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Digital Marketing Transformation in Emerging Economies: Evidence from Vietnam

Bui Ba Hieu
Hanoi University of Natural Resources and Environment, Hanoi, Vietnam

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Corresponding Author: **Bui Ba Hieu**

Abstract
Digital transformation is redefining marketing practices across emerging economies. Vietnam – one of Southeast Asia's fastest-growing digital markets – offers a compelling case with over 79% internet penetration and 72 million social media users as of 2024. This paper examines Vietnam's digital marketing transformation in the broader context of emerging economies. We synthesize literature on global digital marketing trends and specific challenges in developing markets, and employ a case-based analysis of Vietnam using secondary data from academic studies, government reports, and industry surveys. Key findings reveal a vibrant, mobile-first digital landscape characterized by the rise of short-form video content, influencer-driven campaigns, "shoppertainment" e-commerce, and AI-powered personalization. Businesses in Vietnam are leveraging platforms like TikTok, Facebook, YouTube, and local Zalo for broad consumer reach, with e-commerce valued at over $20 billion in 2023 and growing rapidly. However, significant challenges persist, including a digital skills gap, regulatory uncertainties (e.g. new data protection rules), heavy platform dependence, measurement/ROI limitations, and a rural–urban digital divide. Enabling factors such as a young tech-savvy population, expanding broadband infrastructure, and supportive government initiatives have catalyzed progress. The discussion highlights implications: businesses must adopt mobile-first and data-driven strategies, marketers need upskilling and diversified channel approaches, and policymakers should refine regulatory frameworks and support SME digitalization. This study contributes to understanding how emerging markets like Vietnam are navigating digital marketing transformation, emphasizing the need for localized, inclusive strategies to sustain growth.

Keywords: Digital Marketing, Transformation, Emerging Economies

1. Introduction

Digital marketing transformation refers to the integration of digital technologies and channels into marketing strategy and operations, fundamentally altering how firms engage customers and deliver value. Globally, marketing has undergone a profound shift – digital channels now command the majority of advertising spend, with forecasts that global digital ad expenditures will account for ~70% of all ad spend by 2025. This revolution is driven by rapid technological innovation (social media, mobile, big data, AI) and changing consumer behaviors. Emerging economies, however, often face unique trajectories in this transformation. On one hand, emerging markets present vast opportunities: large youthful populations, increasing internet connectivity, and the potential to "leapfrog" legacy media by adopting mobile and social platforms directly. On the other hand, businesses in developing countries encounter constraints such as infrastructure gaps, limited capital, and shortages of skilled personnel. The result is an uneven pace of digital marketing adoption, where a few advanced firms thrive, but many small and medium enterprises (SMEs) lag due to resource and knowledge barriers.

Vietnam exemplifies this dual reality. Over the past decade, Vietnam's economy and society have rapidly digitized. The country boasts an internet penetration rate of about 79% (over 78 million users) as of early 2024. Social media usage is pervasive – there were 72.7 million active social media users in 2024, roughly 73% of the population. Major global platforms like Facebook (66 million users) and YouTube (63 million) are hugely popular, and TikTok has risen extraordinarily fast to reach ~67.7 million users in Vietnam. Notably, Vietnam also supports influential domestic platforms such as Zalo (a homegrown messaging app with ~75 million users) that serve as key channels for communication, marketing and customer relationship management. This widespread connectivity and platform adoption have made Vietnam one of Southeast Asia's most vibrant digital economies. Indeed, recent regional analyses rank Vietnam third in Southeast Asia for digital economy size and project it to reach about US$45 billion in gross merchandise value by 2025 (around 20% compound annual growth). E-commerce is a particular engine of growth: Vietnam's e-commerce market was valued over $20 billion in 2023 and continues to expand at double-digit rates.

This rapid digitalization brings both opportunities and challenges for Vietnamese businesses. Digital channels offer unprecedented reach and targeting – for example, companies can now instantly access tens of millions of consumers via social networks and measure campaign performance in real time. Vietnamese brands are embracing strategies like social media advertising, influencer partnerships, livestream commerce, and data analytics to grow their customer base. On the consumer side, behaviors are shifting toward online product discovery, mobile shopping, and digital payments, especially among the younger, urban demographic. At the same time, businesses must navigate a fast-evolving landscape. They face strategic challenges such as keeping pace with new platforms and algorithms, developing internal digital skills, and managing the complexities of omni-channel customer journeys. The need for continuous adaptation is especially daunting for resource-constrained firms. Many Vietnamese SMEs lack in-house expertise in areas like search engine optimization (SEO), data analytics, or programmatic advertising, making it difficult to fully capitalize on digital marketing's potential. Additionally, the external environment is evolving – from new regulations (e.g. data protection laws) to intensified competition as both local and foreign players vie for the attention of Vietnam's ~100 million consumers. These dynamics mirror those in other emerging economies, where digital marketing is becoming essential for competitiveness, yet its implementation requires overcoming structural impediments.

Research Aims: In this context, the present study aims to analyze the state of digital marketing transformation in Vietnam as a representative emerging economy. We seek to (1) review the literature on digital marketing adoption in emerging markets, (2) identify key trends and innovations characterizing Vietnam's digital marketing landscape, (3) examine the challenges and enabling factors influencing this transformation, and (4) discuss implications for business practitioners, marketers, and policymakers in Vietnam and comparable economies. By focusing on the general business landscape of Vietnam (across multiple sectors), the study provides holistic insights into how digital marketing is reshaping business practices in an emerging market setting. Vietnam's experience can offer lessons for other developing countries undergoing similar transitions. The remainder of the paper is structured as follows: Section 2 reviews relevant literature on digital marketing and digital transformation in emerging economies. Section 3 outlines the methodology and data sources used. Section 4 presents the findings on Vietnam's digital marketing trends, challenges, and drivers. Section 5 provides a discussion of the implications for businesses, marketers, and policymakers. Section 6 concludes the paper with a summary of findings, limitations, and suggestions for future research.

2. Literature Review

2.1 Digital Marketing Transformation in Emerging Economies

Digital marketing – encompassing online advertising, social media marketing, search engine marketing, e-commerce, and related data-driven practices – has become a critical component of modern business strategy worldwide. In advanced markets, firms now allocate well over half of marketing budgets to digital channels, reflecting the high ROI from precise targeting, personalization, and measurable performance. Key global trends include the dominance of short-form video content (e.g. TikTok, Instagram Reels), the use of artificial intelligence for targeting and customer insights, and the integration of online and offline (omnichannel) consumer experiences. These trends set a benchmark, but their adoption in emerging economies can be uneven and context-dependent. Developing countries often experience a digital divide: a gap between digitally advanced firms/consumers and those left behind by limited access or skills. According to Gao (2025) [1] and others, many enterprises in emerging markets struggle to implement digital marketing effectively due to internal and external barriers. Common obstacles identified in the literature include the need for upfront investment in technology, a lack of skilled human resources, inadequate IT infrastructure, and organizational resistance to change. For example, in a survey of SMEs in developing countries, insufficient funding and shortage of skilled personnel were cited as the primary impediments to digital marketing adoption. Small firms often cannot afford dedicated marketing technology or specialist staff, and owners may be unconvinced of digital marketing's benefits or unsure how to measure them.

Notwithstanding these challenges, researchers note that digital marketing can be a powerful leveler for emerging-market businesses if harnessed well. Studies have shown that adopting digital channels can expand market reach beyond local geographies, enhance customer engagement, and improve firm performance by enabling innovative communication with consumers. In particular, social media and mobile platforms allow companies in developing countries to engage customers at low cost compared to traditional media. There is evidence that digital marketing adoption can increase sales and productivity, especially when aligned with overall digital transformation capability. However, the net impact on business performance remains debated, with some studies finding mixed results and pointing out that mere adoption is not enough – effective usage and integration into strategy are critical. Theoretical frameworks like the Technology Acceptance Model (TAM) and Theory of Planned Behavior (TPB) are frequently applied to understand digital technology adoption in emerging economies. These frameworks suggest that managers' perceptions of usefulness and ease of use of digital tools, as well as organizational readiness and external pressures, shape the intention to adopt and actual adoption of digital marketing technologies. For instance, a recent study in an emerging market context (China and Kazakhstan) found that factors such as perceived consumer engagement benefits and investment in marketing technologies significantly increased firms' capacity for digital transformation, ultimately improving business performance. This aligns with findings in other developing countries that when firms clearly see the relative advantage of digital solutions (e.g., higher sales growth, improved customer data), they are more likely to invest in and implement them. Conversely, if external pressures (from partners or customers) to digitalize are too high without sufficient resources or support, they can strain smaller firms, underscoring the need for an enabling ecosystem.

In summary, literature on emerging economies indicates that digital marketing transformation is both essential and challenging. It is essential because consumer behaviors globally – including in developing nations – are rapidly shifting online, and firms that fail to adapt risk losing relevance. Emerging market consumers, especially the young, are avid users of social media and mobile internet, often leapfrogging traditional media entirely. For example, across Asia and Africa, millions of new internet users each year are "mobile-first" or "mobile-only", accessing the web primarily via smartphones. This creates fertile ground for social media marketing, messaging apps, and mobile commerce. At the same time, it is challenging because many firms lack the capabilities and environment to fully leverage digital channels. Recognizing this, scholars and development agencies emphasize capacity-building (training, digital skills development), infrastructure investment, and supportive policies as keys to accelerating digital marketing uptake in these regions. The Vietnamese context encapsulates many of these global themes, as discussed next.

2.2 Vietnam's Digital Marketing Landscape: Insights from Prior Studies

Vietnam's digital economy trajectory has attracted increasing attention in recent years. The country provides an illustrative case of an emerging economy experiencing rapid digital adoption alongside persistent structural challenges. Several studies and reports shed light on Vietnam's progress. SMEs in Vietnam – which make up 97% of enterprises and about 50% of employment have been a focal point, since their digital transformation is crucial for broad-based economic development. Earlier research (pre-2020) often noted that Vietnamese SMEs were generally slow in adopting advanced technologies and unprepared for the Industry 4.0 revolution. For example, as of the late 2010s, an estimated 80% of machinery used by Vietnamese manufacturers was outdated, and few SMEs had implemented tools like enterprise resource planning (ERP) or data analytics in their operations. Digital marketing for many small firms was limited to rudimentary use of the internet – e.g. creating a basic Facebook page or Zalo account – with low sophistication. A World Bank survey in 2021 found that only a small fraction of Vietnamese firms had truly embarked on comprehensive digital transformation, and manufacturing SMEs lagged the most. These findings align with data from the Vietnam E-Commerce Association, which reported that as of 2021 only about 14% of SMEs were using enterprise management software (like ERP), versus roughly 40% of large firms. Moreover, digital investments (such as developing a professional website, online advertising, or mobile app) accounted for less than 20% of total capital expenditure in most SMEs. This indicates a significant digital maturity gap between small and large companies in Vietnam.

However, more recent evidence suggests momentum is building. The COVID-19 pandemic (2020–2021) proved to be an inflection point that *forced* many Vietnamese businesses to experiment with digital channels. With physical stores and offices closed during lockdowns, companies turned to online sales platforms, social media live-streams, and remote customer service tools to sustain operations. One market survey found that prior to COVID-19, only about 30% of Vietnamese enterprises had undertaken any form of digital transformation, but by late 2021 nearly half had tried some digital solutions during the pandemic. Not all these attempts were successful or sustained – about 49% of firms in one survey said they adopted digital tools as a temporary pandemic response and later discontinued them, due to poor fit or lack of long-term strategy. Nonetheless, the pandemic period raised awareness of the importance of digital channels. Vietnamese consumers also got more comfortable with online shopping, digital payments, and virtual interactions during this time. By 2022, the government and industry observers noted a greater willingness among SMEs to invest in digital tech, even if challenges remained.

Key factors influencing digital marketing adoption in Vietnam have been explored in recent academic studies. For instance, a 2024 survey of 456 SMEs in Hanoi identified six factors significantly affecting SME digital transformation: management attitude, digital strategy, employee capability, organizational culture, technology infrastructure, and external pressure. Notably, many of these act via the *intention* to transform – i.e. SME leaders' mindset and intent play a critical role, echoing the Theory of Planned Behavior. Another empirical study in the Mekong Delta (Luu *et al*., 2025) used a Technology-Organization-Environment (TOE) framework and found that the perceived relative advantage of new technology was the strongest positive driver for SMEs to go digital, followed by organizational readiness and government support. External pressures from partners or customers, interestingly, showed a negative relationship with digital uptake in that study, suggesting that excessive pressure can overwhelm small firms lacking capacity. Meanwhile, qualitative research (e.g. Minh *et al*., 2024) highlights cultural and managerial hurdles: many SME owners historically believed digital transformation was "only for big companies" or feared it would be prohibitively expensive. Common misconceptions included the idea that one must implement all digital changes at once, or that digital tech automatically guarantees success. These mindsets often led either to inaction or misguided efforts (like adopting too many tools too quickly without proper planning).

Importantly, the Vietnamese government has been actively promoting digital transformation as a national priority. In June 2020, the Prime Minister approved the "National Digital Transformation Program to 2025, orientation to 2030" (Decision No.749/QĐ-TTg). This program established targets across three pillars – digital government, digital economy, and digital society – and aimed to raise the digital economy's contribution to 20% of GDP by 2025 and 30% by 2030. For businesses, the government's agenda includes encouraging e-commerce adoption, cashless payments, and the use of local "Make in Vietnam" digital platforms and services. Various initiatives have been launched to support SMEs, such as subsidized training in digital skills, SME digital maturity assessments, and partnerships with tech firms to offer discounted software solutions. By 2025, virtually all ministries and provinces in Vietnam have their own digital transformation plans in place. The state has also invested heavily in telecommunications infrastructure – as of 2025, over 99% of villages are covered by 4G/5G mobile broadband networks, providing nationwide internet access. These efforts create a more enabling environment for digital marketing by improving connectivity and trust. Additionally, new regulations, such as Decree 13/2023 on Personal Data Protection, have been introduced to govern the digital space. While such regulations can raise compliance burdens (as discussed later), they also signal a maturing digital ecosystem where consumer data and online advertising are subject to clearer rules.

In summary, prior literature portrays Vietnam as an emerging economy rapidly embracing digital marketing, propelled by high mobile and social media usage and bolstered by government push, but still grappling with internal capability gaps. The Vietnamese case aligns with patterns observed in other emerging markets: a youthful, mobile-first population driving new marketing formats (e.g. social commerce, influencer marketing), while many firms struggle to adapt due to resource limitations and knowledge gaps. This study builds on the literature by providing an updated, comprehensive analysis of Vietnam's digital marketing transformation circa 2024–2025, drawing on the latest data and real-world examples to illustrate key trends, challenges, and success factors.

3. Methodology

3.1 Research Design

This research adopts a qualitative, secondary-data-based research design with a case study approach focusing on Vietnam. Given the broad, economy-wide scope of the investigation, primary data collection (such as nationwide surveys) was beyond the study's practical constraints. Instead, we synthesized information from multiple reputable sources to build a detailed picture of digital marketing transformation in Vietnam. The approach is essentially a secondary data synthesis combined with case analysis: we compiled recent data, reports, and studies on Vietnam's digital economy and marketing practices, and we analyzed them to extract common themes, patterns, and insights. By triangulating across different source types (academic literature, industry reports, government data, and news), we aimed to ensure a well-rounded and validated understanding of the phenomena in question. The choice of Vietnam as the focal case was motivated by its status as a rapidly digitizing emerging market, enabling exploration of both general emerging-economy trends and country-specific nuances.

3.2 Data Collection and Sources

Data were collected from a variety of secondary sources published in the last 5–7 years, with emphasis on the most recent (2020–2025) to capture the current state. Key sources included:

- **Academic journals and conference proceedings:** providing theoretical frameworks and empirical findings on digital marketing, technology adoption, and transformation in emerging markets and Vietnam specifically. For example, we drew on articles such as Gao (2025) [1] for broad emerging-market insights and Trang (2025) [2] for in-depth Vietnam-specific analysis.
- **Industry and market research reports:** offering up-to-date statistics and trend analyses. Notably, the annual "Digital in Vietnam" reports by We Are Social and DataReportal were used for statistics on internet, mobile, and social media penetration. These reports (e.g. DataReportal 2023) [9] indicated Vietnam had 66.2 million Facebook users and 63.0 million YouTube users at the start of 2023. We also consulted regional studies like Google, Temasek & Bain's *e-Conomy SEA* reports for digital economy size and growth projections.
- **Government publications and policy documents:** to understand the regulatory environment and official initiatives. This included Vietnam's national digital transformation strategy (Decision 749/QĐ-TTg) and data from the Ministry of Information and Communications on infrastructure rollout (e.g. broadband coverage, 5G implementation). Speeches and press releases around Vietnam's National Digital Transformation Day 2025 provided insights on progress (e.g. improvements in e-government ranking, IT industry revenue).
- **Business and media articles:** for case examples and qualitative context. We examined press coverage of digital marketing trends (for instance, VnEconomy and VietnamNews for advertising market growth) and practitioner insights (such as marketing blogs highlighting successful campaigns). For concrete case studies, we referred to sources like feedforce (2024) which detailed how specific Vietnamese brands like Yody and Dutch Lady leveraged TikTok for marketing and saw significant sales boosts.

All sources used are openly cited in the text. We prioritized sources that are trustworthy and relevant: peer-reviewed studies, reports by established organizations, and statements by official or industry authorities. Data cross-checking was performed where possible. For instance, social media user statistics from DataReportal were compared with figures cited in local reports to ensure consistency. Any discrepancies or outdated information were noted and resolved in favor of the latest credible data.

3.3 Analysis

Our analysis was conducted via thematic content analysis of the collected materials. We identified recurring themes and categories relevant to the research focus, namely: Key Trends in digital marketing (e.g. content formats, platforms, consumer behavior changes), Challenges (barriers and pain points for businesses), and Enabling Factors (drivers, supports, and positive conditions). Data and examples were organized under these themes. Given the narrative nature of our inquiry, we present the findings in a descriptive manner, supplemented by quantitative indicators (percentages, growth rates, user numbers) where available to illustrate the magnitude of trends.

We also employed a comparative lens: whenever appropriate, Vietnam's situation was compared with either global trends or other emerging economies to highlight similarities or differences. For example, if a trend observed in Vietnam (such as the surge of influencer marketing) is also reported in other ASEAN countries, we note that to indicate it is part of a regional pattern. Conversely, where Vietnam has unique characteristics (such as the prominence of Zalo as a local platform), we emphasize those as context-specific findings.

No primary survey or interview was conducted by the authors; however, we incorporated *findings from* surveys and interviews reported in other studies (e.g. Trang's 2025 [2] interviews with marketing professionals) as secondary evidence. This methodology synthesizing secondary data is appropriate for capturing a broad and current overview, though it has limitations. We discuss those at the end (Section 7), acknowledging issues like potential biases in source data and the lack of direct firsthand data collection.

In the next section, we present the findings, structured into: **(a)** key trends in Vietnam's digital marketing transformation, **(b)** challenges faced by Vietnamese businesses in this domain, and **(c)** enabling factors that have supported the transformation. These correspond to our research focus areas and will later inform the discussion on practical implications.

4. Findings: Key Trends, Challenges, and Enabling Factors in Vietnam's Digital Marketing Transformation

4.1 Key Trends in Vietnam's Digital Marketing Transformation

Explosion of Internet and Mobile Connectivity: Vietnam's marketing landscape has been transformed by a dramatic increase in digital connectivity. As noted, over three-quarters of the population are now online, thanks largely to the ubiquity of smartphones and affordable mobile internet. Vietnam is a definitively mobile-first market – an estimated 95% of internet users access the web via mobile devices. In fact, smartphones account for about 84% of web traffic in Vietnam. This means any effective marketing strategy must be optimized for mobile user experience (fast loading, vertical video formats, etc.). The broad availability of 3G/4G (and nascent 5G) networks, even in rural areas, has expanded the addressable online audience. Over 99% of communes have mobile broadband coverage as of 2025, significantly reducing the urban–rural connectivity gap. The consequence is that digital channels can reach consumers nationwide, not just in big cities. For instance, Facebook's advertising reach in Vietnam is roughly 67% of the total population (and 85% of internet users), while YouTube reaches about 64% of the population. Social media has essentially become a mass medium in Vietnam, comparable to television in its penetration.

Social Media Dominance and Platform Ecosystem: Social media platforms are at the heart of Vietnam's digital marketing. As of 2024, the country counted 72.7 million social media users, many of whom are active on multiple platforms daily. The leading platforms by user numbers are: Facebook, YouTube, TikTok, and Zalo. Facebook remains a staple – with over 66 million users, it's used by 84% of internet users aged 13+ and is a primary channel for brands to build presence and run ads. YouTube, with 63 million users, is likewise deeply embedded as both an entertainment and marketing platform (YouTube ads reach ~81% of Vietnamese internet users). TikTok, which entered Vietnam only a few years ago, has seen explosive growth. By early 2023, TikTok's ads could reach an estimated 69% of adults in Vietnam, indicating very high usage. By user count (67.7 million), TikTok is effectively on par with Facebook in Vietnam, reflecting the global trend of short-video platforms surging in popularity. TikTok's rise is particularly salient for marketing: its content algorithm and the "TikTok Shop" feature have popularized shoppertainment, where entertaining videos blend with e-commerce. TikTok was reported to be used by 78% of brands for influencer marketing campaigns by 2024, overtaking Facebook in that specific domain.

Vietnam also has a strong local platform in Zalo – a messaging app turned multi-purpose platform (akin to China's WeChat) – which has over 75 million users. Zalo is widely used for private communications but also offers Zalo Official Account for businesses, allowing brands to push content to followers, run mini e-stores, and manage customer chats. Many SMEs rely heavily on Zalo as a free/low-cost marketing tool; surveys note that some small businesses use Zalo as virtually their only online channel to communicate with customers. This heavy platform dependency on a few big players (Facebook, Google/YouTube, TikTok, Zalo) shapes the marketing strategies in Vietnam – a theme we revisit under challenges. Nonetheless, companies are beginning to diversify their digital mix: for example, e-commerce marketplaces (Shopee, Lazada, Tiki) have become important marketing and sales channels, especially with features like flash sales and live-streaming on those platforms. By 2023, TikTok Shop (the e-commerce integration within TikTok) had quickly grown to become the second-largest e-commerce platform in Vietnam by certain measurer, showcasing how social media and commerce have converged.

Content Trends - Short Video, Livestreams, and Influencers: The types of content that resonate with Vietnamese digital audiences have evolved significantly. **Short-form video** is now the dominant content format for engagement. Whether on TikTok, Facebook (Reels), or YouTube (Shorts), Vietnamese consumers – especially Gen Z and young millennials – spend a huge amount of time watching snackable videos. Brands have adapted by creating bite-sized, visually rich content. Marketing campaigns increasingly feature 15–60 second videos optimized for vertical mobile screens, often with trending music or memes to catch viewers' attention. The appeal of short videos lies in their entertainment value and shareability; they enable dynamic storytelling that static posts or text ads cannot match. Surveys indicate that short-form video content generates some of the highest engagement rates online in Vietnam, often above 15% engagement in campaigns that execute it well. For example, brands launching hashtag challenges or viral video ads on TikTok have seen massive reach. The success of content like the viral "#GuCungDuoc" TikTok challenge (by a local milk brand) in garnering millions of views reflects this trend.

Alongside short videos, **livestreaming** has become a cornerstone of digital marketing and commerce. Vietnam is at the forefront of the live commerce boom, following China's example. Livestream sessions on Facebook or e-commerce apps allow sellers to demonstrate products in real-time and interact with viewers, often leading to instant purchases. Many businesses, from cosmetic sellers to fashion boutiques, host weekly live sales on Facebook Live or TikTok Live. These sessions blend entertainment with shopping (true "shoppertainment"). They are extremely popular – by some industry estimates, live-stream shopping now accounts for a significant portion of online sales in Vietnam, with conversion rates during livestreams reported above 4% on average. A 2022 study by the Mobile Marketing Association found that **social commerce** (commerce via social media and chat) is the fourth most popular e-commerce channel for Vietnamese consumers, with Facebook being the primary platform (used by 94% of social buyers) followed by Zalo (49%). This underscores how social media content and commerce are intertwined. For marketers, livestreaming offers a highly engaging format: viewers can ask questions and get immediate responses, fostering trust and urgency. Big online shopping festivals in Vietnam (like 11/11 or 12/12 sales) often feature hours-long livestream events with influencers showcasing deals, attracting tens of thousands of concurrent viewers.

Influencer marketing has matured and become nearly ubiquitous in Vietnam's digital strategies. Early on, celebrity endorsements were common, but now brands are shifting toward micro-influencers and even "nano-influencers" who have smaller (but devoted) follower communities. These influencers, often on Instagram, Facebook, or TikTok, are seen as more authentic and relatable, which appeals to younger consumers. According to a 2024 survey of Vietnamese businesses, 97% found influencer marketing effective and 58% planned to increase budgets for it. Influencers drive trends in beauty, fashion, food, travel, and more. For example, a tech retail chain in Vietnam collaborated with popular YouTube vloggers for gadget review videos that garnered millions of views, directly boosting product inquiries. Likewise, local SMBs like online bakeries or apparel shops often rely on influencer shout-outs to gain traction. Vietnamese consumers do respond: a survey in 2018 already found 43% of young adults had purchased a product due to an influencer's recommendation, and that influence has likely grown with TikTok's rise. Influencers also dominate TikTok Shop promotions – many products go viral and sell out after being featured by trending TikTok creators. The **nature of influencer content** is evolving: it's not only about sponsored posts, but also co-creating content, brand ambassadors doing live Q&A sessions, and influencers launching their own product lines (collaborative marketing). As audiences become more discerning, transparency is key; influencers in Vietnam now often tag posts as advertising and are encouraged to be forthright, as hidden sponsorships have led to skepticism (see **Consumer Trust** under challenges).

To illustrate the impact of these trends, consider a **real case**: Vietnamese fashion retailer *Yody* embraced TikTok by producing entertaining live-streams and short videos. Within a few months of launching on TikTok Shop, Yody amassed over 90,000 followers and saw a substantial increase in online sales. By engaging young consumers through influencer-hosted live sessions and creative clips, Yody tapped into TikTok's algorithm to reach millions. Another example is *Dutch Lady* (a dairy brand), which used TikTok Live streams focusing on parenting tips and product education; this strategy reportedly boosted their online sales by 25% in six months and significantly raised brand awareness among younger parents. These cases underscore that brands which adapt to new content formats and platforms can unlock impressive growth in Vietnam's market.

Data-Driven Marketing and AI Adoption: As Vietnamese firms progress in digital marketing, there is a growing emphasis on data and automation. More companies are beginning to use **analytics tools** to inform decisions e.g. tracking website traffic, social media metrics, and conversion funnels. Adoption of tools like Google Analytics, Facebook Business Manager, and CRM systems is rising, especially among medium-to-large enterprises. That said, a gap remains: many SMEs still operate without clear KPIs or use only "vanity metrics" like likes or views to gauge success. The more digitally mature firms are implementing advanced **attribution models** (multi-touch attribution, etc.) and dashboards to directly tie marketing spend to outcomes like sales leads or revenue. This reflects an understanding that measuring ROI is crucial to optimize campaigns and justify higher digital budgets (an area of weakness historically).

Artificial Intelligence (AI) and marketing automation have also entered the scene. Vietnamese businesses, including retailers and banks, are deploying **AI chatbots** on websites and Facebook Messenger to handle customer inquiries 24/7. Chatbots in Vietnam (often powered by NLP engines or services like FPT.AI) are used in sectors from e-commerce (answering product questions) to banking (handling basic customer service). They help reduce response times and operational costs. Additionally, programmatic advertising – using AI-driven algorithms to buy ads in real time – is increasingly utilized by brands seeking efficiency in digital ad placements. Major brands and agencies in Vietnam use programmatic ad platforms (DSPs) to optimize their online ad buying across multiple sites and apps, which has contributed to rapid growth in digital ad spend. Indeed, digital advertising in Vietnam is growing at ~14% CAGR and is expected to nearly double from $1.3 billion in 2024 to $2.88 billion by 2030. This expansion is largely fueled by AI-enhanced targeting (such as lookalike audiences on Facebook, or AI recommendations on e-commerce sites). **Personalization** is another emerging focus: e-commerce players like Tiki or Shopee use AI recommendation engines to personalize product suggestions for users, and brands employ personalized email marketing based on user data. Vietnamese marketers are also exploring new frontiers like **voice search optimization** (especially as voice assistants become common) and leveraging big data for customer segmentation. For example, telecom companies analyze mobile usage data to help segment audiences for targeted marketing campaigns by other brands (with appropriate privacy safeguards).

In summary, the trend in Vietnam is that **digital marketing practices are rapidly catching up to global best practices**, albeit with a slight lag. Within just a few years, Vietnamese firms have gone from basic Facebook posts to sophisticated multi-platform campaigns featuring influencers, interactive live content, and AI-driven targeting. The marketing playbook in Vietnam now includes: engaging short videos, viral challenges, influencer collaborations, social commerce integration, and continuous experimentation with new features (like Facebook Stories, Zalo mini-apps, or AR filters on Instagram). Marketers are trying to build omnichannel presences – combining online ads with offline experiences – as consumer journeys span both worlds. A notable aspect is how *youth-driven* these trends are: Vietnam's median age is around 32, and over half the population is under 35. This young cohort is highly receptive to digital media and sets the pace for trends (e.g. the TikTok culture). As such, brands targeting Vietnam's market have had to adopt a **"digital-first" mindset**, often launching campaigns on social media before traditional channels, and co-creating culture with consumers online. The momentum of these trends is strong, but realizing their full potential faces some challenges, as discussed next.

4.2 Challenges in Vietnam's Digital Marketing Transformation

Despite the vibrant growth of digital marketing in Vietnam, businesses face several **key challenges** that can hinder transformation efforts. These challenges are common in emerging markets but manifest in specific ways in Vietnam's context:

(1) Digital Skills Gap: One of the most persistent issues is the shortage of skilled digital marketing professionals and talent. Many marketing teams in Vietnam lack expertise in specialized areas such as data analytics, SEO/SEM, programmatic ad buying, content strategy, and marketing automation. Traditionally, marketing education in Vietnam focused on general marketing or traditional advertising, resulting in a talent pool that is still catching up on digital competencies. Universities and vocational institutions have been **slow to update curricula** to industry needs. As a result, companies often cannot find candidates proficient in, say, optimizing Google AdWords campaigns or running A/B tests on website UI. This skills gap forces brands to rely heavily on external agencies or freelancers for execution. SMEs in particular suffer, as they may not afford top agency services and end up with under-trained staff running their digital channels. The gap is evident even in areas like analytics – a global survey noted that emerging-market firms (including Vietnam's) recognize data analysis is critical but report it as an under-resourced function. The lack of skilled personnel leads to suboptimal campaign performance and slower adoption of new tools. For example, a business might collect online customer data but not have the know-how to analyze it for insights, or might set up social media pages but not effectively manage content and user engagement. Closing this talent gap is crucial for Vietnam's sustained digital marketing growth.

(2) Regulatory Uncertainty and Compliance: Vietnam's digital regulatory landscape is evolving, which creates uncertainty for companies trying to navigate compliance. A prime example is the new **Personal Data Protection Decree (No.13/2023/ND-CP)** that came into effect in 2023. Modeled partly on the EU's GDPR, it imposes stricter rules on collecting and processing user data – requiring explicit user consent, data protection impact assessments (DPIAs) for high-risk processing, limitations on cross-border data transfers, etc. While this law is an important step for consumer privacy, many businesses, especially SMEs, find it **burdensome** and confusing. Compliance demands legal and technical expertise that smaller firms lack. Companies struggle with mapping their data flows and implementing safeguards (encryption, anonymization) without clear guidelines or affordable services. For instance, the decree expects some firms to appoint Data Protection Officers and maintain detailed processing records, which is daunting for a 20-person company. As of 2024, enforcement mechanisms were still being clarified – uncertainty about penalties and how strictly rules will be enforced has led to a cautious approach by some businesses (e.g. cutting back on personalized marketing to avoid violation. In addition, there are pending regulations on content, cybersecurity, and taxation of digital services that add to the compliance puzzle. The net effect is that firms feel **regulatory risk**: a worry that a new rule or an algorithm change might suddenly disrupt their strategy. Even foreign tech platforms in Vietnam face regulatory challenges (e.g. requirements to store data locally or remove certain content quickly as per media laws). Navigating advertising regulations – such as Vietnam's strict rules against misleading ads or sensitive content – is also a challenge, especially in industries like pharmaceuticals or finance which have specific ad decree (e.g. Decree 181 and Decree 70 regulating content and cross-border ads). Overall, while Vietnam is improving its legal framework for the digital economy, the transition period creates compliance costs and uncertainties that disproportionately strain smaller businesses.

(3) Over-Dependence on Major Platforms: Vietnamese businesses are heavily dependent on a few big tech platforms for reaching customers. As noted, Facebook, Google (YouTube), TikTok, and Zalo dominate the digital advertising and marketing space. This **platform dependency** poses risks. Algorithm changes or policy shifts by these platforms can significantly impact business outcomes. For example, in late 2021 Facebook made algorithm tweaks that de-emphasized content from business pages, which many SMEs rely on instead of paying for ads – some reported sharp drops in reach, hurting their sales. Rising advertising costs on these platforms are another concern; as more businesses compete on Facebook and Google, cost-per-click and cost-per-impression have risen, which can squeeze the ROI for smaller advertisers. Moreover, companies have limited control – a sudden account suspension or a new platform rule (for instance, TikTok tightening regulations on certain product promotions) can derail marketing efforts overnight. There have been cases where SMEs had their Facebook pages hacked or banned with little recourse, essentially losing their primary sales channel. Many small businesses also do not develop their **owned media** (like a dedicated website or email list) and thus entirely "rent" their audience on social platforms. This lack of data ownership and over-reliance on third-party ecosystems is risky. Industry experts encourage Vietnamese brands to diversify – e.g. also invest in content on search engines (SEO for Google), maintain a website or online store, and use multiple social networks – to mitigate the impact if one channel underperforms. This diversification is happening gradually; for instance, some brands that started only on Facebook are now also building presence on Zalo or experimenting with newer apps like Lotus (a Vietnamese social app). But overall, platform dependency remains high. As one anecdote, many micro-entrepreneurs in Vietnam run businesses purely through **Facebook Groups or Zalo chats** – if those platforms experience downtime or policy changes, their business grinds to a halt. Platform companies also control key analytics; changes like Apple's iOS privacy updates or Google's plan to phase out third-party cookies influence how effectively businesses can target ads or measure campaigns, often requiring them to adapt quickly or lose effectiveness.

(4) Consumer Trust and Ad Fatigue: Vietnamese digital consumers are becoming more sophisticated – and skeptical – in their online interactions with brands. On one hand, they are inundated with online ads: social feeds full of sponsored posts, YouTube videos with pre-roll ads, etc. Over time this has led to **ad fatigue**. Many users increasingly ignore or actively avoid ads, especially if they perceive them as low-quality or irrelevant. A flood of poorly targeted ads (for example, generic mass advertising on Facebook) has made some consumers tune out marketing messages. Trust is another critical issue. There have been instances of scams, counterfeit products, and misleading claims in Vietnam's e-commerce and online ad space (common in a fast-growing market). This has made consumers more wary of digital advertising. Concerns about **data misuse** – such as personal data being collected without consent or sold – also affect trust, especially after some high-profile data breach stories in Southeast Asia. A cited research note in 2023 observed that Vietnamese consumers worry about click fraud and fake online reviews, particularly in sectors like e-commerce and fintech where money is involved. If users do not trust the advertisements they see, marketing effectiveness drops. For example, a user might see a Facebook ad for a product but doubt its legitimacy and skip it, or be reluctant to click on a promotional link fearing it could be spam or phishing. **Influencer marketing challenges** are emerging here too: as brands heavily deploy influencers, audiences have started to question the authenticity of some influencers' recommendations, especially if every post is sponsored. By 2025, many Vietnamese social media users are aware that influencers are paid to promote products and thus take their endorsements with a grain of salt. If an influencer doesn't disclose sponsorship or promotes too many products, followers may lose trust – undermining the very value of influencer marketing. All these factors mean marketers must work harder to create genuine, high-value content that resonates and to maintain transparency to build consumer trust. Without that, the digital marketing boom could face a backlash of disinterested or distrustful consumers.

(5) Measuring ROI and Analytics Limitations: Achieving and demonstrating **return on investment (ROI)** for digital marketing remains a pain point for many Vietnamese businesses. As earlier noted, a lot of companies (especially SMEs) do not have robust measurement frameworks. They often gauge campaign success by surface metrics like Facebook likes, views, or website traffic, which do not directly translate to business outcomes. This can lead to misallocation of budgets – for instance, continuing to pour money into a social media campaign that generates buzz but not sales. The issue is compounded by a lack of skilled analysts and tools (as part of the skills gap). Moreover, the multi-channel nature of consumer behavior makes attribution complex; a customer might see an ad on Instagram, read reviews on a forum, and then purchase on a website – determining which touchpoint drove the conversion can be challenging without advanced analytics. In Vietnam, many firms still rely on last-click attribution or have no attribution model at all. This hinders optimization. If a CEO or marketing manager cannot see clear ROI, they may be reluctant to increase budgets for digital marketing, keeping investment levels suboptimal. Indeed, surveys show some Vietnamese firms remain conservative in digital spend as they are unsure about results. On the flip side, some startups and e-commerce players invest heavily in digital customer acquisition but face high customer acquisition costs (CAC) and eventual diminishing returns if they don't leverage data to refine targeting. Improving analytics – via implementing proper dashboards, conversion tracking (pixels, SDKs), and training staff in Google/Facebook Analytics – is therefore a crucial need. This challenge is recognized: industry associations have been urging more education on metrics beyond vanity numbers. Slowly, larger Vietnamese companies are adopting **marketing performance dashboards** aligned with sales KPIs, and experimenting with marketing mix modeling to attribute revenue to digital channels. But for the broader market, the ROI question is still a hurdle to be overcome for digital marketing to fully mature.

(6) Urban–Rural Digital Divide: While internet access has spread, there remains a notable gap in digital adoption between Vietnam's urban centers and its rural areas. Digital marketing activity is heavily concentrated in cities like Ho Chi Minh City, Hanoi, and Danang. Consumers in these metros have higher smartphone penetration, more reliable high-speed internet, and are more accustomed to online shopping and services. In contrast, more remote provinces have lower digital literacy and less engagement with advanced online services. Rural users may use Zalo to chat and Facebook to browse news, but they might be less exposed to or trusting of e-commerce and digital ads, partly due to language and content not being tailored to them. National marketing campaigns often overlook local languages (dialects of ethnic minorities) or cultural nuances of rural communities. As a result, the impact of digital marketing skews toward the urban populace. This is a challenge for inclusive growth – if rural SMEs or consumers aren't equally integrated, they could be left behind. However, it's also an opportunity: bridging this divide could unlock a large untapped market. Brands that invest in **localization** – e.g. creating content in local dialects, addressing rural consumer needs (like agricultural e-commerce, regional products), and leveraging channels prevalent in rural areas (maybe Facebook groups or local radio plus online) – can gain first-mover advantages. The government's expansion of digital infrastructure and digital literacy campaigns is aiming to reduce this gap. For instance, initiatives to promote cashless payments and e-government services in provinces also acclimate more people to the digital ecosystem. Over time, the rural segment is expected to come online in greater force. But at present, marketers must recognize the divide: strategies successful in Saigon may not yet work in a Mekong Delta village without adaptation.

In summary, Vietnam's digital marketing rise is tempered by challenges that are both **structural** (skills, measurement, infrastructure outside cities) and **strategic** (over-reliance on certain platforms, consumer trust issues, navigating new laws). These challenges do not negate the overall positive trajectory but are important hurdles that stakeholders need to address to ensure sustainable digital transformation. The next section will discuss how some of the enabling factors in Vietnam are helping mitigate these issues, and what more can be done.

4.3 Enabling Factors Driving Digital Marketing Transformation in Vietnam

Despite the challenges outlined, several **enabling factors** have fueled Vietnam's digital marketing transformation and offer a supportive foundation for continued progress:

(1) Young, Digital-Savvy Population: Vietnam's demographic profile is a fundamental driver. With a median age in the early 30s and over 50% of citizens under 35, the consumer base is inherently more receptive to digital media and technology. This large cohort of **digitally native youth**

has essentially grown up with the internet and smartphones. Their lifestyles revolve around social networks, instant messaging, online entertainment, and increasingly, online shopping. They are quick to adopt new apps (e.g. TikTok's rapid uptake was largely youth-driven) and set trends that older groups often follow. This youthful energy creates a fertile ground for digital marketing innovations: companies can experiment with edgy content, new platforms, and viral marketing knowing a critical mass of the audience is ready and willing to engage. Moreover, younger consumers in Vietnam often act as digital ambassadors in their families – for example, a teenager might teach their parents how to use a shopping app or encourage them to follow brand pages for promotions. Thus, the youth not only form a lucrative market segment on their own, but also help pull other segments into the digital realm. The high levels of social media engagement (the average Vietnamese internet user spends over 2.5 hours on social media per day, according to DataReportal) and enthusiasm for trends like influencer culture are a direct result of this demographic advantage. For marketers, the implication is a large audience eager for digital content – a powerful enabler that is less present in aging societies.

(2) Expanding Digital Infrastructure: Vietnam's continual improvements in ICT infrastructure have significantly enabled digital marketing growth. As mentioned, near-universal mobile network coverage (99%+ of localities) and affordable mobile data plans make internet access widespread. The country has also seen rapid rollout of fiber broadband in urban areas, improving the quality of connection (Vietnam's average mobile internet speed reached ~146 Mbps in 2025, a substantial increase). The introduction of 5G (26% coverage as of 2025) promises even faster, lower-latency connectivity for rich media content and IoT-driven marketing experiences. This robust infrastructure means that advanced digital marketing techniques high-definition video ads, AR/VR experiences, live video streaming – can be delivered smoothly to consumers, which might not be the case in emerging markets with bandwidth constraints. Additionally, Vietnam's fintech and payments infrastructure has grown: the proliferation of cashless payment options (mobile wallets like MoMo, ZaloPay, VNPay QR, etc.) and a supportive fintech environment have built trust in online transactions. By 2023, roughly 60% of Vietnamese adults had made digital payments, indicating that e-commerce and by extension digital marketing calls-to-action (e.g. "buy now" buttons) have fewer frictions. Logistics networks for e-commerce have also expanded (fast delivery even to rural areas in many cases), making online marketing conversions (purchases) more feasible. The government reports that in 2022, IT industry revenue (including telecom) hit 2.77 quadrillion VND (~$105 billion), reflecting the scale of the digital infrastructure sector. Importantly, high infrastructure penetration levels level the playing field for smaller towns to come online. For example, a local artisan in a rural province can now sell nationwide via Facebook or Shopee, something only possible because the buyers and sellers are well connected through mobile internet. Infrastructure is thus a key enabler turning the potential reach of digital marketing into reality.

(3) Proactive Government Policies and Support: The Vietnamese government's commitment to digital transformation has been an enabling backdrop for businesses. The National Digital Transformation Program and related policies (Resolution 52-NQ/TW 2019, etc.) set clear goals and signal long-term support. Importantly, the government recognizes that **SMEs need support** in this journey. Initiatives have been introduced to reduce barriers: for example, the Ministry of Planning and Investment's **SMEdx program** offers SMEs free access to certain digital platforms (accounting software, e-commerce storefronts, etc.) on a trial basis, to encourage adoption. There are also training programs and workshops frequently held in collaboration with tech companies to educate small business owners on digital marketing skills. Financial support is emerging too – Decree 80/2021, for instance, includes provisions for funding SMEs in technology innovation. As cited earlier, policymakers are pursuing strategies such as providing grants for e-commerce adoption and subsidizing cloud services for small enterprises. Tax incentives exist for the tech sector, and the draft policies aim to extend some benefits to companies investing in digitalization (like accelerated depreciation on tech equipment). Furthermore, the government's push for **e-government and digital society** indirectly boosts digital marketing: when citizens get used to doing things online (like applying for licenses or paying utility bills on e-portals), their trust and familiarity with digital services increases, which carries over to comfort with e-commerce and online brand interactions. The authorities have also been modernizing legal frameworks (albeit causing short-term uncertainty as noted, but in the long run a clearer legal environment is an enabler). For example, establishing a Data Protection Office and issuing official guidance for data laws (as recommended). would enhance trust for consumers and provide clarity for businesses, ultimately supporting sustained digital growth. Vietnam's government actively celebrates progress (Digital Transformation Day, tech innovation awards) which helps maintain momentum and public-private collaboration. The leadership has made it clear that digital transformation is tied to economic development goals, which means continued infrastructure investment, education reform for digital skills, and perhaps more incentives for innovation can be expected – all of which enable more advanced digital marketing activities in the future.

(4) Thriving Digital Ecosystem and Innovation Culture: An emerging enabler is the rise of Vietnam's startup and innovation ecosystem, particularly in tech and digital services. Ho Chi Minh City and Hanoi now host numerous startups in e-commerce, fintech, marketing tech (MarTech), and software solutions. Local companies are developing tools tailored to the Vietnamese market – for instance, Appota and CleverAds provide local digital advertising platforms and services, Zalo offers APIs for businesses, and various Vietnamese SaaS startups are delivering affordable CRM, social listening, or email marketing tools. This homegrown ecosystem means businesses have more **accessible solutions** for digital marketing needs (often at lower cost than global enterprise software). The presence of global players' local offices (Google, Facebook, TikTok have local teams or partners in Vietnam) also means better support and localization for Vietnamese advertisers. The tech startup scene has cultivated an innovation-friendly mindset among young professionals – marketers in Vietnam are increasingly willing to try new tactics, pilot new tech (like AR filters for a campaign or chatbot commerce), because the environment encourages experimentation. The competitive e-commerce sector, led by companies like Shopee, Tiki, and Lazada, also pushes the envelope with big marketing spends and creative campaigns (e.g. Shopee's in-app games and interactive ads), effectively raising the bar and inspiring others. Another aspect of the ecosystem is the influencer economy: Vietnam has a large pool of content creators and micro-entrepreneurs using digital platforms to make a living (YouTubers, TikTokers, live sellers). This provides a readily available network of partners for brand marketing – an enabling resource that did not exist a decade ago. The fact that 40% of online shoppers in Vietnam are influenced by social media personalities exemplifies how the vibrant creator community drives marketing effectiveness. In short, Vietnam's digital ecosystem – from startups to content creators – feeds into itself, producing more tools, more creative ideas, and more success stories that encourage further adoption of digital marketing among businesses.

(5) Cultural Adaptability and Learning from Global Markets: Vietnamese businesses and consumers have shown a high degree of adaptability in learning from international trends and tailoring them locally. For instance, seeing the success of livestream commerce in China, Vietnamese sellers quickly adopted similar practices on Facebook Live and local platforms. The concept of "influencer" marketing was embraced and localized – today Vietnam has its own set of influential YouTubers, Instagrammers, and TikTokers across niches, some of whom rival traditional celebrities in fame among youths. This cultural openness to new ideas acts as an enabler because there is less resistance to change. Marketers in Vietnam often pay attention to what's happening in more developed markets (US, China, S. Korea) and fast-follow those strategies, shortening the innovation lag. For example, when AI-driven chatbots became popular globally, Vietnamese banks like TPBank rolled out AI virtual assistants for customers relatively early. During the COVID-19 pandemic, many brick-and-mortar Vietnamese businesses pivoted to online and social commerce with impressive agility – from mom-and-pop shops doing Facebook Live sales to major retailers building e-commerce sites within months. Such responsiveness is an enabling trait that has helped Vietnam's digital marketing ecosystem not stagnate but continually evolve. Additionally, **consumer culture** in Vietnam highly values social connections and word-of-mouth, which translates well into social media marketing. Vietnamese consumers naturally share product recommendations and reviews in their networks (the modern form of word-of-mouth), amplifying digital marketing efforts with organic advocacy when brands deliver good experiences. This cultural propensity to communicate and share online bolsters the reach of digital campaigns beyond paid media.

In summary, Vietnam's journey of digital marketing transformation is propelled by a confluence of favorable factors: a youthful consumer base eager for online content, ever-improving infrastructure making digital access ubiquitous, government vision and initiatives for a digital economy, a burgeoning ecosystem of tech innovation and creative talent, and a culture that is quick to adapt and share. These enablers have helped Vietnam leap ahead in many respects – it's telling that Vietnam is often cited as one of the top countries globally in terms of social media usage and e-commerce growth rates. For businesses and policymakers, the key will be to continue leveraging these strengths while addressing the aforementioned challenges. The next section will delve into precisely that, discussing the implications of our findings and offering recommendations for various stakeholders to ensure Vietnam's digital marketing transformation is successful and sustainable.

5. Discussion: Implications for Businesses, Marketers, and Policymakers

The analysis of Vietnam's digital marketing transformation carries several important **implications** for different stakeholder groups. In this section, we discuss what the findings mean for (a) business enterprises operating in Vietnam, (b) marketing professionals and agencies, and (c) policymakers and regulators. While the context is Vietnam, many of these implications resonate with other emerging economies undergoing similar shifts.

5.1 Implications for Businesses (Brands and Enterprises)

Customer-Centric and Localized Strategies: Businesses in Vietnam must recognize that digital consumers here have unique behaviors and preferences shaped by local culture, language, and demographics. A one-size-fits-all or imported marketing strategy may fall flat. Companies should invest in understanding **local consumer insights** – conducting market research that segments audiences by region, age, lifestyle, etc., to tailor campaigns accordingly. For example, urban Gen Z shoppers in Hanoi might respond to a trendy meme-based ad, whereas middle-aged consumers in the Mekong Delta might prefer a Facebook video in Vietnamese with a conversational tone. Successful brands often conduct social listening and employ focus groups in different cities to grasp local sentiment. The implication is to avoid assuming what works in one market (or one part of Vietnam) will automatically work elsewhere; instead, use data and research to personalize marketing content. Given Vietnam's diversity (urban/rural, Kinh majority and various minorities, northern vs. southern dialects, etc.), **localized content** (such as ads in local dialects, region-specific testimonials, or culturally relevant themes) can significantly improve resonance. This extends to product offerings and campaign timing as well – for instance, leveraging local holidays and social events (like Tet Lunar New Year or the Mid-Autumn Festival) in digital campaigns can deepen engagement.

Mobile-First and Omnichannel Experience: With smartphones as the primary screen for Vietnamese consumers, businesses need to adopt a **mobile-first mindset** in all digital marketing efforts. This means ensuring websites are mobile-optimized, content is designed for vertical/scrolling consumption, and interactions are thumb-friendly. As noted, over 84% of web traffic comes from mobile devices, and many users access brand info through social apps rather than a desktop browser. Brands should prioritize formats like vertical video, mobile-friendly infographics, and instant messaging communication (e.g., having an active Zalo Business account or Facebook Messenger chatbot to respond to inquiries). Fast load times and light data usage are also considerations to keep users from dropping off. Additionally, Vietnamese consumers increasingly **hop between channels** – they might discover a brand on Facebook, visit a physical store to see the product, then order it on an e-commerce app, and later follow up via Zalo for customer service. Hence, businesses must strive for an **omnichannel presence** where online and offline channels are integrated. Aligning messaging and customer experience across social media, marketplaces, websites, and physical outlets is vital for a seamless journey. For example, a promotion announced on a brand's Facebook page should be easily redeemable on its Shopee store or in-store via a QR code. Companies like The Coffee House (a Vietnamese café chain) excel in this by linking their mobile app, social media promotions, and in-café experiences. The implication is that siloed marketing channels are ineffective – businesses should build a unified view of the customer and ensure consistency, as Vietnamese consumers themselves no longer distinguish between online and offline interactions in their path to purchase.

Diversification and Digital Resilience: Given the earlier discussion on platform dependency risks, an important strategy for businesses is to **diversify their digital touchpoints**. This doesn't mean abandoning major platforms (which are indispensable for reach), but rather not putting all eggs in one basket. Businesses should cultivate **owned media** assets – e.g., a robust website or e-commerce site, email/SMS lists, loyalty apps – where they have full control and direct access to customers. Owned channels allow collection of first-party data and insulation from platform algorithm changes. In fact, with third-party cookies on the way out, first-party data strategies (like encouraging users to sign up for an account/newsletter in exchange for rewards) will become a competitive advantage. At the same time, exploring local or niche platforms can yield benefits. For instance, some brands find that advertising on Zalo (which has an older demographic reach) or collaborating on local forum communities (like webtretho for parenting) can tap segments that are less saturated by competitors. The key implication is to build **digital resilience**: be present and active on multiple channels so that if one channel faces issues (say, Facebook's ads become too expensive or TikTok faces regulatory scrutiny), the business can pivot without losing all digital traction. An audit of digital dependency could be useful – e.g., if 90% of leads are coming from one source, it's time to diversify that mix.

Emphasis on Data, Measurement, and ROI: Businesses should strengthen their internal capabilities in data-driven marketing to address the measurement challenges identified. This means setting up proper KPI frameworks and using analytics to inform decisions. If not already in place, companies should implement **conversion tracking** (Facebook Pixel, Google Analytics GA4, e-commerce analytics) to map the customer journey from impression to purchase. Training marketing staff in utilizing these tools or hiring data analysts can pay off in more efficient campaigns. Even simple steps like monitoring cost-per-conversion instead of cost-per-click, or analyzing which creative assets lead to higher engagement, can improve ROI over time. The discussion in Section 4 suggests many Vietnamese businesses still fall back on vanity metrics; shifting focus to metrics tied to business outcomes (sales, sign-ups, retention) is imperative. Adopting **attribution models** (multi-touch, first/last click comparisons) and experimenting with A/B testing for campaigns will yield insights on what truly works. Moreover, an investment in **marketing automation** tools (many available as affordable cloud services) can help nurture leads and customers systematically – for example, automatically sending follow-up offers to someone who abandoned a cart, or segmenting email campaigns by customer behavior. Businesses that build a strong data culture can not only optimize current marketing spending but also justify increased budgets to scale successful efforts, something that may differentiate them from competitors who are hesitating due to unclear ROI.

Building Trust and Authentic Engagement: The challenge of consumer trust and ad fatigue implies that businesses must double down on *authenticity* and customer relationships. Rather than a spray-and-pray approach to advertising, an implication is to focus on quality of engagement. Tactically, this could involve creating more **educational or value-adding content** (not just promotional) to earn consumers' attention and trust. For example, a cosmetics brand might publish skin care tips and respond to user questions in comments, rather than only pushing product ads. Transparency is key: clearly disclose sponsored content and ensure influencers follow ethical guidelines (as consumers will appreciate honesty). Many Vietnamese consumers are savvy – they will fact-check claims, read reviews, and discuss in online forums (like Tinhte or Voz for tech products). Businesses should thus maintain an active social listening and PR presence to address concerns and correct misinformation promptly, which helps build credibility. Encouraging **user-generated content** and reviews can also foster trust; Vietnamese shoppers often rely on peer reviews, so brands can facilitate this by featuring customer testimonials or creating communities (e.g., a brand-run Facebook Group for users to share experiences). Companies should also pay attention to **customer service on digital channels** – quick, helpful responses on Facebook or Zalo when a customer inquires or complains can turn a potentially negative experience into a positive one, signaling that the brand is reliable and cares. In short, the implication is to treat digital marketing not just as advertising, but as a two-way relationship-building channel. Those brands that cultivate a loyal community (through engaging content, responsive communication, and consistent delivery on promises) will stand out in an increasingly crowded digital marketplace.

5.2 Implications for Marketers and Agencies

Talent Development and Upskilling: The acute digital skills gap in Vietnam means that marketers and agencies should invest heavily in **training and talent development**. For agencies, there is an opportunity (and need) to lead in upskilling the workforce. Agencies can set up internal training programs, regular workshops, and certifications for their staff on the latest tools – e.g., programmatic ad platforms, SEO techniques, data analytics, AI applications in marketing. Collaboration with educational institutions is also beneficial: agencies can partner with universities or online course providers to shape curriculum and offer internships, ensuring a pipeline of job-ready graduates with relevant digital marketing skills. Marketers in brand teams should pursue continuous learning through certifications (Google Ads, Facebook Blueprint, etc.) and keep abreast of industry trends (via webinars, marketing conferences, or Vietnamese marketing communities like AIM Academy or Digital Marketing Vietnam group). As Vietnam integrates further with global markets, English proficiency and understanding of global best practices also become important for local marketers – agencies might encourage language training and attendance at international forums. The bottom line is that the marketing field is evolving fast; those professionals and firms that proactively upgrade their skills will be better positioned to deliver innovative, effective campaigns and fill the market demand for advanced expertise. Agencies specifically could turn talent development into a competitive advantage: the agency known for its highly skilled experts in, say, AI-driven marketing or e-commerce optimization will attract top clients.

Value-Based and Performance-Oriented Services: Vietnamese clients are becoming more ROI-focused and demanding transparency in marketing outcomes. Agencies should adapt by offering **performance-driven models** in their services and pricing. Instead of the traditional fixed retainer that covers a broad scope, agencies might provide options such as cost-per-acquisition (CPA) or return-on-ad-spend (ROAS) based compensation for certain campaigns. This aligns the agency's incentives with the client's business results and builds greater trust. Already, some digital agencies in Vietnam have started to differentiate by specializing in performance marketing (e.g., running conversion-optimized campaigns with measurable sales outcomes). Additionally, agencies can offer more **advanced analytics and reporting** as part of their service – for instance, monthly dashboards linking marketing metrics to client KPIs, or consulting on setting up clients' data infrastructure. By demonstrating clear value and being willing to share risk/reward, agencies can strengthen client relationships (especially with clients who are cautious about increasing digital spend). For in-house marketers, adopting a performance mindset means pushing for clarity in goals from the outset of campaigns, and using data to iterate quickly. The culture should shift to one of experimentation with accountability: try new ideas on a small scale, measure results, scale up if effective (and kill if not). When marketers show management a direct link between campaign efforts and improved metrics (like lead volume or revenue), it not only justifies their strategies but elevates the marketing function as a key driver of business growth in the eyes of company leadership.

Advisory Role in Compliance and Best Practices: With the regulatory environment tightening (data protection, advertising standards), agencies and marketing experts should step up as **advisors for compliance**. Many businesses, particularly SMEs, will look to their marketing partners for guidance on how to legally and ethically conduct digital campaigns under new rules. Agencies should thus build knowledge and perhaps dedicated expertise in areas like data privacy compliance, ad content regulations, and platform policies. For example, an agency could help a client implement proper consent mechanisms for user data on their website to comply with Decree 13, or advise an influencer on correctly disclosing sponsored posts to avoid consumer backlash. Some larger agencies might even offer services like Data Protection Impact Assessment support or act as an intermediary for getting platforms like Facebook or TikTok verified for running ads in Vietnam's regulated sectors. Providing such consultative support not only adds value for clients but also mitigates the risk of campaigns being interrupted by legal issues. Essentially, marketers should not treat compliance as someone else's problem – it needs to be integrated into campaign planning (e.g., checking if a promotion might violate any advertising law, ensuring contest terms are legally sound, obtaining rights for user-generated content reuse, etc.). By proactively managing these aspects, agencies and marketing departments can prevent costly pitfalls and position themselves as trustworthy, professional operators in Vietnam's digital market.

Creativity and Authentic Storytelling: In the face of increasing ad fatigue, marketers must elevate creativity and authenticity in campaign execution. This is a more **intangible implication** but critical: as programmatic and AI handle more of the mechanical targeting, the human element of compelling storytelling becomes the differentiator. Vietnamese audiences respond well to emotional, humorous, or culturally poignant content – we see many viral campaigns in Vietnam succeed because they struck a chord (for instance, a touching web video about family during Tet by a telecom company went viral because it resonated emotionally). Marketers and agencies should strive to craft campaigns that aren't just selling but also **connecting** on a deeper level. Using narratives, influencer stories, or interactive engagements that align with Vietnamese values (community, humor, aspiration) can greatly enhance campaign effectiveness. Moreover, embracing an **"authentic voice"** is key when working with influencers or crafting brand personae. The tone and style should match the platform and audience – for example, on TikTok a light-hearted, trend-savvy voice works, whereas on LinkedIn a more professional, insight-driven voice is better. Agencies can even help train clients' spokespersons or staff in engaging effectively on social channels. Essentially, the creative bar is rising; agencies must deliver fresh ideas and avoid formulaic content. The upshot is that successful marketing teams will combine data-driven decision-making with bold creative experimentation – ensuring that content cuts through the noise and builds genuine brand affinity.

5.3 Implications for Policymakers

Balanced and Clear Regulatory Framework: Policymakers in Vietnam face the task of protecting consumers (privacy, truth-in-advertising) without stifling innovation or overburdening businesses. The implication from our findings is that **clarity and balance** in regulations are paramount. For instance, with the new data protection decree, authorities should expedite issuing detailed guidance documents and FAQs to help businesses comply. Simplified templates for privacy notices or consent forms could be provided to SMEs. The establishment of a dedicated Data Protection Office or helpdesk as mentioned would be very useful. Moreover, regulators should consider phasing enforcement with initial grace periods or warnings, focusing on egregious abuses rather than penalizing well-intentioned SMEs making good-faith efforts. Transparency in how laws will be enforced reduces business uncertainty. A balanced approach would also involve consulting industry players when drafting new rules (for example, getting input from e-commerce platforms, digital advertisers, and consumer groups on upcoming guidelines for influencer marketing disclosures). Another area is content moderation – while Vietnam rightfully wants to control harmful content online, the process for advertisers to ensure they are not running afoul of censorship or brand safety concerns should be clearly communicated (e.g., maintain and update the "white list" and "black list" of websites for ads, as MIC has started to do). Overall, policymakers should aim to create an environment where businesses feel **confident** to invest in digital initiatives, knowing the "rules of the game" are stable and fair. Predictable regulation encourages innovation and long-term planning, which will only help Vietnam's digital economy grow.

Support for SME Digitalization: The government should continue and expand support programs to ensure that SMEs – the backbone of the economy – are not left behind in digital transformation. This can include **financial incentives** like grants, subsidized software, or tax credits for adopting approved digital solutions (CRM systems, e-commerce setup, cybersecurity tools, etc.). In addition to what's already in place (e.g., some provinces have funds for tech adoption), a more comprehensive national fund or voucher system could be introduced for SME digital marketing training or services. For example, the government could partner with marketing associations to offer free or low-cost digital marketing courses to SME owners across the country. Another idea is to create a nationwide mentorship or "digital accelerator" program where large tech firms or agencies mentor small local businesses in establishing an online presence, possibly backed by government grants. **Public-private partnerships** can amplify this – telecom companies, banks, and big retailers might collaborate on initiatives to bring their SME suppliers or clients online (some banks in Vietnam have begun offering free POS or e-commerce integration for SME customers). By lowering cost and knowledge barriers, policymakers will help a broad base of SMEs compete in the digital era, which supports inclusive economic development. The findings suggested many SMEs are still early in the journey targeted interventions like digital literacy drives in rural areas or "transformation bootcamps" in each province could accelerate adoption.

Education and Workforce Development in Digital Skills: On a systemic level, the government should strengthen the education and training pipeline for digital skills. This means updating university curricula to include modern digital marketing, data analytics, and e-commerce courses (perhaps in business programs, IT programs, and communications programs alike), in cooperation with industry input. Vocational training centers can offer practical courses on social media management, digital design, or web analytics to quickly skill up graduates for entry-level roles needed by businesses and agencies. At the secondary school level, incorporating basic digital literacy and coding could prepare the next generation earlier. The government could also incentivize professionals to reskill/upskill through subsidized courses or certification fee reimbursements. Another policy lever is to encourage more **public-private collaboration in education** – for example, marketing and tech firms can be invited to contribute case studies or adjunct lecturers to public universities, ensuring content is up-to-date with real-world practices. Establishing more innovation hubs or incubators with training components in different regions would help diffuse knowledge beyond the main cities. Essentially, a skilled workforce is the foundation for sustaining digital transformation. Government initiatives like the Ministry of Science & Technology's programs and the Ministry of Labor's vocational schemes should explicitly include digital marketing as a field of focus. Over time, this will alleviate the talent crunch noted in our findings and supply businesses with competent personnel to drive their digital marketing forward.

Maintaining an Open yet Secure Digital Environment: Vietnam has benefited from global platforms and technologies being available (Facebook, Google, etc.) which has accelerated digital uptake. Policymakers should maintain an **open digital economy** that welcomes global tech investment and competition, as well as fosters local innovation. At the same time, they need to ensure security and trust – continuing efforts in cybersecurity (to reduce scams and data leaks) will bolster consumer confidence online. Initiatives like awareness campaigns on safe internet use and stricter actions against fraudulent e-commerce schemes can protect consumers, indirectly helping legitimate digital marketers as well (since trust in the overall ecosystem improves). Ensuring that regulations like data protection don't inadvertently create barriers for businesses to use necessary data (e.g., allowing flexible but safe cross-border data flows for global marketing tools) is important – a nuanced approach is needed so that security is achieved without isolating Vietnam's digital economy. Vietnam aims to be a tech hub in ASEAN; to attract international digital services and allow local firms to expand outward, a reputation for a stable, fair digital policy environment is crucial.

In summary, policymakers should act as facilitators removing roadblocks, providing support, and guiding the digital marketing revolution in a way that maximizes benefits and minimizes harms. Vietnam's government has shown strong commitment and can build on that by fine-tuning policies based on feedback and focusing on capacity-building across the board. Successful digital transformation of marketing in Vietnam will not only boost individual business competitiveness but also contribute to national goals of a robust digital economy and innovation-driven growth.

6. Conclusion

Vietnam's experience illustrates how an emerging economy can rapidly embrace digital marketing amidst opportunities and challenges. Over roughly a decade, Vietnam's business landscape has been reshaped by **digital marketing transformation** – propelled by widespread mobile internet access, vibrant social media engagement, and an eager, youthful consumer base. The country has achieved milestones such as tens of millions of social network users, a booming e-commerce sector surpassing $20 billion, and businesses integrating new marketing tactics from influencers to AI chatbots. Vietnamese firms, large and small, are increasingly viewing digital channels not as optional add-ons but as central to their marketing and growth strategies. This paper's comprehensive analysis highlighted key trends defining this transformation: the dominance of mobile and social platforms, the mainstreaming of short-form video and live-commerce content, the shift toward data-driven and personalized marketing, and the rise of an entire ecosystem (influencers, startups, agencies) to support digital engagement.

At the same time, Vietnam's case underscores that **transformation is an ongoing journey with obstacles to overcome**. We identified persistent challenges – a digital skills shortage, evolving regulatory requirements, heavy reliance on a few tech platforms, difficulties in ROI measurement, consumer trust concerns, and the urban-rural digital divide. These are not unique to Vietnam, but Vietnam's rapid growth has in some ways accentuated them (for instance, the pace of social media adoption outstripped the pace of developing formal digital marketing training, hence a talent gap). The interplay of enabling factors – strong government vision, improving infrastructure, cultural adaptability – has thus far helped mitigate some issues, but continued effort is needed to ensure the benefits of digital marketing are fully realized across the economy.

From a theoretical perspective, Vietnam's experience supports and enriches existing literature on digital transformation in emerging markets. It reaffirms models like TAM/TOE in showing that perceived benefits and organizational readiness drive adoption, while also highlighting context-specific insights: e.g., external pressures can be a double-edged sword for SMEs, and that socio-cultural elements (like the popularity of community-centric platforms) influence how digital marketing evolves. It also contributes evidence to the debate on performance impacts – suggesting that, at least anecdotally and in specific cases, digital marketing can significantly improve business outcomes (sales growth, brand visibility), but those outcomes are maximized when paired with strategic alignment and skillful execution, rather than just technology adoption per se. This reinforces the notion that **digital transformation is not merely a technical endeavor but a holistic change** involving people, processes, and mindset.

Practically, the findings yield actionable recommendations for stakeholders in Vietnam and similar markets. Businesses are encouraged to embrace data and consumer-centricity, to be agile in adopting new content formats, and to build resilience by diversifying marketing channels and investing in trust. Marketers and agencies are called to elevate their professionalism through continuous learning, performance accountability, and guiding clients in best practices and compliance. Policymakers are advised to refine policies to be clear and supportive – ensuring that the regulatory environment protects stakeholders without hampering innovation, and actively helping laggards (like traditional SMEs) to catch up through education and subsidies. If these players act on the implications discussed, Vietnam can further consolidate its position as a leading digital economy in the region, with marketing being a key driver of its dynamic commerce sector.

Limitations and Future Research: This study was based on secondary data and broad analysis; as such, it has limitations. It did not include primary empirical data collection in Vietnam (e.g. new surveys or interviews with businesses), which could provide more granular or nuanced insights. Future research could address this by conducting field studies – for instance, surveying Vietnamese SMEs on their digital marketing spend and challenges post-2025, or interviewing consumers in different demographics about how they perceive online advertising and engage with branded content. Another limitation is that given the fast-changing nature of the digital realm, some data points (user numbers, platform features, etc.) may quickly become outdated. Researchers should continuously update the knowledge base, perhaps through longitudinal studies tracking the digital marketing maturity of Vietnamese firms over time. Comparative studies would also be valuable – comparing Vietnam's digital marketing transformation with that of other emerging economies (like Indonesia, Thailand, or India) could isolate which observed patterns are broadly applicable and which are country-specific. Moreover, as technology evolves (e.g., the rise of artificial intelligence, augmented reality marketing, etc.), future research should examine how these next-generation technologies are being adopted in emerging markets and their impact on marketing effectiveness.

In conclusion, Vietnam stands as a compelling example of digital marketing transformation in an emerging economy – one that showcases both the **immense potential** unlocked when connectivity and innovation meet a receptive market, and the **critical areas** that require attention to ensure that this transformation is inclusive, strategic, and sustainable. The evidence from Vietnam offers lessons that other developing countries can heed: invest in digital infrastructure and skills, encourage businesses to experiment boldly yet responsibly, and craft policies that steer the digital revolution in a positive direction. If these lessons are applied, we can expect to see more emerging markets harness digital marketing not just as a tool for business growth, but as a catalyst for broader socio-economic development in the digital age.

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