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Trung Nguyen Coffee corporate strategy analysis using EFE matrix

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Abstract

The business environment of an enterprise is the set of factors and forces operating outside the business management function of the enterprise that affect the ability to establish and maintain relationships between the enterprise and its customers. The business environment is understood as a group of policies, institutions, physical infrastructure, human resources and geographical features that affect the performance of the various enterprises operating in it. New entry, growth, investment, business organization and the development of new industries depend on the quality of the business environment. At the firm level, the business environment can affect the cost of production, while at the industry level it can affect the structure and competitiveness of the market. These aspects will be considered in relation to key factors related to business operations such as investment, innovation, labor productivity and sales at the Trung Nguyen group as a leading coffee producer, distributor and coffee shop chain in Vietnam.

Keywords: Corporate Strategy, Matrix, Strategic Analysis, Business Environment

1. Introduction to Trung Nguyen Joint Stock Company

1.1 General overview of the company

Trung Nguyen Group is an enterprise operating in the following fields: coffee production, processing and trading; franchise; distribution services, modern retail and tourism. Trung Nguyen Coffee is one of the leading famous brands in Vietnam and is present in more than 60 countries around the world.

1.2 History of formation and development

- **1996**
On June 16, 1996, Chairman Dang Le Nguyen Vu founded Trung Nguyen in Buon Ma Thuot - the coffee capital of Vietnam, with the first capital being a bicycle with the faith and strong will of age. young people with the desire to build a famous coffee brand, spreading the taste of Vietnamese coffee around the world.
- **1998**
The establishment of the first coffee shop in Ho Chi Minh City is the first step for the formation of Trung Nguyen restaurant system in the provinces of Vietnam and countries around the world.
- **2001**
Successful franchising in Japan, Singapore. Announcement of the slogan: "Inspire Creativity" with products distilled from the best coffee beans, modern technology, unique oriental know-how that cannot be copied, and the extreme passions that have brought China to the world. Nguyen conquered consumers all over the country.
- **2003**
G7 instant coffee product was born with the event "G7 Instant Coffee Festival" at Thong Nhat Palace on November 23, 2003 which attracted thousands of participants and made an impression with the blind test. Directly choose the most preferred instant coffee product between G7 and the world's major coffee brand. As a result, 89% of people chose G7 as their favorite product.
- **2010**
Trung Nguyen coffee products are exported to more than 60 countries globally, typically the US, Canada, Russia, UK, Germany, Japan, China, ASEAN...

- **2012**
The coffee brand is the most loved by Vietnamese consumers. Trung Nguyen Coffee is the No. 1 Brand in Vietnam with the largest number of coffee consumers. There are 11 million/17 million Vietnamese households buying Trung Nguyen coffee products. Launching the Journey of Great Independence - Start-up Kien Quoc with the Festival of Creativity for Vietnamese aspiration attracting more than 50,000 participants.
- **2013**
G7 celebrates its 10th anniversary, marking 3 years of leading the market share and being the most popular. The Journey of Great Will - Kien Quoc Startup spread widely with the Creative Future contest and the 2nd Vietnam Innovation Day for Aspiration attracting 100,000 participants.
- **2016**
Celebrating 20 years of Service Journey, announcing a new Title, Vision, and Mission. Launched Trung Nguyen Legend Café – The Energy Coffee That Changes Life space, becoming the largest coffee shop chain in Southeast Asia. Donating 2 million life-changing books in the Great Journey of Lap Chi – Kien Quoc Startup for Vietnamese Youth
- **2017**
Trung Nguyen Legend officially opened a representative office in Shanghai (China), one of the world's leading commercial and financial centers. Launching E-Coffee Model: Specialty – Specialty Coffee System, Energy Coffee – Life Changing Coffee
- **2018**
Inauguration of the World Coffee Museum at the "Global Coffee Capital" Buon Ma Thuot, launching Trung Nguyen Legend energy coffee and Trung Nguyen Legend Capsule.

1.3 Vision and mission

- **Vision**
Great organization by serving the human community
- **Mission**
Building a unified human community according to a value system of mindful living to bring a true success and happiness

1.4 Core values of Trung Nguyen

Absolute faith
Community service
Humanity and financial sustainability

1.5 Meaning of logos and slogans

Brand meaning of Trung Nguyen cafe logo

Coffee product logo expresses a modern style. The three-dimensional block is embossed on the background of the signboard with the same color but different sharpness. The pyramid structure represents the desire to rise, placed on the brown background represents a solid foundation for development.

Trung Nguyen signboard uses warm colors with the main colors being red, yellow, and brown. Vibrant colors express the youthfulness and intense enthusiasm of youth. Trung Nguyen chooses brown as the main color, because it is the color of the soil, coffee, and ethnic origin.

The circle symbolizes unity and solidarity. The incomplete circle represents real life as it is: there are still flaws, gaps to fill. The circle is a creative impromptu brushstroke, like a doodle at night, bringing the quintessential, coffee-flavored

soul to life. This is a new perspective of a cup of coffee, showing that creativity is the driving force behind all actions of Trung Nguyen and its franchised store system.

Meaning slogan "Unleash Creativity"

Expressing expectations: In a cup of Trung Nguyen coffee, consumers always have many new ideas, creative ideas to create success for themselves, their families and the prosperity of the country.

1.6 Main products

Premium Trung Nguyen Coffee

- **Weasel coffee:** is a high-class weasel coffee product of Trung Nguyen, produced from completely natural weasel coffee beans, meticulously selected and specially sterilized before processing.
- **Legendee weasel coffee:** is a weasel coffee product (including Arabica coffee, Robusta coffee, Excelsa coffee) produced by biological fermentation.
- **Creation 8:** Made from the best coffee beans of Vietnam, Jamaica, Brazil, Ethiopia. Ingredients include Arabica, Robusta, Excelsa. The product has mixed water, deep color of cockroach wings, a particularly pleasant, mellow and fragrant aroma long after drinking.
- **Roasted and ground coffee:** Roasted coffee includes mixed product groups (I, S, Brown, premium blend, gourmet blend, house blend), processed (1,2,3,4,5), morning create (1,2,3,4,5), espresso, ground beans.

Group of popular roasted and ground products

- **Aspiration letter I:** a combination of four types of beans Arabica, Robusta, Excelsa, Catimor. The product has a dark brown water color, a strong aroma, and a characteristic rich taste. Suitable for people with strong coffee taste and suitable for all ways of drinking.
- **Conquer the letter S:** a combination of four types of coffee beans Arabica, Robusta, Excelsa, Catimor in a special mixing ratio. The product has a light brown color, full aroma and rich taste. Suitable for those who have a "gut" to drink strong coffee and suitable for all ways of drinking.
- **House Blend:** the product combines four types of coffee beans Arabica, Robusta, Cherry (jackfruit coffee, yellow beans, shiny and sour) and Catimor. The finished product has a light brown color, a characteristic aroma, and a caffeine content of about 1.0%.

Group of processed products 1, 2, 3, 4, 5

- **Processing filter 1:** the ingredient is Culi Robusta coffee (round beans, each fruit has only one bean of Robusta coffee). The product is mixed with dark brown cockroach wings, mild aroma, rich taste and low caffeine content.
- **Processing filter 2:** ingredients include Robusta and Arabica. The product has dark brown water, light aroma, slightly bitter taste typical of Robusta coffee.
- **Processing filter 3:** the ingredients are Arabica coffee. The product has a light brown color, the smell is very fragrant and light, the taste is smooth, the acidity is medium, so it has a slightly sour feeling.
- **Processing filter 4:** the composition includes four types of Arabica, Robusta, Catimor and Excelsa. The product has a characteristic taste, pungent aroma, mild taste and slightly sour feeling
- **Processing filter 5:** ingredients include Culi Arabica coffee (full round beans, one per pod of Arabica

coffee). The product has a characteristic aroma, mild taste with little bitterness and a dark brown color.

Group of innovative products 1, 2, 3, 4, 5

- **Creation 1:** Culi Robusta coffee (coffee with round beans, each fruit has only 1 seed), creating products with light aroma, bitter taste and black water.
- **Creation 2:** combination of Arabica and Robusta coffee. The product has a light brown color of cockroach wings. Light fragrance. Bitter taste, rich, caffeine content about 2.0%.
- **Creation 3:** Arabica coffee. The product has light brown water, fragrant, smooth taste.
- **Creation 4:** made from four types of coffee: Culi Arabica, Robusta, Excelsa, and Cartimor coffee. The product has a special taste, a durable aroma, a rich taste and a dark brown color.
- **Creation 5:** delicious Culi Arabica coffee from Lam Dong. The product has a characteristic aroma, mild taste with little bitterness and a dark brown color.

Pure coffee beans

- Arabica coffee beans
- Coffee Culi Robusta

G7 instant coffee

- G7 coffee includes 3in1, 2in1 (Iced Black), Instant Black, Strong Gu X2 (2in1 and 3in1), Cappuccino, Passiona and White Coffee.
- G7 3in1
- G7 2in1 (Stone Black):
- G7 Black Soluble (no sugar)
- G7 Gu is strong X2
- G7 Cappuccino:
- G7 Passiona:
- G7 White coffee

Fresh coffee

- Traditional fresh coffee with rich, popular flavor.
- Fresh coffee with a sophisticated taste, characteristic aroma.
- Brothers sweetened condensed cream
- Brothers sugar condensed cream also adds Vitamin B1, B6 which is very good for health.

Franchise

Trung Nguyen Franchising Joint Stock Company was established in 2011 to manage Trung Nguyen coffee space chain.

Trung Nguyen Coffee Village

Trung Nguyen Coffee Village, also known as Coffee Village, is a cluster of architectural works with an area of about 20,000m², located in the northwest of Buon Ma Thuot city, Dak Lak province. Derived from Dang Le Nguyen Vu's idea of creating a "global coffee capital" in Vietnam, after many years of construction, the coffee village was completed in December 2008.

World Coffee Museum

The World Coffee Museum in Trung Nguyen Coffee Village is ceded from German collector Jens Burg with more than 10,000 artifacts. Currently, there are about 500 typical artifacts on display here.

1.7 Distribution system

- Saigon Coffee Factory (My Phuoc - Binh Duong) is a

factory acquired by Trung Nguyen from a transfer contract with Vinamilk in 2010 with a total investment of more than 17 million USD.

- Trung Nguyen instant coffee factory (Di An - Binh Duong) The factory has an area of 3 hectares. The whole plant's equipment and technology lines are manufactured and transferred directly from FEA srl - an Italian company specializing in manufacturing food processing equipment and instant coffee.
- Trung Nguyen Coffee Factory was inaugurated on May 20, 2005, processing roasted and ground coffee
- Bac Giang factory, the largest instant coffee factory in Asia. The factory is divided into 2 phases, the first phase focuses on processing and packaging G7 instant coffee products. The second phase is to invest in a processing technology system to meet the growth of the export market.

2. Theoretical basis for analyzing the external environment

2.1 Political and legal factors

The political and legal system in Vietnam is relatively stable, creating opportunities for coffee companies to expand production with peace of mind. However, the inconsistency on some regulations of the State has created conditions for enterprises with 100% foreign capital (FDI) to circumvent the law and have the risk of monopolizing the raw material area of Vietnam's coffee production.

Decree 23/CP – ND of the Government encourages FDI enterprises to participate in the Vietnamese coffee market with many preferential interest rates (3.5% - 4.5% / 1 year) provided that they are not allowed to purchase coffee. Coffee directly from farmers but only invest in deep processing. Meanwhile, the Law on Investment does not regulate this issue. FDI enterprises have taken advantage of this loophole to purchase raw materials directly from farmers through domestic limited companies. With financial strength plus preferential interest rates, it is only a matter of time before FDI enterprises monopolize the raw material area.

In the past, intellectual property rights were still unfamiliar to many businesses, but now, registering a patent is a way for businesses to protect themselves from products being infringed and counterfeited in the market. In the context of fierce competition today, if intellectual property is optimally exploited, it can help enterprises increase their strength, improve their position, reputation, competitiveness, revenue, market share and profit. In terms of branded domain names alone, many Vietnamese corporations and companies have received valuable lessons about slowness. Among them, there are also large enterprises such as Bkav, FPT, Viettel, Vinaphone, Mobifone and Vietcombank all lost their dot com domain names.

The most recent case is Trung Nguyen to lose the coffee domain name "weasel" (brand Legendee). Although Trung Nguyen has acquired the domain name Legendee.com since December 2011, but a series of domain names that can cause confusion related to Legendee have been "forgotten" by Trung Nguyen.

Comment: In the production process, the acquisition of coffee material areas produced in Vietnam by FDI enterprises is a great risk for Trung Nguyen. At the same time, stories about intellectual property rights of large companies in Vietnam are also valuable lessons that Trung Nguyen must consider.

2.2. Technological factors

Trung Nguyen Coffee: Europe's leading processing

technology

Trung Nguyen Coffee Group is considered by the world's leading corporations to be environmentally friendly. Trung Nguyen coffee factory system has the world's leading technology, meeting HACCP standards to create excellent, clean and delicious Trung Nguyen coffee products.

Trung Nguyen coffee products meet the strict standards of the FDA to export coffee to the My, Japanese and European markets. Trung Nguyen Coffee Group orders the world's leading companies from Italy and Germany such as FAE, NEUHAU NEOTEC to design their own technology, Trung Nguyen coffee ensures to retain its excellent taste.

Trung Nguyen Coffee: The secret that cannot be copied

Trung Nguyen Coffee uses the mysterious oriental secret which is a blend of rare herbal ingredients, special raw materials from precious stones and special additives in the roasting process to create the perfect coffee. top class.

Trung Nguyen Coffee: Passion, research

Trung Nguyen coffee is the result of creative and meticulous research in each stage of coffee experts - Trung Nguyen people who really love and are passionate about coffee, want to live and die with coffee, always working day and night to be able to create delicious and excellent cups of coffee, helping to increase the ability to stimulate brain mechanisms and activities, helping the brain to work strongly and optimally.

Trung Nguyen Coffee and People

Trung Nguyen coffee training session is the gathering place of great aspirations. People who are constantly innovating to not only create great coffee products but also provide solutions for success.

The no.1 Coffee

The combination of 5 factors: " Special ingredients + Modern technology + Unrepeatable know-how + Passion and love + Trung Nguyen people" has created Trung Nguyen coffee - the masterpiece of Heaven and earth maximize brain activity and unleash the creative power in each person

Distribution of Trung Nguyen coffee

Every step in the production process of Trung Nguyen coffee is tested to meet all the strict standards of the FDA and is FSSC 22000 certified, from which it is distributed to more than 60 countries around the world. Trung Nguyen Coffee is proud to have been present in the most fastidious national cities of London, New York, Paris, Tokyo, Hongkong, Berlin, Moscow, Seoul, Shanghai, Dubai, Singapore...

Factory system

Saigon Coffee Factory (My Phuoc - Binh Duong) is a factory acquired by Trung Nguyen from a transfer contract with Vinamilk in 2010 with a total investment of more than 17 million USD.

Trung Nguyen instant coffee factory (Di An - Binh Duong) The factory has an area of 3 hectares. The whole plant's equipment and technology lines are manufactured and transferred directly from FEA srl - an Italian company specializing in manufacturing food processing equipment and instant coffee. Trung Nguyen Coffee Factory was inaugurated on May 20, 2005, processing roasted and ground coffee. Bac Giang factory, the largest instant coffee factory in Asia. The factory is divided into 2 phases, the first phase focuses on processing and packaging G7 instant coffee products. The second phase is to invest in a processing

technology system to meet the growth of the export market. Regardless of domestic giants or global brands, Trung Nguyen has surpassed and maintained its No. 1 position in the market for many years with an average growth rate of 200%/year and set a target to achieve 1 billion USD in 2016. To do that, Trung Nguyen participates in all stages of the global coffee value chain and focuses only on developing its core strength of coffee. However, the true strength of the "Trung Nguyen hedgehog" comes from four 1s.

No. 1 roasted coffee – Trung Nguyen is the leading brand in the coffee roasting segment with 10 million / 17 million Vietnamese households choosing to use Trung Nguyen. On average, each household has 2 adults using coffee, the number of consumers drinking Trung Nguyen coffee at home is 20 million people, accounting for about ¼ of the population of Vietnam.

No. 1 coffee shop chain – With more than 2,500 Trung Nguyen coffee shops and 10,000 shops selling Trung Nguyen coffee, no brand can surpass Trung Nguyen in terms of chain stores. Moreover, Trung Nguyen shop is shaped as a space to promote and awaken the creative power, different from Starbucks, Highland or other coffee shop chains that only see coffee shops as a stopover, coffee as a drink. With Book Coffee Space, Saturday Coffee or Creative Youth Club, Coffee Village, Trung Nguyen is loved by intellectuals and creative lovers as a destination.

No. 1 instant coffee – G7 instant coffee brand after the event was chosen by 89% of consumers compared to 11% who chose Nescafe in the blind test (blind test) at the first launch, quickly surpassed by new players 1 position in the North market and then No. 1 in Vietnam since 2012 until now, forcing Nescafe, the world's No. 1 global brand to only rank 3 in Vietnam, to constantly change its product localization strategy and media message.

No. 1 coffee leader – Not only focusing on developing product brands, Trung Nguyen is known as the leading enterprise in projects and plans to develop Vietnam's coffee industry such as the National Coffee Industry Cluster. To implement the coffee processing model, the project to build Buon Ma Thuot into a global coffee mecca, proposes 4 principles of multilateral cooperation and 7 initiatives for the global coffee industry.

Business Franchise

Referring to Trung Nguyen's distribution system, it is impossible not to mention "franchising", a strategy that greatly contributes to Trung Nguyen's distribution network. In 2006, Trung Nguyen launched 500 "supermarkets". mini"G7 Mart- The G7mart distribution system is built on the basis of human resources, resources, and brand value of Trung Nguyen Coffee Company and 70 distribution centers across the country, contributing to the distribution system. power of Trung Nguyen. From here, it will develop into commercial centers and hypermarkets. It can be said that the success of Cafe Trung Nguyen is due in large part to "communication and promotion". Trung Nguyen's advertising activities are not many, the real effect that Trung Nguyen achieves is thanks to PR-public relations based on the core values that the company aims at. Trung Nguyen has breathed the national soul into its logo and slogan, promoting national pride in each product. Therefore, Trung Nguyen has quickly gained the trust of consumers.

2.3 Cultural, social and natural factors

Includes norms and values that are accepted and respected by a particular society or culture. The change of socio-cultural factors is partly a consequence of the castle effects of other

macro factors, so it usually happens more slowly than other factors. Some characteristics that managers need to pay attention to is that the impact of socio-cultural factors is often longer-term and subtler than other factors, sometimes even difficult to recognize. On the other hand, the range of sociocultural factors is often very broad: "it determines how people live, work, produce, and consume products and services". Thus, cultural and social understandings will be very important bases for managers in the process of strategic management in enterprises. The aspects that form the socio-cultural environment have a strong influence on business activities such as: (1) Concepts of ethics, aesthetics, lifestyle, and profession; (2) Customs, habits, traditions (3) Concerns and priorities of society; The general level of awareness and education of the society.

Besides, population is also a very important factor affecting other factors of the macro environment, especially social factors and economic factors. Changes in the population environment will directly affect changes in the economic and social environment and affect the business strategy of enterprises.

The information of the population environment provides important data for managers in planning product strategy, market and marketing strategy, distribution and advertising. Aspects of the population environment that need attention include: (1) Total population of the society, population growth rate, (2) Population structure and changing trends in terms of age and sex, ethnicity, occupation, and income distribution; (3) Life expectancy and natural birth rate; (4) Trends of population movement between regions...

2.4 Economic factors

The United States is the strongest economy in the world, with GDP and per capita income among the highest in the

world. In recent years, due to the effects of the global economic recession, the US economy was severely affected, with high inflation and high unemployment. However, the US is slowly recovering from the worst recession since the Great Depression, and the leading US commercial bank US Trust has given reasons to prove that the world's leading economy will continue. continue to lead the way for many years to come. The US is leading the developed world in terms of the quality of the recovery, Treasury Secretary Jack Lew told CNBC Asia in an exclusive interview on Wednesday (November 13, 2013). referring to recent controversies regarding the debt ceiling and the federal budget: "We have been through a period of some political turmoil, but I must say clearly that it is a crisis. political, not economic crisis.

In the United States, people believe that the free market increases economic efficiency and is a way of enhancing their political value – especially their commitment to individual freedom and political pluralism as well as their commitment to political freedom. as their opposition to excessive centralization of power. However, Americans' belief in "free enterprise" does not preclude the important role of government. American businesses use the government to protect them from competition. Therefore, Vietnamese businesses need to research and learn clearly before entering this fiercely competitive market.

As one of the most developed economies in the world and with a relatively large demand for importing agricultural products of the world, including the main coffee product, this can be considered a potential market for Trung Nguyen when export coffee in this market.

3. Analysis of Trung Nguyen's model using EFE matrix
3.1 Trung Nguyen's EFE model

Table 1: Trung Nguyen's EFE Matrix

	External factors	Important level	Classify	Score
1	The influence of the natural environment	0.08	2.52	0.20
2	Competition in the industry	0.12	2.03	0.24
3	The advancement of science and technology	0.05	2.87	0.14
4	Number of suppliers	0.03	3.72	0.11
5	Preferential policies	0.07	3.51	0.25
6	The infrastructure	0.04	3.01	0.12
7	Political environment	0.14	3.65	0.51
8	Quality and reserve of water resources	0.09	3.83	0.34
9	Labor market	0.15	2.85	0.43
10	Loyalty of customers goods	0.07	3.03	0.21
11	The demand for the product is increasing gradually	0.05	3.15	0.16
12	International cooperation	0.05	2.50	0.13
13	Diversified retail system	0.06	3.00	0.18
	Total score	1.00		3.02

Source: Own calculation

3.2 Analysis of the model

Through the table EFE Matrix of Trung Nguyen tells us:

- The influence of the natural environment is at an important level of only 0.08 (total score of 0.20) because the Central Highlands has the advantage of open fertile basalt red soil with specific advantages of natural conditions in the Buon Ma Plateau. Art is not only a place where coffee trees grow well, but also creates quality coffee beans with a different flavor compared to other regions.
- In matrix EFE competitors in the industry is also one of the issues of concern. When the competition is fierce between the three giants Trung Nguyen, Nescafe and Vinacafe are the 3 brands with the best level of awareness with the rates of 97% and 92.4% and 91.2%,

respectively. Because we see the importance level is 0.12 (0.24)

- Equally important is 0.14 (0.51) that is about the political and economic environment. In 2012, we saw another difficult year for the economy, especially for businesses, the economy and the economy. The political economy faces a series of difficulties, but the rate of economic growth declines, inflation increases, and confidence declines. But perhaps the biggest worry is the problem of declining social investment capital. decline than ever and in recent years, the state allows businesses to set their own interest rates, leading to an interest rate of 16% to 18%, causing difficulties for Trung Nguyen in terms of capital management. because the political economy is also something that affects many businesses in general

and Trung Nguyen in general.

- The labor market also has a large impact on the product as well as Trung Nguyen when according to the analysis, the important level is .15 (0.43). In the popular segment, we can mention: Cafe Milano, Napoli Cafe, Viva Star Coffee. The price is a bit higher, we have many chains: Highlands Coffee, Cong Coffee, The Coffee House, Phuc Long. And in the above segment, there are names like: Starbucks, Trung Nguyen, and The Coffee Bean & Tea Leaf. In which, only Starbucks can temporarily be called high-class coffee. Although Trung Nguyen's image position and price are not lower, it does not seem to be able to rank the same. Therefore, Trung Nguyen is focusing more on the labor market with high-quality human resources that will boost productivity as well as product quality.
- In addition to the above factors, according to the EFE table, there are equally important factors that create the success of Trung Nguyen, all of which are rated from 0.3 to 0.9.

Through the EFE matrix, it shows that Trung Nguyen coffee's score of 3.02 is higher than the average of 2.5, which shows that Trung Nguyen has a good ability to react to the external environment, besides the opportunities of China. The original is very large, in which the factors that are not really important are: Number of suppliers, Infrastructure, increasing demand, Retail systems compete fiercely with partners in the industry. with important scores of 0.3, 0.4, 0.5, 0.6, respectively.

4. Conclusion and Recommendations

4.1 Conclusion

It can be seen that in order to be successful a business must do better than its competitors in satisfying the needs of its key customers. Therefore, the business strategy planning process needs to ensure that the strategy is in line with the needs of consumers and is also in balance with the strategies of competitors. The fact that Trung Nguyen launched a series of creative coffee products has been very popular with consumers and assured the quality of Trung Nguyen coffee. However, as people go after outsource c cafe Trung Nguyen soluble should find the space market, market segmentation, target customer segments. Because everyone's style and habits when drinking coffee are different. While Trung Nguyen targets the vast majority of Vietnamese consumers. Therefore, it can be seen that Trung Nguyen's mistake is not clearly defining target customers.

In short, nearly 15 years of construction and growth. Trung Nguyen Cafe has constantly strived to rise and achieve very important achievements, contributing to the economic development of the country, especially in the strategic area of the Central Highlands. In addition to the results obtained. Trung Nguyen Cafe also faces many difficulties and challenges in terms of capital, competitors, markets, and technology. Trung Nguyen Cafe still worthy of being one of the leading companies in Vietnam's coffee industry. Trung Nguyen coffee brand is strongly affirmed and prestigious in the world market, highly appreciated by the world. Trung Nguyen Cafe contributes to affirming the image of Vietnamese businesses to friends around the world, creating money for Vietnamese businesses to reach further and further into the international market.

4.2 Recommendations and proposed solutions

To achieve success in the chosen strategy, improve business efficiency as well as brand value, increase competitiveness with competitors in the market. Especially overseas businesses, expand markets and develop products of top

quality, international standards and in line with the commitment that Trung Nguyen sets out, becoming the world's leading premium coffee brand. gender. Our team has the following recommendations and solutions:

1. Firstly, improve the management method in the franchise system. What is the policy for distributors to cooperate with Trung Nguyen to expand the distribution system in a better way? Smart balance between two factors. One is the immediate material values and interests.
2. The second is spiritual, community and long-range values. If you only care about the first factor and ignore the second, Trung Nguyen will only win in the short term. There are four things Trung Nguyen should do to gain or regain market share in the country, when there are more and more competitors
 - a. Trung Nguyen commits to consumers that product quality always comes first.
 - b. Trung Nguyen's goods must be closest to the consumer in terms of physical, price and image. Those two things the company tried to do the best.
 - c. Trung Nguyen must make efforts to make domestic consumers see Trung Nguyen's ambition and share it with Trung Nguyen. And even though multinational coffee corporations have made massive inroads into Vietnam, Trung Nguyen still retains market share and trust among the Vietnamese. The core of "coffee spirit" is to meet the connection of the common link "coffee", creativity, prosperity in peace, and at the same time is a symbol of the orientation of sustainable development needs, green economy as the foundation - the longevity of people and the Earth.
 - d. Expanding the market by establishing more franchised cafes does not mean neglecting its brand image, Trung Nguyen needs to tighten the regulations for its franchise system, coffee shops Franchisees must commit to follow those regulations, in order to create consistency in terms of shop form, service, preparation, price, etc., so that customers who come to any Trung Nguyen shop will feel they receive that similarity and the same "Trung Nguyen style".
In addition, Trung Nguyen should delve into improving the quality of the G7Mart distribution system in the direction of shifting from breadth to depth, focusing on investment in the industry, and developing the domestic and international franchise system. Second, specialize the role of each member in the distribution channel and if there are conflicts, they must be mediated effectively. Trung Nguyen needs a new strategy to access the market, which is to implement distribution channel management, this is the most important link to benefit all partners participating in the channel. Because changing distribution channels is the most difficult job compared to changing other factors in the marketing strategy of a business in general as well as Trung Nguyen in particular.
3. Third, Trung Nguyen needs new resources, new spirit; need new factors, new people are strong distribution partners, good sales people, excellent individuals for us to join forces towards common success, with common pride.
4. Fourth, it is necessary to establish a new brand justice for coffee growing countries in the world such as Vietnam, and the revolutionary process of coffee trees will be an inspiration, motivation, and belief for coffee producers. Second and third world countries rise up from poverty and backwardness and avoid being left behind in the process of globalization.

5. Fifth, form a mechanism to bring harmonization of benefits to all stakeholders: coffee farmers, processing and trading enterprises, the coffee industry in Vietnam and the world, the tourism industry, trade, finance to the ultimate coffee beneficiaries will bring innovative solutions to develop humanity
6. Sixth, it is necessary to pay attention to distribution channel management: Changing distribution channels is the most difficult job compared to changing other factors in the marketing strategy of the business. Therefore, businesses need a new strategy to access the market, which is to implement distribution channel management, this is the most important link to be able to bring benefits to all partners participating in the market. channel. It is difficult to make drastic changes in the distribution channel system. While the development of technology can make it easier to reach customers, make transactions faster and business processes more coherent, there is still no effective design for distribution channels.
7. Seventh, it is necessary to negotiate with supermarkets so that Trung Nguyen products can have a "place" that is more visible and easier to find with customers going to the supermarket.
8. Eighth, develop sales stores in a more professional style (with more door-to-door delivery services, discounts when customers buy in bulk) and the shop's form needs to be embellished in Trung Nguyen style, so that customers can immediately recognize that it is Trung Nguyen's store.
9. Ninth, re-establishing the brand image with bold national identity and pride.
10. Tenth, to rapidly develop the distribution network based on the distribution system, agents and stores available in the markets; build a strong logistics management system to operate the system; arrange product categories in order to promote the operational capacity of each distributor; synergies with manufacturers, delivery and storage capabilities.
11. Eleventh, in parallel with the growth in quantity, the distribution system of G7MART retail stores, Trung Nguyen should focus on developing quality human resources, IT systems to ensure the quality of service of store owners. convenient G7MART.
12. Twelfth, focus on projects that are suitable for the current situation, do not disperse resources into areas of "unknown water".

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