARKET

Vietnam has a population of 93.4 million people, 69% of whom still live in rural areas (Central intelligence agency 2014). The population pyramid of Vietnam looks healthy with a high number of young adults as shown in chart 4. This is a point worth noting when deciding what kind of online businesses could be export-
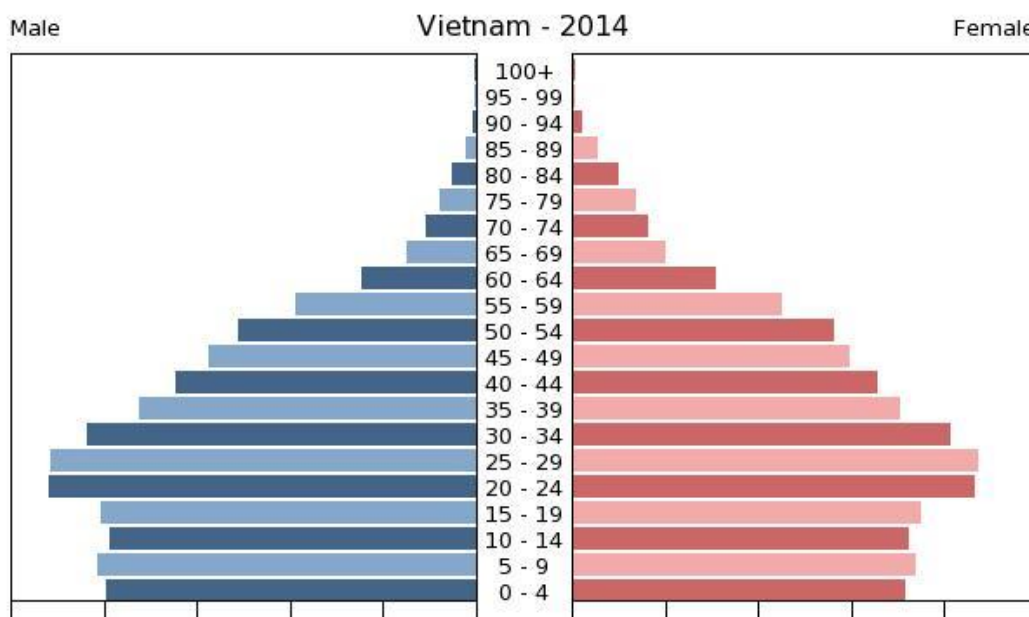
Chart 4 Central intelligence agency [US]
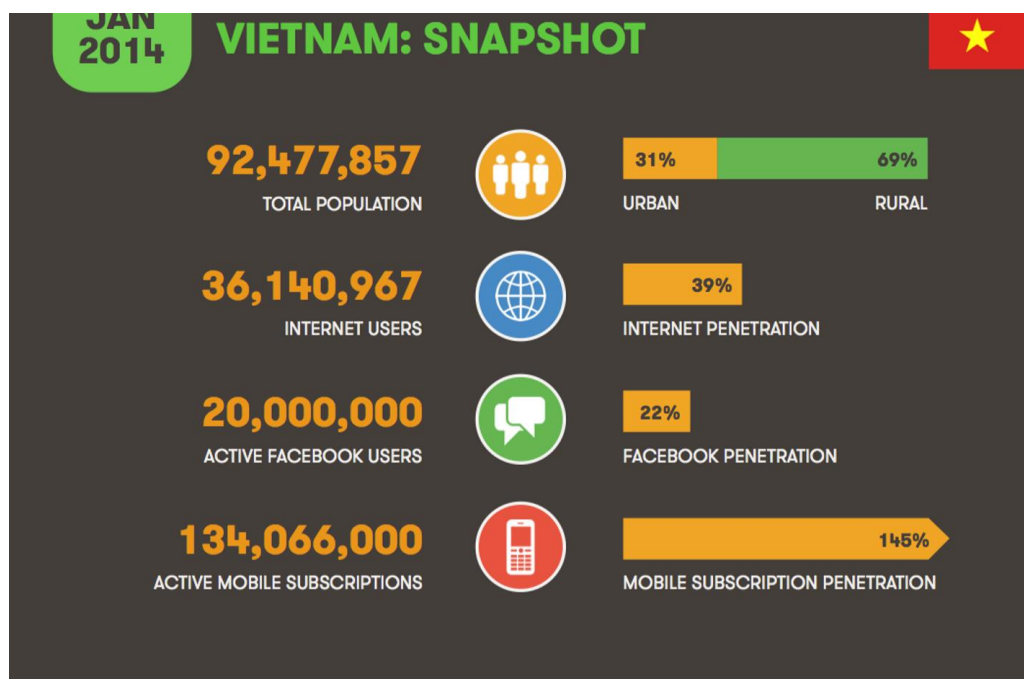
Source: We are Social, 2014

Chart 5 Global digital statistics 2014 We are Social

ed to Vietnam. Upon closer inspection on the online market charts it becomes evident that internet penetration is at 39% which brings the number of internet users to 36.1 million people in 2014. The figure is expected to rise to 43 million by 2016 according to Euromonitor (Dung 2014).

Over half of the people online have a Facebook page. The Vietnamese also have more mobile phones than people with 1.45 subscriptions per capital. This would indicate that mobile phone related services are a huge market in Vietnam. Next some specific categories of Vietnamese online business are looked into.

3.1 E-commerce in Vietnam

The accurate numbers on Vietnamese e-commerce are hard to find. A huge percentage of commerce in Vietnam is done off the books. The figure is estimated to be 20% of the GDP (Kotkin 2011).Vietnam's E-commerce and Information Technology Agency also known as VECITA estimates in its 2013 survey that the business to customer (B2C) e-commerce market in Vietnam was worth 2.2 Billion USD in 2013 and it will grow to 4 billion USD by 2015 (VECITA 2013).One has to keep in mind that Vietnam is a communist country where government figures and data do not always match the real world. As for the market structure, the market is very fragmented with no single company standing out as a market leader. This is due to the fact that Vietnamese people still hesitate to by buy products without inspecting them with their own hands and eyes (Barbour-Lacey & Zaca 2014). Other unique e-commerce challenges in Vietnam include poor logistics, lack of workforce training and low usage of credit cards.
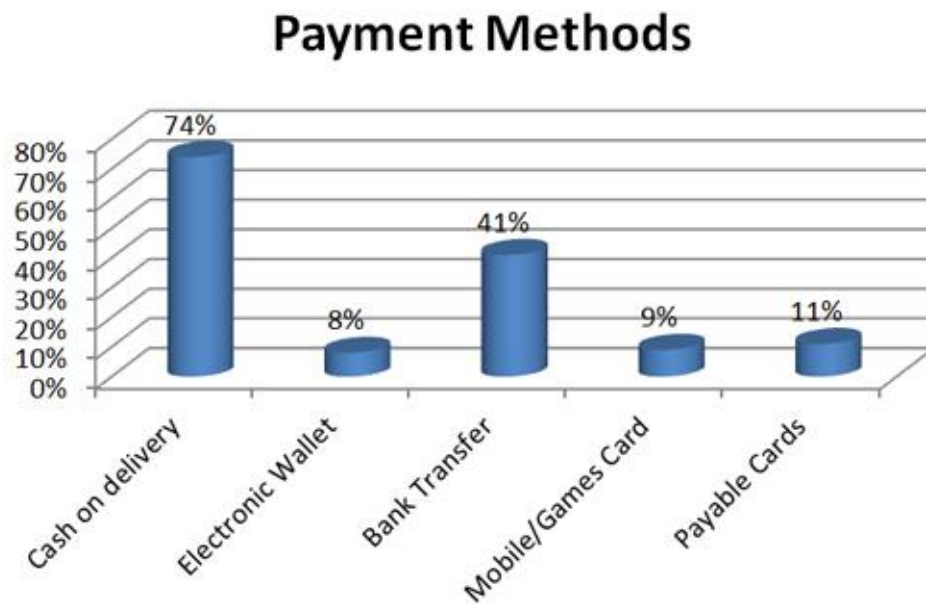
Payment Methods

Chart 5 VECITA payment methods

As chart 5 shows 74% of people use cash on delivery as their payment method of online purchases. Payments cards were only used by 11% of online customers. The low number of credit card users is likely due to the fact that many Vietnamese retailers charge their customers the credit card surcharge despite this practice being illegal (Tre 2014). Credit card fraud is also commonplace (Viet Nam News 2011) in Vietnam making it difficult to earn people's trust when offering online credit card payment as a payment option.

3.1.1 E-commerce categories

Percentage of Shoppers Who Bought

[Bar chart showing percentages by category: Air Tickets 25%, Professional Services 10%, Spa & Beauty Services 11%, Music/Video/DVD/Games 12%, Tours & Hotel Booking 16%, Movie & Music Tickets 19%, Books, Stationary 20%, Food 20%, Kitchen & Home Appliances 32%, Technology 35%, Clothes, shoes, cosmetics 62%]
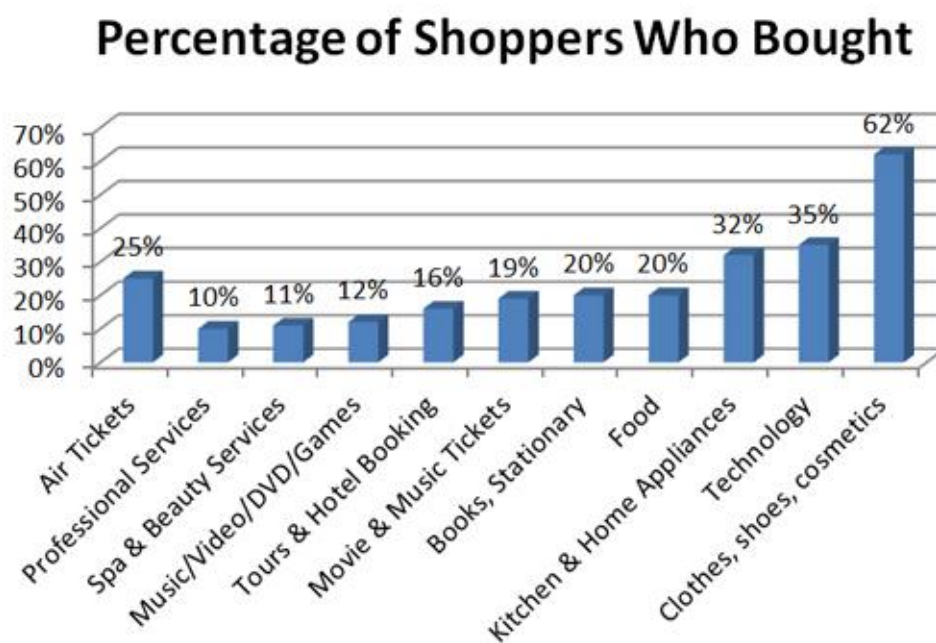
Chart 6 VECITA e-commerce categories 2013

As one can see from chart 6 clothes, shoes and cosmetics is by far the most popular category with 62% of online shoppers having bought something from this category. Technology and Kitchen & Home appliances both have been bought roughly by one third of the online shoppers. It can be surmised that the majority of online shoppers are female because two of the three most popular categories are products that mainly women buy. Airline tickets are also a fairly popular category with a quarter of the respondents having bought them online. Many new companies are investing in food delivery in Vietnam (Do 2014). In Vietnam cars are rare and most people use motorbikes when they travel and do their shopping. This limits the amount a person can buy at one time quite significantly. Food delivery would make it possible to buy bigger quantities at once.

3.1.2 Major E-commerce players

The Vietnamese e-commerce field is very fragmented with no company taking a clear lead. In 2013 there were a myriad of e-commerce stores that tried to emulate amazon.com. It was rare for a major online store to focus on some certain product

categories (Do 2013). In 2014 some of these stores closed down and some merged to compete with the bigger players. The biggest merger of the year was when Vietnam's third CungMua) and fourth (NhomMua) largest online daily deal sites merged (Do 2013). This is likely due to increasing pressure from abroad with Rocket Internets Lazeda online store making huge investments in Vietnam as well as Japanese conglomerate Rakuten entering the market.

Vatgia.com

Vatgia is one of the biggest e-commerce stores in Vietnam. Before Rocket Internet entering the market with Lazada and Zalora it was the premium player on the market. The business model of Vatgia is a blend of Amazon, Rakuten and Kakaku. Businesses can put their products for sale on Vatgia and if a sale is made Vatgia takes a small percentage of the sale. The CEO and founder of Vatgia, Mr. Nguyen Ngoc Diep, got the idea for his business from visiting Japan and using sites like Rakuten and Kakaku. In 2006 he took the best ideas of those sites and founded Vatgia in Vietnam. According to Mr. Nguyen one of the reasons for Vatgia's success was the ability for customers to review the sellers and products which brought forth trust in the service. Interestingly he also mentions that the ability for Vietnamese companies to work around Vietnamese laws gives them an advantage against foreign competitors (Do 2013)

Lazada/Zalora

Rocket internet is a large German venture capital company that invests in internet based companies (Rocket internet 2014). Lazada and Zalora are two major companies in their portfolio in the SEA (South East Asia) area. Lazada is an amazon.com like general store and Zalora is focused on apparel. Both of these websites are making a huge push in Vietnam with billboards and TV ads. In 2014 Lazada received an additional 250 million USD in investments to further strengthen its position on the market (Do 2013)

.

Rakuten

Rakuten is a huge Japanese internet service company with a market cap of 17.65 billion USD (Forbes 2014). The company already owns several Amazon.com style online stores around the world and they aim to be the number one internet service company in the world (Rakuten 2014). At the moment only the Rakuten Travel subsidiary operates in Vietnam (Yap 2013). Rakuten is also planning to enter the online retail market in Vietnam very soon (Do 2013) but as of now they still do not have a Vietnamese online store. One of the advantages that might benefit Rakuten is that they own one of Asia's biggest instant messaging apps called Viber. Viber has 608 million registered accounts and if Rakuten figures a way how to intelligently merge Rakuten, Viber IDs and data they will benefit significantly (Corbin 2014).

Hotdeal.vn

Hotdeal is Vietnam's biggest daily deals site. The concept of the site is to offer coupons to get all kinds of products and services at a cheaper price. Hotdeals also ships products which today make up a lion's share of their deliveries according to hotdeal.vn CEO Nguyen Thanh Van An (Do 2013). Out of their 2013 sales 70% are products and 30% are coupons. The best-selling product category is fashion items.

3.1.3 Other major online businesses

dotGears

dotGears is a small mobile games studio that was behind the hugely popular flappy bird mobile game as demonstrated in chart 7. At its peak in early February 2014 the game was pulling in more than 50000 USD per day from add revenue and it was the number one app on most markets (Milian 2014). The man behind the game, Dong Nguyen, later removed the game from the app store because, according to him, the increased money and fame made his life difficult. Dong Nguyen and dotGears are still creating similar simplistic mobile games (Entis 2014).
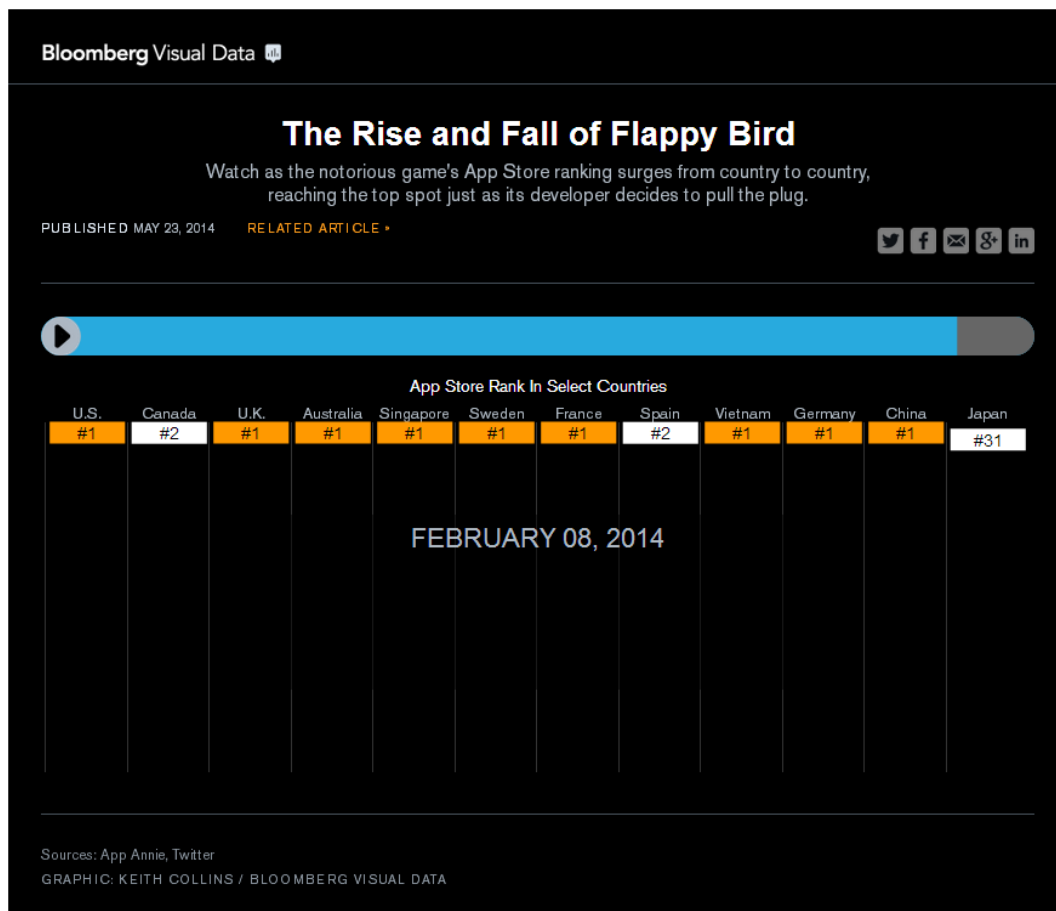
Chart 7 Bloomberg Flappy bird

HaiVL.com

HaiVL is almost a carbon copy of the hugely popular US based humor website 9GAG. On the website people can post funny images and clips which other people can comment and share on Facebook. The users of this site are mainly teenagers and young adults. In October 2014 the website secured a 1,5 million USD investment (Do 2014). This goes to show that young people in Vietnam are emulating their western peers. There was, however, some controversy since the website was shut down on October 24th by Vietnamese authorities' just mere days after securing the investment (Thanh Nien News 2014). This highlights how unique and risky it is to do business and invest in Vietnam.

Grabtaxi

Public transportation in Vietnam is a real jungle. There are several taxi and bus companies plus thousands of Xe Om (motorbike taxi) with varying rates that often are negotiable. With the huge popularity of the Uber app around the world other app makers are trying to expand to this field. GrabTaxi is an app from Malaysia which connects taxi drivers and customers. GarbTaxi is also the first major transportation app that tries to incorporate the army of "xe om" to their app (Do 2014). This is significant since there are for more motorbikes than cars in Vietnam and secondly not all places are easily accessible by car, especially during the rush hour when the streets are packed.

3.1.4   Minor online businesses

Online retail has become commonplace in Vietnam and its common for even the smaller neighborhood businesses to have an online presence. Most shops sell and advertise their wears on Facebook but it is becoming increasingly common to have an online shop. Clothing stores, especially women's clothing, are the most likely to have a dedicated online store. The increasing number of online entrepreneurs will bring forth a need for high quality payment, logistics and site building services.

3.2 Interview of an online retailers

For the empirical section of the research it was decided to contact retailers who are transitioning from offline to online business. The interview was conducted with the help of a Vietnamese interpreter who speaks fluent English and Vietnamese. The questions were sent on Facebook and after the interview the answers translated to English.

The business field of the interviewed companies is fashion and electronics retail, which are the most common types of online retail in Vietnam. The clothing company has been selling clothes and in their offline retail store and on Facebook and now they are in the process of opening an online store at http://nicefashion.vn/ . The electronics company is selling their products both in their brick and mortar

store and at their online store http://www.mainguyen.vn/ . The Vietnamese questions are found in the appendix. The answers were adjusted to have the right grammar in English.

The Kajala Group was consulted in advance about the suitability of the questions.

For the purpose of this research a qualitative interview was chosen to be the interview method. In the qualitative interview the interviewed can express their experience and feeling about the topic and the answers are not pre categorized beforehand. This kind of interview is usually used to find the answer to questions such as how and why instead of answers like how much/many (UK data service 2014). Another reason for choosing this method was the fact that very few Vietnamese entrepreneurs speak English and finding a large sample size to conduct a questioner is very difficult to do without fluent Vietnamese. However, this could be a great idea for further research.

Picture 1 (by Henri Nyberg) A normal neighborhood clothing store.

3.2.1 Interview of a clothes merchant

1. Why did you decide to open an online store?

The decision to open an online store was firstly made because of my hobby of fashion. An online store does not require certain working times; one can consider it as part-time job to work along with your full-time job. An online store does not cost a lot to invest on rental fee and decoration. An online store helps the owners to experience running the business and if any risks happen (for example you cannot sell well) then we can easily sell it off and when closing no other cost occur.

2. What percentage of your sales is online/offline?

The percentage of clothes sold online and offline depends very much on the location of the brick and mortar shop. If the shop is located in a crowded street that is famous for selling fashion clothes, or surrounded by many residential areas, then your business will run much better. In order to enjoy these benefits, one has to suffer a very high rental fee. Thus, the price of cloths will be pushed much higher. This is the chance for online store to take advantage. Online stores can offer much cheaper or more reasonable prices, besides that buying online is more convenient, so if the shop can build trust in their customers right from the beginning, then the business will run more easily after.

3. Did you make the website yourself?

I am selling clothes mainly on Facebook and some other websites where you can create your account to advertise about your stuff. I bought the domain from one company in Vietnam and now I have one consultant that is experienced in making websites helping me.

4. How many returns do you get?

My shop is in charge of all the stages of making the clothes, from the beginning to the completed product, we also take pictures of the product by ourselves so the picture showed to the customer are very close to the real product. When the cus-

tomer receives our clothes they are easily satisfied because there is not much differences between the picture and real product. We are focusing on the material of clothes (quality of the fabric) so the customers are pleased, so most of the cases no products are returned. There are only cases that the size is not appropriate to the customer's body, in that case we will help them to adjust the clothes. The other online shops don't offer this service, it requires more work and it's quite tiring but you can have more trust and satisfaction from customers. The most important factor is quality of the clothes. If you have a good looking website, the pictures look appealing and have good advertising but if you clothes are bad then the customer won't return after their first purchase.

5. What unexpected difficulties have you had with online retail?

Selling clothes online as our model that also offers adjusting service for clothes and tailor new clothes as customer's measure is quite risky. Sometimes when you fix clothes you might mess up the form and even destroy the product. But luckily I have not faced this issue yet. I am very careful on giving advice to customers online in order to avoid these unexpected issues.

3.2.2   Interview of a electronics merchant

1. The pros and cons of online retail?

Pro: Easy to buy, you do not need to go to store or supermarket, you just need to sit home, online or make a phone call. So this is convenient for busy people who do not have time to go to the store or people who live somewhere far away

Cons: Many product sold online do not have clear proof of origin, low quality and the government has not good control systems for online stores, the customer can easily buy fake or low quality products or the products might not be the same as advertised.

2. Do you think people will start using more credits cards soon?

Customer will soon start using credit cards. Some companies started paying salary on cards, so the buyers do not need to bring lots of money with them when deciding to buy something valuable. Also, you can enjoy some benefit like you can buy something first and then pay gradually later with your salary.

3. How many of your customers pay with cash on delivery?

Now the majority of customers still pay with cash. First, it is their habit, second, they worry that some fees will apply when they pay by card and third, some stores have not been equipped with card reading machines for customers to pay with. Thus, 70% of the transactions in the store are done by cash.

4. Have you thought about making a smartphone app for your store?

A phone app is a reasonable idea because many Vietnamese have a smartphone, they can log in anywhere any time to see the catalogs, price as well as promotions...

5. Are you thinking of expanding your business to some other field or category of product?

Nowadays Mai Nguyen (The company - store name) is not only selling mobile phones but also providing some related stuffs like accessories, macbooks, speakers, cameras etc... in order to serve the customer better. They can easily find these products in one place instead of searching them somewhere else.

3.2.3   Interview conclutions

Although this interview only touches on one aspect of online business (retail) some conclusions can be drawn from it.

In the interviews one can see the Vietnamese enthusiasm of starting a business just to try it out. In Vietnam one can see new shops pop up and close in the space of a few weeks. In Vietnam a business idea has to be easy to get out off. Long

commitments in payment schemes should be avoided. The legal system of Vietnam is not yet developed enough to be sure that one can depend on it in dispute situations, especially if one is a foreign national (Kovach 2014). However, the electronics retailer suspected that once credit cards become more popular people will be more willing to buy products with credit or long term payment schemes.

Secondly online retailers in Vietnam still mostly hire other people to design websites for them. People also use multiple channels in their online retail. For most people it is solely Facebook or a Vietnamese service like Vatgia. Vietnam still lacks well-made drag and drop website editors that let retailers design their own online stores. On the other hand, since credit card penetration is still relatively low there are several different online payment companies that offer different online payment gateways and online wallets. There are also many logistic firms that offer transportation of the goods by motorbike in big cities like Ho Chi Minh City and Hanoi. So in a sense problems like lack of credit card users or poor logistics can be turned into opportunities with the right mindset and skills.

In Vietnam one has to earn the trust of their customers. Just having a legitimate looking website is not enough since Vietnam is full of scams and swindles. One has to also be able to offer some kind of assistance if the product or service is not satisfactory. When designing a product or service for Vietnam one has to take into account that people want to call or visit some place in the case of a problem. It would be wise to hire somebody who is/are in charge of answering these inquiries, especially, if the people running a business in Vietnam are not fluent in Vietnamese.

As a side note, this kind of business model for clothes retailers is gaining popularity. A huge share of fashion retailers are opening online stores. The online store also serves as a channel to keep existing customers up to date on what the shop has in stock. The downside is that it is very hard to be noticed with so many similar shops around. The Vietnamese lackd knowledge about SEO (search engine optimization) hampers small sites showing up on google. That being said, today most site editing software has automatic SEO which is adequate in most cases.

4 POSSIBLE NEW OR IMPROVED SERVICES

Vietnam is still developing as an information society and many online services that exist in the west are still missing in Vietnam. As time goes by more and more services will find their way to this market but in 2014 the online field in Vietnam is still wide open. In this chapter one can find ideas that have taken off in the West and are worth trying out in Vietnam.

4.1 Website builders

A simple google search (Google 2014) for Vietnamese website builders reveals that Vietnam is still dominated by web design agenesis which will for a price, design and possible host your website. Hiring somebody to make your website or online store is not the cheapest option which puts professionally made website out of the reach of most small entrepreneurs. Many people in Vietnam use wordpress.org to make their website since it is been translated in to Vietnamese (Wordpress 2014). However, WordPress is not an "easy to use all in one" solution if a person wishes to build a professional looking website. One still has to download themes, set up payment gateways, secure hosts etc. New website and online store building services like Squarespace, Weebly, Wix and Shopify aim to make it as easy as possible for one to build and manage a website or web store. There is increasing amount of venture capital flowing into these kinds of services, particularly in North America (Chapman 2014). The website builder market might be saturated in the west but in Vietnam it is a new opportunity. A website builder would need to be in the Vietnamese language to have any sales in Vietnam. The online store builders would also have to include cash payment options and other Vietnam specific services.

A possible revenue model for the Vietnamese market would be to create free online stores for SME's in which a small percentage of the sales revenue would be charged as payment for the service. This would also leave the more technical items like SEO and analytics for the website creator, which is a good thing in most cases. In Vietnam most people lack knowledge on, how websites are ranked on search engines.

4.2 Dedicated online stores

Vietnam is at the moment a battleground of huge amazon style general web stores like lazada, hotdeal and vatgia, which are all trying to increase their market share. Specialized websites are mostly still small and in many cases poorly made. An example would be comparing a western and Vietnamese online store for coffee. Serano (Serano 2012) is a Vietnamese online store for coffee that comes up first in google when searching in Vietnamese (mua ca phe online=buy coffee online). A similar western site is the UK based has bean coffee (Has bean coffee ltd 2014). Serano's website is very basic, it is only selling coffee and many of the categories in the website have not been filled. The descriptions of the coffee are short and there is very little additional content aside from the products itself. Has bean coffee, on the other hand, sells a myriad of coffee related products alongside their coffee. Even more importantly they have created a huge amount of extra content in the form of blogs, vlogs and elaborate descriptions of their products. Has Bean is also trying to build a community around their brand by giving customers a chance to comment and interact with the brand and fellow coffee drinkers in their "hasforum" and on the website in general. This kind of content and community based approach is virtually nonexistent in Vietnam.

4.3 "STEAM" for Vietnam

STEAM is an online service that specializes in digital distribution of games. In 2013 92 percent of PC game sales were digital (Prell 2014). Playing games is a popular pastime, especially for young men in Vietnam. The country is full of internet shops where people can go play computer games, even if they do not own a powerful computer or fast internet themselves. At the moment Vietnamese are mainly playing foreign games because Vietnam has several laws and a mountain of bureaucracy that hinders local developers from making and publishing games (Brown 2013). English is not widely spoken by all in Vietnam yet, so there still is a market for games that are in Vietnamese. These kinds of games could be distributed online on a STEAM like service where the servers that house the data would be located abroad to avoid the grip of the Vietnamese authorities. This kind

of a market idea becomes less valid as soon as the gamers of Vietnam learn English and start using STEAM and other western services more widely. This idea would require good technical skills and steal nerves because it would be in the gray area of the Vietnamese law. Another problem with this idea is that there is a lack of Vietnamese made game content that would be required to populate a service like this. A way to try to work around this would be to localize and translate the existing titles from abroad.

4.4 Price comparison services

As internet shopping becomes more popular in Vietnam there will be a growing need for price comparison services. Rocket Internets pricepanda.com is the most popular price comparison site in the SEA (South-East Asia) region (Rocket internet 2014). As of now, pricepanda has not expanded to Vietnam, so there is still room on the market. One can argue that Vatgia is a kind of a price comparison service with shops submitting their products on the site. There is still room for other price comparison services that, could, for example utilize a different revenue model than Vatgia. A price comparison company could instead of taking a cut from the sales charge a flat rate for indexing the products of a company or they could create a price scheme for online traffic generated. A major obstacle in price comparison in Vietnam is that a many stores sell fake products as real (Van 2014). Great care would need to be taken when choosing which shops to index in a price search engine.

4.5 Vietnam specific Apps

Chart 8 Apptweak Vietnam September 1st 2014

The fastest selling paid apps in Apple app store are mobile games and photo editing apps in Vietnam as shown in chart 8. The top selling free app Swing Copters is a Vietnamese mobile game made by the same dotGears studio as Flappy Bird (Boudreau & Clark 2014). Mobile games are often simplistic and copying one and translating it to Vietnamese would not be very much work. The same can be said about the so called filter programs that make one able to edit their mobile photos. A great idea for an app specific to Vietnam would be educational games for kids, especially for tablets. Parents in Vietnam often give their tablet to their kids so they can entertain themselves while the parents have a chat with other adults in a café shop or at home. If a game could market itself as educational it could possibly become very popular.

5 CHALLENGES IN VIETNAM

As established in previous chapters, Vietnam still suffers from corruption and oppressive authorities. The list of problems does not just end there. The purpose of this chapter is to give a more detailed look at what challenges are specific to the online business field. Examples will be used to demonstrate what is being done wrong in Vietnam. Finding information about problems in Vietnam can sometimes be challenging because Vietnam ranks 172 out of 179 countries in press freedom (Reporters without borders 2013). This means that, for example, political corruption is a topic that is off limits in Vietnam.

5.1 Corruption

People in the west are often taught not to pay bribes because it will only worsen the problem. In Vietnam bribes are commonplace and in many cases necessary to make life easier. For example, the Vietnamese police force is incredibly corrupt and without paying the right people one might quickly find themselves in trouble with the law (Thanh Nien News 2013). Corruption exists in all levels in Vietnam, from the bottom to high. It even seeps into foreign entities. For example, the US consulate in Ho Chi Minh City was caught in a bribery scandal in 2013 that netted the criminals almost 10 million dollars (Godfrey 2013). Both American and Vietnamese citizens were charged for corruption in that case.

5.1.1 Taxes

In Vietnam there are two outcomes when talking about paying tax. One either pays too much or too little. When doing business in Vietnam negotiations with the tax officials are an important part to determine the success of one's company. Corruption in this sector is commonplace and companies often slip the taxman brown envelopes under the table in order to secure more favorable tax policies (Business anti-corruption portal 2013). If one tries to do business in Vietnam as a foreign national the safest way to deal with the tax authorities is to hire an accounting firm to do it for you. The tax issue affects all companies, although in Vietnam there are many companies that operate unregistered on a cash only basis.

5.1.2 Customs in Vietnam

The corruption in Vietnam also extends to the customs office. The customs office in HCMC (Ho Chi Minh City) has had to install cameras to survey its custom officials to combat them accepting or demanding bribes (Thanh Nien News 2013). Customs corruption has a negative impact on the price of products in Vietnam. Vietnam already imposes high tariffs for many products and when one also has to add the bribes they need to pay to get the products into the country the prices end up very inflated. If one is selling online services they naturally can avoid most of these problems. E-commerce stores, on the other hand, may face trouble if they are selling imported products.

5.1.3 Banks

The global banking sector has been under duress during the last few years due to the global financial situation. Vietnam is no different but because Vietnam still is a centrally planned communist state the government or more specifically the communist party has their hands on the financial sector. Many of the banks and state companies are run by members of the party (Cordall 2012). This practice of colluding Vietnamese banks and state enterprises lead many banks into trouble because they gave unfavorable loans to the state companies, which in turn spent the cheap money unwisely (Cordall 2012). In 2014 Vietnam has taken small steps towards curbing corruption in the banking sector. During this year three bankers have been sentenced to death by a firing squad due to their involvement corruption (McCoy 2014). Taking into consideration the volatile state of the Vietnamese banking sector it would be advisable to do ones banking in the multiple foreign banks that operate in Vietnam.

5.1.4 Starting a business in Vietnam

Starting a business in Vietnam is not as easy as in the developed countries. In Vietnam one need multiple permits and there are long, several month, waiting times in many of the government bodies that issue these permits (TMF Group 2013).

One will need local help if they wish to set up a business in Vietnam since there is little to no help in English.

5.2 Room for improvement

This chapter looks at the existing businesses that have aspects that could use improvements in order to become more profitable.

5.2.1 Online wallets and payment

The online wallet and payment business is highly contested in Vietnam. In 2013 there were at least 18 competing for this niche market (Do 2013). One has to remember that Vietnam is still a very cash centric economy so an online service has to be exceptional to convince Vietnamese people to use it. As mentioned in the chapter 2 cash on delivery is the payment method of choice for most people in Vietnam. A major problem with the cash on delivery method is that in Vietnam it is done without any electronic accounting. It is not uncommon for the delivery man to try to cheat the customer to pay more than the actual price of the product.

The two major problems with online payment in Vietnam at the moment are that the Vietnamese do not trust their banks/online wallets and that they are hesitant to pay for things they have not had the chance to inspect by hand. The trust issue can be fixed with long term flawless operation but the cultural aspect of wanting to see the product before paying for it is a more difficult issue. A way for to try to change this would be to have easy to use and understand return policies to items bought online using an electronic payment.

A well-made western service that could possibly be emulated in Vietnam is Stripe from the US (Stripe 2014). Stripe allows online sellers to accept credit card payments without having to set up payment gateways with individual banks. Stripe also handles security and the seller is able to customize the checkout process that runs on the sellers website rather than sending the customer to a third party payment website. Vietnam is full of small scale online retailers that could benefit from a service like this. The revenue model of a service like this is similar PayPal. The service charges a small percentage of the sales rather than a monthly fee.

5.2.2   Food delivery

Food delivery has already set off in Vietnam. Many people in Vietnam do not have cars which make transporting big meals difficult. It also may be that one's favorite restaurant is at the other side of town and by paying 50000 VND (1,81€) you can have their food delivered to you. At the moment the market is dominated by four players that all focus on delivering restaurant food to customers (Do 2013). There are also new companies that deliver groceries to customers (Do 2013).

For the restaurant food delivery one new way to try to succeed in the market would be instead of making a website for ordering one could make an easy to use app for it. The app could use the localization data of the phone to make ordering faster and more accurate.

The grocery delivery market is still developing. Japanese trading houses have already taken a major share of the food wholesale market with their sophisticated electronic inventory and tracking systems (Uesaka 2013). The grocery delivery business should follow suit and try to implement JIT (just-in-time) systems to reduce inventory size. At the moment most Vietnamese companies still use pen and paper in their order and inventory management. This is labor intensive and it is easy to make errors. A company specializing in electronic inventory management systems would have a lucrative market in Vietnam.

5.2.3   Education

Education in Vietnam is an interesting field. Vietnam's own schools are corrupt and old fashioned which leads many students supplementing their education with extra classes from private institutes (McCornac 2013). A lot of people also study English in private language schools so that they will be able to go study abroad.

Online classes and education are already beginning to emerge in Vietnam (Horn 2014). The benefit of online classes is that one does not need to have their physical location in Vietnam to teach or operate this business. The most popular segment in teaching is preparation and coaching for international tests like IELTS,

TOFEL and GMAT. When teaching in Vietnam a company should focus on teaching the principle of how things work rather than trying to learn things by heart.

6   ONLINE TRENDS

When looking at trends in online business on has to remember that Vietnam is still a developing country which has many problems that make importing new ideas a difficult process. Many enthusiastic Vietnamese entrepreneurs start businesses just because it is trendy rather than think if the business has any value in Vietnam (Do 2014). Ideas that require a highly sophisticated payment or transportation schemes are highly unlikely to succeed in Vietnam where things do not work as well as, most in western countries. This chapter will look at what is new and trendy in the West and the possibility of adapting those ideas to the Vietnamese market. At the moment Vietnamese developers are mostly focusing on games because they are quick to make and offer fast possible revenue. Vietnam still lacks a native version of many popular utility apps and services such as Evernote or Allthecooks (Do 2014). Cloning and adapting these kinds of online services to Vietnam could yield a successful business if done right. The previously mentioned company Rocket Internet is already doing this all over the SEA region with great success.

6.1   Search and discovery apps

A search and discover app is a program that is running on a mobile phone. It uses your localization data to give you suggestion about great places nearby. The app can also incorporate customer reviews to make exceptional places stand out. Apps like these often have some kind of incentive to use the app, for example if you find a place using the app you might get a small discount or a freebie.

Vietnam has more than 90 million people and sometimes in the evening it looks like that all of them are out searching for a great meal. Apps like foursquare (Foursquare 2014) have done well in the West but in Vietnam most restaurants and neighborhood "joints" do not have a presence online. At the moment some young people mainly in the big cities use foursquare to discover new places but since the app is in English only a small percentage of the population can use it. A Vietnamese clone of foursquare could do well in Vietnam provided it was de-

signed well enough to prevent major fraud like using bots to give great reviews to one own restaurant and slander the competitors.

6.2 Dating apps

In Vietnam girls are expected to get married after finishing their education. Finding the right partner can be tough, especially if your parents are pushing you to get married as soon as possible. Dating apps help people to meet people they would not otherwise come across.

In the west apps like Tinder have become really popular for people to find company based on a few pictures and a small profile. The popularity of Tinder has already sparked an Asian clone of the app called Paktor (Paktor 2014). Patkor is a carbon copy of Tinder and it has been translated to Vietnamese which has made it somewhat popular in Vietnam. Many people use these apps just to find sex, even in the conservative Vietnam. This kind of an app would be hard to develop in Vietnam because the government would most likely shut the developer down. The app would most likely have to be more traditional with accounts and profiles to survive the censors. However, this kind of app would not likely catch the attention of young people. Still, this field might be hard to enter at this time.

6.3 Medicine choosing and healthcare services

In Vietnam one can buy any drug without a prescription which makes choosing the right drug to treat a disease very important. Services like Iodine (Iodine 2014) provide information and user experience about pharmaceuticals. In Vietnam where a considerable amount of people still believe in traditional eastern medicine and where people use drugs without knowing how they work or the possible risks associated with those drugs, there is a need for a service like Iodine. The service should also keep a record of price date for drugs in order for people to calculate the most affordable way to treat an illness. This might be somewhat challenging since few Vietnamese pharmacies have fixed or visible pricing. The best way to approach the price date dilemma would be by trying to get pharmacy chains operating in Vietnam, such as Rohto, to publish their prices in the service.

With the recent Ebola outbreak in Africa a tech startup in Singapore has created an African version of their telemedicine app. The app lets people send messages to their doctor as well as look up general information about sicknesses and treatment (Lee 2014). With 69% of Vietnamese people still living in rural areas (Central intelligence agency 2014) these kinds of apps would also be useful in Vietnam. The app would also help poor people to avoid corrupt medical staff who request under the table payments to give treatment (Mi 2013).

6.4 Flea market apps

Most online store services are difficult if not impossible to operate solely on a smartphone. The Japanese have figured a way around this by creating a flea market app called fril (Ding 2013) where people can sell their products just using their phone. The service is targeting young girls around their 20s. A service that is as easy to use as Fril gives almost anybody the power to sell items online. The service would need a great deal of tweaking to be brought from the extremely high trust society of Japan to the extremely low trust society of Vietnam. This field is experiencing a boom with heavy investment. Fril and their competitor Mercari both received roughly 10 million dollar investments a piece this year (Corbin 2014). This is a new field in Vietnam and with a big population of smart phone using young girls with an appetite for new clothes this could do well in Vietnam. In Vietnam the service would most likely need a desktop version of the site to work. Not all people have a smartphone yet and the ones that do suffer from slow internet speeds if they are using mobile date instead of a wifi connection (Do 2014).

At the moment most Vietnamese small scale retailers are selling their clothes on social media sites like Facebook or on small private websites. The Facebook option does not allow smooth product browsing or content optimization and the small scale website is often lost in the vast internet. A flea market service could allow small scale retailers to better showcase their products and let them focus on selling and marketing rather than busywork. Vietnam has a huge market for a service like this since most apparel retailers are small one shop operations that either

buy fabric and make their own clothes or buy bulk from China/Vietnam/Cambodia etc. This service would also empower small one person operations that make fashion items and clothing.

7 ADAPTING IDEAS TO SUIT VIETNAM

The Vietnamese language and culture are both unique. This chapter aims to give a basic understanding of how the Vietnamese culture and language affect possible new business ideas.

7.1 Vietnamese language

Vietnamese is a tonal language where the tone of the word determines its meaning, much in the same way as in Chinese. Vietnamese is written with Latin alphabet and accent marks that determine the tone of the word. There are big regional differences in the language and people can distinguish if the person is from the North or the South by their accent.

When considering any kind of business in Vietnam one has to have a business partner or an associate who is a native speaker of the language. Many people in Vietnam rarely speak or read even basic English and most if not all government permits, documents and services are available only in Vietnamese. What make things worse is that many translation firms employ sub-par workers and the use of google translate is common, even in official translations. This is why it is preferable that Vietnamese employees in charge of important matters have studied abroad in a developed country and have a good grasp of English.

All the services mentioned in this thesis need to be made in Vietnamese in order to succeed in Vietnam.

7.2 Vietnamese culture

Vietnamese culture certainly has many positive features but this thesis focuses on the negative aspects that might surprise a starting enterprise. Firstly, Vietnamese are not strict with scedules. In many companies people come to work late, take long lunch breaks and leave early. It is also common that people do not pay their bills in time. Secondly, telling the truth is not all that common. People will regularly tell you what they think you want to hear rather than the truth, it is also common that people execrate or fake figures to make their offers seem better.

Thirdly, stealing is a big problem in Vietnam and anything that is not guarded 24/7 will eventually find their way into the pockets of robbers. The same point about stealing is valid in the online field because Vietnam does not police IP (intellectual property) laws.

In Vietnam one has to be able to haggle on negotiate about price to survive. In many cases the first price offer is ridiculously high. It is important to have all your deals put down on paper and in an official manner as verbal contacts are not always respected. If one has not done business in Asia before it would be advisable to read about the culture beforehand. Geert Hofstede's cultural dimensions theory offers very valuable useful information, when learning about cultural differences.

In Vietnam it is also important to know many business partners on a personal level. It is common to go drinking with all kinds of people in order to meet new people that could possible end up helping one in their business endeavors. In other words, business relationships are often much more informal than in the west and people rely much more on personal trust and contacts (VTC Travel 2011). A professional and trustworthy translator is a very important part of doing business in Vietnam if one is not proficient in the Vietnamese language.

Most Vietnamese people who have lived their whole life in Vietnam still believe in many stereotypes. In business this is seen that most products are advertised as foreign products from countries that are famous for producing such products. Shoes come from Italy, knives come from Japan and watches from Switzerland. In most case the true origin of the product is China or Vietnam.

7.3 Brain drain in Vietnam

Like many developing countries Vietnam suffers from the brain drain effect where skilled people leave the country in search of better opportunities to earn money and progress in their career. If a Vietnamese employee can speak a foreign language fluently it is very possible that they leave the country (Viet Nam News 2014). This makes hiring very difficult, especially if the company requires people with very specific skill like coding or other IT skills. Companies have to now

compete for the few skilled workers in the market which has raised salaries considerably making it impossible for some firms to hire them (Viet Nam News 2014). Another problem is that higher education in Vietnam is of very poor quality and only a few students graduate with the necessary skills to survive in the working world (Mai 2014). In many cases it is the companies themselves that have to educate their employees how to do their job.

Big Vietnamese cities like Hanoi and Ho Chi Minh City have a lot of expatriates and exchange students who might have the necessary skills to work in an online service company. The problem is that Vietnam attracts many seedy people who are not qualified for any proper job. Great care has to be taken when hiring people and it is worth remembering that fake CVs and forged graduation certificates are easily bought in Vietnam.

Fortunately the Vietnamese are eager to study abroad, which means there is a large number of young adults with degrees from foreign universities, especially found in Ho Chi Minh City and Hanoi. These people often have the best of both worlds as in they understand the Vietnamese culture and ways of doing business as well as how to work in a western style company (Do 2013). In 2011 over hundred thousand Vietnamese students studied in 49 countries according to the Vietnamese ministry of education (DTI news 2012).

7.4 Needed changes

When adapting one's online service ideas to Vietnam one needs to think about many things. For example, if your business idea requires delivering items in many cases it will be cheaper and faster to hire some xe ôm (motorbike drivers) to make the deliveries instead of relying on the postal service. These kinds of things are impossible to know if one does not research the market or have local help when starting the business. It is dangerous to assume that things will work the same way across cultures and countries. This is especially true in the case of developing countries where one will surely run into unexpected problems.

As previously mentioned in chapter 2 the Vietnamese are hesitant to use credit card payments in many cases as many retailers charge fees for using them (Tre 2014). Also, credit card penetration is still relatively low so one cannot solely relay on accepting credit card payments when designing an online venture in Vietnam. As shown in chart 3 one has to be able to accept cash on delivery payments to be able to work in the retail business. In Vietnam even the government owned electric and water companies go door to door to collect the monthly bills in cash. In some of the business ideas discussed in this paper this point is not relevant since the revenue model will be based on B2B sales, ad revenue, sales through app store like google play and Apple's app store etc.

Vietnam is still lagging behind other better established Asian countries in web design. Even many of the most popular websites and online businesses look clunky and have flashing ads and annoying pop-ups. One interesting thing to try in Vietnam would be to create online businesses with Apple-esque design to see if people would be more likely to buy from these kinds of businesses. One would naturally also need to have a good product and customer service. Like the interview of the online retailer in chapter **3.2** says, it is easy to get first time buyers with a good looking service but to product needs to actually good in order for people to buy more or to continue to use the service.

Hiring employees in Vietnam requires patience and a capability to educate people on how to work in a given company. As said in the previous sub chapter Vietnamese school rarely gives enough tools to survive in a real working environment, especially one where excellence is demanded (Mai 2014). A page from Rakuten's philosophy of adopting English as the company language would probably ensure a higher quality of employees but naturally paying higher wages would also be necessary. Since Japan and Vietnam are in a similar situation with a relatively low number of English speakers this might work well.

8 CONCLUTIONS

Vietnam is a lucrative market that is experiencing good growth every year. That said it is dangerous to assume that what works in other countries automatically works in Vietnam. The Vietnamese market has its own unique quarks that are both due to the culture and the political climate in the country. This final chapter gives advice of what a company or a person should do when entering the Vietnamese online market with their idea.

8.1 Getting local help

Without a good grasp of the Vietnamese language, setting up a company can be an almost impossible task. Local help is also needed when navigating the murky waters of the Vietnamese bureaucracy and corruption. When choosing people to help oneself in Vietnam it is better to judge the character of the people rather than looking at their CV or degrees. It would be advisable to have dinner and drink some late night beers with one's possible partner to see if they are trustworthy. There is also the possibility of trying to get help from the expatriates who already live and operate in Vietnam (Expat.vn 2014). One thing to remember is that the big companies that specialize in helping to open a business in Vietnam usually charge more for their help than local freelancers. Another thing to remember is that Vietnam is a country that attracts also bad people and one should not trust people just because they are westerners. Spending time in Vietnam will eventually train one's eye to spot most hoaxes and bad apples.

8.2 Finding the right online business idea

At the moment most online shoppers in Vietnam are women and the most sold categories are clothing and beauty products. This market is very saturated in its traditional online shop form but for example an inventory and/or shipping management system that would help these kinds of shops could possibly be a successful idea in Vietnam. This idea is already creeping into small locally run convenience stores. What is important to keep in mind is that for the most part the Vietnamese try to copy what is already successful rather than trying to create original

ideas of their own (Do 2014). This is why it is important to look elsewhere, like USA, Japan and China for ideas. It is also possible to create services that solve problems specific to Vietnam. Vietnam is also becoming increasingly mobile with an ever increasing number of smartphones and tablet users. This field is still wide open because of the relatively small number of well-made Vietnamese apps. A mobile first approach to creating an online service is worth considering (Johnson 2013). Vietnam has a very young population with millions of kids that grow up playing computer games and reading things on their smartphones and tablets. The parents of these kids are ready to spend a lot of money to get the best possible education for their children. Technology that helps education will play a big part in the future of Vietnam.

8.3 Having the right attitude

One needs to have the right attitude when entering a developing market like Vietnam. There is a high likelihood that things will not go as planned and things will end up costing more time and money than anticipeted, even if you have the right help. One has to have a lot of patience and a toughness to be able to survive long term in Vietnam. This is something that is very hard to teach, it is more about one's view on life and how stressful they think things are. The Vietnamese entrepreneurs are not afraid off trying, out things which means the market changes rapidly. A supplier or partner might suddenly go out of business or disappear so one has to always be ready to improvise and adapt.

8.4 Future of online services in Vietnam

The online market in Vietnam will continue to grow with more and more internet users as well as a steady 5% annual GDP growth. With big and well established online retail companies like Lazada of Rocket internet and Rakuten entering the Vietnamese market it is advisable not to get into Amazon.com style general retail online. Instead one should focus on a specific niche and put a lot of effort into customer service. Well-made specialized retail sites are still new in Vietnam, especially outside the clothing and cosmetics field.

Vietnam also has a huge potential in its smartphone users and it remains to be seen if Vietnamese companies can take advantage of this sector. At the moment there are many people who do not speak any English which is an opportunity for companies creating services in Vietnamese. With time this advantage will become smaller as more and more people learn English and start looking at well-established American and European apps. It is also worth noting that at the moment the most popular apps in Vietnam are mobile games. Vietnam already has a reputation for creating simple but addictive games like flappy birds of dotGears studios. There is already a market for importing and translating games to Vietnam but since copyright laws in Vietnam are not enforced it is a lawless wild west for any company wishing to enter the market.

It is hard to predict how fast credit card use is going to rise in Vietnam. For the near future a company wishing to enter the Vietnamese market has to be able to accept cash as a form of payment. Vietnamese banks are working on security issues all the time but since Vietnam is a hot spot for credit card fraud and cheating and robbing are common it will take time until people will start using credit cards more widely. However, one has to keep mind the huge population of Vietnam and the fact that if for, example 20% of the working adults would have a credit card, it would be more than ten million people who have a credit card in Vietnam.

8.5 Final remarks

Vietnam is a market with great risks and rewards. One has to be ready to navigate the unique political and cultural field of Vietnam when doing business there. It is probably a bad idea to start an all in venture in Vietnam. One should start small and try to grow business organically. This means not relaying on getting investors in the early stages of business. Vietnam is still a relatively high risk market to invest and recent government clampdowns on competition (Do 2014) have hampered investors from investing in Vietnam. A long term business in Vietnam needs a solid foundation.

8.6 Suggestions for further research

Further research could be done on the topic with the quantitative approach, especially if the researcher can speak Vietnamese. For example, it would be possible to contact a bigger number of online retailers and get their opinions about online payment gateways, competition, site makers etc. The research could also be conducted on the customer side, making customer research about the Vietnamese online field.

Other research ideas include going into some specific line of online business and opening up the topic more. For example, opening an online store in Vietnam is a very common occurrence and making a guideline or a manual on how to do it could be a great research topic for an internationally minded technology student. This type of research can naturally be adapted to any new business idea.

A third possible research idea would be to take a deeper look at Vietnamese culture and making a guide to doing business in Vietnam. There is already some literature on this topic but one could for example focus on the business culture to give an in depth look to a rarely discussed topic. This kind of cultural knowledge could be very valuable for the increasing amount of foreign investors entering the Vietnamese market.

9 REFRENCES

The list formulated as above but the sources are in numerical order:

/1/ The Kajala Group 2014. About. [Referenced 6.11.2014] <URL: http://www.kajala.com/?page_id=30>

/2/ World Bank Group 2013. Indicator [Referenced 6.11.2014] <URL: http://data.worldbank.org/indicator/NY.GDP.MKTP.KD.ZG>

/3/ Sophie Song 2014. International business times [Referenced 6.11.2014] <URL: http://www.ibtimes.com/japanese-companies-shift-investment-vietnam-thailand-china-become-less-attractive-1560462>

/4/ Central intelligence agency 2014 [Referenced 6.11.2014] <URL:https://www.cia.gov/library/publications/the-world-factbook/geos/vm.html>

/5/ Johnny Tri Dung 2014. eCommerceMILO. Vietnam ecommerce overview and market size [Referenced 6.11.2014] <URL:eCommerceMILO.http://www.ecommercemilo.com/2014/04/vietnam-ecommerce-overview-and-market-size.html#.U_FoiGOT6QT>

/6/ Joel Kotkin 2011, Forbes. Hanoi's underground capitalism [Referenced 6.11,2014] <URL:http://www.forbes.com/sites/megacities/2011/03/29/hanois-underground-capitalism/>

/7/ Vietnam e-commerce report 2013 [VECITA] page 27-28 [Referenced 6.11.2014] <URL: http://www.vecita.gov.vn/App_File/laws/870ce575-7476-46b5-a999-0a1590d81b1d.pdf>

/8/ Edward Barbour-Lacey & Fabio Zaca 2014. Vietnam Briefing. Vietnam online - understanding Vietnam's online market. [Referenced 6.11.2014] <URL:http://www.vietnam-briefing.com/news/vietnam-online-understanding-vietnams-e-commerce-market.html/>

/9/ Tuoi Tre 2014.Thanh Nien News. Vietnam retailers charge card users despite central bank prohibition [Referenced 6.11.2014] <URL: http://www.thanhniennews.com/business/vietnam-retailers-charge-card-users-despite-central-bank-prohibition-26449.html>

/10/ Vietnam News 2011. VN credit card fraud rises to highest within region. [Referenced 6.11.2014] <URL:http://vietnamnews.vn/economy/218945/vn-credit-card-fraud-rises-to-highest-within-region.html>

/11/ Anh Minh-Do 2014. OiVietnam.com. Beer at a click. [Referenced 6.11.2014]<URL:http://oivietnam.com/2014/01/beer-at-a-click/>

/12/ Anh Minh-do 2013. techinasia.com. E-commerce in Vietnam: The big players for 2013 [part 3] [Referenced 6.11.2014]. <URL: http://www.techinasia.com/ecommerce-vietnam-big-players-2013-part-3/>

/13/Anh Minh-do 2013. techinasia.com. What is e-commerce going to look like in Vietnam 2014. [Referenced 6.11.2014] <URL:http://www.techinasia.com/e-commerce-in-vietnam-2014/>

/14/ Anh Minh-Do 2013. tachinasia.com. CEO of Vietnam's biggest e-commerce site reveals his secret to success. [Referenced 6.11.2014] <URL:http://www.techinasia.com/indepth-interview-ceo-vietnams-biggest-ecommerce-site-vat-gia/>

/15/ Rocket Internet 2014. About. [Referenced 6.11.2014] <URL:https://www.rocket-internet.de/about-us>

/16/ Forbes 2014. Rakuten. [Referenced 6.11.2014] <URL:http://www.forbes.com/companies/rakuten/>

/17/ Rakuten 2014. About. [Referenced 6.11.2014] <URL:http://global.rakuten.com/corp/about/>

/18/ Jacky Yap 2013. E27.co. Rakuten travel expands to Vietnam, Philippines and Malaysia, short term rental sites not a threat. [Referenced 6.11.2014] <URL:http://e27.co/rakuten-travel-expands-to-vietnam-philippines-and-malaysia-short-term-rental-sites-not-a-threat/>

/19/ David Corbin 2014. techinasia.com. Rakute: Viber has 608 million accounts, is the future of our company. [Referenced 6.11.2014] <URL:http://www.techinasia.com/rakuten-viber-608-million-accounts/>

/20/ Anh Minh-do 2013. techinasia.com. Forget Vietnam's Lazada and Zalora, Hotdeal.vn makes 10,000 deliveries per day. [Referenced 6.11.2014] <URL:http://www.techinasia.com/hotdeal-10000-deliveries-per-day/>

/21/ Mark Milian 2014. Bloomberg.com. One year of flappy bird. How a little game from Vietnam became a fleeting global sensation. [Referenced 6.11.2014] <URL:http://www.bloomberg.com/news/2014-05-23/one-year-of-flappy-bird-how-a-little-game-from-vietnam-became-a-fleeting-global-sensation.html>

/22/ Laura Entis 2014. Entrepreneur.com. Flappy bird creator is back with a new game. [Referenced 6.11.2014] <URL: http://www.entrepreneur.com/article/236642>

/23/ Google 2014. [Search done 5.1..2014] <URL:https://www.google.fi/webhp?sourceid=chrome-instant&ion=1&espv=2&ie=UTF-8#q=vietnam%20website%20builder>

/24/ Wordpress 2014. Tieng viet. [Referenced 6.11.2014] <URL:http://vi.wordpress.org/>

/25/ Lizette Chapman 2014. The wall street journal. Squarespace raises 40m to expand website building offerings. [Referenced 6.11.2014] <URL:http://blogs.wsj.com/venturecapital/2014/04/15/squarespace-raises-40m-to-expand-website-building-offerings/>

/26/ Serano 2012. [Referenced 6.11.2014] <URL: http://www.serano.vn/>

/27/Has bean coffee ltd 2014. [Referenced 6.11.2014] <URL:http://www.hasbean.co.uk/>

/28/ Sam Prell 2014. joystiq.com. Report: 92 percent of PC game sales in 2013 were digital. [Referenced 6.11.2014] <URL:http://www.joystiq.com/2014/08/24/report-92-percent-of-pc-game-sales-in-2013-were-digital/>

/29/ Marianne Brown 2013. Deutsche Welle. Vietnam: a nation of online gamers dominated by Chinese and Korean games. [Referenced 6.11.2014] <URL:http://www.dw.de/vietnam-a-nation-of-online-gamers-dominated-by-chinese-and-korean-games/a-17175035>

/30/ Rocket Internet 2014. Pricepanda passes over 1000000 people to online partner shops. [Referenced 6.11.2014] <URL:http://rocketinternet.pr.co/68565-pricepanda-passes-over-1-000-000-people-to-online-partner-shops>

/31/ Bao Van 2014. Thanh Nien News. Vietnam could become the next big counterfeiter. [Referenced 6.11.2014] <URL:http://www.thanhniennews.com/business/vietnam-could-become-the-next-big-counterfeiter-25698.html>

/32/ John Boudreau & Aaron Clark 2014. Bloomberg.com. Flappy bird creator Dong Nguyen offers swing copters game. [Referenced 6.11.2014] <URL: http://www.bloomberg.com/news/2014-08-22/flappy-bird-creator-dong-nguyen-offers-swing-copters-game.html>

/33/ Reporters without borders 2013. Press freedom index 2013. [Referenced 6.11.2014] <URL:http://en.rsf.org/press-freedom-index-2013,1054.html>

/34/ Thanh Nien News 2013. Police force is most corrupt Vietnam institution: Survey. [Referenced 6.11.2014] <URL:http://www.thanhniennews.com/society/police-force-is-most-corrupt-vietnam-institution-survey-1928.html>

/35/ Business anti-corruption portal. Vietnam country profile. [Referenced 6.11.2014] <URL:http://www.business-anti-corruption.com/country-profiles/east-asia-the-pacific/vietnam/corruption-levels/tax-administration.aspx>

/36/ Thanh Nien News 2013. Cameras set up at customs offices in Vietnam metro to stop corruption. [Referenced 6.11.2014] <URL:http://www.thanhniennews.com/society/cameras-set-up-at-customs-offices-in-vietnam-metro-to-stop-corruption-2321.html>

/37/ Calvin Godfrey 2013. Vice.com. US consulate officers gone wild. [Referenced 6.11.2014]<URL:http://www.vice.com/read/the-corrupt-secrets-of-the-american-consulate>

/38/ Simon Speakman Cordall 2012. The Guardian. Vietnam's banking problems reflect turbulence in the economy. [Referenced 6.11.2014] <URL:http://www.theguardian.com/global-development/poverty-matters/2012/nov/09/vietnam-banking-problems-turbulence-economy>

/39/ Terrence McCoy 2014. Washington Post. Vietnam's punishment for corrupt bankers: Death. [Referenced 6.11.2014] <URL:http://www.washingtonpost.com/news/morning-mix/wp/2014/04/04/vietnams-punishment-for-corrupt-bankers-death/>

/40/ TMF Group 2013. Top 10 challenges of doing business in Vietnam. [Referenced 6.11.2014]<URL:http://www.tmf-group.com/en/media-centre/resources/top-challenges/apac/vietnam>

/41/ An-Minh Do 2013. techinasia.com. A complete list of the 18 payment players in Vietnam. [Referenced 6.11.2014] <URL:http://www.techinasia.com/complete-list-18-payment-players-vietnam/>

/42/ Stripe 2014. [Referenced 6.11.2014]<URL: https://stripe.com/>

/43/ An-Minh Do 2013. techinasia.com. Vietnam food delivery battle is really hot, here are the top 4 players. [Referenced 7.11.2014]

<URL:http://www.techinasia.com/vietnams-food-delivery-battle-hot-top-4-players/>

/44/ An-Minh Do 2013. techinasia.com. Good news, drinkers! You can now order beer online with suma.vn. [Referenced 7.11.2014] <URL:http://www.techinasia.com/good-news-drinkers-order-beer-online-vietnam-sumavn/>

/45/ Yoshifumi Uesaka 2013. Nikkei Asian review. Japanese trading house helping to revolutionize Vietnam's wholesale sector. [Referenced 7.11.2014] <URL:http://asia.nikkei.com/Business/Companies/Japanese-trading-house-helping-to-revolutionize-Vietnams-wholesale-sector>

/46/ Dennis C. McCornac 2013. Viet Nam News. Corruption hurting education. [Referenced 7.11.2014] <URL:http://vietnamnews.vn/opinion/op-ed/240998/corruption-%E2%80%98hurting-education.html>

/47/ Michael Horn 2014. Forbes.com. Entrepreneurs seek to transform education in Vietnam. [Referenced 7.11.2014] <URL:http://www.forbes.com/sites/michaelhorn/2014/03/03/entrepreneurs-seek-to-transform-education-in-vietnam/>

/48/ An-Minh Do. techinasia.com. Vietnamese entrepreneurs should focus on problems, not trends. [Referenced 7.11.2014] <URL:http://www.techinasia.com/entrepreneurs-focus-on-problems/>

/49/ Foursquare 2014. [Referenced 7.11.2014] <URL:https://foursquare.com/>

/50/ Paktor 2014. Index. [Referenced 7.11.2014] <URL:http://www.gopaktor.com/index.php>

/51/ An-Minh Do 2014. Thechinasia.com. Vietnam's mobile frontiers are only about games, can it grow beyond? [Referenced 7.11.2014] <URL:http://www.techinasia.com/mobile-vietnam-frontiers-not-game/>

/52/ Iodine 2014. [Referenced 7.11.2014] <URL: http://www.iodine.com/>

/53/ Yiling Ding 2013. Thebridge.jp. CNet Japan startup award nominees: Mobile C2C flea market apps - Fril and Mercari. [Referenced 7.11.2014] <URL:http://thebridge.jp/en/2013/12/mercari-fril>

/54/ David Korbin 2014. Techinasia.com. Fablic, the maker of women focused flea market app fril, raise 9m$. [Referenced 7.11.2014] <URL:http://www.techinasia.com/fablic-maker-womenfocused-fleamarket-app-fril-raises-9m/>

/55/ An Minh-Do 2014. Techinasia.com. Will Vietnam ever take its internet seriously? [Referenced 7.11.2014] <URL:http://www.techinasia.com/vietnam-internet-cable-cut-yet-again/>

/56/ Viet Nam News 2014. Economy. Firms lose sleep over brain drain. [Referenced 7.11.2014] <URL:http://vietnamnews.vn/economy/252039/firms-lose-sleep-over-brain-drain.html>

/57/ Chi Mai 2014. Vietnam.net Bridge. Education. Bad HR programming creates unemployed bachelors and masters. [Referenced 7.11.2014] <URL:http://english.vietnamnet.vn/fms/education/100121/bad-hr-programming-creates-unemployed-bachelors-and-masters.html>

/58/ VTC Travels 2011. Vietnam business culture. [Referenced 7.11.2014] <URL:http://www.vtctravel.net/en/Vietnam-Culture/vietnam-business.php>

/59/ Terence Lee 2014. techinasia.com. Singapore startup fights Ebola in Africa with telemedicine app. [Referenced 7.11.2014] <URL:http://www.techinasia.com/singapore-startup-fights-ebola-africa-telemedicine-app/>

/60/ Ha Mi 2013. BBC.com. Asia. Why do Vietnamese patients bribe their doctors? [Referenced 7.11.2014] <URL:http://www.bbc.com/news/world-asia-23237285>

/61/ Anh-Minh Do 2014. techinasia.com. This is not a joke: Vietnam's funniest website just got invested. [Referenced 7.11.2014] <URL:https://www.techinasia.com/vietnam-humor-site-haivl-acquired-by-24h/>

/62/ Anh-Minh Do 2014. techinasia.com. Hold tight! Vietnam's motorbike taxis just entered the uber age. [Referenced 7.11.2014] <URL:https://www.techinasia.com/hold-tight-vietnams-motorbike-taxis-entered-uber-age/>

/63/ Anh Minh-Do 2013. techinasia.com. Studied abroad and returned to Vietnam: Startups that defy the brain drain. [Referenced 7.11.2014] <URL:http://www.techinasia.com/studied-returned-vietnam-startups-defy-brain-drain/>

/64/ DTI news 2012. dtinews.vn. Rising number of Vietnamese study abroad. [Referenced 7.11.2014] <URL:http://www.dtinews.vn/en/news/020/20449/rising-numbers-of-vietnamese-study-abroad.html>

/65/ eMarketer 2014. Global B2C ecommerce sales to hit 1,5 trillion driven by growth in emerging markets. [Referenced 7.11.2014] <URL:http://www.emarketer.com/Article/Global-B2C-Ecommerce-Sales-Hit-15-Trillion-This-Year-Driven-by-Growth-Emerging-Markets/1010575>

/66/ Liz Gannes 2014. recode.net. Here's the full deck of Mary Meekers's latest internet trends report. [Referenced 7.11.2014] <URL:http://recode.net/2014/05/28/heres-the-full-deck-of-mary-meekers-latest-internet-trends-report/>

/67/ Joanna Lord 2013. entrepreneur.com. 10 online marketing trends for 2013. [Referenced 7.11.2014] <URL: http://www.entrepreneur.com/article/225392>

/68/ Thanh Nien News 2014. HaiVL, Vietanm's 9gag replica, shuttered for law violations. [Referenced 7.11.2014] <URL:http://www.thanhniennews.com/tech/haivl-vietnams-9gag-replica-shuttered-for-law-violations-33098.html>

/69/ Microsoft 2014. Internet of things. [Referenced 7.11.2014] <URL:http://www.microsoft.com/windowsembedded/en-us/internet-of-things.aspx>

/70/ Patrick Thibodeau 2014. computerworld.com. Gartner lays out its top 10 tech trends for 2015. [Referenced 7.11.2014] <URL:http://www.computerworld.com/article/2692619/gartner-lays-out-its-top-10-tech-trends-for-2015.html>

/71/ Steve Kovach 2014. businessinsider.com. We still don't have assurance from Apple that iCloud is safe. [Referenced 7.11.2014] <URL: http://www.businessinsider.com/apple-statement-on-icloud-hack-2014-9>

/72/ Nathan Ingraham 2014. The Verge. Tim cook says apple is already the leader in contactless payments. [Referenced 7.11.2014] <URL:http://www.theverge.com/2014/10/27/7082013/tim-cook-says-that-apple-pay-is-already-the-leader-in-contactless-payments>

/73/ Expat.vn 2014. Step by step guide. [Referenced 7.11.2014] <URL:http://www.expat.vn/business-set-up/step-by-step-guide>

/74/ Joshua Johnson 2013. Design shack. Mobile first design: Why it's great and why it sucks. [Referenced 7.11.2014] <URL:http://designshack.net/articles/css/mobilefirst/>

/75/ Anh-Minh Do 2014. techinasia.com. Is Vietnam's startup economy facing a crisis? [Referenced 7.11.2014] <URL:https://www.techinasia.com/vietnams-startup-crisis/>

/76/ UK data service 2014. Introduction to qualitative interview. [Referenced 17.11.2014] <URL: http://ukdataservice.ac.uk/teaching-resources/interview/qualitative.aspx>

Chart references

/1/ Internet World Stats 2014, internetworldstats.com. [Referenced 12.11.2014] <URL: http://www.internetworldstats.com/stats.htm>

/2/ Internet World Stats 2014, internetworldstats.com. [Referenced 12.11.2014] <URL: http://www.internetworldstats.com/stats.htm>

/3/ Mary Meeker 2014. Internet trends 2014 – Code conference page 7 [Referenced 12.11.2014] <URL: http://www.kpcb.com/internet-trends>

/4/ Central intelligence agency 2014 [Referenced 12.11.2014] <URL: https://www.cia.gov/library/publications/the-world-factbook/graphics/population/VM_popgraph%202014.bmp>

/5/ Global digital statistics 2014 We are social's snapshot of key digital indicators 2014 page 5. [Referenced 12.11.2014] <URL: http://wearesocial.net/blog/2014/01/social-digital-mobile-worldwide-2014/>

/6/ Vietnam e-commerce report 2013 [VECITA] page 32 [Referenced 12.11.2014] <URL:http://www.vecita.gov.vn/App_File/laws/870ce575-7476-46b5-a999-0a1590d81b1d.pdf>

/7/ Mark Milian 2014. Bloomberg.com. One year of flappy bird. How a little game from Vietnam became a fleeting global sensation. [Referenced 12.11.2014] <URL:http://www.bloomberg.com/news/2014-05-23/one-year-of-flappy-bird-how-a-little-game-from-vietnam-became-a-fleeting-global-sensation.html>

/8/ Apptweak 2014. Apptweak.com [Referenced 1.9.2014] <URL: https://www.apptweak.com/app-ranking-charts-top-400/vn/ios/all>

Appendix 1 (questions marked with abcde)

1a. Tại sao anh chị lại quyết định mở một cửa hàng bán đồ online?

1. Quyết định mở cửa hàng online đầu tiên từ sở thích về thời trang của mình. Một cửa hàng online không ràng buộc về thời gian của mình, mình có thể xem nó là công việc phụ làm song song với công việc chính. Một cửa hàng online không mất một khoảng lớn cho chi phí đầu tư về mặt bằng và trang trí.

Cửa hàng online giúp mình thử nghiệm với việc buôn bán và lỡ có rủi ro (việc buôn bán không thuận lợi) thì mình cũng dễ dàng thanh lý hàng và không mất một khoảng nào khác

2b. Tỉ lệ phần trăm giữa đồ bán ở shop và bán online như thế nào?

2. Tỷ lệ % giữa đồ bán ở shop và đồ bán online. Nếu nói về số lượng hàng bán ra giữa shop online và shop truyền thống thì phải nói đến vị trí của shop nữa. Nếu vị trí của shop truyền thống ở những con đường tập trung về thời trang,dân cư sầm uất thì việc kinh doanh sẽ thuận lợi hơn rất nhiều. Đi đôi với những thuận lợi đó thì chi phí thuê mặt bằng rất cao. vì vậy giá hàng cũng sẽ được đội lên nhiều lần.Đây cũng là lợi thế để các shop online có đất dụng võ hehe.. giá cả hàng hoá của các shop online thường thấp hơn rất nhiều, bên cạnh đó việc mua sắm online có rất nhiều tiện lợi nên nếu như mình tạo được lòng tin cho khách ngay từ đầu thì việc bán hàng sẽ dễ dàng hơn.

3c. Về website là anh chị tự làm website cho mình hay nhờ một bên dịch vụ nào khác làm giúp? Anh chị có thể miêu tả chi tiết một chút về công ty dịch vụ hay website domain nào anh chị đã dùng để làm website hay không?

3. Chị đang bán hàng trên FB là chính và các trang rao vặt. Chị tự mua tên miền ở cty PA Việt Nam và đang nhờ một đơn vị chuyên thiết kế web vẫn chưa xong nữa.

4d. Tỉ lệ khách hàng đổi/trả lại hàng hóa/quần áo là bao nhiêu?

4. Cửa hàng của chị làm tất cả các công đoạn từ ban đầu đến thành phẩm và thực hiện luôn phần hình ảnh nên các hình ảnh đưa lên đều là hình ảnh thật, khách hài lòng khi nhận được món đồ không khác với hình ảnh nhìn thấy trước đó, chất lượng vải luôn được chú trọng nên đa số khách không trả lại hàng... nhưng thường thì có một số trường hợp khách chưa vừa size nên nhờ bên chị hỗ trợ chỉnh lại, các shop online khác thường không

làm việc này, khá là vất vả nhưng bù lại khách rất hài lòng và tạo được lòng tin cho khách. Thực chất quan trọng nhất vẫn là chất lượng sản phẩm, dù hình ảnh trên web có đẹp và lời quảng cáo có thật sự hấp dẫn cũng chỉ thu hút khách đến với mình 1 lần nếu như chất lượng kém.

5e. Anh chị đã gặp những khó khăn nào không lường trước được khi mở shop bán hàng online?

5. Bán hàng online theo mô hình của shop chị thì việc chỉnh sửa lại quần áo theo ý của khách và may theo số đo mà khách cung cấp thì khá là nguy hiểm, đôi khi làm hỏng áo luôn chứ chẳng chơi... nhưng chị may mắn vẫn chưa gặp phải sự cố này... chị đang rất cẩn thận khâu tư vấn khách hàng online để không hạn chế được điều đáng tiếc đó

Appendix 2 (questions marked with abcde)

1a. Mặt tốt và mặt xấu của việc bán hàng online ở thị trường Việt Nam theo ý anh chị là gì?

1. Mặt tốt của việc bán hàng online ở VN: mua dễ dàng, không cần phải đi đến cửa hàng hoặc siêu thị để mua, chỉ cần ngồi ở nhà và alo, thuận tiện cho người bận rộn, không có thời gian để đi mua hoặc ở xa

Mặt xấu: nhiều sản phẩm khi được rao bán online không rõ nguồn gốc, kém chất lượng, chưa có cơ chế quản lý cho việc bán hàng online, người dùng hay mua nhầm hàng giả, hàng dởm và không đúng như quảng cáo

2b. Anh chị có nghĩ rằng khách hàng Việt Nam sẽ sớm sử dụng nhiều hơn thẻ tín

dụng trong thanh toán không?

2. Khách hàng VIệt Nam sẽ sớm sử dụng hình thức thanh toán bằng thẻ, nhiều công ty ở VN đã bắt đầu trả lương qua thẻ, người dùng cũng không phải mang nhiều tiền bên mình khi quyết định mua một sản phẩm nào đó, ngoài ra việc thanh toán bằng thẻ cũng mang đến một số lợi như có thể mua trước một mặt hàng và sau đó thanh toán từ từ qua lương hàng tháng.

3c. Bao nhiêu phần trăm khách hàng của anh chị chọn phương pháp trả tiền mặt khi nhận hàng?

3. Hiện tại vẫn còn số đông khách hàng khi mua sản phẩm trả tiền mặt, thứ 1 đó là thói quen từ xưa tới nay của người Việt Nam, thứ 2 khách hàng lo ngại sẽ bị tính phí khi trả bằng thẻ, thứ 3 một số cửa hàng nhỏ vẫn chưa trang bị máy cà thẻ. Do đó tỷ lệ có thể chiếm khoảng tầm 70% khách hàng

4d. Anh chị đã bao giờ nghĩ đến việc làm ứng dụng trên điện thoại cho cửa hàng của mình chưa?

4. Ứng dụng trên điện thoại là một điều hợp lý vì số lượng người dùng VIệt Nam sử dụng smartphone rất nhiều, họ có thể bất kỳ ở nơi nào, bất kỳ thời gian nào cũng có thể truy cập vào ứng dụng trên điện thoại để xem hàng hóa, giá cả, khuyến mãi...

5e. Anh chị có nghĩ đến việc mở rộng cửa hàng đến các lĩnh vực khác hay các mặt hàng khác chưa?

5. Hiện tại Mai Nguyên không chỉ bán hàng điện thoại di động mà còn có thêm nhiều mặt hàng khác như phụ kiện, macbook, loa công nghệ, máy ảnh.... nhằm phục vụ người dùng nhiều hơn, khi họ bước vào shop có thể thấy được mọi thứ mà mình cần mà không phải tìm kiếm ở đâu xa.