

Executive summary

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



Executive Summary This report will discuss about ‘ An La Ghien’ Restaurants (Dang Truong Ltd Company) in Vietnam. These restaurants provide to consumers Banh Xeo, which is one of the most famous traditional food in Vietnam. Firstly, the report will mention about the background of the company. Due to the passion of the traditional food of the owners and the high demand of tradition food in Vietnam, Dang Truong Ltd Company opened their first ‘ An La Ghien’ Restaurant in Ho Chi Minh City. Secondly, the innovation of the owners that adds the value to the success of the company is also discussed. Their Innovation type is Duplication. Next, the report will analyze the strategies that the firm has applied that are Product & market development strategy, Positioning & differentiation strategies, store expansion and brand building. The last part is some recommendation that the firm should concern to continue growing and expanding in this industry.

Contents Executive Summary 3 I. Introduction: 5 II. Company Background: 5 III. Innovation: 6 IV. Business Strategies and Success Factors: 8 a) Product and market development strategy: 8 b) Positioning and Differentiation strategies: 8 c) The Store Expansion Strategy: 10 d) Building a strong brandname: 10 V. Recommendation: 11 a) Geography Expansion Strategy: 11 b) Promotional Mix: 11 VI. Conclusion: 12 VII. Reference List: 13

Introduction: Dang Truong Ltd Company or ‘ An La Ghien’ Restaurant has opened since 2008. It was established by Mr. Dang Hoai Phong and her wife, Truong Thi Thanh Truc, because of their traditional food passion. ‘ An La Ghien’ provides many kind of ‘ Banh Xeo’, a kind of Vietnamese traditional pancakes. With the unique taste of their products, Banh Xeo “ An La Ghien" has become one of the famous traditional food restaurants brand names in

Ho Chi Minh City after 5 years operation. Until now, Dang Truong Company has 4 ' An La Ghien' Branches along Ho Chi Minh City. According to Huy Hiep (2010) ' An La Ghien' restaurant becomes one of the top 10 distinctive food restaurants of Ho Chi Minh City. This document will analyse the strategy of the company and the critical success factors that has led " An La Ghien" to survive and grow rapidly. Moreover, it also gives the recommendations for the company in order to sustain their growth. Figure 1: Reproduced from: An La Ghien restaurant 2008 Company Background: It can be seen that " Banh Xeo" is a traditional food of Vietnam; it was highly accepted by Vietnamese for a long time ago. People who live in Ho Chi Minh City are mostly from countryside of Vietnam, they migrate to Ho Chi Minh City in order to work and live. Therefore, those people always miss the taste of countryside foods. It has led to the high demand of Banh Xeo that has traditional taste, countryside taste. Moreover, the tourism of Vietnam has been developed rapidly in recently years. It is the fastest growth in ASEA (My Hanh 2010). It means the number of tourist come to Vietnam is increased. Furthermore, foreign tourists always want to try Vietnamese traditional food and have countryside sightseeing. According to Ngan Hao (2010), Mr. Phong and Mrs. Truc, the owners of " An La Ghien" Restaurants, are from the South-Western of Vietnam where is known as the original place of " Banh Xeo". In the past, family of Mr. Phong and Mrs. Truc had tradition of making Banh Xeo, so they have the hereditary formula for making original ' Banh Xeo'. With above condition of development of tourism and high demand of traditional foods in Ho Chi Minh City, ' An La Ghien' Restaurant was opened the first branch in 2008 by Mr. Phong and Mrs. Truc. With that hereditary formula, Banh Xeo of

" An La Ghien" is very crisp; it has a unique flavor and traditional taste. Besides the unique taste, the firm are design follow the countryside style; all of tables, chairs are made from bamboo. It attracts a huge amount of foreign customers come to " An La Ghien" restaurants. [pic] Figure 2: Reproduced from An La Ghien 2008 Innovation: The factor that contributed in the success of " An La Ghien" Restaurants is Innovation in Thinking. Innovation is the development of original ideas that create a new, better things (McShane & Travaglione 2007). With the Innovation of Mrs. Truc and the group of chef of " An La Ghien" restaurants, they have created many ideas of making " Banh Xeo". In tradition, there is only one kind of Banh Xeo that is made from rice powder, shrimp, pork and bean sprouts. Adopting the ideas from making pizzas, " An La Ghien" has try to apply many new kind materials in order to create a new kind of Banh Xeo. Untill now, there are approximately 10 kinds of Banh Xeo in " An La Ghien" restaurants, for example, White crab mushroom Banh Xeo, Japanese Abalon Mushroom Banh Xeo and Day-Lily Flower Banh Xeo. [pic] Figure 3: Adopted from An La Ghien website (2008) All kinds of new Banh Xeo that are created by " An La Ghien" are very delicious, good for the health. The Innovation of " An La Ghien" restaurants has strengthened the product development strategy of the company, it help attracting more and more consumers by those unique products, taste and quality. The unique products are the differentiation of the company. According to Kuratko (2009) the innovation of ' An La Ghien' Restaurant is Duplication which is the replication of an existing product. Banh Xeo is a traditional food of Vietnam, but it has only 1 kind of Banh Xeo. ' An La Ghien' has used their creative thinking to create many new kinds of Banh Xeo.

Business Strategies and Success Factors: Product and market development strategy: According to Kotler et al. (2006) in order to achieve profitable growth for the company, the firm must evaluate and choose the development strategies. Product and market expansion grid is the most popular tool for choosing the growth strategies. [pic] Figure 2.

Product/Market expansion Grid (Reproduced from Kotler et al. 2006) It can be seen that “ An La Ghien” is using both Market Penetration and Product Development strategies. “ Banh Xeo” is a traditional pancake of Vietnam. It has been accepted by Vietnamese for long time ago, so the firm has used traditional “ Banh Xeo” in order to penetrate Ho Chi Minh City market.

Moreover, in order to attract potential customers and keep the loyal customers “ An La Ghien” also uses product development strategy. It has led that the firm has created and modified many new kinds of “ Banh Xeo” besides the traditional taste. Positioning and Differentiation strategies: In order to build competitive advantages, “ An La Ghien” decides to use differentiation strategy in the Porter’s Competitive Strategies (Daft 2007). It means they provide distinctive products that have high quality, unique taste to a broad targeted market. [pic] Figure 3. Porter’s Competitive Strategies (Reproduced from Daft 2007) By using Differentiation Strategy, the Firm has build for them a high position on the market because most of “ Banh Xeo” providers in Ho Chi Minh City are small restaurants or Roadside restaurants. They provide “ Banh Xeo” with lower quality for example, lower healthy standard. Banh Xeo “ Dinh Cong Trang” Restaurant is one of the most popular Banh Xeo providers in Ho Chi Minh City. They provide high quality Banh Xeo, but they have lower service quality and less positional advantages

because they have online 1 restaurant compare with 4 branches of “ An La Ghien”. Figure 4. Position of “ An La Ghien” on the market

The Store Expansion Strategy: According to Strickland and Thompson (1999) by using geography expansion strategy, the firm will open new stores in the targeted market. It will help the company penetrate the market successfully. Dang Truong Company is also using this strategy in order to penetrate the market and build the strong brand name, competitive advantages for “ An La Ghien” restaurants. After 5 years existing on the market, Dang Truong Company has had 4 “ An La Ghien” branches in around Ho Chi Minh City that are District 3, District 10, District 1 and Phu Nhuan District Branches. By opening these branches, the targeted customer can easily find and come to try the products of company. It will increase the convenience of consumers and the number of loyal customers.

Building a strong brandname: According to Kotler et al. (2006) “ a good name can add greatly to a product’s success”. It was greatly true for “ An La Ghien” restaurants. Dang Truong Company decided to name their restaurants “ An La Ghien”; it was a confident name. That name is a Vietnamese name, it means “ if you try, you will be addicted”. At the first time seeing that name, people will be shocked, feel curious and want to try in order to fulfill their curiousness. That has led the number of customers of “ An La Ghien” was pretty high at some first periods operation. Moreover, combining with the unique flavor and special kinds of Banh Xeo, most of customers are satisfied or addicted after trying Banh Xeo of “ An La Ghien” restaurants. “ An La Ghien” restaurant received the certificate to become one of the top 10 distinctive food restaurants of Ho Chi Minh City from People’s Committee of Ho Chi Minh city in 2010 (Huy Hiep 2010). It has

made “ An La Ghien” become an image of popular restaurant for both foreign tourists and local people. Furthermore, in recently years, people are more concern about the safety and hygiene of food. Knowing about the trend of market, “ An La Ghien” had enough condition to get certificate of achieving the hygiene and safety food standard (An La Ghien 2009). Moreover, they also participate in many Food and Beverage Fair of Vietnam. It helps raising the position of “ An La Ghien” image on the market. Recommendation: After about 5 years opening, Dang Truong Company have been successful in operating “ An La Ghien” Restaurants. However, in order to keep growing the business in the future, there may have some strategies that company should follow: Geography Expansion Strategy: It can be known that “ An La Ghien” is using geography expansion strategy. They currently have 4 branches over Ho Chi Minh City and it helped Dang Truong to be successful on the market. However, in order to sustain the growth of their business, “ An La Ghien” Restaurant should continue expanse the number of their store. The Stores Expansion will help firm reaching all of potential customers on the market (Strickland and Thompson 1999). Beside 4 Districts that already had “ An La Ghien” branches, Dang Truong Company should open some new branches in the other districts where have high population or high number of foreigners such as district 11, district 7, Tan Binh district in order to penetrate Ho Chi Minh City Market. Starbuck is a good example of using this strategy; it was developed by Starbuck (Strickland and Thompson 1999). By using this strategy, Starbuck already had more than 16, 000 stores in more than 50 countries around the world (Starbuck 2009). Until now, Starbuck is the most successful and respected coffee brandname over the world. Therefore, for

continue growing in the future Dang Truong Company should open many other “ An La Ghien” restaurants in other places of Vietnam such as Ha Noi, Hue after penetrate Ho Chi Minh City Market. It will help building a strong brand name for “ An La Ghien” restaurants over Vietnam. Promotional Mix: After 5 years operation, “ An La Ghien” has achieved many successes in the food industry. However, they did not really focus on their marketing plan, so Dang Truong should create a good marketing plan in order to expand the market. According to Allen (2007) Promotion Mix is a strategy that help company building relationship with customers and increase the repeat sales.

- Advertising: in order to create products awareness, “ An La Ghien” should have an advertising plan. Therefore, the firm should choose for them the reliable media. There are some media that suitable for Dang Truong Company that is newspapers, magazines and internet. Newspapers is a cheapest media for advertising, Company can choose TuoiTre Newspaper or ThanhNien newspapers. The Company should advertise their products to foreign customer through tourist magazine. Lastly, social networks such as Facebook are become more popular in recently years, by using Internet Dang Truong Company can advertise through social network, it is more efficient.
- Sales promotion: In order to increase the sales, we should create some sales promotions in the special festival or holiday of Vietnam; for example, the company can create some combos with bundle price for their food in Tet holiday, Christmas, happy new years, Valentine Day, etc.

Moreover, in order to increase the repeat sales, Dang Truong Company should provide promotion to the loyal customers such as vouchers, coupon.

Conclusion: Although Banh Xeo “ An La Ghien” has just opened for 5 years, it

has become one of the most tradition Banh Xeo restaurants in Vietnam because they had applied very well their strategies in order to grow such as product and market development strategies and Geography expansion strategy. Besides those strategies, there are some factors that contribute in the success of the firm, for example, the innovation of the chefs, the tourism and successful brand name building. However, in order to sustain the growth of the company in the future, the firm should continue expand their store not only in Ho Chi Minh City, but also over Vietnam. Moreover, they should apply some new strategies that are diversification strategy and doing more promotion.

Reference List: Allen , K 2007, " growing and managing a small business — an entrepreneurial perspective", Houghton Mifflin Company, viewed 13th Jan 2013. An La Ghien Restaurant 2008, " IMG_24002", image, An La Ghien website, viewed 12th Jan 2013, An La Ghien Restaurant 2009, " Products picture", image, An La Ghien website, viewed 12th Jan 2013, An La Ghien Restaurant 2009, " Giá ỚY CHÁ»”NG NHÁ»N AN TOẢ€N VÁ»† SINH THÁ»C PHÁ»M", An La Ghien Website, 12th Jan 2013, Daft, R. L 2007, " Understanding the Theory and Design of Organization", Thomson South-Western, USA, view 13th Jan 2013 Huy Hiep 2010, " 100 dieu thu vi kham pha thanh pho Ho Chi Minh", Vietnamtourism, February 27th 2010, viewed 13th Jan 2013, Kotler, P, Armstrong, G, Hoon Ang, S, Meng leong, S, Tiong Tan, C and Tse D 2006, " Principles of Marketing: An Asian perspective", 7th edition, Pearson Education, New Jersey, viewed 14th Jan 2013. Kuratko, D. F 2009, ' Introduction to Entrepreneurship', 8th edition, Shouth-Western Cengage Learning, viewed 12th Jan 2013. Ngan Hao 2010, " An La Ghien Thiet! ", Kien Thuc online, January 23rd 2010, viewed 13th Jan 2013,

McShane, S and Travaglione, T 2007, " Organisational Behaviour on the Pacific Rim", 2nd edition, McGraw Hill Australia Pty Limited, Australia, viewed 13th Jan 2013. My Hanh 2010, " Du lich Viet Nam tang truong cao", Saigon Giai Phong online newspaper, May 8th 2010, viewed 13th Jan 2013, Starbuck 2009, " company profile", Starbuck website, viewed 12th Jan 2013, Strickland, A. J and Thompson, A (1999), " Strategic Management", 11th edition, The McGraw-Hill Companies, viewed 12th Jan 2013, -----
Price Service, products quality Banh Xeo " An La Ghien" Banh Xeo " Dinh Cong Trang" Roadside Restaurants