

1. strengths

[Countries](#), [Vietnam](#)



1. Strengths Long history and strong foundation is the first and foremost strength to make Vinamilk become a leader in dairy market of Viet Nam. Thanks to the completely qualified products, competitive with the market existing goods, throughout about 34 years operating history, Vinamilk has undoubtedly become a familiar and trusted trademark in the mind of domestic clients. Moreover, it has gained a great customer satisfaction and understanding as well as the knowledge of the local market. Another remarkable factor that has actually strengthened the Vinamilk's leading position is that it established wide and deep distribution system located nationwide and being expanded over time. The distribution network is not only the essence for long-term period strategy but also the decisive factor for the success of a consumer goods producer. It allows Vinamilk to bring its core products to consumers in a fast and effective way. To be more specific, today the company has more than 1500 distributors, over 90000 retail outlets in the entire country. Along with the solid distribution, in order to do well Vinamilk always pay attention to investing in modern equipment and factories. At the present, a range of modern factories located along Viet Nam that helps to reduce transportation expenses and a system of advanced equipment that helps to ensure the output products meeting the international standards. One more aspects should be highlighted in the strength of Vinamilk is that its loyal and cooperative relationships with both local and overseas suppliers allow the company to have a stable material sources at the reasonable price. Today, around 60% of all cow milk produced in Viet Nam is consumed by Vinamilk. Last but not least, a professional experienced management team in dairy business and production, a

transparent internal management system and tight and detailed management procedures are other keys to success making Vinamilk a top business of the Viet Nam milk industry branch. 2. Weaknesses The low-income majority rural population is the first weakness having influence on the operation of Vinamilk. In case the economy slowing growth in the coming period, as lower income people will restrict the consumption of output in the country, reduce profits and sales revenue of the company. In addition, reducing the duties for dairy products will be favorable conditions for imported dairy products. With 50% of raw material to the company's import and 30% of the company's revenues are from exports, the fluctuations in exchange rates affect the operation of the Company. Finally, Viet Nam's WTO accession will create conditions for foreign company to take part in the domestic market. It will increase competition among companies in the industry as a result.